

# **FY 2010-11 Budget Workshop**

## **May 11, 2010**

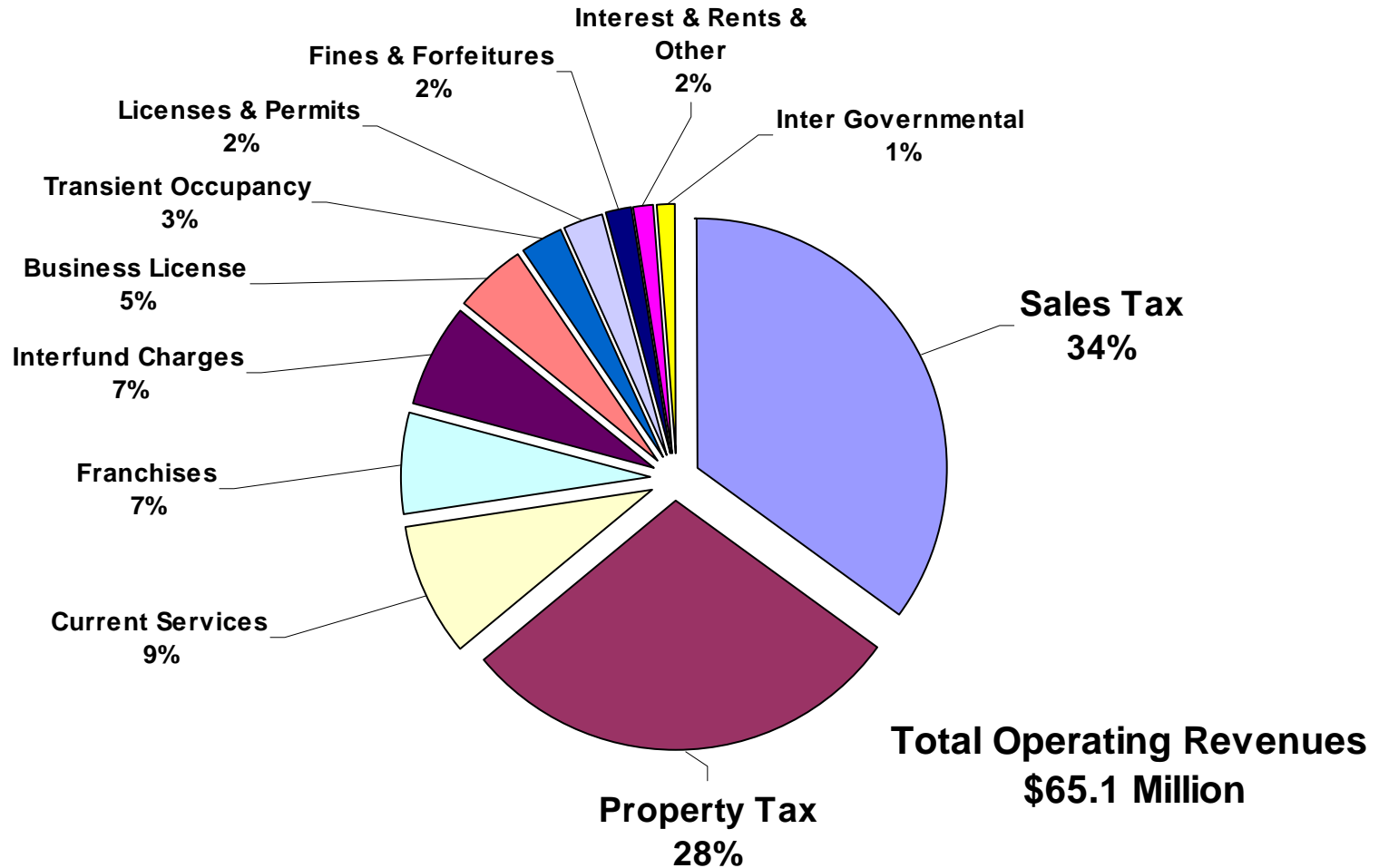
**Presented By:**  
**Dan Keen – City Manager**

# **Purpose of Today's Meeting**

**Discuss What it Will Take to  
“Live Within Our Means”**

- Review Anticipated Deficits in the  
FY2010-11 Ten-Year Plan**
- Present Budget Reduction  
Proposals**

# General Fund Revenue Sources



# Economy Stabilizing?

- **Housing**
  - Median home prices 50% below peak
  - Significant number of properties in foreclosure
- **Credit Markets Still Tight**
- **Federal Reserve Interest Rate  $\frac{1}{4}\%$**

# Economy Stabilizing?

- **Unemployment Levels High perhaps stabilizing**
  - Concord Unemployment at 14%
  - Highest its been in 20 years
- **Consumer Spending Picking Up**
  - New Baseline may have been established
  - Two Quarters of positive GDP
  - Unfortunately at approximately 78% of peak
- **Inflation Rate (2% CPI) Still Low**

# **Budget Concerns**

- **Further property tax devaluation**
- **Weakness in sales tax revenues**
- **State budget situation \$19.9 Billion deficit**
- **Adverse decision in the CRA Redevelopment lawsuit costing the RDA \$7.3 million**

# Budget Concerns

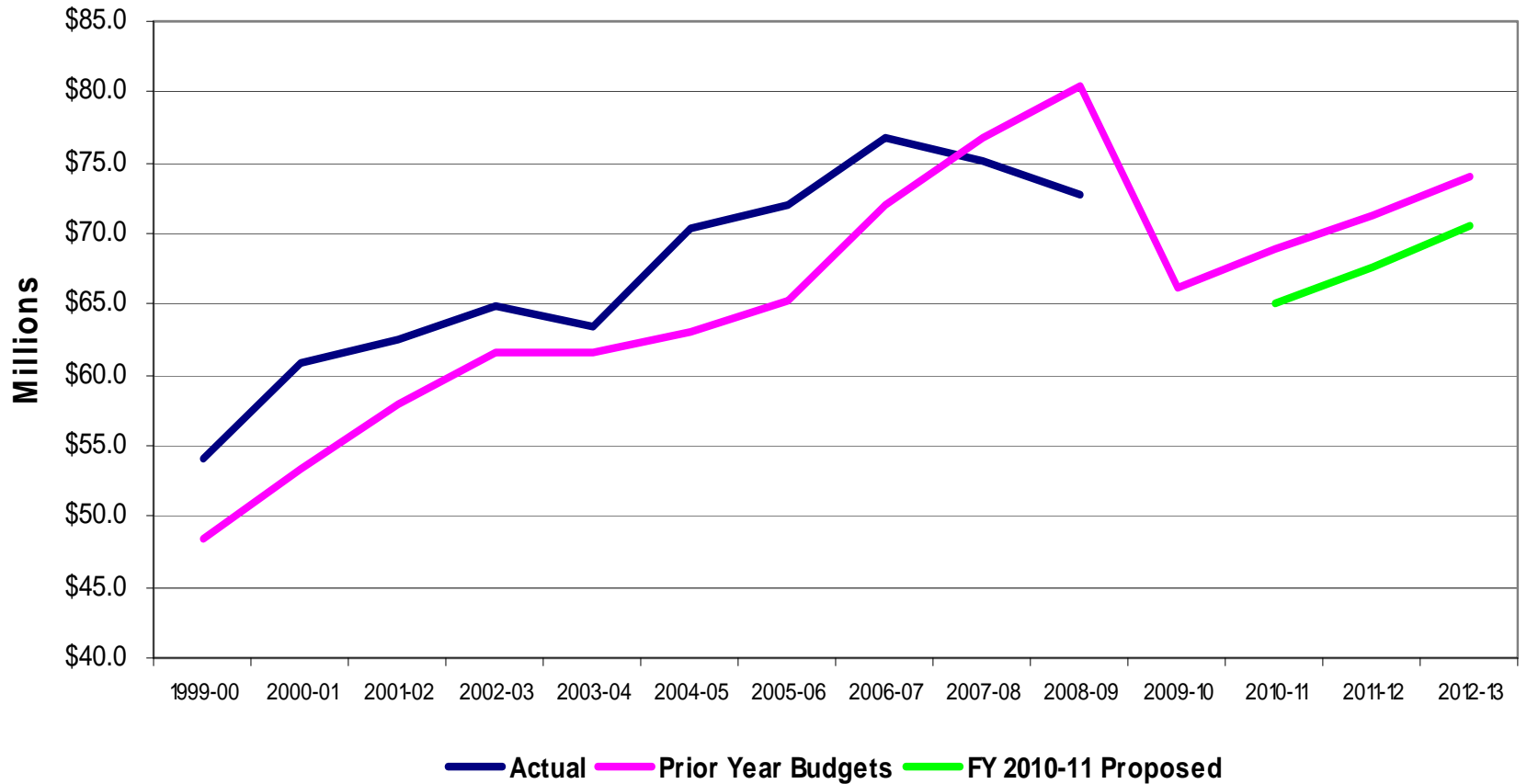
- **Major reductions anticipated in redevelopment tax increment over the next few years**
- **Lack of major development projects in the planning department pipeline**
- **Rising cost of OPEB (Medical Benefit) and PERS retirement costs**
- **Energy prices escalating despite the economy**

**Budget Deficit as Projected  
October 2009: \$9.7 Million**

**Projected Budget Deficit Now  
\$12.7 - \$13 Million**

# Revenues Drop Again

## Comparison of General Fund Actual to Budget



# **General Fund Revenues**

## **Compared to FY 2009-10 10-Year Plan**

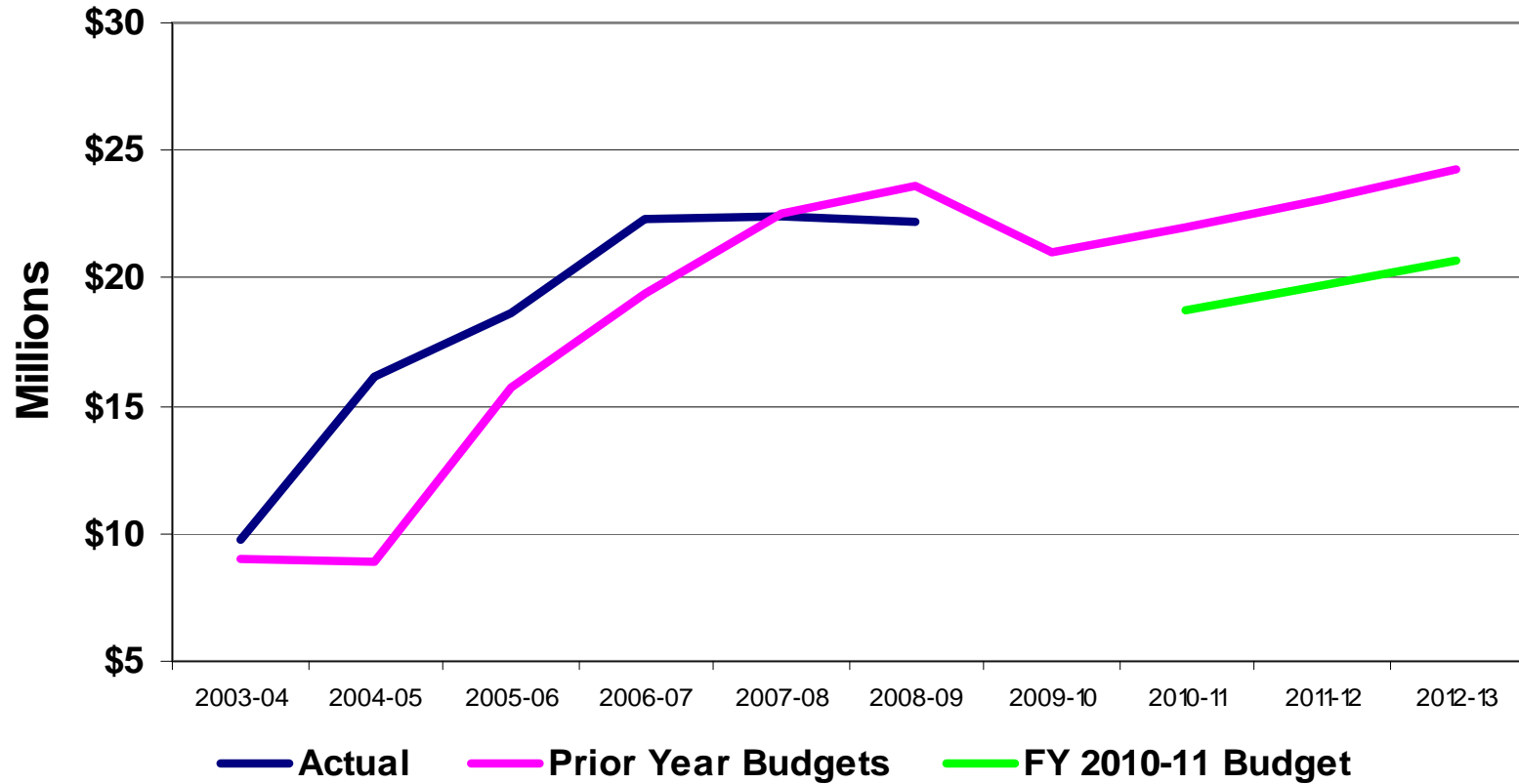
<b>Property Tax</b>	<b>-15%</b>
<b>Transient Occupancy Tax</b>	<b>-15%</b>
<b>Current Services</b>	<b>-4%</b>
<b>Investment Earnings</b>	<b>-27%</b>
<b>Other</b>	<b>+1%</b>

# **General Fund Revenues**

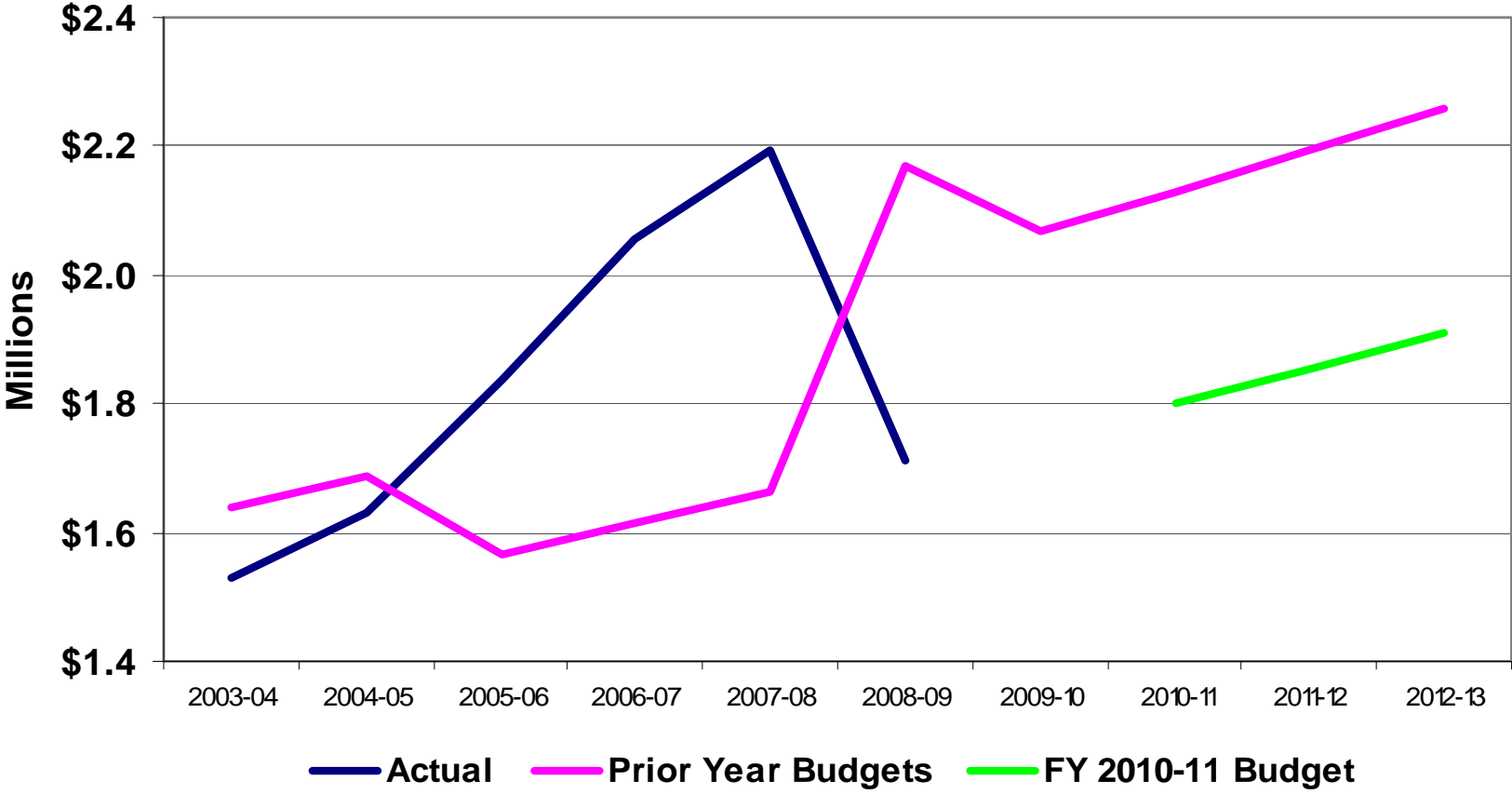
## **Compared to FY 2009-10 10-Year Plan**

<b>Total Estimated Annual Reduction in Revenues</b>	<b>-\$3.8 Million</b>
<b>Percent of Total Operating Revenue</b>	<b>-6%</b>
<b>Monthly Shortfall</b>	<b>\$317,000</b>

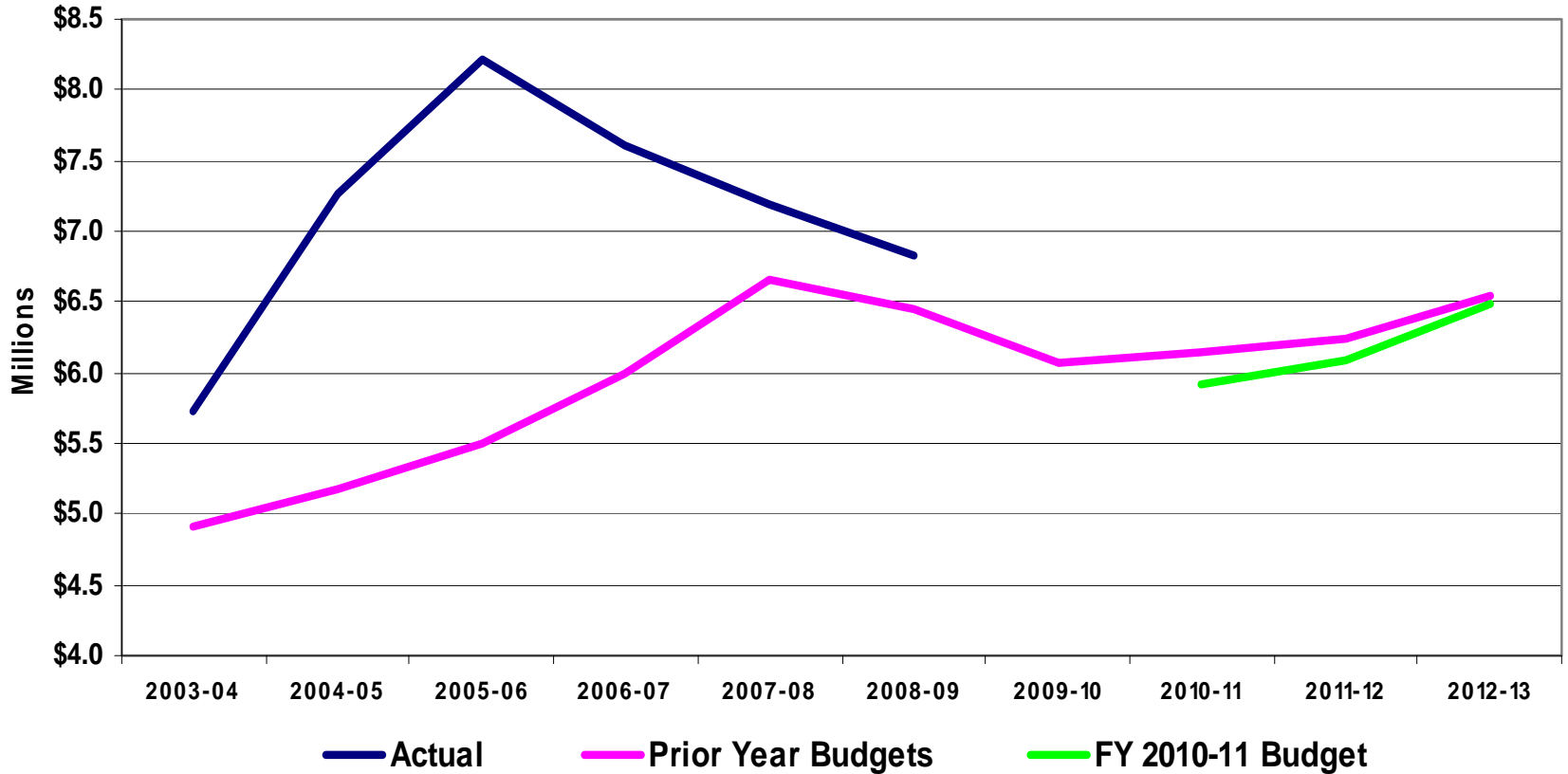
# Property Tax



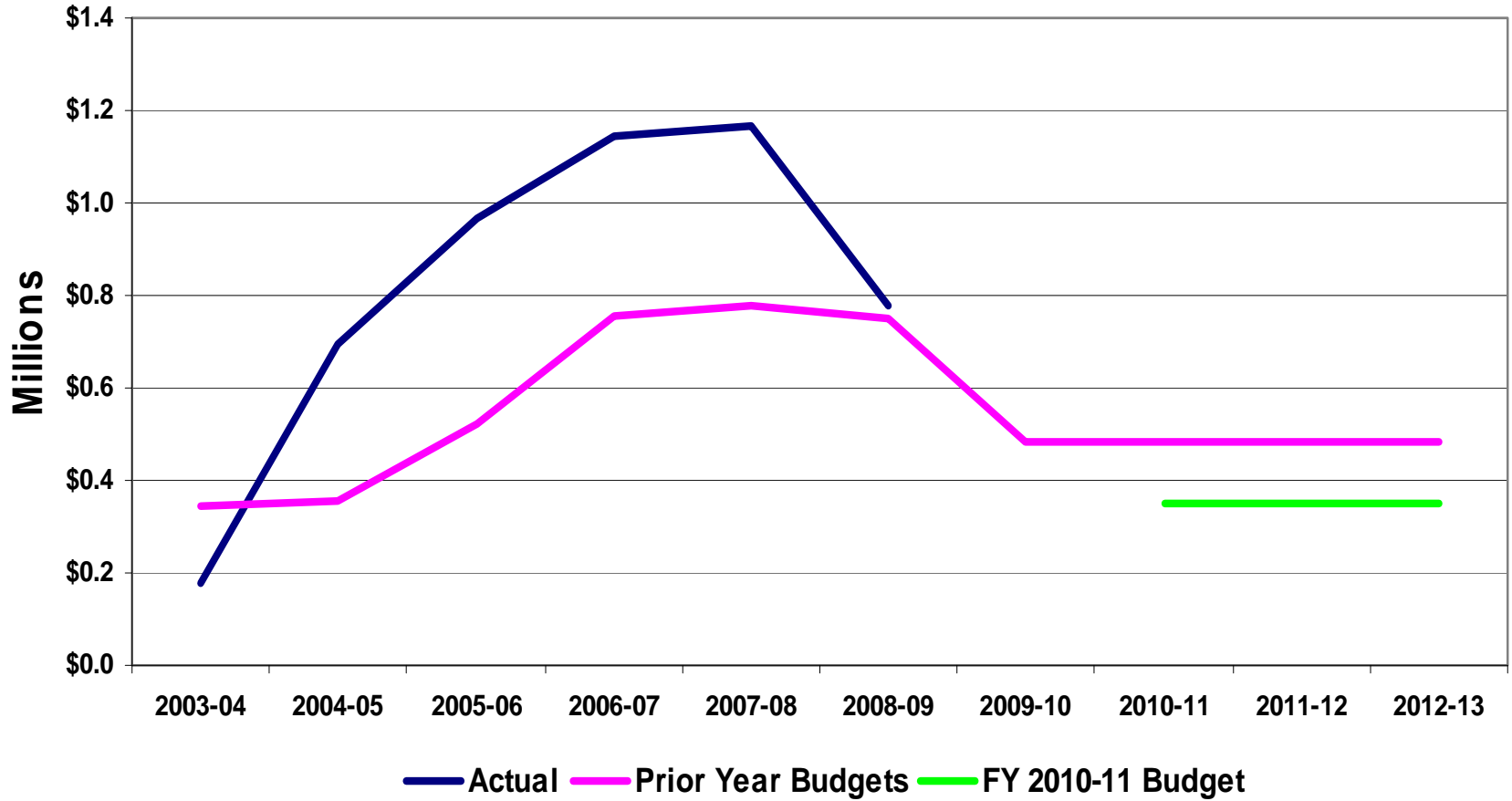
# Transient Occupancy Tax



# Current Services



# Investment Earnings



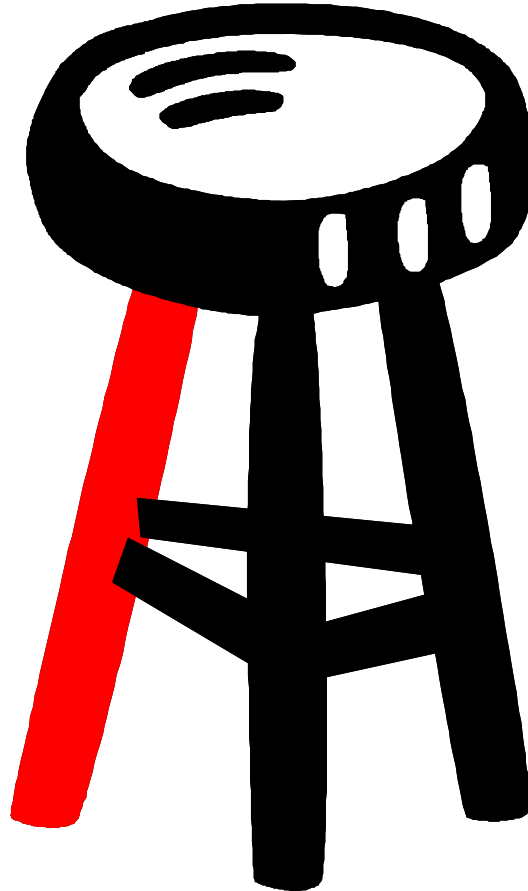
# **Living Within Our Means Strategy**

- **Three year process, Fiscal Year (FY) 2010-11 is year two**
- **FY 2010-11 proposed budget addresses \$6.4 M of the \$13 M deficit**
- **Reserves at end of FY 2010-11 drop to 6.3%**

# **Living Within Our Means Strategy**

- **Remaining \$6.6 M deficit to be resolved in FY 2010-11 & FY 2011-12 through some combination of the following:**
  - **Wage & benefit concessions**
  - **Additional program cuts**
  - **New revenues**
- **Reserve returns to 15% in 6 years (FY 2015-2016)**

# Concord's Budget Strategy



Use of Reserves

Savings from Salary  
and Benefit  
Reductions

Savings from  
Program and  
Operational  
Changes

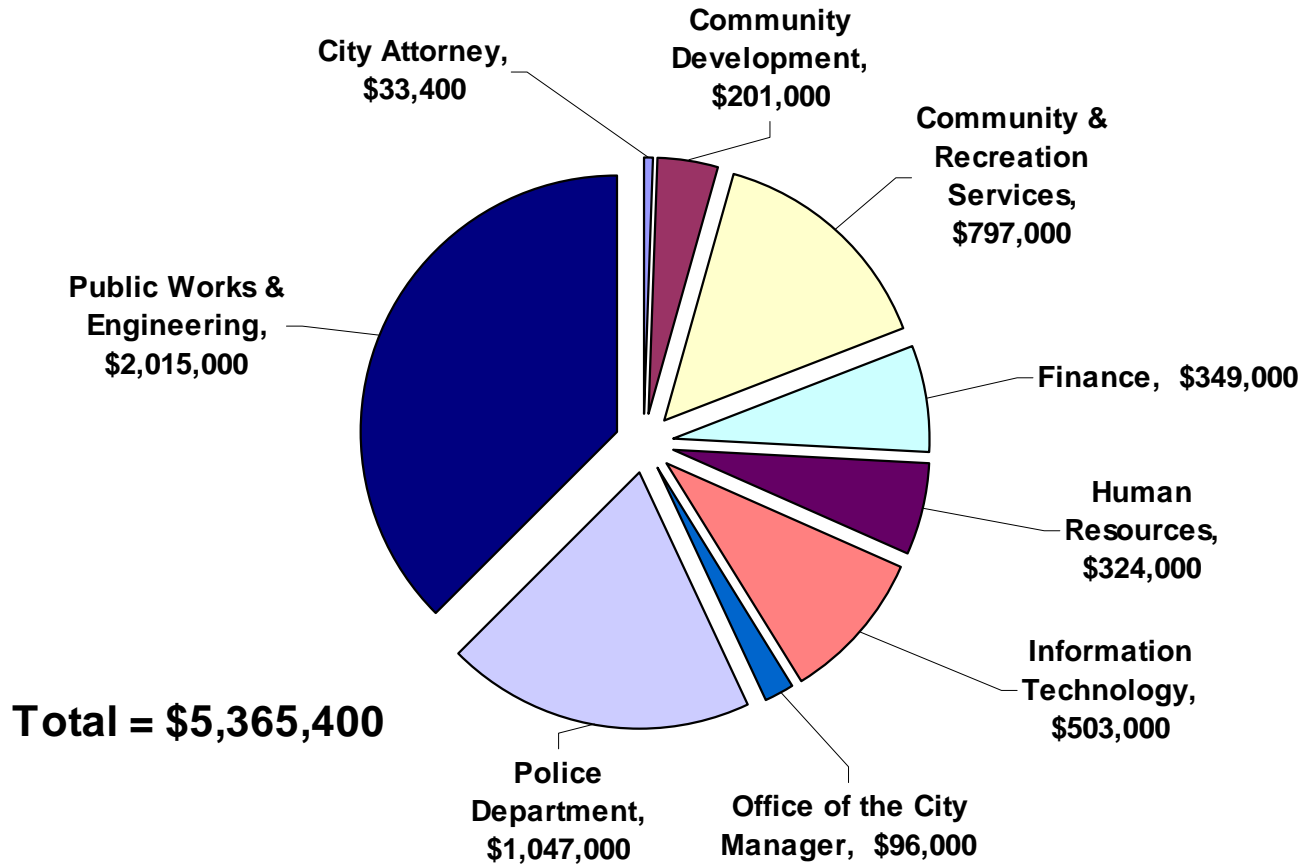
# **Steps Already Taken by City**

**Since FY 2008-09**

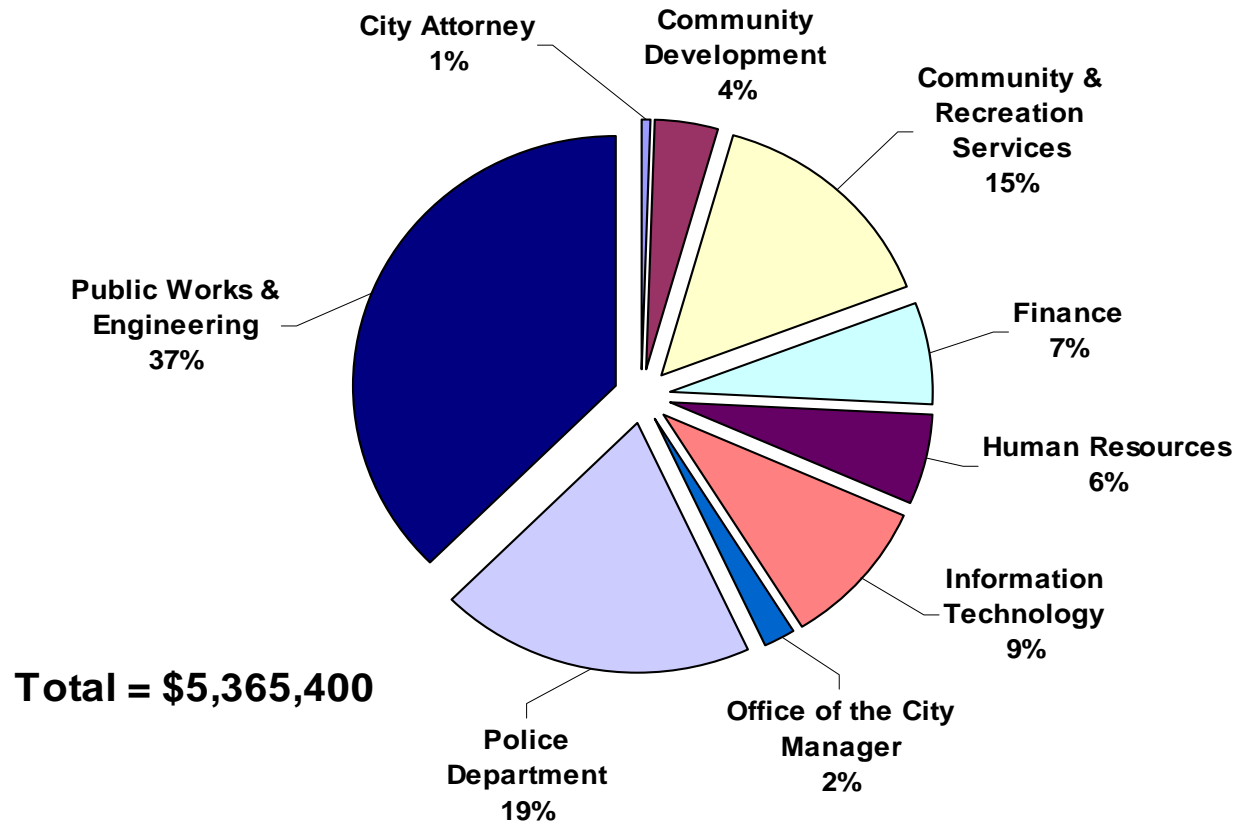
- **Cut Services & Programs**
- **Decreased regular staffing by 84 positions through early retirement, eliminating vacant positions, and 8 layoffs**
- **Wage and benefit reductions in FY 2009-2010 by non-sworn employees**

**In Total These Actions Have Saved Over  
\$10.3 Million**

# Proposed Budget Reductions



# Proposed Budget Reductions



# Proposed Budget Deficit Reduction Measures

	Vacant Positions	One Time	Ongoing	Total
City Attorney			\$ 33,400	\$ 33,400
Community Development	3		201,000	201,000
Community & Recreation	2	86,000	711,000	797,000
Finance	2	150,000	199,000	349,000
Human Resources	2	43,000	281,000	324,000
Information Technology			503,000	503,000
Office of the City Manager	1		96,000	96,000
Police	3		1,047,000	1,047,000
Public Works & Engineering	7	273,000	1,742,000	2,015,000
<b>Total</b>	<b>20</b>	<b>\$ 552,000</b>	<b>\$ 4,813,400</b>	<b>\$ 5,365,400</b>

# Proposed Budget City Staffing Changes

	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
Full-Time	505.00	499.00	415.00	395.00
Part-Time (FTE)	<u>150.38</u>	<u>134.88</u>	<u>121.49</u>	<u>102.91</u>
Total	655.38	633.88	536.49	497.91
Percent Change		-3.3%	-15.4%	-7.2%

# Proposed 10-Year Plan

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Beginning Fund Balance 7/01	\$ 9,619	\$ 4,440	\$ 5,524	\$ 6,963	\$ 8,616
Operating Revenues	\$ 65,148	\$ 67,600	\$ 70,561	\$ 73,364	\$ 75,765
<b><u>Appropriations</u></b>					
Operating Expenditures	\$ 72,327	\$ 74,706	\$ 76,990	\$ 79,901	\$ 82,322
Phase In Expenditure Reductions	(2,000)	(8,190)	(8,190)	(8,190)	(8,190)
Capital Improvement Projects (CIP)	<u>-</u>	<u>-</u>	<u>322</u>	<u>-</u>	<u>-</u>
Total Appropriations	\$ 70,327	\$ 66,516	\$ 69,122	\$ 71,711	\$ 74,132
Revenue Over(Under) Appropriations	\$ (5,179)	\$ 1,084	\$ 1,439	\$ 1,653	\$ 1,633
Ending Fund Balance 6/30	\$ 4,440	\$ 5,524	\$ 6,963	\$ 8,616	\$ 10,249
General Fund Reserves as a % of Operating Expenditures	6.3%	8.3%	10.1%	12.0%	13.8%

# Proposed 10-Year Plan

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Beginning Fund Balance 7/01	\$ 10,249	\$ 11,697	\$ 12,736	\$ 13,239	\$ 13,375
Operating Revenues	\$ 78,536	\$ 81,428	\$ 84,431	\$ 87,327	\$ 90,795
<b><u>Appropriations</u></b>					
Operating Expenditures	\$ 85,278	\$ 88,579	\$ 92,118	\$ 95,381	\$ 98,796
Phase In Expenditure Reductions	(8,190)	(8,190)	(8,190)	(8,190)	(8,190)
Capital Improvement Projects (CIP)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Appropriations	\$ 77,088	\$ 80,389	\$ 83,928	\$ 87,191	\$ 90,606
Revenue Over(Under) Appropriations	\$ 1,448	\$ 1,039	\$ 503	\$ 136	\$ 189
Ending Fund Balance 6/30	\$ 11,697	\$ 12,736	\$ 13,239	\$ 13,375	\$ 13,564
General Fund Reserves as a % of Operating Expenditures	15.2%	15.8%	15.8%	15.3%	15.0%

# **Police Department**

**Presented By:**

**David Livingston – Chief of Police**

# Police Department Staff

	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
Full-Time (Sworn)	159.00	159.00	155.00	152.00
Full-Time (Non-Sworn)	60.00	61.00	48.00	48.00
Part-Time (FTE)	<u>23.06</u>	<u>23.40</u>	<u>14.22</u>	<u>8.72</u>
Total	242.06	243.40	217.22	208.72
Percent Change		0.6%	-10.8%	-3.9%

# **Police Budget Reductions**

- 1. Reduction in Community Service Desk Hours – \$38,000**
- 2. Reduce Part Time Hours in the Jail – \$12,000**
- 3. Crime Analysis Part Time – \$9,000**

# **Police Budget Reductions**

- 4. Citation Sign-Offs – \$12,000 (revenue)**
- 5. Community Room Rental Fees – \$20,000 (revenue)**
- 6. Reductions in Crossing Guard Contract – \$32,000**

# **Police**

## **Budget Reductions**

- 7. Reduce Canine Team by One Canine & Handler – \$21,000**
- 8. Elimination of SWAT pagers – \$5,000**
- 9. Establish a Franchise Fee for Tow Operators Within the City – \$200,000 (revenue)**

# **Police Budget Reductions**

- 10. Police Officer Trainee Part Time Hours – \$50,000**
- 11. Reduce Overtime – \$100,000**
- 12. Manage Dispatch Hours – \$22,000**

# **Police**

## **Budget Reductions**

- 13. Manage Parking Downtown with On-Street Meters – \$97,000 (revenue)**
- 14. Elimination of Vacant Community Action & Awareness Corporal – \$126,000**
- 15. Indefinite Freeze of Two Vacant Police Officer Positions – \$265,000**
- 16. Closure of the Southern Field Office – \$38,000**

# **Public Works & Engineering Department**

**Presented By:  
Alex Pascual - Director**

# Public Works & Engineering Staff

FY07-08   FY08-09   FY09-10   FY10-11

Full-Time	133.00	132.00	100.00	93.00
Part-Time (FTE)	<u>43.14</u>	<u>42.74</u>	<u>41.92</u>	<u>31.81</u>
Total	176.14	174.74	141.92	124.81
Percent Change		-0.8%	-18.8%	-12.1%

# **Public Works & Engineering Budget Reductions**

- 17. Cost recovery for services provided by Transportation staff – \$30,000 (revenue)**
- 18. Eliminate General Fund Subsidy to Stormwater Program – \$379,000**
- 19. Extend useful life of vehicles by 25,000 miles – \$273,000 (one-time)**

# **Public Works & Engineering Budget Reductions**

- 20. Eliminate all part-time custodial positions – \$79,000**
- 21. Defer building maintenance repairs and replacement – \$51,000**
- 22. Eliminate the vacant Administrative Analyst position (ADA Coordinator) – \$135,000**

# **Public Works & Engineering Budget Reductions**

- 23. Eliminate two vacant CIP Construction Inspector positions – \$117,000**
  
- 24. Eliminate three vacant positions (One Parks Lead Worker & Two Landscape Gardener positions), reduce part-time seasonal staff by 50%, and reduce supplies by 27% – \$858,000**

# **Public Works & Engineering Budget Reductions**

- 25. Eliminate vacant Maintenance Utility Mechanic position – \$93,000**
- 64. Various reductions in Storm Water Fund program activities – \$132,500**

# **Community & Recreation Services Department**

**Presented By:  
Joan Carrico - Director**

# Community & Recreation Staff

	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
Full-Time	20.00	20.00	17.00	15.00
Part-Time (FTE)	<u>79.11</u>	<u>63.73</u>	<u>58.92</u>	<u>54.70</u>
Total	99.11	83.73	75.92	69.70
Percent Change		-15.5%	-9.3%	-8.2%

# **Community & Recreation Budget Reductions**

- 26. Reduce the number of umpires provided per adult softball league game from two umpires to one – \$25,000**
  
- 27. Eliminate the contribution to the Mt. Diablo Collaborative for Academics, Recreation & Enrichment for Students (CARES) After School Program – \$96,000**
  
- 28. Reduction in General Fund support of Community Grant Program – \$86,000 (one time)**

# **Community & Recreation Budget Reductions**

- 29. Redesign Camp Concord operations to emulate the business practices of an enterprise operation – \$247,000**
- 30. Downgrade one Senior Recreation Program Manager to Program Manager – \$7,000**
- 31. Eliminate one Program Manager position with a pending retirement in September 2010 – \$130,000**

# **Community & Recreation Budget Reductions**

- 32. Eliminate vacant Administrative Assistant position – \$111,000**
  
- 33. Reduce part-time registration clerk support – \$16,000**
  
- 34. Closure of Concord Community Pool (CCP) for the three months of November through January. Eliminate part-time clerical/customer service position at Centre Concord – \$79,000**

# **Community Development Department**

**Presented By:  
James Forsberg - Director**

# Community Development Staff

	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
Full-Time	49.00	43.50	32.00	29.00
Part-Time (FTE)	<u>2.18</u>	<u>1.92</u>	<u>2.64</u>	<u>2.64</u>
Total	51.18	45.42	34.64	31.64
Percent Change		-11.3%	-23.7%	-8.7%

# **Community Development Budget Reductions**

- 35. Cost Allocation – \$124,000**
- 36. Reorganize the Department Management Structure – (\$415,000 Total) \$48,000**
- 37. Terminate the provisional appointment of the Neighborhood Services Supervisor and revert the position to a Neighborhood Services Specialist – \$29,000**

# **Community Development Budget Reductions**

- 62. Eliminate vacant Housing Administrative Analyst – \$114,000 (Not General Fund)**
  
- 63. Reduce redevelopment agency operating expenditures – \$400,000 (Not General Fund)**

# **Information Technology Department**

**Presented By:  
Ron Puccinelli - Director**

# Information Technology Staff

	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
Full-Time	18.00	18.00	12.00	12.00
Part-Time (FTE)	<u>1.99</u>	<u>2.14</u>	<u>1.54</u>	<u>0.50</u>
Total	19.99	20.14	13.54	12.50
Percent Change		0.8%	-32.8%	-7.7%

# **Information Technology Budget Reductions**

- 38. Host Maintenance Work Order system in the Cloud (Cloud Computing) – \$5,000**
- 39. Replace existing PBX based telephone system with Voice Over Internet Protocol – \$70,000**
- 40. Implement Managed Print Services – \$22,000**

# **Information Technology Budget Reductions**

- 41. Reorganize system programming & document services support – \$83,000**
- 42. Simplify desktop management approach – \$132,000**
- 43. Eliminate Maintenance Services Radios (Public Works & Engineering) – \$33,000**

# **Information Technology Budget Reductions**

- 44. Change Local and Long distance telephone service provider – \$3,000**
  
- 45. Lease instead of purchase Mobile Data Computers (MDCs) in police vehicles – \$100,000 per lease, implemented at \$20,000 per year**

# **Information Technology Budget Reductions**

- 46. Reduce Lawson system replacement value by \$1.5 M – \$100,000**
- 47. Extend desktop computer replacement to 5 years and lease replacements – \$35,000**

# **Finance Department**

**Presented By:  
Margaret Lefebvre - Director**

# Finance Staff

	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
Full-Time	27.00	27.00	21.00	19.00
Part-Time (FTE)	<u>0.00</u>	<u>0.00</u>	<u>1.07</u>	<u>2.76</u>
Total	27.00	27.00	22.07	21.76
Percent Change		0.0%	-18.3%	-1.4%

# **Finance**

## **Budget Reductions**

- 48. Business Licenses compliance and enhancement – \$150,000 (one time revenue), \$50,000 (ongoing revenue)**
  
- 49. Eliminate vacant Account Clerk III position – \$37,000**
  
- 50. Eliminate vacant Budget Analyst position – \$112,000**

# **Human Resources Department**

**Presented By:  
Kathy Ito - Director**

# Human Resources Staff

FY07-08   FY08-09   FY09-10   FY10-11

Full-Time	9.00	8.00	8.00	6.00
Part-Time (FTE)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.50</u>
Total	9.00	8.00	8.00	6.50
Percent Change		-11.1%	0.0%	-18.8%

# **Human Resources Budget Reductions**

- 51. Reduce the Employee Assistance Program (EAP) budget to reflect budgeted full time positions (FTE's) – \$8,000**
- 52. Reduction in recruitment budget to reflect lower City staffing level – \$43,000**
- 53. Reduce employee development training to fund mandated training only – \$48,000**

# **Human Resources Budget Reductions**

- 54. Reduce Employee Service Recognition Awards – \$15,000**
  
- 55. Eliminate Two Vacant Human Resources Analyst II positions – \$210,000**

# **Office of the City Manager**

**Presented By:**

**Valerie Barone – Assistant City Manager**

# Office of the City Manager Staff

	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
Full-Time	15.00	14.50	12.00	11.00
Part-Time (FTE)	<u>0.90</u>	<u>0.90</u>	<u>0.82</u>	<u>1.28</u>
Total	15.90	15.40	12.82	12.28
Percent Change		-3.1%	-16.8%	-4.2%

# **Office of the City Manager**

## **Budget Reductions**

- 56. Changing Records Storage Vendors – \$14,000**
- 57. Allocate Existing Administrative Staff to Support Grant Funded Base Reuse Efforts – \$37,000**
- 58. Reduce the City Council Travel Budget – \$20,000**
- 59. Reduce Video Services Coordinator to Half-Time – \$25,000**

# **City Attorney**

**Presented By:**

**Craig Labadie – City Attorney**

# City Attorney Staff

	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
Full-Time	6.00	6.00	4.00	4.00
Part-Time (FTE)	<u>0.00</u>	<u>0.05</u>	<u>0.36</u>	<u>0.00</u>
Total	6.00	6.05	4.36	4.00
Percent Change		0.8%	-27.9%	-8.3%

# **City Attorney Budget Reductions**

- 60. Part-Time Clerical Support – \$28,000**
- 61. Staff Development – \$5,400**

# **SUMMARY**

# Summary

## City Staff Reductions

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# Summary

## Budget Reductions

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# Summary

- **Proposed Budget Aligns Recommendations with Community Feedback from Surveys and “Living Within Our Means” Workshops**
- **Resolving the Deficit Requires Service Reductions**
- **Working Together We Will Be Successful Closing the Budget Deficit**

# **Next Steps**

- **Council Questions**
- **Public Testimony**
- **Council Direction to Staff**
- **Announce Upcoming Budget Hearings:**

**June 1 and June 22**

**City Council Chamber, 6:30 p.m.**

**Questions?**