



AGENDA REPORT

TO: Steven Falk
Interim City Administrator

FROM: Erin Roseman
Director of Finance

SUBJECT: Budget Outlook Message
and Calendar Report

DATE: April 12, 2023

City Administrator Approval

Date: Apr 14, 2023

RECOMMENDATION

Staff Recommends That The City Council Receive an Informational Report from the Finance Department on a Budget Outlook Message & Calendar Providing an Overview of The FY 2023-25 Budget Development Process and Estimated Key Dates of Budget Events.

EXECUTIVE SUMMARY

Staff is required to bring a Budget Outlook Message and Calendar report to the City Council pursuant to the Consolidated Fiscal Policy (Ordinance No. 13487 C.M.S.). This report is intended to provide a list of all dates for key budget events including the release of the Mayor's Proposed Budget, Community Budget Forums, and City Council meetings.

BACKGROUND / LEGISLATIVE HISTORY

The Consolidated Fiscal Policy (CFP) requires the production of a Budget Outlook Message and Calendar report. The CFP was most recently updated by Ordinance No. 13487 C.M.S. on April 13, 2018.

ANALYSIS AND POLICY ALTERNATIVES

Budget Outlook Message

During the FY 2023-25 Biennial Budget Development Cycle the City will be charged with resolving the largest projected General Purpose Fund (GPF) shortfall in its history. The FY 2023-25 baseline budget in January showed a \$345 million shortfall (\$175 million in Year 1 and \$170 million in Year 2) in the GPF and significant shortfalls in many other funds. The deficit amounts have been refined over the past few months with updated revenue projections and

expenditure projections (\$172 million in Year 1 and \$145 million in Year 2). As noted in December 2022 Informational Memorandum titled "[Revenue and Expenditure Report FY 2021-22 Q4 and FY 2022-23 Q1](#)" and the "[FY 2022-23 Second Quarter Revenue And Expenditure Report](#)" presented this Committee on March 14, 2023, the shortfall reflects increased expenditures from approved wage increases and other rising costs, such as pensions and insurance premiums.

In order to balance the GPF and other funds, Departments have been provided with a balancing measure target by fund for each year of the biennial budget. These balancing targets (dollar amount) by Department are addressed below.

Department Directors were instructed to employ balancing measures such as increases in service charges, fees, and other revenues to the extent allowable by law, and reductions in ongoing expenditures. Proposed increases to fees must be included in the Department's Master Fee Schedule submission and are subject to Council approval. Revenue proposals may not be speculative and will be vetted with the Finance Department and City Attorney's Office.

Departments were asked to propose their lowest priority services for reduction or elimination. Budget proposals should mitigate the impacts to service levels as much as possible, particularly if such a service reduction (or elimination) would impact communities experiencing historical racial disparities or have high-need and/or vulnerable populations.

The Department Director's under the direction of the City Administrator and Mayor's Office have been diligently working towards closing the gap and providing responsive and responsible solutions in concert with the Mayor's Priorities, address the City Council's Priorities and are responsive to the community's needs.

Budget Calendar Report

In the subsequent table please find the anticipated calendar of Key Budget Development Dates in Chronological Order.

Date	Time	Event
Monday, May 1, 2023	Morning	Mayor's Proposed Budget Published
Thursday, May 4, 2023	10:30am	Mayor's Proposed Budget Heard by the City Council at a Special Meeting
Wednesday, May 17, 2023	TBD	District 7 Community Budget Forum
Thursday, May 18, 2023	6:00pm	District 6 Community Budget Forum
Friday, May 19, 2023	5:00pm	District 3 Community Budget Forum
Saturday, May 20, 2023	10:00am	District 2 Community Budget Forum
Saturday, May 20, 2023	11:30am	District 4 Community Budget Forum
Monday, May 22, 2023	TBD	District 1 Community Budget Forum
TBD May 2023	TBD	District 5 Community Budget Forum
Thursday, June 1, 2023	N/A	Budget Advisory Commission's Optional Report submitted & available online
Thursday, June 15, 2023	Afternoon	Special Council Meeting on the Council President's Budget Amendments
Tuesday, June 20, 2023	Afternoon	Regular Council meeting with Budget on agenda, unless agenda is impacted
Monday, June 26, 2023	Afternoon	Special Council Meeting on Budget
Thursday, June 29, 2023	Afternoon	Special Council Meeting on Budget (if needed)
Friday, June 30, 2023	N/A	Deadline to Adopt the FY 2023-25 Biennial Budget

FISCAL IMPACT

This item is for informational purposes only and does not have a direct fiscal impact or cost.

PUBLIC OUTREACH / INTEREST

This item did not require additional public outreach, other than posting on the City's website. The Budget Outlook Calendar is intended to facilitate the greater public participation in the budget development process by providing advance notice of anticipated key dates.

COORDINATION

The Finance Department has produced this report in consultation with the Council President and the offices of District City Council Members.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this item.

Environmental: There are no environmental opportunities associated with this item.

Race & Equity: Public participation in the budget process may facilitate inclusion of priorities of disadvantaged communities, though this is not necessarily the case. Advanced noticing of key dates is more likely to facilitate participation and will allow time for residents to request translation services to improve language access.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council Staff Recommends That The City Council Receive and Informational Report from the Finance Department on a Budget Outlook Message & Calendar Providing An Overview Of The FY 2023-25 Budget Development Process And Estimated Key Dates Of Budget Events

For questions regarding this report, please contact Bradley Johnson, Budget Administrator at (510) 207-5730.

Respectfully submitted,



ERIN ROSEMAN
Finance Department, Director of Finance

Prepared by:
Bradley Johnson, Budget Administrator


4.25 FMC [23-0245] Report Budget Outlook and Message Calendar FINAL signed

Final Audit Report


2023-04-14

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