



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Jim Shannon

SUBJECT: SEE BELOW

DATE: November 18, 2021

Approved

Date

11/18/21

**SUBJECT: 2021-2022/2022-2023 CITY BUDGET CALENDAR AND BUDGET STUDY
SESSION SCHEDULE AND 2022-2023 PRELIMINARY GENERAL FUND
FORECAST AND BUDGET STUDY SESSION**

RECOMMENDATION

- (a) Approve the proposed 2021-2022/2022-2023 City Budget Calendar as presented in Attachment A and the schedule for City Council Budget Study Sessions for the 2022-2023 Operating Budget, 2022-2023 Capital Budget and 2023-2027 City Capital Improvement Program, and 2022-2023 Fees and Charges Report as presented in Attachment B and explained in this memorandum.
- (b) Set a City Council Study Session for Friday, January 14, 2022 from 9:00 a.m. – 12:00 p.m. entitled “2022-2023 Preliminary General Fund Forecast and Budget.”

BACKGROUND

Each year, the City Council approves a calendar that sets key dates for the modification of the current fiscal year’s budget and the development of the budget for the following fiscal year. In addition, a memorandum from Councilmember Mahan that was included with the City Council’s approval of the Mayor’s June Budget Message for Fiscal Year 2021-2022 directed “the City Manager to study and prepare proposals for better aligning the City’s annual budget planning process with measurable performance targets, including the level, quality and equitability of core City services” for the City Council’s consideration as part of the 2022-2023 operating budget planning process. The recommended actions will approve the proposed budgeting calendar and set a City Council Study Session in response to City Council direction.

ANALYSIS

2021-2022/2022-2023 Budget Calendar

Provided with this memorandum is a proposed calendar (Attachment A) to be used as a basic plan in preparing, reviewing, and approving the 2022-2023 Operating Budget, 2022-2023 Capital Budget and 2023-2027 Five-Year Capital Improvement Program, and 2022-2023 Fees and Charges Report. Adoption of this schedule and process follows the City of San José Annual Budget process as shown on Attachment C. In addition, the calendar includes details associated with monitoring and amending the 2021-2022 budget that started with City Council's October 2021 approval of the 2020-2021 Annual Report that summarized prior year financial results and brought forward amendments to the 2021-2022 budget.

The schedule for the 2022-2023 budget development process recommended in this memorandum aligns closely with last year's process, except for the introduction of a new City Council Study Session that is proposed to be scheduled for January 14, 2022 as discussed below. The release date for the Proposed Operating Budget, Proposed Capital Budget and Capital Improvement Program, and Proposed Fees and Charges Report are set for late April/early May as in previous years. Additionally, consistent with the City's Community Based Budgeting Process, Community Budget Meetings will again be held in May 2022. The Budget approval by the City Council will be on June 14, 2022 and adoption by the City Council will be on June 21, 2022. It should be noted that the dates for the State of the City Address and Mayor's Budget Town Hall Meeting will be released by the Mayor's Office at a later date.

The schedule for the City Council Study Sessions held during mid-May is also proposed as outlined on Attachment B. A detailed schedule outlining the order of review for the 2022-2023 Operating Budget, 2022-2023 Capital Budget and 2023-2027 Capital Improvement Program, and 2022-2023 Fees and Charges Report will be released at a later date.

2022-2023 Preliminary General Fund Forecast and Budget Study Session

The City Council Study Session proposed for January 14, 2022 is intended to both meet the direction from Councilmember Mahan's memorandum and to provide additional context of the City's budgetary position and service levels. While the substantial resources provided by the American Rescue Plan and other external funding sources have been critical in helping the community and City respond to and help recover from the impacts of the COVID-19 pandemic, these funding sources are one-time – the continuation of services provided by these funds, as appropriate, will need to be evaluated and considered as part of the City's overall projected budget position and other important City Council priorities.

Purpose: The purpose of the Study Session is to provide a preliminary overview of the City's General Fund budgetary position for Fiscal Year 2022-2023 and the services funded on a one-time basis in 2021-2022 that will require consideration for continued funding in 2022-2023, review and discuss how equity will inform the budget development process, identify key performance measures related to the City's service delivery system and their relationship to the budget, and consider potential approaches to develop the 2022-2023 budget.

Outcome: The City Council will have an opportunity to engage in a dialogue regarding the City's preliminarily anticipated General Fund budgetary position for 2022-2023, as well as provide input for how the consideration of equity and key performance measures should inform the trade-off decision-making that will be necessary in the development of a balanced budget for 2022-2023.

An agenda for this Study Session will be submitted for the Rules and Open Government Committee's consideration no later than January 5, 2022.

COORDINATION

The proposed 2021-2022/2022-2023 City Budget Calendar and Budget Study Session Schedule have been coordinated with the Mayor's Office.



JIM SHANNON
Budget Director

Attachments:

Attachment A – 2021-2022/2022-2023 City Budget Calendar

Attachment B – 2021-2022/2022-2023 City Budget Calendar/Budget Study Session Schedule

Attachment C – City of San José Annual Budget Process

2021-2022 / 2022-2023 City Budget Calendar

Date	Action/Event
September 30, 2021	- 2020-21 Annual Report: Released
October 19, 2021	- 2020-21 Annual Report: Review/Approval by City Council
January 14, 2022	- 2022-23 City Council Study Session: 2022-23 Preliminary General Fund Forecast and Budget
January 28, 2022	- 2021-22 Mid-Year Budget Review Report: Released
TBD	- State of the City
February 8, 2022	- 2021-22 Mid-Year Budget Review Report: Review/Approval by City Council
TBD	- Mayor's Budget Town Hall Meeting
February 28, 2022	- 2022-23 City Manager's Budget Request & 2023-27 Five-Year Forecast and Revenue Projections: Released
March 4, 2022	- 2022-23 Mayor's March Budget Message: Released
March 15, 2022	- 2022-23 Mayor's March Budget Message: Public Hearing
March 15, 2022	- 2022-23 Mayor's March Budget Message: Review by City Council
April 27, 2022	- 2022-23 Proposed Capital Budget and 2023-27 Capital Improvement Program: Released
May 2, 2022	- 2022-23 Proposed Operating Budget: Released
May 6, 2022	- 2022-23 Proposed Fees and Charges Report: Released
May 6, 2022	- 2022-23 Proposed Capital Budget: City Council Budget Document <i>Capital Budget</i> Cost Estimates due to City Manager's Office
May 9 - 27, 2022	- 2022-23 Proposed Capital/Operating Budgets: Community Budget Meetings

2021-2022 / 2022-2023 City Budget Calendar

Date	Action/Event
May 11, 2022	- 2022-23 Proposed Operating Budget: City Council Budget Document <i>Operating Budget</i> Cost Estimates due to City Manager's Office
May 11, 2022	- Planning Commission Study Session: 2022-23 Proposed Capital Budget and 2023-27 Capital Improvement Program
May 11 - 16, 2022	- Council Study Sessions: 2022-23 Proposed Budgets and 2022-23 Proposed Fees and Charges Report
May 17, 2022	- Initial Public Hearing: 2022-23 Proposed Capital/Operating Budgets and 2022-23 Proposed Fees & Charges Report
May 20, 2022	- 2022-23 City Council Budget Document Cost Estimates Finalized and Released to City Council Offices
May 25, 2022	- 2022-23 City Council Budget Documents due to Mayor's Office
June 6, 2022	- 2022-23 Mayor's June Budget Message: Released
June 13, 2022	- Final Public Hearing: 2022-23 Proposed Capital/Operating Budgets and 2022-23 Proposed Fees & Charges Report (evening)
June 14, 2022	- 2022-23 Mayor's June Budget Message: Final Review/Approval by City Council
June 14, 2022	- 2022-23 Proposed Capital/Operating Budgets and 2023-27 Proposed Fees & Charges Report: Approved by City Council
June 21, 2022	- 2022-23 Capital/Operating Budgets and 2022-23 Fees & Charges Report: Adopted by City Council

2021-2022 / 2022-2023 City Budget Calendar/ Budget Study Session Schedule

Date	Time	Action/Event
Wednesday, May 11, 2022	9:00 am - 11:30 am	2022-2023 City Budget Overview/Budget Study Session on 2022-2023 City Operating/Capital Budget, 2023-2027 Capital Improvement Program, and 2022-2023 Fees and Charges Report
Thursday, May 12, 2022	9:00 am - 12:00 pm 1:30 pm - 5:00 pm	2022-2023 City Budget Overview/Budget Study Session on 2022-2023 City Operating/Capital Budget, 2023-2027 Capital Improvement Program, and 2022-2023 Fees and Charges Report
Friday, May 13, 2022	9:00 am - 12:00 pm	2022-2023 City Budget Overview/Budget Study Session on 2022-2023 City Operating/Capital Budget, 2023-2027 Capital Improvement Program, and 2022-2023 Fees and Charges Report
Monday, May 16, 2022	9:00 am - 12:00 pm 1:30 pm - 5:00 pm	2022-2023 City Budget Overview/Budget Study Session on 2022-2023 City Operating/Capital Budget, 2023-2027 Capital Improvement Program, and 2022-2023 Fees and Charges Report

CITY OF SAN JOSE ANNUAL BUDGET PROCESS

