

# REPLACEMENT

SPECIAL COUNCIL DATE: 11/05/09



## Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Alex Gurza

**SUBJECT:** 2010-2011 Budget Planning Meeting

**DATE:** November 4, 2009

Approved

Date

11/4/09

### SUPPLEMENTAL

#### REASON FOR SUPPLEMENTAL MEMORANDUM

To transmit additional information related to reducing per employee cost, using the recently available Fiscal Year 2010-2011 base budget numbers. This document is to be inserted into Tab 3 of the meeting materials.

#### REDUCING PER EMPLOYEE COST

The attached document provides information regarding the City's current personnel costs, both in the General Fund and all other funds using the Fiscal Year 2010-2011 base budget. This is to replace the information previously submitted.

The first page of the attachment details how much savings would be achieved if employee personnel costs (pay and benefits) were reduced by specific percentages. The second page of the attachment details the equivalent position eliminations to achieve similar cost savings.

It should be noted that the average cost per FTE increased from \$120,418 based on 2009-2010 Adopted Budget data to approximately \$129,260 based on Base Budget Salary and Benefits information for 2010-2011. This change reflects a 7.34% increase in the average cost per FTE.

Alex Gurza  
Director of Employee Relations

For questions please contact Alex Gurza, Director of Employee Relations, at (408) 535-8155.

Attachment

Total Compensation  
Fiscal Year 2010-2011

Total Compensation		
General Fund	Other Funds	Total Funds
<b>\$622.97M</b>	<b>\$220.91M</b>	<b>\$843.88M</b>

5.0%		
General Fund	Other Funds	Total Funds
<b>\$31.15M</b>	<b>\$11.05M</b>	<b>\$42.19M</b>

10.0%		
General Fund	Other Funds	Total Funds
<b>\$62.30M</b>	<b>\$22.09M</b>	<b>\$84.39M</b>

15.0%		
General Fund	Other Funds	Total Funds
<b>\$93.45M</b>	<b>\$33.14M</b>	<b>\$126.58M</b>

**Source:** Citywide Budgeted (Base) Salary and Benefits for Fiscal Year 2010-2011 as of the October Forecast. The dollars displayed do not include the rebalancing actions for the development fee program budgets to be considered by the City Council on November 17, 2009.

Total Compensation  
Fiscal Year 2010-2011

Total Compensation		
Fund	\$	Total FTEs
General Fund	\$622.97M	4,613
Other Funds	\$220.91M	1,915
Total Funds	\$843.88M	6,529

5.0%		
Fund	\$	Position Elimination Equivalents <sup>1</sup>
General Fund	\$31.15M	241
Other Funds	\$11.05M	85
Total Funds	\$42.19M	326

10.0%		
Fund	\$	Position Elimination Equivalents <sup>1</sup>
General Fund	\$62.30M	482
Other Funds	\$22.09M	171
Total Funds	\$84.39M	653

15.0%		
Fund	\$	Position Elimination Equivalents <sup>1</sup>
General Fund	\$93.45M	723
Other Funds	\$33.14M	256
Total Funds	\$126.58M	979

Source: Citywide Budgeted (Base) Salary and Benefits for Fiscal Year 2010-2011 as of the October Forecast. The dollars and positions displayed do not include the rebalancing actions for the development fee program budgets to be considered by the City Council on November 17, 2009.

Note: <sup>1</sup> Based on Average Cost per City Employee