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CITY MANAGER

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STEVE ORTEGA, DISTRICT 7
BETO O'ROURKE, DISTRICT 8

OFFICE OF THE CITY MANAGER

TO: Representative Melina Castro

FROM: Joyce Wilson, City Manager JW

SUBJ: Information Request on District 4 Budget and Discretionary Account

DATE: July 13, 2006

Ms. Castro, this is an attempt to respond to your request for information regarding your District 4 Office account and specifically with regard to funding for a second part-time position in your office. I apologize for the delay in getting this information to you but we were finalizing the FY 2007 budget proposal and consumed with the downtown planning process and Sun Metro issues. Nevertheless, I hope the information provided here is useful to resolving your questions and concerns.

I have attached several documents that I'll reference relative to your inquiry. First is a summary of the FY 2005 council work session for Mayor and Council budget (Attachment A). This summary also includes a listing of the dates of all meetings held for both the FY 2005 and FY 2006 budgets. These meetings have been audio recorded and are available for your review through the City Clerk's Office should you wish to do so.

As it relates to the FY 2005 budget approved by the City Council, funding for District Offices included monies for 2 full time staff positions for Districts 3, 4, 6, 7, 8. District 1 had one full time staff position; District 2 had 1.5 FTEs and District 5 had 1 full-time staff position. I've highlighted that for you on the budget staffing table for both FY 2005 and 2006 (attachment B).

With regard to funding stability for district offices as referenced in your letter, this refers to appropriating monies for each district office for the equivalent of 2 full-time staff positions and then allowing those city representatives who did not need or desire that level of staff support to redirect the surplus salary savings into their discretionary accounts. This is reflected in the FY 2005 budget, as per attachment B.

When you took office in June 2005, we were working in the 4th quarter FY-2005 and your budget still provided funding for two full-time positions. You retained an Administrative Assistant position (civil service position) and we provided you with a temporary person to assist you with your transition – Xochitl Valenzuela. In addition, Mr. Barton worked for you for a period of time as a volunteer temporary position.

When the FY 2006 budget was adopted, effective 9/1/05, the Council approved a budget that provided 1 full-time staff assistant for each Council district and $10,000 in discretionary funding. District 4 office also carried forward $5,394.75 from previous years' discretionary funds (Attachments B and C) (Attachment D).

Even though you only had 1 FTE for the current fiscal year, you continued to express a need for additional staffing and carried forward the temporary position for a period of time. ***(March 1 email from Irene Hernandez, OMB, to Connie Magana, District 4 Office, states "...District 4 employed a temporary employee thru 10/12/05 and $4,446.57 was used in anticipated salary savings to pay for these charges – Attachment E.")*** We worked with each Council representative to fund part-time interns for those who expressed a need or desire. Presently, four district offices are employing part-time interns, including yours. Two district offices (3 and 6) share a senior admin assistant, using combined salary savings from lower level secretarial support within both of their respective budgets.

Attachment C reflects the budget comparisons for District 4 for FY 2004, FY 2005 and FY 2006, with the difference being a downward adjustment in salaries and discretionary funds as was approved by the City Council for FY 2006. You are overspending your salary account for FY 2006 because you continued to retain a part-time temporary position, Xochitl Valenzuela, for a period of time after 9/1/05 and your present part-time intern appears to be working longer hours than budgeted. These costs are depleting your salary account at such a rate that it requires a transfer from your discretionary account to cover the salary gap. You were advised of this by me, my assistant Rozanna Mendoza and Irene Hernandez in OMB, all of whom have worked closely with your office (both you and your assistant) on your budget and spending. We have all spent considerable time and effort trying to explain and clarify this for you, as these estimates have been reflected on your monthly expenditure report for several months.

Each month you receive a summary of the status of your discretionary funds – both current year and previous year – with details about all transactions since the previous month (Attachment D). I've provided you with copies of those for each month of the present fiscal year. You will also note that we added back $1,504.18 in temporary services charges (for fiscal year 2005) and an additional $1,017.81 for furniture and fixtures to your special funds account (discretionary funds carried forward) and absorbed that cost separately as part of the new council transition costs that also included new furnishing, painting and new equipment.

We have estimated that you will overspend your salary account by $7,527.00 based on expenditures to date, which is why we have reserved that amount in your discretionary funds to cover the overage. Yours is the only District Office with this type of overage, as all others have generally lived within their salary limits or only slightly exceeded them. As we get near the end of the current fiscal year, we can adjust any overages for all district salary accounts and then reimburse the discretionary fund – if that is the desire of City Council. In the meantime, you have $5,412.56 in your Special Projects Account (Previous yrs) and $1,211.65 in your current year discretionary account balance – all of which can be used for whatever special projects or needs you have in your district within the legal guidelines.

In the proposed budget for Mayor and Council for FY 2007, we have funded 1.5 FTE positions for each district representative, plus added another $10,000 to the salary account for those representatives who feel the need for 2 full-time staff positions. Those who opt not to use these monies for staffing can transfer the additional salary savings to their discretionary accounts. In

the present year, we had attempted to utilize technology and a centralized reception area for the Mayor and Council Department, but several district offices were reluctant to support this type of approach. That is the basis for our recommendations for staff and funding for the City Council offices in FY 2007.

I am prepared to discuss this with you further if you desire or to go through these materials publicly at next Tuesday's City Council meeting if you prefer. I will also have both Ms. Mendoza and Ms. Hernandez present to reaffirm the amount of time and effort we've expended on this issue with you this year.

Encl.

Cc: Mayor and City Council (w/encl)

TO: Irene Hernandez OMB
Rozanna Mendoza CMO

FROM: Joyce Wilson jw 6/7/06

SUBJ: Latest Inquiry from District 4 Office

Please review the attached and provide me with all available information relative to this issue. Specifically, reference the tapes available for the FY 2004/05 budget discussions and any backup materials available from that session on Mayor/Council budget deliberations (as this occurred before I took office). Also, reference to the tapes/minutes available on the FY 2005/06 budget deliberations/discussion for Mayor/Council budgets, as well as any backup materials regarding the presentation on this matter. In addition, please provide me with all documentation regarding discussions with Rep. Castro about her staffing needs and our response. Finally, give me all available details about funds carried forward and charges against those funds to date, plus her budget and expenses to date. I will respond directly. I just need the back up.

Please try to do this in a timely manner, but not at the expense of the present budget work or downtown planning efforts. Just give me a sense of when I can get these materials. Thx.

Encl.

El Paso, Texas

The International City

MELINA CASTRO
CITY REPRESENTATIVE
DISTRICT NO. 4

June 6, 2006

RECEIVED
JUN 06 2006
CITY OF EL PASO
CITY MANAGER'S OFFICE

Ms. Joyce A. Wilson, City Manager
City of El Paso
#2 Civic Center Plaza
El Paso, Texas 79901

Dear Ms. Wilson:

For quite some time there have existed questions in my office, and on the part of my constituents concerning the budgetary allocations for the District 4 office and also the staffing levels for same.

Having now completed a historical review of this office, it is clear that in the budget as was approved in September/October 2004, this office was budgeted for two (2) full time employees.

My review has also shown that during the budget discussions in 2004, there were concerns with the so called "disparity" between the budgets for the individual offices of the elected representatives, and the attempts to bring a "level" ground to the issue/s of this funding.

Consistent with the provisions of the Charter as would apply to your employment, I would direct that **you** provide to my office, in a timely manner, all records that may exist, not limited to hard copy or computer presentations, the minutes, video and/or audio tapes that were generated as a result of the budget meetings held in the late summer/early fall of 2004, in regard to the budget as would apply to the "Mayor and Council".

In securing this information, there will exist a baseline that can be utilized to separate "fact from fiction" with respect to this issue.

Since taking office in June of 2005, there have been numerous conversations with either you, or your staff, concerning the issue of District 4 funding, and the information that has been provided is such that it appears there is little to any continuity in the position set forth by your office. It could be argued that I may not have asked the right question/s, however, by the same token you, for whatever reason, may not have been totally forthcoming.

The Charter is quite clear, and I would direct that **you** provide to this office, all records that exist concerning expenditures billed to this office, including, fund balances that existed on June 14, 2005, not limited to salary balances and discretionary funds.

As you are aware, or should be, there was a radical change in the staffing in this office upon my taking office, and the data that you provide should not include any carry over expenses that would be associated with staff that no longer worked in this office after the date set forth in this request.

During the budget negotiations that occurred in the late summer/early fall of 2005, there were some changes made to the budgetary line item of Mayor/Council. These actions are within the files of my office, however, it does not appear that the actual action and intent associated with same are being executed in a manner that is consistent with the budget as passed. At this juncture this remains a point of conjecture.

I would direct **you** to provide this office with a complete accounting, in a written format that could be easily understood by a person of reasonable intelligence, on an accrual basis, all of the charges to the District 4 office, in both the area of salary and discretionary funds, to run through the date of this letter. I would direct that this information be provided in a timely manner.

My dealings in this area have shown that there is a desire to explain these issues at the level/s of an accountant, however, for purposes of explaining this to my constituents, most, if not all of them, do not enjoy the superior level/s of education in the field of accounting that may be enjoyed by professional staff.

My instructions to you in this matter do not entail responses from department level employees, or assistant City Manager positions that you have created, but rather, from **you** as an employee under my direct supervision. Simply stated, the responses that I have received in this very critical area to this point have not been acceptable or straightforward.

Sincerely Yours,

Melina Castro

Melina Castro
City Representative
District #4 – Northeast

MC/ccm

Summary of attachments for the information request for the District 4 Budget and Discretionary Account

- Attachment A - Summary of FY05 Budget Process
- Attachment B – FY 2005-2006 Budget Staffing Table
- Attachment C – FY2006 Budget by account
- Attachment D – Breakdown of District 4 Special Projects Account
- Attachment E – Email from Irene Hernandez advising District 4 of their budget for an intern
- Attachment F – Requested FY07 Council Budget