



WORK SESSION AGENDA ITEM SUMMARY

City Council

STAFF

Kelly DiMartino, City Manager
Travis Storin, Chief Financial Officer
Lawrence Pollack, Budget Director

SUBJECT FOR DISCUSSION

2023-2024 Biennial Budget – Work Session #2.

EXECUTIVE SUMMARY

The purpose of this work session is to review the 2023-2024 Recommended Budget delivered to Council and the City Clerk on September 2, 2022 pursuant to provisions of Article V, Section 2 of the City Charter. This is a continuation of the overall budget discussion and Outcome review item discussed at the September 13 Work Session. Since then, the first of two public hearings to gather input from the community has been completed.

The Recommended Budget is aligned with the adopted 2021-2023 Council Priorities, the 2022 Strategic Plan and community priorities. At the September 27, 2022 work session, staff will present a summary overview of these strategic Outcome areas:

- Transportation and Mobility
- Environmental Health
- Safe Community
- High Performing Government

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What clarifying questions does Council have regarding the Outcomes presented?
2. What follow-up items are there on budget issues related to these Outcomes?

BACKGROUND / DISCUSSION

This creation of the 2023-2024 Recommended Budget was accomplished using a process called Budgeting for Outcomes (BFO), which is a form of priority-based budgeting. The process has included the following major steps:

- Council adopted the 2022 Strategic Plan, which encompasses the adopted 2021-2023 Council Priorities.

- City financial staff created revenue forecasts for fiscal years 2023 and 2024.
- City staff developed budget requests (offers) for individual programs and services to help achieve specific strategic objectives within the adopted strategic plan. The primary objective selected within the budget request determines which of the City's seven key Strategic Outcomes the request is then submitted for consideration.
- BFO Teams comprised of 7 staff members each (one team per Outcome) reviewed the offers and negotiated with the staff (aka Sellers) who submitted the budget requests. This unique aspect of BFO allows for a much deeper review and understanding of the programs and services being proposed. The teams each deliver a prioritized ranking of budget requests that would change the ongoing level of service.
- Concurrently, public outreach began with a press release and ongoing communications through social media channels to invite the community to share their perspectives. The City's online public engagement tool, called OurCity, allows individuals to provide various types of input based on their level of interest and the amount of time they have available. Initial feedback received in May and June helped inform the decisions for the recommended budget, and the remaining inputs through September will be shared with City Council as final decisions are being made for the adopted 2023-2024 Budget.
- A work session item on the status of the 2023-2024 budget process was discussed on June 28. This session included high-level assumptions within the budget, as well as conversation about the themes that were emerging.
- The prioritized lists of funding recommendations from the BFO Teams were then reviewed by the City Manager and the rest of the Budget Leadership Team (BLT). The BLT deliberated similar to the BFO Teams, but they looked across all seven Outcomes holistically. This included conversations with each BFO Team, as well as a snapshot summary of the public input received between early May and early July. These inputs, along with other data and information discussed by the BLT, resulted in the decisions of what is recommended for funding in 2023 and 2024.

City Council Budget Meetings

- Council has a series of work sessions scheduled in September and October to discuss the proposed 2023-2024 Budget. These work sessions will include staff presentations regarding specific Outcomes, followed by an opportunity for questions and discussion. The final work session will include Council discussion regarding overall priorities, policy issues and guidance on what changes Council wants included in First Reading of the 2023-2024 Budget.
- Key remaining dates for Council discussions and Public Hearings are as follows:

Meeting Date	Topic
September 27, 2022 Work Session	Presentations, Questions and Discussion: <ul style="list-style-type: none"> • Transportation and Mobility • Environmental Health • Safe Community • High Performing Government
October 4, 2022 Regular Meeting	Budget Public Hearing #2 of 2
October 11, 2022 Work Session	General Discussion – Final Council Direction

November 1, 2022 Regular Meeting	First Reading of the 2023-2024 Budget and the 2023 Appropriation Ordinance
November 15, 2022 Regular Meeting	Second Reading of the 2023-2024 Budget and the 2023 Appropriation Ordinance

NEXT STEPS

Next steps include a second public hearing scheduled for the October 4, 2022 Council meeting for the community to comment on the recommended budget. This will be followed by the third scheduled work session to discuss the 2023-2024 Budget on October 11, 2022.

ATTACHMENTS

1. Presentation