

Proposed FY 2023 Statement of Budgetary Principles

City Council

Item 602

August 1, 2022



Office of the Independent Budget Analyst



FY 2023 Statement of Budgetary Principles

Background

- Annual agreement between Council and Mayor
 - Establishes budgetary authority and facilitates communication
- Need arose with the transition to new form of government
- Approved every year following approval of Appropriation Ordinance
 - We recommend it continue

FY 2023 Statement of Budgetary Principles

Overview of Proposed Principles

- Three categories
 1. Communication on Proposed Program or Service Changes
 2. Appropriation Ordinance
 3. Principles for an Effective, Cooperative, and Transparent Mayor-Council Form of Government, pertaining to budget implementation
- Two notable changes:
 - Updated reference to old data dashboard
 - Incorporated budget equity language requested at the Budget and Government Efficiency Committee

Highlights

Communication

- Mayor provides quarterly reports to Council
- Prior to any reduction in service levels or elimination of programs funded in the budget, Mayor must provide written notice to Council
 - Must include justification and description of service level impacts
 - **Change:** Including potential burdens that create disproportionate inequity for Communities of Concern

Highlights

Appropriation Ordinance (AO)

- AO implements the approved budget, sets appropriations
 - AO does not include policy direction
- Mayor and Council do not have unilateral authority to make changes to spending authority in the budget
- Council cannot change the budget without first receiving a funding recommendation of the Mayor
- Mayor must in good faith fulfill the legislative intent reflected in the budget
 - **Change:** It is Council's intent that services be implemented equally and equitably

Highlights

Budget Implementation

- Follow the 2010 “Structural Budget Deficit Principles”
- **Change:** Strategic Plan Dashboard will display metrics demonstrating progress towards outcomes
 - Data to be discussed at BGE by end of first quarter
- Mayor will address deferred capital backlog by implementing funded projects
 - Work with Council to identify resources

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Request for Council Action

- Budget & Government Efficiency Committee recommended approval on July 13, 2022, with direction to incorporate budget equity language
- We request that Council review the draft FY 2023 Statement of Budgetary Principles and adopt with any desired modifications
 - Any revisions will be subject to Mayoral approval