



Meeting Date: 6/9/09

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s) _____	<input checked="" type="checkbox"/> Report
<input type="checkbox"/> Res. No(s) _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: James Cameron Agenda Item No. 0-1

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other (Specify) _____

DATE: June 2, 2009

TO: City Council

FROM: James Cameron [Signature]
Chief Financial Officer

SUBJECT: FY 2009-2010 Budget Savings Alternatives

Recommendation

That City Council provide direction to staff based on the Fiscal Year 2009-2010 Budget Savings Alternatives.

Discussion

Staff will be presenting revenue projections based on the recent economic trends and options for responding to the negative impact of the current recession on the FY 2009-10 budget. While the focus will be on the general fund, proposed savings will be applied to other major funds as well, including enterprise funds.

The current economic recession is projected to have a \$10.2 million impact on general fund revenues next fiscal year. This projection represents a cumulative 9.2% revenue shortfall, including a 6.6% decline in revenues this fiscal year, with an additional 2.1% decline for FY 2009-10. While the economy is anticipated to continue to decline through most of next fiscal year, indications are that the decline will be moderate over the next 12 months. Revenues in fiscal year 2010-11 are projected to be flat overall with no overall economic recovery anticipated.

The attached alternatives were developed from a combination of sources. First, City employees responded to the Council's request for ideas to balance the City budget with more than 400 ideas. Many of these included procedural changes that are being implemented even though it is difficult to determine the exact savings. Several are presented today in the list of alternatives, while many more will continue to be evaluated for longer term savings.

Second, each department was asked to look at their procedures and functions to identify potential savings. This review resulted in approximately \$3.7 million in ideas for Council review. The employee suggestions provided a good starting point for the departments' efforts. In addition to

identifying savings alternatives, today's presentation includes recommendations to resolve several systemic deficits that have accrued over several years.

Financial Impact

The options presented today are anticipated to generate in excess of \$10 million in savings.

Attachment 1 – Fiscal Year 2009-2010 General Fund Budget Savings Ideas

Note: Attachment #1 - Fiscal Year 2009-2010 General Fund Budget Savings Ideas - has been provided to City Council under separate cover. Copies for review are available at the Circulation Desk in the Library after 6:00 p.m. on Thursday prior to the Council meeting and in the City Clerk's Office after 8:00 a.m. on Friday prior to the Council meeting.