

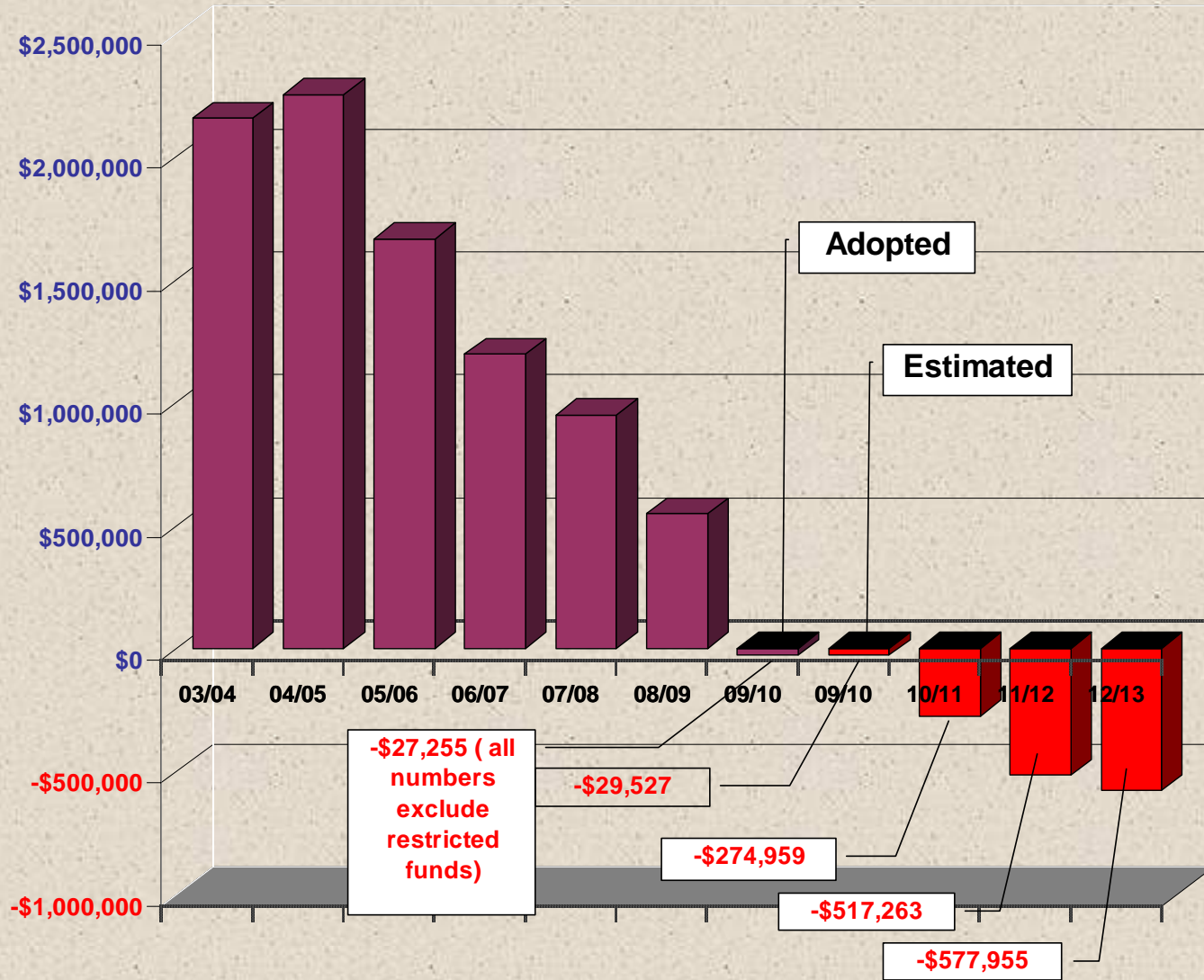
Transactions and Use Tax



January 13, 2010

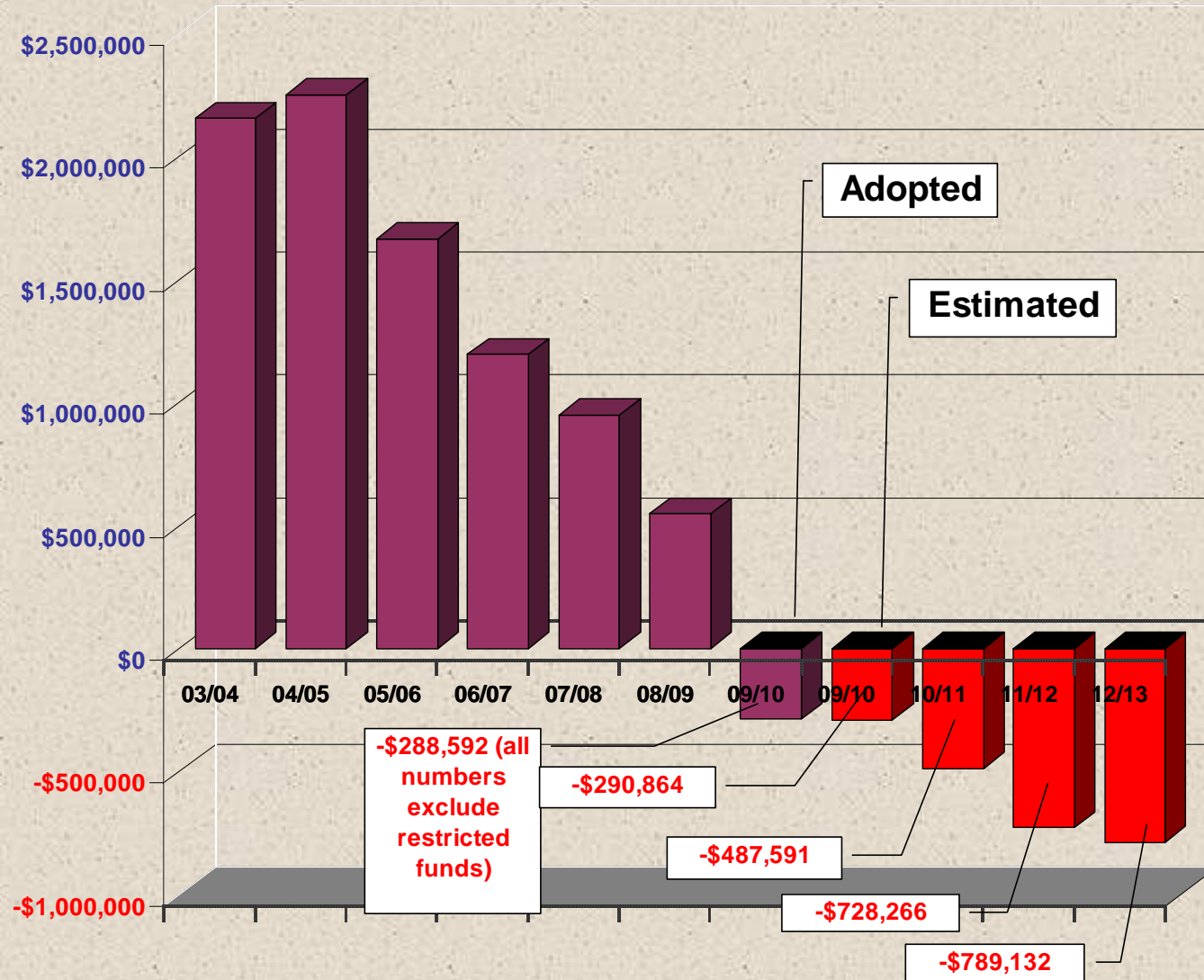
General Fund Balance Trend Analysis

FY 09-10 Mid-year Including Cost Savings Authorized by Council 01/06/10
(Does Not Include Reserve)



General Fund Balance Trend Analysis

FY 09-10 Mid-year Including Cost Savings Authorized by Council 01/06/10
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General Fund Structural Deficit

	FY 08-09 <u>Actual</u>	FY 09-10 <u>Adopted</u>	FY 09-10 <u>Estimated</u>
Sources	\$ 4,237,106	\$ 3,437,882	\$ 3,377,627
Expenditures	<u>4,467,414</u>	<u>3,968,381</u>	<u>4,035,990</u>
Structural Deficit	(\$ 230,308)	(\$ 530,499)	(\$ 658,363)*

*Increase in structural deficit caused by increased unemployment costs and leave bank cash outs for departing employees.

Major Causes - Ongoing Structural Deficit

Revenue Decrease from Highest Year 2000-2009

	<u>Amount</u>	<u>Percent</u>
Sales Tax Revenue	(650,000)	(40%)
Development Activity Revenue	(350,000)	(87%)
Transfer Tax Revenue	(230,000)	(79%)
Property Tax Revenue	<u>(90,000)</u>	(16%)
	\$ (1,270,000)	

Expenditure % Increase From Lowest Year 2000-2009*

CALPERS Retirement Costs Percent Increase

Police Sworn – Investment losses and enhanced benefits 44%

Miscellaneous Employees – Investment losses 20%

Health Care Cost Percent Increase 126%

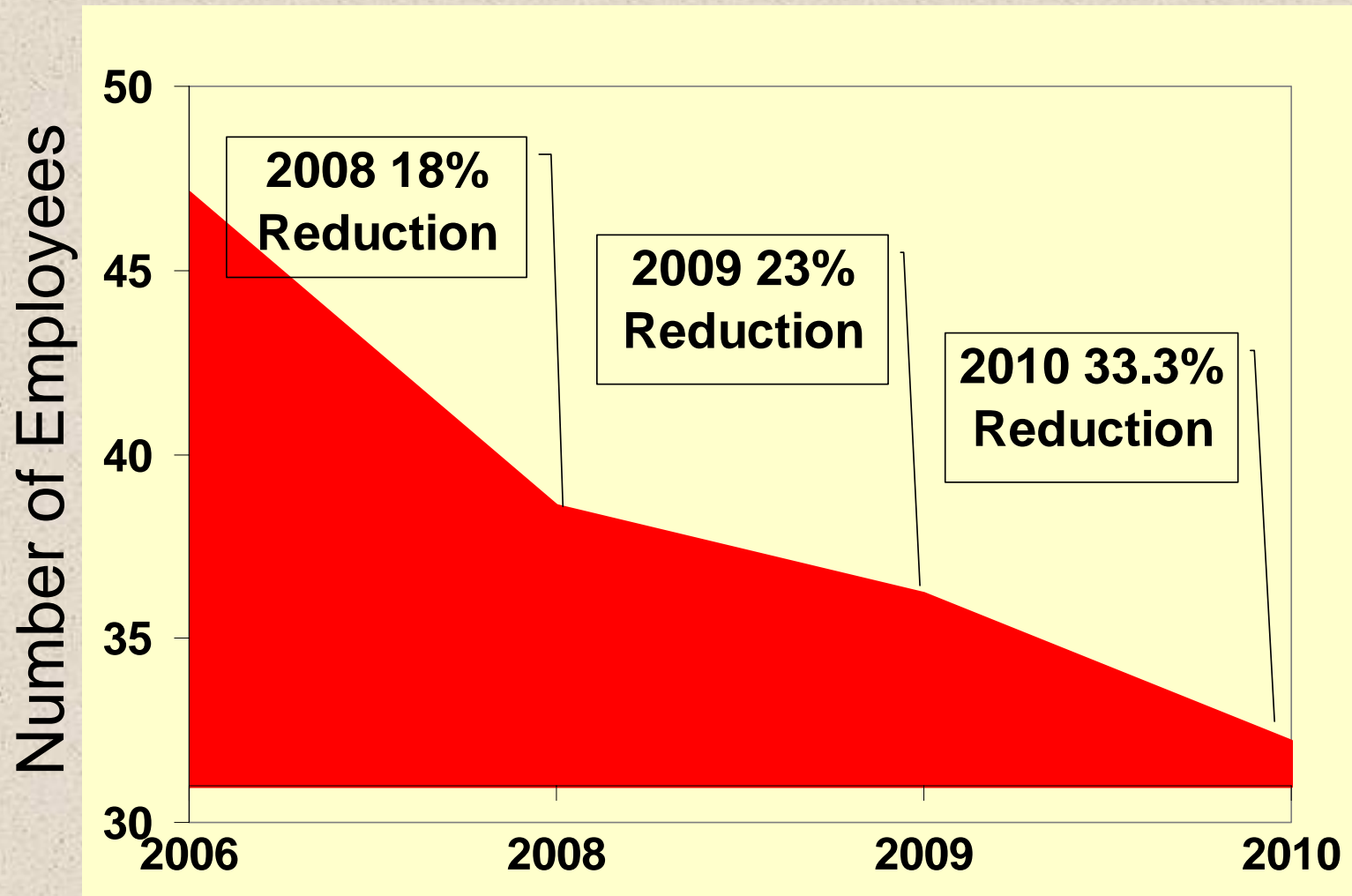
*Percent only shown as dollar amounts are also impacted by number of employees and salary increases.

Staffing Reductions By Department

	<i>2006-07</i>	<i>Jan 2010</i>	<i>% Change</i>
City Manager's Office	4.0 FTE	2.0 FTE	(-50%)
Administrative Services	3.67 FTE	3.0 FTE	(-18.3%)
Community Development	8.0 FTE	3.2 FTE	(-60%)
Public Works	8.0 FTE	7.0 FTE	(-12.5%)
Police Department	21.6 FTE	15.7 FTE	(-27.3%)
Recreation	1.03 FTE	0.0 FTE	(-100%)

Total Reduction of -33.3%

Staffing Reduction 2006 - 2010



Reductions to Date

Frozen positions:

- 4 Police Officers
- Maintenance Worker

Eliminated positions:

- Assistant City Manager
- Dispatcher
- Director of Building and Safety
- Planner
- Permit Technician

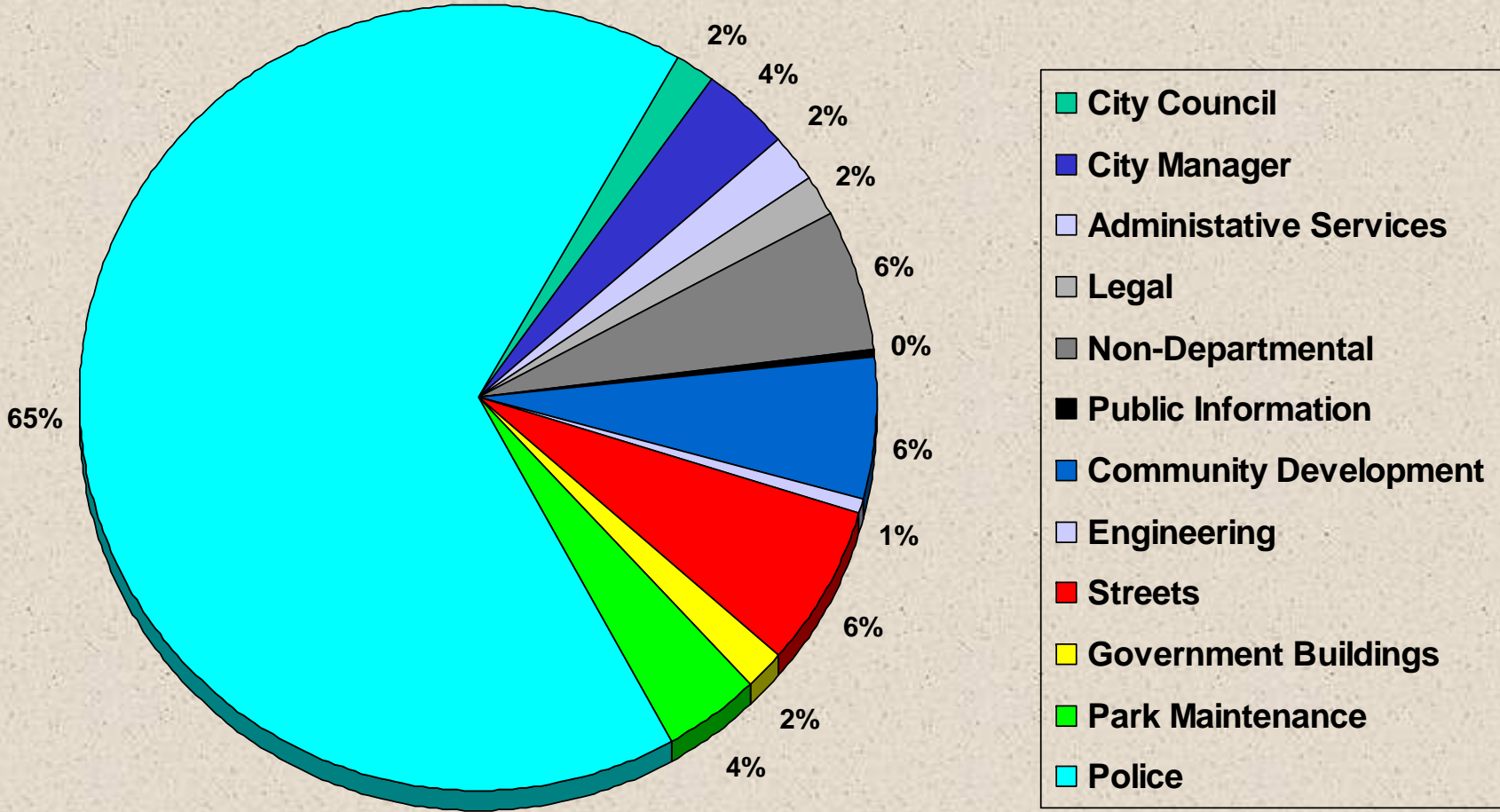
Reductions to Date (cont.)

Eliminated positions (cont.):

- Accountant
- Administrative Clerk
- Recreation Manager
- Recreation Assistant
- 60% reduction for Police Department Support Services Supervisor
- Police Services Aide
- Half-Time Dispatcher

33% Total Reduction

Expenditures by Department Adopted Budget FY 09-10



Remaining Staff Positions

City Manager's Office – 2 FTE's

- City Manager
- Deputy City Clerk

Administrative Services – 3 FTE's

- Director
- Accounting Specialist
- Account Clerk

Community Development – 3.2 FTE's

- Director
- Assistant Planner
- Administrative Secretary
- Building Official (1 day per week)

Remaining Staff Positions

Police Department – 15.7 FTE's

- (1) Part-time Police Chief
- (4) Sergeants
- (5) Officers
- (1) Part-time Records Supervisor
- (1) Part-time Community Services Officer
- (4.5) Dispatchers

Public Works – 7 FTE's

- City Engineer/ Public Works Director
- Engineering Technician
- Field Maintenance Supervisor
- (4) Maintenance Workers

Total: 30.9 FTE's

Reductions to Date (cont.)

Service reductions:

- Reduced maintenance in all City parks
- Reduced maintenance of all City facilities streets roads, landscaping and street trees

Voluntary Salary Reductions:

- 5% City-wide staff salary reduction (Feb – June 2009)
- 14 – 15% City-wide staff salary reduction (July – March 2010)
- 15% Management staff salary reduction (July 2009 - current)

Alternatives/ next steps

- Development of “Plan A” (budget plan with additional revenue); and
- Development of “Plan B” (budget plan *without* additional revenue)
- Various alternatives are being researched, including contracting for services with other agencies and consulting firms
- Recommendations will be presented to Council at a Budget Alternative meeting in February

Transactions and Use Tax

- 1/2 Cent
- 5-year 'sunset' (expires automatically)
- Impact:
 - \$0.50 on \$100 purchase
 - \$5.00 on \$1,000 purchase