

Items to be covered

City of Wadsworth – key financial policies and how they integrate

Development of policies

City of Wadsworth's policy development journey and what lies ahead

Importance of monitoring and periodically reviewing policies

Key Financial Policies

ACCOUNTING & FINANCIAL REPORTING PLANNING & BUDGETING ☐ Grants ☐ Fund Reserves ☐ Procurement ☐ Long-Term Financial Planning ☐ Risk Management ☐ Capital Assets & Planning ☐ Economic Development ☐ Internal Control ☐ Budgeting **□** Audit **TREASURY DEBT MANAGEMENT** ☐ Investments ☐ Affordability ☐ Continuing Disclosure ☐ Revenue Control





Fund Reserves LTFP Grants
Investments CIP Budgeting
Procurement Capital Budget
Debt One-Time Revenues Audit
Economic Development

Stakeholders are working together.

Efficient and effective outcomes.

Proactive instead of reactive.



Development of Policies: Steps to Develop

- Development of Policies
 - Exhaust your resources
 - Consider examples from other governments
- Steps to Develop
 - No one-size-fits-all approach
 - Use great examples as a foundation
 - Tailor policies to specific situations
 - Make sure you include the right people
 - Get multiple opinions

GFOA'S FINANCIAL FOUNDATIONS FRAMEWORK

- Financial Policy Challenge
- https://www.gfoa.org/financial-policy-challenge

How many policies have been submitted?

21 Capital Planning

I / Balanced Budget

24 Debt

Long-Term Planning

34 Reserves

10
One-Time Revenues

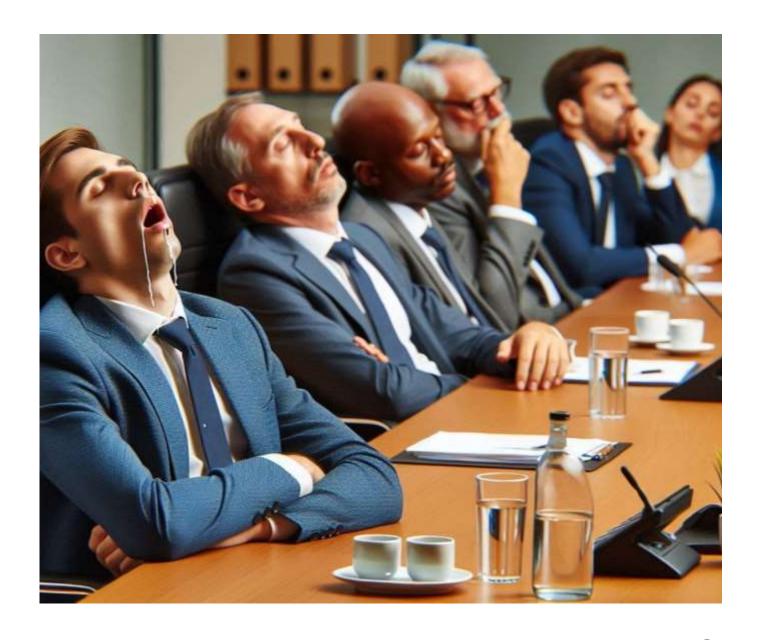
11 User Fees 31
Investing

Economic Development

22 Procurement

Development of Policies: Involvement of Stakeholders

- Involvement of Governing Body
 - Ensures proper oversight and direction
- Legal Involvement
 - Provides legal guidance and compliance
- Outside Consultants
 - Offers specialized expertise and advice



- Conservative budgeting practices
- One-time use of one-time revenues
- Reserves used for routine capital
- Debt Issued for multi-millions dollars projects only

1994

Purchase Order Policy Adopted by City Auditor

2002

 Capital Assets Accounting Policy Adopted by City Auditor

2004

Cost Allocations Policy Adopted by City Auditor

2009

- Electric Cash Reserve Policy Adopted by Council
- General Fund Cash Reserve Policy Adopted by Council

2012

Cell Phone Policy Adopted by Council

Employee Handbook Adopted by Council

2015

Debt Policy Adopted by City Auditor

2016

 Updated Education & Meeting Policy Adopted by City Auditor (per diem amount in employee handbook)

2017

- Updated Investment Policy Adopted by Council
- Grant Policy Adopted by City Auditor
- P-Card Policy Adopted by City Auditor

2019

Updated Annexation Policy Adopted by Council

2021

 Updated Vehicle Maintenance Internal Service Fund Cost Recovery Policy

2024

 Updated Cash Handling Policy for Transfer Station Adopted by Service Director

2024

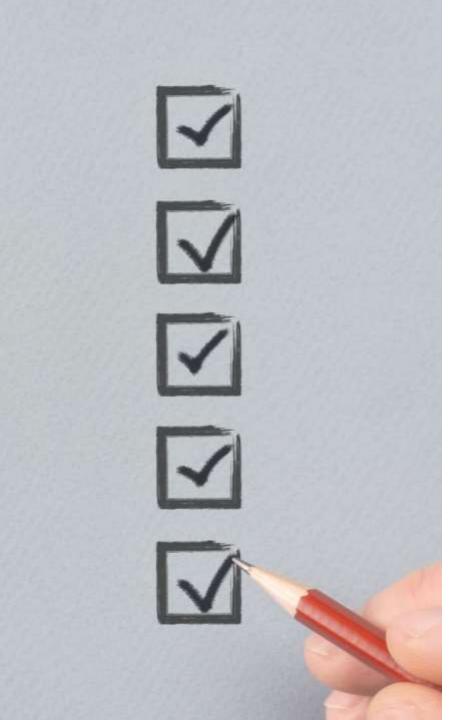
Collections of Misc Bills Adopted by Council

2024

• Developed 15 year Capital Improvement Plan

What we're working on...

- Guidelines for capital improvement plan
- Cash reserve policy for all operating funds
- Internal auditing of policies and procedures
- Written long-term financial planning policy
- Written strategic plan, mission, and goals
- Adoption of 5-year capital plan by Council



Monitoring and Reviewing Policies

- Regular Review of Policies
 - o Ensures policies fit the current environment
 - Helps in adapting to changes effectively

Monitoring and Reviewing Policies: Performance Metrics

Simple/Routine analysis:

- Fund balance analysis
- Budget vs. actual analysis
- Reserve fund requirements

Ratio analysis:

- Personnel cost ratio: salaries + fringe benefits / total expenditures
- Fixed cost ratio: salaries + fringe benefits + debt service / total expenditures
- Debt service coverage ratio: revenues (-) expenditures / total debt service
- Intergovernmental revenue ratio: intergovernmental revenues / total revenues



- Remember it's the journey and the not the destination. It takes time to recognize and develop what policies your organization needs.
- Use examples!
- Involve key people in the development and implementation of policies.
- Regularly monitor the policies to ensure they're still effective, and they follow updated regulatory requirements.
- Consider ratios and trend analysis.

Key takeaways

Presenter information

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