To: Salt Lake City Council Members

From: Gary Mumford

Date: April 18, 2003

Re: **CITY COUNCIL OFFICE BUDGET**

Each year the Council establishes an office budget for the next year to be included in the Mayor's citywide recommended budget. The budget is not usually analyzed or altered by the Administration, but rather is funded at the level directed by the City Council. Each year the Council Office submits a budget to the Administration that doesn't include employee pay increases. If the Mayor recommends a citywide pay increase for the Council's consideration, the salary increase will be added to the budget submitted by the Council Office and included in the Mayor's recommended budget book.

Attached is a schedule showing the detailed Council Office budget that the Council adopted for the 2002-03 fiscal year, estimated expenditures through June 30, 2003, and a proposed budget for your consideration. This proposed budget results in a $46,700 decrease, which is a 3% decrease to the base budget (before any salary adjustments).

The following changes to the budget are proposed:

- $41,450 reduction for *personal services* relating to eliminating a vacant part-time staff assistant position and reductions to the retirement premium budget to reflect actual payments. Some longevity payments were also budgeted in error by the citywide salary budget system for this current year. "Unclassified" employees are not eligible for longevity payments.
- $500 reduction in the budget for *books and periodicals*.
- $1,200 reduction for *office supplies*.
- $1,500 reduction for *copy center charges*. A large portion of costs for printing is now charged to Council Members' communication budget.
- $1,500 reduction for *postage*. Again, a large portion of postage expense is charged to the Council Members' communication budget.
- $2,400 reduction for *other materials & supplies*. In the recent past, this budget was used to purchase pins for the Olympics and National League of Cities conference. The Council Office doesn't anticipate the purchase of pins during fiscal year 2003-04.
- $1,050 increase to the appropriation for *auditing*. This increase will restore the auditing budget to the level before a slight reduction to absorb some of the proportional cuts that were included in the biennial budget for the second fiscal year. The auditing budget consists of $102,500 for the annual financial audit and $217,500 for small studies and a major management audit.
- $3,500 reduction to *cell phone and other telephone costs* to reflect an estimation of annual costs based on recent actual costs.
- $3,900 increase to *computer lease and maintenance*. Actual costs are exceeding the current year budget.
- $1,400 increase to Council Members' *communication budget*. After the biennial budget was adopted, the Council increased the communication budget from $3,500 to $3,700 per district.
- $1,000 reduction to the meeting expense budget. The resulting budget equals actual estimated costs for the current fiscal year.

The Council may want to discuss the proposal and make any changes to the budget. Staff will then forward the Council Office budget to the Administration to be included in the overall citywide budget. No motion is necessary at this time since the Council will adopt a Council Office budget at the same time that the citywide budget is adopted. During the Council's review of the citywide budget, if additional citywide reductions are necessary, the Council may wish to ask staff to take a more decisive look at the office budget for possible additional budget cuts.

In the budget reduction scenario for the current fiscal year the Council decided to make cuts to its own budget at approximately the average amount that other City Departments were being reduced. If the Council would like to take this approach, it could direct Council staff to submit something less than 3 percent (2 percent, for example) and be prepared to make additional cuts during the budget if it is necessary to reduce budgets of other City departments at a higher percentage.