



City of Aransas Pass
BUDGET POLICY
Fiscal Year October 1st through September 30th

1. The Finance Director shall begin preparing departmental budgetary worksheets in Mid-May. The worksheets shall include all line items for each departmental budget. They also shall include the line item amount for the current budget and a two year history for each line item from the previous two fiscal years. There also shall be a column for projected end of the year amount for each line item. This projected amount, which should be as accurate as possible, will assist the Finance Director with budget projections, including the anticipated General fund balance. Finally, this work sheet shall have a blank column for each line item so the department head can make his/her budgetary request for each line item.
2. During the month of June, the City Manager will schedule a budgetary public hearing. The purpose of this hearing is to provide an opportunity for citizens to provide input into the beginning of the budgetary process. This hearing can be held during a regularly scheduled Council meeting. During the hearing, the City Manager will briefly discuss the upcoming budgetary process. Additionally, the Manager will present to the Council the budgetary goals from the previous year. This session will provide the public with an opportunity to offer early input into the upcoming budget document.
3. Also in June, the City Manager will schedule a strategic planning session between the Mayor, Council and department heads. The purpose of this session is to give the Mayor and Council the opportunity to offer goals for the upcoming budget. The format should be as follows:
 - Department heads give individual presentations on the prioritized needs of their departments with supporting evidence for those needs.
 - At this session, and before prioritization, all of the citywide/departmental needs and goals are placed in a visible location.
 - The Mayor and Council prioritizes the needs as presented by the department heads. By doing so, the needs are converted to short-term and long-term goals for the year. It is anticipated that many of the goals will be incorporated into the budget, depending on the strength of the budget.
 - Throughout the upcoming fiscal year, the City Manager will report to the Council during a regular council meeting, the status of the prioritized goals.
4. Within a week or two of the strategic planning session, but no later than late June, the Finance Director and the City Manager, and if scheduling permits the Mayor (or designee) will be invited to attend as the elected official representative, shall meet with each department head separately and go over every line of the departmental budget. This is the opportunity for the department head to defend his/her budget requests. Preferably, there will be access to at least three computers at this meeting so the Department Head, the Finance Director and the City Manager will each have access to a computer and changes can be made immediately and in real time.

5. During the month of July, and during a regular Council meeting, the City Manager, with the assistance of staff, shall present an **Operational Overview and Budget Preview**. The Operational Overview restates the Aransas Pass guiding principles (i.e. economic development, employee excellence, public safety, etc.) and provides year-end departmental statistics. It also reviews the projects completed thus far during the current fiscal year and points out new initiatives. The Operational Overview gives a status report of the goals from the most recent strategic planning session (which ones were accomplished and which were not), financial trends in the community, plus an early preview of the proposed budget and capital improvement plan for the upcoming year, based on the guidelines from the strategic planning session. Finally, the Operational Overview will present other potential policy and program directions for the upcoming fiscal year.
6. Before the draft budget is prepared, the City Manager will obtain a report from the county, state and nation. This can be accomplished by obtaining sales tax and/or growth projections from these governmental entities. The City Manager also will obtain the unemployment rate for the three county area with a two year history. Local economic projections and numbers can be obtained from the Aransas Pass Chamber of Commerce.
7. A Council work session shall be held between the second regular meeting in July and the first regular meeting in August. During this work session, the City Manager, with the Assistance of the Finance Director will present a summary of projected available funding for the upcoming fiscal year along with proposed expenditures for the upcoming fiscal year. The Council shall be presented with Staff's recommendation for funding, while pointing out major items for Council deliberation. This approach helps prevent the Council from getting bogged down in budgetary minutia such as paper and pens. **It is important to be constantly monitoring the General Fund Balance during this preparation process and making certain it stays within City Policy, or is working toward the goal of taking the General Fund Balance up to the policy level.** Based on consensus reached by the City Council, Staff will prepare a proposed budget and Capital Improvement Plan.
8. August 1st – A draft of the budget will be presented to the City Secretary.
9. During the first regular Council meeting in August, the Finance Director, with assistance from the City Manager, shall present a summary of the proposed budget and Capital Improvement Plan. Comparisons to the strategic planning session and the Council consensus reached during the work session shall be included.
10. A second public budget hearing is held. This hearing provides citizens an additional opportunity to comment on the budget. Notice of public hearing must be published by mid September and no later than 10 days before the public hearing. The earliest the budget public hearing can be held is 10 days after the announcement publication and after the 15th day after the proposed budget is filed with the City Secretary.
11. September 1st – last day to provide notice of proposed tax rate by publication or mail. Noticed must be published on City's website and must remain on the website until the City adopts its tax rate.
12. During the first meeting in September the City Council adopts the budget.
13. Tax rate public hearing – earliest is 7 days after the publication notice. If there is a need for a second hearing, it must be held at least three days before and no more than 14 days before the adoption of the tax rate.
14. During the Second Council meeting in September, the City Council adopts the tax rate.
15. Copies of the adopted budget and Capital Improvement Plan shall be on record and open to public review with the City Secretary, at the City Public Library and on the City webpage.
16. After adoption of the budget, the budget can be amended by ordinance to increase expenditures. However, additional appropriated funds will be made available to that department.