

# Fundamentals of municipal budget cycles

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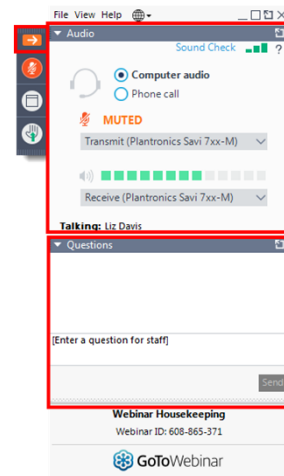
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## Webinar technical notes

### During the webinar

Technical difficulties?

Call GoToWebinar phone support  
at (877) 582-7011.

### After the webinar

AWC will email a link to the  
webinar recording to registered  
attendees within one week.

Note: The information contained in this presentation is for  
general educational purposes only and is not intended to  
be legal advice. Please consult legal counsel for advice  
about specific questions.



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## Agenda



Where does the money  
come from and where  
does it go



How to invest in the  
long haul for special  
long-term projects



How city staff can best  
support newly elected  
officials



Questions you should be  
asking and when



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# Fund Types

- General Fund (aka Current Expense)
- Special Revenue Funds
- Capital Projects
- Debt Service
- Proprietary Funds
- Internal Service Funds

Where does the money come from?

Property tax

Sales and use tax

Business and Occupation tax

Business licenses

Utility excise tax

Phone, power, cable excise tax

Franchise fees

Building permits

Water, sewer, garbage services

Municipal court fines and forfeitures

Grant funds

Gambling Tax

## Where does that money go?

General  
government

Critical capital  
projects

Individual  
services



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## Investing for the long haul

- Many cities will increase utility rates and utility excise tax to fund critical infrastructure improvements:
  - Enterprise funds
  - Rate increases
  - Political feasibility
- Cities will also increase business license fees:
  - Political feasibility

**A five to ten-year capital facilities plan can be an essential component of planning for your city's future.**

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# Key Elements



## Budgeting

Appropriate ordinance for immediate needs  
Strategic planning (long term)



## Reporting

Internal and external

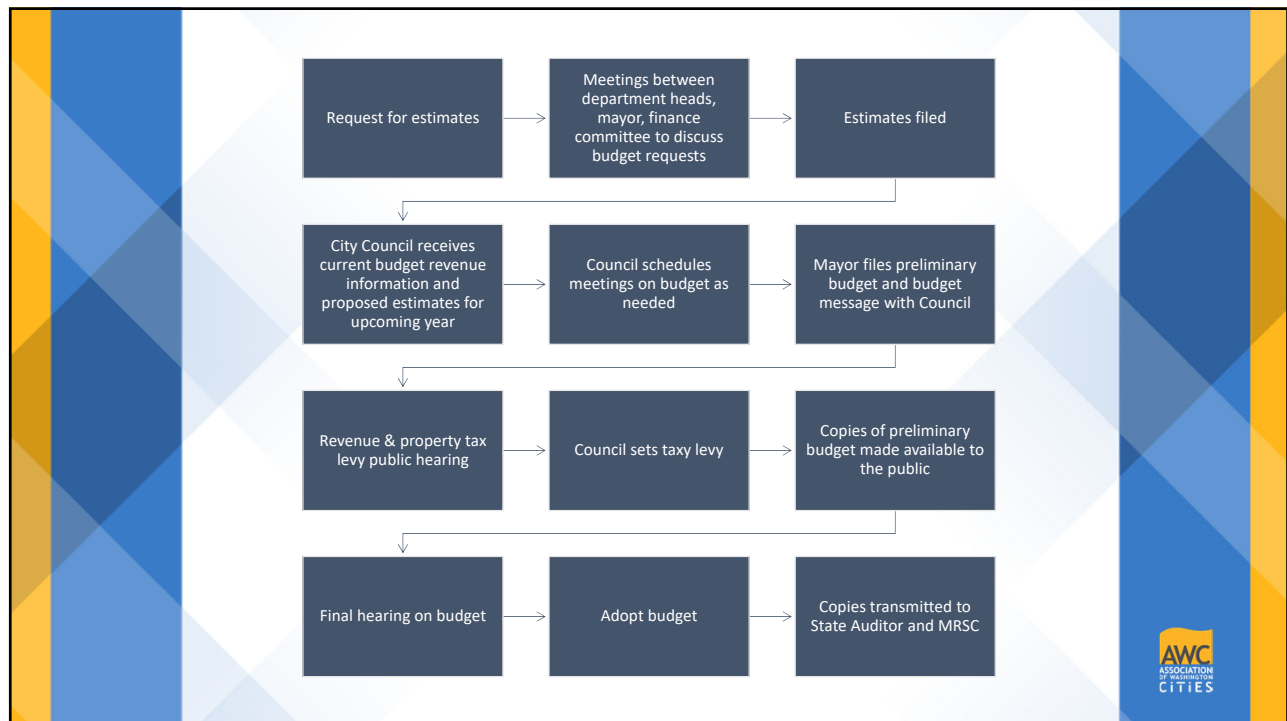


## Oversight

Review  
Monitoring  
Policies



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## Roles of the Budget Makers:

POLICY MAKERS:  
COUNCIL  
MEMBERS

CEO/CAO:  
MAYORS,  
MANAGERS,  
ADMINISTRATORS

DEPARTMENTS

PUBLIC –  
“STAKEHOLDERS”

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## Questions you should be asking as a newly elected:

- Is the city spending down reserves?
- Are revenues keeping up with expenditures?
- Does your city have “restricted” funds? If so, are those funds being spent appropriately?
- Are there areas within the city’s budget that are being overspent?
- Is the money appropriated correctly for infrastructure projects?

**Make an appointment with the appropriate department head and have a sit down and discuss.**

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## How can city staff best support newly elected officials?



- Be available for questions
- Provide easy-to-access information
- Connect newly elected officials to departments
- Support clear and concise policy, procedure and process information
- Share historical and political information



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## Resources

- AWC ([wacities.org](http://wacities.org)) – workshops/training
- MRSC ([mrsc.org](http://mrsc.org)) – webpages & trainings
  - Finance web pages – [mrsc.org/finance](http://mrsc.org/finance)
  - AskMRSC – call/email with questions
  - Training and Webinars – [mrsc.org/training](http://mrsc.org/training)
- GFOA ([gfoa.org/publications](http://gfoa.org/publications))
  - Publication series for elected officials
  - Best practice series
- WA State Auditor's Office ([sao.wa.gov](http://sao.wa.gov))
  - The Center – [center@sao.wa.gov](mailto:center@sao.wa.gov)
  - SAO Helpdesk

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