FY2023 COUNCIL BUDGET PROCESS

Virtual Work Session Presentation
January 25, 2022

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FY2022 TAKEAWAYS

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FY2022 Budget Takeaways:

- Link Packets:
  - Wide range of comments
  - Majority liked getting the packets prior to the MPB
  - Some were confused that the packet didn't necessarily match the proposed budget (request vs. proposed)
    - o This year we will create a better way to identify what was funded and the funding source
  - Newer Council Members expressed challenges with not knowing what to expect or understanding timeline
    - o Due to COVID we did not have the typical training for new CMs
    - o This could potentially be an item of discussion at the Budget Retreat
    - o Will include upcoming meetings in Budget COW packets
  - Not all Council Members/Legislative Aides were aware of the general expectations
    - o Council Administrator will schedule a meeting with all Council staff to review the process and expectations
  - Some found it difficult to work budget retreats into their schedules
    - o These were added to the 2022 Council Calendar and will be included going forward

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FY2022 Budget Takeaways:

- Link Meetings:
  - Several Council Members would like a printed copy of the Mayor's Proposed Budget
    - o Will provide this as an option going forward
  - Majority of Council Members appreciated sitting in on the Mayor's Budget Hearings and found it helpful to the links process
    - o Majority was in support of these meetings being held virtually going forward
  - Majority of Council Members liked the process of only meeting with divisions when they felt it was necessary
    - o Meet with divisions that Council Members have questions for
    - o Ask each division/office if they would like to meet with the link
  - A couple of Council Members were concerned that link recommendations were not adopted by the Council as a whole despite being made by the people assigned to review that area closely and make recommendations
    - o Potentially review the links process in BFED Committee

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FY2022 Budget Takeaways Continued:

- Budget Meetings:
  - Majority of Council Members would like to see more consistency in the report out process
    - Core Staff provided a template for link groups to use
    - Council should require the use of the template for consistency (possibly an update to the Council Rules)
  - Most Council Members would like to see separation in the Budget COW meetings in May
    - First meeting for changes recommended by council links and individual Council Members
    - Second meeting for voting to allow time to review and process the recommended changes
    - Would like additional information for individual Council Member requests
    - Financial updates typically shared at the BFED meeting can be sent for informational purposes but do not need a COW presentation

- Notes for the Administration:
  - Continue to host budget meetings virtually (they are doing this for FY23)
  - It was very helpful to have the costs and fund referenced together on the division summary book (Facilities and Fleet example)

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Facilities & Fleet Example:

- **Significant Budget Changes/Highlights**
- **General Fund - 1101**
  - Access and Parking Garages, Dept ID 707104, has been rolled into the budgets of Facilities & Fleet Management Administration, Dept ID 707201.
  - All sections in Facilities Management, Dept ID 707501, have been rolled into Section 7041.
  - FY 2022 proposals in Dept IDs 707201 and 707501 are based on actuals for the last 3 years, averaged.
  - FY 2022 proposals for Dept IDs 707201, 707301 and 707501 reflect a $14,695 total decrease within the controllable operating accounts of the General Fund versus the FY 2021 ratified budget.
- **Full Urban Service District - 1115**
  - Sections 7041 and 7050 in Dept ID 707501 have been combined and the budget is reflected in Section 7041.
  - FY 2022 proposals in Dept ID 707501 are based on actuals for the last 3 years, averaged.
  - FY 2022 proposals for Dept IDs 707301 and 707501 reflect a $76,835 total decrease within the controllable operating accounts of the Full Urban Service District Fund versus the FY 2021 ratified budget.
- **Sanitary Sewer R & O - 4002**
  - FY 2022 proposals in Dept ID 707501 are based on actuals for the last 3 years, averaged.
  - FY 2022 proposals for Dept IDs 707301 and 707501 reflect a $21,490 total decrease within the controllable operating accounts of the Sanitary Sewer R & O Fund versus the FY 2021 ratified budget.

FY2023 PROPOSED BUDGET PROCESS

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Link Committees:

- Council Members will be assigned to link committees by the Budget, Finance and Economic Development Committee chair by January 27, 2022
    - Finance, Economic Development and Planning
    - CAO and Public Safety
    - General Services and Social Services
    - Environmental Quality and Public Works
    - General Government

- Link members are encouraged to attend the Mayor's Budget Hearings for their committee

- Core staff will share budget request materials submitted to the Administration with the Council prior to their hearing

- Council Members are encouraged to send any notes or requests for additional information to the Council Administrator and Budget Analyst for inclusion in the link packet

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Information Gathering – February-March:

- January - UK Presentation: Lexington Economic Outlook and Occupational License Tax Forecast FY2022 & FY2023, BFED Committee
- January – Council Retreat
- February – Council & Administration Budget Retreat
- February - link questions distributed to divisions (date TBD)
- March 8th - March 16th Mayor's Budget Hearings (via zoom)
  - Budget requests and supporting information submitted by Divisions to the Administration will be provided to Council based on the daily hearing schedule
- March - link responses due (date TBD)
- Core Staff will compile budget request documents, link responses and notes from meetings into a packet specific to each link
- Link packets will be distributed to Council prior to the Mayor's Budget Address

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Review/Adoption of Mayor's Proposed Budget – April-June:

- Council Link Review (April 19th to May 20th)
  - Link review of MPB to start after April 19th Mayor's Budget Address
  - Legislative Aides/Council Budget Analyst determines what was approved in the budget as well as funding source
    - The spreadsheet provided for FY22 will be expanded to add this information
  - Link committees determine which meetings are necessary.
    - Contact Council Administrator for scheduling to avoid overlap of meetings and ensure proper notification
      - Encouraged to schedule blocks of time for potential meetings when links are assigned
  - Individual Council Member and Link Committee recommendations are due on May 20th
    - Include report out presentations and any relevant information to support the request

- Council Review (May 20th to June 2nd)
  - Council Budget COWs to review recommended changes and ratify budget

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Important Dates:

- Budget Committee of the Whole Meetings
  - April 26th (1pm) – Budget COW: Revenue Projections, Debt, Capital and Bonding
  - May 5th (6pm) – Public Hearing (as part of Council meeting)
  - May 20th – Link and Council Member recommendations due
  - May 31st (10am) – Budget COW: Revenue Update, Late Items and Review of Link and Council Member Recommendations
  - June 2nd (10am) – Budget COW: Vote on recommended changes
  - June 7th (3pm) – Ratify FY23 Budget for the June 9th docket (at work session)
  - June 9th (6pm) – First Reading of FY23 Budget
  - June 14th (3pm) – Second Reading of FY23 Budget

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Questions?