

GENERAL NOTES/STUFF ON THE BUDGET PROCESS that needs some organization and prioritizing.

Procedural Issues:

Budget Time Frame

Introduction – October 1; October 15 – Charter Amendment

No default budget – Council must submit a revised budget to the Mayor by Dec 15 for approval, if not, Council has from the 16th to the 31st to work with the Mayor on the budget – must adopt a budget by December 31st – Charter Amendment

5-year plan assumptions should be reviewed prior to introduction of budget.

Capital plan should be submitted second meeting in September and approved no later than second meeting in October so ensuing year can be the capital budget.

Are Council rules on prebudget meetings needed?

Legal/Administrative Code Issues:

What does that December 15th date mean? What is the process for a veto and potential override.

Are fee ordinances part of the default budget? Should they be approved earlier in the year prior to the budget?

Can/should a tax increase go into effect by default? Should the charter be change for a default budget to go back to previous tax rate?

Can the Mayor's original proposed budget be modified through adoption of budget memos by council? What is the intent of allowing budget memos?

Can the Mayor fix minor budgetary mistakes? How so?

How many 'budget' bills shall be introduced?

What ought to be the format of the budget?

Budget Meetings:

What is the role of the controller at the meetings?

Capital Plan: appropriate timing suggested introduction no later than second meeting in September, adoption second meeting in October; referred to Committee of the Whole. Ensuing year program is introduced as a capital ordinance with the budgetary material.

What ought to be the format of the budget meetings?

No Power Points; 20 minute presentation 10 minute follow-up

Budget Procedures

Engage Controller and Council earlier in Process

Instead of Budget book print sections of budget books that pertain to departments and bureaus.

Develop tutorial on using Eden for budget process

Have council submit budget questions in writing prior to respective hearings.

Streamline meetings – 3 – 4 hours too long.

Focus of meetings has shifted to preoccupation with details and not programs and policies which is the primary role of a legislative body.

Formalize Meetings-Should Council rules be more strictly enforced as to budget issues as to discussion and public participation (e.g. limits on number of times Council person may speak about an issue? Public comments directed to the President of Council and not individuals.)

Research Best Practices in Regard to Budget:

What are the most important things in a budget?

What are the components of a good budget process?

The National Advisory Council of State and Local Budgeting summarizes five municipal budgeting best practices:

A good budget process:

- Incorporates a long-term perspective,

- Establishes linkages to broad organizational goals,

- Focuses budget decisions on results and outcomes,

- Involves and promotes effective communication with stakeholders, and

- Provide[s] incentives to government management and employees.”

Research Issues:

- What procedures do other cities use?

- What are best practices?

- Date of Capital 5 Year Plan Submission – typically this was done late September/first meeting in October, so council could act on it and the ensuing year would be introduced as the capital budget in the form of an budget ordinance – can this be required to be submitted earlier via administrative code – say no later than the second meeting in September?

- Date of 5 Year Plan Submission – when is the appropriate time to have this – prior to the budget? When? With the budget? Perhaps work on the assumptions of the plan prior to introduction of budget in the Budget and Finance Committee?
- Final Read on December 15 deadline – does it need to be veto proof at that state
- What is appropriate time frame for providing council the budget – suggested October 1 and October 15 - and final approval?
- What ought to be the format of the budget? Are you set on focusing in on details? Perhaps, performance budgeting or something else? Should this be explored?
- What can be done prior to budget introduction to better inform council of budget?
- What is the status of the budget memos? What has to be voted on? At one time budget memos were not voted on but they were 'little' mistakes in the budget, anything major had to be voted on?
- Are pre-budget committee sessions useful? How might they be structured better to be useful?
- Is the council time-frame on amendments reasonable?
- How does our process compare to other procedures?
- What items need to be done by Charter?
- No Power Points at budget time
- Each Department gets 20 minutes for presentation of budget and 10 minutes for discussion
- Budget Process should start October 1st
- The Mayor must approve the budget by Dec 15, Council has from the 16th to the 31st to accept or deny the budget – must adopt a budget by December 31 – pursue a Charter amendment that takes us to pre- Charter budget
- -Budget Memoranda: (1) Allow them or do not allow them; (2) If allowed, for what purpose. Who decides if the Budget Memo exceeds the permissible scope?

- -Fixing Mistakes in Mayor's Budget/Addressing Changed Circumstances: How should scrivener's errors or changes in circumstances be addressed as to Mayor's Budget? Through limited Budget Memoranda? Through amendments made by Council?
- -Fee Ordinances (part of the budget ordinances?)-Fee Ordinances-presented and voted on separately (and earlier) than final budget? Are they part of the "budget" ordinances? Do they need to be voted on each year if there is no change? Are they part of the default budget?
- -Default Budget.-What should the default budget be? Should HRC amendment be pursued on this point?
- Can/should tax increases go into effect via a default budget?
- -Veto Process/Override? What does the December 15th Charter Deadline mean? How does veto process relate to that deadline?
- -Council Deadline-Should Council in their own rules build in a self-imposed deadline for voting on the Mayor's budget, as amended, to allow for veto and possible Amendments (e.g. Council will vote on the budget by November 20th (this is an illustrative date and not a suggested date)).
- -Intent to not suspend the rules-Should Council note in its rules its intent to not suspend the rules as to budget issues. It would not be binding but may help focus efforts into the available procedures (particularly since those procedures are being developed and spelled out).
- -Formalize Meetings-Should Council rules be more strictly enforced as to budget issues as to discussion and public participation (e.g. limits on number of times Council person may speak about an issue? Public comments directed to the President of Council and not individuals.)
- -Joint Mayor/Council/Controller effort prior to the budget season to look at allocation of fee generated budget amounts to see if these amounts are being appropriately used. To the extent corrections need to be made, to make sure they are made in the upcoming budget.
- What is the role of the Controller at budget meetings?

There are as many types of budgeting approaches as there are municipalities! And on top of that, every municipality knows the budgeting process is an inevitability and is necessary to keep your city up and running. But the truth is, the municipal budget preparation process can be downright difficult. So in order to succeed, it's critical to make sure your process is smooth and well thought out.

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Is your municipality living up to its full potential? Find out eight things that could be missing from your strategic plan.

To take this a step further, we've expounded on why each of these elements is critical. If you take these five things into account, you'll have a solid mindset about your budgeting process.

The Municipal Budget Preparation Process: 5 Things To Consider

1. Your municipal budget guidelines should incorporate a long-term perspective.

Even if your budget only extends through the fiscal year, you'll want to think into the future when creating it. That way, you'll be considering how to budget for important projects that aren't right in front of you but will eventually require funding.

2. Your municipal budget should establish linkages to broad organizational goals.

No municipality has an unlimited budget (or unlimited time to formulate that budget). This means every municipality has to carefully consider their limited resources and how to allocate them properly. The best way to do this is to start with your municipal objectives and back into your budget from there. By doing this, you'll ensure that your strategic plan (which should have included input from constituents across your municipality) is taken into account during the budgeting process.

3. You should focus municipal budget decisions on outcomes.

Because the majority of budgeting processes take information from previous years and the current year into advance—as well as projections for the next few years—you'll need to have at least some of your municipality's outcomes in mind while budgeting. If you have a clear set of goals (see step #2 above), then you should have key performance indicators or outcomes linked to those goals. Many high-performing municipalities will align their major budget items to outcomes to demonstrate why they are spending their funds in a certain way. This way, your constituents can better understand why there's been an increase in taxes or why a program has been cut.

4. Your municipal budget should involve and promote effective communication with stakeholders.

If you've complied with suggestion #2 and #3 and focused your budgeting decisions on goals and outcomes, it's then important to communicate this with anyone who has a stake in city government. This includes municipal employees, businesses, citizens, council members, the mayor, administrators, and more. One of the best ways to do this is to have a public-facing community dashboard on your website. This gives you a simple way to express to your community where tax dollars are going and whether or not you're meeting your goals.

5. Your municipal budget should provide incentives to government management and employees.

When your strategic plan is aligned and incorporated into your municipal budget preparation process, you'll see buy-in increase across your municipality. Both government management and employees will be able to see that what they're doing on a day-to-day basis is contributing to yearly goals and that their contributions are important to the success of the municipality.

Incentive compensation is trickier—and sometimes not possible in government—but giving recognition is easy and doesn't cost much. It also has a high payout in employee satisfaction. At a minimum, you should be consistently looking for ways to encourage the right employee behavior across the organization.

A Final Takeaway

Think of your budget less as an operational necessity and more of a leveragable tool. If used properly, you can ensure that you meet your goals (laid out in your strategic plan) by tying them directly to your budget (which informs what you're able to do). These two elements should be symbiotic. If you follow the five suggestions above, you'll be able to do just that!

Download: 8 Things That May Be Missing From Your City's Strategic Plan