

FY2010 Budget Questions
Submitted by Michael Webber

1. Can someone please provide a brief history of the Tuition Refund program that has a line item in several budgets. Is it a union contract obligation? I see that some funds are decreasing while others are increasing. What is the net increase/decrease for this program in FY10?

Tuition reimbursement has been a longstanding City policy and an established past practice from the unions' perspective. The program has undergone various changes most recently when Mayor Barnett added new repayment requirements that were also negotiated into the current 3472 (Fire) contract. The most recent policy revision is posted on the HR policy link in Employee Resources.

When you look at Tuition Reimbursement it is important to not only look at the budgeted amount but also compare what is actually reimbursed. Our review indicates that employees have good intentions going into the budget cycle but for whatever reason actual is below planned (budgeted). As an example in 2008, we had budgeted over \$30,000 but actual expenditure was only under \$12,000.

2. Overall it appears that the Travel and Seminar budget is down per most departments. What is the total percentage in decreased Travel and Seminar FY10 budgeted from the FY09 budgeted?

I attached a small chart that shows Travel and Seminars over the past several years. As you can see from the chart your observation is correct. Budgeted amounts for this area have decreased over 14% as compared to the 2009 budget. Actual spent will most likely be below planned (budgeted) based on our past history.

3. Overall it appears that the Membership Dues budget is down per most departments. What is the total percentage in decreased Membership Dues FY10 budgeted from the FY09 budgeted?

Budgeted amounts for this area have decreased 3.5% over what was budgeted for 2009. You would expect this to remain fairly constant year to year since memberships are based on either maintaining certifications or staying informed in specialized areas. Administration is also re-evaluating these memberships and their necessity and value each and every year.

4. Has the city ever participated in the "NET Forfeiture" program? My understanding is that communities that participate in this program see Disbursements back to their community in the \$55,000-\$60,000 range per year. Perhaps we can look at joining this program and covering about half the cost of a patrol investigator (in the \$120,000 range) position, keeping our overall number of contracted police officers from FY09 for about \$60,000. This would put an

additional officer on the streets from FY09, as this officer would no longer be based in the schools.

The Mayor has had discussions with the Sherriff's office regarding this idea. But a more detailed analysis needed to be done before he felt it could either be included in the FY 2010 budget or brought forward to City Council as a discussion item.

5. In the Crossing Guards budget, I see a 90% increase for operating supplies. It explains in the budget that this increase is due to changes in vests and stop signs as recommended by the Safety Committee. Can I get more background on increase and on the Safety Committee?

The Safety Committee recommended a safety vest that was more visible and there idea was accepted which met we needed to replace current vests. Overall it is a one extra outlay that will make the guards and children safer at street crossings. The net increase is \$450 which we believe is a good investment to keep employees and children safe.

6. What is the thought process behind the Inter-fund Charges: Forestry from Tree Fund in FY10 and FY11? I see that this is a new process for us as a city and just wanted to better understand the rationale behind it.

Many of the trees that Forestry works on through out the year are trees that were planted from the Tree Fund. So the thought was rather than having General Fund pay for all Forestry's work the Tree Fund should at least make its contribution toward that activity. We used the figure of 5% for the contribution amount based on the assumption that long term funds, which is how we view the Tree Fund, like retirement funds can be perpetual if only 5% of principal is withdrawn each year assuming that the fund should be able to earn that rate over long time frames.

A review of the City's average interest rate for the past nine years indicates that on average we have been able to earn 3.60%, (some years higher and some years lower than this amount). That rate reflects the fact that the City, by law is restricted in what we can invest in vs. other instruments that are available to retirement funds.

Another item that effects this assumption is the fact that the Tree Fund still wants to buy trees each year in addition to maintain what we have. What that does is reduce the Fund's fund balance going forward which affects the fund's interest earnings.

The bottom line:

- If the Tree Fund earns at the City's average interest rate, contributes 5% of its Fund Balance to General Fund to cover the maintenance cost of the trees that were planted from this funding source and buys 200 trees each year at a per unit amount of \$250/ea (which is not adjusted for inflation) the Tree Fund will last for 25 years.
- If the number of trees brought and planted each year is adjusted to 100 trees, the Tree Fund will last for 45 years, everything else remaining the same.
- If no new (100% funded) trees are brought from the fund and only 50/50 (matching fund trees) are purchased the Fund could plant 200 trees a year and last for the next 45 years.

Since the City is not earning at the 5% level and trees are still being brought from the fund it is true that the Tree Fund will not last forever but it will last for a very long time.

A long answer but we were trying to account for maintenance done on Tree Fund planted trees and keep the Tree Fund a very long-term fund. We believe our approach is fiscally conservative and will keep the Tree Fund in place in the worse case for 25 years and in the best case 45 years or more.

7. Wireless Communications - Operating Equipment - Can someone give a brief description of the "citywide radio changeover" in the budget. Is this a one time increase in that line item because I see a 51% decrease in FY11 but that still represents an increase in overall FY09.

We are starting our FCC Mandated change over in 2010 to be completed by the 2012 deadline. All radios must be capable of 12.5khz channel spacing, where today's radios are 25khz separation. (basically they are doing this to double the size of the available channels that can be assigned)

8. When are the 2009 City-wide survey results going to be available to council?

The survey should be available in the next couple of weeks.