

FY2015 Budget Submittal Guidance

FY2015 Budget development activities are now open. This year's Base Budget should largely follow a "Status Quo" approach with the exception of a few known expansions driven by prior Council decisions. Our objective will be to distinguish between a Base Budget representing basic operational routine expenses and new priorities/initiatives requests in comparison to revenue capacity. As a result of Council's Retreat, the following topics surfaced as potential budget focal points as you build a budget submittal request:



Consult closely with Senior Director's on specifics of new initiatives/ priorities above a base budget and how best to plan for in 5-year Budget Plans. The following is a list of Priorities that filtered through the Performance Management Evaluation:

- Revenues
 - Monitor Legislative discussions Privilege License Tax
 - Funding Strategy CAMPO/LAPP Grants
 - Stormwater funding enhancements
 - Revisit Solid Waste cost recovery
- Personnel
 - Employee development/recognition
 - Performance pay plan update/Merit pay adjustments
 - Staffing needs assessment (Finance, IT, Stormwater, and RTP related positions -Parks & Public Works)
 - Health Insurance Premiums/wellness programs
- Operations
 - Road maintenance/sidewalk needs
 - Enhanced citizen engagement (streaming, citizen surveys, ordinance codification)
 - Project Wolverine Economic Incentive
 - Update LUTP
- Capital Outlay
 - Town Center Projects
 - Municipal Service District projects
 - MAFC Feasibility/remodel
 - IT Network System redundancy
 - One Solution Plan Review software
 - Police/Fire radio equipment replacement
 - Additional K-9 Unit

Please complete your Final Budget Submittals working through 6 Key Work Areas (not all work areas apply to every department) within your 5-Year Budget Plans using our new TEAMBUDGET software. Power Users assigned to each Directorate will guide Department Heads through budget activities using the new software.

1. Performance Measures

- Estimate FY14 Actual Performance Measures in TeamBudget
- Define FY15 Performance Measures & Targets in TeamBudget
 - Modifications to measures are encouraged at this time for the purpose of strengthening the relevance and analytical power of investing in a good set of Key Performance Measures. Measures should take on characteristics that energize evaluation of performance according to expectations; provide context through effective targets; and indicate direction of performance either up, down or static. Be mindful that this level of performance management is not person specific and even in some instances not necessarily department specific, but rather organizational or executive perspective - relating to Town Goals to realize the vision and mission for the community. Measures can and should provide good quality organization KPMs to learn, improve, and be accountable. Some instances, particular departments should take ownership of tracking for the organization key indicators when a department's degree of influence is such that it takes on leadership roles on behalf of organization (this does not apply to every department, but mostly affects internal service departments). Note: take advantage of the Comments section in TeamBudget's Performance Measures section to leave notes of data sources, calculation methods, significance of objective, etc...for historical reference.
 - Consider what measures are most meaningful. Not all activities are worth tracking for the sake of measuring unless there is value gained demonstrating progress, service quality, and alignment to Town Goals. Please take this opportunity to reassess some measures that simply report outputs but serve no real evaluation purpose. Conversely, take this opportunity to infuse any new measures that improve assessment. It is not necessarily how many measures you can create as a department that demonstrates an effective performance measures program, but that you have the right balance of measures that create meaningful feedback.
 - Establish benchmarks or targets for all measures. To Be Determined (TBD) or Not Applicable (N/A) Target identifiers limit the effectiveness of analysis. Targets provide context by using thresholds (i.e. upper and lower ranges of acceptable performance), targets (i.e. predefined gains such as 10% growth in revenues annually), benchmarks based on industry/service standards or professional judgment. Doing so may require measures to be modified, moving away from simple outputs to higher level indicators for efficiency and effectiveness value. Make certain performance measures are measurable.
- Email to the Budget Office the "Conditions Affecting Service Levels, Performance and Cost" Form (Link in TeamBudget)
 - Provide a narrative for the following categories:
 - Big Rocks Priorities & New Initiatives: Describe the department's work plan for the fiscal year and how they align to achieve Council Priorities and Town Goals. Make certain to consult with your Senior Director on appropriate and reasonable items.
 - Challenges: Discuss challenges relating to necessary resources or circumstances of uncertainty to accomplish goals and Big Rock items.
 - New Request Above Base Budget: List any "Change Request" submittals for consideration by Town manager that are necessary to accomplish the department work plan. These are items above a Base Budget causing onetime or short-term budgetary increases or an expansion of base services increasing routine expenditures. Onetime items typically relate to capital outlay items, special projects, new initiatives, and/or new mandates (i.e. New Positions, MAFC Feasibility Study, Funding Strategies CAMPO/LAPP Grants, IT System Redundancy, non-routine replacement Equipment, Consulting Services). These should be material in nature that can help to explain any increased variance in budgetary request as compared to prior year base budget. These items require Town Manager approval before being published to your Budget Plan. Make certain to consult with your Senior Director on appropriate and reasonable items before entering request.

2. Operations and Capital Expenditures

- FY2014 Current Year Projection.

- Insert FY14 Year-end Projection in TeamBudget. It is **very important** that good faith estimates are provided at this time to effectively forecast Key Financial Performance items for the organization. Values should represent a total year-end estimate in the Year-end Projection section under Annual Summary in TeamBudget.
- **FY2015 Budget Submittal and 4-year Long-range Forecasts.**
 - Update Budget for FY2015 in TeamBudget to represent your Base Budget requirements. A Base Budget is defined as all things routine in nature necessary to maintain and provide Core BASIC Service levels as compared to prior year allowing for inflationary adjustments. Base Budget submittals for FY2015 should not grow more than 2% compared to the current CPI to account for inflation. The following items are considered programmed relating to prior year direction and should remain in Base Budget for FY2015 (no Change Request necessary):
 - *Professional Services LUTP Update and Main Street Consulting Services*
 - *IT computer/laptop replacements & software upgrades over base*
 - *One Solutions Plan Review & TeamBudget Re-integration*
 - *RTP Bond Full Debt*
 - *Transfers Out to Capital Reserve Fund*
 - *Fleet vehicle replacements*
 - *CAMPO Grant Project Town Center Walking Loop - Carryover*
 - *Morrisville-Carpenter/Progress Energy Project - Carryover*
 - *Town of Cary Pedestrian Crossing Project - Carryover*
 - New Requests submitted in the Change Request section of TeamBudget should represent proposed New Routine Items, Onetime Initiatives for FY2015, or additional appropriations above prior year for a cost category relative to items described in the Conditions Affecting Service Levels, Performance, and Cost Form as mentioned above.
 - Produce reasonable Long-range Forecast for FY2016 – FY2019 using FY2015 projections as a baseline. Please identify modifiers used if greater than 2%.
 - Consider carefully within the current budget year any appropriations provided for certain special projects that are likely to go unencumbered by June 30th to effectively rollover appropriation. It may be necessary to project need in FY2015 Budget Submittal. Be certain to call out such items specifically in TeamBudgets Notes & Justification sections as a Carryover.

3. Staffing Plan

The Budget Office will be responsible for producing organizational Personnel Budgets using basic modifiers and assumptions (not an actuarial) to develop a reasonable budget request.

- Departments should review and validate all Position Allocations in TeamBudget. Advise Budget Office if positions are missing, needed title corrections, or name corrections. Once the Budget Office has published personnel assumptions to your department budget plans, please review Salary budget, Position Title, and Grades. Forward any questions as necessary.
- Enter Change Request for needed Professional Development relating to training and certification requirements established within a defined Promotion Program such as Fire, Police, and Inspections per applicable position as a Wage Adjustment in TeamBudget.
- Enter New Position Change Request for FY2015 to request funding consideration as a Position Change in TeamBudget. The Budget Office will be responsible for forecast for FY2016 – FY2019 for future assumed position needs as directed by Town Manager. Note: New Positions currently assumed as funded in LRFM for FY2015 are 3 Firefighters relating to continuation of Quint Concept – no change request necessary.

4. Replacement Plans

- Update Replacement Plan Needs for Fire Apparatus, Heavy Equipment, Vehicles, and IT Replacements. Please attach your replacement document to the appropriate costing category in TeamBudget.

5. Revenue/Grants

- Finalize User Fees (Link in TeamBudget)

- Use the attached User Fee Submittal Form to propose new fees/or modifications adjusting for current CPI 2% or market trends. Demonstrate changes using the strikethrough and underline in RED text.
- **Provide Revenue Projections**
 - Insert Departmental Revenue Projections for appropriate sources in TeamBudget.
 - The Budget/Finance Revenue Team will review and consult with Departments to prepare Final Revenue Projections.
- **Update Targeted Grant Prospects**
 - Email the Budget Office Targeted Grant awards providing full justification and current grant status as pending, applied, or awarded that may impact FY2015.

6. Capital Improvement Projects

- **No action required at this time.**
 - Please contact Budget Office to discuss any alterations that you may feel are necessary at this time.

The Town Manager will follow-up final Budget Submittals with Department Budget Meetings for discussion of New Requests and Base Budget projections. Please coordinate with assigned Power Users for assistance or feel free to contact the Budget Office directly.

**FINAL BUDGET SUBMITTALS DUE TO BUDGET OFFICE: -
NO LATER THAN EOB FEBRUARY 28TH**
