

The FISCAL YEAR 2025 BUDGET PREPARATION

A. BUDGET PREPARATION SCHEDULE

Initial activities related to preparing the Fiscal Year 2024/25 budget are underway. The direction provided today by the Council will be incorporated into the budget draft. Staff will present a draft budget to the Council and the public at a budget workshop in May. The further direction provided at the workshop will be incorporated into a "Final" budget that will be presented to the Council for consideration of adoption in June. The complete budget calendar is provided below:

SCHEDULE FOR DEVELOPMENT OF FY 2024/25 BUDGET

ACTIVITY	DEADLINE
FINANCE PROVIDES BUDGET SPREADSHEETS TO DEPARTMENTS AS WELL AS INSTRUCTIONS RE: NARRATIVES & CAPITAL PROJECTS (INCLUDING INTERNAL SERVICE FUNDS, GRANTS, DDAs)	2/25/2024
MID-YEAR PERFORMANCE BUDGET REVIEW WITH COUNCIL (2PM-5pm) [COMMUNITY INPUT]	3/20/2024
FINANCE PROVIDES INITIAL REVENUE FORECASTS TO CM (ALL REVENUE SOURCES, AND FUNDS)	3/31/2024
DEPTS SUBMIT PROPOSED DEPARTMENTAL EXPENSE BUDGETS AND NARRATIVES TO FINANCE	4/12/2024
PW & CDD SUBMIT COMPLETED BUDGET SECTIONS FOR GRANTS AND CAPITAL PROJECTS	4/12/2024
HR PROVIDES PAYROLL PROJECTIONS INCLUDING BENEFITS	4/19/2024
CM & FINANCE MEET WITH ALL DEPTS; REVIEW APPROPRIATIONS REQUESTS	4/15/2024 thru 4/19/2024
CM & FINANCE FOLLOW UP MEETING CIP	4/21/2023
FINANCE POSTS REVISED BUDGET WORKSHEETS IN BUDGET FOLDER;	4/22/2024
DEPARTMENTS REVIEW REVISED EXP WORKSHEETS; REPORT ANY DISCREPANCIES TO FINANCE THIS INCLUDES PROJECTED YEAR END FOR FY23, GRANTS; CAPITAL PROJECTS, ETC	4/22/2023
FINANCE REVIEWS TOTAL REVENUES vs EXPENDITURES WITH CM - ADJUST AS NECESSARY;	4/26/2024
INTERNAL REVIEW/QUALITY CONTROL (FINANCE, CM, DEPTS) - DRAFT BUDGET DOCUMENT	4/15/2024 thru 5/10/2024
FINALIZE DRAFT BUDGET DOCUMENT	5/17/2024
CM COMPLETES BUDGET TRANSMITTAL LETTER	5/17/2024
FINANCE DISTRIBUTES PROPOSED FY 2023/24 Draft BUDGET	5/22/2024
CITY COUNCIL CONDUCTS FY 2024/25 BUDGET HEARING WORKSHOP [COMMUNITY INPUT]	5/29/2024
FINANCE DISTRIBUTES FY 2024/25 BUDGET INCLUDING COUCIL AND PUBLIC UPDATES (FOR COUNCIL ADOPTION)	6/6/2024
CITY COUNCIL ADOPTS FY 2024/25 BUDGET	6/10/2024

B. PRIORITIZED LIST OF FINANCIAL GOALS

Staff used the prioritized list as guidance in preparing the FY2024 budget and will again use the list in preparing the FY 2024/25 budget unless the Council directs otherwise:

- 1) Adopt a balanced budget (ongoing expenditures should be supported by ongoing revenues. Accordingly, one-time revenues/grants should not be used for ongoing expenditures continuously)
- 2) Provide additional contributions to the Section 115 Trust to help pay the unfunded liability
- 3) Maintain operating reserve (20% of operating Exp) and litigation reserve (\$200k)
- 4) Provide additional funding for emergency reserves (10% of Operating Expenditures)
- 5) Maintain current level of service (no staff layoffs, no program cuts)
- 6) Provide cost of living adjustments for Staff in years to come

C. CITY COUNCIL DISCUSSION