

# DEVELOPING A FY2018 BASELINE OPERATING BUDGET

Board Retreat  
October 23, 2017

# WHAT IS IT?

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**Baseline Budgeting** is a method for developing a budget for future years that identifies recurring revenues, recurring outlays, and the resulting preliminary surplus or deficit.

The baseline budget begins with the **current year budget** and is adjusted to reflect:

- Inflation and/or contractual increases
- Actual spending in the current and prior years
- Non-recurring expenses & revenues

# WHY DO IT?

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Baseline Budgeting helps establish future funding requirements with a better alignment of the budget to policy objectives.

## **BENEFITS:**

- Helps with policy decisions
- Helps to prioritize Initiatives
- Provides transparency to the Directors as well as the Public
- Increases accountability
- Allows a more expedient Budget Process going forward

# HOW IT'S DONE

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The Baseline Budget begins with the FY2018 Budget, identifying and describing:

- **Baseline** functions and associated expenditures which are necessary to provide transportation services to the community at current service and operational levels.
- **Non-Baseline** functions and associated expenditures which are associated with a one-time project or non-recurring in nature.

# WHO DEVELOPS IT?

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## **Executive Team & Directors:**

- Sign-off on the concepts and communicates to the Organization

## **The Budget Team:**

- Develops process, coordinates and manages overall efforts
- Meets with managers to review requirements and answer questions
- Consolidates results for Executive Team review and discussion
- Incorporates into FY2019 budget process

# WHO DEVELOPS IT?

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## Cost Center Managers:

- Begin now with a thoughtful review of their FY2018 Budgets to identify Baseline vs. Non Baseline expenditures
- Use the Template, provided by Budgets, to document functional purpose of cost center as well as baseline vs non baseline expenditures within the FY18 Budget.
- Review with Manager and/or Division Chief BEFORE submitting templates back to Budgets

# FY18 BASELINE TIMELINE

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## Key Dates:

- Kick-off at Town Hall Meeting and Board Workshop - October
- Templates distributed to cost center managers – Late October
- Cost center managers return baseline templates to Budgets with Manager & Division Chief sign-off – Late November
- Executive Team review - December
- Finalize FY18 Baseline Budgets and incorporate into FY19 budgeting process – early January

# NEXT STEPS: FY19 BUDGET PROCESS

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- “Roll forward” the FY18 Baseline to FY19 Baseline
- Develop 5 year projections of baseline operating expense vs. resources
- Call for operating budget proposals (incremental adds/deletions/ service level adjustments)
- Executive Team reviews proposals for FY19
- Develop proposed operating budgets for May Board meeting