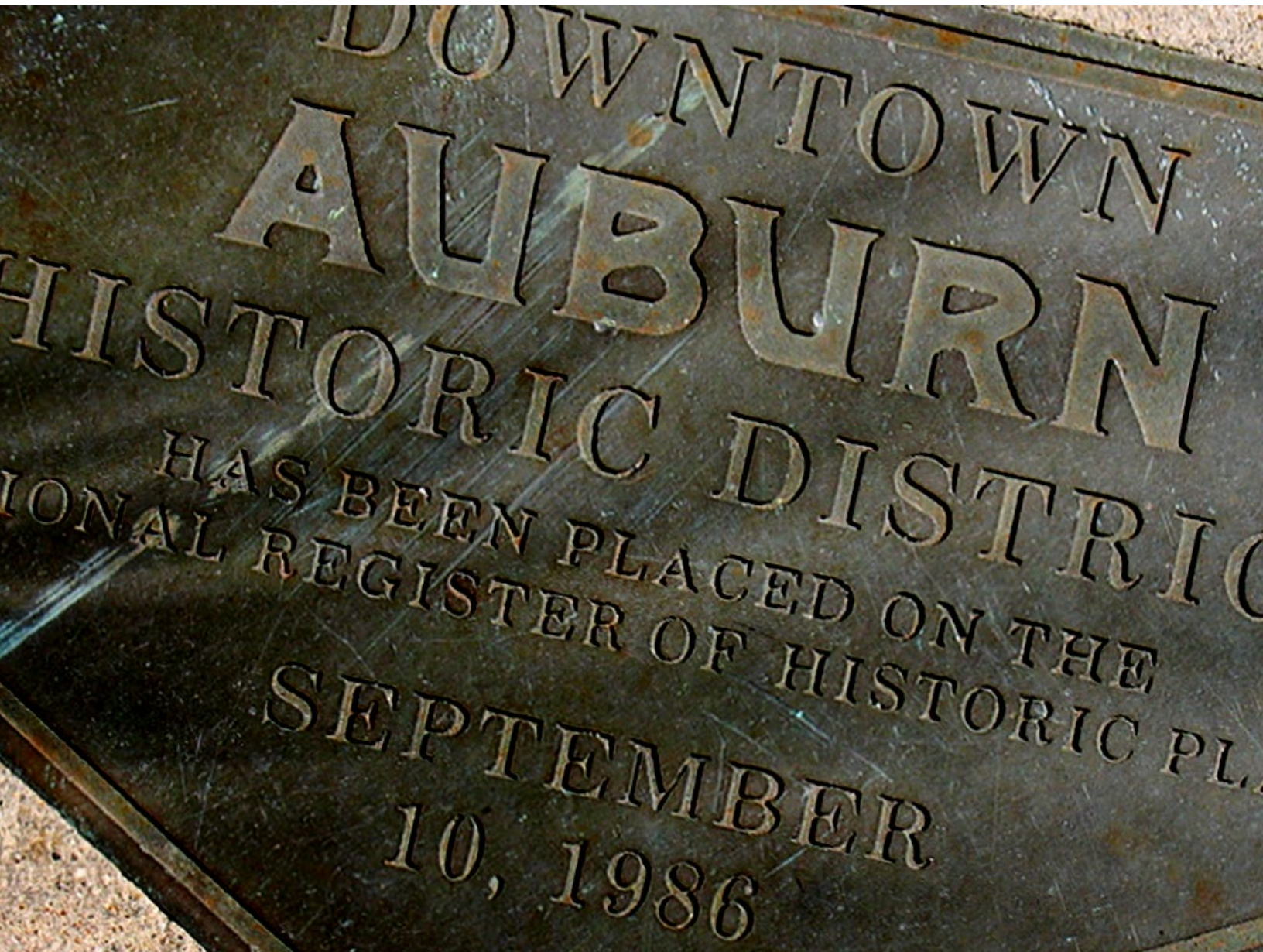




**Code of Ordinances**  
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Finance

CHAPTER  
**35**

**AUBURN**



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**35.01 [RESERVED]**

**35.02 INCURRING DEBT CHARGEABLE TO THE CITY**

All contracts made or indebtedness incurred by any officer or employee of the city in violation of law shall be null and void unless they are thereafter expressly ratified or approved by the appropriate city body.

**35.03 GENERAL IMPROVEMENT FUND**

There is established a fund to be known as the General Improvement Fund to pay for the construction, repair, or improvement of streets, alleys, sidewalks, curbs, gutters, and sewers. The fund shall consist of moneys realized from the collection of all special assessments for benefits to property from the construction, repair, or improvement of streets, alleys, sidewalks, curbs, gutters, and sewers which may lawfully be deposited in the fund, together with any appropriation made from the general fund of the city or from taxes levied by the Common Council for such purposes.

**35.04 CUMULATIVE CAPITAL IMPROVEMENT FUND**

- A. There is created a fund known as Cumulative Capital Improvement Fund to be used solely for capital improvements of the city.
- B. CAPITAL IMPROVEMENT  
Means that construction or improvement of any city-owned property including but not limited to streets, thoroughfares, and sewers, but this term shall not include salaries of any public officials or employees except those directly chargeable to such improvements.
- C. Within the definition set out in (B) above payment made to retire any general obligation bonds of the city for the purpose of construction or improvement which could be qualified under the definition contained therein shall also be permitted from this fund.
- D. In the future, sums may be expended from the Cumulative Capital Improvement Fund as may be permitted by the statutes of the state or by regulations promulgated by the Indiana State Board of Accounts.

**35.05 INVESTMENT OF SURPLUS FUNDS**

**35.05.01 PURPOSE**

The purpose of this investment policy (the "Policy") is to set forth the investment objectives and parameters for the management of public funds of the City of Auburn (the "City"). This investment policy is designed to safeguard funds on behalf of the City, to assure the availability of funds when needed, and provide a competitive investment return.

**35.05.02 SCOPE**

This policy applies to the investment of all funds of the City including but not limited to, the general fund, special revenue funds, debt service funds, project funds and trust and agency funds.

The City may consolidate fund balances to increase investment earnings and to increase efficiencies with regard to investment pricing, banking fees and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

**35.05.03 GENERAL OBJECTIVES**



The primary objectives, in priority order, of investment activities shall be safety, liquidity, and return:

A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. The objective will be to minimize credit risk and interest rate risk.

1. Credit Risk - The City will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in Section VI of this Investment Policy.
2. Interest Rate Risk - The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity.

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, a portion of the portfolio may be placed in money market mutual funds or government investment pools which offer same day liquidity for short-term funds.

C. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

**35.05.04 STANDARDS OF CARE**

A. Delegation of Authority

The Clerk-Treasurer, hereinafter referred to as the Investment Officer, shall be responsible to oversee the day-to-day management of the City's investments pursuant to Indiana Code 36-4-10-4.5. Should the City elect to select an outside investment advisor, such advisor or firm must be registered under the Investment Advisor's Act of 1940.

B. Prudence

The standard of prudence to be used by the Investment Officer shall be the "prudent person" standard and shall be applied in the context of managing all funds of the City. The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

C. Ethics and Conflicts of Interest

The Investment Officer and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. The Investment Officer and employees shall disclose any material interests in financial institutions with which they conduct business.

They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

**35.05.05 AUTHORIZED FINANCIAL INSTITUTIONS AND BROKER/DEALERS**

A. Authorized Financial Institutions and Broker/Dealers

A list will be maintained of local financial institutions that are approved depositories for the receipt of public funds according to the State Board for Depositories. The City may pass a resolution pursuant to IC 5-13-9-5 expanding the list of approved financial institutions to include all Indiana depositories approved for the receipt of public funds according to the Indiana State Board for Depositories.

In addition, the City will only use broker/dealers that meet the following requirements:

- Primary dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule);
- Capital of no less than \$10,000,000;
- Registered as a dealer under the Securities Exchange Act of 1934;
- A member of the National Association of Securities Dealers (NASD);
- Proof of state registration

**35.05.06 SUITABLE AND AUTHORIZED INVESTMENTS**

Consistent with Indiana Code 5-13-9, the following investments will be permitted by this Policy:

- A. Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:
  - 3. The United States Treasury
    - a. A federal agency.
    - b. A federal instrumentality.
    - c. A federal government sponsored enterprise.
- B. Securities fully guaranteed and issued by any of the following:
  - 1. A federal agency.
  - 2. A federal instrumentality.
  - 3. A federal government sponsored enterprise.
- C. Municipal securities issued by an Indiana local governmental entity, a quasi-governmental entity related to the state, or a unit of government, municipal corporation, or special taxing district in Indiana, if the issuer has not defaulted on any of the issuer's obligations within the twenty (20) years preceding the date of the purchase in accordance with IC 5-13-9.2.
- D. Money market mutual funds rated AAAM, or its equivalent, by Standard and Poor's Corporation or Aaa, or its equivalent, by Moody's Investors Service, Inc. in accordance with IC 5-13-9-2.5.
- E. Repurchase agreements in accordance with IC 5-13-9-3
- F. Transaction accounts, certificates of deposit and deposit accounts issued or offered by a designated depository of the City's political subdivision. The investing officer making a deposit in a certificate of deposit shall obtain quotes from each designated depository in accordance with IC 5-13-9-4.
- G. Certificates of deposit authorized by a resolution of the City in accordance with IC 5-13-9-5 and 5-13-9-5.3.



H. Local government investment pools in accordance with IC 5-13-9-11.

Consistent with Indiana Code 36-1-7, the City may pass a resolution to enter into interlocal cooperation agreements for the joint exercise of powers, including the investment of public funds.

**35.05.07 INVESTMENT PARAMETERS**

A. Maximum Maturities

The City’s investments must have a stated final maturity of not more than two years pursuant to IC 5-13-9-5.6. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

The City may adopt an ordinance, pursuant to IC 5-13-9-5.7, authorizing its Investment Officer to make investments having a stated final maturity that is more than two (2) years but not more than five (5) years after the date of purchase. The total investments of the City with maturities of two (2) to five (5) years outstanding at the time of purchase may not exceed twenty-five percent (25%) of its total portfolio of public funds invested, including balances in transaction accounts. Such ordinance expires on the date on which this Policy expires, which may not exceed four (4) years.

B. Competitive Bids

The Investment Officer or its designee shall obtain competitive bids for investment with financial institutions in accordance with IC 5-13-9-4. The Investment Officer or its designee shall obtain bids from at least two brokers or financial institutions on all purchases of investment instruments on the secondary market. Overnight sweep investment instruments shall not be subject to this section.

**35.05.08 POLICY CONSIDERATIONS**

A. Adoption and Expiration

This Policy shall be adopted by the City at a public meeting and shall expire four (4) years from the date of adoption in accordance with IC 5-13-9-5.7.

B. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

C. Amendments

This policy shall be reviewed periodically. Any changes must be approved by the Investment Officer and any other appropriate authority.

Ordinance 2018-21 Passed 10/16/2018

**35.06 CAPITAL EXPENDITURE PROGRAM**

A. The Board of Public Works and Safety shall prepare a long-range capital expenditure program which shall include all proposed purchases, rentals, condemnations, and other proposed expenditures in connection with real estate or personal property needed by the city for any public use, for the following fiscal year.



- B. The long-range capital expenditure program shall be prepared by the Board of Public Works and Safety and submitted to the Common Council no later than the second regular meeting in June of the year prior to the fiscal year covered by the long-range capital expenditure program.
- C. The long-range capital expenditure program shall be updated by the Board of Public Works and Safety semi-annually and resubmitted to the Common Council; however, in the discretion of the Common Council, it may require that the program be updated and submitted to the Common Council for its review quarterly.
- D. The Common Council shall, upon receipt of the long-range capital expenditure program from the Board of Public Works and Safety, approve, amend, or disapprove both the content of the long-range capital expenditure program and the amount of proposed annual expenditures, in whole or in part, during the time of adoption of the municipal budget, the Common Council's discretion. In addition, all updates of the program as required herein, shall be submitted to the Common Council to be approved, amended, or disapproved in the same manner as provided for the annual program.
- E. All estimates of capital program expenditures for the fiscal year shall be itemized by the Board of Public Works and Safety in a manner that will fully disclose the purpose and use of each expenditure.

**35.07 PROMOTIONAL ACCOUNT**

- A. A promotional account has been created for the promotional activities of the Common Council for use solely at the discretion of the Council for all activities as it may deem appropriate for the promotion and interests of the city.
- B. Expenditures from the account shall be the responsibility of the fiscal officer of the city at the request of at least three members of the Council, but in no case shall expenditures violate the policies of city and state law.
- C. Common Council shall provide monies for funding through the budgeting process and those appropriations necessary and required by state law.

**35.08 ALARM MAINTENANCE FUND**

- A. There is hereby created a fund entitled the Alarm Maintenance Fund.
- B. Monies paid by businesses or residences to be included in the intrusion and fire alarm system shall be paid into the Alarm Maintenance Fund.
- C. The amount charged to a business or residence to be included in the intrusion or fire alarm system shall be determined from time to time by the Board of Public Works and Safety, but in no instance shall the amount be less than \$260.
- D. Monies from the Fund shall be spent on maintenance, repairs, additions, and alterations of the intrusion and fire alarm system, and that the Board shall be granted the authority to determine specifically how the funds shall be spent given the guidelines of this section.
- E. Rules and regulations for the intrusion and fire alarm system shall be determined from time to time by the Board.

**35.09 CUMULATIVE CAPITAL DEVELOPMENT FUND**

- A. There is established a Cumulative Capital Development Fund.
- B. An ad valorem property tax levy will be imposed and the revenues from the levy will be retained in the Cumulative Capital Development Fund.





- C. The maximum rate of levy under division (B) above will not exceed:
  - 4. \$0.05 per \$100 assessed valuation for 2010 payable 2011, and thereafter, continuing until reduced or rescinded, subject to existing maximum levy limits pursuant to IC 6-1.1-18.5-3.

Any levy previously established for this purpose is hereby rescinded.

- D. The funds accumulated in the Cumulative Capital Development Fund will be used for capital improvements, firefighting building, and equipment, and police radio, as described in IC 36-8-14 and acquisition of rights-of-way for public ways or sidewalks, as described in IC 36-9-16.5, and for any other use if the purpose is to protect the public health, welfare, or safety in an emergency situation which demands immediate action.
- E. This Fund takes effect upon approval of the Department of Local Government Finance.

(Ord.2010-08 passed 07/20/10)

**35.10 VEHICLE INSPECTION FUND**

- A. The Police Department, pursuant to IC 9-29-4-2, is hereby authorized to charge the sum of \$5 per vehicle check.
- B. All fees collected under division (A) above shall be placed in the Vehicle Inspection Fund and shall be appropriated before being disbursed, as pursuant to IC 9-29-4-2.
- C. Any funds remaining in the Police Training Fund shall be transferred to the Vehicle Inspection Fund.

**35.11 ENFORCEMENT AID FUND**

- A. The Enforcement Aid Fund is hereby created for the exclusive use of the Police Department
- B. The Enforcement Aid Fund shall be used:
  - 1. To assist in enforcement of the federal, state, county, and city laws,
  - 2. To the ends of the proper and just administration of justice in and around the city, and
  - 3. In any manner deemed proper by the Chief of Police.
- C. The Enforcement Aid Fund shall be in the form of an appropriation to be approved by the Common Council.
- D. Funding for the Enforcement Aid Fund shall be authorized from the General Fund of the city. This funding shall be reviewed by the State Board of Accounts.
- E. The expenditure of funds from the Enforcement Aid Fund shall follow the guidelines as established by the rules in Appendix A, as set forth in Ordinance No. 88-6, passed 1-19-88, which is adopted by reference herein.
  - 1. Expenditures specifically designated for the purchase of evidence shall follow the rules established in Appendix B, as set forth in Ordinance No. 88-6, passed 1-19-88, which is adopted by reference herein.
  - 2. Expenditures specifically designated for use in paying an informant shall follow the rules established in Appendix B and C, as set forth in Ordinance No. 88-6, passed 1-19-88, which is adopted by reference herein.
- F. It shall be the responsibility of the Clerk-Treasurer to create those forms necessary for the proper documentation and accounting of funds requested, expended and returned.
- G. Ultimate approval for monies to fund the Enforcement Aid Fund shall be to the Common Council in an appropriate form.



- H. Monies may be received from outside agencies and programs and deposited in the enforcement aid fund. Monies may be withdrawn from this fund for the purpose of reimbursement and/or providing for expenditures of the Auburn Police Department for undercover drug and illegal narcotic law enforcement operations on a monthly basis. The Clerk-Treasurer, once per month, shall reimburse or distribute said funds from the enforcement aid fund in an amount not to exceed \$10,000.00. The Auburn Police Department, Auburn Police Narcotics Enforcement Team (APNET), and other cooperating agencies shall provide receipts and written documentation to support all requests for expenditures and/or reimbursement.
- I. The Auburn Police Department shall operate the Auburn Police Narcotics Enforcement Team (APNET), whose mission shall be to eradicate illegal drug and narcotic usage and possession in Auburn, Indiana, and in other surrounding areas. In addition, APNET shall operate undercover programs to enforce the illegal drug and narcotic laws in the State of Indiana. The APNET operation shall be under the control of the Auburn Police Department and shall operate with Auburn police personnel. Any other agency involved in the operation must agree to operate under the direction and command of the Auburn Police Department to enjoy any of the benefits under this Section of the Auburn Municipal Code. (Ordinance 2016-13 passed 10/18/2016)

**35.12 ISSUANCE AND USE OF CITY CREDIT CARDS**

**A. Business Credit Card for Travel Expenses**

- 1. The Clerk-Treasurer is hereby authorized to make application for and maintain business credit cards for the use by city department heads and employees designated by the department head for travel and permitted expenses related thereto as defined below. The credit card for travel expenses shall have a credit limit of \$5,000.00 per card. Credit cards shall be issued to the department heads of the following departments:
  - Mayor
  - Clerk-Treasurer
  - Purchasing
  - Information Technology
  - Human Resources
  - Building, Planning, and Development
  - Engineering
  - Parks and Recreation
  - Waste Water Treatment
  - Water
  - Electric
  - Essential Services
  - Police
  - Fire
  - Street
- 2. The department head shall provide a written accounting of all charges and receipts for each purchase made. The department head shall be responsible for the card and its use.
- 3. City officials and employees shall use the credit card exclusively for the purpose of city travel expenses limited to the following:
  - a. Hotel or motel room reservations;
  - b. Hotel or motel room charges for telephone calls pertaining to city business;
  - c. Meals, including a maximum 15% gratuity before tax;
  - d. Fees associated with attending schools, conferences, seminars and the like;



- e. Gasoline, if using a city-owned vehicle.
  - 4. City credit cards shall not be used for alcoholic beverages, room service, non-city business telephone calls, in-room movies, cash advances, or any personal expenses.
  - 5. Accounts payable vouchers (claims) filed in connection with the use of credit cards shall be submitted to the Clerk-Treasurer for processing within two (2) business days of the official or employee's return from their travel. All credit card usage shall be properly itemized and documented with a summary of items purchased with said credit card. The charge card will be paid in full every billing cycle. Improperly itemized and documented items as well as interest, carrying charges or penalties caused by improperly submitting items shall be the responsibility of the individual user who causes the expense to the city.
  - 6. Payment for any personal or disallowed charges shall be the responsibility of the official or employee making the charge. An official or employee who abuses the credit card will be restricted from future credit card use and subject to disciplinary up to, and including termination.
  - 7. Before being issued a credit card, all individuals, officials, department heads, and or employees who are expected to use said card, must sign a form provided by the Clerk-Treasurer's Office that indicates the individual has read and understands the policy regarding permitted uses of the City Credit Card
- B. Commercial Charge Card for Public Purchases of Supplies, Materials, and Small Equipment
- 1. The policy of the City of Auburn is to use purchase orders and claim forms for transactions by each department. However, the Clerk-Treasurer shall also make available the city credit card for commercial charging. Use of the credit card requires the submission of a purchase order (p.o.).
  - 2. Commercial charge card receipts shall be properly itemized and documented as provided in I.C. 5-11-10 et seq. The charge card will be paid in full every billing cycle. Improperly itemized and documented items, as well as interest, carrying charges, sales tax or penalties caused by improperly submitting items shall be the responsibility of the individual user who causes the expense to the city.
  - 3. Any department head who abuses the commercial charge card will be restricted from future credit card use and subject to disciplinary action up to, and including termination.

(Ordinance 2016-16 passed 12-6-2016)

**35.13 RECYCLING CENTER FUND REPEALED, ORD. 2010-03, PASSED 2-16-10**

**35.14 DARE PROGRAM CONTRIBUTION FUNDS REPEALED, ORD. 2010-03, PASSED 2-16-10**

**35.15 CAPITAL IMPROVEMENT PLAN**

- A. The Capital Improvement Plan of the city is hereby adopted by reference, and such plan is attached as Exhibit A to Resolution 04-2006, passed April 4, 2006. The Capital Improvement Plan identifies the projects for which EDIT (economic development income tax) revenues will be used.
- B. The construction of the projects will:
  - 1. Promote significant opportunities for the gainful employment of citizens of the city;
  - 2. Attract major new business enterprises to the city; and
  - 3. Retain or expand a significant business enterprise within the city.
- C. The construction of the projects involves expenditures for the acquisition of land, interest in land, site improvements, infrastructure improvements, buildings, structures, rehabilitation, renovation, and enlargement of buildings and structures, machinery, equipment furnishings, or facilities.



**35.16 UNCLAIMED UTILITY DEPOSITS**

Unclaimed utility deposits held by the Clerk-Treasurer which remain unclaimed for seven years shall be considered abandoned and deposited into the operating fund of that utility.

**35.17 OPERATING FUND FOR PARKS AND RECREATION DEPARTMENT**

- A. There is hereby established a special non-reverting fund, whereby expenditures can be made without appropriations for the use of the Auburn Park and Recreation Department and the Auburn Park and Recreation Board. The monies of this fund shall be dispersed only on approved claims.
- B. The monies for this fund shall be obtained from fees collected for various activities provided by the Park and Recreation Department and gifts to the Auburn Park and Recreation Department and/or Auburn Park and Recreation Board except swimming pool receipts and pavilion rental fees which shall continue to be deposited into the general fund of the city.
- C. Expenditures from this fund shall be for continual capital improvements and upgrading of recreational programs, facilities, and equipment as well as payment for special instructors utilized for various programs sponsored by the Park and Recreation Department.
- D. The following existing funds are hereby all merged into the non-reverting operating fund:
  - 1. Park Summer Camp Fund;
  - 2. Miscellaneous Park Fund;
  - 3. Miscellaneous Pool Fund;
  - 4. Memorial Tennis Court Fund;
  - 5. Carr Field Fund;
  - 6. Thomas Park Fund;
  - 7. Willennar Park Fund;
  - 8. Volleyball Court Fund;
  - 9. Jaycee Park Ball Diamonds Fund; and,
  - 10. Downtown Tree Project Fund.

**35.18 CONTRIBUTION FUND FOR THE POLICE DEPARTMENT BIKE PATROL**

- A. Establishment

The Clerk-Treasurer hereby establishes a Police Department Bike Patrol Contribution Fund. This fund shall be a non-appropriated fund.
- B. Purpose

The purpose of the contribution fund shall be for receipt of private, business, organization donations, fundraisers, income from training seminars and grants acquired by the program supervisor and other possible sources and these monies shall be used for the Police Department Bike Patrol.
- C. Expenditures

Expenditures from this contribution fund shall be used for clothing, equipment, maintenance, repair, and upkeep of equipment, training, educational supplies, and programs for schools and the community. The city shall not use the contribution funds for any other purpose than those stated.

**35.19 POLICE DEPARTMENT LOCAL GRANTS FUND**

- A. Establishment

The Clerk-Treasurer hereby establishes a Police Department Local Grants Fund. This fund shall be a non-appropriated fund.



B. Purpose

The purpose of this fund shall be for the receipt of local grant monies (local meaning not federal or state funded grants) and disbursement of local grant monies from local coordinating council, foundation, companies or organization and for said monies to be used for community policing programs and K-9 programs, materials and supplies, training and equipment for these projects.

C. Expenditures

Expenditures from this contribution fund shall be used for materials, supplies, training and equipment for the Emergency Response Team, to include lodging, meals and transportation. The city shall not use the funds for any other purpose than those stated.

**35.20 EMERGENCY RESPONSE TEAM CONTRIBUTION FUND**

A. Establishment

The Clerk-Treasurer hereby establishes an Emergency Response Team Contribution Fund. This fund shall be a non-reverting fund.

B. Purpose

The purpose of the contribution fund shall be for the receipt of money from contributions and said monies shall be used for the Emergency Response Team of the Police Department.

C. Expenditures

Expenditures from this contribution fund shall be used for materials, supplies, training and equipment for the Emergency Response Team, to include lodging, meals and transportation. The city shall not use the contribution funds for any other purposes than those stated.

**35.21 CONTRIBUTION FUND FOR COURTYARD PARK**

A. Establishment

The Clerk-Treasurer hereby establishes a contribution fund for the Courtyard Park, located at the southwest corner of Seventh and Cedar Streets. This fund shall be a non-reverting fund.

B. Purpose

The purpose of the Courtyard Park Contribution Fund shall be for receipt of money from contributions and these monies shall be used for the construction and maintenance of the park.

C. Expenditures

Expenditures from this contribution fund shall be used for materials, supplies, and equipment for the park. The city shall not use the contribution funds for any other purposes than those stated.

**35.22 RAINY DAY FUND**

A. The City of Auburn “Rainy Day Fund” is hereby reestablished under the same terms and conditions as previously set forth by the City of Auburn, Indiana. The “Fund” shall be maintained by the office of the Clerk-Treasurer in accordance with Indiana Code provisions. The “Fund” shall receive transfers of unused and unencumbered funds raised by general or special tax levy on taxable property within the City of Auburn, Indiana whenever the purpose of such tax levy has been fulfilled and any unused and unencumbered balance remains.





- B. The funds on deposit in the Rainy Day Fund may be used for the operation of the City of Auburn and its various departments, when the City is in need of funds to pay such costs, including, but not limited to, salaries and wages, costs of services, supplies, equipment, capital improvements, repairs, and other similar expenditures.
- C. At any time on or before December 31, of each year, the Auburn, Indiana Common Council may determine the amount, if any of unused and unencumbered funds available to be transferred to the Rainy Day Fund, which transfer may not exceed more than ten percent (10%) of the City of Auburn’s total budget for that fiscal year.
- D. In accordance with I.C. 35-1-8-5.1 as amended from time to time and as authorized previously by the City of Auburn, Indiana, the City will deposit and or continue to deposit any special or supplemental distributions received from transfers of unused and unencumbered funds in its “Rainy Day Fund” which was previously established under Ordinance 2001-21. Said fund shall continue to operate as it has in the past except that funds may now be deposited at any time on or before December 31, 2009 of each year.
- E. The Common Council of the City of Auburn, Indiana may authorize the expenditure of funds from the Rainy Day Fund by appropriations made in the same manner as other funds are appropriated that receive tax monies, upon making a finding that the proposed use of the funds is consistent with the intent of the fund.

**35.23 CONTRIBUTION FUND FOR THE COMMUNITY POLICING AND EDUCATION**

A. Establishment

The Clerk-Treasurer hereby establishes a Community Policing and Education Contribution Fund. This fund shall be a non-reverting fund.

B. Purpose

The purpose of this contribution fund shall be for receipt of money from contributions and these monies shall be used for the Community Policing and Education.

C. Expenditures

Expenditures from this contribution fund shall be used for education to the public, including promotional, educational and training supplies for community events and community policing based training for Auburn police officers to include lodging, meals, and transportation. The city shall not use the contribution fund for any other purposes than those stated.

**35.24 COBRA ADMINISTRATION FUND**

A. The Clerk-Treasurer of the city shall establish a COBRA Administration Fund.

B. The purpose of the COBRA Administration Fund shall be for the receipt and deposit of payment collections and said monies shall be disbursed for COBRA Administration fees, TPA fees, and self-funding deposits for the city.

C. The city shall not use the COBRA Administration Funds for any other purposes than those stated.

**35.25 BROWNFIELDS PROJECTS FUND**

A. The Clerk-Treasurer of the city shall establish a Brownfields Projects Fund.

B. The fund shall be a non-appropriated fund.



- C. The purpose of the fund shall be for receipt of money from the state and related federal programs and said monies shall be used for the various Brownfields Projects within the city.

**35.26 ANNUAL POLICE GOLF OUTING CONTRIBUTION FUND**

- A. The Clerk-Treasurer of the city shall establish an Annual Police Golf Outing Contribution Fund.
- B. The fund shall be a non-appropriated fund.
- C. The purpose of the Contribution Fund shall be for receipt of money from private, business, organization donations, fundraisers, other possible sources and said monies shall be used for the Annual Police Golf Outing and the Police Department.

**35.27 AUBURN POLICE DEPARTMENT FEES FOR REPRODUCTION OF DOCUMENTS**

- A. The Auburn Police Department shall charge a \$15.00 fee for each criminal background search performed for the individuals of the general public. The Department may also charge \$2.00 per page for each copy of said check produced for the general public. A page equals one side of printed material
- B. The Auburn Police Department shall charge \$2.00 per page for each reproduction of documents provided to the general public, unless otherwise controlled by state statute fee schedule.
- C. The Auburn Police Department shall charge \$2.00 per page for producing copies of accident reports to the general public.
- D. All fees collected from reproduction of documents shall be placed in the Auburn Police Department Training Fund.

**35.28 COMMUNITY PROMOTIONS**

It is desired and deemed necessary to budget and appropriate funds to pay the expenses of, or to reimburse authorized city employees and officials as the case may be, for expenses incurred in promoting “the best interests of the city”.

The Common Council of the City of Auburn, Indiana authorizes appropriate funds to be to provide and pay for “Community Promotions”. Funds may include but not be limited to rental of meeting places, meals, decorations, memorabilia, awards, expenses incurred in interviewing applicants, expenses incurred in promoting industrial, commercial and residential development, expenses incurred in developing relations with other units of government and any other expenses of a civic or governmental nature deemed appropriate to be in the best interests of the City.

The following departments and bodies shall be authorized to incur promotional expenditures, provided that the expenditures are reasonably intended to benefit the community and the City’s constituency: Fire Department, Police Department, Building Planning and Development Department, Water Department, Water Pollution Control Department, Electric Department, Auburn Essential Services, the Office of the Mayor, the Office of the Clerk-Treasurer, the Redevelopment Commission, the Auburn Common Council, the Auburn Board of Works and Public Safety, the Auburn Parks Department, the City Engineer Department, the Street Department and Human Resources.

(Ord. 2017-07 Passed 6/20/2017)

**35.29 CONTRIBUTION FUND FOR THE RESIDENTIAL SIDEWALK REPLACEMENT PROGRAM**

- A. Establishment



The Clerk-Treasurer hereby establishes a Contribution Fund for the City of Auburn Residential Sidewalk Replacement Program. This fund shall be a non-appropriated fund.

B. Purpose

The purpose of the contribution fund shall be for receipt of money from contributions and said monies shall be used for the construction of residential sidewalk replacements.

C. Expenditures

Expenditures from this contribution fund shall be used for materials required to replace residential sidewalks. The City of Auburn shall not use the contribution funds for any other purpose than those stated.

(Ordinance 2020-07 passed 8/4/2020)

**35.30 CONTRIBUTION FUND FOR THE MOBILE HOME PARK**

A. Establishment

The Clerk-Treasurer of the Municipal City of Auburn shall establish a Contribution Fund for the management and redevelopment of the donated Auburn Mobile Home Park property located on Wayne Street, Auburn, Indiana. This fund shall be a non-appropriated fund.

B. Purpose

The purpose of the Fund shall be for receipt of money from rents and other resources for the purpose of management and redevelopment of the real estate.

C. Expenditures

Expenditures from this contribution fund shall be used for the repairs, management, and rehabilitation of the real estate

(Ordinance 2021-02 passed 04.06.2021)

**35.31 COST PRINCIPLES FOR SPENDING FEDERAL FUNDS**

**Section 1. Implementation.**

The Clerk-Treasurer is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with all applicable Federal, State, and local laws, the associated agreements/assurances, program objectives and the specific terms and conditions of the grant award.

**Section 2. Cost Principles.**

Except where otherwise authorized by statute, costs shall meet the following general criteria to be allowable under Federal awards:

A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

To determine whether a cost is reasonable, consideration shall be given to:

1. whether a cost is a type generally recognized as ordinary and necessary for the operation of the City of Auburn or the proper and efficient performance of the Federal award;
2. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal, and other laws and regulations;



3. market prices for comparable goods or services for the geographic area;
4. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and
5. whether the cost represents any significant deviation from the established practices or policy of the Auburn City Council or the Auburn City Board of Works which may increase the expense.

While Federal regulations do not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the City can demonstrate that the cost addresses an existing need and can prove it.

When determining whether a cost is necessary, consideration may be given to whether:

1. the cost is needed for the proper and efficient performance of the grant program;
2. the cost is identified in the approved budget or application;
3. there is a benefit to the City of Auburn, or its citizens associated with the cost;
4. the cost aligns with identified needs based on results and findings from a needs assessment; and
5. the cost addresses program goals and objectives and is based on program data.

A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received.

- B. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the Federal award.
- C. Be consistent with policies and procedures that apply uniformly to both Federally financed and other activities of the City.
- D. Be afforded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
- E. Be determined in accordance with generally accepted accounting principles.
- F. Be representative of actual cost, net of all applicable credits or offsets.

The term "applicable credits" refers to those receipts or reductions of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the State relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.

- G. Not be included as a match or cost-share unless the specific Federal program authorizes Federal costs to be treated as such.



H. Be adequately documented:

1. in the case of personal services, the Clerk-Treasurer shall implement a system for City personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;
2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

**Section 3. Selected Items of Cost.**

The City shall follow the rules for selected items of cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures to a Federal grant.

When applicable, City staff shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, City, and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable, and City personnel shall follow those rules as well.

**Section 4. Cost Compliance.**

The Clerk-Treasurer shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant.

**Section 5. Determining Whether a Cost is Direct or Indirect:**

- A. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

These costs may include salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; and infrastructure costs directly attributable to the program (such as long-distance telephone calls specific to the program, etc.).

- B. Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective and are not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

These costs may include general data processing, human resources, utility costs, maintenance, accounting, etc.

Federal education programs with supplement not supplant provisions must use a restricted indirect cost rate. In a restricted rate, indirect costs are limited to general management costs.

General management costs do not include divisional administration that is limited to one component of the City, the City Council, compensation of the Clerk-Treasurer, compensation of the Mayor, and operation of the immediate offices of these officers.

The salaries of administrative and clerical staff normally should be treated as indirect costs. Direct charging of these costs may be appropriate only if all the following conditions are met:





1. Administrative or clerical services are integral to a project or activity.
2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency.
4. The costs are not also recovered as indirect costs.

Where a Federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap shall include all direct administrative charges as well as any recovered indirect charges.

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Indiana State Board of Accounts or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation).

**Section 6. Timely Obligation of Funds**

Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

The following table illustrates when funds are determined to be obligated under any federal agency regulations:

If the obligation is for:

- A. Acquisition of property - on the date which the City makes a binding written commitment to acquire the property.
- B. Personal services by an employee of the City - when the services are performed.
- C. Personal services by a contractor who is not an employee of the City - on the date which the City makes a binding written commitment to obtain the services.
- D. Public utility services - when the City receives the services.
- E. Travel - when the travel is taken.
- F. Rental of property - when the City uses the property.
- G. A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 C.F.R. Part 200, Subpart E - Cost Principles - on the first day of the project period

**Section 7. Period of Performance**

All obligations must occur on or between the beginning and ending dates of the grant project. This period of time is known as the period of performance. The period of performance is dictated by statute and will be indicated in the grant award notification ("GAN"). As a general rule, State-administered Federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many Federal education grants, the period of performance is twenty-seven (27) months. This maximum period includes a fifteen (15) month



period of initial availability, plus a twelve (12) month period for carryover. For direct grants, the period of performance is generally identified in the GAN.

In the case of a State-administered grant, obligations under a grant may not be made until the grant funding period begins or all necessary materials are submitted to the granting agency, whichever is later. In the case of a direct grant, obligations may begin when the grant is approved, unless an agreement exists with State Board of Accounts or the pass-through entity to reimburse for pre-approval expenses.

For both State-administered and direct grants, regardless of the period of availability, the City shall liquidate all obligations incurred under the award not later than ninety (90) days after the end of the funding period unless an extension is authorized. Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and shall be returned to the awarding agency. Consequently, the City shall closely monitor grant spending throughout the grant cycle.

**Section 8. Validity of this Policy.**

This Cost Principles for Spending Federal Funds Policy is and shall be valid upon adoption and publication as required by law and shall remain valid indefinitely.

(Ordinance 2023-11 Passed 8/15/2023)