ARTICLE V. FINANCE AND TAXATION

Section 5.01. Fiscal year.

The fiscal year of the city shall commence on the first day of July of each year.

Section 5.02. Tax system.

The council may, by ordinance, provide a system for the assessment, levy, and collection of all city taxes, and establish assessment policies and procedures.

Section 5.03. Claims or demands against city.

The council may by ordinance prescribe the manner in which claims or demands against the city shall be presented, audited, and paid and may impose requirements with regard to notice and prompt presentation as a condition of payment, provided, however, that the city shall not be liable for damages for injuries to any person or property unless the injured person, ~~or~~ the owner of the damaged property, or someone on ~~his~~ THEIR behalf shall, within the time and in the manner provided by state law, give~~s~~ notice in writing of such injuries or damage, stating fully in such notice when, where, and how the injuries or damage occurred.

Section 5.04. Submission of budget and budget message.

On or before the fifteenth day of June of each year, the CITY manager shall submit to the council a budget for the ensuing fiscal year and an accompanying message.

The CITY manager's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the city for the ensuing year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues, together with the reasons for such changes, summarize the city's debt position and include such other material as the CITY manager deems desirable.

Section 5.05. Budget.

The budget shall provide a complete financial plan of all city funds and activities for the ensuing fiscal year and, except as required by law or this ~~C~~charter, shall be in such form as the manager deems desirable or the council may require. In organizing the budget, the CITY manager shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose, or activity, and subject. It shall begin with a clear general summary of its contents; shall show in detail all estimated income, indicating the proposed property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year; and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures to the extent possible of the preceding fiscal year. It shall indicate in separate sections:

(1) Proposed expenditures for current operations during the ensuing fiscal year, detailed by offices, departments, and agencies in terms of their respective work programs and the method of financing such expenditures;

(2) Proposed capital expenditures during the ensuing fiscal year, detailed by offices, departments and agencies when practicable, and the proposed method of financing each such capital expenditure; and

(3) Anticipated net surplus or deficit for the ensuing fiscal year of each utility owned or operated by the city and the proposed method of its disposition; subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendices to the budget.

The total of proposed expenditures shall not exceed the total of estimated income and fund balances available.

Section 5.06. Temporary inactive funds.

The council may provide for the investment of temporarily inactive funds~~,~~ or may provide for the deposit of such funds with such depositories as it may designate.

Section 5.07. Forecasted capital program.

(a) *Submission to council.* The CITY manager shall prepare and submit to the council a forecasted five-year capital program on or before the fifteenth day of June of each year.

(b) *Contents.* The forecasted capital program shall include:

(1) A clear general summary of its contents.

(2) A list of all capital improvements which are proposed to be undertaken during the five fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements.

(3) Cost estimates, method of financing and recommended time schedules for each such improvement.

(4) The estimated annual income and cost of operating and maintaining the facilities to be constructed or acquired.

(5) Such additional information as the ~~C~~council shall direct.

(c) *Council action on forecasted capital program.*

(1) *Notice and hearing.* The council shall publish at least two (2) times in one or more newspapers of general circulation in the city the general summary of the forecasted capital program and a notice stating:

(A) The times and places where copies of the forecasted capital program are available for inspection by the public.

(B) The time and place, not less than two (2) weeks after the first such publication, for a public hearing on the forecasted capital program.

(2) *Adoption.* The council by resolution shall adopt the forecasted capital program on the same date as the final adoption of the annual budget.

Section 5.08. Transfer of appropriations.

At any time during the fiscal year, the CITY manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency. Upon written request by the CITY manager, the council may transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.

Section 5.09. Permission to exceed the budget.

Nothing in this article shall prevent the council from increasing the budget in accordance with Arizona law.

Section 5.10. Independent annual audit.

Prior to the end of each fiscal year, the council shall designate a qualified public accountant who shall prepare, as of the end of the fiscal year, an audit of the financial transactions of the city government. ~~He~~ THE AUDITOR shall submit a long-form report, including recommendations concerning policy and fiscal procedures, to the CITY council and to the city manager. Such accountant shall be independent and have no direct interest in the fiscal affairs of the city government or of any of its officers. ~~He~~ THE AUDITOR shall, within specifications approved by the CITY council, post-audit the books and documents kept by the city, and any separate or subordinate accounts kept by any other office, department, or agency of the city government.

Section 5.11. Annual report.

Subsequent to completion of the annual audit, the council shall prepare and make available to the public a report of the city's financial activities during the previous fiscal year.

The report shall be of a size so as to be insertable along with monthly utility billings.

The report shall include:

(a) A transmittal letter from the mayor summarizing the results of the annual audit and any other information deemed relevant.

(b) A summarization of the budget for both the fiscal year just audited and the current fiscal year.

(c) A combined balance sheet of all city funds and account groups for the year just audited.

(d) A summary of capital improvements for the fiscal year just audited.

(e) A summary of the capital improvements budget for the current fiscal year.

(f) A presentation of the current year property tax rate distribution.

Section 5.12. Lapse of appropriations.

Every appropriation shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure that has been encumbered shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose for any such capital appropriation so encumbered shall be deemed abandoned if three (3) years pass without any disbursements.

Section 5.13. Administration of budget.

At such time as the CITY manager shall specify, each department, office or agency shall submit work programs for the ensuing fiscal year showing its requested expenditure budgets. The CITY manager shall review and authorize such budget ~~request~~ REQUESTS with or without revision as early as possible in the current fiscal year. ~~He~~ THE CITY MANAGER may revise such budgets during the year ~~if he deems it desirable~~ and shall revise them to accord with any supplemental emergency, reduced, or transferred appropriations made pursuant to section 5.08.

Section 5.14. Competitive bidding.

It is the general intent that open competitive bidding be followed in the purchase of supplies, services, equipment, and improvements. The council shall establish by ordinance a procedure to implement this policy and may determine exceptions thereto.

The council shall accept those bids which, under all circumstances, appear to be in the best interest of the city unless all bids be rejected.