



Council Agenda Report

From: Ty Lewis, City Manager

Subject: Fiscal Years 2024-25 and 2025-26 Budget Process and Timeline

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.

Date: February 6, 2024

Facts

1. The City Council is required to adopt a comprehensive operating and capital expenditure budget to authorize the receipt of revenues and to authorize, guide, and direct City expenditure activities.
2. The City's fiscal year begins July 1st.
3. The process to develop a comprehensive annual budget typically takes between four to five months.

Options

1. Take no action;
2. Direct staff to move forward with noticing/community outreach for the goals/budget workshop and to endorse the proposed budget development calendar; or
3. Provide alternative direction to staff.

Analysis and Conclusions

The purpose of this item is for staff to provide a proposed framework and receive City Council input on the goal setting and budget development process for the upcoming fiscal years. Upon conclusion of this discussion, staff is seeking concurrence and/or direction on the following major items:

1. Establishing the framework/expectations for the goal setting and budget planning workshop for Saturday, March 2nd; and
2. Confirmation of the remainder of the public planning budget process calendar

Goal Setting and Public Input

Every two years, the City Council adopts a set of goals and objectives that guides City staff's work for the upcoming two-year budget cycle. These goals prioritize how staff allocate time and resources to achieve these objectives. Based on an internal review of prior year goals, staff will be proposing to reformat the goals to provide a more streamlined, measurable set of goals. The intent of reformatting the goals document is to incorporate elements of "SMART" goals, that is Specific, Measurable, Achievable, Relevant, and Time-Bound. The reformatted goals will also provide the City Council and public with a more comprehensive understanding of what specifically the City seeks to achieve for the next two years.

To develop the goals for the upcoming budget cycle, staff are proposing to hold a goals review and budget kickoff workshop on Saturday, March 2, 2024. The workshop will not be facilitated by an outside entity. The objectives of this session are to:

1. Receive a preliminary fiscal outlook for the upcoming fiscal year
2. Review the format of City Council goals to ensure that are focused and measurable
3. Review staff-initiated goals for Fiscal Years 2024-25 and 2025-26
4. Receive public input on budget priorities and City Council goals
5. Receive City Council input and direction goals and budget priorities

Budget Process and Timeline

There are several key dates and actions that are necessary to compile, present, discuss and adopt the budget by June 30, 2024. The following table provides the recommended timeline for the full budget development process:

Timeline	Action Item
February 6, 2024	Regular City Council Meeting: Budget Process Timeline Overview
March 2, 2024	Budget and Goals Workshop: Community Goal Setting & Budget Planning Session
March 19, 2024	Adoption of FY 2024-25 and 25-26 Goals
April 16, 2024	Regular City Council Meeting: FY 24-25 & 25-26 Proposed Budget Overview
May 7, 2024	Regular City Council Meeting: Department Overviews/Capital Improvement Plan/General Fund/Measure J-20 Expenditures
May 21, 2024	Regular City Council Meeting: Enterprise and Internal Service Funds
June 18, 2024	Regular City Council Meeting: Budget Adoption

Fiscal Impact

There is no fiscal impact associated with setting the budget development calendar.

CEQA

The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.

Recommendation (Option 2)

Direct staff to move forward with noticing/community outreach for the workshop and to endorse the proposed budget development calendar.