



# CITY OF IRWINDALE

CITY MANAGER'S PROPOSED BUDGET FY 2010/11

# CITY MANAGER'S PROPOSED GOALS FOR FY 2010/11

- Maintain City Services
- Avoid reductions in force (layoffs)
- Identify revenues to maintain existing programs
- No add backs from previous budget cuts approved by City Council
  - \$1.2M in budgeted operating costs were reduced from FY 08-09 to FY 09-10
  - Positions Eliminated or Frozen
  - Relates to costs that departments can control

# CITY MANAGER'S PROPOSED GOALS FOR FY 2010/11

- Meet and confer with bargaining units to seek cost savings and sustainable benefit levels:
  - Offer Early Retirement Program;
  - Employee contribution towards retirement benefits;
  - Reduction in other benefits for active employees;
  - “Tiering” of benefits for future employees;
  - Negotiations are currently on-going

# CITY MANAGER'S PROPOSED GOALS FOR FY 2010/11

- Departments to continue to look for savings where possible
- Continue to postpone equipment replacement where safe and appropriate
- Postpone general fund projects to future years where possible, fund with grants and outside agencies when available
- Use reserves prudently

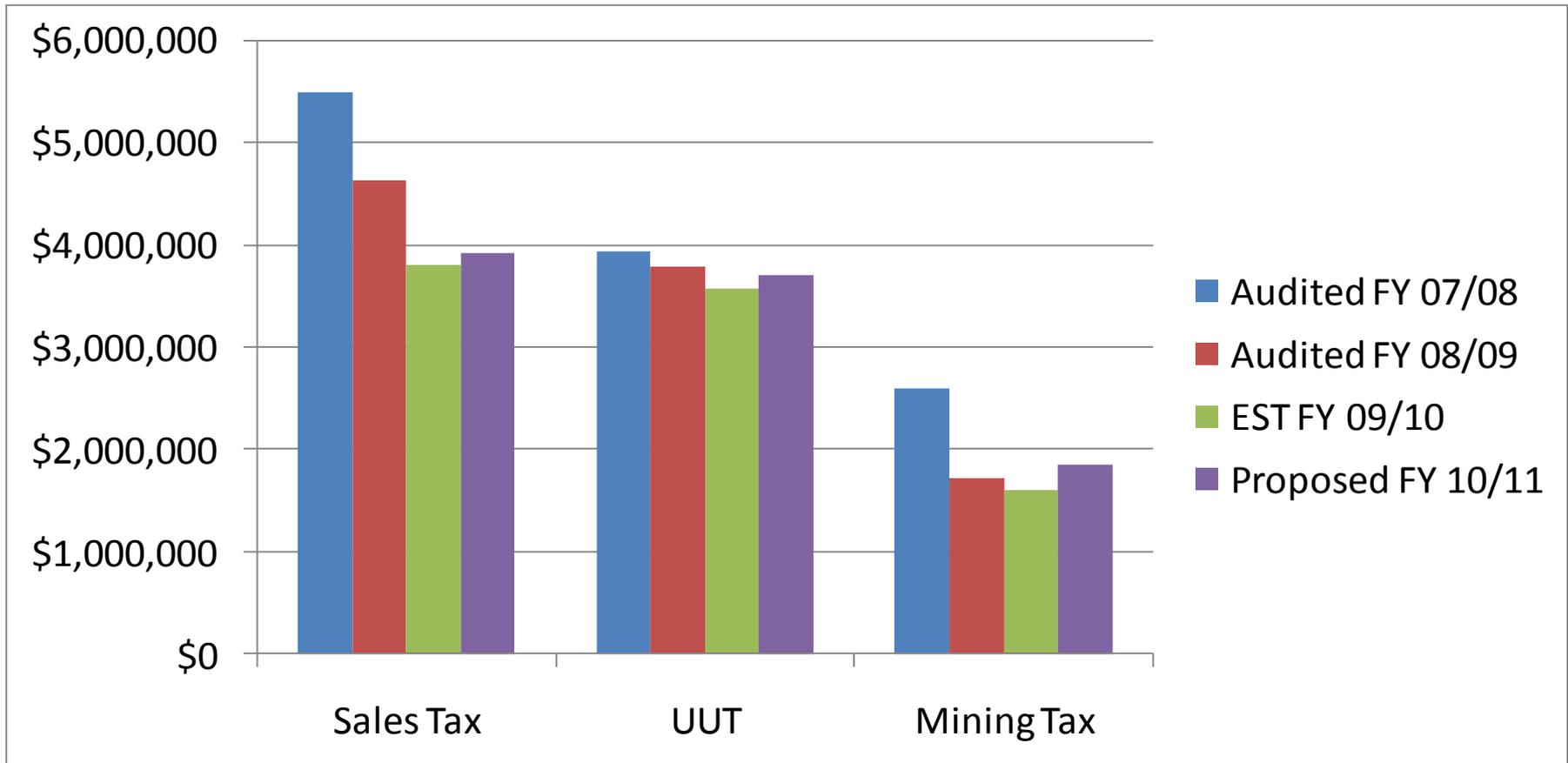


# BUDGETED REVENUES

## FY 2010/11



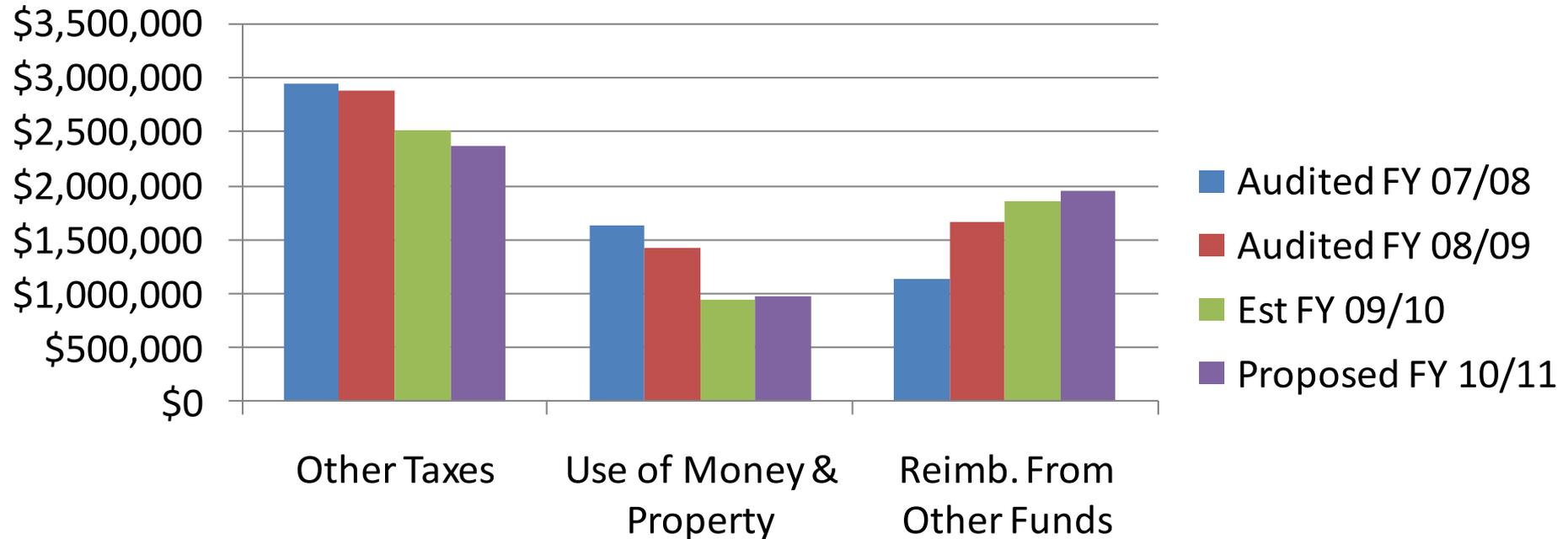
# MAJOR REVENUE SOURCES



**ESTIMATED A SLIGHT INCREASE IN MAJOR TAX REVENUES, REPRESENTS 5% PER CONSULTANT ESTIMATES, MINING COMPANY ESTIMATES AND TRENDS**



# OTHER REVENUE SOURCES



- Other Taxes include property taxes, business license tax, admissions tax, etc.
- Interest and rental income to remain relatively flat.
- Slight increase in reimbursement from CRA for salaries and overhead due to COLA

# FEES FOR COMMUNITY PROGRAMS

- Fees for Recreation/Senior/Library Programs are budgeted at \$107,000
- These contribute towards \$1.9M in costs (salaries and operating expenses) for these programs
- Fees represent approximately a 4% contribution from residents & others; GF revenues pay for the remaining \$1.8M in program costs

# ONE-TIME REVENUES

- \$620,000 State Grant from Traffic Control System (budgeted project in CIP)
  
- \$1,000,000 contribution from Vulcan
  - ▣ \$500,000 to be deposited in Special Mining Fund to partially fund Ramona Resurfacing Project
  - ▣ \$500,000 to Infrastructure Reserves in General Fund



# BUDGETED EXPENDITURES

## FY 2010/11

# DOWNSIDED WORKFORCE

- Actions taken in FY 2008-09:
  - 2 officer positions eliminated
  - 6 reserve officer positions frozen
  - 2 cadet positions frozen
- Actions taken in FY 2009-10:
  - Eliminated 4 positions: General Maintenance Worker; St Maint. Worker; Park Maintenance Worker; and Recreation Supervisor Positions
  - Froze 6 positions: Lieutenant; Corporal; Officer; 2 Senior Recreation Leaders and a Library Page

# PERSONNEL SALARY SAVINGS

□ Over past two years this represents:

▣ 6 positions eliminated

A TOTAL OF 20 POSITIONS

▣ 14 positions frozen

\$1.2 MILLION SAVINGS TO GENERAL FUND

# INCREASED COSTS FROM CONTRACTS OR RATE INCREASES

- ❑ MISC PERS RATE FROM 15.643% TO 16.05% (\$14K)
- ❑ SAFETY PERS RATE TO 29.141% TO 29.88% (\$21K)
- ❑ MEDICAL INSURANCE COSTS (\$72K)
- ❑ DENTAL INSURANCE COSTS (\$7K)
- ❑ RETIREE MEDICAL INSURANCE COSTS (\$100K)
- ❑ WORKERS' COMP INSURANCE (\$126K)
- ❑ PROPERTY & GENERAL LIABILITY INSURANCE (\$97K)
- ❑ NEW CONTRACT – UUT COMPLIANCE (\$22K)

# INCREASED COSTS FROM CONTRACTS OR RATE INCREASES (CONTINUED)

- CITY-WIDE UTILITY COSTS (\$40K)
- STREET LIGHT UTILITY COSTS (\$20K)
- PD OVERTIME ADDBACK – NEGOTIATING (\$400K)
- MISC EMPL 4% COLA DEFERRED – NEGOTIATING (\$203K)

**TOTAL COST INCREASES FROM CONTRACTS OR  
RATE INCREASES = \$1,121,000**

# GENERAL FUND CAPITAL COSTS PROPOSED FOR FY 2010/11

- ❑ **GRANT FUNDED** TRAFFIC CONTROL SYSTEM PROJECT (\$630,000)
- ❑ **FUNDED BY GENERAL FUND:**
  - ❑ Sidewalk Replacement (\$8,500)
  - ❑ Replace freezer at Senior Center (\$10,000)
  - ❑ Computer and Equipment Replacement, as needed to replace non-functioning items (\$13,500)
  - ❑ Gold Line Construction (\$75K)
  - ❑ Pavement Mgmt Study (\$5K, \$15K funded by CRA)
  - ❑ Storm Drain Study (\$10K, \$50K funded by CRA & SM)
- ❑ **TOTAL GF CAPITAL COSTS BUDGETED = \$122,000**  
(Minimal Capital Costs Included in Budget – City has \$32M in capital assets being depreciated)

# PROPOSED GENERAL FUND BUDGET

## FY 2010/11



	<b>MID-YEAR ESTIMATE FY 09/10</b>	<b>PROPOSED BUDGET FY 10/11</b>
Revenues	\$17,344,000	\$17,229,000
Expenditures	(\$19,449,000)	(\$19,934,000)
Less: One Time Rev/(Exp)	(\$1,000,000)	(\$378,000)
<b>Projected Deficit</b>	<b><u>\$(3,105,000)</u></b>	<b><u>\$(3,083,000)</u></b>

# PLANS TO REDUCE STRUCTURAL DEFICIT – SHORT TERM

- Ongoing negotiations with bargaining units
  - Pending items would generate savings in current year, which include:
    - reduction of PD OT (\$400K)
    - COLA deferral (\$205K)
    - PARS plan design changes (\$180K)
    - EE Contribution towards PERS (\$86K first year)
- Contracting Services wherever possible to reduce increasing salary and benefit costs
- Research combining services with other municipalities
- Maintain instituted budget cuts indefinitely as revenues begin to stabilize and gradually improve

# PLANS TO REDUCE STRUCTURAL DEFICIT – LONG-TERM

- Ongoing negotiations with bargaining units
  - ▣ Early Retirement Program
  - ▣ “Tiering” of retirement benefits for Future Employees
- Concentrated effort on Redevelopment and Economic Development – CREATE GF TAX REVENUES
- Evaluate options for reducing health care costs paid for employees, retirees and residents (currently \$2.8M)
- Should economy continue to worsen and/or short & long term plans not materialize – Cut Programs/Services to avoid continued depletion of reserves!



# DISCUSSION