

PUBLIC BUDGETING

Effective Budgeting and Best Practices

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What is a Budget?

- A mathematical confirmation of your suspicions
- An orderly system of living beyond our means
- A budget tells us what we can't afford.....but it doesn't stop us from buying it

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Budget – *true meaning*

- a statement of the financial position of an administration for a definite period of time based on estimates of expenditures during the period and proposals for financing them
- the amount of money that is available for, required for, or assigned to a particular purpose

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STEP I – FINANCIAL POLICIES

- Financial Policies should be established and in place prior to establishing a budget.

These would include:

- Reserve Balance Account Policy
- Fund Balance Policy
- Capital Planning Policy
- Investment Policy

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Fund Balance

- What is Fund Balance?
- What are reasons to maintain an adequate Reserve?
- How much is adequate?

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What is Fund Balance?

- According to GAAP there are 5 categories:
(in order of constraints on them)
 - Non-spendable
 - Restricted
 - Committed
 - Assigned
 - Unassigned
- See AOS Bulletin 2011-004

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Reasons for Maintaining Fund Balance

- Mitigate current and future risks
- Ensure Stable Tax Rates

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Fund Balance – How much?

- GFOA recommends no less than 2 months of:
 - GF Operating Revenues
 - GF Operating Expenditures

Policy should articulate the reasons for higher fund balances for the benefit of stakeholders and how it would insulate them from unexpected changes in financial conditions.

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CAPITAL PLANNING POLICY

- Assure sustainability of infrastructure
- Establish a process for maintenance, replacement, and proper accounting over the useful life of the asset.
- Can strengthen the government's borrowing position by demonstrating sound fiscal management

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CREATING A CAPITAL PLANNING POLICY

- Finance Officer and key members must
 - Define Capital Improvement Projects
 - Assess Fiscal Capacity
 - Plan for Debt Issuance

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		CONSTRUCTION	LABOR	EXPENDITURE	TOTAL
		AMOUNT	AMOUNT	AMOUNT	AMOUNT
2019	2019 General Road Mtce. Program	\$ 785,100	\$ -	\$ -	\$ 785,100
	Dover Ditch Retention Basin Ph II Engineering	-	20,000	100,000	120,000
	Dover/Center Ridge Intersection	4,643,600	50,000	20,000	4,713,600
	Turning Lane Driveway Install-BOE/Dover Center Rd	-	-	-	-
	Traffic Signal-Westown-BOE	-	-	-	-
	Hilliard Blvd Resurfacing (Rocky River to Columbia)	3,000,000	50,000	20,000	3,070,000
	Water Lines-Schwartz	1,235,300	20,000	10,000	1,265,300
	(Plus \$2,287,400 from 2018)*	\$ 9,664,000	\$ 140,000	\$ 150,000	\$ 9,954,000
2020	2020 General Road Mtce. Program	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
	Dover Ditch Retention Basin Ph II	1,000,000	40,000	20,000	1,060,000
	Crocker Road Resurfacing (Detroit to Hilliard)	1,500,000	40,000	20,000	1,560,000
	Crocker Turn Lane/Boulevard	3,900,000	30,000	20,000	3,950,000
	Hawkins Watermain	1,300,000	30,000	20,000	1,350,000
	Water Lines-Bassett (Dover to Hilliard)	3,000,000	30,000	10,000	3,040,000
		\$ 12,000,000	\$ 170,000	\$ 90,000	\$ 12,260,000
2021	2021 General Road Mtce. Program	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
	Bassett Watermain (Hilliard to Detroit)	3,000,000	60,000	30,000	3,090,000
	Columbia Road Resurfacing (Detroit to Hilliard)	1,800,000	40,000	20,000	1,860,000
	Dover Ditch Retention Basin Ph III Engineering	-	20,000	100,000	120,000
	Dover Road Resurfacing	2,500,000	40,000	20,000	2,560,000
	Kenley Court Basin Refit	1,600,000	30,000	20,000	1,650,000
	Crocker Road Watermain 16" (Fire Station to Schwartz)	500,000	20,000	10,000	530,000
		\$ 10,400,000	\$ 210,000	\$ 200,000	\$ 10,810,000
2022	2022 General Road Mtce. Program	500,000	-	-	500,000
	Porter and Lansing Road Watermain w/Resurfacing	2,800,000	30,000	20,000	2,850,000
	Center Ridge Road Turn Lane at Mills	1,500,000	20,000	10,000	1,530,000
	Center Ridge Road Watermain (Columbia to Clague)	3,200,000	40,000	20,000	3,260,000
	Bradley Road Watermain (Bay to Corporate Line)	2,500,000	40,000	20,000	2,560,000
		\$ 10,500,000	\$ 130,000	\$ 70,000	\$ 10,700,000

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Investment Policy

- Scope and Objectives
- Standards of Care (prudence, due diligence)
- Suitable and Authorized Investments
- Diversification
- Safekeeping, Custody, and Internal Controls
- Authorized Financial Institutions, Depositories
- Reporting to governing body and Frequency

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STEP 2 – TAX BUDGET

- Tax Budget is typically the first step in the budget process (after your policies are established)
 - Estimate beginning unencumbered fund balances for the subsequent fiscal year
 - Estimate Revenues
 - Estimate Expenditures
 - Establish Property Tax Millage Rate
 - Must be adopted by Legislative body by July 15th
 - Submit to County by July 20th (19th this year)

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STEP 2 – TAX BUDGET

- REVENUES are estimated conservatively
 - Income Tax (flat or slight increase)
 - Property Taxes
 - Admissions Tax, Franchise Tax, Local Govt Funds..

How much should you request in Property Taxes?

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Tax Budget

(Levies Inside & Outside 10 Mill Limitation, Inclusive Of Debt Levies)
(List All Levies Of The Taxing Authority)

City of Westlake

SCHEDULE 1

I	II	III	IV	V	VI	VII	VIII	IX
Fund	Purpose	Authorized By Voters On MM/DD/YY	Levy Type	Number Of Years Levy To Run	Tax Year Begins/Ends	Collection Year Begins/Ends	Maximum Rate Authorized	\$ AMOUNT Requested Of Budget Commission
General Fund	General	11/4/1958	Charter	no limit	-	-	8.02	\$13,500,000.00
Police Pension	Police Pension	11/4/1958	Charter	no limit	-	-	0.30	\$505,000.00
Fire Pension	Fire Pension	11/4/1958	Charter	no limit	-	-	0.30	\$505,000.00
Police & Fire Operating	Pol Fire Operating	11/3/2015	Charter	5	-	-	0.90	\$1,515,000.00
Totals							9.52	\$16,025,000.00

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STEP 2 – TAX BUDGET

- EXPENDITURES** are estimated conservatively
 Since this is prepared at the half year mark for the subsequent year most expenditures are increased by two percent generally.
 - Exceptions are - Salaries and benefits**
 - Capital Expenditures**
 - Debt**

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STATEMENT OF FUND ACTIVITY (2019-77)

(List All Funds Individually)

City of Westlake

SCHEDULE 2

I	II	III	IV	V	VI	VII
Fund BY Type	Beginning Estimated Unencumbered Fund Balance	Property Taxes and Local Government Revenue	Other Sources Receipts	Total Resources Available for Expenditures	Total Estimated Expenditures & Encumbrances	Ending Estimated Unencumbered Balance
(100) General	40,510,800.00	13,873,300.00	26,797,100.00	81,181,200.00	38,759,900.00	42,421,300.00
(110) Safety Town	17,500.00		20,000.00	37,500.00	23,400.00	14,100.00
(120) Equipment Replacement	12,055,100.00		1,450,000.00	13,505,100.00	1,101,700.00	12,403,400.00
(130) Cable Television	4,101,000.00		625,000.00	4,726,000.00	2,391,000.00	2,335,000.00
(140) Hospitalization	4,622,800.00		3,200,000.00	7,822,800.00	4,050,000.00	3,772,800.00
(200) Street Maintenance	1,986,600.00		1,936,100.00	3,922,700.00	2,759,900.00	1,162,800.00
(210) State Highway	993,900.00		170,300.00	1,164,200.00	46,000.00	1,118,200.00
(220) Permissive Tax	461,700.00		258,000.00	719,700.00	5,000.00	714,700.00
(230) Police Pension	197,400.00	505,000.00	700,000.00	1,402,400.00	1,150,000.00	252,400.00
(231) Fire Pension	239,300.00	505,000.00	600,000.00	1,344,300.00	1,075,000.00	269,300.00
(232) Police/Fire Operating	527,200.00	1,515,000.00	-	2,042,200.00	1,420,500.00	621,700.00

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STEP 2 – TAX BUDGET

- County Budget Commission will prepare and send the **TAX RATE RESOLUTION** to you sometime in September
- Council adopts the **TAX RATE RESOLUTION** immediately there after and it is sent back to the County Budget Commission
- County will then generate your **OFFICIAL CERTIFICATE OF ESTIMATED RESOURCES**

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Official Certificate of Estimated Resources

- Fiscal Officer is responsible for the ensuring that the Appropriations do not exceed the amount certified by the County Budget Commission at any point in time.
- The Estimated Resource Certificate can be amended from time to time as revenue estimates change

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Official Certificate of Estimated Resources

- It is the responsibility of the Fiscal Officer to maintain and update the revenue estimates.
- Updates by the Fiscal Officer could be
 - Optional OR
 - Mandatory

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Official Certificate of Estimated Resources

- **OPTIONAL UPDATES**
 - When the fiscal officer determines that the revenue estimates are either higher or lower than the amounts included in the official certificate then he/she may certify the amount of excess or deficiency to the Budget Commission
 - The Budget Commission shall then provide an Amended Official Certificate of Estimated Resources

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Official Certificate of Estimated Resources

- **MANDATORY UPDATES – Excess Revenues**
 - When the fiscal officer determines that the revenue estimates will be greater than the amounts included in the official certificate and the legislative authority of intends to appropriate and expend then the fiscal officer shall certify the amount of excess to the Commission
 - The Budget Commission shall then provide an Amended Official Certificate of Estimated Resources

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Official Certificate of Estimated Resources

- MANDATORY UPDATES – Deficient Revenues
 - When the fiscal officer determines that the revenue estimates will be lower than the amounts included in the official certificate and such deficiency will reduce the level of available resources below the level of current appropriations then the fiscal officer shall certify the amount of such deficiency to the Commission
 - The Budget Commission shall then provide an Amended Official Certificate of Estimated Resources

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STEP 3 – Permanent or Annual Budget

- By December 31st of current year establish
 - TEMPORARY BUDGET followed by
 - Permanent Budget by April 1 of following year
 - OR**
 - PERMANENT BUDGET in December

Appropriations cannot exceed the Official Certificate of Estimated Resources

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Types of Budgets

- Line Item budget
 - Simplicity
 - Easy to compare year to year
 - 3-year trend analysis
- Project based (Priority based) budget

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Budget Process

- Estimate Revenues
- Estimate Expenditures

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Budget Process

- Estimate Revenues
 - Forecasting revenues can be done either using a trend analysis or more complex methodologies
 - Not all revenues are created the same as some are predictable and consistent while others are variable and erratic.

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Revenue Forecast

<u>GENERAL FUND REVENUE SUMMARY</u>	<u>ACTUAL 2017</u>	<u>ACTUAL 2018</u>	<u>ESTIMATED 2019</u>	<u>BUDGET 2020</u>
PROPERTY TAX:				
Residential	\$ 7,152,775.15	\$ 7,183,125.62	\$ 7,679,923.32	\$ 8,713,961.00
Trailer	27.90	-	-	-
Commercial/Industrial	2,800,392.14	2,893,351.24	3,261,695.35	3,261,695.00
Public Utility	224,023.21	239,357.57	243,640.96	243,641.00
Homestead Real Estate	163,692.52	158,809.54	160,000.00	160,000.00
10% Rollback Real Estate	822,978.01	827,379.15	896,562.70	896,563.00
2.5% Rollback Real Estate	175,435.50	175,806.70	224,140.67	224,140.00
10% Commercial/Industrial	-	-	-	-
Personal Property	2,990.28	-	-	-
Total Property Tax	\$ 11,342,314.71	\$ 11,477,829.82	\$ 12,465,963.00	\$ 13,500,000.00
INCOME TAX:				
City Income Tax	19,785,192.22	21,034,187.51	21,665,200.00	22,098,500.00
City Tax Reimbursement	284,464.00	319,137.00	325,000.00	331,500.00
Total Income Tax	\$ 20,069,656.22	\$ 21,353,324.51	\$ 21,990,200.00	\$ 22,430,000.00

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Expenditure Budget - Operations

- To be done with collaboration with the various departments
- Consider Economic indicators and economic trends (eg. Price of gasoline, construction industry and availability of contractors)

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Budget Worksheet - HR

									INC/(DEC)
DEPT	ACCT	DESCRIPTION	ACTUAL 2018	YTD 2019	ESTIMATED 2019	AMEND APPR 2019	REQUESTED 2020	RECOMM 2020	APPROP
HR	51100	F/T Administration	96,326.49	24,170.48	85,000.00	160,000.00	160,000.00	165,500.00	3.4%
	51800	Longevity/Extra Pay	1,625.00	50.00	1,800.00	2,600.00	2,600.00	2,600.00	0.0%
	52100	Hospitalization	23,032.08	4,977.36	17,600.00	23,100.00	23,100.00	23,100.00	0.0%
	52200	Pension	13,485.72	3,383.86	12,200.00	22,600.00	22,600.00	23,400.00	3.5%
	52300	Medicare	1,350.98	337.62	1,200.00	2,400.00	2,400.00	2,500.00	4.2%
	53310	Meetings/Seminars	369.00	343.00	500.00	3,000.00	3,000.00	3,000.00	0.0%
	53340	Reference Books	99.00	-	100.00	1,000.00	1,000.00	1,000.00	0.0%
	53622	Computer M/ce	861.30	526.34	1,000.00	3,000.00	3,000.00	3,000.00	0.0%
	53900	Misc Contracts	-	-	-	1,000.00	1,000.00	1,000.00	0.0%
	54120	Office Supplies	102.06	27.91	150.00	600.00	600.00	600.00	0.0%
	54140	Postage	127.86	21.38	150.00	400.00	400.00	400.00	0.0%
	55100	Furniture and Equipment	-	-	-	-	-	-	-
	57100	Expenses	1,327.59	618.00	1,500.00	4,000.00	4,000.00	4,000.00	0.0%
	57110	Medical Expenses	6,625.00	2,561.67	6,625.00	8,000.00	8,000.00	8,000.00	0.0%
		Total Expenditures	145,332.08	37,017.62	127,825.00	231,700.00	231,700.00	238,100.00	2.8%

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Budget Worksheet - Planning

DEPT	ACCT	DESCRIPTION	ACTUAL 2017	ACTUAL 2018	YTD 2019	ESTIMATED 2019	AMEND APRR 2019	REQUESTED 2020	RECOMM 2020	APPROP
PLANNING	51100	F/T Administration	345,388.48	354,464.59	122,812.50	366,500.00	368,000.00	368,000.00	378,700.00	2.9%
	51210	F/T Clerical	54.30	18.10	-	-	-	-	-	-
	51410	Seasonal Clerical	5,715.78	2,717.76	4,683.25	6,800.00	8,500.00	8,500.00	8,500.00	0.0%
	51500	Overtime	2,578.21	2,697.98	1,156.80	2,500.00	3,000.00	3,000.00	3,000.00	0.0%
	51600	Meetings	-	-	-	-	-	-	-	-
	51800	Longevity/Extra Pay	6,272.00	5,972.00	250.00	6,000.00	9,900.00	9,900.00	9,900.00	0.0%
	52100	Hospitalization	34,497.36	34,497.36	11,392.96	34,497.00	34,500.00	34,500.00	34,500.00	0.0%
	52200	Pension	50,198.17	51,060.87	18,011.33	53,500.00	53,900.00	53,900.00	55,700.00	3.3%
	52300	Medicare	5,114.18	5,183.15	1,824.95	5,500.00	5,700.00	5,700.00	5,800.00	1.8%
	53270	Administrative Fees	7,803.00	11,064.00	10,250.00	11,500.00	16,500.00	16,500.00	16,500.00	0.0%
	53310	Meetings/Seminars	3,461.20	5,681.64	3,345.49	5,000.00	15,000.00	15,000.00	15,000.00	0.0%
	53330	Dues	5,941.00	7,545.00	817.00	7,600.00	9,500.00	9,500.00	9,500.00	0.0%
	53520	Promotions	6,737.79	7,370.18	930.18	7,500.00	9,700.00	9,700.00	9,700.00	0.0%
	53621	Office Equipment Maintenance	372.22	470.40	66.63	300.00	1,000.00	1,000.00	1,000.00	0.0%
	53622	Computer Maintenance	6,819.01	6,781.57	-	6,800.00	1,000.00	1,000.00	1,000.00	0.0%
	53900	Miscellaneous Contracts	-	3,596.00	3,828.00	4,000.00	10,000.00	10,000.00	10,000.00	0.0%
	54120	Office Supplies	1,188.50	1,040.89	201.89	1,200.00	2,000.00	2,000.00	2,000.00	0.0%
	54140	Postage	1,122.21	943.77	560.33	1,200.00	3,000.00	3,000.00	3,000.00	0.0%
	55110	Office Equipment	-	-	-	-	-	-	-	-
	55130	Computer Equipment	1,159.82	455.00	-	1,000.00	1,500.00	1,500.00	1,500.00	0.0%
	57100	Expenses	23.00	20.00	-	100.00	350.00	350.00	350.00	0.0%
	57300	Depreciation Expense	-	1,500.00	-	1,500.00	1,700.00	1,700.00	1,700.00	0.0%
		Total Expenditures	484,446.23	503,080.26	180,131.31	522,997.00	554,750.00	554,750.00	567,350.00	2.3%

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Expenditure Budget - Capital

- To be done in collaboration with the various departments
- Follow Capital Plan designed under the framework of the Capital Policy

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Infrastructure Capital Plan

		CONSTRUCTION AMOUNT	LABOR AMOUNT	EXPENDITURE AMOUNT	TOTAL AMOUNT
2019	2019 General Road Mtce. Program	\$ 785,100	\$ -	\$ -	\$ 785,100
	Dover Ditch Retention Basin Ph II Engineering	-	20,000	100,000	120,000
	Dover/Center Ridge Intersection	4,643,600	50,000	20,000	4,713,600
	Turning Lane Driveway Install-BOE Dover Center Rd	-	-	-	-
	Traffic Signal-Westown-BOE	-	-	-	-
	Hilliard Blvd Resurfacing (Rocky River to Columbia)	3,000,000	50,000	20,000	3,070,000
	Water Lines-Schwartz	<u>1,235,300</u>	<u>20,000</u>	<u>10,000</u>	<u>1,265,300</u>
	(Plus \$2,287,400 from 2018)*	\$ 9,664,000	\$ 140,000	\$ 150,000	\$ 9,954,000
2020	2020 General Road Mtce. Program	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
	Dover Ditch Retention Basin Ph II	1,000,000	40,000	20,000	1,060,000
	Crocker Road Resurfacing (Detroit to Hilliard)	1,500,000	40,000	20,000	1,560,000
	Crocker Turn Lane/Boulevard	3,900,000	30,000	20,000	3,950,000
	Hawkins Watermain	1,300,000	30,000	20,000	1,350,000
	Water Lines-Bassett (Dover to Hilliard)	<u>3,000,000</u>	<u>30,000</u>	<u>10,000</u>	<u>3,040,000</u>
		\$ 12,000,000	\$ 170,000	\$ 90,000	\$ 12,260,000
2021	2021 General Road Mtce. Program	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
	Bassett Watermain (Hilliard to Detroit)	3,000,000	60,000	30,000	3,090,000
	Columbia Road Resurfacing (Detroit to Hilliard)	1,800,000	40,000	20,000	1,860,000
	Dover Ditch Retention Basin Ph III Engineering	-	20,000	100,000	120,000
	Dover Road Resurfacing	2,500,000	40,000	20,000	2,560,000
	Kenley Court Basin Refit	1,600,000	30,000	20,000	1,650,000
	Crocker Road Watermain 16" (Fire Station to Schwartz)	<u>500,000</u>	<u>20,000</u>	<u>10,000</u>	<u>530,000</u>
		\$ 10,400,000	\$ 210,000	\$ 200,000	\$ 10,810,000

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Infrastructure Capital Plan

2022	2022 General Road Mtce. Program	500,000	-	-	500,000
	Porter and Lansing Road Watermain w/Resurfacing	2,800,000	30,000	20,000	2,850,000
	Center Ridge Road Turn Lane at Mills	1,500,000	20,000	10,000	1,530,000
	Center Ridge Road Watermain (Columbia to Clague)	3,200,000	40,000	20,000	3,260,000
	Bradley Road Watermain (Bay to Corporate Line)	<u>2,500,000</u>	<u>40,000</u>	<u>20,000</u>	<u>2,560,000</u>
		\$ 10,500,000	\$ 130,000	\$ 70,000	\$ 10,700,000
2023	2023 General Road Mtce. Program	1,000,000	-	-	1,000,000
	Center Ridge Road Water Main (Crocker to N Ridgeville)	3,700,000	50,000	20,000	3,770,000
	Dover Ditch Retention Basin Ph III	1,900,000	40,000	20,000	1,960,000
	Detroit Road Watermain (Dover to Columbia)	<u>4,000,000</u>	<u>60,000</u>	<u>30,000</u>	<u>4,090,000</u>
		\$ 10,600,000	\$ 150,000	\$ 70,000	\$ 10,820,000
2024	2024 General Road Mtce. Program	900,000	-	-	900,000
	Walter Road Watermain	3,000,000	50,000	20,000	3,070,000
	Columbia Road Storm Sewer	3,500,000	50,000	20,000	3,570,000
	First and Second Streets Watermain	<u>2,000,000</u>	<u>40,000</u>	<u>20,000</u>	<u>2,060,000</u>
		\$ 9,400,000	\$ 140,000	\$ 60,000	\$ 9,600,000
2025	2025 General Road Mtce. Program	700,000	-	-	700,000
	Center Ridge Road Water Main (Columbia to Westwood)	3,400,000	50,000	20,000	3,470,000
	Hilliard Blvd Resurfacing (Columbia to Dover)	2,800,000	50,000	20,000	2,870,000
	Canterbury and First Streets Watermain	<u>3,200,000</u>	<u>50,000</u>	<u>20,000</u>	<u>3,270,000</u>
		\$ 10,100,000	\$ 150,000	\$ 60,000	\$ 10,310,000

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Budget Hearings

- WHEN - On a gloomy Saturday every December
- WHO - Mayor, Council, Directors
- WHAT - Council reviews Capital Budget
Council reviews departmental Line Item budgets



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Budget Hearings

- Budget is reviewed at a line item level
- Adopted at an Object Level

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Legal Budgetary Level of Control

- FUND
- FUND – DEPT/ACTIVITY
- FUND – DEPT/ACTIVITY – MAJOR OBJECT
- FUND – DEPT/ACTIVITY – ALL OBJECTS

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Legal Budgetary Level of Control

- EXAMPLE OF FUND LEVEL

– GENERAL FUND	xxx,xxx
– STREET CONST. MAINT FUND	xxx,xxx
– STATEHIGHWAY FUND	xxx,xxx
– WATER FUND	xxx,xxx
– GOLF COURSE FUND	<u>xxx,xxx</u>
• TOTAL APPROPRIATIONS	xxx,xxx

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Legal Budgetary Level of Control

- EXAMPLE OF FUND & PROGRAM/ACTIVITY LEVEL

- GENERAL FUND

- Police xxx,xxx
- Fire xxx,xxx

- GENERAL GOVERNMENT

- Mayor xxx,xxx
- Treasurer xxx,xxx
- Council xxx,xxx
- TOTAL GENERAL FUND xxx,xxx

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Legal Budgetary Level of Control

- EXAMPLE OF FUND, PROGRAM/ACTIVITY LEVEL & MAJOR OBJECT LEVEL

- GENERAL FUND

- Police operations
 - Personal Services xxx,xxx
 - All other expenditures xxx,xxx
- Fire operations
 - Personal Services xxx,xxx
 - All other expenditures xxx,xxx

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Legal Budgetary Level of Control

- EXAMPLE OF FUND, PROGRAM/ACTIVITY LEVEL & MAJOR OBJECT LEVEL

- GENERAL FUND

- Police operations
 - Salaries and wages xxx,xxx
 - Employee benefits xxx,xxx
 - Contractual Services xxx,xxx
 - Materials and Supplies xxx,xxx
 - Other xxx,xxx
 - Capital Outlay xxx,xxx

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Legal Budgetary Level of Control

- EXAMPLE OF FUND, PROGRAM/ACTIVITY LEVEL & ALL OBJECT LEVEL

- GENERAL FUND

- Police operations
 - Personal Services
 - » Salaries and wages xxx,xxx
 - » Overtime xxx,xxx
 - Employee benefits
 - » Retirement xxx,xxx
 - » Health Insurance xxx,xxx
 - Contractual Services
 - » Utilities xxx,xxx
 - » Liability Insurance xxx,xxx
 - Capital Outlay xxx,xxx

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What legal level should be used

- Considerations
 - Frequency of amendments
 - Flexibility to be granted to management
 - Budgetary policy adopted or other control levels established

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Appropriation Ordinance

Council(111/112)		
Salaries	198,700.00	
Expenses	121,000.00	319,700.00

Mayor(113)		
Salaries	272,400.00	
Expenses	118,900.00	391,300.00

Finance(120)		
Salaries	541,400.00	
Expenses	937,325.00	1,478,725.00

Technology (122)		
Salaries	207,300.00	
Expenses	572,700.00	780,000.00

Communications(125)		
Salaries	80,800.00	
Expenses	128,150.00	208,950.00

Law(130)		
Salaries	408,175.00	
Expenses	155,500.00	563,675.00

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Appropriation Amendments

- During the year the original appropriations can be amended from time to time
- Restriction – At no time can the appropriations exceed the estimated resources on the official certificate from the Budget Commission at the county

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Budget Monitoring

- Each month the appropriations should be monitored to ensure compliance with local and state laws.
- In our case the actual expenditures cannot exceed the appropriations at an object level
- There are entities that prepare their budgets at a line item level which may force frequent amendments by council.

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Budget Monitoring & Analysis

Fund	Fund Title	Account Code	Account Title	YTD Budget \$	YTD Actual Expend 2019	YTD Actual Expend 2018	Increase/ (Decrease)	% Change
100	General fund	51100	Administration	120,000.00	29,400.06	29,400.06	-	0.00%
		52200	Pension	16,800.00	4,115.94	4,115.94	-	0.00%
		52300	Medicare	1,400.00	341.10	341.10	-	0.00%
		53150	Telephone/long distance	0.00	0.00	0.00	-	0.00%
		53310	Meetings/seminars	2,000.00	0.00	0.00	-	0.00%
		53510	Advertising	2,000.00	213.16	393.16	(180.00)	-45.78%
		53530	Printing	19,096.52	390.00	390.00	-	0.00%
		53621	Office equipment maint	0.00	0.00	0.00	-	0.00%
		53622	Computer maintenance	7,000.00	0.00	831.96	(831.96)	-100.00%
		53900	Miscellaneous contract	52,013.21	65.41	122.00	(56.59)	-46.39%
		54120	Office supplies	1,000.00	49.25	290.06	(240.81)	-83.02%
		54140	Postage	1,000.00	2.12	51.21	(49.09)	-95.86%
		55110	Office equipment	0.00	0.00	0.00	-	0.00%
		55130	Computer equipment	0.00	0.00	2,630.38	(2,630.38)	-100.00%
		57100	Expenses	1,000.00	505.80	397.80	108.00	27.15%
		57120	Ordinance expenses	2,000.00	0.00	1,853.80	(1,853.80)	-100.00%
		57250	Technology allocation	0.00	0.00	0.00	-	0.00%
		57300	Depreciation expense	0.00	0.00	0.00	-	0.00%
Total	Council			225,309.73	35,082.84	40,817.47	(5,734.63)	-14.05%

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Revenue Monitoring & Analysis

Fund Title	Acct #	Revenue Account Description	YTD Estimated Revenue	YTD Actual Receipts 2019	YTD Actual Receipts 2018	Incr/(Decr)	% Change
General fund	41110	Agricultural/residential	7,679,923.32	4,326,828.47	4,434,263.90	(107,435.43)	-2.42%
	41120	Commerical/industrial tax	3,261,695.35	1,591,677.58	1,508,675.95	83,001.63	5.50%
	41130	Personal property tax	0.00	0.00	0.00	-	0.00%
	41131	Cat tax	0.00	0.00	0.00	-	0.00%
	41140	Trailer tax	150.00	0.00	0.00	-	0.00%
	41150	Public utility tangible	243,840.96	123,953.98	119,746.16	4,207.82	3.51%
	41210	Income tax	21,398,000.00	7,001,268.93	9,037,791.56	(2,036,522.63)	-22.53%
	41220	Income tax reimbursement	300,000.00	0.00	0.00	-	0.00%
	41310	Admissions tax	200,000.00	58,198.70	93,583.87	(35,385.17)	-37.81%
	41320	Hotel/motel tax	620,000.00	164,524.94	208,606.44	(44,081.50)	-21.13%
	42111	Local gov-county	373,333.79	112,467.06	143,794.14	(31,327.08)	-21.79%
	42112	Local gov-state	0.00	0.00	0.00	-	0.00%
	42113	Local revenue assistance	0.00	0.00	0.00	-	0.00%
	42120	Inheritance tax	0.00	0.00	11,059.85	(11,059.85)	-100.00%
	42160	Homestead real estate tax	165,000.00	78,025.86	79,095.07	(1,069.21)	-1.35%
	42171	10% rollback res tax	896,562.70	454,599.50	413,832.70	40,766.80	9.85%
	42172	2.5% rollback res tax	224,140.67	98,109.49	87,341.76	10,767.73	12.33%
	42173	10% rollback comm tax	0.00	0.00	0.00	-	0.00%
	42180	Cigarette tax	0.00	0.00	0.00	-	0.00%
	42210	Operating grants	170,000.00	1,495.75	27,158.40	(25,662.65)	-94.49%
	43111	Bbs fee-commercial	7,000.00	2,153.89	2,461.86	(307.97)	-12.51%
	43112	Bldg appeals & arch fees	120,000.00	46,967.76	38,378.50	8,589.26	22.38%
	43113	Building fines	500.00	50.00	200.00	(150.00)	-75.00%
	43117	Bbs fee-residential	1,000.00	336.19	509.86	(173.67)	-34.06%

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What controls are in place?

- Departments should have access to real time budgets to enable them to monitor them and ensure that the budgets are not exceeded
- Prior to putting forth a requisition for purchase of goods or services each department should ensure that the budgetary dollars are available for such purchases

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Encumbrances – Purchase Orders

- Encumbrances properly recorded will reflect a true unencumbered budget balance available for future purchases
- Purchases made without having a valid Purchase Order with the fiscal officer's certification are considered an illegal purchase

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Types of Purchase Orders

- Standard Purchase Orders
 - Normal purchases
 - specific items and quantities from single vendor
 - Dollar limit is what is certified by the Fiscal Officer
 - Expires once the purchase is completed and payment is made

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Types of Purchase Orders

- Blanket Purchase Orders
 - Various items to be purchased from various vendors
 - Limited to current year and should be closed at year end
 - Dollar amount set by ordinance
 - Must be labeled as Blanket PO

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Types of Purchase Orders

- Super Blanket Purchase Orders
 - Used for expenditures that are recurring and predictable
 - Limited to current year and should be closed at year end
 - Dollar limit is appropriations in the line-item
 - May be used for gasoline, road materials, services of professionals etc.

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Year End Budgetary Compliance

- At year end ensure appropriations by Fund are less than or equal to the amounts certified by the County Budget Commission on the Official Amended Certificate of Resources
- Provide the County Budget Commission with year end Unencumbered Cash Balances by Fund

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THANK YOU!

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