

Budget Calendar for Preparation of 2009 Budgets

in First (Under 300,000), Second, and Fourth Class Municipalities and Code Cities

Budget requirements for first (under 300,000) and second class municipalities, and towns are listed in chapter 35.33 RCW, as amended, and for cities under the Optional Municipal Code in chapter 35A.33 RCW, as amended. Chapter 35.32A RCW contains the budget law for cities over 300,000 population (Seattle).

Chapters 35.34 RCW and 35A.34 contain the provisions for a biennial budget. Thus far only a few cities are using the two-year budget process. Please see last page of budget calendar.

Major Steps in Budget Preparation	State Law Time Limitations	Actual 2008 Date
1. Request by city clerk to all department heads and those in charge of municipal offices to prepare detailed estimates of revenues and expenditures for next fiscal year (calendar year).	By second Monday in September. ^{1,2}	September 8
2. Estimates are to be filed with the city clerk.	By fourth Monday in September. ²	September 22
3. Estimates are presented to the chief administrative officer (CAO) for modifications, revisions or additions. City Clerk must submit to CAO proposed preliminary budget setting forth the complete financial program, showing expenditures requested by each department and sources of revenue by which each such program is proposed to be financed.	On or before the first business day in the third month prior to beginning of the fiscal year.	October 1
4. CAO provides the legislative body with current information on estimates of revenues from all sources as adopted in the budget for the current year. CAO also provides the legislative body with the clerk's proposed preliminary budget setting forth the complete financial program, showing expenditures requested by each department and sources of revenue by which each such program is proposed to be financed.	No later than the first Monday in October.	October 6
5. The legislative body must hold a public hearing on revenue sources for the coming year's budget, including consideration of possible increases in property tax revenues. (Chapter 251, Laws of 1995. codified as RCW 84.55.120.)	Before legislative body votes on property tax levy. Deadlines for levy setting are in item 8 below.	

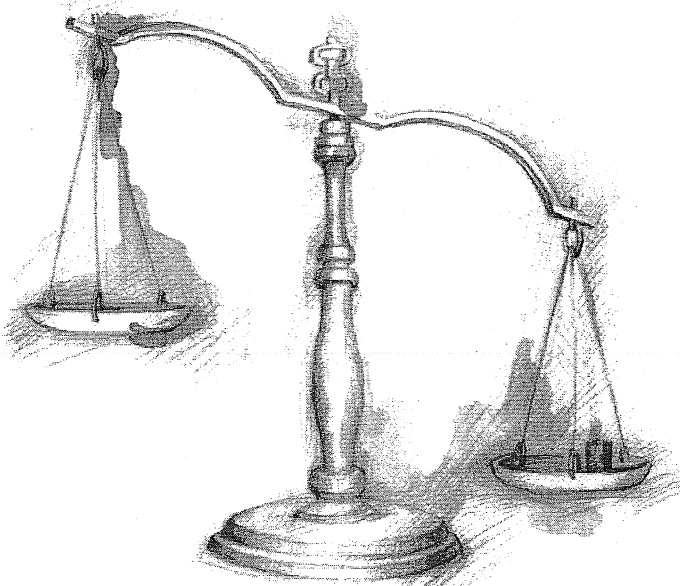
Budget Suggestions for 2009

Major Steps in Budget Preparation	State Law Time Limitations	Actual 2008 Date
6. CAO prepares preliminary budget and budget message ³ and files with the city legislative body and city clerk.	At least 60 days before the ensuing fiscal year.	November 3
7. Clerk publishes notice of filing of preliminary budget with city clerk and publishes notice of public hearing on final budget once a week for two consecutive weeks.	No later than the first two weeks in November.	November 3 through November 14
8. Setting property tax levies (HB 1048, Ch. 52 Laws of 2005 and RCW 84.52.070).	November 30 for <i>all</i> cities and towns.	
9. The legislative body, or a committee thereof, must schedule hearings on the budget or parts of the budget and may require the presence of department heads.	Prior to the final hearing.	November 3 through 28 (suggested)
10. Copies of proposed (preliminary) budget made available to the public.	No later than six weeks before January 1.	November 19
11. Final hearing on proposed budget.	On or before first Monday of December, and may be continued from day-to-day but no later than the 25th day prior to next fiscal year (December 7).	December 1
12. Adoption of budget for 2009.	Following the public hearing and prior to beginning of the ensuing fiscal year.	Day of your public hearing through December 31.
13. Copies of final budget to be transmitted to the State Auditor's Office and to MRSC.		After adoption
<p>¹RCW 35.33.031 actually provides "on or before the second Monday of the fourth month," etc. Therefore, pursuant to the state budget law, that step (and certain others) could be taken before the dates listed here. See also, RCW 35A.33.030.</p>		
<p>²Or at such other time as the city or town may provide by ordinance or charter (RCW 35.33.031 and .051 and 35A.33.030 and .050).</p>		
<p>³RCW 35.33.031 and RCW 35A.33.055 specify that the budget message must contain the following:</p>		
<ol style="list-style-type: none"> 1. An explanation of the budget document; 2. An outline of the recommended financial policies and programs of the city for the ensuing fiscal year; 3. A statement of the relation of the recommended appropriation to such policies and programs; 4. A statement of the reason for salient changes from the previous year in appropriation and revenue items; 5. An explanation for any recommended major changes in financial policy. 		

ESSENTIAL ELEMENTS OF THE BUDGET PROCESS

There are five elements of the budget process that are considered essential to the successful adoption and implementation of the City budget.

1. Establish budget priorities (Goal/Vision statement) – underlying budget policies, goals and community vision to provide direction √ complete
2. Determine short and long term capital needs. – updates to capital facilities plan provides strategies that are essential to the annual budget adoption process.
Pending
3. Sound Revenue/Resource forecasting – Revenue forecasting based upon both qualitative and quantitative forecasting methods that use common sense, local history and documentation as a basis for conservative and realistic estimates.
Pending
4. Budget Proposals with Level of Service Objectives – department requests and proposals that clearly reflect the priorities, goals and visions of the City are instrumental in demonstrating to both Council and the public that their needs and concerns are being met. Pending
5. Timely Presentation of Plans and Financial Data – careful adherence to the budget calendar and transmittal of financial data throughout the year to Council to allow decision makers to see how resources are being used to meet the goals and objectives of the community and that those objectives are balanced with the resources available to provide the required level of service. Ongoing.



City of Langley Budget Mission Statement

The City of Langley's government is committed to administering public funds in a manner which protects the city's long-term financial stability and provides for future growth, while preserving our natural resources and enhancing those qualities that make Langley a unique and desirable place to live.

FINANCIAL GOAL

1. To maintain a financial base sufficient to sustain an acceptable level of municipal services that maintain the social well being and physical condition of the city.

Financial policies

- The City will budget adequate funds to maintain all its assets at a level which protects the city's capital investment and minimizes future repair and replacement costs.
- The City will project its equipment and vehicle replacement needs for the next five years and will update this projection each year. From this projection, a replacement schedule will be developed and followed.
- The Police Department, Sewer, Water and Street departments will budget contributions to Capital Reserves, based on their estimated future share of costs for the replacement of vehicles and equipment.
- Utility fees will be set at a level that fully supports the total direct and indirect costs of providing service. Indirect costs include the cost of annual depreciation of capital assets. Rates will be reviewed annually and adjusted as necessary.
- The Capital Facilities Plan will be reviewed annually; capital needs not identified in the CFP will not be considered in the budget process.
- Fee-in-lieu parking fees will be placed in Capital Reserves for parking improvement projects.
- All departments will contribute to Capital Reserves to maintain an adequate reserve of funds to cover cash-out of accumulated employee sick leave and vacation benefits.
- The General fund will contribute annually to Capital Reserves for future maintenance and improvements to the City Hall property and the Library Building.
- Inter-fund loans will be subject to Council approval by resolution and will bear interest based on prevailing rates.
- The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life.
- Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- City Council approval is required prior to the issuance of any debt.

- One half of Real Estate Excise tax receipts will be placed in the General fund for payment of the City Hall/Library debt service; the other one-half will be placed in Capital Reserves for municipal capital improvement purposes.

FINANCIAL GOAL

2. To be able to withstand local and regional economic trauma or downturns.

Financial policies

- Sufficient cash shall be maintained to provide adequate funds for current operating expenditures; all idle cash will be invested on a continuous basis in legal, safe, investments with adequate liquidity and yield.
- All department heads will actively pursue all state, federal and private grant sources available before committing regular budget resources for major equipment or other extra-ordinary needs.
- Revenue estimates, especially in the General Fund, are sensitive to economic activity, therefore revenue estimates adopted in the budget will be conservative.

FINANCIAL GOAL

3. To adjust to changes in the service requirements of the community and respond to other changes as they affect the city residents.

Financial policies

- All user fees and charges will be set at a level related to the cost of providing the service, adjusted for inflation, and reviewed annually.
- Water and Sewer hook-up fees will be placed in Reserves for capital improvements to those systems.

FINANCIAL GOAL

4. To maintain adequate fund balances to support cash flow throughout the budget year.

Financial policies

- The City will maintain a high standard of accounting practices which at all times, conform to the State of Washington Budgeting and Accounting Reporting System (BARS).
- The City will work to accumulate a reserved cash balance of 10% of each operating fund to provide for adequate cash flow throughout the year and cover any unbudgeted contingencies.
- Purchases over \$10,000 require prior approval of the City Council.

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- The City may issue inter-fund loans rather than debt financing to meet short-term cash flow needs or to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received.