

City of Austin Update on 2009 Budget

February 11th, 2009

Process

- October briefing to Council on national financial crisis and impact on City of Austin
- Department directors developed cost reduction plans
- Budget priorities discussed with community
 - Including Boards and Commissions
- ***Today's Council Worksession***
 - ***Report on Revenue Estimates & Cost Reduction Plans***
- Next Steps
 - Council Feedback
 - Community Town Hall Meeting
 - Finalize action plan by February 26th

Outline

- Economic Update
- General Fund 2009 Revenue Update
- General Fund 2009 Cost Reduction Plans
 - Departmental
 - Corporate
- Looking forward to 2010 & beyond
- Next Steps

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Economic Update

National

- GDP contracted by (3.8%) in 4Q of 2008
- Employment
 - US Economy lost 2.6 million jobs in 2008
 - additional 598,000 job loss in January
 - Unemployment rate at 7.6%, 16 year high
- Housing Sector
 - New home sales down 35%
 - Less than 500,000 new home sales, first time in 25 years

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Economic Update

Austin

- **Employment**
 - 19,000 jobs added in 2008, most in beginning of year
 - Unemployment rate at 5.2%
 - 54,000 new residents
 - ... 41 company layoff announcements over past year totaling over 4,000 layoffs
- **Housing Sector**
 - Home sales down 16%
 - Slight decline in average sales price
 - Multi-family occupancy at 91.6%, down from 95.4%

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Around the Country

Projected General Fund Shortfalls

City	Shortfall	% of General Fund
Baltimore	\$65 million	4.9%
Charlotte	\$7.7 million	1.5%
Denver	\$56 million	6.1%
Detroit	\$300 million	15.3%
Houston	\$53 million	2.8%
Los Angeles	\$155 million	3.5%
New York	\$1.3 billion	2.2%
Philadelphia	\$108 million	2.7%
Phoenix	\$270 million	22.8%
San Antonio	\$21 million	2.3%
San Diego	\$65 million	5.5%
San Jose	\$60 million	6.6%
Washington D.C.	\$131 million	1.5%

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Around the Country

Budget Balancing Strategies

- Hiring Freeze
- Furloughs
- Deferment of scheduled pay increases
- Reduction in force (layoffs)
- Closures of libraries, recreation centers
- Fire Station brownouts & closings
- Reduction in Police Officers
- Reduction in retirement benefits
- Early retirement incentive programs
- Fee Increases

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FY09 General Fund Revenue

- A \$20 million shortfall in General Fund Revenue is projected
 - Property Tax
 - **Sales Tax**
 - **Development revenue**
 - **Interest revenue**
 - Other revenue

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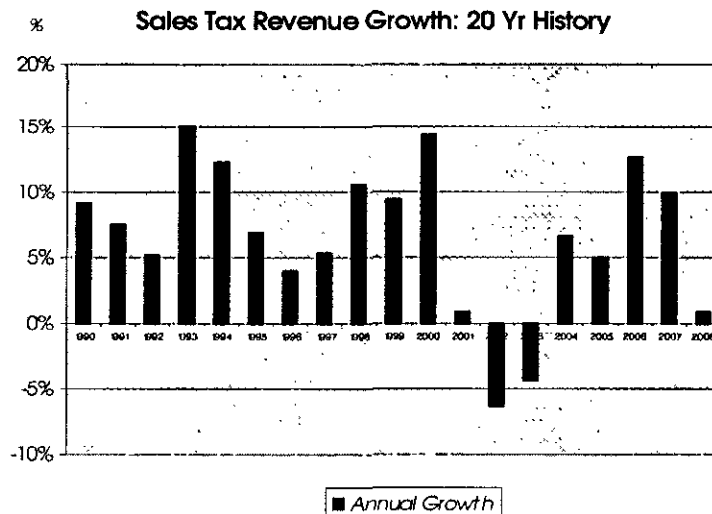
FY09 General Fund Revenue: Property Tax

Property Tax

- \$209.1 million
 - 34% of General Fund revenue
- Property tax collections are estimated to come in at budgeted levels
 - Thru February 10th have collected 95% of tax levy, similar to prior years

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FY09 General Fund Revenue: Sales Tax



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FY09 General Fund Revenue: Sales Tax

Sales Tax

- \$160.1 million assumed in budget
 - 26% of General Fund revenue
 - Budget based on projection of 3% growth
 - Well below 15 year average growth of 6.0%
- FY09 Sales Tax
 - Year-To-Date revenue is down 4.0%
 - February payment (due this week) is for December sales – holiday season, quarterly & annual remittances
 - 4 consecutive months of declining revenue
 - FY09 collections are estimated to be 6% below FY08 actual collections

\$15.6 million shortfall projected

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FY09 General Fund Revenue: Development

Development Revenue

- \$18.6 million assumed in budget
 - 3% of General Fund revenue
 - Budget based on flat growth compared to FY08
- FY09 Development Revenue
 - FY08 permits were down 4.0% compared to FY07
 - FY09 YTD (3 months) permits are down 21% compared to same period last year
 - FY09 revenue is estimated to be below budget

\$3.0 million shortfall projected

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FY09 General Fund Revenue

Interest Income

- \$8.0 million assumed in budget
 - 1.3 % of General Fund revenue
- Average earnings rate lower than anticipated rate
\$1.5 million shortfall projected

Other Revenue

- All other revenue currently at budgeted levels
 - Monitoring this category closely to detect trends
 - Such as Franchise Fees, Traffic Fines, User Fees

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FY09 General Fund Revenue

2009 General Fund Revenue

(\$ mills)

	<i>Budget</i>	<i>Estimate</i>	<i>Variance</i>
Revenue			
Property Tax	209.4	209.4	0.0
Sales Tax	160.8	145.2	(15.6)
Development	18.6	15.6	(3.0)
Interest Income	8.0	6.5	(1.5)
All Other Revenue	224.2	224.2	0.0
Total Revenue	621.0	600.9	(20.1)

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Reduction Plans

Reduction Plans

- Recognizing the impact of economic downturn on revenue we began the process of identifying expenditure reductions
- Departments were given a reduction goal, on average about 2% of their budget
- Assessment of corporate-wide expenditure reductions or savings

Departmental Reduction Plans

Library

2008 Actual Mid-Year Reductions	\$0.0 M
2009 Approved Reductions	\$0.1 M

2009 Mid-Year Reduction Plan	\$0.5 M
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- Reduce Library hours
 - Cut hours at branch libraries 9.5 hours/week
 - Each branch would be available 40 hours per week
 - Open 2 nights/week instead of 4 nights
 - Morning hours reduced 2 days/week
 - Still open 5 days a week
 - Close history center at 6 pm instead of 9 pm
 - open 1 additional day per week, from 5 to 6 days
- Youth librarians split time between branches

Parks & Recreation

2008 Actual Mid-Year Reductions	\$1.4 M
2009 Approved Reductions	\$1.6 M

<i>2009 Mid-Year Reduction Plan</i>	<i>\$0.7 M</i>
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- Postpone hiring of Park Rangers until June
 - Diminished presence on trails/parks/facilities
- Use of one-time donations/contributions to offset maintenance costs

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Heath & Human Services

2008 Actual Mid-Year Reductions	\$0.3 M
2009 Approved Reductions	\$0.2 M

<i>2009 Mid-Year Reduction Plan</i>	<i>\$1.0 M</i>
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- Eliminate South Day Labor Site
 - Limited participation at south site, despite outreach
- Freeze unallocated social services funding
 - Residual funding after annual award process has been distributed as one-time funding in past
- Reduce funding for two social service contracts – Skillpoint Career Fair, ECHO administration support
- Additional WIC Grant Funding
 - Will cover more support costs than anticipated

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Police

2008 Actual Mid-Year Reductions	\$2.2 M
2009 Approved Reductions	\$1.5 M

2009 Mid-Year Reduction Plan	\$3.7 M
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- **Reduce overtime**
 - total OT funding would remain higher than FY08 actual OT spending
 - reduces flexibility to conduct new initiatives
- **Recover cost of police overtime for all special events – no waivers approved**

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Police (continued)

- **Reassign community liaison function**
 - Civilian staff redeployed to other base operations; each district representative to take over liaison duties
- **Cadet Class**
 - align timing of 114th cadet class with vacancy trends
 - currently 10 vacancies
 - class would occur in September
- **Reclassify vacant commander positions**
- **Reduce fleet and take-home vehicles**
 - Improved utilization and minimal impact

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Fire

2008 Actual Mid-Year Reductions	\$1.3 M
2009 Approved Reductions	\$0.7 M

2009 Mid-Year Reduction Plan	\$0.0 M
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- Budgeted funds for wage increases not utilized due to not implementing a new contract ...
- ... but offset by anticipated overages in overtime budget

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Emergency Medical Services

2008 Actual Mid-Year Reductions	\$0.9 M
2009 Approved Reductions	\$1.0 M

2009 Mid-Year Reduction Plan	\$0.8 M
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- Reduce Overtime Costs
 - Discontinue payment of overtime generated by non-productive time (sick or vacation)
 - Special operations training
- Implement Vacation Leave Payout Practices Consistent with the Rest of the City
- Additional Reimbursement of Billing Services from Travis County

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Municipal Court

2008 Actual Mid-Year Reductions	\$0.4 M
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2009 Approved Reductions	\$0.3 M
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2009 Mid-Year Reduction Plan	\$0.0 M
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- Reassess Effectiveness of Project Recovery
 - Accelerate cost-benefit analysis – bring back in March
- Community Court Coordinator duties reassigned
 - slower turnaround time for social service programs / projects
- ... savings offset by higher than anticipated contract cost for State-mandated Spanish Interpreters and Court Reporters

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Neighborhood Planning & Zoning

2008 Actual Mid-Year Reductions	\$0.5 M
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2009 Approved Reductions	\$0.4 M
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2009 Mid-Year Reduction Plan	\$0.1 M
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- Limit Urban Design functions
 - Less resources to work on master plans & design standards
 - Downtown Plan, Station Area Plans, long-term planning

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Watershed Protection/Development Review

2008 Actual Mid-Year Reductions	\$0.7 M
2009 Approved Reductions	\$1.0 M

2009 Mid-Year Reduction Plan	\$0.3 M
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Reduce One Stop Shop Services

- Residential review
 - Current wait of 48 minutes increases to 58 minutes
 - goal is 40 minutes
- Subdivision review and inspections
 - Minimal impact due to declining demand
- Right of Way Management – Special Events Permitting
 - Potential for not meeting code mandated times
- Assistant Director duties to be absorbed by Director

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Housing

2008 Actual Mid-Year Reductions	\$0.0 M
2009 Approved Reductions	\$1.0 M

2009 Mid-Year Reduction Plan	\$0.4 M
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- Reduce project coordination resources
 - No impact anticipated due to declining market conditions, and redistribution of work load
- Use of FY08 additional balances

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Support Services Fund

2008 Actual Mid-Year Reductions	\$2.5 M
2009 Approved Reductions	\$2.3 M

2009 Mid-Year Reduction Plan	\$2.1 M
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- Reduce support functions & resources
 - 14 positions already frozen in 2009 budget
 - Bulk of positions in Financial Services
 - Budget, accounting, purchasing, building services
 - Slower turnaround times in basic services delivered to frontline departments, staff stretched thin
 - If additional reductions are needed, top priority will be adequate internal control systems

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Support Services Fund (continued)

- Reassessed opportunities to bill directly for services associated with specific initiatives
 - Legal services related to economic development initiatives and development projects
 - Accounting software licenses purchased for sole use of Austin Energy
- Miscellaneous reductions in services, materials and supplies across departments
- Other
 - City Clerk likely to incur higher election costs
 - No cost sharing opportunities in May

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Information Technology Funds

2008 Actual Mid-Year Reductions	\$3.3 M
2009 Approved Reductions	\$2.3 M

2009 Mid-Year Reduction Plan \$1.9 M

- Reduce Project Management resources
 - Slower turnaround times for customers/projects
 - New CIO will be assessing IT best practices and overall project development / planning
- Reductions in services, materials and supplies
 - Old mainframe recently decommissioned
 - Several systems still required use of mainframe but have been migrated to current server network – budgeted maintenance costs not needed
- Top priority will be maintenance and replacement of critical information technology systems

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FY09 Expenditure Reductions

2009 Department Reduction Plans
(\$ mills)

Department	Budget	Reduction	%
Library	24.9	0.5	1.9%
PARD	36.9	0.7	1.9%
HHSD	39.8	1.0	2.5%
Police	238.3	3.7	1.6%
Fire	121.3	0.0	0.0%
EMS	44.5	0.8	1.7%
Municipal Court	11.9	0.0	0.0%
NPZD	5.5	0.1	2.1%
WPDR	16.0	0.3	1.9%
Housing	49.8	0.4	0.8%
Support Services	61.5	2.1	3.4%
Information Technology	32.2	1.9	6.0%
Total	682.7	11.5	1.7%

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Corporate Reduction Plans

Corporate Reductions Plans

Personnel Related

- Capping Pay-for-Performance payout at 2.5%
 - \$0.4 million in savings
- Delaying salary adjustments to keep pace with market
 - \$2.3 million in savings
- Hold placed on vacant positions
 - General Fund / Support FTEs
 - Have initiated executive review process before filling "critical need" positions
 - Approximate savings of \$3.9 million could be realized

Corporate Reductions

Fuel Savings

- All City departments charged fixed price per gallon for entire year
- 2008 fuel costs \$5.0 million higher than amount charged to departments
 - Created deficit in Fleet Fund
- 2009 fixed pricing higher than actual fuel costs to begin recovering deficit
 - Fuel costs have dropped from August 2008 high - \$10 million in anticipated savings
 - Need to cover \$5 million shortfall from prior year
 - \$2.0 million savings for General Fund
 - \$3.0 million savings for Enterprise / Utilities / Other Departments

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Summary of FY09 Budget

2009 General Fund Re-Cap

(\$ mills)

	<i>Amount</i>
<i>Revenue Shortfall</i>	<i>(20.1)</i>
Departmental	11.5
Corporate	8.6
<i>Reduction Plans</i>	<i>20.1</i>

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FTEs

FTE Summary as of 2/6/09

	Total FTEs	Total Current Vacancies	Frozen for FY09 Approved Budget	Frozen for Department Reduction Plans	Frozen as part of Corporate Reduction Plan(Position Review)
General Fund *	2,626	184	42	49	93
Support Services	1,073	135	14	33	88
Total GF & SS	3,699	319	56	82	181

* Civilian Only

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Looking Ahead

Looking Ahead to 2010 and beyond

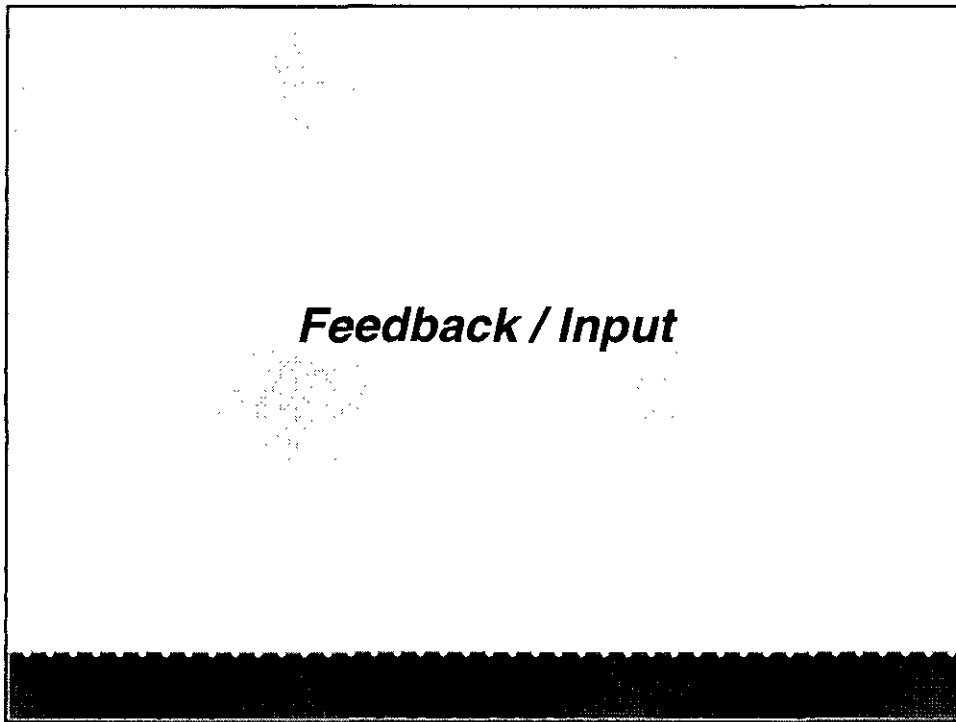
- As shake-out in employment and housing market continues, expect slumping retail activity
- Slower growth in Assessed Valuation
 - Lower new construction value in upcoming years will limit generation of additional property tax revenue
- A difficult budget environment for next two years is anticipated
 - Process to evaluate services and service delivery will be necessary
- Stock market losses will affect funded status of pensions

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Next Steps

- Dollars & Sense campaign continues
- Community Outreach
 - Continued Meetings with Community Groups
 - Town Hall Meeting on February 19th, 2009 from 6pm to 8pm
 - Citizen feedback: communityfeedback@ci.austin.tx.us
- February 26th Council Update
 - City Manager's intended cost reduction plan
- Routine updates will continue on
 - Monthly sales tax payments
 - Other changes in revenue estimates
- April/May/June
 - Financial Forecast and Budget Development
 - Multi-year focus
 - Must assess overall services and service delivery

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City of Austin
City Manager's Outreach to Community on Funding Priorities in 2009 Budget

Since budget reductions can significantly impact the community, it is important to ensure that consideration of any budget reductions is inclusive of community stakeholders and the general citizenry. Community stakeholder sessions were held to provide a forum for questions and answers and to better understand funding priorities. Citizens were also invited to provide input through the use of an email account, communityfeedback@austin.tx.us.

Stakeholder Meetings:

- **January 28, 2009:** Austin Neighborhood Council
- **February 3, 2009:** Meeting with the Presidents and the Board Chairs of:
 - Downtown Austin Alliance
 - Chamber of Commerce Groups
 - Real Estate Council of Austin (RECA)
 - Community Action Network (CAN).
- **February 5, 2009:** Meeting with the Chairs and Co-Chairs of City of Austin Boards and Commissions

Future Stakeholder Meetings:

- February 13, 2009 at 2 pm: Community Action Network
- February 19, 2009 at 6 pm: Town Meeting in City Hall

Throughout this feedback process, it has been evident that the stakeholders understood the economic situation and the need for spending reductions. Having said that, several themes that echoed throughout the community meetings

- Apply reductions across the departments equally.
- Minimize cuts to social service funding as it impacts the quality of life for all citizens and is especially needed during hard times.
- Do not reduce operational days of libraries, would rather see a reduction in hours.
- Minimize cuts to Parks and Recreation Department funding.
- Continue with or even accelerate planned capital projects to help provide jobs.

General Feedback:

- Budget cuts should occur across all departments, not just targeted areas.
- Enterprise funds should look at budgets closely as well.
- Do not cut workforce training for the unemployed and underemployed of existing residents so that they have job skills to allow them to move into or up in jobs and they can make a living wage to allow them to remain in the community.
- Basic services for the most needy in the community need to be increased to meet the unmet and growing needs.

- Retain city employees in the lower and middle income brackets that would have the hardest time finding employment in this down market. Cut mid and top level management positions that can be replaced in a better economy.
- Retain city employees who are needed for job training, business development or business retention. This would include the staff whose job it is to find money for the city from grants and similar opportunities. It would be a good idea to do a peer city review of the number of personnel per capita to see if our city administration is fat or lean compared to other cities.
- Retain city employees needed to provide the minimum level of service that the community needs. This includes public safety and all other departments who have a core city function.
- Maintain existing community physical assets whose value is most decreased due to lack of maintenance. This would include ALL city assets, including parks, libraries, roads, and utilities...prioritized to get the biggest bang for the buck.
- Move forward with city initiatives and projects in the pipeline whose delay or cancellation would result in significant additional cost to the rate payers of the city, such as purchasing environmental conservation land.
- Revisit with the county all potential opportunities to get county residents to pay fully for city services received so that city rate payers are not subsidizing county residents.
- Move to reduce city utility rates to the true cost of service and increase the property tax rates accordingly. Utility costs are not tax deductible while property taxes are, so this would lower the out of pocket expense to residents. But this has to be coupled with making sure that commercial properties are being assessed at true market value and are paying their full share of the property taxes.
- Institute a sliding utility rate to encourage conservation, use a little pay a little, use a lot pay a lot. This should be done for both residential and commercial users. Also implement code changes that result in significant energy savings, such as requiring illuminated business signage to turn off one hour after closing instead of being on all night.
- Implement a city homestead exemption for middle and lower income people and cap property taxes assessments with a sliding rate from 5% to 10% as allowed by State Law.
- Implement a consumer advocate position to monitor the city's enterprise funds (airport, water and wastewater, Austin Energy) to make sure they are being run efficiently and the city is getting access to any excess revenue from these departments to go to the general fund.
- Review the reserve fund that the city maintains to prop up our bond ratings to see just how much we really need in the years between potential future bond approvals and sales and if we do not need all that cash, use on a one-time basis for items in the budget.
- Investigate the opportunity for the city to provide health insurance for all residents at a much lower cost due to saving of scale. With a population of over 700,000, everyone could be self insured at a significant potential saving and reduction in the cost of living in Austin.
- City employees with \$80,000 – \$100,000 salaries should have a temporary 5% pay cut and those with salaries of \$100,000 and above should have a 10% cut.
- Tax assessments have risen dramatically, despite falling home prices, and longtime locals are being priced out. How can we reduce city expenditures now to diminish the tax

burden on private citizens who are being laid off while city employees get raises (including millions for park and airport officers)?

- Possible encroachments of commercial interests into park (and eventually preserve?) land are concerns, such as the proposed rental of a portion of Allen Park for a cell phone tower. The actions taken on this one property could possibly set a negative precedent for future actions all over the city. "Once this precedent has been established, other businesses may be able to claim the right to rent or lease space in dedicated park land, and cash-strapped local governments will take the money, rather than raise taxes."
- State law limits a city's ability to tax. Are we joining other cities to lobby legislatures to possibly take off these limits?
- What is the thinking about increasing transfers of utilities or tapping into untapped dollars in the general fund, specifically the budget stabilization fund?
- Encourage bond projects to move forward for competitive bids and stay committed to the completion of the downtown plan.
- Take a look at the different departments because many have duplication of services and efforts. The same thing goes for boards and commissions. There are too many that share overlapping concerns.
- Keep inspection services in-house.
- Please make cuts temporary. Commit to reinstating them once things pick up. If we must hurt, hurt everyone equally.
- Are we looking at developing intergovernmental relationships where we could rely on our partners to take on services on our behalf, or vice versa?
- What is the value when entering joint governmental procurement agreements? We should examine cooperative purchasing agreements with other governments and maximize value to community.
- Regarding the Planning Commission, it would be a cost savings to have backup for meetings sent electronically rather than have a courier service deliver it.
- Can the number of commissions be reduced? Take a hard look in this area and start to trim some of them.
- Partner with other cities and the county in order to share capabilities and capacities in an effort to reduce cost.
- Review programs that are not necessary. Good time to make cuts. The community understands things need to be cut. Meetings are helpful before you get to that point.
- Seems like a good time to make changes. The current cuts are only 8% - surprised it is so low since in the private sector they are seeing 20 - 25% reductions. Do you think it will go deeper? Get rid of programs that are unnecessary.
- Can debt service be reduced?
- Avoid short-term cuts that lead to long-term expenses.
- Bring back the buy local initiative.
- Work with state legislature to increase revenue opportunities.
- Need to coordinate budget reductions with other governmental agencies to avoid multiple impacts to particular service areas --children programs.

City Manager's Office:

- How is the Dollars & Sense program working? And how can it be opened up to the citizens so they can contribute ideas?
- Has the City Manager made any recommendations regarding Domain subsidies?
- Do department directors see the energy bills for their departments so that they can monitor their usage more effectively?
- The Jester neighborhood is having a very serious and worsening problem with damage from feral hogs. How widespread is the damage in the city and the county, including preserves, and what additional measures are being taken to deal with the problem?
- Delay or cancel initiatives and projects that can be delayed or whose needs can be eliminated by other city actions, such as Water Treatment Plant #4.

Austin Energy:

- What criteria are being used to determine if Austin Energy's Air Quality Program and the city-funded air quality group called the Clean Air Force are using public tax dollars effectively?
- Which parts of the Austin Climate Protection Plan have already been implemented or partially implemented? The plan's implementation is being conducted by upwards of eight Austin Energy staff members with a combined budget of over \$1 million. How will the City help insure they are effectively implementing the plan in a timely manner?
- How about burying the proliferating, unsightly, dangerous and unreliable utility lines in the downtown area with help from the infrastructure portion of the national stimulus bill? Many downtown residents have already buried the lines to homes at great expense, making the city's portion of the job smaller and less costly. Otherwise, only new condo residents merit "Great Streets".

Development & Environmental Services:

- Do not move the \$2.5 million in funding for the boardwalk trail forward. It has not been thoroughly vetted through land owners and stakeholders.
- Neighborhoods need to take a break from preventing developers from things like breaking rules, getting exemptions and building over the aquifer.
- Neighborhood Assistance Center positions have long been promised to the community, are a necessity for the community and need to be a priority. If personnel cuts need to be made they should be made to the well-staffed Development Assistance Center or neighborhood planning personnel. As reductions take place these positions will be needed even more to keep citizens informed and ultimately to help save costs and time of other city staff.
- How about increasing permit fees to cover the true cost of development assistance?
- Business retention and development of those businesses that provide jobs for the middle and lower income strata of the community.
- Implement a true cost of growth policy to ensure that new development is paying its own way and not being subsidized by the general public. This could include a review of all city revenue generating potentials like development impact fees.

- Review our annexation plans to make sure we are not annexing areas we do not need for environmental protection and that are increasing city service costs more than the increased property and sales tax income.
- Are there any specific city services/departments geared toward new housing construction that will see a reduction due to the economic downturn?
- The City must stay committed to economic development. Have city music programs under-written by private corporations and save that cost.
- Take a review of FTEs on environmental issues and where they're housed. Try to reduce duplication of efforts and create efficiencies.

Capital Improvement Projects:

- Interested in ideas for water conservation.
- If in a position to embark on infrastructure project now, the private sector is catching its breath and the City could enjoy a reduction in the cost of materials while helping to provide jobs to make these infrastructure improvements in a down cycle.
- Do not delay building projects now in light of the potential to hire contractors at bargain rates.
- Citizenry is in recession. Hold back on moving forward with the new water treatment plant.

Transportation Services:

- Avoid any cost sharing programs, such as with TXDOT for road construction where the City is paying for more than its fair share of the costs. (SH 130?)
- In the past, the budget for cycling & pedestrian accommodations and traffic calming items, such as "turtles" to slow traffic has been cut. These items balance the pressures put on the neighbors by development and population increases and thus should not be reduced.
- The airport is an enterprise department. What will happen with this department as the budget becomes constrained?
- Request that the \$90,000 budget for traffic calming -specifically for turtles that was added last year continue for this year as it has proven to be effective.
- Keep code enforcement intact.

Community Services:

- There should be a new animal shelter with a satellite adoption center. Would a downtown location affect whether or not the shelter is opened or closed?
- Increase animal adoption efforts as it would reduce cost.
- Hold off on moving the shelter.
- Will the current Animal shelter remain open despite budget tightening?
- Rescind Council's decision to re-sod Zilker Park
- Defend library and parks from budget cuts. Please do not make any more cuts to these departments.
- Revisit carefully the healthcare budget of Travis County Health District (TCHD). The TCHD has a \$90 million reserve (cash) budget. Plus, their tax rate has increased, generating increases in reserves. Currently, the TCHD operates clinics at only 80% due to

the lack of staff and operating efficiency. The TCHD plans to build a new regional clinic at the cost of over \$18 million, which will be paid for in cash.

- Budget constraints are needed now but there are no parks in the Springdale/51st area. The city already owns land in the area that they intend to turn into a park.
- Please don't reduce social services as the way to save money without thinking of the social and economic consequences.
- Please don't continue to create new fees (like charging to hold neighborhood meetings at public facilities) that hurt working people just to try to balance the budget. Instead, please think of ways to reduce costs by being more efficient and effective.
- Funding for public libraries and city parks is often among the first of city services to be cut back. Because these assets are needed and used more by the public in times of economic stress, please explain how cuts in libraries and parks contribute to Austin's quality of life.
- Can we delay or nix the \$90,000,000 downtown library as the economy crumbles? Instead, we could spruce up the branch locations where kids still go to read for a fraction of the cost?
- Repairing, restoring and expanding Barton Springs Pool should be a budget priority, as well as repairing and restoring Deep Eddy and West Enfield Pools.
- Will you help save the small park with huge oaks on W. 16th Street between West Avenue and Rio Grande Street? It's currently owned by the adjacent church, which wants to develop the parking lot along 15th but can't afford to maintain the beautiful park next door indefinitely.
- If we insist on welcoming panhandlers downtown, how about some outdoor toilets so that the library and the sidewalks on Congress and 6th no longer smell so strongly of urine?
- Don't cut library resources. Look at shortening hours rather than cutting resources.
- Make sure the city works with partnering entities regarding the needs and future of children.
- Create Austin, not sure how it will affect Parks and Recreation Department budget since they rely on fees collected through the museums and such.
- Parks and Recreation Department "cost shares" resources with many departments. Don't see how it makes sense to take these resources out and place in a new office or department.
- It would be good to conduct a biennial management audit of Austin/Travis County Health and Human Services and determine if the organization is "top heavy." There are not enough line personnel to man the neighborhood centers. For example, the Montopolis Neighborhood Center has less than two staff positions and the other centers have at least four. The same audit should examine their information systems and determine if they are effective in obtaining client/patient data and sharing it securely among the various medical and social service agencies.
- Is Austin Memorial Park encroachment ending Feb. 9th? What are the city's plans for restoration of Austin Memorial Park and how will it be monitored?
- Limit impact on the Forestry unit in the Parks and Recreation Department.

Public Safety Services:

- Become more efficient in the Austin Police Department, the Austin Fire Department, and in Emergency Medical Services to reduce overtime.
- Montopolis is a trouble area; please keep the public safety budget for Montopolis intact.
- Please provide a breakdown of the 37.6% in police expenditures in the General Fund? How much of that is Homeland Security?
- Why does the Austin Police Department account for so much of the General Fund? Perhaps the City could put two officers per car rather than each driving alone. Is the helicopter used efficiently? Why use it to chase a couple of kids throwing rocks at cars in neighborhoods?
- Reduce the police force and the number of code enforcement personnel.
- Will there be an expectation of increased criminal activity?

***FY 2009 Mid-Year
Savings Reductions***

Detailed Backup

February 11th, 2009





Mid-Year Reduction Plan

Departmental Savings

General Fund	\$7.1M
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Support Services	\$4.5M
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Corporate Savings	\$8.6M
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Total	\$20.1
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General Fund

General Fund FY 2009 Reduction Plan

	<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
Library	1 Branch Libraries - Freeze administrative positions - reduce hours at all branch libraries by an additional 9.5 hours per week.	285,915	10.25	* attendance for Adult and Youth programs could drop by 20-30% * branches will be open 40 hours per week, which includes a reduction to two nights and two weekday mornings per week * will impact the number of programs offered, such as youth story times and puppet shows, gaming tournaments and tutorial programs * meeting room availability for community groups will be reduced
	2 Youth Services - Freeze 5.5 Youth Librarian positions - to cover all branches, remaining staff will be split between locations, rather than being assigned to a single location	81,606	5.50	* could be more difficult to build an audience or build relationships with children and teens
	3 Austin History Center - Freeze Administrative Assistant positions - close center at 6pm instead of 9pm, 3 days per week, and open center 6 days per week rather than just 5 days. (only reduces 1 hour of operations per week)	34,597	1.25	* no reduction in service delivery * change in schedule could help increase customer participation by 2% * remaining staff will adjust schedules to cover work
	4 Cataloging and Collections - freeze 1 Administrative position and reduce contractual costs	28,797	0.00	* duties will be absorbed by existing staff
	5 Software	12,296	0.00	* Might not be able to cover unexpected software needs or cover price increases * low likelihood of service delivery impact
	6 Training Budget - take advantage of free training provided by other agencies and partnership opportunities	11,600	0.00	* no service delivery impact, current budget is \$42,200 and \$30,600 will remain
	7 Reduce Library Card Printing	9,296	0.00	* results in small reduction in the number of adult cards ordered for the current fiscal year, will utilize overstock from previous year * teen library cards would not be affected
	8 Temporary Employees - unanticipated grant funds are available to cover this cost	5,894	0.00	* no service delivery impact
Library Total		470,001	17.00	
PARD	1 Park Ranger Program - delay hiring of staff and implementation of program from December 2008 to June 2009	512,000	20.00	* no significant impact anticipated
	2 Additional use of Trust & Agency and Parkland Dedication funding - funding source is limited and may be depleted over time	200,000	0.00	* no service delivery impact * funding sources will be closely monitored to ensure appropriate use * will monitor to avoid overuse or depletion of funding
PARD Total		712,000	20.00	

	<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
Health	1 Public Health - Reduce WIC related grant support from general fund - additional grant reimbursement will offset the need for general fund dollars, yet not change service delivery	340,360	0.00	* no service delivery impact
	2 Human Services - Eliminate operations at pilot South Day Labor site - eliminate temporary staffing at South site and consolidate efforts with North location	135,188	0.00	* south site only places an average of 11 people per day * shift day laborers to North location, which places 31 people per day
	3 Administration - Freeze a vacant Accountant position that monitors cash collections and prepare grant billings	47,341	1.00	* will reduce ability to perform cash handling audits * will reduce ability to meet 2 or 3 grant billing deadlines for about 30 grants
	4 Office of Medical Director Injury Prevention Program - Freeze a Program Supervisor position - position manages grant functions and provides skilled development training for sexual health education, including the iChoose Teen Summit, a one day teen conference that teaches sexual health education.	45,733	1.00	* number of encounters for 12-17 year olds will be reduced by a total of 300 encounters, or 20% * number of encounters for 18 years and older will be reduced by a total of 65 encounters, or 65%
	5 Office of Medical Director Immunizations - reduced spending for vaccines, while maintaining same level of service	31,000	0.00	* actual cost of vaccines are lower than anticipated
	6 Animal Services - Eliminate contract for night security - redeploy existing staff to provide coverage	23,925	0.00	* no service delivery impact
	7 Office of the Medical Director - Reduce General Fund grant support in Teen Pregnancy and Immunization units - reflects an updated assessment indicating there are additional grant funds available for these programs.	23,000	0.00	* no service delivery impact
	8 Reduced Utilities costs - due the correction of a water leak and reduced electricity for vacant facilities	22,000	0.00	* no service delivery impact
	9 Animal Services - Reduced General Fund funding for feral cat sterilization - available through donations to sustain service levels	17,500	0.00	* no service delivery impact
	10 Administration - Reduce software replacement	15,000	0.00	* no service delivery impact

		<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
Health (cont)	11	Office of Medical Director Vital Records - reduction of remote database contract - this database is used to provide customers with death and birth certificates	13,000	0.00	* cost of database is based on the number of requests from the public * the number of public requests is down 67% during the first quarter of FY 09 compared to last year * no service delivery impact
	12	Office of Medical Director - reduce General Fund funding for STD testing - additional grant funding available to sustain testing levels	10,000	0.00	* no service delivery impact
	Health and Human Services Total		724,047	2.00	
Social Serv	1	Social Services - reduce costs by not utilizing unallocated Youth Services and Child Care funding - typically provides unallocated one-time funding for agencies to provide services, such as summer programs, parent support sessions and family and group therapy	80,809	0.00	* 80 youth will not attend free summer camp * 100 clients will not receive services to help them become and remain self-sufficient
	2	Social Services - reduce costs by not utilizing unallocated reserve - typically provides unallocated one-time funding to various agencies	74,675	0.00	* no service delivery impact due to this being one-time funding
	3	Social Services - Reduce funding for Ending Community Homelessness (ECHO) initiative - reduce from \$85,416 to \$15,000 based on actual historical spending	70,416	0.00	* less ability to support the ECHO committee
	4	Social Services - reduce funding for Skillpoint Alliance Career Fair - includes career fair for high school students and training for high school teachers, but does not result in direct job placements	62,100	0.00	* Skillpoint Alliance can increase cost of booths to companies participating in the job fair to help replenish funding * 850 fewer students would attend the fair if there is no additional funding from companies participating in the job fair * other Skillpoint Alliance funding will remain - \$228,450
Social Services Contracts Total			288,000	0.00	

	<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
Police	1 Reschedule 116th Cadet Class - originally scheduled for March 2009, reschedule in September 2009	1,395,530	0.00	* align timing of class with current vacancy trends and redeploy staff from various specialized units to cover during the interim
	2 Reduced overtime - in area commands, crime initiatives, call back time	1,221,500	0.00	* \$7.4 million in overtime was incurred in 2008 * budgeted overtime in 2009 is \$9.5 million, leaving \$8.3 million to address workload * each command would mainly operate at the "first responder" level, and may experience limited ability to conduct newly focused responses to crime issues as they develop in each command or to move resources immediately to combat crime as part of COMPSTAT (computer statistics) initiative
	3 Reclassification of Commanders positions / delayed sworn promotions - evaluate department commander staffing and their roles to more appropriately assign staff to respond to needs	335,615	0.00	* currently have 21 commanders, higher than amount in FY 2008 of 19 * to occur through attrition * no service delivery impact
	4 Office of Community Liaison - redeployment of civilian staffing - move 10 positions to support first responders and replace temporary staff currently in those functions	182,000	0.00	* liaison duties such as safety fairs, town hall meetings, Blue Santa and other community outreach would be fulfilled by the District Representatives who answer to neighborhood complaints, conduct safety checks of private properties and attend community meetings * it is possible that not all liaison duties will be fulfilled, but unable to quantify the possible service impact to the community
	5 Assessment and consolidation of actual fleet needs - reduced rental cars, number of vehicles in "fleet pool", and take home vehicles	173,000	0.00	* no service delivery impact, operating more efficiently * number of vehicles in "pool" redeployed where needed * reduced fuel and maintenance costs
	6 Christmas Day payroll savings - staffed Christmas Day with minimal personnel (essential staffing)	150,000	0.00	* no service delivery impact * Christmas Day is historically a low incident day and savings already achieved
	7 Elimination of current temporary employees in highway enforcement, office of police monitor and internal affairs -	148,200	0.00	* reduction in number of traffic safety presentations to community and high school students * the office of police monitor will now take over the duties of receiving and writing up initial complaints from the public, with no service impact * investigations into possible misconduct of officers will now be conducted by internal affairs field supervisors, with no service impact
	8 Eliminating City Waivers for Police Services	102,084	0.00	* would apply equally to all event sponsors, including nonprofit organizations
	Police Total	3,707,929	0.00	

	<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
Fire	1 Funding for Wage Increases - funding for wage increases not utilized since a new collective bargaining contract not implemented this fiscal year	1,931,985	0.00	* no service impact
	2 Overtime is expected to exceed budget	(1,931,985)	0.00	
	Fire Total	0	0.00	

EMS	1 Overtime and Other Payroll Cost Reductions - reassessment of payroll practices within the department to more accurately align with city-wide personnel policies for exception vacation and productive time	410,000	0.00	* no service delivery impact
	2 Uniform, Small Tools, and Facility Expenses	140,000	0.00	* no significant service delivery impact * department will need to prioritize most urgent needs of repairs and equipment for front-line personnel * non-essential repairs and renovations, such as repaving parking lots and painting facilities will be postponed
	3 Additional Reimbursement for Billing Services - this is a more updated assessment of reimbursements to be received from Travis County from what was included in the FY 2009 Approved Budget	125,000	0.00	* no service delivery impact
	4 Rescheduling of next Paramedic Academy from January 2009 to April 2009	60,000	0.00	* no service delivery impact * slight increase in overtime is possible, however this impact has been netted in this saving amount
	5 ACC Tuition Reimbursement - this is ACC tuition inadvertently budgeted in FY 2009 that is not required this year	20,000	0.00	* no service delivery impact * this is a true-up of the Approved FY 09 Budget
	EMS Total	755,000	0.00	

	<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
Municipal Court	1 Project Recovery Contract - provide a progress report to Council in March. If direction is given to discontinue program, a 60 day notice is required. Cost / savings is \$34,553 per month on average.	105,760	0.00	* program would stop evaluation of approximately 60 people annually that is needed to determine their eligibility for the program * treatments would cease
	2 Downtown Austin Community Court - freeze Community Coordinator position	47,268	1.00	* duties will be assumed by the Court Administrator and Case Manager * turnaround time for implementation and coordination of social service programs and projects may be increased
	3 Reduce Miscellaneous Contractual Services	25,000	0.00	* no service delivery impact
	4 Overtime - would provide staff with exception vacation rather than pay out of overtime	22,600	0.00	* no impact to workload or service delivery * employee moral may be affected
	5 Bilingual Pay - 54 positions are budgeted for bilingual pay and this would reduce payment to 8 potentially eligible staff	14,400	0.00	* service delivery impact is unknown, probably minimal
	6 Travel/Training - currently budgeted \$34,879. Will have \$24,879 remaining	10,000	0.00	* no service delivery impact * more in-Court training will be developed * employees will be encouraged to attend local training
	7 Contracts - cost for State-mandated Spanish Interpreters and court Reporters is higher than anticipated	(220,000)	0.00	* no service delivery impact * will continue providing required level of services
Municipal Court Total		5,028	1.00	

NPZD	1 Urban Design - freeze 2 Senior Planner positions - responsible for the review and implementation of master plans and downtown plans	116,116	2.00	* will limit staff time needed for monitoring, amending, administering design standards * will slow work to implement approved master plans, which includes station area plans for Saltillo Plaza, Lamar / Justin Ln., Crestview and Martin Luther King * will slow work on the Downtown Plan, which includes downtown transportation such as urban rail, affordable housing and density bonus element, parks and open space, downtown framework plan and two district plans - Cores and Squares located in the area of Congress Ave. and North West Downtown * will slow work on longer-term strategic planning for the urban design division
	NPZD Total	116,116	2.00	

	<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
WPDR	1 Development Review and Permits - freeze Assistant Director position that oversees the One Stop Shop operations - Sue wants to sub this out for another position	101,147	1.00	Workload is having to be absorbed by Department Director
	2 Subdivision Review - freeze Planner III - position - conducts land use reviews	60,078	1.00	* 54% drop in submittals and 21% drop in reviews for the first three months of FY09 * while demand is diminishing, performance is anticipated to be 65% on time versus goal of 70% * 3 reviewers to manage existing projects; average of 60 cases per reviewer * normal caseload should be 30 cases per reviewer
	3 Plumbing and Mechanical Inspections - freeze Inspector C position - conducts construction inspections	40,590	1.00	* number of inspections needed is declining * 95% on-time inspection rate is expected to be maintained
	4 Site/Subdivision Inspection - freeze Inspector C position - conducts construction inspections	40,590	1.00	* number of inspections needed is declining * reduction of 19 active projects in the first quarter of FY 09 compared to the same time last year
	5 Right of Way Management - freeze Engineering Technician C position - conducts permitting of Special Events	35,068	1.00	* possibility of not meeting code-mandated time frames for responding to event applications
	6 Residential Inspections - freeze Inspector C position - conducts building inspections	26,941	1.00	* number of inspections needed is declining * 95% on-time inspection rate is expected to be maintained
	7 Residential Review - freeze Planner II position - responsible for reviewing cases and providing service to walk-in customers	6,735	1.00	* new construction is decreasing, but remodeling has been increasing * increased customer wait time could occur up to 58 minutes per customer, from an average of 48 minutes currently versus a goal of 40-45 minutes wait time * increase in number of reviews past due by approximately 3 cases per week
WPDR Total		311,149	7.00	

FTE TOTAL	49
TOTAL FOR GENERAL FUND DEPTS	7,089,270



**Support Services /
Other**

Support Services and Other Funds FY 2009 Reduction Plan

		<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
Housing		Freeze various positions throughout department - Chief Financial Manager, Project Coordinator, Buyer II, AHFC Development Manager, Accountant, Administrative Sr.			* no impact anticipated due to declining market conditions, and redistribution of work load
	1		309,895	1.00	
	2	Use of Additional Beginning Balance	92,573	0.00	* no service delivery impact
		Housing Total	402,468	1.00	
SMBR		Freeze Assistant Director Position - current incumbent is scheduled to retire at the end of February 2009. Additionally, includes vacancy savings already achieved through natural attrition.			
	1		58,984	1.00	* workload be absorbed by remaining Director and Assistant Director
	2	Reduction in Travel/Training - current budgeted amount is \$22,800 and \$12,700 will remain for training	10,100	0.00	* will seek training locally and in Texas
		SMBR Total	69,084	1.00	
P/O		Vacancy Savings - savings already achieved during earlier portion of year			
	1		35,000	0.00	* no service delivery impact; part of natural attrition
		CPI Total	35,000	0.00	
GRO		Reduction in Contractual Services Budget for Legislative Services - will not reduce planned legislative efforts. This replacement of a previous contract has resulted in some cost savings.			
	1		25,000	0.00	* no service delivery impact
		GRO Total	25,000	0.00	
HRD	1	Freeze an Assistant Director position	101,514	1.00	* workload is absorbed by remaining Department Executive Team
		Total Compensation - freeze a Compensation Consultant position - analyzes the salary market, employment reclassification, and career progression development programs			
	2		46,179	1.00	* will manage workload with minimal service delivery impact
		HRD Total	147,693	2.00	

	<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
FSD	Budget			
	1 Annual Budget / Financial Monitoring - freeze 2 Budget Analyst positions - work on forecasting, financial monitoring and reporting, performance reporting, analytical research and data gathering, etc.	120,441	2.00	* slower turnaround on special projects and other requests for information or analysis * less oversight of departmental budgets, particularly for enterprise funds, and more reliance on departmental financial staff * production of quarterly performance reports may increase from 45 days to 60 days
	2 Bond Program Coordinator position- will be funded through the capital improvement program	95,891	0.00	* no service delivery impact
	Building Services			
	3 Freeze a Plumber II, a Security Guard and a Supervisor of Buildings and Grounds - additionally includes vacancy savings that have already accumulated from the beginning of the year	170,000	3.00	* delays in responding to service calls * deferral of maintenance unless absolutely critical * inadequate supervision over frontline staff * reduced property management presence at larger sites
	Controller's			
	4 Reduce Contractual Services for auditing - specialized service being conducted for the Convention Center will be paid by that department, and contingency funding for general auditing services is not expected to be needed this year	127,990	0.00	* no service delivery impact
	5 Bill Austin Energy for Software Licenses Utilized Solely by Austin Energy - for the cost of Maximo software licenses, an asset and inventory management system	109,949	0.00	* no service delivery impact
	6 Freeze an Accountant Associate, and Accounting Technician and a Deputy Controller	91,203	3.00	* may not be able to attain performance goals, such as "number of days to process invoices and get payments made to vendors" * will restructure organization to allow remaining two Deputies and Controller to take over duties
	7 Accounting and Reporting - freeze 2 Senior Accountant positions - positions help assess impact of other City systems that interface with the financial accounting system, utilize system and accounting knowledge to address and troubleshoot difficulties with system, implement system updates and fixes	74,635	2.00	* inability to promptly implement accounting system software updates and fixes and troubleshoot system problems * reduce turnaround time to resolve accounting system issues and enhancements
	8 Reduce CPA Stipend - this stipend was budgeted for the first time this year in order to enhance recruiting and retention efforts, but will not be implemented	10,500	0.00	* no service delivery impact * this may reduce ability to recruit and retain CPA candidates.
	9 Reduce the use of temporary employees	9,880	0.00	* no opportunities for help with workload when needed

Item Description		Reduction	FTE	Impact	
FSD Continued	Corporate Internal Audit				
	10	Reduce the use of miscellaneous office supplies	2,631	0.00	* no service delivery impact
	Director's Office				
	11	Freeze a Human Resource Specialist and Financial Analyst	85,059	3.00	* slow processing times and longer lead times related to human resources support will continue * no special project support for the Chief Financial Officer or Deputy Chief Financial Officers
	12	Reduce the use of miscellaneous office supplies	4,050	0.00	* no service delivery impact
	Purchasing				
	13	Greater realization of ProCard rebates due to increased usage for contract payments	65,000	0.00	* no service delivery impact
	14	Fleet Services billed for work specifically done on their behalf - Deputy Purchasing Officer has been temporarily assigned to Fleet Services since April 2008 and is anticipated to return to the Purchasing Office in April 2009	56,411	0.00	* no service delivery impact
	15	Year to date vacancy savings achieved through natural attrition throughout the Purchasing Office	51,450	0.00	* no service delivery impact
	16	Central Purchasing - freeze a Buyer II position - due to efforts to streamline process and find more effective and efficient ways to conduct business	37,371	1.00	* minimal service delivery impact
	17	Greater realization of BuyBoard rebate - this rebate was received in December and was higher than anticipated	31,209	0.00	* no service delivery impact
	18	Increased expense refunds due to temporarily assigning an employee to assist Austin Energy	18,333	0.00	* no service delivery impact

	<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
FSD (Continued)	TARA			
	19 Freeze an Assistant Manager and an Accounting Technician	95,841	2.00	* vulnerability in not having a back-up managerial position * delays will be experienced in processing requests for use of Time Warner institutional network * will assess consolidation of accounting work in another area within the Financial Services Department * impacts ability to process timely fiscal collections and referrals
	20 Reduce various contractual services, materials and supplies	27,337	0.00	* no service delivery impact
	FSD Total	1,285,181	16.00	

Clerk	1	Reduction in Contractual Services for microfilming of documents - reduction is based on recent historical trends and will not reduce work efforts	55,600	0.00	* no service delivery impact
	2	Accumulated vacancy savings for an Administrative Senior position - savings have been accumulated throughout the first four months of the year with tentative plans to lanned to fill in upcoming months	24,000	0.00	* no service delivery impact if position is only held vacant temporarily, but more lengthy vacancy period could result in lengthier processing times, etc. since current workload and staffing in the Clerk's office is already constrained
	3	Reduction in advertising and publication costs - this is for the posting of ordinances in the Austin American Statesman. Savings is based on evaluation of actual historical trends over the last few years	15,000	0.00	* no service delivery impact
	4	Reduction in spending for inaugeration of new Council Members	6,000	0.00	* no service delivery impact
		Clerk Total	100,600	0.00	

	<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
CMO	1 Eliminate the funding for the Boys' and Men's Conference located in the City Manager's Budget - budgeted in Austin Energy and inadvertently duplicated in the City Manager's Budget	40,000	0.00	* no service delivery impact
	2 City Manager's Office - reduction in several areas, including memberships	23,300	0.00	* no service delivery impact
	3 Office of Emergency Management - accumulated vacancy savings	12,700	0.00	* no service delivery impact
	4 Integrity Office - minimal spending for various contractual services and commodities - such as travel, office supplies and memberships	5,000	0.00	* no service delivery impact
	5 Adjustment of budgeted salaries to reflect actual costs	5,000	0.00	* no service delivery impact
	Management Services Total	86,000	0.00	
Law	1 Utilize funding intended for the use of contacted legal services in matters of economic growth and development projects. Much of this work is increasingly being completed by internal staff. Charging cost of internal staff to alternate funding intended for outside legal counsel will reduce cost to the Support Services Fund.	326,974	0.00	* work has been and continues to be conducted with internal staff * no service delivery impact
	Law Total	326,974	0.00	
Audit	1 Vacancy Savings for various regular and temporary positions - none are planned to remain vacant for extended period of time. Part of regular attrition trends.	20,000	0.00	* minimal service delivery impact
	2 Reduction in various items such as hardware, hardware maintenance and books	16,000	0.00	* no service delivery impact
	Audit Total	36,000	0.00	

		<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
CTM	1	Reduced Hardware and Software costs related to Mainframe - cost of maintenance for the mainframe that housed the old financial system was budgeted as a contingency in the event mainframe could not be decommissioned this year	895,000	0.00	* no service delivery impact, software systems have either been replaced or migrated to existing networks and funding for mainframe maintenance is no longer needed
	2	Freeze 13 positions - including IT Project Managers, Programmer Analysts, System Support Technicians, Network Systems Administrators, Computer Operator, Systems Programmer, Trunked Radio Manager	644,000	13.00	* completion of projects will take longer * will limit number of new projects requested by departments * some new projects will have start delays * some projects currently underway will be put on hold * may reduce the number of new WiFi installations
	3	Reduce Contract for Outside Consultant - consultant was to assist department in evaluating and implementing best practices, benchmarking other IT organizations	400,000	0.00	* improved methodologies are needed to prioritize, approve or discontinue IT projects * New chief information officer will be asked to assess current policies and practices, organizational structure and implement improvements with limited outside consulting assistance
	CTM Total		1,939,000	13.00	

FTE TOTAL		33
TOTAL FOR SUPPORT SERVICES		4,453,000



Corporate

Corporate FY 2009 Reduction Plan

		<u>Item Description</u>	<u>Reduction</u>	<u>FTE</u>	<u>Impact</u>
Corporate	1	Savings in Pay for Performance - employees were not financially compensated for achieving an annual performance rating higher than "meets expectations"	400,000	0.00	* no service delivery impact
	2	Savings for delay of Market Compensation Implementation - postpones the current year's implementation of annual market reviews to qualifying employees to help salaries remain competitive	2,300,000	0.00	* no service delivery impact
	3	Reduction in Fuel Costs - more recent downward trends in fuel prices is generating savings	2,000,000	1.00	* no service delivery impact
	4	Additional Vacancy Savings - capture the anticipated additional vacancy saving that will potentially be achieved throughout the year due to a more rigorous review process before filling positions	3,900,000	0.00	* could have some potential impact throughout the General Fund and Support Service Fund
			8,600,000	1.00	