



# Budget Road Map – Fiscal Year 2016

## BUDGET TIMELINE:

October 1

October–January

April 22  
(Forecast Work Session)

May 6, 13, 20  
(Forecast Work Sessions)

May–June

June–July

July 30  
(Budget Work Session)

August 6

August 10 & 12  
(Budget Work Sessions)

August 20 & 27

September 1  
(Budget Work Session)

September 8-10

September 30

## Staff Function

## Council Role

First Day of the Fiscal Year!

Update Business Plans and Annual Performance Report

Present Five-Year Financial Forecast

- Detail revenue and expenditure assumptions
- Highlight rate and fee changes
- Summarize initial funding requests from departments

- Department staff available for Council questions

Community Engagement

- Budget-in-a-Box
- Conversation Corps
- Presentations to Boards and Commissions

Develop Proposed Budget

Present City Manager's Proposed Budget ★

- Overview of revenue assumptions including tax and utility rates
- Highlight significant changes including program enhancements and new positions

Department Budget Presentations

Present any additional budget data or analysis requested by Council

Provide analysis and support to Council throughout the budget adoption process

- Receive information from staff
- Provide feedback on assumptions
- Discuss policy priorities (e.g. tax and utility rates, service levels, etc.)
- Identify additional data needs

- Continuation of discussion and feedback related to financial forecast and policy priorities
- Ask questions of department staff

- Receive information from staff
- Provide feedback on assumptions
- Discuss policy priorities (e.g. tax and utility rates, service levels, etc.)
- Identify additional data needs

Council Sets the Maximum Tax Rate ★

- Continuation of discussion of proposed budget and policy priorities
- Ask questions of department staff

Public Hearings ★

- Receive testimony on Proposed Budget
- Continuation of discussion of proposed budget and policy priorities
- Ask questions of staff

Budget Readings ★

- Council adopts the budget after approving any amendments

Last Day of the Fiscal Year!



Charter or legal requirement



# Budget Definitions & Terms Road Map

## TERMS:

### Business Planning

### Annual Performance Report

### Financial Forecast

### Public Engagement

### Proposed Budget

### Adopt a Maximum Tax Rate

### Public Hearings

### Budget Readings

## Definitions:

Annual process for departments to proactively set priorities for the coming year, assess strengths and weaknesses, identify horizon issues, evaluate operations and performance, and establish measurable goals.

Highlights department actual performance concerning their key indicators of success over a five-year period.

This marks the formal starting point for City Council's engagement in the annual budget development process. Staff presents preliminary revenue and expenditure projections using the best data available at that time. A list of initial funding requests from non-enterprise departments is also provided at this time. This background information provides Council with a foundation from which to discuss policy priorities for the upcoming year and to question staff about the underlying forecast assumptions.

The City provides multiple opportunities and methods for the public to engage in the budget development process. Budget-in-a-Box is designed to provide small citizen groups an opportunity to express their budget priorities for the upcoming year. Conversation Corps takes place in various locations throughout the City to discuss an "issue of the month." Boards and Commissions meetings provide a great opportunity for the public to learn more about a specific department's budget.

The City Charter assigns the responsibility for crafting an annual Proposed Budget to the City Manager. The Charter further requires the City Manager to provide the Proposed Budget to City Council no later than September 1<sup>st</sup> annually. Once the Proposed Budget is submitted to Council, it becomes their document to amend as they see fit prior to adoption.

As part of the Truth-in-Taxation process, state law requires Council to adopt a maximum tax rate for the upcoming fiscal year. This action does not set the tax rate but instead establishes a ceiling for the tax rate that Council will consider. Once adopted, Council cannot exceed that rate. Typically, staff recommends Council set the maximum tax rate at the state-defined rollback rate. This provides Council with more flexibility in regards to the tax rate that they ultimately adopt.

State law requires two public hearings be held on the proposed tax rate. Additional public hearings are held for any rate increases by Austin Energy, Austin Water, Austin Resource Recovery, or the increases in the Drainage Utility Fee. A final public hearing is required on the City's Proposed Budget.

The City Council adopts the Proposed Budget through a series of Ordinances. The Ordinances must be passed on three readings unless approved by seven or more members of the Council. As part of the budget adoption process Council has the opportunity to amend the Proposed Budget in any manner they see fit prior to adoption. The City Charter requires that the budget is adopted by September 27<sup>th</sup>.