

Budget Development Process and Calendar

The City's annual budget is a plan of operation that determines the quality, quantity, and level of governmental services to be rendered by the operating departments throughout the budget year. The budget also determines the method of distributing costs to the various segments of the community through the collection of taxes.

Budget requests are prepared by City departments and presented to the Mayor and Chief Administrative Officer for review and approval. The Mayor and CAO then present a recommended budget to the City Council for review and approval. In reviewing the budget, the City Council has the opportunity to evaluate the proposed operating programs, establish the level of municipal services to be rendered, and determine basic organizational and personnel staffing patterns. In making final determinations, continuation of existing services and implementation of new programs are weighed against the taxes or fees required to service them.

Adoption of the budget is probably the City Council's most important policy decision of the entire year. The Council reviews revenues, operating expenditures, capital expenditures, and program activities for the entire city during a two month period during the summer. Adoption of the budget also provides the legal basis for expenditure of funds to accomplish the City's goals.

Once adopted, the budget presents a clear and concise summary of the services to be rendered by the city government, and the sources and distribution of the necessary revenues. Detailed explanations of both the projected costs of the services and the anticipated revenues are given.

The City's goal is to use a budget process that creates a clear and concise budget document in the most efficient manner possible. The development of such a process changes from year to year as information demands change and technology evolves.

Payroll costs for the City account for a significant portion of the City's operating budget. Accordingly, a great deal of attention is given to estimating costs as accurately as possible in the personnel services category during budget development. The Financial Services Department and Budget Office prepare personnel schedules and calculate rates for Social Security, employee health insurance, KPERS, KP&F, workers' compensation, unemployment compensation and Medicare.

Other costs are projected based upon expected and anticipated programs and projects. Departments often use recent history or rough estimates on which to base their non-personnel budget costs. Due to the budget cycle prescribed by state statute, departments must project their costs as many as 18 months in advance. This difficult challenge often means that actual costs incurred will vary from budgeted costs within and between expenditure categories. Departments, ultimately, are responsible for managing their budgets to the "bottom line"—their total budgeted expenditures.

Revenue projections for 2004 and 2005 were developed based upon trend data and other methodology described in this document. The City maintains a policy of estimating revenues as accurately as information allows. Ideally, actual revenue receipts will be within two percent of the budget amounts.

While municipal budgeting is truly a year-round activity, the process of budget development extends from about February 1st of each year to about August 25th, when state law requires the City's budget to be submitted to the Shawnee County Clerk. Times at which individual elements are accomplished are somewhat flexible and are developed as the year progresses.

- Mayor develops—with council input—key goals to be addressed during the upcoming budget year (January/February)
- Preliminary revenue forecasts are made. Because the quality of these forecasts improves as the process moves toward the summer, these forecasts change extensively during budget development. Some revenue pieces are not provided by the State of Kansas or Shawnee County until very late in the process (February/March and On-Going)
- Mayor delivers preliminary budget development guidelines and instructions for preparations of requests to departments (March/April)
- Departments submit their initial requests to the Mayor (May)
- City Council establishes its budget priorities by May 15th
- Mayor develops the proposed budget—involves summarizing initial budget requests, comparing with revenue estimates, and modifying as needed (May/June)
- Mayor presents the proposed budget to the City Council by the first Tuesday in July
- City Council considers proposed budget through meetings with Mayor, budget staff and City departments (July/August)

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- City publishes notice of legal public hearing for citizens' input. Copies of proposed budget are on file in the city offices for public review prior to hearing. A summary of the budget is included in published notice (August)
- Public hearing held (August)
- Budget adopted as proposed by Mayor and amended by Council (end of August)

Development of the Capital Improvement Budget and Program follows a similar time frame. However, there is no state law dictating when they are to be completed. Discussion and final action on the resolutions to approve the Capital Improvement Budget and Program often extends well past the end of August, when the operating budget must be certified to Shawnee County.