



Memorandum

TO: CITY COUNCIL

FROM: Mayor Chuck Reed

SUBJECT: APPOINTMENT OF AD HOC
COMMITTEE

DATE: November 2, 2009

Approved

Chuck Reed

Date

RECOMMENDATION

Appoint a temporary Ad Hoc Committee of the City Council to work with interested stakeholders to discuss San José's projected financial outlook; and to make recommendations that will address the General Fund projected shortfalls on both a near-term and long-term basis to ensure the continued stability of services to the residents and businesses of the City of San José.

BACKGROUND

By previous memorandum dated October 30, 2009, I proposed several recommendations to begin the 2010-2011 budget process to minimize layoffs, help maintain services, and control future increases in retirement costs. To address the remaining shortfall that is not covered through employee concessions, I am recommending that a four-member Ad Hoc Committee composed of four members of the City Council and similar in structure to the VTA Ad Hoc Committee, be created to advise the Mayor's March Budget Message for Fiscal Year 2010-2011 and the City Manager's upcoming Proposed Budget. Because of Councilmember Constant's experience with the Budget Shortfall Advisory Group and the General Fund Structural Deficit Elimination Plan Task Force, I am proposing that Councilmember Constant chair this Ad Hoc Committee. I will nominate the rest of the committee members by Friday, November 6 along with a work plan to be considered at the Rules and Open Government Committee meeting on November 18, 2009.

The City Manager and the Mayor's Budget Office will assist the Committee and actively participate in the Committee meetings. The stakeholder outreach process should include, but not be limited to, input from members of the General Fund Structural Deficit Elimination Plan Task Force, Community Budget Working Group, taxpayers, neighborhood leaders, business community, and City labor leaders.

The purpose of the stakeholder outreach process is to create a forum for residents, businesses, and other stakeholders of San José to provide the Ad Hoc Committee members with ideas and feedback on potential solutions to address the General Fund budget shortfall. Specifically the Ad-Hoc Committee will be tasked with the following:

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- Using the General Fund Structural Deficit Elimination Plan as a starting point, review recommendations contained in that plan for addressing the City's General Fund budget shortfall;
- Consider and recommend any additional proposals for revenue solutions that are not contained in that Plan; and
- Provide input and feedback on the City Manager's Program Prioritization Process.

The Ad-Hoc Committee will follow a three-month schedule (December through mid-February). The Rules and Open Government Committee will approve the Ad Hoc Committee workplan. The City Council will hold a Study Session in February to discuss the recommendations of the Ad Hoc Committee; recommendations will advise the Mayor's March Budget Message for Fiscal Year 2010-2011 and the City Manager's Proposed Operating and Capital Budgets. Each of the stakeholders will be given ample time to present their views and feedback on the Ad Hoc Committee's priorities and recommendations.