



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Larry Lisenbee

**SUBJECT:** SEE BELOW

**DATE:** April 19, 2006

Approved

Date

4/25/06

## SUBJECT

### **MAYOR AND CITY COUNCIL COST/POSITION MANAGEMENT PLAN IMPLEMENTATION**

## RECOMMENDATION

Choose one of the allocation options noted below (Option 1 or Option 2) and adoption of an amendment to the Appropriation Ordinance in the General Fund implementing the \$119,095 Mid-Year Budget Review reduction utilizing the methodology described in the chosen option.

## OUTCOME

At present, the Mid-Year Budget adjustments are out of balance by the \$119,095 proposed Mayor and City Council reduction amount. Without an approved allocation of the reduction, the administration is unable to fully implement the city-wide Cost/Position Management Plans and the 2006-2007 Future Deficit Reserve will be short of the estimated amount required for budget balancing purposes by \$119,095. The recommended action will balance the Mid-Year Budget adjustments and allow for the implementation of the city-wide Cost/Position Management Plans.

## BACKGROUND

During the Council review of the 2005-2006 City Manager's Mid-Year Budget Review, City Council directed Administration to re-examine the methodologies used to allocate the proposed reductions to the Mayor and City Council Offices as part of the implementation of the current year Cost/Position Management Plans. Council Member LeZotte requested that the proposed reduction be spread in equal dollar amounts based on each Council Member's 2005-2006 Base Budget rather than the 2005-2006 Adopted Budget as originally recommended. The Council directed that the issue be analyzed further and be brought back to Council.

**ANALYSIS**

Two options are presented below for City Council consideration. Option 1 is the methodology used in preparing the Mid-Year Budget Review document based on the Mayor and City Council 2005-2006 Adopted Budgets, which includes the impact of one-time additions from prior year City Council savings. Option 2 spreads the proposed reduction in equal dollar amounts to the Mayor and Council Districts utilizing Mayor and City Council 2005-2006 Base Budget amounts, which take out the impact of one-time actions from prior year City Council savings. Both options take into account the related reduction in Redevelopment Agency reimbursements for services to reflect the net overall impact to the General Fund. It is recommended that the City Council choose one of the allocation options noted below (Option 1 or Option 2) and approve an Appropriation Ordinance in the General Fund implementing an \$119,095 Mid-Year Budget Review reduction as described in the chosen option.

<b>Council Districts</b>	<b>2005-2006 Mid Year Reduction Option 1 Based on original Mid-Year Proposal</b>	<b>2005-2006 Mid Year Reduction Option 2 Based on original Base Budget</b>
	Office of the Mayor	22,591
Council District 1	5,405	5,154
Council District 2	4,668	5,154
Council District 3	3,489	5,154
Council District 4	3,316	5,154
Council District 5	5,040	5,154
Council District 6	4,920	5,154
Council District 7	3,482	5,154
Council District 8	3,711	5,154
Council District 9	5,635	5,154
Council District 10	4,344	5,154
Council General	52,494	49,570
	<b>119,095</b>	<b>119,095</b>

**PUBLIC OUTREACH**

The review and discussion of the 2005-2006 Mid-Year Budget Review was initially heard at the February 14, 2006 City Council meeting.

**COORDINATION**

This memorandum has been coordinated with the City Attorney's Office.

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**CEQA**

CEQA: Exempt

A handwritten signature in black ink, appearing to read "Larry D. Lisenbee". The signature is written in a cursive style with a large initial "L" and a distinct "D" and "L" at the end.

LARRY D. LISENBEE  
Budget Director  
(408) 535-8144