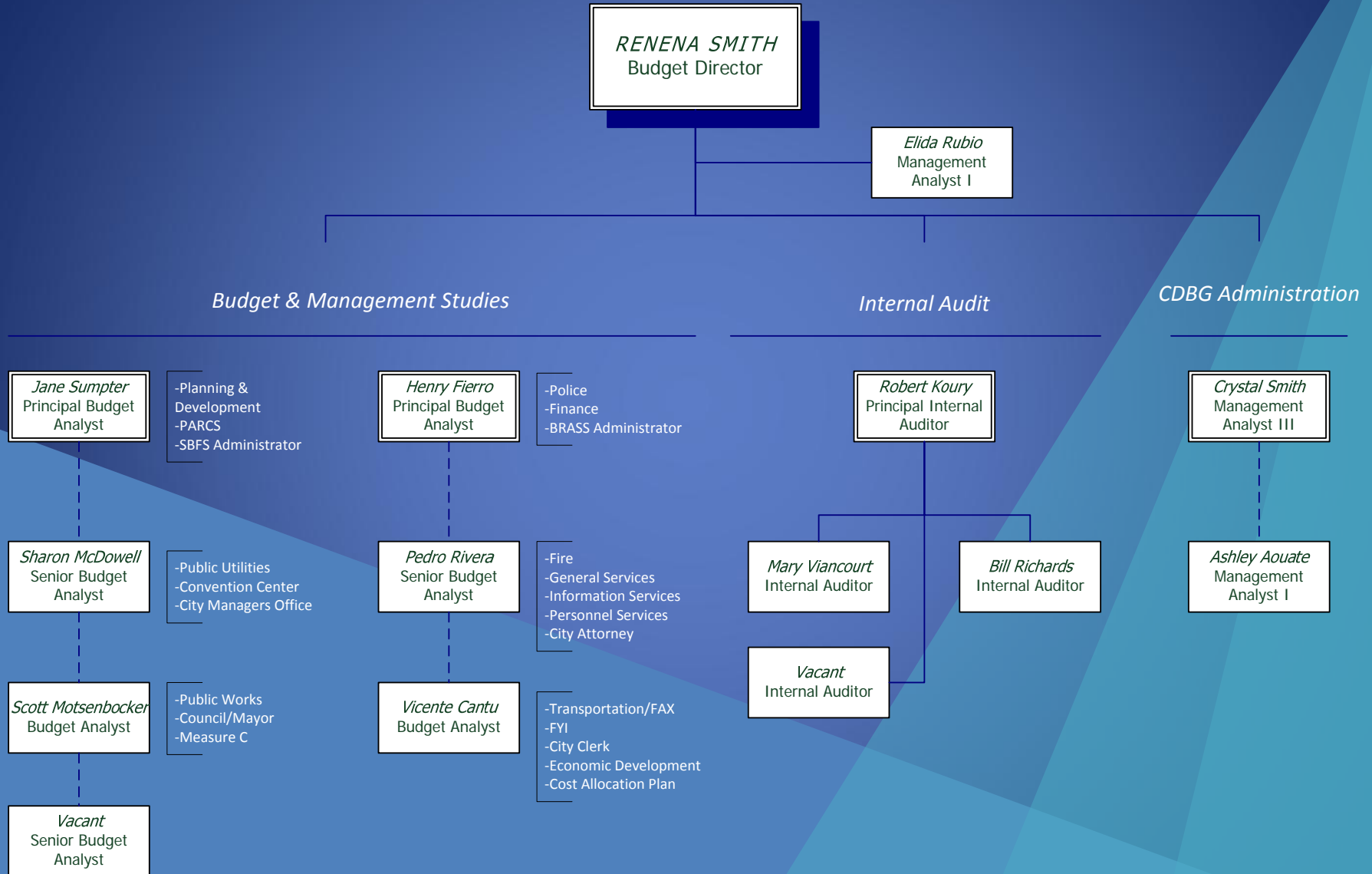


# *City of Fresno Budget*

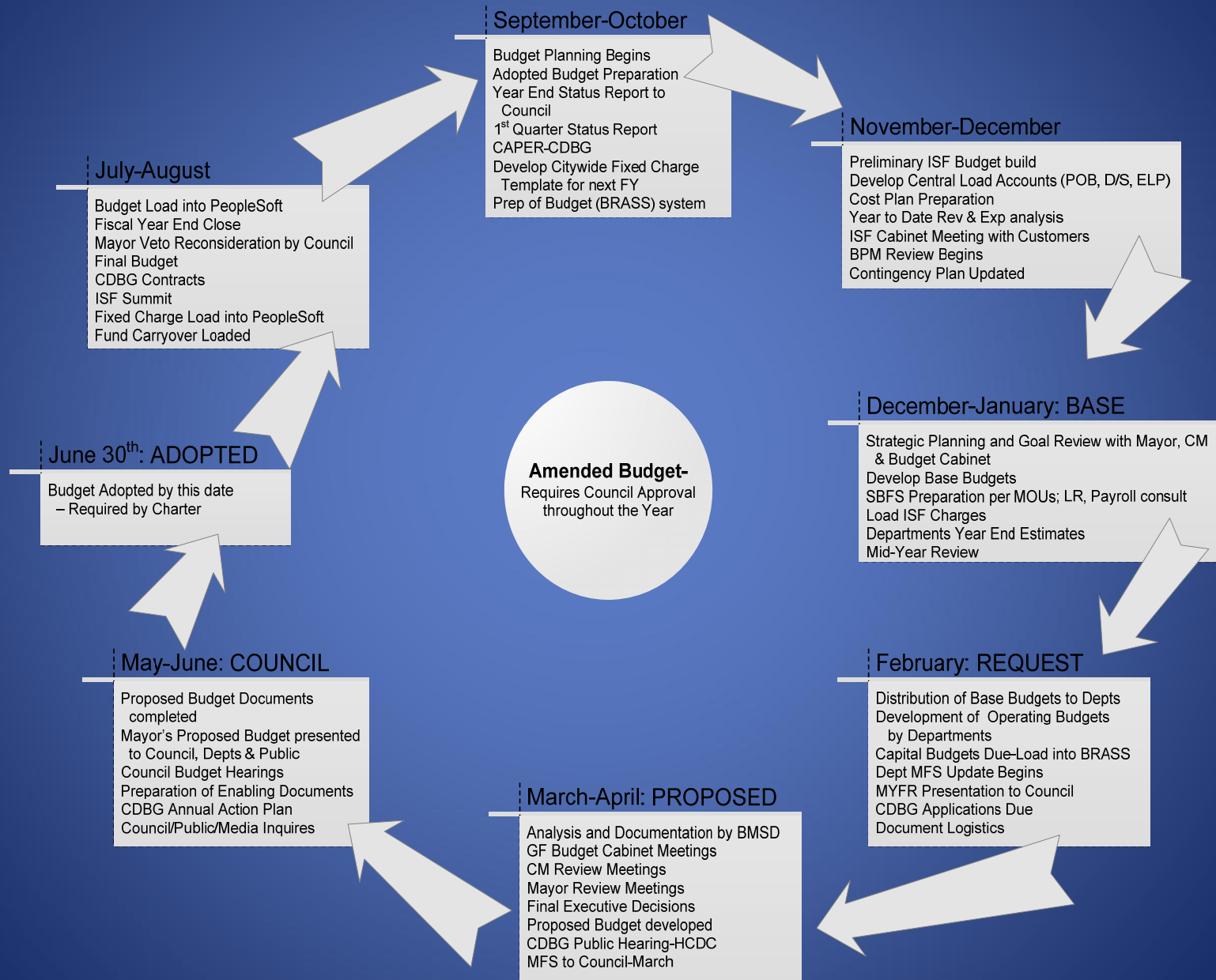
*Fresno Citizens Academy  
June 23, 2009*

*Renena Smith  
Budget Director*

# Budget & Management Studies Division



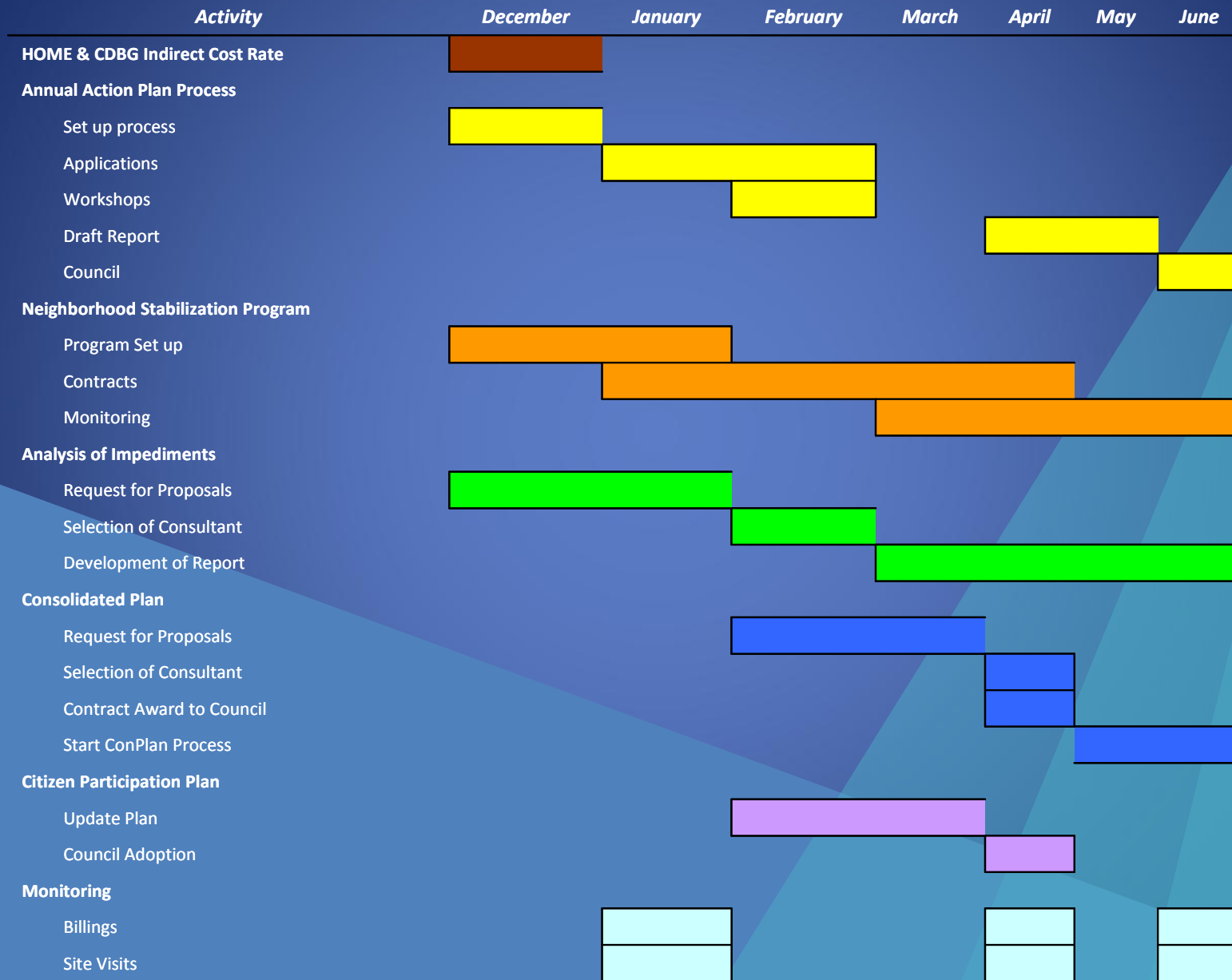
# Budget Cycle & Calendar



# *Community Development Block Grant (CDBG)*

- CDBG Administration
  - CDBG is a federal formula grant awarded by Congress and administered by the U.S. Department of Housing and Urban Development (HUD). The intent of the grant funds is to provide decent housing, a suitable living environment, and to expand economic opportunities, primarily for low and moderate income persons.
  - Consolidated Plan
  - Annual Action Plan
  - Consolidated Annual Performance Evaluation Report
  - Liaison
  - Act as Fiscal Agent
- Neighborhood Stabilization Program
- Home Commitment Analysis
- Indirect Cost Rate Proposal

# CDBG Work Plan



# *Internal Audit Section*

- Internal Audits and Follow Up Reviews
  - Operational
  - Internal Control
  - Contract
  - Special Project
- Administrative Order 1-10 Special Reviews

# *Budget Section - Additional Responsibilities*

- In addition to the budget preparation process, BMSD is also involved in:
  - Master Fee Schedule
  - Bond Issues
  - Downtown Implementation Committee
  - Health & Welfare Board
  - Indirect Cost Rate Proposal
  - Fixed Reimbursement Upload to PeopleSoft, the City's Financial System
  - Prop 172 Maintenance of Effort for Public Safety Depts



*The City of Fresno's  
Budget Process*

# *Why Does the City Budget?*

- Legal Requirement – Sections 1202 thru 1206 of the City Charter
  - Budget must be approved by June 30<sup>th</sup>, since all spending limits lapse at the end of the Fiscal Year
- Sets priorities for the City organization
- Short and long range planning tool
- Lets citizens know how their money is being used.
- Establishes legal spending limits for the City

# *Some Background Information*

- City Organization
  - Department (Finance)
    - Division (Budget & Management Studies)
      - Section: We budget at this level (Internal Audit)
- Types of Funds
  - **General:** Primarily supported by taxes – This is the one everybody knows about and the only one most people know of
  - **Enterprise:** Outside support – fees (FYI, FAX) and rates (Public Utilities)
  - **Internal Service (ISF's):** Inside support – City Attorney, Finance, General Services
  - **Special Revenue:** Restricted uses – CDBG, Gas Taxes

# *What does the City Budget?*

- Employee Services
  - Salary
  - Fringe
    - Health & Welfare
    - Medicare, Unemployment
    - Pension
- Operations & Maintenance
  - Supplies
  - Utilities
  - Fuel
  - Debt Service
  - Other
- Interdepartmental Charges
  - Costs from Other City Departments
    - Fleet
    - Personnel
    - Computer Support
    - Finance
    - Legal Support
- Capital Projects
  - Enterprise Funds
  - Special Revenue
  - General Fund (very little)

# *How Does the City Budget? – The Budget Cycle*

- Base Budget
  - Request Budget
    - Proposed Budget
      - Adopted Budget
        - Amended Budget

# *Preparing the Budget: Base*

- Base Budget: December & January
  - Mayor Reviews Priorities for the Next Year
  - Current Level of Service
    - How much will it cost in the next Fiscal Year to:
      - 1) Pay Employees
        - » Union Contracts, H&W, Pension
      - 2) Pay for support from other City depts. (ISF's)
  - Legal Obligations
    - Debt Service
    - Lease Payments

# *Preparing the Budget: Request*

- Request Budget: February
  - Department Wants/Needs
    - Maintain level of service (O & M)
    - New services/programs (new positions, equipment)
      - Mandated, Mayor Request
    - Cutbacks? Maybe, if we don't have enough money
  - Revenues are estimated in every fund (taxes, rate revenues, grants, new or increased fees, etc....)
  - Submitted to the Budget Office for Review & Analysis

# *Preparing the Budget: Proposed*

- Proposed Budget: March/April
  - Mayor/City Manager uses budget analysis to determine what's in and what isn't
  - Final revenue estimates for General Fund, other Funds; General Fund must be balanced
  - Review by Mayor
  - Final Decisions
  - Preparation of Documents

# *Preparing the Budget: Adopted*

- Adopted Budget: May/June
  - Council reviews and changes
    - Ask questions of departments and staff
    - Proposes changes, Council must vote on each change
  - Public Hearing: Your chance to be heard
  - Possible veto by Mayor
  - Must adopt by June 30<sup>th</sup>

# *What Does Council Adopt?*

- Annual Appropriation Resolution (AAR)
  - Legal spending limit
  - By department, by Fund
- Position Authorization Resolution (PAR)
  - Authorized number of positions for each department
- Salary Resolution
  - Sets salaries for all job classes
- Two other technical documents

# *Changing the Budget: Amended*

- Amended Budget
  - Changes are done throughout the Fiscal Year
    - Priorities change
    - New revenue needs to be used – must go before Council
      - New grant monies
    - Revenues decline – Budget has to be adjusted, since Budget must remain in balance
    - A community need must be addressed
      - New parks security
  - Council and Mayor must approved changes
  - Done through a Amending Resolution

# Budget Challenges

- Lack of Revenues
  - Property and Sales Taxes are down, and...State may grab more Property & Sales Taxes
  - Not as many grants as in prior years and they only build not maintain
  - Economic activity in the City is increasing, but not fast enough
  - Revenues do not include general assessments or taxes that other cities charge
- Increasing Costs – Much of it tied to growth of the City
  - Employee Services
    - Health & Welfare
    - Pension
    - Salary
  - Utilities
  - Fuel
  - More State, Federal regulations
  - Maintenance of new facilities (Parks, Fire Stations, etc.) built with bonds, grants, or UGM monies

# *FY 2010 Budget*

- The Budget totals \$1.065 Billion
- The General Fund is \$233 Million
- Total Capital Funding is \$408.6 Million

*Questions?*