

# Exhibit 4 - Comparison Matrix New to Old

## City of Snoqualmie

Financial Management Policy		New policy proposed to be adopted via ordinance and replace all former ordinances, resolutions; SMC will be proposed to repeal or update code	
Comparison of new policy to current policies and & SMC			
New Policy Section		Current Policy or Code Reference	Differences and Notes to Proposed Updates
1.0	Introduction & Objectives	Res 777 (pg 37)	Old policy refers to council priorities vs new policy refers to financial objectives; updated narrative to reflect introductory statement
2.0	Reserves & Fund Balance		See individual sections
2.1	Fund Balance Definitions	pg 50 to 51	No current policy or code reference
2.2	Reserve Target - General Fund	Res 777 (pg 50-52)	Overall current target approx. 16.5% which fall between a range. See page 52 of current where statement regarding range is a policy statement regarding flexibility of the Council during budget development process to utilize reserves or build them back up Current Contingency Reserve Fund of 5% of unrestricted General Fund resources to a max of .375 cents/1000 AV Cashflow reserve fund target of 10% of GF unrestricted resources Operating Reserve Fund target of 5% of GF unrestricted resources
2.3	Reserve Target - Enterprise Funds	Res 777 (pg 43-45)	Current policy intermixes CIP procedures for utility CIP and is not clear on fiscal targets Utility operating reserve of 10% with 5% of this reserve set aside for CIP
2.4	Reserve Target - Special & Capital Funds	Res 1402 and Res 849 (pg 6 to 16)	Human Services Fund - new policy combines two separate resolutions that have procedures which should be internal processes and only refers to the internal service fund target reserve amount and funding requirements Building permit reserve fund w/ no target reserve
2.5	Reserve Target - Internal Service Funds		IT, Facilities, Fleet, Equipment internal funds with no reserve targets set
2.6	Replenishment of Reserves		Current policy has some narrative regarding reserves for each type of fund and how excess reservesand surpluses are handled
2.7	Excess Reserves	pg 39 and 42	Current policy has some narrative regarding reserves for each type of fund and how excess reservesand surpluses are handled
3.0	Revenues		
3.1	Revenue Objectives	pg 47	Updated revenue objectives, removed procedural narrative throughout section
3.2	Fee Schedule		
3.3	Cash Management	pg 59	
3.4	Bad Debt & Collections		
3.5	Revenue Distribution		
3.6	Grants Management	pg 58	Updated narrative and target amounts for pursuing grants
3.7	Donations & Gifts		New
3.8	Gifts to City Officials		Similar; expands RCW statement
4.0	Expenditures		
4.1	Expenditure Objectives		Updated expenditure objectives and policy statements throughout section; removes procedures from policy
4.2	Efficiency		
4.3	Purchasing Standards		
4.4	Purchasing Authorization		
4.5	Commitment Authority	SMC 2.90 (pg 66-70)	Proposed increase in commitment authority by \$10,000; City must follow state law regarding bidding and contracts, which is reflected in new policy vs SMC
4.6	Purchasing Controls & Methods	SMC 2.70 (pg 64)	Proposed change from SMC financial program for credit card as a form of payment to commercial (purchasing) card program guided by policy and internal financial procedures
4.7	Exemptions to Commitment		New
4.8	Personnel Expenditures		New
5.0	Budget		
5.1	Budget Objectives	Res 777	Both policies have similar budget narrative but new policy removes procedures which will be defined by Finance Director
5.2	Budget Principles		
5.3	Budget Scope		Current policy has budget calendar narrative that is restrictive and out of date and procedural in nature
5.4	Balanced Budget		Similar
5.5	Cost Allocation		New policy expands on cost allocation plan and overview
5.6	Budget Amendments	pg 47	New policy includes updated policy narrative and removes procedures for requesting amendments.

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5.7	Services Levels & Funding		Updated objectives, priority statements and removes procedures from policy
5.8	Maintenance & Replacement		
5.9	Enterprise Fund Budgets		
5.1	Budget Reporting		Current policy identifies similar budget monitoring policy; new policy identifies quarterly financial performance report
6.0	Capital Budget	pg 53	
6.1	Capital Improvement Plan		Updated objectives, priority statements and removes procedures from policy
6.2	CIP Criteria & Ranking		New
6.3	Project Source & Use Identification		New
6.4	Planning Process	pg 57	CIP updates to shift to biennial review vs annual update
7.0	Debt Management	pg 60	Updated narrative, removed duplicate language and procedural content
7.1	Debt Purpose		
7.2	Debt Practices		
7.3	Bond Terms & Methods		
7.4	Refunding Bonds		
7.5	Bond Rating		
7.6	Financial Guarantees		
8.0	Investments	Res 559 (pg 17 to 32)	
8.1	Policy & Scope		Similar policy; updated narrative
8.2	Prudence		Similar policy; updated narrative
8.3	Objective		Similar policy; new policy removes "Safety" as this is inherent in State Law
8.4	Delegation of Authority		Similar policy; updated narrative
8.5	Investment Procedures		Similar policy; old policy refers to internal control
8.6	Ethics & Conflicts of Interest		Similar policy; updated narrative
8.7	Authorized Financial Dealers		Similar policy; updated narrative
8.8	Authorized & Suitable Investments		Similar policy; updated narrative simplified and removed list which is found in RCW
8.9	Safekeeping & Custody		Similar policy; updated narrative; City must comply with State Law
8.10	Diversification		New policy sets targets for diversification of portfolio maturities not type of investment; too restrictive does not allow for flexibility when market conditions change. Broker diversification is set to ensure not all assets are managed by one investment firm; sets maximum maturity at 10 years to align with debt service if applicable
8.11	Reporting		New policy describes reporting to Council and Committees vs only to City Administrator
9.0	Long-term Financial Planning	Res 777 (pg 37 to 39)	
9.1	Model Objective	Res 777 (pg 38)	Current policy content regarding forecasting in beginning section of policy vs new policy has separate sections pertaining to long-term financial planning, financial modeling and expands to require a 20 year forecast/model
10.0	Auditing, Accounting & Internal Control	Res 777 (pg 59)	Updated narrative, removed duplicate language and procedural content
10.1	Internal Control		
10.2	Accounting Write-offs		
10.3	Petty Cash & Bank Account Controls		
10.4	Capital Asset Threshold	Res 777 (pg 41 & 42; pg 54)	New policy sets target capital asset threshold vs nothing in old; similar for equipment replacement. New policy proposes that the ERR is updated every 2 yrs similar to biennial budget timeframe; CIP project threshold recommends increase to \$50,000 and shift to use of the term capital outlay in the operating funds for small projects
10.5	Inventory of Small & Attractive Items		New
10.6	Surplus Assets		Similar
11.0	Risk Management		
12.0	Performance Management	Res 777 (pg 41)	Current policy has performance budgeting narrative; however, staff recommends the new policy which has a placeholder for implementation of a performance management program and performance measures which need to be developed.

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<b>SMC Updates/Repeal Proposed</b>		
	2.04	update for position titles and add reference to financial management policy
	2.7	repeal and see FMP section regarding commercial/purchasing card program administration; section regarding purchasing commitment levels
	2.9	repeal and see FMP section regarding purchasing commitment & authority - same matrix in policy not in SMC
	3.12	repeal and transfer or combine with 3.16
	3.24	repeal; see 2.04 regarding FD ability to create/close funds not needed/duplicate
	3.28	repeal; see 2.04 regarding FD ability to create/close funds not needed/duplicate
	3.3	keep
	3.32	repeal; procedural in nature and referred to in new policy
	3.36	repeal; procedural in nature and referred to in new policy
	3.37	repeal; procedural in nature and referred to in new policy
	3.38	repeal; see 2.04 regarding FD ability to create/close funds not needed/duplicate
	3.44	keep; review res 1453 for duplication - may need to update SMC with Ordinance, not resolution; SMC3.44 was adopted via Ord 530 in 1983
	3.52	repeal; update utility SMC
	3.56	repeal; procedural in nature and referred to in new policy
	3.65	repeal; see 2.04 regarding FD ability to create/close funds not needed/duplicate
	3.7	repeal; procedural in nature and referred to in new policy
	3.8	update and remove procedural language and replace with reference to FMP
	3.85	repeal; procedural in nature and referred to in new policy; update 2.04 with brief section is necessary