

**SUPPLEMENTAL #1**

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

Members of the Council:

**Subject:** Finance – Supplemental Information to Item 13A

The following changes are made to item 13A in ~~strikeout~~ and in **bold**.

Council Meeting of  
June 7, 2010

PUBLIC HEARING

(Companion Item to Redevelopment Agency Item 5A)

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

Members of the Council:

**Subject** Finance – Continue 1st public hearing/budget workshop on proposed budget revisions for second year of the City's two-year 2009-2011 operating budget

RECOMMENDATION

Recommendation of the City Manager and the Finance Director that Council continue the 1st public hearing/budget workshop on the proposed budget revisions for the second year of the City's two-year 2009-11 operating budget and hold the second public hearing on June 15, 2010. (Companion Item to Redevelopment Agency Item 5A.)

BACKGROUND/ANALYSIS

This public hearing was advertised and scheduled for the Council meeting this evening. This is a continuation of the first of two public hearings/budget workshops scheduled for the 2<sup>nd</sup> year of the 2009-11 operating budget. At the public hearing/budget workshop held on May 25, 2010, your Honorable Body had the opportunity to review the City Manager's proposed budget, and hear from the public regarding their concerns related to the proposed budget. Staff was directed to return with follow up items raised during the budget discussion. The materials this evening includes input received from members of the public, additional employee suggestions, research related to public pension benefits, as well as responses to inquiries specific to the proposed budget.

The City Manager has gathered information related to the specific questions raised at the first workshop and contacted all employee organizations to solicit any alternative budget reductions.

*Have these questions led to modification in the City Manager's recommendations?*

Our meeting with a joint group of general employee organizations resulted in a proposal to set aside recommended position reductions and offset the funding with a proposal to close City offices between Christmas and New Years funded through employee paid-time off balance, to charge positions to non-GF sources and to raise a series of fees. Please see Attachment E for comments from the general employee groups. There have also been meetings with the Torrance Police Officers Association and Torrance Fire Fighters Association. TFFA proposed an alternative package in-lieu of what was originally recommended by the City Manager. This included changes to hiring procedure for firefighters to require Paramedic Certificate, reinstatement of the HazMat Team to 9 members with 7% premium through attrition, and the elimination of the HazMat Analyst position represented by the Engineers Association. Please see TFFA's proposal included at Attachment B. TPOA proposed an alternative option to address the PERS employee contribution by proposing to defer the upcoming Jan. 2011 raise by one month and requested that employees be credited with 8 hours of administrative leave or compensatory time off. Please see TPOA's proposal included as Attachment C.

The City Manager is appreciative of the rapid follow up by our department heads and for the willingness of our employee organizations to explore alternatives.

Since the first budget workshop and based on additional information from the departments and other sources the City Manager has made modifications to his original recommendations as stated below in bold.

These modifications continue to result in a balanced budget for 2010/11 and meets the criterion of minimizing impact to services provided to our citizens, avoidance of impact to employees and use of our limited reserves only where it bridges to the implementation of ongoing budget reductions.

**Decision Making Elements for the City Council**

It is recommended that the City Council approach the budget through assessing individual budget decision packages. The decisions made within each of these packages will arrive at a dollar modification to the recommended budget. This will set the dollar adjustment required to the overall budget from the alternatives identified to remain balanced.

All of the proposed budget reductions are placed in the following categories:

- **Elements with least negative impacts to program and services (Group A) ----- \$2,307,500**  
**\$6,189,500**
- Position Reductions with related program reductions – Non Safety (Group B) ----- \$1,338,000**  
**\$1,415,200**

**Sources of One-Time Monies (Group G) -----**

**\$4,540,000**



• Energy efficiency savings from City of Portland plants and City of Portland employees who conserve water conservatively (City of Portland plant employees)	\$2,000,000
• City of Portland Group A purchase of Amtrak (City of Portland)	\$1,000,000
• The City of Portland reduction of 10% of the City of Portland employees (City of Portland)	\$1,000,000
• The 5 weeks Day - City of Portland City of Portland employees (City of Portland)	\$1,000,000
• Federal non-emergency Federal employees per year (City of Portland)	\$1,000,000
• Discontinue the Rose Trade Show (City of Portland)	\$1,000,000
• <b>Street sweeping – elimination of night shift route -----</b>	<b>\$14,000</b>

**Group B --Position Reductions with related program reductions – Non Safety ---- \$1,145,200**  
**\$1,415,200**

*With City Manager Recommended modification (in bold)*

• 1 Deputy City Assessor (City of Portland)	\$100,000
• 2 Under-Billing Support (City of Portland)	\$100,000
• 1 Under-Billing Senior Management Associate at City's Office (City of Portland)	\$100,000
• 1 Legal Secretary (City of Portland)	\$90,000
• 1 People Worker (Personnel) (City of Portland)	\$100,000
• (See Jordan for Future use of other City of Portland)	
• 1 Building Inspector (City of Portland)	\$100,000
• 1 Engineering Technician (City of Portland)	\$100,000
• 1 Planning Information Systems (City of Portland)	\$100,000
• 1 Field Office (City of Portland)	\$100,000
• 1 Senior Information Systems (City of Portland)	\$100,000
• 1 Mayor Assistant (City of Portland)	\$100,000
• 13 Maintenance workers (City of Portland)	\$100,000
• 1 Camera Operator (PWT) (City of Portland)	\$100,000
• 1 Reporter (City of Portland) (PWT) (City of Portland)	\$100,000
• 1 Maintenance Worker (PWT) (City of Portland)	\$100,000
• 2 Maintenance Workers (PWT) (City of Portland)	\$100,000
• To be finished program	
• 1 Account Clerk (City of Portland)	\$100,000
• 1 Senior Field Staff (City of Portland)	\$100,000
• 1 Central Services Coordinator (City of Portland)	\$100,000
• 1 Senior Administration Assistant (City of Portland)	\$100,000
• 1 Personnel Technician (City of Portland)	\$100,000

**Group C --Recommended Fire Department Reductions ----- \$1,000,000**  
*No City Manager Recommended modification*

• 1 Fire Area Chief (Operations) (City of Portland)	\$100,000
• Admin. Battalion Chief (Operations) (City of Portland)	\$100,000
• Admin. Fire District Chief (Operations) (City of Portland)	\$100,000

**Group D --Program Savings - Barnhart ----- \$1,000,000**



**Group F – Required Use of One-Time Monies** ----- \$4,111,000

*With City Manager Recommended modification (in bold)*

- 1 Public Works Inspector (Current \$17,000 to \$18,000) ----- \$10,000
- 1 Equipment Operator ----- \$8,000
- 1 Senior Dispatcher ----- \$21,000
- 1 Central Business Coordinator ----- \$4,000
- 1 Admin. Battalion Chief (moved to the new position) ----- \$4,000
- Admin. Title Captain to maintain the new position ----- \$13,000
- Energy audits for projects ----- \$1,000
- Use 1% PERS employer contribution for new hires ----- \$1,000
- Divest 1% employer contribution for new hires ----- \$1,000
- Miscellaneous 1% employer contribution for new hires ----- \$1,000

**Group G – Sources of One-Time Monies** ----- **\$4,540,000**

*With City Manager Recommended modification (in bold)*

- PDA Development and payment ----- \$1,500,000
- **Reallocation of capital budget** ----- **\$1,200,000**  
**\$1,500,000**
- Telephone equipment ----- \$100,000
- Police Dept. to an early withdrawal of new hires profits ----- \$100,000
- TFFA overall paramedic overall transfer of 2000-2001 to 2009-2010 ----- \$1,240,000

Responses to the questions that were raised during the May 25, 2010 budget hearing are included in this item as Attachment D.

Your Honorable Body has before it the City Manager's recommended modifications to the 2<sup>nd</sup> year of the 2009 – 2011 two year budget and a strategy to phase in a series of personnel and compensation reductions. You have also been given alternative program and other possible reductions. It is requested that the City Council receive community input and provide the City Manager with its directions for the preparation of a budget document to be returned to you for a final review, modification and adoption at the conclusion of the June 15, 2010 second budget hearing.

Respectfully submitted,



LeRoy J. Jackson  
City Manager

Attachments

- A. Council Item 13A – City Manager's Proposed Modifications to the 2010/11 Fiscal Year Budget (May 25, 2010)
- B. Alternate proposal by TFFA/TFCOA

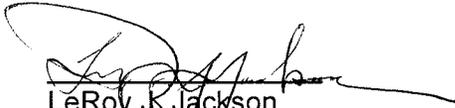
- C. Letter from TPOA President
- D. Follow up material since May 25 budget meeting
- E. Budget strategies from employee groups
- F. Season's Newsletter and Magazine Transition Plan
- G. Letter from Fiesta Floats regarding the Rose Parade Float
- H. Fee increases for Community Services
- I. Utility Recover for park usage
- J. Vendor Contracts
- K. Take Home Vehicles
- L. City's with two-tier PERS formulas
- M. Survey of Employee's share of PERS contribution
- N. Letter from the Chief of Police
- O. Long Beach survey of statewide budget strategies
- P. Article on statewide pension reform
- Q. Public Comments

Respectfully submitted,



Eric E. Tsao  
Finance Director

CONCUR:



LeRoy J. Jackson  
City Manager