

BUDGETING DURING CHALLENGING TIMES - EFFECTIVE BUDGET STRATEGIES

Presented by:

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City of Post Falls

Educate and Communicate

- Make sure everyone understands the budget process.
 - Budget calendar.
 - Budget flowchart/outline (cookie cutter).
- Make sure everyone involved knows their role in the budget process.
 - Mayor & Council – Set Policy.
 - Staff – Perform the Administrative duties to enact the policy set by Mayor & Council.

Long-Term Planning

- Master Plans (20 years).
- Utility Rate Studies.
- Capital Improvement Plans (5 or 10 years).
- 2 Year Budget (maybe even 5 year operating budget).
- Strategic Plan.
- Don't Just Use Checkbook Approach to Budgeting.

Two Year Budget

- Two Year Budgeting Process.
 - Allows for longer term planning.
 - Reduces the number of man hours spent on the budget.
 - Reduces repetitive work.
 - Allows for a fairer distribution of budget dollars to the different organizational units.
 - If still using a paper process, it will reduce paper costs.

Set Priorities

- Draw from Current Resources.
 - Strategic Plan.
 - Review Goals and Objectives.
 - Mission Statement/City Vision.
- Budget Retreat with Mayor, Council and Executive Staff.
 - Should do prior to budgeting process.
- Should use Priorities through Budget Process.

Adopt Policies

- Budget Policy.
- Debt Policy.
- Capital Asset Policy.
- Investment Policy.
- Cash Management Policy.
- Procurement Policy.
- Revenue and Expenditure Policies.
- Fund Balance and/or Contingency Policies.

Revenues

- Diversify Revenues.
- Match One-time Revenues with One-time Expenditures.
- Update and Review Annually.
 - Our City hasn't raised their water rates for over 20 years.....
 - Policy on extent to which fees cover the cost of service provided.
 - Capital Assets - Fund depreciation.
- Look for New Revenue Sources.
 - AIC, List Serve, GFOA, ICMA, APT, etc.
 - Newspaper, Newsletters, etc.

Grant Analysis

- Look at the Long-term costs of Grants.
 - Matching portion.
 - Administrative costs.
 - Does the grant have any long-term commitments associated with it?
 - Does it create a service level expectation with the citizens that will need to continue into the future?

Analyze City Services

- Look at services offered.
 - Do they align with City goals?
- Look at service levels.
 - Again, do they align with City goals?
- Do a cost analysis of outsourcing certain services.
 - Sanitation
 - Legal Services
- Look for Cost Saving Measures.
 - AIC, List Serve, GFOA, ICMA, APT, etc.

Reserve/Contingency Accounts

- Debt Reserve Requirements.
 - May be legally required.
- Operating Contingency Accounts.
 - “A jurisdiction should adopt a policy to maintain a prudent level of financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls and unpredicted one-time expenditures” (NACSLB practice 4.1).
- Replacement Accounts (Fund Depreciation).
- Adopt Policies by Resolution.

Budget and Technology

- Paperless Budget Process.
 - Reduces man hours.
 - If have intranet or internet – use it.
 - Reduces paper costs.
 - Reduces publishing costs.
 - Reduces the chance of input errors.
 - Information is more convenient and readily available. Citizens and business partners find this extremely effective and useful.

Budget Considerations

- City of Post Falls uses the budget priorities to develop an unmet needs list.
 - List comes out of requests presented at budget time that were left unfunded.
 - Each department is allowed a limited number of unmet needs on the list.
 - List is used during the year if any additional revenue becomes available.
 - Gives a starting point for future budgets.

Budget Requests/Unmet Needs

Fiscal Year 2019 & 2020 Budget Budget Requests General Fund						
		Amount Requested FY 2019	Amount Requested FY 2020	Finance Director Recommendations 2019	Unfunded	
Operating Budget						
<i>411 Mayor and Council</i>						
001-411.0000.62060	Dues and Memberships	\$ 500.00	\$ 500.00	\$ 500.00		
Subtotal		\$ 500.00	\$ 500.00	\$ 500.00	\$ -	
<i>413 Administration</i>						
001-413.0000.62060	Dues and Memberships	\$ 250.00	\$ 250.00	\$ 250.00		
Subtotal		\$ 250.00	\$ 250.00	\$ 250.00	\$ -	
<i>414 Finance</i>						
001-414.0000.62091	Audit Services	\$ 1,500.00	\$ 500.00	\$ 1,500.00		
001-414.0000.66015	Tyler - Citizen Transparency	\$ 11,500.00		\$ 11,500.00		
001-414.0000.66015	Tyler - 5% annual contract escalation	\$ 1,837.00	\$ 2,505.00	\$ 1,837.00		
Subtotal		\$ 14,837.00	\$ 3,005.00	\$ 14,837.00	\$ -	
<i>421 Police</i>						
001-421.0000.64020	Employee development	\$ 7,000.00	\$ 7,000.00		\$ 7,000.00	
001-421.0000.65021	Electric	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00		
001-421.0000.68010	Building and Grounds Maintenance	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00		
001-421.0000.65004	Utilities	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00		
001-421.0000.67190	Tires	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00		
001-421.0000.67140	License Plate Recognition	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00		
001-421.0000.66043	Computer services contract	\$ 4,300.00	\$ 4,300.00	\$ 4,300.00		
Subtotal		\$ 25,800.00	\$ 25,800.00	\$ 18,800.00	\$ 7,000.00	
<i>424 Prosecutor</i>						
001-424.0000.64010	Travel and Meetings	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00		
001-424.0000.63040	Copier and Supplies	\$ 4,000.00	\$ -	\$ 4,000.00		
Subtotal		\$ 5,000.00	\$ 1,000.00	\$ 5,000.00	\$ -	
<i>431 - Streets</i>						
001-431.0000.64020	Staff Development	\$ 1,400.00	\$ 1,400.00		\$ 1,400.00	
001-431.0000.68140	Traffic Light Repair	\$ -	\$ 3,310.00		\$ -	
Subtotal		\$ 1,400.00	\$ 4,710.00	\$ -	\$ 1,400.00	
<i>433 - Facility</i>						
001-433.0000.63720	Staff Development	\$ 1,500.00	\$ 1,500.00		\$ 1,500.00	
Subtotal		\$ 1,500.00	\$ 1,500.00	\$ -	\$ 1,500.00	
<i>435 GIS</i>						
001-435.0000.66020	GIS Software	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
001-435.0000.66020	GIS Software	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00		
001-435.0000.66021	GIS Support	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00		
Subtotal		\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ -	
<i>441 - Urban Forestry</i>						
001-441.0000.63510	Arbor Day Workshop	\$ 1,900.00	\$ 1,900.00	\$ 1,900.00		

Budget Calendar

	Publish Date Legal	Publish Date Legal	Responsible Party	Begin Date
Council Budget Workshop - Updating and Reviewing Priorities with Council			Finance	
Notice to County of Public Hearing Date - Not later than 4/30 of each year (63-802A)			Finance	3/1/2018
Employee Position Review - Job Description and grading			All	
Organizational Chart			Department Heads	3/1/2018
New Item Request Form: FY 19 and FY 20			Department Heads	
Additional New Personnel Request Form: FY 19 and FY 20			Department Heads	
Review Request Forms Submitted for FY 19 and FY 20: Provide Updates			Department Heads	3/1/2018
Capital Project Review and Budget Coordination with Department Heads			Department Heads	
Cash Carry-Over Discussion			Department Heads	
Personnel Schedule - FY 2019			Finance	3/1/2018
Line Item Detail Report			Finance	3/1/2018
Debt Service Report			Finance	3/1/2018
Fee/Revenue Discussion			All	3/1/2018
Merit and Benefits Discussion PTO			All	3/1/2018
Mayor and Council Salary Discussion			All	4/1/2018
Salary Survey Performed by HR			Human Resources	
PTO Discussion			Human Resources	3/1/2018
Dept. Meetings w/Administrator*			City Administrator	4/23/2018
Transfer Study Update			Finance	4/1/2018
Property Tax Projection Report			Finance	
Meeting with Mayor & Council - Review Tentative Budget - Open to Public			Finance/City Administrator	5/1/2018
Fee Increase Notice to Paper - Must run 2 weeks prior	7/20/2018	8/3/2018	Finance	
Fee Increase Public Hearing (63-1311 & 63-1311A)			Finance	
Adopt a Tentative Budget (50-1002)			Finance/City Administrator	
Adopt Master Fee Resolution			Finance	
Public Hearing Notification (50-1002)	7/20/2018	8/3/2018	Finance	
Public Hearing - prior to certifying to the county commissioners (50-1002)			Finance	
Adopt Appropriation Ordinance- prior to the commencement of each fiscal year (50-1003)			Finance	
Publish Appropriation Ordinance - prior to the commencement of each fiscal year (50-1003)			City Clerk	
Send Ordinance to Secretary of State (50-1003)			Finance	
Certify Taxes to County - not later than the Thursday prior to the 2nd Monday in September (63-803(3))			Finance	
Fund Balance Resolutions			Finance Director	
Adopt Master Records Destruction Resolution			City Clerk	
Preliminary New Construction Roll from County - 1st Monday in June (63-301A)			County	
County Auditor Notify City of Taxable Valuation - Prior to first Monday in Aug (63-1312)			County	
Unmet Needs List			Finance	

Legend

All Depts.
City Administrator
City Clerk
County
Department Heads
Finance
Finance/City Administrator
Finance/PBB
Human Resources
Finance Director

Insurance - Replacement Value

Workman's Comp Rates

PERSI Rate Increase

Postage increase?

Utilities increase both Avista and KEC