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To: [CITY CLERK](#)
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To: Mayor and City Council Members

During my career we had several similar situations. Our sales were coming in lower than planned, we didn't receive a significant contract or a contract was terminated.

So, we reduced expenditures and depending, initiated staff layoffs. However, we, the finance department, offered options to executive management, with pros and cons for those options. Staff is offering only one option, transfer the funding source for street sweeping and defer some capital projects.

Expenditure Reduction

But make no mistake, there ARE other options. Staff may not want to mention them and some Council members may be supportive and others not supportive. That is not the point. The point is Council should be provided options so you can weigh the pros and cons with the intent of making the most informed and best decision you can.

I know time is of the essence but suggest Council ask staff and staff provide some additional options.

Referring to the financial report included in the staff report. It does a very good job of reporting on Revenue by the eight major revenue categories.

There is no such breakdown of expenditures. Only one aggregate line item showing YTD \$126M incurred for expenditures. Council is entitled to more information on expenditures. This is a trend I've noticed, Staff does a good job of reporting on Revenue but a not so good job on Expenditures. Why?

The Staff report doesn't even breakout the \$2.8M expenditure reduction between Salaries & Benefits and Maintenance & Operations. This would be good information for Council to know.

I would ask for more YTD expenditure information before making a decision.

Capital

This year's Budget Book lists 103 ongoing, or open, capital projects. In FY 21/22 that number was 62. The problem of ever-increasing number of ongoing capital projects has been mentioned to Council and Staff before. The Staff report mentions 120 projects scheduled over the next 5 years. Reminds me of the saying"the faster I go the behinder I get"

I suggest Council and Staff finally bite the bullet and schedule additional Study Sessions. Working together, and with public input, prioritize the open projects. Take into consideration both operational and financial issues. Then work the highest 30 or 35, defer the rest. As a project completes initiate the next in line. It is unrealistic to expect efficiency with 103 open projects. Working so many projects simultaneously also adds to the time it takes to complete projects. Remember, time is money and the longer these projects take to complete the more the projects will cost.

I recognize the Staff proposal to transfer street sweeping funding to Gas Tax is convenient and straight forward. There may be a reason to use Gas Tax money for another purpose. The Adams Ave. Multipurpose project requires an additional \$2M - \$4M dollars of funding and as the Staff report notes, existing funding is federal money. Given the arbitrary decision-making environment in Washington that funding could disappear. It may be prudent to use the Gas Tax fund to help fund the Adams project and help get it started.

Thank you

Ralph Taboada

3/11/25

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