



A Citizen's Guide to the City's Budget Process

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Introduction

This guide, created by the Budget Administrator in the Finance Office, is designed to help interested citizens gain a better understanding of the City of Palm Bay Adopted Budget and the process by which the annual operating budget is developed each year. This guide provides citizens with the following:

- A description of the annual budget process
- Assistance in how to interpret budget documents
- Information on how you can become more involved in City budget matters.

A municipality's budget is much more than an accounting document. It serves as an outline for how the City should best use its resources to benefit citizens. With an annual budget City Wide of approximately \$145 million, the City of Palm Bay must determine how to utilize its pool of resources to perform necessary City functions. It is with this understanding that elected officials make decisions regarding which services, programs, and other expenditure priorities to include in the annual budget.

General Fund Tax Dollars at Work

The diagram below depicts General Fund services provided by the City of Palm Bay and how they are funded by your tax dollar for FY 2015.



General Fund Resources

In recent years, competing priorities and limited funds have left City leaders facing tough decisions when it comes to forming the annual budget.

Other Funds

In addition to the General Fund, the City of Palm Bay has five other fund types. It is important to have separate funds because some pots of money have specific restrictions on how they may be used. The following descriptions summarize the other five types of funds, what they may be used for, and how they acquire revenue. For FY 15, the graph represents the percentage of use of total adopted budget by Fund.

1) Enterprise Funds

This type of fund accounts for specific services that are funded directly through user fees. As the second largest fund type in the City, Enterprise Funds are intended to be fully self-supporting and are not subsidized by the General Fund. Examples include Water and Sewer, Building Fund, Stormwater Utility Fund, and Solid Waste Fund.

2) Special Revenue Funds

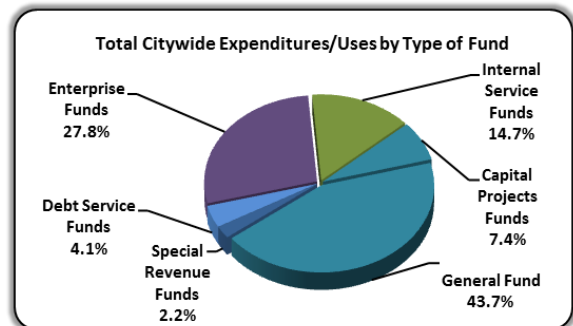
These funds account for revenue that is received for a specifically identified purpose. Examples include Law Enforcement Trust Fund, Bayfront Community Redevelopment Agency Fund, Housing and Neighborhood Development Funds and Environmental Fee Fund.

3) Debt Service Funds

These funds are used for the payment of note interest and costs of issuance for the annual General Fund Notes and Bonds. Some examples are the Lease payments, 2004 Pension Bond, 2006 Sales Tax Bond, 2006 Transportation Impact Fee Bond, 2010 Public Service Tax Bond, 2012 Public Service Tax Revenue Note, 2013 taxable Special Obligation Refunding Bond, 2014 Local Option Gas Tax Refunding Revenue Note, and 2015 Franchise Fee Revenue Note.

4) Capital Project Funds

Capital project funds support the acquisition or construction of capital facilities. Some examples include the Impact Fees Funds for Parks, Fire, Police and Transportation. Community Investment Program Fund for General Fund capital projects, Bayfront Community Redevelopment Agency capital projects, I-95 Interchange project, and Road Maintenance CIP Fund.



5) Internal Service Funds

Internal funds were created to finance and account for services provided by one City department or division to another, such as fleet maintenance. Services provided by Internal Service Fund departments are paid by allocations, fees or fund transfers. Other types of internal service funds are Employee Health Insurance Fund, Risk Management Fund, and Other Employee Benefits Fund.

What is a Municipal Budget?

Each year a city must forecast the revenues it will receive and the expenditures it will incur for the upcoming fiscal year. The resulting official document is known as the Municipal Budget.

The City is required by law to balance its budget each year. The budget is constantly monitored throughout the year to determine whether the city is spending more or less than its revenues. The City then makes adjustments to its spending in order to ensure that at the end of the year the budget is in balance.

What Does the City Budget Do?

Each year the Mayor, City Council, and City staff work together to develop an annual budget. While the budget is being created, all parties must make decisions on how to utilize the limited revenues that the City receives in order to produce the greatest benefit to its citizens.

The budget is not just an accounting document - it is a management and planning tool. Because the City is limited by the amount of resources available, the budget aids officials in determining which objectives have the highest priority, will meet the greatest needs and produce the greatest positive impact in the community. The annual budget document serves as a plan for how the monies that come into the City of Palm Bay will be spent to operate and maintain the City. The Mayor, City Council, City staff and the citizens of Palm Bay all serve as participants in its creation and execution.

Form of Government

Council-Manager

The council-manager form of government is the system of local government that combines the strong political leadership of elected officials in the form of a council, with the strong managerial experience of an appointed local government manager. The form establishes a representative system where all power is concentrated in the elected council and where the council hires a professionally trained manager to oversee the delivery of public services.

The Mayor and four (4) Council members (City Council) are the legislative branch of city government and are the community's decision makers. The Mayor is the presiding

officer at the Council meetings and is the official head of the City for all ceremonial occasions. Power is centralized in the elected Mayor and Council (City Council), which approves the budget, determines the tax rate, focuses on the community's goals, major projects, and such long-term considerations as community growth, land use development, capital improvement plans, capital financing, and strategic planning.

In Palm Bay, the City Council operates in accordance with the City Charter. Three (3) positions created by the Charter (Charter Officers) are appointed by and report directly to the City Council -- City Manager, City Attorney, and City Clerk.

City Manager

The City Manager serves as the chief administrator of all activities related to the operations of the City. The City Manager hires a professional City staff to assist in the administration and enforcement of the City Charter, ordinances, resolutions, financial conditions and all of the various procedures and policies that are required for the City to function properly. The manager is fully responsible for municipal administration.

City Attorney

The City Attorney is responsible for protecting the City in legal matters and advising the City Council, City Manager and City departments on the legal implications of their actions. The City Attorney also prepares official documents; prosecutes matters on behalf of the City; defends the City in legal proceedings, and provides legislative liaison.

City Clerk

The City Clerk administratively assists the City Council; is responsible for the maintenance of all official records regarding City government; records minutes of meetings for City Council; conducts City elections in conjunction with the supervisor of election's office; prepares agendas and public notices; advises news media of meetings; and maintains the records management program throughout the City.

Role of the Citizens of Palm Bay

In order for the Mayor and City Council to discern which programs and issues are of the highest priority to citizens, it is important for the residents of Palm Bay to play an active role in the budget process. Citizens are encouraged to provide their input and suggestions through multiple forums including:

- Contacting the Office of the Mayor and his staff as the Proposed Budget is being developed
- Contacting your City Councilmember to weigh in on important issues in your community
- Attend and participate in City Council meetings, Budget Workshops and Annual budget hearings to provide input to the City Council as budget discussions are being held

In order to fully understand what is important to the citizens of Palm Bay, the Mayor, City Council, and City staff needs input from citizens like you. Writing, calling, or emailing any of these officials is the first step in solving problems that are important to you. Additionally, becoming involved by attending public meetings provides an opportunity to provide input, make suggestions, and become more knowledgeable of City affairs.

Important Budget Process Dates

A brief timeline and calendar of key dates is provided for reference and is intended to assist in determining when budget actions and deliberations take place. For every item, Citizens are welcome to attend.

The following dates were for the preparation of the FY 16 Budget. Each year these meetings will occur around the same timeframe.

5/19/2015	1 st Budget Workshop to discuss Mid-Year review of current year actuals.
6/24/2015	2 nd Budget Workshop to discuss Council's direction for FY 16 budget.
7/16/2015	3 rd Budget Workshop to discuss Proposed Budget submitted to Council on 7/2/2015 and to approve tentative millage rate, roll back rate, and public hearing dates.
8/11/2015	4 th Budget Workshop to continue discussion of Proposed Budget for FY 16
8/27/2015	5 th Budget Workshop if needed, to continue discussion of Proposed Budget.
9/10/2015	1 st Public Hearing to adopt tentative millage rate, First Reading of Ordinance to adopt FY 16 Budget, and First Readings of Utilities Fees Ordinances.
9/24/2015	2 nd Public Hearing to adopt Millage Rate, adopt remainder of fees by resolutions, adopt Position Control Pay Plan resolution, adopt Capital Improvements Program Second Reading of Utilities Fees Ordinances, and Second Reading to Adopt Budget.

Budget Website

The Budget Website is located at <http://www.palmbayflorida.org/discover-us/departments/finance-acct-btr-liens-passports-purchasing-/budget>

During the Budget year, various documents are posted to the Budget website for Citizens' viewing.

For FY 16 Budget process:

Workshop dates and Public Hearing dates are posted in the FY 16 Budget Preparation section.

Also posted here is the FY 16 Proposed Budget Document which was given to Council July 2nd. Each year will be around this time.

Between the time of Proposed Budget submission to Council and the First Budget Hearing, Changes have been made to the Budget based on Council's direction. The revenues and expenditures reports by line item for the First Budget Hearing are posted here as well two days prior to the First Budget Hearing.

<http://www.palmbayflorida.org/government/departments/finance/budget-/budget-preparation>

After the Budget is approved at the Second Budget Hearing, the FY 16 Approved Budget Revenues and Expenditures reports are posted within thirty days after approval. It is normally posted within days of approval.

Also posted here under FY Combined Approved Budget, is the Government Finance Officers Association Budget Document that is prepared and sent to organization within 60 days of Budget Approval. This is normally around the end of December.

<http://www.palmbayflorida.org/government/departments/finance/budget/fy-2016budget>

For current fiscal year, any Budget Amendments, CIP Resolutions and Position Control Pay Plan Resolutions are posted to website as well.

<http://www.palmbayflorida.org/government/departments/finance/budget-/adopted-budget/budget-amendments>

<http://www.palmbayflorida.org/government/departments/finance/budget-/adopted-budget/capital-improvement-plan>

<http://www.palmbayflorida.org/government/departments/finance/budget/fy-2015-position-control>

By mid-January the Department Budgets for the new Adopted Budget are posted to website. Currently this is showing FY 15 that was posted January 2015 and will change in January 2016 for FY 16 Budget.

<http://www.palmbayflorida.org/government/departments/finance/budget-/adopted-budget/department-budgets>