Staff Report

Agenda Item: **Budget Worksession** – A worksession to discuss the 2008-2009 Fiscal Year Budget.

Sponsored By: Carlton Woodruff, Finance Director

Meeting Date: April 08, 2008

Background:

THE BUDGET PROCESS

The budget process is always a cyclical process. A "beginning point" is the preparation of the base budget by the Finance Director and each department head. These budgets are based on expenditures to date and experience from prior years. The department's base budgets, along with any requests for new positions, programs or services are then presented to the Town Manager. These "new" requests are presented from a variety of sources including staff, Council, Boards and Commissions, and miscellaneous outside organizations.

The Town Manager and Finance Director then coordinate with department heads to review base budgets and requests for new equipment, programs or personnel. These requests are reviewed and prioritized, and a tentative budget is presented to the Town Council.

Several dates should be kept in mind during the budgeting process. State law requires that, on or before the third Monday of July of each fiscal year, the Town Council must adopt a tentative budget. Functionally though, the Town of Clarkdale adopts a tentative budget prior to June 30th so that the staff has a guideline for expenditures on July 1st, which is the beginning of the Fiscal Year. The Tentative Budget sets the maximum "limits" for expenditures.

There is no specific date set by state law for adoption of the final budget. However, there is a deadline for adoption of a property tax levy - the third Monday in August. Since the state law requires a period of at least seven days between adoption of the final budget and adoption of the tax levy, the deadline for adoption of the Final Budget becomes the second Monday in August.

Recommendation: This item is scheduled as a worksession only, and no official action is necessary from the council.