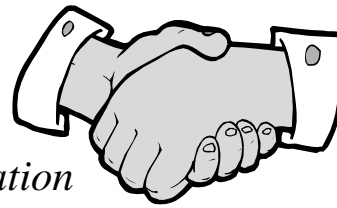


In Touch

The City's new monthly source for service information

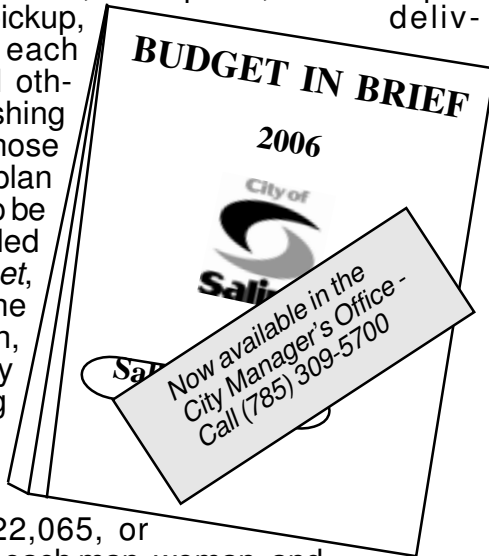


Volume 2 - Issue 3

The City of Salina's Budget Process

HOW THE CITY TRACKS AND SPENDS ITS FUNDS

Each year the City of Salina goes through the process of planning for services to be provided (police and fire protection, parks, recreation programs, waste pickup, delivering water to each household, and others) and establishing how to pay for those services. This plan for the services to be delivered is called the *Annual Budget*, and it covers one year of operation, starting in January and running through December. The operating budget for 2006 is \$59,222,065, or about \$1,288 for each man, woman, and child within the City of Salina.



In addition to this operating budget, the schedule for future major capital projects is prepared. These include major street construction (and reconstruction), water and sewer line extensions, park and recreational improvements, etc. This is normally a multi-year plan; and can also total to several millions of dollars in addition to the annual operating budget.

BUDGET PROCESS AND TIMELINES

Preparation of the budget normally includes a revision of the current year budget as well as a determination of the next year's budget.

MARCH – The Capital Improvement Program

The Budget process normally begins in March with a review of the five-year Capital Improvements program. Requests for major projects are received throughout the year. Any requests received in the most recent year are considered, and if desirable, placed into a year and appropriate funding category. Any projects that are desirable that cannot be funded are placed

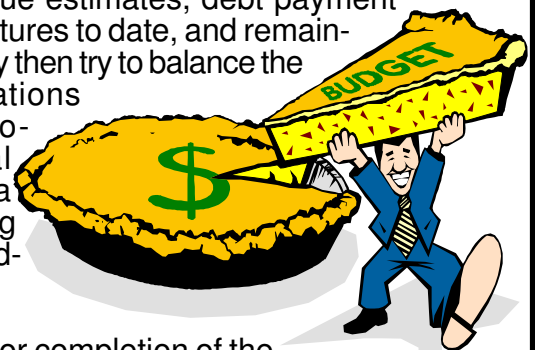
in an "identified, but unfunded" list. Should funding become available, these projects may be added to the schedule. Some projects may also be eliminated from consideration.

Capital projects are normally paid for with cash, reasonable financing, or excess reserves. Staff normally prepares the draft program and presents it to the City Commission for consideration. The City Commission may add, delete, or re-schedule projects based on their project priorities.

LATE APRIL / EARLY MAY – The Real Work Begins

Throughout April and May, the City departments (Police, Parks, Fire, Public Works, etc.) prepare requests for their areas of responsibility. Departmental requests consist of several major parts, each of which requires separate justification: general operations, salaries and benefits, vehicles, equipment, major building maintenance/improvements and technology resources. Any new personnel or programs also need specific justification. Departments at this time also verify the existing personnel authorization and cost projections provided by the Finance Department. Other operating expenses such as supplies, tools, materials and contract services are also projected into the budget year. Any major changes require supporting justification.

While the City departments are completing their operating expenditure requests, the Finance Department reviews revenue estimates, debt payment costs, expenditures to date, and remaining funds. They then try to balance the cost of operations with the proposed capital projects with a goal of ensuring a balanced budget.



The deadline for completion of the departmental budget requests is normally set for about the 3rd week in May. The Finance Department collects this information, reviews the requests, makes

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An informed citizen



is a better citizen!

sure all items are complete and accurate, and calculates the projected financial balances for the end of the current year and the budget year. All information is submitted to the City Manager's Office for review and adjustment in early June.

JUNE / EARLY JULY – The City Manager Gets Into the Action

The City Manager reviews the information, consults with departmental staff, considers requests for new personnel or programs, and adjusts the budget requests to be consistent with adopted policies and goals of the community. The Capital Improvement Program may also be modified at this point, should that be necessary to create a balanced operating budget. The City Manager also creates the budget transmittal letter to the City Commission.

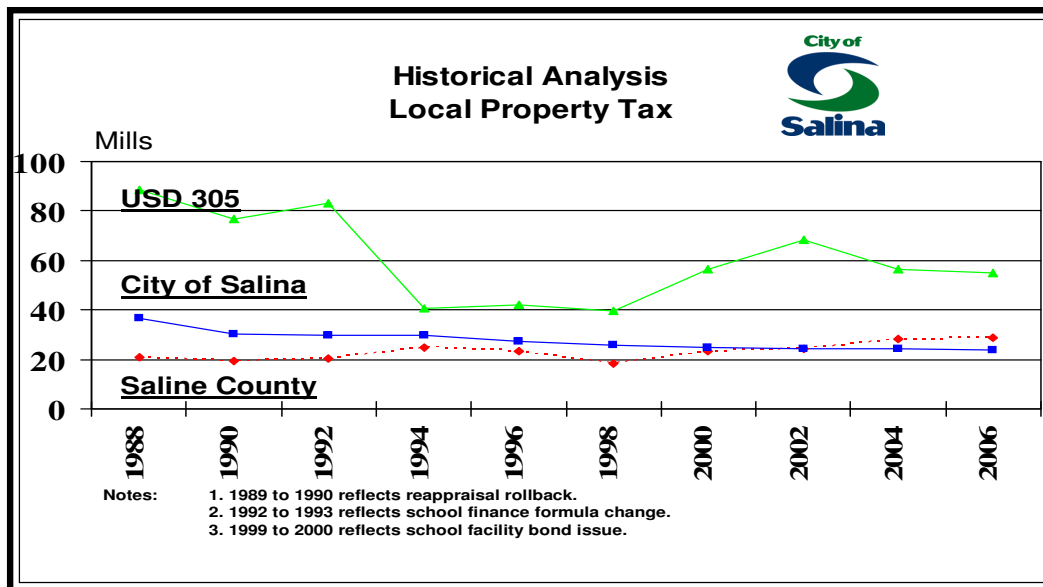
This letter identifies major decision points and funding initiatives. This portion of the process is normally finished by late June. The results are then passed back to the Finance Department, where the final proposed budget document is created for distribution to the City Commission and the public. Local policy requires that the proposed budget be distributed to the City Commission on or before July 10.

MID JULY / EARLY AUGUST- Public Input and City Commission Guidance

The City Commission will then hold a series of study sessions. These meetings are open to the public and where significant budget issues are presented and discussed. Any element of the budget is subject to City Commission review and modification at his point of the process.

Kansas law requires that the City Commission hold a formal public hearing on the budget before adoption, with a public notice be published at least 10 days in advance of the hearing. Typically, the hearing is held on or before August 15th. In Salina, the practice has been to adopt all legislation required to implement the new budget after the close of the hearing. This will include a resolution adopting the budget, a resolution appropriating the funds (which gives the staff permission to implement the adopted budget), and a number of other documents including the adoption of program fees, an ordinance authorizing the property tax rate, and approval of the

pay plan. Once the budget is adopted, the City Clerk's office will "certify" the document to the County Clerk. This process must be completed by August 25th of each year.



After the budget year starts, the expenditures are monitored and controlled by the department managers, the Finance Department and the City Manager's Office. The City Commission is provided with three budget status updates each year. This usually occurs around spring, summer and fall. In addition, a year- end budget performance report is provided to the City Commission in February.

The budget process is truly a year around process, though most of the work is during the spring and summer months. Budgetary requests from the City Commission or the public may be submitted to the City Manager's Office at any time during the year. However, this doesn't always ensure they will be funded. Citizen requests and comments are welcome and encouraged at any time.