


April 18, 2021

MEMO TO: Members of the Budget, Finance, and Economic Development Committee

F R O M: Keani Rawlins-Fernandez, Chair   
Budget, Finance, and Economic Development Committee

SUBJECT: **PROPOSED FISCAL YEAR (“FY”) 2022 BUDGET DECISIONS  
WEEK PROCEDURES** (BFED-1)

Decisions week on the FY 2022 Budget will commence on Monday, April 19th. We will take up each department in alphabetical order, starting with the Office of the County Clerk and finishing the week with the Department of Water Supply.

Information on certified Real Property Tax revenue will be directly referred to BFED-1 also on Monday, April 19th. Any difference, excess or deficit, in RPT revenue from what the Mayor projected will be divided equally among all Members.

#### Budget Reductions

Similar to budget discussions last year, I will go through each program and ask Members to present their proposed reductions under that program. We will then vote on the proposed reductions. If the proposed reduction is approved by the majority of Members, the majority will evenly divide the amount of the reduction. For example, if the proposed reduction reduces the budget by \$700,000 and seven Members voted in favor of the reduction, each of the seven Members will receive \$100,000 toward funding their individual proposals.

We will take up Special Purpose Revenue funds at the same time as the department it falls under. Members should be mindful of the funding mechanism for their own priority proposals to ensure proposed reductions can be used to fund their priorities. For example, removing an item from Highway Fund will not affect the balance of the General Fund.

Staff will help to track the reductions in the Budget as we go along. On the last day of decisions, staff will present the total each Member achieved in reductions to fund their proposals. If the Member needs additional funding to fund their proposals, the Member will present their proposal to increase real property taxes.

Requests made by departments to add new items or conditions will be taken up and voted on when that particular department is being discussed. If the item or condition is included in the Budget, regardless of the number of members that vote in favor of the request, we will equally divide the cost of the request among all 9 (or 8) of us and add it to the end total we would need to achieve.

#### Members' Priority Proposals

Also on Monday, I will distribute the final list of Members' priorities. The matrix will contain an estimated total of all the proposals combined. This will be helpful so we are aware of how much funding will be needed to pay for the proposals, if approved.

We will vote on the Member's priority proposal once we reach the departmental program the priority falls under. If the priority is approved by the majority, it will be included in the Budget. If the proposal is not supported because the Members are not sure where the funding will come from, I will mark the proposal as a "revisit" and save those for the last day of decisions week. If the proposal is not supported for a reason that may not be rectified by the proposed funding mechanism, then the vote to exclude the proposal in the Budget will stand.

On the last day of decisions week, we will take up the priority proposals marked for "revisit." At that point, each Member should know the total amount they achieved in reductions that can be now used toward funding their priority proposals. Members will have an opportunity to explain how these priority proposals will be funded. For example, increasing the RPT rate on Tier "X," Classification "X." We will take up each Member's plan for funding their priority proposal and take a vote on each priority proposal.

If a Member has conditions to be included under the Office of the Mayor's Economic Development, Environmental, and Cultural Programs line item for their district, please submit those to BFED-1 no later than 4:30 p.m. on Friday, April 23rd.

#### Policy Conditions

Conditions that do not earmark funding are permissible. These include, for example, a condition requiring a report be submitted to Council or amendments to rates and fees. Conditions that propose to earmark funds that were not part of the Members' priorities are not permissible.

#### New Appendix Clarifying Priority Proposals

In response to the challenges we experienced last Fiscal Year, I've proposed the creation of a new appendix "D" that clarifies a Member's priority proposal be included in the FY 2022 Budget. For example, in FY 2021, it was necessary for Council to adopt a Resolution to clarify the intent of the Feral Animal grant because the intent was unclear. This new system will enable Members to elaborate on the expectations, benchmarks, and objectives of their priority proposals.

#### New Appendix Containing Grant Summaries

I've requested each department's executive summary and budget for all line item grants be included in the FY 2022 Budget as a new appendix "E." The purpose of this new appendix will be to keep important budget information together with the rest of the Budget documents. It will also help to increase transparency and accessibility for the public.

For any questions on this process, please contact me or Committee staff (Lesley Milner at ext. 7886, Kasie Apo Takayama at ext. 7665, or Yvette Bouthillier at ext. 7758).