



CITY COUNCIL AGENDA REPORT

MEETING DATE: February 15, 2011

ITEM NUMBER:

SUBJECT: BUDGET AUTHORIZATION – CONSULTING SERVICES

DATE: FEBRUARY 8, 2011

FROM: CITY MANAGER'S OFFICE

PRESENTATION BY: THOMAS R. HATCH, ASSISTANT CITY MANAGER

FOR FURTHER INFORMATION CONTACT: Thomas R. Hatch, 714-754-5328

RECOMMENDATION:

It is recommended that the City Council approve the attached Budget Adjustment #11-014 for authorization of up to \$200,000 for consulting services.

BACKGROUND AND DISCUSSION:

At the regular City Council meeting of February 1, 2011, under Council Member Comments, Mayor Monahan provided an update on the City Council Budget Working Group (Monahan, Righeimer). This Working Group is recommending to the City Council that the future City Manager be authorized to recruit and retain outside independent assistance to review, reorganize, and restructure departments City-wide. They further recommended that this budget adjustment be presented to the City Council for approval. In addition, members of the City Council have expressed interest in enhancing the level of communication and transparency related to this budget process with the goal of better informing the community and employees about the process and the steps that are being taken.

In addition, the City Council Economic Development Working Group (Righeimer, Mensinger) recently met and requested that assistance be obtained to support the creation of a plan to identify the key priorities for any future economic development initiatives. Additional consulting support will be needed in the areas of financial analysis with updating the fee schedule, developing the first 5-year budget projections, reviewing revenue ideas, etc. Finally, additional consulting support will likely be needed in the areas of human resources, reviewing/redesigning the City's website and other areas in support of the transition to a new City Manager and the City's budget crisis.

ALTERNATIVES CONSIDERED:

The City Council may choose not to approve the budget adjustment.

FISCAL REVIEW:

The attached budget adjustment #11-014 appropriates \$200,000 for consulting services. It is expected these funds will be available from anticipated City-wide attrition savings. Since the exact department and program of the attrition savings is not known at this time, the line item Unreserved Undesignated Fund Balance is used for the budget adjustment. Expected City-wide attrition savings was also included in staff's recent projection of the FY 2010-2011 budget shortfall. Therefore, the use of up to \$200,000 towards consulting services will expand the projected budget shortfall from approximately \$1,400,000 to \$1,600,000.

LEGAL REVIEW:

There is no legal review associated with this report.

CONCLUSION:

The City Council has requested that the future City Manager obtain necessary consulting services to provide assistance with completing several work projects related to the budget, economic development and other services.



THOMAS R. HATCH
Assistant City Manager



KELLY R. SHELTON
Executive Assistant to the City Manager

Attachment 1 Budget Adjustment #11-014

