



Date: September 2, 2008

To: Honorable Mayor and Members of the City Council

From: Councilmember Rae Gabelich, Eighth District
Councilmember Dee Andrews, Sixth District
Councilmember Tonia Reyes Uranga, Seventh District

Subject: Legislative Department Budget

We need to achieve the goal of beginning to get to equalization, while not pursuing cuts that hurt offices unfairly.

- 1) The disparity between the 9 council offices in our base budgets is \$67,093, from a high of \$499,933 to a low of \$432,840.
- 2) We can reduce the discrepancy this year by more than 150%.
- 3) The Legislative Department's budget for travel and seminars can be used to offset the cuts by making each council office responsible for budgeting for their own travel and seminars, rather than keeping one pool in the Administration budget that is not used equally.
- 4) A review of council agenda items reporting travel indicated that those council offices that do the most travel, also have the lowest council office budgets.
- 5) We propose to have a range of \$425,000 to \$445,000 for FY 09 (Offices that currently are budgeted below \$425,000 can come up to that level. Offices above \$445,000 must cut to that level.)
- 6) If the 2% vacancy salary savings is truly meant to be a vacancy savings, it should be attributed to the whole department, rather than each office. It is one thing to anticipate a 2% vacancy rate in a department of 54 employees. However, to assign a 2% vacancy rate to an office when you only have 4 employees translates into an additional budget cut for those offices without vacancies.
- 7) The 2% vacancy rate (attrition factor) should be budgeted as a department-wide savings. Twenty-five percent of the salary savings of each vacancy in the department will be used to offset the line-item in the Administration budget.
- 8) This proposal moves us toward the goal of equalizing the council budgets by next fiscal year. We should not set an equalized dollar figure for FY 10 now, because we don't know what additional non-discretionary costs will be incurred by the department next year. For example, our liability insurance allocation more than tripled this year, increasing our office's budget alone by more than \$5,000.

Recommended Action:

Recommend that the Legislative Department achieve its targeted budget reduction through:

- 1) Working towards equalizing Council office budgets within two years by bringing all Council office budgets between \$425,000 and \$445,000 for FY 09;
- 2) Establish a department policy that travel and seminars be paid out of individual office budgets, and cut the appropriate amount in the Legislative Administration budget allocated for council travel and seminars;
- 3) Assign the 2% vacancy savings on a department-wide basis, rather than to each council office budget. Twenty-five percent of the savings of any vacancy in the department will be used to offset that line item in the Admin budget;
- 4) Carry over savings from the Legislative Department's FY 08 budget to the Department's FY 09 budget.

Proposed budget levels under alternative proposal

Mayor	758,469
Admin	363,073 (Revised proposed budget less \$79,000 for travel/seminars)
CD 1	425,000
CD 2	445,000
CD 3	425,000
CD 4	429,378
CD 5	425,000
CD 6	425,000
CD 7	425,000
CD 8	445,000
CD 9	445,000
TOTAL	5,010,920

Target dept budget (FY 09 Base Budget less savings target)	5,032,839
Leg Dept budget under this proposal	5,010,920
Additional dept savings	-21,919

(\$101,520 attrition factor for dept will be carried by Admin & offset by 25% of salary savings from any vacancy in dept)

**City of Long Beach
Legislative Department
Administration (LDAD)
FY 08 Year-to-date Actuals**

Type of Expense	FY 08 YTD Actuals (7/31/08)	% of Total YTD Actuals	FY Adopted Budget	08 % of Adopted Budget
PERMANENT-FULL TIME (REGULAR)	\$ 85,358			
PART-TIME PERMANENT	15			
PART-TIME TEMPORARY	393			
VACATION/HOLIDAY/OTHER - APPLIED	10,568			
SICK LEAVE - APPLIED	2,764			
AUTO ALLOWANCE	92			
TELEPHONE STIPEND	55			
RETIREMENT PERS - APPLIED	23,207			
RETIRE-PENSION BONDS APPLIED	5,761			
RETIREMENT - PARS PSTS APPLIED	1			
FICA - APPLIED	7,664			
MEDICARE - APPLIED	1,800			
HEALTH/DENTAL/LIFE - APPLIED	15,332			
PAYRL/BEN OVERHEAD	1,589			
OTHER BENEFITS	1,454			
WORKERS COMP CHGD TO DEPTS (APPLIED)	2,548			
SALARY SAVINGS	-			
Subtotal Salaries and Benefits	158,601	60.4%	205,071	77%
OTHER CONTRACTUAL SERVICES	-		62,500	0%
PHOTOGRAPHY SERVICES	-		1,500	0%
TEMP AGENCY STAFFING	-		20,000	0%
OFFICE EQUIPMENT AND MAINTENANCE SERVICE	-		1,800	0%
OFFICE MACHINE RENTALS	7,592		9,000	84%
PRINTING	788		1,000	79%
GENERAL PROMOTION	-		15,000	0%
PROMOTIONAL MATERIALS & SUPPLIES	-			
SEMINARS	4,700		12,000	39%
COMMUNITY/COMMITTEE MTG SUPPLIES	13,633		12,000	114%
OFFICE SUPPLIES	2,417		5,000	48%
EQUIP&FURN < \$5K	2,842		15,000	19%
POSTAGE	123		0	
SERVICE AWARDS	22		0	
TRAVEL EXPENSE	12,604		67,000	19%
MEMBERSHIPS	17,511		16,000	109%
SUBSCRIPTIONS	-		200	0%
BUSINESS MEALS	1,362		0	
Subtotal Materials and Supplies	63,594	24.2%	238,000	27%
ELECTRONIC SYSTEM CHARGES	722		0	
INFORMATION SERVICES	5,370		8,426	64%
VOICE COMMUNICATIONS SYSTEM	3,251		2,168	150%
REPROGRAPHICS	4,373		500	875%
MAIL DELIVERY AND SORTING CHARGES	7,408		7,408	100%
EMPLOYEE PARKING	2,582		720	358%
FINANCIAL SYSTEM CHARGES	3,103		3,724	83%
TS FINANCE ALLOCATION	11,749		11,749	100%
LIABILITY INSURANCE ALLOCATION-INTERFD	911		1,214	75%
MISCELLANEOUS DEPT SVC CHRGS-INTERFD	224		300	75%
PUBLIC SERVICE BUREAU CHARGES-INTERFD	-		1,000	0%
PROPERTY/MISC INS ALLOCATION	547		0	
Subtotal Internal Support	40,238	15.3%	37,209	108%
GRAND TOTAL	\$ 262,434	100.0%	480,280	55%

83% of FY complete