

Budget Guide

The Budget is a financial plan for the City. It includes estimates of available resources and appropriations, which are the authority to spend money for specific purposes. The Budget also consolidates and presents City of Madeira Beach information detailing specific policies and operational standards and requirements. This guide is intended to provide the reader with a brief summary of the kind of information contained in each section of this Budget.

The Budget document is divided into ten main sections: Budget Message; Budget Guide; General Fund; Special Projects Fund; Sanitation Fund; Stormwater Fund; Marina Fund; John's Pass Village Fund; Capital Improvement Program; and References. The contents of each section are summarized below.

I. Budget Message

This section contains the City Manager's transmittal letter, which highlights specific items in the proposed budget in layman's terms.

II. Budget Guide:

This section contains information relating to the City of Madeira Beach and the budget process of this organization. The guide is divided into the following sections:

- A. Introduction
- B. The City-In-Brief
- C. Vision & Goals
- D. Budget Process
- E. Financial Information

III. General Fund:

This section sets forth the total General Fund projected revenues and expenditures for the general operations and services of the City. The presentation of the General Fund Budget is segregated into customary summary sections for:

- A. Revenues
- B. Expenditures by Department

Each department may reflect expenditures for multiple programs and/or services. Each departmental expenditure detail is prefaced by a summary and outline of the departmental mission, programs and services. The expenditure detail is supplied in line item format, with additional detail for capital outlay items.

IV. Special Projects Fund

V. Sanitation Fund

VI. Stormwater Fund

VII. Marina Fund

VIII. John's Pass Village Fund

Each fund section is prefaced by a summary and outline of the fund's mission and purpose. The summary is followed by customary sections for revenues and expenditures. Like the General Fund, the expenditure detail is supplied in line item format, with additional detail for capital outlay items.

IX. Capital Improvements Plan (CIP):

Section 9 presents the City of Madeira Beach 5-Year Capital Improvements Plan (CIP) with specific presentation of the FY 2008 Capital Improvements Program. The CIP is presented by fund, by project. The various FY 2008 projects are fully described by expenditure component, funding sources and operational impacts. The CIP is generally comprised of one-time, nonrecurring expenditures valued at \$25,000 or more. This section contains its own introduction, policy and procedure explanation, which provides specific details on the classification of CIP projects, priorities and execution. The contents of this section are:

- A. Introduction
- B. General Fund Summary & Details
- C. Special Projects Fund Summary & Details
- D. Marina Fund Summary & Details

X. References:

Section 10 presents a Glossary of Terms and additional reference material to aid in the explanation and review of the budget.

Budget Guide – Introduction

Article X, Sections 10.2 and 10.3 of the Madeira Beach City Charter require the City Manager to submit an annual Budget to the City Commission. In accordance with Florida Statutes, Chapter 166, Section 166.241, the Budget prepared and recommended by the City Manager must be balanced in terms of revenues and expenditures. Additionally, the Budget serves as a:

- ✓ Financial Plan – As a financial plan, the Budget reflects the financial condition of the City both in terms of revenues and expenditures and includes financial projections.
- ✓ Policy Document – As a policy document, the Budget reflects the City's budgetary and fiscal policies and philosophies. These policies are established or achieved within the Budget by virtue of expenditure and revenue priorities, renewal and replacement schedules, capital needs, operational needs and various other funding and program mechanisms.
- ✓ Operations Guide – As an operations guide, the Budget provides general direction to the City's departments in terms of providing the financial resources to accomplish the various missions and functions within their respective programs. The guide is also realized by identifying performance goals and objectives for the City Commission and

staff to measure the effectiveness of the City's overall service delivery, operations and programs.

- ✓ Communications Device – The Budget also serves as a communications device among the City Commission, staff and the citizens. To this end, the Budget is written and presented in an easily understood, summary format.

Budget Guide – City in Brief

Form of Government:

The Town of Madeira Beach incorporated in May 1947 and initially contained only the area bounded by 140th Avenue and 155th Avenue. In August 1951, the Town of Madeira Beach and South Madeira merged to form the City of Madeira Beach, encompassing all the area between 155th Avenue and John's Pass. Later that year, the City Manager form of government was approved for implementation. At present, the City Charter states that the form of government shall be the commission-manager plan and that the Board of Commissioners shall consist of five members.

The five member Board of Commissioners consists of one Mayor-Commissioner and four District Commissioners who reside in the district from which they are elected. The term of office for the Mayor-Commissioner is three years and the District Commissioners are elected for two year terms. The Board of Commissioners is the legislative body of the City. They consider and adopt ordinances and enact regulations for the maintenance of good government, the preservation of peace, welfare, health and safety and convenience of the citizens. The Commission also reviews and adopts the City Budget, makes appropriations, levies taxes, holds public hearings for citizen input, appoints committees and establishes municipal policies.

Pursuant to City Charter, the City Manager is appointed by a majority vote of the Board of Commissioners. The City Manager is the chief administrative officer of the City and serves directly at the pleasure of the Board of Commissioners. The City Manager implements policies, directs and supervises the administration of all departments, programs, offices and agencies of the City.

Statement of Our Philosophy:

The City of Madeira Beach is working at all levels to improve the quality of life within our community. Since the Budget is a policy document and serves as a statement of City policy in fiscal terms, it should be viewed as a reflection of the Board of Commissioners' service delivery priorities.

The priority philosophic positions upon which the Budget has been developed include:

- ✓ Quality of life is enhanced by improvements in services, facilities and infrastructure;
- ✓ Adequate staffing levels are necessary to ensure basic services are provided in a responsive and professional manner;

- ✓ Revenues are estimated realistically and conservatively to ensure adequate funding of basic services over time; and
- ✓ Expenditure priority will be given to the appropriate care of the City's existing facilities and infrastructure before considering new or additional facilities and services.

The major goals of the City administration are to:

- ✓ Maintain and enhance the quality of life;
- ✓ Respond to community needs expressed by the Board of Commissioners and the citizens;
- ✓ Seek excellence in service delivery and program improvements;
- ✓ Develop new and balanced revenues to adequately fund City services; and
- ✓ Recognize that our employees are the City's most valuable asset and strive to maintain their salaries and benefits at competitive, yet cost-effective levels.

The employees' overall mission is to provide the highest quality of service possible to all City residents and to all who interact with the City. In all activities, especially the Budget, City employees strive to achieve total customer understanding and satisfaction, maintain the highest standards of honesty, integrity and trust and thereby strive to earn the confidence and trust of the community. City employees share the fundamental belief that the quality of our performance as an organization is directly related to how well we inspire and support each other as colleagues and team members.

Budget Guide – Vision & Goals

At the center of the Budget process is the essential requirement for sound fiscal management and operational decision-making in accordance with the goals and objectives established by the Board of Commissioners, the staff and the community. The establishment of the goals and objectives is dependent in large part upon strategic definition of the City's "Vision" and consistency over time in making decisions that continually support that vision. In 2001 the City of Madeira Beach initiated a Visioning Exercise that allowed the community to participate in a strategic process of identifying Madeira Beach's Strengths, Weaknesses, Opportunities and Threats (SWOT). From that process, the community reached a consensus on the most important issues facing the City of Madeira Beach. Building from the SWOT analysis, the City moved into a preparation of a Master Plan for Madeira Beach.

The City of Madeira Beach Master Plan is predicated upon the citizens' stated desire that:

The City maintain, as much as possible, the much-heralded small town character of the current community, while at the same time, making positive proposals for moving forward into the 21st Century."

The Master Plan serves as a document to guide the City's legislative, policy and budgetary decisions and priorities. In keeping with that purpose, the City Commission adopted in October 2004 *A Recommended Work Program for the Master Plan* that better delineates the Master Plan priorities and the schedule by which the City will implement the

various initiatives. As established therein, following is a list of the geographic and topical priority categories:

- ✓ Gulf Boulevard
- ✓ John's Pass Village
- ✓ Tom Stuart Causeway/150th Avenue
- ✓ Madeira Way
- ✓ Civic Initiatives
- ✓ Legislative & Policy Initiatives

Budget Guide – Budget Process

Under the provisions Article X, Section 10.4 of the City of Madeira Beach Charter, the Board of Commissioners “shall by ordinance adopt a Budget setting forth the amounts necessary to be raised for the various department of the City and fixing the amount of millage to raise such sum.” Pursuant to Article X, Section 10.2 of the City of Madeira Beach Charter, 90 days before the beginning of the fiscal year (October 1st), the City Manager shall present a report covering the operation of the City with an estimate of the expenditures and revenues of the City for the next fiscal year. To accomplish this, the City Manager issues Budget instructions, conducts Budget preparation sessions, and communicates regularly with department staff.

This guidance provides the overall "rules of the game" within which the more detailed Budget instructions and coordinating efforts are developed. The following are key procedural steps in the City's Budget development process. Note that the process below is indicative of our standard Budget calendar, which began in March of this year, but may be adjusted for future processes.

Calendar:

The Finance Director and City Manager maintain a calendar that provides a schedule for Budget preparation and adoption. In general, the calendar is primarily provided for the administrative purpose of establishing deadlines and guiding the Budget preparation process.

City of Madeira Beach 2008/09 Budget Calendar

March 19, 2008	Pre-budget meeting with Department Directors & Supervisors Finance Director reviews <i>Budget Manual</i> and budget submission forms
April 11, 2008	<i>Revenue Forecast Forms</i> for NEW revenues due to Finance Director
April 25, 2007	C.I.P. and Departmental operating and capital budget requests due to Finance Director (must use proper <i>justification forms</i>)
May 6, 2008	Special Budget Workshop with Commission (Pre-budget items)
May 21, 2008	Property Appraiser delivers Estimate of Taxable Value

May 30, 2008	Finance Director delivers draft budget to City Manager
June 9-13, 2008	City Manager reviews budget requests with Department Directors
June 20, 2008	Finance Director completes budget changes City Manager completes Budget Message
June 27, 2008	Property Appraiser delivers Certification of Taxable Value (DR-420)
June 27, 2008	Finance Director delivers Proposed Budget and C.I.P. to Commission (Due July 1 per Charter, Sections 10.2 & 10.3)
July 15, 2008	Commission workshops budget (7:00 p.m.)
July 22, 2008	Commission proposes a millage rate
July 31, 2008	Finance Director notifies Property Appraiser's Office of proposed millage rate and date/time/place of 1 st public hearing (Return completed DR-420)
August 5, 2008	Commission workshops budget (1:00 p.m.)
August 19, 2008	Commission workshops budget (if needed)
August 31, 2008 September 7, 2008	City Clerk publishes budget ordinance by title (per Charter, Section 10.4)
Sept. 10, 2008 (WED)	First Public Hearing on Budget (Adopt tentative budget and millage rate)
Sept. 21, 2008	City Clerk advertises intent to adopt a final budget and millage rate (within 15 days after 1 st PH and 2-5 days before 2 nd PH)
Sept. 23, 2008 (TUES)	Final Public Hearing on Budget (Adopt final budget & millage rate)
September 26, 2008	Finance Director forwards ordinance adopting final millage rate to Property Appraiser and Tax Collector (within 3 days of adoption)
October 8, 2008	Property Appraiser delivers Certification of Final Taxable Value (DR-422)
October 10, 2008	Finance Director returns completed DR-422 to Property Appraiser
October 23, 2008	Finance Director certifies compliance with TRIM to Dept. of Revenue (DR-487) Must be postmarked not later than 30 days after adoption of final budget and millage rate

Budget Adjustment & Amendment:

In accordance with Section 10.5 of the City Charter and the City's operating procedures, the Board of Commissioners may by Resolution adjust or amend the Budget through supplemental appropriations, reduction of appropriations, and intra-fund transfer of appropriations. Adjustment of the Budget involves a reallocation of existing appropriations within each fund and does not change the Budget "bottom line." Amendment of the Budget involves an addition to or reduction of existing appropriations.

A. Adjustment

Under the first method, departmental expenditures and requirements are monitored throughout the year. Certain departments may develop the need for additional expenditure authority to cover unanticipated costs that cannot be absorbed within the Budget, while other departments will not require their full Budget authorizations. The Finance Department reviews and analyzes all departmental Budgets to determine what adjustments are necessary and whether the adjustments can be made within existing appropriation limits. These changes are then reviewed with the affected department. When an adjustment is needed, Finance will look first to savings or cost reductions within the department, followed by overall Budget reductions and finally transfers between departments, which require Board of Commissioners approval.

B. Amendment

Amending the City Budget occurs whenever the requested changes will cause the existing appropriation level for the program to change. This situation generally occurs when the Board of Commissioners authorizes additional appropriations. This is done by ordinance to amend the original Budget and states the sources of funding for the incremental appropriations.

Budget Guide - Financial Information

A. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. The term measurement in this definition relates to the accounting of revenues and expenditures and how they are grouped for reporting in the City's financial statements.

The City of Madeira Beach financial reports are maintained on a modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

All governmental funds are accounted for using a current financial resources measurement focus. Only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

Encumbrances represent expenditure commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriations, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

B. Basis of Budgeting

The basis of budgeting refers to the conversions for recognition of costs and revenue in budget development and in establishing and reporting appropriations that are the legal authority to spend or collect revenues. The City uses a modified accrual basis for budgeting governmental funds. All operating and capital expenditures and revenue are identified in the budgeting process because of the need for appropriation authority.

The budget is fully reconciled to the accounting system at the beginning of the fiscal year, and in preparing the CAFR at the end of the fiscal year. A number of GAAP adjustments are made to reflect balance sheet requirements and their effect on the budget. These include changes in designations and recognition, via studies and analysis, of accrued liabilities. Amounts needed for such long-term liabilities as future payoff of accumulated employee vacation is budgeted as they budgeted as projections and once recognized are adjusted for actual amounts.

C. Internal Control Structure

The internal control structure is designed to provide reasonable, but not absolute, assurance that the government is protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the annual financial statements in conformity with generally accepted accounting principles.

The internal control structure is the responsibility of the Finance Director and the City Manager to establish and maintain. This concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of cost and benefits require estimates and judgment by management.

D. Level of Budgetary Control

Legal budgetary control is maintained at the department level. Expenditures may not exceed Budget appropriations. Per the City's Charter, the City Manager is authorized to transfer budgeted amounts within departments of a fund; however, any revision that alters the total expenditures of any department or fund must be approved by the City Commission. The City of Madeira Beach adopts Budget amendments by ordinance in accordance with the City Charter.

**THE CITY OF
MADEIRA BEACH,
FLORIDA**

ELECTED OFFICIALS

Patricia J. Shontz, Mayor

DISTRICT 1 – Terry Lister

DISTRICT 2 – Sarah Nichols

DISTRICT 3 – Nancy Oakley

DISTRICT 4 – Steve Kochick, Vice Mayor

CITY MANAGER

W.D. Higginbotham, Jr.

CITY CLERK

Denise Schlegel

CITY ATTORNEY

Michael Connolly

STAFF

COMMUNITY DEVELOPMENT DIRECTOR

Paula Cohen

COMMUNITY SERVICES DIRECTOR

Michael Maxemow

FINANCE DIRECTOR

Monica Mitchell

FIRE CHIEF

Derryl O'Neal

CITY OF MADEIRA BEACH
FLORIDA

TABLE OF ORGANIZATION

