



City of Torrance and Redevelopment Agency Joint Budget Workshop

Public Hearing Budget Workshop

2010-11 Operating Budget

Purpose of the Budget Workshop

- ▶ Last June Council Adopted a balanced two-year Operating Budget for 2009–2010 and 2010–2011 fiscal years
 - ▶ Proposed changes to 2010–11 Fiscal Year to rebalance
 - ▶ Concurrent with Redevelopment Agency as rebalancing proposals include changes to RDA budget
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Purpose of the Budget Workshop (cont'd)

- ▶ Workshops/Hearings
 - May 25 & June 15th
 - Option for Special Meeting June 9 or June 10th

What Happened 2009–10

- ▶ Economy – Recession
- ▶ Two Major Revenue Sources
 - Consumer Based
 - Utility User's Tax – (Natural Gas)
 - Sales Tax
- ▶ Revenue data for the holiday sales reported by the State in late April 2010 and awaiting other quarterly data to reinforce 2010–11 revenue forecast.

Utility Users Tax

Description	07-08 Actual	08-09 Actual	09-10 Projected	2010-11 Proposed Budget
Electricity	\$14,998,404	\$14,923,918	\$14,500,000	\$14,700,000
Gas:				
Refineries	6,278,059	3,838,383	3,900,000	4,000,000
Other	3,157,036	2,683,678	2,600,000	2,700,000
Water	1,479,066	1,720,983	1,900,000	2,000,000
Cable	1,630,728	1,632,683	1,700,000	1,800,000
Telecom/Cellular	8,251,855	8,418,282	8,700,000	9,200,000
Totals	\$35,795,148	\$33,217,927	\$33,300,000	\$34,400,000

Top Ten Sales Tax Economic Segments

	2007/04	2008/04	2009/04
Auto Sales–New	\$7,364,517	\$6,044,081	\$4,955,941
Department Stores	5,079,736	4,718,586	4,210,801
Restaurants	3,705,524	3,659,107	3,405,943
Misc. Retail	3,476,261	3,377,678	2,895,047
Furniture/Appliance	2,671,553	2,144,652	1,676,062
Leasing	2,488,658	2,530,350	2,241,545
Apparel Stores	2,355,156	2,198,095	2,054,621
Service Stations	2,138,766	2,374,031	1,837,518
Bldg. Matls–Retail	1,999,633	1,635,506	1,418,791
Office Equipment	1,307,688	1,197,754	915,323

Major Revenues- General Fund
Actual (millions)

Description	07-08 Actual	08-09 Actual	09-10 (est.)	2010-11 Projecte d	% Growth
Property Tax	\$37.6	\$39.2	\$41.0	\$42.8	4.4%
Sales Tax	42.9	39.3	33.2	34.5	3.9
Utility User Tax	35.8	33.2	33.3	34.4	3.3
Occupancy Tax	7.9	6.9	7.8	8.0	2.6
Business License	7.9	8.0	8.2	8.5	3.7
Franchise Tax	5.4	5.7	6.4	6.8	6.3
Investment Earnings	5.8	6.0	3.4	3.4	0.0
Total	143.3	\$138.3	\$133.3	\$138.4	
% Change previous Year		<3.5% >	<3.6% >	3.8%	
% of General Fund	84.9%	84.8%	80.6%	82.2%	

**General Fund
Budget (millions)**

Description	2009-10 Adopted Budget	2010-11 Original Budget	2010-11 Revised Budget	2010-11 Budget Reduction
Property Tax	\$40.9	\$42.6	\$42.4	<\$0.2>
Sales Tax	38.7	40.6	34.2	<6.4>
Utility User Tax	36.5	37.6	36.6	<1.0>
Occupancy Tax	8.3	9.0	8.5	<0.5>
Business License	8.3	8.5	8.5	-
Franchise Tax	6.4	6.5	6.4	<0.1>
Investment Earnings	4.4	4.5	3.5	<1.0>
Charges for Svc, Transfers and other revenues	28.3	28.2	28.5	0.3
Total	\$171.8	\$177.5	\$168.5	<\$8.9>

Summary of Recommended Balancing Options

Projected Budget Deficit		<\$8,900,000>
Non-expansion of wages and materials 2009-10	\$1,500,000	
Non-expansion of wages and materials 2010-11	2,250,000	
Deficit after use of Reserves		<\$5,150,000>
PERS Contribution	630,000	
Public Safety	928,500	
Positions Reductions	1,427,500	
Operational Efficiencies	806,500	

Summary of Recommended Balancing Options

Program Reductions	27,000	
Employee suggestions	223,500	
Additional Fees	177,000	
Internal Adjustments	580,000	
Energy Investments	350,000	
Total		\$5,150,000
Other Balancing Options	541,000	

Public Employees Retirement System Contribution

▶ Fire	\$125,000
▶ Police	125,000
▶ General Employees	<u>380,000</u>
Total PERS	\$630,000

Public Safety

Police:

- ▶ Armed Forces Day \$30,000
- ▶ Reduction of department overtime 150,000
- ▶ Elimination of one Police vehicle 13,000
- ▶ Reduction in Animal Control Contract 5,000
- ▶ Honda vehicle donation 34,000

Fire:

- ▶ 2.0 driver/Aides to fill vacancies 357,000
- ▶ Admin Bat. Chief to non sworn 150,000
- ▶ Admin. Fire Captain to non sworn 160,000

Public Safety

(cont'd)

Fire:

▶ Reduce overtime for 4 th of July	\$10,000
▶ Fire Service Day	11,000
▶ Extend non-emergency vehicle life	<u>8,500</u>
Total Public Safety	\$928,500

Non Safety Position Reductions (19.8 FTE's)

City Attorney's Office:

- ▶ 0.5 deputy City Attorney I \$62,000
- ▶ 1.0 Legal Secretary 89,500

Community Development Department:

- ▶ 0.5 Public Works Inspector 60,500
- ▶ 1.0 Building Inspector 111,000
- ▶ 1.0 Engineering Technician 85,000
- ▶ 1.0 Building Permit Technician 81,500

Community Services Department:

- ▶ 1.0 Typist Clerk 65,000
- ▶ 1.0 Library Assistant I 71,000
- ▶ 0.7 Sr. Recreation Leader 19,500

Non Safety Position Reductions (cont'd)

Community Services & Public Works Department:

▶ 1.6 Maintenance Workers (CS)	\$104,160
▶ 1.0 Cement Finisher (PW)	94,700
▶ 1.0 Equip Operator (PW)	83,900
▶ 1.0 Maintenance Worker (PW)	65,100
▶ 2.0 Maintenance Worker (PW Streetscape)	130,200
▶ Temporary Summer Mowing hires	(112,060)
▶ Artesia Mowing Contract	(20,000)

Finance Department:

▶ 1.0 Account Clerk	77,000
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General Services Department:

▶ 1.0 Senior Custodian	83,500
▶ 1.0 Central Services Coordinator	99,000

Human Resources:

▶ 1.0 Senior Administrative Assistant	95,000
▶ 1.0 Personnel Technician	82,000

Total Non Safety Position Reductions	\$1,427,500
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Operational Efficiencies

City Manager's Office:

- ▶ Postage savings phasing in Season's magazine to online only \$29,000

Communication and Information Technology:

- ▶ Server consolidation project 55,000
- ▶ Extend PC replacement cycle 92,500
- ▶ Extend the telephone and network cable replacement cycle 147,000

Operational Efficiencies (cont'd)

Communications and Information Technology (cont'd):

- ▶ Budget reduction for Data Communications 7,000
- ▶ Reduction in telephone system maintenance (new phone system) 110,000

Community Development:

- ▶ Traffic calming budget reallocation to General Fund 150,000

Operational Efficiencies (cont'd)

Community Development (cont'd):

- ▶ 20 % Reallocation of the Housing Supervisor position to the Section 8 Housing program 20,000
- ▶ Reduction of overtime 10,000
- ▶ Reallocation of positions to the Redevelopment program 50,000

Operational Efficiencies (cont'd)

Community Services:

- ▶ Realignment of supply room functions 16,000
- ▶ Combination of registration and information desks 11,000

Finance Department:

- ▶ Reduction of department overtime 14,000

Operational Efficiencies (cont'd)

General Services:

- ▶ Energy saving from the Energy Efficiency and Conservation Block Grant 45,000

Human Resources:

- ▶ Reallocation of Worker's Comp examiner and reduction of department overtime 50,000

Total Operational Efficiencies **\$806,500**

Program Reductions

▶ Eliminate Wild Wednesdays (covers three Wednesdays in summer)	\$13,000
▶ End support for portable restrooms at school sites (option seek reimbursement from non profits)	<u>14,000</u>
Total Program Reductions	\$27,000

Employee Suggestions

- ▶ Hold City Yard Open House every other year \$25,000
- ▶ Eliminate Employee Service Award Dinner 10,000
- ▶ Info Bits – Post on TEN, eliminate printing 12,000
- ▶ Eliminate mailing of Annual Benefits summary statement 500

Employee Suggestions (cont'd)

▶ Eliminate pre-council meeting expenses	\$4,500
▶ Reduce/eliminate color printing	5,000
▶ Employee energy conservation	25,000
▶ Discontinue Rose Parade Float	132,000
▶ Eliminate Manager's workshop	<u>9,500</u>
Total Employee Suggestions	\$223,500

Additional Fees (Revenue's)

▶ Increase class fees (based on market study)	\$152,000
▶ Increase picnic fees at additional parks	10,000
▶ DVD rental and late fees	<u>15,000</u>
Total Additional Fees (Revenue's)	\$177,000

Internal Adjustments

▶ Defer increase to Self Insurance Fund	\$300,000
▶ Advanced Life Support without paramedic escort	<u>280,000</u>
Total Internal Adjustments	\$580,000

Energy Investment

▶ Energy savings from projects (Requires 2.9M in capital)	<u>\$350,000</u>
Total Energy savings from projects	\$350,000

Sources of One Time Monies

▶ RDA Downtown loan repayment	\$2,000,000
▶ Telephone replacement	500,000
▶ Early conversion of non-sworn positions in Police	<u>300,000</u>
Total Sources of One Time Monies	\$2,800,000

Alternate Program Reduction

▶ Concert in the Park	\$25,000
▶ Library Hours Close (4) Sundays	12,000
▶ Oodles of Noodles	16,500
▶ Reduce Park Patrols	17,000
▶ Summer Musical	63,000
▶ 4 th of July	
Community Services	50,000
Police overtime	65,000
▶ Aquacade	7,500
▶ Halloween Carnival	5,500
▶ Environmental Fair	6,500
▶ Community non-profit grant 50%	20,000
▶ Reduce Gen. Fund Subsidy to Parks	100,000

Alternate Program Reduction (cont'd)

- ▶ Eliminate the refuse services
 - low income exemption for seniors 79,000
 - ▶ Recover utilities for park facility usage 74,000
- Total** **\$541,000**

Additional Areas to Explore

Additional Options:

▶ Conversion of overtime in Fire from 2.1 to 1.5	\$110,000
▶ Restrict the maximum of comp time in Fire to 144 hrs	53,000
▶ Revisit how the City treats overtime in Fire for Fair Labor Standards	<u>100,000</u>
Total	\$263,000
▶ Delay of January 2011 raises by 6 months (police)	730,000
▶ Delay of January 2011 raises by 6 months (fire)	430,000

Questions from Council

Questions from the Public



City Council

- ▶ Direction to staff for follow-up

Timeline

- ▶ 1st Budget Hearing/ Workshop
 - May 25th
- ▶ 2nd Budget Hearing/Workshop
 - Wednesday June 9th
 - Thursday June 10th
- ▶ Adoption of budget changes to the 2010–11 operating budget
 - June 15th