



CITY COUNCIL ACTION REPORT

June 5, 2008

TO: Phillip L. Nelson, City Manager
 FROM: John M. Lamerato, Assistant City Manager/Finance & Administration
 SUBJECT: 2008/09 Budget Amendment No. 1

Background:

- On May 19, 2008 City Council approved the 2008/09 budget which included, among other revisions, a reduction in the Classified and Exempt salary adjustments from 2.5% to 1% resulting in a savings of \$162,580 in the General Fund.
- At the June 2, 2008 City Council meeting, City Administration was asked to prepare an amendment to the 2008/09 budget in the amount of \$162,580 to restore the 2.5% salary adjustment for Classified and Exempt employees.
- Proposed Budget Amendment No. 1 was made possible by eliminating one vacant Account Clerk II position; reclassifying the (vacant) Traffic Engineer position to a lower pay grade; and reducing the amount budgeted for consulting services in the Engineering Department.

Financial Considerations:

- The approval of this budget amendment will not increase the General Fund budget.

Legal Considerations:

- The budget amendment will keep us in compliance with P.A. 621 of 1978 Uniform Budgeting Act, which calls for budgets to be amended when necessary.

Policy Considerations:

- The budget amendment conforms to Goal II, "Minimize the cost and increase the efficiency and effectiveness of City government", by upholding fiscal integrity.

Options:

- It is requested that City Council approve 2008/09 Budget Amendment No. 1 as recommended by City Management.

Account Clerk II	\$ 74,000
Traffic Engineer	60,000
Project Consulting	<u>28,580</u>
	\$162,580