



Department: Finance
Cost Center: 2002
For Agenda of: 10/1/2024
Placement: Business
Estimated Time: 90 minutes

FROM: Emily Jackson, Finance Director
Prepared By: Riley Kuhn, Principal Budget Analyst

SUBJECT: FY 2023-24 YEAR END BUDGET REPORT

RECOMMENDATION

1. Receive and file the FY 2023-24 Year End Budget Report; and
2. Receive and discuss the Revised Long-Term Forecast, 2025-27 Financial Plan calendar and community outreach survey in preparation for the 2025-27 financial planning process.

POLICY CONTEXT

The City's budget policies require that the City Council review the City's budget and financial condition through periodic reports. This year end report satisfies the requirement for the fourth of four quarterly budget updates to Council under Financial Management Manual Section 560. This report also includes information on the City Manager's re-appropriations of unspent operating budgets to be carried over to the current fiscal year under Financial Management Manual Section 550-A.

DISCUSSION

Background

Discussion about the Year End Report and upcoming Financial Plan timeline and community outreach efforts is included in the following attachments to this report:

- **Attachment A: FY 2023-24 Year End Budget Report** is based on unaudited results which are subject to change. These preliminary results show that all major funds ended the year in good financial standing. Major tax revenue sources exceeded projections and expenditures came in below budget for all funds, though the remaining balance for the General Fund has narrowed compared to prior years.

The report also includes an update on those Major City Goal tasks scheduled for completion in FY 2023-24.

Staff is not recommending appropriation of unassigned fund balance at this time, due to the FY 2023-24 audit not having been completed and in an effort to reduce the number of times that the budget is adjusted throughout the year. Staff will make

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recommendations for allocation of unassigned fund balance in February 2025, as part of the FY 2024-25 Mid-Year Budget Report. This timeline also aligns with Council's direction to staff that \$2.76 million of unassigned fund balance (if available) should be allocated to the Infrastructure Investment Fund to support the increased grant amount to be provided to the San Luis Obispo Repertory Theatre with the FY 2024-25 Mid-Year Budget Report.

- **Attachment B: General Fund Long-Term Forecast** reflects one update to the General Fund forecast published with the June 4th Supplemental Budget hearing to incorporate Council action on July 2nd, 2024 to adopt new user fee rates. No other changes have been made to the forecast since it was presented to Council with the FY 2024-25 Supplemental Budget.
- **Attachment C: 2025-27 Financial Plan Calendar** is the first document published as part of the financial planning process and will serve as a guide through budget adoption in June. The calendar provides an overview of key dates and summary of items to be discussed at each point along the way.
- **Attachment D: Draft Community Priorities Survey** includes the questions that staff recommend be included in the survey to help guide resource allocation and major city goals for the next Financial Plan.

Previous Council or Advisory Body Action

The 2023-25 Financial Plan and FY 2023-24 Budget was adopted by Council on June 6th, 2023 and mid-year changes were approved by Council on February 6th, 2024. The Revenue Enhancement Oversight Commission (REOC) has concurred with all budgeted uses of Local Revenue Measure funds.

Public Engagement

Public comment on this item can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting. The FY 2023-24 Year End Budget Report will also be posted to the City's website for public review.

CONCURRENCE

All departments were involved in the preparation of the year-end budget report. Department Heads and Fiscal Officers were given ample time to review their numbers and collaborate with the Finance Department to complete their sections and review the report as a whole.

FISCAL IMPACT

Budgeted: N/A
Funding Identified: N/A

Budget Year: 2023-24

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$0	\$0	\$0	\$0
State				
Federal				
Fees				
Other:				
Total	\$0	\$0	\$0	\$0

The quarterly budget report provides important information on current revenue and expenditure trends to keep the Council and community informed about the City’s financial standing and program efforts as adopted with the annual budget appropriation.

There is no fiscal impact associated with the recommendations to receive, file, and discuss the attachments including the FY 2023-24 Year-End Budget Report.

ALTERNATIVES

Council could direct staff to adjust financial planning dates. This action is not recommended by staff because these dates were carefully selected to allow for sufficient time to be spent on each step of the process.

ATTACHMENTS

- A - FY 2023-24 Year-End Budget Report
- B - General Fund Long-Term Forecast
- C - Budget Calendar for 2025-27 Financial Plan
- D - Draft 2025-27 Community Priorities Survey