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**Date:** January 28, 2003  
**To:** The Honorable Mayor and City Councilmembers  
**From:** Councilmember Bonnie Lowenthal, First District *BL*  
**Subject:** Agenda Item – Review of Current City Budgeting Structure

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Under the law, the City is allowed to claim financial recovery for services provided. It has come to my attention that the City could benefit from a review of billing procedures and related cost-recovery within the current budgeting structure. There are numerous ways to approach a municipal budget, i.e. Silo-based, Performance-based, Activity-based, and Zero-based budgeting. In order to ensure that we are utilizing the most effective structure and to guarantee the highest standard of accountability and rate of return, I respectfully request the City Auditor and the City Manager work together to provide a comprehensive review of the current budget structure regarding billing procedures related to cost recovery, to review the various above-mentioned procedural options, and to report back to the Mayor and Council with a goal for utilization in the FY04 budget process.

It is my hope that my colleagues would support this request.