

 CITY COUNCIL POLICY	CP 2-2
	Category: Finance
TITLE: City Council District Funds	Department: City Attorney
	Approved: June 2, 2015

A. Purpose.

The City Council may appropriate on an annual basis amounts to be used by the Mayor and Council for projects within the City or their districts and to be used in accordance with this policy (“District Funds”). The purpose of this policy is to establish guidelines for the accounting and use of District Funds to accomplish public purposes. As with all City appropriations, District Funds are public monies and subject to all general legal requirements governing the expenditure of public monies.

B. Statement of Procedure.

1. Allocation of Funds

Each Council District and the Mayor may receive an allocation of funds during the City’s annual budget process. Unless approved as a supplemental expenditure, the amount will remain the same from year to year.

2. Eligible Expenditures

The following uses are permissible for the expenditure of District Funds. Each use will be evaluated individually in accordance with this policy.

- a. Infrastructure projects that benefit the City as a whole or the District. Examples include street, water, wastewater, drainage, sidewalk, landscape improvements, and park amenities. These projects are in addition to those submitted as part of the regular adopted budget.
- b. Special programs that benefit the City or District which are not part of the adopted budget. If district funds are used to purchase tables or tickets to public events the following are permissible:

1. Councilmembers, their spouses and significant others.
 2. Citizens invited by the Councilmember who the Councilmember deems to have a legitimate interest.
 3. City employees with a legitimate interest furthering the business purposes of the City.
 4. Other individuals invited by the Councilmember who the Councilmember deems to have a legitimate interest.
- c. Expenditures that provide additional services to the City or District not part of the adopted budget. Examples include Block Watch, Neighborhood Programs, Fire Prevention Programs, CPR Training, Special Solid Waste Pick ups, Special Utility Programs, etc.
- d. Expenditures for studies for unbudgeted projects benefiting the City or an individual district. Examples include traffic signal studies, design and engineering studies, other consultant studies, etc
- e. Seminars, workshops and other educational opportunities that benefit the District or the City that are not part of the regular Council Budget. Examples include seminars, workshops, and conferences on topics pertaining to municipal governance, leadership, regional issues or similar subject.
- f. Travel expenditures for the Assistant to the Mayor or Council Assistants when:
1. The travel for the Assistant to the Mayor or Council Assistant has not been included in the annual council budget; and

The travel directly supports the responsibilities of the Mayor and Councilmembers; and

The travel for the Assistant to the Mayor or Council Assistant has a demonstrated benefit to the employee in the performance of their duties.

3. Non-Eligible Expenditures

The following uses are not eligible for expenditure of District Funds. Any amount of funding for such uses requires City Council approval prior to expenditure.

- a. Expenditures that create a requirement for new ongoing funding maintenance and operations by the City. Examples include funding construction of park facilities or new landscaping as compared to landscaping enhancements.
- b. Expenditures that fund new employees or contract personnel.
- c. Expenditures that have been rejected by the City Manager for inclusion in a departmental budget or capital improvement program.
- d. Expenditures for regular on-going maintenance and or operations that are part of a department's normal responsibility.
- e. Travel and Entertainment expenditures for City of Peoria employees, except as stated above in section 2.f.
- f. Expenditures for promotional items that may appear to be campaign related and designed to promote the image of an individual Councilmember as compared to the City or would constitute electioneering. Examples include mugs, literature, or gift items identifying the Councilmember by name and/or district.
- g. Expenditures for another political subdivision of this state that are part of the constitutional and statutory responsibility of that political subdivision. Examples include funding acquisition of textbooks or school supplies for schools, funding county park operations, etc.
- h. Expenditures for a religious purpose that:

The primary purpose is to promote a religion; or

The expenditure may result in an entanglement of governmental responsibilities with a religious entity.

4. Requirements

All procurements using District Funds must be done in accordance with the City's procurement code and guidelines. Procurement is an administrative responsibility and shall be performed by the staff and may not be performed by elected officials of the City. In addition to the City's codes and guidelines, the following additional requirements will apply to the use of District Funds.

- a. Each request for a purchase or expenditure of District Funds shall have a background letter, purchase order, invoice or similar documentation outlining the purpose of the proposed expenditure.
- b. The request for a purchase or expenditure of District Funds shall be prepared by the Mayor and Council office staff.
- c. The request for a purchase or expenditure of District Funds shall be submitted to the City Attorney's Office for a determination of conformance with this policy and State and local laws.
- d. Upon determination that the request or expenditure conforms with this policy, Council staff shall prepare the appropriate purchase orders and or check requests for expenditure of the District Funds.
- e. For request for more than \$5,000, upon determination that the request or expenditure conforms to this policy, the Mayor or Councilmember requesting the appropriation shall submit an agenda item to the Council for approval to expend the District Funds.
- f. Any individual or organization awarded Council District funds shall submit a District Fund Follow-up Report attesting to the use of the funds.
- g. During the final six months of the Mayor or Councilmember's term of office, district fund expenditures shall not exceed one half of the annual approved base budgeted, excluding any carryover amounts. This will ensure the new Mayor and/or Councilmember has half of the approved budget amount to allocate within their term.
- h. District Funds shall be limited to those projects that can be completed before the elected official leaves office.

5. Carry-Over Provisions

In the event there is an unencumbered balance of District Funds in any account at the end of the fiscal year, then such unencumbered balance will automatically be carried over to the next fiscal year. This provision is subject to the following restrictions:

- a. Carryovers will be limited to an amount not to exceed twice the annual allocation to each individual Councilmember or the Mayor of District Funds. Any amounts in excess of twice the annual allocation shall revert to the City's General Fund.
- b. The City Council may elect not to carry over such funds during the annual budget process.

APPROVED:

Cathy Carlat, Mayor

APPROVED AS TO FORM:

Steve Kemp, City Attorney

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