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JOHN ST. CROIX
EXECUTIVE DIRECTOR

Date: January 12, 2009
To: Members, Ethics Commission
From: John St. Croix, Executive Director
Re: Preliminary Budget Discussion

It appears that the budget discussion this year may be largely academic in nature; for the Ethics Commission, the budget request may be as much of a broad policy statement as it is a financial document.

At this time, the Mayor's essential request is that each agency make cuts totaling 25% from this year's budget. Currently, the Ethics Commission's overall budget for this year is \$4,031,106. The operating budget, where the cuts come from, was \$2,207,379.

After a series of cuts in the current budget year, the operating budget is closer to \$2 million and the Mayor's target for reduction in our budget for the Ethics Commission is \$401,400.

Because of its unique position as an independent agency and while respectful of the budget process, the Commission usually does not follow budget instructions. As I see it, the Commission has three realistic choices before it regarding the budget request that it makes. In the first alternative, it can make a request for an increase based on the most recent incarnation of the five-year plan. The second option would be to submit a budget request at this year's figures. The third option would be to accept the requested cuts from the Mayor's office. The first option represents an option wherein the Commission asserts its independence from City government. The second option also recognizes the Commission's inherent independence, but makes a gesture of conciliation towards the current significant budget shortfall. The third is simply following instructions.

The first option includes an approximate increase of \$283,000. The second option is obviously static. The third option will require the loss of 5 of the current 19 FTE positions at the Commission.