



DATE: May 17, 2022

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT FY 2023 City Budget: Proposed Fiscal Year 2023 Operating Budget Work Session #2

RECOMMENDATION

That the Council continues to review and provide direction to staff on the City's proposed FY 2023 Operating Budget.

SUMMARY

The proposed FY 2023 Operating Budget Council Work Session #2 is a continuation of the budget conversation following the Saturday, May 14, 2022 work session. Budget Work Session #2 will include department presentations that were not completed during the Saturday budget work session and will include follow-up discussion on any specific items requiring Council direction in advance of the adoption of the FY 2023 Operating Budget on June 7, 2022.

BACKGROUND

The FY 2023 Operating Budget process began in January of 2022. Over the last several months, Finance staff and the various departments met to review the respective FY 2023 department budget proposals before presenting them to the City Manager. On April 28, the proposed FY 2023 Operating Budget was provided to the Council ahead of the Saturday budget work session on May 14, 2022.

DISCUSSION

The proposed FY 2023 Operating Budget document was provided to the Council on April 28, 2022 in advance of the May 14, 2022, Saturday work session. Over the upcoming weeks, Council will consider the annual budget prior to the planned adoption on June 7, 2022. During the Saturday work session, Council receives and discusses department budgets, where Council has an opportunity to ask questions as well as discuss and provide feedback to each department. The Saturday budget work session also includes a review of the City's Five-Year Plan.

Budget Work Session #2 includes department presentations that were not completed during the Saturday budget work session and includes follow-up discussion on any specific items requiring Council direction in advance of the adoption of the FY 2023 Operating Budget on June 7, 2022.

The proposed FY 2023 Operating Budget provided to Council on April 28, 2022, reflects projected General Fund revenues of \$199.1 million, which includes the one-time transfer of American Rescue Plan Act (ARPA) funding for the replacement of lost revenue during the COVID crisis. Proposed FY 2023 General Fund expenditures at \$193.9 million, representing an increase of \$9.2 million over the FY 2022 Adopted Budget. The proposed FY 2023 Operating Budget is balanced and is projected to build General Fund Reserves by \$5.2 million.

FISCAL IMPACT

The fiscal impacts of the information presented are dependent on the direction of Council. Changes resulting from Council direction will be included in the FY 2023 Operating Budget presented for the public hearing and adoption at the regularly scheduled Council meeting on June 7, 2022.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the six priorities outlined in the Council's Strategic Roadmap.

NEXT STEPS

The proposed FY 2022 Operating Budget and Capital Improvement Program budgets will be presented to the Council for consideration at a public hearing and adoption on June 7, 2022.

Prepared by: Nicole Gonzales, Deputy Director of Finance

Recommended by: Dustin Claussen, Director of Finance

Approved by:



Kelly McAdoo, City Manager