

The Budget Process

The Budget Document

A budget cannot be effective unless it communicates. Since this budget has a diverse audience, it seeks to communicate at several levels and for several purposes. The budget document reflects all City operations. The activities of every City department, organization and function are formalized and detailed within these pages.

The budget document provides written legislative and administrative guidance to City employees regarding the nature and scope of their official activities during the fiscal biennium. These official activities were planned, debated and formally established during the budget process. The budget communicates significant policy issues and options in a form that can be acted on by policy officials. The budget also communicates the plans of the City to its constituents in an opportunity to provide meaningful comments to the elected officials.

A Biennial Budget

In June of 1996, the Longview City Council passed Ordinance No. 2630, in accordance with RCW 35.34, that provided for a two-year fiscal biennium budget. Longview continues to operate under the provisions of this budget ordinance during the 2005-2006 biennium. In Washington State, the fiscal biennium for cities must begin in the odd-numbered year.

Budget Policies

The City of Longview biennial budget outlines how the financial resources of the City will be managed. The City's budget must be adopted by the City Council as a balanced budget before any public funds can be expended. The adopted budget is the City's legal authority to spend public funds and also provides the means for controlling expenditures. The City's comprehensive budget describes in narrative form significant items in the budget, financial trends, and any policy implications.

Setting policy through the budget is a continuous, two-year process, involving setting goals and establishing priorities. Public participation is critical to the budget process as well as being required by law, because of the many policy decisions involved. Once a budget is adopted, the City of Longview is responsible for monitoring program progress through periodic reports from staff and from the community. If programs are not effectively implementing policy decisions, revisions can be made.

More detailed information about the City's accounting and budgeting system is found in the Financial Summary section.

Budget Process

CITY OF LONGVIEW 2005/2006 Budget Calendar

May 2004							June 2004						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
					1	1			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23/30	24/31	25	26	27	28	29	27	28	29	30	31		

July 2004							August 2004							September 2004						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
				1	2	3	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28	29	30		

October 2004							November 2004							December 2004						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
					1	2		1	2	3	4	5	6				1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30	31				26	27	28	29	30		

■ Staff Dates ● Council Dates

Budget Calendar

State law defines a city budget calendar timetable for completing the various steps leading to the budget's adoption. Longview staff begins budget preparation during the summer of even-numbered years. By the second Monday in September, a preliminary budget is completed. Staff presents the proposed budget to the Council by mid-November, and public hearings are held to review and approve it. The budget process ends when the final budget is adopted on or before December 31 by the Longview City Council.



This calendar illustrates the different deadlines and processes for adopting and implementing the City of Longview's biennial budget for 2005/2006.

May/June

May 15 - Council Workshop. 2004 mid-year financial review and establish 2005/2006 budget parameters; includes review of utility rate structure.

June 7 - Department Head Meeting - Budget information distributed. A training session is presented by Finance staff for budget preparers after department head meeting.

July 13 - Mail outside agency requests for funding packets.

July 27 - Department heads return completed baseline budgets to Finance.

August 13 - Finance completes first run of expenditure and revenue budget.

August 20 - Agency outside funding requests due.

August 26 - Regular Council meeting - preliminary budget.

August 31 - Department heads submit program enhancements, capital improvement projects and performance measures to Finance Director.

September 7 - Preliminary revenue and expenditure budgets with narrative submitted to City Manager.

September 7-10 - City Manager reviews preliminary budget.

September 9 - Regular Council meeting, outside agency request presentations.

September 15-17 - City Manager meets with department heads to review preliminary baseline budgets, program enhancement requests and capital improvement projects (CIP).

September 23 - Regular Council meeting. Schedule public hearing on 2005 revenue sources.

September 27 - Budget estimates are filed with City Clerk for public disclosure. Proposed preliminary budget to City Manager.

October 1-22 - Finance Director and City Manager make final review of revenue and expenditure budgets. City Manager reviews supplemental budget requests and capital improvement projects and decides what to incorporate into the baseline budget and Capital Improvement Plan.

October 4 - City Manager distributes revised estimated and proposed preliminary budget to City Council.

October 16 - Council Workshop to discuss 2005/2006 preliminary budget and CIP.

October 18-22 - Finance Director balances funds and produces a third run of preliminary budget with changes made by City Manager.

October 25 - 29 - Finance prepares budget and Capital Improvement Plan in final form to be sent to printer.

October 26 - *First* public hearing notice published on proposed budget and CIP. (1 week)

October 28 - Regular Council meeting, Public Hearing on 2005 revenue sources. Council adopts ordinance setting property tax levy. Council sets public hearing on biennial budget for November 18, 2004. Council consideration of utility rate, utility connection charge and system development charge for resolutions.

November 2 - *Second* public hearing notices published on proposed budget and CIP. (1 week)

November 5 - Budget and CIP sent to printer.

November 9 - 2005/2006 preliminary budget and CIP distributed to Council, media and public.

November 18 - Regular Council meeting. Conduct public hearing on 2005/2006 budget and CIP. Budget ordinance and CIP resolution ready for adoption at this meeting or on December 9.

December 9 - Regular Council meeting to adopt 2005/2006 budget ordinance and CIP resolution if not approved on November 18.

December 10 - Notify outside agencies of funding requests.

July

August

September

October

November
December

Budget Process

Putting the Budget Together

Setting Policy

The Council sets public policy in two major ways: By enacting ordinances during the year, and by establishing budgetary (taxing and spending) policies. In 1994, the City Council began a long-range strategic planning project using the services of a nationally recognized consultant and the input from a thirty-member Citizen's Preferred Future Search Committee. The result was a vision and strategy titled *Longview 2015: Our Preferred Future*. This strategic plan sets goals and policies for the City to follow each year for the next twenty years.

The City prepares its budget based on the goals and objectives established in *Vision 2015*. Additional information about Vision 2015 is located in the *Readers Guide to the Budget* beginning on page 11.



Estimating Expenditures

This phase of the budget process begins in early summer of even-numbered years, with a workshop meeting of the City Council. The City Council establishes the parameters that must be followed by staff during the preparation of the preliminary budget. At a subsequent management staff meeting, the City Manager distributes budget materials and information describing these parameters to all department heads. Following the staff meeting, individual department heads and members of their staff prepare estimates based upon a projection of current trends, a forecast of the effect of new programs, and an estimate of what is needed to pay remaining bills. The departmental budget requests are prepared and presented to the Finance Director for consolidation into a preliminary budget document for review.

Estimating Revenues

While expenditures are being estimated, the Finance Director looks at potential revenues the City can generate. Two key questions are raised: What are the factors impacting future revenue flows, and what is the estimated level of revenues for the upcoming budget period?

Reviewing Estimates

In September, the preliminary budget is ready for review by the City Manager and department heads. The City Manager reviews the department requests, taking into account policy objectives and priorities for new or expanded programs. The City Manager and Finance Director review current financial data and revenue projections in early October. Late in October, the budget is returned by the City Manager to the Finance Director for printing.

Preparing the Document

The City Manager prepares the draft or preliminary budget for Council review, usually in early November. The preliminary budget and message are also presented to the media and the general public at this time. The City Council thoroughly reviews the preliminary budget in a series of public meetings, workshops and public hearings. Interested individuals and community groups also review the preliminary budget during this time and offer their insights, comments and suggestions to the City Council.

Adopting and Implementing the Budget

The City Manager presents the budget to the Council and the public for review and adoption in an open public meeting. The public hearing is usually included as an agenda item on the first City Council meeting of November. Additional budget meetings are held by the City Council before the passage of the budget adoption ordinance in December. Once the hearings are completed, a budget ordinance is enacted, and the budget is formally adopted. The final budget is a formal, published document similar to the preliminary budget, but including any modifications made by the City Council. The ordinance officially authorizes funding specific expenditures with identified resources.

