

Building a Better Budget Document

John Fishbein

Government Finance Officers Association

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of the United States and Canada
203 N. LaSalle Street, Suite 2700
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Foreword

Since 1984, the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Awards Program has encouraged and recognized exemplary budgeting practices among governmental entities in the United States and Canada. The program has been a significant factor in promoting improvements in public-sector budgeting and enabling governments of all sizes to provide citizens and other stakeholders with clear, understandable, and complete budget documents.

In *Building a Better Budget Document*, we have assembled outstanding budgetary examples taken directly from budget documents submitted to the Budget Awards Program. The types of governments represented include municipalities, counties, states, special districts, school districts, pension plans, and colleges and universities. We thank the governments that participate in GFOA's Budget Awards Program for allowing us to reproduce excerpts from their budget documents. It is our hope that governments will use the information in this book to continue improving their budget documents through more effective policy, financial, operations, and communication components.

This book is not just a random collection of examples. Rather, each chapter is carefully constructed to tell a story about how to present the government budget document in an outstanding manner. The book's contents are organized into six sections (introduction and overview; financial structure, policy and process; financial summaries; capital and debt; departmental information; and document-wide criteria) to reflect the structure of the 27 rating criteria used to evaluate budgets submitted to the GFOA Budget Awards Program. Each of the book's 27 chapters begins by stating the criterion, listing the related questions that program participants must answer (the "criteria location guide questions"), providing an explanation of the criteria, presenting a brief chapter overview, and offering a helpful hint for meeting the criterion. Real-life examples that reflect state-of-the-art budgetary presentation round out each chapter with narrative that further explains how these examples meet the criteria.

In addition to this book, the GFOA offers other opportunities for its members to learn more about better budgeting. We welcome governments to submit their budgets to the program for review, and we encourage officials to volunteer as program reviewers. In addition, the GFOA offers a variety of Internet and national training programs throughout the year on budget subjects. Further information is available at www.gfoa.org.

I would like to thank John Fishbein, the Senior Manager in GFOA's Technical Services Center responsible for administering the Budget Awards Program, for gathering the examples and writing the book. In addition, thanks are due to the following GFOA Technical Services Center staff for their assistance with this publication: Director Stephen Gauthier and Senior Editor Rebecca Russum.

Finally, I would like to acknowledge the review committee for their valuable input: Mike Bailey, Finance Director, City of Redmond, Washington; Linda Cramer, Finance Director, Chatham County, Georgia; Steven Gibson, OMB Director, City of Rock Hill, South Carolina; Marc Gonzales, Finance Director, Clackamas County, Oregon; and Heather Johnston, CFO/Director of Administrative Services, City of Burnsville, Minnesota.

Jeffrey L. Esser
Executive Director/CEO
Government Finance Officers Association

Section 1

Introduction and Overview

Chapter 1

Table of Contents

#C1: Table of Contents (Mandatory) The document shall include a table of contents that makes it easier to locate information in the document.

- Criteria Location Guide Questions**
1. Is a comprehensive table of contents provided to help the reader locate information in the document?
 2. Are all pages in the document numbered or otherwise identified?
 3. Do the page number references in the budget or electronic table of contents agree with the related page numbers in the budget or electronic submission?

Explanation Detailed indices preceding individual sections can be helpful, but they are not a substitute for a single comprehensive table of contents. Care should be taken in developing budget or electronic page number references in the table of contents, so they agree with the related page numbers in the budget document or electronic submission. The use of whole numbers as page numbers is easier to follow.

Chapter Overview *Every budget document should include a comprehensive table of contents. While formatting conventions are somewhat flexible for the contents page(s), its location is not: the table of contents should always be positioned at or near the beginning of the document and it should be easy to find.*

Helpful Hint

Make sure every page in the budget document is sequentially numbered.

The table of contents may include a brief synopsis of each section of the budget to provide the reader with a succinct overview of the document.

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Introduction

PAGE		PAGE	
1	How To Use This Document <i>A list of each major section with a brief summary</i>	22	Hamilton County Demographic and Statistical Data <i>Includes general numerical information about the Government, Education, Land, Population, Police, Transportation Services, Culture and Recreation, and Libraries</i>
3	County Mayor's Transmittal Letter <i>An overview of the objectives that were accomplished in 2012, along with a brief summary of the County's long-term directives</i>	24	Historic Hamilton County and Regional Map <i>Explanation of when and how Hamilton County was founded</i>
5	Administrator of Finance's Transmittal Letter <i>Explains the three overriding themes reflected in the budget, and provides Fiscal Year 2013 Budget Highlights</i>	26	Hamilton County Profile <i>Description of the current features of Hamilton County including: Form of Government, Industrial and Economic Development, Transportation Services, Health Care Services and Facilities, Cultural Activities and Facilities, and Recreational Facilities</i>
9	Hamilton County's Long-Term Initiatives <i>Provides the County's five primary initiatives and gives a brief summary of the achievements in each</i>	33	Financial Management Policies <i>Description of the Budget, Cash Management and Investment, Revenue, General Operating, Capital Improvements, Debt Management, Reserve, Accounting, Auditing, and Financial Reporting, Asset Accounting, and Risk Management Policies</i>
12	General Government Officials <i>A list of the General Government Officials in Hamilton County</i>	39	Condensed Budget Calendar <i>Budget Calendar and Budget Procedures The Procedures outline the statutory budgetary requirements, the budgetary process, and the basis for adoption</i>
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A two-column format can help maximize use of available space on the page.

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Year Beginning January 1, 2012 and Ending December 31, 2012*

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In this example from an electronic budget, each page reference in the table of contents is linked to the corresponding page within the budget document. One click of the mouse allows the reader easy access to the selected page. The use of whole numbers for page numbers is recommended for electronic budget documents.

Each item in the Table of Contents is linked to the corresponding page.



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Some governments supplement the comprehensive table of contents with a detailed contents page preceding each major section of the budget. While useful, this treatment should not replace the comprehensive table of contents located at the beginning of the budget document.

PROGRAM BUDGET ORGANIZATION

The bulk of the budget is made up of expenditure appropriations that are legal spending limits adopted by the City Council for each program. Program budgets contained in this section exclude interfund services and operating transfers between funds. Transfers are reported in the Fund Summary section.

The program budget detail contains a program summary, an identification of each related department, and an explanation of the functions and activities for each department. Some departments have implemented performance measurements and that information is also presented here.

Sources of funding for each operating program are summarized in the Budget Summary.

Each program is an aggregation of budget units/departments that are similar in nature or function, and are organized into seven operating programs.

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Photographs or other types of artwork in the table of contents enhance visual appeal and help engage the reader's interest.

VISION

TO BE A HEALTHY, ATTRACTIVE AND
ECONOMICALLY VIABLE CITY



MISSION

TO SERVE OUR RESIDENTS AND
GUESTS, TO PROVIDE LEADERSHIP
AND TO ASSIST THE COMMUNITY
IN ACHIEVING THE VISION



The City of Lethbridge
Acknowledges:

City Staff for their contributions to
this report.

*This Operating Budget has been prepared and
compiled by the City of Lethbridge Financial
Services Department*



In 2006 Lethbridge is celebrating it's centennial

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Some governments identify key topics or sections in an overview page that precedes the comprehensive table of contents. Polk County, Texas, takes this approach in a one-page section that directs readers to 10 popular topics.



A Quick Index

To 10 Common Questions About The Budget

What's the County's tax rate? *Page 15 and a history of rates on page 128*

What's the total budget of the County? *Page 35*

How much revenue comes from taxes? and
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How many employees work for the County and where? *Page 19*

Does the County have a financial policy that
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What's the population of Polk County? *Pages 25 & 126*

*Want to find something else?
See more detail
in the Table of Contents >*

Strategic Goals and Strategies

#P1: Strategic Goals and Strategies) The document should include a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues.

- Criteria Location Guide Questions**
1. Are non-financial policies/goals included?
 2. Are these policies/goals included together in the Budget Message or in another section that is separate from the departmental sections?
 3. Are other planning processes discussed?

Explanation This criterion relates to the long-term, entity-wide, strategic goals that provide the context for decisions within the annual budget. Consider including action plans or strategies on how the goals will be achieved. Refer to GFOA's best practice on Establishment of Strategic Plans.

Chapter Overview *The strategic goal section within the budget document should address long-term concerns and include strategies on how to achieve those goals.*

Helpful Hint

Review GFOA's best practice on Establishment of Strategic Plans (www.gfoa.org).

Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization's mission, and reach consensus on strategies and objectives for achieving that mission. Strategic planning is about influencing the future rather than simply preparing for or adapting to it.

Why Prepare a Strategic Plan?

In November 2008, the Administration, proposed developing a citywide Strategic Plan to set direction for the future of the city and guide decision-making and resource allocation. Knowing the vision for a community is one required element for a city's success; another is having a roadmap, or a strategic plan, that improves efficiency and effectiveness along with promoting strategic thinking, acting, and learning. The resulting plan translates the community's vision and City Council's goals into actions by the City, enabling the organization to better serve the community.

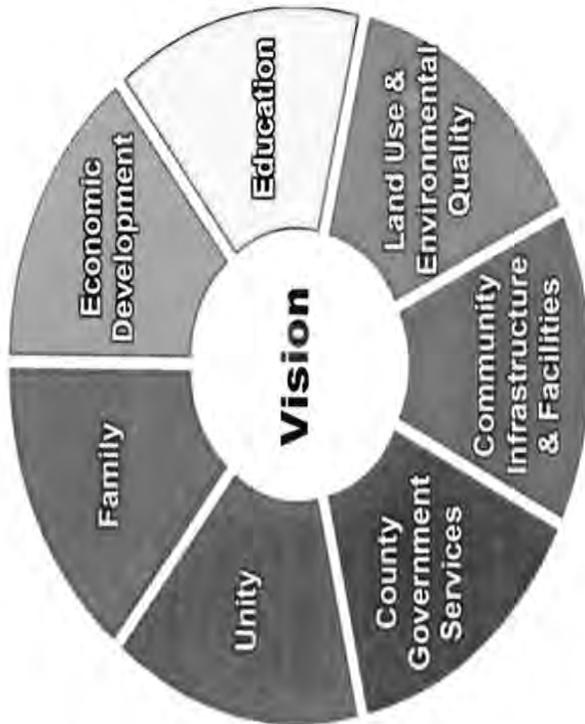
The City's Strategic Plan outlines the goals, objectives, measures, and includes a list of specific initiatives the City will focus on to accomplish the objectives. By looking ahead and asking our stakeholders what they need, we establish a vision for what level of service we will provide, along with an understanding of what resources will be necessary to provide them.

This plan is prioritized around key initiatives developed with input from the City Council, key stakeholders, and the community. Since the community, the economy, and the organization are continually changing, this plan should be considered as a beginning, rather than an end.

The vision statement is a clearly articulated and descriptive picture of a desired future state.

Vision & Focus Areas.

The Board's strategic vision for the year 2025 depicts a desired future of health, prosperity and vitality for the community. This vision revolves around seven "focus areas," each describing a distinct aspect or function within the community that is essential to achieving the desired vision. These seven focus areas do not work independently. A successful Strategic Plan must recognize the interrelatedness and interdependencies among these focus areas. The best strategies will have broad application, and will understand the cause-and-effect relationships between various actions and choices.



Goals, Objectives & Tasks.

The Strategic Plan consists of 10 primary goals, each representing an outcome that is deemed essential to implementing the Board's vision. These goals weave together the seven focus areas, touching on diverse yet interconnected aspects of community life. The goals are achieved through measurable objectives, with a focus on accomplishment and end-product. Objectives are assigned to various teams of County staff, who pool expertise from relevant fields to solve problems and complete tasks. Tasks are given priority through targeted dates of completion.

Goals, Objectives & Tasks:		
Goal: A desired outcome or result that advances the Board's vision.	Focus: How the goal relates to the Board's vision and focus areas.	Team: Staff and inter-agency support assigned to meet an objective.
Objective: A measurable work product or activity that is necessary to achieve a goal.		Target Date: Estimated date of completion for the task.
Task: A key action that is required to accomplish an objective.		

The mission statement should be a broad but clear statement of purpose for the entire organization. One of the critical uses of a mission statement is to help an organization decide not only what it should do, but also what it should not be doing. The organization's goals, strategies, programs, and activities should logically cascade from the mission statement.



BARTLETT MISSION & VISION



MISSION STATEMENT

The City of Bartlett's mission is to plan for and provide superior services and economic growth to the community, in a clean and safe environment with integrity and responsiveness.

VISION

Our vision of Bartlett is for a dynamic, well-planned and growing community with a strong diversified economy and a high quality of life from childhood through retirement.

KEY ISSUE: SCHOOLS

Goal: To determine the best method to provide access to a quality K-12 education by 6/30/12.

Objectives:

1. Conduct a feasibility study on providing a city school system. The Board is to hire a consulting firm by 12/31/11 and make a decision by 3/31/12.
2. Assess alternatives such as the creation of a municipal school district or charter school. The City administration should complete this by 3/31/12.
3. Study legal possibilities/ramifications. The city attorney with MTAS assistance should have this done by 3/31/12.
4. As information comes in, hold three town hall meetings with citizens by 5/31/12 and share the results/information through alternate media i.e. tape the meetings and broadcast them on the website, use podcasts.
5. Identify costs and the source of funds to pay for studies. The Board is to finish this by 12/31/11 for studies this fiscal year and identify costs and funds for fiscal year 2012/13 by 4/30/12.

KEY ISSUE: ANNEXATION/RESERVE/385

Goal #1: To draft a plan for development of the 385 area (North of Loosahatchie).

Objectives:

1. The Board is to assign the task to the planning commission by 12/31/11.
2. The Board is to task the planning department with assisting the planning commission by 8/30/11.
3. The planning commission is to provide written recommendations/a report by 3/31/12.

Goal #2: Hold a referendum for the annexation of the North Davies, Brunswick Farms, and White Oaks area by November of 2012.

Objectives:

1. The Board is to find out if the city must have plan of services if it annexes by referendum. It will ask MTAS for assistance and expects an answer by September 30, 2011.

A thorough analysis of the government's internal and external environment sets the stage for an effective strategic plan. A frequently used methodology for conducting an environmental assessment is a "SWOC" or "SWOT" (strengths, weaknesses, opportunities, challenges/threats) analysis. Strengths and weaknesses relate to the internal environment, while analysis of opportunities and challenges/threats focuses on the environment external to the organization.

SWOC Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • City leadership • Dedication of employees • Good customer service • Work quality • Teamwork 	<ul style="list-style-type: none"> • Communication between departments • Communication from management to staff • Accountability • Equipment and facilities maintenance
Opportunities	Challenges
<ul style="list-style-type: none"> • Public - private partnerships • Downtown revitalization • Cultural diversity • Public transportation 	<ul style="list-style-type: none"> • Media / public image of City • Developing & linking public transportation systems • Aging infrastructure • Loss of federal and state funding
Priorities	
<ul style="list-style-type: none"> • Appearance of the City infrastructure (streets, sidewalks, buildings) • Address deferred maintenance • Enhance public transportation • Crime prevention and reduction • Improve customer service 	
Citizen Survey Results	
<ul style="list-style-type: none"> • Maintenance of City streets • Police protection • Transportation • Code enforcement 	

Once the environmental analysis has been completed, the next step is to use the resulting information to identify the most critical issues. Issue recognition should reflect stakeholder concerns, needs, and priorities as well as environmental factors affecting the community. In this example, collaborative communications and engaged legislative efforts are two major issues.

Collaborative Communications

- Focus Area Strategies*
- Improve the use of technology as a means to achieve more efficient communication between and among employees, elected officials, stakeholders, citizens, and the public at-large.
 - Improve methods to reach all facets of the community – especially for natural disasters (*i.e. example reverse 911 phone calls*)
 - Engage public more effectively to solicit input on issues impacting the community
 - Formulate Development Teams for Large Projects to foster inter-departmental communication
 - Enhance emphasis on quality services

- Outcome Measures*
- Number of cross departmental Communication Team meetings with training, input opportunities for team members
 - Percent of responses to media/planning requests that result in sharing of City’s key messages with citizens
 - Percent improvement in employee ranking of interdepartmental communication via biennial employee survey
 - Percent improvement in rating of citizen involvement in biennial citizen survey
 - Number of improvements successfully implemented as result of emphasis on quality
 - Successful implementation of reverse 911 program in cooperation with NHC
 - Percent response to citizen inquiries

Engaged Legislative Efforts

- Focus Area Strategies*
- Establish strategic lobbying initiatives to obtain favorable legislative outcomes
 - Clearly articulate legislative needs
 - Lobby the State Legislature for more local authority in law enforcement issues

- Outcome Measures*
- Successful legislative outcomes as a result of lobbying efforts
 - Percent of legislative agenda receiving support from delegation
 - Number of new efforts to enhance impact of N.C. General Assembly and U.S. Congress on more support for law enforcement
 - Number of new partnerships/communications create improved legislative relations

Written goals should address the most critical issues the community faces.

Strategy F: Infrastructure		
<i>Allocate resources to properly and efficiently maintain existing infrastructure while forecasting needs and providing standards that ensure high quality infrastructure necessary for future growth.</i>		
Goal # F-1	Continue the advancement of technology in our daily operations in order to improve communication between the City government, residents, and businesses.	
Objectives	(1-5 years)	
Goal # F-2	Continue to maintain high aesthetic standards and implement such standards through a well-planned Capital Improvement Program (CIP) to create an inviting and hometown image throughout the community.	
Objectives	(1-5 years)	Update CIP annually
Goal # F-3	Build and maintain infrastructure to a high quality structural and aesthetic standard.	
Objectives	(1-5 years)	Develop and adopt roadway standards
	(1-5 years)	Incorporate standards into the Capital Improvement Plan (CIP) design and implementation
	(1-5 years)	Monitor roadway integrity for continual improvement using Pavement Condition Index (PCI)
	(1-5 years)	Adopt City Council policy on development standards for public facilities
	(1-5 years)	Review and implement public facilities best management practices
	(11-20 years)	Increase PCI standard for all City streets to "B"
Goal # F-4	Construct municipal facilities to accommodate needs and services.	
Objectives	(1-5 years)	Expand the Public Works facility and include Parks Maintenance
	(1-5 years)	Expand the Animal Shelter
	(1-5 years)	Design and construct new public safety facilities
	(6-10 years)	Design and construct a new municipal complex
Goal # F-5	Implement "City image" recommendations/requirements from UDC and retrofit existing areas through municipal redevelopment of major transportation corridors.	
Objectives	(1-5 years)	
Goal # F-6	Develop plans for the beautification of Lake Ray Hubbard.	
Objectives	(11-20 years)	Develop and implement plan for 100% erosion control compliance for Rowlett's shoreline on Lake Ray Hubbard
	(11-20 years)	Develop and implement a regional plan for the clean-up of litter from source points in Lake Ray Hubbard
Goal # F-7	Encourage the provision of updated communication infrastructure capacity.	
Objectives	(1-5 years)	Explore wireless infrastructure opportunities

Strategies relate to ways that the internal or external environment can be influenced to meet broad goals. A single strategy may relate to the achievement of more than one goal. Officials should develop a relatively small number of specific strategies to better help them choose which services and activities to emphasize.

The action plan describes how to implement strategies and includes upcoming activities and services, associated costs, designation of responsibilities, priority order, and timeframe involved for the organization to reach its strategic goals.

STRENGTHENING FISCAL RESOURCES

GOAL # 5

To strengthen the City's financial position both internally as an organization and externally as a partner with other community entities by refining existing programs/processes and developing and implementing new sources of revenue that are aligned with the City's long-term goals and vision.

OUTCOME	STRATEGY	ACTION STEPS	PERSON(S) RESPONSIBLE FOR IMPLEMENTATION	CHALLENGES	TIMELINE	COST/ FINANCIAL IMPACT
Improve Union Negotiation and Relations	Open/honest Dialogue with Labor Unions – Public Negotiations	1. Hire an Employment Attorney to improve negotiations 2. Unions shared positions with Mayor and Council prior to the commencement of negotiations	Human Resources and Negotiation Team	Four separate union with different priorities	3 new contracts in place	
Health Insurance and Worker's Compensation Issues to be resolved	1. Introduce a second option for employee/retiree health care 2. Implement a safety program and on-going employee safety training 3. Reduce lost time injuries	1. Work with Health care committee to design a second plan 2. Develop and implement a City-wide Safety Committee/Work with departments to create department level safety committees 3. Increase safety training 4. Implement light duty program for work related injuries	1 - Health care Committee 2-4 – HR staff and Department Managers	1. Resistance to change. Four separate unions with different priorities 2-4. Sustaining heightened awareness of safe practices Workers Comp laws	1 – Second health plan in place July 2002 2 – Safety committee in place January 2002	1 – First year cost neutral – passed savings on to employee groups in the form of additional compensation 2 – workers Comp premium reduced for \$999,936 in 01/02 to \$888,472 in 02/03
Master Benefit Contract (All employees with equal benefits)	Develop common contract language for benefits	Review possible structure of master benefit contract with attorney	Negotiating Team	Resistance to change	Throughout negotiations	

Objectives are specific, measurable results that the government wants to achieve. The measurements used to express objectives should be given as quantities whenever possible and should be verifiable. In addition, objectives are most useful when they include timeframes. Keep in mind, however, that objectives and their timelines are guidelines, not absolute rules.

Strategic Business Plan						
Goal 1: McAllen is a livable, attractive and sustainable city with active and healthy citizens.						
Update: "Creative Class" remain a major sector for new business start ups and economic innovation. The Creative Class still have an appreciation for the arts, culture, music, recreation, technology, and diversity.						
Updated Strengths: Since creation of the Strategic Plan in '07-'08, McAllen has made real progress in creating more attractions for younger, well-educated citizens of the region. Examples: McAllen is now considered the regional leader in providing varied nightlife options for adults of all ages, the art community and events have grown, growth in STC, Texas A&M and UTPA indicate an increased desire to be educated in the region, and numerous new entertainment magazines have thrived at the same time that new social media usage has exploded. Still, many young adults across the State likely consider the Valley "home". McAllen has expanded linear parks and other opportunities for exercise and improved health.						
Updated Weaknesses: Job opportunities as well as lifestyle and/or outdoor activity opportunities in places like Austin and Houston provide alternatives for younger adults which create an allure that is difficult for McAllen to emulate or duplicate. Thus, the issue of young adults leaving the area post education - and the costs/lack of return for education-providing communities such as McAllen remain very real. Young, educated people remain attracted to communities before they select careers and McAllen must continue to create an environment and atmosphere which is more attractive to this group. Further, 2010 census data indicates that the central portion of our city is aging and declining in both population and income per household. Also, neighboring communities are now beginning to focus on "Quality of Place" issues.						
Num	Objective	Dept. / Agency	Time line	Total Project Cost	Budget FY 11-12	Status /Rationale
Strategy 1.1: Increase/enhance McAllen venues for family gathering & recreation. ('11-'12 update: no change)						
1.1.1	Complete new Main Library at old Wal-mart site	Library	1 yr	\$20M	Budget Amendment planned	December 2011 scheduled opening
1.1.2	Construct Firemen's' Park	Parks	1 yr	\$3M	\$600,000	Late 2011 opening.
1.1.3	Expand 2nd Street Trail from Trenton to City limits.	Parks	1 yr	\$200,000	\$0	Completed. Fall 2011
1.1.4	Complete construction of Quinto Masatlan Education Bldg.	Parks	1 yr	\$750,000	\$75,000	Under construction
1.1.5	Redevelopment of the Boeye Reservoir Project	City Comm, City Mgr.	2 yrs	\$5M	\$5M	2012 Expected drained, soil added, compacted.
1.1.6	Complete Entertainment District enhancements	City Comm, HOTC, Engineering	2 yrs	\$50,000	\$0	Completed
1.1.7	Build second 'Splash Park'	City Mgr, Parks	1 yr	\$300,000	Budget Amendment planned	Site plans are 90% complete. Due to bid November 2011. Splash park item bids complete and ready for commission approval.
1.1.8	Expand Sports Field inventory	City Comm, City Mgr.	5 yrs	\$25M	TBD	De Leon North schematic design for soccer complex complete and on Commission Workshop agenda. City considering options re: location and timing (pay as we go vs debt)

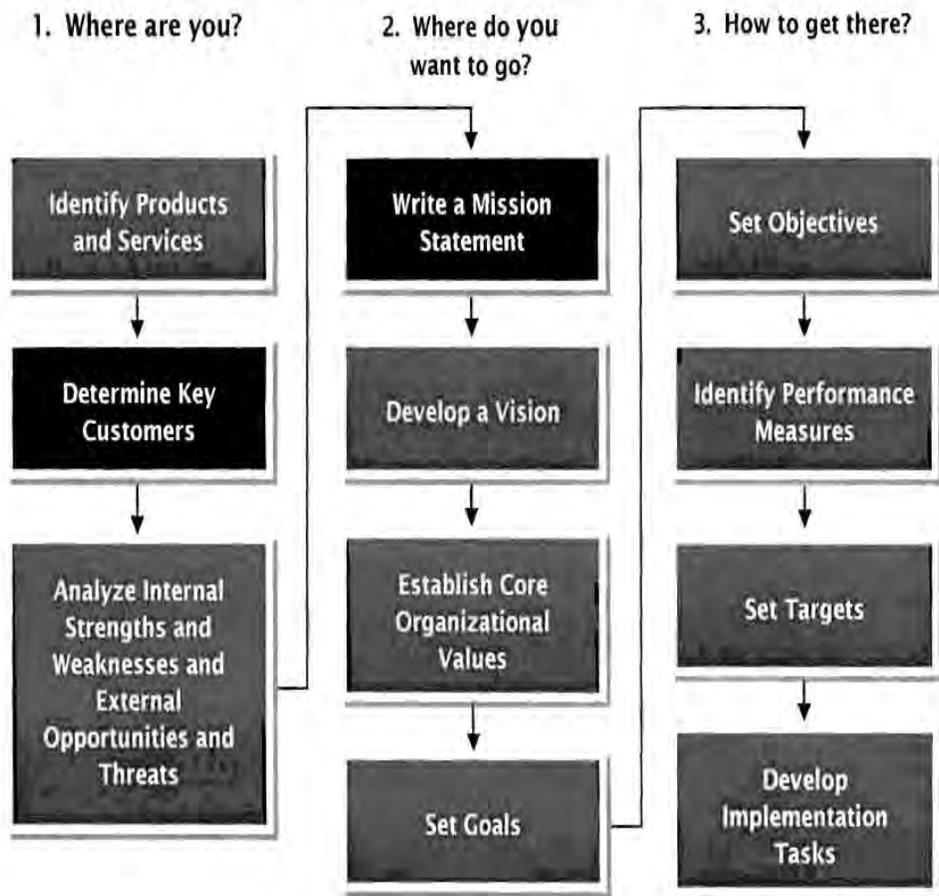
The strategic plan should drive the operating budget, the capital plan, and the government's other planning processes.

County Planning Processes			
	Description	Purpose	Budget Impacts
Multi-Year Budget Model	Five year operating model to facilitate financial planning included in the Mid-Year Report and the CIP.	The Financial Model projects revenues and expenditures for all County funds for next five years.	Provides for budget stability, CIP, and reserve level targets.
Capital Improvement Program (CIP)	Five year plan that includes project listing by department, by plan year and by proposed funding source.	County Administrator annually submits this plan for Board of County Commission approval with the County Budget.	Allows planning for funding as well as debt service requirements and operating costs of new facilities and infrastructure improvements.
Economic Development Program	Multi year plan that targets and encourages business and industries whose creation, expansion or relocation will stimulate the County's economy.	A Business Incentive Program has been implemented that determines the base incentive value a business could receive from the County to encourage them to operate or expand in St. Johns County.	Determines the budget allocations needed to meet the County's economic development goals.
Parks & Recreation Master Plan	Twenty year master plan for parks, recreation and open space development.	The Recreation Department uses the plan to establish level of service for park facilities and also receive guidance from the seven member Recreation Advisory Board.	This plan helps to establish annual capital expenses and the amount of maintenance and operating expenses that will be required to maintain new and existing park facilities.
Building & Grounds Maintenance Plan	Five year plan for capital projects and four year plan for contractual services.	Yearly evaluations establish a five year schedule for CIP priorities and a bid process for contracting ensures competitive costs for contractual expenses.	The five year schedule helps to anticipate capital and larger maintenance expenses and the contract bid process allows for proper budgeting of maintenance.
Fire/Rescue Services Master Plan	Five year plan for new stations and personnel needs to ensure that fire and rescue needs are met throughout the County.	The Tri Data Consultant Study of the County's Fire Rescue services supports the Master Plan that addresses the fire/rescue service needs of the County.	This plan distributes the needs for infrastructure, equipment and personnel over the five year period and ensures funds are available.
Computer Equipment Replacement & Information Systems	Five year capital projects plan with review of the replacement needs of the County on an annual basis.	Reviews current inventory and application needs to recommend replacement. Growth and service needs determine the capital expense for the MIS Department.	Replacement has not been an issue for the County as it is still in a growth cycle. The MIS department tracks inventory to allow the County to anticipate replacement costs.
Comprehensive Water & Wastewater Master Plan	A twenty year plan to define the County's anticipated water and wastewater needs.	The County Utility Department has developed a Comprehensive Water & Wastewater Master Plan through 2025 that supports development in accordance with the adopted Land Development Code.	This plan's focus is primarily on the capital expenses and the funding that will be required to meet the County's needs.
Comprehensive Plan & Land Development Code	Long-range plan and Code designed to manage growth and development, protect the natural environment, and provide economic stability, residential diversity, and recreational opportunities throughout the unincorporated portions of the County.	Provides requirements and guidelines for growth management and development review.	Provides for various studies required to be completed for compliance with State requirements and provides the basis for review of all land development applications.
Library Services Master Plan	Twenty year plan that plans for the future capital needs for County library services.	The twenty year plan focuses on the development of capital projects and is reviewed every five years to meet the needs of the County.	Provides for long term planning of capital expenses to provide County library services to a growing population.
Transportation Master Plan	Long-range plan to maintain and improve the County's transportation system.	Public Works maintains a list of needed transportation projects for the County.	Provides a basis for estimating long range transportation infrastructure funding needs.
Master Drainage Study	Long-range master plan to improve stormwater run-off or County drainage and water quality.	The County Drainage Study has been updated by consultants in FY 2004-2005 to serve as an overall improvement guide.	Long-range planning for financing County drainage improvements.

Use of flowcharts or strategy mapping is encouraged in the design of a strategic plan and can provide a good summary of the process.

This report presents the Durham Strategic Plan. This section describes what the Strategic Plan is and why it is important for Durham's future. The Strengths, Weaknesses, Opportunities, and Challenges (SWOC) section explains how Durham perceives its internal strengths, internal weaknesses, external opportunities, and external challenges. It describes the City's vision and its mission, and the goals that the City wants to achieve. It explains objectives that help move the City toward its goals, and ways to measure progress in accomplishing the objectives. The Plan section also includes a list of specific initiatives to accomplish the objectives. The Implementation section provides the plan approach along with the roles of the various teams. Finally, the Conclusion provides a calendar of Strategic Plan milestones and a list of the City staff involved in preparing the Plan.

Durham's Strategic Planning Process



Short-Term Organization-Wide Factors Influencing Decisions

#P2-Short-Term Organization-Wide Factors Influencing Decisions The document should describe the entity's short-term factors that influence the decisions made in the development of the budget for the upcoming year.

- Criteria Location Guide Questions**
1. Are short-term factors addressed?
 2. Does the document discuss how the short-term factors guided the development of the annual budget?
 3. Is a summary of service level changes presented?

Explanation This criterion requires a discussion of the key factors that guide the development of the upcoming year's budget. Factors that might be included relate to: salary and benefit guidelines, fees, capital improvements, program enhancements or reductions, tax levels, use of reserves, service level assumptions, unfunded mandates, economic development strategies, inflation assumptions, and demographic assumptions.

Chapter Overview *As noted in the explanation paragraph above, there are many short-term factors involved with this criterion. The most significant items should be identified and a decision made about how best to present that information.*

Helpful Hint

Factors should include a mix of operational and financial items.

Showing financial and operating highlights together provides a broader context for analyzing how goals have been set for the upcoming budget year(s).

As a foundation of the FY 11/12 budget preparation process, the Chairman and County Manager outlined key goals for the next two fiscal years. These goals reflect the short-term financial and operational policies that guided the development of the biennial budget. All goals were met with the adoption of the FY 11/12 Biennial Budget. Following are highlights of these key goals:

Decrease county spending to match decreased revenues. As Georgia law mandates balanced budgets for the state and local governments, county leadership was required to take actions to significantly reduce county spending in FY 09/10 and further reduce expenditure budgets in FY 11/12 without increased property tax millage rates.

Restrain budgetary growth of departments. Most departments had modest decreases in the FY 11/12 budget. The decreases were deemed essential to keep the overall budget balanced and maintain current service levels in the priority services for a Cobb population growing at an estimated annual rate of 1.5%.

Provide quality essential services to accommodate county growth and demand for services. The FY 11/12 Biennial Budget has reduced funding for full-time positions, compared to prior years, in various county departments. These reductions in funding for vacant positions were accomplished through a combination of early retirements, hiring freezes, and normal attrition. Public Safety is a priority service that is least impacted by cuts in vacant positions. The Safety Village Coordinator position was shifted from the Fire District Fund to the General Fund. The position oversees the Safety Village which provides a one-stop location for children to learn bus safety, railroad safety, accident reduction and other safety measures using a miniature village environment.

Stabilize county personnel expenditures, while avoiding lay-offs and staff furloughs. The FY 11/12 budget, as in FY 09/10, does not include funding for any performance-based merit or cost-of-living increases for employees. The personnel budget continues to absorb the increased cost of health and dental benefits. This was primarily accomplished by not filling vacant positions. Many divisions, departments, and elected officials are operating at reduced staffing levels compared to prior years.

Maintain Competitive Tax Rates. Maintaining competitive tax rates is one of the primary goals of the Board of Commissioners and is reflected in the FY 11/12 Biennial Budget. The Board of Commissioners held the 2010 tax rate at 9.60, which is the same millage rate adopted in 2009.

Discussion of the short-term factors is often aided by including a summary of current economic conditions.

Short Term Factors and Budget Guidelines

The objectives of this budget are to preserve the current level of services with declining revenues while making progress towards and implementing the City's long range plans. Other significant assumptions include:

- **Conservative, but realistic projection of revenues and expenditures.** Conservative projections help ensure that adequate resources will be available to meet budgeted obligations. There is a built-in conservative emphasis.
- **Low inflation.** General price levels are expected to increase approximately 2 percent. However, because the five-year financial forecast projected expenditures to exceed revenues in both fiscal year 2011-2012 and 2012-2013, departments were requested to maintain expenditures at prior funding levels or attempt to reduce their operating costs where possible.
- **Declines in property tax revenues.** A decline in taxable value of 4.99 percent and 2.52 percent has been assumed for the two years respectively. This has resulted in a decline in operating property tax revenues for fiscal year 2011-2012 of \$903,490 and for fiscal year 2012-2013 of \$496,210 excluding debt-service payments for the combined sewer overflow projects.
- **Maintain target fund balances to preserve financial integrity.** This budget exceeds the targeted fund balance position established by the City Commission. Higher levels of unassigned fund balance are needed as a result of the uncertainty surrounding state-shared revenue payments and other state legislative action being considered and further declines in the City's taxable value, which will negatively impact the City's major revenue sources.
- **Annual review of all significant fees.** Major fees are reviewed annually and adjusted as needed. Frequent, but moderate, increases are preferable to infrequent, but large, rate increases.
- **Wage adjustments.** Wages for department heads and administrative/management staff were budgeted to remain the same as the prior year's for both 2011-2012 and 2012-2013 fiscal years. Wage adjustments for all other groups are not included as those contracts were in negotiation when the budget was prepared. The budget will be amended later for the effects of the negotiated contracts.
- **Employee benefits.** The cost of employee benefits increases dramatically for the two budgeted years resulting primarily from a 25 percent and 27 percent increase in pension contributions in fiscal year 2011-2012 and 2012-2013, respectively. Retiree health-care costs will increase by 13.5 percent for the two fiscal years while health-insurance costs have been budgeted to increase by five percent in each of the two years.
- **State Revenue Sharing.** State levied shared taxes provide revenue to the City of about \$2.5 million a year in the form of revenue sharing payments and gas and weight taxes. As a result of the state's budget shortfall and proposed budget cuts, statutory revenue sharing payments have been eliminated while a 4 percent increase in constitutional revenue sharing payments have been projected. Gas and weight tax revenues are expected to remain at the same prior year funding level.

General
assumptions
about economic
conditions

Key factors that might exert pressure on a budget include mandated/legislative items, inflation, annualization, growth, or service enhancements.

Net Tax Levy Pressures

	\$ millions
Base	
Salaries & Benefits	17.4
Purchase of Contracted Services/Other base pressures	9.6
Less: Efficiencies	(6.2)
Total Base	\$20.8
Mandatory/Legislated	
GTA Pooling	(13.3)
ODSP Support Costs- uploaded by Province	(3.0)
Payments to Social/Non Profit Housing Providers	1.4
MPAC	0.5
EMS Increased Provincial Funding	(0.8)
Public Health & LTC	0.4
Employment & Financial Services - rate and client demand increases	0.2
Total Mandatory	(\$14.6)
Annualization	
Transit - Debt Repayment	1.1
Transit - contractor payments, 2008 service expansion	5.1
York Regional Police - New 2008 hires salary gapping	3.7
Others - Debt Repayment	(1.0)
Solid Waste Management - Glass clean-up	0.1
Corporate Support	0.2
Paramedics & Program re-alignment related to 2008 Budget	0.3
Housing - AHP Regional Initiative, Non-profit housing provider etc.	(0.7)
Capital Asset Replacement	7.1
Total Annualization	\$16.0
Growth	
Police - 38 officers, 14 civilians	2.3
Transit - Service expansion & Support staff	2.0
Road maintenance - system growth	0.6
Solid Waste Management - increase tonnage & new staff	1.2
Community & Health Services - Contact Centre relocation & new staff	0.2
EMS - additional ambulance hours etc	0.7
Corporate support - Normal growth related	0.8
Total Growth	\$7.8
Enhancement	
Contribution to capital	2.8
Solid Waste Management - Various waste diversion initiatives	0.4
Road maintenance	0.3
Elimination of Reserve Funding to support program costs	1.1
Community & Health Services - Staffing & Call recording software	2.3
Corporate Support	0.3
Total Enhancement	\$7.2

While the presentation of funding enhancements may vary, a simple design works best.

■ *Funding Initiatives*

- ❑ **Woodlawn Library** - \$799,834 budgeted for eight positions and operating costs for first year operations as a County departmental library.
- ❑ **Rental Code** - \$112,589 of funding toward the addition of two Rental Code Inspectors to be used for enforcement of rental code regulations.
- ❑ **Problem Property Task Force** - \$151,168 of funding for the addition of one staff person and operating budget funding for an Attorney position which was previously grant funded.
- ❑ **Stormwater Ponds** - \$72,468 for a full-time Inspector for the stormwater pond program.
- ❑ **Police Officers** - \$450,000 for the addition of six sworn police officers to the force.
- ❑ **Emergency Call Operators** - \$90,735 for the addition of two Call Operators for 911 Center operations.
- ❑ **Police Equipment Replacement** - \$115,000 to be used toward the replacement of revolvers for all police officers.
- ❑ **Community Planning** - \$100,000 of funding to be used toward community planning in neighborhoods throughout the County.
- ❑ **Bond Issue** - \$1,843,500 to be used toward the payment of interest for a \$70 million bond issue in the first quarter of FY 2007 for the County's Capital Program.



Woodlawn Library.

Service levels do not always remain constant, nor do they automatically increase from year to year. In fact, many governments experience service reductions during economic hard times. This example illustrates the reasoning behind specific service cuts.

Using expert knowledge of City government and realities in New Orleans, City staff developed deficit elimination initiatives that totaled over \$100 million. The Mayor and the city’s Budget Leadership Team ranked these initiatives, based on the goals of the community and of the City Council. These priorities were very much in line with the priorities set over the past implementations of Budgeting for Outcomes:

1. Continue commitment to public safety
2. Continue rebuilding efforts in the City of New Orleans
3. Continue focus on recreation and youth developmental programs
4. Continue to transform local government

In addition, the following were prioritized as strategies to eliminate the deficit:

1. Eliminate / reduce delinquency
2. Maximize funding from non-General Fund sources to offset General Fund costs
3. Reduce contractor costs
4. Return fees to pre-Katrina levels
5. Reduce Mayor and Legislative staff
6. Reduce transfers to third party agencies
7. Enhance efficiency of overtime usage
8. Maximize efficiency within Public Safety departments’ use of civilian staff
9. Implement changes to align employees benefits to national comparables



Many governments present fee or rate increases in their budget documents. One method of providing justification for such increases is to project the dollar impact expected from the higher fees.

SUMMARY OF FEE CHANGES

Department / Description	Current Rate	Proposed Rate	Estimated \$ Impact
<u>OTHER FUNDS</u>			
Airport			
Aviation			
Proposed increases for cost recovery:			
1) Fuel Flowage Fees - General Aviation	\$0.055 per gallon	\$0.065 per gallon	\$33,400
2) Passenger Facility Charge	\$3.50	\$4.50	\$289,500
AIRCO Golf Course			
1) Proposed increase in Green Fees for cost recovery.	Various	increase \$1.00 for weekday and \$2.00 for weekend	\$33,200
2) Proposed new fee to provide a walking rate for Junior Golfers (17 years old or less).	New Fee	\$10.00 - \$12.00	Negligible
3) Elimination of obsolete fees for Range Balls due to elimination of driving range. Estimated loss in fees in gross dollars.	Various	none	(\$35,000)
Health Department			
Proposed new fee for cost recovery related to Onsite Sewage Treatment and Disposal System (OSTDS) Verification and Enforcement Notification.	New Fee	\$50	\$12,300
Utilities			
Proposed rate increases for cost recovery as part of approved five-year plan:			
1) Water - Retail (per 1,000 gallons)	\$3.60	\$4.04	\$6,504,300
2) Water - Wholesale (per 1,000 gallons)	\$2.5266	\$2.7792	\$1,779,440

Unfunded mandates have an adverse impact on the budget. Although such mandates can be difficult to quantify, it is important to provide estimates of their impact.

Unfunded Mandates: The State of Iowa continues to deny the City funds to support programs and laws mandated by State Statute. Laws include the 411 pensions, rollback and collective bargaining arbitration, which have hindered the City's financial ability to deal with the needs of essential services. Listed below is an estimate of unfunded mandates for FY10.

State Unfunded Mandates	
Description	Estimated Amount
411 Pension	\$ 690,840
IPERS	657,980
Human Rights Commission	9,400
Civil Service Commission	5,000
Pre-employment Physicals	30,000
Post-employment Physicals	15,000
Drug Testing	2,000
Sales Tax on sports, pools, rec center admissions (Tax not imposed on non-profits like YMCA)	50,000
Inspection of municipal pools	2,000
Review of pool construction documents	3,000
Official Printing/Publication of minutes, notices, bills, etc.	35,000
Police in-service training	15,000
ILEA certification (\$13,000 per new officer)	13,000
	<u>\$ 1,528,220</u>

Various factors can influence a government's condition during the budget year.

The unemployment rate, although higher than historical levels, has fallen from recessionary levels. The Current Conditions Index computed by the Center for Business Research and Economic Development at Wichita State University has gradually ticked upward in the second quarter of 2012.

Although the local economy has stabilized and shows signs of recovery, there are many potential issues that could impact the City's financial condition remain. In some cases, issues are dictated by national and international situations. Issues include:

The Budget could be materially impacted by many issues

1. Weak economic growth
2. Continued weakness in property valuation
3. Increasing health and pension benefit costs
4. Volatile and potentially increasing fuel costs

- ◆ **Weak Economic Growth:** The local economy appears to have stabilized, with modest growth in a number of sectors. Specifically, sales tax collections increased in 2011, and the Wichita State University Current Conditions Index, which measures current levels of economic activity, has shown signs of stability and modest growth. However, the national economic condition remains questionable. Generally, this budget is built on the assumption of stabilization and very modest growth in 2014.
- ◆ **Unprecedented Weakness in Property Values:** For the first time in decades, Wichita property values have remained flat for four consecutive years (2009 – 2013). A mild recovery in valuation is expected to increase property values by 2% in 2014. Since property taxes comprise about 36% of General Fund revenue, any weakness in area property values in 2014 will likely necessitate a variety of expenditure reductions to balance the budget.
- ◆ **Increasing Benefits Costs:** Health insurance premiums and pension contribution rates continue to increase, similar to that experienced last year. Each year pension rates are set statutorily based on the actuarial valuation of the funds. Rates for 2014 will be affected by Pension Fund investment returns (in addition to other factors) in 2013, and may increase again. Premiums for health insurance are estimated to grow by 10% in 2014. City staff are pursuing a variety of strategies to mitigate increased health insurance costs. However, given the dynamic health insurance environment, and the impact of national policies, it is becoming increasingly challenging to absorb these rising benefits expenses without higher growth in annual revenue.
- ◆ **Volatile Fuel and Commodities Prices:** Fuel prices have been somewhat stable in 2012, albeit at a relatively high price point. However, international events and national policy direction can both have unpredictable and dramatic impacts on City costs. The City uses about 1.3 million gallons of fuel annually; every 10¢ change in price per gallon changes the City's fuel costs by \$130,000. In addition, chemicals and many other petroleum based products used by the City face price volatility. Currently, the City is identifying strategies for conserving fuel and shifting portions of the City fleet to alternative fuel sources.

Priorities and Issues

#P3: Priorities and Issues (Mandatory) The document shall include a budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (e.g., transmittal letter, budget summary section).

- Criteria Location Guide Questions**
1. Does the message highlight the principal issues facing the governing body in developing the budget (e.g., policy issues, economic factors, regulatory, and legislative challenges)?
 2. Does the message describe the action to be taken to address these issues?
 3. Does the message explain how the priorities for the budget year differ from the priorities of the current year?
 4. Is the message comprehensive enough to address the entire entity?

Explanation This criterion requires a summary explanation of key issues and decisions made during the budget process. The budget message also should address the ramifications of these decisions. It is recommended that the total amount of the budget be included in the budget message.

Chapter Overview *Key features of the budget message include a discussion of the issues and identification of the solutions developed to address them. The budget message should cover the thought process behind important decisions.*

Helpful Hint

Discuss issues and offer solutions.

The opening message may take one of several forms (e.g., transmittal letter, budget summary section). It is recommended that governments include the total budget amount in the message.

Honorable Mayor, City Council and Citizens of Flagstaff:

I am honored to complete my fifteenth City budget on behalf of the Citizens of Flagstaff. Carefully planned, controlled expenditures over several years have enabled the City to respond to economic ups and downs. As a result, the City is in excellent financial condition. However, the years ahead will likely see a declining share of stated shared revenue as will be clear within this budget message. Moreover, the State Legislature dealt a blow to this City's fiscal prospects during the most recent legislative session. The indication for the future is to proceed with caution.

During the current fiscal year all City departments examined five-year projected expenditure needs based on anticipated community growth, anticipated service enhancement (primarily in parks and recreation) and responses to emerging issues like affordable work force housing and economic expansion.

Collectively, City departments identified a five-year need for an additional 250 employees. While the anticipated need for 250 additional employees is over a five year period, pent-up need is represented by the submitted FY 2007 requests of 93 new positions. Clearly, the City cannot financially absorb the number of positions desired either in FY 2007 or over the five-year period.

As always seems the case, careful consideration about resource allocation is essential. The proposed FY 2007 budget reflects Council goals and priorities and faces reality about the most critical current needs.

More work is needed on a five-year strategic plan. Therefore, in FY 2007 the City Manager will lead a major initiative to identify clearly the reasons and cost of expressed departmental needs. Projected costs will be refined and information will be presented to the City Council, which will allow for a strategic projection of where resources will need to be allocated within the organization.

TOTAL APPROPRIATIONS - FY 2007		TOTAL APPROPRIATIONS - FY2006	
Operations	\$ 90,452,395	Operations	\$ 81,306,674
Equipment	10,781,867	Equipment	7,621,712
Capital Improvement Projects	108,458,991	Capital Improvement Projects	109,052,065
Debt Service	14,256,272	Debt Service	14,226,732
Reserves/Contingencies	2,945,000	Reserves/Contingencies	2,835,000
	<u>\$ 226,894,525</u>		<u>\$ 215,042,183</u>

The message should highlight the principal issues the governing body faced in developing the budget. Actions or responses to those issues should be identified as well.

Policy Issues

Issue: As with most municipal governments, Centralia faces the task of doing more with less. As more services are added to meet citizen demands and needs, more revenue must be raised to meet that demand.

Centralia's Response: The City of Centralia has maintained a sound fiscal and political approach during the budget process. City staff has been directed to make decisions regarding fees for service after completing an audit of costs associated with providing that service. This philosophy of ensuring that fees cover costs has created a shift in our financial picture. With annual reviews of fees, changes can be made incrementally and not all at once, thereby limiting the impact to users while generating additional needed revenue to cover rising costs. We are pleased to report that our General Fund is balanced, and our Sewer Fund remains healthy. After careful research and the negotiation of new water rates for our satellite customers, the Water Fund is improving and is now saving funds for future capital improvement needs by creating the Water Treatment Plant Replacement Fund. City staff has made grant acquisition a priority and during 2005 has been successful in securing over \$1 million in grants from the State and Federal governments. The City is also in a phase of strong positive progression with the amount of projects recently undertaken and completed. We have just completed Phase III of the Raccoon Lake Restoration Project: Property Appraisal, and are in the preparation stage for dredging the lake. We have recently put together a strategic plan which will guide the efforts of staff toward a common objective. Our new five year road improvement plan has recently been completed. We recently sent out the first version of our annual Citizen Satisfaction Survey which will drive budgetary decisions for the future benefit of all Centralians. These plans and surveys will fuse perfectly with our new Comprehensive Plan, which is intended to guide future growth in the City for the next 15 years and outline major priorities for the improvement of the City while keeping in mind financial limitations.

Economic Factors

Issue: The City has seen its fair share of business losses over the past few years. Since the year 2000, over 5,000 jobs have been lost due to various manufacturing plant closures. An echo effect from these closures has had an impact on the housing market, and new home construction has been flat for over five years.

Centralia's Response: The City has made business attraction and the improvement of the local economy a major priority. Using an Economic Development Administration (EDA) Readjustment Grant awarded in 2004, City staff has established an aggressive marketing plan with new marketing materials, including an upgraded website and City logo. We are finalizing our sixth Tax Increment Financing District around Raccoon Lake, which will spur economic development on the east side of our City. We have sold various buildings in our downtown to developers who are committed to redeveloping the buildings while preserving their historical look and feel, and who are also committed to attracting quality businesses as tenants. The Illinois Theater is projected to open this year, and different organizations have expressed interest in utilizing this magnificent structure for community events. Development has continued in the south and west portions of the City. The year 2007 will be a great year with the number of businesses that have expressed interest in opening in Centralia.

Regulatory Challenges

Issue: With an ever-changing regulatory environment in the Water Treatment and Wastewater Treatment area, the City has had to deal with mandates for facility improvements to protect water quality, effluent and the environment.

Centralia's Response: In 2003, the City undertook the construction of a Water Treatment Process Residue Facility and associated sludge holding lagoons. This project was a mandate from the Illinois Environmental Protection Agency and required the construction of a \$2.4 million facility that would remove particulates from the filter backwash and blow-down process. This backwash water needed to be held in settling lagoons to allow for the particles to settle out prior to being deposited into the Crooked Creek water basin. The City secured a low interest loan from the State of Illinois and completed construction of the facility in 2005. Knowing the future requirements for water treatment, such as Ultraviolet disinfection of finished water as well as the required future addition of phosphorus removal from effluent at the Wastewater Treatment Plant, the City has proactively created a Capital Improvement Plan to outline our future needs. Through this planning process, staff has been able to look for cost saving technologies as well as identify low interest loans and grants available through the State and Federal governments.

A message written from a personal viewpoint can sometimes prove quite effective in conveying the background behind decision making.

I have been in public service for 36 years, 29 of which have been with Washtenaw County. Although I have been involved in the county's budget planning process since the beginning of my tenure at Washtenaw County, this is the first process where I've been in the 'hot seat'. During these tough economic times, I'm reminded of why I wanted to be the County Administrator, to make a positive impact on a community that I love. This position, this budget, gives me an opportunity to do just that – to find good in an otherwise difficult situation.

Like the last several years, this year has been filled with significant economic challenges as the public need and demand for services continues to increase, and as resources continue to shrink. This community needs us now more than ever before. It is important to me to build a budget that allows us to provide the best services, the right services, in the most cost effective manner possible. This budget is critical to ensure that we make the best decisions for our community in this great time of need.

The year started off with a Preliminary Financial State of the County that revealed a projected deficit of \$12.9 million for 2012, and \$20.9 million for 2013. There was a great deal of uncertainty at this time, especially relating to how Washtenaw County would be impacted by the state's \$1.8 billion projected deficit, as well as by the continued decline in property tax revenue. It is important to remember that the projections represented the estimated size of the budget deficit, assuming that all county services remain at their current service levels with existing staff and operating budgets. The projections also included cost escalations for expenditures to accurately represent the reality the county would face if no further budget modifications were made.

By mid-year, things became a little clearer, especially related to the county's largest revenue source, property taxes. The 2011 Equalization Report provided some enlightening information for the current year property tax revenues as well as for our long-term projections. Property taxes have a compounding impact on our budget, and a higher tax base in 2011 means we will realize higher than anticipated revenues for 2012 and beyond. Therefore, forecasts were modified based on this higher tax base, and the Updated Financial State of the County projected a deficit of \$9.5 million 2012 and \$17.5 million in 2013. The county's financial outlook improved \$3.4 million each year when carrying forward the anticipated revenues from the higher tax base into the future.

The county's commitment to long – term fiscal stability has been challenged over the past several years due to the economic downturn and the loss of property tax revenue, which makes up the lion's share of our General Fund budget. The county has responded well, due in part to our solid financial foundation, but we are not out of the woods yet. Even with the uncertain backdrop, there are many areas in which we can be very confident. Washtenaw County as an organization has faced many fiscal challenges in the past, and we have learned so much with each encounter.

The use of a table or matrix helps focus attention on issues affecting the budget, while also highlighting the corresponding impact of these issues.

Issues Affecting the Budget

LTC identifies items that may affect plans and impact the budget as part of its budget planning process. Early identification allows the college to be proactive during budget development.

Items	Impact	Strategy
<p>Property Values Increase in property valuations has slowed down.</p>	Lower property values could result in the higher tax rates.	Focus on diversifying revenue sources through grants and foundation efforts.
<p>State Aids There have been no increases in general state aid financing in the last decade. Unfunded veterans remission will increase. Lack of state support due to state budget deficit.</p>	There will be more reliance other sources of revenue to fund expenditures.	1) Reallocate or reduce expenditures to fund new programs and meet community needs by focusing on operational improvements and efficiencies. 2) Focus on grants and offering more seminars and contracts
<p>Perkins Federal Revenue With the change in Perkins funding allocations, there has been a decrease in federal dollars available.</p>	Less money to fund counselors, special needs and services.	Reduce level of services/ hours. Research other grants.
<p>Energy Costs The variability of energy costs makes it difficult to plan for energy expenditures. The current infrastructure is energy inefficient.</p>	Variability in utility rates could cause rates to increase at a rate that is higher than the overall revenue increase. Leases in job centers will increase.	1) Implement updated controls as indicated in the master facility plan. 2) Heighten awareness of energy conservation. 3) Upgrade infrastructure to more efficient lighting, vestibules and other improvements to lower energy consumption.
<p>Student Access Accessibility of courses and services continue to drive student choices.</p>	For some students the impact could mean the difference in being able to attend LTC.	1) Continue to increase the number of courses in flexible delivery options. 2) Offer more classes/services at the Sheboygan and Manitowoc campuses and outreach centers. 3) Offer more online services. 4) Promote car pooling. 5) Investigate options such as busing.
<p>Facilities Current space limits growth in new programs and enrollments in current programs and courses.</p>	Availability of classrooms and safety in labs limits growth for current and new programs.	1) Same as 1 above. 2) Same as 2 above. 3) Expand scheduling options. 4) Implement facilities projects to add space.
<p>Benefit Costs Benefits are rising at a rate higher than inflation.</p>	Less budget dollars are available for other expenditures.	Pursue more economically advantageous benefit options by analyzing all current benefits. Implement additional wellness activities.
<p>Uncertain Economic Conditions Because of the current economic conditions, companies may be decreasing the number of jobs available and the budgets for training.</p>	Increased demand for services and courses.	1) WIA funding. 2) Reallocate staff and services. 3) Re-prioritize budgets and equipment. 4) Hire additional staff. 5) Use fund balance.

The message should succinctly explain how the priorities differ between years.

Budget Priorities

<u>THIS YEAR</u>	<u>LAST YEAR</u>
Meeting Budget Requirements Without Increasing Tax Rate	Meeting Budget Requirements Without Increasing Tax Rate
Addressing operational requirements of expanded Jail Facility and new Judicial Center	Completing and opening Jail Expansion / Judicial Center
Administration and efficient utilization of Disaster Recovery Funding	Enhancing economic development

- **Meeting Budget Requirements Without Increasing the Tax Rate** has been a key element of budget planning since the last county tax rate increase occurred in 2005. The County experienced minimal growth in ad valorem tax values and a large increase in values subject to the County's "over 65/disabled" freeze and veterans exemptions. This resulted in a decrease in tax revenue projected for FY2012 and presented difficult choices to be made in order to limit the taxpayer burden and maintain the existing tax rate – choices such as providing no cost of living wage increases and using a portion of the County Fund Balance to balance the budget. Within legal limits, portions of the overall rate may be shifted between the three tax supported funds to provide the necessary funding for the budget year where alternative funding may not be available. The table on the right shows a FY11/12 comparison of the tax rate division in the three funds supported by tax revenue.

FUND	FY2012	FY2011
General	.3331	.3376
Road & Bridge	.1543	.1515
Debt Service	.1403	.1386
TOTAL RATE	.6277	.6277

- **The Expanded Jail Facility and the New Judicial Center** will greatly relieve existing overcrowding in both the Law Enforcement Center and Courthouse facilities and provides better and more secure services for our citizens. The FY2012 Budget addresses the increased cost of operation for utilities, insurance and a portion of the required staffing of the larger Jail as well as an additional Security Bailiff for the Judicial Center and one Maintenance Custodial position. Combined, the additional operating costs associated with these two facilities is estimated at \$600,000 for FY2012, to be offset in part by the elimination of contract Inmate Housing costs previously budgeted at \$125,000 per year. Eventually, it is expected that the Jail will begin generating revenue by contracting to house inmates from other facilities in the area – further offsetting any budget increase. By working with the County's financial advisor and bond counsel, the principal and interest payments on the Certificates of Obligation funding these projects were structured in consort with retiring debt to avoid any significant impact to the debt service portion of the tax rate, as shown in the table above.
- **Administration and Efficient Utilization of Disaster Recovery Funding** will become a budget priority in FY2012, as Round II of federal funding for Hurricane IKE Recovery becomes available. The County has worked diligently with independent grant administrators, the state and federal agencies to ensure that an equitable share of the funding is received to assist individuals, schools, public utilities, volunteer fire departments and others in rebuilding and repairing damage incurred during Hurricane Ike and to better prepare for future disasters. As a part of this disaster recovery program, the County secured a \$4 million EDA grant, representing the majority of funding needed for the College/Conference Center - Shelter project.

Strategies may be discussed with the identification of key changes.

Three key changes are emerging:

- First, the local and regional housing market is softening. This will have an immediate effect on revenues generated through licenses and permits, and a slowing of the rate of increase in the City's overall assessed valuation and property tax revenues.
- Second, the cost of major infrastructure projects will continue to increase, driven by hurricane related construction, rising interest rates, and higher costs for basic construction materials such as concrete and steel. This will limit the number of infrastructure projects that can be funded in our capital improvement plan for the next several years.
- Third, wage and benefits costs (which are 34.6% in the General Fund and 93.8% in the Fire-Rescue Fund in the recommended budget) are expected to exceed regional inflation rates. This will make it increasingly difficult to maintain property tax rates and fees levels in the future without resizing the workforce, reducing service and service levels, or both.

Beginning in FY 06/07, our financial strategy will need to focus on maintaining the size of our workforce with few new positions, matching increases in operating costs to increases in the regional consumer price index, and limiting new infrastructure projects to only those that address critical stormwater or water and sewer needs. This strategy will allow us to rebuild the debt capacity in the General, Water and Sewer, Stormwater, and Solid Waste funds so that we can use appropriate short- and long-term financing to construct future needed projects. City staff has worked closely with the City's financial advisor (First Southwest Company) to review the cash positions and projections for the General Fund, Water and Sewer Utility Fund, and Stormwater Fund. Overall, there are sufficient cash reserves and future projected revenues in the General and Stormwater Funds to pay for a limited number of critical capital improvement projects. These projects will use up the available debt capacity in these funds. Future additional projects will require additional revenue, either from current or new revenue sources. Staff will be undertaking rate studies for the enterprise funds in order to prepare recommended rate structure revisions for consideration by the City Commission in the future.

Outcome approaches are becoming common in the budget document and are often explained in the opening message.

Achieving a financially sound budget that sustains the important values and visions of our community will be extremely difficult, but this work is necessary for our community's prosperity. The City of Grand Rapids must become a more nimble organization unburdened by legacy costs and focused on systemic change if the outcomes required by our community, as we know them, are to endure. We believe that the following areas should receive immediate attention:

Address the Structural Deficit. Costly pension and unfunded retiree healthcare obligations have contributed to the creation of a structural imbalance that will reduce services across all levels of City government and impair the ability of the City to address important community outcomes. City management and employees have made significant progress on reducing and controlling the costs of retiree health care. Now the annual required contribution for retiree health care must be funded to consolidate these important gains. The cost of benefits for future retirees and fringe benefits for current employees must become consistent with those of the private and nonprofit sectors.

Reform Public Safety. Following current best management practices will not be enough to prevent future cuts in staff or services for the two largest City departments. Police and Fire comprise 63% of the General Operating Fund budget. Entirely new models of service delivery that keep the community safe and produce the same, or better, outcomes are essential. Data and information sharing must be a high priority to understand and modernize these departments in order to preserve our community's safety and capture savings for other valued community priorities. We support consolidation of police and fire services with local partner communities.

Invest in Streets and Infrastructure. Deferred investment and disinvestment in our physical infrastructure cannot continue. Revenues must be increased to pay for maintenance and reconstruction of our community's streets, alleys, and bridges. The State of Michigan should be encouraged to increase the state gas tax or, failing that, a dedicated local tax proposal should be examined to ensure proper maintenance and management to avoid exponentially higher replacement costs. Following a Complete Streets strategy so that all citizens have access to meet daily needs by bike, car, walking, or transit is important. Neighborhood infrastructure assets, such as housing stock and streetscapes, are the foundation of our community. Investment is necessary to prevent deterioration of our infrastructure, encourage economic development activities, and position our citizens and city for the future.

More often than not, a governing body faces multiple significant issues. There are times, however, when one major issue takes precedent.

Honorable Mayor and Council Members
City Hall
Rye, New York 10580

Dear Honorable Mayor and Council Members,

Eight of the past eleven months have been occupied primarily with flood related issues in the City of Rye. The City was inundated with water on March 2nd and again on April 15th. These floods culminated with a Presidential Declaration of Emergency for Westchester County and other areas. There were no mechanical failures or system failures that caused these floods. The floods resulted from excessive and sudden rainfall, and their boundaries followed the maps produced by the Federal Government in 1972 depicting the flood plain in Rye. The morning after the flood, the City moved immediately to inspect roads and bridges to safeguard residents.

While several million dollars in damages were experienced, no lives were lost. Our municipal departments teamed up with 24 hour coverage for our residents, and our previous work with the utility companies produced excellent coverage for our residents. We reached out to other municipalities to speed up gas and electrical inspections; and we engaged social service agencies to console residents about their loss. Our DPW collected over 500 tons of debris from flooded areas.

The City Council went door to door meeting with residents, and then moved to enact special legislation to help residents 'lift' their homes above the flood plain. Efforts were taken to reach out to residents, while at the same time taking care to watch the fiscal purse. Applications to FEMA were commenced, engineering was competitively bid, and a series of meetings were held to both inform and help residents recover.

That recovery will continue for approximately 36 months after the event, since many of the grants and engineering projects will require considerable lead time and professional assistance. Since March 2nd, Council meetings have hosted residents and allowed them virtually unlimited time to express both their concerns and their experiences in these flood events. For the City Council and staff, conducting normal business has required extraordinary efforts for many months.

Should significant events occur before the publication of the final budget document, an additional section may be included in the opening message to describe these events and their impact on the budget.

SIGNIFICANT EVENTS UPDATE

February 2, 2009

Information contained in this budget document was originally compiled in the last quarter of 2008. Since that time, several noteworthy events have occurred within the City of Upper Arlington that requires an update to the information that has been provided.

- Following an October 2008 announcement by Continental Real Estate Companies and local developer Mark Catalano of their intent to purchase the Kingsdale Shopping Center from Regency Centers, LLC, a preliminary development plan was subsequently filed with the Development Department December 29, 2008. As the New Year begins, the City is working diligently with all parties to facilitate the successful completion of this exciting project, which represents the fulfillment of long-awaited community goal. The Board of Zoning and Planning is scheduled to formally deliberate on the preliminary development plan in early February 2009. Concurrently Staff is reviewing a proposed Development Agreement between the City and Continental as part of ongoing negotiations, in which Continental is requesting a level of City participation to support the project. As part of this review, the City is considering all available economic development incentive tools, such as Tax Increment Financing, to fund any City participation. City Council will ultimately review and take action on the proposed Development Agreement, tentatively scheduled to occur in February 2009.
- The City's most recent contract with the Teamsters Local Union No. 284 expired December 31, 2008. Negotiations with the Teamsters are in progress. The budget document reflects placeholder increases for bargaining unit street workers after this date.
- The City's most recent contract with the Fraternal Order of Police Ohio Labor Council, Inc. expired December 31, 2008. Agreements have since been reached for a new three-year contract, and the budget reflects appropriations for these increases.
- On December 1, 2008, a public meeting was held whereby City Council requested sidewalk additions to the proposed Capital Improvement Plan. The three areas designated for sidewalk projects include Waltham Road from First Community Village to Cambridge Road; Mountview Road north of Fishinger to McCoy; and Tremont Road from the Municipal Service Center to the Five Points intersection. These projects will be added to the capital improvement list with engineer's estimates during the first quarter of 2009.

Budget Overview

#C2: Budget Overview (Mandatory) The document should provide an overview of significant budgetary items and trends. An overview should be presented within the budget document either in a separate section (e.g., executive summary) or integrated within the transmittal letter or as a separate budget-in-brief document.

Criteria Location Guide Questions

1. Is an overview contained in the budget message/transmittal letter, executive summary, or in a separate budget-in-brief document?
2. Is summary information on significant budgetary items conveyed in an easy-to-read format?
3. Is summary information on budgetary trends provided?

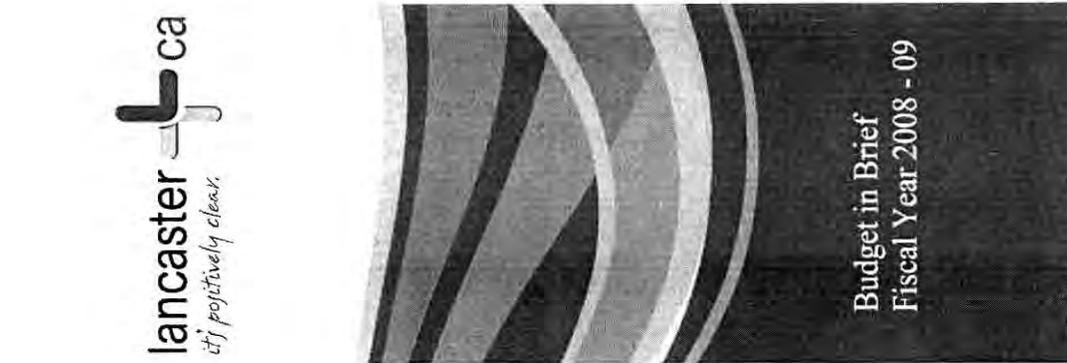
Explanation The intent of this criterion is to help readers quickly understand major budgetary items and trends (revenues, expenditures, and capital). Highlighting, indentation, bullet points, outlines, tables, or graphs may help in communicating this information. If a budget-in-brief is published as a separate document, inclusion of easy-to-read summary financial information in the main budget document is encouraged.

Chapter Overview *The budget overview is essentially a concise presentation of significant budget highlights.*

Helpful Hint

Present the budget overview in a concise manner.

A budget-in-brief is a popular method of communicating financial information to stakeholders. Some governments include the budget-in-brief on their websites while others use e-mail or regular postal mail to send them to constituents. While a budget-in-brief does not replace the main budget document, it does provide the government an additional option in sharing budget information.



GENERAL FUND BUDGET

The General Fund is the traditional source of funding for operational costs of running the City. Income to the General Fund comes primarily from sales and property taxes. Top expenditures go toward Community Safety and Parks, Recreation and Arts.

General Fund Revenues:

Sales Tax	\$ 20,261,165
Property Tax	\$ 19,724,065
Local Charges and Fees	\$ 7,774,640
Transfers/Reimbursements	\$ 5,563,926
Other Taxes	\$ 2,019,720
Other Revenue	\$ 1,544,220
Fines and Forfeitures	\$ 1,423,165
Revenue from Other Agencies	\$ 1,165,600
Licenses and Permits	\$ 1,005,155
Grants	\$ 636,000
Total Revenues	\$ 61,117,656

General Fund Expenditures:

Community Safety	\$ 23,513,775
Parks, Recreation and Arts	\$ 11,048,319
Transfers	\$ 5,920,121
Public Works	\$ 5,374,500
Administration	\$ 4,026,775
Finance	\$ 2,307,040
Housing and Neighborhood Revitalization	\$ 1,788,735
Planning	\$ 1,750,035
Capital Projects	\$ 1,463,000
Human Resources and Risk Management	\$ 1,066,415
City Manager	\$ 826,250
City Clerk	\$ 601,395
City Attorney	\$ 600,000
City Council	\$ 131,325
Total Expenditures	\$ 60,417,685
Difference to Fund Balance:	\$ 699,971



This 2008-2009 Budget in Brief for the City of Lancaster and Lancaster Redevelopment Agency (LRA) presents a quick snapshot of the priorities our community places on needed services and desired improvements.

The budget ensures continued delivery of critical public services, reflects public safety as the City's top priority and focuses on five primary priorities:

- Maintaining service levels to the public despite an economic downturn through ongoing conservative financial practices;
- Significantly increasing the City's commitment to public safety to ensure the recent momentum is maintained;
- A commitment to continued leadership on a regional level in addressing critical water resource issues;
- Strategic financial management over the next few years to ensure the City's ongoing financial stability;
- Capital improvements to enhance water resource management, enhance economic development and recreational opportunities, and maintain existing public facilities.

For an in-depth look at the City's budget, visit www.cityoflancasterca.org or contact the Finance Department at 661-723-6033.

R. Rex Parris, Mayor
 Ronald D. Smith, Vice Mayor
 Kenneth G. Mann, Council Member
 Sheryl A. Marquez, Council Member
 Edward P. Sileo, Council Member
 Mark V. Rozigian, City Manager

44933 Fern Avenue
 Lancaster, CA 93534
www.cityoflancasterca.org
 Finance: 661-723-6033

One popular format for a budget-in-brief is that of a newsletter.



City of Norfolk

FY 2012

Budget In Brief

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Message from the City Manager

The development of the Proposed Fiscal Year (FY) 2012 Budget is the first step in a process to change how we do business in the City of Norfolk. The guiding principle for this budget and future budgets will be building a "well-managed government," which means ensuring the City's programs and services are effective, efficient, accountable, responsive, inclusive, and customer-focused.

We went out into the community and asked residents about their priorities and for their suggestions for improvement. We listened. This budget strives to provide funding based on community and City Council priorities. We will continue the conversation to determine if our programs and services are meeting our priorities and how we can continue improving service delivery.

The development of this budget includes some difficult, but necessary, decisions as the City continues to face economic challenges. However, this budget also includes proposals to help the City grow, as well as draw on the energies and efforts of all our residents to help build a vibrant city.



To: Mayor and Council
 From: Marvin Allen, City Manager
 CC: Mike Jones, James Miller, Elvira Rogers, Josh Campbell, Denise Brinson, Jessica Roth and Arnie Sakmar
 Date: June 20, 2011
 Re: City Manager's Budget Message for FY 2012

The City of Suwanee remains fiscally strong and financially well-rounded. We are proud to present a **balanced budget**, once again, that includes a proposed **0.05 millage rate decrease**. Due to anticipated increases in certain revenues, combined with past financial management efforts, and coupled with adequate fund reserves, the budget recognizes the current economic environment our citizens and businesses are experiencing and provides some modest tax relief while still maintaining quality service levels.

Employee healthcare costs are significant and can escalate substantially from year to year. I applaud staff for their efforts to contain these costs. Renewal of the City's current healthcare plan was projected to increase 6%. The City formed a staff committee to study various options. The current plan was modified (increased deductibles, increased co-pays, etc.), increasing some costs to employees, but resulting in a net cost increase of just 1% to the City.

Highlights

- a. At 5.65 mills, the millage rate is proposed to be 0.05 mills lower than last year. The millage rate has either remained the same or been reduced over each of the past nine years.
- b. The proposed budget is balanced. It relies on anticipated revenues with no fund balance being used for operating expenses. The budget proposes to use \$222,520 of general fund balance for capital improvements. The budget includes \$406,420 in capital transfers.

budget message

- c. General fund revenues are expected to decrease by approximately \$421,610 from \$12,265,830 (FY11 current) to \$11,844,220 (FY12 proposed). The general fund budget is about 5.0% more than the adopted FY11 budget.
- d. General fund expenditures are projected to increase from \$11,223,380 in the FY11 adopted budget to \$11,844,220 in the proposed FY12 budget. At \$11,844,220, the proposed general fund budget is about 3% less than the FY11 amended budget.
- e. Annual bond payments totaling approximately \$1.6 million for the 2002 Open Space Initiative and City Hall project remain the City's largest expenditures.
- f. Due to declining revenue growth, the proposed budget largely focuses on maintaining the City's current service levels. Primary expenditure areas include maintaining current service and staffing levels, a 2.5% cost of living adjustment for employees; Phase 2 of a two-year Strategic Plan, legal fees associated with ongoing Service Delivery Strategy litigation, and increased landscaping commitments on Peachtree Industrial Boulevard.
- g. A new police substation/training facility is proposed to be constructed in the Suwanee Gateway area at a construction cost of approximately \$1.6 million.
- h. Healthcare costs continue to rise. As such, certain cost-saving changes to the city's healthcare benefit package were made for employees primarily via increased deductibles.
- i. The positive financial impact of the SPLOST program continues to provide funds for many of the major capital projects and reduces the pressure on the City's annual general fund budget. The 2009 SPLOST program is expected to provide about \$10.4 million over the next three years for capital items and projects.
- j. Due to Suwanee's growth over the last decade, the new Census figures are anticipated to increase the city's Insurance Premium Tax revenue by about \$228,848.

General Fund Proposed Budget

	FY11 (adopted)	FY11 (current)	FY12 (proposed)
Revenues	\$ 11,107,310	\$ 11,702,080	\$ 11,621,700
Use of Fund Balance	\$ 116,070	\$ 563,750	\$ 222,520
Total	\$ 11,223,380	\$ 12,265,830	\$ 11,844,220
Expenditures	\$ 11,223,380	\$ 12,265,830	\$ 11,844,220
Ending Fund Balance	\$ 6,959,198	\$ 6,592,447	\$ 6,369,927



Quite often, there are changes from the proposed budget to the adopted budget. These changes can be summarized succinctly in several ways. Here, revisions to the proposed budget are highlighted in a tinted bar.

The City Council for the City of High Point approved the FY 2009-2010 City budget June 18, 2009 with all related provisions as recommended by the City Manager. In addition to the proposed budget, the following changes have been adopted:

**CHANGES TO 2009-10 PROPOSED BUDGET
INCORPORATED INTO ADOPTED BUDGET**

Proposed Total Revenue Budget **\$318,826,273**

Increased Revenues:

Museum Merger – Revenues from Contributions & Miscellaneous	\$79,256
Lease Purchase Proceeds for new automated recycling program:	\$3,250,000
Reduction for ARRA Water-Sewer Grant	\$(1,800,000)
• Recognized by 2008-09 Budget amendment approved by City Council June 4, 2009	

Revised 2009-2010 Revenues Budget **\$320,355,529**

Proposed Total Expenditure Budget **\$318,826,273**

Expenditures changes:

Addition of funding for NC Shakespeare Festival	\$ 50,000
Reduction in funding for the High Point Arts Council	\$(50,000)
To provide \$50,000 funding for the High Point Workforce	\$50,000
• <i>Transfer \$50,000 from City Council's election account to fund If specified progress conditions are achieved;</i>	\$(50,000)

Eliminate Public Information Department:

- Transfer Webmaster position to Information Technology
- Transfer Office Support position to Customer Service
- *Public Information Director was previously eliminated in the proposed budget*

Museum Merger – Additional Operating	\$79,256
Automated Recycling Containers	\$1,500,000
Automated Garbage Trucks	1,750,000
Water-Sewer Capital Projects - Reduction for ARRA	\$(1,800,000)
Stimulus Grant	
• Recognized by 2008-09 Budget amendment approved by City Council June 4, 2009	

Revised Total Expenditure Budget **\$320,355,529**

An examination of budget highlights should be done in a broad manner. An overview is intended to provide a brief summary, not a lengthy detailed analysis of every account.

**Base Operating Budget
(All Funds)**

	FY06	FY07	Increase/ (Decrease)	% Change
Personnel Wages	\$21,091,478	\$21,901,959	\$ 810,481	3.84 %
Employment Expenses	\$6,000,624	\$6,423,931	\$ 423,307	7.05 %
Contractual Services	\$21,566,817	\$24,101,786	\$ 2,534,969	11.75 %
Commodities	\$1,663,413	\$1,772,461	\$ 109,048	6.56 %
Capital/Equipment	<u>\$99,005</u>	<u>\$115,899</u>	<u>\$ 16,894</u>	17.06 %
SUB-TOTAL	\$50,421,337	\$54,316,036	\$3,894,699	7.72 %

This comparison reflects the proposed change in spending for the City's Base Operating Budget. Salary increases are based upon bargaining unit contractual requirements, the City's compensation plan, market studies, and an estimated cost of living adjustment. No additional full-time positions are proposed. Several personnel reductions have been made including elimination of two full-time positions and three part-time positions. Employment expenses increase primarily as a result of increases in health and dental insurance costs for City employees. The increase in contractual services is due to three factors: 1) an increase in the City's member contribution to the Intergovernmental Risk Management Agency (IRMA) for liability and workers compensation insurance, 2) increased costs associated with mandated transfers of property tax revenue to the police and fire pension funds, and 3) a one-time grant by the Housing Trust Fund for purchase of the Hyacinth property for an affordable housing project. The commodities increase is due primarily to the rise in gasoline prices.

Employee benefits frequently experience growth rates that exceed other expenditure categories. An analysis that breaks out major components of employee benefits can prove insightful.

COMPARISON OF FY 2008/2009 THROUGH FY 2011/2012 EMPLOYEE BENEFITS

	FY 2008/2009	FY 2009/2010	FY 2010/2011	FY 2011/2012	\$ Inc/(Dec)	% Inc/-Dec
Social Security	\$ 646,143	\$ 663,783	\$ 646,554	\$ 649,847	\$ 3,293	0.51%
Retirement (Defined Benefit)	1,581,000	1,749,810	2,016,862	2,085,829	68,967	3.42%
Retirement (Defined Cont.)	382,252	402,500	442,223	468,238	26,015	5.88%
Hospitalization	1,314,712	1,330,270	1,355,182	1,366,787	11,605	0.86%
Dental Insurance	102,634	104,458	104,721	108,632	3,911	3.73%
Life Insurance	5,744	5,744	5,685	0	(5,685)	-100.00%
Workers Compensation	147,500	148,195	151,195	169,144	17,949	11.87%
Long-Term Disability	14,508	14,376	14,236	0	(14,236)	-100.00%
Life/LTD Insurance *				20,318	20,318	100.00%
Retiree Health & Health Trust (GASB) #43 & #45	513,531	574,203	761,937	950,240	188,303	24.71%
TOTALS**	<u>\$4,708,024</u>	<u>\$4,993,339</u>	<u>\$5,498,595</u>	<u>\$5,819,035</u>	<u>\$320,440</u>	<u>5.83%</u>

* New in FY 2011/2012

** Includes Sewers

The increase in the Retirement (Defined Benefit Budget) \$68,967 was based upon recommendation of the actuaries for estimated 2011 contributions. All current Town employees contribute 15% - 20% toward their healthcare coverage. All new hires for the Police, Dispatchers, Non-Organized and Public Works employees contribute 20% toward both health and dental care. As a result of the Town's continuing re-marketing effort life insurance, long-term disability, and dental have stabilized significantly. The Town OPEB Contribution of \$250,000 is reflected in Retiree Health. This represents a \$125,000 increase over the current year OPEB Contribution of \$125,000 and will continually increase by \$125,000 over the next several years.

Risks in budget projections should be communicated in such a way that the reader can understand the ramifications of budget decisions.

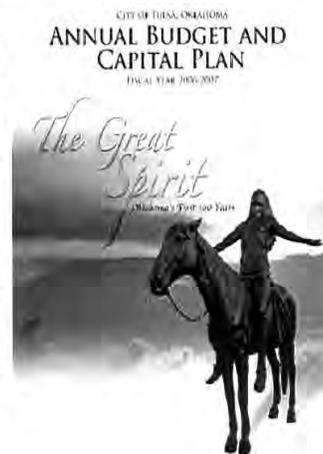


- The capital plan is dependent on passage of an extension of the Third Penny sales tax on May 9. If the tax is extended, we would recommend advance funding of all projects left from the 2001 Third Penny program with a revenue bond. I will work with the Council to develop a budget for the new projects in fiscal year '07. In addition to Third Penny projects, this budget recommends "pay as you go projects" in the enterprise fund and the capital plan recommends debt financing for water and sewer projects later in fiscal year '07. As we work to improve our city's economic health, we must work to ensure our infrastructure needs are addressed.
- There are serious budget pressures that have not been addressed and will begin to be addressed this year. Our utility authorities have recommended the first increase in city water rates in 10 years, as well as increase in sewer and storm water rates. The budget is based on these increases occurring. If they do not occur, we will need to further cut costs in the budget by \$8.2 million and significantly reduce the water, sanitary sewer and flood control capital improvements plans.

After this budget is approved, all department heads with budget responsibility will meet quarterly to analyze their expenditures, as well as their progress toward reaching goals identified in the budget to ensure citywide analysis and accountability.

So let us begin with this budget as starting point, let us work together to continue to refine our goals, to boost our efficiency, to create and then seize opportunities, to minimize risks and, as a team, to achieve what is best for Tulsa.

While there are still many unknowns—this is what I do know. With this team, the council and your staff, the city employees and the passionate and positive citizens and businesses of our great city—all working together for the same goal—to *Make Life Better* in Tulsa—THE BEST IS YET TO COME.



The use of scenarios is often employed when communicating forecasting data. One common method of presenting different budget assumptions is through the use of a table or matrix.

Budget Assumptions

Financial projections are developed using expected, worst, and best case assumptions. The expected case assumptions are used to start the budget process and the worst and best case assumptions are used in contingency planning. Using the following expected case assumptions a balanced budget is projected.

Worst	Expected	Best
FTEs decline to 2,075. (40)	Full-time Equivalent (FTE) Students FTE's are projected to increase to 2,125 in 2007-08. 2,125	FTEs grow to 2,150. +25
A tax levy increase of 3 percent. Property values lower than 5 percent would increase the tax. (\$98,600)	Tax Levy A tax levy increase not to exceed 3.5 percent over the total levy for 2007-08. A 5 percent increase in equalized property values is projected. \$20,244,400	Property values higher than 5 percent would reduce the tax rate but tax levy would remain the same. +\$0
College's formula factors decrease, and there are state aid reductions due to the biennial budget. (\$80,000)	State Aids Revenues from general state aids are expected to remain the same as 2006-07. \$3,739,400	College's equalization index and FTEs increase resulting in increased state aids. Additional grants are written. Biennial budget request for general state aids is approved. +\$80,000
Tuition increases by 4 percent or FTEs decline to 2050. (\$134,000)	Tuition/Student Fees Tuition and fee revenue are expected to increase by 5 percent. \$4,334,000	Tuition increases by 6 percent or FTEs increase to 2150. +\$193,000
Decrease in interest income, auxiliary service commissions, and contracts. (\$145,000)	Institutional Revenue & Workforce Solutions Interest income and commission from auxiliary service contracts are expected to increase from 2006-07. Customized training and technical assistance contracts are also expected to increase and generate revenues to recover expenses. \$1,895,000	Larger increase in interest income, auxiliary service commissions, and contracts. +\$105,000
Expenditures increase by 7 percent. Health insurance increases by 15 percent and dental insurance by 10 percent +\$245,000	Expenditures General Fund expenses are expected to rise 4 percent including personal services and current expenses. Health insurance is expected to increase by 12 percent and dental insurance by 8 percent. \$25,258,000	Expenditures increase by 3 percent. Health insurance increases by 8 percent and dental insurance by 6 percent. (\$245,000)
Significant reduction in funding for grants occurs. (\$100,000)	Grants & Projects State and federal grants are expected to be funded at a slightly lower level. With expenditures for salary and benefits increasing, there is a need for more local support. \$1,425,000	Approval of additional funding federal or state funding. +\$200,000

Trend analysis is often used to examine the relationship over time between revenue and expenditure categories. While graphs are normally used to display trends, a table with notes or comments is another option. In this example, a comparison is made between revenue types and inflation.

February 7, 2006

Honorable Members of City Council
Louisville, Ohio 44641

Re: 2006 Budget Transmittal Letter

This letter is designed to highlight and introduce the proposed 2006 Service Plan for the City of Louisville. This plan is designed to address and advance the goals and objectives of Council for the upcoming year. This is a balanced budget based on our assumptions of available revenues. However, in several funds, carryover cash must be used to balance. This document will provide guidance to City staff to achieve the vision of the Community as defined by City Council.

Overview of the Financial Status of City -Examining Revenue

In order to examine the 2006 budget, it is important that you understand the state of the current finances. **The economic recovery from the recession that started in 2001 has been very sluggish.** That fact is illustrated by the following:

Type of Revenue	2006		2000 Actual Amounts	2006 vs. 2000 % Inc. (Dec.)	
	Amount	% to Total			
Income Tax	\$3,004,600	46.70%	\$3,026,968	-0.74%	<div style="border: 1px solid black; padding: 5px;"> <p>From 2000-2006, the Federal government calculates that the cost of living increase to be +20.5%.</p> <p>Revenue accounts that do not equal or exceed the estimated cost of living increase are noted by an arrow. The most significant of these revenue sources is income tax.</p> </div>
Sewer Revenue	\$808,800	12.57%	\$615,108	31.49%	
Water Revenue	\$639,700	9.94%	\$498,151	28.41%	
Real Estate Taxes	\$456,000	7.09%	\$340,825	33.79%	
Fees/Permits	\$419,876	6.53%	\$332,799	26.17%	
Local Gov't Funds (Sales Tax)	\$225,000	3.50%	\$255,366	-11.89%	
Gasoline Tax	\$241,150	3.75%	\$163,119	47.84%	
EMS Fees	\$215,000	3.34%	\$147,746	45.52%	
Vehicle Registration Fees	\$134,400	2.09%	\$148,375	-9.42%	
Community Programming	\$83,770	1.30%	\$24,978	235.38%	
Investment Income	\$68,800	1.07%	\$106,835	-35.60%	
Misc. State Taxes	\$40,150	0.62%	\$44,885	-10.55%	
Estate Tax	\$40,000	0.62%	\$81,753	-51.07%	
Louisville Liftoff	\$27,950	0.43%	\$16,753	66.84%	
Misc. Grants	\$21,700	0.34%	\$20,243	7.20%	
Fines	\$7,505	0.12%	\$20,506	-63.40%	
Total	\$6,434,401	100.00%	\$5,844,410		

Section 2

Financial Structure, Policy, and Process

Organization Chart

#O1: Organization Chart (Mandatory) The document shall include an organization chart(s) for the entire entity.

Criteria Location Guide Questions 1. Is an organization chart provided that shows the entire entity?

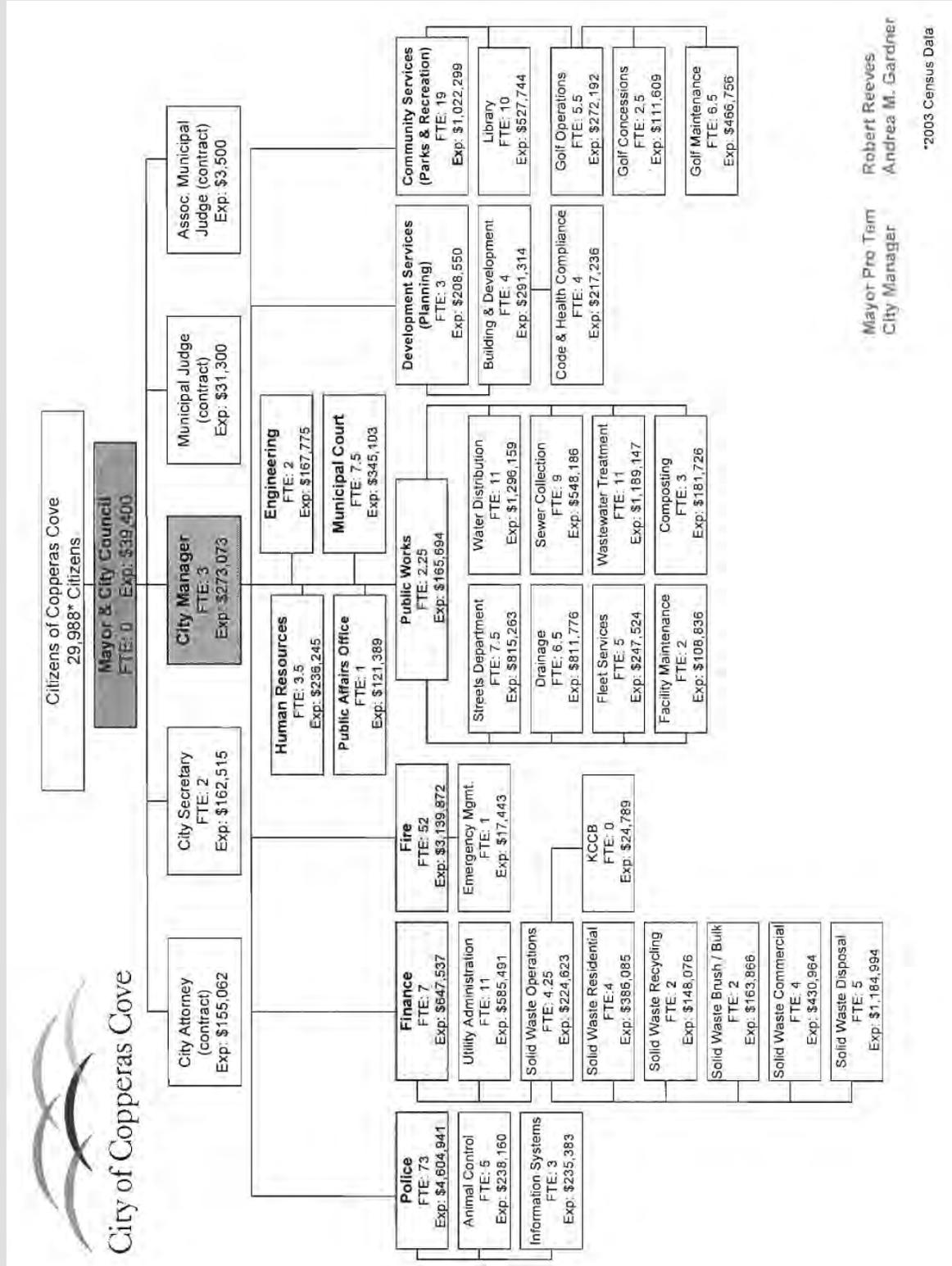
Explanation This criterion requires that an organizational chart be presented only for the overall entity. Organizational charts for individual units are not required. When organizational charts are provided for individual units within the entity, those charts should be presented in such a way as to underscore the link between the individual unit and the overall entity.

Chapter Overview *Organization charts need not conform to a rigid design format. Although governments can exercise flexibility in their presentation, the organization chart must depict the entire entity.*

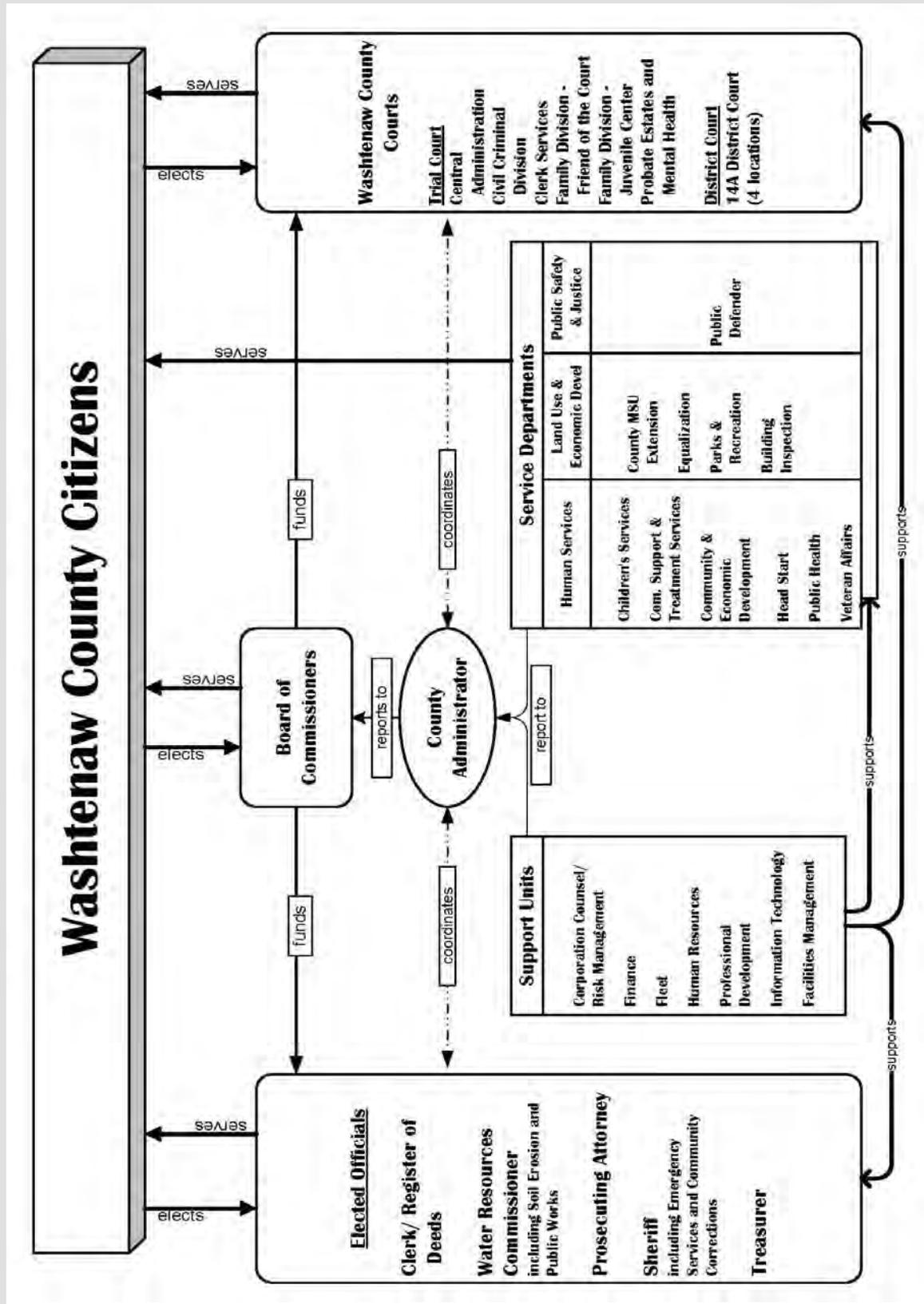
Helpful Hint

Make sure the organization chart is legible.

An organization chart can be used to convey a wide array of information, not just departmental hierarchy. In this example, the government also includes employee headcount, budgetary expenditures, and population information. Even departmental contact information – such as phone numbers, e-mail addresses, or hyperlinks to such data – is sometimes included in an organization chart. Note that the citizenry appears at the top of the organization chart.

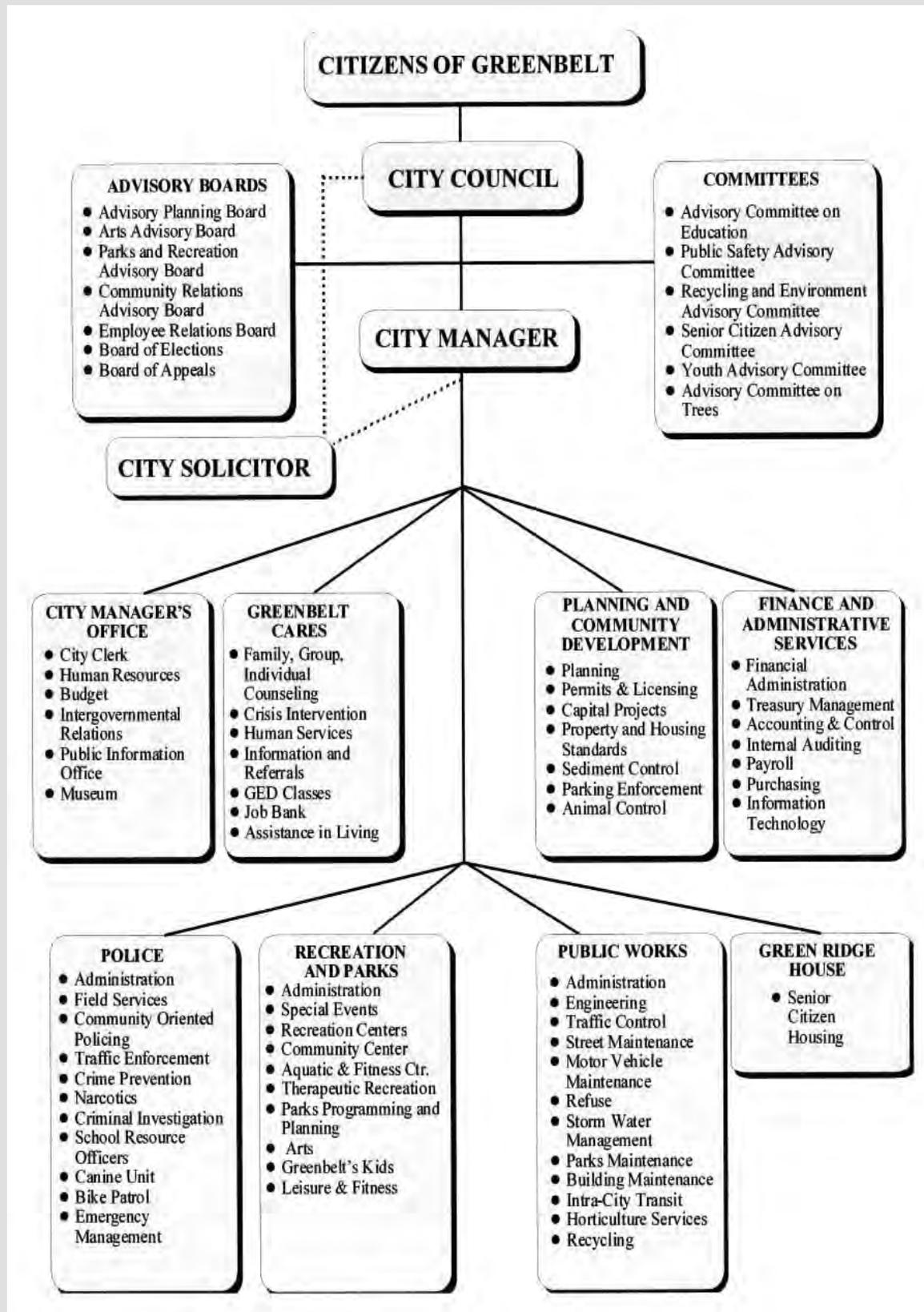


Some organization charts include a departmental breakout based on support or service functions, with elected official responsibilities also shown.

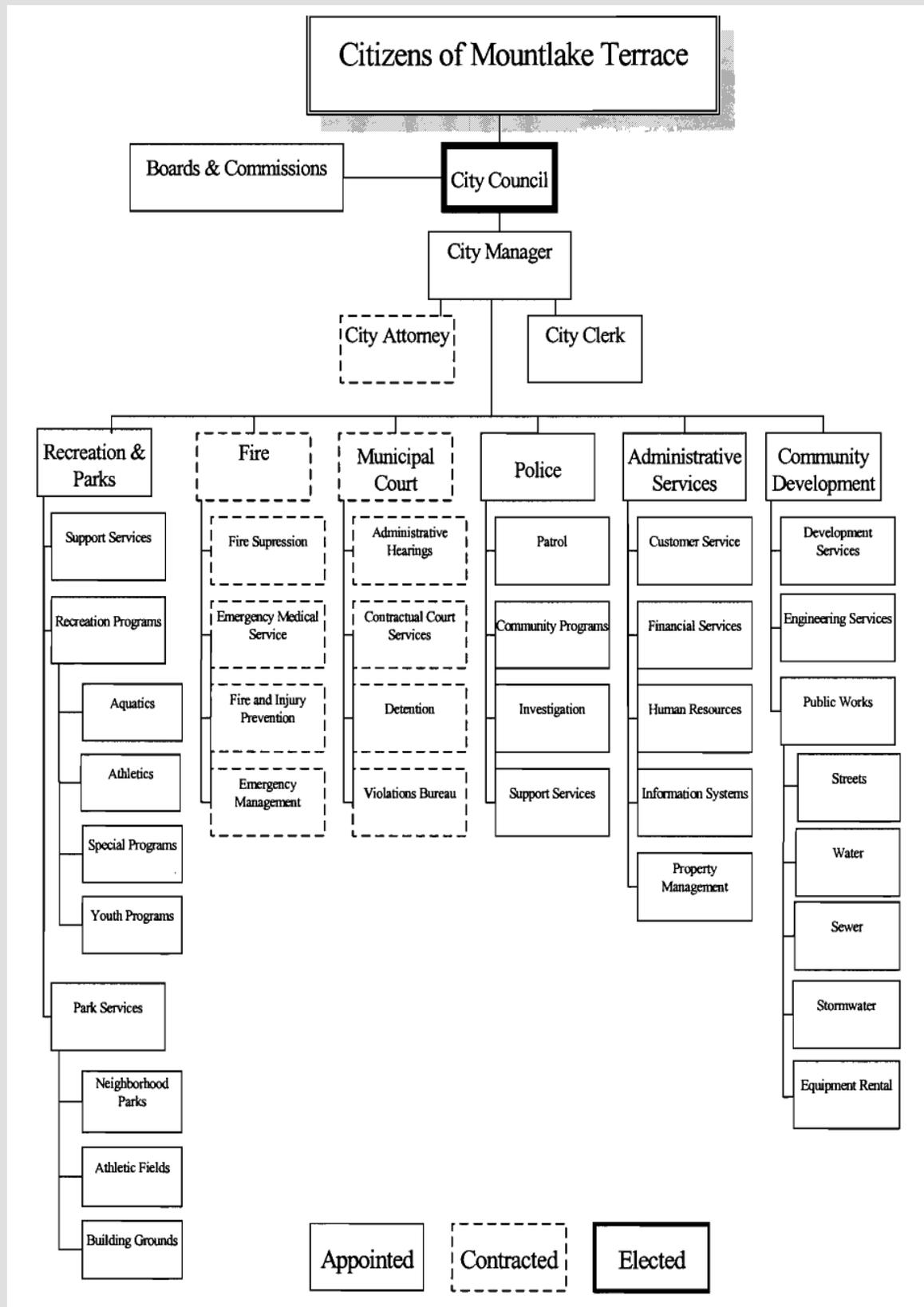


Washtenaw County, Michigan

This organization chart is designed in the form of a tablet. Note the variety of information — such as advisory boards and committees — that can be included in the chart.

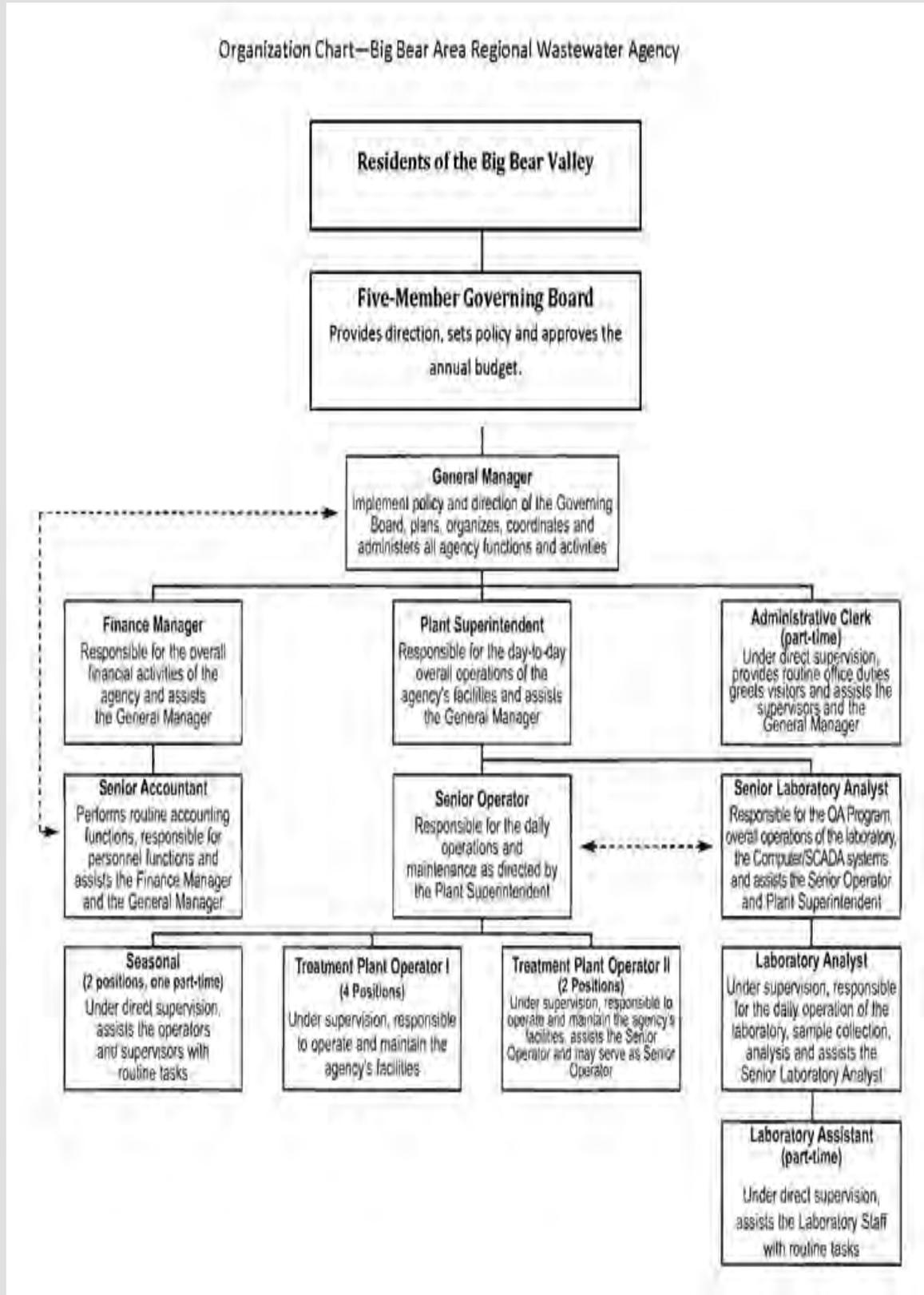


A legend placed at the bottom of the page will help the reader to identify the relationship between elements in an organization chart.



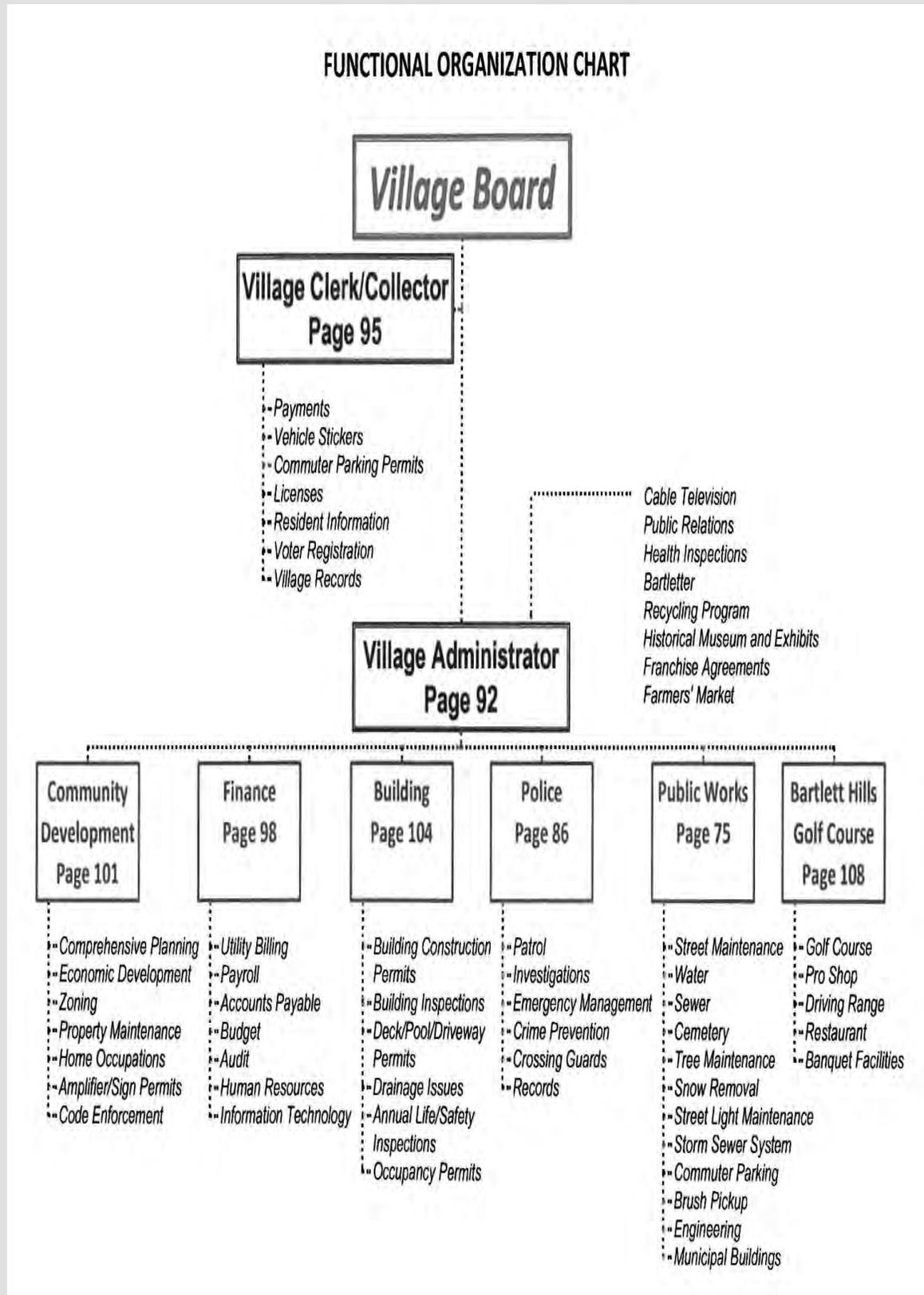
City of Mountlake Terrace, Washington

Organizations with fewer departments or position counts have additional space to provide more detailed information in the chart.

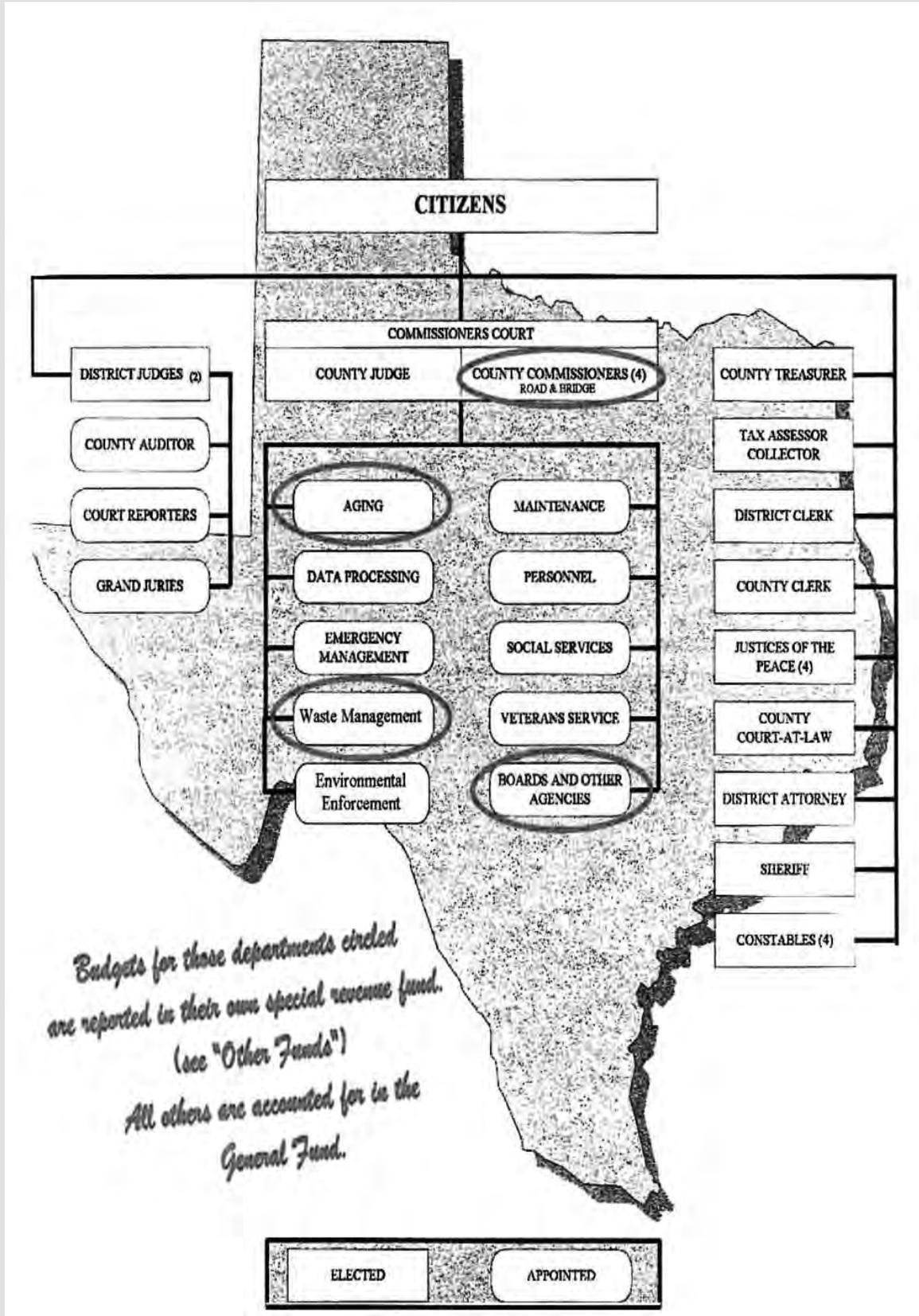


Big Bear Area Regional Wastewater Agency, California

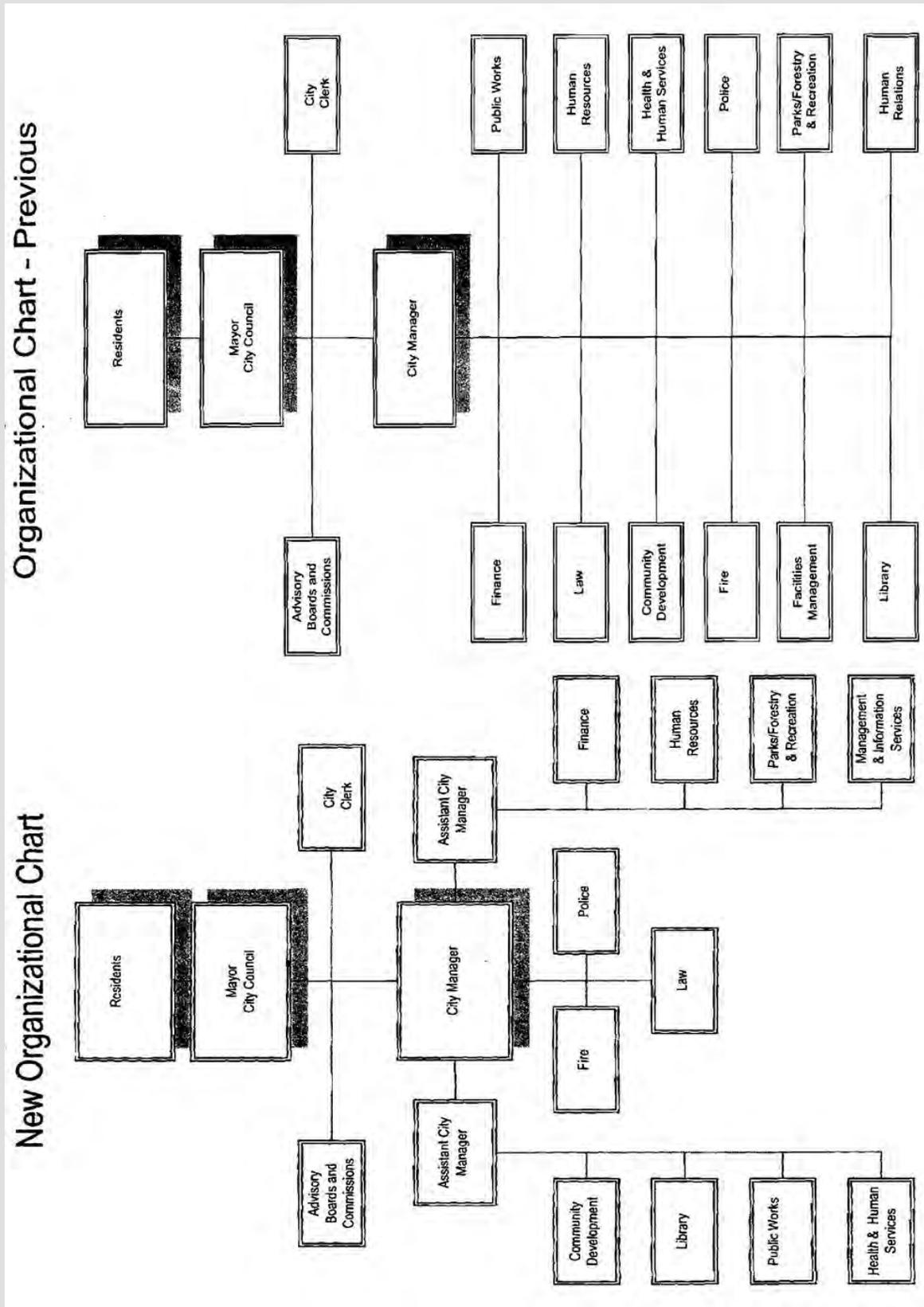
An organization chart can be used to list the pages in the budget document where individual department information is presented.



The relationship between departments and funds can be shown in an organization chart.



Occasionally, departments with a government are reorganized. Juxtaposing the old and new organization charts on the same page helps communicate the changes.



Fund Descriptions and Fund Structure

#F1: Fund Descriptions and Fund Structure The document should include and describe all funds that are subject to appropriation.

- Criteria Location Guide Questions**
1. Is a narrative or graphic overview of the entity's budgetary fund structure included in the document?
 2. Does the document indicate which funds are appropriated? (Other funds for which financial plans are prepared also may be included in the document.)
 3. Does the document include a description of each individual major fund included within the document?
 4. If additional or fewer funds are included in the audited financial statements, does the document indicate this fact?

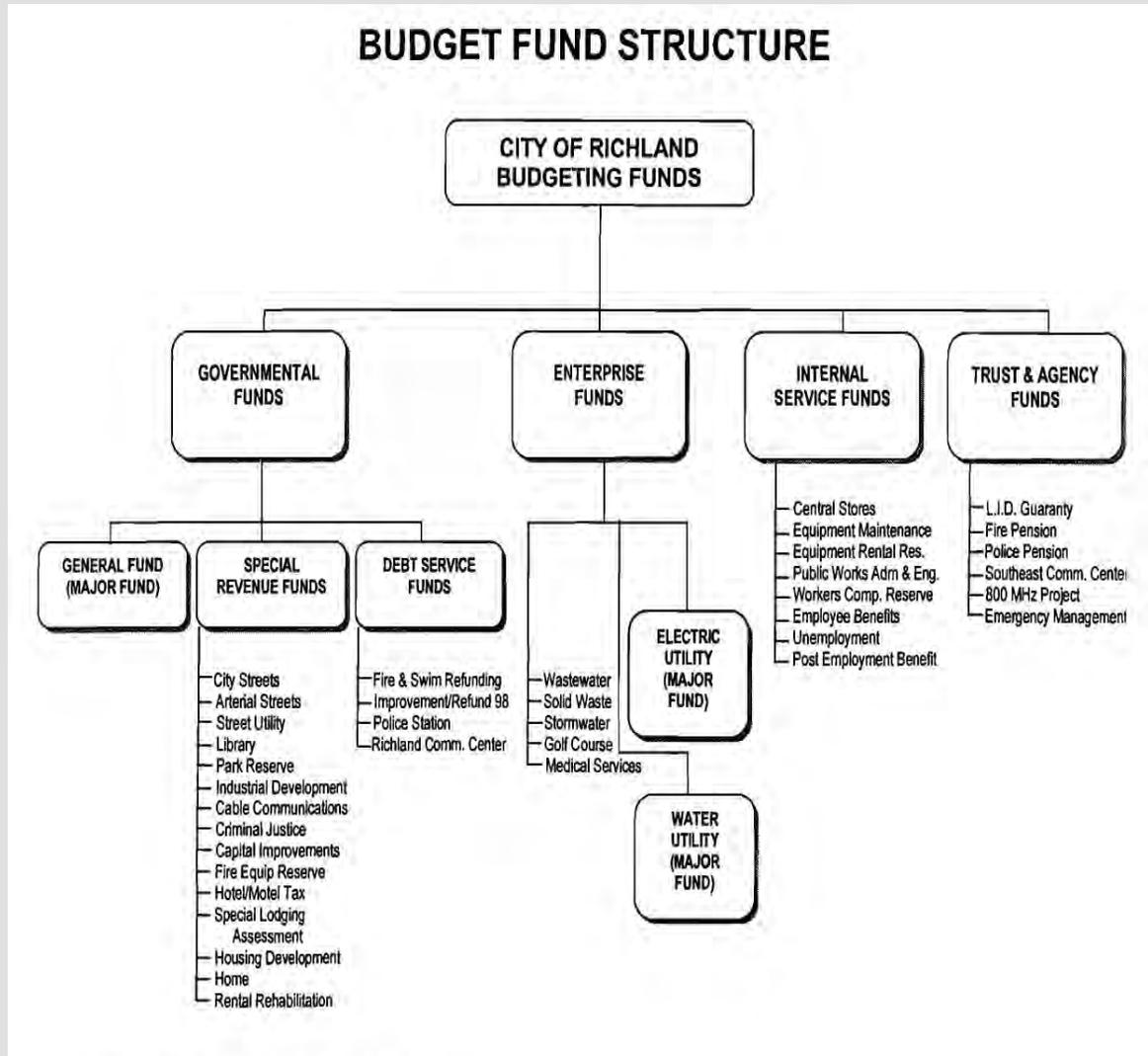
Explanation Showing an entity's budgetary fund structure is essential for understanding its financial configuration. An overview of the budgeted funds should be included in the document. This overview should include each major fund's name and either (1) an indication of whether the fund is a governmental, proprietary, or fiduciary fund OR (2) an indication of the fund type of each fund (*e.g., general, special revenue, enterprise fund*). Any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10 percent of the revenues or expenditures of the appropriated budget should be considered a major fund for this purpose. The entity needs to identify its major funds.

Chapter Overview *This criterion relates to fund descriptions and structure. At a minimum, there should be a narrative and/or graphic overview of the government's budgetary fund structure. Also, a description of the major funds must be provided.*

Helpful Hint

An "organization chart" of the government's funds is useful.

In this example, a fund diagram is combined with a description of the major funds. The narrative interpretation of the fund structure chart enhances reader understanding of the government’s financial configuration.



MAJOR FUND DESCRIPTIONS:

GENERAL FUND:

General Fund accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund generates the majority of its revenue from taxes, state and local – shared revenues and charges for services.

ELECTRIC UTILITY:

Electric Utility fund is used to account for the provision of electric service to the residents of the City and services which are entirely or predominantly self supporting by user charges. All activities necessary to provide such service are accounted in this fund, including administration, operations, maintenance and debt service.

WATER UTILITY:

Water Utility fund is used to account for the provision of water service to the residents of the City. All activities necessary to provide such service are accounted for in this fund, including administration, maintenance, operations and debt service.

Appropriated funds need to be identified in the budget document. This example goes one step further by identifying those funds that are also included in the comprehensive annual financial report (CAFR).

**City of Prairie Village
List of Funds**

Fund	Fund Type	Description	Appropriated in Budget		Included in CAFR	
			Yes	Yes	Yes*	Yes*
General	General	Accounts for activities related to the general operations of the City.	Yes	Yes	Yes	Yes*
Solid Waste	Special Revenue	Accounts for the operation of the City's solid waste management system, which provides for the collection, storage and transportation of solid waste in a manner which ensures protection of the health, safety and welfare of City residents.	Yes	Yes	Yes	Yes*
Special Highway	Special Revenue	Accounts for gasoline taxes designated for construction and maintenance of City streets and curbing and related expenditures.	Yes	Yes	Yes	Yes
Stormwater Utility	Special Revenue	Accounts for the activities related to the City's stormwater management program including compliance with NPDES regulations.	Yes	Yes	Yes	Yes
Special Parks & Rec	Special Revenue	Accounts for various City-sponsored park and recreation activities and is funded by the state liquor tax.	Yes	Yes	Yes	Yes
Special Alcohol	Special Revenue	Accounts for the operation of services and programs pertaining to alcohol misuse and is funded by the state liquor tax.	Yes	Yes	Yes	Yes
Bond & Interest	Debt Service	Accounts for resources required to service long-term debt.	Yes	Yes	Yes	Yes
Capital Projects	Capital Projects	Accounts for activities related to the City's Capital Infrastructure Program.	No	Yes	Yes	Yes*
Risk Management Reserve	Special Revenue	Accounts for the costs associated with uninsured losses and is funded by transfers from the General Fund.	No	Yes	Yes	Yes
Economic Development	Special Revenue	Accounts for activities that foster and promote economic development within the City and is funded by transfers from the General Fund.	No	Yes	Yes	Yes*
Equipment Reserve	Special Revenue	Accounts for the acquisition of major equipment.	No	Yes	Yes	Yes
Grants	Special Revenue	Accounts for revenues and expenditures related to Federal and State grants received by the City.	No	No	No	Yes
Police Pension	Pension Trust	Accounts for the activities of the Prairie Village Police Department Retirement Trust, which accumulates resources for pension benefit payments to qualified public safety officers.	No	No	No	Yes
Supplemental Pension	Pension Trust	Accounts for the activities of the Supplemental Pension Benefit Plan and Trust, which accumulates resources for pension benefit payments to qualified non-public safety officer employees.	No	No	No	Yes

* Considered a major fund for financial reporting purposes.

At a minimum, major funds must be described. Non-major funds may also be covered. Note that the major fund definition is different for GAAP external reporting purposes than it is for budget documents. In a CAFR, major funds relate to funds whose revenues, expenditures, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for the same item. In a budget document, any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10 percent of the revenues or expenditures of the appropriated budget should be considered a major fund.

The major funds for budgetary purposes differ from the major funds reported by the City in the 2007 audited financial statements. The City had eight major funds in its audited financial statements. The reason for the difference in major fund reporting is that asset and liability numbers are considered in reporting major funds for financial statement reporting and they are not considered for budgeting purposes.

The major budgetary funds and their descriptions are as follows:

General Fund – The *General Fund* is the City's general operating fund for the City. The *General Fund* is used to account for and report all financial resources not accounted for and reported in another fund by law or by Generally Accepted Accounting Principles (GAAP). Most of the City's property taxes and sales tax revenues are receipted into the *General Fund* and most of the City's salaries and benefit expenditures are paid for by the *General Fund*.

Street Fund – The *Street Fund* is a special revenue fund which is used to account for street related expenditures. This *Arterial Street Fund* was merged into this fund in the 2009 Budget. The main revenue source for this Fund is the commercial parking tax. This Fund pays for annual street overlay projects and annual sidewalk improvements. It is common for this Fund to make large interfund transfers to the *Transportation CIP Fund* for major transportation capital improvements.

Transportation CIP Fund – This Fund is used for major transportation projects including roads, sidewalks, paths, traffic signals, etc. The 2009 budget for this Fund includes Transportation Improvement Board (TIB) grants for two projects, impact fees related to growth management and investment interest. No interfund transfers in are anticipated.

Non-Major Funds – Governmental

Special Revenue Funds – A governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds include: *Transit Planning, Hotel/Motel Tax, Building Management, and Facility Repair & Replacement*.

Debt Service Funds – A governmental fund type established to account and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. These funds include: *City Hall LTGO, Transportation, Hotel/Motel, Special Assessment Debt, and LID Guarantee*.

Capital Project Funds – A governmental fund type used to account and report for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. These funds include: *Municipal Capital Improvements, Fire Equipment Capital Reserve, Municipal Facilities CIP and Sound Transit Light Rail Area CIP*.

Non-Major Funds – Proprietary

Enterprise Funds – A proprietary fund type used to report an activity for which a fee is charged to external users for goods or services. These funds include: *Surface Water Management Utility, Surface Water Management Construction and Surface Water Management Bonds Reserve*.

Internal Service Funds – A proprietary fund type used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. This fund type includes only one fund which is *Equipment Rental*.

The major fund determination in a budget document may be shown by a calculation.

Major Fund Determination

	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Exceeds 10%</u>
General Fund	\$ 48,146,517	\$ 45,935,421	True
Special Revenue Funds: Transportation	1,982,337	1,982,337	False
Capital Project Funds: Capital Projects	<u>6,125,000</u>	<u>6,125,000</u>	True
Enterprise Funds: Stormwater	3,128,099	3,128,099	False
Total governmental and Enterprise funds	<u>\$ 59,381,953</u>	<u>\$ 57,170,857</u>	
10% of total governmental and enterprise funds	\$ 5,938,195	\$ 5,717,086	

One way to describe funds is by identifying major revenue sources and services provided.

The Township of Lower Merion provides an extensive range of municipal services by statute, First Class Township Code or Township Code. The following is a list of the Township funds with major revenue sources and major services provided:

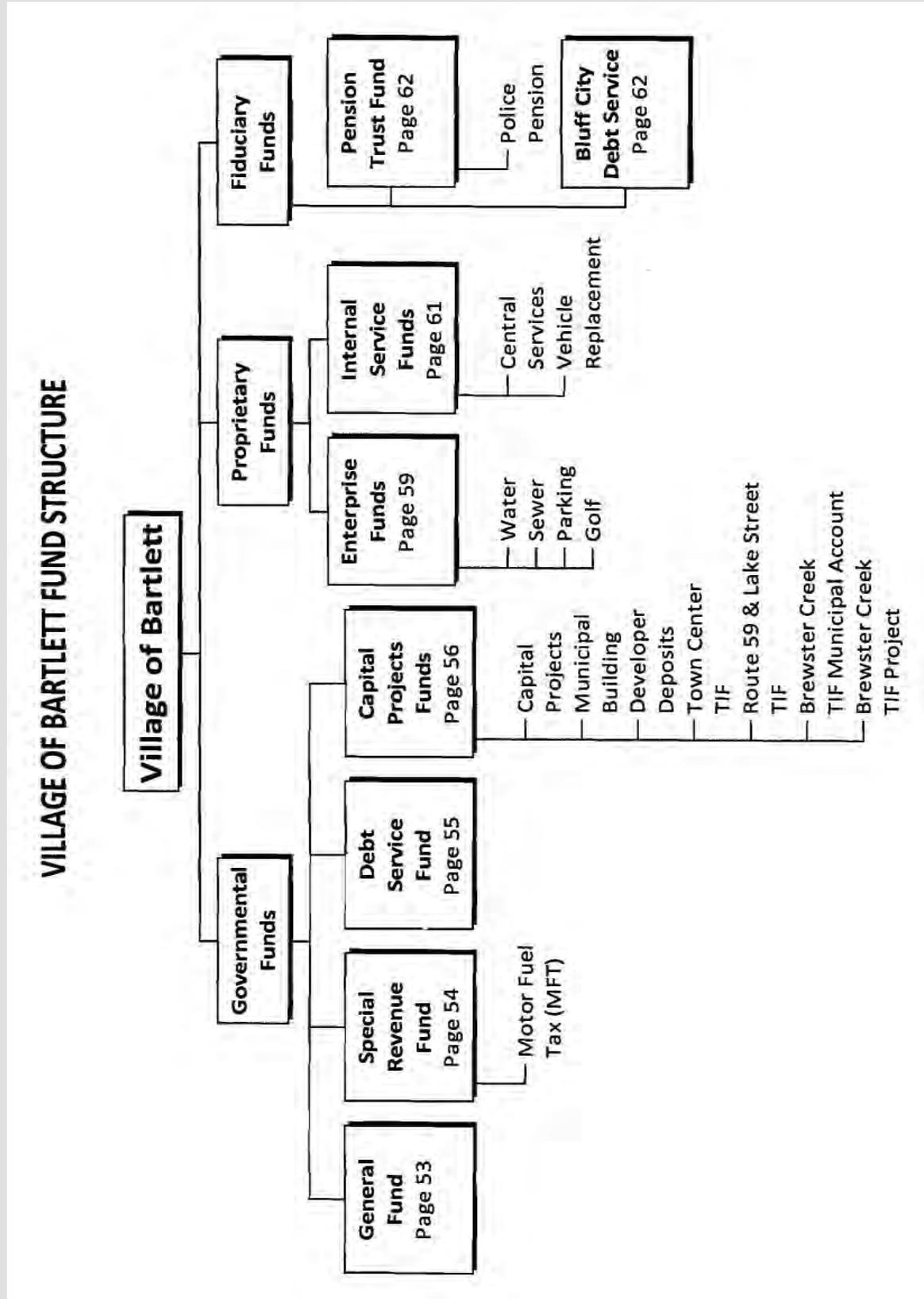
<u>Fund Title</u>	<u>Description</u>	<u>Major Revenue Sources</u>	<u>Major Services Provided</u>
General	General Operating Funds	<ul style="list-style-type: none"> • Real Estate Taxes • Act 511 Taxes • Departmental Earnings • Licenses & Permits • Fines & Forfeits • Reimbursements 	<ul style="list-style-type: none"> • Public Safety (Police & Fire) • Public Works • Parks and Recreation • Libraries • General Government
Equipment	Internal Service Fund	<ul style="list-style-type: none"> • Equipment charges received from other funds 	<ul style="list-style-type: none"> • Vehicles, other motorized equipment and communication equipment for the departments
Sanitary Sewer	Enterprise Fund	<ul style="list-style-type: none"> • Sanitary Sewer Rent Fee charged to property owners 	<ul style="list-style-type: none"> • Sanitary sewer services for property owners
Sinking	Debt Service Fund	<ul style="list-style-type: none"> • Transfers from other funds 	<ul style="list-style-type: none"> • Payment of all long-term debt service obligations
Capital Projects	Capital Projects Fund	<ul style="list-style-type: none"> • Proceeds from sale of bonds • Federal and State grants 	<ul style="list-style-type: none"> • Long-term payment for long-lived fixed assets, such as buildings, equipment, infrastructure improvements, etc.
Highway Aid	Special Revenue Fund	<ul style="list-style-type: none"> • Township's share of State gasoline tax 	<ul style="list-style-type: none"> • Transfers to General Fund for roadway projects
Special Revenue	Special Revenue Fund	<ul style="list-style-type: none"> • Funding from outside agencies such as State or Federal Grants 	<ul style="list-style-type: none"> • Community Development • State contribution to employee pension plans • State contribution to Fire Relief Association
Solid Waste	Enterprise Fund	<ul style="list-style-type: none"> • Solid Waste Fee charged to households • Rear Yard Collection Fee • Transfers from the General Fund 	<ul style="list-style-type: none"> • Collection and disposal of solid waste and recyclables
Appleford	Non-Expendable Trust Fund	<ul style="list-style-type: none"> • Reimbursements from the Appleford Committee 	<ul style="list-style-type: none"> • Maintenance and operation of Appleford Estate
Insurance Trust	Internal Service Fund	<ul style="list-style-type: none"> • Reimbursements from insured coverages • Investment Income 	<ul style="list-style-type: none"> • Payment of claims and deductibles not covered by insurance for Township general and fiduciary liability

Single enterprise funds are not exempt from describing their fund structure.

The Solid Waste Authority operates similar to a private business in that it receives no ad valorem tax revenue and the full cost of providing the goods or services is financed through user charges and fees and other revenues such as the sale of electricity and recovered materials resulting from its operations. The Solid Waste Authority for financial statement purposes is reported as one Enterprise Fund. To be in compliance with our Bond Trust Indenture, for financial planning and budgetary appropriation, the enterprise fund is divided into nine funds.

Revenue Fund 402	The Revenue Fund is the initial depository for all Authority revenues derived from the solid waste system. These revenues are transferred to the other funds as required once each month.
Operating Fund 403	The Operating Fund is used to pay the current expenses of operation, administrative cost, maintenance and ordinary current repairs of the solid waste system.
Debt Service Fund 404	The Debt Service Fund is used to provide sufficient funds to meet annual debt service requirements. Included in the Debt Service Fund are accounts for principal and interest payments. In addition, the fund includes the debt service reserve account.
Operating Reserve Fund 405	The Operating Reserve Fund is used to pay operating expenses of the Authority whenever the moneys on deposit in the Operating Fund are insufficient. In accordance with the Trust Indenture the Operating Reserve Fund requirement is to be a sum equal to one-sixth (1/6) of the amount appropriated by the Authority in the annual budget for the Operating Fund for the current fiscal year.
Renewal and Replacement Fund 406	The Renewal and Replacement Fund is used for extraordinary repairs to or the replacement or renewal of capital assets of the solid waste system. In addition it is used for payment of costs incurred in the preparation and closure of landfills and for costs incurred for such extraordinary expenses peculiar to landfills.
Capital Improvement Fund 407	The Capital Improvement Fund is used to pay costs of extensions, improvements or additions to capital assets of the solid waste system.
Subordinated Debt Fund 408	The Subordinated Debt Fund is used to provide sufficient funds to meet annual interest and principal payment requirements for any subordinate indebtedness.
General Reserve Fund 413	The General Reserve Fund is the depository for any cash surplus not required in the Revenue Fund and may be used for any deficiency in amounts required in any other funds with the exception of the Bond Construction Funds or for any lawful purpose of the Authority and its solid waste system.
Mandatory Collection Fund 415	The Mandatory Collection Fund is used to account for the annual collection special assessment revenue and the costs to provide for the collection of waste in the unincorporated area of Palm Beach County. The Mandatory Collection Fund is separate and distinct from the other funds that are controlled by the Trust Indenture. Collection and Disposal Funds may not be commingled.

A fund structure chart can even be used to guide the reader to the specific pages in the document where further information on that fund is located.



Departmental/Fund Relationship

#O2: Departmental/Fund Relationship The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and nonmajor funds in the aggregate.

Criteria Location Guide Questions 1. Is the relationship between the entity's functional units, major funds, and nonmajor funds in the aggregate explained or illustrated?

Explanation Since most entities use more than one way of classifying financial and operational information, this criterion requires an explanation or illustration of the relationship between functional units, major funds, and nonmajor funds in the aggregate. A matrix is one way to show this relationship.

Chapter Overview *The department/fund relationship should be clearly communicated in the budget document. When the entity identifies these relationships, the reader will have an opportunity to better comprehend how the different components fit together. There are many ways to present the department/fund relationship.*

Helpful Hint

The department/fund relationship can be shown through the use of a matrix.

Listing the departments within the fund descriptions is one option for explaining the relationship between the two.

Descriptions of Funds Subject to Appropriation

General Fund – The primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service, and interest income. The operations and expense centers included in the General Fund are:

- | | |
|--|---|
| <ol style="list-style-type: none"> 1) General Government <ol style="list-style-type: none"> a) Board of Directors b) General Manager c) Budget & Research d) Human Resources e) Customer Service & Information f) Finance g) Accounting h) Assessment/Collection i) General Services j) Planning and Economic Development k) Town Clerk l) Treasurer m) Registrar of Voters n) Town Attorney o) Probate Court | <ol style="list-style-type: none"> 2) Public Works <ol style="list-style-type: none"> a) Administration b) Engineering c) Field Services d) Facilities Management e) Building Inspection 3) Public Safety <ol style="list-style-type: none"> a) Police b) Emergency Management 4) Human Services <ol style="list-style-type: none"> a) Administration b) Health c) Senior, Adult and Family Services d) Youth Services 5) Recreation 6) Library 7) Education 8) Fixed Costs, Miscellaneous, and Debt Service |
|--|---|

Fire District Fund – Accounts for the financial activity of the South Manchester Fire District. Revenues are derived primarily from property taxes, state and federal grants, permits, charges for service, and interest income.

Enterprise Funds – Account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The three enterprise funds in the Town of Manchester are the Water, Sewer, and Sanitation funds.

Information Systems Fund – Accounts for the financial operations of the central information systems facility. Information Systems provides services to other departments on a cost-reimbursement basis.

Special Services District Fund – Accounts for the financial operations of the special downtown business district. The District adopts its own budget and the Board of Directors sets the mill rate for the Special Services District Fund.

The Town's audited financial statements include the Town's self-insurance funds, special revenue funds, and other un-appropriated funds not included in the budget document.

A matrix is commonly used to illustrate the department/fund relationship, with the departments presented in rows and the funds in columns. An entity with a small number of funds may elect to show individual funds separately. However, if there are a large number of non-major funds, then consideration should be given to aggregating the non-major funds to make the presentation easier to understand.

Department	General Fund (Major)	Water Fund (Major)	Sewer Fund (Major)	Capital Projects Fund	Asset Replacement Fund	Safety Tax Fund	Gas Tax Fund	Measure "A" Fund	Police Grants Fund
City Council	✓			✓	✓				
City Manager	✓			✓					
City Attorney	✓								
Finance	✓			✓	✓				
General Government	✓			✓	✓				
Police	✓			✓	✓	✓			✓
Fire	✓			✓	✓	✓			
Planning	✓			✓	✓				
Building	✓			✓	✓				
Public Works Administration	✓	✓	✓	✓	✓		✓	✓	
Streets	✓			✓	✓		✓	✓	
Water		✓	✓		✓				
Sewer		✓	✓		✓				

Individual departments and agencies may have relationships with more than just one fund.

DESCRIPTION OF EACH FUND

The following table shows which funds each Department/Agency is a part of:

Department/Agency	GOVERNMENTAL			PROPRIETARY		
	General Fund	Capital Projects	Other Govt.	Water & Sewer	Solid Waste	Other Enterprise
<u>County Departments</u>						
Community Services	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
County Administrator	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
County Attorney	<input checked="" type="checkbox"/>					
County Commissioners	<input checked="" type="checkbox"/>					
Emergency Services	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Fiscal and Administrative Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Human Resources	<input checked="" type="checkbox"/>					
Planning & Growth Management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Public Works	<input checked="" type="checkbox"/>					
<u>Outside Agencies</u>						
Board of Education	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Board of Fire & Rescue			<input checked="" type="checkbox"/>			
Circuit Court	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
College of Southern Maryland	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Conservation of Natural Resources	<input checked="" type="checkbox"/>					
Election Board	<input checked="" type="checkbox"/>					
Health	<input checked="" type="checkbox"/>					
Library	<input checked="" type="checkbox"/>					
Liquor Board	<input checked="" type="checkbox"/>					
Orphan's Court	<input checked="" type="checkbox"/>					
Sheriff's Office	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Social Services	<input checked="" type="checkbox"/>					
State's Attorney	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			

Some organizations emphasize budgeting by program or goal. Note how this matrix addresses that budgeting technique.

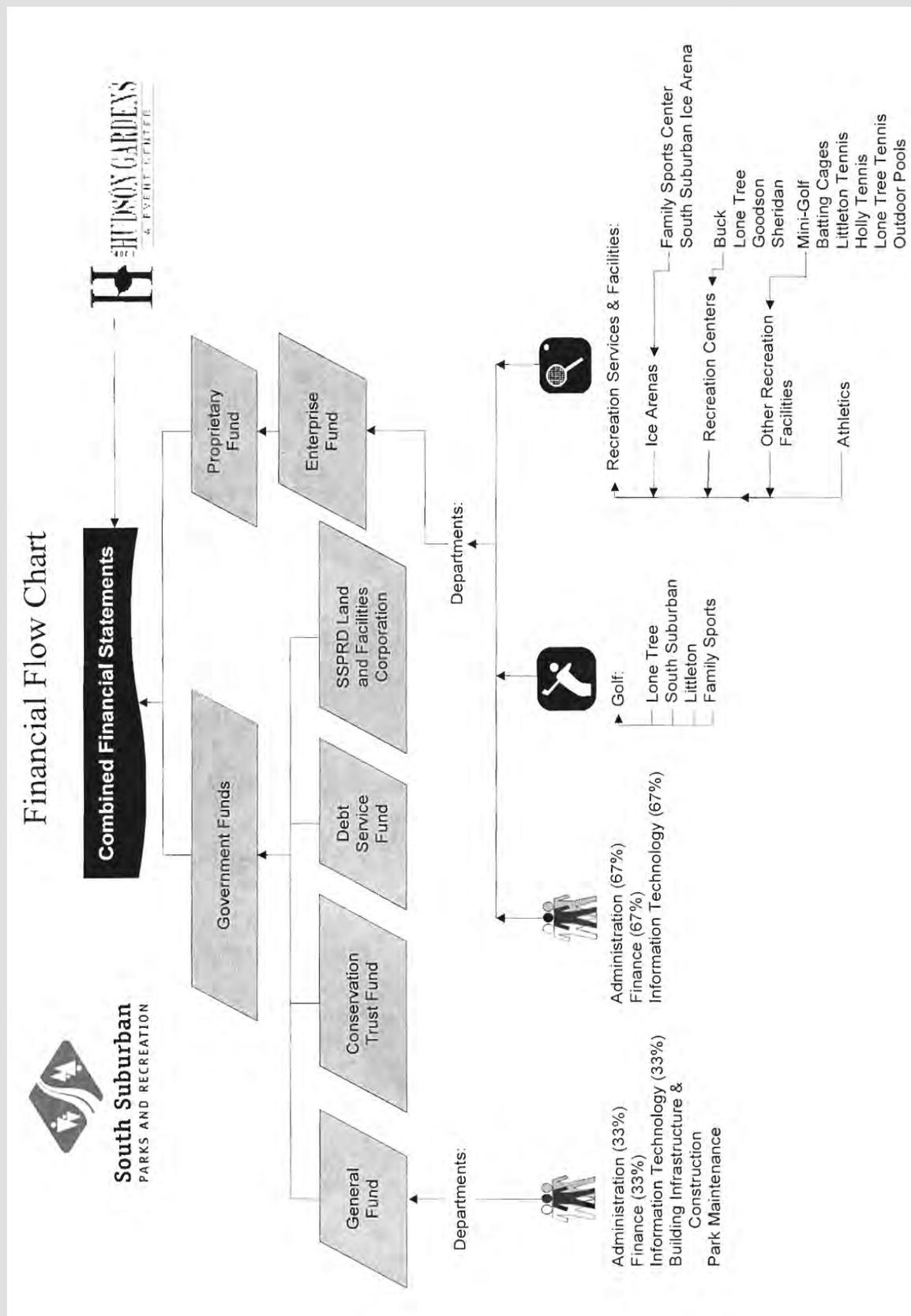
Water Resources Organization/Program Budget Matrix

District Departments	Water Resources Programs						
	Coastal Watersheds	District Everglades	Lake Okeechobee	Kissimmee Watershed	Modeling & Scientific Support	Regulation	Water Supply
Regulation		X	X	X		X	
Water Supply	X	X	X		X	X	X
Watershed Management	X	X	X	X			
Environmental Resource Assessment	X	X	X		X		X
North Field Operations		X		X			
Central Field Operations		X					
South Field Operations		X					
Operations Control		X	X				
SCADA & Hydrological Management	X	X	X	X	X	X	X
Engineering & Construction		X	X	X			
CERP Land	X	X	X	X			X
CERP Design		X	X				X
CERP Construction		X	X				X
Hydrological & Environmental Systems	X	X	X	X	X		X
CERP Planning		X					
Finance & Administration		X					
Information Technology		X			X	X	
Human Resources							
Procurement							
Public Information		X					
Executive Offices*	X	X	X	X		X	X

Occasionally, the department/fund relationship is presented by showing the percentage of each department's salary that comes out of the respective funds.

	General	Restricted Court	Utility	Drainage
City Council	100%			
Administration	100%			
Finance	83%		17%	
Police	100%			
Municipal Courts	80%	20%		
Development and Planning	100%			
Code Enforcement	100%			
Fire/EMS Administration	100%			
Fire/EMS Operations	100%			
Public Library	100%			
Parks and Recreation	100%			
Streets	73%		27%	
Maintenance	100%			
Water Administration	40%		60%	
Water Operations			100%	
Wastewater			100%	
Drainage	67%			33%

A flow chart may also be used to present the department/fund relationship.



Basis of Budgeting

#F2: Basis of Budgeting The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.

- Criteria Location Guide Questions**
1. Is the basis of budgeting defined (e.g., modified accrual, cash, or accrual) for all funds included in the document?
 2. If the basis of budgeting is the same as the basis of accounting used in the entity's audited financial statements, is that fact clearly stated?
 3. If the basis of budgeting is not the same as the basis of accounting used in the entity's audited financial statements, are the differences described?

Explanation The document should clearly identify the basis of budgeting (e.g., modified accrual, cash, accrual) employed by the entity for each category of funds represented (governmental, proprietary, and fiduciary). If the basis of budgeting is identical to the basis of accounting used in the audited fund financial statements in the basic financial statements for some or all categories of funds, that fact should be clearly stated. Differences between the basis of budgeting and the basis of accounting should be identified.

For examples of differences between the basis of budgeting and the basis of accounting, refer to GFOA's best practice, Relationship Between Budgetary and Financial Statement Information.

Chapter Overview *The basis of budgeting should be described in non-technical terms. Make sure exceptions between the basis of budgeting and the basis of accounting are noted.*

Helpful Hint

Note exceptions between the basis of budgeting and the basis of accounting.

The basis of budgeting and accounting should be clearly defined in the budget document. Try and simplify the definitions for readers who might be unfamiliar with technical terms.

Basis of Accounting and Budgeting

The “basis of accounting” and “basis of budgeting” determine when revenues and expenditures are recognized for the purposes of financial reporting and budget control. Accounting on a “cash basis” means that revenues and expenditures are recorded when cash is actually received or paid out. This method is used by many small businesses, but it has limitations which make it unsuitable for larger, more complex organizations. Most larger businesses employ “full accrual accounting,” in which revenues are recorded when earned (rather than when received), and expenditures are recognized when an obligation to pay is incurred (rather than when the payment is made). Capital expenses (the costs of acquiring tangible assets) are recognized over the life of the asset, not when the asset is purchased.

Governments typically employ a hybrid basis of accounting termed “modified accrual”. Under this system, revenues are recognized when they become measurable and available; expenditures are recognized when the obligation to pay is incurred. However, capital expenditures are recognized at the time of the purchase. This means that governments may experience significant increases and decreases in total expenditures from year to year, because capital expenses tend to be large and unevenly timed. To help explain year to year expenditure trends, governments frequently report capital expenditures separately from operating costs in their budget documents.

Clark County uses modified accrual accounting and budgeting for its governmental fund types, including the General Fund, special revenue funds, debt service funds, and capital project funds. For proprietary fund types, including enterprise funds and internal service funds, the County uses full accrual accounting and budgeting.

The “basis of accounting” and the “basis of budgeting” determine when revenues and expenditures are recognized.

Clark County, like most government entities, employs a hybrid basis of accounting termed “modified accrual”.

The “basis of accounting” and “basis of budgeting” are the same within each fund type.

It can be helpful to describe the different basis of budgeting options. Be sure to clearly mention the one the government employs.

Basis of Budgeting

All of the funds are budgeted using the modified accrual basis of accounting. Modified accrual accounting recognizes revenues when they become measurable and available. Measurable means that the dollar value of the revenue is known. Available means that it is collectible within the current period, or soon enough after the end of the current period to pay liabilities of the current period. For this purpose the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Accounting Basis

The basis of accounting refers to when revenues and expenditures or expenses are recorded in the accounts and reported in the financial statements. The City's Annual Financial Report shows the status of the City's finances in conformance with generally accepted accounting principles (GAAP). In most cases this conforms to the way the City prepares its budget. Exceptions are as follows:

- Compensated absences liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees (GAAP) as opposed to being expended when paid (Budget Basis).
- Principal payments on long-term debt within the Enterprise Funds are applied to the outstanding liability on a GAAP basis, as opposed to being expended on a Budget Basis.
- Capital Outlays within the Proprietary Funds are recorded as assets on a GAAP basis and expended on a Budget Basis.

Even if the basis of budgeting is identical to the basis of accounting used in the financial statements, that fact should be clearly stated.

BASIS OF ACCOUNTING

Basis of Accounting refers to the specific time at which revenues and expenditures are recognized in the accounts and reported in the financial statements. The General Fund and Capital Project Fund both utilize the modified accrual basis of accounting.

Under the modified accrual basis of accounting, expenditures are recorded when a liability is incurred. Revenues are recognized when they are received in cash, or become susceptible to accrual. Revenues susceptible to accrual are those that become both measurable and available during the year. Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Fines are not susceptible to accrual because generally they are not measurable until received in cash.

BUDGETARY BASIS OF ACCOUNTING

There is no appreciable difference in the basis of accounting used for financial statements and the accounting method used for budgeting. The budgetary basis of accounting for budgeting purposes is also modified accrual. The only two funds for which budgets are formulated for Arapahoe Library District are the General Fund and the Capital Projects fund - both funds reflect modified accrual basis of accounting for budgetary purposes.

Differences between the basis of budgeting and the basis of accounting should be identified. The most common approach is to show the basis of budgeting and accounting for governmental and proprietary funds, with the exceptions listed under the fund type.

Basis of Accounting

For financial reporting purposes, the Governmental Funds use the modified accrual basis of accounting, under which revenues considered to be both measurable and available for funding current appropriations are recognized when earned. All other revenues are recognized when received in cash, except that revenues of a material amount that have not been received at the normal time of receipt are accrued, and any revenues received in advance are deferred. Expenditures are recorded at the time liabilities are incurred, except for accumulated sick leave, which is treated as an expenditure when paid.

Proprietary Funds use the accrual basis of accounting under which revenues are recognized when earned, and expenses are recorded when the liabilities are incurred.

Budgetary Basis of Accounting

The City uses a budget basis for expenditures that differs from the basis used in reporting under Generally Accepted Accounting Principles in the following ways.

In the Governmental Funds, the City uses the modified accrual basis of accounting with the following exception:

- Budget amounts are encumbered when contracts are signed for goods or services. At year-end, amounts which are encumbered but not yet expended are carried over to be paid when the goods or services are received. These amounts are included in budget-basis expenditures for the fiscal year in which they are encumbered, rather than the year in which goods or services are received and a liability incurred. Appropriations that are not spent or encumbered lapse at the end of the fiscal year.

In the Proprietary Funds, the City uses the accrual basis of accounting with the following exceptions:

- The budget basis includes expenditures for capital outlay, which are not considered expenses on the accrual basis of accounting.
- Depreciation and amortization, which are considered expenses on the accrual basis of accounting, are ignored under the budget basis because these items do not require an expenditure of funds.

While most governments use the accrual and/or modified accrual basis of budgeting, the cash basis must be identified and defined if that is the government's basis of budgeting. Exceptions between that particular basis of budgeting and accounting must be shown.

Basis of Budgeting

The City of Louisville uses a "cash basis" of budgeting for all fund types. This means that the City budget is based on expected cash receipts and disbursements. Encumbrances and depreciation are not budgeted. City expenditures may not exceed the amounts appropriated. In the case of an emergency or a contingency, which was not reasonably foreseeable, a budget amendment would be required.

The City's budget is constructed on a calendar year basis as required by 29-1-101, et seq., C.R.S. The budget must present a complete financial plan for the City; setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous fiscal year. In estimating the anticipated revenues, consideration must be given to any unexpected surpluses and the historical percentage of tax collections. Further, the budget must show a balanced relationship between the total proposed expenditures and the total anticipated revenues with the inclusion of beginning funds.

Basis of Accounting

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. Those revenues susceptible to accrual are sales taxes, property taxes, use taxes, and franchise tax.

Proprietary fund types utilize the accrual basis

of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Bridging the Basis of Budgeting and Accounting

Some of the differences between the cash basis of budgeting and the accrual method of accounting are:

Debt payment for principal – budgeted as an expense item, adjusted at year-end against the liability.

Depreciation – recorded for proprietary funds on an accrual basis, eliminated for budget purposes.

Encumbrances – recorded as a reserve of fund balance on the modified accrual basis, on a cash basis for budgeting recorded as a reserve of budgeted funds.

Compensated absences – adjust annually using the accrual method, not budgeted but absorbed by turnover and usage.

Tax revenue accruals – even though tax revenues are accrued when they become collectable it will translate to twelve months of tax revenue matching twelve months of budgeted revenue.

A table or diagram is often used to illustrate the basis of budgeting and accounting.

BASIS OF ACCOUNTING AND BUDGETING

ALL BUDGETARY FUNDS

FUND TYPE	ACCOUNTING BASIS	BUDGETING BASIS
GENERAL FUND	MODIFIED ACCRUAL	MODIFIED ACCRUAL
SPECIAL REVENUE FUNDS	MODIFIED ACCRUAL	MODIFIED ACCRUAL
CAPITAL PROJECTS FUNDS	MODIFIED ACCRUAL	MODIFIED ACCRUAL
DEBT SERVICE FUNDS	MODIFIED ACCRUAL	MODIFIED ACCRUAL
PROPRIETARY FUNDS	FULL ACCRUAL	FULL ACCRUAL

Basis of accounting and budgeting for each fund type.

Utah state statute requires counties to use the modified accrual basis of accounting for governmental funds. However, counties in Utah are also required to utilize an encumbrance system. Encumbrances are commitments related to unperformed contracts for goods or services. Generally accepted accounting principles (GAAP) requires that current year encumbrances be eliminated from total expenditures and that payment of prior year encumbrances be added to total current year expenditures for financial reporting purposes. Salt Lake County utilizes the State of Utah defined modified accrual basis as the basis of budgeting and accounting for all governmental-type funds, which include the General, Special Revenue, Capital Projects and Debt Service Funds.

Salt Lake County utilizes the accrual basis as the basis of budgeting and accounting for all proprietary funds.

The level of detail on a basis of budgeting and accounting table may vary. This illustration, for example, provides considerable detail. It includes not only the basis of budgeting and basis of accounting, but also fund purpose and revenue category

FINANCIAL STRUCTURE

<u>Fund/Fund</u>	<u>Purpose</u>	<u>Revenue</u>	<u>Budgeting Basis</u>	<u>Accounting Basis</u>
<u>Type Title</u>				
GOVERNMENTAL FUNDS				
General Fund	Accounts for the cost of general County government.	Primarily from general property taxes, other local taxes, revenue from the use of money and property, license and permit fees, and state shared taxes.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Revenue Stabilization Fund	Established by the Board of Supervisors in FY 2000 to provide a mechanism for maintaining a balanced budget without resorting to tax increases and/or expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy.	Minimum of 40 percent of non-recurring balances identified at the Carryover and Third Quarter Reviews transferred to the Fund until a maximum balance of 3 percent of General Fund Disbursements is attained.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Special Revenue Funds	Account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.	A variety of sources including fees for service, General Fund transfers, federal and state grant funding, cable franchise fees, and special assessments.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Debt Service Funds	Account for the accumulation of resources for and the payments of general obligation bond principal, interest and related expenses.	General Fund transfers and special assessment bond principal and interest from special assessment levies.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Capital Project Funds	Account for financial resources used for all general County and School construction projects other than Enterprise Fund construction.	General Fund transfers, bond proceeds revenue from the real estate penny, and miscellaneous contributions.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
PROPRIETARY FUNDS				
Enterprise Funds (Wastewater Management Program)	Account for operations financed and operated in a manner similar to the private sector. The County utilizes Enterprise Funds for the Wastewater Management Program, which provides construction, maintenance, and operation of the countywide sewer system.	User charges to existing customers for continuing sewer service and availability fees charged to new customers for initial access to the system.	Accrual, depreciation expenses not included	Accrual
Internal Service Funds	Account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a reimbursement basis.	Reimbursement via various inter-governmental payments, including the General Fund, for services and goods provided.	Accrual, depreciation expenses not included	Accrual
FIDUCIARY FUNDS				
Trust Funds	Account for assets held by the County in a trustee or agency capacity. Trust funds are usually established by a formal trust agreement.	Various inter-governmental payments, including the General Fund, and contributions by participants.	Accrual	Accrual
Agency Funds	Agency funds are custodial in nature and are maintained to account for funds received and disbursed by the County for various governmental agencies and other organizations.	Various inter-governmental payments, including the General Fund, and contributions by participants.	Modified Accrual	Modified Accrual

Financial Policies

#P4: Financial Policies (Mandatory) The document should include a coherent statement of entity-wide long-term financial policies.

Criteria Location Guide Questions

1. Is there a summary of financial policies and goals?
2. Do the financial policies include the entity's definition of a balanced budget?
3. Are all financial policies presented in one place?

Explanation This criterion requires a discussion of the long-term financial policies. Financial policies that should be included (but not limited to) and formally adopted relate to: (1) financial planning policies, (2) revenue policies, and (3) expenditure policies. The entity should adopt a policy(s) that defines a balanced operating budget, and indicate whether the budget presented is balanced. The entity should adopt a policy(s) that supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, and cash management and investment policies. The entity should adopt a policy(s) to inventory and assess the condition of all major capital assets. Revenue policies should consist of diversification, fees and charges, and use of one-time and unpredictable revenues. Expenditure policies should consist of debt capacity, issuance, and management; fund balance reserves; and operating/capital budget versus actual monitoring. Refer to GFOA's best practices on (1) Adoption of Financial Policies, (2) Long-Term Financial Planning, (3) Multi-Year Capital Planning, (4) Establishing Government Charges and Fees, (5) Debt Management, (6) Appropriate Level of Unrestricted Fund Balance in the General Fund, (7) Creating a Comprehensive Risk Management Program, and (8) Revenue Control and Management.

Chapter Overview *Some of the most powerful arguments in favor of adopting formal, written financial policies include:*

- *to institutionalize good financial management practices and define boundaries,*
- *to clarify strategic intent for financial management and promote long-term strategic thinking,*
- *to support good bond ratings and to manage risks to financial condition, and*
- *to comply with established public management best practices.*

Helpful Hint

Look at GFOA best practice on Adoption of Financial Policies.

Many financial policy sections begin with a discussion of the purpose, objectives, and focus of financial policies.

Financial Policies

Purpose of Financial Policies

Primary among the responsibilities that Douglas County has to its citizens is the care of public funds and wise management of government finances while providing for the adequate funding of the services desired by the public and the maintenance of public facilities. These financial management policies, designed to ensure the fiscal stability of the Douglas County government, have been designed to provide guidance for the development and administration of the annual operating and capital budgets. These financial policies address revenues, operating budget, capital improvements, and accounting.

Financial Objectives

- To protect the policy-making ability of the County Commissioners by ensuring that important policy decisions are made proactively and are not dictated by financial problems or emergencies.
- To enhance the policy-making ability of the County Commissioners by providing accurate information on program costs.
- To assist sound management of the County by providing accurate and timely information on the County's financial condition.
- To provide sound principles to guide the important decisions of the County Commissioners and of management which have significant fiscal impact.
- To set forth operational principles which minimize the cost of government and financial risk.
- To employ revenue policies that prevent undue or unbalanced reliance on certain revenues, which distribute the costs of government services fairly, and which provide adequate funds to operate desired programs.
- To provide essential public facilities and maintain the county's infrastructure.
- To protect and enhance the county's credit rating and prevent default on any debt issue of the county.
- To insure the legal use of all county funds through a sound system of administrative policies and internal controls.

Achieving Financial Policy Objectives

To achieve and maintain the aforementioned objectives, the Comptroller's Office, at the direction of the County Manager, will conduct an annual analysis of projected financial condition and key financial indicators. This analysis will be presented in the form of regular operating reports, special financial reports, and within the annual Adopted Operating and Capital budget document. This analysis is reviewed by the County Manager and the County Commissioners prior to and during the budget process.

It is the focus of this analysis to:

- ⇒ 1) identify the areas where the County is already reasonably strong in terms of protecting its financial condition;
- ⇒ 2) identify existing or emerging problems in revenue sources, management practices, infrastructure conditions, and future funding needs;
- ⇒ 3) forecast expenditures and revenues for the next 5 years, with consideration given to such external factors as state and federal actions, the government bond market, and management options being explored and used by other local governments;
- ⇒ 4) review management actions taken during the last budget cycle; and
- ⇒ 5) review County Commissioner actions taken during the last budget cycle.

Further, the General Purpose Financial Statements, prepared through the required annual audit process, will also serve as a valuable resource to evaluate financial performance.

Financial policies should be presented in one place within the budget document. Frequently, a sectional table of contents will precede the financial policy section.

City of Everett

2008 Operating Budget

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BUDGET AND FINANCIAL POLICIES

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Effective financial policies have a number of design features in common. Policies should exist in concise and non-technical written form. They should be made available with multiple means of access, and should address all relevant issues.

FINANCIAL POLICIES

Unlike private entities, there are no "bottom line" profit figures that assess the financial performance of the City, nor are there any authoritative standards by which City officials can judge themselves. Instead, City Council and management work together to set goals and objectives that measure the performance and effectiveness of municipal programs and services.

Financial policies can be used to establish similar goals and targets for the City's financial operations, so that the City Council and City officials can monitor how well the City is performing. Formal financial policies provide for a consistent approach to fiscal strategies and set forth guidelines to measure financial performance and future budgetary programs.

The following pages contain policy frameworks in the following areas:

- (1) General Financial Goals
- (2) Operating Management
- (3) Revenues
- (4) Budget and Expenditures
- (5) Capital Management
- (6) Debt Management
- (7) Reserves
- (8) Financial Reporting

General Financial Goals

- To ensure delivery of an adequate level of municipal services by assuring reliance on ongoing resources and by maintaining an adequate financial base.
- To ensure that the City is in a position to respond to changes in the economy or new service requirements without an undue amount of financial stress.
- To maintain a good credit rating in the financial community and assure taxpayers that the City is well managed financially and maintained in sound fiscal condition.

- To adhere to the highest accounting and management policies as set by the Government Finance Officers' Association, the Governmental Accounting Standards Board, and other professional standards for financial reporting and budgeting.

Operating Management Policies

Long-Term Financial Health - All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources, and future service requirements.

Forecasts - Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be updated quarterly, focus on a three-year horizon, but include a five-year outlook.

Alternatives to Current Service Delivery - Alternative means of service delivery will be evaluated to ensure that quality services are provided to our citizens at the most competitive and economical cost. Departments, in cooperation with the City Manager, will identify all activities that could be provided by another source and review options/alternatives to current service delivery. The review of service delivery alternatives and the need for the service will be performed annually or on an "opportunity" basis.

Essential financial policies include those addressing fund balance and reserves, operating budget, capital budget and planning, debt management, long-range financial planning, and investment. Highly advisable financial policies — such as those covering accounting and financial reporting, revenues, internal control, expenditures, purchasing, risk management, grants, and economic development — are also included in most financial policy sections.

Cash and Investments - Cash and investment programs will be maintained in accordance with the City Charter and the adopted investment policy will ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal in that order.

Revenue Policies

Dedication of Revenues - Revenues will not be dedicated for specific purposes unless required by law or generally accepted accounting practices (GAAP). All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.

Financial Stability - Current revenues will fund current expenditures and a diversified and stable revenue system will be developed to protect programs from short-term fluctuations in any single revenue source.

Utility and Golf User Fees - Enterprise (Water, Wastewater, and Golf Course) user fees and charges will be examined on a cyclical basis to ensure that they recover all direct and indirect costs of service and be approved by the City Council. Any unfavorable balances in cost recovery will be highlighted in budget documents. Rate adjustments for enterprise operations will be based on two to three-year fund plans.

Non-Enterprise Charges for Services - All non-enterprise user fees and charges will be examined on a cyclical basis to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.

Grants - Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers and the service program will be adjusted to reflect the level of available funding. In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process.

Credit and Collections - The City will follow an aggressive and consistent policy of collecting revenues to the limit of our ability. The collection policy goal will be for all adjusted uncollectible accounts to be no more than .5 of 1% of the total City revenue being adjusted for bad debts annually.

Operating Budget and Expenditure Policies

Budget Augmentations - The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged.

Appropriations requested after the original budget is adopted will be approved only after consideration of the elasticity of revenues. Such appropriations will be approved by the City Manager.

Budget Development - Budget development will use strategic multi-year fiscal planning, conservative revenue forecasts, and modified zero-base expenditure analysis that requires every program to be justified annually in terms of meeting intended objectives. The process will include a diligent review of programs by staff, management and City Council.

Addition of personnel will only be requested to meet program initiatives and policy directives. After service needs have been thoroughly examined and it is determined that additional staffing will result in increased revenue or enhanced operating efficiencies or service levels to the extent feasible, personnel cost reductions will be achieved through attrition.

Current Funding Basis - Current operating expenditures will be paid from current revenues and fund balances carried forward from the prior year, after reserve requirements are met. The City will avoid budgetary and accounting practices that balance the current budget at the expense of future budgets.

Maintenance and Replacement Funding - A multi-year maintenance and replacement schedule will be developed and updated based on the City's projections of its future

replacement and maintenance needs. The operating budget will provide for adequate maintenance and future replacement of the City's capital, plant and equipment.

Capital Management Policies

Capital Improvement Plan Development - A five-year Capital Improvement Plan (CIP) will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment purchases or construction that results in a capitalized asset costing more than \$25,000 and having a useful (depreciable life) of two years or more.

The CIP will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.

Proposed capital projects will be reviewed and prioritized by a cross-departmental team regarding accurate cost (design, capital, and operating) and overall consistency with the City's goals and objectives. Financing sources will then be identified for the highest-ranking projects.

Future operating, maintenance, and replacement costs associated with new capital improvements will be forecasted, matched to available revenue sources, and included in the Operating Budget. Capital project contract awards will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

Pay-as-you-go Capital Improvement Plan financing should account for a minimum of 25% of all capital improvement projects for each five-year planning period. Pay-as-you-go financing is defined as all sources of revenue other than City debt issuance, i.e., fund balance contributions, developer contributions, grants, endowments, etc.

Debt Management Policies

Improved Bond Ratings - The City will seek to maintain and, if possible, improve our current bond rating in order to minimize borrowing costs and preserve access to credit.

Debt Capacity - An analysis showing how the new issue combined with current debt impacts the City's debt capacity and conformance with City debt policies will accompany every future bond issue proposal.

General Obligation Debt - General Obligation Debt, which is supported by property tax revenues and grows in proportion to the City's assessed valuation and/or property tax rate increases, will be utilized as authorized by voters. Other types of debt may also be utilized when they are supported by dedicated revenue sources (e.g., fees and user charges).

General Obligation Debt issuances will be managed on an annual basis to match funds to Capital Improvement Plan cash flow requirements while being sensitive to the property tax burden on citizens.

Local Improvement District (LID) Bonds - It is intended that LID bonds will be primarily issued for neighborhoods desiring improvements to their property such as roads, water lines, sewer lines, streetlights, and drainage. LID bonds will be utilized only when it is expected that they will be issued for their full term.

Interest on Bond Proceeds - Bond interest earnings will be limited to funding changes to the bond financed Capital Improvement Plan, as approved by City Council, or be applied to debt service payment on the bonds issued for construction.

Debt Coverage Ratios - Utility rates will be set, as a minimum, to ensure the ratio of revenue to debt service meets bond ordinance requirements. The City goal will be to maintain a minimum ratio of utility revenue to debt service of 2.0 or greater, to ensure debt coverage in times of revenue fluctuations attributable to weather or other causes, and to ensure a balanced pay-as-you-go Capital Improvement Plan.

Reserve Policies

Undesignated and Designated Fund Balance - All fund designations and reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the City's five-year forecast.

General Fund Undesignated Fund Balance - General Fund Reserves of 18.0% of annual General Fund operating expenditures will be maintained for unforeseen emergencies or catastrophic impacts to the City. Reserve funds in excess of 18.0 % may be used for non-recurring emergency capital expenditures or dedicated to the Capital Improvement Plan. The following criteria must be met to qualify any portion of the General Fund surplus for these purposes:

- There are surplus balances remaining after all reserves and fund allocations are made.
- An analysis has occurred assuring that the City has an adequate level of short and long-term resources to support the proposed use of surplus balances.
- The funds are specifically appropriated by the City Council.

Utility Reserves - Water and Wastewater Replacement Reserve will be maintained to ensure adequate funding for infrastructure deterioration repair. A minimum requirement of 2% of all tangible assets of the system will be maintained per bond ordinance requirements.

Water and Wastewater Unrestricted Fund Balance goal will be 25% of annual expenditure requirements for unforeseen emergencies or catastrophic impacts to the City's water and wastewater enterprise operations.

Self-Insurance Reserves - Self-Insurance Reserves will be maintained at a level, which, together with purchased insurance policies, will adequately indemnify the City's property, liability, workers compensation risk, and compensated absences liability. A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels, which will be approved by Council.

Financial Reporting Policies

Accounting and Reporting Methods - The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

Comprehensive Annual Financial Report (CAFR) -

The City's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference. The audit opinion will be included with the City's CAFR.

Distinguished Budget Awards Program - The City's Budget will be submitted to the GFOA Distinguished Budget Presentation Program for Fiscal 2007. The City received the GFOA Distinguished Budget Award for its Fiscal Year 2006 submission, its second consecutive award. The budget should satisfy criteria as a financial and programmatic policy document, a comprehensive financial plan, an operations guide for all organizational units and a communications device for all significant budgetary issues, trends, and resource choices. For the first time, The City's 2006 Budget received GFOA special recognition in the category "Outstanding as a Communications Device."

Internal Controls - Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.

Fiscal Monitoring - Monthly financial reports will present actual expenditures vs. budget on a monthly and cumulative basis. Major revenue sources will be monitored on a monthly basis, noting the status of each revenue source as compared to budget.

A quarterly report will be presented to city management - indicating the status of actual revenues and expenditures as compared to the budget on a quarterly and cumulative basis, and will note any actions necessary to maintain the City's financial position.

Debt Management

Long Term Debt Obligations

As the demand for public sector investment and infrastructure continues to grow, the issuance of debt will become an increasingly important component of the City's capital programs. While the issuance of debt is frequently an appropriate method of financing capital projects, it entails careful monitoring of such issuances to ensure that an erosion of the City's credit quality does not result. The City of North Las Vegas' bond rating has been increased by Standard & Poor's Rating Service and Moody's Investors Service from an A to A+ and an A2 to an A1, respectively.

Various types of securities are used to issue debt. Features of a security include its purpose, length of financing, and the source of funds for repayment. Two general types of security are pledged to repay local government debt and these categories define the types of bonds that are issued. (i.e. general obligation or revenue). The City utilizes both types of securities to generate capital for financing construction and/or improvement of major fixed assets, such as the improvement of streets and roads and/or key city facilities.

General obligation bonds are supported by the full faith and credit of the issuing jurisdiction. A local government, for example, pledges unconditionally to pay the interest and principal on the debt as it comes due. This implies that all unrestricted public revenues will be used to meet the debt service, including whatever level of property tax within the jurisdiction is necessary to retire the debt.

Revenue bonds are debt instruments that are retired by specified dedicated revenues often generated by an activity or a project funded out of the debt proceeds. Revenue bonds are designed to be self-supporting through user fees or other special earmarked receipts; the general taxing powers of the jurisdiction are not pledged for retirement of the debt. The debt created through the issuance of revenue bonds is to be repaid by the earnings from the operations of a revenue-producing enterprise or from special taxes.

General Obligation Bonds - Medium Term Financing and Long Term Debt

The maximum term of a medium-term bond is ten years, whereas the minimum term of a long-term bond is more than ten years. The City utilizes both medium- and long-term lengths of financing for its capital projects. As indicated above, general obligation bonds constitute direct and general obligations of the City and the full faith and credit of the City is pledged for the repayment of principal and interest payments, subject to Nevada constitutional and statutory limitations regarding the City's operating ad valorem levy. The ad valorem tax levy available to repay these bonds is limited to the City's maximum operating levy of \$0.2014. The ad valorem tax rate available to pay the bonds is further limited by the limitation on the combined overlapping tax rate of \$3.64 per \$100 of assessed valuation.

The repayment of principal and interest payments on the City's medium-term bonds and long-term bonds is payable from the General Fund operating revenues, or any other legally available funds. There is no direct impact on the ad valorem tax rate.

Bonds Secured by Pledged Revenues

Nevada State statutes allows for up to 15% of the Consolidated Tax Distribution (CTX) revenues to be pledged as security for the payment of principal and interest on bonds. As such, the City has two outstanding general obligation bond issues that are additionally secured with revenues derived from the City's portion of the Consolidated Tax Revenue.

The entity should adopt a policy or policies that define a balanced operating budget, and indicate whether the budget presented is balanced. In this example, the school district describes three possible scenarios for developing a balanced budget, and then indicates the option selected.

Balanced Budget: Definition

The District considers the budget balanced when total expenditures are equal to total revenues. However, the budget is also balanced in situations where total expenditures are less than total revenues, which is technically a surplus. There are also instances when the District might plan to spend fund balances from previous years on one-time or non-routine expenditures. The District considers the budget to be balanced in this case also, provided the funding from previous years is available, and a plan is in place to not build ongoing expenditures into this type of funding. This type of balanced budget is especially prevalent when capital projects are budgeted using proceeds from the issuance of bonds. The State of Utah requires that District expenditures do not exceed the adopted budget by individual fund each year.

“The District's budget is balanced under Scenario Three for FY 2012.”

For FY 2012, the District's budget is balanced under Scenario Three. Substantial cuts in funding will result in the District tapping into its reserves in some funds, while other funds will be at or near break-even.

Balanced Budget Scenarios

Scenario One: Revenues = Expenditures

Scenario Two: Revenues > Expenditures

Scenario Three: Revenues + Appropriated Fund Balances = Expenditures

Sound financial practices are normally associated with strong credit quality. In this example, top financial management characteristics as noted by one rating agency are presented. The sewerage district then illustrates how it performs in relation to these characteristics.

The District's Financial Performance

Since it was upgraded in 1997, the District has received high bond ratings from credit rating agencies. This performance is the result of developing and adhering to financial policies geared toward ensuring the District's continued financial strength. Each bond rating agency has published guidelines and examples of sound financial practices normally associated with strong credit quality. One example of such a list is the Standard and Poor's *Top 10 Management Characteristics*. The table below provides evidence supporting the District's achievement of these standards.

Top Ten Management Characteristics		District Performance
1.	An established rainy day/budget stabilization reserve.	<ul style="list-style-type: none"> • User Charge Stabilization Fund. • The Equipment Replacement Fund.
2.	Regular economic and revenue reviews to identify shortfalls early.	<ul style="list-style-type: none"> • Cost center managers review monthly variance reports. • Quarterly variance reviews are coordinated by the Office of Budget & Management. • Quarterly Financial Statements are prepared for the O&M Budget and the Capital Budget.
3.	Prioritized spending plans and established contingency plans for operating budgets.	<ul style="list-style-type: none"> • Annual budget process priorities needs. • Annual operating contingency is established on the Unallocated Reserve.
4.	A formalized capital improvement plan in order to assess future infrastructure requirements.	<ul style="list-style-type: none"> • Annual budget includes a 6-year capital improvement program.
5.	Long-term planning for all liabilities of a government, including pension obligations, other post employment benefits and other contingent obligations would be optimal and allow for comprehensive assessment of future budgetary risks.	<ul style="list-style-type: none"> • The District's financial statements are presented on the accrual basis of accounting. Thus all expenses are recorded when liabilities are incurred. Since 1993, the District has recorded and disclosed its unfunded obligations for retiree health and life insurance.
6.	A debt affordability model in place to evaluate future debt profile.	<ul style="list-style-type: none"> • Debt Policy 1-73.18, please refer to the Budget policy section of the combined summary.
7.	A pay-as-you-go financing strategy as part of the operating and capital budget.	<ul style="list-style-type: none"> • Capital Budget complies with a 25 percent cash financing objective. • The District has never issued debt to fund its O&M expenditures.
8.	A multi-year financial plan in place that considers the affordability of actions or plans before they are part of the annual budget.	<ul style="list-style-type: none"> • The Capital Budget includes a Long-Range Financing Plan and approved Total Project Cost for each project. • The Budget Office prepares a six-year forecast of expenditures and revenues for internal decision making.
9.	Effective management and information systems.	<ul style="list-style-type: none"> • The District uses an integrated core financials management system and other program-specific systems that capture and report critical operating information.
10.	A well-defined and coordinated economic development strategy.	<ul style="list-style-type: none"> • Requirement for Apprenticeships in Construction Contracts, Policy 1-78.07. • S/W/MBE Policies for Construction and Professional Services Contracts, Policy 2-78.01. • Regular communication with member communities and Top 20 Industrial Users regarding the District's financial decisions and the impact on District customers. • The District's user charge and tax rates are competitive on a national basis.

An effective financial policy section will show whether a government adheres to its policies. In this example, the city provides the policy benchmark in one column, and then the status of its efforts to achieve the benchmark in the opposing column.

Policy Benchmark

Financial Policy

- Emphasis on areas of long-term importance such as efficiency, effectiveness, employee relations, automation, and technology improvements

- Maintain a budgetary control system to ensure adherence to the budget

- Integrate performance measurement and productivity indicators in the budget

- To avoid practices that balance current expenditures at the expense of future years' revenues

- To provide adequate maintenance and orderly replacement of capital facilities and equipment

- Maintain adequate level of funding for all retirement systems

- Seek property tax relief

Status

- Funding for the continuation of the Information Technology Plan, the replacement of personal computers, a new web-based email system, high speed fiber optic lines to remote City buildings, and a telephone system software upgrade

- Only City in the nation to receive the GFOA's "Outstanding" budget award in all four categories last year; GFOA's "Distinguished" budget award for the past 19 years

- Earned GFOA's "Special Recognition" in three of the past five years for use of performance measures
- Benchmarking included in the City calendar which earned the Popular Annual Financial Report (PAFR) for the past nine years
- Participation in ICMA's Center for Performance Measurement – one of only 10 cities nationally to receive an Award of Distinction
- Department objectives now linked to City goals

- No short-term borrowing for operations
- Continued very low City debt ratios
- Implementing Proposal N without additional debt

- Municipal Facilities expenditures \$4.0 million
- Vehicle expenditures \$923,000
- Equipment expenditures \$2.0 million
- Technology improvements \$254,000
- Plan for future Fire Station upgrades and new Police Station

- General Employees System 120.7% funded
- Police & Fire Pension System 122.5% funded
- Pre-funding retiree medical past 11 years
- Recent update to Retiree Medical Actuarial Report and increased funding past three years
- Offer Defined Contribution Plan to new employees

- Millage rate has decreased by 2.66 mills or 19.8% since 1988, saving average homeowner \$2,421
- Largest tax rate decrease among all County taxing entities – past 10 years
- Lowest tax rate of 45 nearby communities

Financial policies should be updated to keep current with changing conditions. Some governments include original and revised dates for each financial policy. Another option is to summarize the policy changes over the past year.

2009-2010 Policy Changes

Title	Change Summary
Cash Reserves	Provides guidance for use of General Fund reserves. Sets an ending Fund balance target of 15 percent.
Rainy Day Reserve Target and Purpose	Eliminate entirely reference to a Rainy Day reserve and adds new language that targets 15% of General Fund revenues as an ending fund balance or reserve. Provides examples of when the reserve can be used such as natural disaster, or counter cyclical basic revenue growth.
Bond Rating and Reserve	Relates General Fund reserve to City's exceptional bond rating.
Investment Policy	Maximum maturity for Agency Coupon Securities changed from 3 years to 5 years and the total portfolio will be managed such that the weighted average modified duration does not exceed 2.5 years (reduced from 36 months).

Budget Process

#P4: Budget Process (Mandatory) The document shall describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption.

- Criteria Location Guide Questions**
1. Is a description of the process used to develop, review, and adopt the budget included in the document?
 2. Is a budget calendar provided to supplement (not replace) the narrative information on the budget process?
 3. Is a discussion of how the budget is amended provided in the budget document available to the public (including the budgetary level of control)?

Explanation This criterion requires a concise narrative description of the budget process, including an explanation of relevant legal or policy requirements. This description should include the internal process to prepare the budget, the opportunities for public input, and the actual adoption of the budget. A budget calendar should be included (noting both key operating and capital dates), although its format may vary. Inclusion of dates in the narrative description of the budget process will not satisfy this criterion. The process for amending the budget after adoption should be covered. The description of the amendment process should identify the level at which the governing body must approve changes. Refer to GFOA's best practice on Public Participation in Planning, Budgeting, and Performance Management as a guide on public involvement in the budget process.

Chapter Overview *The criterion requires three items – a discussion of the budget process, a budget calendar, and a discussion of the amendment process. Positioning the calendar next to the process discussion helps readers tie the two together.*

Helpful Hint

Include the public in your budget process.

There are many benefits to having an effective budget process.

Benefits of the Budgeting Process

Provides standards against which actual performance can be measured. Budgets are a quantified plan, which allows management to more objectively measure and control performance. If, for instance, a service center knows that the budgeted amount for supplies is \$1,000 per fiscal year, the manager is then in a position to monitor and control the expenses for supplies.

Provides managers with additional insight in actual District goals. Monetary allocation of funds is often the true test of the District's commitment to a particular goal. By providing managers with detailed line item information, the budget process assists team leaders and managers by allowing the flexibility necessary to accomplish District goals.

Tends to be a positive influence on the motivation of personnel. People typically like to know what is expected of them and budgets clarify performance standards.

Causes managers to divert some of their attention from current to future operations. To some extent, a budget forces managers to anticipate and forecast changes in the external environment. For example, an increase in chemical costs created by higher prices for ferric chloride may force the organization to seek an alternative chemical or plant process.

Improves top management's ability to coordinate the overall operation of the organization. Budgets are "blueprints" of the organization's plans for the coming year and greatly aid top management in coordinating the operations and activities of each business center or section.

Enables management to recognize problems in time to take necessary corrective action. For example, if expenses are substantially ahead of the budgeted amount, management will be alerted to make changes that may realign actual costs with the budget.

Facilitates communication throughout the organization. The budget improves management's ability to communicate objectives, plans and standards of performance. Budgets are helpful to managers by letting them know how their operations relate to other sections or business centers within the District. Also, budgets tend to indicate an individual manager's responsibility and improve his/her understanding of the organization's goals.

Helps managers recognize when change is needed. The budgeting process requires managers to carefully and critically review the organization's operations to determine if its resources are being allocated to the right activities and programs.

Determining budget roles and responsibilities is beneficial for a more efficient budget process.

BUDGET ROLES AND RESPONSIBILITIES

Every New Castle County employee plays a role in budgeting—whether in its formulation, preparation, implementation, administration, or evaluation. Ultimately, of course, each General Manager, through the Chief Administrative Officer, is accountable to the County Executive for the performance of departmental personnel in meeting specific objectives within allocated resource limits.

Actual budget responsibility can be identified more specifically:

- **The Program Manager** is responsible for preparing an estimate of revenue and remaining cost requirements for the current fiscal year, projecting the base budget requirements for the next fiscal year, and developing other requests that change or revise the program so that it will be more effective, efficient, productive, and economical.
- **The Budget Liaisons** serve as the vital communication link between the Departments and the Budget Office Staff. Liaisons are responsible for coordinating information, checking to see if forms are completed properly, reviewing budget submissions, making sure that all necessary documentation is submitted, monitoring the internal review process to meet timelines, and serving as troubleshooters for problems throughout the budget process.
- **The Capital Program and Budget Review Committee** is comprised of the Chief Administrative Officer, Chief Financial Officer, Budget Office and Land Use staff. This team is responsible for reviewing all capital projects for timing and cost considerations, compiling lifecycle costs, and preparing a preliminary capital improvement plan for recommendation. During the year, the CPBRC meets quarterly with each department to review and monitor the status of all approved capital projects and programmed capital projects.
- **The Division Manager and General Manager** are responsible for reviewing historical performance, anticipating future problems and opportunities, considering alternative solutions, and modifying and assembling their departmental data into a cohesive budget information package. General Managers critically evaluate all requests, prioritize, and submit a balanced budget plan including only those requests which support the County Executive's workplan, administrative direction, and departmental mission.
- **The Office of Finance** is responsible for preparing short-range and long-range revenue and expenditure forecasts, and calculating departmental budget targets. Assistance is provided to departmental General Managers or Budget Liaisons with preparation requirements and with presentation formats. Budget Office Staff also coordinates the collating, analysis, and summarizing departmental requests and preparing budget review materials for the County Executive, Chief Administrative Officer, Chief Financial Officer, and County Council. In addition, the Chief Financial Officer plays a key role in translating the County Executive's goals and objectives for the County into recommended funding decisions. The Chief Financial Officer is responsible for reviewing the Departmental Operating and Capital Budget/Program requests and submitting recommendations for review to the County Executive and Chief Administrative Officer.
- **The Chief Administrative Officer** is responsible for reviewing the total financial program and formulating a Countywide proposed budget and submitting it to the County Executive.
- **The County Executive** is responsible for submission of the County's recommended budget to County Council.
- **The County Council** is responsible for review, public hearings, evaluation and approval of the final budget.

Relevant legal or policy requirements are important considerations when establishing key dates within the process.

ACTIVITY	RECOMMENDED DATE	LATEST DATE PER TOWN CHARTER
Capital Budget Forms Prepared and sent to Departments	August 9, 2010	
Operating Budget Forms Prepared and sent to Departments	September 10, 2010	
Completed Capital Budget Forms returned to Town Manager <ul style="list-style-type: none"> CIP Budgets presented at Town Council Meetings by Department Heads 	October 1, 2010 Nov. – Dec. 2010	
Completed Operating Budget Forms returned to Town Manager <ul style="list-style-type: none"> Town Manager meets with Department Heads to review budget submissions. Town Manager makes recommended reductions. 	November 05, 2010 Nov. – Dec. 2010 Dec. 2010 – Jan. 2011	February 15, 2011
Town Manager's Proposed Operating and Capital Budget submitted to Town Council	January 21, 2011	March 01, 2011
Board of Education Budget to Town Council <ul style="list-style-type: none"> Town Council, Board of Finance, and Board of Education meet at Special Budget Workshop. Reductions are entered into Budget by Town Manager's Office. 	February 11, 2011 February 12, 2011 February 2011	February 15, 2011
Capital Improvement Program Submitted to Planning & Zoning Commission for Sec. 8-24 Review	March 01, 2011	
Budget Work by Town Council completed and Budget Submitted to Board of Finance	March 28, 2011	April 01, 2011
Public Hearing on Budget held by Board of Finance not later than three (3) weeks before May 03, 2010 Town Meeting <ul style="list-style-type: none"> Board of Finance holds evening Budget Workshop(s) after the Public Hearing 	April 04, 2011	April 11, 2011
Board of Finance Completes Work on Budget	April 13, 2011	
Copy of Budget approved by the Board of Finance printed in Newspaper at least five (5) days before the Annual Town Meeting	April 22, 2011	April 26, 2011
Annual Town and Budget Meeting First Monday in May	May 02, 2011	May 02, 2011
First Referendum	May 11, 2011	May 13, 2011
Second Referendum	June 01, 2011	June 03, 2011
Third Referendum	June 22, 2011	June 24, 2011

A description of the process that is used to develop, review, and adopt the budget should be included in the budget document. This example shows a concise presentation of the town's eight phases in its budget process.

Policy/Strategy Phase

- Based on long range planning efforts of the Town, such as the Master Plan, as well as current needs, the Board of Selectmen sets goals for next fiscal year. Planning includes joint meetings with the Town Manager and Town's Senior Management

Financial Capacity Phase

- Review of progress vis-a-vis policies and projects from prior years
 - Town Manager
 - Follows established format
- Short range forecast/sensitivity analysis conducted (FY08 specific) computed by FinCom
 - Used in FinCom Instructions
 - Follows established format
- Long range forecast/sensitivity analysis updated (3 year forecast)
 - Finance Director and Town Manager
 - Used in Financial Summit and Financial Condition Analysis
 - Follows established format
- Financial condition analysis updated
 - Finance Director and Town Manager
 - Format evolving based on key indicators
 - Presentation to Board of Selectmen
 - Shapes next phase of Budget Cycle
- Budget document template updated
 - Finance Director
 - Format established for new fiscal year

Needs Assessment Phase

- Budget request forms prepared and distributed to departments & committees
 - Finance Director
- Town Manager's budget memo finalized
- Departments review their current condition, goals, programs and needs
- Departments prepare workload indicators, performance indicators, other statistics
 - Finance Director and Town Manager work with selected department heads
- Departments submit operating budget requests to Town Manager
 - Departments submit budget request to Finance Director
- Schools submit budget requests to School Committees
- Town Manager Seeks CIP requests from all department and committees
- Finance Director provides debt information
- Determine CIP priorities, and recommend funded projects to Town Manager
- Update CIP based on staff committee and capital improvement planning committee

Review/Development Phase for Town Budget

- Town Manager and Finance Director review requests
- Town Manager holds Departmental hearings
 - Departmental budget hearings with Finance Director and Town Manager
- Preliminary Town operating budget developed, presented to Selectmen
- Final Town operating budget assembled and published
- Schools hold budget hearings
- School Committees vote final school budgets

Development of Consolidated Fiscal Year Annual Budget and Financing Plan

- Town Manager and Finance Director receive School budget requests
 - Sudbury Public Schools
 - Lincoln-Sudbury Regional High School
 - Minuteman Regional Vocational- Technical High School
- Town Manager and Finance Director finalize revenue projections, state aid projections
- Town Manager and Finance Director finalize charges from state, Assessors overlay etc.
- Proposed Fiscal Year Annual Budget and Financing Plan delivered to FinCom, published on web

FinCom Review Phase

- FinCom holds hearings on Town, School, capital budget requests
- FinCom holds hearing on all money articles
- FinCom votes on budget
- FinCom votes on all money articles

Appropriation Phase

- Prepare Warrant and FinCom Report for the Annual Town Meeting
- Town Meeting begins, votes appropriations, approves all bonding and capital articles
- Town Meeting approves any budget amendments for current fiscal year, if any

Enactment Phase

- As Appropriated Budgets prepared, distributed to all cost centers, department heads
- Final Fiscal Year Budget and Financing Plan published

Budgeting for outcomes (BFO) is a budget process that allocates a government's resources to outcomes that focus on results and priorities. The steps or phases in BFO are different from the traditional budget process.

- Budgeting for Outcomes is a budget process that allocates the City's revenues to outcomes that focus on results and priorities.
- **STEP 1: Setting Priorities**
City Council sets and approves the major priorities that government services should address that reflect citizen views.
- **STEP 2: Making Decisions about Revenue**
Conceptually, total available revenue is calculated for the purpose of funding priorities. The Citywide Priorities Team used estimates for revenues that were analyzed by the financial team to create forecasts and to assign target allocations to the Results Teams. Volatility of the current economy makes forecasting less reliable than in more stable environments but makes forecasting even more important in an unstable environment.
- **STEP 3: Creating the Request for Results**
A Results Team of seven to ten employees from across the city is appointed to each priority team. Each team is tasked with determining the key indicators to measure progress toward achieving the priority's desired outcomes and identifying the factors that should be addressed to meet them. Through research, they also identify the best strategies, based on cause and effect, to pursue to achieve the City's priorities. Purchasing plans and Request for Results are then developed for each priority.
- **STEP 4: Pricing the Priorities**
The price of each priority is set by the Citywide Priority Team. Each priority is assigned a dollar amount as its funding target. This amount is determined by the City-wide leadership TEAM which consists of core financial staff and representatives from other City bureaus. The funding amounts are based on the availability of funds and the importance of desired outcomes.
- **STEP 5: Inviting Offers**
Results Team's Request for Results is part of budget instructions that are provided to all departments and authorized outside agencies for developing their offers. Offers for service can only be submitted to one Results Team although the service may support other priorities. Departments and authorized outside agencies are required to provide performance measurements for service delivery for achieving desired outcomes in order to build accountability into the process and make monitoring and evaluation possible.

Based on the indicators, factors, and strategies developed, the Results Teams "buy results" from City departments and authorized outside agencies. City-wide strategies include cross departmental collaboration, creation of efficiencies, and data driven decision-making.

- **STEP 6 and 7: Ranking Offers and Deciding What to Buy**
There are two rounds of ranking offers. In the first round, each Results Team ranks all offers according to specific criteria. In the second round, Results Teams rank offers based on specific criteria, legal requirements for services, cost, and any other related information.

The Results Teams review offers and may provide suggestions to sellers on cost-reduction strategies. The buying process starts with offers that best respond to the Request for Results. After all negotiations between Results Teams and departments and authorized outside agencies are completed and all efficiency and service improvements are implemented, Results Teams make provisional recommendations about what to fund and draw a line at which the dollar amount assigned to each priority is allocated. The leadership team makes decisions about whether to shift dollars among priorities. Offers that rank within available resources are used to prepare the budget.

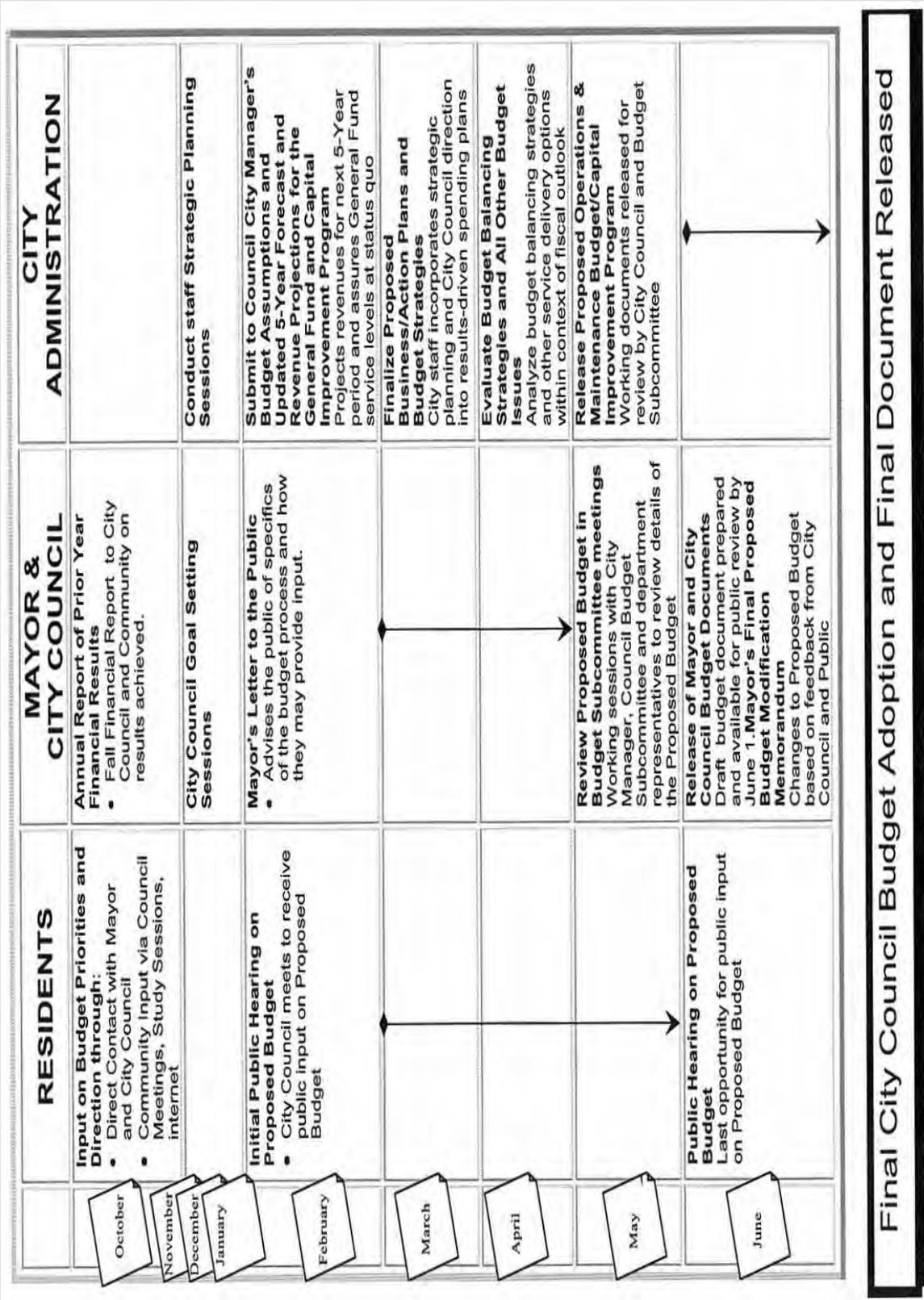
Budget Process – Flow Chart

The following chart summarizes the budget process and the various steps leading to the adoption of the 2012 Budget.

	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Strategic Planning												
Departmental Strategic Planning Meetings			↑									
Millage rate adoption for current year				↑								
Mid-Year Budget Reconciliation for current year					↑							
Budget Development												
Budget prep material prepared and sent out to departments					↑							
Departments prepare draft budgets						↑						
Budget staff compile draft budget							↑					
Chairman convenes Citizens' Budget Review Team									↑			
Finalize and adopt												
Chairman finalizes recommendations										↑		
Chairman's proposed budget presented to the Board of Commissioners										↑		
Chairman's proposed budget published										↑		
Budget availability advertised										↑		
Board of Commissioners' review and input											↑	
Public Hearing											↑	
Adoption of the budget												↑

Many governments use a flow chart to illustrate the different phases or features within the budget process, which helps to supplement the traditional budget calendar.

The traditional budget calendar includes key dates and tasks/activities. This example has the tasks/activities further broken out by responsibility.

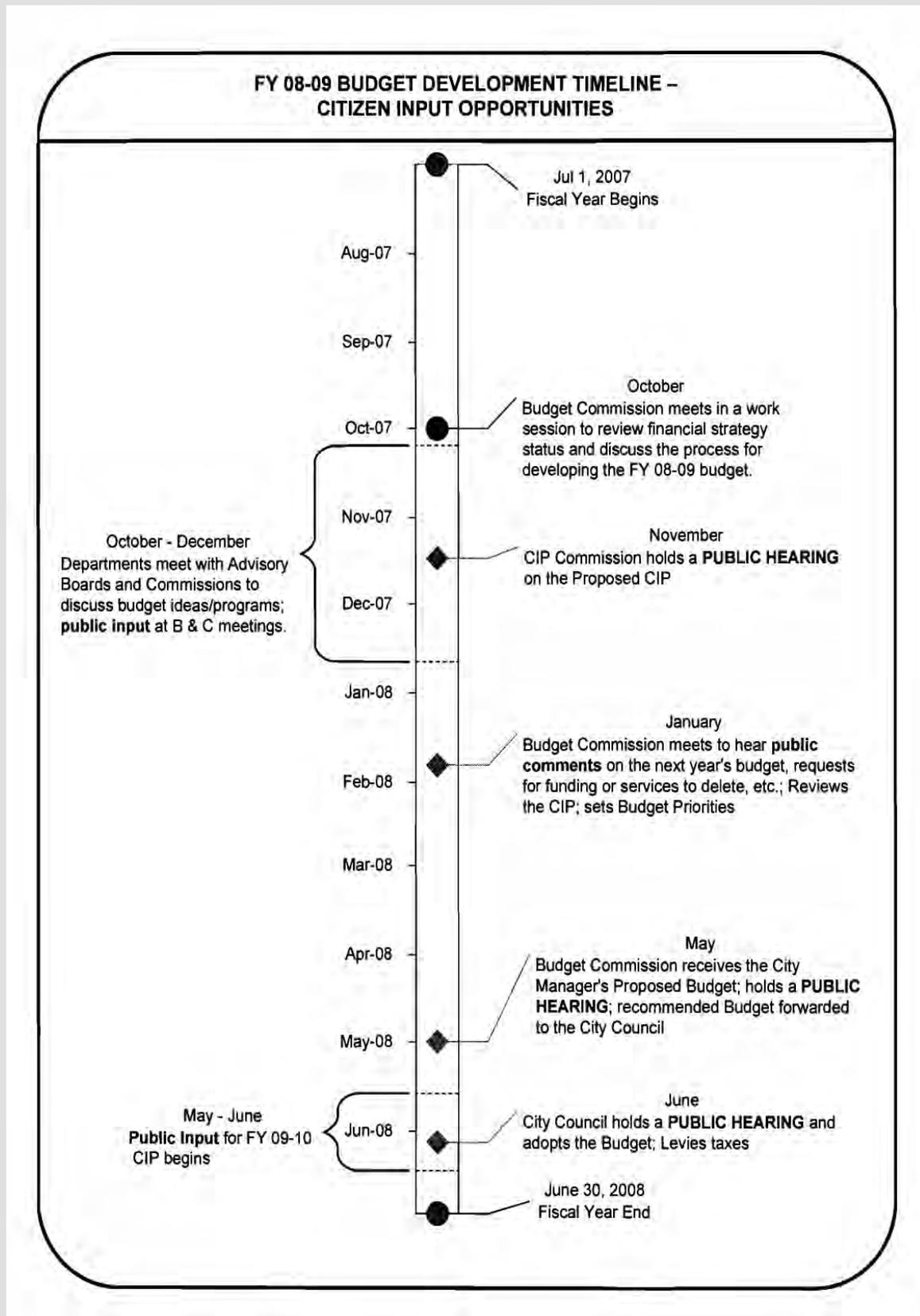


As the operating and capital process become more intertwined, the budget calendar may include both key operating and capital dates.

BUDGET PLANNING AND IMPLEMENTATION PROCESS (OPERATING AND CIP BUDGETS)

	2007					2008		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun		
Review, Develop and Distribute Resources								
Evaluate and Review 2007 Processes		1/2007 - 6/2007						
Develop and Test Improvements for 2008 Budget Cycle		1/2007 - 6/2007						
Finance Reviews and Updates Training Materials		1/2007 - 6/2007						
Finance Conducts Focus Group to Gather Input re: 2007 Budget Cycle		4/11/2007						
Finance Incorporates Focus Group Findings Into Process		5/2007 - 6/2007						
Finance Distributes Budget Calendars to Departments		5/3/2007						
Finance Distributes Operating Budget Forms to Departments		6/1/2007						
Finance Distributes Capital Budget Forms to Departments		6/1/2007						
Finance Staff Conducts Detailed Budget Training Sessions		6/20 - 29/2007						
Finance Staff Conducts Budget Clinics		7/10/2007 - 7/12/2007						
Finance Distributes Salary Projections to Departments		8/8 - 8/10/2007						
Finance Distributes Interfund Charges to Departments		8/8 - 8/10/2007						
Budget Kickoff Meeting		7/16/2007						
Finance Opens and Distributes Public Sector Budgeting Worksheets		8/6/2007						
Plan and Monitor Budgets								
Monitor Current Year Operating and CIP Budgets								
Departments Prepare Operating Budget Request		6/1/2007 - 8/30/2007						
Departments Prepare CIP Budget Request		6/1/2007 - 8/30/2007						
Plan for Following Year's Operating and CIP Budget Request								
Analysis and Review								
Departments Submit Program Modifications to Finance		8/17/2007						
Finance Audits, Reviews, and Analyzes Program Modifications		8/17/2007 - 10/26/2007						
Departments Submit CIP Request to Finance		8/17/2007						
Executive Assistant Appoints CIP Review Committee		8/21/2007						
CIP Committee Reviews and Analyzes CIP Budget Requests		8/21/2007 - 10/2/2007						
Departments Submit Operating Budget Requests to Finance		8/31/2007						
Finance Audits, Reviews, and Analyzes Operating Budget		8/31/2007 - 10/26/2007						
Finance Prepares Operating Budget Recommendations		8/31/2007 - 10/26/2007						
Finance Submits Operating Budget Recommendations to CEO		10/26/2007						
Finance Summarizes CIP Review Committee Budget Recommendations		10/2/2007 - 10/26/2007						
Discussion, Finalization, and Adoption								
CEO's Operating Recommendations Submitted to BOC		12/4/2007						
CEO's CIP Budget Recommendations Submitted to BOC		12/4/2007						
Public Information Meetings (CEO & BOC)		12/4 - 6/2007						
CEO and BOC Hold Public Hearings		1/8 - 2/26/2008						
BOC Adopts Operating Budget		2/26/2008						
BOC Adopts CIP Budget		2/26/2008						

Citizens should be involved in various phases of the budget process, not just public hearings.



The process for amending the budget after adoption should be covered. The description of the amendment process should identify the level at which the governing body must approve changes.

Process for Budget Amendments

After City Council adopts the budget, amendments are made through the budget adjustment process. The process outlines the procedures and defines the approval authority (dollar limits) of City Council, the City Manager and Department General Managers.

The City Manager can authorize budget adjustments of up to \$1 million from one budgeted program or project to another within civic departments. Departments' General Managers can authorize budget adjustments of up to \$250,000 or 15% of the departmental budget (whichever is less) from one budgeted program or project to another within the departmental budget.



Corporate reorganizations are within the approval authority of the City Manager. Department General Managers within their approved budgets can authorize department reorganizations within their approved budgets, with concurrence of the City Manager

Section 3

Financial Summaries

Consolidated Financial Schedule

#F3: Consolidated Financial Schedule (Mandatory) The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization.

- Criteria Location Guide Questions**
1. Does the document include an overview of revenues and other financing sources and expenditures and other financing uses of all appropriated funds?
 2. Are revenues and other financing sources and expenditures and other financing uses presented either (1) together in a single schedule OR (2) in separate but adjacent/sequential schedules OR (3) in a matrix?
 3. Are revenues presented by major type in this schedule (e.g., property taxes, intergovernmental, sales taxes, fees and charges)?
 4. Are expenditures presented by function, organizational unit, or object in this schedule? (For funds other than the main operating fund of the entity, a presentation by fund normally would satisfy this requirement.)

Explanation This criterion requires a summary of the revenues and other financing sources and expenditures and other financing uses of all appropriated funds in one place in the budget document. Both revenues and other financing sources and expenditures and other financing uses must be presented either (1) together in a single schedule OR (2) in separate but adjacent/sequential schedules OR (3) in a matrix. Merely showing fund totals in a summary schedule is not proficient. Revenues should be presented by type (e.g., property tax, sales tax, fees and charges, intergovernmental) for all appropriated funds in total. A more detailed presentation that also shows revenues by major fund is encouraged, but not required. Expenditures should be presented either by function, organizational unit or object.

Chapter Overview *Revenues should be presented by type for all appropriated funds in total, and expenditures should be presented either by function, organizational unit, or object.*

Helpful Hint

Break out revenues by type and expenditures by function, organizational unit, or object.

In this example, revenues by type and expenditures by object are presented together in a single schedule. Aggregating the non-major funds into fewer columns makes the schedule easier to follow. This is especially true when compiling electronic documents where screen size may present a readability issue. Legibility could be improved by rounding the numbers to thousands.

Summary Of All Funds

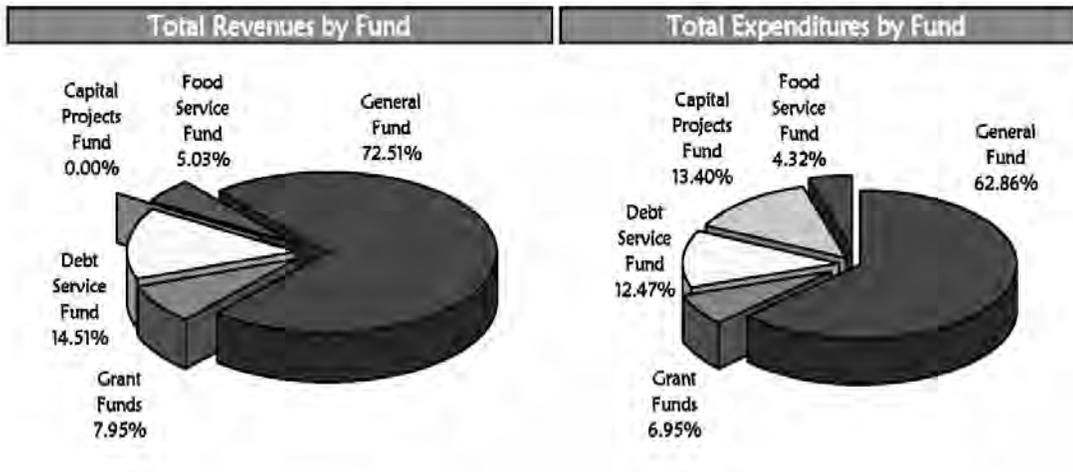
	Major Governmental Funds			Major Proprietary Fund	Non-major Governmental Funds (1)	Totals
	General	Recreation	Bond & Interest	Chevy Chase Country Club		
Revenues						
Tax Receipts	\$ 2,210,538	\$ 1,946,370	\$ 1,156,261	\$ 234,279	\$ 1,018,260	\$ 6,565,708
Fees & Admissions		863,866		1,127,629		1,991,495
Rentals		77,387		527,814		605,201
Sales		89,540		2,074,196		2,163,736
Donations	500				40,000	40,500
Interest	110,383	38,634		22,077		171,094
Miscellaneous	25,750	19,300		337,396	1,500	383,946
Bond Proceeds					1,035,000	1,035,000
Transfers In			1,644,877			1,644,877
Intergovernmental						-
Recreation Program fees	35,470	1,309,846				1,345,316
Total	\$ 2,382,641	\$ 4,344,943	\$ 2,801,138	\$ 4,323,391	\$ 2,094,760	\$ 15,946,873
Expenditures						
Salaries & Wages	\$ 880,014	\$ 1,496,530		\$ 1,805,049	\$ 253,843	\$ 4,435,436
Supplies & Commodities	177,594	227,841		982,636	100,648	1,488,719
Contractual Services	206,988	264,898		410,340	290,716	1,172,942
Maintenance & Repairs	2,100	28,750		43,432		74,282
Benefits	277,580	354,892		426,247	86,951	1,145,670
Utilities	77,881	359,247		230,589	8,413	676,130
Other	135,007	39,205		31,122	217,564	422,898
Transfers Out	482,037	270,999			891,841	1,644,877
Program Instructor Salaries	2,380	513,154				515,534
Program Contractual Services	36,965	225,492				262,457
Program Supplies	17,500	115,031				132,531
Capital Outlay	51,500	104,100		144,700	891,080	1,191,380
Debt Service		236,546	2,806,654	196,432		3,239,632
Total	\$ 2,347,546	\$ 4,236,685	\$ 2,806,654	\$ 4,270,547	\$ 2,741,056	\$ 16,402,488
Excess (Deficiency of Revenues over Expenditures)	\$ 35,095	\$ 108,258	\$ (5,516)	\$ 52,844	\$ (646,296)	\$ (455,615)
Fund Balances						
Beginning	\$ 1,034,780	\$ 1,154,137	\$ 199,336	\$ 697,490	\$ 581,313	\$ 3,667,056
Ending	\$ 1,069,875	\$ 1,262,395	\$ 193,820	\$ 750,334	\$ (64,983)	\$ 3,211,441

(1) Includes non-major Special revenue Funds and non-major Capital Project Funds

This schedule is similar to the prior one. Included in this example are rows for other sources/(uses) and two pie charts that break out total revenues and expenditures by fund. The pie charts could also be constructed to illustrate a breakout by revenue type and expenditure by category, function, or program.

Klein Independent School District Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - By Major Object For the Year Ending August 31, 2012

	General Fund	Food Service Fund	Grant Funds	Debt Service Fund	Capital Projects Fund	Total
REVENUES						
Local Sources	\$ 135,968,088	\$ 9,494,910	\$ 5,825,769	\$ 50,148,870	\$ -	\$ 201,437,637
State Sources	158,619,294	658,446	4,885,566	9,155,898	-	173,319,204
Federal Sources	1,800,000	10,421,795	21,800,969	-	-	34,022,764
Total Revenues	<u>\$ 296,387,382</u>	<u>\$ 20,575,151</u>	<u>\$ 32,512,304</u>	<u>\$ 59,304,768</u>	<u>\$ -</u>	<u>\$ 408,779,605</u>
EXPENDITURES						
Payroll Costs	\$ 267,961,337	\$ 8,692,453	\$ 19,345,054	\$ -	\$ 92,000	\$ 296,090,844
Contracted Services	21,178,201	553,412	1,669,143	-	216,950	23,617,706
Supplies & Materials	6,525,072	10,857,377	11,709,777	-	3,214,000	32,306,226
Other Operating Costs	4,447,864	241,909	369,284	-	16,350	5,075,407
Debt Service	20,000	-	-	59,527,983	35,000	59,582,983
Capital Outlay	83,000	290,000	100,000	-	60,425,700	60,898,700
Total Expenditures	<u>\$ 300,215,474</u>	<u>\$ 20,635,151</u>	<u>\$ 33,193,258</u>	<u>\$ 59,527,983</u>	<u>\$ 64,000,000</u>	<u>\$ 477,571,866</u>
Net Revenues Over (Under) Expenditures	<u>\$ (3,828,092)</u>	<u>\$ (60,000)</u>	<u>\$ (680,954)</u>	<u>\$ (223,215)</u>	<u>\$ (64,000,000)</u>	<u>\$ (68,792,261)</u>
OTHER SOURCES (USES)						
Other Sources	\$ 124,000	\$ 60,000	\$ -	\$ -	\$ 64,000,000	\$ 64,184,000
Other Uses	(93,000)	-	-	-	-	(93,000)
Net Sources Over (Under) Uses	<u>\$ 31,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,000,000</u>	<u>\$ 64,091,000</u>
Net Change In Fund Balance	\$ (3,797,092)	\$ -	\$ (680,954)	\$ (223,215)	\$ -	\$ (4,701,261)
Beginning Fund Balance - September 1	\$ 98,823,947	\$ 3,392,117	\$ 4,094,530	\$ 19,709,422	\$ 113,497,740	\$ 239,517,756
Ending Fund Balance - August 31	<u>\$ 95,026,855</u>	<u>\$ 3,392,117</u>	<u>\$ 3,413,576</u>	<u>\$ 19,486,207</u>	<u>\$ 113,497,740</u>	<u>\$ 234,816,495</u>



While revenues are usually broken out by type, expenditures can be broken out by function, category (object), or goal. This example includes expenditures both by function and category.

All Funds FY 2012 Budget

	General Fund FY 2012 Budget	School Fund FY 2012 Budget	Capital Funds FY 2012 Budget	Special Revenue Funds FY 2012 Budget	Enterprise Funds FY 2012 Budget	Internal Service Funds FY 2012 Budget	Fiduciary Funds FY 2012 Budget	Transfers from Other Funds FY 2012 Budget	Grand Total FY 2012 Budget
Revenues									
General Property Taxes	\$ 128,148,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,148,000
Other Local Taxes	28,404,000	-	-	-	-	-	-	-	28,404,000
Permits, Fees and Licenses	1,522,000	-	100,000	176,190	253,400	-	-	-	2,051,590
Fines and Forfeitures	1,269,100	-	-	-	-	-	-	-	1,269,100
Use of Money and Property	709,000	10,000	25,000	45,000	362,052	160,000	-	-	1,311,052
Charges for Services	3,532,288	6,403,012	1,065,000	2,909,952	21,761,363	30,918,016	-	-	66,589,631
Recovered Costs and Misc	4,061,825	2,042,000	200,000	381,500	3,002,430	73,000	541,000	-	10,301,755
Intergovernmental	26,054,206	88,235,085	1,500,000	5,971,234	273,936	-	-	-	122,034,461
Transfers In	-	92,610,611	4,052,000	7,371,662	192,889	-	426,000	(104,653,162)	-
Long Term Debt	-	-	11,900,000	-	10,000,000	-	-	-	21,900,000
Fund Balance	9,035,621	152,404	-	80,000	-	-	-	-	9,268,025
Total Revenues	\$ 202,736,040	\$ 189,453,112	\$ 18,842,000	\$ 16,935,538	\$ 35,846,070	\$ 31,151,016	\$ 967,000	\$ (104,653,162)	\$ 391,277,614
Expenditures - by Function									
General Government	\$ 13,330,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,330,395
Judicial Administration	4,447,514	-	-	-	-	-	-	-	4,447,514
Public Safety	45,766,085	-	-	-	-	-	-	-	45,766,085
Public Works	9,866,457	-	-	-	698,377	-	-	(192,889)	10,371,945
Human Services	16,098,234	-	-	16,679,348	-	-	-	(7,371,662)	25,405,920
Education	92,610,611	189,453,112	-	-	-	-	-	(92,610,611)	189,453,112
Parks, Recreation & Cultural	5,908,499	-	-	-	-	-	-	-	5,908,499
Community Development	4,886,389	-	-	256,190	-	-	967,000	(426,000)	5,683,579
Nondepartmental	5,769,856	-	-	-	-	-	-	-	5,769,856
Capital Projects	4,052,000	-	18,842,000	-	-	-	-	(4,052,000)	18,842,000
Public Utilities	-	-	-	-	35,147,693	-	-	-	35,147,693
Self-Insurance	-	-	-	-	-	31,151,016	-	-	31,151,016
Total	\$ 202,736,040	\$ 189,453,112	\$ 18,842,000	\$ 16,935,538	\$ 35,846,070	\$ 31,151,016	\$ 967,000	\$ (104,653,162)	\$ 391,277,614
Expenditures - by Category									
Salaries and Fringe Benefits	\$ 62,636,973	\$ 151,510,317	\$ -	\$ 8,982,548	\$ 6,429,006	\$ 30,989,791	\$ -	\$ -	\$ 260,548,635
Operating Expenditures	29,901,943	20,929,813	-	7,952,990	10,982,145	161,225	967,000	-	70,895,116
Capital Expenditures	1,271,281	1,396,264	18,842,000	-	13,822,232	-	-	-	35,331,777
Transfers Out	104,653,162	-	-	-	-	-	-	(104,653,162)	-
Debt Service	-	-	-	-	-	-	-	-	-
Principal Payments	2,270,609	10,502,253	-	-	2,773,152	-	-	-	15,546,014
Interest Payments	2,002,072	5,114,465	-	-	1,839,535	-	-	-	8,956,072
Total Expenditures	\$ 202,736,040	\$ 189,453,112	\$ 18,842,000	\$ 16,935,538	\$ 35,846,070	\$ 31,151,016	\$ 967,000	\$ (104,653,162)	\$ 391,277,614
Estimated Beginning Undesignated Fund Balance - June 30, 2011									
Estimated Ending Undesignated Fund Balance - June 30, 2012									
Estimated Ending Fund Balance as a Percent of Net Operating Revenues									
Estimated Change in Fund Balance									
									\$ 65,409,955
									\$ 56,141,930
									14.3%
									(14.2%)

This example includes a more detailed breakout of revenues and expenditures, with the revenue and expenditure categories differentiated as recurring or non-recurring.

Budget Summary Schedules

FY 2012 Adopted Budget

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	INTERNAL SERVICE	SUBTOTAL	ELIMINATIONS	TOTAL
BEGINNING FUND BALANCE	\$ 384,406,703	\$ 153,302,831	\$ 6,818,550	\$ 753,526,210	\$ 71,895,800	\$ 1,369,947,594	\$ -	\$ 1,369,947,594
SOURCES OF FUNDS								
OPERATING	\$ 472,831,017	\$ -	\$ -	\$ -	\$ -	\$ 472,831,017	\$ -	\$ 472,831,017
PROPERTY TAXES	23,300,000	-	-	-	-	23,300,000	-	23,300,000
TAX PENALTIES & INTEREST	109,584,249	-	-	-	-	109,584,249	-	109,584,249
SALES TAXES	38,269,526	-	-	-	-	38,269,526	-	38,269,526
LICENSES AND PERMITS	44,223,182	-	-	-	-	44,223,182	-	44,223,182
GRANTS	4,773,201	-	-	-	-	4,773,201	-	4,773,201
OTHER INTERGOVERNMENTAL	11,775,850	-	-	-	-	11,775,850	-	11,775,850
PAYMENTS IN LIEU OF TAXES	369,740,752	-	-	-	-	369,740,752	-	369,740,752
STATE SHARED SALES TAX	77,950,758	-	-	-	-	77,950,758	-	77,950,758
STATE SHARED HIGHWAY USER REV	111,119,076	-	-	-	-	111,119,076	-	111,119,076
STATE SHARED VEHICLE LICENSE	8,412,636	-	-	-	-	8,412,636	-	8,412,636
INTERGOV CHARGES FOR SERVICES	11,717,822	-	1,238,574	806,408	5,011,072	32,226,905	-	32,226,905
OTHER CHARGES FOR SERVICES	38,283,359	-	-	-	32,876,569	134,523,804	-	134,523,804
INTERNAL SERVICE CHARGES	-	-	-	-	145,892,791	145,892,791	(145,892,791)	-
PATIENT SERVICES REVENUE	6,876	1,561,500	-	-	1,568,376	1,568,376	-	1,568,376
FINES & FORFEITS	14,036,087	3,647,792	-	-	9,577,597	32,446,066	-	32,446,066
INTEREST EARNINGS	5,000,000	14,890,220	-	-	14,500	9,577,597	-	9,577,597
MISCELLANEOUS REVENUE	3,680,426	200,000	-	-	2,000,000	18,565,146	-	18,565,146
GAIN ON FIXED ASSETS	-	167,838,177	1,140,559	27,939,797	-	2,000,000	-	2,000,000
TRANSFERS IN	-	744,186,479	2,379,133	88,758,205	\$184,735,687	\$ 3,019,514,830	\$(242,639,324)	\$ 1,675,675,306
TOTAL OPERATING SOURCES	\$1,058,467,148	\$ 744,186,479	\$ 2,379,133	\$ 88,758,205	\$184,735,687	\$ 3,019,514,830	\$(242,639,324)	\$ 1,675,675,306
NON-RECURRING	\$ -	\$ 883,028	\$ -	\$ 40,979,487	\$ -	\$ 41,272,510	\$ -	\$ 41,272,510
GRANTS	-	883,028	-	40,979,487	-	41,272,510	-	41,272,510
INTERGOV CHARGES FOR SERVICES	-	-	-	14,705,898	-	14,705,898	-	14,705,898
OTHER CHARGES FOR SERVICES	-	454,948	-	-	-	454,948	-	454,948
INTEREST EARNINGS	-	7,010	9,808	-	-	16,818	-	16,818
TRANSFERS IN	-	26,352,945	23,838,378	108,045,987	18,000,000	169,807,318	(169,807,318)	-
TOTAL NON-RECURRING SOURCES	\$ -	\$ 27,707,915	\$ 23,447,984	\$ 108,045,987	\$ 18,000,000	\$ 226,257,884	\$ (169,807,318)	\$ 56,450,066
TOTAL SOURCES	\$1,058,467,148	\$ 771,894,397	\$ 24,827,117	\$ 191,857,687	\$197,725,687	\$ 2,244,772,014	\$(512,646,642)	\$ 1,732,125,372
USES OF FUNDS								
OPERATING	\$ 441,051,801	\$ 435,072,505	\$ -	\$ -	\$ 12,304,328	\$ 869,028,750	\$ -	\$ 869,028,750
PERSONAL SERVICES	13,215,624	43,924,261	-	-	9,159,967	66,299,842	(4,345,356)	61,954,486
SUPPLIES	404,291,637	324,447,988	-	-	191,026,274	819,765,877	(141,547,435)	678,218,442
SERVICES	3,547,030	10,369,508	19,408,417	-	218,080	33,443,435	-	33,443,435
CAPITAL	195,770,934	1,175,809	-	-	-	196,946,743	-	196,946,743
OTHER FINANCING USES	-	1,175,809	-	-	-	1,175,809	-	1,175,809
TOTAL OPERATING USES	\$1,058,467,146	\$ 714,890,249	\$ 19,408,417	\$ -	\$212,718,634	\$ 2,005,484,446	\$(342,639,324)	\$ 1,662,845,122
NON-RECURRING	\$ 2,546,433	\$ 2,569,583	\$ -	\$ 4,135,180	\$ 98,269	\$ 9,338,445	\$ -	\$ 9,338,445
PERSONAL SERVICES	2,912,674	2,680,612	-	1,091,375	249,017	6,933,678	-	6,933,678
SUPPLIES	125,331,989	89,377,121	-	80,691,320	17,208,386	281,909,338	-	281,909,338
SERVICES	5,274,087	7,342,413	-	357,767,039	1,408,000	371,789,539	-	371,789,539
CAPITAL	91,340,521	47,859,369	-	30,580,428	-	169,807,318	(169,807,318)	-
OTHER FINANCING USES	225,405,703	140,845,088	\$ -	\$ 454,585,922	\$ 18,361,595	\$ 839,778,218	\$ (119,807,318)	\$ 699,971,000
TOTAL NON-RECURRING USES	\$ 225,405,703	\$ 140,845,088	\$ -	\$ 454,585,922	\$ 18,361,595	\$ 839,778,218	\$ (119,807,318)	\$ 699,971,000
TOTAL USES	\$1,283,872,849	\$ 855,735,347	\$ 19,408,417	\$ 454,585,922	\$231,850,229	\$ 2,844,262,764	\$(512,646,642)	\$ 2,332,616,122
STRUCTURAL BALANCE	\$ -	\$ 29,296,230	\$ (17,029,284)	\$ 28,756,205	\$ (27,582,367)	\$ 13,030,184	\$ -	\$ 13,030,184
ENDING FUND BALANCE	\$ 159,000,000	\$ 6,860,820	\$ 622,274	\$ 292,647,172	\$ 2,359,336	\$ 159,822,274	\$ -	\$ 159,822,274
RESTRICTED	\$ -	\$ 74,895,451	\$ 11,614,076	\$ 188,171,903	\$ 62,219,054	\$ 345,891,484	\$ -	\$ 345,891,484
COMMITTED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UNASSIGNED	\$ -	\$ (11,894,858)	\$ -	\$ -	\$ (13,639,152)	\$ (25,533,551)	\$ -	\$ (25,533,551)

The footnotes section of a financial schedule should clearly explain the major points.

CITY OF BROOKFIELD
Operating Budget Summary ¹
Annual Budget Year Beginning January 1, 2012

	Governmental Fund Types			Enterprise Funds		Combined Totals
	General	Non-Major ²	Debt Service	Sewer Utility	Water Utility	
Revenues						
Property Taxes	\$ 26,673,000	\$ 1,760,000	\$ 4,975,000	\$ 1,900,000	\$ -	\$ 35,308,000
Other Taxes (room and other)	1,737,700	563,200	-	-	-	2,300,900
Special Assessments	-	-	-	-	1,395,000	1,395,000
Intergovernmental	3,913,227	90,000	-	-	-	4,003,227
Licenses and Permits	1,389,050	-	-	-	-	1,389,050
Fines and Forfeitures	475,000	-	-	-	-	475,000
Charges for Services	1,596,350	464,540	-	-	-	2,060,890
Utility Charges	-	-	-	10,723,043	5,384,969	16,108,012
Commercial and Interfund	318,457	533,563	1,500	288,160	250,000	1,391,680
Capital Contributions	-	-	-	-	-	-
Transfers In	1,267,740 ³	-	23,272	-	-	1,291,012
Total Revenues	37,370,524	3,411,303	4,999,772	12,911,203	7,029,969	65,722,771
Expenditures or Expenses						
General Government	3,888,016	1,500	-	-	-	3,889,516
Protection of Persons and Property	19,459,910	142,500	-	-	-	19,602,410
Public Works	8,712,041	25,000	-	-	-	8,737,041
Health (mosquito/deer control)	155,000	-	-	-	-	155,000
Education, Parks & Recreation	5,023,107	479,385	-	-	-	5,502,492
Conservation & Development	454,450	566,719	-	-	-	1,021,169
Contingency	400,000	-	-	-	-	400,000
Capital Outlay - Computers	-	260,000	-	-	-	260,000
Capital Outlay - Vehicles/equipment	-	570,550	-	-	-	570,550
Debt Service	-	-	3,671,000	-	-	3,671,000
Principal Retirement	-	-	1,207,375	407,376	551,475	2,166,226
Interest and Fiscal Charges	-	-	-	12,882,585	5,795,690	18,678,275
Utility Operating Expenses	-	-	-	-	-	-
Transfers Out	-	753,272 ⁴	-	-	-	753,272
Total Expenditures or Expenses	38,092,524	2,798,926	4,878,375	13,289,961	6,347,165	65,406,951
Excess of Revenues and Other Sources Over (Under) Expenses/Expenditures and Other Uses						
	(722,000) ⁵	612,377	121,397	(378,758)	682,804	315,820
Fund Equity - January 1 (Estimate) ⁶	13,008,799	9,273,728	274,007	89,208,934	51,618,907	163,382,375
Fund Equity - December 31 ⁷	\$ 12,284,799	\$ 9,886,105	\$ 395,404	\$ 88,830,176	\$ 52,301,711	\$ 163,698,194

¹ Excludes Internal Service Funds (total expenses of \$6,993,423) as all costs are charged to operating fund budgets

² Includes special revenue and non-major capital projects funds.

³ Represents Tax Equivalent transfer from Water Utility that is included as an operating expense in the utility.

⁴ Includes transfers to Capital Projects Fund in the amount of \$730,000. Capital improvement budget summary information is presented on the following schedule. The City adopts annual capital improvement budgets with the assumption that the budgeted amounts will be spent on the indicated projects within the fiscal year or shortly thereafter. Individual capital project budgets do not lapse. As such, there are no Capital Projects fund balances available for appropriation nor shown in this schedule.

⁵ Budgeted use of general fund balance is typically equal to the general fund contingency appropriation, as the City uses its fund balances as the source of funding for unforeseen events and does not specifically levy for the contingency appropriation. 2012 also includes \$322,000 for applied pension savings, Local Road Improvement Program funding, and improvement to the Public Safety Building parking lot and the painting of the Wirth Park pool from prior year surpluses.

⁶ Fund equity amounts represent total fund balances for governmental funds and net assets for proprietary funds.

Footnotes may be used to address a specific issue. In this example, they explain changes in fund balances.

City of Cornelius 2012-2013 Summary Major Revenues and Expenditures

	General Fund	Surface Water Management Fund	Water Fund	Sanitary Sewer Fund	Street Fund	Bancroft Fund	Traffic Development Fund	Non-Major Funds	Total Funds
Beginning Fund Balance	399,325	445,810	2,287,660	940,545	1,425,445	100,200	1,201,770	2,622,499	9,423,254
Revenues:									
Property Tax	2,150,000	-	-	-	-	-	-	-	2,150,000
Other Taxes	56,618	-	-	-	889,200	-	-	-	945,818
Licenses and Permits	58,570	-	10,717	-	-	-	-	70,225	139,512
Intergovernmental Revenues	724,195	-	-	-	2,476,000	-	-	74,425	3,274,620
Charges for Services	438,000	771,720	1,938,825	2,130,360	-	-	-	-	5,278,905
Fines And Forfeitures	153,425	-	-	-	-	-	-	-	153,425
Franchise Fees	428,000	-	-	-	-	-	-	-	428,000
System Development Charges	-	-	28,268	91,350	-	-	240,800	148,204	508,622
Transfers	222,223	26,318	1,011,144	-	1,431,014	-	-	1,317,240	4,009,939
Other Financing Sources	1,173,317	50,450	7,500	38,700	6,260	474,300	3,900	37,150	1,791,577
Total Revenue	5,803,673	1,296,298	5,284,114	3,200,955	6,227,919	574,500	1,446,470	4,269,743	28,103,672
Expenditures:									
Personal Services	2,914,369	158,416	352,789	92,538	449,295	-	-	798,483	4,765,890
Materials and Services	930,391	153,500	873,550	1,466,500	174,800	-	-	834,080	4,432,821
Capital	905,950	-	805,035	303,000	4,317,000	-	-	-	6,330,985
Transfers	632,799	263,127	242,050	354,762	277,842	-	1,250,000	1,073,909	4,094,489
Debt	38,500	-	138,000	-	17,400	570,200	-	4,200	768,300
Other	138,450	-	-	-	-	-	-	-	138,450
Total Expenditures	5,560,459	575,043	2,411,424	2,216,800	5,236,337	570,200	1,250,000	2,710,672	20,530,935
Ending Fund Balance	243,214	-	2,872,690	984,155	991,582	-	-	1,559,071	7,572,737
Unappropriated &Contingency/Ending Fund Balance	243,214	721,255	2,872,690	984,155	991,582	4,300	196,470	1,559,071	7,572,737
Net Change in Fund Balance	(156,111)	275,445	585,030	43,610	(433,863)	(95,900)	(1,005,300)	(1,063,428)	(1,850,517)
Percentage of Change	-39%	62%	26%	5%	-30%	-96%	-84%	-41%	-20%

Fund Balance is generally defined as the difference between the funds assets and liabilities. An adequate fund balance is necessary for numerous reasons, such as to have funds available for unexpected events, to maintain or enhance the city's financial position.

EXPLANATION OF CHANGES IN FUND BALANCES:

This year staff has chosen to hold more funds in contingency to allow the City greater financial flexibility which attributes to the reduction of fund balance in most funds. Other contributing factors are noted below.

General Fund: Increasing cost of providing basic services to a growing population with limited revenue growth has caused the ending fund balance to shrink.

Surface Water Management: Increase in fund balance is due to implementation of the 2006 rate study.

Water Fund: Increase in fund balance is due to implementation of the 2006 rate study.

Sanitary Sewer Fund: A lack of construction of major projects causes the saving in this fund.

Street Fund: More construction is the cause of the draw down of fund balance for this fund.

Bancroft Fund: Debt payments are made regularly despite the lack of payment by some property owners.

Traffic Development Fund: More large street projects have caused the drawdown of this fund.

Non-Major Funds: The fixed asset and SDC funds are seeing the ending fund balances shrink due to completion of projects and a lack of new revenue.

Financial schedules are often used for more than just presenting numbers. For instance, the lower part of this example lists the departments or sub-funds in each fund category.

Budget Summary as Advertised

CITY OF DUNEDIN FISCAL YEAR 2012						
	General	Special	Enterprise	Capital		
	Fund	Revenue	Funds	Funds	Project	TOTAL
		Funds			Funds	
CASH BALANCES BROUGHT FORWARD	\$ 7,540,669	\$ 735,612	\$ 10,374,859	\$ 2,548,542	\$	21,199,682
ESTIMATED REVENUES:						
Taxes:	Millage Per \$1000					
Ad Valorem Taxes	3.3817	5,771,692	157,434			5,929,126
Sales and Use Taxes		1,893,596				1,893,596
Utility Services Taxes		5,020,933				5,020,933
Licenses and Permits		3,724,149		12,280		3,736,429
Intergovernmental Revenue		1,283,665	1,290,682		3,988,800	6,563,147
Charges for Services		3,433,570	273,215	22,901,724		26,608,509
Fines & Forfeitures		190,203		145,090		335,293
Admin. Service Charge		1,596,254		574,419		2,170,673
Miscellaneous Revenues		434,000	63,334	730,099	38,749	1,266,182
Other Financing Sources		125,000	935,471	882,278	3,553,433	5,496,182
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 23,473,062	\$ 2,720,136	\$ 25,245,890	\$ 7,580,982		59,020,070
TOTAL ESTIMATED REVENUES AND CASH BALANCES	\$ 31,013,731	\$ 3,455,748	\$ 35,620,749	\$ 10,129,524	\$	80,219,752
EXPENDITURES/EXPENSES:						
General Government	\$ 4,388,560		\$ 1,944,294	\$ 2,999,329	\$	9,332,183
Public Safety	10,273,355					10,273,355
Culture and Recreation	6,777,832	1,132,764	1,128,358	935,910		9,974,864
Physical Environment			22,103,009	500,000		22,603,009
Economic Development		833,176		1,039,900		1,873,076
Transportation	1,611,495			1,190,297		2,801,792
Debt Service		1,075,188	2,987,095	826,800		4,889,083
Other Financing Uses	2,393,506	150,000		1,349,898		3,893,404
TOTAL EXPENDITURES/EXPENSES	\$ 25,444,748	\$ 3,191,128	\$ 28,162,756	\$ 8,842,134	\$	65,640,766
Reserves	5,568,983	264,620	7,457,993	1,287,390		14,578,986
TOTAL APPROPRIATED EXPENDITURES AND RESERVES	\$ 31,013,731	\$ 3,455,748	\$ 35,620,749	\$ 10,129,524	\$	80,219,752
GENERAL FUND:	General Operating, Emergency Medical Services, Public Safety, Cultural and Recreation Programs and Preservation of Reserves					
SPECIAL REVENUE FUNDS:	Dunedin Stadium Fund, and Library Cooperative Fund, Community Redevelopment Fund, Dunedin Historical Society, Dunedin Fine Arts Center, Government Grant Fund					
ENTERPRISE FUNDS:	Water/Wastewater/Reclaimed, Solid Waste, Stormwater Utility, Golf Course and Marina, Parks & Recreation Capital, County Gas Tax, Transportation Impact Fee, Local Option Sales Tax, Facilities Capital Fund					

The footnotes section of this schedule includes an explanation of the basis of budgeting.

CITY OF SALISBURY, NORTH CAROLINA
BUDGET SUMMARY
For the Year Ending June 30, 2013

	General/Special Revenue Funds			Enterprise Funds						Total
	General	General Fund	Entitlement	Water/Sewer		Fibrant		Stormwater		
	Fund	Capital Reserve	Fund	Water/Sewer	Capital Reserve	Transit	Communications	Stormwater	Capital Reserve	
Estimated Fund Balance/										
Net Assets 6/30/12	\$ 6,061,480	\$ 3,338,812	\$ 6,999	\$90,245,069	\$ 844,477	\$ 617,668	\$ (7,417,364)	\$ -	\$ -	\$93,697,141
Budgeted Revenues & Other Financing Sources:										
Taxes	\$17,471,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$17,471,786
Unrestricted Intergovernmental	8,585,690	-	-	-	-	-	-	-	-	8,585,690
Restricted Intergovernmental	1,831,083	-	346,543	-	-	577,291	-	-	-	2,754,917
Charges for services	7,190,973	-	-	21,702,566	-	118,480	4,376,344	1,297,333	-	34,685,696
Miscellaneous	347,510	24,000	35,000	781,694	5,500	-	673,270	-	-	1,866,974
Long-term Debt Issued	-	-	-	-	-	-	2,610,500	-	-	2,610,500
Transfers From Other Funds	-	1,709,358	-	-	493,250	413,474	-	-	76,047	2,692,129
Total Available Resources	\$35,427,042	\$ 1,733,358	\$381,543	\$22,484,260	\$ 498,750	\$1,109,245	\$ 7,660,114	\$ 1,297,333	\$ 76,047	\$70,667,692
Expenditures:										
General Government	\$10,459,471	\$ 419,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$10,879,469
Public Safety	11,646,274	366,863	-	-	-	-	-	-	-	12,013,137
Transportation	3,787,263	201,863	-	-	-	-	-	-	-	3,989,126
Environmental Protection	1,658,109	277,531	-	-	-	-	-	1,221,286	28,500	3,185,426
Culture and Recreation	2,596,727	50,129	-	-	-	-	-	-	-	2,646,856
Community & Economic										
Development	1,600,132	8,762	332,550	-	-	-	-	-	-	1,941,444
Education	38,107	-	-	-	-	-	-	-	-	38,107
Water & Sewer	-	-	-	15,815,571	468,492	-	-	-	-	16,284,063
Mass Transit	-	-	-	-	-	1,109,245	-	-	-	1,109,245
Fiber Optic	-	-	-	-	-	-	4,503,520	-	-	4,503,520
Debt Service:										
Principal	1,311,178	244,850	32,000	4,539,143	-	-	1,330,000	-	-	7,457,171
Interest	206,949	9,435	16,993	1,636,296	-	-	1,826,594	-	-	3,696,267
Transfers To Other Funds	2,122,832	-	-	493,250	-	-	-	76,047	-	2,692,129
Total Expenditures	\$35,427,042	\$ 1,579,431	\$381,543	\$22,484,260	\$ 468,492	\$1,109,245	\$ 7,660,114	\$ 1,297,333	\$ 28,500	\$70,435,960
Budgeted Increase (Decrease)										
in Fund Balance	\$ -	\$ 153,927	\$ -	\$ -	\$ 30,258	\$ -	\$ -	\$ -	\$ 47,547	\$ 231,732
Full Accrual Adjustments: ¹										
Budgeted Capital Outlay	-	-	-	974,400	468,492	86,000	-	34,000	28,500	1,591,392
Budgeted Debt Principal	-	-	-	4,539,143	-	-	-	-	-	4,539,143
Estimated Depreciation	-	-	-	(4,267,357)	-	(92,692)	(163,973)	-	-	(4,524,022)
Estimated Fund Balance/										
Net Assets 6/30/13	\$ 6,061,480	\$ 3,492,739	\$ 6,999	\$91,491,255	\$ 1,343,227	\$ 610,976	\$ (7,581,337)	\$ 34,000	\$ 76,047	\$95,535,386

¹ The City's budget is developed on the modified accrual basis. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the enterprise funds are adopted on a basis consistent with GAAP except that bond principal payments and additions to fixed assets are treated as expenditures, and depreciation expense is not budgeted.

Three/(Four) Year Consolidated and Fund Financial Schedules

#F4: Three/(Four) Year Consolidated and Fund Financial Schedules (Mandatory) The document must include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and the proposed budget year.

- Criteria Location Guide Questions**
1. For annual budgets, are revenues and other financing sources and expenditures and other financing uses for the prior year, the current year, and the budget year presented together on the same schedule(s) or on schedules presented on adjacent/sequential pages?
 2. Is this information presented for the appropriated funds in total?
 3. Is this information also presented for each major fund and for other (i.e., nonmajor) funds in the aggregate?
 4. For biennial budgets, are revenues and other financing sources and expenditures and other financing uses for the prior year, the current year, and both budget years presented together on the same schedule(s) or on separate schedules presented on adjacent/sequential pages?

Explanation This criterion requires a schedule(s) that includes both revenues and other financing sources and expenditures and other financing uses for at least three budget periods (prior year actual, current year, and budget year). The data for the prior year should be the actual revenues and expenditures. However, the entity may choose whether to use current year budget and/or estimated figures. Alternately, the document may include both the current year budget and the current year estimated amounts. Also, the document may include a discussion of any changes to the budget for the current year. However, such a discussion is not required. Any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10 percent of the revenues or expenditures of the appropriated budget should be considered a major fund. Of course, information for other funds also may be presented. Information for individual major funds, nonmajor funds in the aggregate, and the entity as a whole may be presented on a single schedule OR on separate schedules. Regardless of the format selected, the information for both revenues and expenditures must be included (1) on the same schedule(s) OR (2) on schedule(s) presented on adjacent/sequential pages. As in the prior criterion, revenues should be presented by type (e.g., property tax, sales tax, fees and charges, intergovernmental) and expenditures should be presented either by function, organizational unit or object.

Entities with biennial budgets should present data for four years — one prior year actual, current year budget and/or estimated amount, and budget for both years of the biennium.

Chapter Overview *For purposes of this criterion, it is necessary to present 1) the total for budgeted funds for three years, 2) separate amounts for each major fund, and 3) amounts for the non-major funds in the aggregate. All three parts of this criterion can be satisfied through one schedule or each portion of this criterion can be met separately through individual schedules.*

Helpful Hint

Break out revenues by type and expenditures by function, organizational unit, or object for total funds and individual funds.

This two-page presentation shows the major and non-major funds, followed by a grand total. A common omission in many presentations is the inclusion of the individual fund schedules or the all funds schedule, but not both.

CITY OF FORT WALTON BEACH, FL

Summary of Estimated Financial Sources & Uses - All Funds

Major Funds ¹

	GENERAL FUND			UTILITIES FUND		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
	Actual	Budget	Budget	Actual	Budget	Budget
Financial Sources						
Ad Valorem Taxes	4,380,221	4,331,552	4,149,255	-	-	-
Other Taxes	5,034,292	4,829,116	5,076,798	-	-	-
Licenses and Permits	2,413,145	2,408,838	2,397,989	-	-	-
Intergovernmental Revenue	3,137,530	2,271,171	2,320,171	-	-	-
Charges for Services	827,591	865,942	883,617	6,556,769	7,374,500	7,545,100
Fines and Forfeitures	190,143	139,200	139,200	184,728	168,500	183,500
Interest & Other Revenues	1,293,761	346,213	365,567	345,596	136,926	72,865
Other Financing Sources	-	-	-	-	-	2,000,000
	17,276,683	15,192,032	15,332,597	7,087,093	7,679,926	9,801,465
Appropriation from Reserves	-	454,162	251,961	-	-	2,521,900
	\$ 17,276,683	\$ 15,646,194	\$ 15,584,558	\$ 7,087,093	\$ 7,679,926	\$ 12,323,365
Interfund Transfers In	1,976,267	1,987,420	1,814,463	40,000	36,242	37,363
Total Financial Sources	\$ 19,252,950	\$ 17,633,614	\$ 17,399,021	\$ 7,127,093	\$ 7,716,168	\$ 12,360,728
Financial Uses						
General Government	4,941,386	3,745,250	3,678,484	-	-	-
Public Safety	8,493,672	8,575,027	8,581,715	-	-	-
Physical Environment	250,691	252,400	274,214	5,535,605	4,768,180	5,070,121
Transportation	1,206,208	1,052,115	1,094,561	-	-	-
Community & Economic Dev.	372,467	519,756	458,770	-	-	-
Culture & Recreation	2,507,482	2,265,158	2,375,060	-	-	-
Capital Outlay	308,963	287,200	214,228	68,466	377,340	221,505
Capital Improvements	1,111,491	378,592	145,000	1,834,338	266,000	4,674,150
Debt Service	-	-	-	532,674	1,088,549	721,674
Reclass of Capital Outlay	-	-	-	(1,245,341)	-	-
	19,192,360	17,075,498	16,822,032	6,725,743	6,500,069	10,687,450
Contingencies	-	108,121	64,326	-	50,000	52,830
Reserves	-	-	-	-	93,631	227,710
	\$ 19,192,360	\$ 17,183,619	\$ 16,886,358	\$ 6,725,743	\$ 6,643,700	\$ 10,967,990
Interfund Transfers Out	438,448	449,995	512,663	1,097,641	1,072,468	1,392,738
Total Financial Uses	\$ 19,630,808	\$ 17,633,614	\$ 17,399,021	\$ 7,823,384	\$ 7,716,168	\$ 12,360,728
Net Increase/(Decrease) in Fund Balance / Net Assets ⁴	(377,858)	(454,162)	(251,961)	(696,291)	93,631	(2,294,190)
Fund Bal / Net Assets ⁴ - Oct 1	9,372,537	8,994,679	8,540,517	5,462,809	4,766,518	4,860,149
Fund Bal / Net Assets⁴ - Sep 30	\$ 8,994,679	\$ 8,540,517	\$ 8,288,556	\$ 4,766,518	\$ 4,860,149	\$ 2,565,959

Notes

¹ Major funds each comprise at least 10% of the total appropriated budget

² Other Governmental Funds - Law Enforcement Trust, Law Enforcement Training, CRA, CDBG, Debt Service, Beal Memorial

³ Other Enterprise Funds - Sanitation, Golf, Stormwater

⁴ Fund Balance / Net Assets amounts used are unrestricted, except CRA Fund which is committed to capital projects

Non-Major Funds									
OTHER GOVERNMENTAL ²			OTHER ENTERPRISE ³			Total All Funds			% of Budget
2009-10 Actual	2010-11 Budget	2011-12 Budget	2009-10 Actual	2010-11 Budget	2011-12 Budget	2009-10 Actual	2010-11 Budget	2011-12 Budget	
952,259	898,803	803,818	-	-	-	5,332,480	5,230,355	4,953,073	13.1%
-	-	-	-	-	-	5,034,292	4,829,116	5,076,798	13.4%
-	-	-	-	-	-	2,413,145	2,408,838	2,397,989	6.3%
458,823	152,772	126,575	-	-	-	3,596,353	2,423,943	2,446,746	6.4%
250	-	-	5,896,518	6,012,742	5,859,500	13,281,128	14,253,184	14,288,217	37.7%
14,707	12,000	10,000	-	-	-	389,578	319,700	332,700	0.9%
130,651	46,050	46,000	294,432	124,562	124,322	2,064,440	653,751	608,754	1.6%
746,162	651,559	582,704	-	-	-	746,162	651,559	2,582,704	6.8%
2,302,852	1,761,184	1,569,097	6,190,950	6,137,304	5,983,822	32,857,578	30,770,446	32,686,981	
-	2,009,825	10,275	-	-	100,172	-	2,463,987	2,884,308	7.6%
\$ 2,302,852	\$ 3,771,009	\$ 1,579,372	\$ 6,190,950	\$ 6,137,304	\$ 6,083,994	\$ 32,857,578	\$ 33,234,433	\$ 35,571,289	
439,615	449,995	485,244	178,325	-	27,419	2,634,207	2,473,657	2,364,489	6.2%
\$ 2,742,467	\$ 4,221,004	\$ 2,064,616	\$ 6,369,275	\$ 6,137,304	\$ 6,111,413	\$ 35,491,785	\$ 35,708,090	\$ 37,935,778	
-	-	-	-	-	-	4,941,386	3,745,250	3,678,484	9.7%
361,717	132,039	413,076	-	-	-	8,855,390	8,707,066	8,994,791	23.7%
-	42,600	18,600	2,835,621	2,723,894	2,797,587	8,621,917	7,787,074	8,160,522	21.5%
-	-	-	-	-	-	1,206,208	1,052,115	1,094,561	2.9%
333,876	700,045	722,057	-	-	-	706,343	1,219,801	1,180,827	3.1%
-	-	-	2,025,591	1,759,978	1,762,604	4,533,073	4,025,136	4,137,664	10.9%
135,573	17,700	110,100	233,890	267,455	461,620	746,892	949,695	1,007,453	2.7%
1,000,918	2,787,800	220,795	223,464	174,706	300,000	4,170,211	3,607,098	5,339,945	14.1%
415,723	420,395	455,644	179,554	171,819	71,320	1,127,951	1,680,763	1,248,638	3.3%
-	-	-	(452,354)	-	-	(1,697,695)	-	-	0.0%
2,247,807	4,100,579	1,940,272	5,045,765	5,097,852	5,393,131	33,211,675	32,773,998	34,842,885	
-	15,000	-	-	20,000	27,960	-	193,121	145,116	0.4%
-	3,842	-	-	25,605	-	-	123,078	227,710	0.6%
\$ 2,247,807	\$ 4,119,421	\$ 1,940,272	\$ 5,045,765	\$ 5,143,457	\$ 5,421,091	\$ 33,211,675	\$ 33,090,197	\$ 35,215,711	
130,623	101,583	124,344	788,003	993,847	690,322	2,454,715	2,617,893	2,720,067	7.2%
\$ 2,378,430	\$ 4,221,004	\$ 2,064,616	\$ 5,833,768	\$ 6,137,304	\$ 6,111,413	\$ 35,666,390	\$ 35,708,090	\$ 37,935,778	
364,037	(2,005,983)	(10,275)	535,507	25,605	(100,172)	(174,605)	(2,340,909)	(2,656,598)	
5,159,678	5,523,715	3,517,732	1,489,815	2,025,322	2,050,927	21,484,839	21,310,234	18,969,325	
\$ 5,523,715	\$ 3,517,732	\$ 3,507,457	\$ 2,025,322	\$ 2,050,927	\$ 1,950,755	\$ 21,310,234	\$ 18,969,325	\$ 16,312,727	

City of Fort Walton, Florida (continued)

This presentation from a municipality shows how the three features of this criterion can be met within one schedule. The individual funds are presented (with non-major funds aggregated), along with the grand total. By rounding the numbers to thousands, not only is legibility improved but also more information fits on each page.

Summary of Financial Sources & Uses
in Thousands of Dollars*

	Governmental Funds						Agency Fund			Enterprise Fund			Total All Funds		
	General Fund		Motor Fuel Tax Fund		Non Major Funds		EBST Fund			Water Fund					
	2010 Actual	2012 Budget	2010 Actual	2012 Budget	2010 Actual	2012 Budget	2010 Actual	2012 Budget	2011 Est	2010 Actual	2012 Budget	2010 Actual	2012 Budget	2010 Actual	2012 Budget
Financial Sources															
Sales & Use Tax	6,761	7,044	-	-	800	894	-	-	-	-	-	-	-	7,561	7,938
Property Tax	2,353	3,124	-	-	2,088	2,191	1,800	-	-	-	-	-	-	4,441	5,315
Foreign Fire Insurance Tax	-	-	-	-	-	-	1,800	-	-	-	-	-	-	28	25
Utility Tax	1,866	1,858	-	-	473	477	485	-	-	-	-	-	-	2,339	2,335
Income Taxes	2,082	2,043	-	-	-	-	1,802	-	-	-	-	-	-	2,082	2,043
Replacement Taxes	60	67	-	-	-	-	-	-	-	-	-	-	-	60	67
Hotel/Motel Taxes	486	533	-	-	-	-	-	-	-	-	-	-	-	486	533
Motor Fuel Taxes	-	341	450	634	-	-	-	-	-	-	-	-	-	679	1,135
Auto Rental Taxes	19	14	13	-	-	-	-	-	-	-	-	-	-	19	14
Licenses, Permits, Fees	1,759	2,174	1,696	-	-	-	-	-	-	-	-	-	-	1,759	2,246
Grants	158	207	182	60	-	-	20	-	-	-	-	-	-	593	219
Water Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	380	3,960
Charges for Services	458	452	204	-	64	52	31	-	43	-	-	-	-	782	547
Sanitation Service Charge	760	779	810	-	-	-	-	-	-	-	-	-	-	760	779
Fines & Forfeitures	369	326	514	-	-	-	-	-	-	-	-	-	-	369	326
Misc/Costs Recoverable	27	47	109	-	-	-	-	-	-	-	-	-	-	29	47
Interest	-	-	-	1	-	-	5	-	-	-	-	-	-	2	23
Sale of Assets	-	-	-	4	-	-	135	-	-	-	-	-	-	115	88
Loan Proceeds	-	-	-	-	-	-	1,790	-	-	-	-	-	-	-	1,790
Transfers	-	-	-	-	325	411	1,552	-	-	-	-	-	-	325	411
Total Financial Sources	17,196	19,046	20,387	696	3,913	5,898	4,266	241	43	-	4,231	4,045	6,236	26,317	29,842
Financial Uses															
Personnel Services	13,007	12,804	13,262	-	-	-	-	-	-	-	-	-	-	15,739	15,341
Contractual Services	3,321	3,795	4,019	-	-	1,352	1,338	1,600	43	-	1,139	1,056	960	5,712	6,313
Commodities	680	672	865	526	-	474	122	15	-	-	1,917	2,396	2,815	704	721
Capital Outlay	100	111	241	2,448	1	2	4	-	-	-	23	47	83	704	952
Other Expenses	344	537	1,181	467	357	1,287	1,203	(1)	-	-	371	533	1,035	1,758	2,314
Debt	-	-	-	-	36	-	-	-	-	-	46	34	187	426	571
Transfers *	-	-	1,115	-	644	2,249	-	-	-	-	325	411	557	644	2,249
Total Financial Uses	17,452	18,019	20,683	2,973	3,796	4,914	1,619	241	43	-	3,821	4,477	5,637	26,776	27,810
Surplus (Deficit)	(256)	1,027	(296)	(2,277)	118	984	2,637	-	-	-	410	(432)	599	541	2,032
Fund Balance															
Beginning Balance	779	524	1,551	1,609	1,878	2,331	6,876	(161)	(151)	(161)	15,342	15,752	15,320	23,343	23,885
Ending Balance	524	1,551	1,255	1,878	2,331	54	5,892	6,876	9,512	(161)	15,752	15,320	15,919	23,885	25,917
Change in Balance	(255)	1,027	(296)	269	453	(2,277)	118	984	2,636	(161)	410	(432)	599	542	2,032
% Change	(33%)	196%	(18%)	17%	24%	(98%)	2%	17%	38%	0%	3%	(3%)	4%	2%	9%

Similar to the preceding example, this example from an airport authority works well and is appropriate for any type of government.

(\$ in thousands)	Wayne County Airport Authority: Three-Year Consolidated Financial Summary												
	Detroit Metropolitan Airport				Willow Run Airport				Westin Hotel				Total
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	
Revenue													
Operating Revenue													
Non-Airline Revenues													
Landing Fees	\$ 70,874	\$ 78,556	\$ 67,796	\$ 330	\$ 475	\$ 630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,204
Rent	75,359	75,023	90,638	1,900	1,660	720	-	-	-	-	-	-	76,683
Facility Use Fee	4,623	6,028	6,633	83	303	455	-	-	-	-	-	-	6,331
Total	150,856	159,607	165,067	2,313	2,438	1,805	-	-	-	-	-	-	153,169
Non-Airline Revenues													
Parking	48,000	52,550	56,488	-	-	-	-	-	-	-	-	-	48,000
Car Rental	16,700	16,100	18,350	-	-	-	-	-	-	-	-	-	16,700
Concessions	27,900	29,700	31,089	-	-	-	-	-	-	-	-	-	27,900
Ground Transportation	4,000	4,000	4,808	-	-	-	-	-	-	-	-	-	4,000
Shuttle Bus	5,120	5,300	5,745	-	-	-	-	-	-	-	-	-	5,120
Utility Service Fee	4,100	4,046	4,327	156	95	122	-	-	-	-	-	-	4,256
Rent	3,800	3,300	2,522	14	2	1,150	-	-	-	-	-	-	3,302
Other Revenue	1,000	800	800	1	11	31	-	-	-	-	-	-	1,001
Charges For Services	1,400	2,000	2,182	278	516	655	-	-	-	-	-	-	1,678
Hotel Operating Revenue	-	-	-	-	-	-	22,805	24,957	27,162	22,805	24,957	27,162	22,805
Total	112,020	118,176	126,311	449	624	1,957	22,805	24,957	27,162	22,805	24,957	27,162	135,274
Non-Operating Revenues													
Grants	900	941	915	-	-	-	-	-	-	-	-	-	900
Capital Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	700	350	305	-	2	2	370	36	36	1,070	36	36	1,070
Total	1,600	1,291	1,220	2	2	2	370	36	36	1,070	36	36	1,970
Total Revenues	\$ 264,476	\$ 279,074	\$ 292,597	\$ 2,762	\$ 3,064	\$ 3,764	\$ 23,175	\$ 24,993	\$ 27,198	\$ 290,413	\$ 307,131	\$ 323,559	\$ 290,413
EXPENSES													
Operating Expenses													
Salaries & Wages	\$ 41,949	\$ 42,990	\$ 41,670	\$ 676	\$ 715	\$ 712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,625
Employee Benefits	27,723	25,462	22,298	471	435	392	-	-	-	-	-	-	28,194
Materials & Supplies	5,722	6,618	7,274	133	114	106	-	-	-	-	-	-	5,855
Parking Management	6,700	6,800	6,300	-	-	-	-	-	-	-	-	-	6,700
Shuttle Bus	8,000	8,500	8,400	-	-	-	-	-	-	-	-	-	8,000
Janitorial	10,597	11,821	11,101	25	20	25	-	-	-	-	-	-	10,622
Security	2,660	2,660	2,524	-	-	-	-	-	-	-	-	-	2,660
Contractual Services	17,460	18,001	18,170	359	989	901	-	-	-	-	-	-	17,819
Hotel Expenses	4	4	0	-	-	-	19,258	17,530	18,876	19,262	17,534	18,876	19,262
Insurance	2,831	2,813	2,687	25	32	32	-	-	-	-	-	-	2,856
Utilities	29,350	27,237	26,237	650	725	1,100	-	-	-	-	-	-	2,856
Buildings & Grounds	13,770	15,571	15,365	231	270	304	-	-	-	-	-	-	30,000
Equipment Repair	17,040	17,038	15,498	217	177	250	-	-	-	-	-	-	17,257
Other Operating Expense	2,850	4,372	3,978	450	441	442	-	-	-	-	-	-	3,300
O&M Capital	2,456	7,706	5,482	20	20	20	-	-	-	-	-	-	2,476
Total	189,112	197,592	186,984	3,256	3,938	4,263	19,258	17,530	18,876	19,262	17,534	18,876	211,627
Non-Operating Expenses													
Net Debt Service	65,829	71,932	92,294	-	16	38	7,014	7,229	7,380	72,843	79,177	99,712	72,843
Funding Requirements	9,534	9,549	13,319	(494)	(890)	(537)	1,482	1,622	1,766	10,522	10,281	14,548	10,522
Total	75,364	81,481	105,614	(494)	(874)	(499)	8,496	8,851	9,146	83,366	89,458	114,260	83,366
Total Expenses	\$ 264,476	\$ 279,074	\$ 292,597	\$ 2,762	\$ 3,064	\$ 3,764	\$ 27,754	\$ 26,381	\$ 28,022	\$ 294,982	\$ 308,519	\$ 324,383	\$ 294,982
Change in Net Assets													
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,579)	\$ (1,388)	\$ (824)	\$ (4,579)	\$ (1,388)	\$ (624)	\$ (4,579)

In this example, one portion of this criterion is met as the all funds summary is presented by revenue type and expenditure category. At a minimum, the prior year actual, the current year budget or estimate or actual, and the upcoming year budget projection must be shown.

Note that an additional year of history has been added here. Also, the inclusion of the significant issues/comments helps to identify major points of the financial schedule.

TOTAL FUNDS

Revenues	REVENUE SUMMARY			
	Actual FY 09	Actual FY 10	Projected FY 11	Proposed FY 12
Ad Valorem Tax	\$15,055,558	\$12,539,137	\$12,460,226	\$ 11,860,747
Sales Tax	2,346,256	2,309,484	2,298,986	2,342,768
Local Option, Use & Fuel Tax	1,698,742	1,667,682	1,692,200	1,662,309
Franchise Fee	3,409,468	3,157,449	3,137,202	3,137,810
Utility Taxes	4,000,057	4,404,865	4,148,200	4,130,300
Telecommunication Svc Tax	2,423,136	2,446,151	2,313,636	2,210,192
Fees & Permits	1,142,265	915,867	882,216	738,965
Local Business Tax	136,973	134,865	125,500	122,200
Intergovernmental Revenue	5,877,598	4,186,030	5,080,632	1,937,831
Charges for Service	39,204,843	38,405,619	38,057,936	36,322,537
Special Assessments/Impact Fees	6,106,396	5,102,187	4,408,700	4,418,800
Fines & Forfeitures	242,641	236,330	325,757	117,300
Interest Earnings	3,631,764	2,183,518	1,157,656	818,686
Miscellaneous Revenues	11,048,155	1,304,211	1,155,555	607,893
Transfers from Other Funds	39,795,224	21,369,427	22,216,536	21,695,838
Other Financing Sources	30,414	2,240,052	31,426,049	2,309,396
Total Revenues	\$136,147,490	\$102,602,874	\$130,885,987	\$ 94,433,572

Expenditures	EXPENDITURE SUMMARY			
	Actual FY 09	Actual FY 10	Projected FY 11	Proposed FY 12
Personal Services	\$30,854,830	\$29,907,438	\$29,936,743	\$29,048,543
Operating Expenditures	27,364,408	24,767,540	28,941,192	24,029,230
Capital Outlay	13,729,364	4,130,755	22,945,349	6,175,985
Debt Service	17,826,107	6,934,651	19,016,714	13,185,272
Non-Operating Expenditures	6,918,212	6,938,633	2,234,875	341,079
Grants and Aide	3,065,643	1,201,229	2,207,524	126,015
Transfers	46,251,189	27,754,415	20,981,831	20,446,844
Contingency	-	-	4,621,759	1,080,604
Total Expenditures	\$146,009,753	\$101,634,661	\$130,885,987	\$94,433,572

Significant Issues/Comments:

- The continued decline in ad valorem is due in part to State mandated legislation as well as the decline in assessed property values. The millage rate for FY 2012 of 4.95 is a 3.22% decrease from the rollback rate.
- Intergovernmental revenue is made up largely of grant funding which is not budgeted until earned.
- There was a sizable increase in miscellaneous revenues during FY 2009 as a result of a one time sale of properties.
- Transfers and Debt Service expense is projected to decrease in FY 2010 and FY 2011 as a result of repayment of various outstanding debt obligations and debt refinancing which reduced required debt service payments.

Similar in format to the prior example, this schedule includes an analysis of key variances for both revenues and expenditures. Because this government has a biennial budgeting process, both years of the adopted budget are shown.

2012/13 Summary of Governmental Funds by Category

	2010 Actual	2011 Projected	2012 Adopted	2013 Adopted
REVENUES BY SOURCE				
Taxes & Penalties	76,843,013	73,294,461	70,193,758	68,992,181
Licenses & Permits	2,160,434	2,114,084	2,299,242	2,346,520
Federal, State, & Local	47,603,310	43,845,417	36,712,747	33,111,437
Fees & Services	52,577,419	50,272,229	53,967,188	56,045,028
Fines & Forfeitures	949,896	984,415	1,020,600	1,020,600
Interest Income	315,607	360,800	290,500	290,500
Other Revenue & Reimbursement	7,258,454	15,079,412	22,987,031	20,353,619
Net Transfers	5,797,885	20,258,611	18,758,523	16,022,536
TOTAL	193,506,019	206,209,430	206,229,590	198,182,421
EXPENDITURES BY FUNCTION				
Legislative	522,093	496,587	505,664	489,165
Judicial	24,160,323	23,789,465	23,498,849	23,865,682
General Government	19,299,188	20,111,252	21,895,460	22,250,822
Public Safety	51,416,448	53,827,311	56,717,456	58,472,697
Public Works	1,174,281	1,100,452	919,005	925,532
Health	40,772,729	37,281,804	38,589,210	40,423,081
Social Services	41,214,230	36,978,012	33,020,782	28,291,839
Culture & Recreation	12,960,126	22,736,417	20,901,130	18,518,949
Other	(56,453)	2,929,834	(3,644,608)	(9,178,713)
Capital Outlay	4,530,262	4,862,470	3,354,463	3,480,069
Debt Service	10,231,164	10,152,505	10,472,179	10,643,298
TOTAL	206,224,391	214,266,108	206,229,590	198,182,421

VARIANCE ANALYSIS

Revenues

Taxes & Penalties: Decline in the economy and housing market leading to significant declines in property tax revenue for all funds as explained further in the Revenue Discussion section.

Federal, State & Local: Changes in revenues for many non-general fund (NGF) grants, including federal stimulus funding that is not expected to continue.

Fees & Services: Increase in police services contract price in the general fund (GF) and adjustments in fee schedules and collection efforts in all funds.

Other Revenue & Reimbursements: Use of Revenue Sharing Reserve Fund for transfer to GF as well as budgeted use of fund balance and contingencies within parks & recreation.

Expenditures

All: Decreases in personnel costs related to labor concessions for fringe benefit and salary reductions. The other category reflects the savings from anticipated labor modifications and attrition.

General Government: Increased cost for information and technology leased equipment and maintenance agreements.

Public Safety: Increases predominately due to rising personnel costs as well as an increase in operating costs related to the jail and police services contracts.

Social Services: Expenditure changes mirror federal revenues especially related to federal stimulus funding for weatherization and neighborhood stabilization programs.

Cultural & Recreation: Fluctuations are within the county's parks department in alignment with their master plan.

Here, the city shows an extra year of history, provides both an adopted and estimated column for the current year (even though only one is required), and includes the upcoming year projection (with the percent change from the prior year). An additional feature to this schedule is that the operating and capital budget components are broken out separately.

Composite Summary All Funds	FY09-10 Actual	FY10-11 Actual	% Change	FY11-12 Adopted	FY11-12 Estimated	% of Budget	% Change	FY12-13 Projected	% Change
BEGINNING FUND BALANCES	\$265,827,206	\$246,089,917	-7.4%	\$159,222,970	\$225,020,855	<<Actual	-8.6%	\$140,534,660	-37.5%
REVENUES									
Property Taxes	\$20,530,139	\$22,407,173	9.1%	\$22,805,500	\$19,993,830	87.7%	-10.8%	\$20,232,000	1.2%
Sales Taxes	12,103,859	14,367,058	18.6%	18,829,810	20,203,670	107.3%	40.7%	21,510,300	6.5%
Other Taxes	1,516,991	1,532,512	1.0%	1,570,000	1,559,600	99.3%	1.8%	1,610,000	3.2%
Operating Assessments	2,602,100	2,807,486	7.9%	2,846,400	2,835,490	99.6%	1.0%	2,973,750	4.9%
Capital Development Fees	2,148,265	2,271,459	5.7%	1,414,400	1,752,250	123.9%	-22.9%	1,346,400	-23.2%
Debt Assessments	13,484,420	11,747,071	-12.9%	13,299,300	12,106,840	91.0%	3.1%	11,932,300	-1.4%
License & Permit Fees	663,637	455,754	-31.3%	696,130	491,900	70.7%	7.9%	520,450	5.8%
Franchise Fees	2,376,234	2,636,148	10.9%	2,631,000	2,610,150	99.2%	-1.0%	2,671,000	2.3%
State Shared Taxes	2,124,319	2,970,723	39.8%	2,945,050	2,709,550	92.0%	-8.8%	2,711,390	0.1%
Other Grants	18,758,425	9,585,485	-42.8%	16,499,000	29,439,640	178.4%	207.1%	12,049,600	-59.1%
Current Charges	8,197,513	8,903,473	8.6%	8,223,200	7,460,480	90.7%	-16.2%	7,702,700	-3.2%
Enterprise Charges	49,813,488	50,079,338	0.5%	51,565,470	51,895,870	100.6%	3.6%	55,194,290	6.4%
Fines & Forfeitures	2,021,651	1,862,515	-7.9%	1,961,000	1,851,100	94.4%	-0.6%	1,903,000	2.8%
Use of Money & Property	2,999,571	1,909,468	-36.3%	1,822,150	1,071,600	58.8%	-43.9%	1,100,300	2.7%
Other Revenues	2,150,781	1,336,692	-37.9%	360,600	519,030	143.9%	-61.2%	471,080	-9.2%
Other Financing Sources	2,962,410	5,581,791	88.4%	27,497,520	16,359,870	59.5%	193.1%	2,647,000	-83.8%
Total Revenues	\$142,453,803	\$140,444,146	-1.4%	\$174,966,530	\$172,860,770	98.8%	23.1%	\$146,575,560	-15.2%
EXPENDITURES								FY12-13 Proposed	
Operating Budget									
Police	\$21,855,840	\$20,949,656	-4.1%	\$22,430,850	\$21,660,920	96.6%	3.4%	\$22,231,490	2.6%
Fire	14,516,586	14,058,389	-3.2%	15,227,710	15,084,590	99.1%	7.3%	15,229,200	1.0%
Public Works	42,706,879	45,069,979	5.5%	48,574,500	45,859,220	94.4%	1.8%	51,326,970	11.9%
Parks & Community Services	4,326,345	4,143,558	-4.2%	4,796,540	4,238,080	88.4%	2.3%	0	
Development Services	8,089,017	7,431,523	-7.9%	8,016,830	7,241,320	90.3%	-2.6%	7,402,570	2.2%
Gen Govt Agencies	3,940,862	3,718,984	-5.6%	3,920,480	3,711,490	94.7%	-0.2%	2,829,160	-23.8%
Recreation & Cultural Arts	0	0		0	0			3,390,070	
Administrative Services	5,558,289	5,386,889	-3.1%	5,868,590	5,751,730	98.0%		6,081,760	5.7%
Non-Departmental	5,093,768	4,871,944	-4.4%	5,071,850	5,291,990	104.3%	8.6%	5,471,480	3.4%
Budget Savings	0	0		(2,000,000)	0			(1,000,000)	
Total	\$106,067,586	\$105,630,921	-0.4%	\$111,907,350	\$108,839,340	97.3%	3.0%	\$112,962,700	3.8%
Capital Budget									
Govt Bldgs & Pub Saf Fac	\$596,578	\$918,509	54.0%	\$486,120	\$14,207,661	2922.7%	1446.8%	\$4,996,050	-64.8%
Traffic, Streets & Highways	10,613,826	10,321,866	-2.8%	18,445,370	33,845,967	183.5%	227.9%	8,100,100	-76.1%
Water & Sewer Improvements	7,152,304	8,226,272	15.0%	7,758,000	28,906,337	372.6%	251.4%	2,747,000	-90.5%
Drainage Improvements	1,409,582	87,998	-93.8%	43,000	1,065,053	2476.9%	1110.3%	340,500	-68.0%
Airport & Transit Improvements	3,365,657	903,483	-73.2%	1,775,000	8,735,372	379.5%	645.5%	1,431,000	-78.8%
Parks & Recreation Improvement	1,265,090	4,432,848	250.4%	11,738,400	18,194,255	155.0%	310.4%	2,472,000	-86.4%
Miscellaneous Projects	6,233,636	5,857,013	-6.0%	1,452,500	7,104,660	489.1%	21.3%	1,800,000	-74.7%
Total	\$30,636,673	\$30,747,989	0.4%	\$41,698,390	\$110,059,305	263.9%	257.9%	\$21,886,650	-80.1%
Debt Service	\$25,486,833	\$25,134,298	-1.4%	\$28,197,400	\$38,448,320	136.4%	53.0%	\$23,752,110	-38.2%
Total Expenditures	\$162,191,092	\$161,513,208	-0.4%	\$181,803,140	\$257,346,965	141.6%	59.3%	\$158,601,460	-38.4%
ENDING FUND BALANCES	\$246,089,917	\$225,020,855	-8.6%	\$152,386,360	\$140,534,660	92.2%	-37.5%	\$128,508,780	-8.6%

This schedule shows the second feature of the criterion that must be met (major funds must be presented). The general fund (which is a major fund) is presented by prior year actual, current year, and the upcoming budget year.

Additional helpful features in the schedule include the presentation of both the budget and projection for the current year (only one is required) and the breakout of the upcoming year budget by base and one-time charges.

CITY OF SUGAR LAND						
GENERAL FUND						
SUMMARY SCHEDULE OF REVENUES & EXPENDITURES						
	FY11	FY12	FY12	FY13	FY13	FY13
	Actual	Current Budget	Projection	Base Budget	One-Time Costs	FY13 Budget
Revenues						
Property Taxes	\$ 15,272,934	\$ 15,630,313	\$ 15,535,928	\$ 16,591,500	\$ -	\$ 16,591,500
Sales Tax	29,860,478	30,121,155	31,651,762	30,769,500	1,852,620	32,622,120
Other Taxes	5,167,022	5,223,000	5,229,324	5,366,188	-	5,366,188
Licenses & Permits	2,353,686	2,418,725	2,121,390	2,153,235	-	2,153,235
Charges for Services	2,927,718	3,303,886	3,201,415	3,148,496	27,400	3,175,896
Fines & Forfeitures	2,151,169	2,041,300	2,117,100	2,135,000	-	2,135,000
Other	811,336	370,016	467,800	330,816	-	330,816
Intergovernmental	495,549	367,316	396,028	-	35,000	35,000
Interest Income	135,940	188,000	188,000	155,700	-	155,700
Operating Revenues	59,175,833	59,663,711	60,908,746	60,650,435	1,915,020	62,565,455
Transfers In	2,780,073	4,052,850	4,004,744	3,683,834	642,950	4,326,784
Lease Proceeds	-	701,155	701,155	-	-	-
Non-operating Revenues	2,780,073	4,754,005	4,705,899	3,683,834	642,950	4,326,784
Total Revenues	61,955,906	64,417,716	65,614,645	64,334,269	2,557,970	66,892,239
Expenditures						
General Government	8,879,206	9,952,238	9,904,638	9,481,781	834,532	10,316,313
Fiscal Services	2,202,646	2,381,661	2,374,211	2,401,422	6,450	2,407,872
Public Works	8,238,477	8,754,198	8,754,198	8,841,034	-	8,841,034
Parks & Recreation	4,804,219	5,340,997	5,340,997	5,541,659	70,000	5,611,659
Community Development	4,310,765	4,717,775	4,749,280	4,753,612	37,610	4,791,222
Police Department	16,702,384	16,794,453	16,761,453	17,102,562	48,050	17,150,612
Fire Department	11,325,378	10,854,956	10,847,456	10,334,051	57,500	10,391,551
Departmental Expenditures	56,463,075	58,796,278	58,732,233	58,456,121	1,054,142	59,510,263
Transfers	3,587,098	7,818,467	7,297,488	2,737,966	2,680,252	5,418,218
Rebates & Assignments	2,549,308	2,856,814	2,916,222	2,199,990	915,339	3,115,329
Debt Service	449,091	492,877	492,877	492,877	-	492,877
Miscellaneous	569,409	328,060	239,260	53,091	297,600	350,691
Non-departmental Expenditures	7,154,906	11,496,218	10,945,847	5,483,924	3,893,191	9,377,116
Total Expenditures	63,617,981	70,292,496	69,678,080	63,940,045	4,947,333	68,887,379
Revenues Over/(Under) Expenditures	(1,662,075)	(5,874,780)	(4,063,435)	394,224	(2,389,363)	(1,995,140)
Fund Balance - Beginning	22,130,084	20,468,009	20,468,009	16,404,574		16,404,574
Fund Balance - Ending	\$ 20,468,009	\$ 14,593,229	\$ 16,404,574	\$ 16,798,798	\$ (2,389,363)	\$ 14,409,434
Ending Fund Balance- % of Operating Exp		26%	29%	29%		25%
Fund Balance - Requirement	13,761,173	14,121,157	14,056,019	14,283,732		14,304,470
Over / (Under) Policy	6,706,836	472,072	2,348,555	2,515,067		104,964

This schedule illustrates the third required feature of the criterion. Non-major funds may be presented individually or, as in this case, they may be aggregated. Additional features shown here include an explanation of the variance (with footnotes) and a list of the non-major funds.

Other Non Major Funds Financing Sources Summary*

	2010-2011 Budget	2010-2011 Actual	2011-2012 Budget	2012-2013 Budget	Explanation of Variance
Beginning Fund Balance	2,990,811	2,797,978	2,531,631	2,622,499	-
Revenues:					
Property Tax	197	-	-	-	
Other Taxes	-	-	-	-	
Licenses and Permits	206,878	61,315	221,150	70,225	4
Intergovernmental Revenues	70,010	69,368	78,122	74,425	
Charges for Services	-	-	-	-	
Fines And Forfeitures	-	-	-	-	
Franchise Fees	-	-	-	-	
System Development Charges	245,159	8,416	252,678	148,204	1
Transfers and Allocations	1,220,498	1,293,588	1,539,673	1,319,786	
Other Financing Sources	61,113	57,182	40,960	37,150	3
Total Revenue	4,794,666	4,287,847	4,664,214	4,272,289	
Expenditures:					
Personal Services	789,847	870,338	788,848	798,483	
Materials and Services	657,363	622,404	830,130	834,080	
Capital	219,607	152,279	270,000	-	2
Transfers	284,098	106,742	842,483	1,076,455	
Debt	45,772	4,462	4,400	4,200	
Other	-	-	-	-	
Total Expenditures	1,996,687	1,756,225	2,735,861	2,713,218	
Ending Fund Balance	2,797,979	2,531,622	1,928,353	1,559,071	

This summary includes the following non-major funds:

Internal Services Fund
 Building Fund
 Bonded Debt Fund
 Bancroft Fund
 9-1-1 Emergency Fund
 Fixed Asset Water Fund
 Fixed Asset Sewer Fund
 Fixed Asset Storm Fund
 Parks System Development Charge Fund
 Vehicle Replacement Fund

Non Major Funds tend to change from year to year based on expenditures.

Explanations of Variances:

1. Increase due to projected increase in SDC revenue due to Wal-Mart construction.
2. Construction of street improvements generate this increase.
3. Small increments in interest income and increased debt payoffs are anticipated this year.
4. Reduced construction is driving permit revenues down.

Fund Balance

#F5: Fund Balance (Mandatory) The document shall include projected changes in fund balances, as defined by the entity in the document, for appropriated governmental funds included in the budget presentation (fund equity if no governmental funds are included in the document).

- Criteria Location Guide Questions**
1. Does the document include the entity's definition of "fund balance" (or of "fund equity" if no governmental funds are included in the entity — frequently the noncapital portion of net assets)? Is the fund balance (equity) information presented for the budget year?
 2. Is there a schedule showing (1) beginning fund balances, (2) increases and decreases in total fund balances (reported separately), and (3) ending fund balances for appropriated governmental funds?
 3. Is this information presented at a minimum for each major fund and for nonmajor governmental funds in the aggregate?
 4. If fund balances of any major fund or the nonmajor funds in the aggregate are anticipated to increase or decline by more than 10 percent, does the document include a discussion of the causes and/or consequences of these changes in fund balance?
 5. If an entity has no governmental funds, is the change in the fund equity presented for (1) the entity as a whole, (2) the main operating fund, and (3) each significant fund?
 6. If an entity has no governmental funds and the fund equity of any significant fund or other funds in the aggregate is anticipated to change by more than 10 percent, does the document include a discussion of the causes and/or consequences of any change in fund equity that is greater than 10 percent in either a significant fund or other funds in the aggregate?
 7. For biennial budgets is the change in fund equity presented separately for both years of the biennium?

Explanation This criterion requires that beginning and ending fund balances, as defined by the entity in the budget document, be shown for the budget year, as well as revenues, expenditures, and other financing sources/uses. This information must be provided for each major fund and for the nonmajor governmental funds in the aggregate. The information may be included on the schedule(s) with the three-year data or may be presented on a separate schedule(s). Both the beginning and ending fund balances must be clearly labeled. If the entity budgets on a cash basis, the schedule may show beginning and ending cash rather than fund balance. If the fund balances of any major fund or the nonmajor funds in the aggregate are expected to change by more than 10 percent, the changes should be discussed in the budget message/transmittal letter or at the bottom of the schedules identifying the change. If the ending fund balances are greater than the amount or percentage that the financial policies require to be set aside, the entity is encouraged to state that fact. Changes in fund equities for entities with no governmental funds should be reported. Refer to GFOA's best practice on Appropriate Level of Unrestricted Fund Balance in the General Fund.

Chapter Overview *This criterion requires three items to be included: 1) the definition of fund balance or fund equity; 2) a schedule showing beginning fund balances, increases and decreases in total fund balances (reported separately), and ending fund balances for appropriated funds; and 3) a discussion of the causes and/or consequences of changes to fund balances or fund equity of any major fund or the non-major funds in the aggregate that are anticipated to exceed 10 percent, whether by increase or decrease.*

Helpful Hint

Discuss fund balance changes over 10 percent.

Fund balance refers to the difference between assets and liabilities. Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," the classifications of fund balance changed as shown in this example. The five classifications of fund balance are now non-spendable, restricted, committed, assigned, and unassigned.

ACCOUNTING CHANGES – GASB 54

The Government Accounting Standards Board (GASB) is the agency charged with establishing accounting standards for governments. GASB recently issued Statement 54 (GASB 54) which deals with two main areas: (1) Fund Balance Reporting and (2) Governmental Fund Type Definitions. GASB 54 is in effect for reporting periods after June 15, 2010.

FUND BALANCE REPORTING

Fund balance refers to the difference between assets and liabilities. Prior to GASB 54, there were two components to allocate fund balance: reserved and unreserved. Within unreserved fund balance, there were two sub components: designated and undesignated.

GASB 54 establishes an entirely new scheme for reporting fund balances. The new requirement establishes five different classifications of fund balance, summarized below. The City will be required to report these classifications in its annual audit.

- | | |
|-----------------|---|
| • Non-Spendable | Cannot be spent (legally restricted or in unspendable form) |
| • Restricted | Externally imposed (law, creditor, bond covenant) |
| • Committed | Constraints approved by City Council |
| • Assigned | Constrained by intent by City Council or by the City Manager or by a body to which City Council delegates the authority |
| • Unassigned | Available to spend, unrestricted |

A more detailed explanation of these five classifications is shown in this example. Here the entity uses non-technical language to help the reader understand why the classifications were changed.

WHAT IS FUND BALANCE?

Fund balance reflects the net financial resources of a fund – in other words, assets minus liabilities – in simpler terms, dollars available to spend. If some of the funds' resources are not available to spend, this would be indicated by "restricting" or "reserving" a portion of fund balance.

The Governmental Accounting Standards Board (GASB) Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions, is effective for fiscal years beginning after June 15, 2010. The objective of the statement is to improve the usefulness and understandability of governmental fund balance information. The statement provides clearly defined categories of fund balance to make the nature and extent of the constraints placed on a government's fund balance more transparent. The District has implemented GASB 54 for the fiscal year July 1, 2010 through June 30, 2011.

The newly adopted GASB 54 classifications of fund balance are as follows:

- **Nonspendable** – The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, *not in spendable form* means that an item is not expected to be converted to cash – examples include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale.
- **Restricted** – The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation.
- **Committed** – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority – the district school board. These amounts cannot be used for any other purpose unless the district school board removes or changes the specified use by taking the same action it employed to previously commit the amounts.
- **Assigned** – The portion of fund balance that is intended to be used for specific purposes, but is neither restricted or committed.
- **Unassigned** – The portion of fund balance that represents amounts that are not nonspendable, restricted, committed or assigned to specific purposes.

GASB 54 classification is only required for governmental funds. Therefore, no presentation is included on **Internal Services Fund or Agency Fund** – those balances are restricted by their individual purposes 100%.

Fund balance policy levels are typically set using the unrestricted balance (committed, assigned, and unassigned), and that policy (usually a percent of unrestricted fund balance/expenditures) is often compared against the budgeted percentage. The Government Finance Officers Association (GFOA) issued a best practice on this topic, "Appropriate Level of Unrestrictive Fund Balance in the General Fund."

Fund Balance (governmental funds)

Fund balance refers to the difference between current financial assets and liabilities reported in a governmental fund. Since all related assets and liabilities are not reported for governmental funds, fund balance is considered more of a liquidity measures than a net worth measure. Credit rating agencies monitor fund balance levels and strongly consider unrestricted fund balance when determining a local government’s creditworthiness. Fund balance is also important to guard against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. There are five types of fund balance:

Restricted

1. *Nonspendable (inherently nonspendable)* – resources that cannot be spent because of form (e.g. inventory, long-term loans receivable) or because they must be maintained intact (e.g. endowment principal).
2. *Restricted (externally enforceable limitations)* – resources with limitations imposed by creditors, grantors, laws, regulations, or enabling legislation.
 - Harvey Trust – There is appropriated \$35,320 from the Harvey Trust in the current year budget to fund various books, publications, and library materials.

Unrestricted

3. *Committed (self-imposed limitations)* – resources whose use is constrained by limitations that the governing body has imposed and remains binding until removed in the same manner.
 - Disaster/Emergency Reserve – City Council established a committed fund balance of 30% of annual budgeted expenditures per Resolution 2011-13 adopted August 16, 2011. The City currently exceeds this policy.

	Actual			Estimate	
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Unrestricted Fund Balance %	29.5%	40.3%	45.8%	31.9%	31.1%
Unrestricted Fund Balance \$	\$6,649,281	\$7,665,707	\$8,994,679	\$5,628,550	\$5,411,909

4. *Assigned (limitation resulting from intended use)* – resources whose use is constrained by a body or official designated by the governing body.

In addition to providing an analysis of its fund balance, this same city presents a budget analysis of working capital and net assets compared to policy. The GFOA best practice "Appropriate Levels of Working Capital in Enterprise Funds" offers guidance on this topic.

Working Capital (proprietary funds)

Working capital refers to the difference between current assets and current liabilities reported in a proprietary fund. This measure indicates relative liquidity. Credit rating agencies consider the availability of working capital in their evaluations of a local government's creditworthiness. Working capital is also important in mitigating unanticipated events and ensuring stable services and fees.

The City's target level of working capital is 90 days of annual operating expenses, and currently exceeds this level for all funds except for Golf. It is not feasible to project this measure.

	Actual		
	FY 2008	FY 2009	FY 2010
Utilities Fund	326	331	220
Sanitation Fund	194	195	259
Golf Fund	-88	-65	-61
Stormwater Fund	n/a	148	344

Net Assets (proprietary funds)

Net assets refers to the difference between assets and liabilities reported in a proprietary fund, and may be considered a measure of net worth. There are two types of net assets:

1. *Restricted* – funds committed for identified purposes or legally required to be segregated; not available to liquidate liabilities of the current period (e.g. debt service, impact fees).
2. *Unrestricted* – funds not required to be on hand and have not been identified for a particular purpose; available for capital projects or to balance the budget; the measure of financial health for an enterprise fund.

Note that a single expanded presentation that breaks out 1) revenues by type and expenditures by category, 2) beginning and ending fund balance, and 3) net change may fulfill two separate criteria of the Distinguished Budget Presentation Awards program (that is, F3 – consolidated financial schedule and F5 – fund balance). At a minimum, this data must be shown for the budget year and include each major governmental fund and non-major governmental funds in the aggregate for the fund balance criterion.

This example also explains major changes in fund balance.

2011 BUDGETED SOURCES AND USES OF FUNDS BY FUND TYPE

	General Fund	Special Revenue Funds	Debt Service Funds	Enterprise Funds	Internal Service Funds	Total All Funds
SOURCES OF FUNDS						
Taxes	\$43,430,166	\$19,458,783	\$0	\$1,796,450	\$0	\$64,685,399
Department Generated	10,824,280	15,845,260	538,212	3,238,477	6,700,923	37,147,152
Federal & State	10,695,687	48,945,386	0	20,558,921	0	80,199,994
Interfund Transfers	8,968,041	24,515,699	2,065,733	600	24,889,252	60,439,325
TOTAL FINANCIAL RESOURCES	\$73,918,174	\$108,765,128	\$2,603,945	\$25,594,448	\$31,590,175	\$242,471,870
USE OF FUNDS						
Expenditure Control	\$0	\$25,621,422	\$0	\$20,086,880	\$0	\$45,708,302
Personnel Services	37,458,452	39,519,471	0	1,064,312	23,586,654	101,628,889
Controllable Expenses	13,056,532	35,624,378	0	1,343,055	4,134,896	54,158,861
Non-Controllable Expenses	2,817,666	2,165,112	0	146,276	1,254,591	6,383,645
Capital Outlay	211,951	18,300	0	200,740	206,825	637,816
Debt Service	0	0	2,603,945	286,088	31,425	2,921,458
Transfers to Other Funds	21,373,573	11,600,797	0	2,541,300	2,321,484	37,837,154
TOTAL FINANCIAL USES	\$74,918,174	\$114,549,480	\$2,603,945	\$25,668,651	\$31,535,875	\$249,276,125
Net Increase (Decrease) in Fund Balance	(\$1,000,000)	(\$5,784,352)	\$0	(\$74,203)	\$54,300	(\$6,804,255)
Beginning Unreserved Fund Balance	8,946,256	26,071,020	162,935	27,630,213	4,265,549	65,279,649
Ending Unreserved Fund Balance	\$7,946,256	\$20,286,668	\$162,935	\$27,556,010	\$4,319,849	\$58,475,394

Some major changes in fund balance are projected in the following funds:

The General Fund is projected to use \$1,000,000 in fund balance in 2011. With the County's healthy unreserved fund balance, this amount is used to balance the budget without making further reductions. However, it is hoped that by the close of 2011, this amount will not actually be drawn down, due to salary attrition and other budget surpluses.

The Potter Park and Potter Park Zoo fund (a special revenue fund) is projected to add about \$300,000 in fund balance in 2011. These funds will be used for future major capital projects at the zoo.

The Juvenile Justice Millage Fund (a special revenue fund) is projected to use around \$700,000 in fund balance in 2011. These funds will be used for operational expenses. 2011 will be the third full year in which the Ingham County Family Center is operational. So far, this and other new programming put into place in the last few years has reduced out of home placement costs, which has reduced the cost of programming paid from the Juvenile Justice Millage Fund. It is expected that this trend will continue and eventually bring current year revenues in line with current year expenditures.

The Health Fund (a special revenue fund) is projected to draw down \$325,000 from fund balance in 2011. There is approximately \$1.2 million currently reserved in the Health Fund for expansion of the Ingham Health Plan. This fund balance will be reduced by \$325,000 as the first part of a three-phase draw down. It will be necessary for the Ingham Health Plan Corporation to evaluate the effect of the 2010 Patient Protection and Affordable Care Act on the delivery of their services in Ingham County.

The Revenue Sharing Reserve Fund (a special revenue fund) is projected to draw down around \$5.2 million from fund balance in 2011. In 2005, counties in Michigan began the three year phase in of collecting property taxes in June, rather than December. 1/3 of each year's tax collection for 2005, 2006 and 2007 were transferred to the revenue sharing reserve fund. These funds are now being used to replace the revenue sharing payments which have been suspended by the state until the Revenue Sharing Reserve fund is depleted. This final transfer will deplete the fund in 2011. The 2011 budget assumes that revenue sharing will be restored to Ingham County in the fourth quarter of 2011, which will be the first quarter of the state's 2011-2012 budget year.

This schedule is similar to the prior example, but it presents more funds and greater detail of expenditure categories.

Marathon County Consolidated Revenues and Expenditures by Category 2012 Adopted Budget									
	General Fund	Social Improvement	Debt Service	Capital Improvements	Enterprise	Internal	Discretely Presented Component Units	Agency Fund	All Funds
Beginning Fund Equity Expected 12/31/11	46,153,070	1,539,712	1,526,376	13,039,478	60,271,432	16,442,365	36,193,333	-	175,165,766
Revenues									
Taxes	39,936,393	7,429,468	1,675,150	-	8,543,693	-	-	-	57,584,704
Intergovernmental Grants & Aid	9,720,169	8,301,580	-	-	3,365,247	-	881,387	4,954,068	27,222,451
Licenses & Permits	281,450	-	-	-	10,000	-	-	-	291,450
Fines Forfeits & Penalties	681,480	-	-	-	-	-	-	-	681,480
Public Charges for Services	4,718,676	728,600	100,000	-	2,717,679	33,000	3,104,450	50,200	11,452,605
Intergovernmental Chrg for Service	1,484,265	-	-	-	11,694,183	881,819	3,577,608	941,898	18,575,773
Miscellaneous Revenue	1,165,882	233,087	-	-	760,000	12,957,960	339,345	643,190	16,099,464
Other Financing Sources	1,780,999	-	-	4,883,932	-	-	-	145,487	6,810,418
Revenue Subtotal	59,769,314	16,692,735	1,775,150	4,883,932	27,090,802	13,872,779	7,902,790	6,734,843	138,722,345
Fund balance applied	3,592,674	1,291,258	-	-	1,043,698	3,362,891	1,283,343	-	10,573,864
Total Sources	63,361,988	17,983,993	1,775,150	4,883,932	28,134,500	17,235,670	9,186,133	6,734,843	149,296,209
Expenditures									
Personal Services	\$ 33,398,995	7,700,740	-	-	10,634,806	1,541,457	4,813,530	4,164,851	62,254,379
Contractual Services	8,928,159	520,719	-	-	2,590,485	556,589	1,669,362	1,526,915	15,792,229
Supplies & Expense	3,304,260	239,637	-	-	3,009,617	50,000	1,073,257	458,212	8,134,983
Building Materials	161,985	-	-	-	6,604,354	-	34,000	-	6,800,339
Fixed Charges	721,887	283,209	-	-	3,636,229	14,280,124	68,300	283,642	19,273,391
Debt Service	-	-	1,775,150	-	-	-	737,250	-	2,512,400
Grants, Contributions & Other	10,871,176	7,948,430	-	-	-	-	-	108,736	18,928,342
Capital Outlay	955,352	-	-	4,530,275	1,297,086	2,500	206,448	42,000	7,033,661
Other Financing Uses	5,020,174	1,291,258	-	353,657	361,923	805,000	583,986	150,487	8,566,485
Expenditure Subtotal	\$ 63,361,988	17,983,993	1,775,150	4,883,932	28,134,500	17,235,670	9,186,133	6,734,843	149,296,209
Total Uses	\$ 63,361,988	17,983,993	1,775,150	4,883,932	28,134,500	17,235,670	9,186,133	6,734,843	149,296,209
Ending Fund Equity Expected 12/31/12	\$ 42,560,396	248,454	1,526,376	13,039,478	59,227,734	13,079,474	34,909,990	-	164,591,902

Major changes in fund balance, which is the difference between the fund assets and fund liabilities for the government funds, is primarily due to the application of prior year fund balance to finance 2012 Capital Projects, \$3.6 million of the general fund balance and \$1.3 million of the social improvement fund balance are financing the 2012 CIP projects as described in Section J of this book.

The explanation of changes in fund balance greater than 10 percent can be presented on the same page as the financial schedule or on the adjacent page.

Change in Ending Fund Balance
2012 Budget Compared to 2011 Projected

	2011 Projected Ending Fund Balance	2012 Proposed Ending Fund Balance	Change in Fund Balance	%
General Fund	\$ 5,811,442	\$ 4,472,768	\$ (1,338,674)	(23%)
Street Fund	716,457	555,698	(160,759)	(22%)
Revenue Stabilization Fund	4,925,357	4,925,357	-	0%
Property Tax Equalization Fund	787,000	1,185,000	398,000	
Code Abatement Fund	149,218	129,768	(19,450)	(13%)
State Drug Enforcement Forfeiture Fund	3,202	3,202	-	0%
Federal Drug Enforcement Forfeiture Fund	5,226	5,226	-	0%
Federal Criminal Forfeiture Fund	254,302	72,302	(182,000)	(72%)
Public Art Fund	286,698	251,548	(35,150)	(12%)
General Obligation Bond Fund	257,177	262,127	4,950	2%
Limited Tax General Obligation Bond Fund	300	300	-	0%
General Capital Fund	1,882,171	1,093,114	(789,057)	(42%)
City Facility -Major Maintenance Fund	124,917	229,774	104,857	84%
Roads Capital Fund	1,694,613	577,209	(1,117,404)	(66%)
Surface Water Utility Fund	2,582,816	1,188,825	(1,393,991)	(54%)
Vehicle Operations Fund	47,588	32,588	(15,000)	(32%)
Equipment Replacement Fund	1,803,155	2,014,809	211,654	12%
Unemployment Fund	31,036	9,272	(21,764)	(70%)
	\$ 21,362,675	\$ 17,008,887	\$ (4,353,788)	(20%)

Explanation of Changes in Fund Balance Greater Than 10%

General Fund - The 2012 ending fund balance is \$1,338,674 less than the projected 2011 ending fund balance. Available fund balance is being used for the General Fund contingency of \$550,000, the Insurance Reserve of \$255,000, \$500,000 is being used to fund one-time sidewalk improvements, and \$33,674 is being used to support a portion of supplemental requests.

Street Fund - The 2012 ending fund balance is \$160,759 less than the projected 2011 fund balance. Fund balance totaling \$100,418 is being used for the replacement of a dump truck to be used in the street maintenance program. The remaining \$60,341 is being used to offset the loss of \$45,015 in motor vehicle funds and increased operating costs.

Code Abatement Fund - The 2012 ending fund balance is \$19,450 less than the projected 2011 fund balance. Accumulated funds from prior years are being appropriated to meet 2012 expenditure needs.

Federal Criminal Forfeiture Fund - The 2012 ending balance is \$182,000 less than the projected 2011 ending balance. Funds are required to be used within two years of receipt. Fund balance will be used for a site study for a new police station.

Public Art Fund - The 2012 ending balance is \$35,150 less than the projected 2011 ending balance. As capital projects have been constructed, funds have been accumulating in this fund. During 2012, work will continue on several public arts projects using the accumulated balance.

General Capital Fund - The 2012 ending balance is \$789,057 less than the projected 2011 ending balance. The remaining bond proceeds totaling \$457,332 will be used to complete the open space and park improvement projects that were included in the 2006 parks bond issue. Fund balance that has accumulated in past years will be used to support various capital projects.

City Facility - Major Maintenance Fund - The 2012 ending fund balance is \$104,857 greater than the 2011 projected ending balance as funds accumulate to be used for capital projects in future years.

Roads Capital Fund - The 2012 ending fund balance is \$1,117,404 less than the projected 2011 ending fund balance. Accumulated funds will be used for the Aurora Avenue Improvements project.

Surface Water Utility Fund - The 2012 ending fund balance is \$1,393,991 less than the projected 2011 ending fund balance. Fund balance of \$1,193,409 will be used to complete numerous flood protection, water quality improvements and stream rehabilitation projects. Fund balance of \$200,582 will be used to support a variety of items including a portion of a GIS aerial survey, the purchase of the replacement of a dump truck, asset management software, and a new vehicle.

Vehicle Operations Fund - The 2012 ending fund balance is \$15,000 less than the projected 2011 ending fund balance. These funds will be used as a contingency for increases in fuel and repair costs.

Equipment Replacement Fund - The 2012 ending fund balance is \$211,654 more than the projected 2011 ending fund balance as funds accumulate to be used for equipment purchases in future years.

Unemployment Fund - The 2012 ending fund balance is \$21,764 less than the projected 2011 ending fund balance. Accumulated fund balance will be used for increased costs related to unemployment claims.

Sometimes, governments provide the fund explanation changes by grouping the individual fund balance schedule with the corresponding text.

Analysis of Significant Changes In Anticipated Fund Balance

The following analysis focuses on available fund balances of County major funds anticipated to increase or decrease by 10% or more.

GENERAL FUND

	Anticipated FY08 Beginning Balance	Anticipated FY08 Ending Balance	Increase (Decrease)	Percent Change
Unreserved/Undesignated Fund Balance	\$ 1,920,833	\$ -	\$ (1,920,833)	-100%

Discussion:

It is the County's practice to use unreserved, undesignated fund balance for capital expenditures or other one-time expenditures in fiscal years beginning after the fund balance is earned. This practice ensures that most routine capital expenditures can be funded on a pay-as-you-go basis as opposed to through the issuance of debt. The fact that the County's unreserved, undesignated fund balance is projected to decrease by 100% means that the County has appropriated all funds not designated or reserved for another purpose. It should be noted that the County has designated \$1,714,000 (5% of general fund budgeted revenue) for cash flow or emergency use which is not subject to appropriation.

CONSOLIDATED EMERGENCY MEDICAL SERVICES (EMS) FUND

	Anticipated FY08 Beginning Balance	Anticipated FY08 Ending Balance	Increase (Decrease)	Percent Change
Unreserved/Undesignated Fund Balance	\$ 582,994	\$ 452,694	\$ (130,300)	-22%

Discussion:

In fiscal year 2006, the County consolidated four different special revenue funds used to account for district EMS services. This consolidation included the transfer of all residual fund balances from the four discontinued funds to the newly created Consolidated EMS Fund. The Consolidated EMS Fund is funded primarily from a special property tax which is commonly referred to as the EMS tax. Past practice has been to set this tax rate at the amount needed to fund the cost of EMS operations; however, because the residual fund balances transferred to this fund were significant, the current tax rate has been set slightly below the amount needed thereby using the available fund balance. From a long-term perspective, this fund has sufficient resources to allow this to continue until fiscal year 2010 at which time an EMS tax increase would be warranted. This forecast assumes there will be no significant changes in the service level.

SCHOOL DEBT SERVICE FUND

	Anticipated FY08 Beginning Balance	Anticipated FY08 Ending Balance	Increase (Decrease)	Percent Change
Unreserved/Undesignated Fund Balance	\$ 1,616,535	\$ 1,142,053	\$ (474,482)	-29%

Discussion:

In fiscal year 2003, the County and School Board launched Phase 2 of the School Construction Program. Success of this program was dependent on a number of debt issuances beginning in fiscal year 2003 and concluding in fiscal year 2006. At the inception of the program, the special property tax levied for school debt service was increased in order to fund future school debt service costs. The remaining debt service cost was funded by utilizing fund balance which is forecast to continue to decrease to a low of approximately \$179,000 in fiscal year 2013.

LANDFILL FUND

	Anticipated FY08 Beginning Balance	Anticipated FY08 Ending Balance	Increase (Decrease)	Percent Change
Unreserved/Undesignated Fund Balance	\$ 1,553,490	\$ 2,480,156	\$ 926,666	60%

Discussion:

The County operates two landfills strategically located at the Northern and Southern ends of the County. The South landfill is anticipated to stop accepting waste in fiscal year 2012 while Cell 2 of the North Landfill is expected to stop accepting waste in fiscal year 2017. State and federal laws require the County to place a final cover on each landfill once it stops accepting waste. These laws also require that the County perform certain maintenance and monitoring of each landfill for thirty years after closure. The cost of closure and post-closure costs associated with these landfills is estimated at approximately \$8.7 million dollars. The County expects to fund these costs primarily from user fees over the remaining life of the landfills. Fund balance is expected to increase each year as the County accumulates funding for closure and post-closure costs. It is projected to reach a high of approximately \$6.8 million in FY2012 in time to fund the closure of the South Landfill.

While the focus of the projected changes in fund balance is on the upcoming budget year, some governments include historical trends as well.

Projected Changes in Fund Balance

Fund	Year	Fund Balance		Revenues	Expenditures	Fund Balance December 31	Increase / (Decrease)	% Change in Fund Balance	Reason for Greater than 10 Percent Variance
		January 1	December 31						
General Fund	2010	\$ 20,591,209	\$ 20,943,489	\$ 38,147,677	\$ 37,795,397	\$ 20,943,489	352,280	1.7%	
	2011	20,943,489	19,599,892	35,550,716	36,894,313	19,599,892	(1,343,597)	(6.4%)	
	2012	19,599,892	18,916,337	37,661,619	38,345,174	18,916,337	(683,555)	(3.5%)	
	2013	18,916,337	18,232,782	38,706,030	39,389,585	18,232,782	(683,555)	(3.6%)	
Debt Service	2010	-	-	3,430,724	3,430,724	-	-	0.0%	
	2011	-	-	3,430,724	3,430,724	-	-	0.0%	
	2012	-	-	3,031,100	3,031,100	-	-	0.0%	
	2013	-	-	3,406,100	3,406,100	-	-	0.0%	
Capital Projects:									
Capital Improvement/ Maintenance	2010	6,358,558	6,706,481	2,675,684	2,327,761	6,706,481	347,923	5.5%	
	2011	6,706,481	5,881,006	1,319,525	2,145,000	5,881,006	(825,475)	(12.3%)	Planned use of fund balance
	2012	5,881,006	4,445,006	1,214,000	2,650,000	4,445,006	(1,436,000)	(24.4%)	Planned use of fund balance
	2013	4,445,006	2,460,017	1,370,011	3,355,000	2,460,017	(1,984,989)	(44.7%)	Planned use of fund balance
Capital Improvement/ Pavement Management	2010	1,453,509	1,527,006	1,649,615	1,576,118	1,527,006	73,497	5.1%	
	2011	1,527,006	1,527,006	1,655,000	1,655,000	1,527,006	-	0.0%	
	2012	1,527,006	1,527,006	1,740,000	1,740,000	1,527,006	-	0.0%	
	2013	1,527,006	1,527,006	1,825,000	1,825,000	1,527,006	-	0.0%	
Capital Improvement/ Trails	2010	130,206	23,611	213,290	319,885	23,611	(106,595)	(81.9%)	Expenditures fluctuate annually
	2011	23,611	23,611	220,000	220,000	23,611	-	0.0%	
	2012	23,611	23,611	230,000	230,000	23,611	-	0.0%	
	2013	23,611	23,611	240,000	240,000	23,611	-	0.0%	

Revenues

#F6: Revenues (Mandatory) The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends.

- Criteria Location Guide Questions**
1. Are individual revenue sources described?
 2. Do the revenue sources that are described represent at least 75 percent of the total revenues of all appropriated funds?
 3. Are the methods used to estimate revenues for the budget year described (e.g., trend analysis, estimates from another government or consulting firm)?
 4. If revenues are projected based on trend information, are both those trends and the underlying assumptions adequately described?

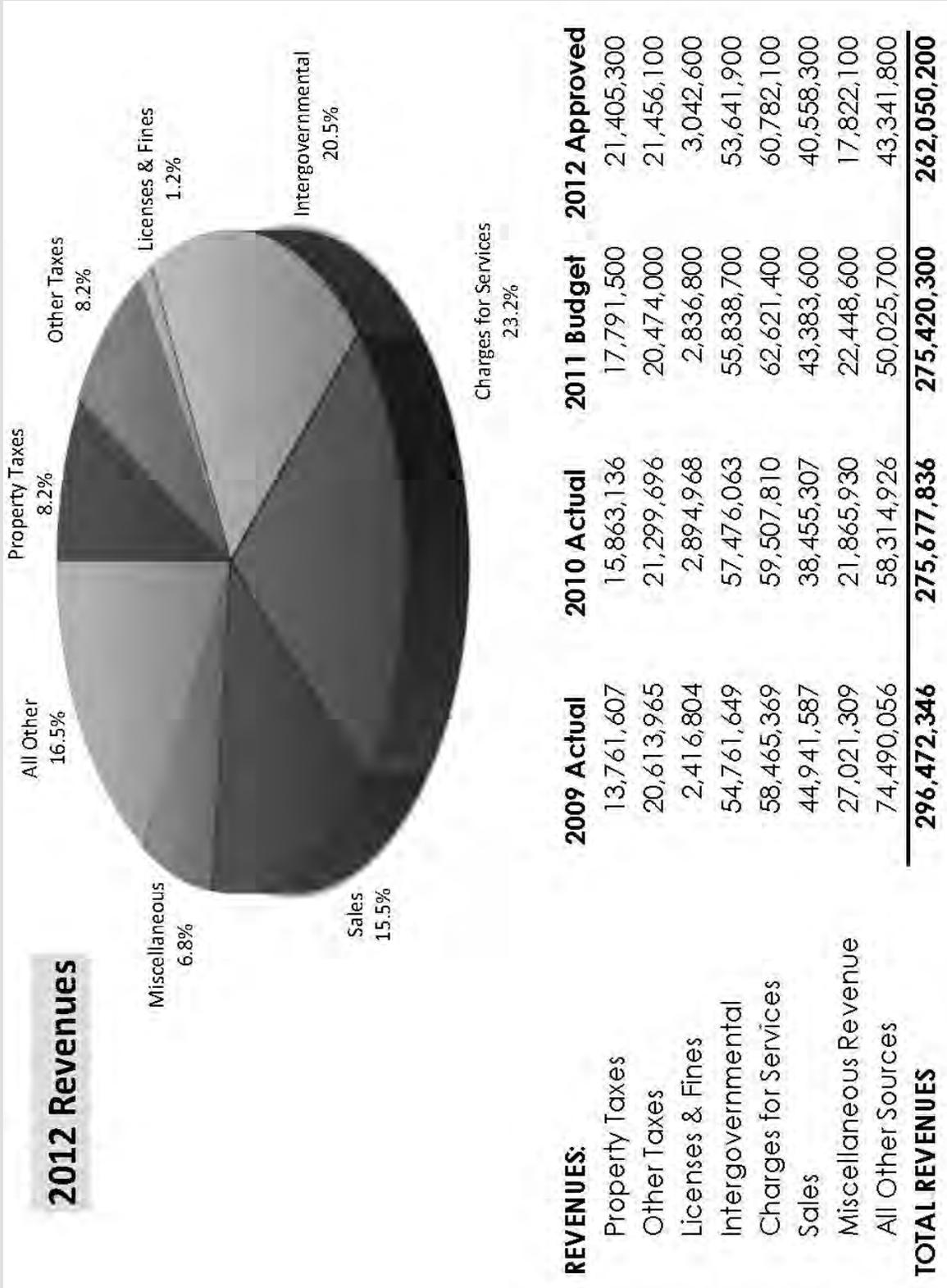
Explanation This criterion requires that the major revenues of the appropriated funds in the aggregate be identified and described. If an outside source (e.g., another government or consulting firm) provides an estimate of the revenue for the budget year, that fact must be clearly stated. If the entity uses trend analysis to project particular revenue, a discussion of the revenue trend is required in addition to any schedules or graphs depicting the revenue trend. If the projections are based on trend analysis, the discussion must identify factors that affect the trend, such as changes in the local economy, a new housing development, or fee increases. Do not just focus on general fund revenues. Refer to GFOA's best practice on (1) Financial Forecasting in the Budget Preparation Process and (2) The Use of Trend Data and Comparative Data for Financial Analysis.

Chapter Overview *This criterion requires including a description of revenue sources which make up at least 75 percent of the budget. Methodology, trends, and assumptions should also be covered.*

Helpful Hint

Trend graphs can be useful in revenue analysis.

A good way to begin the revenue section is by including a pie chart that shows the various components of revenue. By showing the percentage value of revenues in the pie chart, the reader can easily discern the relative size of each component. The individual categories can be further broken down with trend information presented in chart form, as shown here.



At least 75 percent of the revenue sources should be identified and described. The summary table in this example exceeds that 75 percent threshold. The revenue source, fund type, percent of total revenue, and dollar amount are all presented.

Revenue forecasting is a practice that the Finance Department adopted in 2006. This process is done by looking at individual revenues over time to get an idea of where they could be expected to migrate over the next five years. The forecast is also based on the economic forecast for the next year. The revenue forecast is completed by establishing a historic forecast and comparing that to a linear regression forecast. These two models are compared and the most realistic model is used.

There are times when unexpected events happen and revenues fall short, or expenditures are greater than expected. In order to counter this, the City budgets revenue conservatively as well as expenditures. Revenues are budgeted slightly lower than the forecasted amount and expenditures are slightly increased over what they are expected to be. It should be said that the slight increase in expenditures and decrease in revenues is less than ten percent.

The table to the right lists the top 77.60% of all revenue sources in the adopted budget, along with their budgeted dollar amounts. The matrix on the following few pages (entitled Total Revenue Sources) show the entire amount of revenue generated in the City per fund type. These tables also list six years of history for each revenue source and four years of revenue projections based on trend analysis.

The revenue sources are broken down by line item for the General Fund, but are left as entire funds for every other fund type. This is due to the vast amount of revenue sources within the General Fund.

Source	Fund Type	% of Total Revenue	Request 2012
P.A.R.C. Grant	Special Revenue	12.85%	\$4,758,750
Water O&M	Enterprise	11.14%	\$4,127,250
Motor Fuel Tax	Special Revenue	9.98%	\$3,696,201
Property Tax	General	6.71%	\$2,486,500
Sewer O&M	Enterprise	6.54%	\$2,422,500
Sales Tax	General	5.91%	\$2,190,000
A.R.R.A	Special Revenue	5.40%	\$2,000,000
Health Insurance	Special Revenue	4.76%	\$1,763,400
Illinois Income Tax	General	4.31%	\$1,596,000
Airport	Special Revenue	2.85%	\$1,054,760
Police Pension	Fiduciary	2.65%	\$981,929
Water Bond & Interest	Enterprise	2.25%	\$834,215
Utility Tax	General	2.24%	\$830,000
Fire Pension	Fiduciary	2.12%	\$785,072
Total:			\$28,741,505

After providing a broad overview of revenues, a more detailed analysis of the individual categories may follow. Property or sales tax is often the largest revenue source. The description of taxes often includes the rates and any statutory limitations on usage.

GENERAL TAXING AUTHORITY

Taxes make up approximately 82% of the General Government revenue budget. Most of the tax is in the form of property, sales, B & O, and utility taxes.

Several of the City's tax rates including, sales, leasehold, cable TV/franchise fees, hotel/motel, and real estate excise are at the state statutory maximum. Increased capacity remains within the following: B & O, utility, gambling, admissions and Payment in Lieu of Tax (PILOT) taxes. Additionally, state legislation places a 1% annual revenue growth limitation on property taxes. Any additional property tax increase requires a vote. The city currently does not place a utility tax on garbage or cable, both of which are not statutorily limited.

Major Tax Source	2012 Rate	2012 Budget	Maximum Rate	Remaining Taxing Capacity (Rate)	Remaining Taxing Capacity (in dollars)
Property Tax					
- Regular	\$2.924	\$32,756,532	N/A	N/A	N/A
- Special	\$0.500	\$6,181,722	N/A	N/A	N/A
Sales Tax					
- Regular	0.85%	\$22,012,000	0.85%	0.00%	\$0
- Criminal Justice (A)	0.10%	\$1,365,000	0.10%	0.00%	\$0
- Transit	0.60%	\$15,614,118	0.90%	0.30%	\$7,807,059
Business & Occupation Tax					
- Regular (E)	0.10%	\$18,086,872	0.20%	0.10%	\$18,086,872
Utility Tax					
- Telephone	4.50%	\$3,041,828	6.00%	1.50%	\$1,013,943
- Natural Gas	4.50%	\$1,397,300	6.00%	1.50%	\$465,767
- Electricity	4.50%	\$5,602,683	6.00%	1.50%	\$1,867,561
- Brokered Natural Gas	4.50%	\$909,000	6.00%	1.50%	\$303,000
- Cable	0.00%	\$0	(D)		
- Solid Waste/Garbage	0.00%	\$0	(D)		
Leasehold Tax	4.00%	\$425,006	4.00%	0.00%	\$0
Gambling Tax					
- Bingo & Raffles	3.50%	\$698	5.00%	1.50%	\$299
- Amusement Games	2.00%	\$729	2.00%	0.00%	\$0
- Punch Brds/Pull Tabs	4.00%	\$270,000	5.00%	1.00%	\$67,500
- Card Rooms (C)	10.00%	\$0	20.00%	10.00%	\$0
PILOT					
- Utilities (Water, Sewer, Stormwater)	6.00%	\$3,810,000	(B)	(B)	(B)
- Transit	6.00%	\$164,763	(B)	(B)	(B)
Cable TV Franchise Fee	5.00%	\$1,278,179	5.00%	0.00%	\$0
Admissions Tax					
- Golf	4.00%	\$104,729	5.00%	1.00%	\$26,182
- Other Amusement	5.00%	\$335,303	5.00%	0.00%	\$0
Hotel/Motel Tax	2.00%	\$280,500	2.00%	0.00%	\$0
Real Estate Excise Tax					
- 1st Quarter (CIP 2)	0.25%	\$800,000	0.25%	0.00%	\$0
- 2nd Quarter (CIP 3)	0.25%	\$800,000	0.25%	0.00%	\$0

(A) City levies tax, County distributes

(B) Payment In Lieu of Tax (PILOT) rate determined by City Council

(C) Player funded banked card games taxed at 5%

(D) Not statutorily limited

(E) Does not reflect reduction related to Boeing Agreement limiting rate to .10% until 2023

Intergovernmental grants are an often overlooked revenue category. The level of detail may vary depending upon the relative dollar amount of the category and the availability of supporting information.

FEDERAL AND STATE AID

Local governments depend on state and federal aid to supplement their property tax and other revenue sources. The estimated allocations to Plainville are based on the state's publication Estimates of State Formula Aid to Municipalities: Fiscal Year 2007-2008, Fiscal Year 2008-2009, and Fiscal Year 2009-2010 originally distributed by the State of Connecticut Office of Policy and Management in February 2008 and updated in August 2008. The budgeted grant amounts for fiscal year 2008-2009 reflects estimates provided by the State in February 2008 and the Governor's Budget. The estimated grant amounts for fiscal year 2009-2010 are based on estimates provided by the State in February 2009, and the Governor's Proposed Budget.

Listed below are the State of Connecticut statutory formula grants to be paid to the Town of Plainville.

Federal and State Grants	Actual Grant Amount Received 2007-2008	Budgeted Grant Amount 2008-2009	Estimated Grant Amount 2009-2010
Special ed AP I grant	\$ 126,069	\$ -	\$ -
Special ed excess cost grant	328,987	200,000	200,000
Education cost sharing grant	9,616,564	10,161,853	10,161,853
School transportation grant	400,326	419,172	390,036
School construction grant - prin	613,520	417,352	308,242
School construction grant - int	101,987	69,506	40,473
PILOT - State property	451	486	416
Education services for the blind	17,267	25,000	23,000
PILOT - veteran's exemption	20,112	20,112	21,000
PILOT - elderly freeze	8,490	8,490	8,000
PILOT - elderly circuit breaker	159,893	159,893	158,000
Boat registration fees	4,889	4,889	4,889
PILOT - totally disabled	3,264	3,264	3,400
PILOT - machinery & equipment	554,164	535,300	600,000
Plane registration	8,400	8,150	7,100
Pequot grant	152,389	152,899	87,118
Youth services grant	30,373	24,714	23,000
Misc. State grants	13,220	8,700	10,000
Telecommunications	95,018	50,000	50,000
LoCIP	125,889	129,836	128,828
Total Federal and State Grants	\$ 12,381,272	\$ 12,399,616	\$ 12,225,355

It is important to make a direct connection between economic activity and revenue projections. A slower economy puts downward pressure on revenues and affects forecasts accordingly. On the other hand, a stronger economy should lift revenues.

The Economy and Forest Park How Economic Factors Affect Revenues and Expenditures

Revenues				
	Inflation	Interest Rates	Unemployment	Fund Balance (Cash Balances)
Residential Property Tax	Residential home values are driven upward by inflation, and city revenues increase with every reassessment. However, these increases are offset to a certain degree by property tax reduction factors.	The level of interest rates influences home buyers and property tax revenues. High rates dampen home construction and sales, holding revenues down. Low interest rates spur construction and sales, increasing the number of homes and their value. The end result of low rates is higher revenues with every reassessment.	Unemployment and the level of cash balances do not directly impact residential property tax revenues, except that delinquencies may increase if unemployment is high.	The level of cash balances does not directly affect residential property tax revenues.
Commercial Property Tax	As with residential homes, business property values are pushed upward by inflation, and city revenues increase with every reassessment of property.	Interest rates affect the level of investment and business property values. High rates slow investment and keep values and property tax revenues stagnant. Low rates spur investment, raise business property values, and increase city revenues.	Unemployment lowers business property values as businesses close.	The level of cash balances does not directly affect business property tax revenues.
Investment Income	High inflation rates are generally concurrent with high interest rates, and investment income normally rises during inflationary periods.	The level of interest rates is a major factor for investment income. Rates increase earnings on the city's investments and raise revenues, while low rates keep investment income down.	Unemployment does not directly affect investment income.	A large cash balance increases investment income by having more reserves to invest. A minimal cash balance limits investment income.

Some governments use outside resources such as economists, consultants, or local universities to assist in the revenue forecasting process. Forecasters use many different types of methodologies, such as regression analysis and moving averages. The government should identify the methodology used and make sure the analysis is not too detailed or technical.

Revenue Forecasting Methodology

The University of Memphis forecasters independently prepare quarterly reports of major revenue updates and forecasts for use in the internal decision-making done in the City of Memphis Finance Department. The forecasts have two areas of focus: forecasts for the current fiscal year's end-of-year revenues and forecasts for the next fiscal year and for each year out for ten years.

A team of three Ph.D. economists report on current economic trends that influence the City of Memphis. National, state and local economic indicators receive full discussion in both an oral presentation and written documents. These perspectives are essential for the finance department to understand and respond to a second area of focus. In the second part of the report, the team prepares numerical forecasts for the current fiscal year's end-of-year revenues, for the next fiscal year, and for each year out for ten years.

The forecasts are for more than fifty revenue variables, including total revenue for the city's general fund, subgroups of revenue sources, and individual revenue sources. The format of the forecast involves a median forecast as the single most likely value and a high/low range to indicate the degree of uncertainty. Also, for the most important single revenue sources and for total revenue, there is a more detailed risk analysis. This involves developing a downside risk assessment expressed as the probability that revenues will be at or below important levels.

The smallest revenue sources are forecasted with auto regressive, integrated, moving average models estimated with monthly or annual data that extends back to 1968 in some cases. Major revenue sources get forecasts from at least two alternative statistical models. For some variables, seasonal patterns are so reliable that end-of-year totals are accurately predicted from year-to-date data used in some of the quarterly updates. For longer-term forecasts, entirely different models are necessary.

For some of the revenue sources, national and regional economic indicators are useful to add to short and long term forecast accuracy. These statistical models are combinations of auto regressive, integrated, moving average (ARIMA) modeling and regression analysis. Although some series are estimated with single equation models, others have simultaneous equation models.

Stochastic simulations of the short- and long-term models generate empirical estimates of the probability distributions for the revenue sources. These distributions are reported both for the current fiscal year and the next fiscal year. These simulation results are used to report the high/low ranges for the revenue sources and the detailed risk analyses. The high/low range end points are defined to cover the middle 50 percent of the estimated distributions for the forecasted variables. They are, in fact, the first and third quartiles that surround the median forecast. These intervals are reported for detailed lists of revenue sources, for subcategories of the general fund, and for total revenue.

The simulation results are the basis for more detailed risk analysis of total revenue, the property tax, and the sales tax. These risk reports give the quartiles and median, plus all the deciles. For example, the first decile in the forecast distribution for total revenue is the level of revenue such that there is a 10 percent probability that revenue will be at or below that level. In addition, the risk analysis estimates the probability that revenues will be at or below key levels, such as the previous year's level and the level anticipated in the operating budget. This risk analysis is a downside risk description, giving the probability that end-of-year revenue will be short of specified values.

Governments also use internal resources to estimate revenues. In this example, a revenue estimating committee projects revenues and a dollar threshold is established to limit the number of categories analyzed.

Introduction

The Johnson County Government has developed a diverse base of revenues to fund its unique operational and capital needs. The County has increased efforts to reduce reliance on Ad Valorem Taxes and increase Charges for Services and other revenues. These results have been achieved by reviewing user fees and charges for services on a periodic basis, and implementing several dedicated revenue sources for major infrastructure projects.

The purpose of this section is to describe the major revenue trends and how these affect Johnson County. Special emphasis is placed on the County's thirty (30) major revenue sources. This set of revenues is significant in that they collectively represent at least 72% of the County's projected revenues in FY 2012. Each major source of revenue is described on the following pages.

Revenue Estimating Committee

The Revenue Estimating Committee reviews projections of the County's major revenue sources and provides recommendations on projected revenues to the County Manager. The County Manager considers these recommendations in preparing the proposed annual budget that is submitted to the Board of County Commissioners in June of each year. The County Manager may alter the committee's projected revenues in preparing the proposed budget, and the Board of County Commissioners may alter projected revenues as part of the annual budget process.

The County Manager determines the membership of the Revenue Estimating Committee as part of the County's financial procedures. The current membership of the committee is as follows:

County Manager	County Appraiser	TFM Representative	Records and Tax Administration
County Treasurer	Budget Director	Revenue Coordinator	

*TFM is Treasury and Financial Management.

For FY 2012, the Revenue Estimating Committee determined a minimum threshold of \$500,000 for a major revenue source. The Committee identified 30 major revenue sources for FY 2012. The following information will show 32 major revenue sources for FY 2011 but will drop to 30 with FY 2012. In order to avoid budgetary shortfalls during the fiscal year, revenues are estimated using a conservative approach.

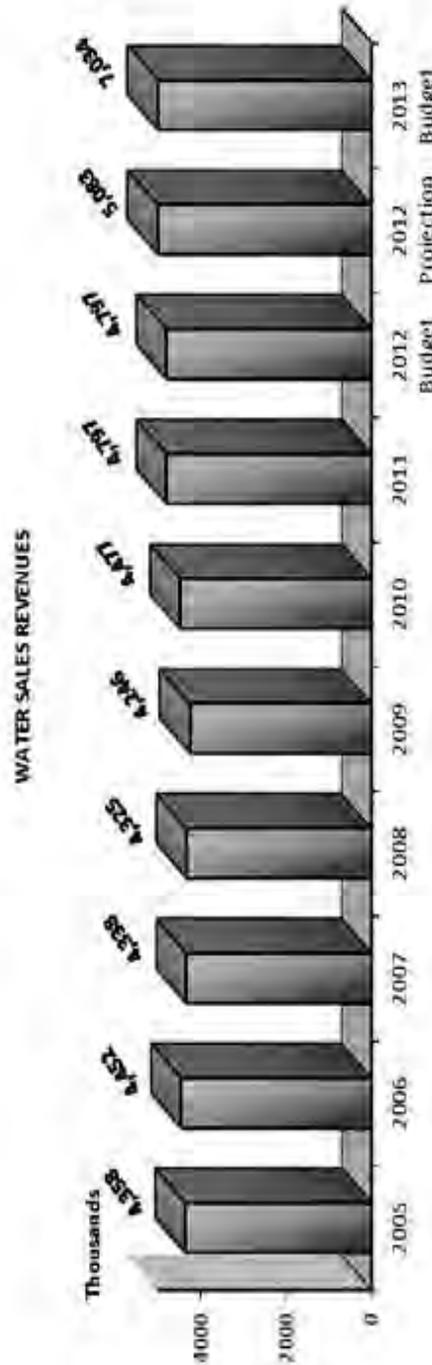
Revenues by Category

The following table provides a breakdown of FY 2012 budgeted revenues (excluding transfers and use of carryover). Taxes account for 44.74% of Johnson County's total revenues. Charges for Service comprise 30.80% of the revenue base. Intergovernmental Revenues, Use of Assets/Miscellaneous, and Licenses & Permits represent 11.50%, 12.43%, and 0.53% of the FY 2012 revenue budget, respectively.

	FY 2012 Revenue Distribution	
Revenue Category	FY 2012 Budget Amount	% of FY 2012 Budget Amount
Taxes	\$253,825,954	44.75%
Intergovernmental	\$65,221,591	11.50%
Licenses & Permits	\$2,999,640	00.53%
Charges for Service	\$174,596,425	30.78%
Use of Assets/Miscellaneous	\$70,561,168	12.44%
Totals	\$567,204,778	100.00%

When looking at revenues that involve both a consumption and rate component (volume and pricing), assumptions should cover both items. Reasons for changes should be given.

Water Sales Revenues – Water revenues are based on the number of gallons used by individual homes and businesses. Water rates are developed to recover the cost of providing potable water to the Village users. The Village is a member of the Northwest Suburban Municipal Joint Action Water Agency (JAWA) and receives its water from Lake Michigan through the City of Chicago. Water consumption fluctuated in Fiscal Years 2005 through Fiscal Year 2010, increasing and decreasing due to water consumption changes. In wetter summers, the water consumption would decrease. A slight increase in revenues occurred in Fiscal Year 2011 and the 2012 projection shows a steady increase.



2005 - 2011: Actual Revenues

Because the Village obtains its water from the City, we are subject to any increases the City issues. In January, 2012, the City of Chicago announced a four-year set of rate increases starting in 2012 through 2015. As part of this rate adjustment, the minimum bill consumption amount eliminated and replaced with a flat bi-monthly service fee. Actual Fiscal Year 2013 revenues are budgeted higher due to scheduled water rate increases that go into effect May 1, 2012. Revenues also increased in Fiscal Year 2011 due to an 8.0% rate increase, Water sales revenues are continually monitored to ensure that they are sufficient to cover operating expenses and partially fund future capital replacements.

This example shows various features that could be included in an individual revenue category analysis, such as the source, collection, rationale (assumption), and trend graph. Note the concise manner in which the information is presented.

Utility Tax Revenue

Utility Tax Revenue **2011 Budget** **\$830,000**

Source
All electric and natural gas users within the city limits of Centralia.

Collection
Utility tax for electric usage is based on kilowatt hours on a graduated scale. The City of Centralia is given authority to collect this tax under City ordinance number O98-28.

Natural gas utility tax through 2006 was at 4.75% and was raised in January 2007 to 5% tax. The City of Centralia is given authority to collect this tax under City ordinance number O07-09.

The tax is collected by the utility companies and paid to the City.

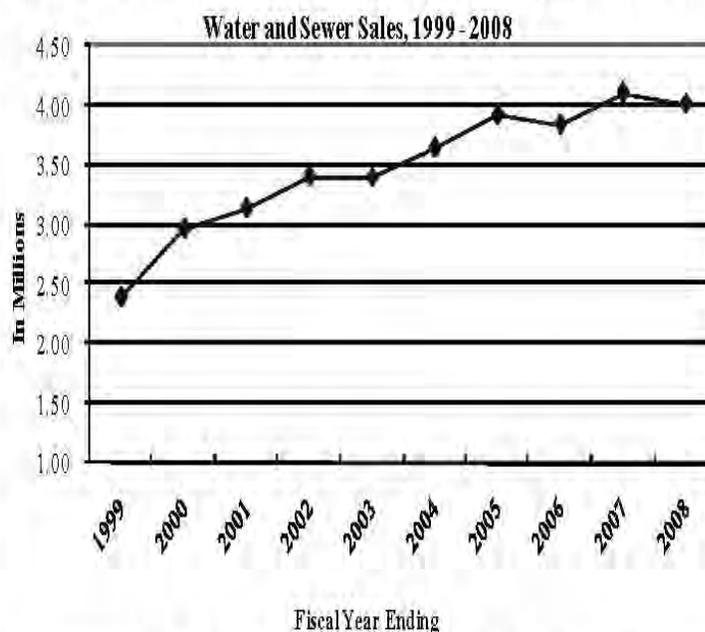
Rationale
The projections for utility tax revenues are determined by the sale of gas and electric utilities within the city. Centralia experienced a decrease in revenues the last 2 years due to a one-time catch up payment by Ameren IP in 2005 and an unusually mild winter in 2007 and 2008. The trend over the past few budget years has been down. In 2010, the City budgeted for \$830,000 in revenue but only estimate receiving \$790,000. The budget for 2011 is set at \$830,000 and the increase is due to the annexation of 197 lease properties around Raccoon Lake in 2009.

Utility Tax Revenue History and Forecast (in Thousands)

Year	Revenue (in Thousands)
2006	\$815
2007	\$774
2008	\$786
2009	\$759
2010	\$790
2011	\$830
2012	\$838
2013	\$847
2014	\$855
2015	\$872
2016	\$864

This example includes more features than are normally found in a traditional revenue analysis. For instance, the elasticity of the revenue is included (how much it is tied to the economy). Projections include a scenario for pessimistic, base, and optimistic forecasts.

Trend Analysis –In 1998 the Water and Sewer Fund was having a difficult time supporting operating expenditures. Increases in rates are necessary to keep up with the rate of inflation in overall prices in the economy. The Water and Sewer Fund is especially vulnerable to inflationary costs as three of the major expenditure categories in the Fund including personnel costs, energy costs, and construction costs, all tend to increase at a rate that exceeds the rate of inflation. In 1998, the Village found it necessary to increase water and sewer rates by 20% with a further increase of 10% in 2000, these increases led to the increase in revenues in 1999 and 2000. The Village strongly desires to avoid making these types of large increases in the future and therefore has committed to making small annual increases equal to inflation to avoid the difficulties involved in making large infrequent increases in rates.



The chart clearly demonstrates the steady increase in revenue during the years 2000 through 2008, although in 2006 revenues were down slightly from the previous year, as there was a drop in water consumption due to a wet summer.

Projection for 2009 – 2010

	FY 2006	FY 2007	FY 2008 Projected	FY 2009 Projected	FY 2010 Projected
Water & Sewer Sales Revenue (Best Case)	N/A	N/A	\$4,075,000	\$4,440,000	\$4,808,000
Water & Sewer Sales Revenue (Projection)	\$3,839,895	\$4,101,488	\$3,955,000	\$4,309,992	\$4,668,205
Water & Sewer Sales Revenue (Worst Case)	N/A	N/A	\$3,825,000	\$4,180,000	\$4,525,000

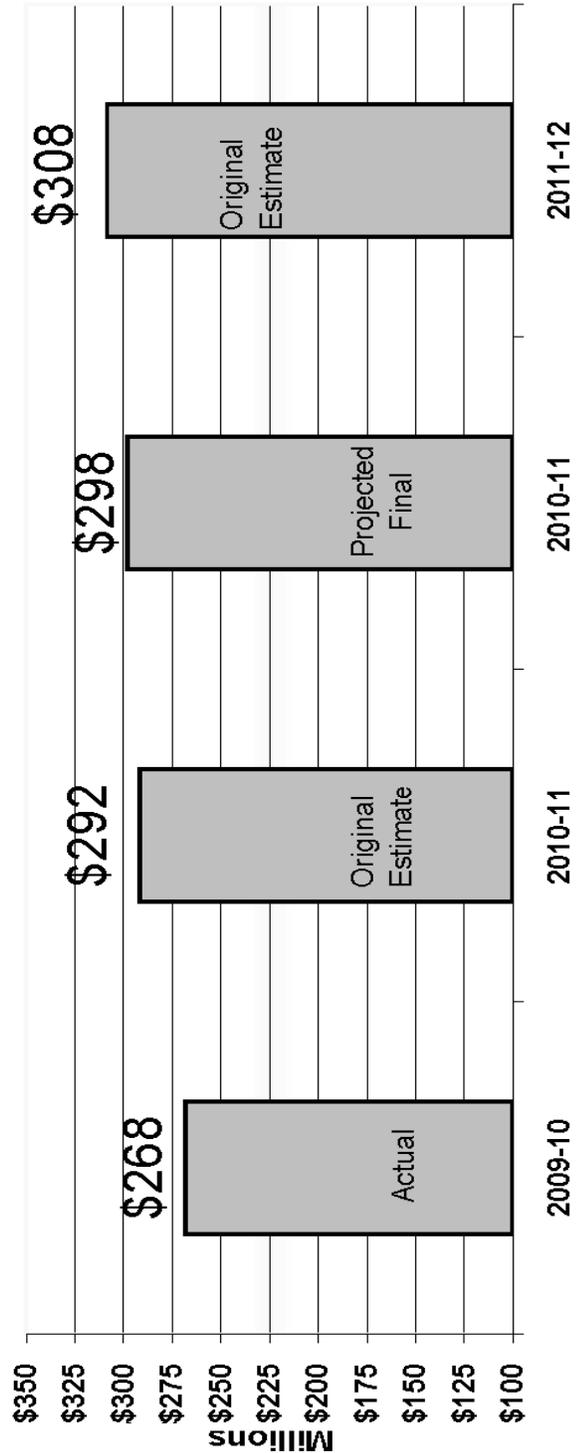
Basis for Projection – Water and Sewer Sales are expected to increase in 2009 and 2010 as a 7.5% increases in rates were included in the 2009 and 2010 budgets. In addition, water consumption and sewage treatment is expected to increase slightly as several developments are anticipated to be connected to the system in 2009 and 2010 (from developments within the Village of Barrington and those areas within the Village’s of Inverness and Barrington Hills served by Barrington water and sewer).

Upon completion of the revenue forecasting process, it is useful to check on the projection accuracy for both individual categories and in total. This analysis would include items such as 1) reasons for both positive and negative variances; 2) identification of what changed; 3) identification of why it changed; 4) assumptions about the likelihood of future change; and 5) information on whether forecasts have been modified and to what extent.

Projection Accuracy

The chart shown below compares the original estimated and projected final revenue amounts for the 2010-11 fiscal year as a measure of the previous year's projection accuracy. The difference between the original estimate and actual revenue was a positive variance of \$6.25 million, representing a projection variance of 2.14 percent. The positive variance was due to in part by increased Utility Franchise Fees (\$3.7 million). Also, shown on the chart for comparison purposes is the estimate for 2011-12 and the actual for 2009-10.

Comparison of Actual and Estimated Revenues



Long-Range Financial Plans

#F7: Long-Range Financial Plans The document should explain long-range financial plans and its affect upon the budget and the budget process.

- Criteria Location Guide Questions**
1. Are long-range financial plans identified?
 2. Do your long-range financial plans extend out at least two years beyond the budget year?
 3. Is there a concise explanation or illustration of the linkage between the entity's long-range financial plans and strategic goals?

Explanation This criterion requires the identification of long-range financial plans that extend beyond the budget year. The impacts of the long-range financial plan upon the current budget and future years should be noted. Refer to GFOA best practices on (1) Long-Term Financial Planning, (2) Establishment of Strategic Plans, (3) Budgeting for Results and Outcomes, and (4) Multi-Year Capital Planning.

Chapter Overview *Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables. Long-term financial planning is the process of aligning financial capacity with long-term service objectives. Financial planning uses forecasts to provide insight into future financial capacity, so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges. Long-term financial planning helps a jurisdiction anticipate and plan for future needs.*

Helpful Hint

Include long-range financial plans that extend beyond the budget year.

Since long-range financial plans can often be complex, explaining the process through a simple question-and-answer format is one way to communicate this information.

Long-range Financial Plan Development

What is a “Long-range Financial Plan?”

A Long-range Financial Plan (LRFP) provides a “road map” for where the City wants to go financially and how it plans to get there, by combining financial forecasting with financial strategizing. The LRFP is intended to serve as a tool to identify problems and opportunities, and to provide Council, citizens and staff with the insight required to address issues impacting the City’s financial condition. The City’s plan will have a multi-year planning horizon: with three to five years for projecting current operations and philosophically addressing issues beyond five years.

Why do we need a Long-range Financial Plan?

A Long-range Financial Plan is needed as a communication aide for citizens, staff and rating agencies. When Council and staff receive questions from constituents, the LRFP will help provide an answer that is factually supported and provides constituents with a consistent answer. The LRFP clarifies the City’s financial strategic intent and imposes discipline on decision makers by highlighting the cumulative effects of decisions.

Who Benefits From Having a Long-range Financial Plan?

- Citizens – Effective financial stewardship enhances the quality of life for a community – increasing the desirability of the community as a place to live.
- Council – Long-range financial plans offer guidance to new Council members. The plan also serves as an ongoing context for Council decisions, thereby providing consistency and quality control.
- Businesses looking to operate in the City – Long-range financial plans increase certainty for business decisions which in turn increases the desirability of the community as a place to locate.
- Department heads & staff – from knowing the City’s financial future is a priority with Council & Mayor.

How is the Long-range Financial Plan Developed?

The City Council sets financial goals & priorities with input from citizens. The LRFP Team relies on these goals & priorities to develop the LRFP, for Council to adopt. The development of a Long-range financial plan can be broken down into four major phases:

- 1) **The mobilization phase** puts in place the cornerstones for financial planning: resources to undertake planning, preliminary financial analysis, definition of the underlying purpose of the planning process, the City’s service-level preferences, financial policies, and the scope of the planning effort.
- 2) **The analysis phase** focuses on the City’s financial position, making long-term projections, and then analyzing the City’s probable future financial position.
- 3) **The decision phase** is where strategies, plans, and adjustments are created and agreed upon.
- 4) **The execution phase** carries the plan forward into action.

Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process and works best as part of an overall strategic plan. A diagram is often used to illustrate this process.

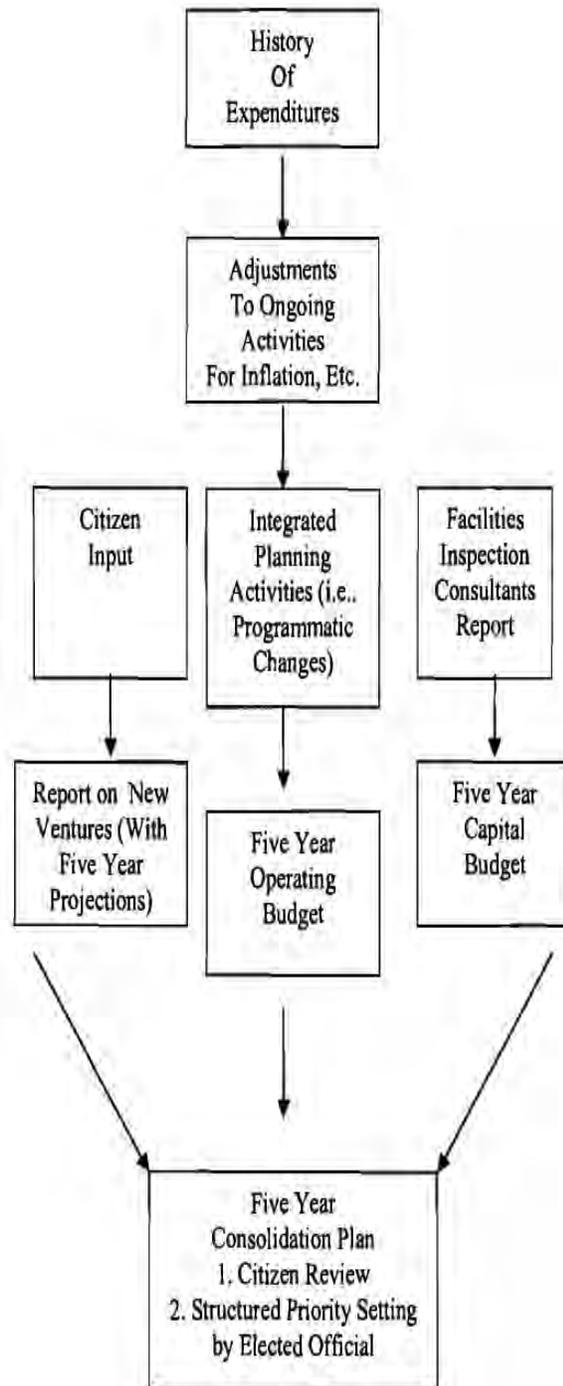
MONTGOMERY
COUNTY

PLANNING PROCESS AT THE PLANNING UNIT LEVEL

The following process is recommended for each step of the Budget Planning Model Implementation:

The planning unit coordinator meets with key administrators in the unit to explain the overall process. Then for each step the following sequence of events should occur.

1. Planning unit coordinator reviews documents, which may have been drafted earlier pertaining to the step being worked on (e.g. mission statement, strengths and weaknesses, opportunities and threats, programmatic changes, etc.).
2. Planning unit coordinators prepare draft statements for the proposed section. The word "draft" should appear in a conspicuous place on the document.
3. The draft statements should be reviewed by all key administrators in the unit. Comments should be collected and categorized.
4. Planning unit coordinator should revise the statements, taking into account the relevant comments from unit administrators.
5. Unit administrators should have the opportunity to comment on the second draft of the statements.
6. Planning unit coordinators should prepare a final statement which is then approved by the chief administrator of the units.



A long-range financial plan is often initiated because of a structural gap or deficit. While the focus is usually on the general fund, a plan should be considered for all appropriated funds (especially those funds that are used to account for the issues of top concern).

City of Aurora Long-Range General Fund Financial Outlook Through 2016

Purpose

The purpose of the long-range financial outlook is two-fold. First, it provides a forward-looking view of the General Fund operating budget, allowing City officials and others to evaluate the long-term sustainability of the annual operating budget. In addition, it provides a starting point for future decision-making regarding the budget by identifying the balance between potential spending needs and the projected revenue outlook.

This long-range outlook provides a key tool for financial planning. The tables attached to this document are updated throughout each year as the revenue and spending outlook becomes more clear. The City uses this information as part of a package of tools that:

- Identify preliminary spending priorities for future years;
- Incorporate necessary budget adjustments into the long-range financial projections;
- Ensure that both additions and reductions to the budget are sustainable;
- Maintain options to deal with unexpected contingencies; and
- Continue advance planning to anticipate factors affecting revenues and service needs.

The City has published its long-range financial outlook for five years. In 2006, the City took an additional step by undertaking a comprehensive study of its long-term revenue and expenditure outlook. The Structural Revenue Study used the City's General Fund revenue projections and long-range expenditure priorities as the starting point for its analysis of the City's revenue capacity in comparison to identified operating budget needs. A similar analysis was completed for the City's capital budget.

The study identified a "structural gap" between ongoing service needs and the City's present revenue capacity. Although strong revenue growth may delay or reduce the size of the gap, the gap is expected to develop and grow. Conversely, the gap grows significantly during recessions. The long-term General Fund financial outlook scenarios described in this section confirm the study's findings and describe the nature of the gap in more detail. This section includes:

- An overview of the outlook for the General Fund from 2012 to 2016;
- A summary of the key assumptions used to build the projections;
- A table summarizing General Fund budget data for the years 2010 through 2016;
- A table showing future percentage increases expected in various parts of the budget;
- Detailed information on projected General Fund appropriations for each City department in each year of the outlook; and
- Tables showing amendments to the budget, including possible future adjustments.

Following up on its need for a long-range financial plan, the same government (from the prior example) then presents several different scenarios involving compensation and its effect on future surpluses or deficits. A good financial plan combines text with figures, and is able to frame a precise conclusion.

General Fund Overview

This summary of the City’s General Fund financial outlook was developed with the 2012 budget plus future increases related to compensation and other likely or mandated costs such as Old Hire Pension costs, police staffing requirements, debt service, street lighting growth, fuel costs, utility rate increases, and insurance. The first scenario excludes increases for compensation or health insurance. While no compensation increases for the next five years is an unlikely scenario, they are excluded to display the impact of other mandated costs on the budget. Without compensation increases a gap exists in 2013 of \$3.5 million and decreases until the City generates a \$1.1 million surplus in 2016. The second scenario presented includes a 2.0 percent per year pay increase and a 10.0 percent per year health insurance contribution increase. The exact amounts of growth will likely be different. Based on historical experience and projections of economic growth, some combination of health and compensation increases appears likely. The two scenarios taken together demonstrate that compensation improvements will drive shortfalls over the near term. The compensation increase scenario has a gap of \$8.3 million in 2013 growing to \$20.1 million in 2016.

In both scenarios, the elimination of a number of one-time savings and deferrals from 2012 make up \$2.7 million of the gap in 2013. These one-time items include the elimination of annual Police and Fire personal leave payout for one year, two years of deferral of annual sick leave payout, one furlough day, and Fire holiday pay. These scenarios also assume increases of 8.0 percent per year in utility costs and 7.0 percent increases in insurance and fuel costs. Other costs are included for pension costs, additional police officers every odd year, street lighting, Policy and TABOR reserves and other mandated costs. With historical compensation increases, these five-year budget projections suggest that a gap in future years is likely to occur even if annual revenues exceed current budget projections. As a result, it is expected that the ability to maintain and improve City services, extend services to newly developing areas, and complete future capital projects will depend primarily on the City’s ability to implement additional revenue enhancement measures and continuing to find operational efficiencies. These scenarios do not represent a spending or official plan for any year other than 2012.

Compensation Increase Scenario: This scenario is the same as above but includes a 2.0 percent per year pay increase and 10.0 percent per year health insurance contribution increase. These costs are detailed below. This scenario shows a significant gap that begins in 2012 and increases each year through 2016. The costs of the compensation increases are detailed below:

Year	2012 Adopted	2013 Projected	2014 Projected	2015 Projected	2016 Projected
2% Compensation	\$ -	\$ 2,920,095	\$ 5,977,667	\$ 9,114,879	\$12,333,283
10% Insurance	\$ -	\$ 1,894,704	\$ 3,979,003	\$ 6,271,728	\$ 8,793,726

Year	2012 Adopted	2013 Projected	2014 Projected	2015 Projected	2016 Projected
Surplus / (Deficit)	\$ 377	(\$8,336,428)	(\$10,781,517)	(\$15,594,349)	(\$20,052,073)

No Compensation Increase Scenario: This scenario assumes only increases for mandated costs and no compensation or health insurance contribution increases other than Police and Fire step and grade. The surplus or deficit is cumulative so a reduction in ongoing costs would reduce the deficit in future years.

The annual surplus or deficit shown below is without the compensation increases.

Year	2012 Adopted	2013 Projected	2014 Projected	2015 Projected	2016 Projected
Surplus / (Deficit)	\$ 377	(\$3,521,629)	(\$824,847)	(\$207,742)	\$1,074,936

Different steps may be considered to balance budget shortfalls or deficits. The entity should clearly communicate to stakeholders which options were chosen to achieve long-term fiscal stability.

The county's commitment to long-term fiscal stability has been challenged over the past several years due to the economic downturn and loss of property tax revenue, which currently comprises 61% of the General Fund (GF) budget. The county has responded well, as reflected by the unanimous approval of a balanced budget for 2010/11, the retention of AA+ bond ratings, and a year-end surplus of \$5.5 million (unearmarked reserve for the planned carry forward to be used in 2011) for fiscal year 2010.

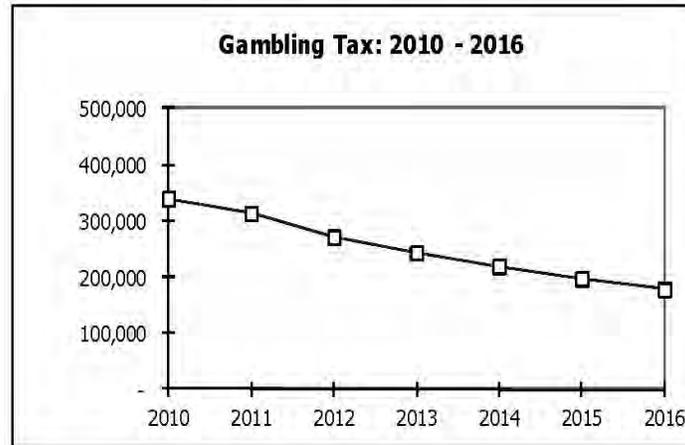
Revised forecasts for fiscal year 2012 and 2013 estimated a \$17+ million budget shortfall. It has become clear when reviewing the major revenues that there continues to be much uncertainty, especially relating to how the county will be impacted by the state's projected budget deficit. The projections will continue to evolve as more information becomes available. The 2011 Equalization Report, which determines the county's property tax revenue, provided some good news. Although the taxable value decreased by -2.77 percent, it was not as near as bad as the anticipated decline of -8.5%.

It is important to realize that the projections represent the estimated size of the budget deficit, assuming that all county services remain at their current service levels with existing staff and operating budgets. Projections include cost escalations for expenditures to accurately represent the reality the county will face if no further budget modifications are made. Four major categories of budget solutions and specific target reduction amounts were identified: 1) Revenue Generation - \$2.0 million, 2) Employee Compensation & Benefit - \$ 8.0 million, 3) Organizational Changes & Baseline Reductions - \$8.0 million and 4) Outside Agency Allocations - \$1.0 million.



Specific revenue or expenditure categories may be shown through projections in the form of graphs and/or tables. The assumptions are given to complete the analysis.

GAMBLING TAXES



Gambling Tax	2010 Actual	2011 Forecast	2012 Budget	2013 Outlook	2014 Outlook	2015 Outlook	2016 Outlook
Bingo & Raffles	6,427	13,220	698	489	342	239	168
Punch Boards/Pull Tabs	324,745	300,000	270,000	243,000	218,700	196,830	177,147
Card Rooms	7,827	0	0	0	0	0	0
Amusement Games	756	610	729	656	590	531	478
Total	339,755	313,830	271,427	244,145	219,633	197,601	177,793
Change		-7.6%	-13.5%	-10.1%	-10.0%	-10.0%	-10.0%

Gambling tax components include bingo/raffles, pull tab/punchboard, cardrooms, and amusement games. Tax rates effective in 2012 include:

- Bingo/raffles:3.5% of gross revenues less payouts
- Amusement games:2% of gross revenues less payouts
- Pull tab/punchboard:10% of net receipts for non-profit organizations and 4% of gross receipts for commercial operators
- Card rooms:10% of gross revenues

There are limited exemptions from the gambling tax for churches, schools, and charitable or non-profit organizations.

Card room tax revenues are budgeted to completely go away due to the closure of all card rooms in Everett.

Punch Board/Pull Tab revenues continue to decline, most likely due to the growth in the availability of electronic gambling opportunities in establishments outside the City.

In the long term, gambling taxes are forecast to decline 10% a year.

Many long-range financial summary schedules briefly list the assumptions either on the same page or on the adjacent page.

General Fund – Five Year Forecast

The following chart outlines the City's Five-Year Forecast of General Fund revenues and expenditures for FY 2013 through FY 2017. The forecast shows the potential for challenging future budget preparation, as growth in expenditures is projected to continue to outpace growth in revenues. These projections are based upon a series of conservative assumptions and do not reflect actions the City will take during this period to close the projected gaps.

There are two valuable conclusions that can be drawn from the Five-Year Forecast. The first is that, the City is dealing with a structural issue arising from the growth in expenditures annually outpacing the growth in revenues. This continued imbalance represents a major issue for the City and challenges it to take additional steps to address this growing issue in the future.

The second conclusion is that the Office of Budget Administration and the Department of Finance and Information Technology, as well as all City departments and offices, have an opportunity to begin identifying and evaluating strategies for improving the financial outlook of the City. Demonstrating the structural imbalance between expenditure and revenue growth, coupled with a decrease in revenues resulting from the housing market demise and overall unfavorable economic times, indicates that the City must research and implement sustainable alternative methods and approaches to address future budget preparation.

In summary, this forecast includes growth rate assumptions for revenue and expense growth rates based on the Consumer Price Index (CPI) and the real Gross Domestic Product (GDP) as projected by the Congressional Budget Office (CBO) for the period FY 2013 through FY 2017. Two primary goals are targeted, (1) eliminate the structural budget gap and (2) rebuild reserves in the General Fund to the level of five percent (5%) of total expenditures. The following list shows some of the main assumption categories:

A trend can be more easily seen if the long-range financial projections include at least one year of history and the current-year projection.

General Fund - Five Year Forecast (preliminary) FY 2013 - FY 2017

	FY2010 Actual	FY2011 Adopted	FY2012 Adopted	FY2013 Projected	FY2014 Projected	FY2015 Projected	FY2016 Projected	FY2017 Projected
Property Taxes	68,809,406	67,994,770	72,075,449	67,368,981	67,368,981	67,368,981	69,101,346	70,483,372
Franchise Fees	12,079,690	13,354,348	11,264,013	11,410,445	11,558,781	11,766,839	12,013,943	12,290,263
Utility Service Taxes	19,751,086	20,023,102	18,661,003	18,903,596	19,149,343	19,494,031	19,903,406	20,361,184
Licenses and Permits	6,090,270	6,632,036	5,374,141	5,465,501	5,705,983	5,991,283	6,183,004	6,356,128
Intergovernmental	14,761,713	16,499,765	14,983,086	15,177,866	15,375,178	15,651,932	15,980,622	16,348,176
User Charges/Fees	26,399,732	26,877,492	28,526,763	28,637,182	28,749,037	28,905,926	29,092,258	29,300,622
Fines & Forfeitures	1,202,739	3,153,280	1,537,654	1,537,654	1,537,654	1,537,654	1,537,654	1,537,654
Reimbursements	633,736	691,706	315,577	315,577	315,577	315,577	315,577	315,577
Transfers from Other Funds	16,354,877	17,364,672	12,757,317	12,757,317	12,757,317	12,757,317	12,812,148	12,855,890
Miscellaneous	1,356,421	1,513,231	779,131	779,627	780,129	780,833	781,669	782,605
Total Revenues	167,439,671	174,104,402	166,274,134	162,353,747	163,297,980	164,570,372	167,721,626	170,631,472
Personnel Services	132,183,292	133,377,869	119,506,630	121,203,927	122,925,544	125,214,566	127,876,957	130,820,555
Operating Expenses	24,214,483	23,638,022	24,223,205	24,502,814	24,813,680	25,249,707	25,472,560	25,904,144
Capital Outlay	35,425	4,900	9,900	9,999	10,129	10,311	10,528	10,770
Debt Service	4,738,238	4,912,093	4,811,414	4,811,414	5,311,414	5,311,414	5,311,414	5,311,414
Non-Operating Expenses	11,536,897	12,171,518	13,522,985	13,525,585	13,528,218	13,531,912	13,869,161	14,139,614
Total Operating Expenditures	172,708,335	174,104,402	162,074,134	164,053,738	166,588,985	169,317,910	172,540,621	176,186,498
Contribution to Fund Balance	-	-	4,200,000	-	-	-	-	-
Total Expenditures	172,708,335	174,104,402	166,274,134	164,053,738	166,588,985	169,317,910	172,540,621	176,186,498
Surplus/(Deficit)	(5,268,664)	-	-	(1,699,991)	(3,291,005)	(4,747,537)	(4,818,995)	(5,555,026)
Surplus/(Deficit) as Percentage of Operating Budget	-3.1%	0.0%	0.0%	-1.0%	-2.0%	-2.8%	-2.8%	-3.2%

The concise forecast and model assumptions here are greatly enhanced by the conclusions paragraph that explains what the data mean.

Long-Range Financial Planning

St. Johns County
5-Year Forecast Model
FY 2013 - 2017
Fire District Fund (in \$ Millions)

	Actual FY 2011	Projected FY 2012	Budget FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017
Revenue:							
Property Taxes	\$19.8	\$22.2	\$21.7	\$21.7	\$22.1	\$22.8	\$23.5
Grant Revenue	\$0.5	\$1.0	\$0.7	\$0.2	\$0.2	\$0.2	\$0.2
Other Revenue	\$0.4	\$0.4	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
Debt Proceeds	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenue	\$20.7	\$23.6	\$22.7	\$22.2	\$22.6	\$23.3	\$24.0
Expenditures:							
Salaries	\$11.2	\$10.8	\$10.9	\$10.9	\$11.2	\$11.5	\$11.9
Overtime	\$1.0	\$1.0	\$1.0	\$1.0	\$1.1	\$1.1	\$1.1
Benefits	\$5.4	\$4.6	\$5.2	\$5.2	\$5.5	\$5.8	\$6.0
Other Expenses	\$4.8	\$4.7	\$4.9	\$4.9	\$5.0	\$5.0	\$5.1
Capital Outlay	\$0.1	\$0.9	\$0.8	\$0.6	\$0.7	\$0.1	\$0.7
Total Expenditures	\$22.5	\$22.0	\$22.8	\$22.6	\$23.5	\$23.5	\$24.8
Net Increase (Decrease) in Fund Balance	(\$1.8)	\$1.6	(\$0.1)	(\$0.4)	(\$0.9)	(\$0.2)	(\$0.8)
Beginning Fund Balance	\$14.0	\$12.2	\$13.8	\$13.7	\$13.3	\$12.4	\$12.2
Ending Fund Balance	\$12.2	\$13.8	\$13.7	\$13.3	\$12.4	\$12.2	\$11.4

Fire District Fund 5-Year Forecast Model Assumptions:

Long-term St. Johns County Goals: Transition Fire Services to a Professional Force; Compensate County Employees Appropriately and Maintain Technology (under Capital Outlay); Limit County Tax Rates (no further millage increases); Maximize Citizen Services.

Property Taxes: Taxable Property Value declined 10.2% in FY 2011; 5.0% in FY 2012; and 2.5% in FY 2013 (even with new construction at 2.0%). Expect flat Taxable Property Values for FY 2014 with slow growth of 2% (new construction only with no general devaluation) in FY 2015 and 3% growth thereafter. Property taxes stated at historical collection percentage of 96.5% and other revenues at 100% (differs from the FY 2013 adopted budget which is stated at the mandated 95%). FY 2013 property taxes reflect the FY 2012 Fire District Fund millage increase.

Other revenue growth assumed to be 2%-3% consistent with projected County population growth.

Union Salaries to remain flat for FY 2012 and FY 2013 and increase with percentage increase in property taxes and other revenues thereafter. Benefits to increase with salary increases except for health insurance and retirement which are projected to increase per actuary estimate of 8% per year. Overtime to increase in FY 2015 with salary increases but to remain flat for FY 2016 and FY 2017. Grant revenue to drop off after FY 2013 with federal SAFER grant ending to recurring grant levels only. Other Expenses to increase nominally. Capital Outlay to alternate for minimum replacement of one fire truck per year except FY 2016. However, deferred CIP projects will likely be funded during this period, but are projected to be funded from Fire Impact fees.

Conclusion: Despite a relatively high fund balance, the Fire District Fund still has a projected recurring deficit affected by capital outlay investment. In addition, Fire Services CIP projects are assumed funded out of the Fire Impact Fee Fund which may not generate enough fees for significant projects. The importance of Union contract concessions continues to be highlighted here as the Fire District Fund is not generating enough net revenue to fund necessary capital improvements over the longer term. Capital improvements have otherwise been deferred in the last several fiscal years.

While the criterion calls for a long-range financial plan extending at least two years beyond the budget year, it is not uncommon to see a long-range financial plan for ten years or longer. This is especially true when dealing with debt service affordability and rate or fee determinations.

Rates and Charges

Approved average retail water rate changes will increase revenues from water sales by 15.0 percent, 12.5 percent, 12.5 percent and 6.5 percent from FY 2010-11 through FY2013-14. Projected average annual retail water rate changes are 10.0 percent in FY 2014-15 through 2016-17 and then flatten to zero during the final three years of the 10-year forecast period. Wholesale water rates are managed through a 25-year Water Supply Agreement (WSA), with FY 2010-11 rates increasing 15.2 percent, peaking with a 29.2 percent increase in FY 2012-13 then trend to zero the final four years of the period. These rate changes are necessary to continue funding vital capital improvements largely comprised of the Water System Improvement Program (WSIP) along with providing additional resources to the annual Repair and Replacement program.

Sources of Funds

Water Enterprise customers are grouped into retail and wholesale service categories. The retail customer category is further divided into in-city and suburban customers. Customers within each sub-category are then grouped into revenue classes based on their service characteristics. The wholesale customer category consists of only one revenue class – wholesale resale with long-term contract. Total sources are projected to grow from \$331.3 million in FY 2010-11 to \$645.8 million by FY 2019-20.

- Retail water sales are projected to increase from \$150.0 million in FY 2010-11, to \$287.0 million over the ten-year period. This increase assumes a 0.53 percent growth in annual consumption (i.e. historical population growth) most of which is offset with conservation and other water saving measures.
- Wholesale customers' water sales, representing about half of the Enterprise revenues and two-thirds of water deliveries, are forecast to increase revenues from \$160.1 million in FY 2010-11, to \$333.3 million over the period. This increase assumes a 0.83 percent annual growth in consumption (i.e. historical growth for the wholesale service area).
- Other income includes interest income on fund balances along with rents and other income. These revenues are assumed average approximately at \$25.0 million over the ten years and are mainly derived from interest earnings on fund balances, rents and permit fees for secondary uses of its watershed lands and pipeline rights-of-way.

Uses of Funds

In the absence of more specific forecast data, the Plan includes a general 3.0 percent annual growth assumption for operations and maintenance costs and a 5.0 percent annual escalation in revenue-funded capital costs.

The annual operating budget includes operation and maintenance costs, debt service on revenue bonds used to finance capital improvements, and repair and replacement costs funded from current revenues. While operations and maintenance costs are currently the largest component of the Water Enterprise's expenses (65 percent), by FY 2019-20 their proportion to total expense will drop to 36 percent and debt service costs will be the largest (57.0 percent). Total expenditures are increasing from \$330.1 million to \$649.8 million by FY 2019-20.

- Operations and Maintenance costs include salaries and fringe benefits, material and supplies, power and energy, and services of the other City Departments including SFPUC Bureaus. The cost of operating the water system in FY 2010-11 is projected to be \$189.1 million; increasing to \$236.7 million by FY 2019-20. As projects in the WSIP are completed and placed into service, there could be additional operation and maintenance expenses associated with the new facilities. The operation and maintenance expense forecast shown in this report does not include any incremental costs associated with WSIP projects other than the 3.0 percent annual growth assumption. In addition, the forecast assumes there will be no changes in regulations or operating procedures that could impact operating expenses.
- Debt Service costs include principal and interest payments on revenue bonds used to finance system improvements. Future debt service cost projections assume the issuance of new debt to fund WSIP projects. The plan reflects debt service costs increasing from \$94.9 million in FY 2010-11 (net of Federal subsidy) to \$372.0 million by FY 2019-20. The bond issuance schedule is based on the September 2010 WSIP spending plan. However, the actual timing and size of bond sales may vary depending on construction timing.
- Revenue-Funded Capital Project spending is expected to average \$48.5 million annually over the next 10 years. Projects include minor construction projects, major maintenance and rehabilitation projects, planning studies, and preliminary engineering analysis for major capital improvements.

Section 4

Capital and Debt

Capital Expenditures

#F8: Capital Expenditures (Mandatory) The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget.

- Criteria Location Guide Questions**
1. Does the document define “capital expenditures”?
 2. Does the document indicate the total dollar amount of capital expenditures for the budget year (both budget years for biennial budgets)?
 3. Are significant nonrecurring capital expenditures described along with dollar amounts? (Information in a separate CIP document does not satisfy this criterion.)
 4. If the entity has no significant nonrecurring capital expenditures, is that fact clearly stated in the document?

Explanation This criterion does not mandate any particular definition of “capital expenditures,” only that whatever definition is being used by the entity be disclosed. The entity should indicate the total dollar amount of such expenditures for the budget year. The entity is encouraged, but not required, to provide a summary of capital expenditures by major project, type, fund, or user.

Recurring capital expenditures are those that (1) are included in almost every budget and (2) will have no significant impact on the operating budget. If the entity has any significant, nonrecurring capital expenditures, the document should describe these items (i.e., indicate the project’s purpose and funding sources) and indicate the amount appropriated for the project during the budget year(s). Also, the document should include the amount appropriated for significant, nonrecurring capital expenditures in the budget year. Refer to GFOA recommended practices on (1) Establishing Appropriate Capitalization Thresholds for Tangible Capital Assets, (2) Establishing the Estimated Useful Lives of Capital Assets, (3) Incorporating a Capital Project Budget in the Budget Process, and (4) Presentation of the Capital Budget in Operating Budget Document.

Chapter Overview *Four GFOA best practices are particularly useful in the design and presentation of an effective capital improvements program. These best practices can be found on GFOA’s website under Best Practices and Advisories and are referenced in the explanation for this criterion.*

In addition, the GFOA's Budget Awards Program confers special recognition on budgets that receive an outstanding rating (from all three reviewers) in the capital expenditures criterion and impact of capital investments on operating budget criterion. Those budgets so honored are noted on the GFOA's website and represent approximately 1 to 2 percent of budgets submitted to the program.

Helpful Hint

Include discussion on major capital projects.

Capital expenditures are normally defined within the context of dollar threshold and asset life. The Government Finance Officers Association (GFOA) recommends that state and local governments establish a capitalization threshold of no less than \$5,000 for any individual item. Potentially capitalizable items should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.

In determining whether assets should be capitalized, the following items should be considered: cost, estimated cost, or market value (when acquired by gift).

Land assets will always be capitalized without regard to cost; and will not be depreciated.

Infrastructure will be capitalized if it has a life expectancy of five (5) years or greater and a designated value exceeding \$300,000. Infrastructure acquired after January 1, 1980, will be recorded as capitalized if it meets the criteria for capitalization.

Assets other than land or infrastructure will be capitalized if the asset has a useful life of two (2) years or more and a designated value exceeding \$10,000.

Assets which are acquired with grant funding or other committed revenues and which do not meet the criteria for capitalization will nonetheless be capitalized whenever the Finance Director determines it to be necessary or advisable.

One way to further clarify which projects meet the definition is to provide specific examples of the type of construction/repair/ replacement activity that qualifies a project as a capital expenditure, as well as examples of such activity that does not meet the capital project definition.

TABLE 1 EXAMPLE OF PROJECTS

Asset Category	Considered a Capital Improvement Project	A Maintenance Project or Expenditure
Public Facilities	<ul style="list-style-type: none"> • New facility construction. 	Major replacement or upgrading of the design of existing major building components (roof replacement, major heating system improvements.)
	<ul style="list-style-type: none"> • Major remodeling and structural alternations to improve space utilization or increase capacity. 	Preventive maintenance repairs that do not significantly upgrade the structure or increase its previously estimated useful life (for example minor roof patching or gutter repair work.)
	<ul style="list-style-type: none"> • Program to make energy-related physical improvements. 	
	<ul style="list-style-type: none"> • Program to make handicapped-accessibility physical improvements. 	
Parks & Recreation Facilities	<ul style="list-style-type: none"> • Development of a new park or public plaza. 	Repair or replacement of furnishings, equipment or landscape plantings that do not substantially upgrade the park or plaza.
	<ul style="list-style-type: none"> • New park buildings or major new recreation facility within an existing park. 	General maintenance and repair of parks, park facilities and buildings.
	<ul style="list-style-type: none"> • Major new physical improvements to parks and playgrounds, such as program of new landscaping or irrigation. 	
Streets, Traffic Signals & Lighting	<ul style="list-style-type: none"> • New streets and roadways. 	Routine repair/patching/ sealing and other methods to extend pavement life. Lane marking and delineation.
	<ul style="list-style-type: none"> • Physical alteration of street capacity or design including addition of bicycle lanes, medians, sidewalk configurations, and street landscaping. 	Equipment repair or replacement to maintain system operations or extend life.
	<ul style="list-style-type: none"> • New or upgraded signal equipment or other physical improvements that enhance safety or system capabilities 	Repair or replacement, even if increasing width of existing sidewalks.
	<ul style="list-style-type: none"> • Paving where none existed previously or new sidewalks, curbs & gutters. 	Replacement or repair of damaged lights.
	<ul style="list-style-type: none"> • Addition of street lights or conversion of street lights to new fixtures. 	

The government should indicate the total dollar amount of capital expenditures and the sources of funding for the budget year. The first year of the capital plan is frequently presented as part of the five-year capital plan. The summary of capital expenditures may be presented by major project, type, fund, or user.

CIP Funding Sources

Fund	Fund	Proj #	Project	2012	6 Yr Total
TRAFFIC CIRCULATION					
CRA	61	TR001	Transportation Improvements	\$ 500,000	\$ 500,000
Gen	01	TR001	Transportation Improvements	\$ -	\$ 150,000
Res	99	TR001	Transportation Improvements *	\$ -	\$ 808,160
Road	35	TR001	Transportation Improvements	\$ 105,000	\$ 5,051,000
INFRASTRUCTURE					
Util	41	WA001	Water Transmission / Distribution	\$ 728,000	\$ 2,685,100
PAVEMENT					
Gen	01	PV001	Pavement Treatment	\$ 153,605	\$ 1,048,195
Gen	01	BS001	Bicycle / Sidewalk Network	\$ 50,000	\$ 655,000
SANITARY/SEWER					
Util	41	WW001	Lift Station Improvements	\$ 750,000	\$ 4,430,000
STORMWATER/LAKES MGT					
CRA	61	LK001	Stormwater Lakes Management Plan	\$ -	\$ -
SEU	32	LK001	Stormwater Lakes Management Plan	\$ 278,000	\$ 2,654,040
RECREATION AND OPEN SPACE					
Gen	01	PR001	Parks Master Planning Implementation	\$ -	\$ -
Parks	65	PR001	Parks Master Planning Implementation	\$ 175,000	\$ 1,145,000
Gen	01	LS001	Athletic Field Lighting Structure	\$ -	\$ 149,308
Gen	01	ST001	Entry Features and Streetscape	\$ 10,000	\$ 320,000
COMMUNITY FACILITIES					
Util	41	CF001	City Facilities - Master Planning	\$ 7,000	\$ 22,000
Gen	01	CF001	City Facilities - Master Planning	\$ 49,500	\$ 221,500
TOTAL				\$ 2,807,105	\$ 19,839,303

Funding Sources

The General Fund (Gen) is the general operating fund of the City, supported by taxes and fees. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

The Utilities Fund (Util) is an Enterprise Fund which is used to account for the activities associated with the operation of the City's water and sewer system. Revenues are generated primarily through charges for service.

The Stormwater Environmental Utility Fund (SEU) is a special revenue fund dedicated to the management of the City's lakes, stormwater structures, and street sweeping activities. Revenues are generated from the Stormwater Environmental Utility Fee.

The Community Redevelopment Agency Fund (CRA) is a special revenue fund dedicated to revitalizing the Downtown Maitland area. Revenues generated for this fund are a portion of the City's and County's ad valorem taxes.

The Road Impact Fee Fund (Road) is a special revenue fund used to maintain the quality of Maitland's roadways. Revenues are generated through impact fees based on a building's type of construction and the impact it will have on local roadways.

The Park Trust Fund (Parks) is a special revenue fund used to construct and maintain community parks. Revenues are collected through building permits on residential development.

The Capital Projects Fund (CP) is used for the capital costs associated with building the Police and Fire Stations and City Hall. Revenues are generated through voter approved debt millage.

The document should include the amount appropriated for significant, nonrecurring (nonroutine) capital expenditures in the budget year. Recurring (routine) capital expenditures are those that are included in almost every year's budget.



2007/2008 Capital/Fixed Asset Budget

The 2007/2008 Adopted Budget contains \$125.7 million is total capital expenditures. As displayed in the graph to the left, the majority of these expenditures (\$113.7 million or 90%) are projects directly related to the county's capital improvement plan. The remainder (\$12.0 million) is routine capital expenditures.

CIP projects and routine projects described above can be further divided into expenditure categories. The table to the left shows the nine expenditure categories by type of project. The paragraphs below describe the categories, discuss the major components of spending in each and outline any major policy issues.

Capital Improvement Plan

Roads

The Public Works department is responsible for the development and maintenance of the major infrastructure systems within the county including transportation, sewer, solid waste, drainage, and parks. In accordance with the Growth Management Act, the department plans for 20 years, develops a six-year improvement program (included at end of this section), and the 2007/2008 biennial budget reflects the annual element. Planned transportation expenditures total approximately \$46.3 million over the biennium. The Annual Construction Program for 2007 anticipates \$31.6 million in project spending. Of this amount, \$17.1 million is paid for using road fund property taxes and \$14.5 million from traffic impact fees, state and federal grants, and low interest state Public Works Trust Fund money.

Sewer Treatment Plant

Clark County's sanitary sewer and wastewater treatment plant is in the process of designing the next phase of expansion. Phase IV includes construction of the Kline Pump Station, Force Main Segment B, and treatment plant expansion from current 10.4 million gallons per day to 16.3 million gallons per day. Planned expenditures total \$40.1 million for 2007/2008. Under separate agreement with the county's wholesale customers, debt issued for expansions are paid by these wholesale customers as well as all maintenance and operational costs.

Parks

The 2007/2008 parks program includes two major areas. In 2006, the voters were asked to approve an additional property tax dedicated to maintenance and operations of parks. In return, thirty-five new parks would be developed over the next ten years of using dedicated funding for parks capital. Sixteen parks are planned to be developed in 2007 and 2008 at a cost of \$6.5 million.

The second area is the county's conservation futures program. This program acquires open space in critical areas to preserve public access. Funding for this program was through a special property tax at a rate of \$.0625/thousand in property value. Planned purchases during 2007 and 2008 total \$6.5 million.

2007/2008 Capital by Category

Capital Improvement Plan

Roads	\$46.3 million
Treatment Plant	40.1 million
Parks.....	13.0 million
Stormwater	4.0 million
Buildings	2.3 million
Other.....	8.0 million

Total CIP Expenditures \$113.7 million

Routine

Vehicles	\$4.8 million
Technology	4.7 million
Major Maintenance	1.2 million
Other.....	1.3 million

Total Routine..... \$12.0 million

Total Capital \$125.7 million

Some governments include a brief summary or description of the significant nonrecurring capital projects, and then provide additional detail on individual program project sheets.

Significant Non-recurring Capital Projects

MLC has included several significant non-recurring projects in the 2006-2007 capital program. A project is considered significant if it has considerable impact on the operating budget, or if the project rarely occurs. The majority of the projects are technology-based, providing improved functionality and replacing outdated systems.

VLD Central System – Replace the video lottery terminal central computer system and site controllers. Fiscal year 2006-2007 and total project budget is \$9.6 million.

VK Replacement – Replacement of Video King gaming terminals. A replacement product does not currently exist. Fiscal year 2006-2007 and total project budget is \$12.0 million.

Progressive Gaming Systems and Table Games Management – Replacement of aging progressive signage and hardware to ensure connectivity to the new slot accounting system, and provide proper operation of signs. Fiscal year 2006-2007 budget is \$2.3 million and total project budget is \$2.6 million.

Casino Refresh – Potential reconfiguration of the Casinos of Winnipeg. Project scope has yet to be determined until a gaming study is completed. The refresh is not viewed as a finite project, but a long-term strategy. It will be amended and adjusted over the years as necessary to assist in planning on-going improvements to the Casinos. Fiscal year 2006-2007 budget is \$1.0 million and total project budget is yet to be determined.

Signage – Purchase of outdoor LED signs, providing increased advertising opportunities. Fiscal year 2006-2007 budget is \$1.0 million and total project budget is \$2.4 million.

ERP System – Replace a variety of standalone applications with an integrated product. The application will improve information flows, provide timely information, and increase functionality. Fiscal year 2006-2007 budget is \$0.3 million and total project budget is \$2.6 million.

Corporate Head Office Relocation (provision) – Potential construction of a new corporate office building. Fiscal year 2006-2007 budget is \$5.0 million and total project budget is \$25.4 million.

Individual capital project sheets help convey significant information, such as project description, justification, priority, strategic plan link, and return on investment.

Project Title: Water Treatment Plant	Project Number: 21	Completion Date: Aug-14	Weight: 1	Primary Funding Source(s): Water Fund, G.O. Bond
Project Description: The City will construct a new state-of-the-art Water Treatment Plant with capacity to supply the City from between 6-9 million gallons of treated water per day to replace the outdated 1920's plant.				
Operating Cost Impact: The new Water Plant will cost less to operate due to a greater use of automated technology possibly eliminating the need for up to three positions realizing savings after 2015 of approximately \$200,000 annually.				
Project's Return on Investment: The City is increasingly spending more money each year to hold the current plant together. The new plant will allow these monies to be diverted to new projects or to retire debt.				
Justification: The current Centralia Water Treatment Plant is 90 years old and in very critical shape. This plant only is able to treat 5-6 million gallons of water per day. The City will construct a new Water Treatment Plant to replace the aging Plant.				
Project's Impact on Other Departments: This project will directly impact the Water Department. With the increase in water distribution the existing water mains will need to be upgraded to handle the additional capacity.				
Project's Link to the Strategic Plan: 5.4.2.1- Proceed with engineering and planning of new Water Treatment Plant				

Expenditures	Total Estimated Cost	Prior Years Funding	2011	2012	2013	2014	2015
Personnel Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Cost:							
Development	450,000	200,000	150,000	100,000			
Design							
Land/ROW							
Construction Eng.	500,000			300,000	150,000	50,000	
Construction	16,000,000			8,000,000	8,000,000		
Equipment							
Administration							
Total:	\$16,950,000	\$200,000	\$150,000	\$400,000	\$8,150,000	\$8,050,000	\$-

Funding Sources:	Total Estimated Cost	Prior Years Funding	2011	2012	2013	2014	2015
Water Fund	\$ 800,000	\$ 200,000	\$ 250,000	\$ 200,000	\$ 100,000	\$ 50,000	
G.O. Bond	\$16,150,000				\$ 8,150,000	\$8,000,000	
Total:	\$16,950,000	\$200,000	\$250,000	\$250,000	\$8,250,000	\$8,050,000	\$-



Especially when the capital projects are technical, photographs can sometimes help the reader visualize the nature and scope of the planned activity.

Project Title – Interceptor Sewer Rehabilitation - \$66,851,000

SCOPE DESCRIPTION

Provides funding for planning, design, engineering services, construction, contract services, equipment and related activities necessary for large diameter sewer in-place rehabilitation, or removal and replacement of deteriorating interceptor sewer lines, including small and large diameter sewer sliplining and rehabilitation using outside contractors.

PROJECT NARRATIVE

This may be the most serious rehab issue facing the Utility. There are 242 miles of interceptor sewers (15" - 84") in the system. These are the major lines that carry large flows from extensive portions of the service area that cannot be easily rerouted. Most interceptors are made of concrete and have shown extensive corrosion damage due to hydrogen sulfide. The frequency of collapses show an increasing trend, with a total of 30 collapses in the last 14 years. The cost of repair under emergency conditions after a collapse is two to three times more than the cost of lining or renewal on a planned basis. A proactive approach is needed to identify high risk interceptor sewers most subject to deterioration and loss of serviceability.



Large Interceptor Sewer Replacement

ESTIMATED PROJECT SPENDING:

FY08 = \$8,167,000
 FY09 = \$9,092,000
 FY10 = \$11,092,000
 FY11 = \$5,000,000
 FY12 = \$4,000,000
 FY13 = \$6,000,000
 FY14 = \$5,500,000
 FY15 = \$6,000,000
 FY16 = \$6,000,000
 FY17 = \$6,000,000



Backfilling Large Interceptor Sewer

When presenting recurring (routine) capital projects, a summary sheet may be all that is needed to convey the pertinent information.

2011/12 CAPITAL OUTLAY EXPENDITURES

(A list of routine capital expenditures that are included in every budget.)

Department/Description	Fund	New/Replacement	Budget	Department Total
General Government				
Miscellaneous Capital Outlay	General	New	2,560	2,560
Police				
(8) - Patrol Vehicles	Vehicle Replacement	Replacement	220,000	
(1) - Investigation Vehicle	Vehicle Replacement	Replacement	22,500	
(1) - Community Service Officer Vehicle	Vehicle Replacement	Replacement	24,500	
(9) - Portable Police Radios	General	Replacement	53,100	
(3) - Mobile Radios	General	Replacement	13,575	
(5) - Multi-Unit Portable Radio Battery Chargers	General	Replacement	2,750	
Sirchie Remote Control Surveillance Scope	General	New	4,495	
Watec Xtreme Low Light Camera (night vision)	General	New	2,048	
Watec Dual Mode Camera/Low Light Camera	General	New	3,295	
PELCO Digital Video Recorder	General	New	3,312	
Emergency Restraint Chair	General	New	1,800	351,375
Streets				
(2) 2-1/2 Ton Dump Trucks with Plows and Salt Spreaders	Vehicle Replacement	Replacement	234,000	
(1) Super Duty Dump Truck with Plow and Salt Spreader	Vehicle Replacement	Replacement	62,500	
Replace Large Vehicle Hoist in Street Garage	General	Replacement	18,500	
16 Foot X 8 Foot Tandem Axle Utility Trailer	General	Replacement	3,500	
Computer for Vehicle Maintenance, Record Keeping, Invent.	General	New	1,500	
Electronic Line Tracer/Locater	General	Replacement	5,000	
Paving Machine	General	New	25,000	
Tree Purchases	General	Replacement	20,000	370,000
Water				
Wireless Telemetry System for Water/Waste Collection	Water	Replacement	160,000	
Ford F350 2-Wheel Drive Pick-Up Truck	Water	Replacement	23,000	
New Asphalt Driveway and Sidewalk at Kent Tower Site	Water	Replacement	6,000	
New Cathodic Protection Rectifier for Schick Water Tower	Water	Replacement	5,100	
Portable Electric Generator	Water	New	2,400	
Low Profile Digital Drum Scale	Water	Replacement	1,700	198,200
Sewer				
Herrick House Lift Station 125 KW Generator	Sewer	Replacement	70,000	
Repair of Cover All System on Aerobic Digesters	Sewer	Replacement	35,000	
Ultrasonic Level Transmitters For Influent Flow	Sewer	Replacement	7,000	

Multiple decisions are required when designing a capital improvement program and communicating that information in the budget document. One of the most basic items is prioritizing which projects should be funded.

The criteria and weighting percentages in order of priority are:

<u>Percentage</u>	<u>Weighting</u>	<u>Max. Points</u>	<u>Max. Score</u>
1. Protect Life/Public Safety/Public Health	25%	4.0	1.00
2. Replace Facility/Maintain Facility	22%	4.0	.88
3. Protect Property	15%	4.0	.60
4. Reduce Operating Costs	15%	4.0	.60
5. Provide Public Service	10%	4.0	.40
6. Provide Public Convenience	7%	4.0	.28
7. Enhance County Image	<u>6%</u>	4.0	<u>.24</u>
	100%		4.00

Each of the eight staff raters was able to assign a maximum of 4 points to a project, giving each project the possibility of being awarded a maximum of 32 points. Total points actually awarded ranged from 9.25 to 19.86.

CIPAC RATING SYSTEM

The Capital Improvement Program (Citizen) Advisory Committee (CIPAC) rated 24 CIP projects concurrent with, but independent from, the County staff. The County Board established the CIPAC in order to obtain input from the citizens of Ramsey County.

Each member of the CIPAC independently rated these projects in groups of five, a rating system developed for the 1989 CIP, and used consistently since then. Projects in each group then received the following number of points.

<u>Rating Group</u>		<u>Points</u>
First group of	5	5
Second group of	5	4
Third group of	5	3
Fourth group of	5	2
Fifth group of	<u>4</u>	1
Total	24	

Points from each member of the CIPAC were tabulated by project and the projects placed in priority order. The maximum number of points assignable to each project by the CIPAC was 50 (the committee had ten members rating projects for 2010/2011). Total points ranged from 12 to 49.

COMBINED RANK

The Capital Improvement Program Advisory Committee and the County Manager agreed upon a statistically valid method of combining the two ratings. The Combined Rank then was used to set overall Regular CIP project request priorities for the Capital Improvement Program 6-Year Plan, 2010 – 2015.

Options for funding capital improvements can be communicated in a simple table.

Ways to pay for capital improvements

In addition to cost containment measures, trustees are mulling how to raise additional revenues to quicken the pace of sewer installations, road resurfacing and other capital improvements projects over the next five years.

<u>Option</u>	<u>Impact</u>	<u>Rationale</u>
Raise \$9 million property tax levy by 4 percent annually through 2012.	The village portion of a \$9,000 bill would rise by \$24 annually.	Pro: Levy has been raised once in 9 years. Con: Property owners also face hikes from other taxing bodies.
Tap into the Permanent Fund, now at \$35 million, and slated for future village-wide capital projects.	Adds \$7 million to the \$8 million already drawn from this fund for road and sewer work in 2008.	Pro: The funds are there. Con: Drawing down the fund decrease4s the interest it earns.
Increase home-rule sales tax from one-half of 1 percent to three-quarters of 1 percent.	Raises about \$2.5 million	Pro: Would make Glenview’s home-rule sales tax equal to or lower than all but five of the 22 area communities that collect the tax. Con: Higher sales taxes may drive customers away.
Impose a \$10,000 tax on any demolished building.	Would raise from \$300,000 to \$500,000 annually	Pro: At board’s discretion, proceeds could be dedicated to road and sewer projects. Con: Might discourage development.
Impose a real estate transfer tax on buyers.	At a rate of \$3 per \$1000 of sale price, from \$2 million to \$3 million annually could be raised	Pro: At board’s discretion, funds could be dedicated to road and sewer projects. Con: Voters must approve this new tax via referendum.
Impose a home-rule tax on food and beverage sales.	Each 1 percent of tax would raise about \$750,000 annually.	Pro: Would raise new revenues. Con: Glenview isn’t a tourist town, food and drink prices likely would rise and business proprietors would face a filing burden they don’t have now.
Issue long-term debt	Interest on a 20-year bond could cost about 4.25 percent.	Pro: Would make funds immediately available and the cost would be borne by residents who benefit from the improvements. Con: Adds to village’s total debt, and would hike property taxes to repay it.

When possible, the cost estimate methodology should be presented. If a standard methodology is used, that information can be included in the capital introductory section.

CAPITAL IMPROVEMENT PLAN CONCEPTUAL COSTING

Listed below are the parameters used to determine total project costs during each phase, from concept to construction:

1st Year: **Pre-design cost** – 4% of construction and site development
 Land Acquisition – \$320,000 per acre for commercial property
 Land Acquisition – \$30,000 per acre for rural property

**2nd and
3rd
Years:** **Construction** (includes utilities):
 Fire/Rescue Stations – \$200 per square foot
 Courts, Public Safety, Libraries – \$322 per square foot
 One story office – \$188 per square foot

Note: These are 2008 dollar values; construction costs are inflated 5% annually to determine the cost in out years.

Site Development – \$300,000 per acre for site
Design and Construction Administration – 8% of construction and site development
Inspection and Testing – 3% of construction
Data – \$15 per square foot (includes cost of computer and phones)
Furniture and Fixtures * – 6% of construction costs
Equipment – To be determined by project manager
Contingency – 15% of entire project costs

*May need to be adjusted based on the type of building (Fire/Rescue, office space, storage space, etc)

Cost estimates can be broken out by phase. A major schedule or dollar change from the prior capital improvement plan should be identified.

Town Square Streets - 5th Ave, 6th Ave, 150th St & 151st St Improvements

Account Number 314-11-595-12 Work Order Number: 314-0003

Project Description: Construct the extension of 6th Avenue SW from SW 152nd to 150th Street, and SW 151st Street from 4th Ave SW to 6th Ave SW and 5th Ave SW from SW 150th to SW 152nd Street to provide improved circulation within the central downtown areas. Project improvements include curb, gutter and sidewalk, new turn lanes, intersection improvements at SW 150th St and at 6th Avenue SW. Other improvements include illumination, drainage, landscaping, installation of pedestrian amenities, and utility improvements.

Total Project Cost: \$ 9,839,017

Basis/Variables/Risks in cost estimate: Specific costs per site could change as scope is developed by the City Council. Utility conversion costs are not included in the project costs. Other variables include the right-of-way costs for the Bartell's lease; Stroebel property; and demolition and hazardous material removal costs which will need to be re-estimated following completion of the hazmat study.

Estimated Schedule/Milestones: Proj Dev/Planning Pre-design Design Q4-2007 Construction Q1-2008 Completion Q3-2009

Change from Prior CIP: The project cost was increased by \$1,212,044 due to the \$675,000 for property settlement costs and \$545,254 due to shifting construction phase to 2008-2009 and inflating by 12%.

EXPENDITURES	Total	Expenses										
		Dec 31, 2006	2007	2008	2009	2010	2011	2012	2013	Future		
Developer Coordination	\$ 288,000	\$ 288,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Issuance Costs	21,005	21,005	-	-	-	-	-	-	-	-	-	-
Design Phase	597,553	557,650	39,903	-	-	-	-	-	-	-	-	-
Right-of-way Acquisition	3,115,000	1,341,354	1,773,646	-	-	-	-	-	-	-	-	-
Construction Phase	5,817,459	100,312	2,900,000	2,817,147	-	-	-	-	-	-	-	-
TOTAL	\$ 9,839,017	\$ 2,208,009	\$ 1,913,861	\$ 2,900,000	\$ 2,817,147	\$ -						
REVENUES												
Town Square CIP	\$ 1,479,103	\$ 258,849	\$ 675,000	\$ -	\$ 545,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State CTED Funding	2,000,000	1,310,096	689,904	-	-	-	-	-	-	-	-	-
Federal Appropriation	2,954,312	-	-	1,632,419	-	-	-	-	-	-	-	-
Bond Issue - Mitigation Backed	1,541,391	1,541,391	-	-	-	-	-	-	-	-	-	-
Surface Water Management	408,000	408,000	-	-	-	-	-	-	-	-	-	-
Bond Issue - Banked Property Tax	-	-	-	-	-	-	-	-	-	-	-	-
Federal STP grant	950,000	-	-	950,000	-	-	-	-	-	-	-	-
Land Sales	506,211	506,211	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 9,839,017	\$ 3,518,336	\$ 1,871,115	\$ 1,632,419	\$ 2,817,147	\$ -						

Impact of Capital Investments on Operating Budget

#F9: Impact of Capital Investments on Operating Budget The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget.

- Criteria Location Guide Questions**
1. Are anticipated operating costs associated with significant nonrecurring capital expenditures described and quantified (e.g., additional personnel costs, additional maintenance costs, or additional utility costs)? (Information in a separate CIP document does not satisfy this criterion.)
 2. Are anticipated savings or revenues expected to result from significant nonrecurring capital expenditures described and quantified (e.g., reduced utility costs, lower maintenance costs)?

Explanation This criterion asks for the identification of specific significant financial impacts upon current and future years that are likely to result from significant nonrecurring capital expenditures (other than the cost of the improvements themselves). The entity may make its own determination of what is “significant.” However, some examples of significant costs are those that (1) would require an increase in the tax rate OR (2) would result in a reduction in spending elsewhere in the budget OR (3) would require additional staff. Additional anticipated revenues and expenditure reductions also should be briefly described and quantified. Concepts like net present value, return on investment, or payback period may be used. Identification of the anticipated non-financial impact of significant nonrecurring capital expenditures on services is encouraged.

Chapter Overview *Capital improvement programs have a real impact on operating budgets. In order to adequately prepare for the future costs, savings, or additional revenues associated with capital improvement projects, governments should quantify and explain any future operating impact associated with the purchase in their budget document. This criterion requires not only quantification of the operating impact, but discussion as well.*

Helpful Hint

Quantify and discuss operating impacts.

The operating impact of capital improvements has become so significant that the state of Nevada now requires that local government budgets include provisions for funding the operation and maintenance of planned capital improvements.

Impact on Operating Budget:

Per Nevada Revised Statutes (NRS) 354.601: "Construction of capital improvement without funding for operation and maintenance included in approved budget is prohibited. A local government shall not begin the construction of a capital improvement unless the funding for the operation and maintenance of the improvement during the current fiscal year, including personnel, is included in an approved budget." Operating impacts include personnel, supplies & services costs or savings. Reductions in maintenance costs will be realized due to some of the major rehabilitation projects; however, expansion will result in an incremental increase of operating costs. For example, the new Solids Dewatering facility will require additional staff and supporting supplies & services.

One way to satisfy the requirement of including both operating impact quantification and discussion is through the use of an annotated summary table.

ESTIMATED OPERATING COST IMPACT

The chart below depicts cost implications associated with the year new construction is projected to be completed. The operating impact reflects a 4% escalated cost from 2008 dollars. Although this is a very aggressive construction schedule, these numbers are a good representation of facility services operating needs associated with capital development. Please note the cost for new academic program spending is not included as specific programming has not yet been determined.

	Greenhouse Classrooms FY10	Facility Services Building FY10	Improve Landscape Standards FY11	Lake Pathways FY11	Student Center FY11	Natural Science Addition FY12	Automotive Addition FY11	Allied Health Nursing FY12	Cumulative Totals
Custodial	0	0	0	0	225,687	17,547	0	387,735	630,969
Maintenance	0	0	0	0	88,354	0	0	183,776	272,130
Grounds	0	0	75,000	78,184	81,311	0	0	0	234,495
Security	0	0	0	0	65,520	0	0	68,141	133,661
Utilities	9,043	0	0	0	268,453	67,267	32,170	333,081	710,014
Supplies	0	0	5,000	18,000	125,000	8,000	4,400	40,000	200,400
Totals	9,043	0	80,000	96,184	854,325	92,814	36,570	1,012,733	2,181,669

- ◆ Improve landscape standards – assumes \$75,000 contracted services for installation of new gateway zones and \$5,000 for supplies to maintain them.
- ◆ Greenhouse/Classroom (11,700 GSF) – assumes no increase to staffing or supplies and an increase to utilities.
- ◆ Facility Services Building (35,373 GSF) – assumes no increase to staffing or utilities due to the demolition of existing temporary buildings.
- ◆ Lake Pathways (8,000 L.F.) – assumes an increase of one full-time roads and grounds staff member to assist in the maintenance of new pathways and new core landscaping gateways and an increase in supplies.
- ◆ Campus Center (110,000 GSF) – assumes the addition of three full-time custodians, one maintenance employee, one grounds employee, one security officer along with utilities and supplies.
- ◆ Natural Science Addition (20,000 GSF) – assumes an increase of one full-time custodian and an increase in utilities and supplies.
- ◆ Automotive Addition (11,000 GSF) – assumes no increase in staffing and an increase in utilities and supplies.
- ◆ Allied Health/Nursing Building (75,000 GSF) – assumes an increase of five custodians, two maintenance employees, one security officer, utilities and supplies.

While the traditional focus on impacts relates to expenditures, the government should also account for any additional revenues — such as the farebox revenues in this example of a large multi-modal transit project.

SOUTHEAST CORRIDOR (T-REX)

The T-REX multimodal project is a major non-routine capital project included in the scope of RTD's six-year TDP. Construction of T-REX is being done as a design/build package, which was awarded in June 2001. Construction of the project is scheduled to be completed by September 2006, with the project opening for revenue service in November 2006. The TDP capital program includes the funding needed to complete the capital construction of the T-REX project.

In addition to the construction costs, RTD has issued debt to cover the local share of construction costs. In November 1999, the voters of the District authorized RTD to issue up to \$457 million in bonds and commercial paper, with maximum total debt service of \$779 million, to finance the project. As of December 31, 2004, the District had issued all of the authorized sales tax bonds and \$92.5 million of commercial paper. RTD does not plan to issue any additional debt for the project.

RTD also will incur operating and maintenance costs for the light rail service. Starting in 2004, these costs were phased in with the opening of the Elati maintenance facility, and continued in 2005 with startup, testing, and training of new personnel. The table below shows the impact of this non-routine capital expenditure on current and future budgets.

Southeast Corridor (T-REX)		
Impact on Current and Future Operating Budget		
(thousands of year-of-expenditure dollars)		
	2006	2007
Farebox Revenues	\$518	\$4,209
Total Operating Expenditures	12,354	15,352
Net Impact	\$11,836	\$11,143

There are some capital projects (within the same project) that not only increase costs, but reduce expenses as well. The discussion should cover these occurrences and present the net result.

Golf View Acres Sanitary Sewer – Construction of several sanitary sewer connections in the Golf View Acres subdivision, currently a septic system development, to the Rock Creek Interceptor to provide sanitary sewer service to the development. \$1,075,000
Operating effect: will slightly increase operating expenses due to the addition of sewer main – estimated increase in operating expenses is negligible

Country Club Court Sanitary Sewer – Construction of several sanitary sewer connections in the Country Club Court subdivision, currently a septic system development, to the Rock Creek Interceptor to provide sanitary sewer service to the development. \$1,005,000
Operating effect: will slightly increase operating expenses due to the addition of sewer main – estimated increase in operating expenses is negligible

Saylor Creek Trunk Sewer – Sewer main extension from the Saylor Creek Interceptor (WRA) north to the Saylor Creek Pump Station. This sewer will eliminate flows through Saylor Creek Pump Station to the Four Mile Interceptor except during wet weather. This is a joint project with Polk County with the construction occurring primarily in the county. This project will start in fiscal year 2008 and finish in fiscal year 2009. \$1,500,000
Operating effect: will reduce maintenance costs due to the removal of dry weather pumping from the Saylor Creek Pump Station – estimated annual savings is \$10,000

Four Mile Creek Basin Outfall Extension – Extension of the main outfall sewer for the Four Mile Basin from 1st Street to north of NE 18th Street and across the interstate to remove the Four Mile Trunk Lift Station. This project will start in fiscal year 2007 and finish in fiscal year 2008. \$1,010,150
Operating effect: will increase maintenance costs due to additional sewer main that currently does not exist but will be partially offset by reduced maintenance costs from the elimination of a lift station – estimated change in maintenance costs are negligible

Fire Station No. 1 Expansion – Project was approved by a bond referendum passed in the spring of 2006, construction began during fiscal year 2007 to expand the current fire station with additional training facilities, additional administrative space, and overnight living quarters. This project is expected to be completed in fiscal year 2008. \$2,500,000
Operating effect: will increase operating costs due to additional square footage but will be partially offset with lower maintenance costs due to the new construction – estimated net increase in maintenance and operating costs is \$25,000

Police Department Headquarters Building - Project was approved by a bond referendum passed in the spring of 2006, construction began during fiscal year 2007 to replace the current police department headquarters with a new building at a new location. Construction is expected to extend into fiscal year 2008. \$12,400,000
Operating effect: will increase operating expenses due to a substantial increase in square footage but will be partially offset with lower maintenance costs due to the new construction – estimated increase in operating expenses is \$75,000

It is important to identify the expected completion date of major facility projects, as the operating impact is tied directly to project completion. In this example, the school district clarifies how staffing needs for six new schools will be partially met by personnel transfers rather than new hires.

Estimated Impact on the Operating Budget

The opening of the six new schools under the 2006 & 2008 referenda will result in increased operating expenses starting in 2009-2010 school year. Additional utilities, personnel, and supplies will increase operating expenses by an estimated \$4.0 million in 2009-2010 and an additional \$6.5 million in 2010-2011 with opening of the remaining schools. The total increase over the two year period will be \$6.4 million in salaries and benefits and \$4.1 million in other operating cost. Staffing of teachers will primarily come from transferring personnel from existing over-crowded schools in the area. This will limit the need for new staffing. Generally, only new administrative and support staff positions will be needed. Other items that will affect operating cost include: additions to cleaning contracts, maintenance contracts, safety contracts, transportation, communication and utility cost. The School District's fund balance has recently increased in anticipation of these upcoming school openings.

	Estimated Construction Time Line			
	FY2008	FY2009	FY2010	FY2011
Red Cedar Elementary School			Open Fall 2009	
McRiley Early Childhood Center			Open Fall 2009	
Bluffton Elementary Early Childhood Center			Open Fall 2009	
Bluffton Middle School				Open Fall 2010
Jones Tract Elementary School				Open Fall 2010
Whale Branch High School				Open Fall 2010

It helps to explain whether the brackets or parenthesis in the operating impact schedule represent incremental costs or savings. The schedule may also include non-financial impacts.

**Operating Budget Impact
2009-2014 Capital Improvement Program
Net Operating and Maintenance Costs or Savings (Estimated)**

Note: Positive figures indicate Operating Budget additional costs; negative figures indicate savings.

Department of Sewers-(Continued)						
Capital Project: Country Club Estates PS Elimination 2009-2014 CIP Project Funding: \$1,828,200	Estimated Impact on Operating Budget Per Year					
	2009	2010	2011	2012	2013	2014
	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Description of Operating Impact						
Completion of the project will allow the Metropolitan Sewer District to avoid \$22,000 in annual costs of operating a new pump station.						
Description of Non-Financial Impact						
This project will eliminate a pump station, which is functionally obsolete and has overflowed occasionally to a nearby creek.						
Capital Project: Wilder Avenue Sewer Replacement 2009-2014 CIP Project Funding: \$332,000	Estimated Impact on Operating Budget Per Year					
	2009	2010	2011	2012	2013	2014
					(50,000)	
Description of Operating Impact						
By rehabilitating an existing sewer, this project will reduce maintenance costs. The risk of non-performance includes the ultimate collapse of the public sewer, resulting in discharges to the environment, water-in-basement events, or damage to sewer structures assumed to cost \$50,000.						
Description of Non-Financial Impact						
This project will extend the service life of an existing sewer.						

Department of Transportation & Eng.						
Capital Project: LED Traffic and Pedestrian Signals 2009-2014 CIP Project Funding: \$2,700,000	Estimated Impact on Operating Budget Per Year					
	2009	2010	2011	2012	2013	2014
	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Description of Operating Impact						
The estimated annual saving is approximately \$30,000 in the non-personnel budget from reduced wash/relamp contracts (\$5,000) and savings of traffic signal energy (\$25,000).						
Description of Non-Financial Impact						
This project will reduce traffic signal outages by replacing incandescent-type traffic and pedestrian signals with energy efficient and longer life Light-Emitting Diode (LED) types.						

Operating impacts may be broken out by spending component. For instance, the opening of a new facility could result in additional salary and benefit costs due to increased staffing. Higher operating and maintenance expenses may also occur. In this example, the county includes both increased net operating costs and increased net operating revenues as appropriate.

Type	Salary & Benefits	Recurring Operational Costs	Recurring Annual Revenues	Total Annual Impact-Favorable/ (Unfavorable)
Pendleton Library	\$97,630	\$89,200	N/A	\$(186,830)
Powdersville Library	\$97,630	\$89,200	N/A	\$(186,830)
Powdersville Recycling/Convenience Center	\$25,920	\$16,000	N/A	\$(41,920)
ACDC In-take	N/A	N/A	N/A	N/A
Health Dept	N/A	N/A	N/A	N/A
T-Hangar	N/A	\$1,500	\$30,600	\$29,100
Animal Shelter Addition	N/A	\$5,000	N/A	\$(5,000)
Total	\$221,180	\$200,900	\$30,600	\$(391,480)

The additional personnel that will be needed at the two new branch libraries are an Assistant Branch Manager/Children's Coordinator, Library Clerk, Maintenance Worker, and one part-time employee. The additional operating costs that the Anderson County Library anticipates incurring are due to the fact that the Pendleton branch library is increasing from an existing 1,500 square feet structure to an 11,000 square feet building. The Powdersville branch library is increasing from 2,400 square feet to 13,000 square feet. The increased operating costs comprise hiring of a contracted security guard (\$20,000), additional books and materials (\$50,000), magazines and newspapers (\$3,200), children's programming (\$3,000), clerical, janitorial, and miscellaneous supplies (\$7,250), and maintenance of equipment (\$5,750). It is anticipated that the new Pendleton and Powdersville branch libraries will open October 2006 and September 2007, respectively.

Branch	FY 2007	FY 2008	FY 2009	Total
Pendleton	\$140,125	\$186,830	\$186,830	\$513,785
Powdersville	N/A	\$155,700	\$186,830	342,530
Total	\$140,125	\$342,530	\$373,660	\$856,315

It is estimated that there will be a 15% increase in usage of these library facilities once they are opened.

The in-take area at the Detention Center allowed for more efficient processing of inmates. The additional 10-unit T-hangar at the Airport will provide for annual revenue of approximately \$30,600. The Anderson Regional Airport maintains a waiting list for T-hangar space and the addition of ten additional units will help alleviate some of this backlog of applicants. The proposed Animal Shelter addition allows for maintenance of additional pets that can potentially be adopted rather than having to be euthanized.

Just as the cost estimate methodology can be shown for capital projects, a similar approach can be taken to show the operating impact. This example illustrates how the maintenance and operating cost impact depends on the type of improvement.

Maintenance and Operating (M & O) Expenditures

Maintenance and operating costs are planned expenditures covered in the City's proposed budget and may include personnel, supply, and contract costs needed to maintain a completed project. It will be necessary to identify future maintenance and operation costs related to the implementation of completed projects. The purpose of collecting information on potential impacts to the operating fund is to provide a measure of increased services or decreased services directly related to the project. Reliable cost estimates allow the City to better approximate and prepare for the direct long-term expenses that a project may incur. It will be necessary to identify ongoing revenues to finance increased operating costs that may result from the completion of a capital project.

Maintenance and operation (M & O) costs are calculated for each component based upon the type of improvement. The following table illustrates the improvement type and associated M & O cost with each improvement. Maintenance and operation costs are projected to increase 2.0% annually and are included in the respective capital improvement plan as projects are completed.

Improvement	Cost
Neighborhood Parks	\$5,500/acre
Community Parks	\$5,500/acre
Regional Parks	\$5,500/acre
Linear Parks	\$3,000/acre
Open Space Parks	\$750/acre
Special Use Parks	\$7,500/acre
Traffic Signal Improvement	\$8,000 each
Turn Lane Improvement	\$2,500 each
Road Widening/Extension	\$10,000/mile
New Roads	\$10,000/mile

Debt

#F10: Debt (mandatory) The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations.

Criteria Location Guide Questions

1. Are debt limits described?
2. Are the amounts of debt limits expressed in terms of total dollars, millage rates, or percentages of assessed value?
3. Are the amounts of debt subject to debt limits identified in the same terms used to describe the debt limits themselves?
4. Is the amount of principal and interest payments for the budget year (two years for biennial budgets) shown for each major fund (for appropriated funds), for each significant unappropriated fund and for other funds in the aggregate?

Explanation Entities should describe their legal debt limits. The legal debt limits may be expressed in terms of total dollars, millage rates, or percentages of assessed value. The document should indicate the impact of debt on the current budget by indicating the total amount of principal and interest payments to be paid during the year for each major appropriated fund and for each significant unappropriated fund and for other funds in the aggregate (two years for biennial budgets). If the entity has variable rate debt or a balloon payment that could significantly alter debt levels in the future, the entity is encouraged to disclose that fact. A repayment schedule may be presented, but is not required. The entity is encouraged to discuss coverage requirements and actual coverage for revenue backed debt. An entity may wish to discuss debt that it anticipates issuing separately from its discussion of outstanding debt. An entity should consider concisely describing the purpose and type of individual debt obligations.

Chapter Overview *This criterion requires that debt limits and principal and interest payments for the budget year be shown. Many other items may be included in the debt section, such as bond ratings, debt capacity projections, peer comparisons, funding options, debt obligation purpose, debt to maturity schedules, and upcoming debt obligations. Governments should also have a written debt policy, but that would appear in the financial policy section.*

Helpful Hint

Include debt to maturity schedules that break out principal and interest.

For most municipalities, debt limits are expressed as a percentage of the market value of taxable property. Once the debt limit has been calculated, then the debt applicable to that limit can be shown. The difference is the legal debt margin. While not required by the criterion, some governments calculate legal debt margins beyond the budget year.

This example also includes a discussion and explanation of the city's bond ratings.

Projection of Legal Debt Margin December 31

	2012	2013	2014	2015	2016
Market value of taxable property	\$3,716,534,000	\$3,926,778,000	\$4,148,915,000	\$4,383,618,000	\$4,631,599,000
Statutory debt limit: 3.0% of market value	111,496,020	117,803,340	124,467,450	131,508,540	138,947,970
<u>Amount of debt applicable to debt limit:</u>					
Open Space Refunding Bonds 2002D	725,000	365,000	-	0	0
Refunding Bonds 2004A	2,145,000	1,935,000	1,715,000	1,495,000	1,270,000
Capital Improvement Plan Bonds 2004C	485,000	455,000	420,000	385,000	350,000
Total debt applicable to debt limit	3,355,000	2,755,000	2,135,000	1,880,000	1,620,000
Legal debt margin	108,141,020	115,048,340	122,332,450	129,628,540	137,327,970

BOND RATINGS

The City has utilized two different rating agencies over the years - Moody's Investor Services and Standard and Poor's. In 1989, Moody's improved the City's rating from 'A-1' to 'Aa'. The improved rating was due to "continued growth and diversification of the City's economy, strength and long-term stability of its dominant taxpayer and well maintained finances" according to the Moody's Credit Report.

In 1997 Moody's revised their rating scale and the 'Aa' rating was replaced with 'Aa2' and 'Aa3' ratings. Maplewood had the 'Aa2' rating which is the higher of the two new ratings. Only 13.7% of Moody's ratings nationwide were 'Aa2' or better in November 2005.

For the 2010 bond issues, the City used Standard & Poor's Ratings Services. Maplewood was assigned an 'AA+' rating with a stable outlook. The secure range scale ratings from highest to lowest are 'AAA', 'AA', 'A', and 'BBB'.

For the 2011 bond issue, the City returned to Moody's Investor Services and was assigned a rating of Aa1, which is equivalent to the AA+ assigned by Standard and Poor's. This is the second highest investment grade in the scale. Part of Moody's rationale for their decision was "stable financial operations, supported by satisfactory General Fund reserves and sound fiscal policies".

The debt margin calculation may be more complex for some cities. In that case, footnotes can provide the reader with additional information on how the calculation was made.

CITY OF AMES, IOWA PROJECTION OF DEBT CAPACITY

	2010/11 PROJECTED	2011/12 PROJECTED	2012/13 PROJECTED	2013/14 PROJECTED
1. Total Actual Valuation	3,427,688,274	3,530,518,922	3,636,434,490	3,745,527,525
2. State Mandated Debt Limit	171,384,414	176,525,946	181,821,725	187,276,376
3. City Reserve (25% of Limit)	42,846,104	44,131,487	45,455,431	46,819,094
Unreserved Debt Capacity	128,538,310	132,394,459	136,366,294	140,457,282
4. Outstanding Debt	30,260,000	24,540,000	19,275,000	14,930,000
5. Proposed Issues	8,910,000	6,310,000	6,082,000	7,298,000
6. Balance of Proposed Issues	11,885,193	19,320,938	23,677,769	27,323,703
Total Debt Subject to Limit	51,055,193	50,170,938	49,034,769	49,551,703
7. Available Unreserved Debt Capacity (\$)	77,483,117	82,223,521	87,331,525	90,905,579
8. Available Unreserved Debt Capacity (%)	60.28%	62.10%	64.04%	64.72%
9. Total Debt Capacity (\$)	120,329,221	126,355,008	132,786,956	137,724,673
10. Total Debt Capacity (%)	70.21%	71.58%	73.03%	73.54%

Notes:

1. Total assessed valuation plus utility valuation growth assumption is 3.0% per year.
2. State of Iowa statutory debt limit is 5% of total actual valuation.
3. City policy reserves 25% of available debt capacity.
4. Current outstanding debt subject to limit at fiscal year end includes all debt in which property taxes are pledged.
5. Debt issues subject to limit proposed are part of Capital Improvements Plan.
6. Debt balance on issues in Capital Improvements Plan.
7. Debt capacity available after deducting the reserved capacity.
8. Percentage of debt capacity available after deducting the reserved capacity.
9. Debt capacity available prior to deducting the reserved capacity.
10. Percentage of debt capacity available prior to deducting the reserved capacity.

Peer comparisons may be made between cities based on the percentage of legal debt utilized and on bond ratings. Sometimes, peer comparisons are used in conjunction with debt affordability.

FY 10 Legal Debt Limit Comparison for Ten Largest Iowa Cities

Rank	City	Legal Debt Limit (5%)	Percentage of legal debt limit utilized
10	Des Moines	572,483,022	67.90%
9	Cedar Rapids	434,010,014	62.20%
8	Dubuque	167,112,486	60.53%
6	Davenport	290,703,247	59.70%
7	Sioux City	182,006,722	54.90%
5	Waterloo	177,771,817	46.71%
4	Iowa City	218,317,885	40.00%
3	W. Des Moines	294,266,751	39.00%
2	Council Bluffs	221,438,807	37.10%
1	Ames	166,392,635	29.00%
	Average w/o Dubuque		48.50%

The highest ranked city (Des Moines) is 12% higher than Dubuque's percentage, and the average is 19.87% lower than Dubuque.

FY 09 Moody Bond Ratings Comparison for Ten Largest Iowa Cities

Ranking	City	Rating
1	Ames	AAA
	Cedar Rapids	AAA
	Iowa City	AAA
2	West Des Moines	Aa1
3	Davenport	Aa2
	Des Moines	Aa2
	Dubuque	Aa2
	Sioux City	Aa2
4	Council Bluffs	A1
	Waterloo	A1

Governments with enterprise funds may have a different type of calculation for their debt. In this case, a coverage ratio is used.

Utility Revenue Bond Debt Coverage

The City has agreed through its bond ordinances to maintain a minimum "times coverage" ratio of 1.25. The ordinance allows the City to eliminate its reserve fund requirement with coverage of 1.35 or better. The times ratio is calculated using the net revenue available for debt service from the combined Water, Electric and Wastewater utilities' operations divided by the combined debt service requirement of the utilities. The times coverage ratio is also reviewed by bond rating agency analysts when the City receives a rating for a potential bond issue.

The 2011/12 Proposed Operating Plan provides the revenue to debt ratios shown below. The City's Fiscal and Budgetary Policy requires that each utility maintain separate coverage of at least 1.5, including both the Airport and Stormwater Drainage. The excess coverage provided by each fund is used to pay for related utility system capital improvements and other uses approved by the City Council.

	Water Services Fund	Electric Fund	Total
<i>REVENUE:</i>			
All Other Revenue	1,929,930	1,798,584	3,728,514
Interest	104,100	50,000	154,100
System Billings	22,873,227	61,527,544	84,400,771
Total Revenues	24,907,257	63,376,128	88,283,385
<i>EXPENSES:</i>			
Departments	18,137,275	55,587,723	73,724,998
Total Expenditures	18,137,275	55,587,723	73,724,998
Net Available for Debt Service	6,769,982	7,788,405	14,558,387
Annual Debt Requirement	4,207,633	3,117,398	7,325,031
Times Coverage Ratio	1.61	2.50	1.99

Debt management policies (which should be included in the financial policy section of the budget document) are written guidelines and restrictions that affect the amount and type of debt issued by a state or local government, the issuance process, and the management of a debt portfolio. A debt management policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, and demonstrates a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner. Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective debt management policy provides guidelines for a government to manage its debt program in line with those resources.

Debt Policy

- A. The City will confine long-term borrowing to capital improvements, equipment or projects that have a life of more than 4 years and cannot be financed from current revenues.
- B. The City will endeavor to keep the total maturity length of general obligation bonds below 20 years and at least 50% of the principal shall be retired within 10 years. In all cases, the maturity shall be shorter than the life of the related assets.
- C. Total net (after deducting sinking funds and reserves) general obligation debt (net of utilities supported portion and any portion supported by others, such as the State of Minnesota) shall not exceed 75% of the dollars per capita debt limit for the current year.
- D. Net general obligation debt (as defined above) will not exceed the statutory limit of 2% of the estimated Full Market Value of taxable property in the City as required by Minnesota Statute, Section 475.53.
- E. Where possible, the City will use revenue (including G.O. backed revenue) or other self-supporting type bonds instead of general obligation bonds.
- F. The City will not use long-term debt for current operations (including repairs).
- G. The City will maintain frequent and regular communications with bond rating agencies about its financial condition and will follow a policy of full disclosure in every financial report and bond prospectus. The City will comply with Securities Exchange Commission (SEC) reporting requirements. The City will strive to maintain a full funding policy for the Fire pension plan (no unfunded liability) and will maintain a continuing overview of the investments of the Fire plan.
- H. Interfund borrowing for periods of more than one year shall only be undertaken for capital expenditures. A reasonable payment schedule for repayment of the borrowed amounts and enforceable covenants, established to ensure recourse if the schedule is not adhered to, shall be approved by the City Council. Interest charges shall be included to compensate the lender for the use of its financial resources. Interest charges for interfund loans utilizing tax increment bonding will follow Minnesota Statutes, Section 469.178, Subd. 7.

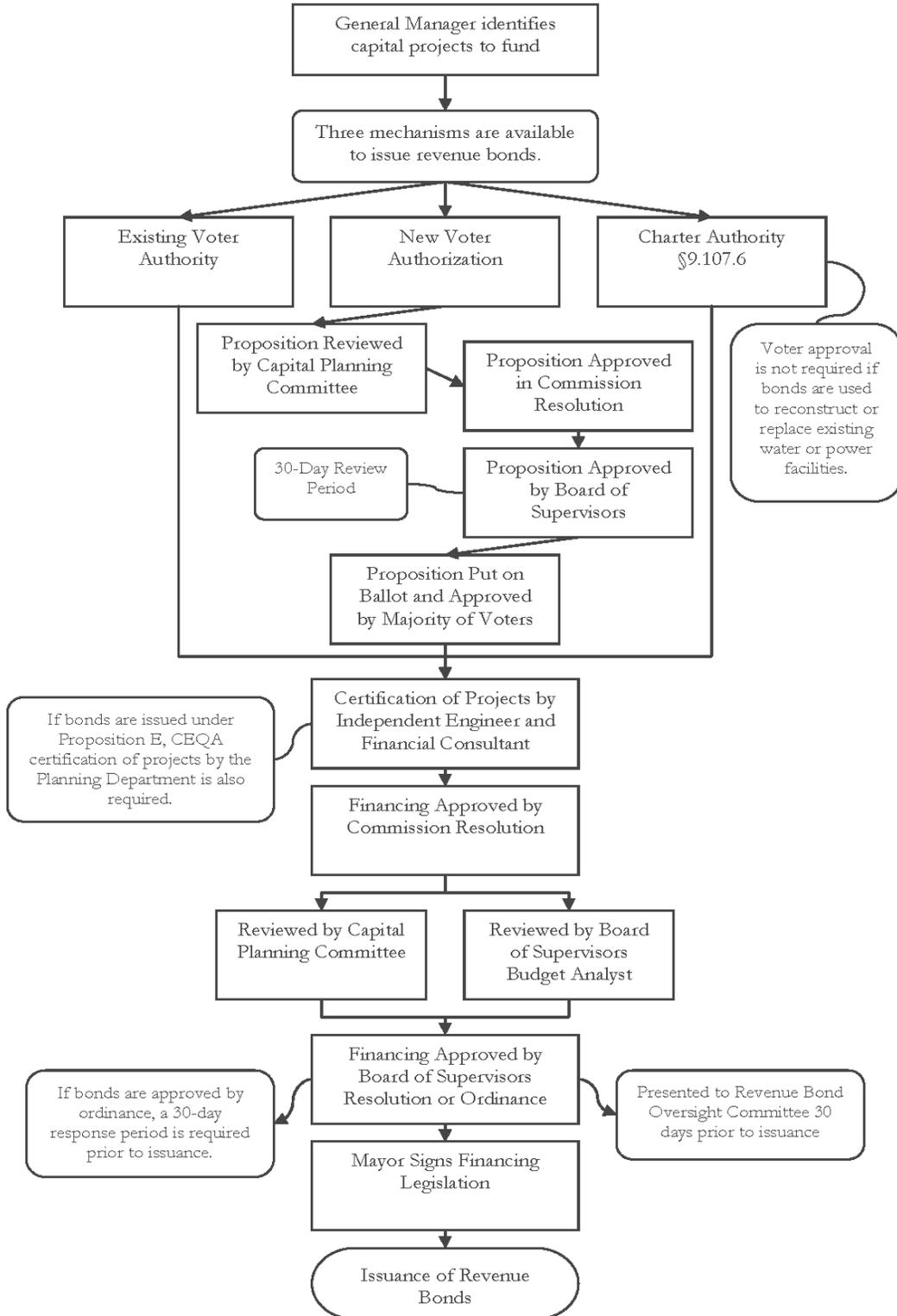
Interfund borrowing that does not meet the criteria noted above shall not be considered as a loan in financial reports.

The decision to issue debt should be based on a number of factors. A matrix can be used to highlight the pros and cons of pay-as-you-go versus debt financing.

	Pay-As-You-Go	Debt Financing
Advantages:	No Interest Costs. Interest Savings can be Used to Finance Additional Projects.	Allows for a Shorter Time Period for Financing Major Projects.
	No Legal or Bond Covenant Requirements.	Allocates Costs to Citizens Who Receive the Related Benefits.
	No Debt Service Payments Required.	Expands Capital Improvement Program.
	No Additional Tax Levy is Required.	Referendum Approval Indicates Public Support of the Project.
	Conserve Debt Capacity and Achieve a more Favorable Credit Rating.	Usually Required for Revenue Generating Facilities.
Disadvantages	Long Savings Period to Finance Major Construction Projects	Interest Costs
	Allocates Costs of Project to Citizens That May Not Benefit.	Additional Tax Levy May be Required to Repay Debt.
	Limits Capital Improvement Program to Funds Available.	Legal Restrictions Set by Statute on Debt Issuance.
	Reserves can not be Established Before the Construction of Revenue Generating Facilities.	Bond Covenant Requirements.
	Inflationary Costs	Voter Approval may be Required.

Flow charts are frequently used to illustrate the operating or capital budgeting process. The debt approval process can be illustrated with a flow chart as well.

Debt Approval Process



Once the decision has been made to issue debt, it is a good idea to describe the debt obligations (especially those issued during the current year or anticipated debt issues).

General Obligation Debt Issuances During 2011

In November of 2011, the City issued the following debt:

- \$7,545,000 of General Obligation Permanent Improvement Revolving Fund Bonds. The proceeds were used for specific development projects and the Pavement Management Program to finance curb and gutter, sidewalk and road surfacing improvement projects within the City.
- \$2,080,000 of General Obligation Permanent Improvement Revolving Refunding Bonds. The proceeds will be used to refund the February 1, 2013 through February 1, 2018 maturities of the City's General Obligation Permanent Improvement Revolving Fund Bonds of 2003, Series 38, dated March 15, 2003. The net present value benefit of the refunding is \$143,533 or 6.90% of the refunded principal.
- \$3,095,000 of Taxable General Obligation Tax Increment Refunding Bonds. The proceeds will be used to refund the February 1, 2014 through February 1, 2023 maturities of the City's Taxable General Obligation Tax Increment Bonds, Series 2003A, dated March 15, 2003, and the Taxable General Obligation Tax Increment Bonds, Series 2004A, dated March 1, 2004. The net present value savings of the crossover refunding of the two bond issues is \$195,496 or 6.32% of the refunded principal.

Anticipated Debt Issues

The City plans to issue Permanent Improvement Revolving Fund debt of approximately \$6.0 million in the fall of 2012 to replenish funds expended for the Pavement Management Program and specific developer assessment projects.

The description of debt obligations may be expanded beyond just the purpose of the issue. For instance, items like support type, financial classification, interest dates and rates, date and amount of issuance, call date, and paying agent may also be included.

This schedule also includes principal and interest payments beyond the budget year (though maturity). Principal and interest payments need to be broken out separately.

SELF SUPPORTED GENERAL OBLIGATION DEBT

Tax Levy Year	As of 4/30 Calendar Year	Fiscal Year	Fund 301-9541 2003A		Fund 301-9545 2005		Fund 301-9550 2010	
			PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2011	2012	2013	215,000.00	46,731.26	300,000.00	51,837.50	205,000.00	66,862.50
2012	2013	2014	225,000.00	38,400.00	350,000.00	41,787.50	215,000.00	63,787.50
2013	2014	2015	235,000.00	29,400.00	400,000.00	29,712.50	215,000.00	60,562.50
2014	2015	2016	245,000.00	20,000.00	425,000.00	15,512.50	225,000.00	56,800.00
2015	2016	2017	255,000.00	10,200.00	0.00	0.00	230,000.00	52,300.00
2016	2017	2018	0.00	0.00	0.00	0.00	235,000.00	46,550.00
2017	2018	2019	0.00	0.00	0.00	0.00	245,000.00	40,675.00
2018	2019	2020	0.00	0.00	0.00	0.00	255,000.00	33,325.00
2019	2020	2021	0.00	0.00	0.00	0.00	260,000.00	25,675.00
2020	2021	2022	0.00	0.00	0.00	0.00	270,000.00	17,875.00
2021	2022	2023	0.00	0.00	0.00	0.00	280,000.00	9,100.00
2022	2023	2024	0.00	0.00	0.00	0.00	0.00	0.00
2023	2024	2025	0.00	0.00	0.00	0.00	0.00	0.00
2024	2025	2026	0.00	0.00	0.00	0.00	0.00	0.00
2025	2026	2027	0.00	0.00	0.00	0.00	0.00	0.00
			1,175,000.00	144,731.26	1,475,000.00	138,850.00	2,635,000.00	473,512.50

Purpose of Issue:	Refunding of 1997A capital projects bonds - part of \$2,600,000 issue	TIF V	Refunding of 2002A NWCDS Building addition
Support Type:	100% Self Supported	100% Self Supported	100% Self Supported GO Bonds intended to be paid from NWCDS rent
Financial Classification:	General Obligation	General Obligation	General Obligation
Interest Dates:	June and December	June and December	June and December
Date of Issue:	December 29, 2003	June 6, 2005	September 7, 2010
Interest Rate:	2% to 4%	3.30% to 3.65%	1.5% to 3.25%
Amount of Issue:	\$2,175,000	\$2,235,000	\$2,855,000
Call Date:	Noncallable	December 1, 2013	December 1, 2018
Paying Agent:	Bank of New York Midwest Trust Company Chicago, IL	Bank of New York Midwest Trust Company Chicago, IL	Bank of New York Midwest Trust Company Chicago, IL

Another way to describe debt obligations is through the use of how the dollars are being allocated. In this example, the \$22.4 million general obligation bonds (shown in the accompanying debt to maturity schedule) are being used for police headquarters, a fire station headquarters addition, a fire station building, and issuance costs (including capitalized interest and contingencies).

**General Obligation Bonds
2008C Series
Dated: May 15, 2008
Original Value: \$ 22,425,000**

Fiscal Period	Principal	Interest	Total	Rates
2011-12	300,000.00	946,343.76	1,246,343.76	3.000%
2012-13	400,000.00	937,343.76	1,337,343.76	3.250%
2013-14	550,000.00	924,343.76	1,474,343.76	3.250%
2014-15	700,000.00	906,468.76	1,606,468.76	3.500%
2015-16	800,000.00	881,968.76	1,681,968.76	3.625%
2016-17	1,000,000.00	852,968.76	1,852,968.76	4.125%
2017-18	1,100,000.00	811,718.76	1,911,718.76	4.250%
2018-19	1,200,000.00	764,968.76	1,964,968.76	4.250%
2019-20	1,300,000.00	713,968.76	2,013,968.76	4.250%
2020-21	1,400,000.00	658,718.76	2,058,718.76	4.250%
2021-22	1,500,000.00	599,218.76	2,099,218.76	4.250%
2022-23	1,600,000.00	535,468.76	2,135,468.76	4.375%
2023-24	1,700,000.00	465,468.76	2,165,468.76	4.500%
2024-25	1,850,000.00	388,968.76	2,238,968.76	4.500%
2025-26	2,000,000.00	305,718.76	2,305,718.76	4.500%
2026-27	2,250,000.00	215,718.76	2,465,718.76	4.500%
2027-28	2,475,000.00	114,468.76	2,589,468.76	4.625%
	<u>22,125,000.00</u>	<u>11,023,843.92</u>	<u>33,148,843.92</u>	

Interest due December 1 and June 1, principal due June 1

Police Headquarters Building	\$14,500,000
Fire Station Headquarters Addition	2,700,000
Fire Station #2 Building	3,900,000
	<u>\$21,100,000</u>
Issuance costs, capitalized interest, contingency	1,325,000
	<u>\$22,425,000</u>

Section 5

Departmental Information

Position Summary Schedule

#O3: Position Summary Schedule (mandatory) A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided.

- Criteria Location Guide Questions**
1. Is a summary table of position counts provided for the entire entity?
 2. Does the table include the prior year, the current year, and budget year position counts?
 3. Are changes in staffing levels for the budget year explained?
 4. If there are no changes in staffing levels, is that item noted?

Explanation This criterion requires a presentation of position counts or full-time equivalents (FTEs) within the entity. Presentation may be by position and/or by summaries of positions. Position summaries within individual departments may supplement, but not be a substitute for, the position counts on the consolidated schedule. If presented, position counts on the departmental summaries should tie to the consolidated position count schedule for the entity as a whole. Staffing level changes must be explained. If there are no staffing level changes, then that fact must be noted

Chapter Overview *This criterion requires that a summary of position counts be presented for the prior year, the current year, and the budget year. Staffing level changes must also be explained.*

Helpful Hint

Position counts are frequently presented showing individual department totals summing to a grand total.

Position counts and the explanation of changes may be combined on the same table, thus allowing all components of this criterion to be satisfied in one schedule.

Position counts are frequently presented showing individual department totals summing to a grand total. The most common format is to list the departments in rows and then the prior year, current year, and budget year data in columns.

Footnotes are used to explain the variance between the current and upcoming budget years.

FY 2009 FULL-TIME STAFFING SUMMARY

Department	FY 07	FY 08	Vacant Positions Eliminated	Positions Added for FY 09	FY 09	Variance FY 09 vs FY 08	
City Commission	13	13	0	0	13	0	
City Attorney	12	12	-1	0	11	-1	1
City Manager	8	9	0	0	9	0	
Special Offices	128	117	-2	0	115	-2	2
Business & Economic Development	4	3	-1	1	3	0	3
Financial Services	43	41	0	0	41	0	
Information Technology	32	32	-1	0	31	-1	4
Building & Engineering Services	59	54	-1	0	53	-1	5
Housing and Community Redevelopment	5	5	-3	0	2	-3	6
Police:							
Sworn Police Officers	341	340	-3	0	337	-3	7
Civil Service	195	177	-2	0	175	-2	8
Fire-Rescue:							
Certified Firefighters	223	223	0	5	228	5	9
Civil Service	41	40	-1	0	39	-1	10
Parks, Recreation and Cultural Arts	47	59	-6	2	55	-4	11
Public Works	194	177	-21	0	156	-21	12
Public Utilities	184	184	0	1	185	1	13
Design and Construction Management	24	24	-4	0	20	-4	14
Total Full-Time Positions	1553	1510	-46	9	1473	-37	

Notes: Variance FY 09 vs FY 08

- 1 Elimination of one (1) vacant Legal Secretary position.
- 2 Elimination of one (1) vacant Mail Courier position in the City Clerk's Office and one (1) vacant Public Relations Manager position in the Office of Public Relations & TV Production.
- 3 Reflects the addition of a new Business & Redevelopment Coordinator position, plus the elimination of the Director - Commercial Corridor position.
- 4 Elimination of one (1) vacant Communication Technology Manager position.
- 5 Elimination of one (1) vacant Building Inspector position.
- 6 Three (3) positions (Director of HCR, Secretary, Neighborhood Resource Specialist) previously funded by the General Fund, will now be funded with grant funds (CDBG, SHIP).
- 7 Elimination of three (3) vacant Police Captain positions.
- 8 Elimination of one (1) vacant Citizen Service Center Manager position and a vacant Clerical Specialist position.
- 9 Five (5) new Firefighter positions were added for FY 2009.
- 10 Elimination of one (1) vacant Administrative Secretary position.
- 11 Reflects the addition of two (2) positions (Recreation Coordinator and Asst. Parks & Athletic Manager); plus the elimination of six (6) vacant positions - Recreation Leader (2), Laborer, Recreation Maintenance Supervisor, Special Events Coordinator, and Special Events Supervisor.
- 12 Reflects the elimination of twenty-one (21) vacant positions: Code Enforcement Officer, Environmental Compliance Coordinator, Equipment Operator (6), Refuse Collector (2), Packer Operator (2), Automated Collection Truck Operator, Collection Truck Operator, Laborer, Heavy Equipment Operator (3), Groundskeeper, Electrician, and Maintenance Technician.
- 13 A new Utility Program Coordinator position was added for FY 2009.
- 14 Four (4) vacant positions were eliminated for FY 2009: Architect I, Engineer, Engineer Registered, Asst. Director - DCM.

This example includes position counts for the prior year and current year by function. Data about the upcoming budget year is broken out to indicate the number of filled, vacant, and new positions. The accompanying text links the need for new positions to the entity's strategic goals.

The remainder of new positions other than faculty will support the opening of the college's newest facility, the Batesburg-Leesville Education Center. There are one .5 FTE faculty and two academic support positions, one at .75 FTE and one at .65 FTE. Each position directs tutoring, library and other services at the facility during differing times. The student support position is a generalist that provides the front line services of admission, registration, and advisement for continuing education and credit students. The two institutional support positions are the site manager in the Advancement division, who is responsible for the daily operations of the Center and provides multi media and audio visual support and the position that provides cashiering support at the Center.

Summary FTE Positions By Division
Exhibit 11-22 shows the functional areas of the college, the division in which the service is provided and the number of FTE positions in each for the 2008 budget. The chart shows actual positions for 2006, 2007 fiscal years and budgeted positions for the 2008 year, which includes hired positions of 549.3, 32.0 vacant and 9.4 new positions for a total of 590.7 FTE.

In a strategic effort to increase the number of full-time faculty positions, additional faculty were added to the 2008 fiscal year budget. The new positions include six faculty at .75 or 4.5 FTE and approximately 3 FTE that will support the Batesburg-Leesville Center approved in March during the original budget approval process. Approval of the remaining approximately 1.5 faculty FTE occurred in November.

The new faculty positions were budgeted in support of Goal 1, Priority Initiative 2 (on page 26) that seeks to develop and strengthen all aspects of programs and services. The college faculty consists of approximately 66 percent part-time (adjunct faculty), to 34 percent full-time. The ratio between full and part-time faculty has not changed significantly over the past ten fiscal years as reflected in **Exhibit 11-23**. Additionally, the new faculty positions will support two priority initiatives within Goal 8 (on page 27), which speak to the recruitment and retention of faculty as well as integration of diversity and multiculturalism into employment practices and professional development.

Exhibit 11-22

FTE Positions by Function						
Function	Division	Actual		Budget		
		2006	2007	Filled	Vacant	New
Instructional	Academic Affairs	182.0	181.9	181.9	8.0	5.0
Academic Support	Academic Affairs	98.1	100.9	100.9	7.0	1.4
Student Support	Student Development Services	94.5	93.5	93.5	7.0	1.0
Plant Operations	Business Affairs	41.0	43.0	43.0	3.0	46.0
Institutional Support	President's Office, Business Affairs (excludes Auxiliary Enterprises), Advancement, Corporate Services	117.0	117.0	117.0	7.0	2.0
Auxiliary Enterprises	Business Affairs	13.0	13.0	13.0	0.0	13.0
Total FTE Positions College-Wide		545.6	549.3	549.3	32.0	9.4

In this example, a multi-year overview breaks down the authorized positions to show totals for both filled and vacant positions, as well as the percent of open positions. The authorized/fill analysis is further broken out by fund and ultimately by function. Thus, vacancy trend rates by department can be determined and help in providing accurate staffing forecasts.

**CITY OF WHITE PLAINS
SUMMARY ANALYSIS OF STAFFING
FISCAL YEAR 2012-2013
ADOPTED BUDGET vs PRIOR FISCAL YEARS**

TOTAL STAFFING

	AUTH.	FILL	VAC.	% VAC.
Adopted Budget	923	857	66	7.2%
12/31/11	942	852	90	9.6%
06/30/11	978	866	112	11.5%
06/30/10	986	882	104	10.5%
06/30/09	1,015	969	46	4.5%
06/30/08	1,013	972	41	4.0%

STAFFING BY FUND

	GENERAL FUND		LIBRARY FUND		SEWER RENT FUND		WATER FUND		SELF INS. FUND	
	AUTH.	FILL	AUTH.	FILL	AUTH.	FILL	AUTH.	FILL	AUTH.	FILL
Adopted Budget	844	783	40	35	8	8	29	29	2	2
12/31/11	861	778	42	35	8	8	29	29	2	2
06/30/11	895	792	43	35	8	8	30	29	2	2
06/30/10	912	813	43	38	0	0	30	30	1	1
06/30/09	944	902	44	40	0	0	26	26	1	1
06/30/08	942	906	44	39	0	0	26	26	1	1

STAFFING BY FUNCTION

	GENERAL GOV'T			PUBLIC WORKS			PUBLIC SAFETY			COMMUNITY SERVICES		
	Auth.	Fill	Vac.	Auth.	Fill	Vac.	Auth.	Fill	Vac.	Auth.	Fill	Vac.
Adopted Budget	204	184	20	246	231	15	402	379	23	71	63	8
12/31/11	213	184	29	250	230	20	402	377	25	77	61	16
06/30/11	217	191	26	257	231	26	425	380	45	79	64	15
06/30/10	221	195	26	257	234	23	428	387	41	80	66	14
06/30/09	235	216	19	266	255	11	431	422	9	83	76	7
06/30/08	233	219	14	266	260	6	431	418	13	83	75	8

Unfunded positions may be noted in a summary schedule. Should budget results come in favorable to budget, the additional resources may be used to fund these positions.

2009-2010 AUTHORIZED STAFFING LEVEL

AUTHORIZED PERSONNEL	FY 07/08	FY 08/09	FY 09/10	FY10 Unfunded
MAYOR AND CITY COUNCIL				
Executive Assistant	1	1	1	0
Administrative Specialist	1	1	1	0
Department Total	2	2	2	0
MUNICIPAL COURT				
Court Clerk	11	11	11	2
Court Specialist	1	1	1	0
Court Supervisor	1	1	1	1
Lead Municipal Court Officer	1	1	1	0
Municipal Court Officer	4	4	4	0
Municipal Court Administrator	1	1	1	0
Legal Secretary	1	1	1	1
Senior Customer Service Specialist	1	1	1	0
Custodian	1	1	1	1
Department Total	22	22	22	5
CITY ADMINISTRATOR'S OFFICE				
Administration				
City Administrator	1	1	1	0
Executive Assistant	1	1	1	0
Deputy City Administrator	2	2	2	1
Economic Development Program Manager	1	1	1	0
Training & Development Program Manager	1	1	1	0
Assistant to the City Administrator	0	1	1	1
Management Intern	1	1	1	0
Principal Customer Service Specialist	1	1	1	0
Division Total	8	9	9	2
Quality Initiatives				
Public Affairs & Communications Manager	1	1	1	0
Public Affairs Coordinator	1	1	1	0
TV Production & Operation Manager	1	1	1	0
Video Production & Operations Specialist	3	3	3	0
Management Analyst	1	1	1	0
Senior Customer Service Specialist	1	1	1	0
Division Total	8	8	8	0
Heritage Area Development				
Exec Director YCNH Area Corp	1	1	1	0
CIP Project Manager	1	1	1	0
Senior Planner	1	0	0	0
Grants Writer/City Archaeologist	1	1	1	0
Senior Customer Service Specialist	2	2	2	0
Division Total	6	5	5	0

Part-time positions may also be included in the position summary schedule.

**CITY OF OAK PARK
2012-2013 BUDGET
Personnel Worksheet**

Department	Actual 2009-2010	Actual 2010-2011	Budgeted 2011-2012	Requested 2012-2013	Managers Rec 2012-2013	City Council Approved
<u>FULL TIME</u>						
Council	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	4.00	3.00	3.00	3.00	3.00	3.00
Information Technology	1.00	1.00	1.00	1.00	1.00	1.00
Prosecuting Attorney	0.00	0.00	0.00	0.00	0.00	0.00
City Clerk	3.00	3.00	2.00	3.00	1.00	1.00
Finance & Administrative Services	15.00	13.00	11.00	11.00	8.00	8.00
Technical & Planning Services	18.00	12.00	10.00	10.00	6.00	6.00
Public Safety	74.00	73.00	68.00	69.00	52.00	52.00
Public Works	26.00	24.00	24.00	24.00	24.00	24.00
Recreation	7.00	7.00	7.00	7.00	3.00	3.00
Library	6.00	6.00	4.00	4.00	4.00	4.00
Public Information	3.00	3.00	3.00	3.00	2.00	2.00
45th District Court / Probation	27.00	27.00	23.00	19.00	19.00	19.00
Sub-Total Full Time	184.00	177.00	161.00	159.00	128.00	128.00
<u>PART TIME</u>						
Council	0.00	0.00	0.00	0.00	0.00	0.00
City Manager	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	0.00	0.00	0.00	0.00	0.00	0.00
City Attorney	0.00	0.00	0.00	0.00	0.00	0.00
Prosecuting Attorney	1.00	1.00	1.00	1.00	1.00	1.00
Elections	0.00	0.00	0.00	0.00	0.00	0.00
City Clerk	0.50	0.50	0.50	1.00	1.00	1.00
Finance & Administrative Services	0.00	0.00	0.75	0.75	0.75	0.75
Technical & Planning Services	0.50	0.50	0.50	0.50	0.50	0.50
Public Safety	5.25	5.25	5.25	5.25	5.25	5.25
Public Works	3.17	3.17	1.67	1.67	1.67	1.67
Recreation	21.10	20.35	20.35	20.35	20.35	20.35
Library	4.50	4.50	2.75	2.50	2.50	2.50
Public Information	0.00	0.00	0.00	0.00	0.00	0.00
45th District Court / Probation	0.70	0.70	0.70	2.70	2.70	2.70
Sub-Total Part Time	36.72	35.97	33.47	35.72	35.72	35.72
TOTAL FULL TIME EQUIVALENTS	220.72	212.97	194.47	194.72	163.72	163.72
<p>The amounts presented under Part Time workers represent Full Time Equivalents and not actual positions. Full Time Equivalents equalizes part time hours to that of a full time worker in a like position. For example a part time worker who works 30 hours in an office that normally works 40 hours would be recorded at .75 FTE (30 hours / 40 hours = .75 FTE)</p>						

Short-term positions or those with an atypical funding source may be classified through a limited-term or grant-related headcount designation.

Limited-Term Equivalents (LTE)

Limited-term equivalent positions are hired for assignments that are short-term in nature (one to three years). Limited-term equivalents are utilized by departments as shown in the table below. PDC's policy is to fill limited-term positions for initiatives that have clear end-dates or for preliminary work on a new project or program. This allows for flexibility in meeting workload demands while managing long-term staffing costs.

Limited-Term Employees						
Department	FY 2004-05 Revised	FY 2005-06 Revised	FY 2006-07 Revised	FY 2007-08 Adopted		
Development	5.0	7.0	1.0	1.0		
Economic Development	1.0	2.0	0.0	0.0		
Housing	8.0	7.0	1.0	1.0		
Executive	8.0	9.0	0.0	0.0		
Finance & Administration	10.0	9.0	0.0	0.0		
Total	32.0	34.0	2.0	2.0		

One way to limit payroll expenditures is through the use of volunteer staffing.

In addition to paid staff members, the City makes substantial use of volunteers for a wide variety of programs and services. For FY 08-09, the City estimates it will continue to use more than 39 FTE of volunteer hours in departments as follows:

VOLUNTEER HOURS

Department	2006 Hours	2007 Hours	2008 Projected
Community Development	0	220	0
Finance	188	174	180
Fire	43,509	33,444	41,732
Library	11,125	11,571	13,880
Parks and Recreation	21,483	20,000	22,000
Police	4,784	3,137	3,500
Public Works	16	240	240
TOTAL VOLUNTEER HOURS	81,105	68,786	81,532

It is good policy to note the service impact of position changes. This additional data helps broaden the analysis beyond budget dollars and enhances decision making.

Department	Position	Service Impact
Planning Department	Architect	Eliminated based on reduced work load associated with decline in construction and reduced internal projects.
Building & Code Enforcement	Inspector/Analyst (2)	Eliminated due to reduced work load.
Building & Code Enforcement	Arborist	Reduced to part-time based on workload.
Public Works	Air Conditioning Apprentice	Eliminated to reduce costs. Position was vacant.
Police Department	Captain Lieutenant Sergeant	Eliminated through reorganization as a result of retirement. No impact to the patrol division.
Police Department	Part-time Communication Operators (2)	Eliminated to reduce costs. Positions were vacant.
Fire & Rescue Department	Firefighters (3)	Added in January to reduce overtime costs. Based on limited data, it seems to be working.
Parks & Recreation	Forestry Apprentice	Eliminated to save money. Position was open. Addition personnel adjustments are being made to consolidate Forestry and Electric Utility tree services, but it is recommended the positions remain in the staffing table until a long-term recommendation can be made based on performance measurement.
Community Redevelopment Agency	Staff Assistant II	Position was eliminated to save money. The Planning Department staff assistant has assumed many of the duties.
Water & Sewer Utility	Foreman Supervisor Service Worker (2)	A work team of four was eliminated to save money.
Water & Sewer Utility	GIS Specialist	This position was added to continue progress on the development of our base maps without incurring significant contractor costs.

For greater accuracy in forecasting payroll dollars, it helps to note expected start dates for new positions. Not every position starts at the beginning of the government's fiscal year.

Position Title	Department	2008 FTE Impact	# Of New RFT Complement Positions	Expected Start Date
NEW REGULAR FULL TIME (RFT):				
Councillors Assistant (BC-093)	Councillors Office	1.00	1.00	April 1
Internal Auditor (BP-3-08-8)	Office of the City Manager	1.00	1.00	July 1
Financial Analyst (BP-3-08-8)	Finance	1.00	1.00	April 1
4 Firefighters (BC-005)	Fire	4.00	4.00	June 1
Contract Administrator (BC-069)	Engineering	1.00	1.00	June 1
CONVERSIONS TO REGULAR FULL TIME:				
Parking Maintenance Handyperson (0.7 part-time FTE to 1.0 RFT) (BC-101)	Transit & Traffic	0.30	1.00	April 1
Recreation Co-ordinator for the Waterfront (0.6 part-time FTE to 1.0 RFT) (BC-061)	Parks & Recreation	0.40	1.00	July 1
REDEPLOYMENTS:				
Business Process Co-ordinator (position of Facility Assistant was eliminated) (BP-3-08-8)	Parks & Recreation	0.00	0.00	March 17
Facility Co-ordinator - Special Projects (position of Housekeeper was eliminated) (BP-3-08-8)	Parks & Recreation	0.00	0.00	March 17
PART-TIME:				
Equipment Operator for Waterfront, Pier & Transient Docks (BC-036)	Roads & Parks Mtce.	0.50	0.00	May 1
Seasonal Maintenance Person (BC-040)	Roads & Parks Mtce.	0.50	0.00	May 1
3 School Crossing Guards (BC-048)	Transit & Traffic	0.93	0.00	March 17
Additional Part-time Hours for Transit Services on Statutory Holidays (BC-049)	Transit & Traffic	0.18	0.00	March 21
Transit Clerk - Operations & Vehicle Maintenance (BC-054)	Transit & Traffic	0.70	0.00	April 1

New personnel costs extend beyond salary. Operating, pre-employment, benefits, and capital may be included when presenting total new personnel costs.

WaterOne 2009 Budget								
Costs Related to New Personnel								
			Salary (a)	Misc. Operating (b)	Pre-Employment (c)	Benefits (d)	Total O&M	Capital
DISTRIBUTION								
Construction/Maintenance/Valving/Services								
June	Emergency II	Full Time	25,558	3,250	1,875	7,377	38,060	-
<i>Transmission Main / Valving Crew</i>								
July	Utility II	Full Time	20,156	3,250	375	5,825	29,606	
July	Heavy Equipment Operato	Full Time	22,989	3,250	1,875	6,639	34,752	
<i>Crew Total</i>			43,145	6,500	2,250	12,464	64,359	257,288
C/M/V/S Department Total			68,703	9,750	4,125	19,841	102,419	257,288
Distribution Engineering								
Jan.	Drafter	Full Time	43,814	3,300	1,845	12,619	61,578	-
Distribution Engineering Total			43,814	3,300	1,845	12,619	61,578	-
DISTRIBUTION TOTAL			112,517	13,050	5,970	32,460	163,997	257,288
PRODUCTION								
Facilities Engineering								
Jan.	Engineering Tech	Full Time	48,351	5,790	1,845	13,922	69,908	-
Facilities Engineering Total			48,351	5,790	1,845	13,922	69,908	-
Facilities Maintenance								
April	Plant Mechanic	Full Time	36,263	3,940	1,875	10,451	52,529	91,100
April	Instrument Tech	Full Time	36,263	3,190	1,875	10,451	51,779	35,887
Facilities Maintenance Total			72,527	7,130	3,750	20,902	104,308	126,987
PRODUCTION TOTAL			120,878	12,920	5,595	34,824	174,217	126,987
TOTAL 2009 BUDGET for NEW EMPLOYEES			233,395	25,970	11,565	67,283	338,214	384,275

- a) Salary is pro-rated to requested start date and factored down by 1% slippage.
- b) Misc O&M costs include items like uniforms, training, software and office supplies.
- c) Pre-Employment costs include want-ads, background checks, and post-offer physicals.
- d) Benefits include FICA, Worker's Comp, Unemployment Insurance, Defined Contribution Base & Match, Flexible Benefit Plan, Health, Dental, Life, LTD, and misc. benefits such as tuition reimbursement.

Determining optimal budgeted position count is not an exact science. One methodology used is to compare the number of employees per 1,000 population versus that of peer governments. Such results should be used with caution, however, as governments provide different levels of services and some use privatization as a substitute for full-time employees.

EMPLOYEES PER 1,000 POPULATION COMMUNITY COMPARISON

Below are the results of a survey conducted in December 2010, comparing employees per 1,000 population for 40 suburbs in the area. Bartlett ranked 34th out of the 40 suburbs surveyed. Bartlett has been at or below this rank for many years.

Rank	Municipality	Population	Full Time Employees*	Employees per 1,000 Population	Rank	Municipality	Population	Full Time Employees*	Employees per 1,000 Population
1	St. Charles	32,276	293	9.08	21	Crystal Lake	39,788	188	4.73
2	Geneva	21,901	188	8.58	22	Wheeling	40,331	189	4.69
3	Barrington	10,168	84	8.26	23	Glen Ellyn	27,000	121	4.48
4	Wood Dale	13,545	98	7.24	24	Elgin	106,797	472	4.42
5	Woodstock	24,658	166	6.73	25	Carpentersville	34,662	150	4.33
6	Elk Grove Village	34,727	226	6.51	26	Des Plaines	58,710	248	4.22
7	Batavia	27,394	175	6.39	27	Arlington Heights	76,943	325	4.22
8	Bloomington	22,854	141	6.17	28	West Chicago	26,841	113	4.21
9	Niles	30,068	176	5.85	29	Buffalo Grove	45,043	189	4.20
10	Addison	36,946	209	5.66	30	Woodridge	33,253	136	4.09
11	Schaumburg	75,936	423	5.57	31	Downers Grove	50,000	202	4.04
12	Libertyville	20,742	109	5.26	32	Hanover Park	38,200	154	4.03
13	Lake Zurich	19,932	104	5.22	33	South Elgin	20,844	84	4.03
14	Lisle	23,506	117	4.98	34	Bartlett	41,402	165	4.01
15	Lombard	43,000	210	4.88	35	Roselle	23,115	92	3.98
16	Glendale Heights	31,765	155	4.88	36	Park Ridge	37,775	147	3.89
17	Rolling Meadows	24,604	120	4.88	37	Palatine	67,440	251	3.72
18	Elmhurst	45,071	216	4.79	38	Wheaton	55,416	204	3.68
19	Morton Grove	22,451	107	4.77	39	Carol Stream	40,041	146	3.65
20	Hoffman Estates	53,655	254	4.73	40	Streamwood	39,217	128	3.26

* - excludes Fire Department and Parks/Recreation Department employees ** - excludes Golf Course employees and Crossing Guards

Department Descriptions

#O4: Department Descriptions (mandatory) The document shall describe activities, services or functions carried out by organizational units.

Criteria Location Guide Questions

1. Does the document clearly present the organizational units (e.g., divisions, departments, offices, agencies, or programs)?
2. Does the document provide descriptions of each organizational unit?

Explanation This criterion requires a clear presentation of the organizational units within the budget document. A narrative description of the assigned services, functions, and activities of organizational units should be included. The presentation of relevant additional information should be included (e.g., shift in emphasis or responsibilities or major changes in costs). Refer to GFOA's best practice on Presentation of the Department Section in the Operating Budget Document.

Chapter Overview *At a minimum, this criterion requires a clear presentation and description of the organizational units. The entity should provide information on key changes, such as a shift in emphasis or major changes in costs.*

Features to consider when putting together the department section of the budget document include:

1. *Design*
2. *Brevity*
3. *Services*
4. *Issues*
5. *Revenues*
6. *Expenditures*
7. *Staffing*
8. *Goals and objectives*
9. *Performance measures*

Helpful Hint

Discuss major financial or program changes occurring in the different departments.

For continuity, it is best to maintain the same page design for each department description. Standard typographic presentation elements – such as font size and type, margins, paragraph alignment and spacing, bullet points, indentation, and the consistent use of a single format (i.e., portrait or landscape) – should be the same from department to department, as shown in this multi-part example.

A GUIDE TO THE DETAIL BUDGET PAGES

1. **Fund** – The Fiscal entity in which the department operates.
2. **Department** – The department in which the division operates.
3. **Mission Statement** – The departmental commitment to the citizens and organization in meeting the needs of the community.
4. **Description of Services** – A short overview and explanation of the services provided to the organization and/or citizens by the department.
5. **Fiscal 2012 Work Program** – The major planned accomplishments for the coming Fiscal year.
6. **Performance Measures** – Specific quantitative measures of work performed within a department.

Fiscal Year 2011

3

MISSION

The mission of the City Council is to provide effective, efficient and responsive local government through the establishment of policies reflecting community needs and goals. Simply put "to meet the needs of the citizens!"

DESCRIPTION OF SERVICES PROVIDED

The department of General Government includes the City Council and City Secretary. The City Secretary provides the following services:

- Maintaining minutes of City Council meetings and records of the City
- Preparing Council Agenda Packets
- Issuing licenses and permits to vendors

The City Council consists of one mayor, elected at-large and six council members, each representing a separate council district. The Council meets twice per month to address issues brought before it regarding policy and governance. The Council provides policy direction to the City Manager and staff in delivery of services to the citizens of Lufkin, Texas.

GENERAL FUND

5

WORK PROGRAM

The Lufkin City Council established goals and objectives in the fiscal year 2011 budget development workshop to provide efficient, effective, and high quality services to the citizens and businesses in Lufkin. Some of the goals include (1) fostering a civic organization to lead the restoration of the Fines Theatre located in downtown, (2) implementing water and sewer rates necessary to cover operational costs as recommended by the Friesse and Nichols water and sewer rates study, (3) implement the first phase of the Capital Improvements Program through the issuance of a bond issue and initiate the design and development phase of each approved Capital Improvement Project in fiscal year 2011, and (4) discuss and consider implementing a Downtown Building Façade Program.

Picture to left is rendering of the Fines Theatre located on First Street in downtown Lufkin, Texas.

4

6

2

Description	2008-2009 Actual	2009-2010 Revised	2010-2011 Budget
Number of City Council Agenda Packets Prepared	598	648	650
Number of City Council Packets prepared on Friday before Council Meeting	598	648	650
% of City Council Packets prepared & distributed on Friday before meeting	100%	100%	100%
Number of Vendor licenses issued	16	22	25
Number of Vendor licenses with errors	0	0	0
% of vendor licenses issued with 100% accuracy	100%	100%	100%

A GUIDE TO THE DETAIL BUDGET PAGES

7. **Expenditures** – Summary budget data by expenditure category for personnel services, benefits, supplies, maintenance of structures and equipment, miscellaneous services, sundry charges, debt service and capital outlay.
8. **Authorized Positions** – Full time and part time position listings for current and past budget years.
9. **Significant Changes** – Highlights of proposed major changes, enhancements of service or a new service, method of improving efficiency or effectiveness of an existing service for the coming budget year.

FUND	General	DEPARTMENT			General Government
7	EXPENDITURES	2008-2009 Actual	2009-2010 Approved	2009-2010 Revised	2010-2011 Budget
	Personnel Services	89,521	90,865	91,590	91,205
	Benefits	29,159	32,257	30,888	32,303
	Supplies	24,575	21,430	22,805	21,130
	Maintenance of Equipment	-	300	300	300
	Miscellaneous Services	92,330	115,810	110,470	116,005
	Sundry Charges	125,081	117,460	117,460	103,960
	TOTAL	360,666	378,122	373,513	364,903
8	AUTHORIZED POSITIONS	2008-2009 Actual	2009-2010 Approved	2009-2010 Revised	2010-2011 Budget
	City Secretary	1	1	1	1
	Office Assistant III	1	1	1	1
	FULL TIME	2	2	2	2
	PART TIME	0	0	0	0
	TOTAL	2	2	2	2
9	SIGNIFICANT CHANGES				

A GUIDE TO THE DETAIL BUDGET PAGES

- 10. Division** – The cost center that provides the activity, function or services.
- 11. Division Description** – The division’s primary service responsibility and mission.
- 12. Expenditures** - Summary division budget data by expenditure category for personnel services, benefits, supplies, maintenance of structures and equipment, miscellaneous services, sundry charges, debt service and capital outlay.
- 13. Authorized Positions** - Full time and part time position listings for current and past budget years for the division.

Fiscal Year
2011



General Government / City Council

GENERAL FUND

DIVISION: City Council

DIVISION DESCRIPTION

- The City Council, consisting of a Mayor and six Council members, serves as the legislative and policy-making body of the City.
- The City Council meets twice per month in regular session to address issues brought before it.
- The Council passes all ordinances, approves major expenditure items and adopts the City of Lufkin's Annual Budget, which includes the Capital Improvement Program.



EXPENDITURES	2008-2009 Actual	2009-2010 Approved	2009-2010 Revised	2010-2011 Budget
Supplies	21,840	17,840	19,895	18,540
Maintenance of Equipment	-	300	300	300
Miscellaneous Services	85,136	106,965	102,465	109,980
Sundry Charges	125,081	117,460	117,460	103,960
TOTAL	232,057	242,565	240,120	232,780

AUTHORIZED POSITIONS	2008-2009 Actual	2009-2010 Approved	2009-2010 Revised	2010-2011 Budget
There are no positions within this division				
FULL TIME				
PART TIME				
TOTAL				

Use pictures, graphs, charts, borders, tabs, and dividers to enhance the presentation of information, taking care to place them in the section to which they relate.

- *The EMS Division* is responsible for ensuring all North Las Vegas Fire personnel provide state of the art emergency medicine to the public. The EMS Division supports fire and rescue operations within the fire department by providing supplies, education, quality improvement, research, and injury prevention programs. The EMS Division delivers continuing medical education for the firefighters, emergency medical technicians, and paramedics. The EMS Division conducts and monitors quality improvement issues and standards of care as they relate to the delivery of pre-hospital care. The EMS Division is directed by the EMS Chief with support from the Health Care Coordinator and the Physician Medical Director. The EMS Division oversees compliance with the ambulance contractor and provides medical disaster planning for the community. Staff members from the EMS Division serve on various local, state, and national EMS committees.

- *The Fire Prevention Division*, under the direction of the Fire Marshal, covers a wide area of responsibility to ensure that current and future buildings meet requirements set forth by code. The Prevention Division is directly responsible for new construction inspections, business license inspection, renewable permitting, new annual permitting, temporary licensing, oversight of firework sales, and assisting with fire cause and origin investigations.

The **Fire Engineering Office** serves as technical advisor for the interpretation and enforcement of fire protection requirements and prepares recommendations to the Fire Chief or designee. In addition, this office performs professional plans review for conformance with all applicable building, fire and life safety codes; assists in development, implementation and application of City fire and life safety codes and regulations to ensure compliance and uniformity; and provides technical assistance to architects, engineers, developers, contractors and building owners in interpreting and complying with current fire and life safety codes, regulations and standards.



Include compelling facts or employ a “did you know?” format to attract interest.

Police - Operations

The Patrol activity provides twenty-four hour, seven-day a week response to over 45,000 calls for service each year, including crimes, traffic accidents, medical emergencies and neighborhood problems. The Investigative activity provides follow-up investigation to all reported crimes and proactively investigates narcotics, vice, liquor and tobacco violations. Special Operations provides support for high-risk operations with highly trained and specially equipped tactical, hostage negotiation and bomb squad units. Four K-9 teams are also part of the Patrol and Special Operations response resources.

Objectives

- Work with business, residential, hospitality and retail communities to identify and solve problems such as repeat calls for service.
- Increase traffic safety and reduce traffic accidents.
- Increase DWI enforcement and hazardous violations enforcement.
- Increase involvement with schools through the Liaison, Patrol and Investigative units.
- Maintain the ability to quickly respond to medical emergencies, crimes in progress and other high-priority calls.

Outputs

- Continued to increase the number of organized neighborhoods - currently 12,000 residents involved in the Neighborhood Watch group.
- Increased commitment to DWI enforcement and other alcohol related offenses.
- Continued efforts to resolve reoccurring problems and calls for service.
- Reduced false alarms throughout the community by ten percent.
- Reduced medical responses by eliminating responses to medical facilities by ten percent.
- Established a plan of geographic accountability emphasizing vigorous enforcement of laws, crime prevention, crime analysis and problem-solving.
- Implemented a proactive mall unit, reducing the assignment of regular patrol units to that site.
- Conducted alcohol and tobacco compliance checks of licensed establishments at least once each year.

Expenditures

	FY2006 Original Budget	FY2007 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$9,455,151	\$10,213,806	8.0%
Materials/Supplies/Services	2,576,528	2,370,991	-8.0
Reimbursed Expenditures	(38,364)	(39,914)	3.5
	\$11,993,115	\$12,544,883	4.6%

Authorized Full-Time

	FY2005	FY2006	FY2007
	103	104	104
Crime Analyst	1	1	1
Police Lieutenant	3	3	3
Police Officer	83	84	84
Police Sergeant	16	16	16

Activities

- Patrol
- Investigative
- Special Operations



Excessive detail is unnecessary, especially in financial schedules and text. Consider summarizing financial information rather than presenting each account in whole dollars (rounding may be beneficial). Keep discussions focused and concise. Think about developing a separate supplemental departmental document for those desiring more detail.

CULTURAL SERVICES

The Cultural Services Department is comprised of seven divisions. The Albuquerque Biological Park (BioPark) operates the Rio Grande Zoo, the Aquarium, the Botanical Gardens and Tingley Beach. The Albuquerque Museum protects and displays the artwork and historical items of Albuquerque's and New Mexico's cultural life. The museum also brings national and international exhibits to the citizens of Albuquerque. The Explora Science Center Museum provides interactive displays to educate and intrigue people about science, art, culture, and technology. The Anderson/Abruzzo Balloon Museum offers exhibitions and informative programs on the history, science and art of ballooning. The Albuquerque/Bernalillo County library system provides reading and research materials as well as access to electronically transferred information through 17 locations. Access to digital resources is available 24/7 through the library's web page. As part of the community events division, the KiMo Theatre and the South Broadway Cultural Center provide stages for the interaction of performers, artists, and audiences. Community events organize large and small outdoor, multi-cultural gatherings throughout the City. Strategic support provides central services, media resources, including operation of the local government access channel, and promotion/marketing for the department.



MISSION

The mission of the Cultural Services Department is to enhance the quality of life in the City by celebrating Albuquerque's unique history and culture, and providing services, entertainment, programs and collections that improve literacy, economic vitality and learning in state of the art facilities that enrich City life and increase tourism to Albuquerque.

Operating Fund Expenditures by Category (\$000's)	ACTUAL FY/07	ORIGINAL BUDGET FY/08	REVISED BUDGET FY/08	ESTIMATED ACTUAL FY/08	APPROVED BUDGET FY/09	APPR. 09/ EST ACT 08 CHG
Personnel	20,356	24,930	24,930	22,078	23,395	1,317
Operating	14,542	12,452	12,468	14,019	12,098	(1,921)
Capital	143	45	45	102	0	(102)
Transfers	2,215	1,453	1,453	1,516	1,312	(204)
Grants	0	33	33	33	34	1
TOTAL	37,256	38,913	38,929	37,748	36,839	(909)
TOTAL FULL-TIME POSITIONS	400	409	409	411	374	(37)

BUDGET HIGHLIGHTS

The FY/09 General Fund approved budget for the Cultural Services Department is \$34.4 million. This is a decrease of 5.6% or \$2 million from the FY/08 original budget of \$36.4 million.

In an effort to provide cost savings to the General Fund, 37 vacant positions are deleted in FY/09. Two positions are deleted in strategic support, four from the Anderson/Abruzzo Balloon Museum, one from community events, four from the Albuquerque Museum, 10 from biopark, and 16 from public library. In addition, 16 permanent part time positions are also deleted in FY/09. The majority of the deleted library positions were added in the FY/08 budget for expanded library hours. However, the expansion during FY/08 was not implemented due to forecasted General Fund shortfalls. In addition, \$400 thousand in General Fund for libraries is reduced in repairs/maintenance and contractual services to utilize special revenue funds not identified for specific spending.



Funding for the Anderson/Abruzzo Balloon Museum was reduced by a total of \$400 thousand. This reduction resulted in deleting positions, reducing contractual services and in an effort to maximize savings, this program will report and utilize resources with the Albuquerque Museum. City Council directed that the Balloon Museum operates on a limited schedule or develop private funding sources to offset a portion of operational costs. Funding in the amount of \$200 thousand is held in reserve for future appropriation in the balloon museum program strategy.

A description of services or functional responsibilities is required. Consider including hours of operation, address, phone number, e-mail address, brief departmental historical recap, information linking department to fund structure, and contact information (for example, the name of the department head).

DESCRIPTION

The City Treasurer is responsible for the receipt, investment, disbursement and safekeeping of all City funds. Additionally, City Council has prescribed that the City Treasurer shall also provide public finance and debt issuance services for the City. Typical functions of the department include:

- Management of all investments for the City, Sacramento Housing and Redevelopment Agency (SHRA), various trust funds, as well as the Sacramento City Employees' Retirement System (SCERS).
- Accountability of City, SCERS, SHRA and other trust funds between the bank and City, and compliance with State investment reporting requirements.
- Banking services for all City departments.
- Management of all bond financing related duties, such as bond structures, covenants, creation of financing authorities and financial analysis.
- Maintenance and coordination of activities related to outstanding City bond issues to include: investor relations, rating agencies, compliance with State and Federal regulations, and monitoring of bond construction proceeds for arbitrage and cash flow purposes.

MORE INFORMATION

Please see the following for more information about the Office of the City Treasurer:

Web site - <http://www.cityofsacramento.org/treasurer/>

Key Contacts -

Office of the City Treasurer

Thomas P. Friery
City Treasurer
915 I Street
Historic City Hall, 3rd Floor
Sacramento, CA 95814
(916) 808-5168
tfriery@cityofsacramento.org

Thomas S. Berke
Assistant City Treasurer
915 I Street
Historic City Hall, 3rd Floor
Sacramento, CA 95814
(916) 808-5811
tberke@cityofsacramento.org

Investment Services

Lydia Abreu
Investment & Operations Manager
915 I Street
Historic City Hall, 3rd Floor
Sacramento, CA 95814
(916) 808-5168
labreu@cityofsacramento.org

Finance Services

Janelle Gray
Public Finance & Banking Manager
915 I Street
Historic City Hall, 3rd Floor
Sacramento, CA 95814
(916) 808-8296
jgray@cityofsacramento.org

Administration

Carol Jones (CJ)
Staff Services Administrator
915 I Street
Historic City Hall, 3rd Floor
Sacramento, CA 95814
(916) 808-8455
cajones@cityofsacramento.org

Identify any increase or decrease in service levels. This may include the dollar impact of the change and its potential effect on the public. Discuss whether services are performed in-house or privatized.

**CITY OF AIRDRIE - 2010 OPERATING BUDGET
Corporate Communications**

BUDGET NOTES

State Key Budget Assumptions (trends, basis for estimates...)

Assumptions made for this budget primarily include maintaining the status quo with inflationary increases on identified accounts, and increase in purchased services to help accommodate demand of services.

What levels of service does your department provide now?

Corporate Communications: Provides communications support to the City of Airdrie departments for the purpose of creating a better informed public. This includes corporate/visual identity, strategic communications planning, media relations, public information, editorial services, management of all City printed materials, managing content and promotion of the City's Web site, corporate advertising, graphic design consultation/management, issues management and crisis communications (PIO). The internal communications coordinator is responsible for the initiation, development, implementation and evaluation of strategic internal communications supporting the objective of strengthening the workplace and creating a more engaged workforce.

What levels of service would be provided with the budget changes?

The level of service would increase as well as efficiency levels. The communications audit would evaluate current practices and help determine what tactics are successful and what tactics are not. The audit will help identify areas of wasted resources; increase the level of communication service to citizens with new strategies; and provide a plan for the future.

Activity	\$\$+(-)	EXPLANATION FOR INCREASE (DECREASE)
Corporate Communications		
Revenues		
Other Revenues	255	
	\$255	
Expenditures		
Salaries, Wages & Benefits	12,322	Reflects band/step movements, salary survey adjustments and benefit increases,
Contracted & General Services	48,775	Communications Audit (one-time cost \$25,000) and increase in advertising and printing costs (\$20,000); \$3,500 for web services and \$5,000 for media training.
Materials, Goods, Supplies, & Utilities	1,330	
	\$62,427	
Net Increase (Decrease)	\$62,682	

Go beyond a mere listing of functional responsibilities to discuss challenges, issues, and opportunities. The discussion should focus on the future and key decision points, with an emphasis on solutions.

According to the Consumer Price Index the average gasoline prices were 7.4% higher in February compared to the same month a year ago, the smallest 12-month increase since June 2005 (+4.2%). This sudden increase in fuel cost will have a direct impact on the fuel cost incurred by the Road Department and will have a “trickle down” impact on other products and services used by the Road Department. This increase could possibly fluctuate as it has in the past year. Petroleum products and services such as asphalt, gravel, hauling fees, maintenance materials such as oil, tires, and lubricants, have also shown an increase. Along with the fuel costs are the amount of roads that the county must maintain. As such, the increased mileage the equipment must travel will drive up the department's fuel costs.

Skilled Labor: Skilled labor is rapidly becoming an issue with the inmate labor force not able to provide the number of qualified personnel needed to operate equipment. We need to plan for the transition of using inmate labor as equipment operators, to hiring qualified operators that can provide the skills and stability vital to our work force. Inmate labor can still be a useful resource for the Road Department in areas that do not require skilled labor such as litter pickup and manual labor, without displacing the opportunity for qualified citizens to seek employment with us.

Erosion Control: Changes to erosion control regulations have been recently implemented are creating an increased demand for products that we use in this area of service. The price of mulch hay has doubled in the last two years and the quantity necessary to comply with regulations has risen as well. Increased fuel prices have been a factor in the increased price of most erosion control products such as seed, fertilizer, silt control products, etc. In FY06 our budget for this account increased to 23,902 which was double the amount of 11,257 spent in FY05. The 2007 appropriated budget is 15,000 and with the history of rising costs in this area we anticipate it will lead to a deficit in this fund for FY07.

Revenues may include any fees or charges that the department generates. If this is the case, discuss the major type of revenues and the potential recovery rate. The analysis of expenditures should be done in a broad manner. Consider identifying major categories (rather than identifying, discussing, and analyzing every expenditure account) and note any significant changes. For example, major categories may include wages and benefits, supplies, etc. Some governments include budget highlights for each department.

2011 BASE BUDGET CHANGE REPORT		Community Health Services						
	2010 APPROVED BUDGET	2010 PROJECTED ACTUAL	2011 BASE BUDGET	2011 PROGRAM CHANGE	2011 REQUESTED BUDGET	CHANGE IN BUDGET APPROVED	2011 BASE TO 2010 BUDGET	Comments
	\$	\$	\$	\$	\$	\$	%	
OPERATING EXPENDITURES								
Personnel Services	9,378,300	9,399,880	9,705,600	100,120	9,605,720	327,300	3.5	Position reclassifications partially offset by 0.5 temporary FTE decrease in the Canadian Prenatal Nutrition Program (CPNP) with costs reallocated to grants and assistance as required by Public Health Agency of Canada.
Materials & Supplies	95,550	95,252	89,700	-	89,700	(5,850)	(6.1)	Reallocation of materials and supplies to purchased services
Purchased Services	952,117	912,596	1,043,780	4,037	1,047,817	91,663	9.6	Additional psychiatric sessional fees for the North Halton Mental Health Clinic approved to be 100% subsidized by the L.H.N.
Minor Capital	39,850	44,431	35,720	1,800	37,520	(4,130)	(10.4)	Reduced equipment requirements for 2011
Grants & Assistance	34,124	50,948	65,424	-	65,424	31,300	91.7	Reallocation of personnel services costs to grants and assistance as a result of 0.5 temporary FTE decrease in the Canadian Prenatal Nutrition Program (CPNP) as required by Public Health Agency of Canada
Financial Expenses	-	-	-	-	-	-	-	-
Allocated Charges/Recoveries	122,746	122,746	135,340	-	135,340	12,594	10.3	Increase in percentage of rent cost allocated to the North Halton Mental Health Clinic for the Georgetown office to reflect increased space offset by computer hardware budgeted as a one-time expense in 2010.
Transfer to Reserves - Operating	-	-	-	-	-	-	-	-
GROSS OPERATING EXPENDITURES	10,622,687	10,625,853	11,075,564	105,957	11,181,521	452,877	4.3	
Transfer to Reserves - Capital	-	-	-	-	-	-	-	-
Transfer from Reserves - Capital	-	-	-	-	-	-	-	-
Debt Charges	-	-	-	-	-	-	-	-
CAPITAL EXPENDITURES	-	-	-	-	-	-	-	-
TOTAL GROSS EXPENDITURES	10,622,687	10,625,853	11,075,564	105,957	11,181,521	452,877	4.3	
Subsidy Revenue	(9,205,808)	(9,095,174)	(9,137,017)	(12,337)	(9,149,354)	58,791	(0.8)	Cost-shared program subsidy reflects lower than anticipated subsidy in 2010 and 3% projected funding increase in 2011 and additional base funding for the North Halton Mental Health Clinic related to psychiatric sessions.
All other Revenue	(850)	(9,948)	(850)	-	(850)	-	-	-
Transfer from Reserves - Operating	-	-	-	-	-	-	-	-
TOTAL REVENUE	(9,206,658)	(9,105,122)	(9,137,867)	(12,337)	(9,150,204)	66,791	(0.8)	
NET PROGRAM EXPENDITURES	1,416,029	1,520,731	1,937,697	93,620	2,031,317	521,668	36.8	
Corporate Support	2,897,022	2,897,022	2,722,061	-	2,722,061	(174,961)	(6.0)	
FULL COST IMPACT	4,313,051	4,417,753	4,659,758	93,620	4,753,378	346,707	8.0	

Unit Goals and Objectives

#O5: Unit Goals and Objectives The document should include clearly stated goals and objectives of organizational units (e.g., departments, divisions, offices or programs).

- Criteria Location Guide Questions**
1. Are unit goals and objectives identified?
 2. Are unit goals clearly linked to the overall goals of the entity?
 3. Are objectives quantifiable?
 4. Are timeframes on objectives noted?

Explanation This criterion requires that unit goals and objectives be clearly identified. The relationship of unit goals to the overall goals of the entity should be apparent (perhaps, in the form of a matrix). For purposes of this criterion, goals are long term and general in nature, while objectives are more short term and specific. Note when goals and objectives are expected to be accomplished.

Chapter Overview *Unit goals and objectives need to be clearly identified.*

Helpful Hint

Consider including a matrix linking department goals to overall entity goals.

There are several methods of illustrating the link between department goals and overall entity goals. The most common is through a matrix.

City and Departmental Goals Matrix

City and Departmental Goals	City Manager	Police	Fire and Rescue	Public Services	Parks & Recreation	Administrative Svcs	Code Compliance	City Clerk	Community Svcs	Housing Rental	Finance	Human Resources
1. Promote health, safety & welfare of the community.												
To provide customers with the highest quality water services possible while maintaining a competitive rate structure.				X								
To protect and safeguard human life.		X										
To protect life and property, reduce pain and suffering, and to assure properly maintained fire prevention systems on commercial properties			X									
To ensure the availability of transportation services to south Broward residents who are transportation disadvantaged and have physical, cognitive, emotional, visual or other disabilities that render them functionally unable to utilize the regular fixed-route service.									X			
To improve the quality of life for low and moderate-income residents of the City of Pembroke Pines in terms of housing, commercial rehabilitation, and transportation.										X		
To provide a quality multi-function social service delivery system and specifically designed senior programming.									X			
Develop and establish standards and ordinances that ensure positive effects on property value, community appearance, and neighborhood pride.							X					
2. Promote and pursue a positive economic environment.												
To finance projects utilizing the most cost effective methods, while minimizing the restrictions that would hinder the future borrowing capacity of the City.	X											X
To provide services for the design, construction, maintenance, procurement, beautification, and preservation of all facilities, roadways, properties, materials, and equipment.				X								
To support all City departments through the use of technology to better improve the lives of the citizens of Pembroke Pines.						X						

This example takes that relationship one step further by identifying the level of impact.

Legend: Direct Impact - ● Indirect Impact - ○ No or Low Impact - Blank	City Manager's Office	Police Department	Fire Department	General Services	Parks & Recreation	Fiscal Services	Community Development
Complete Phase II Segment of Retail Market Study.	●						
Facilitate key retail, industrial, and Center City residential, retail and restaurant development within the community.	●						○
Actively pursue the establishment of upscale retail businesses to the City of Elgin.	●						○
Develop a new Water Department Master Plan, identifying those areas in our distribution system that may create challenges for us in the future as Elgin continues to grow.				●			
Recreational, Leisure & Cultural Opportunities for all Citizens							
Increase neighborhood recreation programming by 25 percent.	○				●	○	
Quality Housing							
Maintain a 10 working day maximum time for plan reviews and compliance target of 95 percent and complete every requested building inspection within 24 hours of posting the inspection in the system.							●
Reduce nuisance code violations through the No Notice Nuisance Violations program.							●
River as a Resource							
Reconstruct piping at the Riverside Water Treatment Plant to place the two reservoirs into series.				●			
Financially Stable City Government							
Work with departments to develop departmental performance measures, including establishing a standardized reporting time frame.	●	○	○	○	○	○	○
Issue a Request for Proposal and recommend awarding a contract for Emergency Medical Service billing, collection and management reporting services.	○		○			●	
Establish a trust fund for retiree health insurance benefits.	○	○	○	○	○	●	○
Begin the implementation of a city wide MESH wi-fi network.	○	○	○	○	○	●	○
Increase the recording of existing equipment by 10 percent (130 items) using maintenance inventory software.	○	○	○	●	○	○	○
Increase the number of preventive or planned maintenance work orders by 10 percent (150 work orders).	○	○	○	●	○	○	○
Increase number of copying jobs that are performed by Central Services from approximately 112 to 120 annually.	○	○	○	○	○	●	○
Advertise and/or post all bids through the City website and include related solicitation documents such as tab sheets and planholders list.	○	○	○	○	○	●	○

Departmental objectives can be directly linked to overall entity goals in a simple table. This example includes an additional feature – a completion date for the objectives.

CITY CLERK

Division/Program: RECORDS MANAGEMENT

OBJECTIVES AND PERFORMANCE MEASURES for Fiscal Year 2012-13

One-Time Objectives <i>(To be Tracked Quarterly)</i>	Estimated Completion Date	QLMP Core Value: <i>Long Term Goal</i>
Prepare a policy to ensure that images retained in the City's software and hardware databases are accepted as permanent documents pursuant to the California State accepted guidelines	June 2013	A Sustainable City: <i>Continue to reduce solid waste diversion to landfills</i>
Prepare a policy that requires applicants to submit final large scale maps in a digital format	January 2013	A Sustainable City: <i>Continue to reduce solid waste diversion to landfills</i>
Obtain Public Records Request Tracking Software to better maintain an audit trail of activities of and provide search abilities on frequent and previous requests	January 2013	Accountable and Responsive City Government: <i>Maintain overall sound fiscal policies</i>
Develop comprehensive written policies, procedures, and guidelines to address operational requirements	June 2013	Accountable and Responsive City Government: <i>Maintain overall sound fiscal policies</i>

Some departments provide an estimated start and completion date for their goals and objectives, giving the reader a clear idea of how long tasks are expected to take.

DEPARTMENT Finance Department
FUND: General Fund

2007-08 Goals and Objectives	Estimated Start	Estimated Completion
Investigate Electronic Funds Transfer for Vendor Payments	December 2007	March 2008
Recommend alternative information source for non-finance questions, which are transferred to Customer Service.	December 2007	March 2008
Conduct Internal Training on budgeting, purchasing and accounts payable	March 2007	June 2008
Enhance the Click 2 Gov so that it's easier for customers	October 2007	December 2007
Convert bid notification to email and postcards	December 2007	March 2008
At least four times, encourage Direct Deposit for payroll	October 2007	March 2008
Review opportunity for privatization of utility bill mailing	March 2008	April 2008
Review pension buyouts to determine if there are any savings to encourage early retirements.	June 2008	July 2008
Research and bid if appropriate Utility bill/Phone bill audit	December 2007	March 2008
Modify Purchasing Vendor list procedure	October 2007	February 2008
As part of Vision Goal #4 (Strengthen the Economic health and vitality of the City), enhance revenues and/or revenue collections		
Research and develop opportunity for special taxing districts	December 2007	March 2008
Review outstanding debt for arbitrage compliance	February 2008	July 2008
Conduct zero-read audit for meters to improve collections	June 2008	August 2008
Pursue delinquent special assessments with direct contact for the customers	January 2008	February 2008
Improve Meter Reading Process for fewer zero reads or missed reads.	June 2008	September 2008
As part of Vision Goal #5 (maintain and enhance governance capacity for public service and leadership), enhance knowledge of finance employees, other staff, management and the public		
Ensure employees attend applicable professional training to keep up to date on trends	October 2007	September 2008
Publish the FY 2007 CAFR and submit to the GFOA's award program by March 25, 2008	November 2007	March 2008
Publish the FY 2008 budget and submit to the GFOA's award program by December 25, 2007	November 2007	December 2007
Publish the monthly financial reports by the 11 th of each month	October 2007	September 2008

In this example, the school district includes budget resources (dollars) that are necessary to result in the successful achievement of the objectives.

Program: Elementary School Programs

Program Goal:

- Meet state and district accreditation standards by maintaining a suitable student/teacher ratio.
- Maintain a safe school environment.
- Increase support for schools that are heavily impacted by Special Programs (high percentages of free and reduced lunch students, large numbers of certified general education staff, Title 1, and ELL magnet programs).

Measurable Program Performance Expectation (objective): what is to be accomplished?

Narrative:

Staff will meet the terms and conditions of the current job description and act as the catalysts for improvement. The staff will work with administration to guide instruction and facilitate change based on data.

List the strategy(ies) to accomplish the objective: what tools will be used to reach the target?

Narrative:

Measured by the Indicator(s) below

1.	Recruit, interview and hire building staff with the requisite skills necessary to meet the terms and conditions of employment by the district.	Patrons and administration respond positively to the skills of the teaching staff as evidenced by meeting district, and state achievement levels.
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Person/Position Responsible to carry out the strategy	Describe Resources required	Budget (Resources) required (dollars)	Implementation Date	
			Start	End
Building/ District Administration	Staff development opportunities for employees. Adequate resources to provide materials needed by staff and students.	\$	9/01/06	6/06/07
Curriculum Coordinators	Purchase textbooks	\$1,719,714	8/15/07	6/15/08
Curriculum Coordinators	Science needs – T.U.S.K. (Teachers Using Science Kits) and consortium supplies	\$65,000	8/15/07	6/15/08

Quantified objectives may be included within the given timeframe. Remember that goals are long term and general, while objectives are short term and specific.

Department of Administration

West Virginia Public Employees Grievance Board

Mission

To provide and regulate a fair, consistent, and efficient administrative grievance process for all public employees of West Virginia to benefit the general public and the government and education employees who serve them.

Operations

The board regulates and administers the grievance process for higher education, county health departments, boards of education, and state employees for the purpose of efficiently and effectively resolving employment disputes that arise in the employment relationship between public employees and their employers. The board employs administrative law judges who serve as mediators and administrative law judges in cases arising from the grievance process. In addition, the board establishes the procedural rules and forms to be used throughout the grievance process.

Goals/Objectives

Reduce the backlog of grievances that are mature for decisions.

- Prioritize cases during FY 2009 so that the cases that have been in the system the longest and are mature are written first.
- Increase the average number of decisions issued per month from 17 to 25 by the end of FY 2009.

Provide group-specific training as needed or upon request regarding the grievance process to employees, employers, and their representatives.

Enhance the Web site to facilitate the grievance process.

- Post a flow chart of the new grievance process by June 30, 2009.
- Post minutes of meetings on-line by June 30, 2009.

Process grievances in a timely manner.

- Increase to 40% in FY 2010 level three and level four decisions issued within 30 days after hearing or receipt of proposed findings of facts and conclusions of law.
- Increase to 75% in FY 2010 level three and four decisions issued within 90 days after hearing or receipt of proposed findings of facts and conclusions of law.

Objectives can be quantified through the use of numbers or percentages.

DEPARTMENT MISSION STATEMENT

The goal of the Holland Police Department is to provide residents and visitors with a professional level of police service in all areas of designated law enforcement responsibility.

This will be accomplished by:

- Enforcing the criminal statutes and City ordinances relative to crime and traffic.
- Providing an immediate response to criminal incidents, accidents, and other emergencies.
- Working in partnership with all members of the community.
- Providing crime prevention, awareness, and educational programs to the community.
- Providing other services that will benefit citizens and the community as a whole.

ACTION PLAN FOR FISCAL YEAR 2008

OPERATIONAL OBJECTIVES

- **Response Time:**
 - To have a response time of 10 minutes or less on 90% of all calls received.
 - To have a response time of 5 minutes or less on 65% of all calls received.
- **Case Closure Rate:**

Cases closed would include:

 - Closed with an arrest being made.
 - Closed due to the complaint being unfounded.
 - Closed due to exceptional circumstances.
 - Closed after being turned over to another agency.

To have a case closure rate on Part I crimes of 60%.
To have a case closure rate on Part 2 crimes of 95%.
- **Officer Availability Time:**

Available or uncommitted time is time in which officers have the opportunity to be involved in community interaction, crime prevention, and traffic enforcement.

The goal is for patrol officers to have 22% uncommitted time.
The goal is for community policing officers to have 12% uncommitted time.
- We will continue to maintain a strong working relationships with the citizens of Holland since many of our crimes are solved by the public working directly with officers. Our goal is to make as many citizen contacts as available time allows.
- The Janet Chandler Cold Case investigation is now complete after a 2 ½ year investigation. The investigation concluded with the arrest of six (6) suspects being charged with 1st degree murder. Our goal in 2007 is to bring each defendant before the court and obtain a conviction. (December 2007)
- Complete an in-depth study of the top three (3) crash intersections from the 2006 crash data and determine exactly what type of traffic enforcement would be most effective to reduce crashes. (October 2007)

Once all of the information has been compiled for a department’s goals and objectives, it is important to choose a design that is not only easy to follow, but that can be used for additional purposes (like showing whether the outcome was successful and providing for any additional comments).

CITY CLERK DEPARTMENT DRAFT 2012 GOALS and OUTCOME MEASURES

Department/Program: COUNCIL/BOARD SUPPORT
Mission Statement: To create efficient and accurate dissemination of information to and from City Boards and to produce accurate records of their meetings for the staff, boards, and citizens.

Customer Service Standards
Each achieved Customer Service Goal is counted as one, i.e., 4 out of 5 Goals = a score of 4.

Develop Goals that are specific to serving your customer – internal or external – by your Department.

Goal #14	Goal Name: Board Minutes	At least 90% of the surveyed respondents will Strongly Agree/Agree that the Board minutes are produced in a timely and accurate fashion.
	Team Leader:	
	Outcome Measure:	At least 90% of the surveyed respondents will agree or strongly agree that the minutes are produced in a timely and accurate fashion.
	Data Plan:	City Clerk Staff will survey Board members annually in October. A minimum of 10 respondents will be considered an appropriate response rate.
	(This section should be completed at the end of the year)	
	Result:	
	Comments:	

Goal #15	Goal Name: Board Agenda	At least 95% of the time Agendas will be available to Board members and to citizens two working days prior to the meeting.
	Team Leader:	
	Outcome Measure:	At least 95% of the time Agendas were available to Board members and to citizens two working days prior to the meeting.
	Data Plan:	The Department will maintain a log that captures: A. The meeting date B. The date the agenda was distributed and available to citizens
	(This section should be completed at the end of the year)	
	Result:	
	Comments:	

Goal #16	Goal Name: Council Agenda	At least 90% of the time, the Council agenda will be posted to the City Website on the Friday before Council meetings.
	Team Leader:	
	Outcome Measure:	At least 90% of the time, the Council agenda was posted to the City Website on the Friday before Council meetings.
	Data Plan:	The City Clerk staff will post the Agenda to the City website. A log will be maintained that captures: A. The meeting date B. The date the Agenda was posted to the website

Performance Measures

#06: Performance Measures The document should provide objective measures of progress toward accomplishing the government’s mission as well as goals and objectives for specific units and programs.

- Criteria Location Guide Questions**
1. Are performance data for individual departments included in the document?
 2. Are performance data directly related to the stated goals and objectives of the unit?
 3. Do performance measures focus on results and accomplishments (e.g., output measures, efficiency and effectiveness measures) rather than inputs (e.g., dollars spent)?

Explanation Performance measures should include the outputs of individual units and provide a meaningful way to assess the effectiveness and efficiency of those units. The measures should be related to the mission, goals, and objectives of each unit. Include information for at least three years (the prior year actual, current year estimate or budget, and budget year). Refer to GFOA’s best practice on Performance Management: Using Performance Measurement for Decision Making - Updated Performance Measures.

Chapter Overview *The Government Finance Officers Association (GFOA) has developed a number of resources to assist governments with performance management and presentation. The National Performance Management Advisory Commission, a collaboration of the GFOA and 10 other leading state and local public interest associations, developed a framework to help state, provincial, and local governments to continually improve the results they provide to the public through performance management. The framework identifies seven performance management principles and describes how incorporating these principles into governmental processes and decision making in planning, budgeting, management, and evaluation can lead to learning and improvement, enhanced accountability, and, ultimately, better results for the public. The commission’s final 2010 report is available for download on GFOA’s website. In addition, the GFOA’s Budget Awards Program confers special recognition on budgets that receive an outstanding rating in the performance measures category from all three reviewers.*

Helpful Hint

Include performance measures through the upcoming budget year.

Having meaningful performance measures is so important that some governments include performance measurement policy in their financial policy section. This serves the dual purpose of communicating to the public and government personnel that performance measures play an essential role.

This policy example reiterates what should be a common practice with performance measures: they should relate to the entity's mission, goals, and objectives. Don't just focus on activity levels; include effectiveness and efficiency indicators as well. Measures should be presented for at least three years (including the upcoming budget year) to provide comparisons over time. Limit the number of meaningful measures to a manageable group.

Performance Measures

- A. A key responsibility of the City government is to develop and manage services, programs, and resources as efficiently and effectively as possible, and to communicate the results of these efforts to the public. Meaningful performance measurements assist in identifying financial and program results, evaluating past resource decisions, and facilitating qualitative improvements in future decisions regarding resource allocation and service delivery options.
- B. OMB, working with departments will develop financial, service, and program performance measures for incorporation into Council discussions of Strategic Planning. Performance measures will:
 1. Be based on progress towards a goal or area of focus identified in the Strategic Plan.
 2. Measure program results or accomplishments as well as efficiency and effectiveness.
 3. Provide for comparisons over time to facilitate exploration of continuous improvement.
 4. Be reliable, verifiable, and understandable.
 5. Be reported annually, both internally and externally.
 6. Be monitored and used in decision-making processes.
 7. Be limited to a manageable number of meaningful measures that can be used to track achievements, impacts, and outcomes of key projects or services.
 8. Valid measures will be developed on a service-by-service basis, to gauge the City's relative success in the efficient and effective delivery of services and to facilitate continuous improvement.

While strategic planning helps organizations focus on “doing the right things,” performance measurement helps organizations determine if they are “doing them right.” There are distinct steps to take in deciding what indicators are necessary to measure progress toward meeting strategic goals and objectives, how to gather and analyze the data, and how to use that information to drive improvements.

While performance measures will not in and of themselves produce higher levels of effectiveness, efficiency and quality, they will provide the necessary data to reallocate resources or realign strategic objectives to improve products, processes and priorities. These best-in-class organizations decide on what indicators they will use to measure progress toward meeting strategic goals and objectives (actions), then gather and analyze data, and finally use these data to drive improvements in their organizations. This process is typically known as “Managing for Results.”

Fairfax County has refined the “Managing for Results” process into more distinct steps to facilitate ease of use and understanding of this process to maximize results:

1. Focusing on Results
2. Strategic Planning in the Context of Performance Measurement
3. Program Planning
4. Budget Implications of Performance Measurement
5. Identifying Processes to Be Measured
6. Identifying Critical Activities to be Measured
7. Establishing Performance Goals
8. Establishing and Updating Performance Measures
9. Identifying Key Staff to be Responsible for Performance Measure Processes
10. Collecting the Data
11. Analyzing the Data
12. Reporting the Data
13. Comparing Actual Performance to Performance Goals
14. Using Performance Information
15. Determining if Corrective Action is Needed
16. Making Changes to Implement Corrective Action
17. Determining If New Goals and Performance Measures are Needed

Consequently, the factors of planning, budgeting, and performance measurement are intrinsically linked in this model of “Managing for Results.” The above is not a linear process; rather, it is a circular or ongoing process. The last step continually feeds into the first steps – focusing on results and strategic planning. The emphasis is on *continuous improvement* and *innovation*. Performance measurement is a process; therefore, it’s not a “one-size-fits-all” cure-all or a simplistic formula or equation for instant success. Performance measurement is a management tool. In Fairfax County, we measure performance not to keep score. Performance measurement is a tool to constantly improve and deliver our programs and services. Measurement alone is not the answer – you have to use the data to improve. While strategic planning helps organizations focus on “doing the right things,” performance measurement (PM) helps organizations determine if they are “doing them right.”

The alignment between strategic goals and performance measures can be shown in a table. In this example, four strategies coded A through D are linked to the performance management benchmarks identified at the bottom of the table.

FINANCE DEPARTMENT

Mission: To maintain the fiscal integrity of the City organization through financial services, timely information and analysis, innovation, financial management and appropriate controls.

	ENSURE PHYSICAL SAFETY	PROTECT PROPERTY	PROTECT PUBLIC INFRASTRUCTURE	CREATE A GROWING COMMUNITY
	SUPPORT SERVICES			

	DEPARTMENTAL GOALS
Goal	1. Develop and incorporate strategies to improve the financial position and management of the City. 2. Provide financial services which support economic growth within the community. 3. Increase Finance Department and City productivity. 4. Provide opportunities and promote citizen participation.
	STRATEGIES
Strategy	A. Use technology, where appropriate, to reduce transaction processing costs.
Result	B. Provide the City with accurate financial forecasts for all funds evaluating the effect of economic pressures and trends. C. Securely, efficiently and effectively manage cash receipts, receivables and licensing functions. D. Monitor debt related to development to keep it within pre-defined parameters.

	BENCHMARK	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 TARGET	2012 TARGET	STRATEGY ALIGNMENT
PERFORMANCE MEASURES							
Average Days from Invoice Receipt to Payment	<30.0	25.2	24.7	24.6	28.0	28.0	A
General Fund Revenue Projection Accuracy	100%	100%	98.20%	98.40%	100%	100%	B
Percentage of Business License Applications Processed within 30 Days	100%	NA	NA	91%	95%	97%	C
Outstanding General Obligation Debt per Capita	\$1,773	\$1,197	\$1,230	\$1,357	\$1,304	\$1,413	D

Another way to present the linkage is to show overall goals, specific objectives, description of performance measures, and then quantified performance measures within the same row of the table. The narrative discussion that follows the table sheds further light on the performance measures.

FIRE DEPARTMENT PERFORMANCE INDICATORS

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY06-07 ACTUAL	FY07-08 TARGET	FY07-08 REVISED	FY08-09 TARGET
Cost Efficiency	Achieve a response time of 5 minutes or under from dispatch to arrival on 80% of Code 3 fire calls within the city limits.	Percentage of fire calls with a response time of 5 minutes or less from dispatch to arrival within city limits. (1)	63%	70%	65%	65%
	Achieve a response time of 5 minutes or under from dispatch to arrival of ALS equipment on 45% of Code 3 EMS calls within the city limits (ASA contract target).	Percentage of EMS calls requiring ALS with response time of 5 minutes or less from dispatch to arrival within city limits.	55%	45%	59%	59%
	Maintain operating costs per capita at or below that of comparator cities.	Total fire operating expenditures per 1,000 population within city limits. (3)	New Measure	\$125.60	\$125.60	\$139.58
	Maintain false alarm rate at or below the level experienced by ICMA comparators.	False Alarms as a % of non-EMS responses in the city.	9%	13%	13%	13%
Community Involvement	Interact with at least 10% of residents (city and rural district) in public education events annually.	Number of attendees at public education events.	7,275	7,210	7,250	7,250
Sustainability	Maintain average loss per 1,000 population within city limits less than national average.	Maintain average loss per 1,000 population within city limits less than national average.	New Measure	<\$15,806	<\$15,806	<\$34,900
	Maintain the number of reported structure fires per 1,000 population within the city limits at less than the national average.	Structure fires per 1,000 population served within city limits. (2)	0.92	<5.30	<5.30	< 3.00

Select discussion of key measures above:

(1) Achieve a response time of five minutes or under from dispatch to arrival on 80% of Code 3 fire calls within the city limits:

- Measure definition / discussion:* This is one of the standard measures of a fire department's effectiveness across the industry. Years ago, a common industry goal was to achieve a 4-minute response time on 90% of emergency calls. Increasing costs and population figures have resulted in the need for a majority of departments nationwide to reassess that target. It was found to be unrealistic and very expensive in terms of infrastructure and personnel. Irrespective of the increased difficulty in meeting the target, response time remains the most critical factor in the degree of success achieved in mitigating true fire / EMS emergencies.
- Evaluation of results:* Over a period of years, population growth, a related increase in the amount of vehicle traffic, and the expansion of neighborhoods into urban growth areas (and farther away from existing fire stations) have increased response times. The new target is a move toward more realistic response times and is in line with the National Fire Protection Association (NFPA) standards as well as ICMA core measures. The inclusion of Stations 5 and 6 in the response system helped to alleviate that situation to a significant degree.

All departments, not just those of the general fund, should show the linkage between overall government goals and performance measures.

WATER AND POWER

Performance Measures	FY 2010 Actual	FY 2011 Target	FY 2011 Mid-Year	FY 2012 Target
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WATER AND POWER

Council Goals: To maintain fiscal responsibility and stability, and to increase conservation and sustainability. (con't)

H. The City will encourage the efficient use of electric energy and the installation of customer-owned solar photovoltaic (PV) systems.

1. Reduce energy consumption by electric customers. Contribution of current-year programs. MWh/year	N/A	14,500	3,981	14,500
2. Achieve cumulative energy savings per year from FY 2007. MWh/year	N/A	60,000	57,652	74,500
3. Encourage the installation of solar photovoltaic (PV) systems by electric customers. Current year installations, MW	N/A	1.4	0.50	1.40
4. Encourage cumulative PV capacity installations from 1/1/2008 MW	N/A	4.9	2.10	6.30

I. The City will encourage efficient use of water.

1. Achieve additional acre-feet water savings from conservation programs.	N/A	N/A	94	200
2. Achieve reduction from Urban Environmental Accords baseline per-capita water consumption.	N/A	N/A	21%	10%
3. Comply with statewide best management practices (BMP) for efficient water use management.	N/A	N/A	75%	100%

While most governments show workload or activity measures in their individual department performance measures section, they should also include efficiency, effectiveness, or productivity measures. Such measures provide an additional means of analyzing results.

	2006		2007		2008		2009		2010		2011		2012	
	ACTUAL	BUDGET												
Number of work orders completed	3,699		3,780		4,176		4,690		6,151		3,685*		4,000	
Number of times parks are mowed during the growing season	27		30		27		31		31		32		32	
Number of work orders completed on playground equipment	53		55		62		58		54		28*		29	
Number of work orders completed for City buildings	60		308		342		368		696		566*		580	
Hours of litter pick-up services provided	516		538		645		791		585		605		630	
Number of street lights maintained	-		573		679		767		835		855		919	
Number of special events requiring special detail services	-		25		28		24		31		43		44	

*Overhauled work order system-some work orders combined

	2007		2008		2009		2010		2011		2012	
	ACTUAL	BUDGET										
Percentage of work orders completed in 30 days	98%		98%		98%		98%		98%		98%	
Work orders completed per FTE	445		418		469		615		369*		400	
Percentage of responses to outages and/or repair within 48 hours	93%		94%		94%		96%		96%		96%	

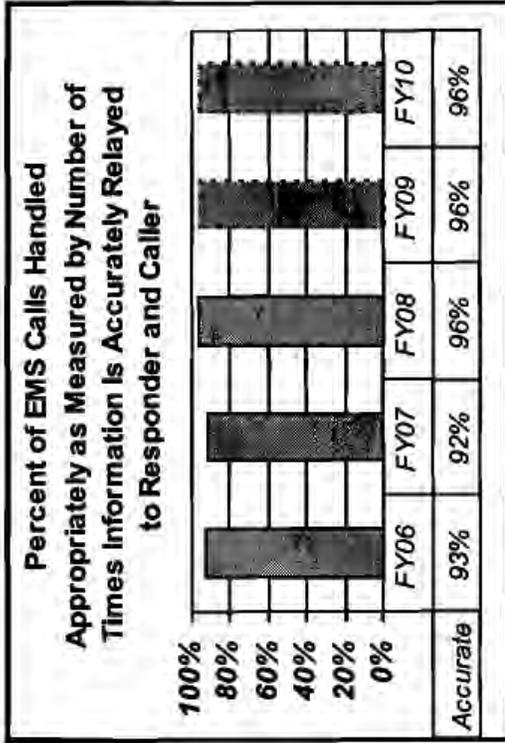
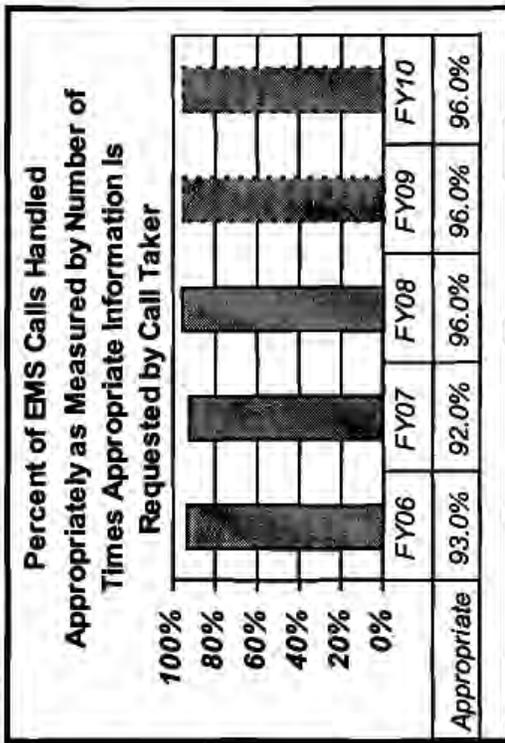
*Overhauled work order system-some work orders combined

MISSION: Maintain all City Parks in a safe and reasonable condition at all times	
Inputs	<ul style="list-style-type: none"> Staff Training Knowledge of City parks Equipment Storage facilities
Activities	<ul style="list-style-type: none"> Respond to park work orders Provide equipment and staff for 24 hour service Communicate with county officials and adjoining cities
Outputs	<ul style="list-style-type: none"> Number of acres of City owned parks maintained Number of hours worked to maintain parks Number of times parks are mowed during the growing season Number of playground equipment maintained
Initial	Aesthetically pleasing City parks City is beautified Citizens have places to relax, play, and enjoy the City
Intermediate	Citizens experience consistently clean park area conditions
Long-term	Citizens take pride in their City and their own home Businesses able to attract desired personnel who want to live in community Community property values increase

Outcomes

Quantified performance measures can be presented in a table or graph. In either case, readers will benefit from an accompanying narrative that helps interpret the data.

Effectiveness



Efficiency

Average time to answer in-coming phone lines compared to NAEEMD (National Academy of Emergency Medical Dispatchers) -- This measurement reflects an average of two rings to answer in-coming lines, which is the NAEEMD recommendation. Following the 2003 cuts to 9-1-1 funding by the Oregon Legislature, call-taking staffing was reduced and the average answer time for emergency answer time has since increased to four seconds, which is still within the two-ring goal. Non-emergency answer time is also four seconds. As a comparison, the retail industry standard is an average of three rings, or six seconds.

Customer Satisfaction

Percent of customer survey respondents who report they are satisfied or very satisfied with the service compared to NENA's (National Emergency Number Association) national survey -- Ninety-two percent was the actual in FY06 and the same is estimated for FY09 and FY10. No survey was conducted in FY07 or FY08.

Performance measures, when quantified, can be presented through various means such as units, percentages, dollars, or ratios. Choose the quantification method that is most appropriate and best tells the story.

Office of the City Auditor

Performance Summary

Audit Services

Performance Measures

	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target
 % of audit recommendations implemented (cumulative over 10 years)	79%	80%	75%	80%
 Ratio identified monetary benefit to audit cost	\$5 to 1	\$4 to 1	\$9 to 1	\$4 to 1
 % of approved workplan completed or substantially completed during the fiscal year	78%	100%	78%	80%

Activity and Workload Highlights

	2009-2010 Actual	2010-2011 Forecast	2010-2011 Estimated	2011-2012 Forecast
# of audit reports issued	22	20	18	18
# of audit recommendations adopted	103	60	63	50
# of audit reports per auditor	1.7 to 1	1.5 to 1	1.9 to 1	1.5 to 1
Identified monetary benefits (i.e., revenue enhancements and cost savings)	\$11,685,590	\$8,500,000	\$17,409,000	\$8,000,000

At a minimum, quantified performance measures should be presented for the prior year, current year, and upcoming budget year. This does not preclude including more years of history or projections beyond the upcoming budget year. Some governments even include comparisons between actual and budget for a given year.

FIRE

DESCRIPTION

Fire Department functions include fire protection, regulation, prevention, and inspection; emergency medical services, vehicle extrication; surface water rescue; and hazardous materials. The department coordinates the City's emergency management and conducts public education efforts to prepare citizens to learn ways to better protect themselves from the ravages of fire and disaster. A Citizens Emergency Response Team (CERT) Program is conducted to educate citizens about safety and how to assist the community in the aftermath of a disaster.

MISSION

Ensure that fire protection and suppression is paramount; advance life support service provides the best treatment available; emergency management is prepared for any disaster; and fire safety inspections are handled promptly and professionally.

CURRENT GOALS, OBJECTIVES, & METRICS

Respond Promptly to Calls for Service

Firefighters per 1,000 Citizens

Fire Calls per 1,000 Citizens

Medical Calls per 1,000 Citizens

Response Time: Fire Calls (min:sec, dispatch to on-scene)

Response Time: Medical Calls (min:sec, dispatch to on-scene)

Reduce Liability Exposure

On-the-Job Injuries

Vehicle & Equipment Damages

Promote Community Involvement

Events, Programs, Outreach Initiatives

- ✓ Achieve average response times (dispatch to on-scene) of under 4½ minutes for fire calls and under 3½ minutes for medical calls.
- ✓ Decrease the number of on-the-job injuries by 10% and the amount of equipment damaged or lost by 20% through implementation of a comprehensive department Safety Program and implementation of appropriate safety rules, regulations, and guidelines.
- ✓ Increase fire department participation in local community events, neighborhood programs, and City outreach initiatives by 50%.

	Actual		YTD thru 6/30		Budget	
	2007-08	2008-09	2009-10	2010-11	2010-11	2011-12
1.82	1.79	1.82	1.77	1.82	1.77	
23	23	55	43	25	50	
119	128	122	110	130	120	
4:37	4:35	4:37	5:21	4:30	4:30	
3:17	3:35	3:37	4:47	3:30	3:30	
n/a	n/a	n/a	22	n/a	20	
n/a	n/a	n/a	\$2,500	n/a	\$2,000	
n/a	n/a	n/a	10	n/a	15	

One advantage of quantifying performance measures over several years is that trends are revealed.

Parks & Recreation

Departmental Goals:

- Achieve and maintain a high standard of PARD services as related to planning, development, maintenance of facilities, programs and customer service. (City Goal 5 and 6)
- Continue to evaluate and improve the level of service provided to all customers.
- Achieve and maintain cost recovery of operational expenses. (City Goal 5.3)

Objective: Survey customers and increase sponsorships and partnerships.	Actual 05-06	Actual 06-07	Forecast 07-08	Forecast 08-09
Program survey results are above average or better	95%	95%	95%	95%
Secure cash and in-kind sponsorships	\$12,205	\$18,455	\$25,000	\$25,000

Trend: Surveys tell us what we are doing right and what we are doing wrong. Our target is for 95% of our respondents to rate us average or better on program surveys. Fundraising and sponsorships/partnerships will help us to recover program costs. This is primarily used to reduce cost for our community wide special events.

Objective: Survey customers, adequately train staff and obtain needed certifications.	Actual 05-06	Actual 06-07	Forecast 07-08	Forecast 08-09
Membership survey results above average or better	82%	93%	85%	85%
Program survey results above average or better	95%	95%	95%	93%

Trend: Surveys tell us what we are doing right and what we are doing wrong. The survey indicates over the past three years for average or better results are positively impacted for programming. We are still working to meet a goal of 95% of average or better on member and program surveys.

- Develop and maintain beautification in key areas. (City Goal 3)
- Continue to expand the city-wide Urban Forestry program. (City Goal 3.3)

Objective: Increase number of trees planted and volunteer participation, and implement routine maintenance on trees in parks and other public property.	Actual 05-06	Actual 06-07	Forecast 07-08	Forecast 08-09
Number of trees planted*	843	133	772	500
Number of volunteers at tree planting	260	175	133	200
Number of trees pruned	693	1,476	2,188	1,500
Number of trees removed	166	202	232	250

Trend: The need for trees to improve air quality and aesthetics is an important part of our vibrant community and contributes to the quality of life. The implementation of the Tree Preservation Ordinance is paying dividends with an increasing number of new trees planted and better maintenance of our older established trees. Tree planting spiked in FY 2007-08 with the acceptance of 600 trees planted by IKEA as part of compliance to the Tree Preservation fund. Based on the current development slow down with the economy, we expect less trees to be planted in FY 2008-09. We expect tree pruning to moderate since we put forth significant effort to prune larger street trees in the Round Rock West area to accommodate safety vehicles.

* This number includes trees funded through the General Fund, CIP and donations.

Section 6

Document-Wide Criteria

Statistical/Supplemental Section

#C3: Statistical/Supplemental Section The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided.

- Criteria Location Guide Questions**
1. Is statistical information that defines the community included in the document (e.g., population, composition of population, land area, and average household income)?
 2. Is supplemental information on the local economy included in the document (e.g., major industries, top taxpayers, employment levels, and comparisons to other local communities)?
 3. Is other pertinent information on the community (e.g., local history, location, public safety, education, culture, recreation, transportation, health-care, utilities, and governmental structure) included in the document?

Explanation Background information should be included in the budget in the form of statistical and supplementary data, either in a separate section or throughout the document. The goal is to provide a context for understanding the decisions incorporated into the budget document. The presentation should include factors that will affect current or future levels of service (e.g., population growth, economic strength in the region, or a change in the size of the school age population). Refer to GFOA's best practice on Statistical/Supplemental Section of the Budget Document for information that should be included as part of this discussion.

Chapter Overview *The goal of the statistical/supplemental section of the budget document is to provide a context for understanding the decisions incorporated into the rest of the document. Data in the statistical/supplemental section should relate to the rest of the budget document and be appropriate for the specific type of government. A high-quality statistical/supplemental section presents a valuable perspective to interested shareholders when reviewing budget issues and making decisions related to allocation of government resources.*

Helpful Hint

Do not just copy the CAFR statistical/supplemental section into the budget document.

The government structure is critical in shaping how budget decisions are made. The roles of elected and appointed officials should be identified. Political ramifications of elections, terms in office, or changes in administration may be noted.

Authority and Government

The Regional Transportation District (RTD) provides public mass transit service to the Denver Metro area. In 1969, the Colorado General Assembly found that public transit was a necessary part of the growing Denver Metropolitan Region and that public sector involvement was the best method to ensure the continuation of this vital component; thus, the Regional Transportation District was created as a political subdivision of the State effective July 1969 "to develop, maintain, and operate a public mass transportation system for the benefit of the inhabitants of the District".

District boundaries include all of Denver, Boulder, Broomfield, and Jefferson counties, the urbanized portions of Adams, Arapahoe, Douglas Counties, and a portion of Weld County. Over 2.8 million people, or approximately 57% of the population of Colorado, reside within RTD's 2,348 square mile area. This service area is shown in the map on the facing page.

Since 1983, the District has been governed by a fifteen-member Board of Directors who are elected by their constituents to serve four-year terms. There are over 180,000 voters per director district. The District's Board is responsible for setting District policy, adopting the agency's annual budget, and establishing short and long-range transit goals and plans in concert with local, state, and federal agencies.

The financial reporting entity includes all the financial activities of the Regional Transportation District, as well as those activities of its component unit, the RTD Asset Acquisition Authority, Inc., a nonprofit corporation established to implement the financing and acquisition of certain District projects financed through Certificates of Participation. The Authority has been included in the reporting entity as a blended component unit.

A community profile provides background about the government's setting. Healthcare, transportation, culture, and recreation could be major elements of the profile.

Culture and Recreation

Founded in 1776, Washington County was the first county in the United States to be named for the then General George Washington. The history of Washington County is exhibited at 4 national parks, 7 state parks, 14 county parks, numerous monuments and more than 35 museums that tell America's story spanning three centuries.



Some of Washington County's major local attractions include:

- ❖ Antietam National Battlefield – the site of the one of the most famous Civil War battles.
- ❖ Fort Frederick State Park – a fort built in 1756 for use during the French and Indian War.
- ❖ Appalachian Trail National Scenic Trail – the trail in Maryland follows a 40 mile route along the backbone of South Mountain (a north-side ridge that extends from Pennsylvania to the Potomac River).

Health Care Services

Meritus Health, located in Hagerstown, Maryland, is the largest healthcare provider in Western Maryland. Its programs span the continuum of healthcare, ranging from inpatient care to occupational health services to physician practices and outpatient care.

Meritus Medical Center, opened in 2010, is an acute care hospital with 272-single patient rooms. Services offered include a regional trauma center, a cardiac catheterization lab, and a nationally recognized joint replacement program. State-of-the-art medical technologies at Meritus Medical Center include advanced 3T magnetic resonance imaging (MRI); single-photo-emission computed tomography (SPECT) scanners; and cardiac interventions. Hospital services that address outpatient needs include the John R. Marsh Cancer Center, Total Rehab Care, the Center for Clinical Research, and the Center for Bariatric Surgery.

Meritus Health provides complementary branches of care including primary care physician practices, specialists in disciplines ranging from obstetrics to cardiology and satellite services including diagnostics and durable medical equipment.

Transportation

A variety of transportation avenues are available in Washington County. Hagerstown Regional Airport is a Part 139 Facility which provides scheduled commercial service on Allegiant Air and Cape Air. The airfield also offers fixed base operation services to corporate and military aircraft. Over 20 businesses offer clients a variety of aviation services for all types of aircraft. The airport is part of the Washington County Foreign Trade Zone and is located in a County Enterprise Zone. More than 600 people are employed at the airport in various aviation-related businesses. In addition, Dulles International, Baltimore/Washington Thurgood Marshall International, and Ronald Reagan Washington National airports are located within 70 miles of Hagerstown.

Other transportation outlets include auto rental services, County bus service, commercial bus lines, intermodal container transfer, taxi, freight common carriers, and limousine service. The main lines of CSX and Norfolk Southern provide economical shipment to anywhere on the Atlantic Seaboard and are both located within Washington County.

Governments provide facilities and services to meet their citizens' needs. A simple table can be included in the statistical/supplemental section of the budget document to list these services.

Government Services

The table below identifies the provider of government services within the City of Sarasota.

• **Services**

<u>Government Service</u>	<u>City of Sarasota</u>	<u>Sarasota County</u>	<u>Sarasota Co School Dist</u>
Animal Services		x	
Beach Patrol		x	
Code Compliance	x		
Education (K-12)			x
Fire/Rescue Services		x	
Health/Social Services		x	
Landscape Services	x		
Library Services		x	
Parks and Recreation	x	x	
Police Services	x		
Public Housing	x	x	
Streets & Highways	x	x	
Water Utilities	x		
Sewer Utilities	x		
Solid Waste Management	x		
Stormwater Utilities	x	x	
Transportation Services		x	

• **Police**

Sworn officers	200
Civilian full-time employees	66
Part-time school crossing guards	24
Number of police dispatches	72,558
Avg. emergency response time	3.5 minutes
Avg. response time all calls	4.0 minutes

• **Public Works**

Waste collected	58,000 Tons
Street miles (centerline)	240 miles
Residential streets	194 miles
Thoroughfares	46 miles
Traffic signals	100
Street lights	7,092
Number of bridges	19

• **Sewer**

Storm sewers	30 miles
Sanitary sewers	326 miles
Avg. daily treatment allowed max	10.2 MGD
Avg. daily treatment	7.5 MGD
Peak daily treatment capacity	26 MGD
Peak daily treatment	14.6 MGD

• **Water**

Water lines	275 miles
Number of connections	19,700
Number of wells	51
Daily pumping capacity	18 MGD
Average daily pumping	7.5 MGD
Total daily treatment capacity	12 MGD

A community’s demographics often determine the type and scope of a government’s services. For example, the community’s age distribution may affect the type of government services provided to some degree. Birthrate, mortality, median age, and school enrollment data may be listed. Education level of the citizens is generally presented by identifying the percentage of the population that has reached various educational milestones, such as a high school or bachelor’s degree.

The comprehensive annual financial report’s (CAFR) statistical section is a valuable resource for historical demographic information. Use only the pertinent information from the CAFR — remember, the budget serves a different purpose than the CAFR.

In addition to historical information, it is also helpful to include prospective data in the budget document’s statistical/supplemental section.

The estimated total number of households in Dakota County is 152,060, based on 2010 estimates. This represents an increase of 15.9% over 2000. During the same time period, the increase in Dakota County’s general population was 12%. The average household size is slowly decreasing, from 2.78 persons per household in 1990 to 2.6 in 2010. Single-person households (both under and over age 65) are increasing, as well as single female with children households, while married couple households with children are decreasing.

As development continues to move outwards from the urban core of Minneapolis and St. Paul, largely residential second and third ring suburban communities will increase in population in Dakota County. In Dakota County, second-ring suburban cities Eagan and Burnsville are now the most populated cities (estimated 67,600 in Eagan and 61,400 in Burnsville in 2010). With land for development running short in the second ring, the third ring cities of Apple Valley, Rosemount, Lakeville, and Farmington are experiencing significant gains in population. The Metropolitan Council expects Lakeville, Rosemount and Farmington to lead this growth with an additional 28,000, 19,000, and 12,000 residents between 2010 and 2030.

Dakota County Population, 1970 to 2030						
<i>1970</i>	<i>1980</i>	<i>1990</i>	<i>2000</i>	<i>2010</i>	<i>2020*</i>	<i>2030*</i>
139,808	194,279	275,186	355,904	398,552	484,175	525,275

**Metropolitan Council projections as of January 1, 2012*

Other important demographic facts about Dakota County:

- Diversity is growing in Dakota County. Since 2000, Dakota County’s population is becoming more racially and ethnically diverse, including both native born and foreign born residents. In 2010 about 17.7% of the population identified themselves as members of a racial or ethnic minority group. Between 2000 and 2030, the non-white population in Dakota County is forecasted to grow by almost 176%, from a count of 23,934 non-white residents in 2000 to some 66,000 by 2030. Hispanic/Latino, Asian and African American are the largest non-white population groups.
- Student diversity is also increasing. During the 2008-2009 school year, 22% (16,413) of students in grades kindergarten through 12th grade were of racial and ethnic minority groups, more than doubled since 1995. More than 70 different languages are spoken by students in schools in Dakota County.
- Dakota County’s median age is increasing. In 1990, the median age was 30.2 years; in 2008 it was 36.1. The number of people over the age of 65 in Dakota County is expected to increase 137% between 2010 and 2030.
- People in Dakota County are well-educated. In 2010, 94% of the population (over the age of 25) had a high school degree or higher; 35% had a bachelor’s degree or higher. Minnesota numbers, themselves higher than the national numbers, were 92% (high school degree or higher) and 32% (bachelor’s degree or higher) in 2008.

Economic data provides supporting information on projected resources. Just like the population forecast shown in the prior example, forward-looking economic data and/or employment projections may be presented.

Trends in employment levels are often included to measure economic strength.

Service Area Employment 2000 vs. 2010

County	2000 Employment*	2010 Employment *	Net Change	Percent Change
Boone	18,860	19,850	990	5.2%
Cook	3,321,600	3,180,030	(141,570)	-4.3%
DeKalb	47,160	52,770	5,610	11.9%
DuPage	696,730	695,750	(980)	-0.1%
Kane	239,970	258,840	18,870	7.9%
Lake	415,340	423,400	8,060	1.9%
Lee	17,960	17,060	(900)	-5.0%
McHenry	110,990	124,140	13,150	11.8%
Ogle	25,390	24,000	(1,390)	-5.5%
Whiteside	30,710	27,910	(2,800)	-9.1%
Will	184,450	244,400	59,950	32.5%
Winnebago	175,310	155,290	(20,020)	-11.4%
Total	5,284,470	5,223,440	(61,030)	-1.2%

Employment reported based on U.S. Commerce Dept. Bureau of Economic Analysis definition.

*Woods & Poole Economics, Inc. (W&P), "2011 Complete Economic and Demographic Data Source (CEDDS)."

Tollway Service Area Employment 2010 - 2040 Forecast

The following table shows forecasted change in employment for the 12 counties. Significant employment growth is generally expected in the Tollway service area. By 2040, the number of jobs in the service area is forecasted to grow by over 1.8 million.

Service Area Employment 2010 vs. 2040 Forecast

County	2010 Employment *	2040 Forecast Employment*	Net Change	Annual % Change 2010-2040
Boone	19,850	26,440	6,590	1.0%
Cook	3,180,030	4,081,560	901,530	0.8%
DeKalb	52,770	69,520	16,750	0.9%
DuPage	695,750	967,450	271,700	1.1%
Kane	258,840	424,750	165,910	1.7%
Lake	423,400	559,650	136,250	0.9%
Lee	17,060	18,890	1,830	0.3%
McHenry	124,140	201,060	76,920	1.6%
Ogle	24,000	31,180	7,180	0.9%
Whiteside	27,910	37,020	9,110	0.9%
Will	244,400	343,090	98,690	1.1%
Winnebago	155,290	213,190	57,900	1.1%
Total	5,223,440	6,973,800	1,750,360	1.0%

Employment reported based on U.S. Commerce Dept. Bureau of Economic Analysis definition.

*Woods & Poole Economics, Inc. (W&P), "2011 Complete Economic and Demographic Data Source (CEDDS)."

The top ten principal taxpayers or employers are typically listed. Both public-sector and private-sector employers can be included in the list.



By the 1920s, State government had emerged as a leading employer. The timber industry, having exhausted all of the old growth timber, saw a major decline in the 1940s and 50s, and activity shifted from harvesting to processing and log transportation. By the 1970s, Olympia was firmly established with a diverse economy, which included agriculture, timber, State government (including The Evergreen State College), local schools, medical facilities, and a variety of commercial activities. Although never opened, the building of the planned Satsop Nuclear Plant in nearby Grays Harbor County led to a short boom in the construction industry, bringing an influx of workers and their families to Olympia.

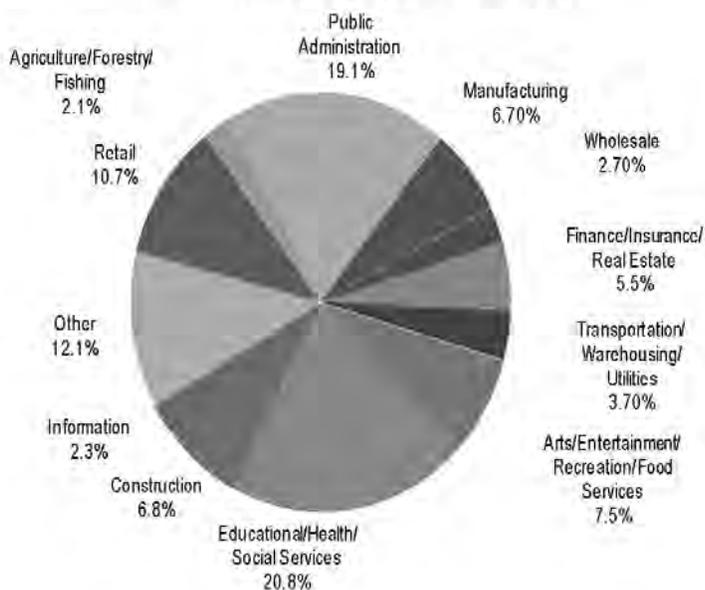
Over the last few decades, retail activity has expanded from downtown Olympia to suburban shopping centers. In recent years, the region has attracted many large national retail chains, which are serving a growing population, employing many local residents, and attracting consumers from neighboring counties.

In Thurston County, total employment in 2008 stood at 136,100 jobs. Wage and salary employment, with 108,200 jobs, accounted for 80% of total county employment. Proprietors' employment stood at 27,900, making up 21% of the County's total employment. Private sector non-farm employment comprised 70% of total employment, while public sector employment made up 28%, and farm employment 1%.

Employer	Employees
State Government, including education	20,000-25,000
Local Government, including education	10,000-15,000
Providence St. Peter Hospital	1,000-5,000
Tribal Government	1,000-5,000
Federal Government	500-1,000
Group Health Cooperative	500-1,000
Great Wolf Lodge	500-1,000
Columbia Capital Medical Center	100-500
Wal-Mart	100-500
Saint Martin's University	100-500
Costco Wholesale Corporation	100-500
Saleway Stores	100-500
Target	100-500
Cabelas	100-500

Source: The Profile, November 2010

Thurston County Employment by Industry



Assessed value of taxable property may be shown by major component (e.g., residential, commercial). Land use is often presented in the community profile as well.

Ohio County Profiles



Prepared by the Office of Policy, Research and Strategic Planning

Summit County

Established: Act - March 3, 1840
2010 Population: 541,781
Land Area: 412.8 square miles
County Seat: Akron City
Named for: Highest point along the Erie-Ohio Canal



Taxes

Taxable value of real property	\$12,237,460,580
Residential	\$9,324,769,970
Agriculture	\$103,447,810
Industrial	\$394,892,630
Commercial	\$2,410,912,150
Mineral	\$3,438,020
Ohio income tax liability	\$435,605,431
Average per return	\$1,725.86

Land Use/Land Cover

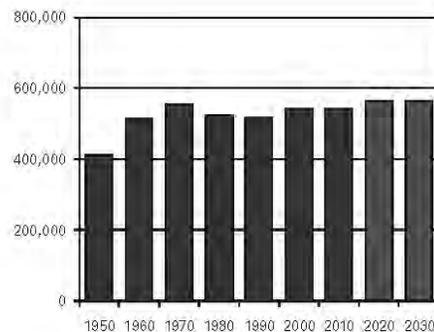
	Percent
Urban (Residential/Commercial/Industrial/Transportation and Urban Grasses)	46.93%
Cropland	4.81%
Pasture	1.97%
Forest	41.13%
Open Water	1.77%
Wetlands (Wooded/Herbaceous)	3.01%
Bare/Mines	0.38%

Largest Places

	Census 2010	Census 2000
Akron city	199,110	217,074
Cuyahoga Falls city	49,652	49,374
Stow city	34,837	32,139
Barberton city	26,550	27,899
Green city	25,699	22,817
Hudson city	22,262	22,439
Twinsburg city	18,795	17,006
Tallmadge city (pt.)	17,257	16,180
New Franklin city	14,227	2,191
Norton city (pt.)	12,081	11,512

Total Population

Census					
1800	1880	43,788	1950	410,032	
1810	1890	54,089	1960	513,569	
1820	1900	71,715	1970	553,371	
1830	1910	108,253	1980	524,472	
1840	22,560	1920	286,065	1990	514,990
1850	27,485	1930	344,131	2000	542,899
1860	27,344	1940	339,405	2010	541,781
1870	34,674				
Projected					
	2020	564,810			
	2030	564,210			



The community's location may be displayed by means of a map, which should be clearly legible.



City of Wilmington, Delaware

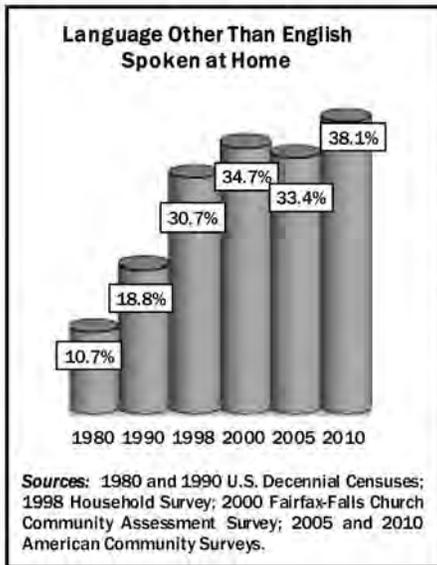
Appropriate comparisons of a government's own data with the data of other similar governments may be useful for financial analysis. Wealth is often indicated through per capita or personal income.

**BRISTOL vs. STATE OF CONNECTICUT
PER CAPITA/PERCENT OF TOTAL DATA***

<u>YEAR</u>	<u>TITLES</u>	<u>AMOUNT</u>	<u>STATE AVERAGE</u>
1998	Adjusted Tax Levy per Capita	\$1,192	\$1,487
2000	Annualized Rate of Change in Per Capita Municipal Spending	1.10%	2.40%
2001	Average Professional Staff Salary	\$57,662	\$53,507
2001	Business Property Values as a Percent of Grand List	30.3	25.1
2001	Crimes per 1,000 Population	28.9	31.2
2007	Debt per Capita	\$981	\$2,117
2007	Demolitions	9	1,285
2003	Education Expenditures as a Percent of Total Expenditures	58.75%	57.79%
2007	Equalized Mill Rates	15.83	13.18
2007	Equalized Net Grand List per Capita	\$106,895	\$169,150
2007	Equalized Net Grand Lists	6,511,100,192	3,505,415,314
2003	Equalized School Mill Rates	26.50	19.30
2000	Fire Expenditures per \$1 Million of Assessed Value	\$1,753.66	\$1,022.27
2009	Grade 4 Mastery Test Results (at or above proficiency)		
	Math	89.20%	84.60%
	Reading	81.30%	74.40%
	Writing	86.00%	85.00%
2007	Grand Levies	77,142,310	6,203,148,435 * State Total
2007	House sales	587	32,395
2008	Median Household Income	\$58,278	\$67,236
2008	Median Age	40	40
2007	Mill Rates	25.99	27.44
2003	Per Capita Education Expenditures	\$1,234.38	\$1,521.38
2000	Per Capita Fire Expenditures	\$97.04	\$88.99
2003	Per Capita Municipal Expenditures	\$2,101.39	\$2,632.47
1999	Per Capita Personal Income	\$23,362	\$28,766
2000	Per Capita Police Expenditures	\$148.00	\$155.69
2007	Per Capita Property Taxes	\$1,692	\$2,230
2000	Per Capita Public Works Expenditures	\$169.43	\$197.45
2007	Per Pupil Education Expenditures	\$10,580	\$11,867
2003	Percent Change in Local School Enrollment 1993-2003	9.20%	16.30%
2003	Percent Change in Per Capita Equalized Net Grand List 1993-2003	27.4	43.5
2000	Percentage of Educational Expenditures Provided by State	54.00%	36.00%
2009	Population	61,253	20,724
2007	Population Density per square mile	2,297.7	722.9
2008	Population per square mile	27	5,009
2007	Property Tax Revenue as % of Total Tax Revenue	62.00%	69.20%
2003	Road Miles	219.48	16914.64 * State Total
2007	School Enrollment	9,122	3,329
2003	State Aid as a Percent of Total Revenue	33.39%	24.35%
2003	State Aid per Capita	\$701.66	\$641.25
2003	Students per Full-Time Professional Staff	15.0	13.9
2007	Tax Collection Rates	97.90%	98.30%
2009	Total Square Miles	27	5009
2007	Unemployment	5.10%	4.60%
2002	Unreserved General Fund Balance as a Percent of Total Expenditures	15.70%	7.00%

The use of pictures or graphs to communicate major points is encouraged, and sources of information should be identified (if not included elsewhere in the document). For instance, the number of languages spoken may be relevant, especially for a school district. Information in the statistical/supplemental section of the budget should be explained.

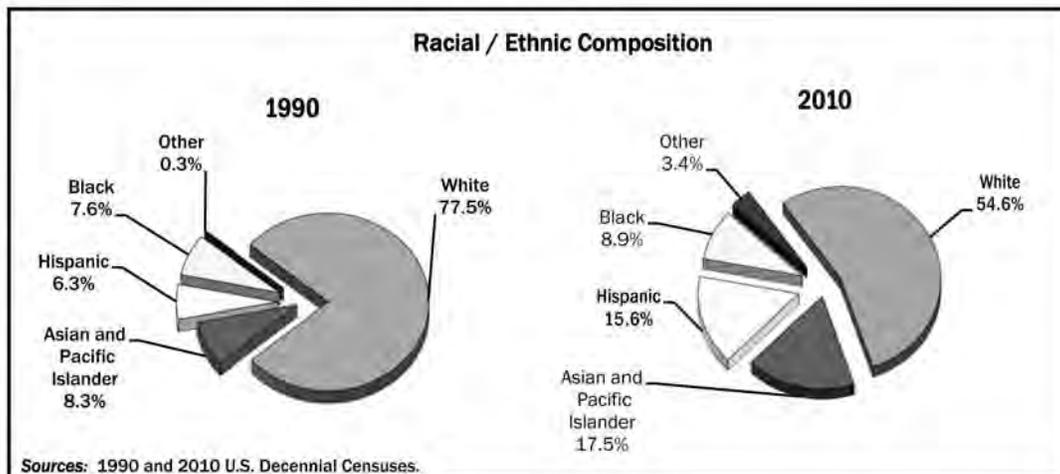
Cultural Diversity



Fairfax County’s population is rich in diversity. As of 2010, the number of persons, age five years and older, speaking a language other than English at home is estimated to be over 386,000 residents. This represents 38.1 percent of the County’s population. In 1980, less than 11 percent of residents age five years or older spoke a language other than English at home. This percentage rose to nearly 19 percent in 1990. By 2000, it was 34.7 percent. The most frequently spoken languages other than English include Spanish, Korean, Vietnamese and Chinese.

These language trends affect many County programs. For example, the Fairfax County Public Schools have experienced rapid growth in English for Speakers of Other Languages (ESOL) programs. Between FY 2000 and FY 2011, total public school membership increased 13.2 percent, while ESOL enrollment grew approximately 68.2 percent. Also, general government services such as the courts, police, fire and emergency medical services, as well

as human service programs and tax related programs are impacted by the County’s cultural and language diversity. The County continues to develop various means to effectively communicate with residents for whom English is not their native language.



In 1990, racial and ethnic minorities comprised less than a quarter of Fairfax County’s population. In 2010, over 45 percent of County’s population consisted of ethnic minorities. The two fastest growing groups are Hispanics and Asians and Pacific Islanders, which have both more than doubled their share of the County’s population between 1990 and 2010. These two minority groups are anticipated to remain the County’s most rapidly expanding racial or ethnic groups during the next five years. As the County’s population continues to become more diverse, the number of persons speaking a language other than English at home is anticipated to continue to grow and impact a wide range of services provided by the County.

A brief timeline or short historical narrative may provide perspective on current community issues.



Benjamin and Mary Campbell
Founders of the City of Campbell

Jeanette Watson
Unofficial Town Historian & Councilwoman



SUBJECT: CAMPBELL'S HERITAGE FROM 1846 TO TODAY

Although we never met, I feel as though I know so much about you, Mr. Campbell. I know that your ancestors came from Scotland and were quite frugal. I want you to know that we who lead the City today are thrifty, too, as the enclosed budget document will show. We can't do all that we should for our citizens. The State and Feds empty our pockets from time to time. I guess you must have felt frustrated when you were having your troubles trying to establish a clear title to your property in the 1850's and 60's. Everybody wanted your money -- and your land -- from squatters to the government. I'm glad you finally got title to it in May, 1870.

Mr. Campbell, I know that in the pioneering days of 1846, you walked most of the way from Missouri to what would become the State of California. You were not the oldest son so you didn't get to do some of the fun things your older brother did; but, you had a great time, and when you saw our valley, you knew it would be your home forever. Things haven't changed much. We aren't the biggest city or even close. We are the best, however, and those of us who have learned how great Campbell is haven't left. Our valley still has its peaceful hills that seem blue in the early morning. Ocean breezes still bring their cooling fog. Sunlight dances in our hair on most days.

Mr. and Mrs. Campbell, you learned that the soil here is exactly right for fruit trees, so orchards flourished everywhere. The orchards are gone now, but because of the wonderful climate and job opportunities, there are 38,000 people who live here. When our City officially incorporated in March, 1952, the City fathers used the motto "Campbell, the Orchard City" on the City seal. Our heritage of orchards and canneries which provided work for so many people lives in our hearts and minds.

I have to admit one thing that we failed to do, however. You established your town in 1888 according to your beliefs: that of a prohibitionist. Well, I'm sorry to say your town has various establishments that carry you - know - what; but, we have a wonderful program for our kids called DARE which is encouraging them to resist the temptation of drugs and alcohol.

You'd be happy to know that we've had women on our City Council since 1985. It took thirty-three years to accomplish that feat. I'm sure that surprises you because there were three women on the first "town-council" which was established in 1892 at an Old Settler's Day celebration. However, the town wasn't incorporated so it didn't count. In 1888, when you recorded your first subdivision, you hoped it would be an incorporated city someday, but the earliest attempt in 1906 failed. However, your celebration continues and is the second oldest public celebration in the State; and, we're a city besides!

When you helped establish the first water company, the bank, and the Board of Trade, I wonder if you ever realized how your town would grow and develop. This note is just to thank you for giving us a good example to follow. In your town, you knew everyone. I don't know everyone, but as Will Rogers said, "I never met a stranger."

Your faithful servant, JMW

Note:

Ms. Jeanette Watson retired from the City Council in December 2006 after serving the City for more than twenty years.

Glossary

#C4: Glossary A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader.

- Criteria Location Guide Questions**
1. Is a glossary that defines technical terms related to finance and accounting, as well as non-financial terms related to the entity, included in the document?
 2. Are acronyms or abbreviations used in the document defined in the glossary?
 3. Is the glossary written in non-technical language?

Explanation The use of technical terms and acronyms ought to be kept to a minimum, to enhance the value of the document to the majority of stakeholders. When technical terms and acronyms are used, they should be clearly and concisely described in the glossary.

Chapter Overview *The glossary should define terms that may be unfamiliar to readers.*

Helpful Hint

Make sure acronyms and non-financial terms are also included in the glossary.

The glossary should contain both financial and non-financial terms – defined in clear, nontechnical language – as well as acronyms or abbreviations used in the budget document. Typographic design elements such as italic or bold fonts, multi-column formats, and white space can enhance the visual appeal of the glossary pages and make them easier to navigate.



**CITY OF
CENTRALIA
ILLINOIS**

Glossary

Building Opportunities for Commerce and Community

C.I.P.:
Capital Improvement Plan. (See also **CAPITAL IMPROVEMENT PROGRAM**)

C.L.T.:
See **CENTRAL LIMIT THEOREM**.

C.T.R.:
See **CERTIFIED TAX RATE**.

C.O.P.S GRANT:
The Office of Community Oriented Policing Services (COPS) provides federal funds to place additional officers on the street to prevent and control crime.

CALLABLE BOND:
A type of bond with a feature that permits the issuer to pay the obligation before the stated maturity date by giving notice of redemption in a manner specified in the bond contract.

CAPITAL BUDGET:
A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget, which includes both operating and capital outlays. The capital budget should be based on a capital improvement program (CIP).

CAPITAL IMPROVEMENT PROGRAM:
A plan for capital expenditures to be incurred each year over a fixed period of several future years to meet capital needs arising from long-term work programs.

CAPITAL IMPROVEMENTS PROGRAM BUDGET:
Separate from the Operating Budget, items in the Capital Improvements Plan (CIP) are usually construction projects designed to improve the value of the governmental assets. Examples of capital improvements projects include new roads, sewer lines, buildings, recreational facilities and large scale remodeling. CIP project summaries are included in this document under Capital Improvement Plan.

CAPITAL OUTLAYS (EXPENDITURES):
Expenditures for the acquisition of capital assets.

CAPITAL PROJECT:
Any improvement or acquisition of major facilities with a useful life of at least five years such as roads, bridges, buildings, or land.

CAPITAL PROJECTS FUND:
Funds that are used to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by proprietary funds).

CARILLON:
Towering 165 feet high above the city, the Centralia Carillon, the sixth largest bell tower in the world, is played by a professional carillonneur who climbs 173 steps to play the bells in concert. The base of the tower contains a small museum, and tours of the Carillon are available free to the public by making a reservation.



CASH BASIS:
The method of accounting where revenues and expenditures are recognized as cash is received and disbursed.

CASH FLOW BUDGET:
A projection of the cash receipts and disbursements anticipated during a given time period. Typically, this projection covers a year and is broken down into separate projections for each month, week, and/or day during the year.

CASH MANAGEMENT:
The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and out-flows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

CENTRAL LIMIT THEOREM (C.L.T.):
This theorem states that if the sum of independent identically distributed random variables has a finite variance, then it will be approximately normally distributed. (http://en.wikipedia.org/wiki/Central_limit_theorem)

Glossary entries should reflect the specific activities engaged in by the government. For example, a special district may include terms in its glossary that may not be relevant for a municipal government.

<p>year over a fixed period of years to meet the capital needs to maintain or replace the sewer infrastructure. It sets forth each project's expenditures and specifies the resources estimated to be available to finance the projected expenditures.</p>	<p>oxidation of organic and inorganic matter as determined by Standard Methods and expressed in milligrams per liter.</p>
<p>Budget Transfers: Budget transfers shift previously budgeted funds from one category of expenditure to another.</p>	<p>CIRP: Capital Improvement and Replacement Program.</p>
<p>Budgetary Control: The control or management of a government or enterprise in accordance with an approved budget that keeps expenditures within the limitations of available appropriations and revenues.</p>	<p>Clean Water Act: Growing public awareness and concern for controlling water pollution led to enactment of the Federal Water Pollution Control Act Amendments of 1972. As amended in 1977, this law became commonly known as the Clean Water Act. The Act established the basic structure for regulating discharges of pollutants into the waters of the United States. It gave EPA the authority to implement pollution control programs such as setting wastewater standards for industry. The Clean Water Act also continued requirements to set water quality standards for all contaminants in surface waters. The Act made it unlawful for any person to discharge any pollutant from a point source into navigable waters, unless a permit was obtained under its provisions. It also funded the construction of sewage treatment plants under the construction grants program and recognized the need for planning to address the critical problems posed by nonpoint source pollution.</p>
<p>Budgeted Position: Those positions which have either been budgeted for and authorized in the past or which are being requested in the current year's budget.</p>	<p>Cleanout: An opening (usually covered or capped) in a wastewater collection system used for inserting tools, rods or snakes while cleaning a pipeline or clearing a stoppage.</p>
<p>Business Line: Classification of an account to distinguish between wastewater and stormwater or unallocated expenditures.</p>	<p>Collection System: A network of pipes, manholes, cleanouts, traps, siphons, lift stations and other structures used to collect all wastewater and wastewater-carried wastes of an area and transport them to a treatment plant or disposal system. The collection system includes land, wastewater lines and appurtenances, pumping stations and general property.</p>
<p>Bypass: A pipe, valve, gate, weir, trench or other device designed to permit all or part of a wastewater flow to be diverted from usual channels or flow. Sometimes refers to a special line which carries the flow around a facility or device that needs maintenance or repair.</p>	<p>Carry-over: A quantity left over or held for future use. A sum transferred to a new column, page, book, or business account.</p>
<p>CAFIR: Comprehensive Annual Financial Report.</p>	<p>Cash Basis of Accounting: Under this basis of accounting, revenues are not recorded until cash is received; expenditures are recorded only when cash is disbursed.</p>
<p>Capacity: The maximum rate of flow that can be carried by sewers or received by a treatment plant without causing an upset of the biological material contained in the treatment system.</p>	<p>Catch Basin: A chamber or well used with storm or combined sewers as a means of removing grit which might otherwise enter and be deposited in sewers.</p>
<p>Capital Charge: That portion of the total charges for services provided by the District which is established for debt retirement.</p>	<p>Ccf: Hundred cubic feet, approximately 750 gallons.</p>
<p>Capital Improvement and Replacement Program: A plan for capital expenditures to be incurred each</p>	<p>Channel: An improved (paved) watercourse.</p>
<p>Chemical Oxygen Demand (COD): The quantity of oxygen utilized in the chemical</p>	<p>Chemical Oxygen Demand (COD): The quantity of oxygen utilized in the chemical</p>

With the advent of web-based budget documents, many glossaries include hyperlinks to provide the reader with additional information.

<u>Level of Service</u>	A description of the services provided, or activities performed, and the cost and personnel requirements.
<u>Line Item</u>	The description of an object of expenditure, e.g., salaries, supplies, contract services, etc.
<u>MDT</u>	Mobile data terminal.
<u>Modified Accrual Basis</u>	Financial resource increases and decreases are recognized only to the extent they reflect near-term inflows or outflows of cash. Amounts are recognized as revenue when earned only so long as they are collectible within the period or soon enough thereafter to be used to pay liabilities of the current period. Similarly, debt service payments and a number of specific accrued liabilities are recognized as expenditures only when payment is due because it is only at that time that they are normally liquidated with expendable available resources.
<u>MUDTC</u>	Manual on Uniform Traffic Control Devices.
<u>NCIC</u>	National Crime Information Center, www.fas.org/lrp/agency/dol/fbi/is/ncic.htm .
<u>NFPA</u>	National Fire Protection Association, www.nfpa.org .
<u>NPDES</u>	National Pollution Discharge Elimination System
<u>NSA</u>	National Softball Association, Inc., www.playnsa.com .
<u>Non-Capitalized Equipment</u>	Expenditure for acquisition of equipment for direct services that is not depreciated.
<u>Objective</u>	Program or activity intended to be implemented in the ensuing fiscal year.
<u>OCTC</u>	Owensboro Community Technical College.
<u>OMHS</u>	Owensboro Medical Health System, www.omhs.org .
<u>OMU</u>	Owensboro Municipal Utilities is City-owned and provides water and electricity to the community, www.omu.org .
<u>OPD</u>	Owensboro Police Department.
<u>Operating Budget</u>	The portion of the budget that pertains to basic operations of the various municipal funds, departments, and programs.
<u>OSHA</u>	Occupational Safety and Health Association, www.osha.gov .
<u>Personnel Analysis</u>	Changes to personnel allotment from the previous fiscal year. Reorganizations, reclassifications and reallocation of resources are highlighted in this section.
<u>Performance Indicator</u>	Quantitative measures of accomplishments and objectives, sometimes known as workload/performance measures.
<u>Personnel Costs</u>	Costs of wages, salaries, retirement, and other employee benefits for all City employees.
<u>POPS</u>	Persistent organic pollutants.
<u>PRIDE</u>	PRIDE is a grassroots, non-profit organization who seeks to improve the appearance of Owensboro Daviess County through public involvement.

A glossary may include a separate acronym section, especially if many acronyms are used in the budget document.

Acronyms

TERM	STANDS FOR
ADIS	Alcohol/Drug Information School
AWC	Association of Washington Cities
BARS	Budget & Accounting Reporting System
BLA	Boundary Line Adjustment
CAFR	Comprehensive Annual Financial Report
CAPCOM	Thurston County Communications
CDBG	Community Development Block Grant
CFP	Capital Facilities Plan
CIP	Capital Improvement Program
CPI	Consumer Price Index
CPTED	Community Planning through Environmental Design
CTC	Command Training Center
DFW	Department of Fish and Wildlife
DRC	Day Reporting Center
DRS	Department of Retirement Systems
DUI	Driving Under the Influence
DWI	Driving While Intoxicated
DWLS	Driving While License Suspended
DWLS3	Driving While License Suspended in the 3rd Degree
EDC	Economic Development Council
EDDC	Engineering Design and Development Standards
EHM	Electronic Home Monitoring
EMS	Emergency Medical Services
EOC	Emergency Operations Center
ERU	Equivalent Residential Unit
FEMA	Federal Emergency Management Act
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GFC	General Facility Charge
GFOA	Government Finance Officers Association
GMA	Growth Management Act
GO	General Obligation
HMIS	Homeless Management Information System
HSPE	High School Proficiency Exam
HSRC	Human Services Review Council
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
IFH	Interjurisdictional Forum on Housing
ISP	Intensive Supervision Program
IT	Information Technology Line of Business
LED	Light Emitting Diode
LEOFF	Law Enforcement Officers and Fire Fighters
LID	Local Improvement District
LOS	Level of Service
LOTT	Lacey-Olympia-Tumwater-Thurston County

TERM	STANDS FOR
LTAC	Lodging Tax Advisory Committee
LTFS	Long Term Financial Strategy
LTGO	Long Term General Obligation
MRT	Moral Reconation Therapy
MID	Metropolitan Improvement District
MOU	Memorandum of Understanding
MSP	Measurement of Student Progress
MVET	Motor Vehicle Excise Tax
NLC	National League of Cities
NPDES	National Pollutant Discharge and Elimination System
O&M	Operations & Maintenance
OASI	Old Age Security Insurance
ODA	Olympia Downtown Association
PBIA	Public Benefit Improvement Area
PBX	Private Branch Exchange
PC	Personal Computer
PFD	Public Facilities District
PRAC	Parks and Recreation Advisory Committee
PSE	Plans, Specs and Estimates
PWTF	Public Works Trust Fund
RAC	Regional Athletic Complex
RFP	Request for Proposal
RFQ	Request for Qualifications
RCW	Revised Code of Washington
SAM	Sustainable Action Map
SCBA	Self Contained Breathing Air Bottles
SEPA	State Environmental Policy Act
STEP	Septic Tank Effluent Pump
STEP (Police)	Strategic Technology Enhanced Policing
STP	Surface Transportation Program
TBD	Transportation Benefit District
TCTV	Thurston Community Television Board
TRPC	Thurston Regional Planning Council
UGA	Urban Growth Area
VAC	Victims' Assistance Coordinator
VCB	Visitor and Convention Bureau
VIP	Volunteers in Parks
WAC	Washington Administrative Code
WARC	Waste and Recovery Center
WCC	Washington Conservation Corps
WCIA	Washington Cities Insurance Authority
WSDOT	Washington State Department of Transportation
WTSC	Washington Traffic Safety Commission
WWTP	Wastewater Treatment Plant

Sometimes, glossaries are organized by topic. In this example, budget terms are separated from transit service terms.

Budget Terms

administration expense Expense of labor, materials, and fees associated with general office functions, insurance, MIS, legal services, and customer services.

capital budget The appropriation of State and Federal grants for the purchase of vehicles and for improvements to facilities and other infrastructure and equipment.

cost per mile Operating expense divided by vehicle miles for a particular program or in total.

cost per passenger Operating expense divided by ridership for a particular program or in total.

deficit The excess of expense over revenue.

farebox revenue Revenues gained from passengers and local, employer and other fare subsidies exclusive of the State Half-fare subsidy program. Also excludes interest income and advertising revenues.

fares The amount charged to passengers for use of various services.

fringes (fringe benefit expense) Pay or expense to or on behalf of employees not for performance of their work, including sick pay, vacation pay, pension contributions, life and health insurance, unemployment and workmen's compensation, social security costs and other allowances.

Transit Service Terms

ADA The Americans with Disabilities Act of 1990. Transit systems are required to offer accessible mainline services and complementary ADA paratransit services by the Act and were given until January, 1997 to achieve full compliance.

ADA paratransit service Comparable transportation service required by the ADA for individuals with disabilities who are unable to use the fixed route transportation services.

CTA The Chicago Transit Authority, created by state legislation, began operations in 1947. Operates bus and Rapid Transit service in the City and several suburbs.

Chicago Metropolitan Agency for Planning (CMAP) New regional planning organization which merged Chicago Area Transportation Study (CATS) and the Northeastern Illinois Planning Commission (NIPC) into one planning agency.

Dial-a-Ride service (D-A-R) Non-fixed route (paratransit) service utilizing vans and small buses to provide pre-arranged trips to and from specific locations within the Dial-a-Ride service area to individuals deemed eligible based on local requirements.

Demand responsive service Non-fixed route service utilizing vans and small buses based on demand activation or calls from passengers to Pace. Vehicles are dispatched to pick up passengers and transport them to their destinations.

Charts and Graphs

#C5: Charts and Graphs Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.

Criteria Location Guide Questions

1. Are charts and graphs used in the document to convey essential information (e.g., key policies, trends, choices and impacts)?
2. Do the graphics supplement the information contained in the narratives?

Explanation This criterion requires that graphics be used to communicate key information in the budget document. Graphics should enhance the budget presentation, and clarify significant information. The entity determines the most effective format to present graphic information. Graphics may be consolidated or included throughout the document. Normally, narratives should accompany the graphs. Graphs can be used for such topics as revenues, expenditures, fund balances, staffing, economic trends, capital expenditures, service levels, performance measures, or general statistical information. Originality is encouraged, but not at the expense of clarity and consistency. Consider using captions to explain the significance of graphs.

Chapter Overview *Effective charts and graphs usually share three characteristics. They are:*

- *Complimentary to the discussion.*
- *Easy to follow.*
- *Appropriate for a wide range of subjects.*

Helpful Hint

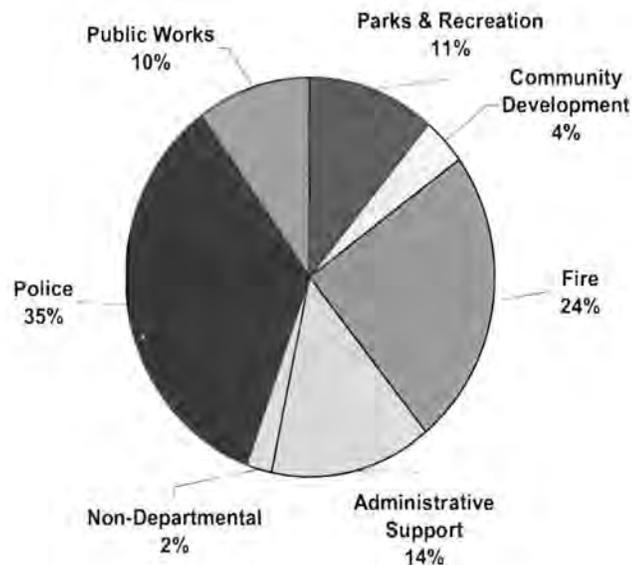
Captions can enhance the usefulness of graphs.

There are many types of charts and graphs that can be included in a budget document. Care should be taken to select the type most appropriate for the task at hand. For example, pie charts are quite effective when the goal is to compare parts of a whole. In this example, the monthly cost residents pay for city services is broken out by category (public works, parks and recreation, etc.).

The Value of City Services

Yuba City Residents pay \$49.77/month For City Services

* The average city resident in California pays \$59.25/month



\$49.77 pays for one of these:

- Almost One Month of Standard Cable Services
- Evening Out - Dinner for Two
- Movie Night for a Family of Four
- A Sacramento Kings Game Ticket for One (Economy Seating)
- One Month of a Health Club
- Two or Three Compact Disks
- A Tank of Gas

Or \$49.77 pays for all of these:

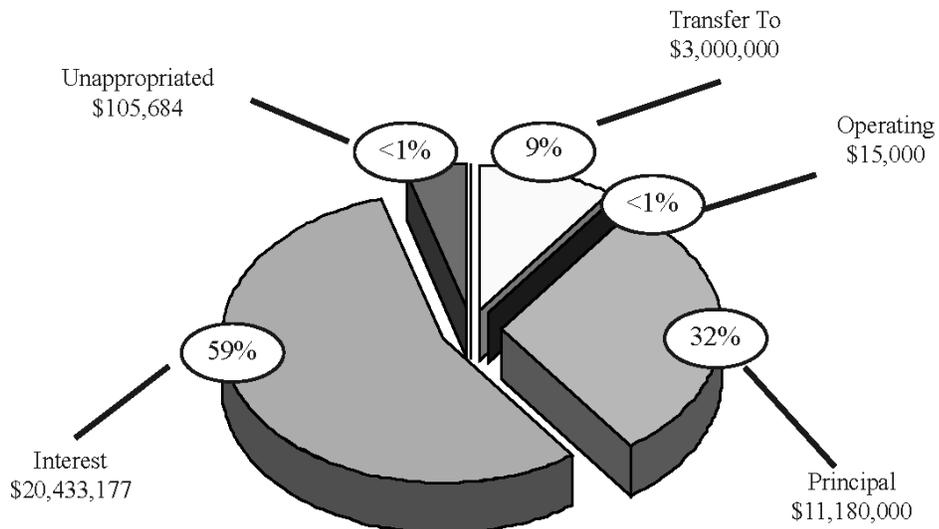
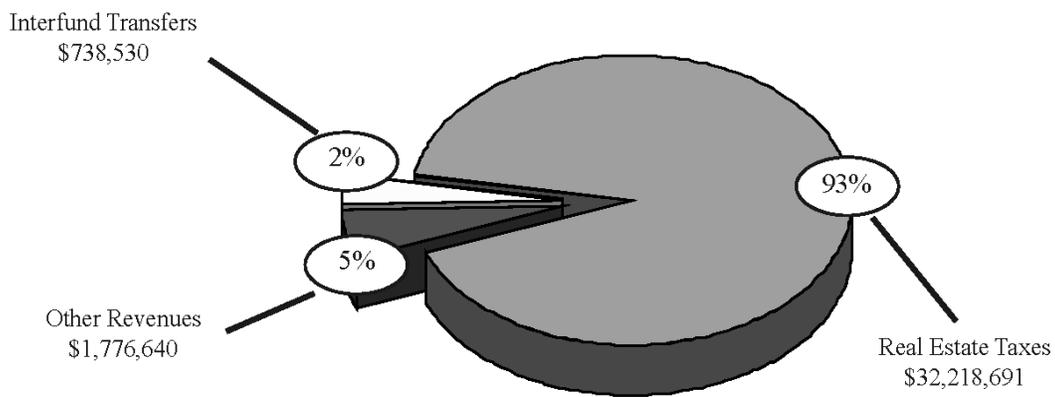
- 24 Hour Police and Fire Protection
- Well Groomed Parks and Trees
- Safety Lighting for Streets
- Street Sweeping and Maintenance
- Community Events
- Community Economic Development
- A Well Planned, Zoned Community
- Professional Management of a Citizen's Tax Investment in the Community

Pie charts generally work best when used to introduce a section, since they provide a strong visual overview. The absolute value — whether in dollars or whole numbers — should be noted. Trend graphs can then be introduced to illustrate individual components later on in that section.

The Debt Service Fund is maintained for the accumulation of resources for the payment of principal and interest on general obligation long-term debt.

**DEBT SERVICE FUND BUDGET
\$ 34.7 MILLION**

**DEBT SERVICE BY
SOURCE CATEGORY**



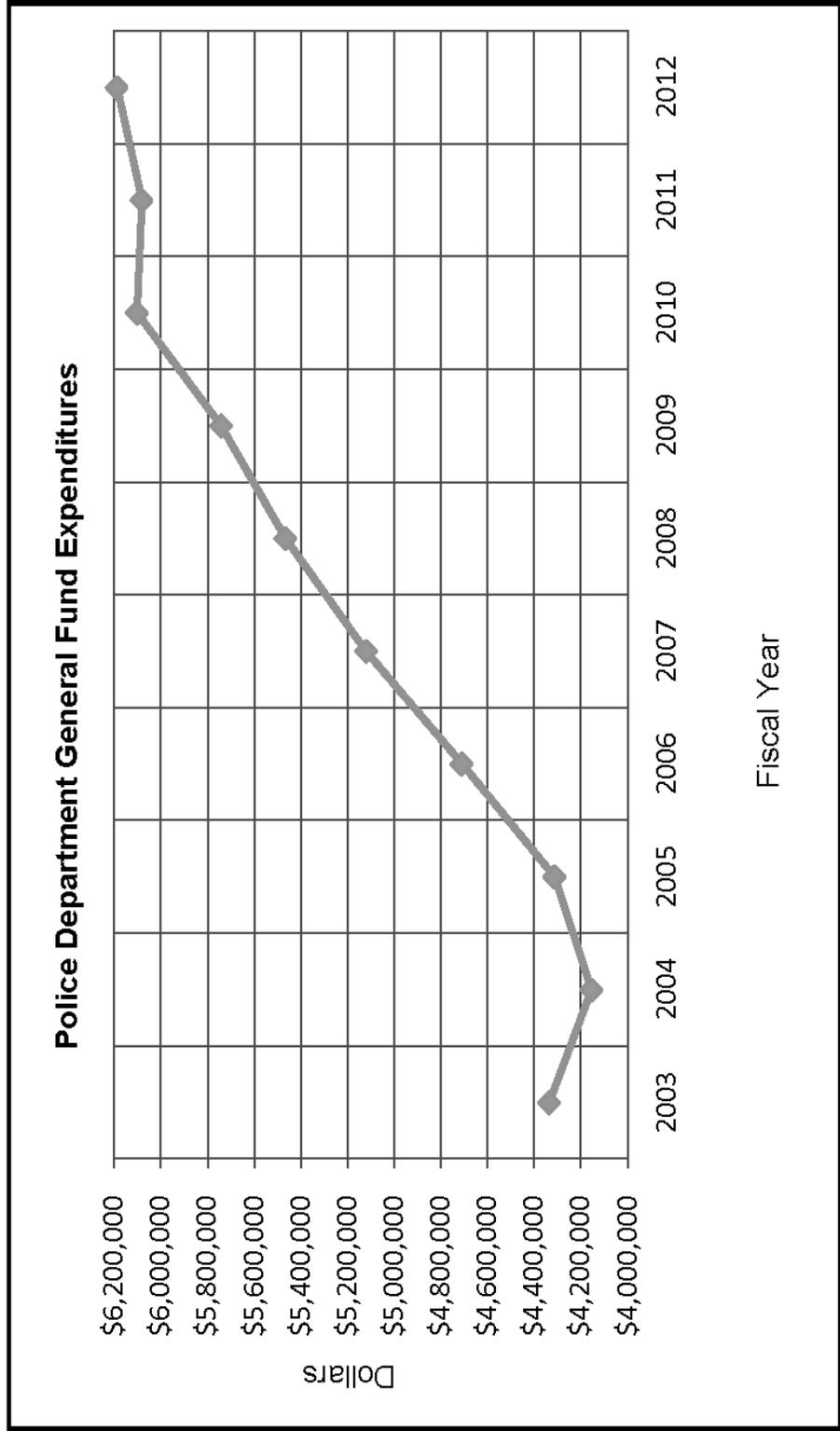
**DEBT SERVICE
BY EXPENDITURE
CATEGORY**

(%’s may not equal 100 due to rounding)

Trends can be illustrated through line graphs, surface area graphs, or bar/column charts. A brief narrative explanation can help further clarify the data.

Net General Fund Expenditures:

Major funding reductions occurred in FY04 to reduce the property tax rate. Increases for FY06 to FY08, included the addition of 5 Police Officer positions funded by a DOE grant in FY06 and 1 Officer added in FY08. The reduction in FY11 is related to vacancies caused by employee turnover, including the Police Chief position.



In this example, the caption addresses the data's impact on future events.

Norwich Births

The rate of birth in Norwich continues to be strong. Over the past 10 years the City has averaged 1,084 births per year. As births in the community and attendance at public schools remain strong, school enrollment totals will be sustained for a longer period of time.



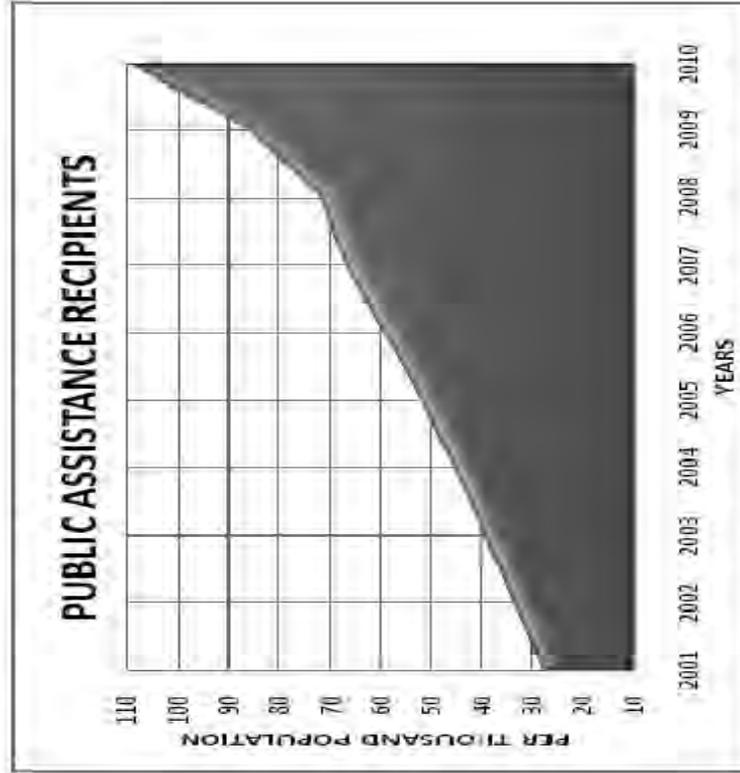
City of Norwich, Connecticut

PUBLIC ASSISTANCE RECIPIENTS

This graph shows the number of individuals receiving public assistance from the state. This trend, coupled with personal income, gives a better-rounded picture of the distribution of wealth within a community. An increase in recipients of state assistance may translate to an increased demand for county services.

TREND: Unfavorable; since 2007, the rate has been on a catastrophic rise. There were nearly 20,000 more monthly assistance cases active in 2010 than in 2005. Persistent

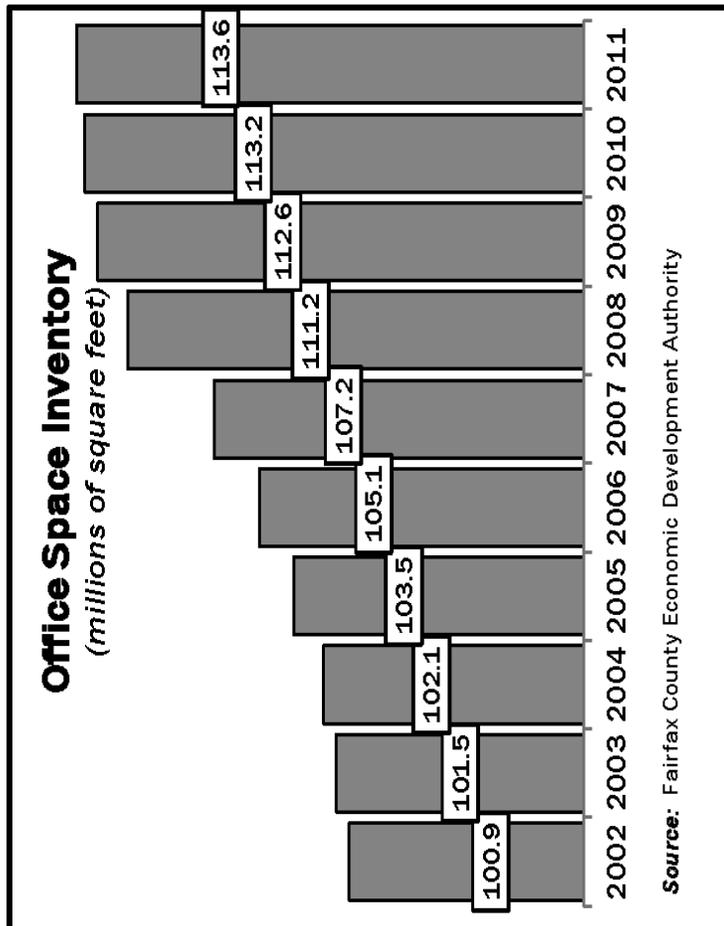
economic challenges have resulted in greater community need.



The narrative accompanying this graph discusses the data and analyzes the trend it illustrates. Note that the numbers on the y-axis have been rounded to thousands, which helps reduce clutter.

Charts are most effective when labeled with a title. When appropriate, a source notation can also be included just below the chart to identify the data's origin.

Office Space Inventory



The amount and value of nonresidential space in Fairfax County has a significant impact on revenues and expenditures. Business activity has an effect on Real Estate Taxes, business Personal Property Tax revenues and Business, Professional and Occupational License (BPOL) revenues. Business expansion also influences expenditures for water and sewer services, transportation improvements, police and fire services, and refuse disposal. The largest component of non-residential space in the County is office space. Since 2002, the total inventory of office space in Fairfax County has risen 12.7 million square feet to 113.6 million square feet at year-end 2011. The worldwide financial crisis experienced at the end of 2008 and the lack of available credit slowed down new office development,

but according to the Economic Development Authority the commercial office market in the County remained on the path to recovery. New office construction activity increased dramatically in 2011. At the end of 2011, there were nine buildings totaling 1.6 million square feet under construction. More than 73 percent of the new activity was 100 percent speculative. This interest in speculative development reflects confidence in the stability of the Fairfax County office market. The primary factors driving much of the new development are the construction of the Metrorail Silver Line along the Dulles Toll Road corridor and the completion of the Base Realignment and Closure Act (BRAC) developments along the Interstate 95 corridor in southeastern Fairfax County.

When there are multiple charts and graphs (especially on the same page), it is helpful to label or otherwise identify each illustration.

Chart 5.4 Per Capita Real Estate Tax Bills, 2009-2013

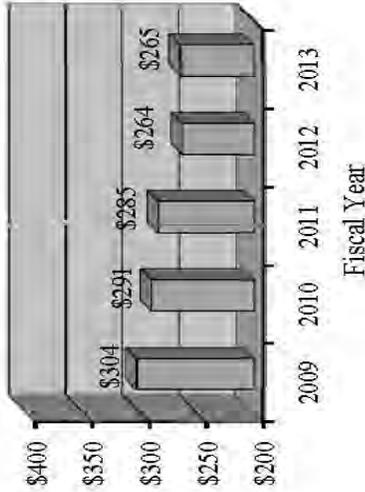


Chart 5.3 above illustrates the trends in assessed values of real estate and the Leesburg real property tax rates over the past four years and projected values for 2012.

Chart 5.4 above illustrates the changes that have occurred in the Town's per capita real estate tax bills for the last four years and projected value for 2012.

The proposed tax rate for FY 2013 is 19.5 cents. Table 5.3 at right shows that Leesburg's FY 2012 tax rate of \$0.195 is still one of the lowest tax rates among the five Virginia towns with the largest populations (2010 U.S. Census data).

Chart 5.3 Assessed Real Estate Values and Tax Rates, 2009-2013

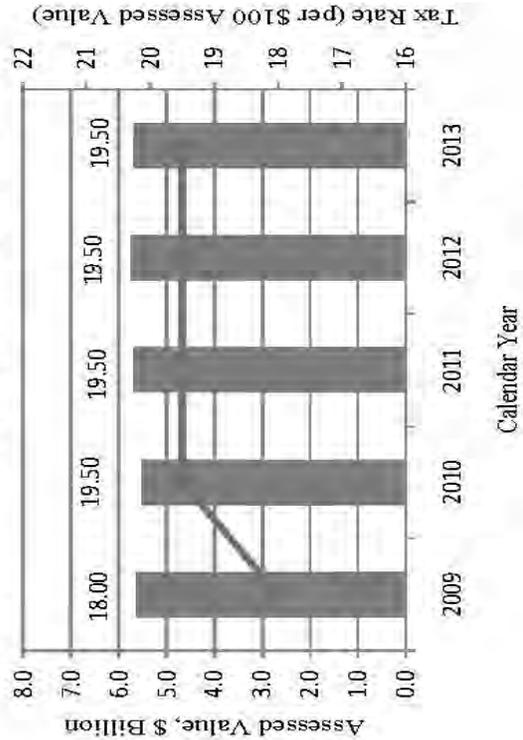


Table 5.3 CY 2012 Real Estate Tax Rates for Virginia's Five Largest Towns

Town (pop.)	FY 2013 Adopted Tax Rate
Herndon (23,292)	0.2650
Vienna (15,687)	0.2420
Blacksburg (42,620)	0.2200
Leesburg (42,616)	0.1950
Christiansburg (21,041)	0.1126
Average	\$0.2069

While trend analysis generally focuses on financial data, charts and graphs can also be used to illustrate topics such as performance measures or statistical/supplemental information. Note how icons help identify departments in this example.

FIRE

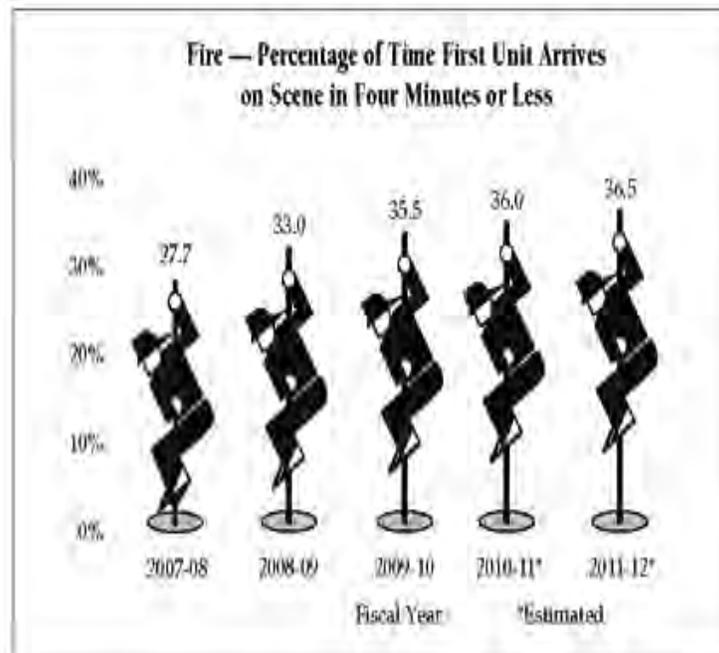
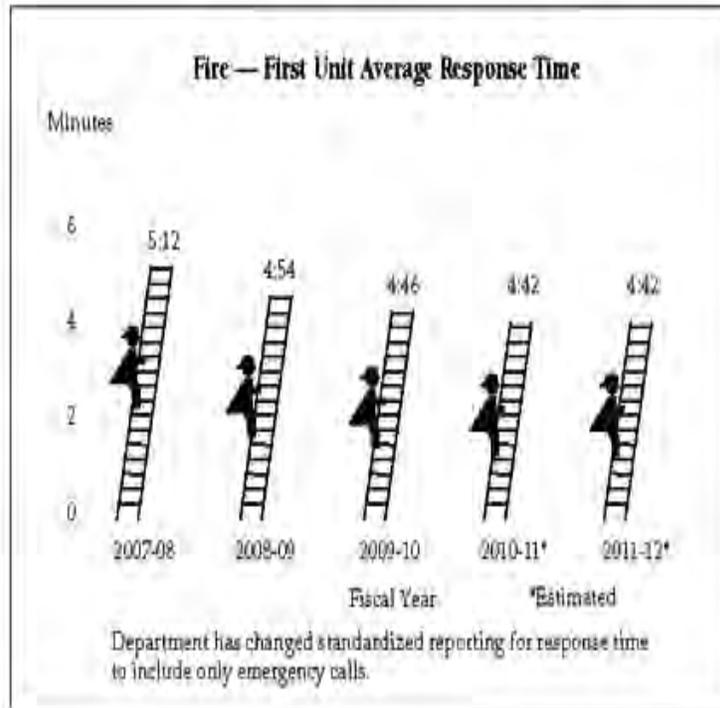
Program Goal

The Fire Department provides the highest level of life and property safety through fire prevention, fire control and emergency medical and public education services.

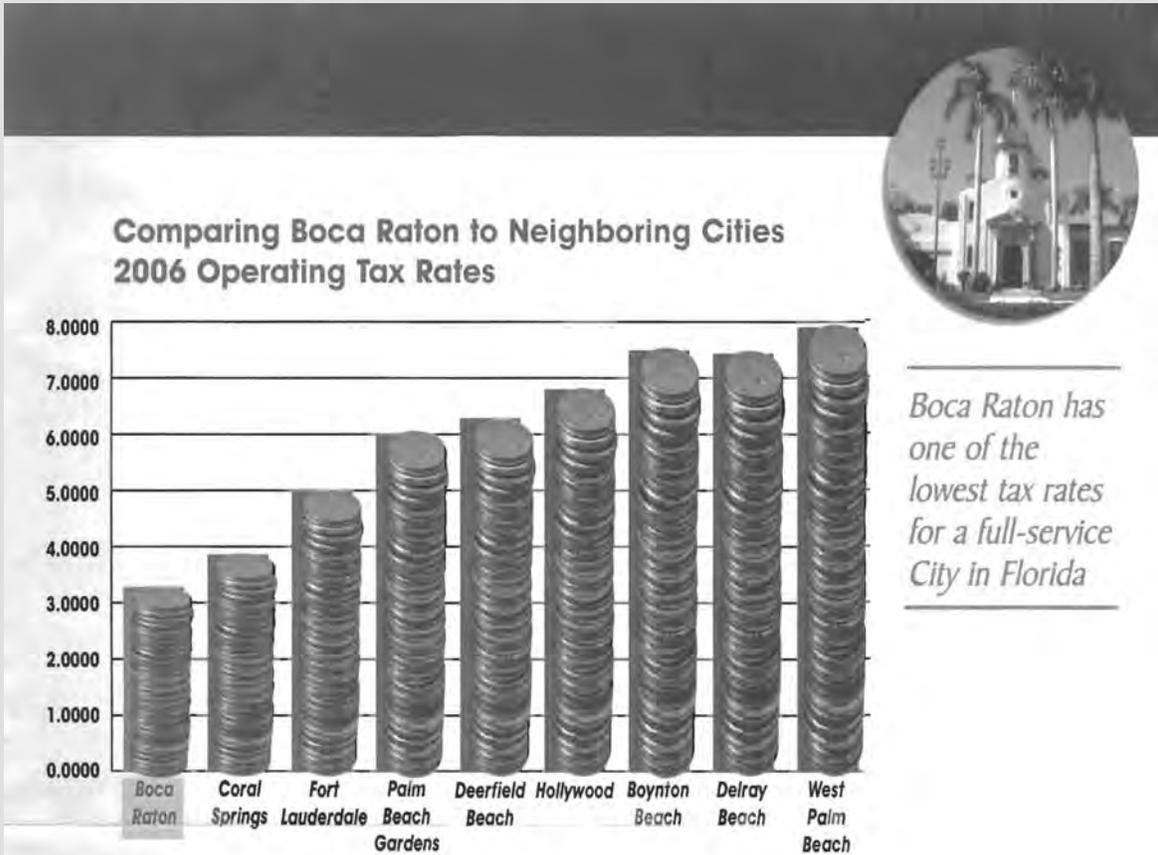
Budget Allowance Explanation

The Fire Department 2011-12 operating budget allowance of \$269,490,000 is \$6,258,000 or 2.4 percent more than 2010-11 estimated expenditures. This increase is primarily a result of higher personal services costs and operating costs for the opening of Fire Station 59 located at 65th Avenue and Buckeye Road. The increase is partially offset by budget reductions of \$678,000.

The budget reductions include the elimination of 4.7 civilian support positions as well as a reduction to sworn and civilian overtime. In addition, program reductions are in contractual services, commodities and capital outlay.

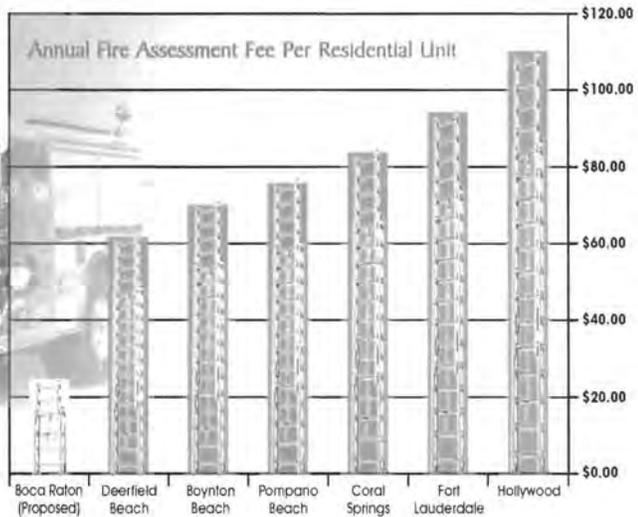


Charts and graphs may also help present peer comparisons. In the top bar graph, stacks of coins represent the tax rates in nine cities. The fire assessment fee chart in the bottom example uses a ladder graphic that compares cost per residential unit in seven jurisdictions.



Fire Assessment Fee

A Fire Assessment Fee is an amount collected to pay a portion of the cost of providing fire services. The City of Boca Raton proposed fire assessment fee is the lowest among comparable cities.



Residents in unincorporated Palm Beach County pay a MSTU (tax) for Fire Rescue Services based on assessed value. A residential unit in unincorporated Palm Beach County with a taxable value of \$350,000 pays a tax of \$1.047 annually. The cities of Delray Beach and West Palm Beach do not currently collect a fire assessment fee.

This simple but effective chart compares local crime statistics against a national average.

Police Department

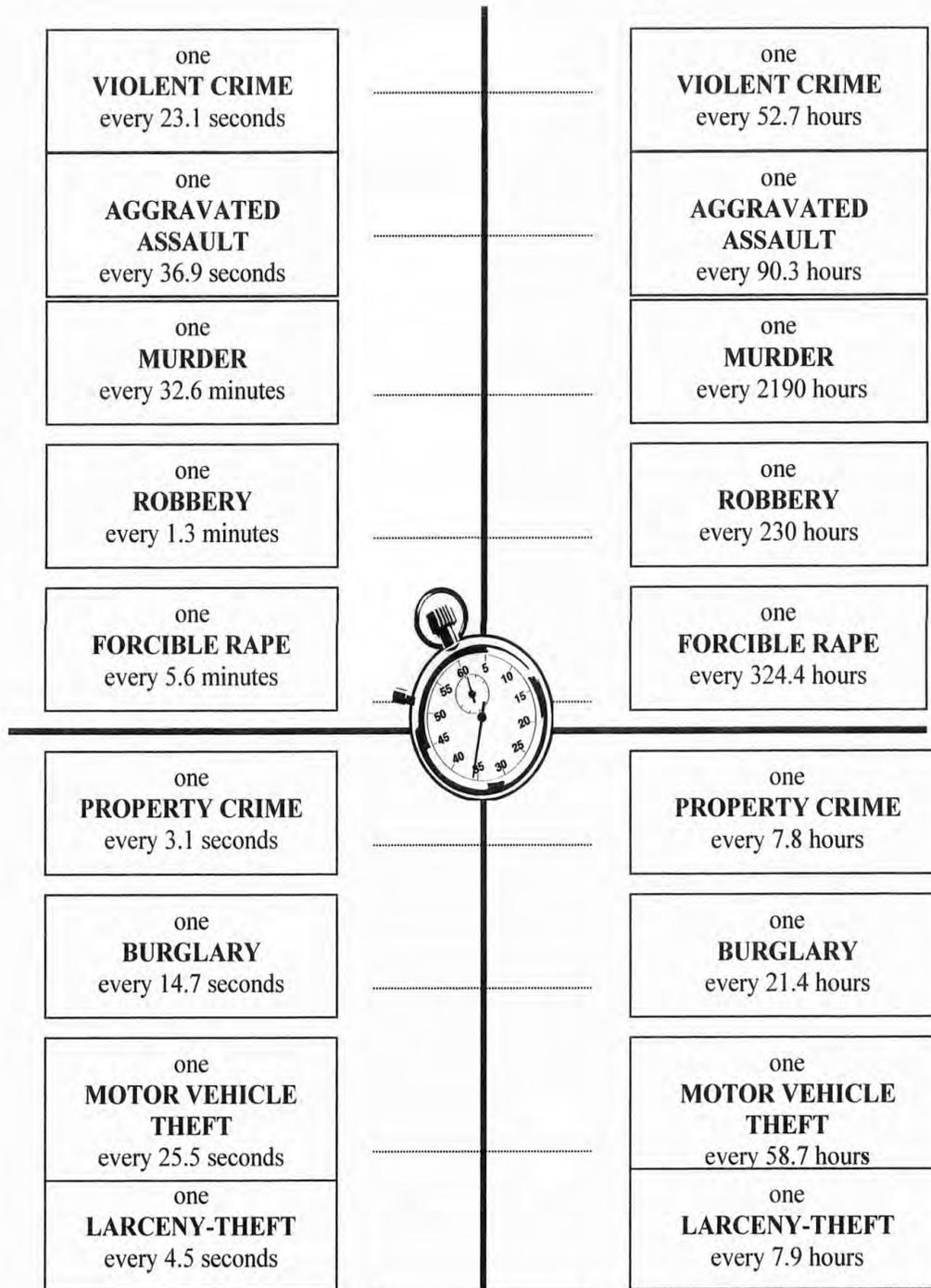
**CRIME TIMES IN THE UNITED STATES COMPARED TO FARMINGTON HILLS
CRIME CLOCK**

United States

Farmington Hills

Note: U.S. Statistics reflect 2004 occurrences

Note: Farmington Hills Statistics reflect 2005 occurrences



Understandability and Usability

#C6: Understandability and usability The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs.

- Criteria Location Guide Questions**
1. Is page formatting consistent?
 2. Are the main sections of the document easily identifiable?
 3. Is the level of detail appropriate?
 4. Are text, tables, and graphs legible?
 5. Are budget numbers in the document accurate and consistent throughout the document?

Explanation The goal of this criterion is to make sure that the document itself contributes to the effectiveness of the communication to readers. Sequential page numbering throughout the document is encouraged. Budget numbers (both financial and operational) should be accurate and consistent throughout the document. Put similar topics in the same section. For electronic submissions, refer to GFOA's best practice on Web Site Presentation of Official Financial Documents.

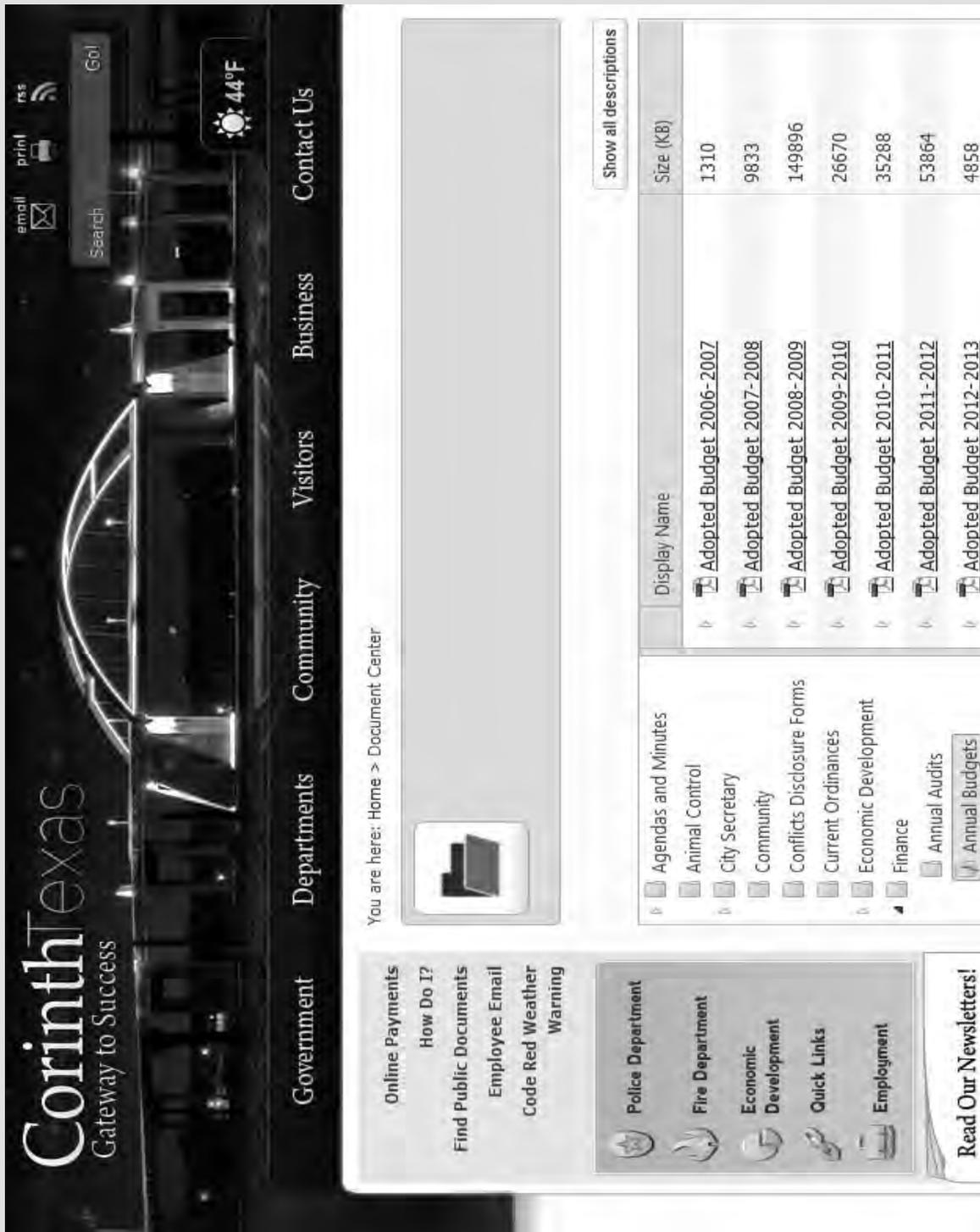
Chapter Overview *While budget documents can be presented in a variety of formats (hard copy, CD, flash drive, PDF, or web-based), basic principles govern good design. Font size, page layout, and direction (portrait versus landscape) should be consistent throughout the document. Pages should be numbered sequentially. Make sure budget numbers are accurate and avoid typos. Put similar topics in the same section. Avoid excessive detail.*

Helpful Hint

Make sure the document is easy to read.

A link to the budget document should appear prominently on the government's homepage or there should be a method – such as an internal search feature – for easily locating it. If the website also presents prior-year budgets, these should be clearly segregated from current information.

The practical usefulness of a document is enhanced when a government observes certain formatting conventions. Hardcopy and website versions should be identical. If the document is electronic, a single file report should be made available. However, the document can be broken down into individual files for ease in downloading. Be aware that the number of individual files should not be so great as to make it difficult to review the material.



City of Corinth, Texas

General user instructions should be provided. The table of contents should allow the user to access specific pages with a click of the mouse. Bookmarks also can enhance flexibility and maneuverability in navigating the document.

BUDGET BOOK NAVIGATION TIPS

There are a number of ways to navigate through the budget book. Listed below are the three easiest options:

1. Both the **Annual Budget Book Table of Contents** and the **CIP Table of Contents** contain links to all sections of the book. To go directly to the section you would like to see, simply click on the section name or page number directly in either of the table of contents.

If at any time you would like to return to the table of contents, click on **Return to TOC** located at the bottom of each page. Note that if within the CIP, clicking on **Return to CIP TOC** will take you back to the CIP table of contents.

2. Click on the **Bookmarks** tab to the left of the window to view all of the bookmarked pages; the format is similar to the table of contents. To expand a subsection, click the “+”. To go to a section you would like to see, simply click on the section name.
3. At the bottom of the window enter the page number you would like to go to and press enter, you will be taken directly to that page. The “◀” and “▶” buttons take you back and forward one page at a time. The “◀◀” and “▶▶” take you to the first and last page of the document, respectively.

The PDF numbering should be consistent with the page numbering in the actual document.

LeesSummitMO.pdf - Adobe Acrobat Pro

File Edit View Window Help

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[Icons] | [Icons] | 14 / 231 | [Icons] | [Icons] | [Icons] | 75% | [Icons] | [Icons]

The Mayor and City Council held a strategic goal setting retreat on January 30th and 31st, 2009, to identify, review and prioritize important issues facing the community, both now and in the future. The priorities were divided into two categories:

1. Short-term goals and priorities the City Council and staff will focus on implementing immediately during the next two years:
 - a. Infrastructure Improvements
 - b. Airport Expansion
 - c. Economic Development
 - d. Plan for Future Development
 - e. Address Budget Issues
 - f. Rental Property Regulations
2. Long-term goals that will require more analysis and citizen input over the next two years in order to take action to implement them beginning in 2011 and beyond.
 - a. Infrastructure Improvements
 - b. Economic Development
 - c. Pursue Redevelopment Projects
 - d. Prepare Plan for Large Parcel Development

The strategic goals were adopted in August of 2009. The Mayor and City Council are committed to update the City's goals every few years as factors change and the projects are completed or modified.

Recap of Fiscal Year 2010-2011

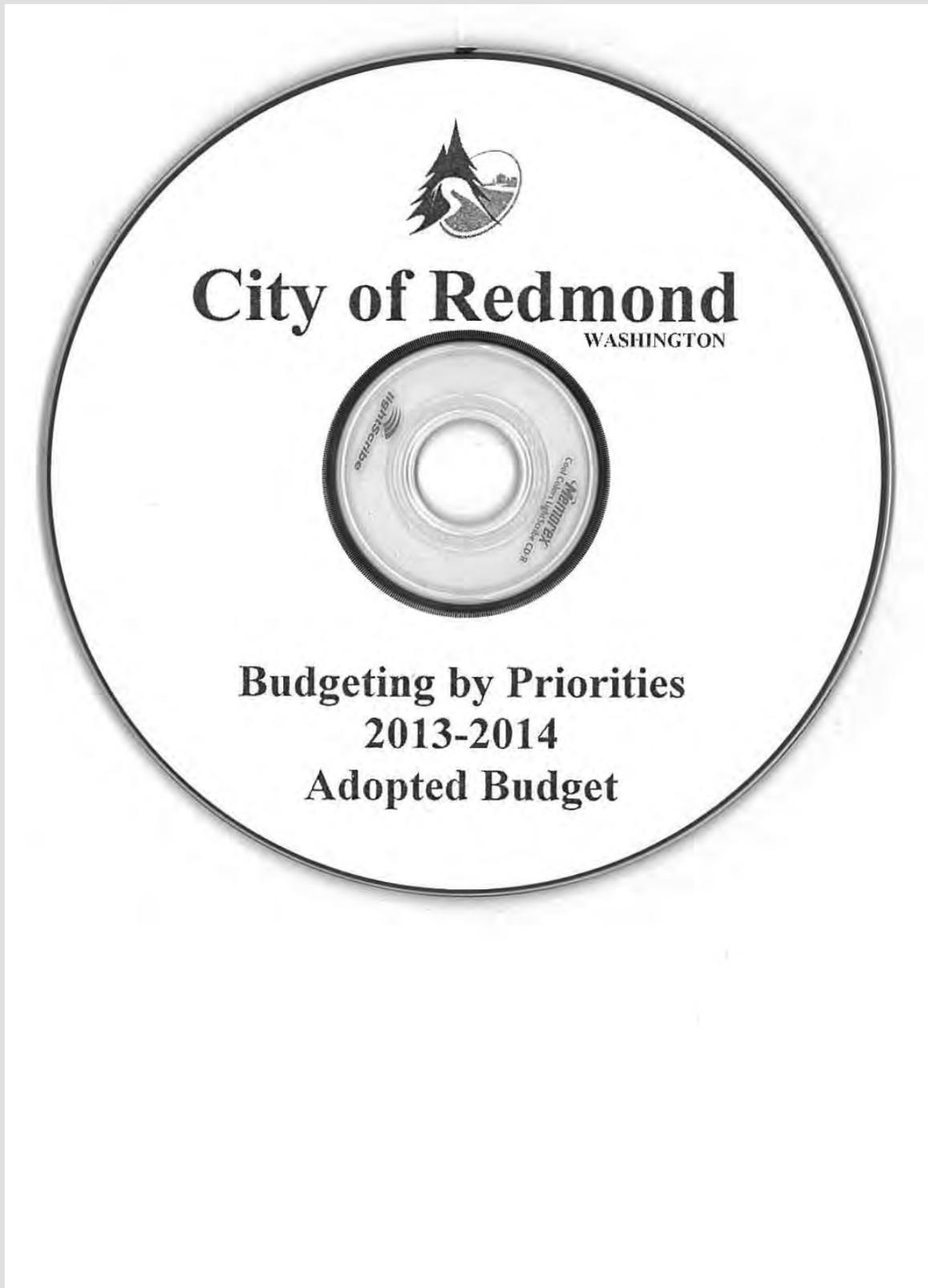
- Zero-based Budgeting: Third year of "zero-based" review that included the Codes, Planning, Law and Municipal Court departments.
- The Lee's Summit 360° Strategic Planning Process completed its first full year in the implementation phase, making 2010 a year of many accomplishments and positive strides toward the long term vision for the City.
- The Sherwood Manufacturing building, also known as Arnold Hall, in downtown Lee's Summit was listed in the National Register of Historic Places.
- Enhanced communication with the introduction of Nixle.com, a free service to keep residents informed about emergency, non-emergency and snow removal operations in the City.
- Initiated proactive sign enforcement throughout the community to increase awareness of sign regulations with the help of a community standards officer.
- Replaced four older police vehicles with new advanced technology hybrid vehicles to further reduce the City's carbon footprint and reduce fuel consumption and costs.
- Conducted a visual preference survey for property owners and adjacent residents along the M-150 Highway corridor in anticipation of new commercial growth due to Missouri Department of Transportation (MODOT) improvements.

The Lee's Summit community received numerous recognitions in Fiscal Year 2010-2011 including:

- Lee's Summit Parks & Recreation was awarded the 2010 National Gold Medal Award for Excellence in Park and Recreation Management among cities with a population of 50,001-100,000 by the American Academy for Park and Recreation Administration

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A CD or flash drive containing the budget document should be clearly labeled. Electronic financial documents should be tested to ensure that they will function with different computer operating systems.



An attractive front cover (especially on a hard copy budget document) provides an additional incentive to view the document. The front cover should include the entity's name, location, and fiscal time period. Other means of improving hard copy budget documents include the use of sturdy binding, quality paper, and distinguishable tabs.



RANDOLPH COUNTY • NORTH CAROLINA
2007 - 2008 BUDGET

BOARD OF COUNTY COMMISSIONERS:
 HAROLD HOLMES-CHAIRMAN • DARRELL FRYE-VICE CHAIRMAN
 ROBERT DAVIS • PHIL KEMP • ARNOLD LANIER



Divider pages are used to distinguish departments from one another.

Parks, Arts & Recreation Services



Chandelier in the Cupola of the Capitol Building

City of Olympia, Washington

A question-and-answer format can provide readers with a clearer understanding of key items in a budget document.

Questions and Answers

Q: What is the purpose of the city budget?

A: The budget is an annual financial plan for the City of Tampa. It specifies the level of municipal services to be provided in the coming year. It reflects the policies and priorities set by the mayor and city council.

Q: How and when is the budget prepared?

A: The City of Tampa's annual budget process routinely begins in November with the preparation of initial revenue and expense estimates which are reviewed with the mayor. In January, departments consider strategic and city-wide goals and develop service delivery objectives for use in building the budget for the coming year. Then, amounts of funding or threshold budgets for each department are determined. Thresholds are based on current budget levels, level of service desired by the administration and estimates of available revenues. Each department then prepares its budget for the upcoming fiscal year within the threshold amount. The resulting budgets are reviewed and requests for additional funding are considered. The Recommended Annual Budget is presented to city council in August. Finally, budget hearings are held and the budget is adopted by the end of the current fiscal year (September 30).

Q: Where does the city obtain its revenues?

A: From local, state and federal taxes, fees, licenses, and payments for municipal services such as water, wastewater and solid waste collection.

Q: How is the money used?

A: It is used to pay for salaries, equipment, supplies, capital improvements, and debt service needed to provide fire and police protection, water, wastewater, solid waste collection, and other municipal services specified in the city budget.

Q: What is a mill of tax?

A: One mill is equal to \$1.00 for each \$1,000 of assessed property value. City property taxes on a \$185,000 home, with a \$25,000 homestead exemption and millage rate of 10, would be \$1,600.

Assessed Value	\$ 185,000
Less homestead exemption	<u>25,000</u>
Net taxable value	\$ 160,000
	+ 1,000 = \$160
Millage	<u>x 10</u>
Property Tax	<u>\$ 1,600</u>

Q: What is property tax?

A: When the city adopts its annual budget, it determines the tax rate that must be applied on property in order to generate the necessary general fund revenue. The estimated tax rate (millage) in the City of Tampa's recommended FY08 budget is 5.7326 mills or \$5.7326 per \$1,000 of taxable value. The Hillsborough County Property Appraiser establishes the taxable value of all property within the city. If your home is valued at \$185,000 and you have a \$25,000 homestead exemption, you pay tax on the remaining \$160,000. In this example, your taxes paid to the city would be \$917.22, (160 x 5.7326 mills).

Q: How much of the total millage on property in Tampa was paid to the city?

A: Only 6.408 mills of the 23.437 mills levied for tax year 2006 was paid to the city. Using an example of a \$185,000 home with a \$25,000 homestead exemption, tax was paid on \$160,000 x 23.437 mills, or \$3,749.92 of ad valorem tax; \$1,025.28 went to the city (27% of the total tax); and the remainder went to Hillsborough County, Hillsborough County School Board, Southwest Florida Water Management District, etc.

Q: What is the difference between ad valorem tax and property tax?

A: There is no difference between ad valorem tax and property tax. They are different names for the same tax.

Q: Why does the city collect more property tax even if the millage rate remains constant?

A: On each parcel of real estate or tangible personal property, a taxable valuation is established by the County Property Appraiser to be used as a basis for levying taxes. This valuation is determined by subtracting all exemptions from the assessed value of a property which is determined by comparing a home to similar homes that have sold recently. Property taxes rise even though the millage rate remains constant because taxable property values within the city increase.

Q: What is an operating budget?

A: An operating budget is an annual financial plan for recurring expenditures such as salaries, utilities and supplies.

A page design can be enhanced through the effective use of colors, pictures, and borders.

MEET YOUR MAYOR & CITY MANAGER



Since taking office as Mayor in January of 2011, the major emphasis of Mayor Schieferdecker's tenure is four-fold: streamline our permitting process and update our city codes to create a positive "Open for Business" attitude in our city; increase our tax base to achieve no increase in taxes by pursuing quality development throughout our city with emphasis on our CRA including our new downtown; update the Police and Firefighter Pension Trust; and complete the New Fire Station and City Hall.

Prior to his election to the Maitland City Council, Mayor Schieferdecker served for two years on the Planning and Zoning Commission and the Transportation Advisory Board. Shortly after his election to City Council, with the Mayor resigning to run for the Orange County Commission, he was appointed Vice Mayor by the City Council and then by City Charter became Mayor to serve out the balance of the resigning Mayor's unexpired term.

Since 1984, Mayor Schieferdecker has owned and operated his own acquisition development company, Schiefer-Decker Properties, Inc. During that time he has developed more than two million square feet/Retail/Warehouse space in the greater Orlando area. In addition, his professional endeavors would include the development of two residential subdivisions, one of which is Stonehill, a 31 lot high-end community in Maitland.

In 1980, Mayor Schieferdecker received his Bachelor of Architecture degree from the University of Miami. He moved to Central Florida in 1981 and has held many leadership positions including: past president of the Downtown Orlando Partnership; past chairman of the Commercial Investment Division of the Orlando Board of Realtors, served as a Board member on the Orlando Chamber of Commerce, served on the Trinity College Presidents Council and was the Coach for the Trinity Prep Boys tennis team for nine years.

For the past 27 years, Mayor Schieferdecker has been a resident of Maitland where he and his wife of 31 years, Joelene, raised their two children, daughter Francine and son Louis. Francine is a physical therapist at the VA Hospital in Miami and Louis is working on his master's degree at the Reformed Theological Seminary in Oviedo. Francine recently gave birth to their first grandson, Cooper.

Major Achievements:

- Bachelor of Architecture - University of Miami
- Chairman of the Maitland Police and Firefighters Pension Board
- Chairman of the Orange County Tourist Development Council
- Member of the Orange County Council of Mayors
- Member of the MetroPlan Advisory Committee
- Member of the MetroPlan Quiet Zone Committee



Jim Williams was born in Brownsville, Pennsylvania, but has called Central Florida his home since 1959. In 1973, Mr. Williams received a Bachelor of Science degree in Environmental and Civil Engineering from Florida Technological University (now UCF), and has been a Registered Professional Engineer in the state of Florida since 1980. He has also completed post-graduate coursework in Water System Design and Traffic Engineering from Virginia Technological University and Georgia Technological University, respectively. Jim also spent time training in Orlando on the theory and practice of energy efficiency and green buildings.

Mr. Williams began his career in municipal government in 1973 as the City Engineer/Assistant Director of Public Works for Winter Park, Florida, and was subsequently promoted to Director of Public Works nine years later. He spent his final 13 years of service with Winter Park in the role of City Manager, where he spearheaded several creative cost-saving programs and revamped the City's budget process via citizen surveys, strategic planning, and service level reviews.

His significant achievements in Winter Park through proactive budgeting, emergency management and disaster recovery efforts, and several successful Public Works and infrastructure projects afforded him the honor of being a 2006 finalist for the Career Excellence Award given by the International City/County Management Association (ICMA). Jim's philosophy to treat people with honesty and to be fair, firm, and friendly has earned him the respect of his employees and peers alike. In 2008, he was recognized by the ICMA for his 35 years of service in local government.

Jim and his wife, Twila, have been married for 42 years. They have three children, sons Jim and Cullen, and a daughter Carrie. They are also the proud grandparents of nine grandchildren, five girls and four boys, who range in age from one to fifteen years.

Major Achievements:

- Bachelor of Science in Engineering - Florida Technological University
- Post-Graduate training - Virginia Tech and Georgia Tech Universities
- Registered Professional Engineer since 1980
- National Incident Management System (NIMS) certified service since 2006
- 2006 ICMA Career Excellence Award Finalist
- 2007 ICMA Award for 35 years of service in local government

Pictures can leave a lasting impression of significant items within the budget document.

The Year in Pictures

Some Events to Remember from FY 2005/06

New Year's Eve Flood



2005 went out with a bang at the Laguna Wastewater Treatment Plant when winter storms led to unprecedented flooding at the plant on the last day of the year. Immediate response by treatment plant staff resulted in no injuries or major equipment failure and the system maintained operations throughout the event.

Benefits of GFOA Membership

For over a century, government finance professionals have relied upon the GFOA to provide timely information, practical educational opportunities, high-quality professional publications, and the latest information on best practices. In doing so, the GFOA offers public-sector finance professionals an unparalleled opportunity to:

- Obtain “how to” instruction on a wide range of financial topics,
- Enhance their technical skills,
- Broaden their knowledge and deepen their expertise,
- Achieve professional recognition,
- Coordinate efforts with colleagues,
- Develop leadership skills, and
- Network with peers.

GFOA members receive the latest information on developments in all aspects of public finance. They also enjoy many opportunities to participate in continuing professional education training that fosters their professional growth and career advancement. Naturally, members receive special discounts on GFOA products and services.

For information on how you can become a GFOA member, please visit us online or e-mail the GFOA at membership@gfoa.org.

GFOA’s New Certificate of Conformance Program for Small Government Annual Financial Reports

The Certificate of Conformance Program aims to improve the quality and consistency of financial reporting for small governments. It is designed for the thousands of small governments for which financial reporting in conformity with generally accepted accounting principles (GAAP) is not a viable option.

For some participants, the program may be a first step toward GAAP financial reporting. Questions? E-mail SGAFRprogram@gfoa.org.

CIPFA-GFOA Financial Management Self-Assessment Model

The CIPFA-GFOA FM Model is an online financial management self-assessment tool used for measuring the performance of your financial organization against best practices in the public sector. The model will enable you to determine your financial management style and decide where you want to go. For more information and to view a demonstration of the tool, go to www.gfoa.org.