

2025 Municipal Budgeting & Fiscal Management Workshop

Charlie Bush, Sue Hagener, and Tracey Dunlap



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Introductions

- Charlie Bush, City Administrator, City of Sedro-Woolley
- Sue Hagener, Director of Finance, City of Sequim
- Tracey Dunlap, retired Deputy City Manager, City of Kirkland



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Creating your "Best Budget"

- Best Budget is a term of art we use
 - Is the "price" your citizens and businesses paid right?
 - Includes taxes, utility rates, fees
 - Is it strategic?
 - Does it align well with other strategic planning processes?
 - Are they getting good value?
 - It may be cheap (a low price) but . . .
 - Are they getting what they actually want?
 - Is it staff-driven or community-driven?
 - Does it include the right balances / trade-offs?



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Budgeting is a Team Sport

- Time for a sports analogy!
 - Citizens are the owners
 - You don't want them calling the plays or on the field, but...
 - They own the team (and can make organizational changes)
 - You are on the board (or on the leadership team)
 - What is your mission / vision?
 - What are the right strategies?
 - How do you make progress?
 - How do you know progress is being made?
 - How much should progress cost?

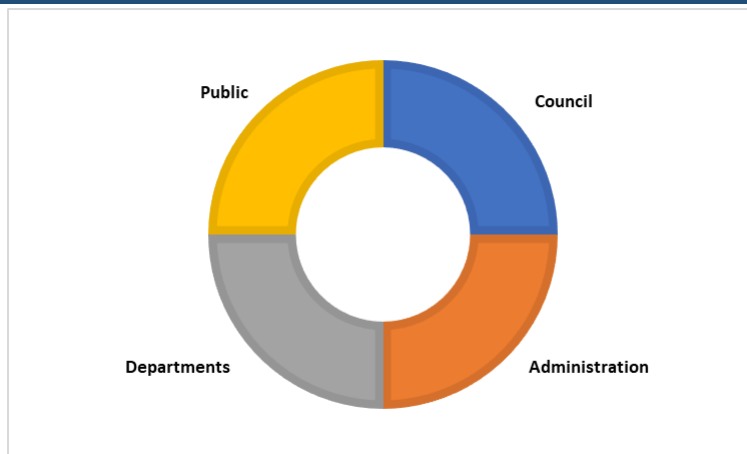
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What is the right approach?



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Roles of the budget makers

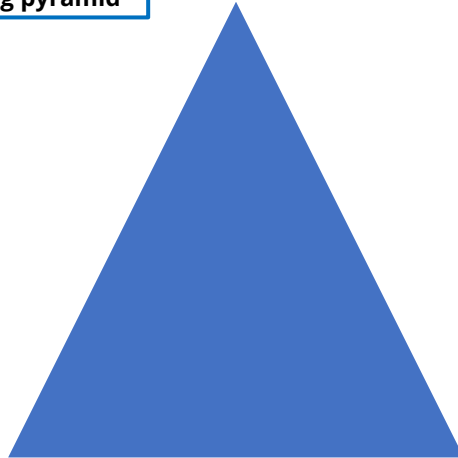
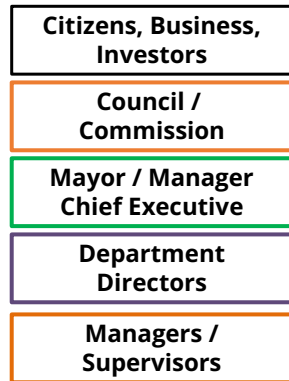


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Roles (and related tools)

"Reporting pyramid"



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Budget Basics – Agenda

- Budget basics
 - Authority
 - Budget influences
 - Fund structure
- Budget development
- Timeline (calendar)
 - Forecasting
- Presentation
- Budget adoption
- Beyond the basics – Strategic long-term planning



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Why have budgets?

- Legally required
- Accountability
- Management tool
- Planning document



- Title and chapter provided by state statute
 - RCW 35A.33 Code Cities
 - RCW 35.33 First (under 300,000), Second Class Cities and Towns
 - RCW 35.34 and 35A.34 – Biennial Budgets
 - RCW 36.40 Counties
 - Special Purpose Districts – statutory reference varies with district type
- Chapters outline the timelines and position responsible for complying
- Generally if your government entity has the ability to levy taxes there is a requirement to adopt a budget.

Accountability

- Area of interest for taxpayer
 - How are we spending the taxpayer's money
 - What are we accomplishing
- Performance evaluation
 - Performance measures
 - "Connecting the Dots"
- Performance management / Auditing
 - State Auditor's Performance Program
 - Citizen initiative



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Mission of the budget process

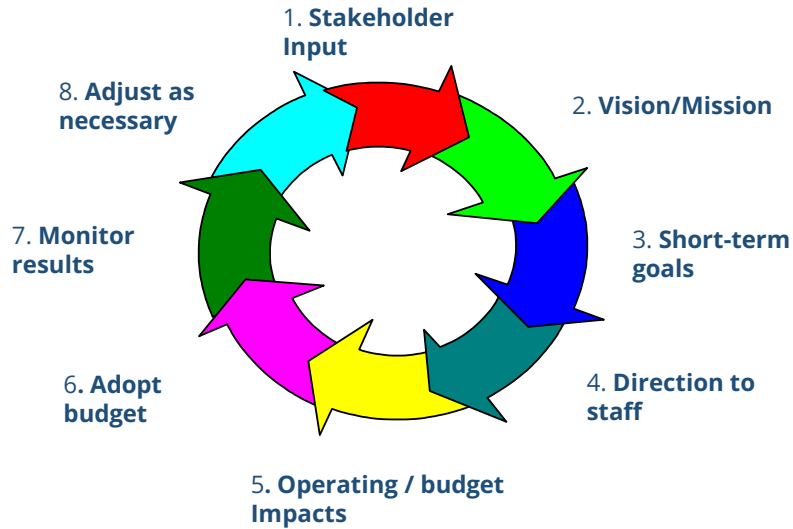
National Advisory Council on State and Local Budgeting (NACSLB) - defines

The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to **promote stakeholder participation** in the process.



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National Advisory Council on State and Local Budgeting (NACSLB)



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Budget definition

The budget is an **economic plan** that focuses the entity's **financial & human resources** on the **accomplishment of specific goals & objectives** established by the **policy makers**.

The budget establishes the annual (or biennial) expenditure levels for "all" departments & funds.

- These expenditure levels are called **appropriations**, and they represent spending limits.

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Influences on the budget

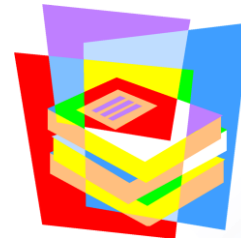


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Additional influences on the budget

Local financial policies

- Fund balance
 - Reserves
- Contingency planning
- Balancing the operating budget
- Use of one-time revenues
- Use of fluctuating revenues
- Fees & charges
- Debt level & capacity



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What you are budgeting and why?

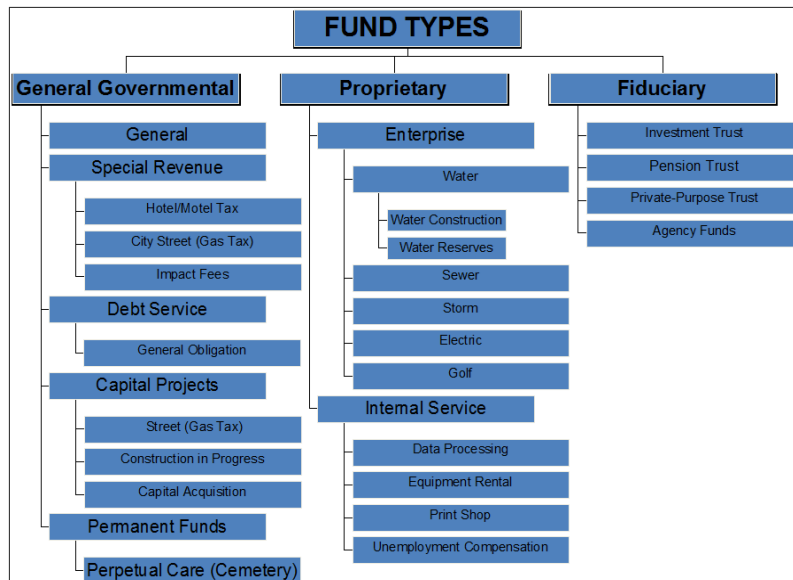
Fund structure

- Accounting rules and regulations will set the types of funds used
- Type of fund will set budget focus
- Differences in fund types are often set to meet the financial objectives of the city/town.
- Fund types and their intended purpose will assist in budget development
 - Not all fund types require a budget appropriation



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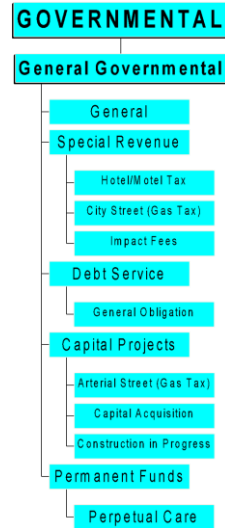
Fund Structure – 3 Different Fund Types



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Governmental fund types

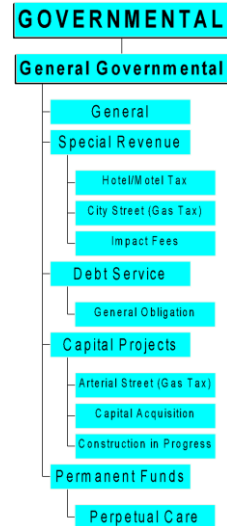
- **General fund**
 - Chief operating fund of local government
- **Special revenue funds**
 - Resources **restricted** or **committed** (other than debt service or capital projects)
 - Examples:
 - Hotel/Motel tax
 - Criminal Justice Tax
 - Real Estate Excise tax



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Other Governmental Fund types

- **Debt Service**
 - Pay long-term debt (principal and interest) for Governmental Funds
 - **General Obligation debt only (debt backed by taxes)**
- **Capital Projects**
 - Construction of major capital facilities of governmental fund types
 - **Not to be used for proprietary funds and trust funds**
- **Permanent Funds**
 - Legally restricted.

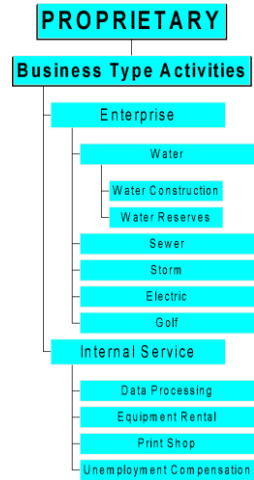


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Proprietary fund types

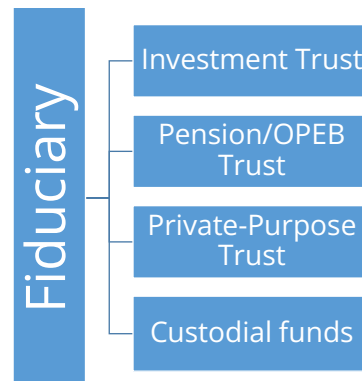
- Enterprise funds
 - Water
 - Sewer
- Internal service funds
 - Equipment Rental
 - Facility Maintenance



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Fiduciary funds

- Trust & Custodial funds
 - Investment Trust
 - Pension/OPEB Trust
 - Private-Purpose Trust
 - Custodial funds



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2026 Budget Calendar

June - August		September	October	November	December
Pre-Budget Items					
• Council Retreat					
• Adopt financial policies if needed.		September 8 "Call to budget" to all department heads	October 1 Clerk provides estimates filed by department heads to mayor/manager showing complete financial program.	November 2 Mayor/manager prepares preliminary budget and message and files with council and clerk.	December 1 Final budget hearing.
• Public hearings for capital facility plan updates		Before September 22 Department heads prepare estimates of revenue and expenditures.	October 6 Estimates and projections presented to council.	November 1-18 Publication notice of preliminary budget and final hearing.	December 31 Budget adoption deadline
• Public forums -community priorities.		Clerk prepares estimates for debt service and other estimates.	Mid Oct-Mid Nov Public hearing on revenue sources including possible increases in property tax.	November 1-25 Public hearings- preliminary.	
• Mayor/manager communicate budget objectives to staff		September 22 Estimates filed with clerk.		November 21 Copies of budget available to public.	
				November 30 Property tax levies set and filed with county.	



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What to do first,....? Step #1

- Budget calendar
 - Create/Distribute
 - Starts with (RCWs)
 - Add your process
- Benefits of calendar
 - Visual
 - Statutory deadlines
 - Coordination
 - Keeps participants on track
 - Informs public

Statutory Deadlines for Preparing 2026 City/Town Budgets	
Pre-Budget Items (Spring/Summer 2025)	Council retreat; Adopt/update financial policies; Public hearings for capital facility plan updates; Public forums or community outreach (ex: community priorities); Mayor/manager communicates budget objectives to staff
Sept. 8	Budget request to all department heads
Sept. 8-22	Department heads prepare estimates of revenues and expenditures; Clerk prepares estimates for debt service and all other estimates
Sept. 22	Budget estimates from department heads filed with clerk
Sept. 25	Implicit price deflator calculated (only applies to cities of 10,000+ population)
Oct. 1	Clerk provides estimates filed by department heads to mayor/manager showing complete financial program
Oct. 6	Mayor/manager provides council with estimates of revenues from all sources, including estimates prepared by clerk, for consideration of setting property tax levy
Mid-October to mid-November (approx.)	Public hearing on revenue sources including possible increases in property tax
Nov. 2	Mayor/manager prepares preliminary budget and budget message; files with clerk and council
Nov. 1-18 (approx.)	Publish notice of preliminary budget and final hearing
Nov. 1-25 (approx.)	Public hearing(s) on preliminary budget
Nov. 21	Copies of budget available to public
Nov. 30	Property tax levies set by ordinance and filed with county
Dec. 1	Final budget hearing
Dec. 31	Budget adoption deadline

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Utilize budget preparation checklist



Budget Preparation Checklist

TIMEFRAME	DESCRIPTION	DATE COMPLETED
JULY/AUGUST	Prepare budget calendar; set public hearing dates. (Should obtain consent of calendar dates by Mayor and Council.)	
JULY/AUGUST	Update Capital Facilities plan. Public hearing will be required. (set hearings prior to start of budget in September)	
AUGUST	Council to set budget priorities, goals and objectives.	
AUGUST	Mayor meets with Dept. managers to communicate budget priorities.	
JULY/AUGUST	Clerk sends request (call letter) to Dept. Mgrs. for budget proposals. (by 2nd Monday in September)	
AUGUST/SEPT	Preliminary revenue estimates are developed by the Clerk. Budget estimates from Dept. Mgrs., filed with Clerk (by 4th Mon. in Sept.)	
SEPTEMBER/OCTOBER	Clerk presents revenue estimates, debt service and budget proposals from Dept. Mgrs., along with the sources of revenue proposed to support each program to CAO. (Due 1st business day in October)	
SEPTEMBER/OCTOBER	Mayor to provide Council with preliminary proposed estimates of revenue and expenditure requests by each department. Council to receive current year revenue and expenditures with budget comparison and estimates for ending fund balance. (by 1st Monday in October)	
SEPTEMBER/OCTOBER	Public hearing on Property Tax levies must be held before legislative body votes on property tax levy. (Deadline for filing levy with County - November 30th.)	
SEPTEMBER/OCTOBER	Mayor and Clerk meet with department heads to make any additions and/or cuts to preliminary budget	
OCTOBER/NOVEMBER	Mayor presents the preliminary budget and budget message to Council (due by Nov. 1st - NOV. 8th days before entering fiscal year) Clerk publishes notice that preliminary budget has been filed and publishes notice of public hearing on the final budget once a week for two consecutive weeks. (no later than the first two weeks of Nov)	
OCTOBER/NOVEMBER	Council adopts Property Tax levy ordinance/resolution, Clerk files Levy certification with County Clerk (due Nov. 30th)	
NOVEMBER	Copies of proposed (preliminary) budget available to the public. (Six (6) weeks before January 1st) Public hearings on proposed preliminary budget. (prior to final hearing)	
NOVEMBER/DECEMBER	Final hearing on proposed budget (prior to 1st Monday in December)	
NOVEMBER/DECEMBER	Adoption of Budget ordinance (no later than last day of December)	



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Requests for budget proposals (call letter) Step #2

– Provide guidelines for budget requests and service levels

- Show history
- Show June YTD
- Fill in the Blank


– Reduces misunderstandings, inefficiencies and extra work

– Facilitates the evaluation of budget requests

• Sent by the Clerk to Dept. Heads

• 3 weeks to complete

- **Deadline is 2nd Monday in September**
– September 8th for the 2026 Budget



Budget Estimates
Summer/Fall

To Do

- ★ Official call to budget.
- ★ Revenue and expense estimates developed by a department head.
- ★ Clerk compiles all estimates (including debt service estimate) and presents to council.
- ★ Host a public hearing on potential property tax increases.

Provide staff with a budget information form to ensure clear and consistent estimates.

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Revenue forecasting tips and tricks

- Gather information about your entity
 - Growth/Decline/neither? (Pre and Post COVID-19)
 - Special Events / One-time revenue spikes or sharp declines?
- Use good data
 - Common sense test
 - Establish base year
 - Assess revenue growth trends
- **Document** the basis for your forecast
 - What data, variables, economic considerations were used?
 - Discuss with Council
 - **Encourage feedback from 'all' stakeholders**

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Revenues – Other considerations

- Which revenues have restricted use?
 - Hotel/Motel Tax
 - Criminal Justice
 - Real Estate Excise Tax
 - Transportation Benefit District Tax
 - Proprietary funds (utilities)
 - Utility rates are they adequate?



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Fund Balance

- Preliminary budget “shall include unencumbered fund balances estimated to be available” at year end.
- Use the “Common sense test” when forecasting
- Avoid using fund balances to balance the Budget
- Revenue forecasting, not appropriation!
- What does Policy Say
- Reserves



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Budget Should Implement the Plan

- Staff develops the proposed budget:
 - Guidance from call letter
 - Vision and Mission statements
 - Goals and objectives
 - Fiscal policies
- Budget should look familiar
- Draft budget should include:
 - How effectively the budget meets the identified needs/priorities
 - Goals and objectives



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Projections/Proposals due dates

- Estimates from department managers filed with the clerk's office by mid-September
 - **RCW deadline is 4th Monday of September (Sept. 22)**
- Estimates to mayor/manager by **1st business day in October**
- Mayor/manager provides legislative body with clerk's projections and department requests by **1st Monday in October**
- Preliminary budget data is required in comparative form
 - Last year actual
 - Current year estimates
 - Next year projections and estimates



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Budget Proposals

- Layout budget in major operating funds, then incorporate special funds and capital projects
- Begin with the absolutes:
 - Personnel costs/labor or service contracts
 - Employee benefit program costs
 - Retirement rate increases
 - Debt service payments
 - Insurance
 - Audit costs (annual, bi-annual, single)
- Basic service costs (don't forget the budget objectives)
- Fiscal policy requirements:
 - Reserves, depreciated capital



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Budget by Fund & Department

- Lay out the budget proposals by department
- Show the supporting revenues
- Surplus &/or shortfall ?
- Adjust according to budget priorities
- Back to the drawing board? Or close enough to discuss some options?

REVENUES	2007-08 Actual	2008-09 Actual	2009-10 Budget	Revenue Variance Increase/Decrease	Percent Change
Beginning Balance	\$2,252,941	\$2,283,976	\$2,060,000	\$223,976	9.7%
Reg. Mail - Drug Fund	\$43,776	\$46,850	\$50,000	\$3,150	7.2%
Reg. Mail - Fuel Cost	\$8,000	\$8,000	\$8,000	\$0,000	0.0%
Total Beginning Balances	\$2,288,243	\$2,348,826	\$2,128,000	\$220,826	9.4%
Fees	\$3,480,222	\$3,730,843	\$3,623,288	\$107,555	3.1%
Licenses and Permits	\$570,626	\$571,246	\$584,425	\$13,179	2.3%
Intergov't Revenue	\$1,027,284	\$1,046,453	\$1,077,225	\$30,770	3.0%
Charges for Services	\$1,876,312	\$1,912,144	\$1,961,638	\$49,524	2.6%
Fines and Forfeits	\$2,000,000	\$2,000,000	\$2,000,000	\$0,000	0.0%
Public Donations	\$200,000	\$200,000	\$200,000	\$0,000	0.0%
Total General Fund Revenue	\$5,768,577	\$6,100,489	\$6,297,217	\$296,728	5.1%
Transfers In	\$0	\$0	\$245,000	\$245,000	0.0%
Revenue Substitution-004	\$0	\$0	\$0	\$0	0.0%
Shades Fund-Low-005	\$0	\$0	\$0	\$0	0.0%
Parks Special Programs-05	\$0	\$0	\$0	\$0	0.0%
Arbitration-09	\$0	\$0	\$0	\$0	0.0%
Tourism/04-02	\$0	\$0	\$0	\$0	0.0%
General Capital Programs-14	\$0	\$0	\$0	\$0	0.0%
Combined 02, 01, 03, 05	\$0	\$0	\$0	\$0	0.0%
01-08 Fund Revenue-09	\$0	\$0	\$0	\$0	0.0%
Investment-02	\$0	\$0	\$0	\$0	0.0%
Work Equipment-02	\$0	\$0	\$0	\$0	0.0%
Library/Museum-02	\$0	\$0	\$0	\$0	0.0%
Total Transfers In	\$0	\$0	\$245,000	\$245,000	0.0%
Other - Insurance Proceeds/02	\$0	\$445,000	\$0	\$445,000	0.0%
Grant - Sale of Fixed Assets	\$253,000	\$33,250	\$0	\$199,750	78.9%
Total Transfers In and Other	\$253,000	\$478,250	\$245,000	\$225,250	89.1%
Current Year Close & Total	\$3,041,243	\$6,578,039	\$6,542,217	\$36,822	1.2%
Total Resources	\$3,041,243	\$6,578,039	\$6,542,217	\$36,822	1.2%

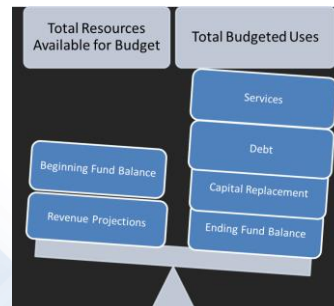
APPROPRIATIONS	2007-08 Actual	2008-09 Actual	2009-10 Budget	Revenue Variance Increase/Decrease	Percent Change
Department	\$243,840	\$236,890	\$250,140	\$13,250	5.6%
Legislative	\$20,000	\$20,000	\$20,000	\$0,000	0.0%
Mayor's Court	\$43,776	\$46,850	\$50,000	\$3,150	7.2%
Legal Services	\$24,440	\$24,440	\$24,440	\$0,000	0.0%
City Services	\$1,560	\$1,560	\$1,560	\$0,000	0.0%
City Hall Subtotal	\$447,956	\$439,690	\$476,140	\$36,444	8.1%
Police	\$1,040,000	\$1,039,970	\$1,051,000	\$11,030	1.0%
Fire	\$1,360,000	\$1,362,000	\$1,365,000	\$3,000	0.2%
Public Works	\$1,770,000	\$1,760,000	\$1,760,000	\$0,000	0.0%
Animal Control	\$200,000	\$200,000	\$200,000	\$0,000	0.0%
Public Works	\$1,570,000	\$1,560,000	\$1,560,000	\$0,000	0.0%
Public Special Funds (PSF)	\$217,570	\$210,262	\$210,262	\$7,308	3.3%
Other	\$161,000	\$161,000	\$161,000	\$0,000	0.0%
Community Services	\$100,000	\$100,000	\$100,000	\$0,000	0.0%
Arts/01-01	\$100,000	\$100,000	\$100,000	\$0,000	0.0%
Economic Development	\$100,000	\$100,000	\$100,000	\$0,000	0.0%
Information Technology	\$100,000	\$100,000	\$100,000	\$0,000	0.0%
Special Park Construction	\$100,000	\$100,000	\$100,000	\$0,000	0.0%
02-02-03-04	\$100,000	\$100,000	\$100,000	\$0,000	0.0%
General Fund Total	\$10,750,420	\$10,728,089	\$10,777,288	\$49,169	0.4%
Transfers Out	\$0	\$0	\$0	\$0	0.0%
Other Funds	\$0	\$0	\$0	\$0	0.0%
Community Fund - 01	\$0	\$0	\$0	\$0	0.0%
Street Fund - 05	\$0	\$0	\$0	\$0	0.0%
1991 TGO Bond Fund - 21	\$0	\$0	\$0	\$0	0.0%
Town Home Fund	\$0	\$0	\$0	\$0	0.0%
Unemployment Fund-02	\$0	\$0	\$0	\$0	0.0%
Public & Fire Protection Fund - 03	\$0	\$0	\$0	\$0	0.0%
Revenue Funds	\$0	\$0	\$0	\$0	0.0%
Total Transfers Out	\$0	\$0	\$0	\$0	0.0%
Total Expenses and Transfers	\$10,750,420	\$10,728,089	\$10,777,288	\$49,169	0.4%
Total General Fund Resources	\$3,041,243	\$6,578,039	\$6,542,217	\$36,822	1.2%
Gain/Shortfall of Resources	\$55,000	\$50,000	\$50,000	\$0,000	0.0%

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How do we make it work?

Toughest issue -balancing the general fund

- Competing departments
 - City hall/Clerk's office
 - Public safety
 - Planning & development
 - Recreational & cultural
- Competing funds
 - Streets
 - Debt
 - Capital needs



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Balancing the budget



Budget goals and priorities met?

Review expenditure distribution

- Wages/benefits
- Transfers
- Insurance



Budget cuts?

- Analyze level of service
- Across the board cuts may not work

Avoid creative budgeting practices

- Interfund loans
- Moving money from Fire to EMS

Interlocal agreements for service?

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Presenting the preliminary budget

- Mayor/Manager (CEO) prepares and files the preliminary budget & budget message
 - Required 60 days prior to ensuing fiscal year
 - Clerk/Treasurer and/or finance director typically assists
 - Files with clerk's office and legislative body (Council)
 - Deadline - Nov. 2



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What is the “Budget message”

Executive
Summary of Key
Budget Highlights



- Explanation of budget document
- Outline of recommended policies and programs
- Statement of relationship between budget proposal and policies
- Statement of reason for salient changes from prior year
- Explanation of any recommended major changes in financial policy

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Budget presentation What is “our” audience looking for?

1. Table of contents – to use as a guide
2. The budget message – to obtain overall picture
3. Fund balances – to determine usage
4. Revenue summary – compare from previous
5. Expenditure summary – compare changes
6. Debt – explanation of commitments
7. Personnel changes – additions and/or deletions
8. Departmental budgets – program changes
9. Capital Improvements – what are they and how will they affect future operations

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The budgets

- Mission statement
- Summary of funds
- General & economic factors affecting the budget
- Revenues – provide brief explanation of primary sources and explanation of any new resources being introduced into the forthcoming budget
- Performance measures
 - Identify programs &/or activities to measure
 - Develop performance benchmarks



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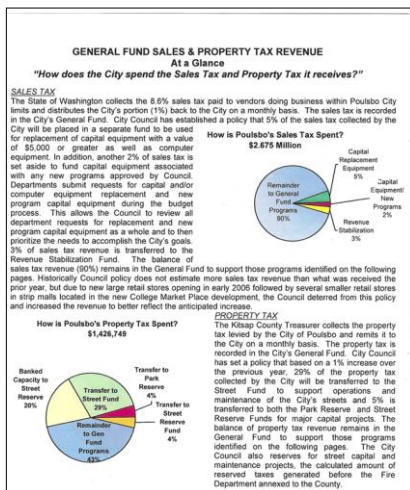
The budget sections, contd.

- Departmental narratives
 - Department organizational chart
 - Staffing authorizations (FTE)
 - Ongoing functions
 - Current year accomplishments
 - Requesting year goals
- Personnel services
 - Employees' classification/salary schedule
 - Benefit packages



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Presenting the budget



- Document will differ depending upon the stakeholder:
 - Public – summary format
 - Detail available on request
 - Council - comprehensive
 - Management - detail


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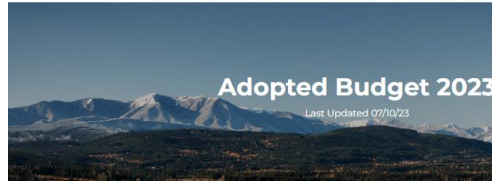
Budget glossary of terms

- **Appropriation** – the legal spending limit authorized by an ordinance &/or resolution.
- **Capital Improvement Plan**- the element of the budget that deals with expenditure of funds for capital facilities/equipment.
- **Cost allocation** – the assignment of costs incurred by a central services department to a fund based on the benefit to the fund being assessed.
- **Committed funds** – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of authority
- **General obligation bonds** – bonds which the full faith and credit of the government has been pledged (taxes)
 - **Councilmanic bonds** – general obligation bonds that can be authorized by city council without a vote of the public.
- **Interfund loans** – loans provided between funds with the requirement to repay.
- **Interfund transfers** – transfers of assets (such as cash or goods) without a requirement for repayment.
- **Revenue bonds** – bonds which are repaid from earnings of an enterprise fund.

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Getting Your Message Out

 City of Sequim



- Place your budget on the city's website
- Provide email address for questions
- Use graphics where possible
- Make it simple
- Paint a picture

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OPMA and required public hearings

- Budget workshops are typically 'Open Public Meetings'
 - If there is a quorum of the legislative body – it is an OPMA

Public hearing requirements:

- Property tax
 - October/November
 - Must be held prior to adoption of ordinance
 - Deadline for property tax levy is November 30th
- Preliminary budget hearings
 - How many should we have?
 - It depends -----
 - Recommendation - No later than mid-November



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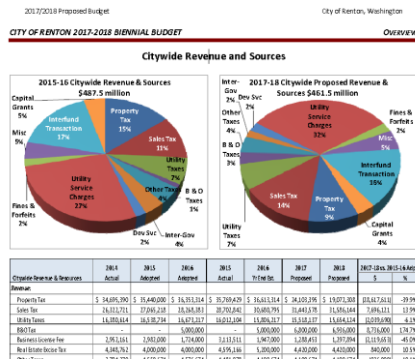
Final public hearing

On or before the 1st Monday in December

- Deadline for 2026 is Dec. 1
- Final hearing date is set in the statute - therefore it's a legal compliance issue.
- Final hearing may continue from day to day, but can last no later than the 25th day prior to the next fiscal year = December 6
 - **Note - if you anticipate a continuation - schedule the start of the final hearing accordingly.**
- Recommendation - hold final public hearing at the end of November to avoid any issues with:
 - holiday schedules;
 - lack of quorum and/or
 - continuing discussions over budget priorities



Pictures are worth.....

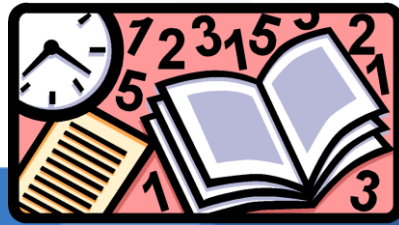


- Easy to read charts throughout



Final budget step "Adoption"

- Any time after the final public hearing and before Dec. 31
- May be adopted the same night as final hearing
- Should be adopted at the fund level.
 - Cities and towns could adopt at the department level
 - Include Salary Schedule and/or adopt separately
 - Not required if union contracts are in place



Budget ordinance format

Sample
BUDGET ORDINANCE
Ordinance No. _____

An ordinance adopting the budget for the City of Example, Washington, for the fiscal year ending December 31, 2006.

WHEREAS, the mayor of the City of Example, Washington completed and placed on file with the city clerk a proposed budget and estimate of the amount of the proceeds required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of said city for the fiscal year ending December 31, 2006, and a notice was published that the council of said city would meet on the 1st day of December, 2005 at the hour of 7:00 p.m., at the council chambers in the city hall of said city for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of said city an opportunity to be heard upon said budget; and

WHEREAS, the said City Council did meet at said time and place and did then consider the matter of said proposed budget; and

WHEREAS, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Example for the purposes set forth in said budget, and the estimated expenditures set forth in said budget being all necessary to carry on the government of said city for said year and being sufficient to meet the various needs of said city during said period.

NOW, THEREFORE, the City Council of the City of Example do ordain as follows:

Section 1. The budget for the City of Example, Washington, for the year 2006 is hereby adopted at the fund level in its final form and content as set forth in the document entitled _____ (give exact title of your budget book), three copies of which are on file in the Office of the Clerk.

Section 2.¹ Estimated resources for each separate fund of the City of Example, and aggregate expenditures for all such funds for the year 2006 are set forth in a summary form below, and are hereby appropriated for expenditure at the fund level during the year 2006 as set forth in the _____ (give exact title of your budget book).

Fund ²	Estimated Revenues ²	Appropriations ²
General	\$	
City Street		
Arterial Street		
Library		
Emergency Rescue		
Fire Equipment Cumulative Reserve		
City Sanitary		
Water		
Equipment Rental		
Unemployment Compensation		
Firemen's Pension		
Total All Funds ²		

¹ The level of details for counties may vary. Please refer to RCW 36.40.040.

² This information is required.

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11/06 8/1/02 1 2 3 10

FUND	Estimated Revenues	Appropriations/ Expenditures	Ending Fund Balance
CURRENT EXPENSE (General Fund)	\$2,600,500	\$2,300,000	\$300,500.
STREET FUND	\$1,200,000	\$ 950,000	\$250,000.
WATER CAPITAL RESERVE	\$ 500,500	\$ 50,000	\$450,450.
WATER FUND	\$1,275,000	\$1,175,000	\$100,000.
WATER REDEMPTION	\$ 78,807	\$ 78,807	0
WATER CONSTRICTION	\$2,500,000	\$2,500,000	0
WATER LOAN RESERVE	\$ 78,807	\$ 0	\$ 78,807.
TOTAL ALL FUNDS	\$8,233,614	\$7,053,807	\$1,179,807.

Closing budget – thoughts & tips

- Think strategically!!
- Understand the underlying budget assumptions
 - Don't inflate forecasts or underestimate expenditures
- Identify mandatory and discretionary services
- Manage personnel costs
- Budget for ending cash and reserves
- Monitor the budget throughout the year
 - Don't defer necessary budget adjustments or amendments – even during these challenging times!



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Strategic planning and fiscal management

- Integrate capital maintenance and ongoing replacement into the budget
- Recognize interdependence between new capital facilities and future operating costs
- Develop strategy for non-recurring revenues and expenditures
- Develop strategy for debt and borrowing



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Establish goals – to provide guidance

National Advisory Council on State and Local Budgeting (NACSLB)

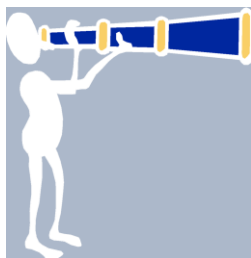
Principal 1

- Establish broad goals to guide government decision making
 - A government should have broad goals that provide overall direction for the government and serve as a basis for decision making.



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Budget vision..... A best practice



Vision = Purpose

- Who are we? What is our purpose?
- Set time aside for long range planning process - it doesn't happen automatically
- What do we see on the horizon
- We've heard about vision
- Translate it into long term accomplishments
 - Already happens in various forums
 - Sort out what sounds good from what can and should get done (inject realism)

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Budget tools available

- MRSC
 - MRSC Budget Suggestions 2026 (link not available)
 - State Shared – revenue forecasts
 - [MRSC Revenue Guide](#)
 - [MRSC – Economic Data](#) web pages
- AWC
 - [Tax & User Fee Survey/Salary & Benefit Survey](#)
- Office of Financial Management (OFM)
 - [Population estimates](#)
- State Auditor’s Office
 - [Financial Intelligence Tool](#)

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Additional resources available

- **GFOA – Budgeting Suite**
 - Extensive series of publications on the various components of budget development
 - Separate publications for newly elected officials and others interested in local government finance – written in lay terms
- www.gfoa.org

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Questions...

- Budgeting is a process that requires:
 - Communication
 - Time (comprehensive budget documents take several years to develop)
 - Commitment
- Questions – Ask MRSC

