

City of San Leandro Preliminary Budget FY2010-11

**City Council Work Session
March 22, 2010**

Overview

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- ▣ Financial Overview
- ▣ Reductions Strategy and Guidelines
- ▣ Departmental Budget Reductions
- ▣ Preliminary FTE Reductions

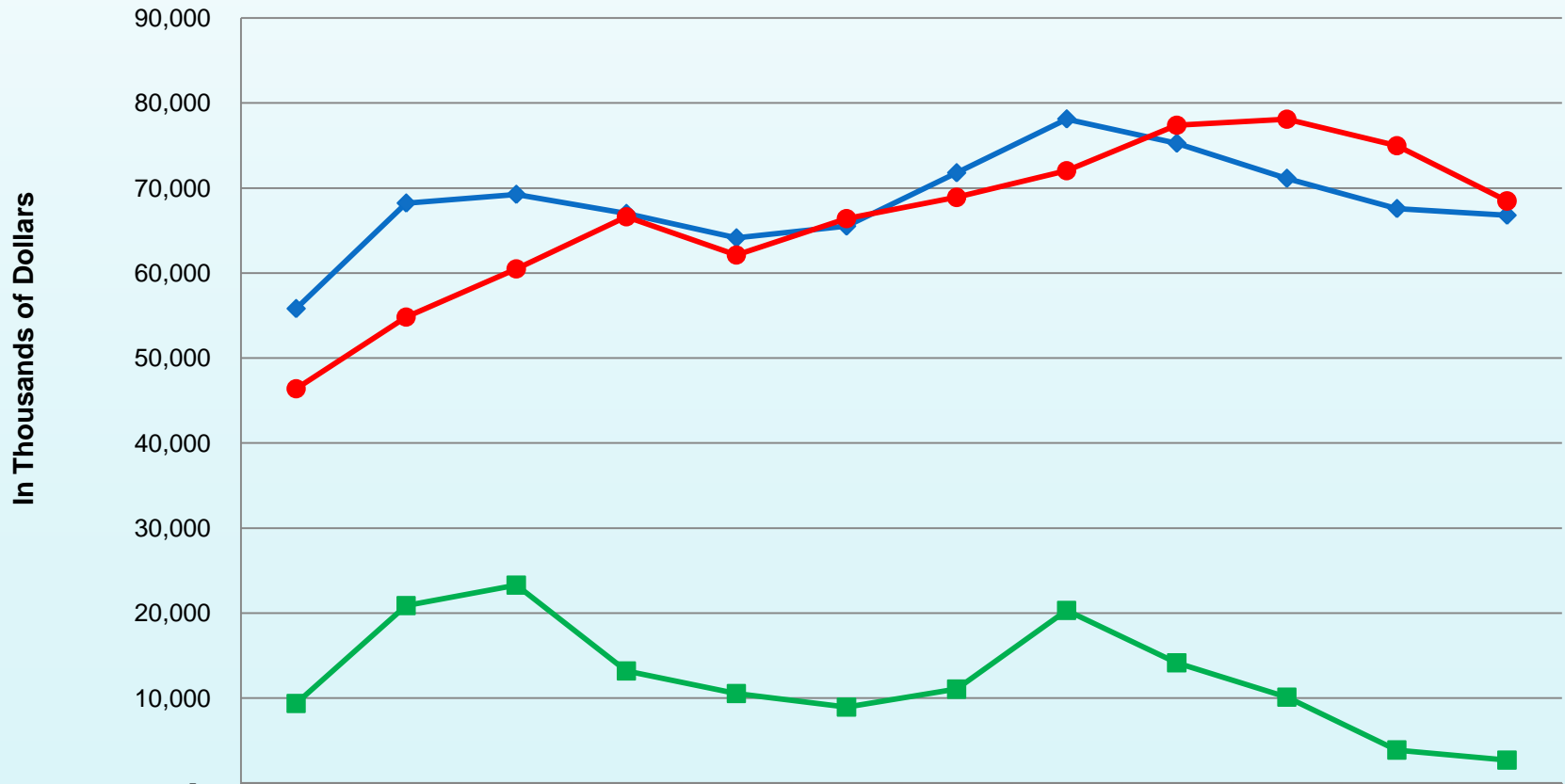
Timeline

Date	Event	Committee/ Council Action
March 2, 2010	Finance Committee Meeting - Preliminary Budget Reductions presentation	Discussion and Direction to Staff
March 22, 2010	City Council Work Session - Preliminary Budget presentation	Discussion and Direction to Staff
April 12, 2010	City Council Work Session - Continuation of Preliminary Budget review and all other funds	Discussion and Direction to Staff
May 17, 2010	City Council Meeting (first Public Hearing) - Proposed City Budget (all funds)	Review and Direction to Staff
June 7, 2010 or June 21, 2010	Final Public Hearing	Adopt Budget

Financial Overview

General Fund Operating Revenues & Expenditures and Designated Fund Balance by Fiscal Year

(Fund Balance excludes \$5M for Economic Uncertainty)



	FY99-00	FY00-01	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
General Fund Optg Revenue	55,815	68,224	69,245	66,996	64,127	65,510	71,785	78,113	75,261	71,133	67,573	66,787
General Fund Optg Expenditures	46,391	54,821	60,496	66,631	62,116	66,407	68,908	72,049	77,397	78,097	74,979	68,486
Designated Fund Balance	9,369	20,871	23,280	13,179	10,529	8,937	11,049	20,319	14,152	10,104	3,884	2,706

**City of San Leandro
General Fund Projection 2010-11**

City Council Work Session Meeting March 22, 2010

(\$ in 000's)	Actual 2008-09	Projected Actual 2009-10	Proposed Budget 2010-11	Comments
Revenues:				
Sales Tax	\$ 19,352	\$ 17,350	\$ 17,850	4th Qtr. Up somewhat
Property Tax	16,698	16,100	15,500	March preliminary on target
Utility Users' Tax	10,103	9,500	9,635	Up \$135,000
Real Property Transfer Tax	2,870	2,544	2,444	Down \$100,000
All Other Revenue	22,110	22,079	21,358	
Total Operating Revenues	\$ 71,133	\$ 67,573	\$ 66,787	Down overall \$786,000
Expenditures:				
Salaries & Benefits	40,783	37,778	34,588	
Services and Supplies	8,092	7,108	6,445	
Fire Services Contract	16,633	17,400	16,719	Ladder Truck 1/2 year
Capital Outlay	314	865	75	
Debt Service	2,428	2,974	2,980	
Internal Service Fund Charges	9,556	8,337	7,579	
Other	291	517	100	
Total Operating Expenditures	\$ 78,097	\$ 74,979	\$ 68,486	Reduced \$6.5 million
Net Operating Revenue/(Expenditure)	\$ (6,964)	\$ (7,406)	\$ (1,699)	
Net Transfers In (Out)	(649)	75	132	\$500/Self Ins. Fund
Net Revenue/(Expenditure)	<u>\$ (7,613)</u>	<u>\$ (7,331)</u>	<u>\$ (1,567)</u>	
Planned use of Reserves for Engine Co.			\$ 770	
Remaining Savings Target			<u>797</u>	
			<u>\$ 1,567</u>	

Strategy and Guidelines

- FY2009-10 is the budget baseline for FY2010-11
- Furloughs for Calendar Year 2010
- Limited use of one-time funds
- Additional Early Retirements/Layoffs
- Revenue measures versus mid-year cuts

Department Overview

General Government

- **Department includes:** City Council and Mayor; City Clerk; City Manager's Office; Emergency Services; City Attorney; Information Services
- **FTE Reductions = 1 Full-time FTE (3 FTE ISF-IMS)**
- **Program Reductions:**
 - City Council reductions in travel/training and misc items
 - Reduced IS and Central Services response to requests and support due to a 3 full-time FTE reduction
 - Reduced City Clerk travel/training
 - Eliminated web design consulting; to be done in-house
 - Eliminated memberships in some organizations
 - Reduced miscellaneous supplies and services
 - Reduced EOC training and consulting
 - Reduced Management training
 - Eliminated Chamber program support
 - Reduced Contingency by 50%

General Government

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 1,949	\$ 1,566	(19.7%)	\$ 1,427	(8.9%)
Services	681	608	(10.7%)	497	(18.3%)
Supplies	84	32	(61.9%)	18	(43.8%)
Capital Outlay	0	0	0	0	0
Other	200	200	0	100	(50.0%)
Total	<u>\$ 2,914</u>	<u>\$ 2,406</u>	<u>(17.4%)</u>	<u>\$ 2,042</u>	<u>(15.1%)</u>

Community Development

- **Department includes:** Planning & Building Plan Check Services /Records Management; Land Use & Zoning Administration; Rent Review Program; Building Regulations and Inspections; Resident Foundation; Airport Noise Abatement Administration
- **FTE Reductions = 2.38 Full-Time FTEs**
- **Program Reductions:**
 - Suspend implementation of Climate Action Plan
 - Suspend nearly all long-range planning and land use and development policy analysis
 - Reduce Permit Center hours to 50% of business hours
 - Delays in processing permit applications at Permit Center
 - Increased plan review processing times for customers
 - Eliminate all “extra” outreach on zoning & development issues
 - Compromise ability to perform required land use reporting/analyses
 - Compromise ability to staff and prepare highlights for Committees

Community Development

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 2,708	\$ 2,270	(16.2%)	\$ 2,019	(11.1%)
Services	168	123	(26.8%)	73	(40.7%)
Supplies	39	38	(2.6%)	29	(23.7%)
Capital Outlay	5	2	(60.0%)	1	(50.0%)
Other	0	0	0	0	0
Total	<u>\$ 2,920</u>	<u>\$ 2,433</u>	<u>(16.7%)</u>	<u>\$ 2,122</u>	<u>(12.8%)</u>

Engineering & Transportation

- Department includes: Sidewalk Program; Project Development; Land Use; Administration
- FTE Reductions = 5.87 FTEs (4.0 Full-time, 1.87 Part-time)
- Program Reductions:
 - Reduced response to traffic and parking issues
 - Eliminate parking restriction services
 - Increased analyses time for traffic safety issues
 - Signal timing improvements/adjustments will be done during signal construction projects
 - Eliminate driveway tipping services
 - Limited planning support for transportation improvements
 - Reduced ability to participate in regional traffic committees and garner funds needed for traffic improvements
 - Delays for collision report analysis and reduces availability of safety data
 - Reduced hours for encroachment permit counter service/requests
 - Permit work inspections (encroachments) services diminished
 - Eliminate additional street lighting request services
 - Discontinue Internship Program

Engineering & Transportation

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 2,598	\$ 2,263	(12.9%)	\$ 1,631	(27.9%)
Services	207	19	(90.8%)	12	(36.8%)
Supplies	28	28	0	24	(14.3%)
Capital Outlay	0	0	0	0	0
Other	0	0	0	0	0
Total	<u>\$ 2,833</u>	<u>\$ 2,310</u>	<u>(18.5%)</u>	<u>\$ 1,667</u>	<u>(27.8%)</u>

Note: Sidewalk Program in 2008-09 was \$320k and was moved to Measure B in 2009-10.

Finance

- **Department includes:** Administration, Accounting Operations, Budget & Compliance, Business Licenses, Payroll, Debt Management, Purchasing, Risk Management, Treasury Function
- **FTE Reductions = 2.38 FTEs (2.15 Full-time, 0.23 Part-time)**
- **Program Reductions:**
 - Reduced response time to requests
 - Decreased departmental support for projects/analyses
 - Limited education for staff
 - Cost Allocation Study delayed for one additional year
 - Decrease in administrative support

Finance

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 1,877	\$ 1,519	(19.1%)	\$ 1,301	(14.4%)
Services	367	368	0.3%	309	(16.0%)
Supplies	36	36	0	32	(11.1%)
Capital Outlay	6	1	(83.3%)	0	(100%)
Other	0	0	0	0	0
Total	<u>\$ 2,286</u>	<u>\$ 1,924</u>	<u>(15.8%)</u>	<u>\$ 1,642</u>	<u>(14.7%)</u>

Fire Department

- **Department includes:** Administration, Fire Suppression, Emergency Medical Services, Fire Prevention, Training
- **FTE Reductions = N/A service contract**
- **Program Reductions:**
 - \$770,000 half-year reduction for a ladder truck
 - \$110,000 for shared Deputy Fire Marshal

Fire Department

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 0	\$ 0	0	\$ 0	0
Services	17,029	17,560	3.1%	16,719	(4.8%)
Supplies	7	11	57.1%	11	0
Capital Outlay	150	150	0	0	(100%)
Other	0	0	0	0	0
Total	<u>\$ 17,186</u>	<u>\$ 17,721</u>	<u>3.1%</u>	<u>\$ 16,730</u>	<u>(5.6%)</u>

Human Resources

- **Department includes:** Recruitment & Organization Development, Benefits/Workers' Compensation & Safety, Classification & Compensation, Administration
- **FTE Reductions = 2 Full-time FTEs**
- **Program Reductions:**
 - Elimination of 2 management positions
 - Delay in response time for requests
 - Elimination of newspaper job advertisements; will use City's Web-site
 - Decreased legal fees to reflect arbitration needs only
 - Combined Employee BBQ and Service Award Dinner
 - Elimination of LEAP training program
 - Delays in filling vacant position from 1-2 months to 3-6 months
 - Delay in additional safety training programs (Injury, Illness & Prevention Program)

Human Resources

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 1,037	\$ 971	(6.4%)	\$ 595	(38.7%)
Services	343	230	(32.9%)	230	0
Supplies	44	35	(20.5%)	29	(17.1%)
Capital Outlay	1	1	0	0	(100%)
Other	0	0	0	0	0
Total	<u>\$ 1,425</u>	<u>\$ 1,237</u>	<u>(13.2%)</u>	<u>\$ 854</u>	<u>(30.9%)</u>

Library

- **Department includes:** Administration for Main Library and 3 Branches, Casa Peralta, San Leandro History Museum & Art Gallery, Friends of the Library, Bookmark Café, Support Services
- **FTE Reductions = 7.57 FTEs (7.0 Full-time and 0.57 Part-time)**
- **Program Reductions:**
 - Reduced hours at Main and Manor libraries
 - Mulford-Marina and South Branch Libraries funded by Foundation contribution of \$100,000
 - Close San Leandro History Museum/Art Gallery
 - Elimination of Community programs at the libraries such as outdoor concerts, cultural programs, book clubs, etc.
 - Longer wait periods at public service desks
 - Delays in responding to customer complaints, processing overdue notices/fines/fees
 - Fewer titles purchased and longer wait periods for new materials
 - Decrease to book mending and security strips supplies
 - Security services will not be available for the morning hours at the Main Library
 - 50% decrease to electronic databases
 - Eliminate historical microfilm subscription for Daily Review

Library

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 3,419	\$ 2,931	(14.3%)	\$ 2,128	(27.4%)
Services	457	387	(15.3%)	320	(17.3%)
Supplies	534	474	(11.2%)	388	(18.1%)
Capital Outlay	8	3	(62.5%)	3	0
Other	0	0	0	0	0
Total	<u>\$ 4,418</u>	<u>\$ 3,795</u>	<u>(14.1%)</u>	<u>\$ 2,839</u>	<u>(25.2%)</u>

Police

- **Department includes:** Administration, Crime Prevention and Training, Records/Communications & I.D., Patrol, Traffic, Investigations, Community Standards, Emergency Communications System, Red Light Safety Program, Animal Control
- **FTE Reductions = 9.5 Full-time FTEs (4 Sworn Officers, 1 Mgmt., 4.5 Non-sworn)**
- **Program Reductions:**
 - Decrease in administrative support
 - TAC unit reduction decreases First Responder (initial response to emergencies) and proactive enforcement
 - Traffic enforcement reductions (1 Motorcycle Officer) and decreases First Responder (initial response to emergencies)
 - Property crimes delays by 25%
 - Middle school SRO eliminated
 - Decrease in management – 1 Lieutenant (position vacant/frozen)

Police

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 23,227	\$ 22,211	(4.4%)	\$ 20,886	(5.9%)
Services	1,242	1,264	1.8%	1,259	(0.4%)
Supplies	360	359	(0.3%)	355	(1.1%)
Capital Outlay	62	118	90.3%	43	(63.6%)
Other	0	0	0	0	0
Total	<u>\$ 24,891</u>	<u>\$ 23,952</u>	<u>(3.8%)</u>	<u>\$ 22,543</u>	<u>(5.9%)</u>

Public Works – General Fund

- **Department includes:** Administration, Street Electrical and Pavement Maintenance, Median Landscaping, Street Tree Maintenance and Park Maintenance
- **FTE Reductions = 7.62 FTEs** (7.82 Full-time and adding 0.2 Part-time FTE)
- **Program Reductions:**
 - Service delays for routine maintenance and repair of street lights and traffic signals
 - Pavement maintenance limited to pothole repair and other minor street repairs
 - Service delays for street tree services and elimination of free tree planting
 - Reduced median maintenance and weed abatement services
 - Core park maintenance services will continue but special maintenance projects have been suspended

Public Works

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 2,833	\$ 2,505	(11.6%)	\$ 1,702	(32.1%)
Services	1,477	1,448	(2.0%)	1,387	(4.2%)
Supplies	328	320	(2.4%)	310	(3.1%)
Capital Outlay	43	43	0	24	(44.2%)
Other	0	0	0	0	0
Total	<u>\$ 4,681</u>	<u>\$4,316</u>	<u>(7.8%)</u>	<u>\$ 3,423</u>	<u>(20.7%)</u>

Recreation & Human Services

- **Department includes:** Administration, Recreation & Human Service Programs: Basic, Youth, Adults, Senior Programs, Youth Sports, Kiddie Kollege, Day Camp, Summer Adventure, Youth Subsidy, Teen Program, Kids Club, Monarch Butterfly Program; Friends of the Creek, Community Promotion, Community Assistance, Volunteer Services, Youth Advisory Commission, Community Facilities, Park Reservations & Security, Field Rental, Swimming Pools (SL Family Aquatics Center, Boys & Girls Club)
- **FTE Reductions = 12.1 FTEs (3.2 Full-time and 8.9 Part-time)**
- **Program Reductions:**
 - Eliminated Recreation Adult Sports program
 - Family Aquatics Center swimming season hours to be reduced by one-fourth
 - Boys & Girls Club swimming season operations reduced to 6 months (April-Sept.)
 - Farrelly Pool remains closed
 - Reduce Senior programs/services including moving the Senior Hot Lunch program from Bancroft Senior Center to the MCC
 - Eliminate the Adult and Teen Volunteer recognition event
 - Teen program eliminated
 - Eliminate the City contribution to the county-wide 2-1-1 social service resource line
 - Eliminate all community events and new decorations including the Tree Lighting
 - Eliminated General Fund contribution to Community Assistance Grant Program; CDBG funding for Grant Program remains unchanged at 30% or \$116,000
 - Eliminate Youth Advisory Commission Mini-Grant/Summit and will focus on other activities that do not cost money

Recreation & Human Services

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 2,766	\$ 2,599	(6.0%)	\$ 1,899	(26.9%)
Services	896	642	(28.3%)	529	(17.6%)
Supplies	224	144	(35.7%)	114	(20.8%)
Capital Outlay	10	8	(20.0%)	3	(62.5%)
Other	318	318	0	16	(95.0%)
Total	<u>\$ 4,214</u>	<u>\$ 3,711</u>	<u>(11.9%)</u>	<u>\$ 2,561</u>	<u>(31.0%)</u>

* Note: In 2010-11 the Senior Community Center opening is not funded

Non-Departmental and Debt Service

(\$ in 000's)	Adopted Budget 2008-09	Adopted Budget 2009-10	% Change	Proposed Budget 2010-11	% Change
Salaries/Benefits	\$ 1,000	\$ 1,000	0	\$ 1,000	0
Services	569	594	4.4%	503	(15.3%)
Supplies	2	2	0	1	(50.0%)
Capital Outlay	0	0	0	0	0
Other	0	0	0	0	0
Debt Service	2,978	2,974	(0.1%)	2,980	0.2%
Total	<u>\$ 4,549</u>	<u>\$ 4,570</u>	<u>0.5%</u>	<u>\$ 4,484</u>	<u>(0.2%)</u>

General Fund Summary Schedule

DEPARTMENT	PROPOSED BUDGET 2010-11
General Government	\$ 2,042
Community Development	2,122
Engineering & Transportation	1,667
Finance	1,642
Fire Department	16,730
Human Resources	854
Library	2,839
Police Department	22,543
Public Works	3,423
Recreation & Human Services	2,561
Non-Departmental and Debt Service	4,484
Internal Service Fund Allocated to General Fund	7,579
Total General Fund Expenditures	<u>\$ 68,486</u>

Overview of FTE Reductions

(All Funds)

DESCRIPTION (Note: FTE = Full Time Equivalent/Employee)	Total FTEs	% Change
FY08-09 Adopted Budget FTEs	499.8	
FY09-10 Budgeted Reductions	<u>(47.1)</u>	(9.4%)
FY09-10 Adopted Budget	452.7	
FY10-11 Preliminary FTE Reductions	<u>(53.4)</u>	(11.8%)
FY10-11 Preliminary Total FTEs	<u>399.3</u>	

FY2010-11 Preliminary FTE Changes

Department	FY2008-09 Budgeted FTEs	FY2009-10 Budgeted FTEs	CHANGES			Remaining FTEs
			Full-Time	Part-Time FTE's	Total FTEs Changed	
General Fund:						
CMO	19.20	15.75	(1.00)	-	(1.00)	14.75
Comm. Dev.	22.17	17.96	(2.38)	-	(2.38)	15.58
E & T	30.49	29.22	(4.00)	(1.87)	(5.87)	23.35
Finance	18.26	15.35	(2.15)	(0.23)	(2.38)	12.97
HR	8.04	7.38	(2.00)	-	(2.00)	5.38
Library	47.16	38.15	(7.00)	(0.57)	(7.57)	30.58
Police	150.47	141.69	(10.00)	0.46	(9.54)	132.15
Public Works	31.11	27.58	(7.82)	0.20	(7.62)	19.96
Recreation	52.90	43.96	(3.22)	(8.92)	(12.14)	31.82
Total General Fund	379.80	337.04	(39.57)	(10.93)	(50.50)	286.54
RDA	8.51	8.57	(0.37)	(0.05)	(0.42)	8.15
ISF	34.37	33.09	(5.85)	2.17	(3.68)	29.41
Enterprise Funds	56.80	55.43	0.55	0.48	1.03	56.46
Special Rev. Funds	20.28	18.54	0.15	-	0.15	18.69
Total	499.76	452.67	(45.09)	(8.33)	(53.42)	399.25

Discussion and Feedback

Review of Fees & Charges

- At the January Council Retreat and the March Finance Committee meeting, staff was requested to review fees and charges for possible increases
- Council will consider all fees and charges when it reviews the City's Master Fee Schedule in May
- Major increases included in the budget to date are noted below:
 - Library: New fee/fine structure \$20,000
 - Police: New commercial citation effort up to 125,000
 - Police: Increase in vehicle code fines up to 100,000
 - Recreation: Increase in Marina Comm. Ctr. Fees 23,000
 - Recreation: Increase in Field & Park Rental fees 20,000