

It is the policy of the City of Kirksville to use its resources in a manner to ensure consistent provision of public services and help ensure financial stability regardless of economic fluctuations. The following practices are followed to ensure sufficiency of revenue flow:

- A. The City will attempt to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source. Efforts will be directed to optimize existing revenue sources in addition to seeking new revenue sources.
- B. The City acknowledges that obtaining additional major revenue sources is a component of ensuring a balanced budget. The City Finance Director will provide an annual estimate to the City Council of anticipated revenues using an objective and analytical process utilizing conservative assumptions.
- C. The City will rely on user charges where appropriate, but will refrain from “nuisance” charges (RSMo 479.359). User charges, as opposed to licensing or regulatory charges, shall, wherever possible and appropriate, recover the full cost (operating, direct, indirect, debt service, and capital) of providing the service. Utility user charges will be reviewed annually to ensure the sufficiency of revenues to fund all costs for the provision of water, sewer, and stormwater services.
- D. All fees and charges will be reviewed annually. Comparison with other public and/or private organizations will be used when appropriate, as well as service cost, in determining the level of fees and charges, and their equities.
- E. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
- F. The City will refinance outstanding debt whenever economically feasible.
- G. The City will follow an aggressive policy of collecting revenues, including past-due bills of any type.
- H. The City shall dispose of surplus property in the most cost-effective manner and ensure optimum fair market value is received.
- I. One-time revenues will be used only for one-time expenditures. The City will avoid using non-recurring revenues to fund ongoing programs and activities.
- J. The City shall actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City shall consider all implications related to costs associated with complying with the terms of the grant agreement and the ongoing obligations that will be required in connection with the acceptance of the grant. Programs or projects financed with grant monies will be budgeted separately and will be adjusted to reflect the level of available funding. In the event of reduced grant funding, City resources may be substituted

only after all program priorities are funded during the budget process. Capital or programs funded by grants will not automatically be funded by non-grant resources.

- K. The use of revenues, which have been pledged to bondholders, will conform in every respect to bond covenants and restrictions in the commitment of those revenues.

- L. Revenues received will be compared to budgeted revenues by the City's Finance Director and variances will be investigated. A summary of the results will be presented to the City Manager and City Council.