
Financial Management Policies

Basic Policy Statement

The City of Renton is committed to the highest standards of responsible financial management. The City, including the City Council, Mayor and staff will work together to ensure that all financial matters of the City are addressed with care, integrity, and in the best interest of the City.

The rules and procedures contained in this section are designed to:

1. Protect the assets of the City of Renton;
2. Ensure the maintenance of open and accurate records of the City's financial activities;
3. Provide a framework of operating standards and behavioral expectations;
4. Ensure compliance with federal, state, and local legal and reporting requirements; and
5. Provide a means for the City Council to update and monitor these policies with the assistance and cooperation of the Mayor's office and the Finance and Information Services Administrator.

Lines of Authority

1. The Renton City Council has the authority to execute such policies as it deems to be in the best interest of the City within the parameters of federal, state, and local law.
2. The Finance Committee has the authority to perform reviews of the organization's financial activity, determine the allocation of investment deposits, and assure that adequate internal controls are in place.
3. The Mayor and Chief Administrative Officer (CAO) have the authority to oversee the development of the biennial budget, make spending decisions within the parameters of the approved budget, enter into contractual agreements, make capital asset purchase decisions and make decisions regarding the allocation of expenses within designated parameters. Unless otherwise specified in this document, principal responsibility for complying with the directives enumerated herein shall be vested in the Mayor.
4. Each Department Administrator has the authority to expend City funds within approved budget authority and in accordance with procedures prescribed by the Mayor's Office, and to recommend spending requests within the parameters of the approved budget process to the Mayor.

Accounting Records and Reports

1. Basis of Accounting
 - a. The City's Comprehensive Annual Financial Report (CAFR) on its financial activity shall be presented in compliance with Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB).
2. Basis of Budget
 - a. The City budget is presented on a GAAP basis of accounting.
3. Fund Accounting
 - a. The City of Renton's accounting and budgeting systems use a fund accounting consistent with guidance provided by the GASB and the Washington State Auditor's Office.
 - b. The funds are grouped into categories: General Fund, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Fiduciary/Trust.
 - c. The City Council shall create and eliminate funds as appropriate by separate ordinance, or through the budget ordinance.
 - d. Funds shall either be "external" or "internal" for financial reporting purposes.
 - i. Internal funds shall be separate sets of accounts for the purpose of enhancing internal management control only. These funds shall reside within an external fund. For cash management purposes, internal funds may rely on their related external fund without payment of interest or violation of the City's cash management policies. (See Interfund Loan policy for further clarification).
 - e. The City's financial accounting system shall assure that the status and transactions of each account and their relationship to budget authority is clear.
4. Financial Reporting
 - a. The CAFR shall be timely and comprehensive and meet or exceed professional industry standards.
 - b. The City's budget documents shall provide for comparison with prior years.
 - c. Revenue and expenditure reports shall be prepared monthly and be available on the City's website.
 - d. A written analysis of the City's monthly report shall be prepared quarterly, coordinated with the Chief Administrative Officer and Mayor, reviewed with the City Council, and available on the City's website.
 - e. All budget amendments shall be included in the monthly report.
 - f. Any outstanding interfund loans shall be disclosed in the quarterly report.
5. Audit
 - a. The City shall commission an annual audit of its financial reports and related records to be conducted by the Washington State Auditor's Office.
 - b. At the conclusion of the audit, the auditor shall be available to brief the City Council on the results.
 - c. The results of the audit shall be available to the public.

Policy on Stabilization Funds

Sufficient fund balances and reserve levels are important in the long-term financial stability of the City.

1. The City shall maintain reserves required by law, ordinance and/or bond covenants.

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- a. General Government
 - i. The City shall maintain reserves in the General Government Funds at least 8% of total budgeted operating expenditures with a target of 12%.
 - ii. In addition, the City shall maintain an additional reserve as a part of the City's Risk Management Funds in a minimum amount of \$5,000,000.
 - iii. In addition, the City shall maintain an "Anti-Recessionary Reserve" in an amount of at least 2% of General Government budgeted operating expenditures. Expenditures utilizing the "Anti Recessionary Reserve" require a two-thirds majority vote of the City Council and will be replenished within three (3) years.
 - b. The City shall maintain one year payments in voted general obligation debt service funds.
 - c. The City shall maintain reserves in the Enterprise Funds as follows:
 - i. Water, Wastewater, and Surface Water Utility Fund: 12% of total budgeted operating expenses or 30 to 45 days.
 - ii. King County Wastewater Treatment: \$380,000 (approximately 3% of total operating expenses)
 - iii. Solid Waste: \$400,000
 - iv. Golf Fund: 25% of total budgeted operating expenses.
 - v. All other Enterprise Funds: 10% - 20% of total budgeted operating expenses
 - d. Reserve balances of other funds shall be set through the budget process in an amount consistent with the purpose and nature of the fund.
2. Replacement reserves shall be established for equipment, and computer software should the need continue beyond the estimated initial useful life, regardless of whether the equipment is acquired via lease, gift or purchase. Service charges paid by City departments to the appropriate Internal Service funds should include an amount to provide for replacements.

Financial Planning

1. The City shall maintain a long-term (five year) financial planning model.
 - a. The financial planning model shall:
 - i. be based on the currently adopted budget;
 - ii. utilize these policies;
 - iii. be based on assumptions and drivers realistically expected to occur;
 - iv. clearly document the assumptions and drivers used and the results of the use of such assumptions and drivers;
 - v. be designed in such a way to permit analysis of alternative strategies;
 - vi. relate to the related plans of the City to include Service Delivery Plans, Comprehensive Plans, Master Plans, etc.; and
 - vii. shall be prepared for the General Government and such other funds as the deemed necessary.
2. Budget development
 - a. The City shall prepare an biennial budget that is consistent with:
 - i. state law;
 - ii. the long-term financial planning model;
 - iii. these policies; and

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- iv. industry best practices.
 - b. The City of Renton's biennial budget shall be prepared using the following schedule and process as a general guide:
 - i. Review stakeholder input such as surveys, public forums, neighborhood meeting notes and business community communication.
 - ii. The Mayor, City Council and Chief Administrative Officer will conduct a goal-setting retreat with the Department Administrators updating the Business Plan and other policy guidance.
 - iii. The City Council and Administration will meet to review and discuss the prior year's audited results, current year budget status, next budget schedule, process, budget guidelines and budget preparation items of interest.
 - iv. The Finance & IS Administrator prepares the budget preparation instructions and meets with Department Administrators to distribute budget instructions and discuss budget preparation.
 - v. The instructions will include policy priorities, estimates of compensation adjustments, internal service and indirect charges.
 - vi. Departments will provide to the Finance & IS Department budget estimates and requests conforming to the budget instructions.
 - vii. The Mayor submits a proposed balanced Preliminary Budget to the City Council in conformance with state law.
 - viii. Balanced budget should comprise of funding recommendations for the operating and capital budgets that do not exceed the estimated resources.
 - ix. The City Council conducts public hearings on the proposed budget in conformance with state law.
 - x. The City Council sets the City's property tax levies.
 - xi. The City Council adopts the final budget ordinance.
 - xii. The Final Budget Document is published and posted to the City website.
 - c. Budget amendments should be presented for consideration when the need arises.
 - i. Budget authority shall be at the fund level.
 - ii. Changes resulting in a need to revise the appropriation authority shall be presented as they occur.
3. Revenues
- a. Revenue forecasts shall assess the full spectrum of resources available to finance City programs and services.
 - b. The City shall consider the diversification of revenue as a strategy when developing its financial plans.
 - c. Should an economic downturn develop that results in (potential) revenue shortfalls or fewer available resources, the City will make appropriate adjustments to its budget.
 - d. Revenue estimates shall be based on forecasting methods recommended by the Government Finance Officers Association (GFOA) and will typically be more likely to be conservative rather than aggressive.
4. Expenditures
- a. Priority shall be given to expenditures that will improve productivity.
5. Capital Improvements

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- a. A comprehensive six-year plan for City capital investments shall be prepared biennially and adopted by the City Council as part of the City budget.
 - i. All projects included in the Capital Investment Program (CIP) shall be consistent with the City's Comprehensive Plan.
 - ii. The Capital Investment Program shall be prepared in consultation with Council Committees for ongoing capital investments.
 - b. All proposed capital improvement projects shall include a recommended or likely source of funding.
 - c. Private development (including residential, commercial and industrial projects) shall pay its fair share of the capital investments that are necessary to serve the development in the form of system development charges, impact fees, mitigation fees, or benefit districts.
 - d. Capital project proposals should indicate the project's impact on the operating budget, including, but not limited to, long-term maintenance costs necessary to support the investment.
 - e. Capital projects shall be budgeted for on a project life basis (rather than fiscal year).

Policy on Fees and Charges

1. The City shall biennially review all fees for licenses, permits, fines, rates and other miscellaneous charges as part of the budget process.
2. User charges and fees shall be established based at a percentage of the full cost of providing the service, unless otherwise provided by statute or regulation.
 - a. Full cost incorporates direct and indirect costs, including operations and maintenance, overhead, and charges for the use of capital facilities.
 - b. Other factors for fee or charge adjustments may also include the impact of inflation, other cost increases, the adequacy of the coverage of costs, and current competitive rates.
3. Proposed rate adjustments, user charges and fees shall be presented to the City Council for approval for each year as part of the Mayor's proposed Preliminary Biennial Budget to the Council.
4. The City shall rigorously collect all amounts due.

Policy on Utility Funds

1. The City shall establish and maintain separate utility operating and capital investment funds and budgets for each of its utility operations.
2. Utility rate studies shall be conducted every six years to update assumptions and ensure the long-term solvency and viability of the City's Utilities.
3. Utility rates and capital fees shall be reviewed biennially and necessary adjustments made to avoid major rate increases.
4. The City shall use system development charges, grants and low interest loans to fund capital projects where possible. Overall, the utilities should maintain a debt to equity ratio of 60/40.

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5. Each Utility should fund an amount of the cost equal to the annual “depreciation expense” of capital assets less debt service principal payments.
 6. System Development Charges (SDCs) shall be established at levels to ensure that all customers seeking to connect to the City’s utility systems shall bear their equitable share of the cost of both the existing and future systems.
 7. Debt financing of utility improvements will be consistent with the utility master plans, council rate policies and other factors so as to smooth the effect of major improvements on utility rates.
 8. The City shall strive to maintain minimum debt service “coverage” with the net revenue (gross operating revenue of the Utilities less operating and maintenance expenses) of the combined Utilities being 1.25 - 1.5 times the actual debt and the net revenue of the individual Utility being at least 1.25 times the actual debt.
 9. Capital Contingency as System Reinvestment and Debt Service:
 - a. Surface Water: 1.25 DSC and approximately \$3. million annual system reinvestment
 - b. Wastewater: 1.25 DSC and approximately \$3 million annual system reinvestment
 - c. Water: 1.25 DSC and approximately \$4 million annual system reinvestment
 10. Bonds Versus Cash Funded Projects
 - a. All non-CIP projects should be paid for using rates (programs, system plans, education materials, etc.)
 - b. All system reinvestment, maintenance, replacement and rehabilitation CIPs should be paid for using rates.
 - c. CIPs for new infrastructure, growth, or increased capacity can be paid for using bonds.

Policy on Debt Issuance and Management

1. Long-term borrowing shall be confined to capital investments or similar projects with an extended life when it is not practical to be financed from current revenues. The City shall not use long-term debt to finance current operations.
2. Debt payments shall not extend beyond the estimated useful life of the project being financed. The City shall keep the average maturity of general obligation bonds at or below fifteen years, unless special circumstances arise warranting the need to extend the debt schedule.
3. The City shall work to maintain strong ratings on its debt including maintaining open communications with bond rating agencies concerning its financial condition.
4. With Council approval, interim financing of capital projects may be secured from the debt financing market place or from other funds through an interfund loan as appropriate in the circumstances.
5. The City may issue interfund loans when appropriate and consistent with a separately adopted City Council policy on the subject.
6. When issuing debt, the City shall strive to use special assessment, revenue or other self-supporting bonds in lieu of general obligation bonds.
7. Long-term general obligation debt shall be utilized when necessary to acquire land or capital assets based upon a review of the ability of the City to meet future debt service

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- requirements. The project to be financed should also be integrated with the City's long-term financial plan and Capital Investment Program.
8. General obligation debt should be used when the related projects are of a benefit to the City as a whole.
 - a. General Obligation Bond (Voted):
 - b. Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project.
 - c. Limited Tax General Obligation Bond (Non-Voted):
 - i. The City should avoid issuing general obligation (non-voted) debt beyond eighty percent (80%) of its general obligation debt capacity.
 9. The City shall use refunding bonds where appropriate when cost savings can be achieved of at least 4% (NPV), restructuring its current outstanding debt and/or improving restrictive bond conditions.
 10. The City's financial team for the issuance of debt shall consist of the Council, Mayor, CAO, Finance & IS Administrator, applicable department management (related to the projects to be financed), City Legal Counsel, designated bond counsel, financial advisor and underwriter in order to effectively plan and fund the City's capital investment projects.
 - a. Through a competitive selection process conducted by the Finance & IS Administrator with consultation with the Mayor, Chief Administrative Officer and Legal Counsel, the City Council shall approve the most qualified financial advisor / underwriter and bond counsel.
 - b. These services shall be regularly monitored by the Finance & IS Administrator.
 11. The City shall evaluate the best method of sale for each proposed bond issue.
 - a. When a negotiated sale is deemed advisable (in consultation with the Mayor and City Council) the Finance & IS Administrator shall negotiate the most competitive pricing on debt issues and broker commissions in order to ensure the best value to the City.
 - b. When a negotiated sale is used, the City shall use an independent financial advisor to advise the City's participants in matters such as structure, pricing and fees.
 12. The City shall comply with IRS regulations concerning use of, and reinvestment of bond proceeds.
 - a. The City shall monitor and comply with IRS regulations with regard to potential arbitrage earnings. If arbitrage earnings are believed to be above amounts provided by IRS regulations, the City will set aside earnings in order to pay the appropriate amount to the federal government as required by IRS regulation.
 13. The City shall provide full secondary market disclosure related to outstanding debt.

Related Policies

- Investment Policy
- Contracting Policy (Purchasing Authority)
- Interfund Loans

Policy on Post-Issuance Compliance for Tax-Exempt Bonds

1. Purpose

The purpose of these post-issuance compliance policies and procedures ("Compliance Policy") for tax-exempt bonds issued by The City of Renton, Washington (the "City") is to ensure that the City will be in compliance with requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied with respect to tax-exempt bonds and other obligations ("bonds") after the bonds are issued so that interest on the bonds will be and remain tax-exempt.

2. Responsibility for Monitoring Post-Issuance Tax Compliance.

The City Council of the City has the overall, final responsibility for monitoring whether the City is in compliance with post-issuance federal tax requirements for the City's tax-exempt bonds. However, the City Council assigns to the Administrative Services Administrator of the City the primary operating responsibility to monitor the City's compliance with post-issuance federal tax requirements for the City's tax-exempt bonds.

3. Arbitrage Yield Restriction and Rebate Requirements.

The Administrative Services Administrator shall maintain or cause to be maintained records of:

- a. purchases and sales of investments made with bond proceeds (including amounts treated as "gross proceeds" of bonds under section 148 of the Code) and receipts of earnings on those investments;
- b. expenditures made with bond proceeds (including investment earnings on bond proceeds) for the governmental purposes of the bonds, such as for the costs of purchasing, constructing and/or renovating property and facilities;
- c. information showing, where applicable for a particular calendar year, that the City was eligible to be treated as a "small issuer" in respect of bonds issued in that calendar year because the City did not reasonably expect to issue more than \$5,000,000 of tax-exempt bonds in that calendar year;
- d. calculations that will be sufficient to demonstrate to the Internal Revenue Service ("IRS") upon an audit of a bond issue that, where applicable, the City has complied with an available spending exception to the arbitrage rebate requirement in respect of that bond issue;
- e. calculations that will be sufficient to demonstrate to the IRS upon an audit of a bond issue for which no exception to the arbitrage rebate requirement was applicable, that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS; and
- f. information and records showing that investments held in yield-restricted advance refunding or defeasance escrows for bonds, and investments made with unspent bond proceeds after the expiration of the applicable temporary period, were not invested in higher-yielding investments.

4. Restrictions on Private Business Use and Private Loans.

The Administrative Services Administrator shall adopt procedures that are calculated to educate and inform the principal operating officials of those departments, including utility departments, if any, of the City (the "users") for which land, buildings, facilities and equipment ("property") are financed with proceeds of tax-exempt bonds about the restrictions on private business use that apply to that property after the bonds have been issued, and of the restriction on the use of proceeds of tax-exempt bonds to make or finance any loan to any person other than a state or local government unit. In particular, following the issuance of bonds for the financing of property, the Administrative Services Administrator shall provide to the users of the property a copy of this Compliance Policy and other appropriate written guidance advising that:

- a. "private business use" means use by any person other than a state or local government unit, including business corporations, partnerships, limited liability companies, associations, nonprofit corporations, natural persons engaged in trade or business activity, and *the United States of America and any federal agency*, as a result of ownership of the property or use of the property under a lease, management or service contract (except for certain "qualified" management or service contracts), output contract for the purchase of electricity or water, privately sponsored research contract (except for certain "qualified" research contracts), "naming rights" contract, "public-private partnership" arrangement, or any similar use arrangement that provides special legal entitlements for the use of the bond-financed property;
- b. under section 141 of the Code, no more than 10% of the proceeds of any tax-exempt bond issue (including the property financed with the bonds) may be used for private business use, of which no more than 5% of the proceeds of the tax-exempt bond issue (including the property financed with the bonds) may be used for any "unrelated" private business use—that is, generally, a private business use that is not functionally related to the governmental purposes of the bonds; and no more than *the lesser* of \$5,000,000 or 5% of the proceeds of a tax-exempt bond issue may be used to make or finance a loan to any person other than a state or local government unit;
- c. before entering into any special use arrangement with a nongovernmental person that involves the use of bond-financed property, the user must consult with the Administrative Services Administrator, provide the Administrative Services Administrator with a description of the proposed nongovernmental use arrangement, and determine whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property;
- d. in connection with the evaluation of any proposed nongovernmental use arrangement, the Administrative Services Administrator should consult with nationally recognized bond counsel to the City as may be necessary to obtain federal tax advice on whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property, and, if not, whether any "remedial action" permitted under section 141 of the Code may be taken by the City as a means of

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- enabling that use arrangement to be put into effect without adversely affecting the tax-exempt status of the bonds that financed the property; and
- e. the Administrative Services Administrator and the user of the property shall maintain records of such nongovernmental uses, if any, of bond-financed property, including copies of the pertinent leases, contracts or other documentation, and the related determination that those nongovernmental uses are not inconsistent with the tax-exempt status of the bonds that financed the property.

5. Records to be Maintained for Tax-Exempt Bonds.

It is the policy of the City that, unless otherwise permitted by future IRS regulations or other guidance, written records (which may be in electronic form) will be maintained with respect to each bond issue for as long as those bonds remain outstanding, plus three years. For this purpose, the bonds include refunding bonds that refund the original bonds and thereby refinance the property that was financed by the original bonds. The records to be maintained are to include:

- a. the official Transcript of Proceedings for the original issuance of the bonds;
- b. records showing how the bond proceeds were invested, as described in 3a above;
- c. records showing how the bond proceeds were spent, as described in 3b above, including purchase contracts, construction contracts, progress payment requests, invoices, cancelled checks, payment of bond issuance costs, and records of "allocations" of bond proceeds to make reimbursement for project expenditures made before the bonds were actually issued;
- d. information, records and calculations showing that, with respect to each bond issue, the City was eligible for the "small issuer" exception or one of the spending exceptions to the arbitrage rebate requirement or, if not, that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS, as described in 3c, d and e above; and
- e. records showing that special use arrangements, if any, affecting bond-financed property made by the City with nongovernmental persons, if any, are consistent with applicable restrictions on private business use of property financed with proceeds of tax-exempt bonds and restrictions on the use of proceeds of tax-exempt bonds to make or finance loans to any person other than a state or local government unit, as described in 4 above.

The basic purpose of the foregoing record retention policy for the City's tax-exempt bonds is to enable the City to readily demonstrate to the IRS upon an audit of any tax-exempt bond issue that the City has fully complied with all federal tax requirements that must be satisfied after the issue date of the bonds so that interest on those bonds continues to be tax-exempt under section 103 of the Code.

6. Identification and Remediation of Potential Violations of Federal Tax Requirements for Tax-Exempt Bonds.

- a. So long as any of the Issuer's tax-exempt bond issues remain outstanding, the Administrative Services Administrator will periodically consult with the users of the Issuer's bond-financed property to review and determine whether current use arrangements involving that property continue to comply with applicable federal tax requirements as described in these Compliance Procedures. This may be accomplished, for example, by periodically meeting with users, providing questionnaires to users about current use arrangements, or adopting other protocols reasonable calculated to ensure compliance with applicable federal tax requirements on a continuing basis. This periodic review may be scheduled, for example, at or before the times that the Issuer is required to file with Municipal Securities Rulemaking Board the annual financial information and operating data pursuant to the Issuer's undertaking, if any, to provide continuing disclosure with respect to outstanding bond issues.
- b. If at any time during the life of an issue of tax-exempt bonds, the Issuer discovers a violation of federal tax requirements applicable to that issue may have occurred, the Administrative Services Administrator will consult with bond counsel to determine whether any such violation actually has occurred and, if so, take prompt action to accomplish an available remedial action under applicable Internal Revenue Service under the Voluntary Closing Agreement Program described under Notice 2008-31 or other future published guidance.

7. Education Policy With Respect to Federal Tax Requirements for Tax-Exempt Bonds.

It is the policy of the City that the Administrative Services Administrator and his or her staff, as well as the principal operating officials of those departments of the City for which property is financed with proceeds of tax-exempt bonds should be provided with education and training on federal tax requirements applicable to tax-exempt bonds. The City recognizes that such education and training is vital as a means of helping to ensure that the City remains in compliance with those federal tax requirements in respect of its bonds. The City therefore will enable and encourage those personnel to attend and participate in educational and training programs offered by, among others, the Washington Municipal Treasurers Association and the Washington Finance Officers Association with regard to the federal tax requirements applicable to tax-exempt bonds.

City Funds and Fund Structure

	Key	Report
000 General	A	E
001 Community Services (formerly 101)	A	I (000)
003 Streets (formerly 103)	A	I (000)
004 Community Development Block Grant	A	I (000)
005 Museum (formerly part of 006 and 106)	A	I (000)
006 Library (formerly 106)	A	I (000)
009 Farmers Market	A	I (000)
010 Fire and Emergency Services Memorial	A	I (000)
011 Fire and Emergency Services Health and Wellness	A	I (000)
031 Park Memorial (formerly 131)	A	I (000)
201 1997 LIM GO Bonds - City Hall	A	I (215)
215 Gen Govt Misc Debt Service	A	E
Total General Government		
SPECIAL REVENUE FUNDS:		
102 Arterial Streets		E
108 Leased City Properties		E
110 Special Hotel-Motel Tax		E
118 Cum 2755 (Paths/Trails)		E
125 One Percent for Art		E
127 Cable Communications Development		E
135 Springbrook Wetlands Bank		E
DEBT SERVICE FUNDS:		
219 1989 Unlimited GO Bonds-Senior Housing		E
CAPITAL PROJECT FUNDS (CIP):		
303 Community Services Impact Mitigation		E
304 Fire Impact Mitigation		E
305 Transportation Impact Mitigation		E
316 Municipal Facilities CIP		E
317 Capital Investment		E
318 South Lake Washington Infrastructure Project		E
326 Housing Opportunity		I (316)
336 New Library Development		I (316)

City Funds and Fund Structure (continued)

ENTERPRISE FUNDS:	Key	Report
402 Airport Operations		E
403 Solid Waste Utility		E
404 Municipal Golf Course System		E
405 Water Operations	B	E
406 Wastewater Operations	B	I (405)
407 Surface Water Operations	B	I (405)
416 King County Metro	B	I (405)
422 Airport Capital Investment		I (402)
424 Municipal Golf Course System CIP		I (404)
425 Water CIP	B	I (405)
426 Wastewater CIP	B	I (405)
427 Surface Water CIP	B	I (405)
471 Waterworks Rate Stabilization	B	I (405)
INTERNAL SERVICE FUNDS:		
501 Equipment Rental		E
502 Insurance		E
503 Information Technology		I (501)
504 Facilities		I (501)
505 Communications		I (501)
512 Healthcare Insurance		I (502)
522 Leoff1 Retirees Healthcare		I (502)
FIDUCIARY FUNDS:		
611 Firemen's Pension		E
650 Special Deposits		E
ACCOUNTING FUNDS:		
631 Claims Clearing		la
632 Payroll Clearing		la
901 Bank Surplus Balance		la
910 General Fixed Assets		la
950 General Long Term Debt Account Group		la

City Funds and Fund Structure (continued)

- A. General Government Funds share general revenues. Therefore, no interest shall be charged for loans between funds.
- B. Water Utility Funds shall be managed as a system such that balance sheet accounts are merged for management and reporting purposes.
- E. External Fund for Reporting Purposes
- I. Internal Fund for Management Purposes
- la. Internal Fund for Accounting Purposes