

LONG RANGE PLANNING AND THE OPERATING BUDGET

The following is a brief description of planning processes within the City and the impact on the Operating Budget development process.

- As a start to developing the Operating Budget, meetings were conducted at various locations around the City during the first week of October to give citizens a chance to provide input to the City Council and the City Manager on various budget concerns. This is taking the place of the Citizen Survey which has been done in the past.
- A Council Retreat is normally held to focus on the City's goals, visioning, and land use issues. Council develops its vision and its list of priorities for the next three to five years. In addition, staff provides Council with a fiscal update, trends and issues in various departments including Economic Development, Planning, Real Estate Assessor and Public Schools.
- The Commonwealth of Virginia mandates that the City adopts a Comprehensive Plan for the physical development of territory within its jurisdiction. The Capital Improvement Budget (CIB) is a major tool for implementing the Comprehensive Plan. Projects included in the CIB shall be consistent with the City Comprehensive Plan. The Planning Department reviews the proposed Capital Improvement Budget prior to the adoption of the CIB by Council to ensure that it is consistent with the Comprehensive Plan. A second major tool for implementing the Comprehensive Plan is the Zoning Ordinance and its enforcement by the Department of Neighborhood Services.
- A five-year Capital Improvement Budget (CIB) is developed during the same time as the Operating Budget. The development of the CIB and Operating Budget are coordinated by identifying projections for both in the Five - Year Forecast, by identifying the level of Operating Budget support required to finance the CIB, and by identifying the Operating Budget impact of completed CIB projects. The process and policies for the development of the CIB and detailed information about specific projects are included in a separate CIB document. A **Capital Budget Summary** is included in the Operating Budget.

The Budget Office develops a Five - Year Forecast each year. The Five -Year Forecast evaluates the total amount of available resources and total amounts of anticipated costs over a five year period. It incorporates levels of anticipated revenues over the next five years, the projected levels of operating costs, the anticipated levels of debt service for the CIB, the anticipated impact of the Operating Budget for such increases in operating costs as new capital projects, absorbing grant programs, and future salary increases. In turn, the first year of the Five - Year Forecast is used as framework from which to develop the guidelines and targets for the Operating Budget. The Five - Year Forecast also is used to determine the level of funding the City will have to support Capital Improvement Budget projects.