The Budget Process
The Phases

- Information Gathering
- Department Requests
- Financial Projections
- Review & Discussion
- Public Presentation and initial Approval
- Auditor Review & State DCA Approval
- Public Hearing and Adopting
Information Gathering

- Is a continual process from the completion of one budget to the start of the next.
- Salary Projections
  - Negotiated Contracts
  - Existing Staffing Levels
- Employment Taxes & Benefit Costs
- Debt Requirements
- Energy Costs and Other Projections
Department Requests

- Notice is sent the end of Sept with requests due back the first week of Nov
- Request Operating Expense Needs, consistent with existing trends
- Detailed Justification for Trend Variances
- Major Line Item Requests Itemized
- Review Staffing Levels
- Submit 1-Year Capital Request, amend any long range Capital Requests
Financial Projections

- December is Wrap-up Month
- Revenue Projections to Year-end
  - Tax Collection, % from prior years
  - State Aid, received in full
  - Miscellaneous, 10 month trend
- Expense Projections
  - 2 year budget cycle, determine cancellations and reserves
  - Unspent prior budget now closed to surplus
- Departmental Budget Meetings, review requests
Financial Projections

- Project Year-End Surplus
- State Aid does NOT increase and in fact is decreasing
- Miscellaneous Revenue based on current year’s projected totals
- Surplus Funds used as Revenue to the extent considered prudent, must sustain adequate reserve balance
- Tax Revenue calculation is final step
Review and Discussion

- December
  - 1st draft of Wishlist Budget
  - Develop 1st draft Capital Projects
- January include policy discussion sessions
  - Staffing Levels
  - Spending Priorities, or Cuts
  - Budget impact on Tax Rate
  - Services or Programs to Add, Continue, or Discontinue
Review and Discussion

- Financial Records are Closed out and rolled into the new fiscal year in January
- Financial Statements Prepared by February 10
- December’s Financial Projections now replaced with actual activity, Draft Budget revised accordingly
Public Presentation & Approval

• On or before February 10
• First Reading, Introduced to Public
• Public Hearing Date Announced
• Background Information made available to the Public
• Budget Summary Advertised
Auditor Review & DCA Approval

- Statutory Compliance Issues
- Clerical Accuracy
- Budget Discretion is solely by the Commissioners, Auditor and DCA opinion is limited to Legal Compliance
- Approval on Statutory Compliance required before Public Hearing or Adoption
Public Hearing

• Opportunity for the Public to Comment
• Final Vote by Commissioners occurs after listening to public comments
• Budget can be Approved, Amended without extending public hearing (small changes), Amended with additional public hearing, Tabled pending discussion on possible amendments, or outright rejected
Budget Breakdown

• Nondiscretionary Appropriations
  – Salaries (unless layoffs are proposed)
  – Employment Taxes & Benefits
  – Debt Payments
  – Outsourced Service Contracts

• Discretionary Appropriations
  – Departmental Expense Budgets
Appropriation Breakdown
(Using 2009 data)

- Res for Uncollected: 8%
- Health Benefits: 9%
- Casualty Ins.: 3%
- Library: 6%
- Capital: 4%
- Soc. Sec.: 2%
- Public Safety: 24%
- Def. Charge: 1%
- Revenue & Finance: 4%
- Debt Service: 6%
- Utilities: 6%
- Public Works: 13%
- Grants: 8%
- Pension: 4%
- Legal: 2%
Budget Breakdown

- Revenue Sources
  - Taxes
  - State Aid
  - Miscellaneous Revenue
  - Grants (offset by appropriations)
  - Surplus Funds, from prior years
Revenue Breakdown
(Using 2009 data)

- Delinquent Taxes 2%
- Surplus Appropriated 16%
- Misc. Revenue 7%
- State Aid 8%
- Grants 8%
- Amount to be Raised by Taxation 59%
Tax Calculation Formula
(Using 2009 data)

Total Appropriations $14,949,143.37

minus

Anticipated Revenue $ 6,080,764.00

equals

Local Purpose Tax $ 8,868,379.37

divided by

Total Assessed Value $2,264,212,124

equals

Local Tax Rate $0.3917
per $100 assessed value
2009 Total Tax Rate

County, 0.547, 23%

Local Open Space, 0.005, 0%

Local, 0.391, 17%

County Open Space, 0.02, 1%

School, 1.375, 59%

Average Assessed Home
$491,359

Local Tax $1,925
Local Open Space $25
County Tax $2,687
County Open Space $96
School Tax $6,754
Total $11,480
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Issues to be faced in 2010

- Continual increase in Pension Contribution
- Continual Increase in Fuel and Energy Cost
- Increase in Health Insurance and Casualty Insurance
- Police Contract Negotiations
- Continuation of the Street Rebuilding Program
- Aging infrastructure