

# Budget Training for Commissioners

Presented by: Division of Rural Services



# Overview



- **Budget Planning**
  - Short Term
  - Long Term
- **Budget Worksheet**
  - Work Sheet Definitions
  - Budget Adjustment Scenario's
  - Tax Cap
- **Budget Meeting**
  - General Information
- **Timeline for the Budget Process**

# Budget Planning



- **Short Term Planning**
  - Annual Maintenance
  - Repairs that need to be addressed
- **Long Term Planning**
  - Saving for future repairs and improvements
  - Capital Projects

# Budget Worksheet



- **Worksheet Definitions**

ANYWHERE ROAD SERVICE AREA  
 FY 2017-18 Recommended Service Area Budget

2016 Taxable Assessed Value: ..... \$5,366,535

Fund Balance (Savings) as of 12/31/16: ..... \$69,037

2016 Mill Rate: ..... 1.371 Road Miles: ..... 0.99

Revenues	FY 2017 Approved Budget	FNSB FY 2018 Recommended Budget	FY 2018 Recommended Budget By Service Area
Property Taxes (Tax Cap)	\$7,350	\$7,450	\$7,450
Interest Earnings	\$40	\$50	\$50
Total	\$7,390	\$7,500	\$7,500
Contribution from Fund Balance	_____	_____	
New Total	\$7,390	\$7,500	\$7,500
Expenditures	FY 2017 Approved Budget	FY 2018 Recommended Budget	
Loan Repayment			
Operating Expenditures	\$6,080	\$6,000	
Borough Direct Cost	\$1,310	\$1,500	\$1,500
Total	\$7,390	\$7,500	
Contribution to Fund Balance	_____	_____	
Contribution to Capital Project Account	_____	_____	
Project Description: Be specific			
New Total	\$7,390	\$7,500	

# Revenue



- Taxable Assessed Value
- Fund Balance (Savings)
- Mill Rate
- Road Miles
- Property Taxes (Tax Cap)
- Interest Earnings
- Total Revenue
- Contribution from Fund Balance



**Information for Budgeting Purposes**

FY 2017 20% Reserve	\$1,478
FY 2018 Estimated 20% Reserve	\$1,500
Expenditures to date from SA Budget	\$1,237

Previous Annual Actual Expenditures

FY 2013 Actual Annual Expenditures	\$1,499
FY 2014 Actual Annual Expenditures	\$2,129
FY 2015 Actual Annual Expenditures	\$1,223
FY 2016 Actual Annual Expenditures	\$1,413

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The above Proposed Service Area Budget has been approved, with any changes noted, by the Commissioners signing below:

Commissioner Signatures	Date
_____	_____
_____	_____
_____	_____

# Reserve



- 20% Reserve
- Expenditures to date
- Previous expenditures

# Budget Worksheet



- Worksheet Definitions
- **Adjusting Budget, Scenario "A"**
  - **Moving money from Fund Balance**

**ANYWHERE ROAD SERVICE AREA**  
 FY 2017-18 Recommended Service Area Budget

2016 Taxable Assessed Value: ..... \$5,366,535  
**Fund Balance (Savings) as of 12/31/16:** \$54,037 **(\$15,000)** ~~---\$69,037~~  
 2016 Mill Rate: ..... 1.371 remaining Road Miles: ..... 0.99

<b>Revenues</b>	<u>FY 2017 Approved Budget</u>	<u>FNSB FY 2018 Recommended Budget</u>	<u>FY 2018 Recommended Budget By Service Area</u>
Property Taxes (Tax Cap)	\$20,480	\$20,700	\$20,700
Interest Earnings	\$540	\$ 300	\$300
Total	\$7,390	\$7,500	\$21,000
<b>Contribution from Fund Balance</b>	_____	_____	<b>\$15,000 (A)</b>
<b>New Total</b>	\$21,020	\$21,000	<b>\$36,000 (B)</b>
<b>Expenditures</b>	<u>FY 2017 Approved Budget</u>	<u>FY 2018 Recommended Budget</u>	
Loan Repayment			
Operating Expenditures	\$19,450	\$18,400	<b>\$33,400 (C)</b>
Borough Direct Cost	\$1,570	\$2,600	\$2,600 <b>(D)</b>
Total	\$21,020	\$21,000	<b>\$36,000 (E)</b>
<b>Contribution to Fund Balance</b>	_____	_____	_____ <b>(F)</b>
<b>Contribution to Capital Project Account</b>	_____	_____	_____ <b>(F)</b>
<b>Project Description: Be specific</b>			
<b>New Total</b>	\$21,020	\$21,000	<b>\$36,000 (G)</b>

# Scenario A



Commission discuss spending \$15,000 more on maintenance for the next fiscal year.

- A. Move funds from Fund Balance
- B. New Total Revenue
- C. Operating expenditure is increased
- D. Direct Cost stays the same
- E. New Expenditure Total
- F. No Changes to any other Expenditures
- G. Reminder :Total Expenditure = Total Revenue (B=G)

# Budget Worksheet



- **Worksheet Definitions**
- **Adjusting Budget, Scenario "A"**
  - Moving money from Fund Balance
- **Adjusting Budget, Scenario "B"**
  - Moving money to Capital Project

**ANYWHERE ROAD SERVICE AREA**  
 FY 2017-18 Recommended Service Area Budget

2016 Taxable Assessed Value: ..... \$5,366,535  
**Fund Balance (Savings) as of 12/31/16: ..... (\$25,000) ---\$69,037-**  
 2016 Mill Rate: ..... 1.371 Road Miles: ..... 0.99

<b>Revenues</b>	<u>FY 2017 Approved Budget</u>	<u>FNSB FY 2018 Recommended Budget</u>	<u>FY 2018 Recommended Budget By Service Area</u>
Property Taxes (Tax Cap)	\$20,480	\$20,700	\$20,700
Interest Earnings	\$540	\$ 300	\$300
Total	\$7,390	\$7,500	\$21,000
<b>Contribution from Fund Balance</b>	_____	_____	<b>\$25,000 (A)</b>
<b>New Total</b>	\$21,020	\$21,000	<b>\$46,000 (B)</b>
<b>Expenditures</b>	<u>FY 2017 Approved Budget</u>	<u>FY 2018 Recommended Budget</u>	
Loan Repayment			
Operating Expenditures	\$19,450	\$18,400	<b>\$18,400 (C)</b>
Borough Direct Cost	\$1,570	\$2,600	\$2,600
Total	\$21,020	\$21,000	<b>\$21,000 (C)</b>
<b>Contribution to Fund Balance</b>	_____	_____	<b>_____ (D)</b>
<b>Contribution to Capital Project Account</b>	_____	_____	<b>\$25,000 (E)</b>
<b>Project Description: Be specific</b>	<b>Widen Ditch Lane Road to Title 17 standards</b>		
<b>New Total</b>	\$21,020	\$21,000	<b>\$46,000 (F)</b>

# Scenario B



Commission discuss to move \$25,000 to a capital project. Move funds from Fund Balance

- A. New Total Revenue
- B. Operating Expenditure is staying the same
- C. Not Contributing to Fund Balance
- D. Added to Capital Project with proper project description
- E. Reminder :Total Expenditure = Total Revenue (B=F)

# Budget Worksheet



- **Worksheet Definitions**
- **Adjusting Budget, Scenario "A"**
  - Moving money from Fund Balance
- **Adjusting Budget, Scenario "B"**
  - Moving money to Capital Project
- **Adjusting Budget, Scenario "C"**
  - Moving money to Fund Balance

**ANYWHERE ROAD SERVICE AREA**  
 FY 2017-18 Recommended Service Area Budget

2016 Taxable Assessed Value: ..... \$5,366,535  
**Fund Balance (Savings)** as of 12/31/16: ..... \$69,037  
 2016 Mill Rate: ..... 1.371 Road Miles: ..... 0.99

<b>Revenues</b>	<u>FY 2017 Approved Budget</u>	<u>FNSB FY 2018 Recommended Budget</u>	<u>FY 2018 Recommended Budget By Service Area</u>
Property Taxes (Tax Cap)	\$20,480	\$20,700	\$20,700
Interest Earnings	\$540	\$ 300	\$300
Total	\$7,390	\$7,500	\$21,000
<b>Contribution from Fund Balance</b>	_____	_____	_____
<b>New Total</b>	\$21,020	\$21,000	<b>\$21,000 (A)</b>
<b>Expenditures</b>	<u>FY 2017 Approved Budget</u>	<u>FY 2018 Recommended Budget</u>	
Loan Repayment			
Operating Expenditures	\$19,450	\$18,400	<b>\$13,400 (B)</b>
Borough Direct Cost	\$1,570	\$2,600	\$2,600
Total	\$21,020	\$21,000	<b>\$16,000 (B)</b>
<b>Contribution to Fund Balance</b>	_____	_____	<b>\$5,000 (C)</b>
<b>Contribution to Capital Project Account</b>	_____	_____	<b><del>\$5,000 (E)</del></b>
<b>Project Description: Be specific</b>	<b>Set \$5,000 funds aside for a future capital project</b>		
<b>New Total</b>	\$21,020	\$21,000	<b>\$21,000 (D)</b>

# Scenario C



Commission discuss to place \$5,000 back into the Fund Balance.

- A. Revenue will remain the same
- B. Reduce Operating Expenditures
- C. Contribution to Fund Balance
- D. Total Expenditures will remain the same

Maybe it's discussed to put money to a future capital project.

- E. Funds reflect a future capital project

# Budget Worksheet



- **Worksheet Definitions**
- **Adjusting Budget, Scenario "A"**
  - Moving money from Fund Balance
- **Adjusting Budget, Scenario "B"**
  - Moving money to Capital Project
- **Adjusting Budget, Scenario "C"**
  - Moving money to Fund Balance
- **Tax Cap (Property Taxes)**

# Budget Worksheet



- **Tax Cap Increase**
  - **Requires a formal vote of residents**
  - **Process starts in August**
  - **Election in March 2017**
  - **Increased if passed in FY 2018**

# Budget Worksheet



- **Tax Cap Decrease**
  - **Majority Vote of the Commission**
  - **Advertised meeting**
  - **Meeting minutes reflecting vote**

**\*\* Recommendation to the Mayor \*\***

- **Scenario "D"**

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 2016 Mill Rate: ..... 1.371 Road Miles: ..... 0.99

<b>Revenues</b>	<u>FY 2017 Approved Budget</u>	<u>FNSB FY 2018 Recommended Budget</u>	<u>FY 2018 Recommended Budget By Service Area</u>
Property Taxes (Tax Cap)	\$20,480	\$20,700	<b>\$17,700 (A)</b>
Interest Earnings	\$540	\$300	\$300
<b>Total</b>	<b>\$21,020</b>	<b>\$21,000</b>	<b>\$18,000 (B)</b>
<b>Contribution from Fund Balance</b>	_____	_____	_____
<b>New Total</b>	\$21,020	\$21,000	<b>\$18,000 (C)</b>
<b>Expenditures</b>	<u>FY 2017 Approved Budget</u>	<u>FY 2018 Recommended Budget</u>	
Loan Repayment			
Operating Expenditures	\$19,450	\$18,400	<b>\$15,400 (D)</b>
Borough Direct Cost	\$1,570	\$2,600	\$2,600
<b>Total</b>	<b>\$21,020</b>	<b>\$21,000</b>	<b>\$18,000 (E)</b>
<b>Contribution to Fund Balance</b>	_____	_____	_____
<b>Contribution to Capital Project Account</b>	_____	_____	_____
<b>Project Description: Be specific</b>			
<b>New Total</b>	<b>\$21,020</b>	<b>\$21,000</b>	<b>\$18,000 (F)</b>

# Scenario D



**Commission votes to reduce the tax cap \$3,000.**

- A. Change Property Taxes Item**
- B. Change Total**
- C. No Contribution from Fund Balance. New Total**
- D. Operating Budget will decrease \$3,000.**
- E. New Total of Expenditures**
- F. No changes to capital or Fund Balance. New Expenditures Total**

# Budget Meetings



- **Set up Agenda**
  - **Some examples Items to include:**
    - **Planned Expenditures**
    - **Service Area Plans**
    - **Annual Maintenance Contract Renewal**
    - **Budget Approval**
- **Advertise for Meeting with Rural Services**
- **Hold Meeting**
  - **Discuss Items on Agenda**
  - **Vote on any items requiring action**
  - **Take Minutes of the Meeting**
- **Turn in Meeting Minutes with Budget Worksheet to Rural Services**

# Timeline for Budget



- Letter to Commissioners with Budget will be mailed out the first week of February
- Hold meeting no later than Feb. 25th
  - Advertising notices must be received by RS no later than 9 a.m. Feb. 15th
- Meeting Minutes and the signed Budget Worksheet must be received by 5 pm, Monday, February 26th

# Timeline for Budget



- If RS doesn't receive Minutes and Budget Worksheet by deadline, SA budget will default to the recommended budget.
- FNSB Recommended Budget presented to the Assembly on Thursday, April 5th
- Public Hearing on the budget is scheduled for May 3rd and May 10th

# Questions



THANK YOU!! for attending,  
and for your dedication to  
the Service Area

