



Legislation Text

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CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Annual Budget Workshop #2: City Operations & Resources

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Finance Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

Development of the Annual Operating Budget and Capital Improvement Program (CIP) is critical in establishing the annual financial framework that supports the City's mission to provide services that ensure a high quality of life and maintain a dynamic business environment while creating an inclusive community that values diversity. The budget development process begins in August and is guided by the policies and priorities established by the City Council.

Each City department develops its operating budget and CIP recommendations based on historical needs and emerging priorities. Those recommendations go through two rounds of review, the first with the Finance Department and the other with the City Manager's Office. These assessments review operational changes, discuss objectives, and analyze recommendations. In consultation with the Finance Department, the City Manager makes the final recommendation to the City Council through the proposed budget published in mid-October.

The proposed budget is presented to the City Council and the community through workshops. Budget workshops establish the groundwork for the formal budget adoption process. This year, the public budget process begins with two foundational workshops that will review topics relevant to the development of the proposed budget.

Following the workshops, the City Council will hold a public hearing and be asked to approve the annual budget in December. A public hearing and the adoption of the annual property tax levy follow the adoption of the annual budget. To comply with state statutes, the budget and tax levy must be adopted before January 1, 2024.

DISCUSSION:

The September 26 workshop focuses on City operations and the resources needed to maintain the high level of public services delivered to the community. The discussion will include an overview of current funding sources and their ability to support services while maintaining a balanced budget.

Throughout the year, the Director Leadership Team assesses the capacity and capabilities of each City department. Directors look for gaps in current service delivery models. They also look ahead to determine how emerging priorities, changes in community expectations, and new mandates will impact service delivery in the coming years. This process culminates in thoroughly evaluating resource needs during the annual budget process.

Over the past several months, each department has carefully evaluated the people, supplies, equipment, and services necessary to maintain or enhance service delivery in 2024 and beyond. Departments submitted budget requests in late August, and the Finance Department and City Manager's Office are carefully evaluating those requests. Some preliminary recommendations have been made, which will be presented at this workshop. Staff will seek feedback from the City Council on various recommendations before their inclusion in the budget. The budget recommendation will be available on October 13 and presented to the City Council on October 24.

Like the August budget workshop, this discussion will focus on preliminary recommendations rather than numbers. This aligns with the educational and foundational intent of these workshops.

It is essential to note that all the recommendations discussed at this workshop fit within the confines of a balanced budget funded by existing revenue streams. Also, the recommendations result in a flat to declining property tax rate.

The presentation slides are attached for review before the workshop.

FISCAL IMPACT:

N/A