

FINANCE COMMITTEE

08-0545R

REPLACEMENT

RESOLUTION REQUESTING THAT THE ADMINISTRATION REVISE BUDGET BALANCING PLAN TO PRESERVE FACILITIES AND JOBS BY RE-EVALUATING OTHER COSTS AND TEMPORARILY SUSPENDING PAYMENTS ON CERTAIN CONTRACTS.

BY COUNCILOR GILBERT:

WHEREAS, the council acknowledges the seriousness of the 2008 budget operating deficit and acknowledges its responsibility to work constructively with the administration to balance the budget; and

WHEREAS, the council acknowledges the efforts of the administration to balance the budget; and

WHEREAS, the council acknowledges the need to constantly review and improve the operations of city government; and

WHEREAS, there are currently 194 fewer employees than in 1999 (1,002 in 1999, 808 in 2008) and the council agrees with the administration that the city is already short-staffed; and

WHEREAS, the council believes that there are opportunities for short-term cuts in service contracts.

NOW, THEREFORE, BE IT RESOLVED, that the council respectfully requests that the administration reconsider its plan to close libraries and community centers and lay off employees.

BE IT FURTHER RESOLVED, that the council requests that the administration consider other options and strategies to balance the 2008 budget, including:

(a) Updating assumptions for financial projections, particularly assumptions for rate of return on investments and fuel costs; and

(b) Suspending the following payment obligations on the following city service contracts and commitments and use the proceeds to restore core city services:

(1) The \$600,000 payment from the community investment fund payable to the housing investment fund due October 1, 2008;

(2) The remaining payments of \$50,000 (\$100,000 total), due September 30, 2008, and December 31, 2008, from the community investment fund payable to the business improvement fund and thence to the Greater Downtown Council as provided for in City Contract No. 19,768;

(3) The remaining payments due on the contract to Visit Duluth in 2008 as provided for in City Contract No. 19,948 totaling approximately \$300,000.

Approved as to form:

Attorney

COUNCIL REQUEST/ATTY SG/REA:blj 8/21/2008

STATEMENT OF PURPOSE: This resolution is to request that the Administration review and reconsider its budget balancing plans including the closing of various library and community club facilities, suspend various contract payments and transfers and re-allocate funds to avoid such closings and lay-offs.