



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: April 26, 2022

AGENDA ITEM: Review of draft financial planning and budget policy

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

Government should formally adopted financial policies. Financial policies are central to a strategic, long-term approach to financial management. Written financial policies assist the government to:

- Promote stability and continuity.
- Prevent the need to re-invent responses to recurring issues.
- Clarify how GRPU will manage its resources to provide the best value to customers and community.
- Promote a shared understanding of how GRPU will develop its financial practices.
- Define limits on the actions staff may take.
- Provide boundaries within which staff can innovate in order to accomplish the GRPU strategic plan.
- Support good bond ratings.
- Promote long-term thinking.
- Identify important risks to financial conditions and how to mitigate the risks.

The attached financial planning and budget policy was drafted with review of several government units and special distributions policies. The Government Finance Officers Association has great resources which I utilized in the development of the draft policy. I attempted to include common and recurring financial planning and budgeting concepts, yet tailored this policy to reflect the values and goals of GRPU.

I am looking forward to a good discussion with the Commission.

RECOMMENDATION:

Review the attached draft financial planning and budget policy.