

WORKING DRAFT

FY 12/13 OPERATING BUDGET PRESENTATION – WORKING DRAFT

Measure F Oversight/Citizens Finance Committee

April 12, 2012



THE CITY OF
NOVATO
CALIFORNIA

AGENDA

PROPOSED FY 2012/13 GENERAL FUND BUDGETS

- Five-Year Forecast and Key Messages
- General Fund Information
- Department Highlights
 - Community Development
 - Parks, Recreation & Community Services
 - Police
 - Public Works
 - Central Administration/ Administrative Services/ Citywide
- Questions/Comments/Feedback

PROCESS FOR FY 12/13 BUDGET

2012-2013 Budget Process



**Fiscal
Sustainability
Discussions:
Started in
March &
Continue in
Summer 2012**



FIVE-YEAR FORECAST



SPRING FORECAST UPDATES

- Updated 11/12 budget estimates – higher turn back than expected (\$400k)
- Increased unspent appropriations (vacancies, etc) to \$400k each year
- Updated 11/12 revenue estimates – better than expected (\$300k)
- 12/13 aligned with recommended budget and revenue estimates
 - Base payroll only – No furlough, no COLA, etc.
 - City Manager recommended staff additions
 - Grant expenditures and revenues
 - Continuing improved sales tax forecast
- PERS rates increased based on 2 factors
 - Investment assumption to 7.5% - increases rates in 13/14, 14/15 +
 - Future mortality assumption changes – increases rates in 15/16 +
 - Total impact in 15/16+ of about \$400k

COMPARISON OF GENERAL FUND DEFICITS

In Millions \$

| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 5-Year Average |
|------------------------|---------|---------|---------|---------|---------|---------|----------------|
| November 2011 Forecast | \$(0.6) | \$(1.3) | \$(1.6) | \$(1.8) | \$(2.0) | \$(2.3) | \$(1.8) |
| February 2012 Forecast | \$(0.9) | \$(1.9) | \$(2.3) | \$(2.5) | \$(2.6) | \$(2.9) | \$(2.4) |
| April 2012 Forecast | \$(0.2) | \$(0.8) | \$(1.1) | \$(1.6) | \$(1.8) | \$(2.2) | \$(1.5) |



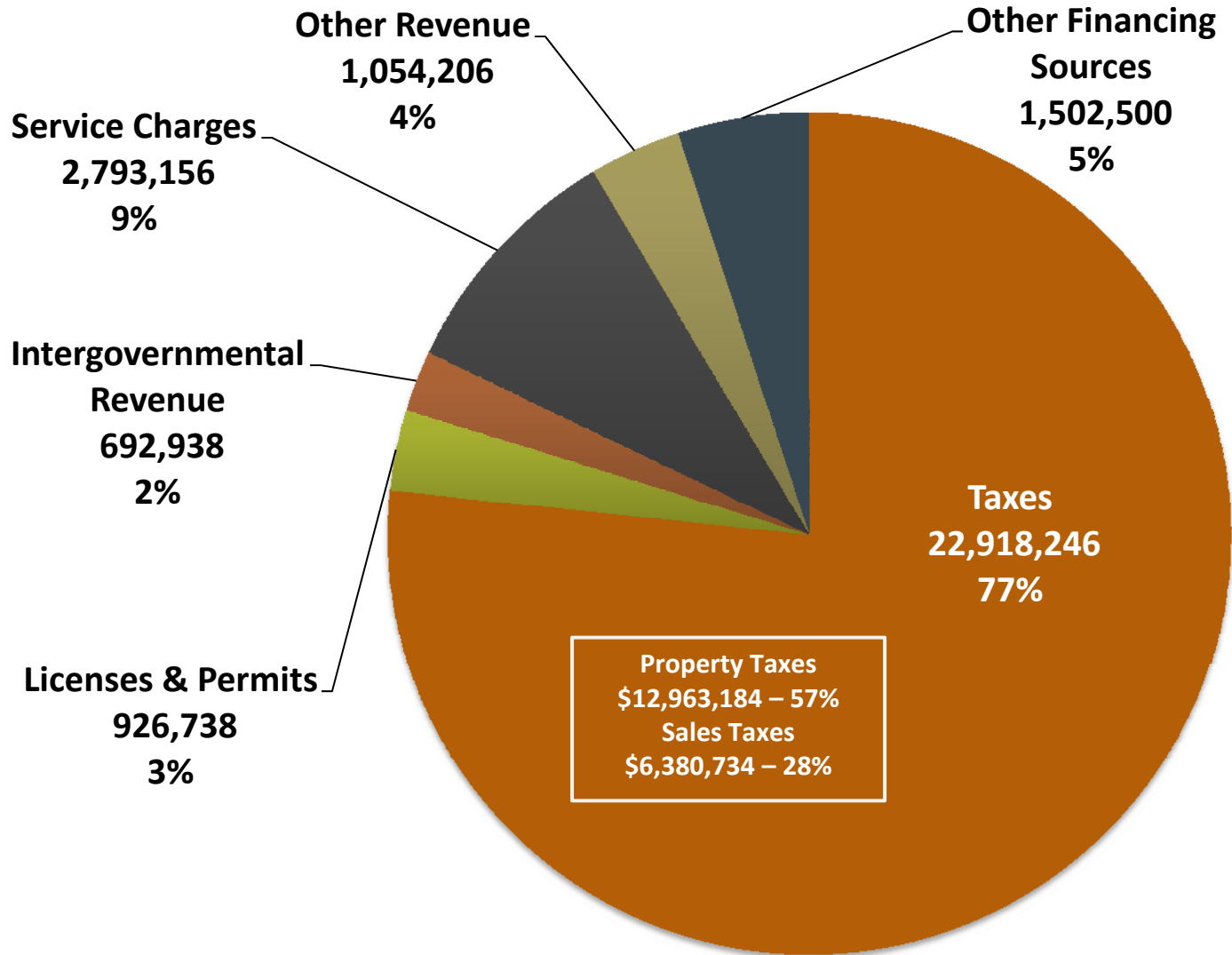
KEY MESSAGES FROM SPRING QUARTERLY UPDATE

- Deficits in early years are lower; later years remain similar
- PERS assumption changes are increasing PERS rates
- Salary / benefit forecast uncertain due to negotiations
- 12/13 budget includes key investments
 - Community and Council priorities
 - Long-term revenue growth
 - Better funding policies for OPEB / Pension liabilities
 - Technology investments
- Measure F recommendations
 - Fund several key limited-term initiatives
 - Backfill 12/13 deficit estimated at \$1 million

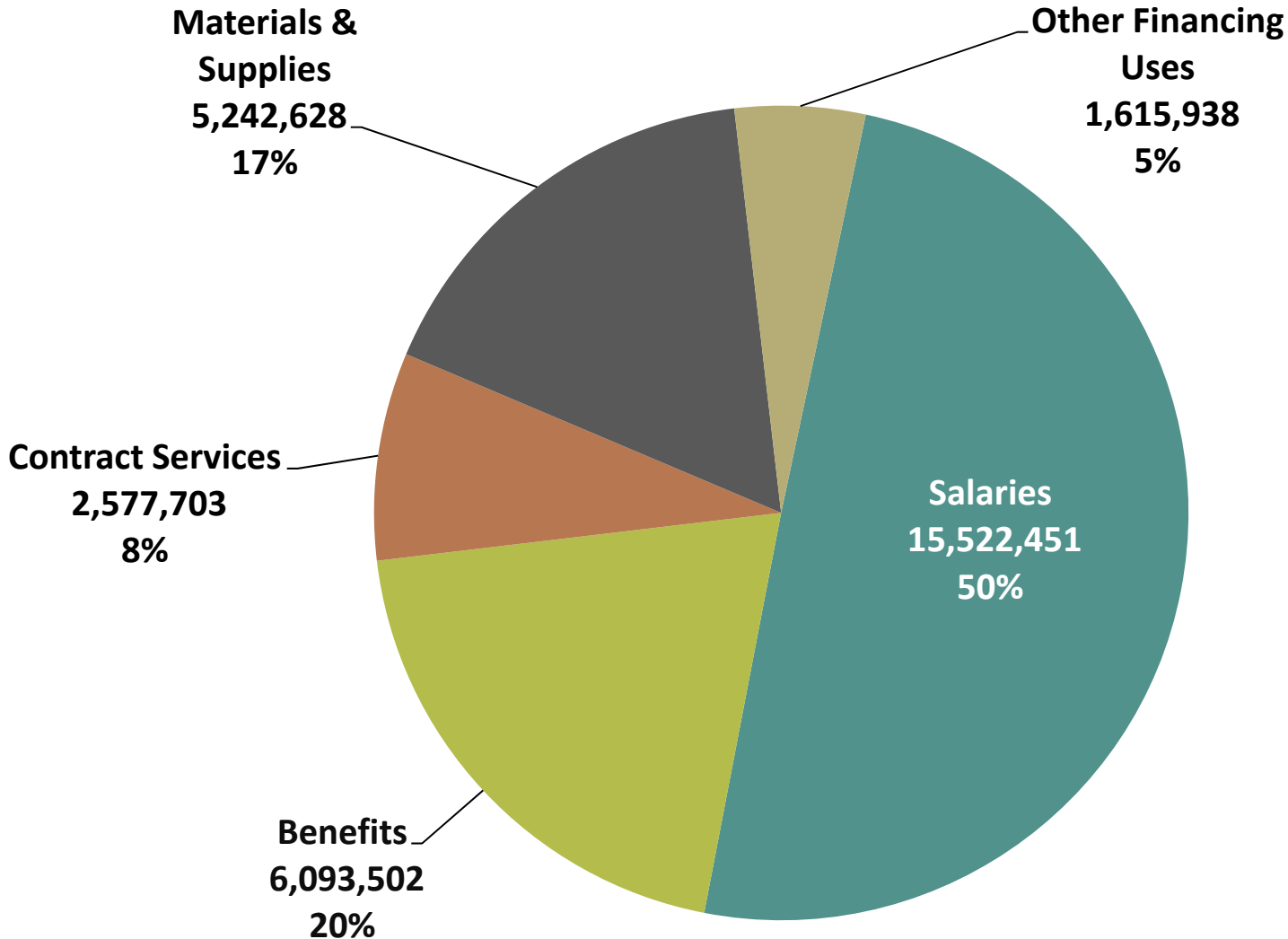
GENERAL FUND INFORMATION



GENERAL FUND REVENUE BY CATEGORY - FY 12/13

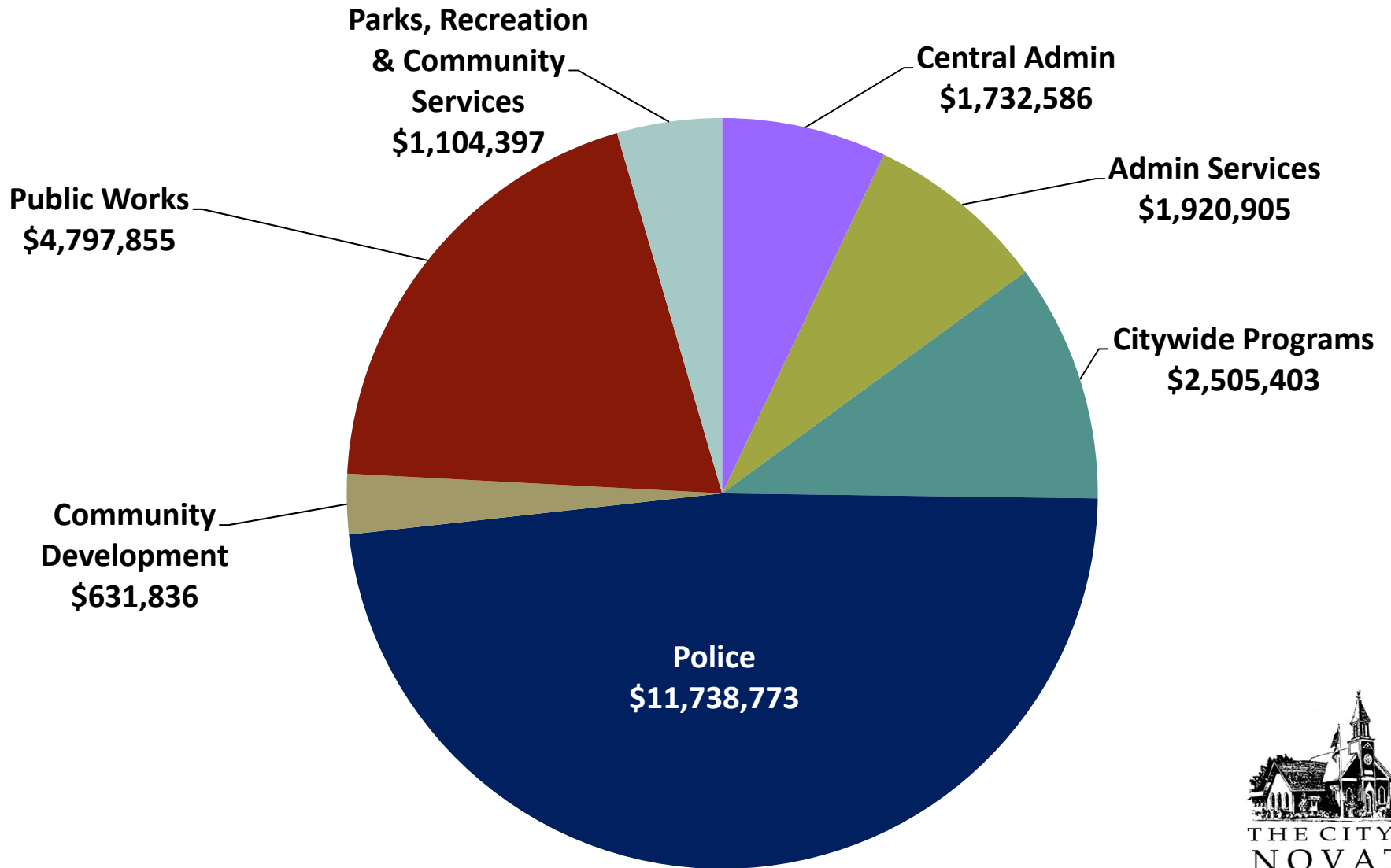


GENERAL FUND EXPENSES BY CATEGORY - FY 12/13



GENERAL FUND INVESTMENT FY 12/13

\$24,431,755



CITY MANAGER DEPARTMENT RECOMMENDATIONS



CDD - PROPOSED BUDGET CHANGES

| <u>Key Initiatives</u> | <u>Amount</u> | <u>Funding</u> |
|---|---------------|----------------|
| General Plan Program Budget Augmentation <i>Rationale - Contribution needed to complete General Plan Update</i> | \$80,000 | General Fund |
| <u>Staffing Changes</u> | <u>Amount</u> | <u>Funding</u> |
| Senior Planner (1.0 FTE) - Shift from General Plan back to CDD <i>Rationale – Minimize financial impact on general plan fund and accurately reflect employee’s time</i> | \$121,000 | General Fund |
| <u>Operating Expense Increases</u> | <u>Amount</u> | <u>Funding</u> |
| Department Training (Restoration) <i>Rationale – Restores previously eliminated training budgets</i> | \$12,000 | General Fund |



PARKS – STRATEGIC INITIATIVES, STAFFING & OPERATING

| <u>Key Initiatives</u> | <u>Amount</u> | <u>Funding</u> |
|--|----------------------|---|
| <p>Afterschool Initiative Pilot Program</p> <p><i>Rationale – Help develop youth, deter crime and prevent obesity – beta test program</i></p> | \$20,000 | Measure F |
| <u>Staffing Changes</u> | <u>Amount</u> | <u>Funding</u> |
| <p>Increase .75 FTE MTSC Rec. Coord to 1.0 FTE</p> <p><i>Rationale – Employee needed to support Senior Club and MTSC programs</i></p> | \$14,000 | General Fund |
| <p>Add 1.0 Rec. Coord. for youth programs</p> <p><i>Rationale – Prior staff reductions has made programs difficult to manage. Division Manager having to spend time on managing, training, recruiting part-time staff.</i></p> | \$0 | Convert current part-time salaries (no budget impact) |
| <u>Operating Expense Additions</u> | <u>Amount</u> | <u>Funding</u> |
| <p>Restore training and professional development funding</p> | \$10,000 | General Fund |

POLICE – PROPOSED STRATEGIC INITIATIVES

| <u>Intervention, Prevention & Enforcement Team</u> | <u>Amount</u> | <u>Funding</u> |
|--|----------------------|----------------------------------|
| <p>3 Police Officers <i>Rationale</i> – Grant funded position; 3 years; create focused team</p> | \$369,000 | DOJ Grant – Y3 Measure F – Y4 |
| <p>Upgrade Officer to Corporal <i>Rationale</i> – Provide leadership role on Team for increased effectiveness and accountability</p> | \$8,000 | General Fund |
| <p>Management Analyst <i>Rationale</i> – Provide support, research, analytics, and communication for the IPE Officers and Inter-Departmental Team; link with non-profits, multi-family housing managers, and schools on programs and best practices. Work in conjunction with PD and report to City Manager.</p> | \$91,000 | Measure F |
| <p>IPE Team – Operating/Program Expenses <i>Rationale</i> – Support for IPET staff and team including overtime, training, equipment, supplies and vehicle maintenance</p> | \$26,000 | Measure F |
| <p>Overtime <i>Rationale</i> – Provide flexibility for special enforcement, operations or community outreach</p> | \$12,000 | Measure F |

POLICE – STAFFING AND OPERATING ADDITIONS

| <u>Staffing Extensions</u> | <u>Amount</u> | <u>Funding</u> |
|---|------------------|---------------------------------------|
| Extend 1.0 Police Officer for 1 year <i>Rationale – COPE Grant extended for additional year</i> | No Budget Impact | COPE Grant extended 1 additional year |
| <u>Operating Additions</u> | <u>Amount</u> | <u>Funding</u> |
| County Contract Increase (CAD, RMS, Mobile Data) <i>Rationale – Account for contract increases</i> | \$11,700 | General Fund |
| General Training <i>Rationale – Restore previously reduced training budgets</i> | \$7,500 | General Fund |

PUBLIC WORKS – PROPOSED STAFFING ADDITIONS

Public Works

| <u>Staffing Additions</u> | <u>Amount</u> | <u>Funding</u> |
|---|---------------|----------------|
| <p>1.0 FTE Maintenance Worker</p> <p><i>Rationale - Position Needed for One Year for Graffiti Abatement/General Maintenance</i></p> | \$88,000 | Measure F |
| <p>Increase .75 FTE GIS Technician to 1.0 FTE</p> <p><i>Rationale- GIS Coordinator retirement. Need full-time position</i></p> | \$20,000 | General Fund |
| <p>Public Works GIS Intern</p> <p><i>Rationale – Provide part-time assistance to GIS operation</i></p> | \$15,000 | General Fund |

PUBLIC WORKS – OPERATIONING ADDITIONS

Public Works

| <u>Operating Additions</u> | <u>Amount</u> | <u>Funding</u> |
|--|---------------|----------------|
| <p>Increase Property Management Program Budget <i>Rationale – No budget previously. Funds for work related to city leases and property sales.</i></p> | \$20,000 | General Fund |
| <p>Increase for Building Maintenance Costs <i>Rationale – Funds for building work, tools and supplies, safety equipment and training</i></p> | \$17,000 | General Fund |
| <p>Increase for Citywide Utility Costs <i>Rationale – Increase in water costs and utilities at MTSC</i></p> | \$31,000 | General Fund |
| <p>Increase for Sign Materials Upgrade/Replacement <i>Rationale – Mandated sign replacement program to provide more reflective signage.</i></p> | \$10,000 | General Fund |

CENTRAL ADMIN/ADMIN SERVICES - STAFFING

| STAFFING | AMOUNT | FUNDING |
|---|-----------|--------------------------------|
| <p>Economic Development Manager 1.0 FTE; <i>Rationale – New full-time employee to focus on business attraction and retention due to redevelopment elimination.</i></p> | \$160,000 | General Fund |
| <p>Hamilton Property Manager - 0.5 FTE; 2 Years <i>Rationale – Focus on Hamilton re-use plan</i></p> | \$81,000 | Measure F |
| <p>Senior Admin Clerk – Restore 2 years 1.0 FTE; Temporary Position; <i>Rationale - Interim until new city offices. Focus on records management</i></p> | \$73,000 | Measure F |
| <p>Reclassify “Senior Management Analyst” to “Webmaster/Public Communications Coordinator” <i>Rationale – Focus on outreach and website redesign/upgrade project</i></p> | N/A | General Fund; already budgeted |
| <p>Shift “GIS Coordinator” from Public Works to IT Division to become “GIS/Database Administrator” <i>Rationale – Recommended by IT/GIS Study</i></p> | N/A | General Fund; already budgeted |

CA/ASD/CITYWIDE – PROPOSED STRATEGIC INVESTMENTS

| OPERATIONAL CHANGES | AMOUNT | FUNDING |
|---|--------------------|--------------|
| <u>CENTRAL ADMINISTRATION</u> | | |
| Operating budget - economic development | \$40,000 | General Fund |
| Operating budget - Hamilton properties position | \$25,000 | General Fund |
| Add records management admin funds | \$5,000 | IT savings |
| Restore training budget | \$5,000 | IT savings |
| <u>ADMINISTRATIVE SERVICES</u> | | |
| Restore training and employee engagement/development budgets | \$5,000 \$8,000 | IT savings |
| Savings in IT Data Communication Costs | (\$46,000) | General Fund |
| <u>CITYWIDE</u> | | |
| Animal Control Contract | Reduction TBD | N/A |
| Pay-off Safety PERS Side Fund | \$115,000 | GF Reserves |
| Fund Full Annual OPEB Required Contribution – Assuming Pre-Funding Scenario | \$150,000 | General Fund |



CITYWIDE – OPERATIONAL CHANGES

Citywide

| OPERATIONAL CHANGES | AMOUNT | FUNDING |
|---|------------------------------|-----------------------|
| Liability legal cost increases in JPA <i>Rationale - Shift from City Attorney litigation budget (\$80,000)</i> | N/A | No budget impact |
| Animal Control Contract Reduction <i>Rationale - Believe a reduction through new contract; final phases of negotiating; budgeting as flat for now</i> | TBD Reduction anticipated | No budget impact |
| Pay-off Safety PERS Side Fund <i>Rationale – Recommended by actuarial, John Bartel. Ongoing savings of \$10,000 annually</i> | \$115,000 | General Fund Reserves |
| Fund Full Annual OPEB Required Contribution – Assuming Pre-Funding Scenario <i>Rationale – Already planned in budget model. Good fiscal strategy to pre-fund liabilities</i> | \$150,000 | General Fund |

END OF PRESENTATION

