

MEMORANDUM

Department of Finance



DATE: December 7, 2021

TO: Executive Leadership Team

THROUGH: Steve McHarris, City Manager *Steve McHarris*

FROM: Lauren Lai, Director of Finance

SUBJECT: FY 2021-22 Mid-Year Budget Adjustments

Based on the current fiscal outlook, mid-year budget adjustments to the FY 2021-22 Adopted Operating will be recommended to Council to align the budget with current trends and continued recovery from COVID-19. Additionally, it may be necessary to adjust revenues and related expenditures, implement Council direction, and/or correct mistakes in the FY 2021-22 Adopted Budget. Please note that mid-year budget adjustments should be one-time and any ongoing expenditure adjustments should be submitted as part of the FY 2021-22 budget process. Therefore, mid-year budget adjustments should be limited, especially given the City's prolonged recovery from COVID-19 financial impacts.

Mid-Year Budget Adjustment Submission

To facilitate the mid-year budget adjustment process, please submit your individual requests through MachForm using the linked form here ([Mid-Year Budget Request Form](#)) by **Thursday, December 16, 2021** per the instructions below. After submission, a copy with attached PDF of your response will be automatically emailed to you.

MachForm Page 1:

Please enter Requester Name, Email, Department, Request Title, Priority Ranking, Description of Request (outlining need for the adjustment and circumstances which brought about the need for the adjustment) and Impact Statement (if requested adjustment is not granted).

MachForm Page 2:

Please enter information for Requested Expenditure Adjustment including Fund, Function, Object and Adjustment Amount.

MachForm Page 3:

Please enter information for Requested Revenue Adjustment including Fund, Object and Adjustment Amount. Also, please include description for potential funding sources, if applicable to your request.

Mid-Year Budget Adjustment Timeline

During the weeks of Dec. 20, 2021 and Jan. 3, 2022, Finance will review your submitted adjustment requests and seek clarifications as needed. After review of your department's adjustment requests with the City Manager, Finance will communicate which requests will be recommended for adjustments to the Council. All mid-year adjustments will be brought forward for Council consideration at the February 15, 2022 Council meeting. So, please ensure that appropriate staff will attend the meeting to respond to potential Council questions.

Vacancy Savings Allocations

The FY 2021-22 General Fund Budget was balanced with anticipated vacancy savings in the amount of \$2.2 million. These anticipated vacancy savings were budgeted in the non-departmental section. As part of the mid-year budget adjustments, Finance will allocate these vacancy savings to your departments' personnel budget based on proportional vacancy savings experienced by Dec. 31, 2021. If you anticipate significant changes in vacancy savings during the second half of the current fiscal year, please communicate the reasons for such changes as part of your mid-year email submission to Fenny. The Vacancy Savings allocations will be coordinated with you prior to recommending them to Council.

Management Report Dashboard

Management dashboard is updated daily and can be accessed at <http://online.tableau.com> via login chosen by each liaison in the department.

If you should have questions regarding this memorandum, please contact Fenny Lei, Budget Manager, at flei@ci.milpitas.ca.gov or x3121.

C: Budget Liaisons