

Sample Budget Message

TO: Governing Body

FROM: CAO

SUBJECT: Recommended Final Budget Proposal for (20XX)

I am pleased to submit for your consideration the (20XX) proposed Annual Budget for _____.

Proposed expenditures for the forthcoming budget year are provided in the following table on a comparative basis with the current year's budget and previous year's actual expenditures:

	Previous Years Actual Expenditures	Previous Years Actual Expenditures	Proposed Budget
Classified Proprietary Services	1,563,043	1,850,299	2,075,196
General Government Services	370,285	418,911	443,142
Public Safety	1,044,325	1,161,045	1,231,111
Utilities and Environment	285,636	296,211	288,968
Transportation	394,360	400,265	577,570
Economic Development	11,000	11,000	12,500
Mental Health Services	12,588	17,600	13,700
Culture & Recreation	287,675	303,865	332,987
Total Appropriations:	3,968,912	4,459,126	4,959,113
Estimated Other Financing Uses: Transfers Out	793,968	754,358	765,310
Total Estimated/Uses:	4,762,880	5,223,484	5,724,423

The budget as proposed is approximately 9.6 percent higher than last year's primarily due to increases in proposed expenditures for streets and proposed water, sewer, and equipment rental capital expenditures.

The budget is balanced by a proposed levy of \$1,231,934 for general fund purposes, \$92,316 for ambulance and emergency aid, and \$48,160 for general obligation debt service.

The estimated income from retail sales and use taxes is \$271,000, only slightly higher than the current year's anticipated revenues. It is difficult to predict sales tax revenue due to economic fluctuations and construction projects in process in the city.

Budgeted funds do not include the use of any estimated fund balance to be carried over from the primary funds such as general fund, street fund, water and sewer utility funds.

Since _____ (insert entity name) _____, unlike other cities, does not impose utility taxes other than natural gas and cable television, it is not anticipated there will be any significant increases in revenue from any source other than property taxes for the budget year.

Estimated revenues for the forthcoming budget are compared to projections for the current year and last year's actual revenues received. These projections, current adopted budget, and prior year results are as follows:

	Previous Years Actual Revenues	Current Budget Projections	Revenue Estimates for Budget Period
Estimated Beginning Fund Balance	1,563,043	1,850,299	2,059,135
Taxes	1,044,325	1,161,045	1,231,111
Licenses and Permits	285,636	296,211	288,968
Intergovernmental Revenues	394,360	400,265	577,570
Charges for Good & Services	11,000	11,000	12,500
Fines and Forfeits	12,588	17,600	13,700
Miscellaneous Revenues	287,675	303,865	332,987
Total Estimated Revenues	3,968,912	4,459,126	4,959,113
Total Other Estimated Financing Sources	793,968	754,358	765,310
Total All Estimated Resources	4,762,880	5,223,484	5,724,423

PERSONNEL

Personnel changes in the budget include an additional engineering technician for one half year in the engineering budget, bringing this staff back to seven people. The ambulance and emergency aid budget includes five full-time paramedics for the year as compared to five part-time paramedics for the current budget. The budget includes the position of public works maintenance superintendent, who is the field supervisor for all public works maintenance activities.

Union contracts are being negotiated with three union groups at the present time. The budget does not provide for any salary increase other than normal progressive step increases for those not presently at the top of their position class range.

LAW ENFORCEMENT, FIRE CONTROL, AND COMMUNICATIONS

Total costs for law enforcement, fire control, and communications are up 6.7 percent from \$925,596 to \$987,157. The primary increases are in the area of communications, which includes funds for radio equipment and replacing volunteer and regular firefighters' monitor receiving equipment.

GENERAL

\$1,200 is appropriated for the city's contribution to the air pollution control authority, the same as the current year's budget. \$4,000 is budgeted for general services of the regional planning commission. \$16,825 is appropriated for animal control compared to \$15,000, and \$13,700 is budgeted for public health and alcoholism programs.

EQUIPMENT RENTAL

Budget appropriations for the equipment rental operation for the forthcoming year are \$445,506. The current budget appropriated \$206,318. Several pieces of equipment are in need of being replaced, including a 20-yard refuse compactor truck, 1/2-ton pickup, 1-ton dump truck, tractor mower, two police vehicles, and a utility trailer. A vacuum sewer cleaner vehicle may be purchased if funds are available.

Many desirable capital improvements such as storm sewer, street resurfacing and rebuilding, and park improvements are not included in this budget proposal. Hopefully, an increase in the city's tax base in the next calendar year and beyond will permit the inclusion of some of these essential projects.

Respectfully submitted,

Mayor