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Mayor's Final Budget Modifications

May 31, 2019

As Mayor, I have the duty to prepare and deliver to the City Council the Mayor's Final Budget Modifications for the draft budget under Modesto City Charter Section 1303.

Under our City Charter, the Mayor has specific duties related to the budget such as this message.

The one proposed modification I recommend is a result of the valuable Town Hall meeting on the role of the City Auditor recently hosted by the local chapter of the NAACP and organized by its President, Wendy Byrd. As almost the entire City Council was present, I believe you will agree that invaluable input was heard from recently retired Berkeley City Auditor Ann-Marie Hogan and current Sacramento City Auditor Jorge Oseguera. In listening to their remarks at the NAACP forum and in follow-up discussions I had with Ms. Hogan, it became evident that a clear City Council commitment to the Office of the City Auditor is needed for us to attract quality candidates for this Charter office.

Consequently, in order to attract first-rate candidates for the office of City Auditor, I recommend we modestly augment the budget for the Auditor's Office as described below. The augmentation of the Auditor's Office are based on input obtained from retired Berkeley City Auditor Ann-Marie Hogan. For a city with a budget of our size, she recommended an office initially comprised of 3.0 FTEs – (the City Auditor, an additional senior auditor, and one support employee). In addition, she recommended a budgeted amount of \$100,000 for supplemental services. She believed this combination of 3 employees plus a budget for services to supplement the office would help convince candidates for the Charter City Auditor's position that the City Council was supportive of and committed to our Auditor's Office.

I recommend that our 2019-20 budget be modified as needed to secure the items described above. I am happy to report that when the City Manager and I reviewed our current proposed budget, we were very close to the minimums recommended above.

Since our proposed budget already includes 2.0 FTEs and \$101,971 in professional services, we only need to add 1.0 FTE to secure these minimums. The current budget proposal for the 2019-20 budget for the City Auditor was \$350,714. The augmented budget amount to add 1.0 FTE would be about \$100,000.

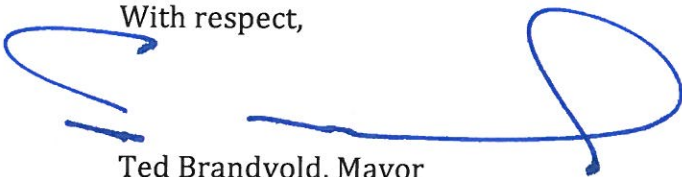
I don't want to minimize the addition of up to \$100,000.00 to the City Auditor's budget, but I do think this is important given what we learned at the NAACP Town Hall meeting. By the standards of our City budget, the increase is modest.

The City Charter requires the Mayor to identify how any additional spending that is recommended will be paid for. I asked the City Manager to develop options for us to consider. He believes given the length of time that recruitment of a new City Auditor will take, it is likely that the full budget amount would not actually be spent in the next fiscal year's budget. By freezing 2.0 of the 3.0 FTEs, he believes this will more accurately reflect the amounts spent in our next fiscal year. He indicates adjustments can be made later as the new Auditor's Office matures.

I am always open to better ideas on how to achieve our goals and will always be happy to receive any input from you: the City Council members entrusted by the citizens and taxpayers with these important decisions. As always, I welcome additional input from City staff, members of the 100-Day Committee, and any other concerned citizen, taxpayer, or group in our community.

I continue to remain confident that by working together, the City Council, our City Manager, all City employees, the 100-Day Committee and all concerned citizens and taxpayers, we can achieve long-term financial sustainability of our City for our taxpayers and for city operations.

With respect,



Ted Brandvold, Mayor
City of Modesto