



# Memorandum

**TO:** RULES AND OPEN GOVERNMENT COMMITTEE      **FROM:** Mayor Chuck Reed

**SUBJECT:** SEE BELOW

**DATE:** April 15, 2010

Approved

*Chuck Reed*

Date

*4/15/10*

**SUBJECT: MAYOR, CITY COUNCIL, AND CITY COUNCIL APPOINTEE  
COMPENSATION AND BENEFITS**

## RECOMMENDATION

Agendize the following for the April 27, 2010 City Council Meeting:

Adoption of a resolution approving compensation and benefit changes with the goal of achieving a 10% ongoing total compensation reduction for the Mayor, City Council, and City Council Appointees, excluding the newly hired Independent Police Auditor.

## BACKGROUND

This year we are facing a shortfall of \$116 million in the General Fund. Last year we joined with our employees and shared the budget deficit burden and avoided some of the most drastic cuts such as closing community centers and reducing library hours. Thanks to many of these concessions, we were able to save services. This year we are asking to do the same through concessions of 10%.

City Council approved the Council's direction to seek 10% in personnel cost savings, with a minimum of 5% ongoing and another 5% from concessions with flexibility to include one-time personnel cost savings to help save additional services. Leadership starts at the top therefore it is incumbent for the Mayor, City Council and City Council Appointees to demonstrate to our employees and the people of San José the importance of ongoing solutions to the fiscal problems we face. If we achieve 10% in ongoing concessions, we will be able to avoid many of the drastic service cuts and layoffs proposed.

Under the City Charter, the Mayor and City Councilmembers' salary is set by Ordinance. Staff is directed to return to the City Council with an Ordinance change that includes 10% ongoing concessions in total compensation.