
Budget Process & Calendar

The Finance Department has a Budget Preparation Manual and a Capital Improvements Plan Manual to assist the department. The manuals contain and explain policies, procedures, budget schedule which highlights the milestones and due dates, and forms to be used in the budget process.

In December 2006, the manuals were distributed at a Budget and CIP Kick-off workshop held with the City Manager and the Executive Management Team. This workshop included a briefing on the status of the current fiscal year budget, a review of the FY 2007-08 schedule and budget process, including changes in the process, and a discussion on essential principles and elements of the budget process.

Departments were requested to prepare budget requests based on the following criterion:

1. Appropriation Target:

Regardless of funding sources, the FY 2007-08 appropriation target for each department is the originally adopted appropriation for FY 2006-07 with a 1.8% reduction in O&M, adjusted for salary and benefits as required by various memoranda of understanding, and a 20% reduction in travel and training,

2. Alignment with Strategic Plan:

Budget requests should support the achievement of the current strategic goals.

3. Work Plan and Performance Indicators:

The work plan includes information on specific departmental goals, the measurable objectives for progress in achieving the departmental goals, and the strategies that departments plan to use during FY 2007-08. Additionally for FY 2007-08, departments developed customer service performance indicators to track key customers service measures for both external and internal customers

The initial analysis of the departments' operating and CIP budgets was performed by the Budget Manager and Financial Analysis and Reporting. Meetings with the Budget Manager and the departments clarified departmental requests and prioritized proposed increases to departmental budgets. Additionally, departmental budget hearings were scheduled, where each department had an opportunity to present their budget to the City Manager, the Assistant City Manager, the Chief Financial Officer, and the Budget and Evaluation Manager.

The Folsom Municipal Code requires that the budget for the ensuing fiscal year shall be presented to the City Council on or before the first working day of the last month of each fiscal year. A budget workshop will be held on June 6, 2007, with the City Council to receive public comment and to review the components of the proposed budget, prior to formal consideration for adoption.

Budgets are adopted on a basis consistent with generally accepted accounting principles. The City Council adopts the annual budget submitted by the City Manager prior to the beginning of the new fiscal year. All appropriations lapse at year-end except for those relating to encumbrances, which are approved for carryover to the subsequent year. The City Manager has

the authority to make adjustments within departmental budgets. Adjustments between funds require the approval of the City Council.

Budgetary controls are maintained to ensure compliance with the budget as approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund and department level.

Department directors and other management staff with budgetary responsibilities are provided with a monthly budget versus actual expenditure report. Quarterly financial statements are prepared for the City Council, which include a budget-to-actual analysis for both revenues and expenditures. Revenue projections are revised as part of the mid-year budget analysis, and appropriations are adjusted, if required.

December 2006	<ul style="list-style-type: none"> ✓ Budget & CIP Kick-off
February	<ul style="list-style-type: none"> ✓ Operating Budgets and CIPs due to Finance Department ✓ Accomplishments, Key Issues and Performance Measures
March	<ul style="list-style-type: none"> ✓ Mid-Year 2006-07 Budget Review ✓ Finance reviews Budgets with Departments
April	<ul style="list-style-type: none"> ✓ Budget Hearings with the City Manager, Assistant City Manager/CFO, and Budget Manager
May	<ul style="list-style-type: none"> ✓ City Manager presents Preliminary Budget to City Council
June	<ul style="list-style-type: none"> ✓ City Council Budget Workshop ✓ City Council adopts Final Budget ✓ Finance Department implements Adopted Budget
Ongoing	<ul style="list-style-type: none"> ✓ Budget is monitored through quarterly financial statements to City Council