



Fiscal Year 2010-2011 Budget Workshop

May 11, 2010

Agenda

Introduction

–Overview

–Background

–City Manager Message

City Manager

FY 10-11 Preliminary General Fund Budget

Finance Director

Instructions and Demonstration of Voting Device

Finance Director

Public Comment

Community

Closing Remarks

City Manager

City Council Comments and Direction

City Council

Background

- In 2004 City Council goals were public safety, technology, fiscal clarity, community engagement and image
- In 2005 the City Council added the overarching goal of fiscal sustainability with **a focus on the General Fund**
- In 2006 National City reached a severe financial fork in the road – survive or thrive was the question
- Citizens and businesses responded by supporting a secure temporary tax of 1% to create a city total of 2%* (+ state/county 7.75%)

Background

- In 2007 we completed our 5 – Year Strategic Plan and began implementing it - As a result National City is a vibrant and safer place
- In 2008 after four consecutive years of saving money we built our emergency reserves to a high of \$9 million from \$4.2 million in 2005
- In 2009 with the economy heading downward and costs rising we used \$1.5 million in reserve funds to balance the budget
- Maintenance of high service levels, particularly in public safety was the policy directive of that budget cycle

Background

- On January 30th, 2010 we held a community budget workshop to review our priorities and our financial position
- We reviewed impacts in our budget created by the worst economic environment in over 50 years
- Staff provided CARE ideas, financial trending and short term recommendations to close the **FY 09/10** estimated budget gap of \$ 3.3 million (at midyear)
- Today we are at another financial fork in the road that requires immediate action and more community engagement

Background

- To date we have had 5 financial presentations for City Council and community
- Assistant City Manager and City Manager have met with all 7 Neighborhood Councils
- Have held discussions with 3 Labor Groups in National City (FFA, MEA, POA)
- Following this meeting – we will have discussions with every department to further communicate our situation

City Manager Message

- My message to the City Council and organization is blunt – We must again cut expenses
- We must look at the impacts of both short term decisions and long term decisions
- The option of no cuts is not a prudent one and a one year option at best
- With this as a backdrop we are framing this interactive exercise with citizens as **program and service cuts**
- This is intended to be a *Budget Guide* for the City Council

Overview of Interactive Process

- We will provide budget information and the amount we are targeting to save (approximately \$5 to \$7 million dollars)
- We will make assumptions that a tax increase is not an option and that the using the contingency reserve is limited
- We will structure questions as follows:
 Maintain Reduce Eliminate
- We will try to define the dollars saved by the recommendations as well as the potential service impacts/consequences
- We will begin with the largest programs and functions

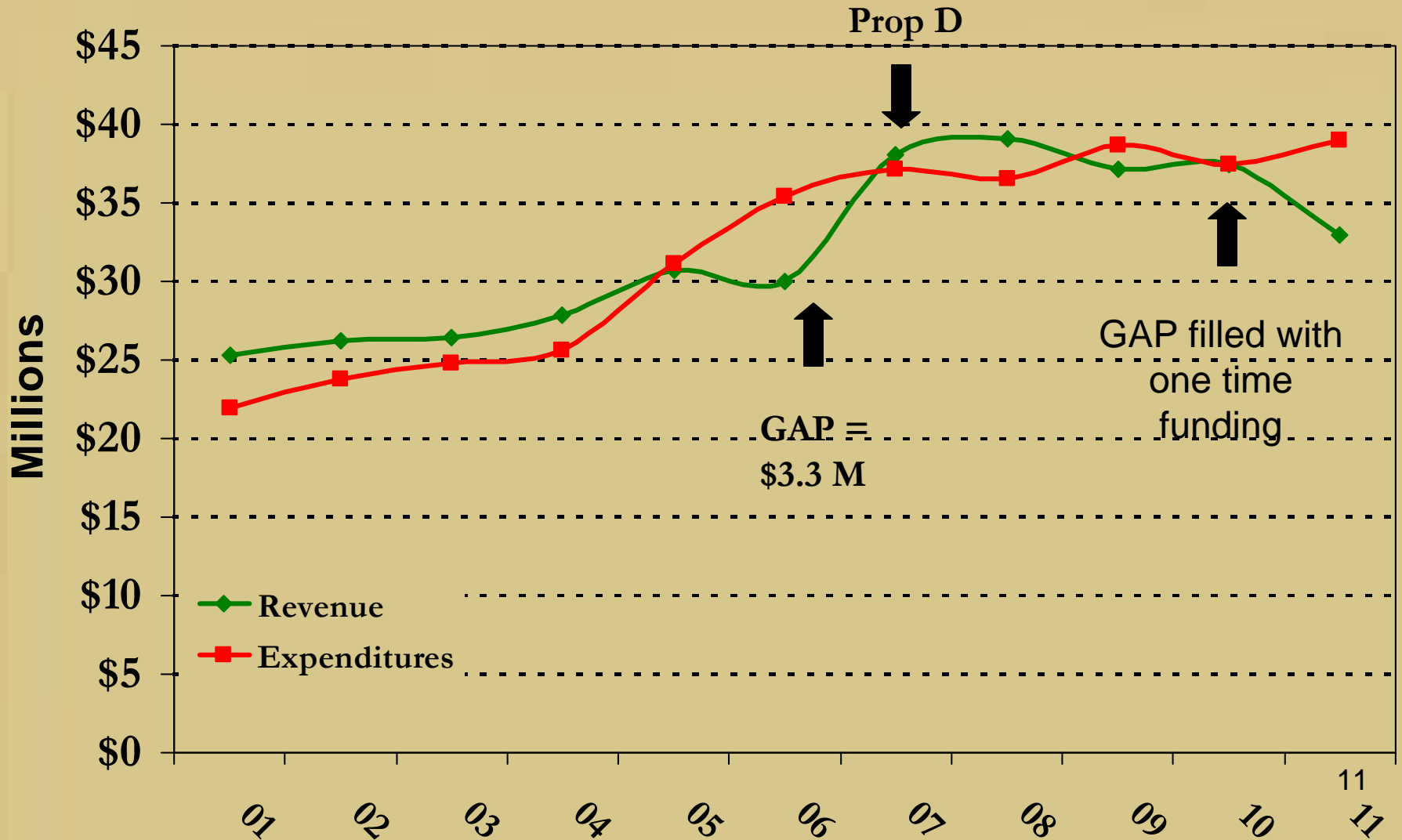
General Fund Revenue & Expense Review

FY 10-11 Preliminary General Fund

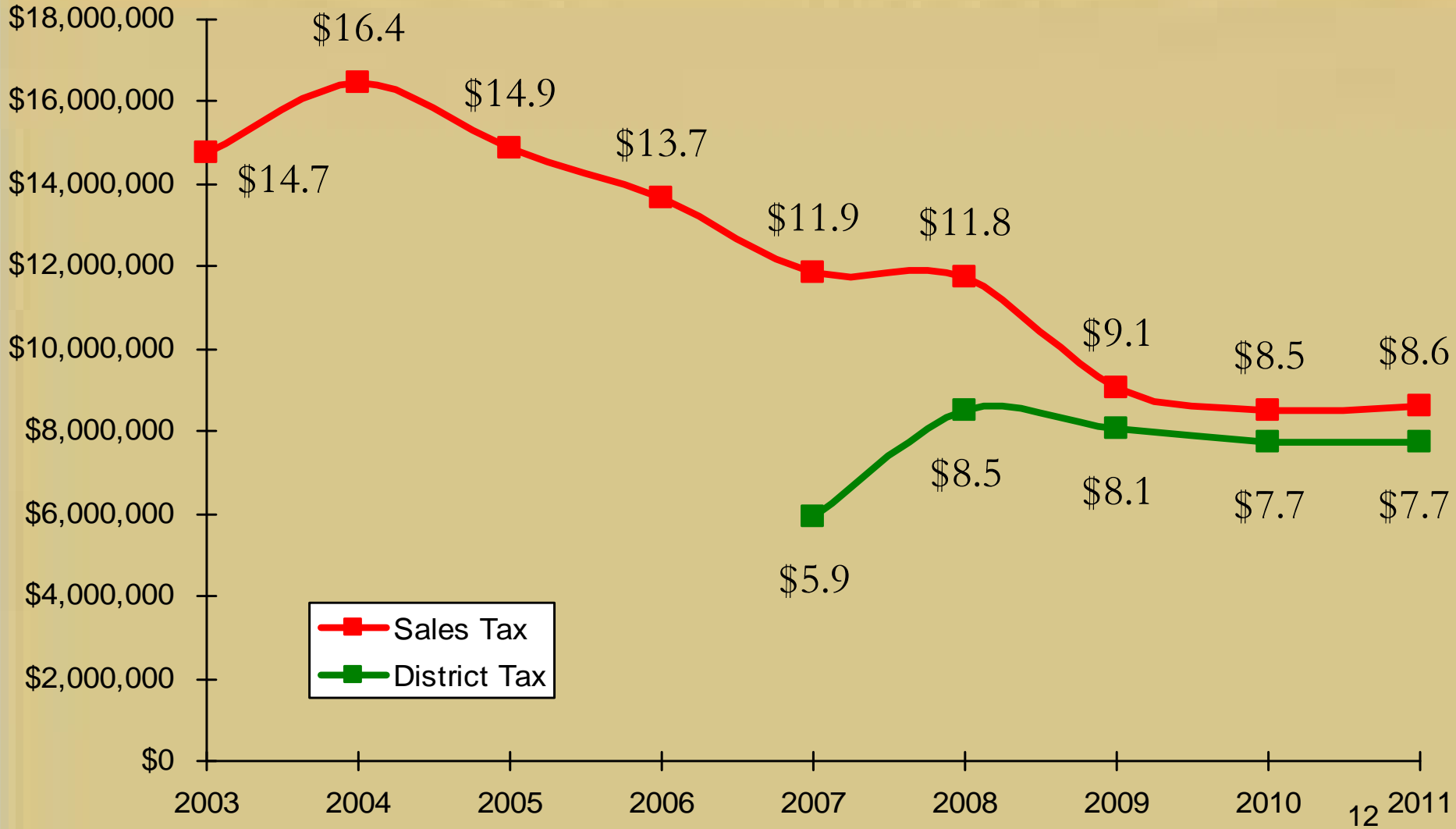
Estimated Revenues	\$ 32.6 million
Expenditures	\$ (39.3 million)
Surplus/Deficit	<hr/> \$ (6.7 million)

General Fund

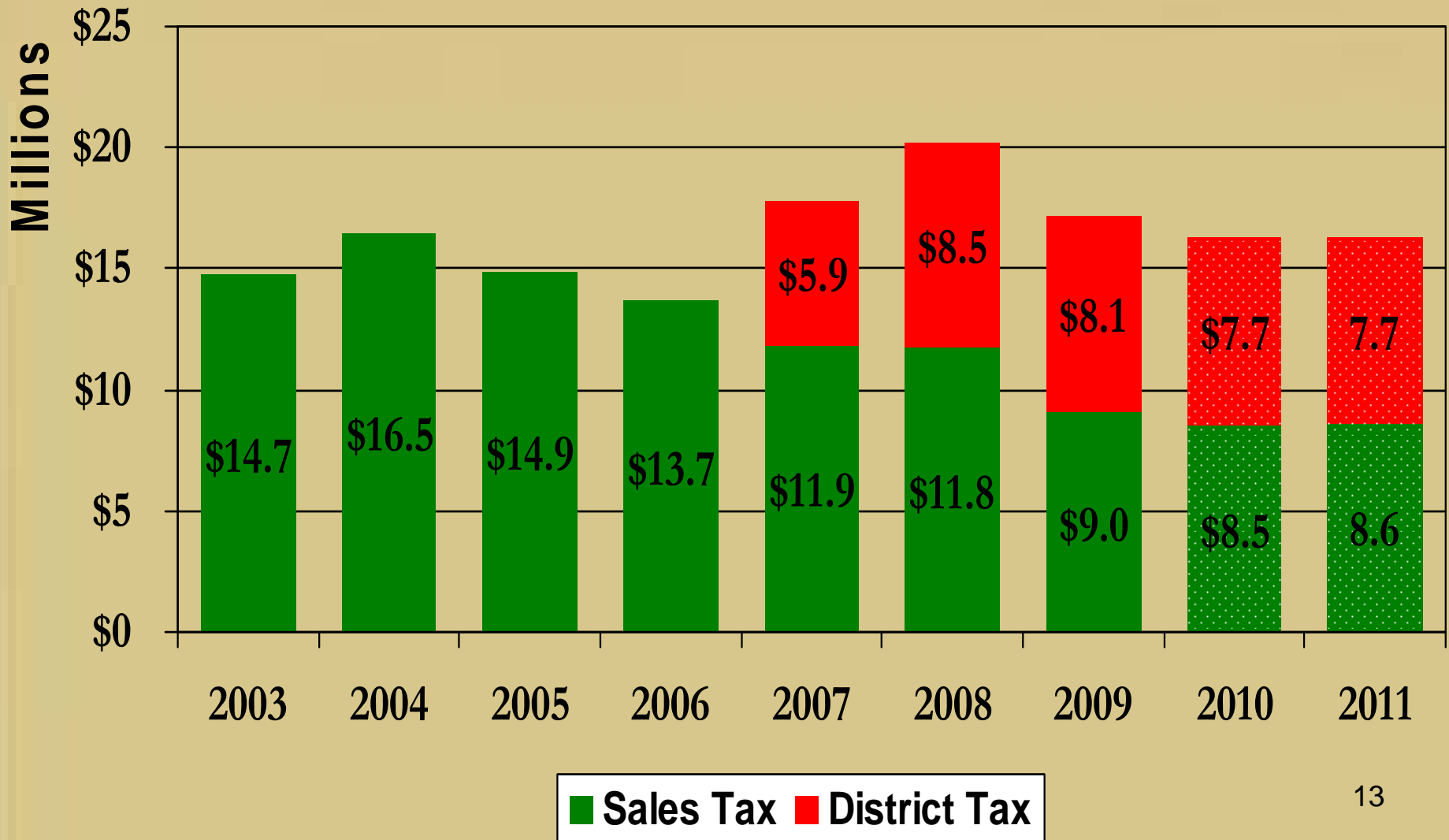
Revenue and Expenditure Forecast



General Fund - Sales Tax Revenue



Sales Tax and District Tax Combined Revenue

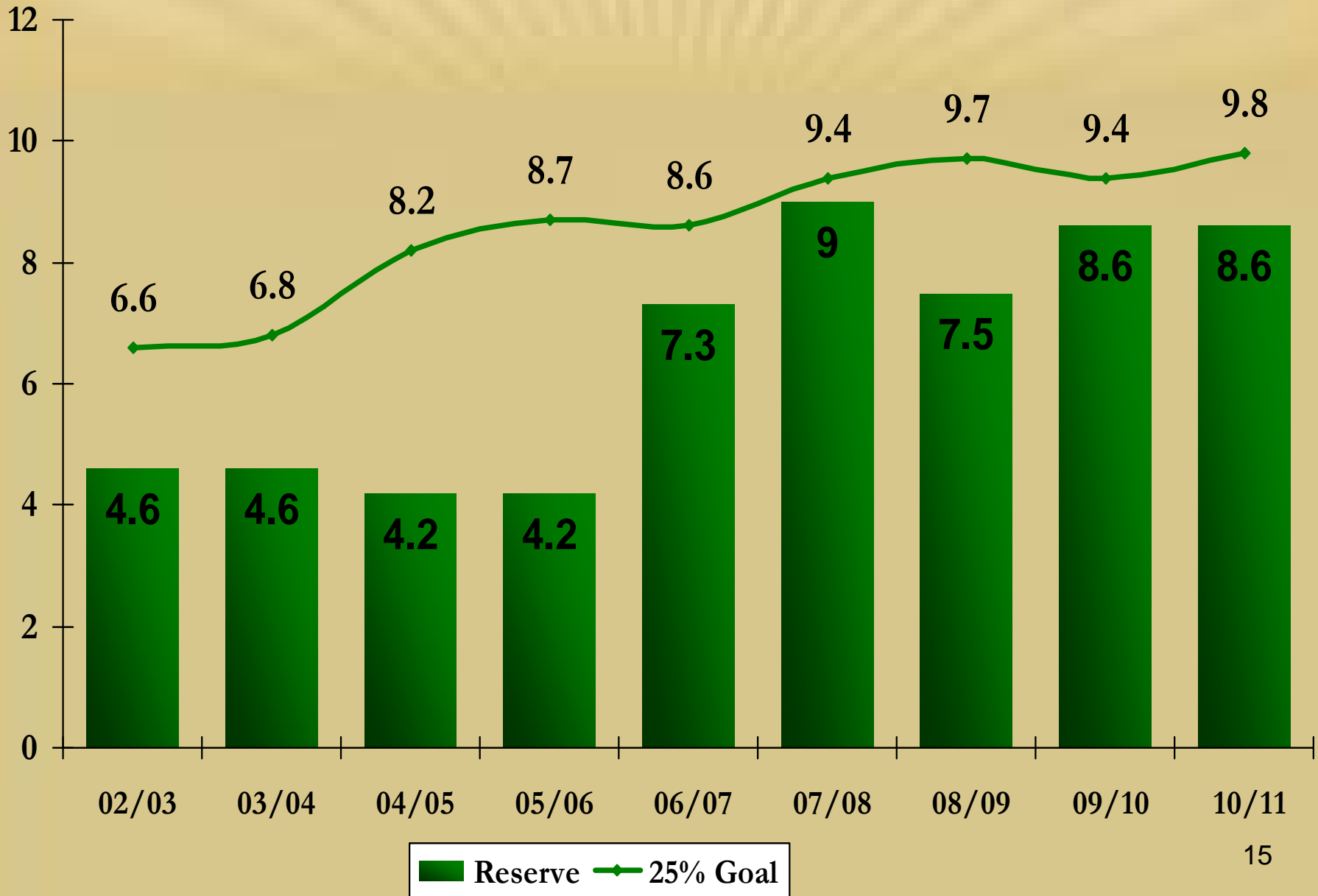


General Fund Contingency Reserve

General Fund Policy: ... range between 25% and 50% of a single year's General Fund operating expenditures

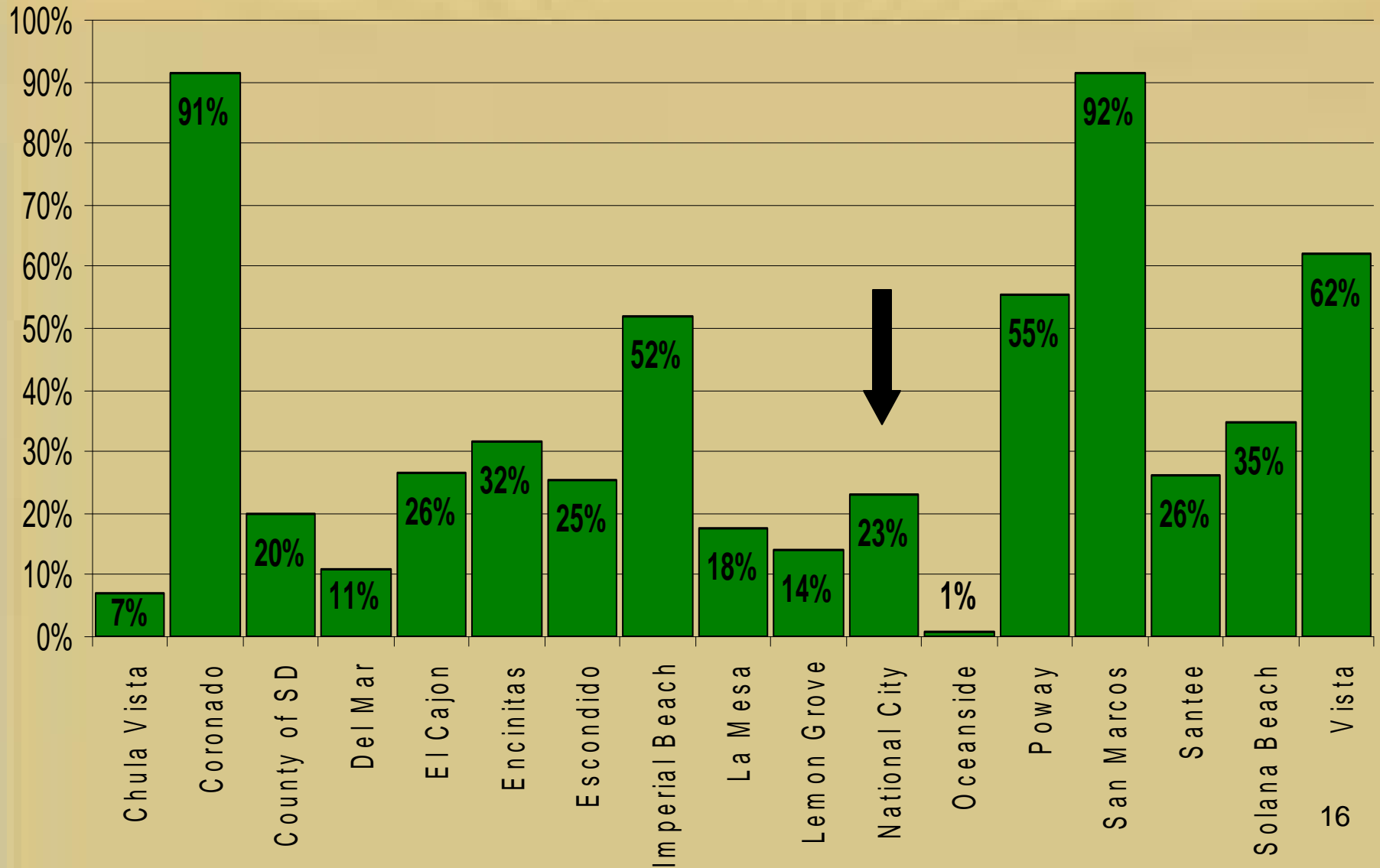
- FY 10-11 Estimated General Fund expenditures = \$39.3 million
 - Reserve will be at 22%, which is \$1.2 million below target level of \$9.8 million
($\$39.3 \text{ million} \times 25\%$)

History of Contingency Reserve



FY 09-10 Reserve Percentages

Local Entities



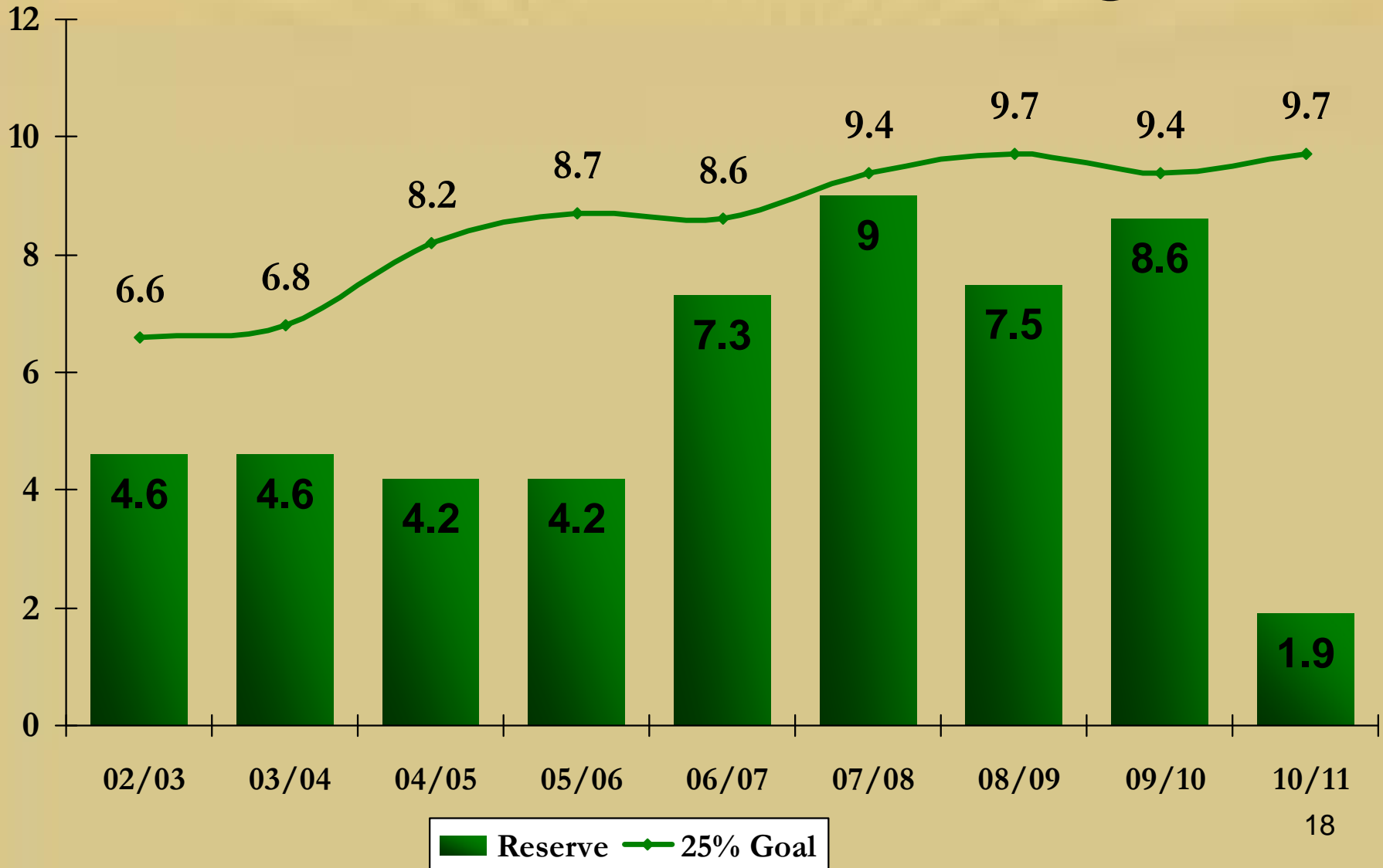
FY General Fund Preliminary Budget

Estimated Revenues	\$ 32.6 million
Expenditures	\$ (39.3 million)
Surplus/ Deficit	<hr/> \$ (6.7 million)
Contingency Reserve *	\$ 6.7 million
Surplus/ Deficit	<hr/> <i>Balanced Budget</i>

* Contingency Reserve Balance:

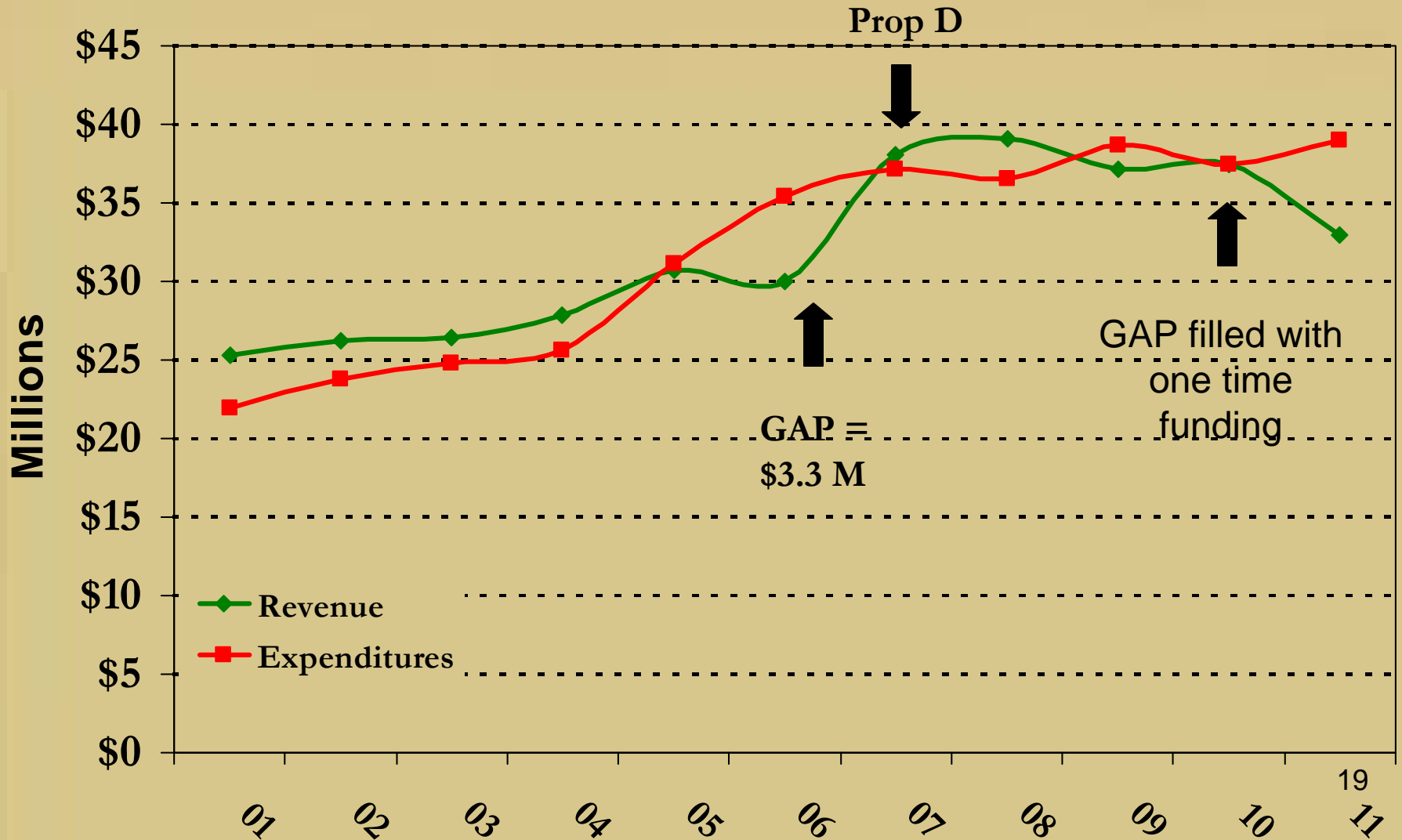
Beginning Balance:	\$ 8.6 million
Less: Amount to balance budget	<u>\$ <6.7 million></u>
Remaining Reserve Balance	\$ 1.9 million

Contingency Reserve will be at 5.0% if its used to balance the budget



General Fund

Revenue and Expenditure Forecast



Beginning of May 11, 2010 Survey

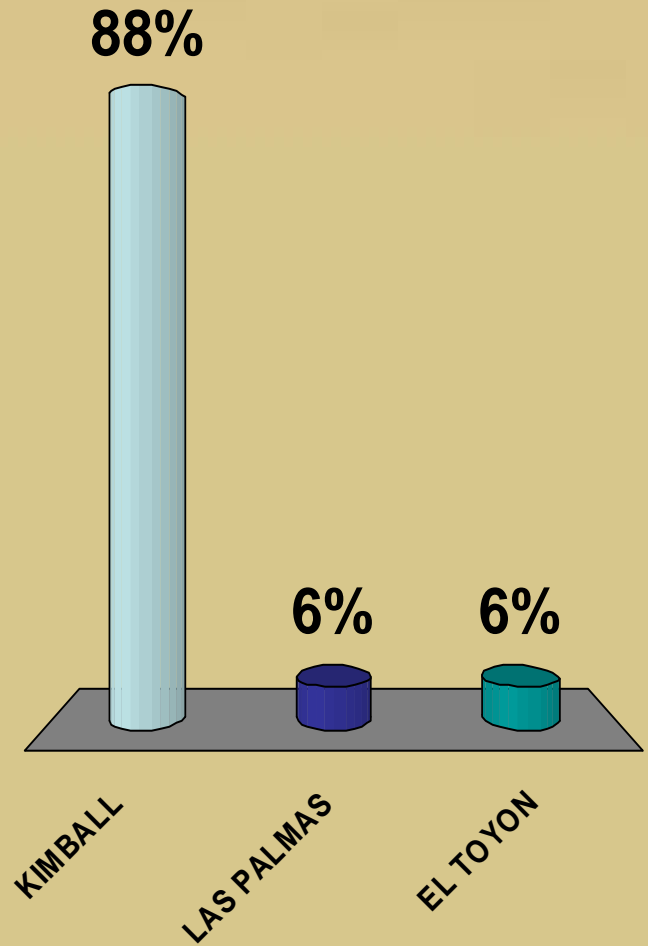
Instructions and Demonstration of Voting Device



SAMPLE QUESTION

Which is Your Favorite City Park...

1. **KIMBALL**
2. **LAS PALMAS**
3. **EL TOYON**

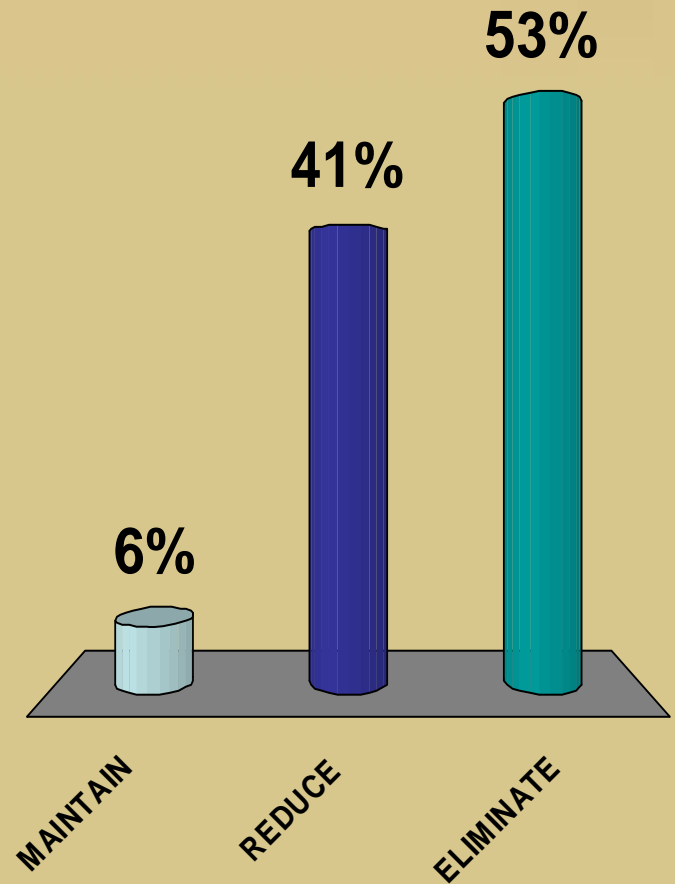


SAMPLE QUESTION

In Order to Guide the City Council in Balancing the Budget, I Would...

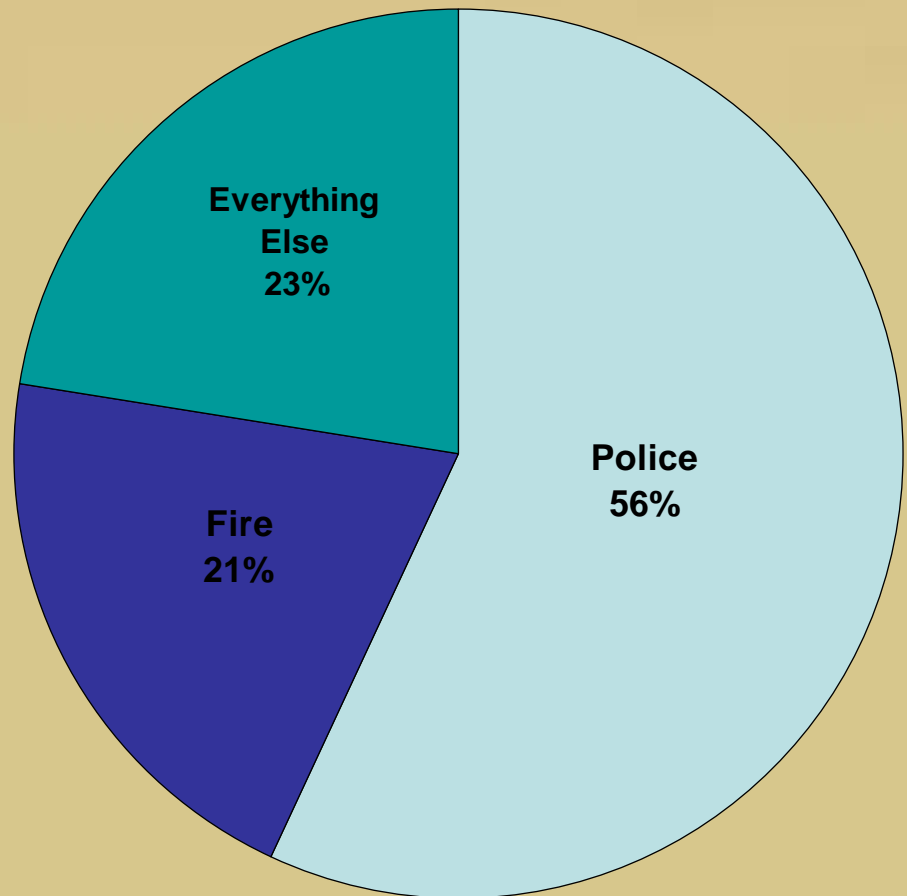
1. **MAINTAIN**
2. **REDUCE**
3. **ELIMINATE**

State Financial Take-Aways



General Fund Expenditures Percentage by Department

- Police **56%**
- Fire **21%**
- Others **23%**
 - Development Services
 - Public Works
 - Community Services
 - City Manager
 - Non Departmental
 - City Attorney
 - City Council
 - Human Resources
 - Finance
 - City Clerk
 - Community Development
 - Capital Improvements
 - City Treasurer



General Fund Expenditures by Function/Program

**Cultural, Educational,
Recreational, 10¢**



Police, 56 ¢

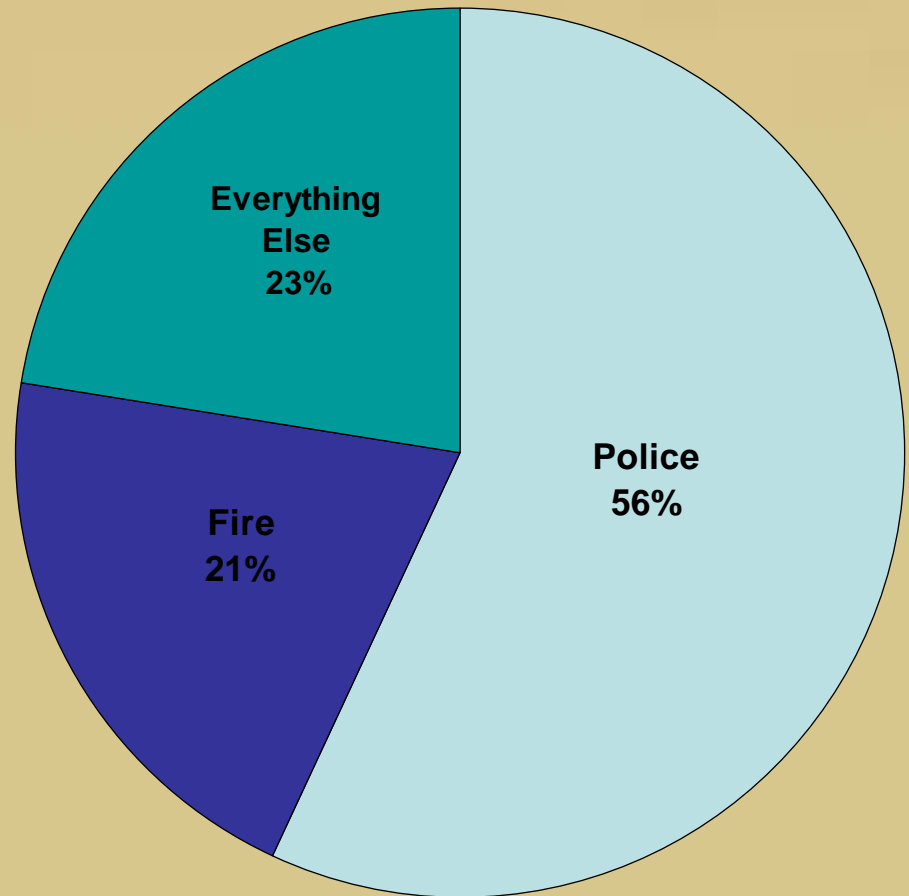
Fire, 21 ¢

**Community
Programs, 7 ¢**

Support Services, 6 ¢

General Fund Expenditures Percentage by Department

- Police **56%**

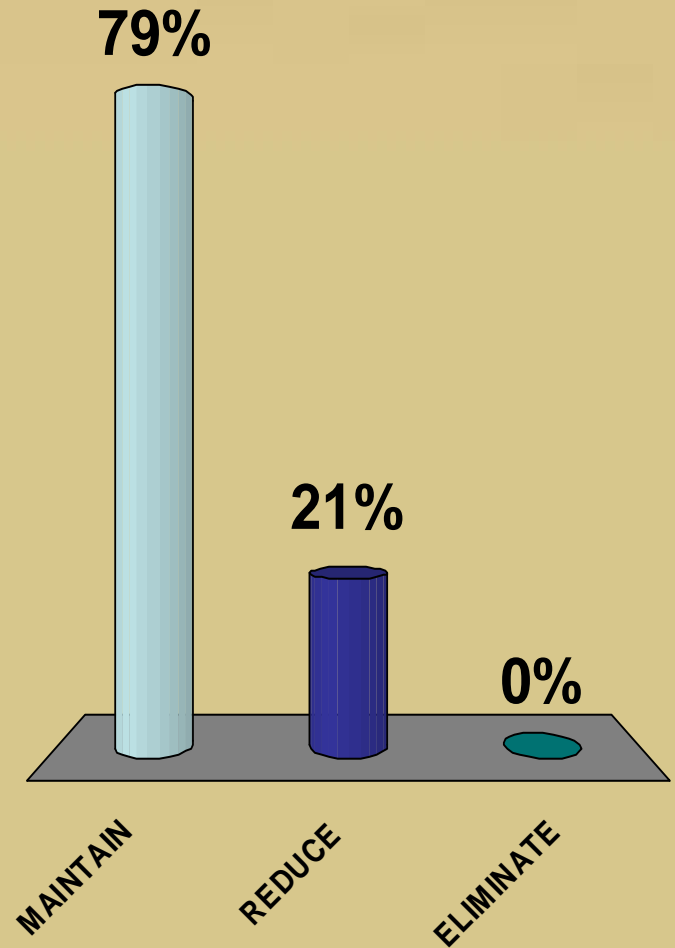


May 11, 2010
Survey Results

In Order to Guide the
City Council in Balancing
the Budget, I Would...

1. **MAINTAIN**
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Patrol Division and
Neighborhood
Policing

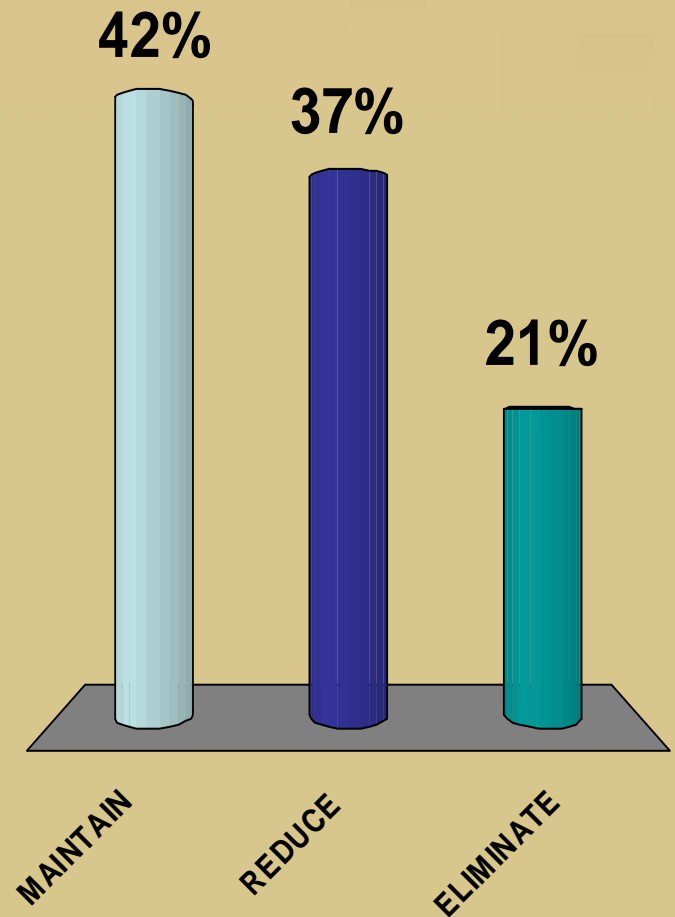


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Canine (K9)

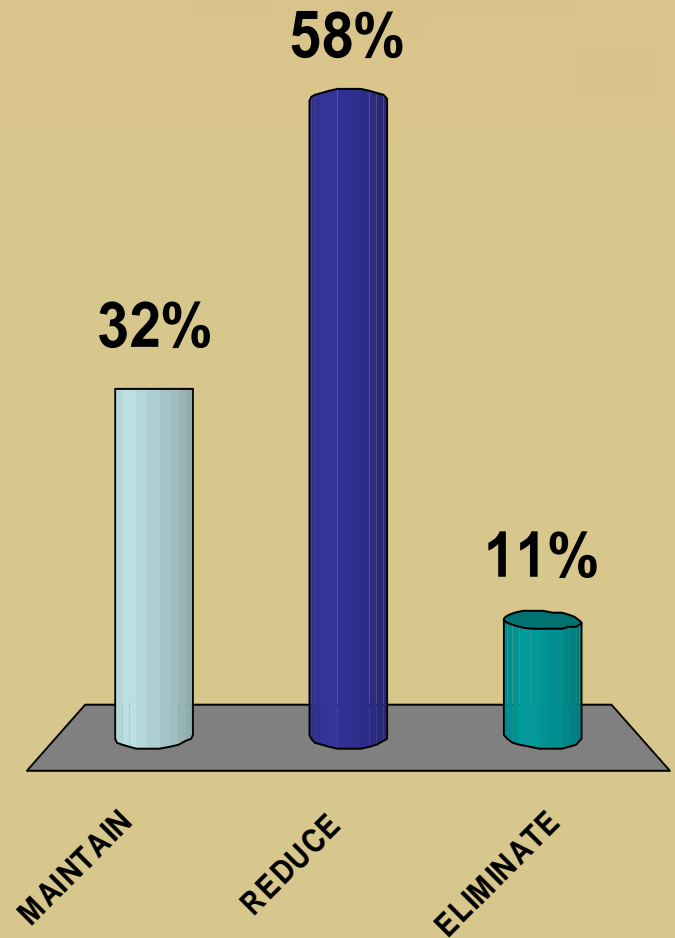


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Special Weapons &
Tactics Team (SWAT)

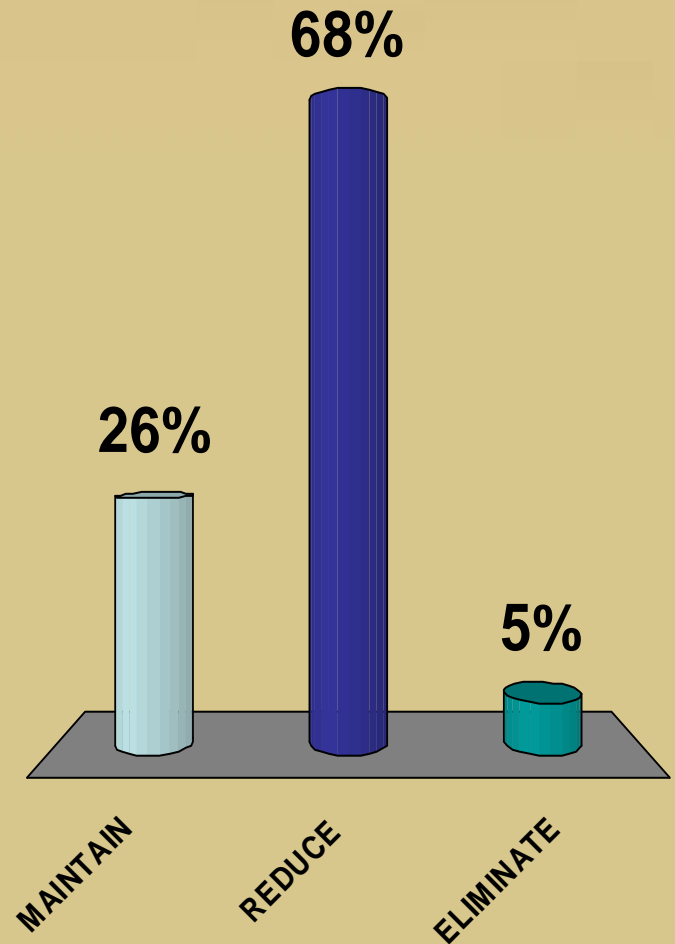


May 11, 2010
Survey Results

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Traffic Division

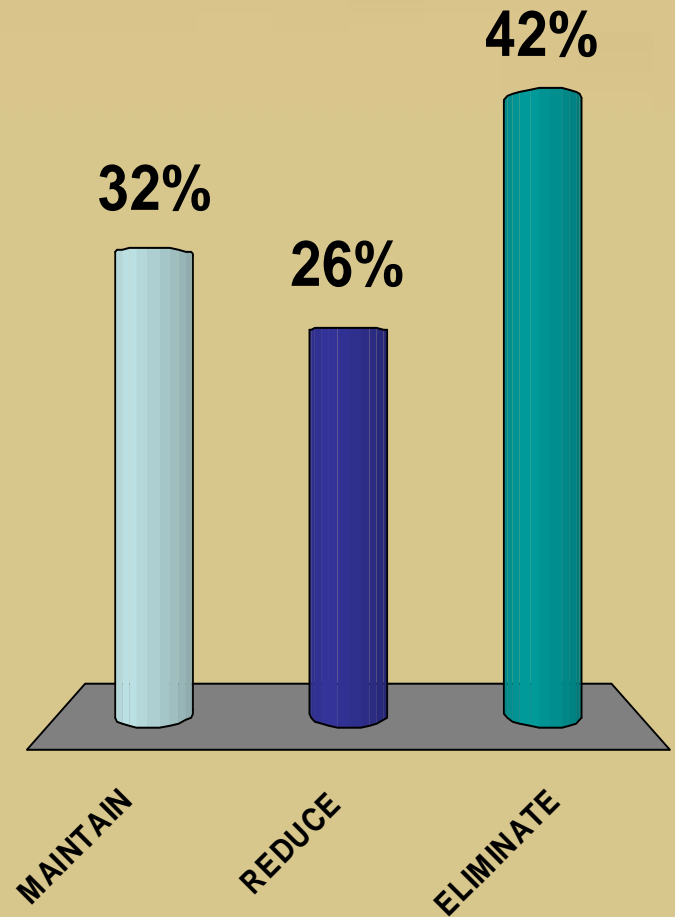


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Community Services
Unit

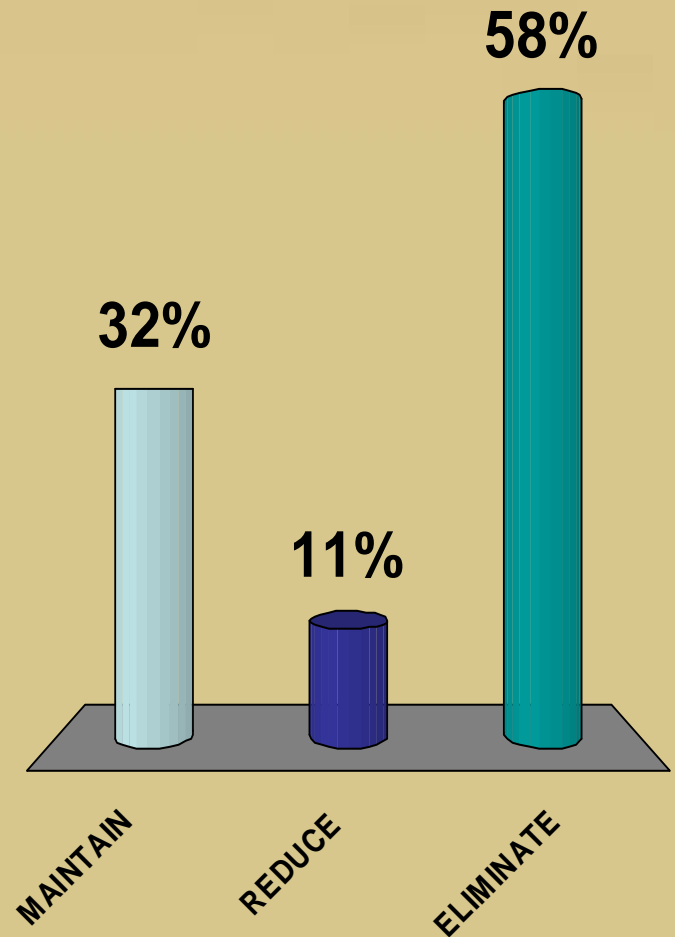


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School Resource
Officers

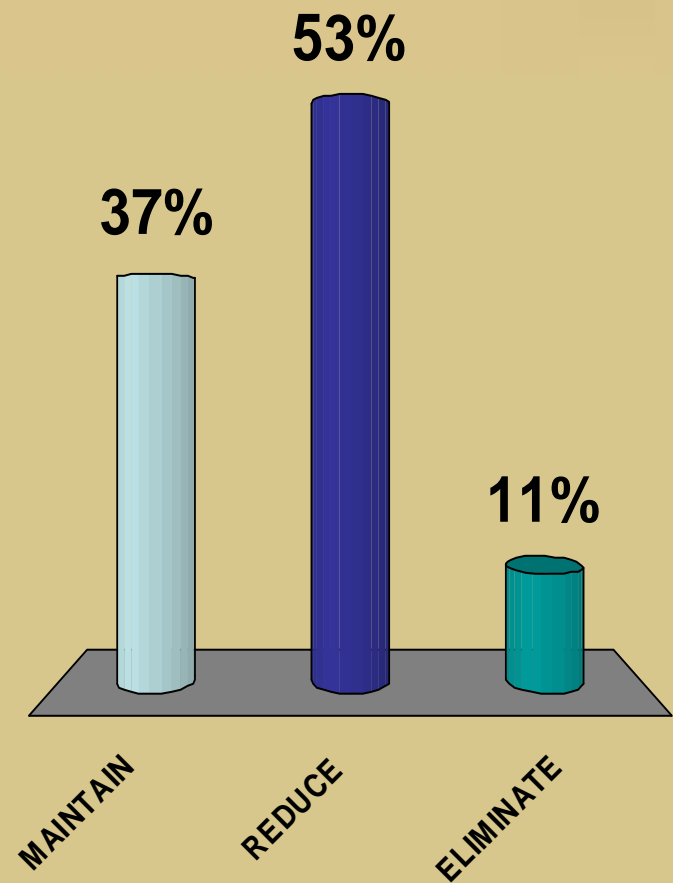


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Investigations Division

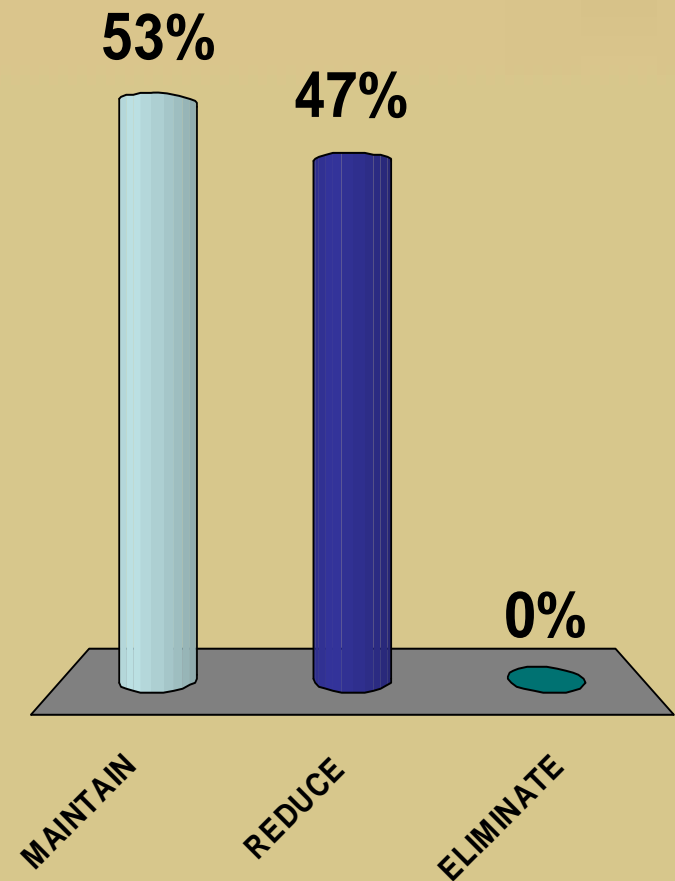


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Communications
Division

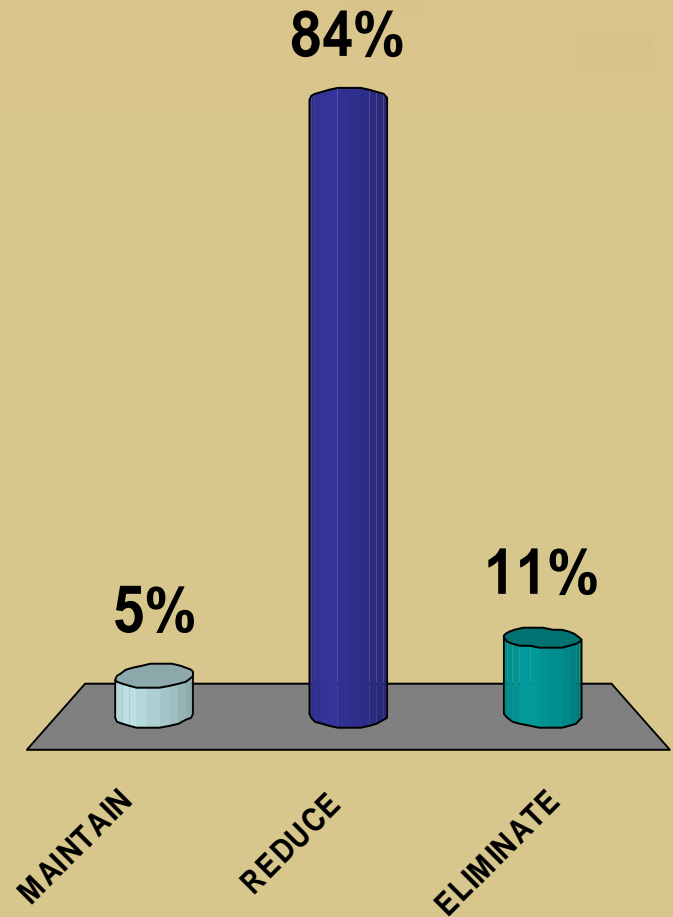


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Property and Evidence
Team

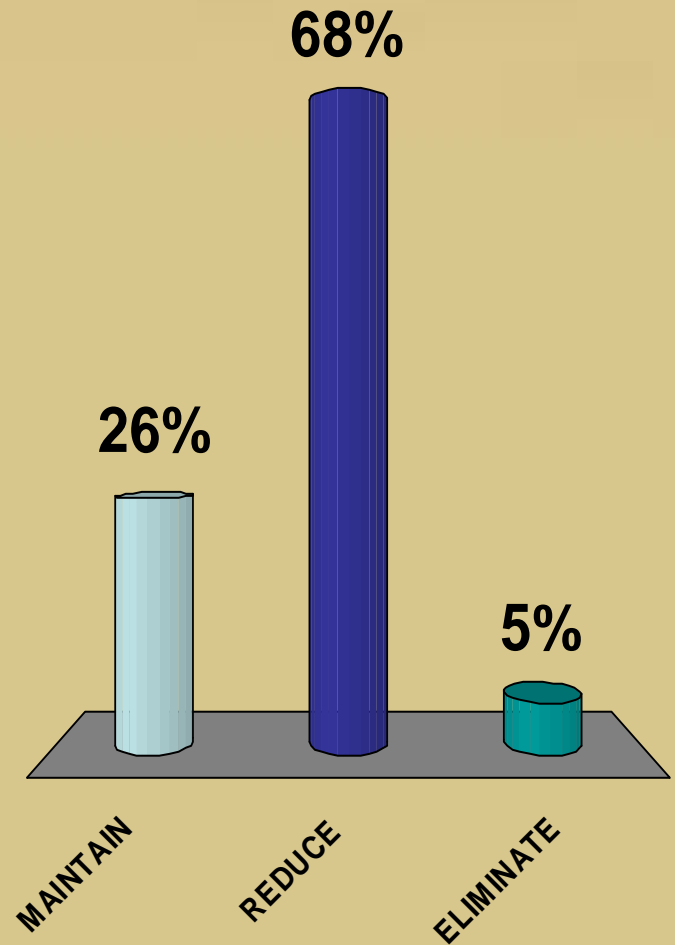


May 11, 2010
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Records Management

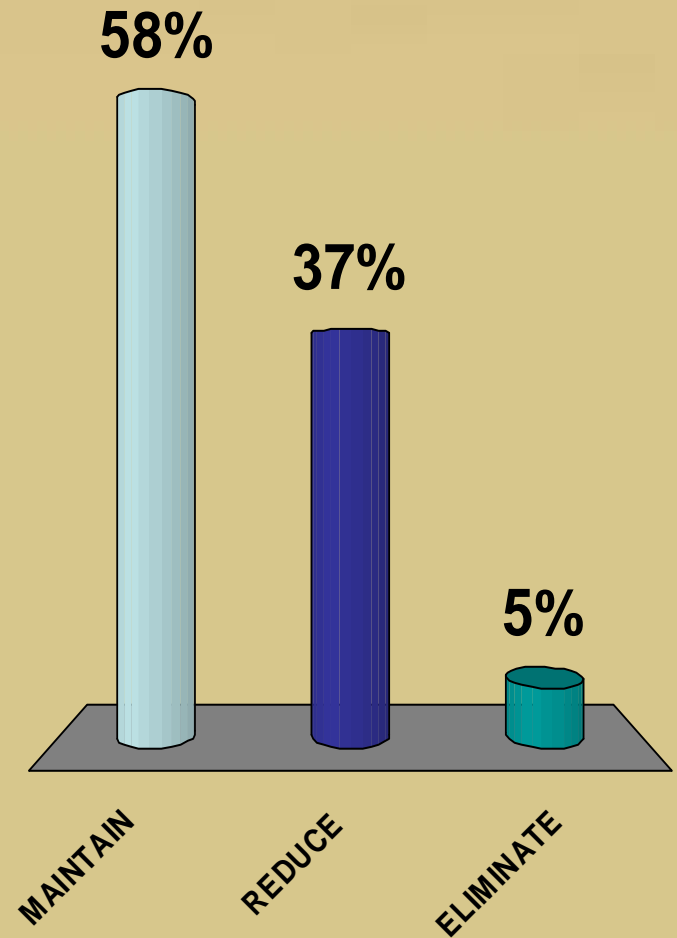


May 11, 2010
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Animal Control
Services

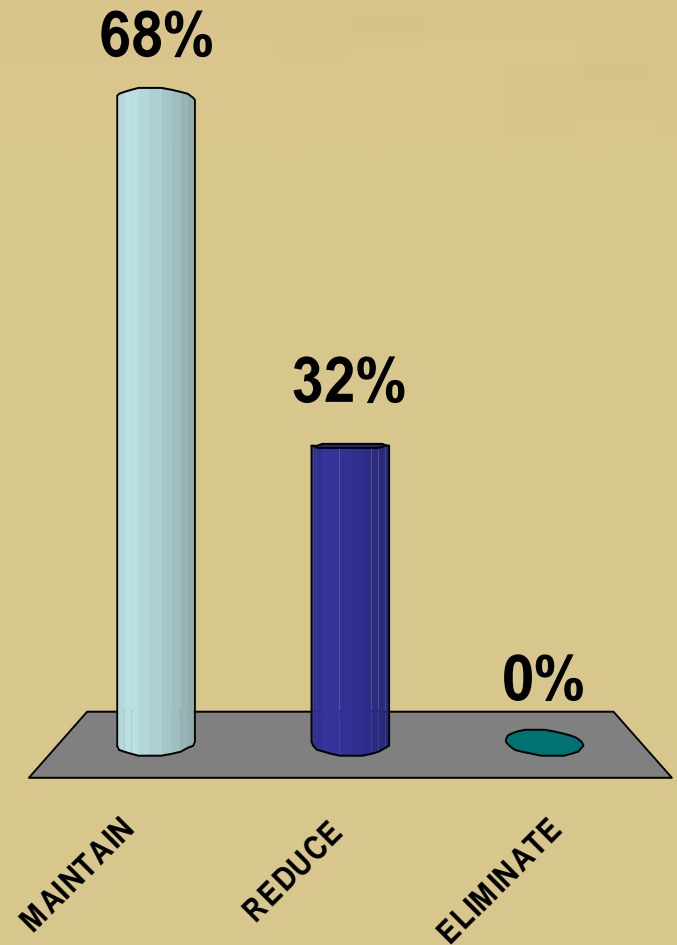


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Gang Enforcement

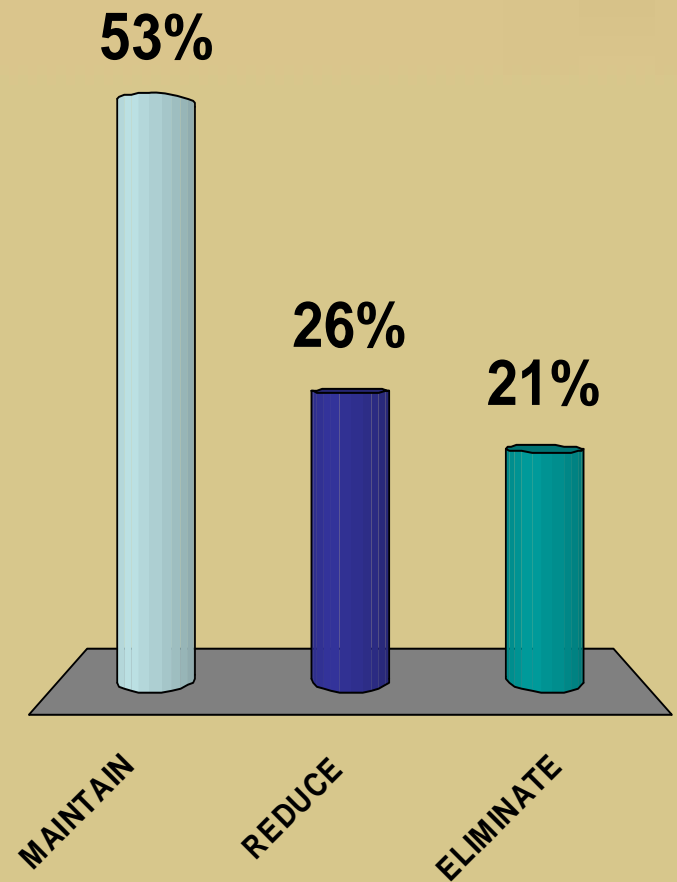


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Public Safety Camera
Project

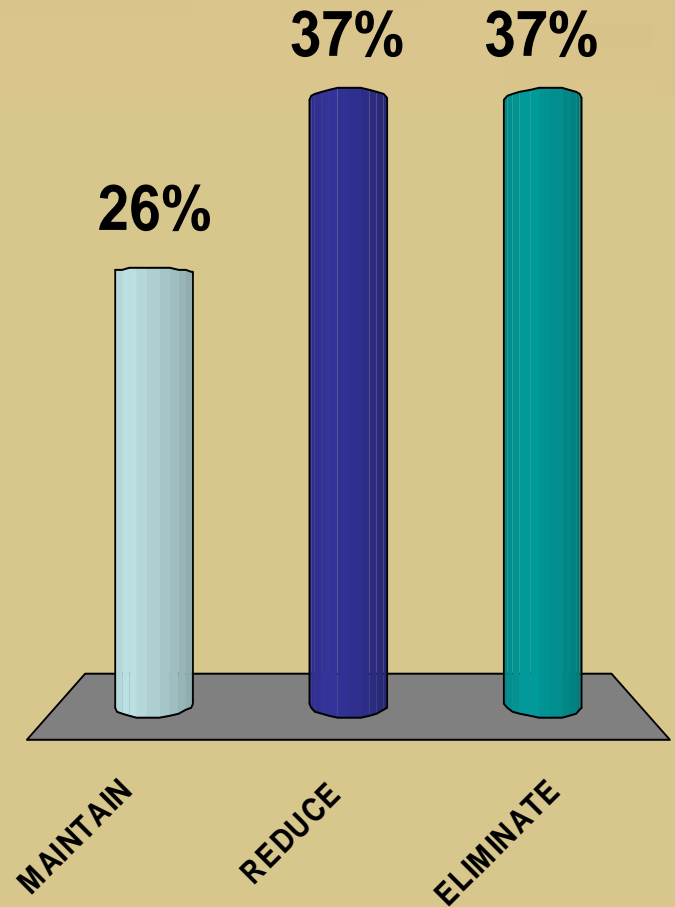


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In Order to Guide the
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Police Explorer
Program

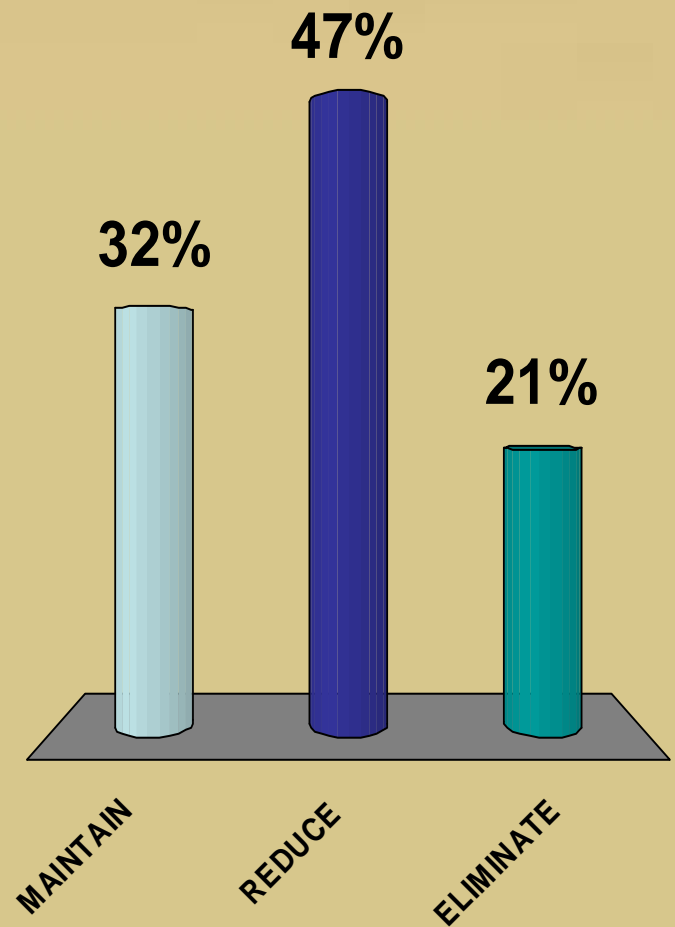


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Police Officer Reserve
Program

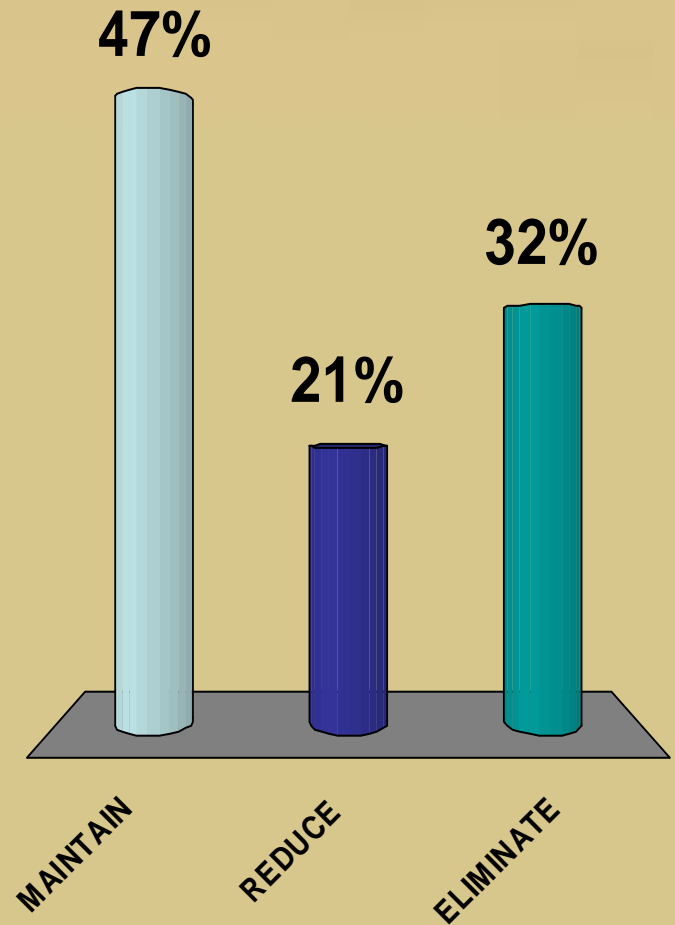


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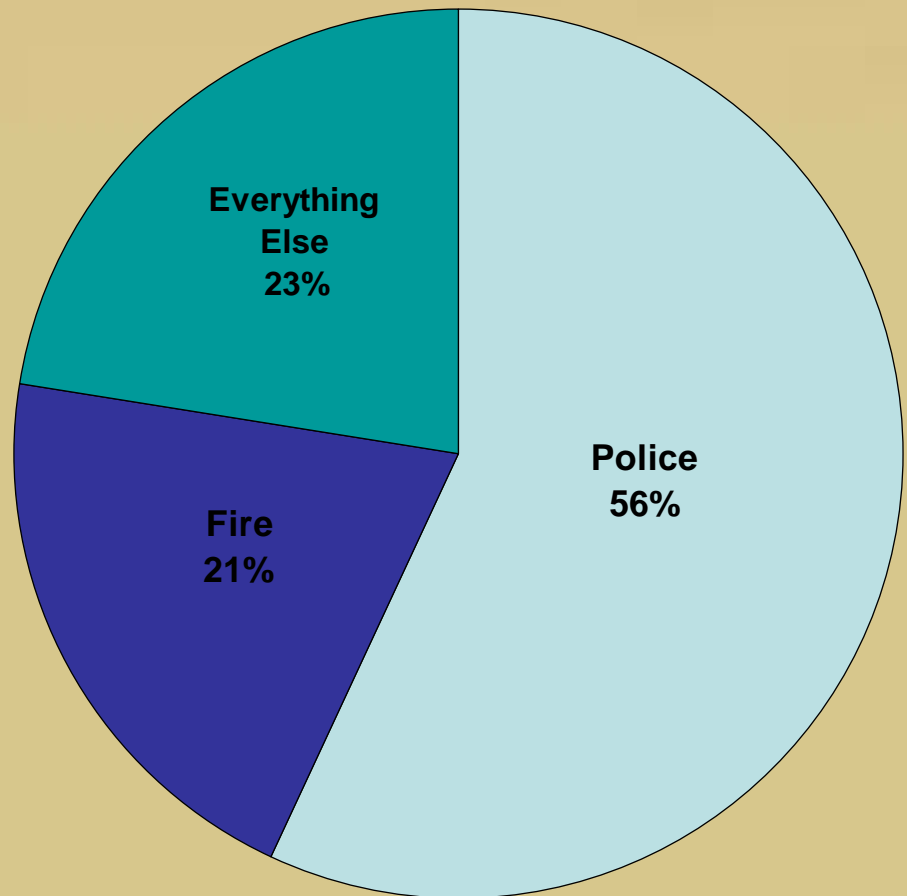
1. **MAINTAIN**
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Homeland Security



General Fund Expenditures Percentage by Department

- Fire *21 %*

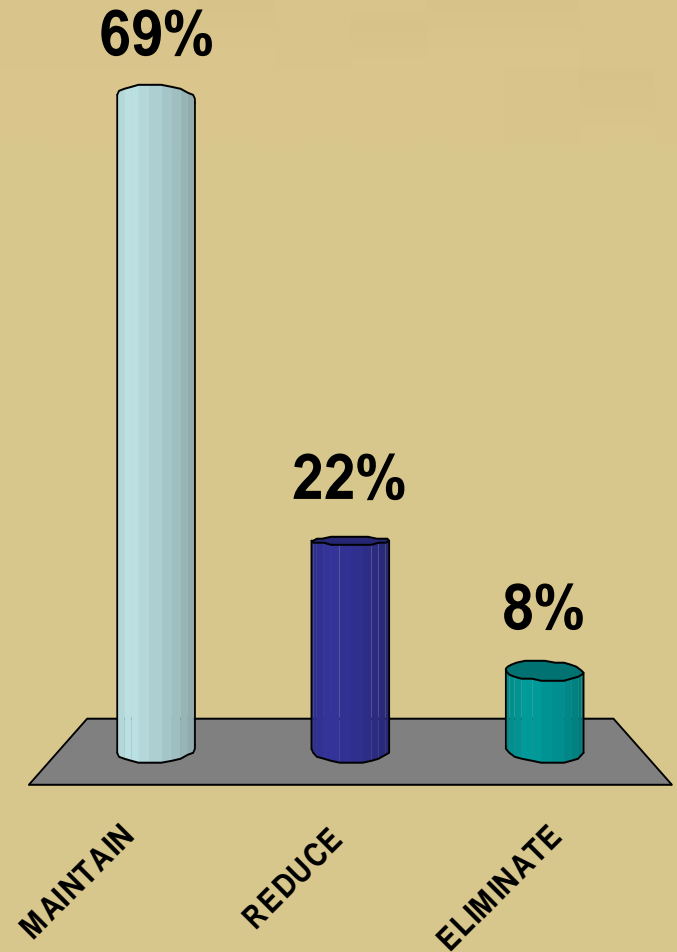


May 11, 2010
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In Order to Guide the
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Fire Suppression

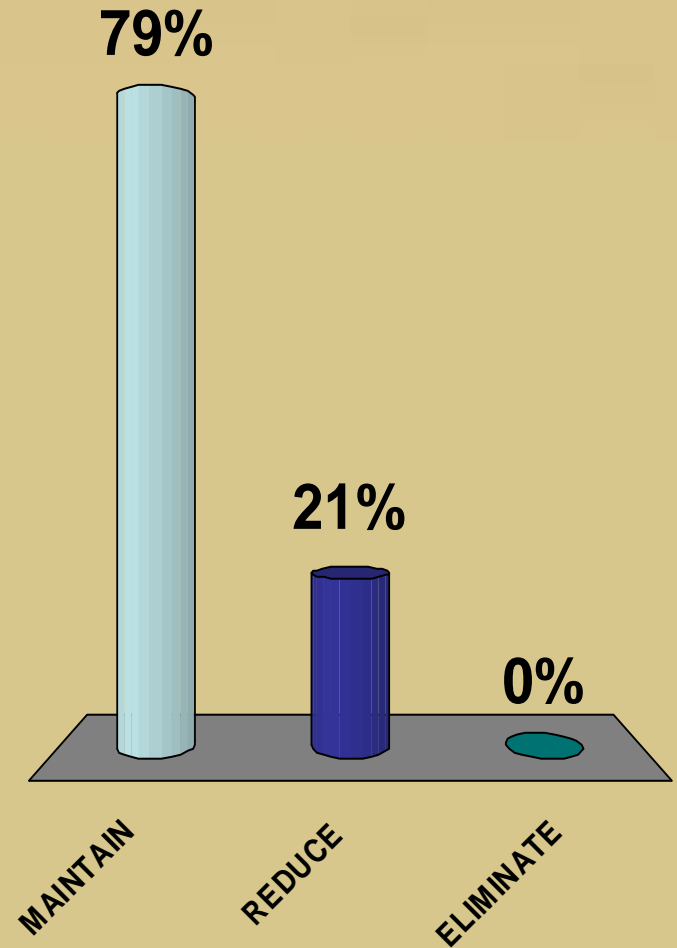


May 11, 2010
Survey Results

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Emergency Medical
Services

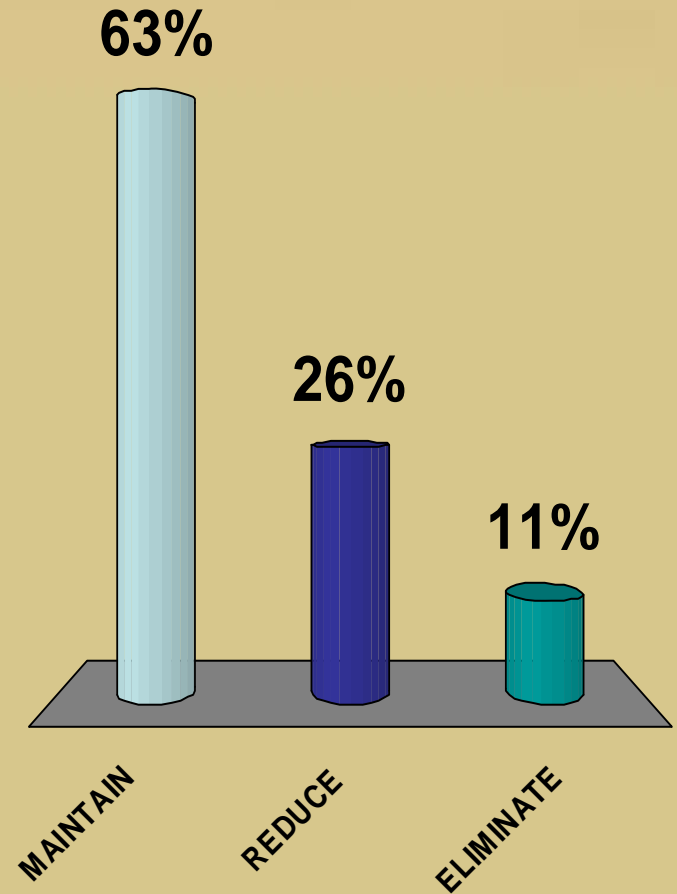


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Fire Prevention

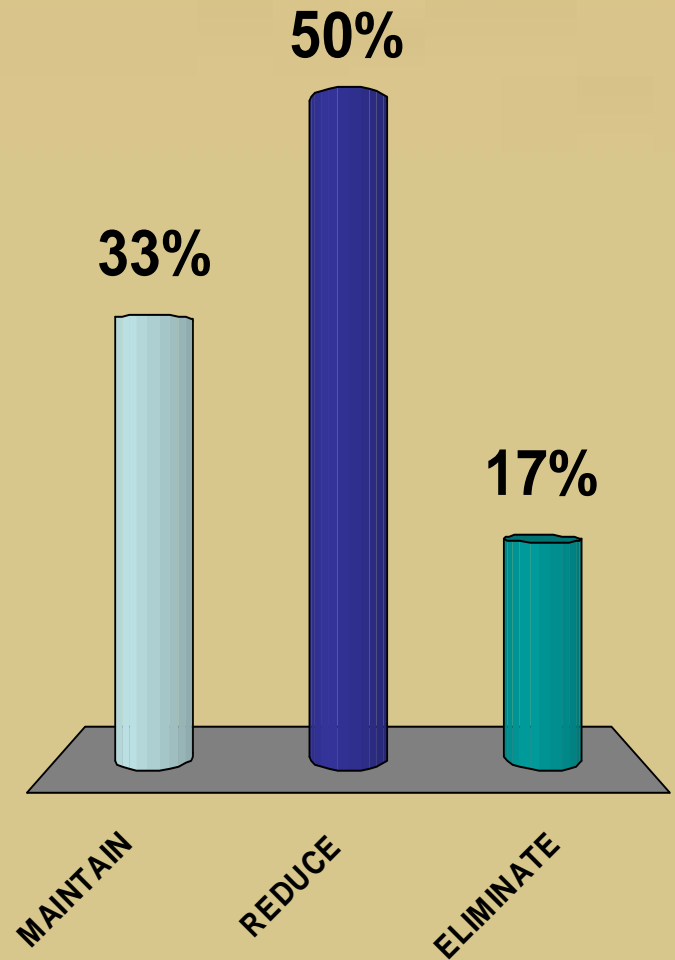


May 11, 2010
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Fire Administration

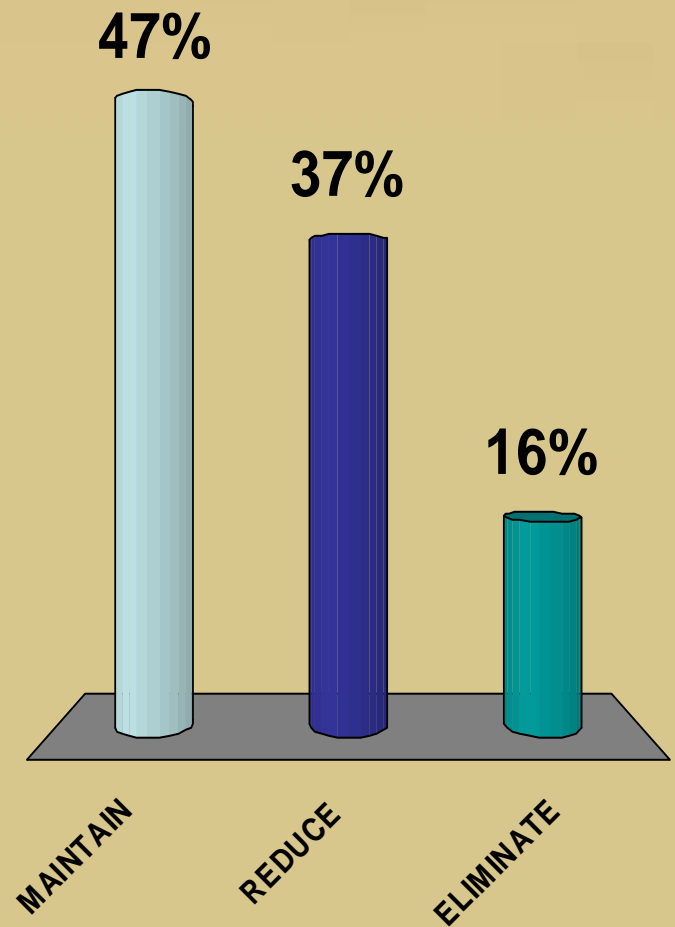


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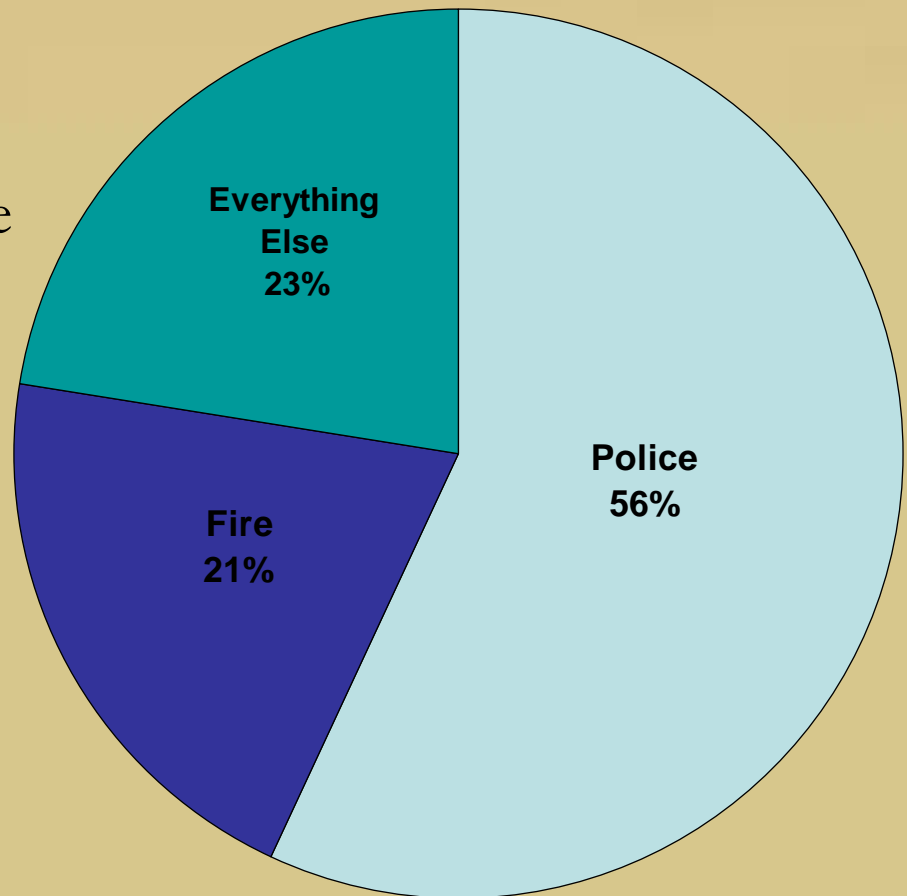
1. **MAINTAIN**
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Homeland Security



General Fund Expenditures Percentage by Department

- Others **23%**
 - Community Programs are **7%** of the General Fund Budget

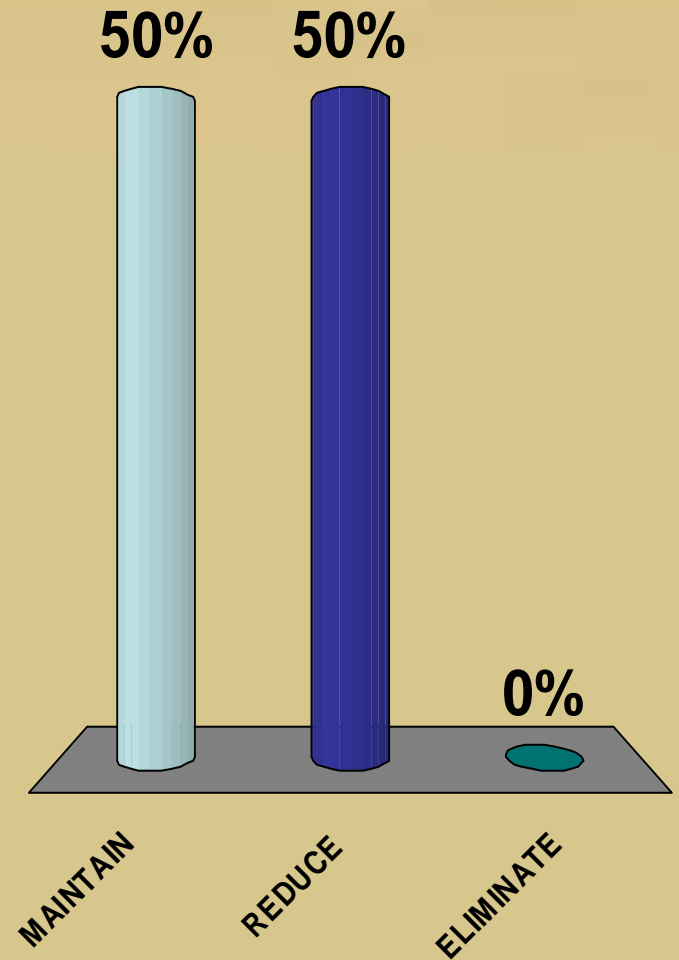


May 11, 2010
Survey Results

In Order to Guide the
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Street Maintenance

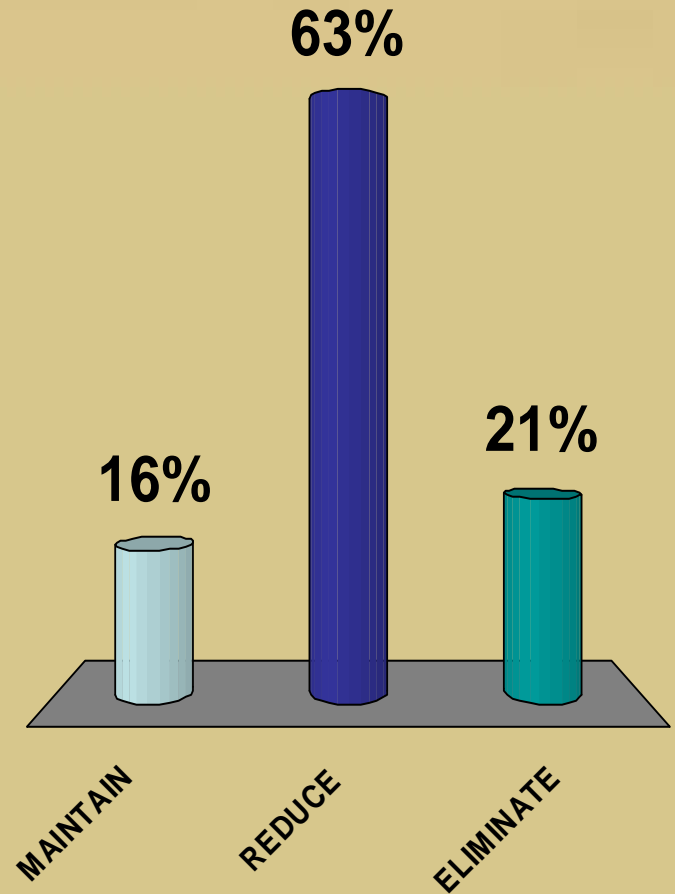


May 11, 2010
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Street Sweeping

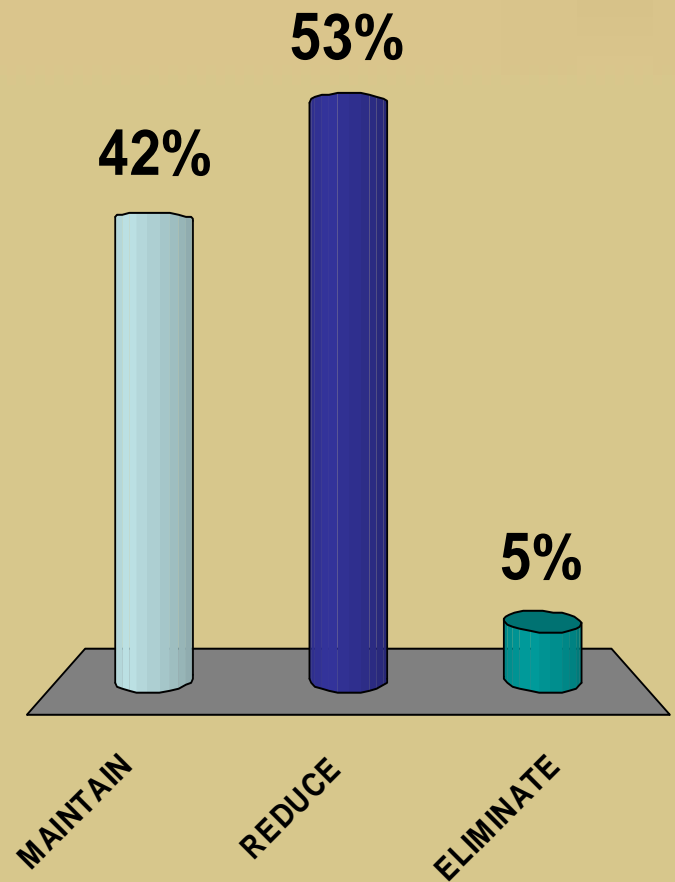


May 11, 2010
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Park Maintenance

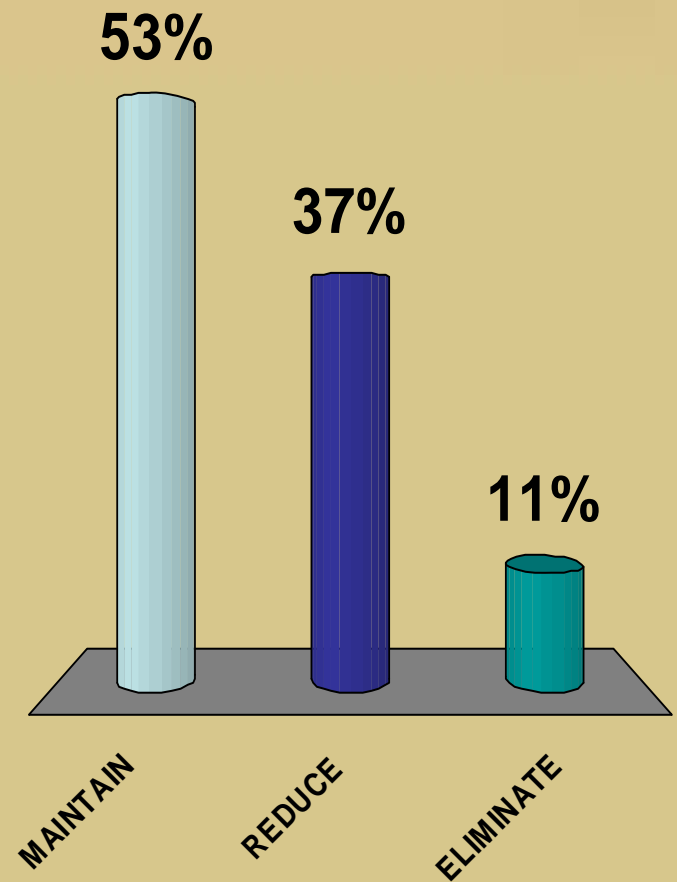


May 11, 2010
Survey Results

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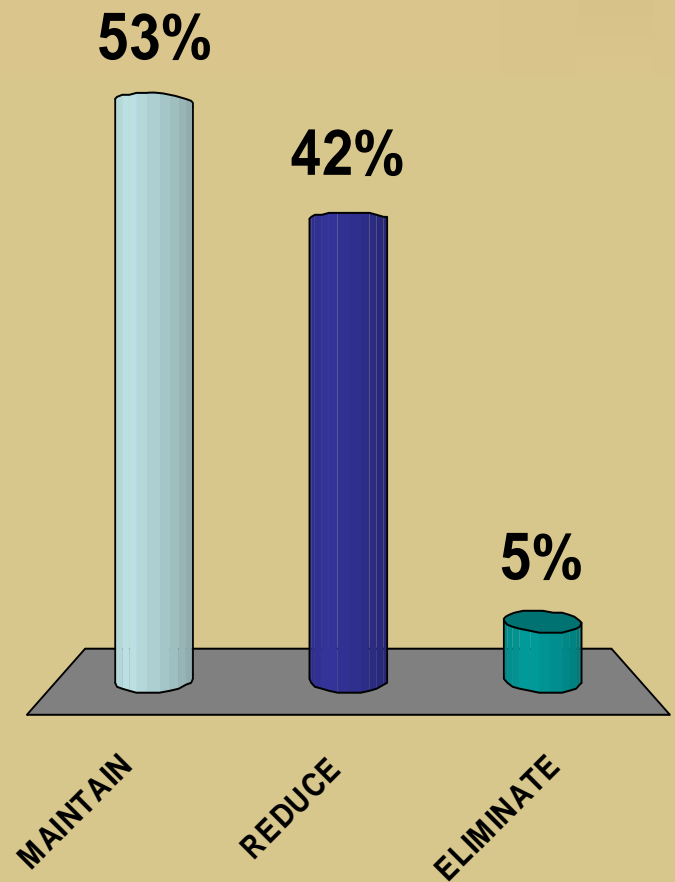
Facilities Maintenance



In Order to Guide the
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Equipment Maintenance

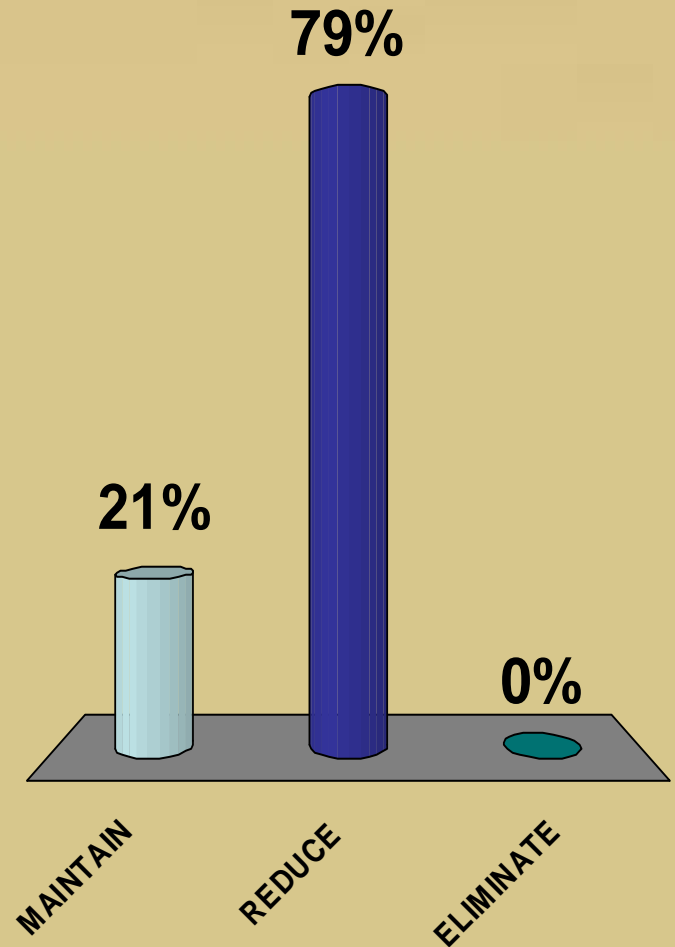


May 11, 2010
Survey Results

In Order to Guide the
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1. **MAINTAIN**
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Engineering Plan Review,
Inspection Services, and
Capital Program
Management

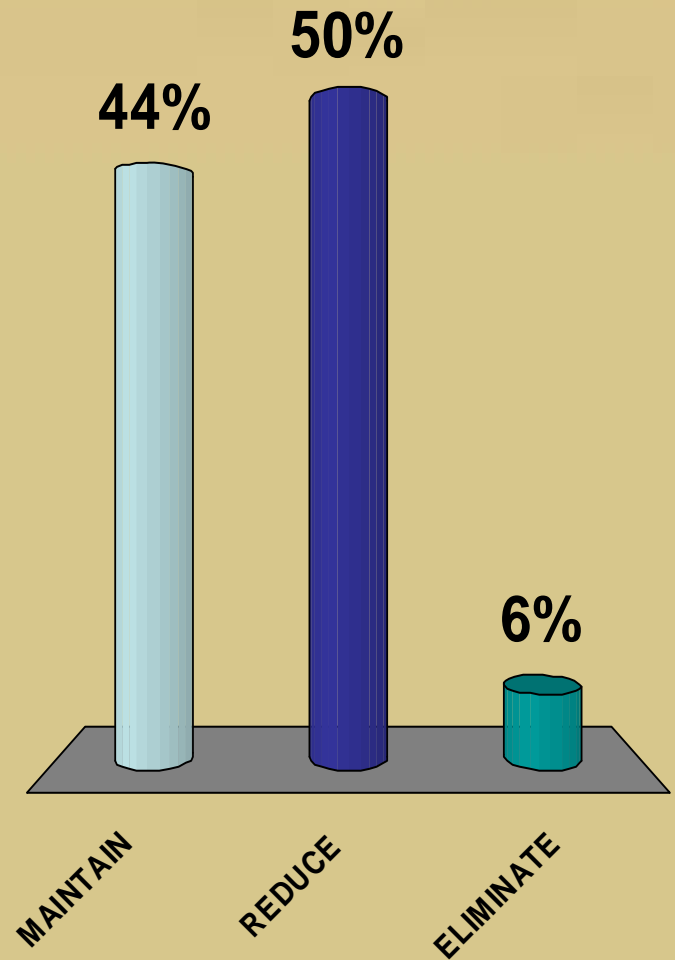


May 11, 2010
Survey Results

In Order to Guide the
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Traffic Operations

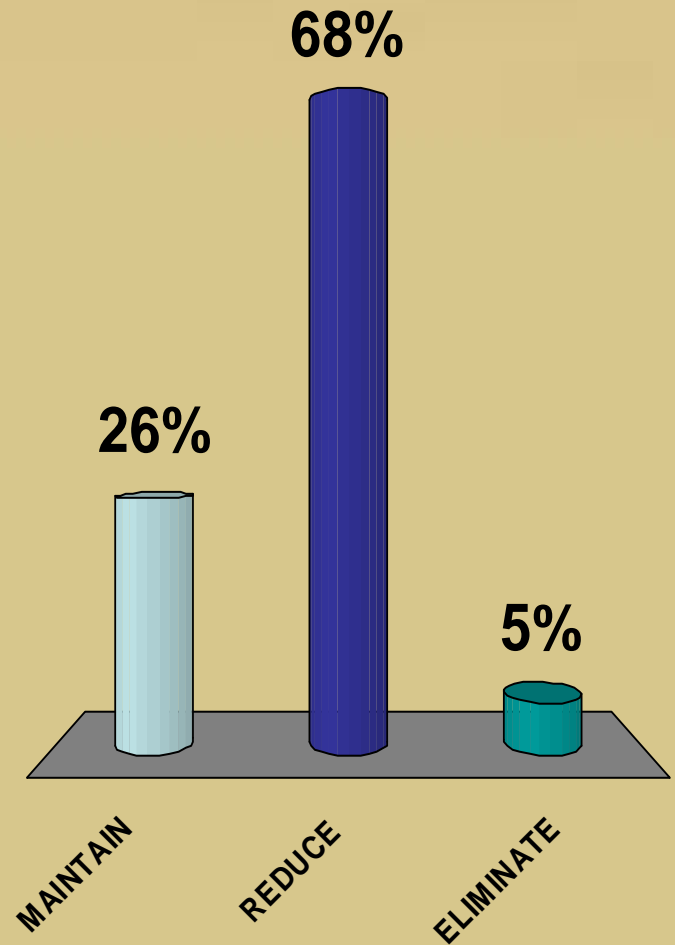


May 11, 2010
Survey Results

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Building Plan Review
and Inspection Services

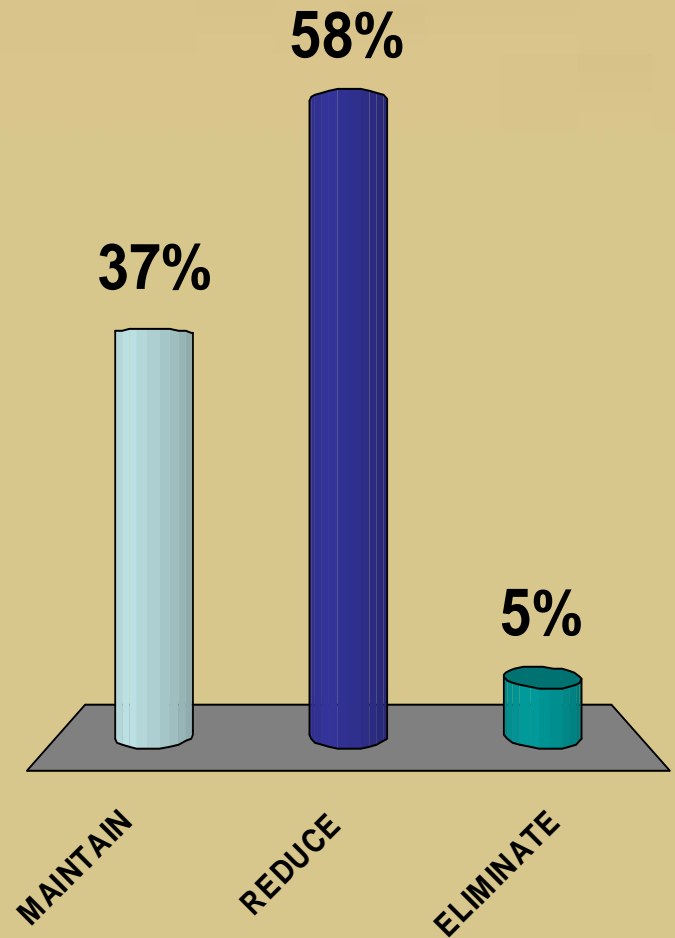


May 11, 2010
Survey Results

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Planning Plan Review
and Inspection Services

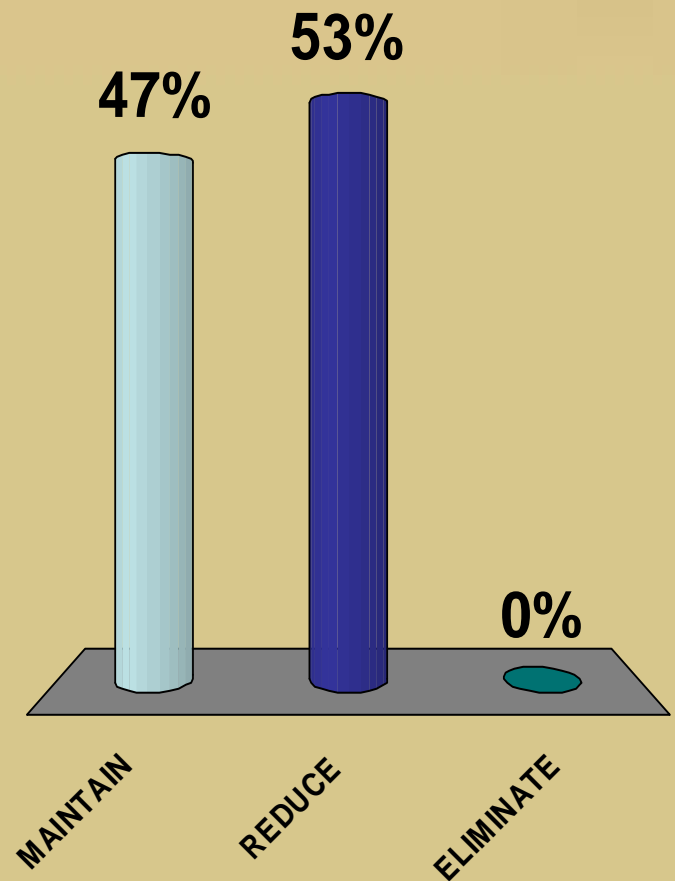


May 11, 2010
Survey Results

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Code Enforcement

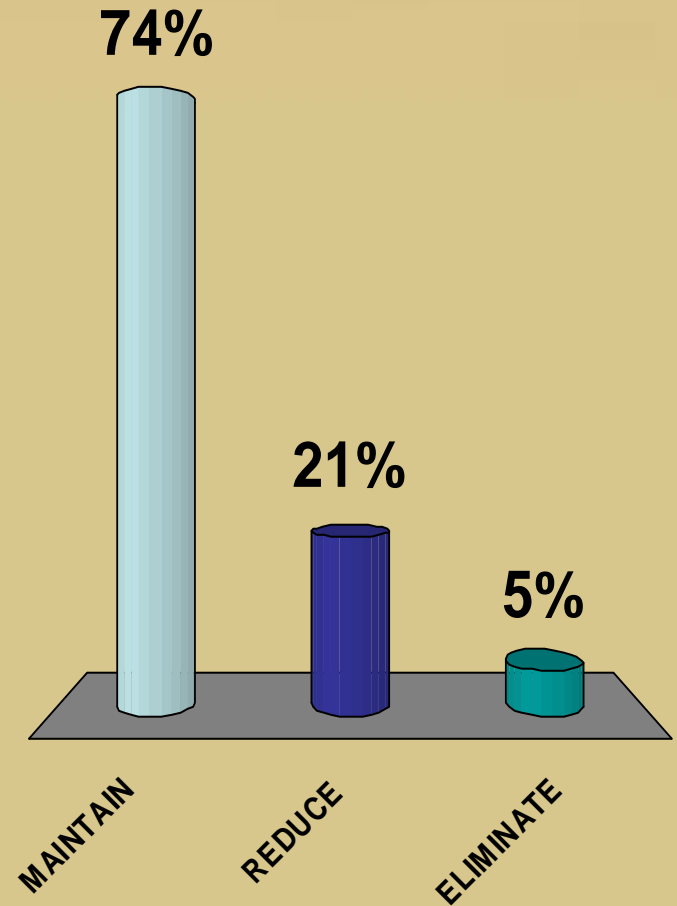


May 11, 2010
Survey Results

In Order to Guide the
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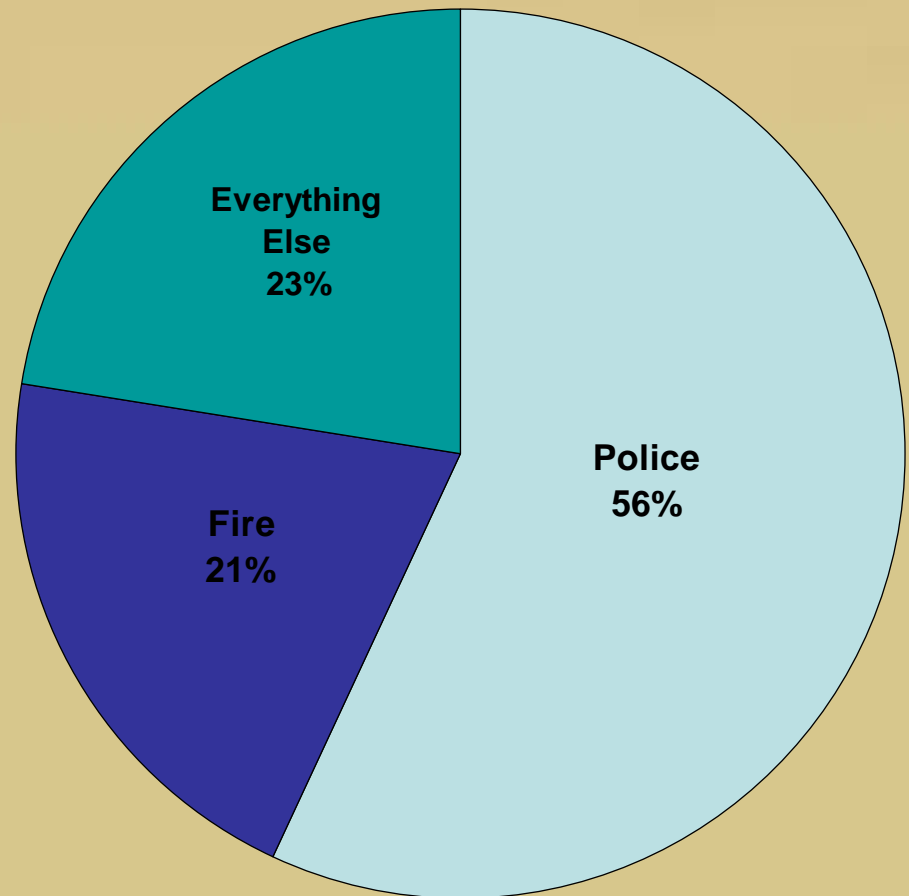
1. **MAINTAIN**
2. **REDUCE**
3. **ELIMINATE**

Graffiti Removal
Contribution



General Fund Expenditures Percentage by Department

- Others **23%**
 - Cultural, Educational, and Recreational Services are **10%** of the General Fund Budget

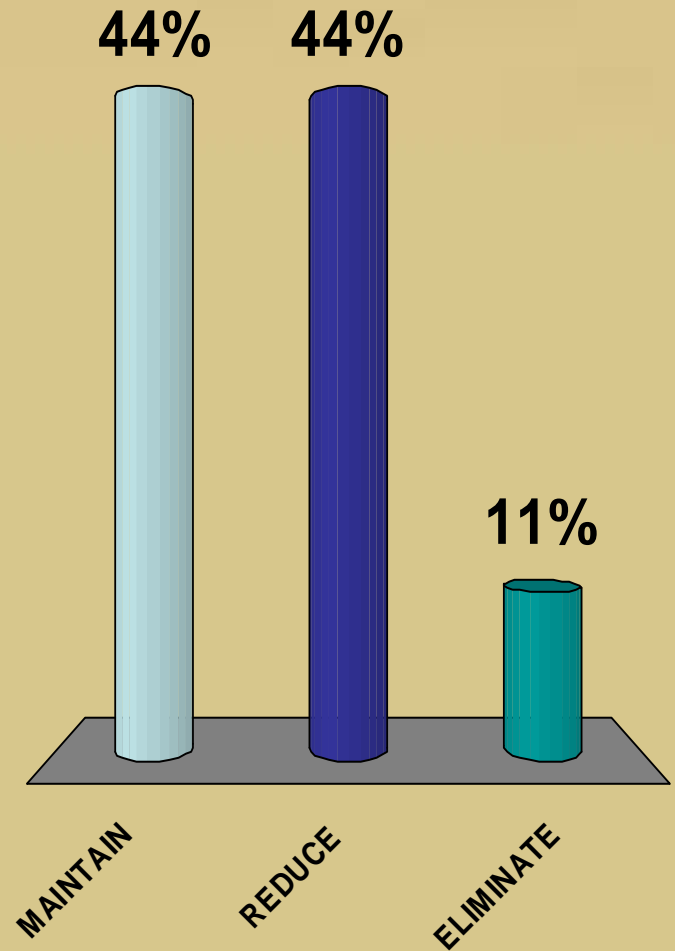


May 11, 2010
Survey Results

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Recreation Programs

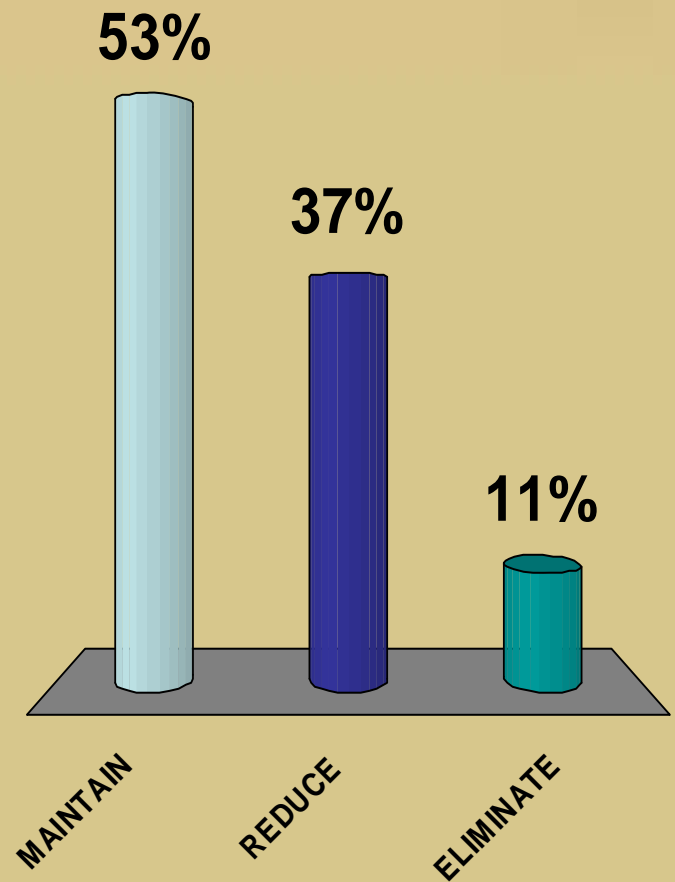


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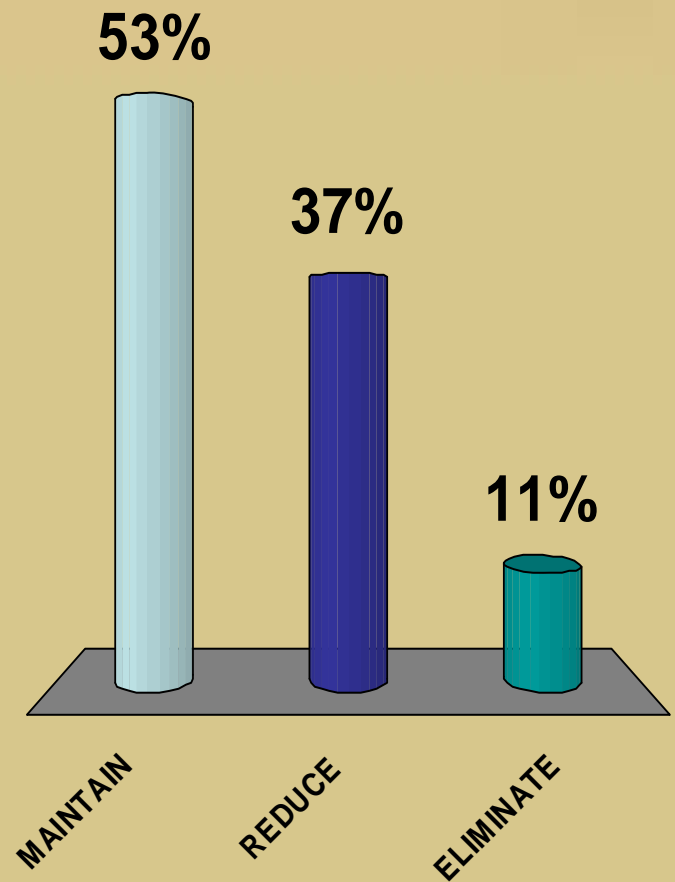
Seven Day a Week
Library Services



In Order to Guide the
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1. **MAINTAIN**
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Senior Nutrition
Program Contribution

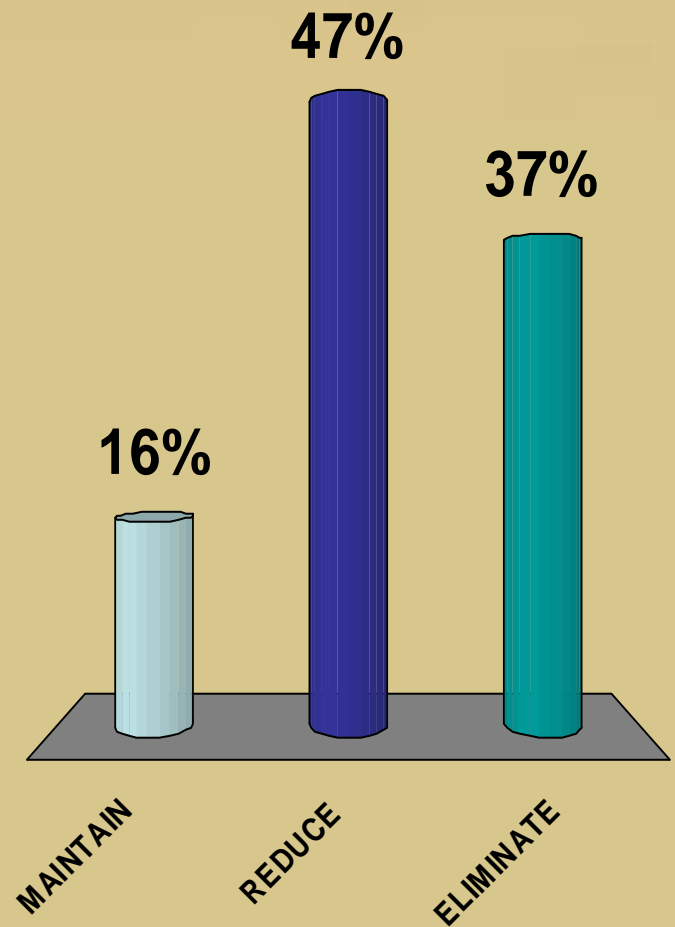


May 11, 2010
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Neighborhood Council
Program

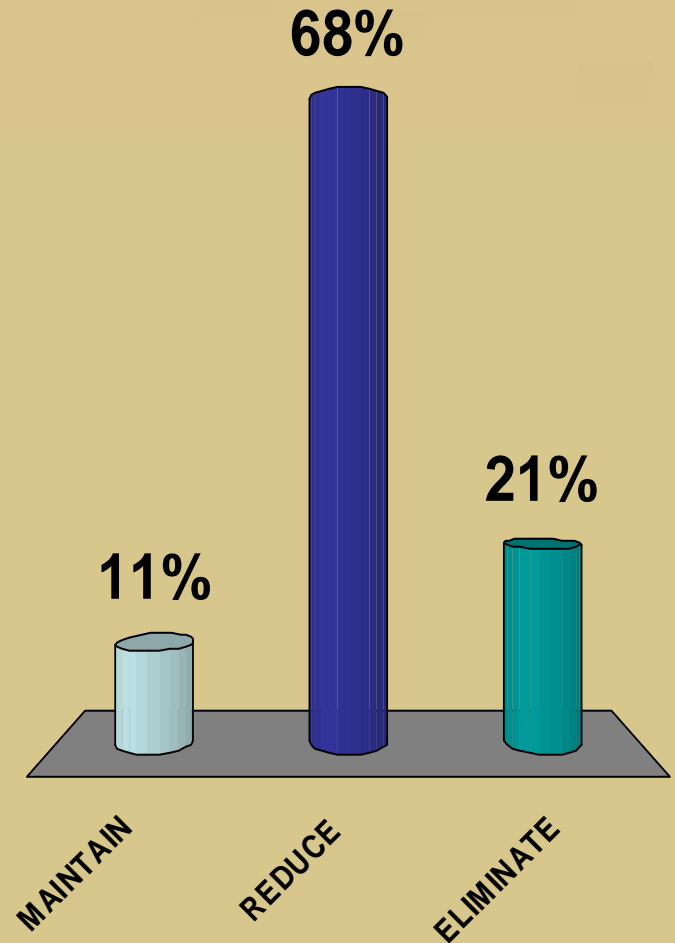


May 11, 2010
Survey Results

In Order to Guide the
City Council in Balancing
the Budget, I Would...

1. **MAINTAIN**
2. **REDUCE**
3. **ELIMINATE**

Seven Day a Week
Swimming Pool

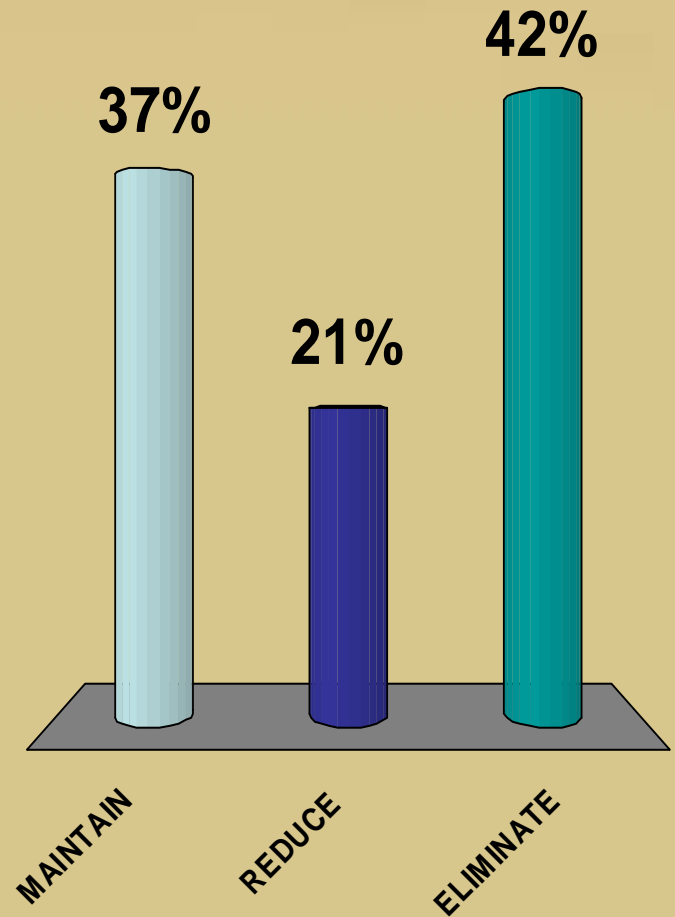


May 11, 2010
Survey Results

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Special Events

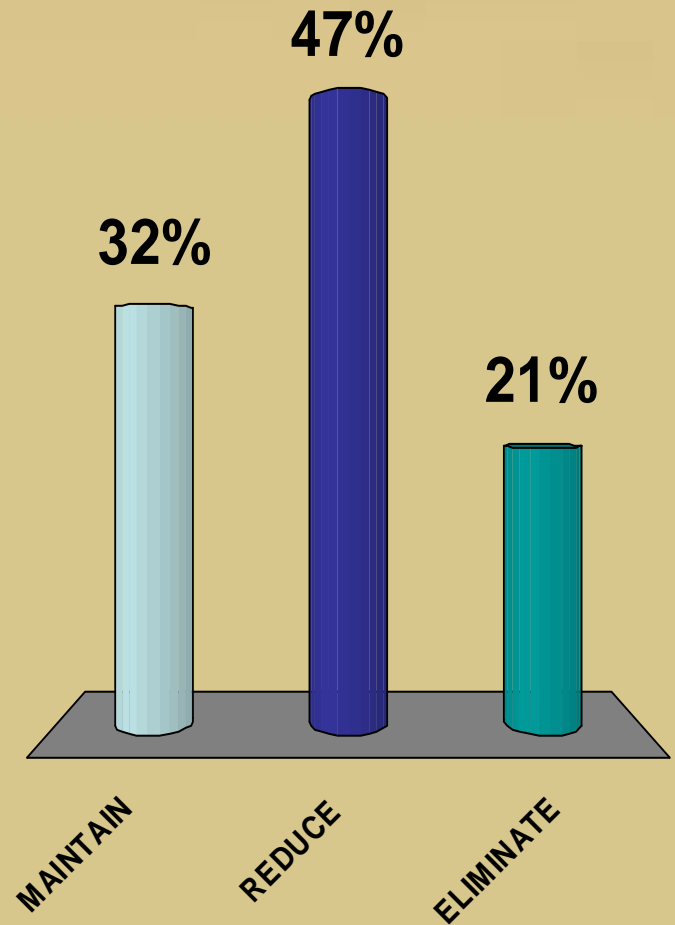


May 11, 2010
Survey Results

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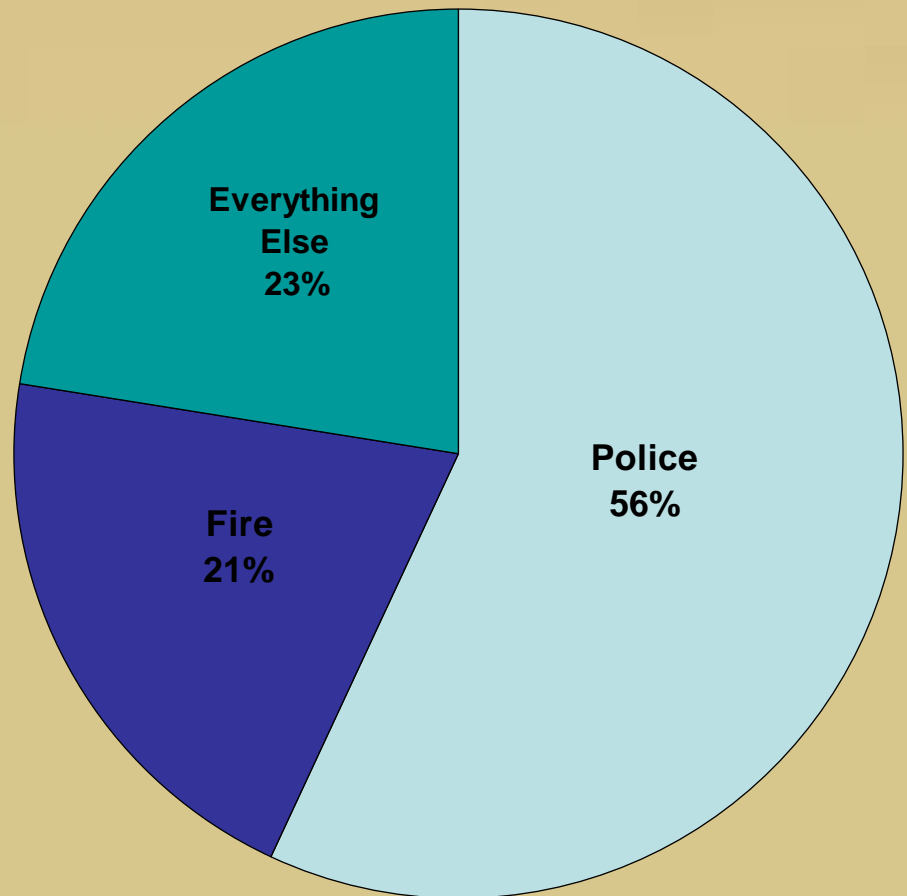
1. **MAINTAIN**
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Community Partnerships



General Fund Expenditures Percentage by Department

- Others **23%**
 - General Administrative and Support Services are **6%** of the General Fund Budget

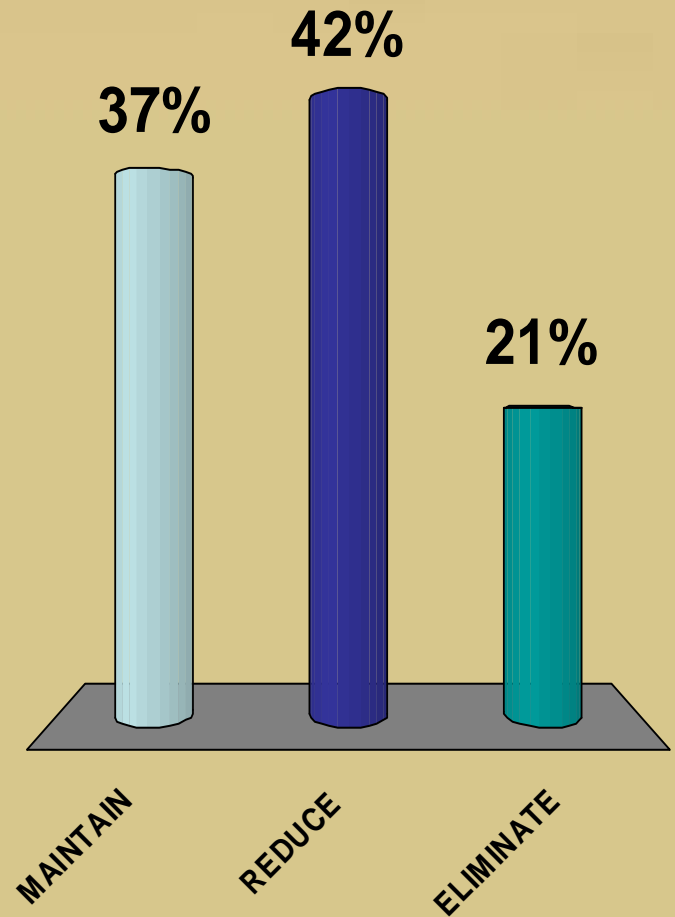


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Financial Operations

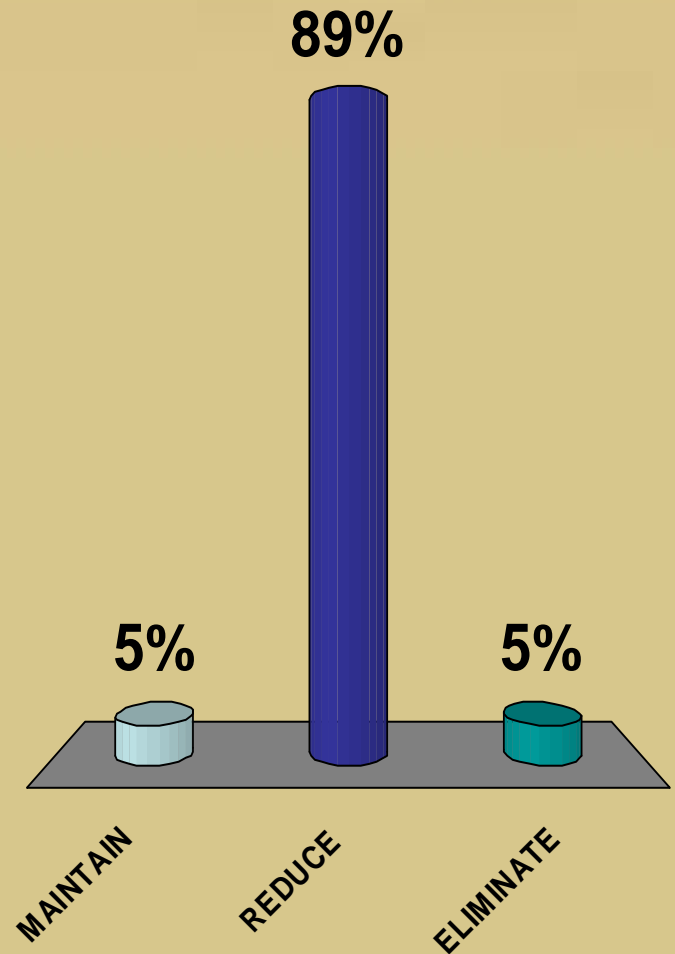


May 11, 2010
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City Management, Legal,
and Human Resources

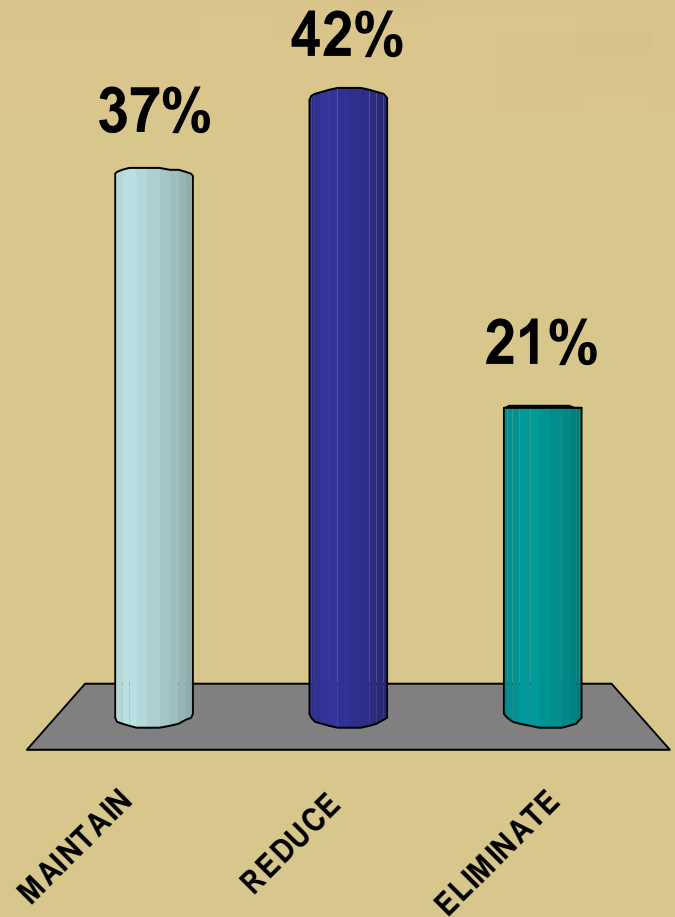


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Communication and
Technology



National City Reforms

Retirement Contributions

Two-Tier Systems

Retiree Programs-Cost Containment

Employees Compensation-Cost Containment

City Manager Cost Containment

CARE Committee & PRC

What Other Suggestions Do You
Have to Help Balance the City
Budget?

Closing Remarks

Next Steps

- *May 18* *Budget update*
- May 25 Budget Workshop
- *June 1* *Budget update*
- June 22 Budget Adoption
- July 1 FY 10-11 Budget available on
the City's website

City Council Comments and Direction