


Agenda Report Reviewed by:  
City Manager: 

**CITY OF SEBASTOPOL  
CITY COUNCIL  
AGENDA ITEM**

Meeting Date: October 19, 2021  
To: Honorable Mayor and City Councilmembers  
From: Administrative Services Director  
City Administration  
Subject: City of Sebastopol Budget Process  
Recommendation: City Council Discussion of Process/Direction to Staff  
Funding: Currently Budgeted: \_\_\_ Yes \_\_\_ No XX N/A  
Net General Fund Cost: None

Account Code/Costs authorized in City Approved Budget AK (verified by Administrative Services Department)

**INTRODUCTION/PURPOSE:**

The item tonight is for City Council Consideration of the City Budget Process.

**BACKGROUND:**

The fiscal year of the City government begins on July 1<sup>st</sup> each year and ends on June 30<sup>th</sup> of the following year. The City's fiscal year adopted budget serves as a forecast of revenues it will receive and expenditures it will incur during this timeframe. The City monitors the budget throughout the year to determine whether the City is performing within the budgeted allocations for both revenues and expenditures. The budget incorporates the operating budget and the Five-Year Capital Improvement Program. The budget contains detailed financial data that pertains to the City's ongoing operations. The budget is one of the most important policy documents the City produces on an annual basis. The programs and financial decisions it embodies reflect the needs of the community through the policy direction and leadership of the City Council.

**DISCUSSION:**

Each fiscal year the Budget Subcommittee and City staff work together to develop an annual budget, which serves as a guide for providing City services. The budget contains detailed goals, a working financial strategic plan and expenditure projections for the departments, which comprise the City's governmental structure.

At the September 7, 2021 City Council Meeting, the Council approved the Budget committee as a standing committee and directed staff to provide a detailed City budget process to the Council and community for clarity.

During mid December and the month of January, each department typically immerses in preparing for the mid-year budget adjustment in developing and identifying the first half of the fiscal year budget issues. Then each department meets with the Budget Subcommittee to discuss these issues and requests for amendments. Then late January or early February, presentation of mid-year budget review presents to the City Council for approval.

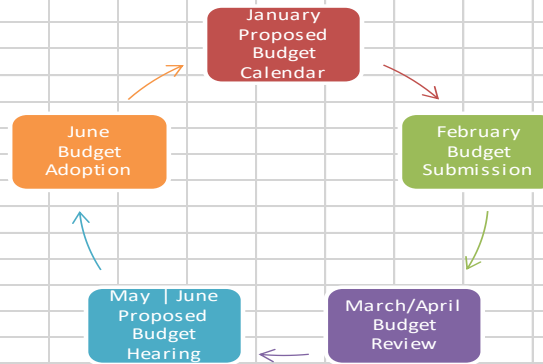
In conjunction with the mid-year budget amendment process, each department simultaneously preparing for their upcoming new budget proposal. That new budget process is detailed below illustrates in the diagram and reflects the timeline of the City budgeting process:



# Budget Development/Calendar

## The Budget Development Process

The budget development process is the formal method through which the City establishes its program priorities, goals and service levels for the upcoming fiscal year. Through the budget development process, programs are established, service levels are expressed, performance measures are articulated, and resources are identified. The budget development process is summarized in this flowchart.



January						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

- ✓ Prepare Revenue Estimates
- ✓ Prepare Department Budget Worksheet
- ✓ Prepare Community Benefit Grant Application

February						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

- 1 - FY21-22 Budget Packet Distribution  
Solicit request Community Benefit Grant
- 18 - Department submit budgets
- 25 - Community Benefit Grant Submittal

March						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- 15, 16, 18, 29- Budget Subcommittee to discuss with Department Heads Ops and CIP Budget
- 30 - Budget Subcommittee review Community Benefit Grants Application Requests

April						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- 19 - Budget Subcommittee reconvene to discuss FY21-22 budget requests
- 20 - Budget Subcommittee continue to discuss FY21-22 budget requests

May						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

- 19 - Special City Council meeting to discuss FY21-22 Budget goals and priorities

June							Public Hearing
S	M	T	W	T	F	S	
		1	2	3	4	5	
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
20	21	22	23	24	25	26	
27	28	29	30				

Additional Budget Discussion

- City Holidays are in RED
- City Council Meetings are BLUE
- Budget Subcommittee/Staff dates are in GRAY
- Budget Public Meetings are in GREEN

July						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Budget Adoption

**GOALS:**

This action supports the following City Council Goals and General Plan Actions:

- Operate City government in a fiscally responsible and responsive manner.
- Develop and Implement Sound Financial Management Policies and Procedures
- Review the City Council Financial Policies to ensure they meet the needs of the City
- Create easy to read documents that educate the public and community on City Finances.
- Encourage and increase public awareness of City Policies, decisions, programs and all public processes and meetings

**PUBLIC COMMENT:**

As of the writing of this staff report, the City has not received public comment. If staff receives additional public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of this item.

**PUBLIC NOTICE:**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

**FISCAL IMPACT**

There is no fiscal impact associated with discussion of this item as this item is for discussion only.

**RECOMMENDATION:**

That the City Council consider the City Budget Process. If changes are requested it is proposed that the Council direct staff on any recommendations for changes.

**ATTACHMENTS:**

None