



Memorandum

TO: City Council

FROM: Stephen Caines
Mayor's Budget Office

**SUBJECT: BUDGET PROCESS FOR FY
2024-2025 BUDGET DOCUMENTS**

DATE: April 17, 2024

Approved:

With the release of the City Manager's Proposed Operating Budget planned on May 1, 2024, the Mayor's Budget Office seeks to ensure that every Council Office has a clear understanding of the budget proposal process prior to the release of the Mayor's June Budget Message on June 3, 2024, and the City Council's formal budget approval on June 11, 2024.

Please note the following key dates as [per the City's budget calendar](#):

- April 26: 2024-25 Proposed Capital Budget and 2025-29 Capital Improvement Program: Released
- May 1: 2024-25 Proposed Operating Budget: Released
- May 3: 2024-25 Proposed Fees and Charges Report: Released
- **May 8: Deadline for Councilmembers to submit Cost Estimate Requests to the City Manager's Budget Office**
- May 8-16: Council Study Sessions: 2024-25 Proposed Budgets and 2024-25 Proposed Fees and Charges Report
- May 14: Initial Public Hearing: 2024-25 Proposed Capital/Operating Budgets and 2024-25 Proposed Fees & Charges Report
- May 17: 2024-25 City Council Budget Document completed Cost Estimate Requests returned to Council Offices
- **May 23: 2024-25 City Council Budget Documents due to Mayor's Office**
- June 3: 2024-25 Mayor's June Budget Message: Released
- June 10: Final Public Hearing: 2024-25 Proposed Capital/Operating Budgets and 2024-25 Proposed Fees & Charges Report (evening 6pm)
- June 11: 2024-25 Mayor's June Budget Message: Final Review/Approval by City Council
- June 18: 2024-25 Capital/Operating Budgets and 2024-25 Fees & Charges Report: Adopted by City Council

Budget Documents Cost Estimate Requests

Budget Documents represent recommended adjustments to the 2024-2025 City Manager's Proposed Operating Budget that will be released for City Council's review on May 1, 2024. The City Council's approval of the Mayor's March Budget Message for Fiscal Year 2024-2025 specified the process and provided guidelines for the Cost Estimate Requests and City Council Budget Documents, which is attached at the end of this memorandum. **Council Offices must obtain cost estimates from the City Manager's Office for each Budget Document that recommends a City-provided service or project.** To obtain cost estimates necessary for the development of Councilmember 2024-2025 Budget Documents, Council Offices must use the attached Budget Document Cost Estimate Request form.

This form may be completed and emailed to Kate Handford in the City Manager's Budget Office at kate.handford@sanjoseca.gov as early as Monday, April 22, and no later than Wednesday, May 8. Due to the staff's immense budget-related workload, no submissions will be accepted after May 8.

The City Manager's Office will complete the cost estimates and transmit them back to Council Offices no later than Friday, May 17. Please note that the City Manager's Budget Office will post each completed Cost Estimate on its website, which will be available to the public.

As noted in the Council-approved March Budget Message, Council Offices should be strategic with their cost requests, and mindful of their impact on the workload of an overstretched City staff. As such, in accordance with City Council's approval of the Mayor's March Budget Message, each Councilmember is **limited to no more than five Cost Estimate Requests.**

Budget Document Submittals

The Mayor will accept joint Budget Documents requests from multiple Councilmembers in accordance with Brown Act requirements. Councilmembers are to use the attached standard form to submit a Budget Document to the Mayor's Budget Office on May 23, 2023 - no later than 5:00 pm (early submittals are acceptable).

As in previous years, Council Offices should not assume an equal distribution of the Essential Services Reserve. The Mayor will assess budget proposals based on a number of factors including the extent of City and community need, impact, equity considerations, and the ability to fund the proposal. Councilmembers are encouraged to submit Budget Documents that align with the focus areas highlighted in the March Message. Additionally, Budget Documents may be used for neighborhood traffic-calming projects. While there is a limit of five Cost Estimate requests, **a Councilmember may submit more than five Budget Documents if the additional Budget Documents are related to a non-City provided service** (e.g., a community grant); however, please keep in mind the limited available funding when submitting requests.

A final Councilmember-signed Budget Document must be emailed to Stephen Caines in the Mayor's Office at Stephen.caines@sanjoseca.gov. A Budget Document number will then be assigned by the Mayor's Office for tracking purposes and emailed back to the Council Office.

Budget Document numbers will not be assigned until the Budget Document is signed and ready for distribution.

Any requests for new funding must specify a funding source (e.g. Essential Services Reserve, Other, or expenditure reduction). The Essential Services Reserve is currently \$2 million per the Mayor's March Budget Message, as approved by the City Council. Budget recommendations will not be accepted by our office if they do not identify a funding source. It is important to note that the Essential Services Reserve is not an ongoing funding source. To pay for any ongoing costs, and to align within City of San José Budget Principles, the Budget Document would also need to identify an ongoing service in the Proposed Budget to defund.

Electronic Transmission

After the Mayor's Budget Office has assigned a number, Council Offices must distribute their Budget Documents in PDF format to all names/departments on the 2024-2025 distribution list. A Global Address list has been updated to simplify distribution under: **#Budget_List**.

To assist in document tracking, we request that everyone utilize a consistent file title for all electronic Budget Documents. Please save your electronic document with the following format: **BD [Insert Assigned Number] – [Insert Brief Project Title]**.

Please see the following example for this memo: BD 1 – Budget Document Process Initiation

When Budget Documents are submitted to the Mayor's Office, we will review the format for uniformity and make necessary adjustments.

Budget Community Engagement

The City's community budget meetings are an opportunity to share information on the budget process and gather valuable input from the community. Per the revised budget calendar, community budget meetings are scheduled to take place between May 6-31, 2024. We will reach out to your offices in the coming days to share the specific dates for these community budget meetings.

For more information on the budget document process or community budget meetings, please email me at Stephen.caines@sanjoseca.gov.

Attachments

Budget Document Cost Estimate Request 2024-25
Budget Document Memorandum Template 2024-25
Cost Estimate Request and City Council Budget Document Guideline