

2. BUDGETING

2.3 Budget Calendar and Examples

2.3.10 The following pages are intended to show the various communications and documents prescribed by this budgeting system. These examples are not intended to represent a complete city or county budget. Some of these documents contain statements and amounts that are inconsistent with other examples here. This was allowed in order to show a wider range of budget techniques and issues.

THE ANNUAL OR BIENNIAL BUDGET CALENDAR

Time Limitation

Steps in Budget Preparation

Cities

(Chapter [35.33](#) RCW,
Chapter [35A.33](#) RCW,
Chapter [35.34](#) RCW,
Chapter [35A.34](#) RCW)

Counties

(Chapter [36.40](#) RCW)

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| 1. Department heads are requested to prepare estimates of revenue and expenditures for the next fiscal year. | On or before the second Monday in September (see Note A). | On or before the second Monday in July. |
| 2. Estimates are to be filed with the city clerk/county auditor. | On or before the fourth Monday in September. | On or before the second Monday in August. |
| 3. Estimates are presented to the chief administrative officer for modification, revision, or additions. | On or before the first business day in October. | |
| 4. The appropriate officer provides the legislative body with current information on estimates of revenues from all sources as adopted in the budget for the current year, together with the clerk's proposed preliminary budget. RCW 35.33.135 , RCW 35A.33.135) | No later than the first Monday in October. | |
| 5. The legislative body must hold a public hearing on revenue sources for coming year's current expense budget, including consideration of possible increases in property tax revenues. | Before legislative body votes on the property tax levy. Deadlines for levy setting are in step 6. | |
| 6. Setting tax levies (RCW 84.52.020 , RCW 84.52.070 , RCW 35A.33.135) | On or before November 30. | |
| 7. Upon receipt of the estimates, the auditor prepares the county budget and submits it to the board of county commissioners. | | On or before the first Tuesday in September. |

Steps in Budget Preparation

Cities

(Chapter [35.33](#) RCW,
Chapter [35A.33](#) RCW,
Chapter [35.34](#) RCW,
Chapter [35A.34](#) RCW)

Counties

(Chapter [36.40](#) RCW)

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| 8. Chief administrative officer prepares preliminary budget and budget message and files it with the city clerk. | At least 60 days before the ensuing fiscal year. | |
| 9. Clerk publishes notice of filing of preliminary budget with city clerk and publishes notice of public hearing on it once a week for two consecutive weeks. | Published during the first two weeks in November. | |
| 10. The legislative body, or a committee thereof, must schedule hearings on the budget or <u>parts of the budget</u> , and may require the presence of department heads. | Prior to the final hearing. ¹ | |
| 11. Copies of the preliminary budget are made available to citizens upon request (see Note B). | Not later than six weeks before January 1. | Two weeks prior to hearing. |
| 12. Budget hearing notice | Publish notice once for two consecutive weeks. State availability of budget at clerk's office and schedule for final public hearing. | Publish notice once for two consecutive weeks. State availability and location of budget. Advise of schedule for final public hearing. |
| 13. Final hearing on proposed budget | On or before first Monday of December, and may be continued to not later than the 25th day prior to next fiscal year. | On the first Monday in October (see Note C). |

¹ Since the statute does not specify form of notification, cities and towns should follow their normal procedure.

Steps in Budget Preparation

Cities

(Chapter [35.33](#) RCW,
Chapter [35A.33](#) RCW,
Chapter [35.34](#) RCW,
Chapter [35A.34](#) RCW)

Counties

(Chapter [36.40](#) RCW)

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| 14. Adoption of budget for next fiscal year. Send copies of final budget to the State Auditor's Office. ¹ | Adopt by ordinance. Following the public hearing and prior to the beginning of the ensuing fiscal year. Also, send a copy of the budget to the Municipal Research and Services Center. | Adopt by resolution. Following the public hearing and prior to the beginning of the ensuing fiscal year. |
| 15. Mid-biennial review and modification. Send copies of modified budget to the State Auditor's Office. | Provide by ordinance for this step. If provided for, shall occur no sooner than 8 months after start nor later than conclusion of first year of the fiscal biennium. | Adopt by ordinance/resolution. Should occur no later than the conclusion of first quarter of the second year of the fiscal biennium. ² |

NOTES:

- A. Or at such other time as the city may provide by ordinance or charter (RCW [35.33.031](#) through RCW [35.33.051](#)).

RCW [35.33.031](#) actually provides *on or before the second Monday of the fourth month*, etc. Therefore, pursuant to the state budget law, that step (and certain others) could be taken before the dates listed herein.

Budget requirements for first (under 300,000), second and third class municipalities are listed in Chapter [35.33](#) RCW, as amended, and for Cities under the Optional Municipal Code in Chapter [35A.33](#) RCW, as amended. Chapter [35.32A](#) RCW contains the budget law for cities over 300,000 population (Seattle).

- B. The public records section of the Public Disclosure Law guarantees full access to information concerning the conduct of government, with exceptions made for privacy of individuals and efficient administration of government. Citizens participating in the budget process should be aware of their right to inspect and copy any document or public record needed in the evaluation of a county or city budget.
- C. The law has established dates for the budget process allowing counties a great deal of flexibility through RCW [36.40.071](#), to set up alternate dates for budget hearings and other elements of the budget process. Several counties have chosen to set the budget hearings at a later date. Citizens are urged to contact their county commissioner regarding the exact dates for the budget hearing.

¹ Only code cities and counties. First class cities with population of less than 300,000, second, third class cities and towns are required to forward their budgets to the Association of Washington Cities only. (RCW [35A.33.075](#) and RCW [35.33.075](#))

² As prescribed by the State Auditor's Office (RCW [36.40.250](#)).

Sample

CALL LETTER

TO: All agencies and individuals responsible for submission of budgets

FROM: Designated budget officer

SUBJECT: Notice to file (year) Budget Estimates

You are hereby notified to file, on or before (date), itemized estimates of resources other than taxes, and of all expenditures/uses required by your office or department for the year _____. Please refer to the enclosed budget calendar for related deadlines.

The enclosed forms and instructions are provided for the preparation and submission of budget estimates. Please submit all estimates to the budget and finance department. Any questions regarding the procedures, instructions or forms should be directed to this office.

Your cooperation in meeting scheduled deadlines and responding to requests for additional information will be appreciated by all concerned.

NOTE: This letter may be combined with the *Goals and Priorities Statement*.

Sample

GOALS AND PRIORITIES STATEMENT

TO: (Statement should be addressed to all agencies and individuals responsible for submission of budgets.)

FROM: The Legislative Body

SUBJECT: Goals and Priorities (year)

The purpose of this statement is to advise everyone connected with the budget process of the overall plan for this community and of the priorities we have set to achieve our common goals.

We have made significant progress in overcoming the financial difficulties caused by the large general fund deficit. It is our hope that, by the end of fiscal 200X, we will no longer be in a deficit fund balance position. However, this does not mean that we have no severe fiscal problems. We will still have cash flow deficits in 200Y. It is our intention to build up a modest fund balance in order to provide working capital to meet our expenditures during the entire year, without resorting to borrowing. There are also unavoidable operating expense increases anticipated in 200X (e.g., staffing the new jail), which will place severe demands on available revenues.

There will be some resources available in 200X for major capital expenditures. We have established a Capital Improvement Reserve Fund financed from one-half of the additional half cent sales tax. Therefore, at least \$500,000 in 200X will be allocated to capital items in excess of \$50,000, following the guidelines we adopted in early 200Y.

Although the rate of inflationary increases has abated somewhat in the last year, we still anticipate that cost increases will be a major problem in 200X (particularly for utilities). We do intend to provide for moderate salary increases next year, and will attempt to budget accordingly. Based on limited revenues, we should not expect to expand operating programs or hire additional personnel unless expenses can be cut elsewhere or compensating revenue generated.

In light of these objectives and constraints, we are requesting departments to again submit their 200X budgets based upon current staffing levels and current levels of other budget items. These budget requests should only be increased over the 200Y budgets to take into account anticipated inflationary increases. If you feel strongly that adjustments to your current budget allocations should be made for 200X, a supplemental budget request may be submitted. We would caution you to submit as supplemental budget requests only those items which you feel are absolutely necessary for the effectiveness of your operation, and which can be cost-benefit justified where feasible. We are also requesting each department to scrutinize its operation for ways to reduce costs without significantly affecting operational performance.

Note: It is the intention of this letter to provide managers responsible for budget submissions with guidance concerning the policies and priorities of the legislative body.

Sample

BUDGET MESSAGE

TO: The Legislative Body
FROM: Budget Officer
SUBJECT: Budget Request - (Fiscal Year)

I am pleased to submit for your consideration the 200X proposed Annual Budget for the City of Example.

Proposed expenditures for 200X, stated on a comparative basis with 200Y and with actual expenditures for 200Z are as follows:

	<u>Expenditures 200Z</u>	<u>Budget 200Y</u>	<u>Proposed 200X</u>
Proprietary Services	\$1,563,043	\$1,850,299	\$2,059,135
General Government Services	370,285	418,911	443,142
Public Safety	1,044,325	1,161,045	1,231,111
Utilities and Environment	285,636	296,211	288,968
Transportation	394,360	400,265	577,570
Economic Environment	11,000	11,000	12,500
Mental and Physical Health	12,588	17,600	13,700
Culture and Recreation	<u>287,675</u>	<u>303,865</u>	<u>332,987</u>
Total Appropriations	<u>\$3,968,912</u>	<u>\$4,459,126</u>	<u>\$4,959,113</u>
Estimated Other Financing Uses:			
Transfers Out	<u>793,968</u>	<u>754,358</u>	<u>765,310</u>
Total Estimated/Uses	<u>\$4,762,880</u>	<u>\$5,223,484</u>	<u>\$5,724,423</u>

The budget as proposed is approximately 9.6 percent higher than 200Y primarily due to increases in proposed expenditures for streets and proposed water, sewer and equipment rental capital expenditures.

The budget is balanced by a proposed levy of \$1,231,934 for general fund purposes, \$92,316 for Ambulance and Emergency Aid and \$48,160 for General Obligation Debt Service.

The estimated yield from retail sales and use taxes is \$271,000, only slightly higher than anticipated for 200Y. It is difficult to predict sales tax revenue due to economic fluctuations and construction projects in process in the city.

Budgeted funds do not include any estimated balance to be carried over from the general fund from 200Y.

Since Example, unlike other cities, does not collect utility taxes other than natural gas and cable television, it is not anticipated there will be any significant increases in revenue from any source other than property tax.

Estimated revenues for 200X compared to amounts received in 200Z and the latest estimates for 200Y are as follows:

	<u>Actual 200Z</u>	<u>Estimated 200X</u>	<u>Estimated 200Y</u>
Estimated Beginning Fund Balance	<u>\$1,017,155</u>	<u>\$ 427,129</u>	<u>\$ 420,018</u>
Taxes	1,174,141	1,333,150	1,666,816
Licenses and Permits	26,305	23,850	23,250
Intergovernmental Revenues	356,806	428,469	570,964
Charges for Goods and Services	1,718,593	1,863,953	1,782,546
Fines and Penalties	77,342	83,500	80,500
Miscellaneous Revenues	<u>607,138</u>	<u>185,975</u>	<u>411,919</u>
Total Estimated Revenues	<u>3,960,325</u>	<u>3,918,897</u>	<u>4,535,995</u>
Total Other Estimated Financing Sources	<u>809,845</u>	<u>877,458</u>	<u>786,410</u>
Total All Estimated Resources	<u>\$5,787,325</u>	<u>\$5,223,484</u>	<u>\$5,724,423</u>

PERSONNEL

Personnel changes in the budget include an additional engineering technician for one-half year in the engineering budget, bringing this staff back to seven people. The ambulance and emergency aid budget includes five paramedics for the complete year as compared to five for one-half year in 200Y. The budget includes the position of public works maintenance superintendent, who is the field supervisor for all public works maintenance activities.

Union contracts are being negotiated with three union groups at the present time. The budget does not provide for any salary increase other than normal progressive step increases for those not presently at the top of their position class range.

LAW ENFORCEMENT, FIRE CONTROL AND COMMUNICATIONS

Total costs for law enforcement, fire control and communications are up 6.7 percent from \$925,596 to \$987,157. The primary increases are in the area of communications which include funds for radio equipment and replacing volunteer and regular firefighters monitor receiving equipment.

GENERAL

\$1,200 is appropriated for the city's contribution to the Air Pollution Control Authority, the same as 200Y. \$4,000 is budgeted for general services of the Regional Planning Commission. \$16,825 is

appropriated for animal control compared to \$15,000 for 2001. \$13,700 is budgeted for public health and substance abuse programs.

EQUIPMENT RENTAL

Appropriations for the equipment rental operation are \$445,506. \$206,318 was appropriated for 200Y. Several pieces of equipment are in need of being replaced including a 20-yard refuse compactor truck, ½-ton pickup, 1-ton dump truck, tractor mower, two police vehicles and a utility trailer. A vacuum sewer cleaner vehicle may be purchased if funds are available.

Many desirable capital improvements such as storm sewer, street resurfacing and rebuilding, and park improvements are not included in the 200X budget. Hopefully, an increase in the city's tax base for 200W and beyond will permit the inclusion of some of these essential projects.

Very truly yours,

Mayor

SAMPLE BUDGET ORDINANCE

Ordinance No. _____

An ordinance adopting the budget for the City of Example, Washington, for the fiscal year ending December 31, 200X.

WHEREAS, the mayor of the City of Example, Washington completed and placed on file with the city clerk a proposed budget and estimate of the amount of the moneys required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of said city for the fiscal year ending December 31, 200X, and a notice was published that the council of said city would meet on the 3rd day of December, 200Y at the hour of 7:00 p.m., at the council chambers in the city hall of said city for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of said city an opportunity to be heard upon said budget; and

WHEREAS, the said City Council did meet at said time and place and did then consider the matter of said proposed budget; and

WHEREAS, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Example for the purposes set forth in said budget, and the estimated expenditures set forth in said budget being all necessary to carry on the government of said city for said year and being sufficient to meet the various needs of said city during said period.

NOW, THEREFORE, the City Council of the City of Example do ordain as follows:

Section 1. The budget for the City of Example, Washington, for the year 200X is hereby adopted at the fund level in its final form and content as set forth in the document entitled (give exact title of your budget book), three copies of which are on file in the Office of the Clerk.

Section 2¹ Estimated resources for each separate fund of the City of Example, and aggregate expenditures for all such funds for the year 200X are set forth in a summary form below, and are hereby appropriated for expenditure at the fund level during the year 200X as set forth in the (give exact title of your budget book).

¹ The level of details for counties may vary. Please refer to RCW 36.40.040.

Fund¹	Estimated Revenues²	Appropriations²
General	\$	\$
City Street		
Arterial Street		
Library		
Emergency Rescue		
Fire Equipment Cumulative Reserve		
City Sanitary		
Water		
Equipment Rental		
Unemployment Compensation		
Firemen's Pension		
Total All Funds ²		

Section 3. The city clerk is directed to transmit a certified copy of the budget hereby adopted to the State Auditor's Office and to the Association of Washington Cities.

Section 4. This ordinance shall be in force and take effect five (5) days after its publication according to law.

Passed by the council and approved by the mayor this 3rd day of December, 20__.

Signed _____

 Mayor

Attest

 Clerk

Approved as to Form:

 City Attorney

¹ This information is required.