Memo

To: Mayor and Hayden City Council
From: Jennifer Gahringer

Date: September 22, 2026

Agenda Item: Consider Resolution Adopting City of Hayden Financial Policy

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Agenda Item Location
New Business

Background and Recommended Action or Motion
The attached resolution and exhibits provide for the amended Financial Policy for the City of Hayden, combining two previous resolutions and a providing for a new section regarding reserve minimums.

Fiscal Impact
This action has no fiscal impact.

Budget Funding Source / Transfer Request
N/A

Attachment
Resolution and supporting financial policy

CITY OF HAYDEN

FINANCIAL CONTROL POLICY

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CHAPTER 1. PURPOSE STATEMENT

The City recognizes its important responsibility to its citizens to properly account for and manage the public and enterprise funds entrusted to it. These funds must be spent, saved, and invested wisely to support essential services, maintain daily operations, plan for the replacement of assets, and promote financial growth without unnecessarily increasing property taxes or utility rates.

To that end, this Financial Management and Reserve Policy, along with established reserve minimums, is adopted to guide the City in maximizing revenues and maintaining financial resilience against economic volatility and regional fluctuations.

The purpose of this policy is to ensure the City remains financially stable by maintaining adequate cash flow and reserve levels. This policy promotes sound financial practices that:

- Protect the City during unplanned or volatile economic downturns
- Provide sufficient funding to manage fluctuations between intermittent revenue streams and ongoing monthly expenditures
- Mitigate the financial impacts of external agency actions that may reduce revenues or increase service costs
- Address unexpected emergencies, including manmade events, natural disasters, and legal judgments
- Promote responsible management of financial risks affecting overall City operations
- Establish long-term financial goals and strategies to achieve sustained financial security

In coordination with the City's other financial policies, budget processes, and Council actions, this policy serves as a guiding framework for City leadership to support long-term financial success across changing economic conditions and future administrations.

CHAPTER 2. GENERAL OVERSIGHT

All sound financial decisions require strong oversight policies and consistent practices. This chapter establishes the general framework for financial oversight in the City's daily, monthly, and annual operations.

The City Council is responsible for establishing financial policies and reviewing the City's operations and activities as part of its fiduciary duty. The Mayor is responsible for oversight of all City operations, including financial management.

If a City Administrator is appointed by the Mayor and City Council, responsibility for day-to-day operations shall be delegated to that position, unless otherwise directed by the Mayor and Council.

The City Finance Director, who may also serve as the City Treasurer, is responsible to the City Administrator, Mayor, and City Council for all matters related to the City's financial operations.

The City Council may provide exceptions to these responsibilities through separate action or policy. Any such exceptions should be reviewed and reaffirmed following the election of new Council members and/or a newly elected Mayor.

Compliance with External Requirements

The City shall comply with all applicable federal, state, and local laws and regulations. This includes, but is not limited to:

- Reporting financial data in accordance with Idaho Code 67-1075 and 67-1076
- Adhering to Generally Accepted Accounting Principles (GAAP)
- Following standards established by the Governmental Accounting Standards Board (GASB)

Security and Access

To safeguard financial, personnel, payroll, and other sensitive records (both electronic and physical), the following controls shall be in place:

- Access to secure information shall be granted based on job responsibilities, as determined by the City Administrator and Finance Director (and/or Treasurer, if applicable)
- Access to financial systems, including ERP software, banking platforms, and related systems, shall be protected through secure authentication methods such as passwords and multi-factor authentication
- Upon employee separation, all system access shall be immediately revoked, and all City-owned property (e.g., keys, authentication devices, equipment) shall be returned to the City

Financial and Internal Control Policy

The City shall maintain a high standard of accounting practices through a structured system of internal controls. The Finance Department is responsible for establishing and maintaining these controls to provide reasonable assurance that:

- Assets are safeguarded against loss, theft, or misuse

- Financial activities comply with applicable laws and regulations
- Transactions are properly authorized, recorded, and reported

The Finance Department shall develop internal control procedures based on best practices and recommendations from independent auditors. A good faith effort will be made to implement all relevant audit recommendations.

Department heads and leadership staff are responsible for ensuring compliance with internal control procedures within their respective areas.

Auditing and Financial Reporting

To fulfill its financial reporting responsibilities, the City shall:

- Maintain a comprehensive chart of accounts and accounting system capable of producing timely and accurate financial statements
- Contract for an independent annual audit in accordance with applicable state laws (Idaho Code 50-1010) and GASB standards
- Issue timely financial statements in accordance with GAAP
- Prepare and publish periodic financial and operational reports to support management decisions and policy development

Capital Asset Accounting and Disposal Policy

The City shall maintain a Capital Asset Policy to ensure proper tracking, control, and reporting of fixed assets.

- Capital assets with a value of $5,000 or more and a useful life of at least three (3) years shall be recorded in the City's General Ledger
- The Finance Department shall provide departments with a preliminary year-end fixed asset listing following the close of each fiscal year
- Department heads or supervisors shall review and report any changes to the Finance Department by October 31 each year, including:
    - Assets designated as surplus or at end of life
    - Transfers between departments
    - Changes in asset condition
    - Upgrades or enhancements that extend useful life

Departments are responsible for the proper use, care, maintenance, and security of all assigned equipment. Necessary repairs should be performed promptly, and appropriate safeguards must be in place to prevent loss, damage, or unauthorized use.

CHAPTER 3. OVERVIEW OF ACCOUNTING SYSTEMS

The City's financial systems are maintained in accordance with governmental accounting standards. Governmental funds are reported using the modified accrual basis of accounting, while enterprise funds (including sewer operations) are reported using the full accrual basis of accounting.

Access to the accounting system is restricted and controlled to ensure the reliability, accuracy, and integrity of financial data.

<u>Funds Receivable</u>

Funds receivable procedures are established to ensure that all incoming funds are properly recorded, documented, and safeguarded. The Finance Director and/or City Treasurer shall designate authorized staff responsible for collecting City funds.

The following procedures are designed to minimize errors, ensure accountability, and maintain oversight. Failure to comply with these procedures may result in disciplinary action, up to and including termination of employment.

- All incoming mail shall be opened promptly by the Cash Receipting Clerk. In-person payments shall be processed at the time of receipt, and all payments must generate a receipt within the City's ERP system
- All checks and cash shall be recorded immediately in the cash receipting system
- Electronic payments shall be reported daily. Online credit card payments shall be verified through system-generated reports, while other electronic payments shall be coded by the Finance Director and/or City Treasurer and entered into the receipting system
- The City maintains two secure payment drop boxes (City Hall and an off-site location). Payments collected from drop boxes shall be opened and verified by two staff members, with any cash independently confirmed. Receipts shall be issued and processed consistent with standard procedures
- Daily reconciliation reports shall be generated for all payment types (cash, check, card, and electronic). These reports must balance prior to deposit preparation
- Deposits shall be made daily through a secure banking process
- The Finance Director and/or City Treasurer shall perform monthly bank reconciliations for all City accounts, identifying and resolving any discrepancies between bank records and the general ledger

<u>Funds Disbursed</u>

Disbursement procedures are established to ensure that all payments are properly authorized, documented, and recorded.

- Disbursements shall be supported by adequate documentation and appropriate approval

- The City Council retains primary authority for approving disbursements
- The Mayor and/or City Administrator may authorize disbursements within their approved limits
- Access to check printing and payment systems shall be restricted and password protected

Department Oversight

Each department is responsible for managing its budget and is accountable to the City Administrator/Mayor and City Council.

- The City Treasurer shall prepare monthly budget-to-actual (variance) reports
- Reports shall be distributed to department directors and the City Council for review
- Department directors are responsible for verifying the accuracy of financial activity within their budgets, including identifying coding errors or unauthorized expenditures

Payment of Invoices

Department heads are responsible for reviewing and approving invoices prior to submission for payment. This includes verifying accuracy, appropriateness, and correct general ledger coding.

The following requirements apply:

- Payments shall be made based on invoices only; statements or quotes are not acceptable for payment
- Any discrepancies or reliance on quotes must be resolved with the vendor prior to submission for approval
- Final payment for goods shall not be made until the City has received and accepted the goods or services
- Any required down payments must receive prior approval from the City Council and be clearly documented as such

Ratification of Bills

Ratification of bills shall occur only under extenuating circumstances when payment cannot reasonably wait until the next scheduled City Council meeting.

- Ratified payments shall follow the same documentation and review process as standard disbursements
- All ratified bills shall be presented to the City Council at the next meeting for formal approval
- Ratified payments shall be listed as a separate agenda item to ensure transparency and Council awareness

CHAPTER 4. BUDGETING POLICY

This policy establishes the standards and processes for preparing, adopting, and managing the annual operating and capital budgets. It ensures fiscal sustainability, transparency, legal compliance, and alignment with organizational priorities.

<u>Guiding Principles</u>

- Maintain a **structurally balanced** budget using recurring revenues for recurring expenses.
- Use a **long-term financial outlook**, integrating a 2-5 year forecast.
- Apply **conservative revenue assumptions** and realistic expenditure planning.
- Ensure **transparency, accountability, and internal control**.
- Prioritize one-time revenues for one-time uses.

<u>Roles & Responsibilities</u>

- **Governing Body:** Sets priorities; adopts budget and major amendments.
- **City Administrator/Manager:** Guides strategy; reviews proposals; submits proposed budget.
- **Finance Director/Treasurer:** Issues instructions and calendar; consolidates submissions; monitors compliance; manages reporting and amendments.
- **Departments:** Prepare operating and capital requests; manage spending within appropriations; provide performance metrics.
- **HR:** Support position control and benefits.

<u>Budget Calendar</u>

- Apr–May: Department discussions; HR position review and strategic planning
- Jun–Jul: Consolidation; leadership review; budget workshops
- Jul-Aug: Adoption and publication of budget
- Monthly/Quarterly: Monitoring and reporting

<u>Budget Development Standards</u>

- Use documented revenue/expenditure assumptions.
- Identify recurring vs. one-time items.
- Include required KPIs and service-level impacts.
- Maintain position control and fund new staffing only with identified ongoing sources.

Capital Improvement Program (CIP)

- Maintain a multi-year CIP detailing project cost, funding, and operating impacts.
- Prioritize projects based on safety, mandates, asset preservation, service impact, and external funding.

Reserves & Contingencies

- Maintain operating reserves at established target levels.
- Use fund balance only for one-time costs or emergencies with a restoration plan.
- Include annual contingencies to address unforeseen needs.

Budget Controls & Amendments

- Governing body approval is required for appropriation increases, inter-fund transfers, or major CIP changes.
- Emergency spending requires subsequent ratification.

Monitoring & Reporting

- Monthly departmental reviews and variance analysis.
- Quarterly public financial reports covering operations, CIP, and KPIs.
- Mid-year forecast update and corrective actions when needed.

Grants & Restricted Funds

- Budgets must comply with grantor requirements.
- Finance ensures accurate tracking, drawdowns, and reporting.

Internal Controls

- Maintain documentation, audit trails, and segregation of duties.
- System controls must prevent overspending beyond approved appropriations.

CHAPTER 5. PURCHASING POLICY

The procurement of commodities and services in the public sector represents a direct cost to taxpayers and is subject to public scrutiny. The City is committed to ensuring that all purchasing activities are conducted with integrity, transparency, and accountability.

Competition is the central principle of public procurement. This policy is designed to:

- Encourage fair and open competition
- Ensure the best value for public funds
- Prevent favoritism, fraud, and profiteering
- Promote equal opportunity for vendors, including local businesses

The City adheres to **Idaho Code Title 67, Chapter 28 (Purchasing by Political Subdivision)** as the minimum standard. Where this policy is more restrictive than state law, City requirements shall prevail.

Purchasing Ethics and Vendor Relationships

Prohibitions

City employees are prohibited from:

- Selling goods or services to the City unless expressly authorized
- Attempting to influence procurement decisions through improper means (e.g., bribes, kickbacks, gifts, or favoritism)
- Circumventing purchasing procedures (e.g., splitting purchases or creating false emergencies)

Code of Ethics

Employees involved in procurement shall:

- Comply with all City policies and Idaho laws
- Avoid real or perceived conflicts of interest
- Promote open and fair competition
- Act as responsible stewards of public funds
- Not accept gifts, favors, or anything of value exceeding nominal thresholds (generally $50)
- Avoid conducting business with relatives or other City employees

Vendor Relationships

The City values professional and ethical relationships with vendors. Employees shall:

- Conduct business with fairness and integrity
- Protect confidential and proprietary vendor information
- Maintain professionalism in all interactions

Purchasing Procedures

Acquisition cost includes purchase price, delivery, and installation.

Purchase of Goods and Services

Purchases Up to $1,500

- Authorized by Department Director
- No competitive bidding required
- Must be within approved budget

Purchases $1,500 – $5,000

- Require Department Director approval and City Administrator authorization
- Must include a signed proposal
- Contracts may substitute for proposals if applicable

Purchases $5,000 – $25,000

- No competitive bidding required
- Contract required and must be approved by Mayor or City Council
- Mayor must sign contract

Purchases $25,000 – $100,000

- Require **informal bidding process**
- Written quotes required

Purchases in excess of $100,000

- Require **formal bidding process**
- Must comply with Idaho Code §67-2806

Exceptions to Bidding Requirements

Competitive bidding may be waived when:

- Purchasing through State of Idaho or federal contracts

- Emergency procurement is required
- Sole source procurement is justified

Informal Bidding Process

- Minimum of three quotes (if available)
- Preference for Idaho-based vendors when possible
- Written solicitation required
- Minimum three-day response period (unless emergency)
- No splitting purchases to avoid thresholds
- Mayor signs resulting contracts

Formal Bidding Process

Specifications

- Be clear, fair, and non-restrictive
- Encourage competition
- Allow verification of compliance

Public Notice Requirements

- Published at least twice in a newspaper
- First notice: minimum two weeks before bid opening
- Second notice: at least seven days before bid opening

Bid Opening and Evaluation

- Publicly opened by City Clerk
- Evaluated for responsiveness and accuracy
- Results made publicly available

Council Action

- Award bid
- Reject bids
- Request additional information
- Rebid or approve alternative procurement methods

Emergency and Sole Source Procurement

- Allowed when necessary to protect life, health, or property.
- Must be authorized by the Mayor and comply with Idaho Code §67-2808.

Sole Source Purchases

- Allowed when only one vendor is available
- Council approval
- Public notice at least 14 days prior

Public Works Construction

- **$5,000–$10,000:** No bidding required
- **$10,000–$25,000:** Council approval required
- **$25,000–$100,000:** Informal bidding required
- **Over $100,000:** Formal bidding required

All projects over $10,000 must use licensed public works contractors and include performance and payment bonds.

Professional Services

General Services

- Typically procured through a Request for Proposals (RFP)
- Selection based on qualifications and value, not just price

Design Professionals & Construction Managers

- Selected based on qualifications (Idaho Code §67-2320)
- Formal qualification and negotiation process required for contracts over $25,000

Contracts

- Required for services exceeding $5,000
- Must be approved by Council if over $10,000 or longer than one year
- Reviewed by City Attorney
- Maintained by City Clerk

<u>Purchasing Authority</u>

Role	Authority Limit
Department Director	Up to $1,500

Role	Authority Limit
Department Director (with Admin approval)	Up to $5,000
City Administrator	Up to $5,000
Mayor	Up to $10,000

Leases

- Must include non-appropriation clause (if over one year)
- Require Council approval and Mayor signature
- Reviewed by City Attorney

Risk Management

Vendors may be required to provide:

- Workers' Compensation Insurance
- Liability Insurance
- W-9 documentation
- Payment and performance bonds (public works)

Payment Processing

- All invoices processed through Finance Department
- Departments must verify and approve invoices
- Payments issued after Council approval
- Strict deadlines for submission

Surplus Property Disposal

General Principles

- Maximize value to the City
- Follow state law
- Prohibit employee acquisition

Disposal Methods

- Disposal, donation, auction, or sale depending on value
- Council approval required for higher-value items

CHAPTER 6. RESERVE POLICY

The purpose of this Reserve Policy is to ensure the City remains a financially stable organization by maintaining appropriate reserve levels. Adequate reserves position the City to effectively plan for cash-funded needs and to respond to unplanned events such as economic downturns, actions by external agencies, natural disasters, catastrophic events, or significant legal liabilities.

A well-structured reserve policy also enables the City to plan for and fund major capital expenditures, reducing reliance on debt and minimizing the financial burden on taxpayers and ratepayers.

In coordination with the City's broader financial policies, this Reserve Policy serves as a guiding framework for maintaining financial stability, meeting ongoing obligations, and addressing unforeseen events in a fiscally responsible manner.

This policy applies only to unrestricted and unassigned fund balances. Restricted and non-spendable funds are excluded.

Fund Types

The City maintains three primary fund types:

- General Fund
- Enterprise Funds
- Special Revenue Funds

This policy primarily focuses on the General Fund and Enterprise Funds, as these have the most direct impact on taxpayers and ratepayers. The City Council may adopt reserve policies for Special Revenue Funds in the future if deemed necessary.

<u>General Fund Reserve</u>

The General Fund is the City's primary operating fund supporting tax-funded services, including administration, finance, recreation, streets, parks, and contracted public safety services.

Due to its reliance on variable revenue sources and exposure to operational risks, the General Fund requires a structured reserve approach.

Risk Factors

- Revenue volatility and economic downturns
- Unexpected emergencies or large-scale events
- Equipment failures and capital replacement needs
- Legal liabilities not covered by insurance

Reserve Structure

The General Fund reserve is divided into three components:

Operating Reserve

The Operating Reserve provides working capital to address timing differences between revenues and expenditures.

Emergency Reserve

The Emergency Reserve provides funding for unforeseen events requiring immediate response.

Capital / Contingency Reserve

This reserve supports planned and unplanned capital expenditures and strategic opportunities.

Operating Reserve

Policy Standard:

- Minimum: 90 days (3 months) of operating expenditures
- Equivalent to: 25% of annual operating budget (excluding non-operating expenses)

Purpose:

- Maintain cash flow stability
- Ensure timely payment of obligations
- Support strong creditworthiness and borrowing capacity

Emergency Reserve

Policy Standard:

- Target: 10% of operating expenditures

Eligible Uses:

- Natural or manmade disasters
- Revenue shortfalls due to economic or legislative changes
- Infrastructure failure or urgent repairs
- Required match for state or federal disaster funding

Capital / Contingency Reserve

Purpose:

- Fund major equipment and infrastructure
- Support land acquisition and facility development
- Reduce reliance on debt financing
- Provide flexibility for unforeseen opportunities

Policy Guidance:

- Align with the City's 5-year Capital Improvement Plan (CIP)
- Maintain sufficient funding to cover:
    - Current year capital needs
    - At least one additional year of planned capital

Reserve Funding and Use Priorities

- Reserve levels shall be reviewed annually during the budget process
- Adjustments shall be made as needed based on financial conditions

Order of Use in Emergencies:

1. Emergency Reserve
2. Capital / Contingency Reserve
3. Operating Reserve (last resort)

The Operating Reserve should be preserved to maintain ongoing operations.

The Finance Director may establish administrative procedures for the use and replenishment of reserves.

<u>Sewer Enterprise Fund Reserve</u>

The City's Wastewater System operates continuously and must maintain financial capacity to support operations, capital improvements, and debt obligations.

Reserve policies ensure:

- Operational continuity
- Infrastructure reliability
- Rate stability

- Environmental protection

Operating Reserve

Minimum Requirement:

- 90 days (3 months) of operating expenditures
- Equivalent to 25% of annual operating budget (excluding non-operating expenses)

Purpose:

- Maintain working capital
- Support uninterrupted service delivery

Capital Program Reserve

Minimum Requirement:

- Current year budgeted capital expenditures

Purpose:

- Ensure adequate funding for capital projects
- Maintain project continuity and working capital
- Support uninterrupted service delivery

Emergency Reserve

Target:

- 10% of annual operating expenditures

Purpose:

- Cover unexpected catastrophic events such as:
    - Equipment failures
    - Natural disasters
    - System emergencies

Restricted (Debt) Reserve

Purpose:

- Meet requirements of loan agreements (e.g., State Revolving Fund)

Requirement:

- Maintain balances as specified in debt agreements

- Funds remain restricted until obligations are satisfied

Excess Funds

Funds exceeding reserve targets should be prioritized for:

- Reducing outstanding liabilities
- Strengthening long-term financial position

Policy Review

Reserve levels and targets shall be reviewed:

- Annually during budget adoption
- During budget amendments
- As needed based on economic or operational changes

CHAPTER 7. INVESTMENT POLICY

General Purpose Statement

The City of Hayden recognizes its responsibility to its citizens to prudently manage public funds with accountability, transparency, and sound financial judgment. This includes safeguarding financial resources, supporting sustainable growth, and ensuring adequate funding for current operations, future maintenance, and capital development.

The City's financial management policies establish a framework to promote fiscal stability and responsible stewardship of public and customer funds. This Investment Policy provides structure, direction, and oversight for the management and investment of City funds.

Policy Objectives

The objectives of this Investment Policy are as follows:

- To establish clear policies governing the cash and investment activities of all City funds under the City's jurisdiction.
- To ensure compliance with all applicable federal, state, and local laws and regulations related to the management, control, and safeguarding of public funds.
- To manage the City's cash and investments in a manner that prioritizes:
    - **Safety of principal**
    - **Adequate liquidity** to meet operational needs
    - **A reasonable rate of return** consistent with safety and liquidity objectives

Authority

The Chief Financial Officer/City Treasurer is authorized to invest City funds in accordance with applicable laws, including but not limited to:

- Idaho Code §50-1013
- Idaho Code §50-208
- Idaho Code §57-107
- Idaho Code §57-127
- Governmental Accounting Standards Board (GASB) Statement No. 40

All investment activities shall conform to these authorities and any subsequent amendments.

Investment Management

All cash and investment management activities shall be conducted with a high standard of care to ensure the safety, integrity, and proper stewardship of the City's financial assets.

Investment practices shall:

- Adhere strictly to all applicable local, state, and federal regulations
- Maintain accurate and transparent records of all transactions
- Ensure internal controls are in place to safeguard public funds
- Align with the City's overall financial management policies and objectives

Use of Brokers / Dealers

When utilizing broker/dealers, the City shall:

- Obtain competitive quotes from approved and qualified financial institutions or broker/dealers
- Ensure a fair and impartial selection process with no preferential treatment
- Maintain a list of approved broker/dealers that meet the City's standards for reliability and regulatory compliance

All investment transactions, including purchases, modifications, reinvestments, or changes in investment strategy, shall require prior approval by the City Council through formal motion.

CHAPTER 8. DEBT MANAGEMENT POLICY

General Purpose Statement

The City of Hayden recognizes that the prudent use of debt is an important tool in financing capital improvements and infrastructure necessary to meet the current and future needs of the community. At the same time, the City acknowledges that debt must be managed responsibly to maintain long-term financial stability and protect the interests of its citizens.

This Debt Management Policy establishes guidelines to ensure that all debt is issued and managed in a manner that is fiscally sound, transparent, and consistent with the City's overall financial goals.

Policy Objectives

The objectives of this policy are as follows:

- To ensure that debt is issued only for appropriate and necessary purposes
- To maintain the City's ability to access credit markets at the lowest possible cost
- To preserve and enhance the City's credit rating and financial reputation
- To ensure full and timely repayment of all debt obligations
- To provide clear guidelines for the issuance and management of debt
- To ensure compliance with all applicable federal, state, and local laws

Authority

The issuance of debt shall be authorized by the City Council in accordance with applicable Idaho statutes and local ordinances.

The Chief Financial Officer/City Treasurer is responsible for administering and managing the City's debt in compliance with this policy and all legal requirements.

Purposes For Which Debt May Be Issued

Debt may be issued for the following purposes:

- Financing capital improvements, infrastructure, and major equipment acquisitions
- Funding projects that provide long-term community benefit
- Refinancing existing debt to achieve cost savings or more favorable terms
- Addressing emergency situations when sufficient reserves are not available

Debt shall not be used to fund ongoing operational expenditures except in extraordinary circumstances and with explicit City Council approval.

Types of Debt

The City may utilize various forms of debt, including but not limited to:

- General Obligation Bonds
- Revenue Bonds
- Notes or Loans
- Lease-Purchase Agreements

The selection of the appropriate debt instrument shall be based on the nature of the project, repayment source, cost considerations, and legal requirements.

Debt Affordability and limits

The City shall ensure that its debt levels remain within manageable limits by:

- Evaluating the impact of new debt on current and future budgets
- Maintaining debt service at levels that do not compromise essential City services
- Considering debt capacity in relation to assessed valuation and revenue streams
- Monitoring key financial ratios and benchmarks

The City will strive to maintain a balance between leveraging debt for necessary improvements and preserving financial flexibility.

Debt Structure and Terms

The City shall structure debt in a manner that:

- Matches the term of the debt to the useful life of the financed asset
- Provides for level or declining debt service payments where feasible
- Minimizes total interest costs over the life of the debt
- Avoids the use of high-risk or complex financing structures unless clearly justified

Refinancing and Refunding

The City may refinance or refund existing debt when it is financially beneficial, such as:

- Achieving interest cost savings
- Restructuring debt for improved cash flow
- Removing or modifying burdensome covenants

All refinancing decisions shall be supported by a clear financial analysis.

Compliance and Disclosure

The City shall comply with all applicable federal and state requirements related to debt issuance and management, including:

- Continuing disclosure requirements
- Arbitrage and tax regulations
- Financial reporting standards

Accurate records shall be maintained for all debt obligations.

Reporting and Monitoring

The City shall:

- Provide regular reports to the City Council on outstanding debt
- Monitor debt service schedules and obligations
- Include debt obligations in long-term financial planning

CITY OF HAYDEN
RESOLUTION NO. ____

A RESOLUTION OF THE CITY OF HAYDEN, IDAHO, ADOPTING THE CITY'S FINANCIAL POLICIES AND REPEALING AND REPLACING ANY PRIOR POLICIES OR RESOLUTIONS IN CONFLICT THEREWITH

WHEREAS, the City of Hayden seeks to ensure responsible stewardship of public funds through clearly defined financial principles and practices; and

WHEREAS, the City has reviewed and updated its Financial Policies to reflect current best practices, operational needs, statutory requirements, and the long-term financial interests of the community; and

WHEREAS, the City Council finds it necessary and appropriate to formally adopt these updated Financial Policies; and

WHEREAS, the City Council further finds that previously adopted financial policies, or portions thereof, may be outdated or inconsistent with the newly adopted policies and should therefore be repealed and replaced to avoid conflict and ensure clarity.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAYDEN, IDAHO:

1. The updated **City of Hayden Financial Policies**, attached hereto as *Exhibit A* and incorporated herein by reference, are hereby **adopted** as the official financial policies of the City of Hayden.
2. Any previously adopted financial policies, resolutions, guidelines, or provisions that conflict with the policies adopted herein are hereby **repealed** and **replaced** by the policies set forth in *Exhibit A*.
3. This Resolution shall take effect immediately upon its adoption.

PASSED by the City Council of the City of Hayden, Idaho, on this ___ day of __________, 2026

____
Alan Davis, Mayor

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Abbi Sanchez, Clerk