

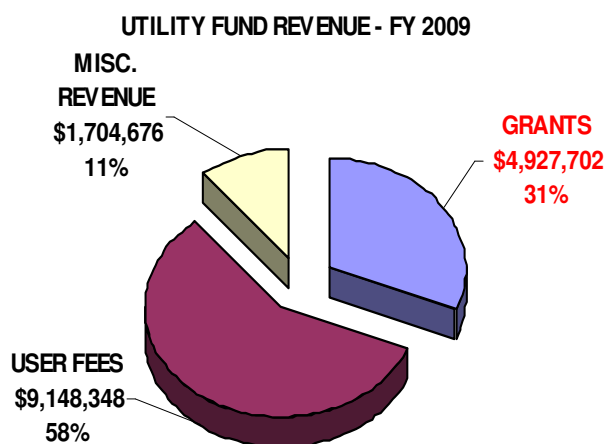
The Nuts and Bolts of the Creating the City Budget

We thought it might be helpful as we head into our budget season to discuss the basics of how the City arrives at a budget. We also plan a future editorial discussing the differences between municipal and other types of budgeting.

Preparation of the annual budget is a collaborative process involving City Council, City staff, and the citizens of Laramie. The entire budget process requires approximately 6-8 months to complete and begins by forecasting revenue, and then developing a spending plan based upon those estimates. City revenues come primarily from taxes, charges for services, grants, and state-shared revenues. The largest two sources of revenue used to pay for basic City services are sales & use tax (30-35%), followed by grants and state-share revenue (30%). We use the goals set forth by Council and information gathered in the citizen survey to determine spending priorities.

The City Manager is responsible for preparing and managing the City's annual budget. In January/February, individual departments prepare and submit budget requests to the City Manager and then in March and April the City Manager meets with Department Heads to review and make decisions about those requests. The City Manager forwards a "Recommended Budget" to City Council for consideration during multiple public work sessions in the month of May.

The City budget is organized into 'funds'. Each fund is used to account for specific services, activities, and programs provided to citizens. For example, user fees paid for trash collection are collected and accounted for in the Solid Waste Fund and used to pay for the cost of providing those services. Likewise, fees paid by the City's water customers are accounted for separately and used to treat and deliver potable water to Laramie households. For the current year, the City secured grants to pay for roughly 1/3 of the total cost of operating the water and sewer system.



After the Budget is deliberated by the City Council, public notices are published in the newspaper outlining the amount of the proposed budget and inviting public comment. A public hearing is held prior to adoption of the budget by the City Council between the second and third Tuesday in June. The City Council, by adopting a budget, enacts a spending plan allocating resources and directing staff in the delivery of services, capital improvements and acquisitions benefitting the citizens of our community.

Throughout the year, the City Manager and Finance Director, with the input of other City staff, monitor the budget to ensure that the annual plan is followed and that revenue projections are accurate. The City budget is a public document, and is available for review at any time on the City website. To learn more about how you can be involved in the development of the City budget, or to review the budget, please visit the City Manager's Office webpage at www.cityoflaramie.org/cityhall/citymanager. Please watch for future articles with more information about how municipal budgets differ from business or non-profit budgets.