

2016 Budget Process Review

City of Reading



2016 Budget Process Review

Key Areas & Timeframe

- **Strategic Plans – June.**
- **Head Counts - June.**
- **5 Year Capital Plan - July.**
- **Revenue Budget – July.**
- **Departmental Expenditure Budgets - July.**

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Budget Overview

- **Revenue & Expenditure budgets are created for the General Fund and all Enterprise Funds.**
- **Enterprise Funds consist of Water, Sewer, Solid Waste, Self Insurance, Liquid Fuels, and Shade Tree funds.**
- **A 2 year budget for 2016 and 2017 will be developed this year.**

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5 Year Capital Plan

- **As part of the Amended Recovery Plan, .1% of the Earned Income Tax will be designated to be used for capital improvements.**
- **Each department submits a wish list of items needed over the next 5 years, and assigns priority to each request item.**
- **The estimate of this designated revenue in 2016 is approximately \$1.7 million.**

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Revenue Budget

- **Revenues are estimated using a 5 year history and projecting forward.**
- **This projection is reviewed with the associated department for any significant estimated changes.**

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Departmental Expenditures Budget

- **Meetings with each department's key personnel will take place through mid-August to review the details of the expenditure budget in order to create a first draft.**
- **Legacy costs, which consist of pension obligations and debt service, made up 32% of the City's total expenditure budget in 2015. These costs are directly tied to labor agreements and past bond issues and are locked in.**

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Review of Draft Budget

- **Upon the completion of the first draft, the Directors of each department, along with the Mayor, his staff, and the Managing Director, will meet to review the draft, and determine where cost savings can be found in order to present a balanced budget to City Council by September 30th.**
- **Meetings with City Council will take place for their further review, and meetings open to the public will also be scheduled before a final approval is given by City Council.**

2015 Budget Overview Timetable



*** Reviews w PFM will be ongoing throughout the budget timeline.**

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- **Questions?**

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Administrative Services**

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