

**CITY OF XENIA, OHIO  
RESOLUTION 2018 – B**

**APPROVING THE 2018 FINANCIAL MANAGEMENT POLICIES AND GOALS  
AND DECLARING AN EMERGENCY**

**WHEREAS**, the City Council is committed to having sound financial management policies and goals for the City of Xenia;

**WHEREAS**, adoption of financial management policies and goals will lead to better accountability, sustainability and transparency in the financial management of the City;

**WHEREAS**, the City Council has completed the review process of the 2018 Final Budget and Annual Appropriations Ordinance, as well as the proposed financial management policies and goals; and

**WHEREAS**, this Council finds it to be in the best interests of the health, safety and welfare of the City and its inhabitants to adopt the 2018 Financial Management Policies and Goals for the City of Xenia as an emergency,

**NOW, THEREFORE, THE CITY OF XENIA HEREBY RESOLVES**, five (5) members of the City Council concurring, that:

**Section 1.** This Resolution is declared to be an emergency in order to have the 2018 Financial Management Policies and Goals in effect at the same time as the passage of the 2018 Final Budget and Annual Appropriations Ordinance.

**Section 2.** The 2018 Financial Management Policies and Goals for the City of Xenia, attached hereto as Exhibit A, to provide better accountability, sustainability and transparency in the financial management of the City, are hereby approved.

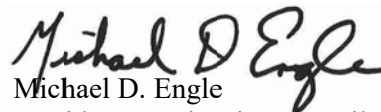
**Section 3.** It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council that resulted in this formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

**Section 4.** In accordance with Section 5.04 of the City Charter, this Resolution shall become effective upon its passage.

Passed: January 25, 2018

Attest:

  
Michelle D. Johnson  
City Clerk

  
Michael D. Engle  
President, Xenia City Council

## 2018 FINANCIAL MANAGEMENT POLICIES AND GOALS

**Key Operating Funds** – The City’s Key Operating Funds include the following:

- ✓ 101 – General Fund
- ✓ 203 – Recreation Fund
- ✓ 214 – The Probation Services Fund
- ✓ 221 – State Gas & Vehicle License Fund
- ✓ 270 – Police & Fire Fund

### **Policies:**

- The Key Operating Funds shall have a reserve requirement equal to or greater than 17% of annual operating expense. In addition to 17% of annual operating expense, the reserve requirement will include an amount to ensure available funds for those years having 27 pays instead of the normal 26 pay periods.
- The aggregate balances of key operating funds shall not be less than the aggregate reserve requirement for key operating funds. The balance in the City General Fund (101) shall not be less than the reserve requirement for that specific fund while other individual fund balances may be less than the requirement so long as the aggregate key operating balance sufficiently meets the reserve requirement.
- Deficits in Key Operating Funds shall not cause balances to fall below the aforementioned reserve requirements.
- Key Operating funds should not be subsidized by other funds. Normal and routine operating expenses related to general government type functions (Non-Enterprise functions) should be paid for by the Key Operating Funds.
- Generally, the Key Operating Funds should not subsidize other non-governmental type functions. Enterprise funds should produce sufficient revenues so as to cover the costs of that service provision.
- The Recreation Fund (203), the Probation Services Fund (214), the State Gas & Vehicle License Fund (221), the Police and Fire Fund (270), and other governmental type funds may be subsidized by the General Fund (101) through transfers on an as-needed basis or as otherwise determined by policy. The budgeted transfers to those funds shall only occur after all avenues for revenue enhancement and/or expenditure reduction in those funds have been explored and implemented if feasible.
- 3.5% of net income tax collections from the previous year shall be transferred into the Police and Fire Capital Improvement Fund (364) from the General Fund (101).
- With the exception of the aforementioned transfer to the Police and Fire Capital Improvement Fund (364), generally capital projects should not be funded by Key Operating Funds.
- One percent (1%) of the income tax rate shall be directly receipted into the General Fund (101). One percent (1%) of the income tax rate shall be directly receipted into the Police and Fire Fund (270).

**Special Revenue Funds** – The City’s Special Revenue Funds include the following:

- ✓ 212 – Indigent Driver Alcohol Treatment Fund
- ✓ 213 – Law Enforcement and Education Fund
- ✓ 222 – The State Route Repair Fund
- ✓ 228 – The Municipal Motor Vehicle License Tax Fund
- ✓ 229 – County Motor Vehicle License Tax Fund
- ✓ 233 – Special Miscellaneous Improvements Fund
- ✓ 234 – Tax Increment Financing Fund
- ✓ 250 – 911 Fund
- ✓ 251 – Law Enforcement Fund
- ✓ 252 – Drug Law Enforcement Fund
- ✓ 253 – Municipal Court Victim Fund

**Policies:**

- The Indigent Driver Alcohol Treatment Fund (212) and the Law Enforcement and Education Fund (213) shall be used for treatment and education of alcohol-related traffic offenses as established by State Law.
- The State Route Repair Fund (222) will be used for repair and maintenance of State Routes within the City.
- The Municipal Motor Vehicle License Tax Fund (228) and the County Motor Vehicle License Tax Fund (229) will be utilized for street construction/reconstruction projects and major resurfacing projects.
- The Special Miscellaneous Improvements Fund (233) and the Tax Increment Financing Fund (234) will be utilized for community and/or economic development purposes.
- The 911 Fund (250) will be utilized to help provide 911 services to the community.
- The Law Enforcement Fund (251) and the Drug Law Enforcement Fund (252) will be utilized to augment police and drug enforcement activities.
- The Municipal Court Victim Fund (253) will be utilized to provide funding for the Victim Advocate Program.
- Special revenue funds may be subsidized by the General Fund (101) through transfer after all options have been explored to enhance revenues and/or reduce expenditures.

**Capital Improvement Funds** – The City’s Capital Improvement Funds include the following:

- ✓ 361 – General Capital Improvement Fund
- ✓ 362 – Issue II Fund
- ✓ 363 – Municipal Court Capital Improvement Fund
- ✓ 364 – Police and Fire Capital Improvement Fund

**Policies:**

- The General Capital Improvement Fund (361) is used to fund the acquisition, construction, and maintenance of facilities, equipment, land, and other infrastructure, other than those financed by the Police and Fire Capital Improvement Fund (364), certain other special revenue funds, other capital projects type funds, proprietary funds, or trust funds.
- The General Capital Improvement Fund (361) shall receive directly .25 percent (.25%) of the income tax rate.
- The General Capital Improvement Fund (361) may make capital purchases for the City Garage Fund and will be reimbursed by the City Garage Fund based on the annual depreciation of the capital asset over its depreciable life.
- Capital projects for Police and Fire will be funded from the Police and Fire Capital Improvement Fund (364) and not the General Capital Improvement Fund (361).
- The Police and Fire Capital Improvement Fund (364) shall be used only to purchase capital items for Police, Fire, and Communications.
- The Issue II Fund (362) shall only be used for expenditures for Issue II projects approved and funded.
- The Municipal Court Capital Improvement Fund (363) shall be used for the purchase of capital items for the Court or capital items shared by the Court and other City Departments.
- 3.5% of net income tax collections for the year shall be transferred into the Police and Fire Capital Improvement Fund (364) from the General Fund (101).
- The General Capital Improvement Fund (361) shall have a reserve amount not less than the debt obligations due in the following year.
- The Police and Fire Capital Improvement Fund (364) shall have a reserve amount not less than the debt obligations due in the following year.

**Goals:**

- The General Capital Improvement Fund (361) shall have a reserve of \$1,000,000.00 or 200% of annual debt obligations, whichever is greater.
- The Police and Fire Capital Improvement Fund (364) shall have a reserve of \$500,000.00 or 200% of Annual Debt Obligations, whichever is greater.

**Enterprise Funds** – The City’s Enterprise Funds include the following:

- ✓ 611 – Water Operating Fund
- ✓ 612 – Sewer Operating Fund
- ✓ 613 – Sanitation Operating Fund
- ✓ 614 – Stormwater Operating Fund
- ✓ 615 – Parking Fund
- ✓ 664 – Water Capital Fund
- ✓ 665 – Sewer Capital Fund
- ✓ 666 – Sanitation Capital Fund
- ✓ 667 – Stormwater Capital Fund

**Policies:**

- Enterprise funds will be strictly utilized for their own respective business enterprises.
- Revenues from utility operating funds, in addition to covering operating expenses and transfers into the respective capital funds, will be utilized to pay debt service for infrastructure, equipment replacement, and other legitimate purposes.
- Enterprise operating funds will not generally have deficits (i.e., revenue will equal or exceed expenses).
- Any actual cash reserves in the respective utility funds at fiscal year end less 17% of annual operational expenditures (including debt service principal and interest) may be transferred into the respective utility capital fund (i.e., excess reserve balance in 611 Fund would be transferred to 664 Fund over and above budgeted transfer).

**Goals:**

- The Water Capital Fund (664) shall have a reserve amount equal to \$1,000,000.00.
- The Sewer Capital Fund (665) shall have a reserve amount equal to \$1,000,000.00.
- The Sanitation Capital Fund (666) shall have a reserve amount equal to \$500,000.00.
- The Stormwater Capital Fund (667) shall have a reserve amount equal to \$50,000.00.

**Internal Service Funds** – The City’s Internal Service Funds include the following:

- ✓ 708 – Utility Billing Fund
- ✓ 709 – Garage Fund
- ✓ 710 – Information Technology Fund
- ✓ 711 – Self Insurance Fund

**Policies:**

- The Utility Billing Fund (708) provides utility billing and collection services for water, sewer, sanitation, and stormwater. The respective utility funds are charged back to provide funding for operational and capital needs for utility billing.
- The City Garage Fund (709) provides vehicle maintenance and repair services to other departments in the City. The departments are charged back to provide funding for the operational needs of the City Garage Fund (709).
- Capital needs for the City Garage Fund (709) will be purchased by the General Capital Improvement Fund (361) and the General Capital Improvement Fund (361) will be reimbursed by the City Garage Fund (709) based on the annual depreciation of the capital asset over its depreciable life.
- The Information Technology Fund (710) will be used to purchase information technology services and equipment for city departments. The respective city departments are charged back to fund the purchases in the Information Technology Fund (710).
- The Self Insurance Fund (711) will be used to purchase health insurance services including premiums and claims. The respective city departments will be charged back to fund the insurance services.

**Miscellaneous Funds** – The City’s Miscellaneous Funds include the following:

- ✓ 365 – Bond Construction Fund
- ✓ 471 – General Obligation Bond Payment Fund
- ✓ 472 – 2015 General Obligation Bond Payment Fund
- ✓ 601 – Community Development Block Grant Revolving Loan Fund
- ✓ 602 – Loan Trust Fund
- ✓ 603 – Housing Rehabilitation Grant Fund
- ✓ 901 – Insurance Deposit Fund
- ✓ 999 – Imprest Cash Fund

**Policies:**

- The Community Development Block Grant Revolving Loan Fund (601), the Loan Trust Fund (602), and the Housing Rehabilitation Grant Fund (603) should be utilized in accordance with City ordinance, State and Federal Law, and grant program guidelines.
- The Debt Service Funds (471) and (472) are utilized for the payment of general obligation bonds principal and interest from governmental resources. The Bond Construction Fund (365) is utilized for receipt of bond proceeds and payment of engineering and construction costs associated with the City facilities project.
- The Insurance Deposit Fund (901) accounts for funds held by the City for citizens to ensure that fire damaged property is cleaned up.
- The Imprest Cash Fund (999) is utilized to account for petty cash.