

Lemos, June

From: Jacob Patterson <jrp1976@gmail.com>
Sent: Monday, February 26, 2018 3:10 PM
To: Lemos, June
Subject: Public Comment, 2/26 CC Mtg., Item No. 5C

Council-members,

I have a couple of questions on the CV Starr financial statements.

First, why is the normal Management Discussion omitted? This seems like a valuable tool considering the deficit situation so you can evaluate the general situation and determine if changes are necessary.

Second, why are the CV Starr Center's expenses for salary and benefits so high? This figure is comparable to a significant percentage of the City's entire salary and benefits expenses for City staff and I doubt that CV Starr has a staff equivalent to 20% of the entire City staff. Where does this figure come from and does it include an allocation of City staff expenses associated with administering the CV Starr Center or is that accounted for as Administration?

I believe the special approved sales tax included restrictions on how much could be used for salary and benefits (e.g., 55% of the tax revenue). How is this factored in? The 2017 salary and benefits expenses are \$952,963 (plus \$24,110 in "administration" which might be passed through salary and benefits?) which exceeds the tax revenue. This seems to be fine since the separate fee revenue is unrestricted and 55% of the special taxes plus the unrestricted fees exceeds the salary and benefits expense. Regardless, these expenses appear to be very high and the fungibility of money means that the spirit of an enacted funding restriction can be violated by shifting funding and expenses around and applying unrestricted funding to restricted expenses first. I think this is technically permitted but the community concerns that justified the restrictions should be factored into future budgeting and financial decisions.

Third, does the City have a plan to improve the overall financial situation so the special tax revenue can be dedicated more to programming and less to salary and benefits expenses?

If not discussed tonight, perhaps these can be topics for the mid-year budget workshop.

Regards,

--Jacob