



**REPORT TO MAYOR AND CITY COUNCIL**

AGENDA ITEM

TO: THE HONORABLE MAYOR  
AND CITY COUNCIL

DATE: Sept. 16, 2008

SUBJECT: COUNCIL/STAFF FALL FISCAL\SESSION

**Report in Brief**

In order facilitate the City Council's timely review and approval of the City's ongoing need to address operational and capital budgets it is recommended that a Fall Special/Study Session be held. This schedule must provide adequate time for the City Council to review the budget documents with the City Manager and Senior Staff. Therefore, it is recommended that Council's review and approve the setting of Tuesday evening other than a regular Council evening to have in-depth review and update of the City's fiscal situation. Some proposed dates for this review are October 14 or 28, November 25, and December 9.

Staff recommends that the City Council schedule and reserve one of the above dates or an alternate date as a Council special meeting to review budget detail with the City Manager and Senior Staff starting at 5:00 p.m. and ending at approximately 9:00 p.m.

**Background**

Over the past nine years, the City Council has provided this community with a reasonable balance of City services; while containing costs, increasing revenues, and improving the reserve fund balances.

During the December 11, 2007 Strategic Fiscal Planning Session, Council reviewed the City Manager's Policy, Leadership and Management Initiatives as well as his Consideration of Guiding Principles for the FY 09 Budget and 10-Year Financial plan. The discussion included the City's overall financial position, the significant fiscal challenges relating to the failure of the storm drain fee increase resulting in continued annual deficits in storm drain operations, the decline in the housing market and overall economic conditions, the structural deficit in the General Fund, and the implications of the GASB 45 (OPEB funding) liability and deferred maintenance of City facilities.

**Public Contact**

Posting of the City Council agenda.

**Recommendation for Action**

Staff recommends that the City Council discuss and approve a date consistent with Council availability to hold the Fall Council/Staff Special/Study Session on fiscal issues before the City.

Prepared by: Sue Vannucci, Director of  
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Mark G. Deven  
City Manager