1. ***We will maintain a designated General Fund working capital reserve equivalent to 15% of the General Fund's operating budget and a designated emergency reserve equivalent to 5% of the General Fund's operating budget.***

2. ***We will maintain a balanced operating budget for all governmental funds with recurring revenues equal to or greater than recurring expenditures. Appropriations of available fund balance will only be permitted for "one-time" non-recurring expenditures.***

3. ***We will assume that normal revenue inflation and/or growth will go to pay normal inflation expenditures. In no event will normal expenditure increases be approved which exceed normal revenue inflation and/or growth. Any new or expanded programs will be required to identify new funding sources and/or off-setting reductions in expenditures in other programs.***

4. ***We will require that all Enterprise Funds have revenues (customer charges, interest income, and all other income) sufficient to meet all cash operating expenses, depreciation expense, and prescribed cash reserve policies per financial policies as recommended for each enterprise activity. Additionally, each Enterprise Fund will maintain debt service coverage requirements set forth in any related bond covenants.***

5. ***We will require that each Internal Service Fund which includes vehicles, equipment, and building maintenance have revenues, (City user charges, interest income, and all other income) sufficient to meet all cash operating expenses and depreciation expenses. The related revenues should also be sufficient to maintain cash reserves which provide sufficient cash to replace vehicles and equipment in accordance with replacement policies.***

6. ***We will maintain appropriate reserves in the Risk Management Self- Insurance Fund and the Workers' Compensation Self – Insurance Fund to meet statutory requirements and actuarially projected needs.***

7. ***We will maintain a general operating reserve which will support operations for each Enterprise Fund during times of financial emergencies. The amount of the general operating reserves will be determined based on a risk assessment of each Enterprise Fund.***

8. ***We will maintain other Enterprise Fund reserves such as debt reduction and capital funding reserves, fleet replacement reserves, and general plant reserves (in addition to the general operating reserve and other reserves) as necessary and prudent for the operation of the specific Enterprise Fund. Such reserves will be reviewed as necessary during the annual budget process, or at least every two years.***

9. ***We will maintain a long-range fiscal perspective through the use of an annual operating budget, a five-year capital improvement plan, and a five-year financial forecast.***

10. ***We will use long-term financing methods or cash accumulated in excess of policy requirements for major capital improvements and acquisitions. These improvements will be planned via the annual capital improvement plan process.***

11. ***We will issue bonds or incur other terms of indebtedness only for appropriate purposes and only if the debt service does not effect the City's ability to meet future operating, capital and reserve requirements.***

12. ***We will require each budget appropriation request to include a fiscal impact analysis.***

13. ***We will comply with all the requirements of "Generally Accepted Accounting Principles."***

14. ***Subject to these Financial Policies:***

A. In order to recruit and retain a well-qualified workforce to provide exceptional services, we will compensate employees at a level commensurate with the average of Burbank's relevant labor market.

B. The City and employees will evenly share the Normal Cost of employee pensions.

C. To effectively manage workload demand and personnel costs, we will staff services and programs based on the operational needs of the City.

15. ***We will require responsible funding of City provided post-employment benefits. The objective being to maintain all benefits fully funded, understanding that due to the use of actuarial assumptions, actual results will vary leading to years of either over or under funded status. In all years, the City will include the greater of the actual actuarially calculated annual post-employment benefit cost or the actuarially calculated annual normal cost of the post-employment benefit as a recurring cost in the City's annual budget. In other words, the City will pay as we go annually the cost of retirement benefits for current or past employment service. Further, the funding status of post-employment benefits will be reported to the City Council and public as an integral part of each year's public budget presentation.***

16. ***The City's objective is to maintain citywide infrastructure. To help ensure a minimum, reliable funding source for General Fund infrastructure improvements, maintenance, and repairs, the City will dedicate no less than 50% of the revenues generated through the Burbank Infrastructure and Community Services Protection Measure (Measure P, §BMC 2-4-2101, et. seq.) toward this purpose. This dedicated revenue does not supplant the previously existing General Fund commitment, but is in addition to the baseline General Fund annual commitment of $4.7 million. The baseline General Fund annual commitment is based on the average of the previous three year's recurring General Fund infrastructure maintenance and repair funding prior to the voter approval of the Measure P (FY 2015-16, FY 2016-17, FY 2017-18).***

17. ***In effort to ensure employee pension benefits are responsibly funded, the City will require that any year-end General Fund balance, in excess of 6% of the General Fund's budgeted recurring appropriations, be used to fund employee pension liabilities (either through a 115 trust or through direct payment to the benefit administrator i.e. CalPERS). This annual funding commitment will be required if employee pension benefits are less than 90% funded.***