

STRATEGIC SUPPORT CSA

MAYOR, CITY COUNCIL AND APPOINTEES

2025-2026 PROPOSED OPERATING BUDGET

KEY DISCUSSION ITEMS:

- Balancing the Budget and Prioritizing Our Work
- Pay for Performance





BALANCING THE BUDGET AND PRIORITIZING OUR WORK

MANAGER'S BUDGET ADDENDUM #3

BALANCING THE BUDGET AND PRIORITIZING OUR WORK

- City Council directed the City Manager to bring forward a Manager's Budget Addendum (MBA) identifying current work efforts or previous City Council direction/referrals that should be dropped or deferred to open leadership and staff capacity to drive significant progress in City Council Focus Areas (through Approval of the Mayor's March Budget Message for Fiscal Year 2025-2026)
 - Staff reviewed/analyzed 383 referrals and additional policy work, including:
 - 270 existing referrals (Complete, In Progress, Not Started);
 - 113 new referrals from the March Budget Message; and
 - PBCE Citywide Policy Workplan
 - Staff **completed 184 of 383 Council Referrals** and made recommendations for the remaining 199 Council Referrals

BALANCING THE BUDGET AND PRIORITIZING OUR WORK

- 131 Council Referrals recommended to be Combined, Continue, or referred to Capital Improvement Program
- 19 Council Referrals recommended to Drop or Defer
- 49 Council Referrals referred for prioritization in the Focus Areas (five recommended Drops in the Focus Areas)
- An additional 15 PBCE policy workplan items analyzed; four recommended Defer and one Drop
- Grand total of 29 referrals recommended to Drop or Defer (Attachment C of MBA #3)
- Administration also recommended reduced City Council Committee Meeting Schedule

Distribution of the Administration's Recommendations for Existing Open Council Referrals and Referrals from the Mayor's March Budget Message for Fiscal Year 2025-2026

Dept/Office	Combine	Continue	CIP	Defer	Drop	Focus Area	Total Dept/Office
CMO	0	13	0	0	1	6	20
DOT	0	8	9	0	0	2	19
ENG	0	3	0	0	0	0	3
ESD	0	1	0	0	0	1	2
Finance	0	1	0	0	0	0	1
Fire	0	4	0	0	0	0	4
Housing	1	20	0	1	1	9	32
IT	0	3	0	0	1	2	6
Lib	0	3	0	0	0	0	3
OEDCA	0	19	0	1	1	4	25
PBCE	0	6	0	2	5	13	26
PD	0	8	0	0	3	6	17
PRNS	1	13	10	0	2	6	32
PW	0	6	2	0	1	0	9
Totals	2	108	21	4	15	49	199



PAY FOR PERFORMANCE

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- Pursuant to Mayor and Vice Mayor's Rules Committee Memo, the following is being proposed for City Council consideration on June 10th:
 - Pursue a Pay for Performance model for City Council through ordinance as the City Charter already allows for the City Council to take a reduction in salary
- Terms of Pay for Performance:
 - 5% of the Mayor's and all Councilmembers' salaries to be withheld on an annual basis, and subsequently disburse the 5% back to the Mayor and Councilmembers in a manner proportional to the achievement of predetermined objective performance metrics related to the City Council Focus Area Scorecards and Dashboards.
- City Manager and Council Appointees already have the ability under the Salary Resolution and MPP to increase or decrease salaries of Senior Staff and the MPP program already provides the pay for performance mechanism as established under Salary Resolution 58170.
 - Informational Memo already released outlining framework to provide transparency into their evaluation and pay for performance process

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