

Budget Committee

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City of Sebastopol

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Date: April 5, 2023
To: Department Heads
From: Budget Committee
Reference: Budget Reductions

As each of you are aware, the City is facing a structural deficit in the upcoming budget year of \$2.6M.

At April 3, 2023 budget review (weblink <https://www.ci.sebastopol.ca.us/Meeting-Event/Board-and-Commission/2023/Budget-Committee-Meeting-of-April-3,-2023-Engineer>) the Budget Committee determined that each department should to go back to their budget to find a collective savings of at least \$1.5M. This is far short of the \$2.6M needed to bring our projected expenditures into line with our projected revenue, but it's the minimum amount needed for the City's fiscal health. The cost savings will run from \$14,000 for the smallest on up to \$685,600 for the largest department. The reductions are based on the percentage of the total budget that each department represents. As an example, if a department's expenditure request for 23-24 represents 10% of the total, then the department will be asked to absorb 10% of the \$1.5M in reductions that are needed.

I've included a list by department with the expected cuts being asked of each department. If the \$1.5M in cuts is not achieved through this process, the Budget Committee will make additional cuts to reach the \$1.5M goal. Our hope is that this won't be necessary, but with the dire state of our budgetary situation, we'll do what's necessary for the fiscal health of the City.

	% Reduction	Amount Reduction
Expenditure Reductions		\$ 1,500,000
10 - City Council	2.23%	33,493.77
11 - City Manager	1.81%	27,095.55
12 - City Attorney	2.92%	43,819.49
13 - City Clerk	2.69%	40,336.28
14 - Finance	2.94%	44,140.43
21 - Planning	5.22%	78,273.10
22 - Building	1.64%	24,532.71
23 - Engineering	2.40%	36,018.23
31 - Fire & Prevention	14.60%	218,938.53
32 - Police	45.71%	685,608.18
40 - Senior Center	0.93%	14,022.17
41 - Public Works	12.05%	180,698.96
42 - PW-Community Center	2.90%	43,558.51
43 - PW-Ives Pool	1.96%	29,464.11

The Budget Committee also needs each department head to carefully review their estimated FY22-23 expenditure numbers. Please make sure that those end of year projections are accurate and reliable, and that they are not over or understated. The budget committee needs your utmost accuracy to be confident in the revised ending fund balance of FY22-23.

The available ending fund balance for FY22-23 will play a major role in setting the groundwork for FY23-24. With the FY22-23 ending fund balance firmed up, we will have a more accurate picture of funds available for FY23-24.

The budget portal is now open for each department to access. You have until April 11th by the end of the day to revise your budget (FY22-23 estimates actual and FY23-24 proposed). Budget replacement pages will be submitted to the Budget Committee before your scheduled budget review.