

CITY COUNCIL REPORT

DATE: January 28, 2012

TO: Mayor and Councilmembers

FROM: Mark Landsiedel, Community Development Director

CC: Kevin Burke, Josh Copley, Jerene Watson, Leadership Team

SUBJECT: BUDGET RETREAT FOLLOW-UP: REDUCTION OF SERVICE
AND RE-ALLOCATION OF CD BUDGET

This report is in response to the discussion at Budget Retreat for a \$50,000 ongoing budgetary re-allocation from Community Development, identified as possibly merging Advance Planning and Code Enforcement at some time, decreasing the Housing budget or other methods. Additional questions for discussion to understand this proposal are provided below:

Provide more detail on what specific actions would yield \$50,000 ongoing reduction from Community Development's budget.

DISCUSSION

(This response relates to the Planning and Engineering portions of Community Development. The Housing component will be discussed in a separate City Council Report.)

The overall request is to seek a \$50,000 reduction in Community Development's ongoing budget.

I) The Engineering Section (17) is proposing:

"CUTS"

Inspection Program (1707)

- 1) Budget savings associated with the Inspector position are estimated at \$62,000 (entry level Inspector position = \$59,000; telephone = \$1,000; gas & oil = \$2,000)
 - o Reductions in number of inspections/tests conducted for calendar year 2011 indicate that we do not need to fill the vacancy.
 - o We do not foresee a reduction in service level if the vacant Inspector position is not filled for the next 18 months

“ADD BACKS”

Transportation Program (1705)

- 1) In order to improve our service level, we request the addition of a temporary part-time employee (intern) in the amount of \$12,000
 - o Prior FTE reductions (23%) in the Transportation Program have exceed the work load decreases (10%)
 - o TE has experienced a work load increase in operational aspects due to new signals, added lane miles, ADOT Route Transfers and administration of capital programs
 - o We have experienced a reduced service level in our ability to perform traffic studies and prepare work orders

II) OTHER ADJUSTMENTS AND FUTURE OPTIONS

The combination of Advance Planning (1616) with Zoning Code (1619) is a possibility at the time their major projects are completed.

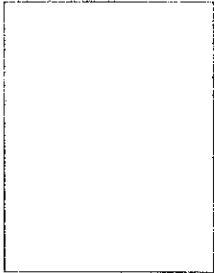
- 1) The Zoning Code work program currently has 2 FTE.
- 2) The major Zoning Code rewrite project has just been completed. As we begin using the new code, we anticipate the need for several adjustments at about the 6-month point. The creation of a PMO has begun. It is targeted to be adopted by the start of the next fiscal year. With that, new enforcement needs will begin. No new staff are being proposed, but we are seeking to increase the involvement of a building inspector from the current 25% to 40% of his time.
- 3) The Advance Planning work program has 2 FTE and 1 one-time FTE for next year.
- 4) The CAC just voted to support a schedule that targets completion of the Regional Plan in March 2014.
- 5) One of the ongoing staff is also our Neighborhood Planner, but has been unable to do any of this work due to the Regional Plan work load.
- 6) With the completion of these large and involved projects, the combining of these two work programs and the added focus on Neighborhood Planning is an attractive option. This would result in a combined staff of 4 FTE. This assumes the departure of the one-time FTE in Advance Planning. If the PMO enforcement effort is increased by then, maybe the incumbent staff could be transferred over.

Building Inspection & Project Review (1618)

- 1) A building inspector currently allocated, 25% to Housing, 25% to Code Enforcement, and 50% to Building Inspection, will be adjusted to 15% housing, 50% Code (PMO) enforcement, and 35% Building Inspection. This reflects the needs of the Code Enforcement work and the anticipated increased work load for the new PMO.

III) Summary

Cut: Engineering Inspection	\$62,000
Add: Intern, Traffic	\$12,000
General Fund Savings:	\$50,000



Re-allocation summary

Re-Allocation Decisions

Proposed Service Reduction - PW	Possible Dollars
No residential snow plowing <4"	\$135,000 (HURF)
Reduce maintenance on residential streets	\$0 (HURF)
Reduce street sweeping	\$94,000 (\$10GF/\$84HURF)
Close landfill on Sundays	\$38,000 (ESF)
Decommission/Repurpose Parks	\$25,000 (GF)
No City maintenance on downtown trees	\$9,300 (GF)
SEMS subsidy	\$428,917 (ESF) (Net \$0 change)
Increase indirects to Solid Waste	\$150,000 (GF)
Conversion of turf	(\$399,880)
Total	\$219,000 (HURF)/\$160K (GF)

*Strike-thru means not recommended by staff or 4+ Councilmembers not in favor at November retreat.

Re-Allocation Decisions

Proposed Service Reductions - Utilities	Proposed Re-allocation
Re-allocate \$50,000 from Stormwater	\$50,000
Reduce wastewater monitoring (info)	\$0
Combine Public Works & Utilities	\$100,000 (50/50 GF/Util)
ADWR pass-through	\$82,000 (Util) \$0.35/mo
Total	\$100,000 GF/\$134,000 Util
Accelerate meter replacement	\$2,000,000 or \$1.74/mo

Re-Allocation Decisions

Proposed Service Reductions - CE	Proposed Re-allocation
Reduce hours at Library	\$56,000
Reduce materials at Library	\$30,000
Close Aquaplex on Tuesday	\$29,000
Close Aquaplex 1 hr early (M-Sat)	\$20,000
Full cost recovery at J. Lively	\$129,000
Phase out BBB at Cogdill	\$78,000-178,000
Reduce Sr. Recreation Coordinators	\$135,000
Total	\$392,000 (GF) - \$492,000

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Re-Allocation Decisions

Proposed Service Reductions – EV & CD	Proposed Re-allocation
Re-allocate SEDI (\$20K) & University to Bus Program (\$30K) to Sci Foundation AZ	\$ 0
Increase Airport PFC's to \$4.50	\$113,000 (GF Transfer)
3¢ Fuel Tax	\$ 15,000 (Airport Fund)
Total	\$113,000
Reduce Engineering Inspection	\$ 50,000

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Re-Allocation Summary

Proposed Service Reductions – GF	Proposed Re-allocation
Public Works	\$160,000/\$219,000 HURF
Utilities	\$100,000
Community Enrichment	\$392,000 (492,000 FY16)
Economic Vitality	\$113,000
Community Development	\$50,000
Subtotal	\$815,000/\$219,000 HURF
Total	\$1,034,000

Incremental New Revenues



General Fund

- State Shared Income Tax - \$154,000
- Local & State Sales Tax – \$700,000

HURF

- Expected Reduction – (\$300,000)

Re-Allocation Summary

Proposed Service Reductions – GF	Proposed Re-allocation
General Fund/HURF Donor Subtotal	\$1,034,000
Additional Revenue	\$854,000
General Fund/HURF Resource Total	\$1,888,000
Minus HURF Reduction (offset w/GF)	(\$300,000)
Resource Total	\$1,588,000
Minus Re-allocation Recipients	(\$1,295,000)
Balance	\$293,000

Balance Decisions

Possible Re-allocations	Additional Need	Re-Allocated Dollars
Infrastructure – Streets -Maintain St O&M Arterials & Collectors	\$4-8 Million/yr \$50M catch-up	\$200,000
Infrastructure – Parks - Increase Park Maintenance on Parks	\$500,000/yr	\$100,000
Facilities - Increase Facility Funding	\$300,000/yr	\$100,000
Equipment - Increase Vehicle Replacement Fund for GF	\$717,000/yr	\$150,000
Personnel - Restore Payout	\$450,000	\$450,000
Personnel - Restore Train to 25%	\$390,000 (100%)	\$28,000
Personnel - Restore Uniform Allowance to 25%	170,000/yr (GF 100%)	\$22,000
Services -Funding of 6 officers in FY14	\$435,000	\$145,000
Services -Increase Funding of Outside Legal		\$100,000
GF Total		\$1,295,000

Balance Decisions

- Recommendation
 - \$145,000 2 more COPS officers lost in grant
 - \$50,000 to Arterial Street O&M-Total \$250,000
 - \$50,000 Fleet – Total \$200,000
 - \$34,000 General Fund RSL's

Additions

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- Municipal Court
- Public Works Yard
- Innovation Mesa
- PMO
- Rio De Flag
- Picture Canyon Acquisition

Suggest 1 x Dollars or Earmarked Funds