

City of Brisbane
Agenda Report

To: City Council via City Manager
From: Administrative Services Director
Subject: FY 2009-2011 Budget
Date: May 18, 2009

Purpose:

Council should provide additional direction related to the upcoming two year budget.

Recommendation:

Discuss the issues outlined below and provide direction to staff so a budget can be adopted at the June 18, 2009 meeting.

Background:

May 3, 2009 - City Council received the Manager's preliminary budget and an overview of the 2 year budget as well as the four-year projection.

May 4, 2009 – City Council reviewed individual departmental budgets and requested more detail on line-item expenditures.

May 11, 2009 – Staff provided line-item detail and City Council reviewed the remaining departmental budgets.

Discussion:

Prior to adopting the budget, City Council requested a number of items be brought back for further consideration. The items requested were; an overview of meeting records including minutes and recordings, looking at the benefits of extending the Redevelopment Agency to downtown, reviewing the memberships the City has, and generally determining if there are other areas the budget could be reduced without directly impacting services received by the public.

Public Meeting Records

The table below shows the Commissions and Committees and how their meetings are documented.

Committee/ Commission	Who writes minutes	Type of Minutes	Recorded	Cost of Transcription	Cost of Videoing	Televised/DVD made
City Council	Transcriber	Complete	Yes	10,000	21,000	Yes/Yes
Planning Commission	Transcriber	Complete	Yes	7,570	11,500	Yes/Yes
Parks Beach and Recreation Commission	Transcriber	Action	Yes	2,000	0	No/Yes
Open Space and Ecology Committee	Transcriber	Complete	Only for transcription purposes	2,650	0	No/Yes
Youth Advisory Committee	Staff	Action	No	0	0	No/No
Traffic Advisory Committee	Staff	Action	No	0	0	No/No

The questions this chart raises are; do meetings (other than Council) which have a DVD made also need to have transcribed minutes? Or should only particular items which will be raised to the Council level on appeal have their minutes transcribed for the legal record?

Extending Redevelopment into Downtown

This issue was raised as a potential method for shifting the cost of park maintenance from the General Fund to the Redevelopment Agency. It would take over a year to complete the process of incorporating downtown into the Redevelopment Agency. Therefore, there would be no impact on our FY 2009-2011 budget; however, it may be beneficial in the long-term. Staff recommends having our Redevelopment Attorney, Lyn Hutchins; speak to the Council's Finance Subcommittee so a complete report with all of the facts can be presented to City Council. Projected timeline is 12 to 18 months and the projected cost is \$175 to 250k.

City Contributions and Memberships

On page p114 of the detail budget information lists most of the memberships and contributions the City makes. In addition to these we contribute to the School Districts \$104,900 (page p93) and the Chamber of Commerce \$20,400 (page p117). Two memberships brought up specifically were the Senior Ombudsman Program (\$5,000) and BayBio (\$500). Other discretionary memberships and contributions include Skyline Community College, Peninsula Conflict Resolution Center, Sustainable San Mateo County, San Mateo County Youth Summer Job program, and Bay Area Open Space Council.

Other Areas of the Budget

Based on Council's desire to lower the deficit, staff has reviewed the budget for further reductions. Three items can be reduced with little impact to the services the public receives. The first is the amount we budget for the City Attorney. As you see on page 105 the City Attorney only averages about \$108,000 a year. Staff suggests reducing the budget amount by \$35,000 which still leaves enough to cover some unusual cases. The reduction of salary means a reduction of PERS of \$5,000 as well for a total budget reduction of \$40,000.

The Police Department has a part-time clerical person to assist with records management and general office tasks. This position can be eliminated without impacting the service level the public receives. This would save an additional \$28,000 a year (page 123).

The final position which can be eliminated is the Public Works Intern (page 144). This position assists the engineers with Geographic Information. The position is an outgrowth of the summer internship program. Eliminating this position will save about \$16,000 a year.

Combined these three personnel changes will save the City about \$84,000 a year without a notable impact to the service the public receives.

Staff recommends the City Council give direction on these four areas and provides any other policy guidance as it relates to the budget. Staff would then work with the Finance Committee to develop a revised budget for Council approval on June 15th.

Future Planning

Council has been provided a draft future organizational chart which shows the elimination of several positions through attrition and retirement. The draft is flexible but the reduction of personnel will roll out methodically with full reduction in force (RIF) by 2013. Management and employees are developing plans to address maintenance of current service levels with the new organization. This is a challenging project but one we have confidence in meeting though we cannot demonstrate specifics at this time.

Council has raised concerns over what would be the priorities of service if our economic situation worsened beyond the projections in the current 4 year outlook. This could happen from a deeper national economic recession, stag-flation or depression. It could also come from a local event such as a major tax payer moving, going out of business or losing a major market share. Finally, a natural disaster could cause severe loss of revenue potentially over a long period of time (Katrina being an example).

To address this it is recommended that the staff undertake a process to identify "core" city services. These may include legal mandates such as the permit stream lining process, federal, state and local permit requirements in water, sewer, storm drain etc. It may also address long term cost of delaying or defraying maintenance of public facilities with road systems being a prime example.

Additionally on top of “core” services we could identify options to provide service at a reduced level. Many of these might be seen as radical surgery. What this process may do is assist the City in developing contingency plans for “worsen” case scenarios.

We may also identify through this process a trigger for using reserve funds. One approach may be that if reserves fall below X% then certain reductions in services trigger in.

Fiscal Impact:

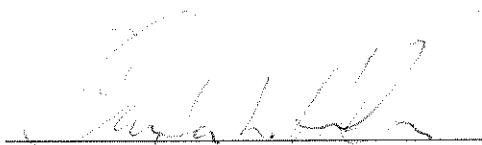
Currently, the City is projected to use \$815,000 of General Fund Fund Balance. With the reductions shown tonight the City would use \$731,000. Over four years these reductions will mean the General Fund Fund Balance has an additional \$320,000. The balance in FY 2012/13 would be \$4,000,000 not including the \$3,700,000 in the Rainy Day Fund. With revised expenditures below \$14.3 million our combined Fund Balance will still be greater than 50%.

Measure of Success

The measure of success for the budget is whether it meets the goals and values of the community. Council has begun the process of creating a value based budget one aspect of which will be a public survey done in the fall. The results of the survey will help determine if the budget meets our values.



Administrative Services Director



City Manager