



City Council Agenda Memo

Crest Hill, IL

Meeting Date:	January 23, 2023
Submitter:	Lisa Banovetz, Director of Finance / Glen Conklin, Treasurer
Department:	Treasurer's Office
Agenda Item:	Consideration to incur legal fees to adopt an annual budget system of financial planning and management in lieu of a budget appropriation ordinance

Summary: The City's current annual budget process is administered by a budget appropriation ordinance. The City would like to discuss with Council the option to amend the current budget appropriation ordinance and adopt a budget system of financial planning and management.

The budget system of financial planning and management would require the adoption of a budget officer and the responsibility of the budget officer would be to complete an annual budget, in lieu of the annual appropriation ordinance. This process would require the City to adopt its annual budget prior to the beginning of the next fiscal year (or by April 30th of each fiscal year).

A budget system of financial planning and management is more in keeping with modern accounting principles. It allows for a provision to authorize the accumulation of funds over a period of years to be used to construct capital improvements in addition to a specific provision authorizing a fund for contingency purposes. It also provides the City and its departments with the ability to manage a total expenditure amount by department, rather than being accountable for individual line item budgeted amounts. The municipality would be required to publish a tentative budget available for public inspection for at least ten (10) days prior to its passage under the budget system of financial planning and management.

Recommended Council Action: Decide if the Council would support the City amending its budget ordinance from a budget appropriation ordinance to a budget system of financial planning and management.

Financial Impact:

Funding Source: Administrative Contracted Services, General Fund

Budgeted Amount: \$0

Cost: Attorney review to prepare the ordinance has been estimated by Spesia & Taylor to be \$1,000 ~ \$2,000

Attachments: