



General Fund Strategies

City Council Budget Study Session
June 3, 2008

Topics

- Review Staff Work since Study Session #3
 - Where are we today?
- Department Program Reductions
- General Fund Overview
- City Council Direction
- Future Budget Study Sessions

Review Staff Work Since Study Session #3 {in Millions}

Programming Capacity at May 27, 2008 \$2.0

	Revenues	Expenses	Net
General Fund Rev & Exp as of 5/27/08	\$ 167.3	\$ 165.3	\$ 2.0
Staff Work Since 5/27/08:			
Vacant Salaried Positions Clean-up		(0.9)	0.9
Unavoidable Additional Expenses		1.2	(1.2)
Possible Rev. Increases	0.6		0.6
Revised General Fund Rev & Exp 6/3/08	\$ 167.9	\$ 165.6	\$ 2.3

Programming Capacity at June 3, 2008 \$2.3

Expense Policy Direction

\$ 0.0 to \$ 3.8

General Fund Expenses

Dept. Reduction Strategies

Summary of All Departments

Department	Initial 2008-2009 Forecast	Reductions	Revised 2008-2009 Forecast	Percentage Reduction
Administrative Services	4,326,948	(248,935)	4,078,013	5.8%
City Attorney	1,958,526	(80,000)	1,878,526	4.1%
City Clerk (less Elections)	1,130,670	(58,000)	1,072,670	5.1%
City Treasurer	562,477	(1,500)	560,977	0.3%
Comm. Development (less self-sustaining)	1,270,574	(70,112)	1,200,462	5.5%
Fire	37,838,916	(1,969,725)	35,869,191	5.2%
Human Resources	2,020,163	(102,770)	1,917,393	5.1%
Information Services	5,017,966	(250,463)	4,767,503	5.0%
Library	8,628,588	(427,696)	8,200,892	5.0%
Management Services	3,737,172	(186,700)	3,550,472	5.0%
Parks, Recreation, & Comm. Services	13,235,653	(669,267)	12,566,386	5.1%
Planning	3,401,747	(165,877)	3,235,870	4.9%
Police	56,306,341	(2,815,317)	53,491,024	5.0%
Public Works	24,635,538	(1,126,919)	23,508,619	4.6%
Total of all Departments	164,071,279	(8,173,281)	155,897,998	5.0%

GENERAL FUND OVERVIEW

{in Millions}

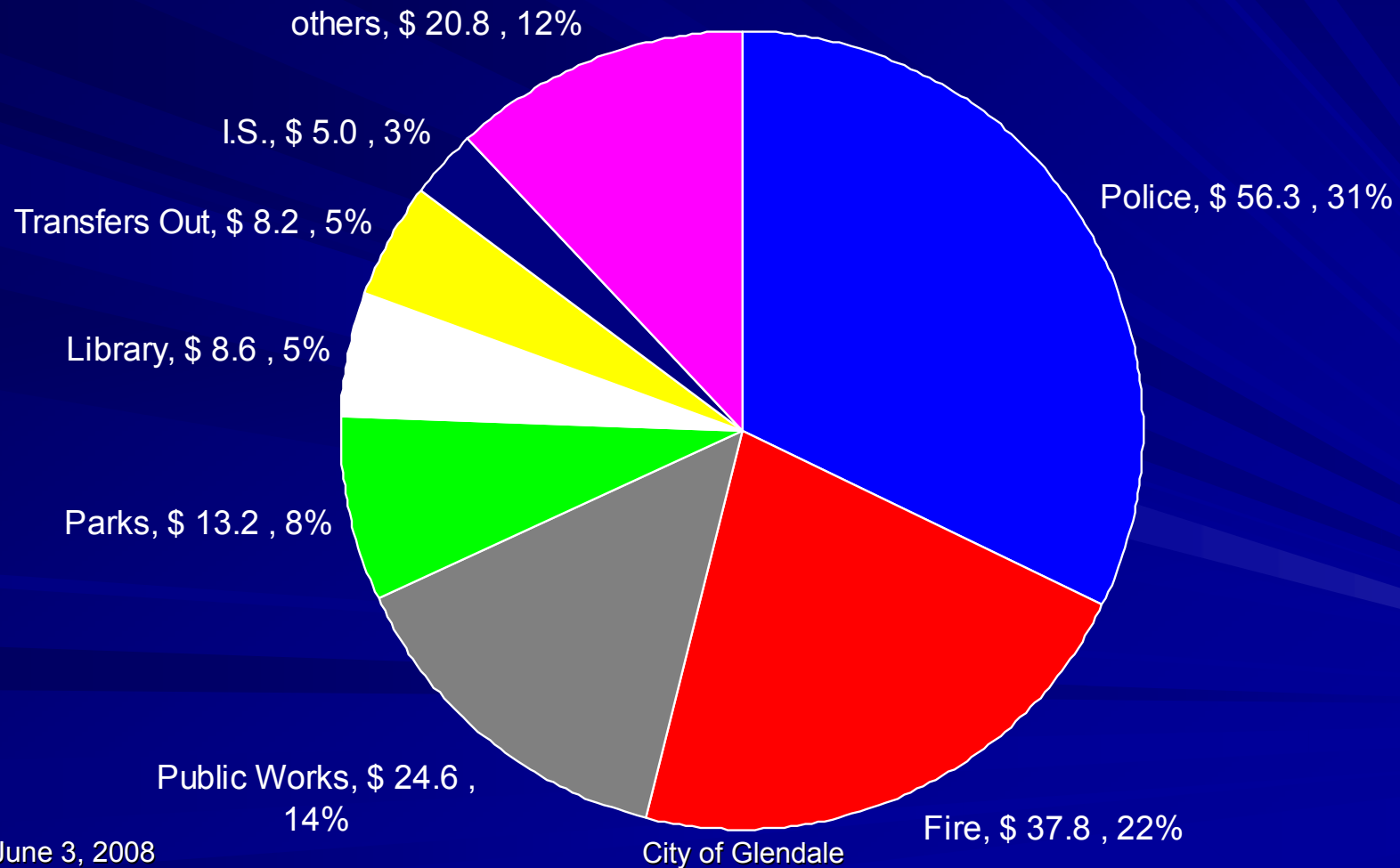
	Forecast <u>2007/08</u>	Initial Forecast <u>2008/09</u>	Revised Forecast <u>2008/09</u>
TOTAL REVENUES	162.1	164.6	167.9
TOTAL EXPENSES	158.6	174.5	165.6
NET CHANGE in Fund Balance	3.5	(9.9)	2.3
Beginning Fund Balance	59.6	51.4	51.4
One-Time Transfers to CIP	(9.2)		
One-Time Transfer to Liability Fund	(2.5)		
Ending Total Fund Balance	\$ 51.4	\$ 41.5	\$ 53.7
<i>Reserve Percent</i>	<i>31 %</i>	<i>25 %</i>	<i>32 %</i>

General Fund Expenses

Initial Forecast 2008/09

{Millions}

Total = \$174.6M



Department Reductions

- 5% Reduction by All Departments Produces \$8.2 M in savings
- If Police & Fire are reduced to 1.2% & 2.7%, then all other departments must reduce 9% to reach \$8.2M in savings
- If Police & Fire do not have any reductions then all other departments must reduce a total of 11%

Needed City Council
Policy Direction
Regarding
Strategy Incorporating
Program Reductions

Budget Study Session Schedule

- | | |
|--|-----------------|
| <i>X Total City Budget, Overview of General Fund</i> | <i>April 29</i> |
| <i>X Enterprise Funds ~ ALL</i> | <i>May 13</i> |
| <i>X General Fund Solutions I / GRA Budget</i> | <i>May 27</i> |
| <i>X General Fund Solutions II / CD&H Budget</i> | <i>June 03</i> |
| <i>✓ General Fund Solutions III ~ if needed / Public Hearing</i> | <i>June 10</i> |
| <i>✓ FINAL Budget Adjustments ~ if needed</i> | <i>June 17</i> |
| <i>✓ Budget Adoption: Council night meeting</i> | <i>June 24</i> |

* Possibly no meeting on June 10th or 17th

SUPPLEMENTAL DATA

General Fund Solutions as of May 27th

Summary of Proposed Strategies

{in Millions}

	Revenues	Expenses	Net
Initial Unadjusted General Fund Rev & Exp	\$ 164.6	\$ 174.5	\$ (9.9)
Strategies:			
Revenue Adjustments	1.2		1.2
Departmental Reduction Strategies {5% level}		(8.2)	8.2
City-Wide Reduction Strategies		(0.4)	0.4
Changes to Transfers In	1.5		1.5
Changes to Transfers Out		(0.6)	0.6
Further Reduction of Select Vacant Positions		TBD	TBD
Revised General Fund Rev & Exp as of 5-27-08	\$ 167.3	\$ 165.3	\$ 2.0

Programming Capacity \$2.0

Potential Additional Revenues \$ 0.4 to \$ 0.7

Additional Expense Considerations \$ 1.0 to \$ 3.0

Vacant Salary Positions Clean-up

Department	Position Description	Amount
Fire	Administrative Assistant	\$ (64,230)
Fire	Fire Environmental Specialist	(84,659)
Police	Administrative Assistant	(64,230)
Police	Community Service Officer - General	(63,396)
Police	Assistant Public Information Officer	(94,102)
Police	Equipment Mechanic I	(69,067)
Public Works	HVAC Mechanic	(77,060)
Public Works	Pesticide Applicator	(29,393)
Public Works	Construction Supervisor	(110,412)
Public Works	Project Manager	(109,750)
Public Works	Senior Civil Engineer	(136,631)
Total Vacant Salary Positions Clean-up		\$ (902,930)

Unavoidable Additional Expenses

Department	Expense Description	Amount
Fire	Brush Abatement	\$ 120,000
Finance	Insurance and Surety	441,371
All	Fuel	537,000
All	Utilities	84,670
Planning	Overtime Due to Add'l Nighttime Meetings	33,000
Total Unavoidable Add'l Expenses		\$ 1,216,041

Possible Revenues Increases

Department	Revenue Item	Initial Projection	Revised Projection
Police	Cost recovery for arrestee booking fees	\$ 200,000	\$ 200,000
Police	Cost recovery for disturbance calls	150,000	100,000
CD&H	Admin. Code Enforcement vs. Courts	70,000	70,000
City Clerk	Further Development of Filming	10,000	10,000
Public Works	Increase in Building Fees	100,000	100,000
Public Works	Increase in Sidewalk Dining Permit	35,000	35,000
Planning	Noticing/Postage Fees	150,000	50,000
Total Possible Revenue Increases		\$ 715,000	\$ 565,000

Expenses Requiring Policy Direction

Department	Expense Item	Revised Projection
Police	Downtown Policing Unit 2008-2009	\$ 1,319,257
Police	Downtown Policing Unit 2009-2010	1,349,724
Planning	Comprehensive General Plan	700,000
CD&H	3 Code Enforcement Inspectors (\$90,183 each)	270,549
Admin Services	Budget Administrator Position (55% impact to GF)	73,600
Parks	Cedar Mini Park Maintenance	45,900
Total Expenses Requiring Policy Direction		\$ 3,759,030

GF & CIP Transfers to Wireless Fund

{ in Thousands }

Fund	Actual	Forecast	Orig Budg	Rev. Budg	Orig Budg	Rev. Budg
	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2009/10</u>
General Fund	1,098	1,098	1,098	1,098	1,098	1,098
CIP	0	750	750	650	750	750
CIP ~ additional	0	553	0	0	1,700	1,500
TOTAL	1,098	2,401	1,848	1,748	3,548	3,348

Administrative Services Reduction Strategy

Reduction Description	Initial 5% Reduction	Proposed Reduction Change	Revised Reduction
Eliminate Admin Analyst {Vacant}	\$ (86,935)		\$ (86,935)
Hourly Wages	(10,000)		(10,000)
Budget Summary Booklet	(15,000)	5,000	(10,000)
PeopleSoft Consulting Services	(60,000)		(60,000)
PeopleSoft Payroll Annual Maintenance	(17,000)		(17,000)
PeopleSoft Financial Annual Maint.	(55,000)		(55,000)
Temp Clerical Services	(5,000)		(5,000)
Administrative Services Total	\$ (248,935)	\$ 5,000	\$ (243,935)

General Fund Expenses Dept. Reduction Strategy

City Attorney

Reduction Description	Initial 2008-2009 Forecast	Reductions	Revised 2008-2009 Forecast	Percentage Reduction
Eliminate Legal Secretary Position {Vacant}		(65,514)		
Training		(1,706)		
Travel		(1,200)		
Contractual Svcs		(8,080)		
Office Supplies		(3,500)		
City Attorney Total	1,958,526	(80,000)	1,878,526	4.1%

General Fund Expenses Dept. Reduction Strategy

City Clerk

Reduction Description	Initial 2008-2009 Forecast	Reductions	Revised 2008-2009 Forecast	Percentage Reduction
Eliminate Customer Service Rep {Vacant}		(54,000)		
Reduction in copier lease costs		(4,000)		
City Clerk Total (less Elections)	1,130,670	(58,000)	1,072,670	5.1%

General Fund Expenses Dept. Reduction Strategy

City Treasurer

Reduction Description	Initial 2008-2009 Forecast	Reductions	Revised 2008-2009 Forecast	Percentage Reduction
Office Supplies		(1,500)		
City Treasurer Total	562,477	(1,500)	560,977	0.3%

Community Development & Housing Reduction Strategy

Reduction Description	Initial 5% Reduction	Proposed Reduction Change	Revised Reduction
Eliminate One Position {Filled}	\$ (61,632)	\$ 61,632	\$ -
Advertising	(600)		(600)
Travel	(2,000)		(2,000)
Training	(1,200)		(1,200)
Computer Hardware	(2,400)		(2,400)
Office Supplies	(1,624)		(1,624)
General Supplies	(656)		(656)
Administrative Services Total	\$ (70,112)	\$ 61,632	\$ (8,480)

Fire Dept. Reduction Strategy

Reduction Description	Initial Reductions	Option 2 (no staffing changes)	Option 3 (one FF x 3 shifts)
Eliminate Six FireFighter Positions {One FF x 2 Engines x 3 shifts}	\$ (929,790)	\$ -	\$ (464,895)
Savings from Insurance & Bonds	(29,915)	-	(14,958)
Cancel Recruit Academy - Trainers	(310,000)	(310,000)	(310,000)
Reorganize Fire Prevention Bureau Staff	(4,078)	(4,078)	(4,078)
Reallocate Deputy Fire Chief to Fire Batt. Chief {Vacant}	(23,640)	(23,640)	(23,640)
Eliminate Firefighter {Filled} ~ Public Ed. - use retirees	(118,979)	(118,979)	(118,979)
Eliminate Fire Captain {Filled} ~ Support	(198,977)	(198,977)	(198,977)
Eliminate Fire Captain {Filled} ~ Emergency Services	(198,977)	(198,977)	(198,977)
Eliminate Mail Services Specialist (Vacant)	(25,369)	(25,369)	(25,369)
ICIS to Fund \$100k of Fire Batt. Chief per Agreement	(100,000)	(100,000)	(100,000)
Eliminate OverTime (no fringe) ~ Support	(30,000)	(30,000)	(30,000)
Fire Total	\$(1,969,725)	\$ (1,010,020)	\$ (1,489,873)

General Fund Expenses Dept. Reduction Strategy

Human Resources

Reduction Description	Initial 2008-2009 Forecast	Reductions	Revised 2008-2009 Forecast	Percentage Reduction
Eliminate HR Analyst II Position {Vacant}		(93,475)		
Ray Thorn Contractual Services		(9,295)		
Human Resources Total	2,020,163	(102,770)	1,917,393	5.1%

Library Reduction Strategy

Reduction Description	Initial 5% Reduction	Proposed Reduction Change	Revised Reduction
Close Chew Chase Branch	\$ (26,271)		\$ (26,271)
Overtime	(17,647)		\$ (17,647)
Eliminate Library Supervisor {Vacant}	(78,934)	(6,413)	\$ (85,347)
Reallocate Librarian to Library Assistant {Vacant}	(12,682)		\$ (12,682)
Hourly Wages -System wide	(179,118)	(44,017)	(223,135)
PARS/ Hourly Wages	(2,680)		\$ (2,680)
Miscellaneous M&O Expenditures	(59,934)		\$ (59,934)
Periodicals & Books	(50,430)	\$ -	\$ -
Library Total	\$ (427,696)	\$ (50,430)	\$ (427,696)

General Fund Expenses

Dept. Reduction Strategy

Information Services

Reduction Description	Initial 2008-2009 Forecast	Reductions	Revised 2008-2009 Forecast	Percentage Reduction
Eliminate One Position {Filled}		(53,493)		
Eliminate Hourly Position		(6,989)		
Ray Thorne & Assoc		(2,500)		
Gartner Group		(2,500)		
PeopleSoft Internal Service Fund - Hourly Wages		(40,000)		
FileNet Internal Service Fund		(66,981)		
Software Replacement Internal Service Fund		(40,000)		
Hardware Replacement Internal Service Fund		(38,000)		
Information Services Total	5,017,966	(250,463)	4,767,503	5.0%

General Fund Expenses Dept. Reduction Strategy

Management Services

Reduction Description	Initial 2008-2009 Forecast	Reductions	Revised 2008-2009 Forecast	Percentage Reduction
Hourly Wages		(30,000)		
Contractual Services		(86,200)		
Travel		(10,000)		
Miscellaneous M&O Expenditures		(10,500)		
General Supplies		(50,000)		
Management Services Total	3,737,172	(186,700)	3,550,472	5.0%

General Fund Expenses Dept. Reduction Strategy

Parks, Recreation, & Community Services

Reduction Description	Initial 2008-2009 Forecast	Reductions	Revised 2008-2009 Forecast	Percentage Reduction
Eliminate One Administrative Assistant {Vacant}		(59,628)		
Transfer One Project Manager to CIP		(105,085)		
Transfer One Sr. Project Manager to CIP		(144,869)		
Eliminate One Position {Filled}		(114,757)		
Eliminate One Office Services Specialist I {Vacant}		(41,864)		
Eliminate One Equipment Operator I {Vacant}		(56,536)		
Eliminate One Position {Filled}		(60,528)		
Reduction of Recreation Program operating hours		(86,000)		
Parks, Recreation, & Comm. Services Total	13,235,653	(669,267)	12,566,386	5.1%

Planning Reduction Strategy

Reduction Description	Initial 5% Reduction	Proposed Reduction Change	Revised Reduction
Eliminate Planning Intern Position {Vacant}	\$ (12,854)	\$ 12,854	\$ -
Eliminate Planning Intern Position {Vacant}	(10,877)		(10,877)
Transfer One Position to Transit & Parking Funds {Filled}	(91,391)		(91,391)
Increase Revenues	(50,755)		(50,755)
Planning Total	\$ (165,877)	\$ 12,854	\$ (153,023)

Police Dept. Reduction Strategy

Reduction Description	Initial Reductions	Option 2	Option 3
Eliminate COPPS Full Service	\$ (546,396)	\$ (546,396)	\$ (546,396)
Eliminate SRO Middle Schools	(509,730)		
Eliminate PAL	(55,398)		
Eliminate Juvenile Investigations	(332,050)		
Eliminate Alarms (False Alarm Billing)	(58,500)		
Eliminate COPPS TV / Comm. Outreach	(108,426)	(108,426)	(108,426)
Eliminate Security / Protection Detail	(12,235)		
Eliminate Public Safety Academy	(1,299)	(1,299)	(1,299)
Eliminate Explorers	(19,739)		
Eliminate STAR	(26,099)		
Eliminate Citizens Police Academy	(7,275)	(7,275)	(7,275)
Eliminate Community Family Counseling	(92,221)		
Eliminate COPPS Problem Oriented	(1,045,949)		
Eliminate Special Enforcement Detail			(839,088)
Eliminate Gangs			(867,881)
Eliminate SRO High School			(571,229)
Police Total	\$ (2,815,317)	\$ (663,396)	\$ (2,941,594)

General Fund Expenses Dept. Reduction Strategy

Public Works

Reduction Description	Initial 2008-2009 Forecast	Reductions	Revised 2008-2009 Forecast	Percentage Reduction
Eliminate Assistant City Engineer Position {Vacant}		(176,340)		
Eliminate Senior Survey Technician Position {Vacant}		(98,280)		
Eliminate Engineering Project Specialist Position {Vacant}		(132,225)		
Eliminate Street Maintenance Worker Position {Vacant}		(62,688)		
Eliminate Maintenance Worker Position {Vacant}		(54,553)		
Transfer Equip. Mech. II Position to Refuse Fund {Vacant}		(82,253)		
Transfer Equip. Service Worker Position to Sewer Fund {Vacant}		(59,603)		
Hourly Wages		(156,681)		
Reduce Contractual Svcs for Plan Check Services		(163,000)		
Reduce Contractual Services for Sidewalk Program		(141,296)		
Public Works Total	24,635,538	(1,126,919)	23,508,619	4.6%

General Fund Expenses

City-Wide Reduction Strategy

City-Wide Reductions

Reduction Description	General Fund Reduction
Energy Conservation - Initiative	(325,000)
Executive Employees COLA ~ 2008/09	(85,000)
Annual Employee Holiday Party	(22,000)
City-Wide Reduction Total	(432,000)

General Fund Transfers

Changes to Transfer Strategy

Transfer Type	Amount	
Increases to Transfers IN:		
Index GWP Electric Transfer	732,000	
Index GWP Water Transfer	160,000	
Index Sewer Transfer	25,000	
Refuse Disposal Fund Transfer	500,000	
Hazardous Disposal Fund Transfer	100,000	
Subtotal		1,517,000
Decreases to Transfers OUT:		
Transfer to CIP	200,000	
Transfer to Application Software Replacement Fund	160,000	
Transfer to Financial System Fund	100,000	
Transfer to Police CAD/RMS Fund	190,000	
Subtotal		650,000
Total Net Change to Transfers		2,167,000