



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Johnny Khamis

**SUBJECT: REPLACEMENT MEMO
MAYOR'S JUNE BUDGET
MESSAGE FOR FISCAL
YEAR 2020-2021**

DATE: June 16, 2020

Approved

Date

06/16/2020

RECOMMENDATION

Approve the Mayor's June Budget Message with the following addition:

Accept action included in [Budget Document #53 to make a one-time suspension](#) of Council Policy 3-3 to produce a minimum of \$600,000 in General Fund Savings (as well as \$80,000 in all other funds) to be set aside to fund the three, one-time funded Project Hope sites outlined in the Proposed Operating Budget for an additional year, to provide program continuity for vulnerable neighbors in our areas of highest need.

BACKGROUND

The City Council began the budget process this year by closing a \$45 million budget gap in the *current year's* budget. We were then facing another \$71.6 million in budget cuts for the 2020-2021 Fiscal Year. Now, to make matters worse, we may need to come up with an additional \$15 million in cuts if certain State budget actions are taken. Finally, with economic uncertainty remaining high, in the context of the COVID-19 economic shock and recessionary headwinds, we may face rough sailing over the next few budgetary cycles. Now is not the time to make matters worse by increasing controllable costs – now is the time to take some difficult but necessary measures to stabilize service delivery, focus our dollars on delivering cost-effective, high-quality services to our residents – especially those with the greatest need in some of the traditionally underserved parts of our City. This proposal helps us accomplish these goals.

Details of the savings generated were described in Budget Document 53. The savings generated is proposed to be used in order to increase safety and build community in the locations where Project Hope is implemented. The City has eighteen targeted sites, and the proposed budget includes one-time funding for three new sites, in addition to six others that have received ongoing funding. Continuity is important with these community-building initiatives and this funding would allow these programs to continue a second year, into 2021-2022.

All the residents living in and around these sites deserve to live in communities that are safe, clean, and have landlords that care for their buildings.

My proposal generates one-time savings of \$680,000 to preserve Project Hope services into the 2021-2022 Fiscal Year to help accomplish our equity goals, without compromising existing programs and services. I encourage the Mayor and my Council colleagues to adopt my proposal.