

FY 2012 Budget Overview

City Council/Agency
June 7, 2011

FY 2012 Budget Overview Recap

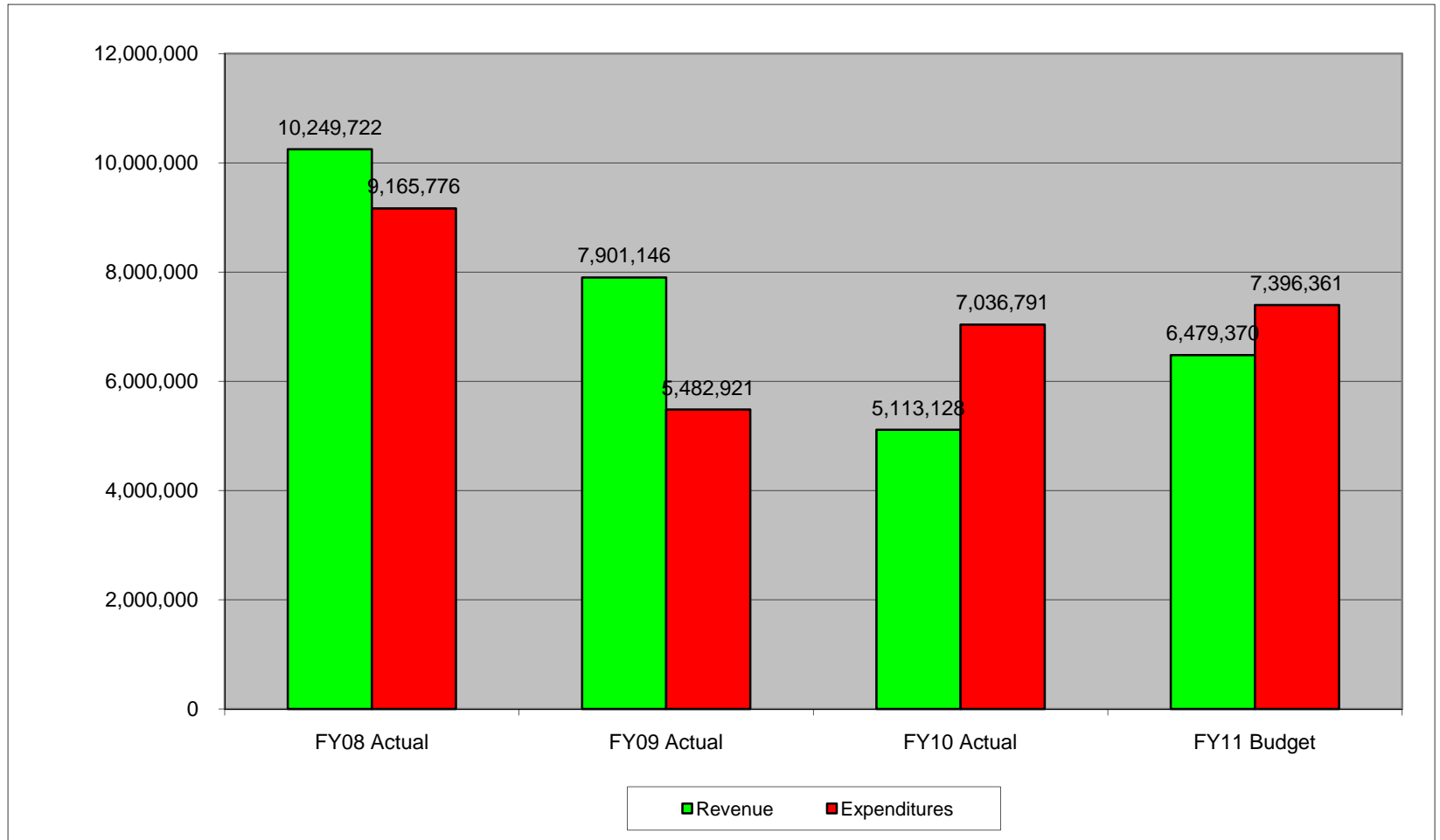
Midyear

Fund	Deficit Amt
General Fund	\$1.9 m
Theatre	\$22,689
Pool	\$189,252
Recreation	\$19,860
RDA (CIP)	\$2.1 m

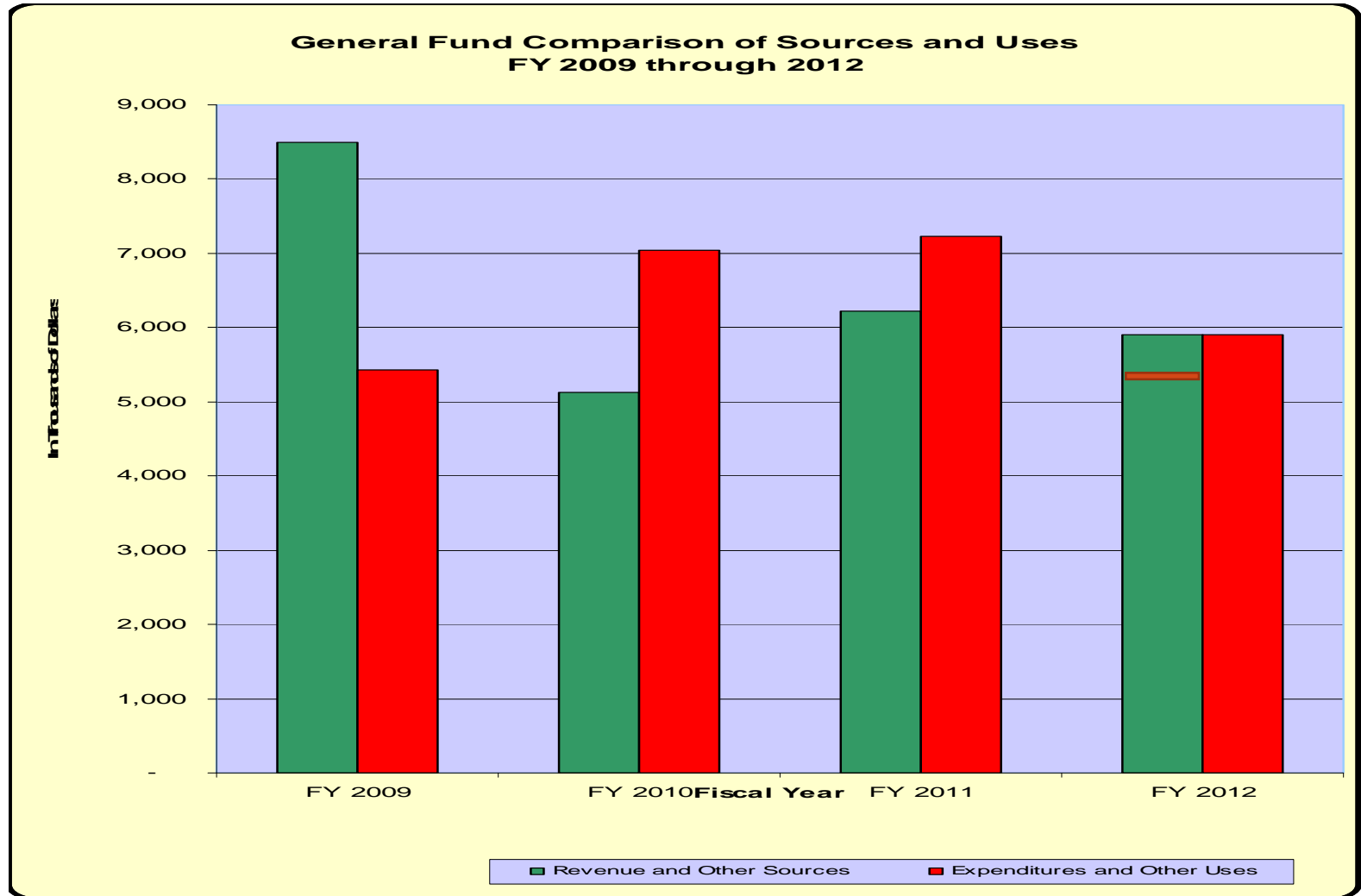
FY 2012 Rec Budget

Fund	Deficit amt
General Fund	\$1.3 m combo of reductions in force/proposed employee concessions/rev +\$600k from GF Reserve
Theatre	\$1,118
Pool	\$71,000
Recreation	\$29,396
RDA (CIP)	\$2.1 m

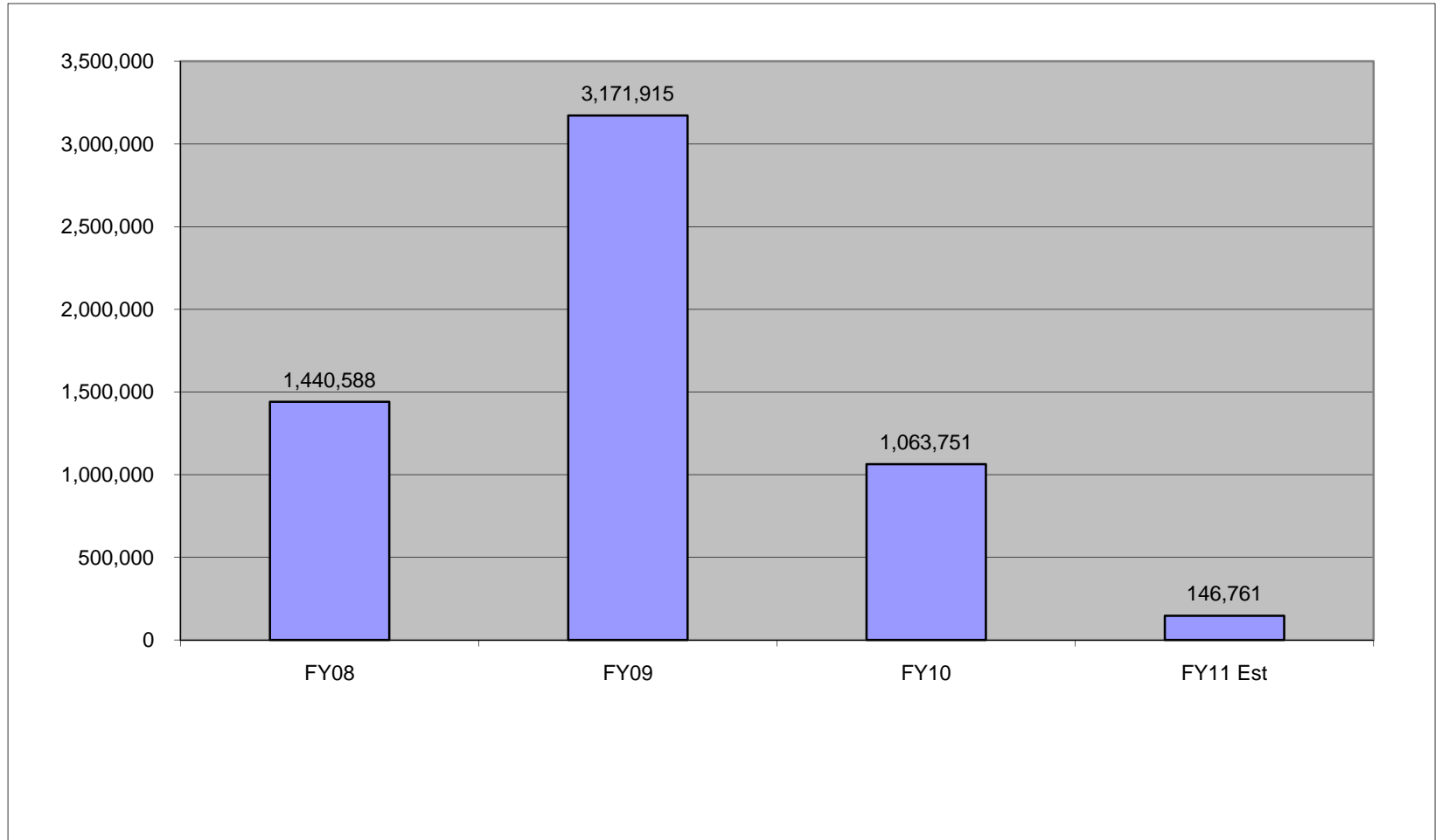
FY 2012 Budget Overview Recap



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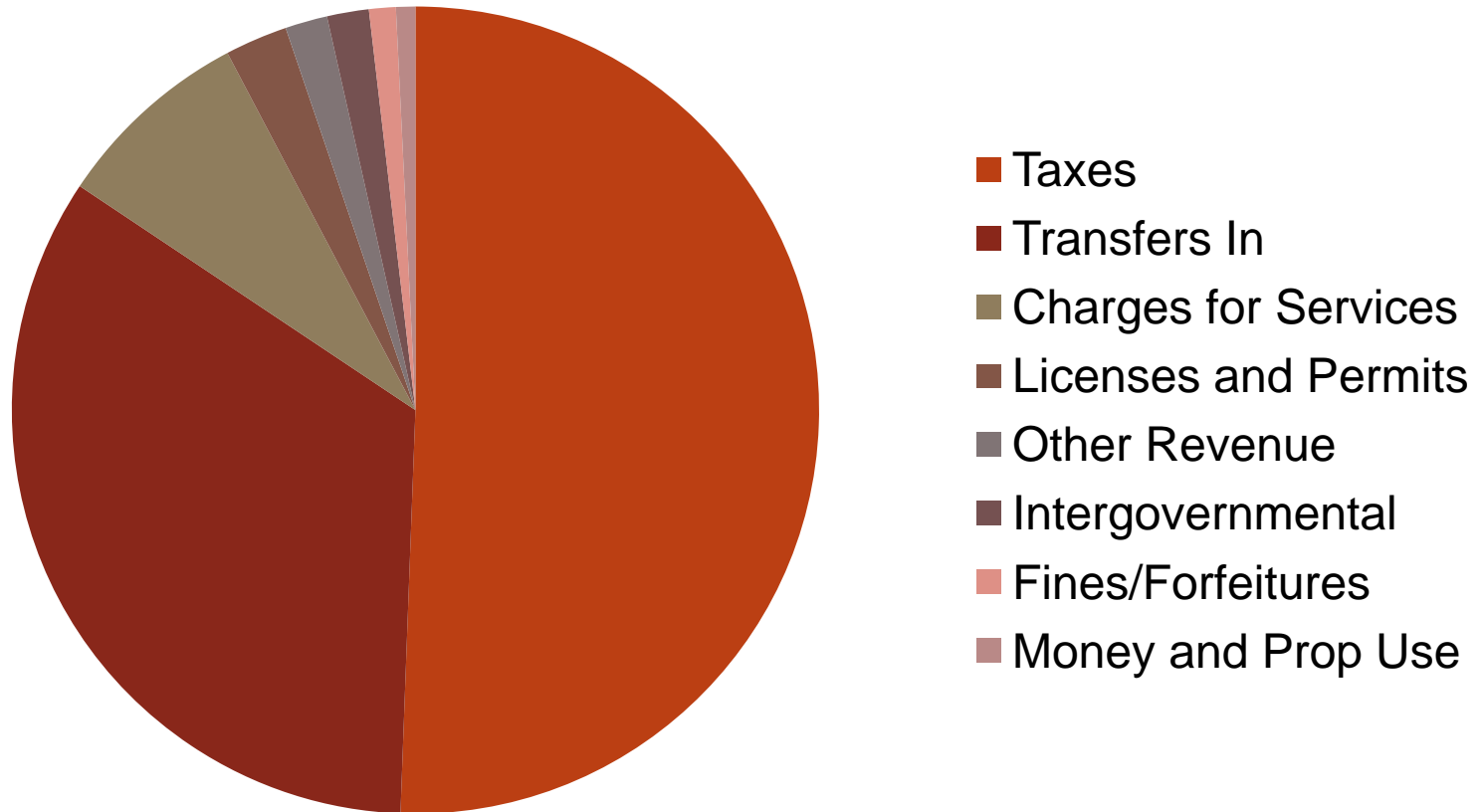


FY 2012 Budget Overview



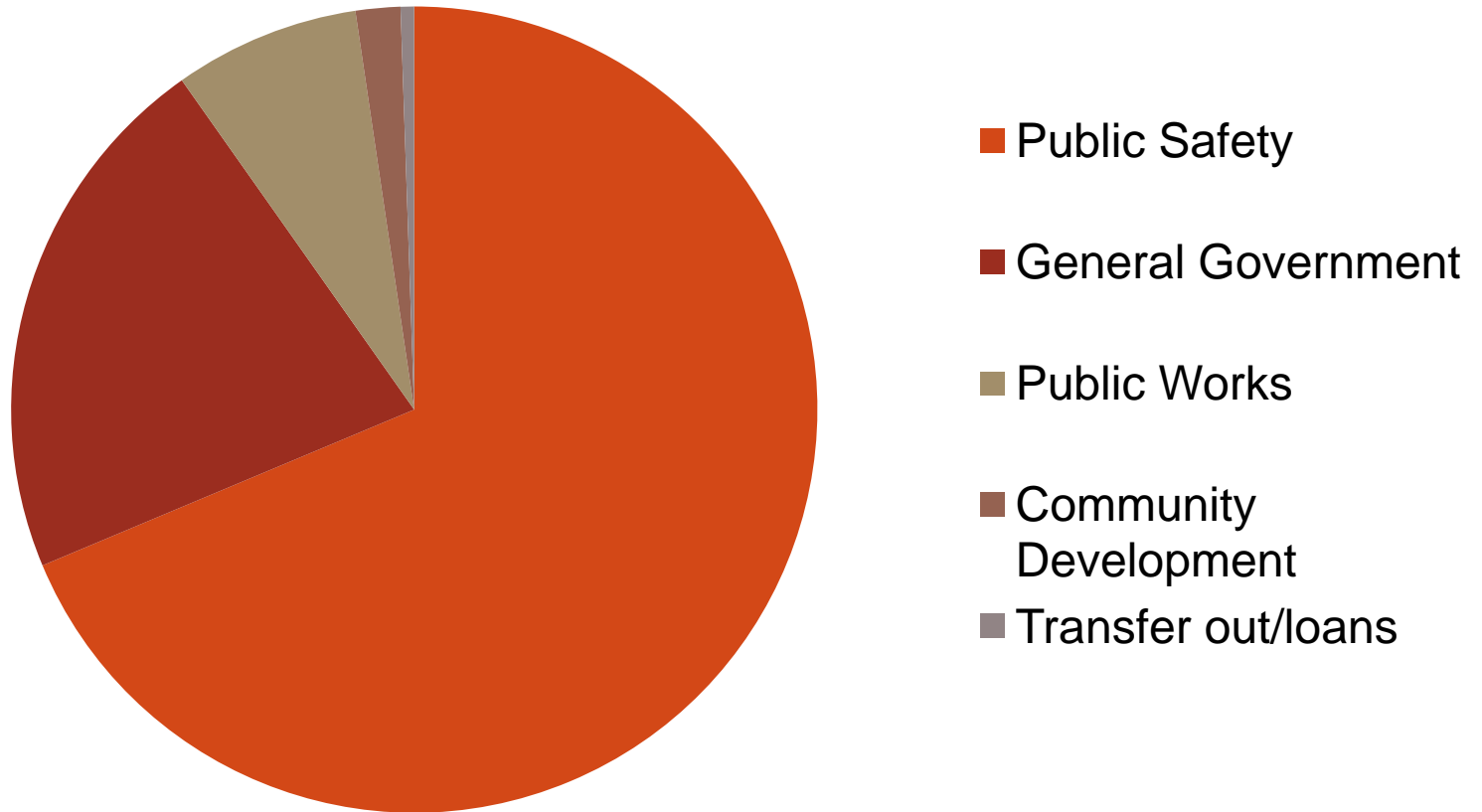
FY 2012 Budget Overview

General Fund Revenues



FY 2012 Budget Overview

General Fund Expenditures



FY 2012 Budget Overview

- **FY 2012 General Fund Budget balanced using a variety of methods.**
 - Reductions in City force as recommended by organizational review (net -11) and part-time positions (net -2.75) = net -13.75 positions
 - Elimination of Motor Officer, School Resource Officer and One Gang Officer.
 - Proposed City employee salary and benefit concessions
 - Reducing service levels
 - Development/DIF user fee study for possible increases
 - Using \$600k from GF Reserve
- **City's fiscal challenges will extend to FY 2013.**

FY 2012 Budget Overview

- **Organizational Review.**

- In 2010, City hired Bryce Consulting to perform Classification and Compensation Study.
- Original scope included organizational review to examine staffing levels and work practices.
- Due to \$1.9 million shortfall, City asked Bryce to look at the organization and make recommendations for restructuring and reducing staff.
 - Merge Facilities, Community Development and Public Works into Municipal Services
 - Reduction in force of a net 11 full-time positions (not including temp positions).

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Reductions in Force (full-time)

Dept/Division	Current No. of Positions	Proposed No. of Positions	Net Change
Administration	4	3	-1
Community Development	4	2	-2
Community Services	5	3	-2
Finance	8	7	-1
Fire	5	4	-1
Public Works	15	11	-4
Total	41	30	-11

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Reductions in Force (part-time)

Department	Current	Proposed	Net change
Public Works	2.75	0	-2.75
		total	-2.75

Reductions in Force	Net change
Full-time	-11
Part-time	-2.75
total	-13.75

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Reductions in Force

- **“Bumping”**
 - In general, reductions are made on the basis of seniority. Thus, employees with the least amount of service are laid-off.
 - Employees with enough seniority can “bump back” to a lower class if their positions is eliminated.
- **Y-rating/red-lining.** The City Council gave direction to Y-rate/red-line positions into which employees are “bumped”. This means that the employee’s salary is frozen until the salary of the position he/she is in catches up. If the “bumped” employee leaves, then the position returns to the normal pay rate.
- **Vacant positions** will have new pay rates assigned, if appropriate (e.g. Assistant to the City Manager position is paid less than a Deputy City Manger, etc.)

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Reductions in Force

- **\$3,918 Severance.** City Council has authorized payment of 7 months of medical insurance in a lump sum to Unrepresented Employees. Discussions will be held with Union for Represented employees.
- **Early retirement program update.** Due to CalPERS software conversion, all early retirement programs have been put on hold until September 19, 2011.

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Police Reductions

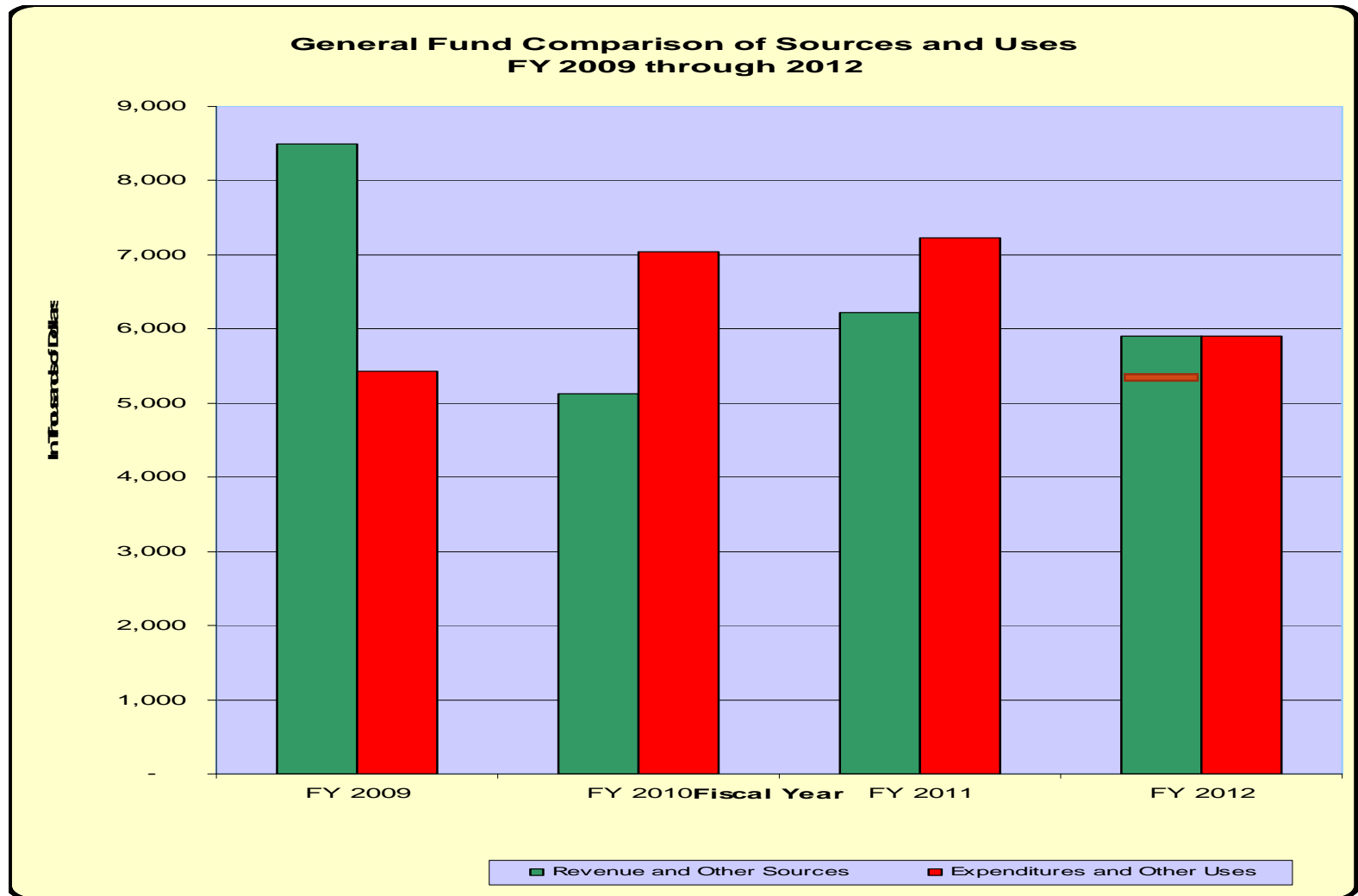
- **NO cuts to base contract.**
- **Santa Paula indicated a desire to bid on providing service to Fillmore.**
 - Bid has not been recvd from Santa Paula
 - Process for bid would be presenting it to City Council after it has been received and asking for direction
- **Reductions.**
 - Motor Officer (\$195,676)
 - School Resource Officer (\$79,939). FUSD to continue SRO position part time.
 - One Gang Officer (\$140,004). Second Gang Officer remains in budget

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Proposed City Employee Reductions

- In FY 2011 and FY 2012, employees will have 5.5 percent furloughs
- Decrease volunteer Paramedic stipend by \$25 from \$300 to \$275 (approximate reduction \$9,823).
- Represented employees—negotiations continue
- Unrepresented Employees. Up to 13 percent additional reduction.
 - Increases in health (13 % increase in FY 2011) and pensions (1.7 %)

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Revenue Generation

- **Limited Sales Tax Increase**
 - Without new revenue, City will have to make additional reductions in FY 2013
 - Current rate is 8.25 percent
 - Propose Ballot measure for limited-term Sales Tax increase of one-half or three-quarter cent.
 - Five years
 - Generate approximately \$326,000 or \$489,000 per year
 - Money for ballot measure to come from reserve

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Reducing Service Levels

- **Considering closing City Hall every Friday.** Currently it is closed every other Friday.
- **Reducing level of custodial services/Contracting janitorial services.** For example, instead of emptying trash in offices every night, every other night; having Pool staff and Boys and Girls Club do some cleaning
- **Parks.** May see some changes in maintenance level.

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Developer/DIF fee study

- City has not performed a cost analysis on Community Development nor on Public Works fees. Money added to perform study.
- DIFs.
 - Same process.
 - Expense budgeted in FY 2011

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Utilities

- **Sewer.** CPI fee increase of 3 percent July 1, 2011. New rate would be approximately \$84.46 per month.
- **Sewer Standby Charge.** New minimum charge for when a building is vacant. Adopted by Council but not implemented. Council wanted an analysis of impact on property owners. In FY 2012 work plan.

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Utilities

- **Water. Scheduled fee increase of 10 percent January 1, 2012. New rate will be approximately \$34.43.**
 - Installation of new radio water meters in area(s) with already high concentration of new meters. Purpose is to automate meter reading.
 - United Water pumping charge increases due to federal and state regulatory changes.
- **Solid Waste. No proposed changes for FY 2012.**

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Recreation

- **Budget built on assumption fees will increase.**
- **Proposed Recreation Fee increases.** Citizen survey indicated support for increase fees to cover costs.
 - Fees for softball from \$425 to \$450
 - Youth Basketball fees from \$75 to \$85
 - Park Rental fees are proposed to increase from \$75 to \$100 for the shelters;
 - Central Park Rental will go from \$500 to \$600;
 - Electric (non-wedding) for Central Park from \$50 to \$75 per day;
 - Community Center rental from \$450 to \$500;
 - Multipurpose Room from \$750 to \$800 per day.

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Towne Theatre, Veteran's Memorial

- **Towne Theatre**

- Small deficit of \$1,118
- Fees for special events do not cover costs. Recommendation is not to rent Theatre.
- May wish to examine rents (currently \$3,100 and \$1,100)

- **Veteran's Memorial**

- **Service Review.** Discussions will be held with the District on June 15, 2011. The City plans to discuss the proposal to contract custodial services; to suggest that the District obtain trash disposal services; and, to discuss the policy for staffing events.

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Pool

- **Pool deficit has been cut to \$71,000 with an overall remaining deficit of \$263,000.** Meetings over past several months to discuss ways to save money and increase attendance at the park.
 - New fund has been established for donations;
 - Chairs have been purchased;
 - New swim suits/goggles have been donated to be sold;
 - Free event was held during the May festival
 - Food/beverages are being sold; and,
 - Events at the facility are being planned.
- **Fees for pool are not proposed to increase because the City will try to boost revenue through attendance.**

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Pool, cont.

- **The budget proposes to close the pool between mid-October and February 8, 2011.** This the time the pool is the least used and will save approximately \$22,000 in utilities and supplies.
- **Some basic custodial duties may be assumed by Pool staff and augmented by Facilities staff.**
- **City will look at contracting out Pool duties or reassigning it to the new Municipal Services department.** This may be a negotiable item.

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Senior Center

- **Ebell Club grant for ADA doors.** Generous donation by Ebell Club of automatic doors.
- **Level of service changes.** Discussions were held with Board Chair. For example, onsite staff opening the doors, hiring a part-time person to perform set-ups and basic janitorial services, possibly changing the location of commodities to the Storefront, etc.

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Senior Center, cont.

- **Funding decrease from United Way.** The City has been notified that the United Way will not be providing \$10,000 in funding.
- **Agency contribution is \$6,000 for operations which leaves an 11 percent reserve.**
- **The draft operating agreement with the Center is still in process.** The draft agreement was presented and clarifies personnel reporting relationships, insurance requirements, operating hours, etc.

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LLD and Storm Drain Funds

- **Some of the funds have revenue shortfalls because the maximum tax is not set high enough to recover the costs.** Council directed staff to bring forward various options, such as cost cutting and Proposition 218 elections for consideration. This item will come before the Council on June 14, 2011.
- **The City will provide budgetary and reserve information to the Districts, if requested.**

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- **Public Transit Fund (up from FY 2011)**
- **Cable TV/Community Promotion**
 - Part-time CATV position will be eliminated and the newly-created Information Technology position will broadcast the meetings.
- **Community Development Block Grant Fund**
 - **Tot Lot grant of \$213,000 at Two Rivers Park**
Match of \$70,000 required from the Redevelopment Agency. Staff will explore whether another funding source may be used such as the Park DIF.

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Redevelopment Agency

- **CIP and Debt-service**
 - **State has taken about \$2.9 million from the Redevelopment Agency.** As a result, this means that the City has less money available for debt-service and projects because it has to repay the Housing Set-Aside Fund within five years.
 - **No funds budgeted for the Storefront Rehabilitation Program due to the lack of available funding.**
 - **The sum of \$600,000 is proposed to be repaid to the Redevelopment Housing Fund.**
 - **Debt-service will be paid.**

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Redevelopment Agency

- **Housing Fund**

- Code Enforcement and Housing activities moved to this fund. Proposing contract Code Enforcement.
- Housing Rehabilitation Loans (\$40,000); Housing Rehabilitation Grants (\$40,000); First-Time Homebuyer (\$350,000); and, \$30,000 for demolition and Rehabilitation.

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Summary

- Reduction in Service to Residents.
- Asking City partners to share in picking up load
- Merger of City Departments for better service
- Net reduction in force of 13.75 full-time and part-time positions
 - 30 full-time positions remain
- Unless Sales Tax litigation resolved in upcoming year, City will need additional funds
 - Propose 5 year Sales Tax increase as ballot measure

FY 2012 Budget Overview

Summary

- **Sewer.** CPI fee increase of 3 percent July 1, 2011. New rate would be approximately \$84.46 per month.
- **Water.** Scheduled fee increase of 10 percent January 1, 2012. New rate will be approximately \$34.43.

FY 2012 Budget Overview

Process

- Overview tonight
- On 6/14 and 6/21, we'll be going through the budget and identifying the policy issues on which we'd like your direction.
- Budget built on direction and a Resolution will be brought back on 6/28 which incorporates changes and establishes the budget.
- The line-item detail in the Adopted budget will be delivered to Council sometime in September/October.

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Questions?