



# FUNDAMENTAL SERVICE REVIEW

**FY 2011 BUDGET REDUCTION OPTIONS**

# AGENDA



- Fundamental Service Review (FSR) Overview
  - 2008
  - 2009
- Communication with Employees
  - continuous open and current communications with all bargaining units presidents
- Your City Your Way – Citizen Communication
- Impacts of Budget Reduction Recommendations
- Revenue Recommendations
- FY11 Budget Recommendations
- Questions - Comments - Direction

# FUNDAMENTAL SERVICE REVIEW



2008

- Staff, along with a panel of experts, identified a projected shortfall of over \$150M over five years
- Council directed staff to conduct a Fundamental Service Review of all City operations, programs, and services
- FSR Guiding Principles
  - Sustain Fiscal Integrity
  - Maintain Critical Services
  - Preserve City Jobs

# FUNDAMENTAL SERVICE REVIEW



2008

- In October 2008, staff presented a plan to the City Council that identified options for addressing the shortfall; options that were approved included:
  - Create a revenue stabilization fund
  - Drop the current fund balance reserve from 12 – 10%
  - Take necessary actions to balance the budget, including separation plans, labor negotiations, and program reductions
  - The implementation of 106 options that resulted in organizational efficiencies. All options that were determined feasible were implemented or are in progress

# FUNDAMENTAL SERVICE REVIEW



2009

- Implemented options that resulted in:
  - Labor Savings - \$18.5M
  - Non Labor Savings - \$2.2M
  - FSR Vacancies - \$4.1M
  - FSR Non-Labor Savings - \$1.9M
  - Additional Savings - \$20M
  - FSR Efficiencies - \$4.6M
    - ✦ Consolidation of Administrative Services and Government Affairs
    - ✦ Consolidation of PIO's and Graphic Artists
    - ✦ Consolidation of Special Events
    - ✦ Consolidation of most Graffiti Abatement Efforts
    - ✦ Closure of community centers on Sundays

# FUNDAMENTAL SERVICE REVIEW



2009

- As a part of our six month forecast, staff along with a panel of experts, identified a projected shortfall of over \$400M over five years
- Necessary reductions were implemented that resulted in \$7.7M in labor and non-labor savings including finalization of the closure of the Cityride bus program (tier 1)

# FUNDAMENTAL SERVICE REVIEW



## Overview

- Total budget cuts since 2008 - \$106.5M
- Total of 566 positions eliminated:
- Vacancy Pool – All non-public safety current and future vacant positions were swept into a vacancy pool
- Reductions of an equivalent of one percent of the cost of labor from all labor unions resulting in a \$2.6M annual savings
- No COLA, merit, or bonus for non-represented employees resulting in \$2.1M annual savings
- 115 individuals took advantage of the Voluntary Separation or Separation Incentive Program

# FUNDAMENTAL SERVICE REVIEW



## City Council Communication

- Updates to the financial model provided in October 2008, May and November 2009
- Weekly briefings on revenue and the status of FSR implementation
- Weekly communication about the effects of economy on other local governments
- Regular closed-door sessions to discuss status of union negotiations
  - Closed door labor negotiations updates over the past few months
- Budget options provided to allow for Council input

# FUNDAMENTAL SERVICE REVIEW



## Employee Communication

- City Budget Email (Hundreds of Questions/Suggestions)
- Video Messages
- Email Messages
- CityLink Updates (City manager E-newsletter)
- Employee Meetings
  - ✦ City Council Chambers (Taped and online)
  - ✦ 5<sup>th</sup> Street School
  - ✦ DCM briefings of every work unit in staff meetings

# YOUR CITY YOUR WAY



## Citizen Communication – Your City Your Way

- UNLV, Cannon Survey Center – Phone Survey
- UNLV, Dept. of Sociology – Focus Panels
- Online survey
- Town Hall Meetings
  - Geographically dispersed throughout the City with at least two in each ward

# YOUR CITY YOUR WAY



## Final Report:

- Overall satisfaction with City Services
- All City services are important
- Services for human, health, safety, and at-risk populations are most important
- Smart economic strategies are required
- Parks, community centers, and neighborhood supports are important for quality of life
- A majority of citizens are willing to pay to sustain important services
- Focused communication is important

# BUDGET PHILOSOPHY



- Maintain fiscal integrity
- Sustain critical services
- Preserve city jobs

# BUDGET APPROACH



- Requested 12% reduction options from Departments in July 2009
- Requested flat growth plus 8% reductions in labor costs from union leadership in November, 2009
- Implemented a hard freeze on all hiring with the exception of public safety positions
- Recognized the only approach to balancing the budget, without labor concessions, included program and service reductions

# BUDGET APPROACH



- Based on Council/Community/bargaining units /Employee feedback
- Uses a 2yr. approach to address a \$70M deficit
- FY11 budget proposes to use \$38M in reserves
  - The remainder will be in cuts
- Assumes no labor concessions
- Targets were established based on FY10 spending patterns
- This model does not include any new revenue enhancements, with the exception of fee increases in Leisure Services
- FY12 will face approximately \$40M - \$45M in continuing budget shortfall

# FUNDAMENTAL SERVICE REVIEW



| General Fund<br>Budget Cut Summary |            |                 |            |             |            |            | All Cuts<br>% of |              | Proposed    |
|------------------------------------|------------|-----------------|------------|-------------|------------|------------|------------------|--------------|-------------|
|                                    |            | Prior<br>Budget |            |             | Tier 1     | Tier 2     | Total            | Prior Budget | FY11        |
| Department                         | DEPT (ORG) | Levels          | FY08       | FY09        | FY10       | FY11       | All Cuts         | Levels       | Budget      |
| City Council                       | 1000       | 4,454,335       | 179,000    | 635,294     | 235,000    | 183,041    | 1,232,335        | 27.7%        | 3,222,000   |
| City Manager                       | 2000       | 9,842,540       | 370,000    | 1,558,467   | 766,660    | 424,238    | 3,119,365        | 31.7%        | 6,723,175   |
| City Attorney                      | 3000       | 10,427,482      | 418,468    | 1,090,104   | 215,290    | 159,620    | 1,883,482        | 18.1%        | 8,544,000   |
| City Clerk                         | 4000       | 3,944,280       | 104,324    | (173,894)   | 162,740    | 142,285    | 235,455          | 6.0%         | 3,708,825   |
| Human Resources                    | 5000       | 6,549,108       | 240,461    | 694,892     | 114,000    | 945,755    | 1,995,108        | 30.5%        | 4,554,000   |
| Finance & Business Services        | 6000       | 15,812,632      | 630,878    | 1,708,707   | 591,899    | 1,548,948  | 4,480,432        | 28.3%        | 11,332,200  |
| Planning & Development             | 7000       | 7,891,558       | 319,900    | 991,871     | 444,685    | 661,225    | 2,417,681        | 30.6%        | 5,473,877   |
| Internal Audit                     | 8000       | 1,318,621       | 51,060     | 98,591      | 22,970     |            | 172,621          | 13.1%        | 1,146,000   |
| Information Technologies           | 9000       | 12,641,429      | 268,218    | 1,823,168   | 754,619    | 704,924    | 3,550,929        | 28.1%        | 9,090,500   |
| Non- Departmental                  |            | 26,086,117      | 1,760,300  | 5,206,185   |            |            | 6,966,485        | 26.7%        | 19,119,632  |
| Municipal Court                    | 11000      | 26,078,184      | 1,090,000  | 3,053,764   | 390,294    | 1,161,130  | 5,695,188        | 21.8%        | 20,382,996  |
| Police Services (Metro)            |            | 141,542,300     |            |             |            | 7,060,300  | 7,060,300        | 5.0%         | 134,482,000 |
| Fire & Rescue                      | 13000      | 117,611,909     | 5,135,477  | (1,843,388) |            | 2,938,820  | 6,230,909        | 5.3%         | 111,381,000 |
| Detention & Enforcement            | 14000      | 69,693,647      | 2,944,500  | 457,413     | 176,120    | 2,875,240  | 6,453,273        | 9.3%         | 63,240,374  |
| Public Works                       | 15000      | 45,585,631      | 1,642,998  | 5,936,403   | 1,894,490  | 2,678,792  | 12,152,683       | 26.7%        | 33,432,948  |
| Leisure Services                   | 16000      | 33,217,351      | 1,202,173  | 3,023,614   | 1,084,690  | 3,291,404  | 8,601,881        | 25.9%        | 24,615,470  |
| Business Development               | 17000      | 739,437         | 30,113     | 709,324     |            |            | 739,437          | 100.0%       |             |
| Neighborhood Services              | 18000      | 11,465,168      | 456,577    | 982,336     | 83,320     | 1,303,935  | 2,826,168        | 24.7%        | 8,639,000   |
| Field Operations                   | 19000      | 30,934,582      | 1,653,279  | 3,150,349   | 1,718,575  | 425,376    | 6,947,579        | 22.5%        | 23,987,003  |
|                                    |            | 575,836,311     | 18,497,726 | 29,103,200  | 8,655,352  | 26,505,033 | 82,761,311       | 14.4%        | 493,075,000 |
| Cummulative                        |            |                 | 18,497,726 | 47,600,926  | 56,256,278 | 82,761,311 |                  |              |             |

# FUNDAMENTAL SERVICE REVIEW



|                           |                |               |               |              |               |                 |                    |                |
|---------------------------|----------------|---------------|---------------|--------------|---------------|-----------------|--------------------|----------------|
| <b>General Fund</b>       |                |               |               |              |               |                 |                    |                |
| <b>Budget Cut Summary</b> |                |               |               |              |               |                 |                    |                |
| ( \$ in thousands)        | Prior          |               |               |              |               |                 |                    | Proposed       |
|                           | Budget         |               |               | Tier 1       | Tier 2        | Total           | % reduction        | FY11           |
|                           | <u>Levels</u>  | <u>FY08</u>   | <u>FY09</u>   | <u>FY10</u>  | <u>FY11</u>   | <u>All Cuts</u> | <u>by Function</u> | <u>Budget</u>  |
| <b><u>By Function</u></b> |                |               |               |              |               |                 |                    |                |
| Public Safety             | 328,848        | 8,080         | (1,386)       | 176          | 12,874        | 19,744          | 6.0%               | 309,103        |
| General Government        | 104,066        | 4,684         | 14,138        | 3,773        | 4,832         | 27,428          | 26.4%              | 76,638         |
| Cultural and Recreation   | 43,529         | 1,753         | 4,074         | 1,658        | 3,433         | 10,918          | 25.1%              | 32,611         |
| Judicial                  | 31,292         | 1,299         | 3,599         | 498          | 1,241         | 6,637           | 21.2%              | 24,655         |
| Public Works              | 55,897         | 2,194         | 6,987         | 2,467        | 2,821         | 14,469          | 25.9%              | 41,429         |
| Economic Assistance       | 12,205         | 487           | 1,692         | 83           | 1,304         | 3,566           | 29.2%              | 8,639          |
|                           | <b>575,836</b> | <b>18,498</b> | <b>29,103</b> | <b>8,655</b> | <b>26,505</b> | <b>82,761</b>   | <b>14.4%</b>       | <b>493,075</b> |

# FUNDAMENTAL SERVICE REVIEW



## Staffing Reduction History

### All Funds FTEs

|                              | Beginning |       |        |        |        |          | All Cuts  |          |
|------------------------------|-----------|-------|--------|--------|--------|----------|-----------|----------|
|                              | Staffing  |       |        |        |        |          | % of      |          |
|                              | Levels    | FY08  | FY09   | Tier 1 | Tier 2 | Total    | Beginning | Ending   |
| Department                   | Levels    | FY08  | FY09   | FY10   | FY11   | All Cuts | Staffing  | Staffing |
|                              | Levels    |       |        |        |        |          | Levels    | Levels   |
| City Council                 | 31.20     |       | 1.60   |        | 1.00   | 2.60     | 8.3%      | 28.60    |
| City Manager                 | 79.03     |       | 9.91   | 3.48   | 4.94   | 18.33    | 23.2%     | 60.70    |
| City Attorney                | 70.48     |       | 2.00   | 3.00   | 2.00   | 7.00     | 9.9%      | 63.48    |
| City Clerk                   | 24.00     |       |        | 2.00   | 1.00   | 3.00     | 12.5%     | 21.00    |
| Human Resources              | 51.96     |       | 4.48   |        | 6.48   | 10.96    | 21.1%     | 41.00    |
| Finance & Business Services  | 136.95    |       | 4.47   | 6.00   | 13.00  | 23.47    | 17.1%     | 113.48   |
| Planning & Development       | 65.87     |       | 9.00   | 4.00   | 8.39   | 21.39    | 32.5%     | 44.48    |
| Internal Audit               | 7.96      |       |        | 0.48   |        | 0.48     | 6.0%      | 7.48     |
| Information Technologies     | 102.66    | 1.00  | 7.18   | 5.00   | 4.00   | 17.18    | 16.7%     | 85.48    |
| Municipal Court              | 213.50    |       | 20.00  | 4.23   | 14.01  | 38.24    | 17.9%     | 175.26   |
| Fire & Rescue                | 694.90    |       | 17.94  |        | 9.00   | 26.94    | 3.9%      | 667.96   |
| Detention & Enforcement      | 431.80    |       | 19.44  | 5.48   | 26.00  | 50.92    | 11.8%     | 380.88   |
| Public Works                 | 385.86    | 1.00  | 26.70  | 16.70  | 28.46  | 72.86    | 18.9%     | 313.00   |
| Leisure Services             | 345.85    |       | 11.47  | 11.00  | 50.64  | 73.11    | 21.1%     | 272.74   |
| Business Development         | 25.96     |       |        | -      | -      | -        | 0.0%      | 25.96    |
| Neighborhood Services        | 104.48    |       | 10.00  | -      | 12.00  | 22.00    | 21.1%     | 82.48    |
| Field Operations             | 446.95    | 1.00  | 30.47  | 13.48  | 3.00   | 47.95    | 10.7%     | 399.00   |
| Building & Safety Enterprise | 170.90    | 29.00 | 43.95  |        | 7.00   | 79.95    | 46.8%     | 90.95    |
| Grand Total                  | 3,390.31  | 32.00 | 218.61 | 74.85  | 190.92 | 516.38   | 15.2%     | 2,873.93 |

# FUNDAMENTAL SERVICE REVIEW



Since Briefings, what has changed:

- The total reduction needed in Fire & Rescue was modified and reduced the number of reductions needed
- Recommendations address concerns in B&S
- Number of employees separated
  - More vacancies eliminated
  - One additional position transferred to an enterprise fund
- METRO has communicated decreasing the number of prisoners in City Jail resulting in less revenue

# FUNDAMENTAL SERVICE REVIEW



## **Reorganizations**

- Consolidation of Arts and Community Events and the Office of Cultural Affairs
- Consolidation of the Sustainability Initiative in the Office of Administrative Services
- Diversity Outreach Efforts to be led by the Chief Urban and Redevelopment Officer with support from OBD/OCA and all Departments

*Transfers of employees related to the reorganizations are not reflected in the following slides.*

# FUNDAMENTAL SERVICE REVIEW



## **Reallocated to General Fund**

- Video Services Enterprise Fund
- Some Internal Service Funds
- Fire Equipment Acquisition Fund

## **Reset Rates**

- Fleet Rates for Departments

Parking Enterprise Fund – Pending RFP Results

# FUNDAMENTAL SERVICE REVIEW



## **City staff will notice (Organization Impacts):**

- Longer response times to requests
- Increased workload
- Less flexibility with discretionary spending
- Deferred maintenance may result in increased costs in the future

## **Citizens and Council Members will notice (Community Impacts):**

- Longer lines
- Longer turn-around time to requests
- Reduced or eliminated programs
- Reduced presence of staff at events, facilities, parks, trails,

# Fire and Rescue



If options are approved, funding for the Department will have been reduced by 7.7% and 63.94 FTE's since 2008. Current options include:

## **Staff Reduction – 46 FTE (25 Vacant)**

### **Organization Impacts**

- Elimination of current vacancies
- Reduction of Fire Prevention staff by 70%
- Fire plans check function moved to Building and Safety

### **Community Impacts**

- Delays in inspections
- Potential for emergency response units out of service (brownouts)
  - Allowing the Department to remain within their allotted OT budget
- Potential increased fees for development

# Fire and Rescue



If options are approved, funding for the Department will have been reduced by 5.3% and 19.94 FTE's since 2008. Current options include:

**Staff Reduction – 9 FTE's**

**Total Budget Reduction - \$2,938,820**

## **Organization Impacts**

- The elimination of nine positions (8 vacant, 1 filled CEA). These positions will be non-suppression positions. The impact will be on the remainder of the administrative staff who will assume the duties as they are assigned by the fire chief.

## **Community Impacts**

- One unit per day to be Browned Out or in other words taken out of service for the day. The impact is one less four person unit in service each day. Fire administrative staff will develop the brown out rotation
- Through a reorganization, the department will be looking at reducing the fire prevention program

# Fire and Rescue



Fire and Rescue Reductions include:

- Elimination of eight vacant positions
- Assistant Fire Chief
- Office Supervisor (CEA)
- 3 Training Officers (vacant)
- 2 Battalion Chiefs (40 hr.) (vacant)
- 1 EMS Coordinator (vacant)
- 1 Quality Assurance Coordinator (vacant)
- Reduction to the Communications Center Contribution

# Fire and Rescue



## **Other possible FY11 budget reduction scenarios:**

- Eliminate Fire Protection Engineer Program
  - Reduction of \$533,244
- Eliminate Fire Prevention Inspectors
  - 3 Inspectors - \$359,480
  - 7 Inspectors - \$871,310
  - 9 Inspectors - \$1,100,750
  - 13 Inspectors - \$1,580,050

***In preparation for FY12 reductions, Fire & Rescue management will evaluate and pursue alternative daily staffing plans and strategies, some subject to bargaining and/or arbitration as a possible budget reduction strategy***

***Reduction strategies may include:***

- ***Additional brownouts***
- ***Unit staffing changes***
- ***Reductions in Fire Prevention/Plans Check***

# Detention and Enforcement



If options are approved, funding for the Department will have been reduced by 9.3% and 50.92 FTE's since 2008. Current options include:

**Staff Reduction – 26 FTE**

**Total Budget Reduction - \$2,875,240**

## **Community and Organization Impacts**

- Reduced officer presence and frequency of patrols at City parks, recreation centers, ball fields, community centers and general City facilities as well as at special events and public meetings
- Increased response times
- **Closure of the NW Sub-station**
- Reduced assistance to other agencies
- Increased time necessary to process inmate bookings and releases
- Reduced ability to achieve non-priority services such as inmate/ family visitation, property releases, discharge planning and attorney visits

# Neighborhood Services



If options are approved, funding for the Department will have been reduced by 24.7% and 22 FTE's since 2008. Current options include:

**Staff Reduction – 12 FTE**

**Total Budget Reduction - \$1,303,935**

## **Community Impacts**

- RRT Cleanup Crews will be reduced from 5 to 3 crews without adversely impacting Graffiti Abatement and Code Enforcement
- EVOLVE Ancillary Services will be eliminated without adversely impacting homeless outreach and discharge planning services
- Neighborhood Planners will be reduced by one with a focus to affect target areas to become more stable, which are tracked through Neighborhood Indicators (i.e., crime, graffiti, property maintenance).

# Leisure Services



If options are approved, funding for the Department will have been reduced by 25.9% and 73.11 FTE's since 2008. Current options include:

**Staff Reduction – 50.64 FTE**

**Total Budget Reduction - \$3,291,404**

## **Organization Impacts**

- Efficiencies within the administrative functions
- Privatization of Darling Tennis Center preserves revenue

## **Community Impacts (attachments)**

- Close 8 Community Schools (Includes on-site Track Break & teen Scene Outreach)
- Reduce staff at centers (across the board)
- Cost Recovery Fee Increases – Sustain Safekey & Summer Camps (see attachment)
- Potential reduced services and responsiveness to the citizens

# Leisure Services – Fee Impact Summary



- Youth and Field Allocation - \$.69/game increase
- Adult and 3<sup>rd</sup> Party Allocation - \$.76/game increase
- Non-Profit Tournament Allocation - \$.43/game increase
- For-Profit Tournament Allocation - \$.55/game increase
- SafeKey - \$.28/hour increase
- Summercamp - \$.18 - \$.28/hour increase

# CMO - Office of Cultural Affairs



If options are approved, funding for the function of Cultural Arts (in both Leisure Services and Cultural Affairs) will have been reduced by 22% since 2008. Current options include:

## **Staff Reductions – 2 FTE**

Budget Reductions in OCA are reported in the budget for CMO.

## **Community Impacts**

- The merger of the Office with Arts and Community Events may include:
  - Closure of the Reed Whipple Community Center

# Offices of the City Council



If options are approved, funding for the Offices will have been reduced by 27.7% since 2008. Current options include:

**Total Reduction - \$183,041**

## **Impact:**

- As a result of an 11.5 percent decrease in funding the Offices of the City Council will have a decreased ability to provide special event services to their constituents. The impacts may vary by Council Ward

# Office of the City Manager



If options are approved, funding for the Offices (CMO, OAS, Communications, Cultural Affairs) will have been reduced by 31.7% and 18.33 FTE's since 2008. Current options include:

**Staff Reductions (in OAS/Comm.) 3 FTE**

**Total Budget Reduction - \$424,238**

## **Organization Impacts**

- Reduction in Communication (Public Information and Graphic Artist) services provided to all Departments

# Finance and Business Svcs.



If options are approved, funding for the Department will have been reduced by 28.3% and 23.47 FTE's since 2008. Current options include:

**Staff Reduction – 13 FTE**

**Total Budget Reduction - \$1,548,948**

## **Organization Impacts**

- Services provided to Departments, including those provided by Central Stores, will be impacted
- Delays in response to Council requests, including business licensing

## **Community Impacts**

- Compliance rates with businesses regulated by business licensing

# Human Resources

If options are approved, funding for the Department will have been reduced by 33.5% and 10.96 FTE's since 2008. Current options include:

**Staff Reductions – 6.48 FTE (1 additional transfer to ISF)**

**Total Budget Reduction - \$945,755**

## **Organization Impacts**

- Turn-around time may increase for background checks for new hires
- Reduced support or elimination of CMO programs for succession planning, leadership development, supervisory development, and employee development
- Test development for new employees will be hindered

## **Community Impacts**

- External organizations served by Diversity Outreach may be impacted.
  - Via OBD and OCA under the direction of the Chief Urban Redevelopment Officer, coordination of outreach will be maintained.

# Information Technologies



If options are approved, funding for the Department will have been reduced by 28.1% and 17.18 FTE's since 2008. Current options include:

**Staff Reduction – 4 FTE**

**Total Budget Reduction - \$704,924**

## **Organization Impacts**

- Reduced travel and training budget impacts ability to leverage emerging technologies, applications, and infrastructure advancement
- Reduced postage budget dictates more selective mailings
- Reduced budget for Professional Services and System Upgrades impacts application and Infrastructure advancement
- Consolidating Project Management Office with IT to absorb workload

# Office of the City Clerk



If options are approved, funding for the Office will have been reduced by 6% and 3 FTE's since 2008. Current options include:

**Staff Reductions – 1 FTE**

**Total Budget Reduction - \$142,285**

## **Organization Impacts**

- A reduction in funding places the city at risk for non-compliance (NRS, Charter, LVMC)

## **Community Impacts**

- Delays in response for public records requests and METRO's request to seal records

# Planning and Development



If options are approved, funding for the Department will have been reduced by 30.6% and 21.39 FTE's since 2008. Current options include:

**Staff Reductions – 8.39 FTE**

**Total Budget Reduction - \$661,225**

## **Organization Impacts**

- Lower quality of PC and CC support due to loss of site inspections

## **Community Impacts**

- No planner inspection of conditions for approval of Planning Commission and City Council –approved use permits, variances and site plans
- No landscape staff inspections to ensure landscaping on and off site is properly planted and maintained
- The loss of technical staff will prevent timely updating of city maps, which may result in misinformation to the public
- With the loss of the Urban Design Coordinator there will less opportunity to seek grants for downtown and design projects

# Public Works



If options are approved, funding for the Department will have been reduced by 26.7% and 72.86 FTE's since 2008. Current options include:

**Staff Reduction – 28.46 FTE**

**Total Budget Reduction - \$2,678,792**

## **Organization Impacts**

- Reductions in service levels in all work units
- Delay in delivery of Council initiated CIP projects

## **Community Impacts**

- Delays in review and approval of studies, ROW purchases, and inspections
- Delay in response to traffic related concerns

# Field Operations



If options are approved, funding for the Department will have been reduced by 22.5% and 47.95FTE's since 2008. Current options include:

**Staff Reduction – 3 FTE**

**Total Budget Reduction \$425,376**

## **Organization Impacts**

- Reduction in fleet services and outsourcing of loaner vehicles
- Delays in securing loaner vehicles due to outsourcing of service to rental car agency
- Deferred maintenance may result in increased costs in the future

Through a series of reductions in staffing, since 2008, the Department has also implemented service level changes to facility, parks, trails, and field maintenance leading to decreased ability to meet all expectations.

# Municipal Court



If options are approved, funding for the Department will have been reduced by 21.6% and 36.49 FTE's since 2008. Current options include:

**Staff Reduction – 14.01 FTE**

**Total Budget Reduction - \$1,161,130**

## **Organization Impacts**

- Slowdown of revenue collections and reporting

## **Community Impacts**

- Reduced services for a customer base that is increasing
- Potential for increased security risks because of longer lines at the RJC

# City Attorney/City Auditor



## City Attorney

If options are approved, funding for the Department will have been reduced by 18.1% and 7 FTE's since 2008. Current options include:

**Staff Reductions 2 FTE**

**Total Budget Reduction - \$159,620**

## City Auditor

If options are approved, funding for the Department will have been reduced by 13.1% and .48FTE's since 2008.

# Redevelopment Agency



**FY11 - dollars in \$000**

|                           |                   |
|---------------------------|-------------------|
| <b>Operating Revenue</b>  | <b>\$ 25,275</b>  |
| <b>Operating Expenses</b> | <b>(5,010)</b>    |
| <b>Debt Service</b>       | <b>(17,550)</b>   |
| <b>Net Operating</b>      | <b>2,715</b>      |
| <b>Projects</b>           | <b>(5,075)</b>    |
| <b>Net of Projects</b>    | <b>\$ (2,360)</b> |

## **Organization Impacts**

- Major Project Coordination, Business Incubator
- Limited ability for new pay-as-you-go projects

## **Strategic Planning**

- 5 year budget with conservative projection of future revenues
- Draw down fund balance for large debt service requirements and to fund capital projects

# Redevelopment Agency



## **Debt Service Requirements**

- Symphony Park Infrastructure
- Smith Center for the Performing Arts
- Museum of Organized Crime and Law Enforcement

## **Funding of Projects**

- F Street Bridge Design
- West Side School
- VIP program
- 5<sup>th</sup> Street School maintenance/operations
- Symphony Park Development

# Building & Safety



| Budget Year (\$000's) |                           | FY11           | FY12           |
|-----------------------|---------------------------|----------------|----------------|
|                       | Operating revenue         | 6,230          | 6,170          |
|                       | Operating expenses        | <u>(7,363)</u> | <u>(6,347)</u> |
|                       | Net Rev. Over/(Under)Exp. | <u>(1,133)</u> | <u>(177)</u>   |
|                       | Ending Fund Balance       | <u>2,592</u>   | <u>2,415</u>   |

## **Staff Reduction – 8 FTE**

- Partial RIF FY11 and partial RIF anticipated FY12
- May prevent future reductions

## **Revenue Study in process**

- Revenues do not reflect any fee increases which could restore some reductions

## **Community Impact**

- Delays in inspections
- Delays in permitting

# Video Production Enterprise Fund



| FY11 Budget (\$000's) |                            |              |
|-----------------------|----------------------------|--------------|
|                       | Operating revenue          | \$2,677      |
|                       | Operating expenses         | (\$2,040)    |
|                       | Net Rev. Over/(Under) Exp. | <u>\$637</u> |

## Organization Impacts

- Fund to be eliminated and operation absorbed by General Fund
- Revenue to General Fund
- TI's for City Hall already transferred to Capital Project Fund
- Remaining fund balance transfers to General Fund

# FIRE SAFETY INITIATIVE



- Estimated FY 2011 revenues are \$11.1M
- 80% (\$8.9M) will be transferred to General Fund for operation of new stations since 2001
- 20% (\$2.2M) will be used for F&R capital improvement program
- FY10 estimated \$2M ending fund balance to be used on FS #107

# INTERNAL SERVICE FUNDS



- Identified \$20M to cover budget shortfalls
- Established ISF Reserve Policy to control future balances:
  - Operating = 10% of prior year cash expenditures
  - Capital Replacement = 25% of prior year cash expenditures
  - Employee Benefits = 25% of prior year cash expenditures (in consideration of accrued liabilities such as vacation, OPEB, and Worker's Comp, etc.)

# MAJOR BUDGET OUTCOMES



- Total reduction of 215 positions
  - 261 employees affected
  - 171 employee separations
- Restructured Internal Service Fund
- Reductions in Fire inspectors and elimination of vacancies
- Reductions in Marshals and Corrections
- Reductions to EVOLVE, targeted NS reductions
- Close community schools, preserve Safekey, track break /summer camps with cost recovery fee increases
- Merged OCA and ACE (Reed Whipple closure)

# MAJOR BUDGET OUTCOMES



- Total reduction of 190.92 positions eliminated
  - 230 employees affected
  - 146 employee separations
- Restructured Internal Service Funds
- Reduction of additional public safety vacancies
- Reductions in Marshals and Corrections
- Reductions to EVOLVE, targeted NS reductions
- Close community schools, preserve Safekey, track break /summer camps with cost recovery fee increases
- Merged OCA and ACE (Reed Whipple closure)
- Reductions in Building and Safety are driven by a lack of revenue

# REVENUE POTENTIAL



|                           | <u>New</u>         | <u>Increase</u>     | <u>Total</u>        |
|---------------------------|--------------------|---------------------|---------------------|
| Developer Fees            |                    |                     |                     |
| Planning & Development    | \$ 182,000         | \$ -                | \$ 182,000          |
| Public Works              | 438,000            | 900,000             | 1,338,000           |
|                           | <u>620,000</u>     | <u>900,000</u>      | <u>1,520,000</u>    |
| Business License Fees     | 10,200             | 630,180             | 640,380             |
| Fire & Rescue             | 565,000            | 1,600,000           | 2,165,000           |
| Leisure Services          |                    | 1,132,000           | 1,132,000           |
| Communications            |                    | 130,000             | 130,000             |
| Municipal Court           | 12,500             | 1,610,000           | 1,622,500           |
|                           | <u>1,207,700</u>   | <u>6,002,180</u>    | <u>7,209,880</u>    |
| Fees With Collection Risk | <u>(1,005,000)</u> | <u>(900,000)</u>    | <u>(1,905,000)</u>  |
| Net Fees                  | <u>\$ 202,700</u>  | <u>\$ 5,102,180</u> | <u>\$ 5,304,880</u> |

# REVENUES - RECOMMENDATIONS



- PW news rack fees (\$235K)
- F&R insurance billings for services and supplies (\$565K)
- Increase F&R EMS transports from 2 to 3 pending ambulance industry discussions (\$1.6M)
- LS league & tournament fees (\$500K)
- LS Safekey & camp fees (\$632K)
- MC warrant processing fees (\$950K)
- MC increased collection efforts (\$600K)

Potential FY 2011 revenue impact: \$5 million

# EXTRA BAIL WARRANT SHIFT



## Municipal Court Pilot Program

- Court generates between 5,000-7,000 cases per month
- Approximately 33,753 cases for pilot program

## Positions Required

- Six (6) Field Marshals
- Two (2) Senior Office Specialists
- Two (2) Public Safety Technicians
- Net General Fund Revenue - \$500K

**Potential to reduce the Reductions in Force.**

# PROPERTY TAX



- Current overlapping rate is \$3.2760
- In FY 1998 Council lowered operating rate from \$0.7117 to \$0.6465
- In FY 2000 Council raised operating rate to \$0.6765 to fund recreation projects
- Owner occupied residential tax bill growth is capped at 3%, all other capped at 8%
- Unprecedented drop in assessed value creates a unique circumstance

# PROPERTY TAX



Property Tax Revenues projected to decrease 17.5%

|                                |                |          |
|--------------------------------|----------------|----------|
| Property Tax Budget for FY10   | \$ 128,200,000 | % Change |
| Property Tax Estimate for FY11 | \$ 105,800,000 | -17.5%   |
| Approximate Parcels Impacted   | 192,044        |          |

| Rate Increase | Revenue in                 | Parcels   |           | Parcels |
|---------------|----------------------------|-----------|-----------|---------|
|               | Excess of FY11<br>Estimate | Decreased | Increased |         |
| \$0.0100      | \$ 1,300,000               | 180,233   | 8,719     | 3,092   |
| \$0.0500      | \$ 6,600,000               | 178,486   | 10,466    | 3,092   |
| \$0.1000      | \$ 13,100,000              | 176,738   | 12,214    | 3,092   |
| \$0.1500      | \$ 19,500,000              | 175,240   | 13,731    | 3,073   |

# PROPERTY TAX - IMPACTS



|                          |                  | Home Price       |                   |                   |                   |
|--------------------------|------------------|------------------|-------------------|-------------------|-------------------|
|                          |                  | <u>\$ 70,000</u> | <u>\$ 120,000</u> | <u>\$ 170,000</u> | <u>\$ 230,000</u> |
| Assumed Land %           |                  | 20%              | 20%               | 20%               | 20%               |
| Estimated Assessed Value |                  |                  |                   |                   |                   |
|                          | 5 years          | \$23,030         | \$39,480          | \$55,930          | \$75,670          |
|                          | 15 years         | \$20,090         | \$34,440          | \$48,790          | \$66,010          |
|                          | 25 years         | \$17,150         | \$29,400          | \$41,650          | \$56,350          |
| Annual Tax on 10 cents   |                  |                  |                   |                   |                   |
|                          | 5 years          | \$23             | \$39              | \$56              | \$76              |
|                          | 15 years         | \$20             | \$34              | \$49              | \$66              |
|                          | 25 years         | \$17             | \$29              | \$42              | \$56              |
| Tax Bill Impact          |                  | <u>Total</u>     | <u>Increase</u>   | <u>Decrease</u>   | <u>Unchanged</u>  |
|                          | Without 10 cents | 192,044          | 8,719             | 180,233           | 3,092             |
|                          | With 10 cents    | 192,044          | 12,214            | 176,738           | 3,092             |
|                          | Change           | -                | 3,495             | (3,495)           | -                 |

# Employee Compensation Concessions



|                   | FY11 Request   |                   |                 |                |                   |
|-------------------|----------------|-------------------|-----------------|----------------|-------------------|
|                   | <u>Flat</u>    | <u>8% Roll Bk</u> | <u>Total</u>    | <u>Offer</u>   | <u>Diff</u>       |
| Elected Officials | \$ 26          | \$ 117            | \$ 143          | \$ 143         | \$ -              |
| Executives        | 847            | 1,580             | 2,427           | 2,536          | 109               |
| Appointives       | 1,468          | 1,472             | 2,940           | 3,161          | 222               |
| PPA               | 452            | 623               | 1,075           | 415            | (660)             |
| POA               | 925            | 1,626             | 2,551           | -              | (2,551)           |
| CEA               | 4,155          | 10,100            | 14,255          | -              | (14,255)          |
| IAFF *            | 851            | 6,096             | 6,947           | N/A            | (6,947)           |
|                   | <u>\$8,724</u> | <u>\$ 21,614</u>  | <u>\$30,338</u> | <u>\$6,255</u> | <u>\$(24,083)</u> |

\* Adjusted to recognize absence of contractual COLA in FY11 (abt. \$720K / 1%)  
 Currently in negotiations with IAFF, thus offer is N/A

# INVOLUNTARY SEPARATION PROGRAM



- Target separation date is June 12, 2010
- Employees approved to separate earlier will receive a lump sum severance through June 12
- City will provide “employee only” COBRA premium holiday through December 31, 2010
- Estimated maximum cost is \$1.1 million, of which \$450 thousand would be lump sum severance
- Cost of severance plan to be absorbed in fringe benefit pool

# Council and Community Feedback



Following the release of the original budget options, several issues have been raised:

- Restore Northwest Sub-station (approximately \$85K)
- Partially restore Reed Whipple Cultural Center (approximately \$600K)
- Restore Rapid Response Team (approximately \$505K)
- Further reduce EVOLVE program (approximately \$513K)
- Discuss X-Treme Sports (\$188K)
- Implement Warrant Services Pilot Program (\$500K est. revenue)
- Report on Consolidation of MC and D&E Marshal Units in November, 2010

# Reed Whipple Restoration Plan



## Reed Whipple Cultural Center

- Rainbow Company (stages dark when not being utilized)
- Las Vegas Youth Orchestra (continue working on relocating)
- Legacy Band (continue to work on transitioning to another facility)
- 2010 TAC Camp (June 7 – July 31))
- Neon Boneyard Tour gathering point
- Gallery to remain open

|               |                  |
|---------------|------------------|
| RDA Charges - | \$372,695        |
| TAC Camp -    | \$30,000         |
| GF Charges -  | <u>\$25,192</u>  |
| <b>Total</b>  | <b>\$427,887</b> |

|                      |                  |
|----------------------|------------------|
| Facility Charges     | \$372,695        |
| Programming Expenses | <u>\$393,244</u> |
| <b>Total</b>         | <b>\$765,939</b> |

- No additional full-time positions required and CLV programming eliminated.

# RRT Restoration Plan



## Rapid Response Team (RRT)

- Budget Recommendation – Eliminate 2 crews, including crew leader  
\$505,635

## Option 1

### Partial Restoration

- |   |                  |
|---|------------------|
| • Partial Restoration – 1 Crew, including crew leader | \$165,398        |
| • HPRP (grant fund two caseworkers for 2 yrs.)        | \$245,680        |
| • Eliminate Office Specialist II (1 FTE)              | <u>\$77,275</u>  |
|   | <b>\$488,353</b> |

## Option 2 - Revised Recommendations

### Full Restoration

- |   |                   |
|---|-------------------|
| • HPRP (grant fund two caseworkers for 2 yrs.)          | \$245,680         |
| • Eliminate EVOLVE Discharge Planning Program (2FTE's): | \$ 190,700        |
| • Eliminate Office Specialist II (1 FTE)                | <u>\$ 77, 275</u> |
| <b>Sub Total</b>  | <b>\$ 513,655</b> |

# Restoration Reconciliation



## **Additional programs restored**

|   |                  |
|---|------------------|
| • Maintain Reed Whipple with support from RDA | \$25K            |
| • Maintain Northwest Sub-Station              | \$85K            |
| • Revised NS RRT/EVOLVE Recommendation        | <del>-\$8K</del> |
|   | \$102K           |

## **Possible sources to fund restoration**

|                            |        |
|----------------------------|--------|
| • Eliminate X-Treme Sports | \$188K |
|----------------------------|--------|

## **City Manager Recommendation**

|   |        |
|---|--------|
| • Or, eliminate 2 positions in vacancy pool | \$190K |
|---|--------|

*Vacancy pool is less than 1% of the GF Budget.*

# FINAL RECOMMENDATIONS



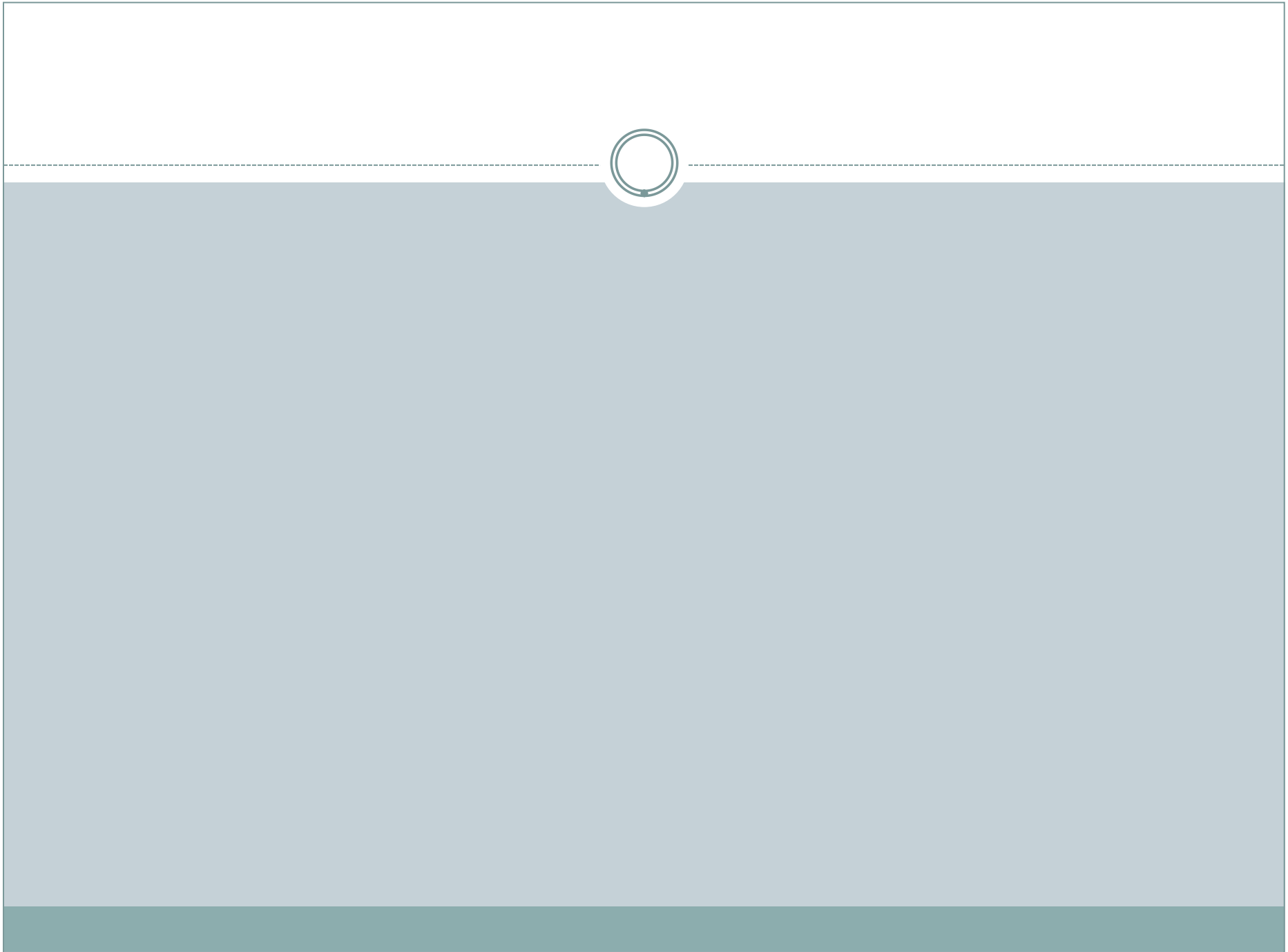
In order to balance the FY11 budget, the City Manager recommends:

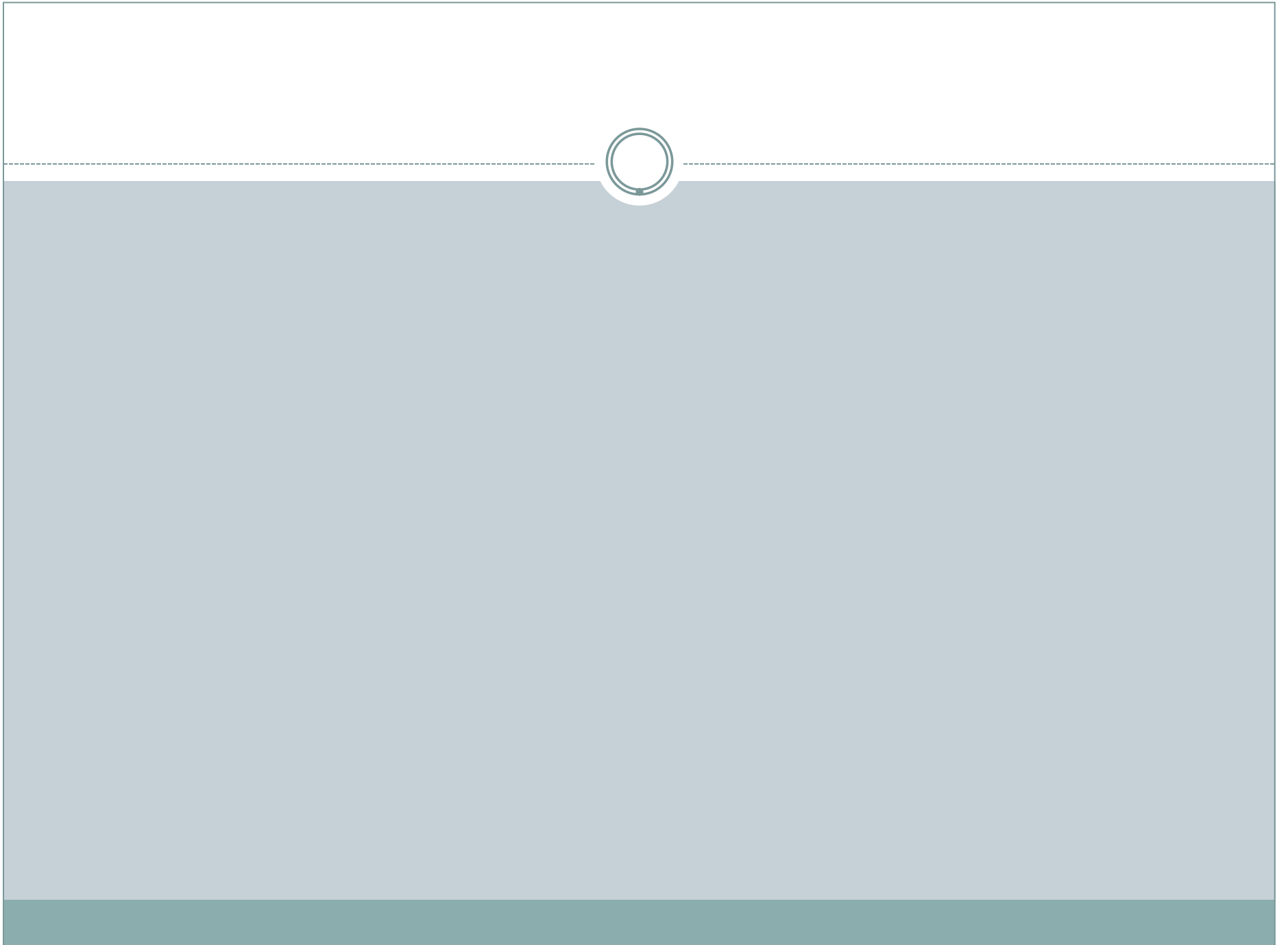
- Approval of the FY11 budget with all associated labor and non-labor reductions
- Approval of all revenue recommendations
- Approval of the Employee Separation Program
- Approval the ISF Reserve Policy Changes
- Approve the ESF and ISF elimination and transfers
- Direction to put the CEA Resolution for consideration on a future Council Meeting Agenda

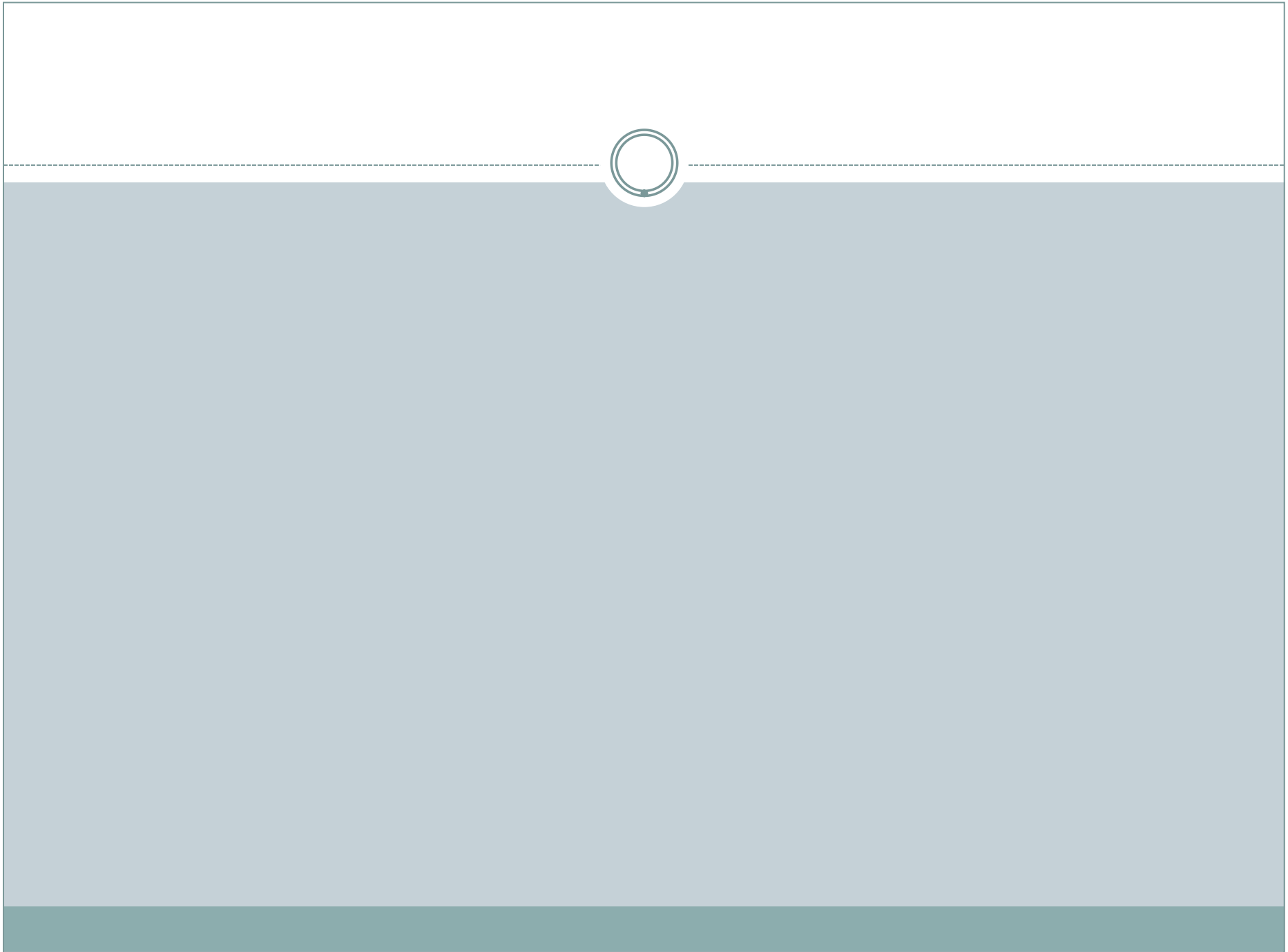
# FUNDAMENTAL SERVICE REVIEW



- Questions
- Comments
- Direction







# Sanitation Enterprise Fund



## FY11 Budget (\$000's)

|                           |                          |
|---------------------------|--------------------------|
| Operating revenue         | \$ 120,774               |
| Operating expenses        | <u>(86,876)</u>          |
| Net Rev. Over/(Under)Exp. | \$ <u>33,898</u>         |
| Ending Fund Balance       | \$ <u><u>145,533</u></u> |

### **Staff Reduction – 7 FTE**

- In addition holding 7.6 FTE vacant

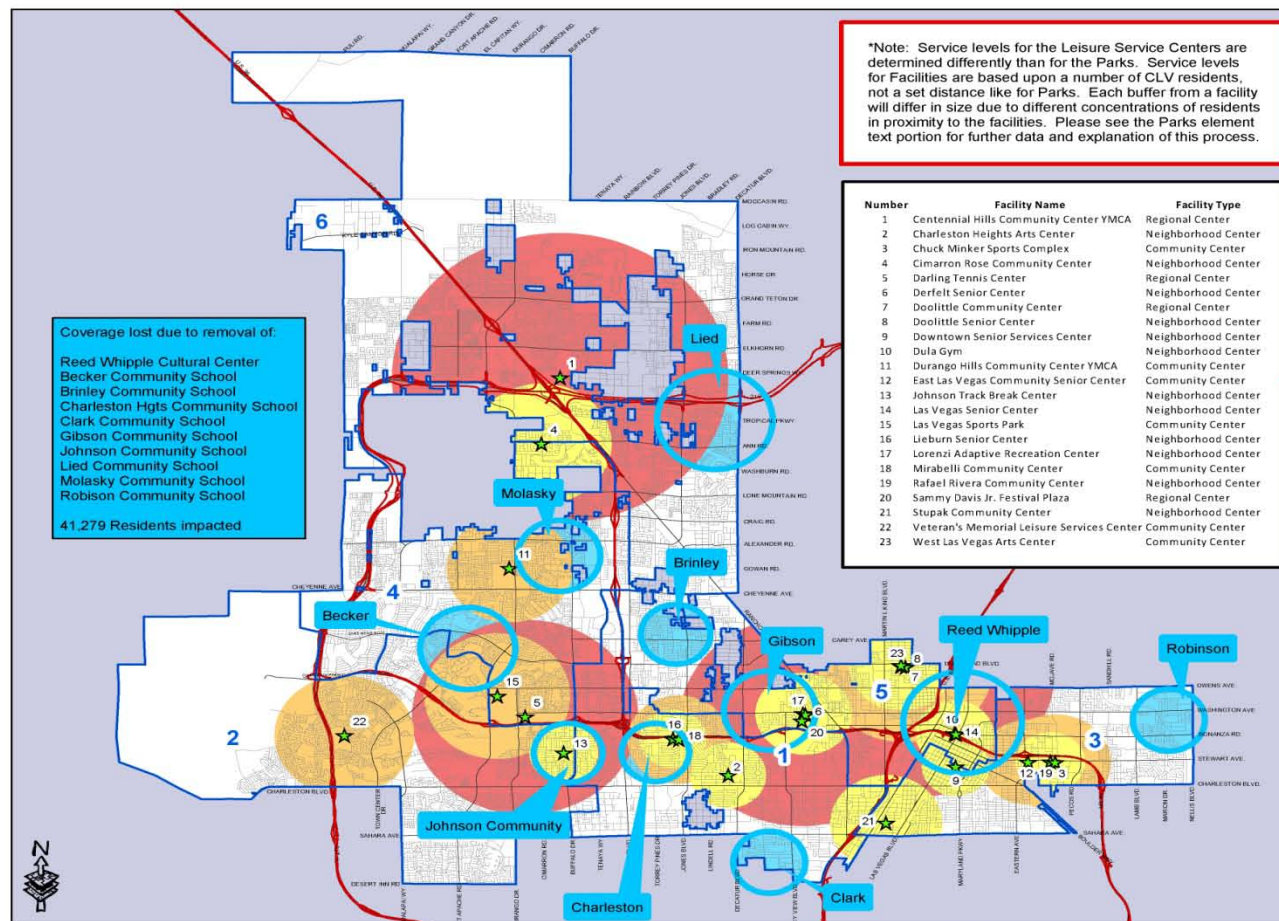
### **Organization Impacts**

- Revenue down due to fewer new customers
- Reduction in revenue anticipated in FY12 due to NLV coming off line

### **Capital Plan**

- Plant & collection system improvements next five years \$262.4M
- Construction of: 3 MW Solar Array, Scrubbers for methane stacks

# Leisure Services – Impacts Map



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*City of Las Vegas*

## Map 2 Parks and Recreation Element

**Regional, Community,  
and Neighborhood  
Leisure Service Centers**

*With all proposed closings*

**358,335 Citizens  
within Service Radius**

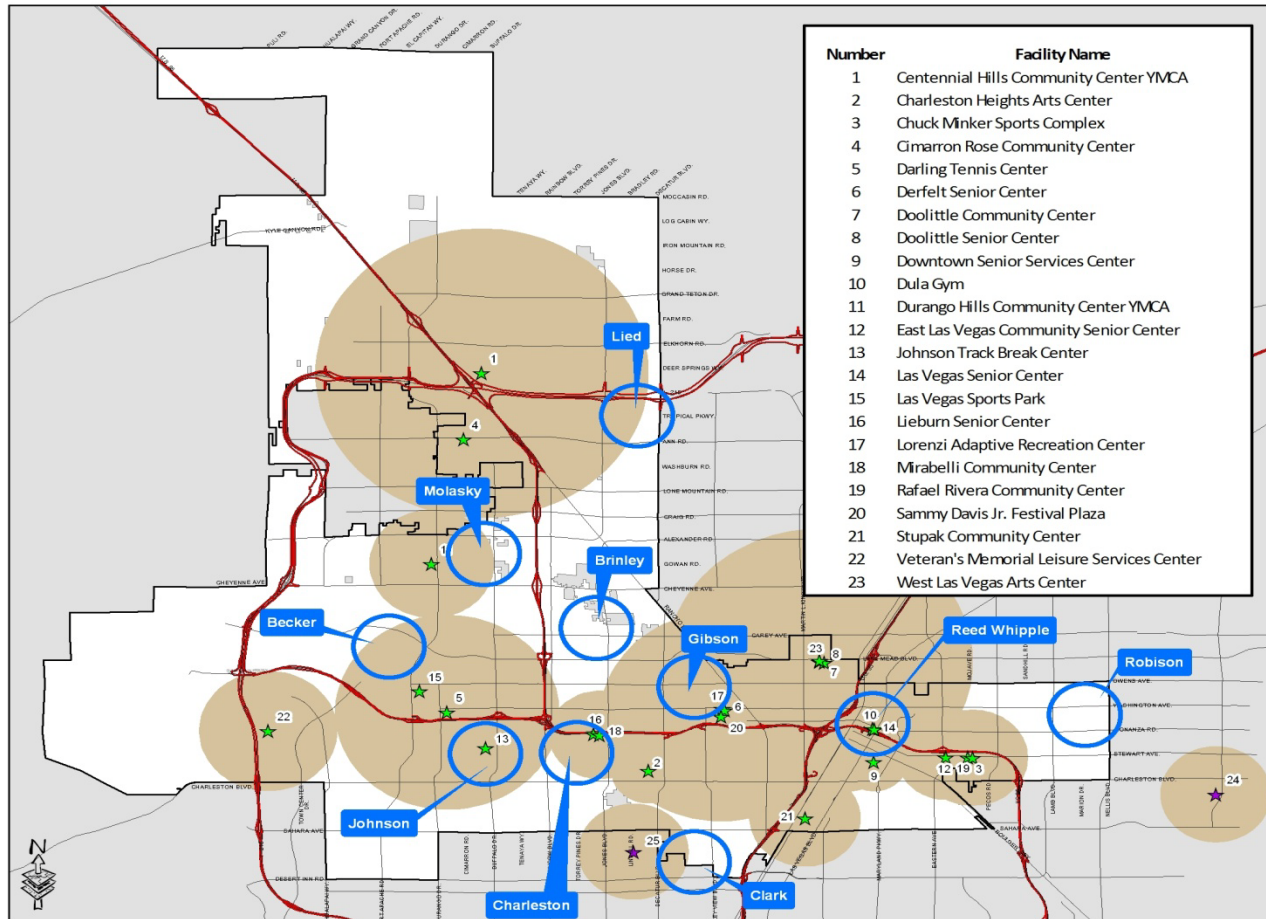
★ City of Las Vegas  
Leisure Service Center

Yellow Neighborhood  
Coverage Area  
Orange Community  
Coverage Area  
Red Regional  
Coverage Area

Data current as of: March 1, 2010



# Leisure Services



*City of Las Vegas*

## Leisure Services Facility Service Area

★ City of Las Vegas  
Leisure Service Center

★ Clark County Recreation Center  
or Boys and Girls Club

Service Area

Facilities Proposing  
To Close

Data current as of: March 8, 2010



GIS maps are normally produced  
only when the need of the City.  
Due to continuous development activity  
this map is for reference only.  
Geographic Information System  
Planning & Development Dept  
702.724.3031



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