

CITY OF MONTEREY

TO: Executive Management
FROM: City Manager
DATE: January 26, 2009
RE: Budget Guidance

As you know, the City is in the midst of a deep and protracted economic downturn, along with the state and the nation. In early December the City Council directed staff to implement a number of budget-related measures in response to revenue estimates that were revised sharply downward. These measures included the creation of a series of budget reduction scenarios and a complete review of CIP/NIP projects and open positions, among other things.

Since that time, economic conditions have continued to deteriorate. As many of you know, the Finance Department has issued revised revenue estimates that make our situation all the more challenging.

Because of these developments, I am sending this memo to all City departments to give direction regarding expenditures for supplies, services, training and travel related expenses and overtime. The goal of these measures is to conserve cash, which creates budgetary savings. While these savings will not necessarily result in the avoidance of lost positions, they may help us transition to a smaller organization in a more orderly and graceful manner.

In general, I ask that you question every expenditure. Is it essential? How does it improve our productivity? Is there a better way to do it? How can I make sure we are deriving maximum value? Please consider these filters as you work with these new guidelines.

1. Subscriptions – carefully reconsider all newspaper and periodical subscriptions currently received. Can they be eliminated? Can fewer copies be received and routed?
2. Memberships – review all existing memberships in professional organizations and discontinue all that are not absolutely necessary. Please look for opportunities to save money by moving to individual memberships rather than organizational memberships. All memberships need to be approved by a department head.
3. Contractual/Professional Services – review all such services and discontinue all that are not necessary to function or that cannot be performed in-house. Services such as car washing, doormat service, bottled water service, etc. should all be reconsidered for cancellation or done on an extended schedule.
4. Travel/Training – effective immediately, all travel requests will be reviewed carefully by the respective Department head in advance and will be allowed only in cases where necessary to maintain valid certification or license required for the job, comply with safety regulations or other limited circumstances deemed critical by the Department head. Conference/Meeting travel for

those sitting on the Board of Directors of a professional organization will be closely reviewed and will require the permission of the department head (City Manager will continue to approve all out of state travel). All mandatory training obligations should, of course, continue. Other training expenses should be carefully considered to ensure they are strategically important to our mission.

5. Meals – City paid meals will be reviewed closely by each Department head and will not be approved unless there was no other time or venue in which a critical meeting could take place. All diligence should be taken to plan meetings during the normal workday in order to avoid City expenditure for meals. For the time being, no meal reimbursement will be allowed for professional association functions. Please note above that appropriate professional association memberships will continue to be allowed. It is only the meals and travel for professional association events that is temporarily restricted.
6. Refreshments – City paid refreshments should be discontinued. The annual Boards and Commissions Reception and Employee Breakfast will continue, but on reduced budgets. All department-level recognitions functions funded by the City will be curtailed, and the Employee Breakfast will stand as the principal vehicle for employee recognition.
7. Overtime – All overtime should be approved by the Department head or a senior manager designated by the department head. Overtime should be granted only for critical tasks that must be done for legal, regulatory or other necessary reasons.

Department Heads are encouraged to consult with Human Resources on those programs that they believe have assumed the status of an employee benefit through either MOU or practice.

The above directions are effective immediately and until further notice. Please take this very seriously, as any funds we can save in the next several months will make it that much easier to transition with a “soft landing” to our new size and structure.

As always, thank you all for your positive attitudes and great work on behalf of the citizens of Monterey. Please continue in that good spirit and we will all work through these challenging times together.

Fred Meurer
City Manager

c: City Council