



STAFF REPORT

DATE: April 21, 2020

REGULAR

AGENDA ITEM: 2021 Budget Calendar

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

Similar to last year, the City Council is asked to accept the proposed 2021 budget key dates for planning purposes.

ISSUE BEFORE COUNCIL:

What should the schedule be for developing the 2021 budget? What guidance does Council have for the 2021 budget?

PROPOSAL DETAILS/ANALYSIS:

Included in your packet is a proposed schedule. Staff has already begun working on the CIP. The CIP will be brought to committees/commission first then followed by the operating budgets. The finance committee will work on the budgets in July and August. Then Council will have a work session to review the proposed budget prior to certifying the maximum levy in September. The November work session is included as an optional meeting again this year. The final budget would be adopted and certified to the County in December.

While the proposed schedule still meets the critical deadlines, staff has proposed pushing the work of the committees back by a month. This will allow for a more efficient process as we will have prior year audit data and full 6 months of this year's data to inform our decisions. The two finance committee meetings seemed unnecessary given the long range financial planning we have been doing. Also, this will work best if the council provides direction on the 2021 budget, mainly with respect to the tax rate. I've been working on first quarter financial reports and the city's revenues for licenses and permits, which is our main source of revenue until the property taxes in July are up \$16,000 compared to the same time last year. It should be noted however that the stay in place order didn't begin until the end of the March. Should the staff prepare a budget that sticks with the long range plan guidance of a 2% increase in the tax rate? Given the potential economic downturn, should the tax rate remain flat?

FISCAL IMPACT:

TBD

OPTIONS:

- 1) Approve the proposed schedule and provide direction on budget prep
- 2) Amend and then approve a schedule and provide direction on budget prep

RECOMMENDATION:

Motion to approve the 2021 Budget Calendar and direct staff to prepare a 2021 budget with a 2% increase in the tax rate.

ATTACHMENTS:

- 2021 Budget Calendar

**CITY OF LAKE ELMO
2021 Proposed Budget Calendar**

As of 4/15/20

4/27/2020	Draft CIP Package Distributed to Departments
6/1/2020	Proposed CIP listings to Administrator and Finance Director
6/15/2020	Proposed Parks CIP to Parks Commission
6/23/2020	Proposed CIP from MAC and Public Safety
7/13/2020	Revenue and expense budget detail to Dept heads (actuals through June) for use to project balance of 2020 and 2021 budget
7/21/2020	Proposed 5 year CIP presented to Finance Committee
7/27/2020	Detailed 2020/21 budget worksheets due back to Finance
8/3-8/7/2020	Budget review with Dept. Heads, Administrator & Finance Department
8/11/2020	Departmental changes completed by Finance
8/12/2020	Proposed Budget to Dept. Supervisors for Final Comments
8/18/2020	Proposed 2021 budgets to FC for Recommendation
8/25/2020	Council Workshop – Proposed Budget
9/15/2020	Proposed Budget to City Council For Adoption by Resolution & Property Tax Levy
9/30/2020	Proposed Budget (adopted by Resolution) & Proposed Property Tax Levy Certified to the County. Certify Hearing(s) Dates.
11/10/2020	Council Workshop – Proposed Budget (optional)
12/1/2020	Final Budget & Levy Determination Public Hearing 7:00PM City Hall
12/15/2020	Final Budget & Levy Determination (if necessary) 7:00PM City Hall
12/31/2020	Final Levy certified to the County & Adopt Final Budget
	CRITICAL DATES