



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Debra Figone

SUBJECT: SEE BELOW

DATE: February 12, 2009

**SUBJECT: CITY COUNCIL/SENIOR STAFF RETREAT ON FISCAL YEAR
2009-2010 BUDGET REVIEW**

OUTCOME

- (1) Discussion of preliminary reduction/revenue proposals or concepts to resolve the General Fund structural deficit; assumptions that staff is working with to solve the structural deficit; impacts to services and/or tradeoffs that may appear in the proposed FY 2009-2010 Budget.
- (2) Review of key themes and trends resulting from the information collected through the January Community Telephone Survey and January 24 Neighborhood Association Meeting.

BACKGROUND

On January 9, 2007, the City Council approved several items related to the Reed Reforms, including the reforms that speak specifically to a "Change to a Community Based Budgeting Process." As a result, for the past two years, the City has engaged in several opportunities to solicit early community and Council input into the budget process.

Neighborhood/Youth Commission Priority Setting Session

On Saturday, January 24, the City hosted the Third Annual Neighborhood Association and Youth Commission Priority Setting Session. Approximately 80 neighborhood leaders and youth met to provide input on closing the structural budget deficit. This year, the attendees participated in an exercise where they were "City Manager for a Day," and were asked to review preliminary budget proposals (both reduction and revenue proposals) from departments, in an effort to balance the \$65 million deficit for FY 2009-10. Participants were also allowed to add their own ideas, which were quickly reviewed and approved by the City Manager if the idea could conceivably be implemented in for FY 2009-10. The exercise was very successful, resulting in the attached feedback for consideration as part of the City Council FY 2009-10 Budget Review study session. This information will be beneficial to review for the February 17 session.

Community Telephone Survey

Additionally, in early January, the City's consultant, Fairbank, Maslin, Maullin & Associates, conducted the annual Community Telephone Survey. The results of the phone survey were presented to Council on February 10, 2009 and will be integrated into the session.

Council/Staff Budget Review Session

At the February 17 City Council 2009-2010 Budget Review Study Session, Council will have the opportunity to hear preliminary budget concepts, assumptions that staff is working with to solve the structural deficit as well as impacts to services and or tradeoffs that may appear in the proposed budget.

The session will be organized into five tables as noted in Attachment C. Council will be partnered and break into groups of two and rotate through the five group discussions with Senior Staff and Council Appointees on the above topics. The attached chart details the organization of the tables as well as how the Councilmembers are to be partnered. In addition to staff at each table, the appropriate City Service Area Sponsor (i.e., Assistant City Manager, Deputy City Manager, or Chief Development Officer) will be seated at each table to observe, take notes and facilitate the discussion. The Deputy will also report out at the end of the session on key trends and themes that he/she noted from all of the discussions.

I will be walking around all of the tables to observe the discussions. During the discussions, Council will have the opportunity to ask questions, and at the end of the session, staff and the Council will have the opportunity to discuss issues as a group and have questions answered.

The overall goal of this session is to provide Council with early information regarding the FY 09-10 budget process and engage in meaningful and rich discussions regarding preliminary concepts and assumptions. I have included the draft 2009 – 2010 Proposed Budget Balancing Strategy Guidelines as information for Council on the principles used to develop the preliminary budget reduction and revenue proposals. The Senior Staff and I look forward to this opportunity to engage with the City Council on this important topic in a less formal retreat-like format.



Debra Figone
City Manager

Attachments:

- a. Summary of January 24 Neighborhood and Youth Commission Meeting
- b. Preliminary Budget Reduction and Revenue Generation Cards as of January 24, 2009
- c. Table Exercise Diagram
- d. Draft 2009 – 2010 Proposed Budget Balancing Strategy Guidelines