



## UNIVERSITY PARK CITY COUNCIL AGENDA MEMO

**Meeting Date:**  
9/2/2025

**Item Type:**  
Action Item

**Subject:** Resolution adopting FY2026 Financial Management Policies

**Prepared By:** Thomas W. Tvardzik, Finance Director

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### **Background:**

The Government Finance Officers Association (GFOA) recommends that Financial Management Policies be reviewed and adopted as part of the annual budget process.

Each year, city staff presents the Financial Management Policies to the Finance Advisory Committee (FAC) for review, consideration of potential revisions, and recommendation to Council. Once adopted by a Council resolution, the policies are effective for the upcoming fiscal year.

These Financial Management Policies provide a framework for the City's fiscal management, covering the following areas:

- Annual budgets and budget transfer authority
- Adherence to Generally Accepted Accounting Principles (GAAP)
- Financial reporting and auditing
- Revenue, expenditure, and fund balance management
- Capital project expenditures, debt management, long-term financial planning, internal controls, and cash management (including compliance with a separate investment policy)

### **Proposed Changes for FY2026:**

City Staff proposes the following updates for FY2026, consistent with GFOA best practices and current operational needs:

- **Remove** "building permit fees in excess of 120% of the amount budgeted for the fiscal year" from the definition of "one-time revenues."
- **Increase** the unassigned fund balance target in the General Fund from 30 to 60 days of budgeted expenditures, in line with GFOA best practices.
- **Establish** a formal process for the annual transfer of surplus General Fund balance, following completion of the annual audit.
- **Add** the Aquatics Fund to the list of Proprietary Funds.

### **Annual Surplus Determination and Transfer:**

Following the completion of the City's annual audit, the Director of Finance shall determine whether the audited General Fund balance exceeds the Required Year-End Balance. This balance includes:

- Non-spendable, restricted, committed, and assigned fund balances;
- An unassigned fund balance equal to 60 days of budgeted General Fund expenditures; and
- Any additional amounts formally adopted by City Council to support specific funding objectives or long-term financial commitments.

By June 30 of each year, the Director of Finance shall present a Surplus Transfer Report to City Council, which will include the audited General Fund balance, the calculation of the Required Year-End Balance and its components, and any resulting Annual Surplus.

Unless otherwise directed by the City Manager or City Council, the Annual Surplus (if any) will be transferred to the General Governmental Capital Projects Fund for use exclusively on capital improvements identified in the City's adopted Capital Improvement Plan (CIP).

**Fiscal Impact:**

- ☒ Not Applicable
- ☐ Budget Amendment Required
- ☐ Proposed Revenue
- ☐ Proposed Expenditure /Funding Source:

**Master Plan Goal:**

Please check the associated Theme and provide the corresponding action item number.



	Theme	Action Item(s)
<input type="checkbox"/>	Affirming Sense of Place	
<input type="checkbox"/>	Assuring Connectivity	
<input type="checkbox"/>	Innovative Governance	
<input type="checkbox"/>	Technological Integration	
<input type="checkbox"/>	Preparing for the Future	
<input checked="" type="checkbox"/>	Not Applicable	

**Recommendation:**

City staff recommends approval and adoption of the proposed FY2026 City of University Park Financial Management Policies, to take effect October 1, 2025.

**Committee Review:**

The Financial Management Policies were reviewed, approved and recommended for adoption at the June 12, 2025 meeting of the Finance Advisory Committee.

**Attachments:**

- Resolution adopting Financial Management Policies
- City of University Park Financial Management Policies