

All Receive - Agenda Item # 9
For the Information of the:
CITY COUNCIL
Date 6/23/20 CA CC
CM ACM DCM (3)



Council Memorandum

June 23, 2020

To: Honorable Mayor Hall and Members of the City Council
From: Laura Rocha, Deputy City Manager, Administrative Services
Via: Geoff Patnoe, Assistant City Manager *GP*
Re: **Additional Materials Related to Staff Report Item No. 9 – Fiscal Year 2020-21 Operating and Capital Improvement Program Budgets**

This memorandum provides information related to staff report Item No. 9 of the June 23, 2020 City Council agenda packet. There was a question regarding how the city's personnel budgets were affected during the Great Recession, specifically during fiscal year 2009-10 and 2010-11. Staff has reviewed the adopted budgets from those two fiscal years and have found the following actions:

The adopted fiscal year 2009-10 budget reflected a total decrease of 13.5 full-time positions, which included the defunding of 12.0 full-time positions and the elimination of 1.5 full-time positions. In addition to these changes, there were 14.0 vacant positions that were frozen to generate additional expenditure savings during the year. The practice of defunding positions entailed keeping the headcount intact but removing the budget with the intent that the positions would be funded again in a future fiscal year. Budgeted General Fund salaries decreased \$800,000, or 1.6% from fiscal year 2008-09. The reductions in salaries from reducing positions was offset by the increases in salaries due to previously approved labor contracts.

In 2009, the City Council approved a salary decrease of 5% for council member compensation (\$1,462 per month to \$1,389 per month). Council member compensation remained at this reduced level until 2015 when the City Council reviewed council member salaries and approved a salary adjustment from \$1,389 per month to \$2,052 per month. There have been no adjustments to council member salaries since 2015.

The adopted fiscal year 2010-11 budget reflected a total decrease of 17.25 full-time positions, which included the elimination of 12.25 positions identified through the city's realignment efforts during that time, as well as the elimination of 5.0 positions that were defunded in the prior year. In addition to these changes, there were 6.0 positions that remained defunded for fiscal year 2010-11. Budgeted General Fund salaries decreased \$100,000 or 0.2% from fiscal year 2009-10. The reductions in salaries from reducing positions was offset by the increases in salaries due to previously approved labor contracts.

Administrative Services Branch

1635 Faraday Ave. | Carlsbad, CA 92008 | 760-602-2430 t

Honorable Mayor Hall and Members of the City Council

June 23, 2020

Page 2

Throughout the years of the Great Recession, the city honored all active labor contracts and did not re-open negotiations. Contracts were negotiated as they became due.

cc: Scott Chadwick, City Manager
Celia Brewer, City Attorney