

FY 12/13 BUDGET UPDATE

Measure F Oversight/Citizens Finance Committee

July 19, 2012



BUDGET STRATEGY

CITY MANAGER'S PROPOSED BUDGET – FY 12/13

- Recovery and Measure F provides opportunity to maintain service levels and begin to stabilize the organization
 - No staff reductions or reductions in programs or services
 - No use of general reserves which is maintained at 15%
- Strategically targets resources to support Council's Strategic Plan initiatives
- Utilizes Measure F revenues sparingly
- Goal was to fashion a budget that is sustainable in the long-term; restoration of some expenses ongoing while other additions are limited term in nature to provide flexibility

CITY MANAGER KEY RECOMMENDATIONS

▪Expand Neighborhood Safety and Quality of Life – “Neighborhood Response Team”

- Measure F priority funding -- “neighborhood police patrols and crime prevention programs.”
- Federal COPS grant funding for 3 Police Officer positions for 3 years; City commits to pay 4th year; upgrade 1 Police Officer to Corporal; add Program Coordinator for 2 years
- Build an interdepartmental and inter-disciplinary team

▪Recreate Economic Development with elimination of redevelopment

- Add Economic Development Manager; 1.0 FTE
- Add Hamilton City Property Revitalization Manager; 0.5 FTE

▪Utilize Measure F sparingly until broader plan developed

- Funding for Neighborhood Response Team, Economic Development Manager, and Part-time Hamilton position
- After School Initiative as a Pilot Program
- Preserve and protect two positions on a temporary basis (1.0 Maintenance Worker, 1.0 Senior Admin Clerk as Receptionist, Intern for Public Works)



CITY MANAGER RECOMMENDATIONS – PAGE 1

	<u>Duration</u>	<u>General Fund Staffing Adds</u>	<u>General Fund O&M Adds</u>	<u>Measure F (Limited Term Additions)</u>	<u>Reserves</u>
TOTAL BUDGET ADDITIONS		155,666	338,183	643,421	115,000

Police

Neighborhood Response Team ("NRT") Overtime	4 Years			12,000	
NRT Training, Equipment, Supplies, Veh. Maint. (Years 2, 3, 4 = \$16,500)	4 Years			26,000	
County Contract Increases (CAD, RMS, Mobile Data Maint.)	Ongoing		11,683		
Additional Training	1 Year		7,500		
<i>Staffing Additions:</i>					
Upgrade NRT 1.0 FTE Police Officer position to Corporal	4 Years			8,000	
1.0 FTE NRT Project Coordinator (Management Analyst I/II)	2 Years			90,771	
1.0 FTE Police Officer - Funded by COPE Grant, extended 1 year	1 Year		Funded by grant - no net budget impact		

Public Works

Citywide property management program budget	Ongoing		20,000		
Building maintenance costs	Ongoing		17,000		
Increased utility costs citywide	Ongoing		31,000		
Sign materials upgrade / replacement	Ongoing		10,000		

Staffing Additions:

1.0 FTE Maintenance Worker - Extend for one year	1 year			88,002	
0.25 FTE Engineering Technician (GIS) - increase current 0.75 to 1.00	Ongoing	20,202			
Public Works GIS Intern	1 year			15,000	

Parks and Recreation

Restore training and professional development funding	1 Year		10,000		
Afterschool Initiative - Pilot Program	1 Year			20,000	

Staffing Additions:

1.0 FTE Recreation Coord for Youth Programs - offset by temp hours	Ongoing			Funded by reduced temp hours - no net budget impact	
0.25 FTE Recreation Coord at MTSC - increase current 0.75 to 1.00	Ongoing	14,000			



CITY MANAGER RECOMMENDATIONS – PAGE 2

	<u>Duration</u>	<u>General Fund Staffing Adds</u>	<u>General Fund O&M Adds</u>	<u>Measure F (Limited Term Additions)</u>	<u>Reserves</u>
<u>Community Development</u>					
Increase staff training budget	Ongoing		12,000		
Transfer General Fund funding to General Plan fund	1 Year		80,000		
<i>Staffing Additions:</i>					
Allocate 1.00 FTE Senior Planner to General Fund	Ongoing	121,464			
<u>Central Admin / Admin Services</u>					
Program budget for Economic Development Manager	4 years			40,000	
Program budget for Hamilton properties position	2 Years			25,000	
<i>Staffing Additions:</i>					
1.0 FTE Economic Development Manager	4 years			164,445	
1.0 FTE Public Communication Coordinator (Reclass Sr. Mgmt. Analyst)	Ongoing	No budget impact - use existing position allocation			
0.5 FTE position to lead re-use planning of Hamilton Properties	2 Years			80,890	
1.0 FTE Sr. Admin Clerk - restore position two years; focus on files/imaging	2 Years			73,313	
Move 1.0 FTE GIS Coordinator from PW to Admin Services	Ongoing	No budget impact - use existing position allocation			
<u>Fiscal Sustainability Proposals</u>					
Pay off Safety PERS Side Fund	1 Year				115,000
Fund Full Annual OPEB Required Contribution - Assuming Pre-fund	Ongoing		139,000		
TOTALS		\$ 155,666	\$ 338,183	\$ 643,421	\$ 115,000

NOTE -- \$46K IT give back to General Fund

(46,373)

Staffing additions exclude grant-funded positions previously approved by Council (3 COPS officers; PRCS HHS coordinator)



OPERATING BUDGET – GENERAL FUND FY 12/13

Revenues projected to increase to \$28.5M

- Property tax projected to increase slightly; sales tax continues to improve at a higher pace and is estimated to increase 4.7%
- Revenues include reimbursements for grant-funded positions

Expenditures have been increased to \$30.7M

- Includes vacancy factor of \$400,000
- Key Staffing Impacts to the General Fund include:
 - For FY 12/13, the General Fund has absorbed \$115K in payroll costs from the dissolved Redevelopment Agency
 - Shifts Senior Planner to General Fund from General Plan Fund
 - Includes \$570K in grant-funded positions in Police and PRCS including Measure F additions for Neighborhood Team

“Transfers In” will add \$1.5M for Total Financing Available of \$30.0 million



OPERATING BUDGET – GENERAL FUND FY 12/13

General Fund Summary	FY 12/13
Revenues	\$28,543,540
Transfers In / Loan Repayments to Support Operations	\$1,556,104
Subtotal Revenues & Transfers In	<u>\$30,099,644</u>
Expenditures	\$29,474,068
Transfers Out to support operations	\$1,619,939
Subtotal Expenditures & Transfers Out	<u>\$31,094,007</u>
Less Vacancy Factor	(\$400,000)
FY 12/13 Projected Deficit From Measure F Fund	\$594,363

JUNE 2012 GENERAL FUND FORECAST*

In millions \$	Forecast 11/12	Forecast 12/13	Forecast FY13/14	Forecast FY14/15	Forecast 15/16	Forecast 16/17
Revenues & Transfers In	\$29.1	\$30.1	\$30.8	\$31.4	\$32.0	\$32.9
Expenditures & Transfers Out	\$29.1	\$30.7	\$31.8	\$32.9	\$33.8	\$35.1
Surplus / (Deficit)	\$0.0	\$(0.6)	\$(1.0)	\$(1.5)	\$(1.8)	\$(2.2)
Budgeted Use of Reserves		\$(0.3)				
Ending Reserves**	\$5.6	\$4.7	\$3.7	\$2.2	\$0.4	\$(1.8)
Reserve Policy Target (15%)	\$4.5	\$4.7	\$4.8	\$4.9	\$5.1	\$5.3

*General Fund only – does not include any use of Measure F

** Does not include \$1.1 million loan repayment from RDA



CIP BUDGET – NEW PROJECT FUNDING FOR 12/13

CATEGORY	TYPES OF PROJECTS FUNDED	NEW FUNDING
Municipal Facilities	Improve, build, and provide major maintenance for City-owned facilities. <ul style="list-style-type: none"> ▪ City Offices project ▪ Custodial staff relocation 	\$12,842,500
Parks, Recreation and Community Facilities	Improve, build and provide major maintenance for facilities that are used by the community for recreational purposes. <ul style="list-style-type: none"> • Hill Gymnasium interior improvements • Hill Gymnasium roof replacement 	\$270,000
Transportation, Drainage and Utilities	Improve, build and provide major maintenance for City infrastructure <ul style="list-style-type: none"> • Rush Creek drainage • Pavement rehabilitation (Measure A) • Street Resurfacing / reconstruction 	\$1,609,849
Technology and Organizational Investments	Provide new technology, training and special studies for organizational improvement and deficit reduction measures	\$200,000
	<u>TOTAL</u>	<u>\$14,922,349</u>

KEY MESSAGES

Recession Impacts and Uncertainty Continue

- Economy beginning to recover; sales tax is growing slowly
- Yet still uncertainty in international markets

FY 12/13 Budget – One Step Forward, Two Steps Back

- Staff has completed the implementation of years of budget and staff reductions to realign the organization with 50 less employees and 20% less resources
- Yet loss of redevelopment funding impacts General Fund by \$800K ongoing and requires General Fund support for any economic development program

Structural Deficit Remains – Developing a Road Map towards Fiscal Sustainability

- Significant progress made on structural deficit
- Structural deficit continues with \$0.6 M projected in FY 12/13 and growing to \$2.2 M projected in FY 16/17
- Use Measure F funds cautiously for FY 12/13 (until long term plan determined)
 - Back fill any structural deficit for FY 12/13 (\$0.6 M)
- Fiscal sustainability discussion this summer/fall with Measure F Oversight Committee and the Council to develop a road map with a multi-year strategy

