

The FISCAL YEAR 2023/24 BUDGET PREPARATION

A. BUDGET PREPARATION SCHEDULE

Initial activities related to preparing the Fiscal Year 2023/24 budget are underway. The direction provided today by Council will be incorporated into the budget draft. Staff will present a draft budget to the Council and the public at a budget workshop on May 18. 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 on June 14. The complete budget calendar is provided below:

SCHEDULE FOR DEVELOPMENT OF FY 2023/24 BUDGET

ACTIVITY	DEADLINE
FINANCE PROVIDES BUDGET SPREADSHEETS TO DEPARTMENTS AS WELL AS INSTRUCTIONS RE: NARRATIVES & CAPITAL PROJECTS (INCLUDING INTERNAL SERVICE FUNDS, GRANTS, DDAs)	2/25/2023
MID-YEAR PERFORMANCE BUDGET REVIEW WITH COUNCIL (1.30PM-5.30pm) (COMMUNITY INPUT)	3/22/2023
FINANCE PROVIDES INITIAL REVENUE FORECASTS TO CM (ALL REVENUE SOURCES, AND FUNDS)	3/31/2023
DEPTS SUBMIT PROPOSED DEPARTMENTAL EXPENSE BUDGETS AND NARRATIVES TO FINANCE	4/7/2023
PW & CDD SUBMIT COMPLETED BUDGET SECTIONS FOR GRANTS AND CAPITAL PROJECTS	3/23/2023
HR PROVIDES PAYROLL PROJECTIONS INCLUDING BENEFITS	4/15/2023
CM & FINANCE MEET WITH ALL DEPTS; REVIEW APPROPRIATIONS REQUESTS	4/17/2023 thru 4/21/2023
CM & FINANCE FOLLOW UP MEETING CIP	4/21/2023
FINANCE POSTS REVISED BUDGET WORKSHEETS IN BUDGET FOLDER;	4/22/2023
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; <u>draft CV Starr Budget due</u>	4/31/2023
INTERNAL REVIEW/QUALITY CONTROL (FINANCE, CM, DEPTS) - DRAFT BUDGET DOCUMENT	4/15/2023 thru 5/10/2023
FINALIZE DRAFT BUDGET DOCUMENT	5/10/2023
CM COMPLETES BUDGET TRANSMITTAL LETTER	5/4/2023
FINANCE DISTRIBUTES PROPOSED FY 2023/24 Draft BUDGET	5/19/2023
CITY COUNCIL CONDUCTS FY 2023/24 BUDGET WORKSHOP (9 am - 2:30pm) (COMMUNITY INPUT)	5/24/2023
FINANCE DISTRIBUTES FY 2023/24 BUDGET INCLUDING COUCIL AND PUBLIC UPDATES (FOR COUNCIL ADOPTION)	6/9/2023
CITY COUNCIL ADOPTS FY 2023/24 BUDGET	6/12/2023

B. PRIORITIZED LIST OF FINANCIAL GOALS

Staff used the prioritized list as guidance in preparing the FY 2022/23 budget and will again use the list in preparing the FY 2023/24 budget unless Council directs otherwise:

- 1) Adopt a balanced budget
- 2) Provide additional contributions to the **Section 115 Trust** to help pay the unfunded liability
- 3) Maintain operating reserve (15-20% of operating Exp) and litigation reserve (\$200k)
- 4) Provide additional funding for emergency reserves **(Increase Recession Reserves from 5% to 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
- 7) **Change Policy – 50% of Surplus to be deposited to Section 115 Trust instead of additional payments to CALPERS.**

C. CITY COUNCIL DISCUSSION