

General Fund FY 16 Mid-Year Adjustments and FY 17 Budget Items



November 3, 2015



Scenario 1 – Councilman Arnold’s Proposal for FY 16 General Fund Adjustments

Department	Reductions in Personnel Expenses (Annualized)	Reductions in Other Expenses (Annualized)	Revenue Enhancements (Annualized)	Total for Department	% Dept Budget
Police	Eliminate (2) vacant sworn 177,380 Overtime reduction 50,000 ½ Time Code, Parking, Crime Pvt 80,592 Eliminate 1 Animal Control 42,420	For eliminated positions 20,000 Other expense reductions 25,000	Commercial Vehicle Inspection 6,500 Code Enforcement in ROW 11,000	412,892	3.4%
Fire	Freeze (3) vacant firefighters (evaluate rolling brownout or quick response unit) 266,124 for FY 17		Fire Code Permit Fee 85,680 Increases/Revenue Increases 85,680	85,680 <u>FY 17 +266,124</u> Total 351,804	1.0% 2.9% 3.9%
Library	Eliminate various part-time positions 50,000	Reduce various materials 65,000		115,000	4.9%
Recreation Services	Adjust Special Projects Position, transfer Council Assistant to new position 9,901	Misc. reductions 53,400	Fee/revenue increases 80,000 Lakes/Reservoir Funding - 15,200 Community Rest. Funding - 0	158,501	5.1%
Economic Initiatives	Eliminate Special Events Mgr. 80,112	Eliminate General Fund support of 4 th of July event 40,000	FY17 - Evaluate Airport Real Estate Manager or contract for services	120,112	25.4%
Community Dev.		All fees except PAC	Fee/revenue increases - 200,000	200,000	17.9%
General Government	Transfer Council Asst. to Rec. Services Eliminate Com. Mgr. 2 Replace both with Mgt. Analyst 29,076		Liquor License Application - 0	29,076	15.7%
Human Resources	Eliminate vacant HR Specialist 34,200	Reduce Emp. Recognition 30% 4,680		38,880	8.6%
Information Tech.					
Finance					
Adjust Cost Recovery			Address in FY 17 500,000		
Business License Tax			Address in FY 17 1,000,000		
Totals				1,160,141	

- Notes: 1. Target for FY 16 Mid-Year Adjustments: Combination of Revenue Enhancements + Reductions of \$1.2 million or more
2. PSPRS cost for FY 17 to be identified by new actuarial in November 2015 (expected to increase)
3. Additional cuts needed in FY 17 presently forecast at \$230,000 (plus any PSPRS increase identified in November)
4. Implementation of Class & Comp Study/Pay Plans in FY 17 could cost as much as \$1,000,000 additional in General Fund

5. Continual cuts, expense reductions, revenue enhancements will be required over the next 22 fiscal years to pay off the PSPRS unfunded obligation 2

Scenario 1 – Notes

- ✓ **Commercial Vehicle Inspection for Overweight Vehicles ; Cost Recovery from Streets Fund – \$11,000**
 - There is currently one officer certified as a commercial truck inspector.
 - Approximate annual hours per officer committed to inspection – 120 hours
 - Equipment upkeep is approximately \$750 per certified officer
 - If more officers become certified, the cost recovery could be adjusted in the future
- ✓ **Code Enforcement for violations in City Right-of-Way (ROW) ; Cost Recovery from Streets Fund – \$6,500**
 - 8% of the total Code Enforcement workload is related to code infractions in City ROW
 - Code complaints vary; cost recovery would need to be evaluated annually
 - Cost Recovery shown is based on 1.5 positions (not 2)
- ✓ **Personnel Expense for Lakes Management; Cost Recovery from Water Fund – \$15,200**
 - Average time maintaining shoreline weeds – 40 hours/yr
 - Average time removing loose trash from shorelines – 312 hours/yr
 - Average time maintaining diversion ditches – 80 hours/yr
 - Average time removing logs from spillway and boat docks – 160 hours/yr
- ✓ **Community Restitution for Non-General Fund Department Projects; Cost Recovery from Other Funds – \$0**
 - Work has primarily been scheduled for Recreation Services, minor cost attributable to Non-General Fund and varies annually depending on project needs/availability
 - Further review and possible implementation of an hourly fee for service for Non-General Fund Depts.
- ✓ **Liquor License Application Fee – \$0**
 - Application fees only charged for new licenses, not annual renewals; a minor revenue
 - Annual license fees represent the bulk of revenue collected, but can only be used for tourism marketing
 - If a City Business License Program is implemented, the annual liquor license fee could be eliminated and replaced with a tiered Business License Tax in addition to the nominal annual fee
- ✓ **Fire Code Permit Fees (Increased) – \$13,480**
- ✓ **Fire Revenue (New Fees for Service) – \$72,200**

Proposed Fire Department Permit Fee Increases

Description	Current Fee	Proposed Fee
New Fire Alarm Plan Review and Inspections (under 5000 sq ft.)	\$300.00	\$375.00
New Fire Alarm Plan Review and Inspections (over 5000 sq ft.)	\$300.00	\$375.00
Fire Alarm system modification	\$100.00	\$150.00
Automatic Fire Sprinkler system modifications (1-50)	\$100.00	\$150.00
New Residential Automatic Fire Sprinkler Plan Review and Inspection	\$160.00	\$225.00
New Installation Commercial Cooking Hood- single system	\$165.00	\$375.00
New Installation Access Gate-each	\$100.00	\$150.00
Underground Fire Lines Installation	\$220.00	\$300.00
New Installation Extinguishing system- foam,CO2,clean agent, etc.	\$200.00	\$225.00
Liquid Petroleum Gas Plan Review and Inspection- 1 tank	\$50.00	\$75.00
Tent and Canopy Inspection-per tent	\$50.00	\$75.00
Liquid Petroleum Gas Plan Review and Inspection- 1 tank	\$50.00	\$75.00
Tent and Canopy Inspection-per tent	\$50.00	\$75.00
Commercial Burn Permit – 30 Day	\$50.00	\$75.00 +\$75/hr/site visit/ inspection for modifications
90 Day	\$100.00	
Blasting – 3 Day Single Project	\$25.00	\$75.00 plus \$75.00 per hr/blast
30 Day Single Project	\$100.00	\$75.00 plus \$75.00 per hr/blast
State/DHS/County Inspections (per person, 1 hour minimum)	\$50.00/hr	\$75.00/hour
After hours inspections (per person, 3 hour minimum)	\$50.00/hr	\$75.00/hour
Residential Sprinkler Inspections>4	\$75.00	\$75 .00/hr, 1 hour minimum
Commercial Sprinkler Inspections>4	\$75.00	\$75 .00/hr, 1 hour minimum
Fire Alarm System Inspections>4 (1 hr. minimum)	\$75.00	\$75 .00/hr, 1 hour minimum

Proposed Fire Department Permit Fee Increases

Description	Current Fee	Proposed Fee
Carnivals and Fair Inspections	\$200.00	\$75/hr/inspector
Standby personnel/Fire Watch (per person, 3 hour minimum)	\$50.00/ hr	\$75.00/hr
Standby personnel/Fire Watch with Type I Engine (minimum 3 personnel, 3 hr minimum)	\$50.00/hr + \$120.00/hr (vehicle)	\$75.00/hr \$138.00/hr (vehicle)
Permit Revenue Total FY 15	\$31,255	
Projected Revenue with Fee Increases		\$44,735
Projected Increase		+\$13,480

Proposed Fire Department New Fees

New Fee Type	Proposed Fee
Special Event Inspection Fee (when required), 1 hr minimum (29 this year)	\$75.00/hr
Wildland Urban Interface Code – Defensible Space Inspection (143 in FY 15)	\$150.00
Same Day Inspection Fee (Unknown no.)	\$75.00
Residential Brush Chipping (528 in FY 15) - Minimum 2 personnel, 1 hour	\$90/hr
Potential Revenue Enhancements	+\$72,200

Scenario 2 – No Reduction of Public Safety Sworn Positions in FY 16

Department	Reductions in Personnel Expenses (Annualized)	Reductions in Other Expenses (Annualized)	Revenue Enhancements or Cost Recovery (Annualized)	Dept. Total	% Dept. Budget
Police	Overtime reduction 75,000 Elim. non-sworn positions 100,000	25,000		200,000	1.6%
Fire					0%
Library	Eliminate various part-time positions 105,269	Reduce various materials 130,810	Meeting room charges 26,000	262,079	11.1%
Recreation Services	9,901	Misc. reductions 53,400	Fee/revenue increases 166,000	229,301	7.4%
Economic Initiatives	Eliminate Special Events Mgr. 80,112	Eliminate General Fund support of 4 th of July event 40,000		120,112	25.4%
Community Dev.			Fee/revenue increases 200,000	200,000	17.9%
General Government	Transfer Council Asst. to Rec. Services Eliminate Communications Mgr. Replace both with Mgt. Analyst 29,076	Eliminate radio advertising , video production services 8,373		37,449	20.2%
Human Resources	Eliminate vacant HR Specialist 34,200	Eliminate Emp. Recognition 15,600		49,800	11.0%
Information Tech.					
Finance					
Adjust Cost Recovery from Other Funds			At FY 16 Mid-Year 101,259 Address in FY 17 400,000	101,259	
Business License Tax			Address in FY 17 1,000,000		
Totals				1,200,000	

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Scenario 3 – FY 16 Reductions Shared Among General Fund Departments

Department	Reductions in Personnel Expenses (Annualized)	Reductions in Other Expenses (Annualized)	Revenue Enhancements or Cost Recovery (Annualized)	Dept. Total	% Dept. Budget
Police	Eliminate (2) vacant sworn 177,380 Overtime reduction 50,000 Eliminate misc. non-sworn 100,000	For eliminated positions 20,000 Other expense reductions 25,000		372,380	3.1%
Fire	Eliminate (3) vacant firefighters (rolling brownout or establish quick response unit 266,124			266,124	2.9%
Library	Eliminate various part-time positions 50,000	Reduce various materials 43,257	Meeting room charges 26,000	119,257	5.1%
Recreation Services	9,901	Misc. reductions 48,950	Fee/revenue increases 100,000	158,851	5.1%
Economic Initiatives	Eliminate Special Events Mgr. 80,112	Eliminate General Fund support of 4 th of July event 40,000		120,112	25.4%
Community Dev.			Fee/revenue increases 100,000	100,000	8.9%
General Government	Transfer Council Asst. to Rec. Services Eliminate Communications Manager Replace both with Mgt. Analyst 29,076			29,076	15.7%
Human Resources	Eliminate vacant HR Specialist 34,200			32,400	7.2%
Information Tech.					
Finance					
Adjust Cost Recovery from Other Funds			Address in FY 17 500,000		
Business License Tax			Address in FY 17 1,000,000		
Totals				1,200,000	

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Items to be Addressed in the FY 17 Budget

Implement Personnel Class & Comp Study/Pay Plans	
Changes to charges for internal services (reduce charges to General Fund)	
Dog licenses	
Business license	
Library District	
Public Safety <ul style="list-style-type: none"> • Fire/EMS models • Regional Response 	
Sale of assets to benefit General Fund	
Reduce Airport grant matches	
Defer vehicle/equipment replacements	
Airport leases and use fees (reduce General Fund subsidy)	

Process for Budget Adjustments in Fiscal Years 2016 and 2017

09/01/15	Executive Session Liability Aspects of Service Level Reductions
09/08/15	Budget Reductions - Background and Approach
10/06/15	Presentations by General Fund Department Heads - Reductions in Expenditures, Revenue Enhancements, and Impacts to Services
10/22/15	Initial discussion of Budget Adjustments
November	PSPRS to Release Updated Actuarial Costs for Fiscal Year 2017
11/03/15	<i>Discussion of Budget Adjustments (continued) – this meeting</i>
11/10/15	Additional Discussion/Direction re Budget Adjustments
01/01/16	Fiscal Year 2016 Mid-Year Budget Adjustments Effective
January 2016	Fiscal Year 2017 Budget Process Begins – Additional Expenditure Reductions Required; Employee Classification, Compensation and Pay Plans to be Considered
June 2016	Adoption of the Fiscal Year 2017 Budget