
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: December 31, 2007

IBA Report Number: 07-117

Budget and Finance Committee Agenda Date: January 9, 2008

Item Number: 1

Fiscal Year 2009 Budget Hearing Expectations

OVERVIEW

On December 3, 2007, the City Council adopted the schedule of meetings for the City Council and its committees for 2008, including the key budget process dates for the development and approval of the City's budget for Fiscal Year 2009 (which covers the period starting July 1, 2008 and ends June 30, 2009).

The City Council annually adopts by resolution its budgetary priorities for submission to the Mayor by February 1. This year, Councilmembers have been requested to submit their priorities for the Fiscal Year 2009 Budget by January 9, 2008 to Budget and Finance Committee Chair Toni Atkins. These budget priorities are intended to be discussed by the full City Council at its meeting on January 28, 2008, and following the adoption of a resolution containing a list of the Council's collective priorities, will be submitted to the Mayor.

City Charter Section 265(b)(15) requires the Mayor to propose a budget to the City Council and the public by April 15 of each year. The City Council then holds a series of budget hearings to obtain public input on spending priorities, and to request additional information and discuss the City Council's budget priorities with the Mayor and City management. At the conclusion of the budget hearing process, the City Council may make modifications to the Mayor's proposed budget. **Based on the recently adopted schedule, budget hearings will be held Wednesday, April 30 through Friday, May 9, 2008.**

Public input throughout the budget process is critical to assisting our elected leaders in identifying the community's highest priorities for our limited resources.

The purpose of this report is to provide a framework for the Budget and Finance Committee to discuss their expectations for the upcoming budget hearings. Advance discussion between the Mayor and City Council on the content of the budget hearings will assist the Mayor in being responsive to the information needs of the Council and the public in this critical phase of the budget process. This will allow for a thorough review and discussion of the City's many departments and functions, and their respective plans for the ensuing fiscal year.

FISCAL/POLICY DISCUSSION

Fiscal Year 2009 Budget Hearings Expectations

The Mayor's Five Year Financial Outlook included many initiatives to improve City operations and the City's financial stability. It identified eight significant areas to which significant resources have been or will be committed. Progress in these areas should be reviewed to determine the effectiveness of these initiatives, and if significant funding should continue to be allocated to these areas, possibly at the expense of other programs and/or services.

In addition, the Mayor's Business Office has implemented several programs to increase efficiency, strategically plan, and monitor performance. Incorporating elements of these new programs in the budget presentation will be useful to the City Council and the public.

It is requested that all Department Directors and assigned Deputy Chief Operating Officers attend their respective budget hearing(s) and be prepared to discuss the following:

- 1) Significant Department Budget Changes from Fiscal Year 2008 to Mayor's Proposed Fiscal Year 2009
 - a. Significant programs, services, and dollar and FTE changes from 2008
 - b. Are there reductions proposed? If so, what operational or service impacts are expected?
 - c. Are positions targeted for elimination currently vacant or filled?
 - d. Are there additions, enhancements, new facilities, increased staffing?
- 2) Tactical Plan/Performance Measures
 - a. Highlights of Plan, including Goals and Key Performance Measures, including 2008 and 2009 data
- 3) Upcoming Significant Initiatives/Challenges
 - a. Will department be undertaking new initiatives or facing new challenges?
 - b. Does department expect to encounter any obstacles that may impede its ability to carry out expected services/operations?

- c. Does department intend to raise policy issues or bring new matters to the City Council or its committees for review and approval?
 - d. For departments responsible for Mayor's "corrective actions" or "significant areas" (i.e. land sales, deferred maintenance, etc.), what is status compared to Fiscal Year 2008 budget assumptions?
- 4) Business Process Reengineering (BPR)
- a. Has department (or any of its divisions/functions) undergone BPR? If so, what is status of process?
 - b. Has BPR been implemented, or will it occur in the upcoming fiscal year?
 - c. What are expected outcomes, or changes to services/operations?
 - d. What are the documented savings?
- 5) Other Key Budget Issues
- a. Managed Competition - does department expect to undergo Managed Competition?
 - b. Status of Vacant Positions/Discussion of Fiscal Year 2008 and Fiscal Year 2009 vacancy factors
 - c. Other Restructuring/Reorganization Plans for 2009
 - d. Departmental Revenue Issues
 - e. Overtime/Constant Staffing Issues
 - f. Significant Informational Technology Issues

It is again anticipated that the Mayor's Fiscal Year 2009 Proposed Budget will include proposed reductions to current City services and programs in order to balance the budget. The expected impacts to those services and programs should be described in sufficient detail to allow the City Council and members of the public to understand how services and programs may change in the year ahead.

RECOMMENDATION

The IBA recommends that the Budget and Finance Committee convey to the Mayor the Fiscal Year 2009 Budget Hearing Expectations as outlined in this report.

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