	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	May 28, 2013	
RESOLUTION OR ORDINANCE NUMBER	R-13-47	
AGENDA TITLE	A resolution to implement a non-recurring revenues funds policy.	
REQUESTING DEPARTMENT	Finance Department	
PRESENTER	Stephanie A. Richardson, Finance Director	
FISCAL INFORMATION	Cost as recommended:	N/A
	Budget Line Item:	N/A
	Balance Available	N/A
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	Establish a policy which prohibits the use of non-recurring revenues for recurring expenditures.	
BACKGROUND	The City of Coffeyville does not have a policy providing guidance for the use of one-time revenues. This policy states that non-recurring revenues shall only be utilized as a funding source of one-time, non-recurring expenditures. Any uses that vary from this policy and significantly add to the cost of ongoing operations should be carefully reviewed and minimized. This policy will apply to all non-recurring revenues and shall be incorporated into the development and implementation of operating and capital budgets for the City.	
SPECIAL NOTES	N/A	
ANALYSIS	N/A	

PUBLIC INFORMATION PROCESS	N/A
BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Staff recommends adoption of the resolution.
REFERENCE DOCUMENTS ATTACHED	Non-Recurring Revenues Funds Policy

RESOLUTION NO. R-13-47

A RESOLUTION ESTABLISHING A POLICY FOR NON-RECURRING REVENUES FUNDS.

WHEREAS, the City from time to time receives one-time revenues; and

WHEREAS, a policy on the use of one-time revenues shall provide guidance to minimize disruptive effects on services due to non-recurrence of these sources; and

WHEREAS, the policy shall apply to all non-recurring revenues and shall be incorporated into both the development and implementation of operating and capital budgets for the City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Coffeyville, Kansas, that the following policy be and is hereby established for non-recurring revenues funds.

Adopted this 28th day of May, 2013.

_____
David George, Mayor

ATTEST:

_____
Cindy Price, City Clerk

Approved as to Form:

_____
Paul Kritz, City Attorney

CITY OF COFFEYVILLE

SUBJECT	ISSUED BY	EFFECTIVE DATE	REVISION DATE
NON-RECURRING REVENUES FUNDS POLICY	City Commission	05/28/2013	

SECTION 1. GENERAL PROVISIONS

Purpose.
The purpose of this Administrative Policy is to prohibit the use of non-recurring revenues, also known as one-time revenues, for recurring expenditures, also known as operational expenditures. The Administrative Policy shall be effective from and after the date shown above. Any prior Administrative Policies adopted pursuant to this are hereby repealed.

Fundamental Principles. By definition, non-recurring revenues cannot be relied on in future budget periods. Such revenues can introduce significant instability in the City's ability to provide services, particularly if they are used as a means of funding ongoing programs or services. A policy on the use of one-time revenues provides guidance to minimize disruptive effects on services due to non-recurrence of these sources.

Application.
This policy applies to all non-recurring revenues and shall be incorporated into both the development and implementation of operating and capital budgets for the City.

SECTION 2. POLICY

Non-recurring revenues shall only be utilized as a funding source of one-time, non-recurring expenditures.

Examples of one-time revenues include but are not limited to: infrequent sales of assets, bond refunding savings, infrequent revenues from development, grant funding, and settlement monies. These revenues may be available for more than one year (e.g., a three-year grant), but are expected to be non-recurring.

Examples of expenditures for which the City may wish to use non-recurring revenues include startup costs, stabilization (e.g., to cover expenditures that temporarily exceed revenues), early debt retirement, capital purchases, capital improvement projects, and programs or projects that, though they may span several budget years, are not expected or intended to be permanent or long-term programs.

Uses that significantly add to cost of ongoing operations should be carefully reviewed and minimized, e.g., capital expenditures that significantly increase ongoing operations without a sustainable and offsetting long-term revenue plan (e.g., construction of a second fire station would be a capital project, but would carry with it operational costs for which there is no projected revenue stream).

Non-recurring revenues may also be appropriate for use in building or enhancing reserve fund balances, provided however that such reserve fund balances shall not later be used to fund recurring operational expenses.

SECTION 3. RESPONSIBILITY FOR ENFORCEMENT.

The City Manager will have the responsibility for the enforcement of this administrative policy in the development of annual budgets. The Board of Commissioners of the City of Coffeyville will have the ultimate responsibility for the enforcement of this policy through the adoption of annual capital and operating budgets.

Approved: _____
Mayor

Date: _____

(Current as of May 2013)