

## RESOLUTION NO. 2 FOR 2019

### A RESOLUTION ADOPTING POLICY REVISIONS IN THE CITY'S FINANCIAL POLICY

WHEREAS, the City of Sweet Home last reviewed the Financial Policy on September 13, 2016, and;

WHEREAS, the capitalization threshold for items purchased by the city is currently \$200 per item, and;

WHEREAS, Capital Assets are part of the City's Annual Financial Report, and;

WHEREAS, finance best practice recommends a capitalization threshold of \$5,000 or better, and;

WHEREAS, Section I, subsection 2 of the Sweet Home Financial Policy reads, "the relationship between the Operating and Capital Budgets will be explicitly recognized and incorporated into the budget process," and;

WHEREAS, Section VI, subsection 1 of the Sweet Home Financial Policy reads, "City assets will not be degraded, given away or allowed to deteriorate except by action of the council," and;

WHEREAS, Section VI, subsection 2 of the Sweet Home Financial Policy reads, "Funding new long-term capital assets will be the responsibility of the community as a whole and should be funded through general obligation bonds, SDC's proportionate equity asset shares, grants and gifts or volunteer contributions when appropriate," and;

WHEREAS, Section VI, subsection 5 of the Sweet Home Financial Policy reads, "The capitalization threshold used in determining if a given asset qualifies for capitalization is \$200 per item."

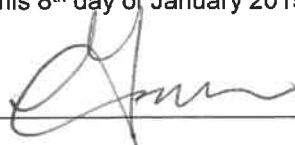
**THEREFORE, BE IT RESOLVED THAT THE CITY OF SWEET HOME** adopts the following revisions to the Sweet Home Financial Policy:

- Section 1, subsection 2: The relationship between the Operating and Capital Budgets will be incorporated into the budget process.
- Section VI, subsection 1: City assets will be degraded, given away or allowed to deteriorate in accordance with SHMC Chapter 3.08
- Section VI, subsection 5: The capitalization threshold used in determining if a given asset qualifies for capitalization is equal to that defined in the Oregon Accounting Manual (OAM) Number 15.60.10.

This resolution shall take effect upon its approval and passage.

PASSED by the Council and approved by the Mayor this 8<sup>th</sup> day of January 2019

  
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City Manager – Ex Officio City Recorder

  
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Mayor