



	Presented
Comment:	2/14/05
Verified by:	<i>H. Smith</i>

**WASILLA CITY COUNCIL INFORMATION MEMORANDUM**

**IM No. 05-04**

**TITLE: FISCAL YEAR 2006 BUDGET CALENDAR**

Agenda of: February 14, 2005  
Originator: Ted Leonard, Director of Finance

Date: February 1, 2005

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
	Public Works Planning	
X	Finance *signature required	<i>[Signature]</i> 2/5/05
X	Clerk	<i>[Signature]</i>

**REVIEWED BY MAYOR DIANNE M. KELLER:** *Dianne M. Keller*

**FISCAL IMPACT:**  yes  no      Funds Available  yes  no

Account name/number:

Attachments: budget calendar; summary of budget process and flowchart; summary of amending the budget and basis of budgeting

**SUMMARY STATEMENT:** The attached budget calendar for fiscal year 2006 is presented for informational purposes.

## BUDGET CALENDAR

CITY OF WASILLA  
FISCAL YEAR 2006

The following schedule outlines the City of Wasilla's plan for the formation of the Fiscal Year 2006 budget (July 1, 2006 through June 30, 2007).

Date	Facilitator	Action
January 2005	Finance Director	Finance Director prepares preliminary revenue projections.
January 31, 2005	Clerk	Work Session between Council and Clerk to discuss FY 06 budget planning and setting of goals and initiatives for Clerk's Department.
February 1, 2005	Finance Director	Distribution of budget worksheets to aid departments in submitting their budget request.
February 1 through February 28, 2005	Finance Director	Departments and Finance Department complete 5-year financial forecast based on current service levels.
March 5, 2005	Council	Council Retreat to Focus on City's Mission, Long-term Goals, & FY 06 Budget Initiatives.
March 14, 2005	Department Heads/ Clerk	Department Heads submit staffing needs to the Mayor based on Fiscal Year 06 Budget Initiatives.
March 28, 2005	Finance Director	Finance Department submits estimated staffing costs to Department Heads for department budgets.
April 11, 2005	Finance Director	Proposed Department Budgets submitted to Mayor based on Fiscal Year 06 Initiatives.
April 11 thru April 25, 2005	Mayor	Work meetings with the Department Heads to resolve or justify Fiscal Year differences of department budgets.
April 29, 2005	Mayor	Mayor submits approved proposed department budgets to the Finance Director with the Mayor's Budget Message.
May 9, 2005	Finance Director	Regular Council Meeting, Introduction of Operating Budget Ordinance and distribution FY 06 budget document to Council.
May 16, 2005	Council	Special Council Meeting, 6 p.m. Overview of Fiscal Year 06 Budget by Finance Director. Review of proposed budget for General Government Departments and Economic Development Department.

May 19, 2005	Council	Special Council Meeting, 6 p.m. Review of proposed budget for Public Safety and Recreation and Cultural Services Dept..
May 23, 2005	Council	Special Council Meeting, 5:30 p.m. Review of proposed budget for Public Works Department.
May 23, 2005	Council	Regular Council Meeting, 7 p.m. Public Hearing on Operating Budget and possible adoption.
June 2, 2005	Council	Special Council Meeting, 6 p.m. – Reserved date, if needed.
June 6, 2005	Council	Special Council Meeting, 6 p.m. - Reserved date, if needed.
June 13, 2005	Council	Regular Council Meeting, 7 p.m. Introduction of Capital Budget Ordinance. Absolute deadline for adopting Fiscal Year 2006 mil rate and Operating Budget.
June 15, 2005	Finance Director/Clerk	Notification to Mat-Su Borough Finance Department of City mil rate.
June 20, 2005	Council	Special Council Meeting, 6 p.m. – CIP Budget presentation by Departments.
June 27, 2005	Council	Regular Council Meeting, 7 p.m. Public Hearing on Capital Budget and adoption of Fiscal Year 2006 Capital Budget.
July 1, 2005	All Concerned	Budget implementation and monitoring.

## **THE BUDGET PROCESS**

The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process. Several essential features characterize the City of Wasilla's budget process:

- Incorporates a long-term perspective.
- Establishes linkage to broad organizational goals.
- Focuses budget decisions on results and outcomes.
- Involves and promotes effective communication with stakeholders.

The development of the City of Wasilla's Fiscal Year 2006 budget is an open process designed to reflect the needs and desires of the community as seen in the exhibit on the following page. Through out the year, the Mayor, Council Members and City Staff have obtained input from the citizens in regards of what services are needed. The citizens' needs are incorporated into the goals and objectives for the Fiscal Year 2006 and are reflected in the Fiscal Year 2006 Budget that is submitted to Council for adoption.

The budget process for the City of Wasilla begins in January of each year. At this time, the Finance Department's staff prepares a financial forecast for the following year including revenue projections and inflation projections. In February, worksheets are distributed to the various departments to aid them in preparing their budget requests. During February, the departments and the Finance Department will be completing a 5-year financial forecast for the next five years. This 5-year forecast will be used as a tool to help complete the Fiscal Year 06 operating and capital budgets.

On March 5<sup>th</sup>, 2005, the Council and Mayor will meet with the Department Directors in a retreat to discuss the long-range goals and Fiscal Year 2006 budget initiatives. During March and April, the Mayor will meet with the Department Heads to finish setting the goals and objectives for each department for Fiscal Year 2006 based on the goals and initiatives set at the March 5<sup>th</sup>, 2005 retreat. The Mayor and Department Heads will agree on which measurements will be used to assess whether or not the Fiscal Year 2006 goals have been met. The Department Heads will submit to the Mayor an estimate of the number of needed personnel to meet the goals and the objectives of the City of Wasilla in the upcoming Fiscal Year. This approved list of personnel needs is then forwarded to the Finance Department to calculate the labor cost.

In March, the Finance Department will calculate the projected cost of labor based on the approved personnel needs. The cost of labor projections along with a six-month expense summary is forwarded to the Department Heads to be used in the formulation of their budget request. During March and April, the Department Heads with assistance from the Finance department complete their budget requests.

During April, work sessions are held between the Mayor, Finance Director, and Department Heads to review the department's budget request. In these work sessions, the budget requests are compared to the City's goals and objectives for the department

## **BUDGET PROCESS CONT.**

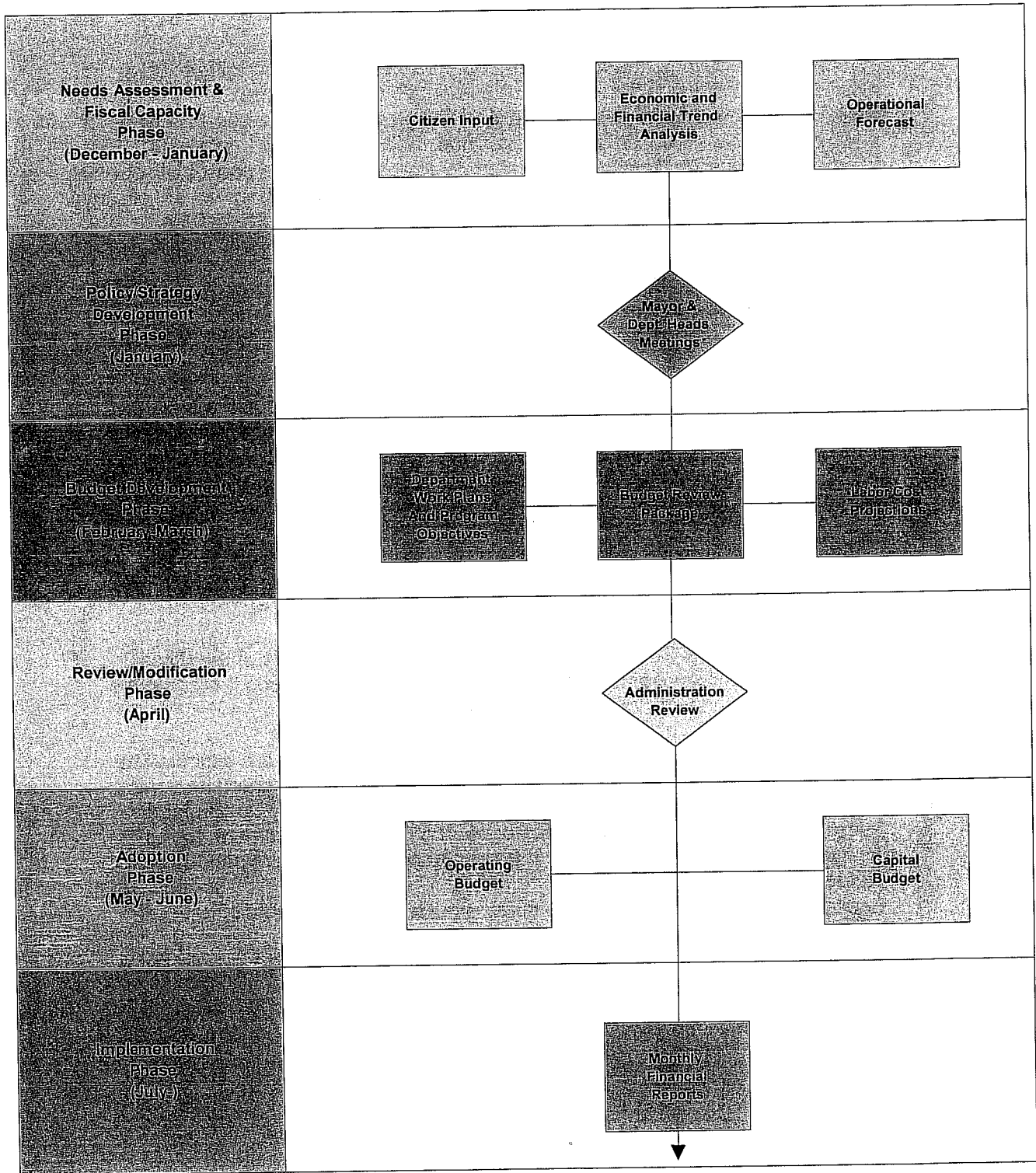
and how these budget requests will affect the performance and outcomes of the department and the City of Wasilla in the upcoming Fiscal Year.

In May, the proposed operating budget is introduced in a budget ordinance. During the month of May, the Council will review the operating budget and capital program with the Mayor and Department Heads. During May, there will be at least one public hearing on the operating budget. The goal of the Council is to adopt the operating budget ordinance by June 13<sup>th</sup>, 2005 and set the millage rate for the upcoming Fiscal Year. The Fiscal Year 2006 Budget must be adopted before June 30<sup>th</sup> per WMC 6.02.020 (C).

On June 13<sup>th</sup>, 2005 after the Fiscal Year 06 operating budget has been adopted, the Fiscal Year 06 Capital Budget will be introduced as a budget ordinance amending the Fiscal Year 2006 Budget. On June 20<sup>th</sup>, 2005 a special meeting will be held for the Council to review the Fiscal Year 06 capital program. On June 27<sup>th</sup>, 2005, the Council will hold a public hearing on the Capital budget and adopt the Capital Budget at that meeting.

On July 1<sup>st</sup>, the Fiscal Year 2006 budget will be implemented. During Fiscal Year 2006, the departments will be accountable for budgetary control throughout the fiscal year. Expenditure patterns will be examined, compared to budget plans, and corrective action, if necessary will be taken. The City Council throughout the year will be given financial reports disclosing the City's actual performance as compared to the budget plan.

# BUDGET PROCESS FLOWCHART



## **AMENDING THE BUDGET**

Amendments to the budget can occur anytime during the fiscal year through the Council or administrative action. Generally, the following actions are required at the level of the particular change:

1. All new appropriations and moving amounts between funds are authorized by an appropriation ordinance that amends the annual budget ordinance.
2. Within an accounting fund, the Council may by resolution transfer part or all of any unencumbered funds among functions, activities and departments. The Mayor has authority through administrative action to transfer part or all of any unencumbered funds within department and may transfer part or all of any unencumbered funds between departments up to ten thousand (\$10,000).

## **BASIS OF BUDGETING**

The City of Wasilla uses the same basis for budgeting as it does for its financial record keeping and for financial statement presentation.

Governmental fund types (General Fund and Special Revenue Funds) are accounted for under the modified accrual basis of accounting. Revenues are recognized when measurable and available to finance current expenditures; expenditures are recognized when the liability has been incurred, with the exception that principal and interest payments on general long-term debt are recognized when due.

Proprietary fund types (Enterprise Funds) are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of GAAP and on a budgetary basis. In most cases this conforms to the way the city prepares its budgets. Exceptions are as follows:

- Compensated absences liabilities, in the Enterprise funds that are expected to be liquidated with expendable available financial resources are accrued as earned by employees (GAAP) and opposed to being expensed when paid (Budget).
- Principal payments on long-term debt within the Enterprise funds are applied to the outstanding liability on a GAAP basis, as opposed to being expensed on a budget basis.
- Capital outlay within the Enterprise Funds are recorded as assets on a GAAP basis and expensed on a Budget basis.
- Depreciation expense is not recognized as an expense under the budget basis.