

## BUDGET PROCESS

### **Procedures for Adopting the Biennial Budget:**

The City’s budget process and the time limits under which the budget must be prepared are defined by the Revised Code of Washington (RCW) 35A.34. The procedures followed in establishing the biennial budget are described below:

<b>Item</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
City Council establishes overall City priorities.												
City Manager gives direction on coming year's budget priorities.												
Finance Division provides budget instructions consistent with City Council and City Manager direction.												
Departments prepare preliminary expenditure estimates including requests for personnel, equipment, or new programs.												
Department line item budgets are submitted to Finance by mid-July.												
Finance Division prepares budget for presentation to City Manager.												
Finance Division updates preliminary revenue estimates.												
The City Manager and Finance Division staff meet with Department staff to review their budget proposals.												
The City Manager instructs the Finance Division to make specified adjustments to establish a balanced budget.												
A proposed budget is prepared, printed, and filed with the City Clerk and presented to the City Council (at least 60 days prior to the ensuing fiscal year).												
The City Council conducts preliminary public hearings.												
The City Clerk publishes a notice of the filing of the proposed budget and publishes notice of public hearing.												
The City Council holds a series of study sessions and hearings to review the proposed budget recommended by the City Manager.												
The City Council instructs the City Manager to make modifications to the budget.												
The City Council adopts an ordinance to establish the amount of property taxes to be levied in the ensuing year.												
The City Council adopts the final budget by ordinance by December 31.												
The final budget, as adopted, is published and distributed by February 28 of the new year.												

### **Biennial Budget Development Process:**

The Biennial budget serves five essential purposes.

- 1) Legal document - sets forth expenditure limits by fund;
- 2) Financial Plan - projecting revenues and expenditures for the ensuing two years;
- 3) Policy Document - reflecting City policies concerning the budget;
- 4) Management Tool - documenting service level commitments made by City departments; and
- 5) Public Information Document - describes the City's financial condition, its service level objectives for the two budget years, and the funding sources available to meet the objectives

---

## BUDGET PROCESS

To assure that the budget satisfies each essential purpose, the City follows an established process. The process involves the City Council, the public, the City Manager and City Departments, in deliberation periods and decision points. The public participates through direct contact and in public hearings with the City Council. The high points of budget preparation, adoption and execution are as follows:

### **Budget Preparation:**

June to September – Based on the Council's Goals for the community, departments develop and submit baseline budgets and personnel information to the Administrative Services Department. The Administrative Services Department compiles the department requests for the City Manager's review. The City Manager holds meetings with individual departments to review the budgets and budget issues. Following the meetings, the City Manager meets with the City Council to review budget issues and obtain Council input. The City Manager makes budget revisions and the Administrative Services Department prepares the budget document and supporting information for presentation to the City Council and to the public. The City Manager's proposed budget is presented to the Council by the first Council Meeting in October.

### **Budget Adoption:**

October-December - City Council holds public budget work sessions with the City Manager and Department Directors. Preliminary recommendations are developed and a formal public hearing is held to allow the public to comment on the annual budget. A public hearing is also held during the first meeting in November regarding City operating revenues and the levy of property taxes before and after these hearings, the City Council may make changes before adopting the budget.

The Administrative Services Department then makes the final budget adjustments and provides each department with a "working" copy of the adopted budget along with the Budget Ordinance. The formal adopted budget is printed, bound and distributed to the public, City Council, departments and the City Manager. Copies are also made available to the public through the local library.

### **Budget Execution/Amendments:**

The adopted budget is recorded in the City's accounting system in detailed expenditure and revenue accounts. Throughout the year, the City monitors the expenditures and revenues. Quarterly reports of the City's financial status are made to the City Council.

The City Manager is authorized to transfer budgeted amounts within any fund; however, any revisions that alter the total expenditures of any fund, must be approved by the City Council by budget amendment.