

Memorandum



CITY OF DALLAS

DATE May 14, 2010

TO The Honorable Mayor and Members of the City Council

SUBJECT Budget Workshop #5 – FY 2009-10 Status and FY 2010-11 Development Update

Your May 19th meeting agenda includes Budget Workshop #5 which provides both an update of the current year's (FY 2009-10) budget and of next year's (FY 2010-11) budget development. The amounts included in the briefing are preliminary and subject to change. The current forecast reflects significant revenue loss for next year which will impact our ability to provide services next fiscal year. We will continue to refine the preliminary estimates as we work towards your next Budget Workshop in June and the recommended FY 2010-11 budget in August.

Please let me know if I can provide any additional information.

A handwritten signature in black ink, appearing to read 'Mary K. Suhm'.

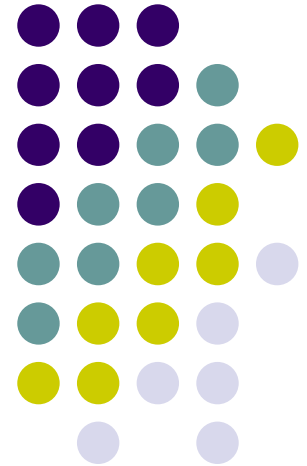
Mary K. Suhm
City Manager

Attachment

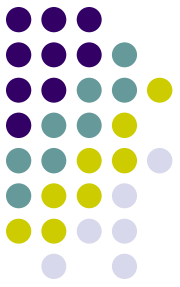
c: Thomas P. Perkins, Jr., City Attorney
Deborah A. Watkins, City Secretary
Craig Kinton, City Auditor
C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
A.C. Gonzales, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Helena Stevens-Thompson, Assistant to the City Manager

Budget Workshop #5 - FY 2009-10 Status and FY 2010-11 Development Update

City Council Briefing
May 19, 2010



Purpose



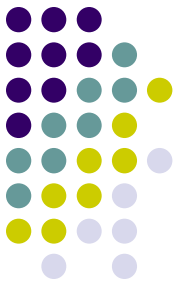
- Provide status of FY 2009-10 (current year) budget
- Update Council on progress made in development of FY 2010-11 (next year) budget
 - Provide outlook of FY 2010-11 revenues and expenses
 - Review ranking sheets prepared by Key Focus Area (KFA) Teams
 - Identify Lower Priority Services subject to reduction or elimination
 - Discuss strategies for balancing the differential currently forecast
- Provide future outlook

Briefing Overview



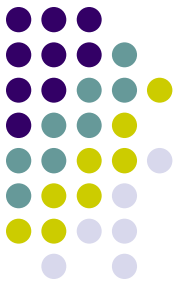
- Briefing is a “snapshot” of progress towards developing a balanced budget for FY 2010-11 to recommend to Council on August 9
- Numbers included in briefing are estimates/projections and are subject to further review and change

Looking Back



- Period of economic growth through FY 2008-09 allowed City to make significant budget investments that have positive returns
 - Public safety – steady reductions in crime rates – 23.7% decrease (from calendar 2005 to 2009)
 - Economic development – significant growth in tax base – 34% increase (from FY 2004-05 to FY 2008-09)
 - Infrastructure improvements – improved street condition from 77% to 87% in satisfactory condition (from 1999 to 2009)
 - Customer service – increases in customer satisfaction as reported in Citizen Survey – 26.8% increase (from FY 2004-05 to FY 2008-09)
 - Commitment to sustainability – significant improvements in several areas – 40% renewable power, 38% alternative-fueled fleet, 83 billion gallons of water saved, and 76% increase in tons recycled

FY 2009-10 Overview

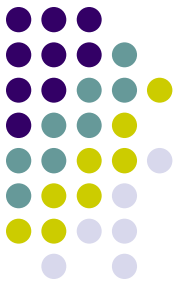


- Development of FY 2009-10 budget was challenging
 - Balanced budget without tax rate increase
 - Continued commitment to public safety
 - Planned for addition of more police officers
 - Retained Code Compliance budget
 - Utilized federal recovery funds primarily for addition of police officers
 - Used various cost containment strategies
 - Implemented OneDay Dallas city-wide
 - Consolidated or eliminated departments
 - Reduced management structure

FY 2009-10 Overview (continued)



- Implemented service reductions in areas that could be restored as economy recovers
 - Reduced library hours
 - Reduced recreation opportunities
 - Reduced funding for street maintenance
- Impacts to employees
 - 1328 funded positions eliminated
 - 792 reduction-in-force notices issued
 - 405 employees ended City-employment on September 30
 - 2% pay reduction for civilian employees via 5 furlough days
 - No civilian pay for performance increases
 - No step pay increases for uniformed staff



FY 2009-10 Update

- Challenges continue during FY 2009-10 (current year) as a result of certain revenues continuing to decline

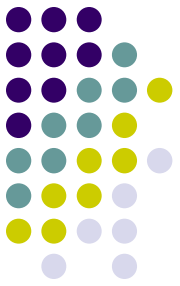
Sales taxes	-\$6.6m
Oncor electric franchise	-\$0.9m
Interest earnings	-\$0.7m
Municipal Court	-\$2.8m
Private disposal fees	-\$3.2m
Security alarm	-\$1.0m

FY 2009-10 Update (continued)

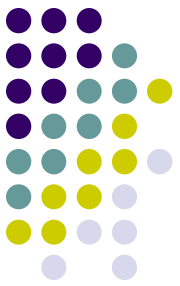


- To offset declining revenues, expenditure reductions have been required, such as:
 - Continued restrictive hiring freeze
 - Reduce new police officer hiring, -\$1.0m
 - Reduce transfer to liability reserve due to reduced requirements, -\$1.0m
 - Decelerate fitness program in Fire by 50%, -\$0.3m
 - Reduce library materials by 39%, -\$0.7m
 - Use CIP funds to pay for eligible in-house bond expenses, -\$3.5m
 - Defer expansion of Pride in Your Neighborhood program, -\$0.4m
 - Realize additional staff and equipment savings from OneDay Dallas, -\$0.4m
 - Use other non-recurring cash balances such as 911, Storm Water, Street Assessment, and Public Private Partnership funds to pay for eligible expenses, -\$11.3m

FY 2009-10 Update (continued)



- On-going analysis of current year revenues and expenditures occur and adjustments are made to maintain balanced budget throughout fiscal year
- If revenues continue to decline beyond current forecast, additional expense reduction measures will be required
- Financial Forecast Reports will continue to be sent to Council monthly and reviewed at meetings of Budget, Finance and Audit Committee



FY 2010-11 Outlook

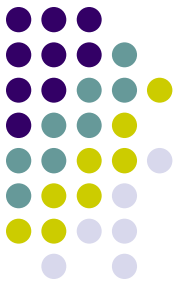
- Looking forward to FY 2010-11, budget development is equally if not more challenging than FY 2009-10
- Property tax revenues account for 42% of General Fund
 - Property values are appraised once per year and changes lag behind other economic conditions
 - Property values decreased by 3.5% in tax year 2009 and greater value loss is expected for tax year 2010



FY 2010-11 Outlook

- Sales tax revenues account for 21% of General Fund
 - Monthly sales tax receipts have been down for 16 consecutive months when compared to same month of previous year
 - On May 19, received notification of first month since October 2008 that monthly receipts were up slightly when compared to same month of previous year
 - FY 2009-10 (current year) is estimated to be \$27.5m less or 12% less than actual receipts received in FY 2007-08 before recession

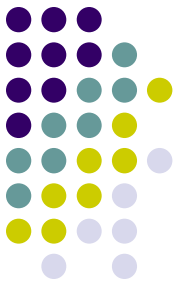
FY 2010-11 Outlook – January 20th Briefing



- January 2010 forecast indicated less revenue and more expense for FY 2010-11 with a differential between \$49.6m and \$108.2m

	Lesser Impact	Greater Impact
Revenue changes	-\$23.8m	-\$67.5m
Expenditure changes	+\$25.8m	+\$40.7m
Differential	-\$49.6m	-\$108.2m

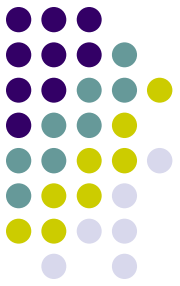
FY 2010-11 Outlook – Revenue Update



- Since January 2010 briefing, revenue forecasts have continued to decline

Revenue Forecast – Source of Funds	Jan 2010 “Greater Impact”	Changes since Jan 2010 Forecast	May 2010 Forecast
Property Tax	-\$36.7m	-\$16.9m	-\$53.6m
Sales Tax	-\$3.8m	-\$2.8m	-\$6.6m
Franchise Fees	+\$1.3m	-\$1.7m	-\$0.4m
Non-recurring revenues and use of fund balance	-\$29.5m	0.0	-\$29.5m
Other miscellaneous revenues	+\$1.2m	-\$10.7m	-\$9.5m
Total Revenue Changes	-\$67.5m	-\$32.1m	-\$99.6m
FY 2010-11 Forecast Revenues			\$918.8m

FY 2010-11 Outlook – Revenue & Expense Update



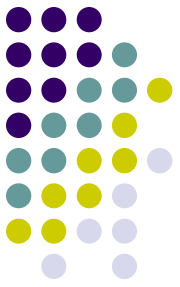
- Based on revenue changes, revenues are forecast to decline by \$99.6m from current year (FY 2009-10) budget to next year (FY 2010-11) budget
 - Revenue forecast for next year, FY 2010-11 is \$918.8m
- In order to fund all current year services at same service level, \$1,049.9m is needed next year
- Current forecasted differential between FY 2010-11 revenues and expenditures is -\$131.1m

FY 2010-11 Outlook – Revenue & Expense Update



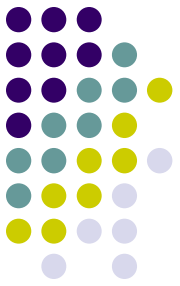
FY 2010-11 Forecast Revenue – May 2010 updated forecast	\$918.8m
FY 2010-11 Forecast Expense – to fund same services and service levels as in current year	-\$1,049.9m
Differential	-\$131.1m

FY 2010-11 Outlook – KFA Teams



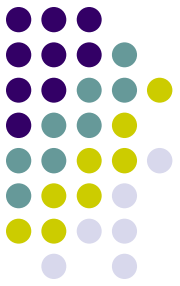
- Forecast revenues were allocated to each Key Focus Area proportionate to amount budgeted for each area in FY 2009-10
- KFA Teams have reviewed and analyzed each bid received from departments to determine which bids best accomplish objectives of KFA
- Bids were prioritized and ranked by KFA Teams with input from City Manager
- Bids may include KFA Team recommended reductions of lower priority expenses within a bid (detailed within comment section of attachment)
- Critical bids (services) which fall below funding line after KFA Team ranking are marked with an asterisk and considered higher priority to be added back should funding become available
- Services without an asterisk which fall below the funding line are subject to elimination and thus not provided in FY 2010-11

FY 2010-11 Outlook – Ranking Sheets



- Ranking Sheets indicate prioritized and ranked services by KFA Teams with input from City Manager
 - Bids totaling \$918.8m are above funding line
 - Bids totaling \$81.3m marked with an asterisk (many at a reduced level) indicating these are Higher Priority services to be restored should revenue become available
 - Bids totaling \$49.8m without an asterisk indicating these are Lower Priority services
 - Lower Priority services are not funded and subject to elimination

FY 2010-11 Outlook – Ranking Sheets (continued)



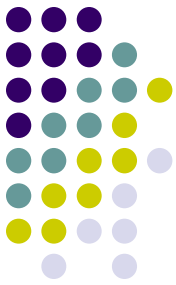
- Lower priority services (continued)
 - Reductions include about 500 FTE's
 - Services falling below funding line without an asterisk are subject to following:
 - Elimination of certain services
 - Slower delivery of services
 - Increased potential for errors
 - Limitations on the flexibility of organization

FY 2010-11 Outlook – Ranking Sheets Summary

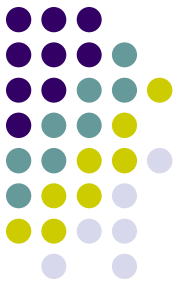


Key Focus Area	Services Above the Line – <u>“IS FUNDED”</u>	Higher Priority *** Services – <u>NOT FUNDED, but “SHOULD BE”</u>	Lower Priority Services <u>“ISN’T FUNDED”</u>
Public Safety	\$583.6m	\$45.0m	\$14.1m
Economic Vibrancy	\$52.3m	\$10.2m	\$8.2m
Clean Healthy Environment	\$102.8m	\$2.8m	\$1.1m
Culture, Arts & Recreation	\$42.6m	\$5.1m	\$17.0m
Educational Enhancements	\$12.5m	\$5.3m	\$4.2m
E3 Government	\$125.0m	\$12.9m	\$5.2m
Total	\$918.8m	\$81.3m	\$49.8m

FY 2010-11 Outlook



<p><u>Is Funded</u> – \$918.8m above the line; enough revenue is forecast to fund these services.</p>	<ul style="list-style-type: none"> •Continue police field patrol, with no uniform layoffs. •Continue neighborhood code enforcement, neighborhood nuisance abatement and animal services with only administrative reductions. •Continue similar Economic Development service delivery by enhancing outside revenues.
<p><u>Should be Funded</u> – \$81.3m marked with asterisk; not enough revenue to fund, yet services should be funded.</p>	<ul style="list-style-type: none"> •Should restore funding to Street Services to no less than current year level. •Should restore funding to Neighborhood Libraries in order to maintain current service level at all 23 branch libraries and materials. •Should restore funding to 11 additional recreation centers in order to have operation of 34 of 43 centers with 30 hours per week compared to current 55 including after-school and summer programs for youth. •Should restore funding in order to operate 7 of 21 pools, Bahama Beach and Bachman indoor pool.
<p><u>Isn't Funded</u> – \$49.8m below funding line with no asterisk; not enough revenue so these services are not funded.</p>	<ul style="list-style-type: none"> •Central Library operation of 2 days per week and 20 hours. •Traffic operations including faded or graffitied sign replacement, re-striping, and neighborhood traffic calming. •40% of current service or funding levels for cultural programs. •Employee merit/step programs and can't eliminate 5 civilian furlough days that were put in place in FY 2009-10.



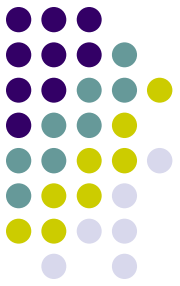
FY 2010-11 Outlook – Public Safety

- See Appendix for Public Safety bids and rankings

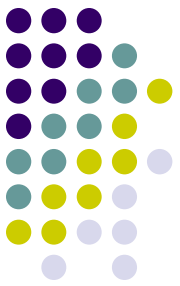
Services Above the Line (Is Funded)	Higher Priority *** Services (Should be Funded)	Lower Priority Services (Isn't Funded)
\$583.6m	\$45.0m	\$14.1m

- “Is Funded” highlights
 - Continue police field patrol, with no uniform layoffs
 - Continue municipal court services
 - Continue fire and rescue emergency response services
 - Continue emergency medical services
 - Purchase only 10 of 19 ambulances scheduled for replacement

FY 2010-11 Outlook – Public Safety (continued)



- “Should be Funded” highlights
 - Should restore Police Special Operations such as mounted patrol, tactical, traffic, school crossing guards and Love Field
 - Should restore recruitment, selection, hiring, and training of fire/rescue officers
- “Isn’t Funded” highlights
 - Court security
 - Additional police officers in FY 2010-11 above attrition
 - 25% of Police overtime



FY 2010-11 Outlook – Economic Vibrancy

- See Appendix for Economic Vibrancy bids and rankings

Services Above the Line (Is Funded)	Higher Priority *** Services (Should be Funded)	Lower Priority Services (Isn't Funded)
\$52.3m	\$10.2m	\$8.2m

- “Is Funded” highlights
 - Continue flood control and floodplain/drainage management
 - Continue ROW maintenance but at a reduced level; reduce mowing from 18 cycles per year to just 12
 - Continue traffic engineering but only for safety and congestion requests
 - Continue Fair Park operation and maintenance
 - Continue similar Economic Development service delivery by enhancing outside revenues

FY 2010-11 Outlook – Economic Vibrancy (continued)



- “Should be Funded” highlights
 - Should restore street rehabilitation and restoration, concrete service, and crack sealing maintenance to current year level
- “Isn’t Funded” highlights
 - Traffic operations including faded or graffitied sign replacement, street re-striping, and neighborhood traffic calming
 - Interagency capital project implementation (i.e., stop working with TxDOT and Dallas County on joint street projects)

FY 2010-11 Outlook – Clean Healthy Environment

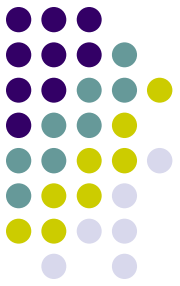


- See Appendix for Clean Healthy Environment bids and rankings

Services Above the Line (Is Funded)	Higher Priority *** Services (Should be Funded)	Lower Priority Services (Isn't Funded)
\$102.8m	\$2.8m	\$1.1m

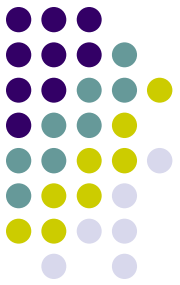
- “Is Funded” highlights
 - Continue storm water management
 - Continue neighborhood code enforcement, neighborhood nuisance abatement and animal services with only administrative reductions

FY 2010-11 Outlook – Clean Healthy Environment (continued)



- “Should be Funded” highlights
 - Should restore homeless outreach programs including The Bridge
- “Isn’t Funded” highlights
 - Same level of dental health services
 - Current level of commitment to Environmental Management System and sustainability
 - Senior job placement program or senior medical transportation program

FY 2010-11 Outlook – Culture, Arts, and Recreation

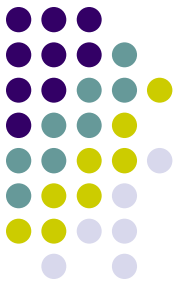


- See Appendix for Culture, Arts, and Recreation bids and rankings

Services Above the Line (Is Funded)	Higher Priority *** Services (Should be Funded)	Lower Priority Services (Isn't Funded)
\$42.6m	\$5.1m	\$17.0m

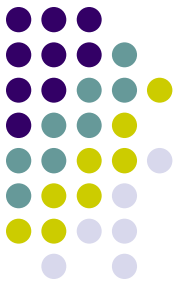
- “Is Funded” highlights
 - Continue park land maintenance but at a reduced level; including a reduction of mowing cycle from 16 to 31 days and reduce litter pick-up from 3 times per week to 1
 - Continue operation of 23 of 43 recreation centers with 30 hours per week compared to current schedule of 55
 - Continue revenue producing golf and tennis centers

FY 2010-11 Outlook – Culture, Arts, and Recreation (continued)



- “Should be Funded” highlights
 - Should restore funding to 11 additional recreation centers in order to have operation of 34 of 43 centers with 30 hours per week compared to current 55 including after-school and summer programs for youth
 - Should restore funding in order to operate 7 of 21 pools, Bahama Beach and Bachman indoor pool
- “Isn’t Funded” highlights
 - 40% of current service level in cultural services
 - 14 pools and 9 recreation centers

FY 2010-11 Outlook – Educational Enhancements

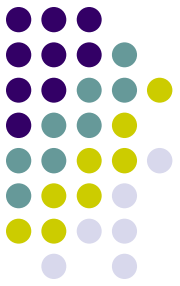


- See Appendix for Educational Enhancements bids and rankings

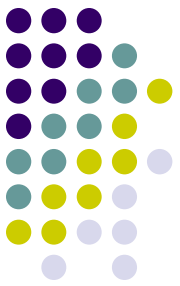
Services Above the Line (Is Funded)	Higher Priority *** Services (Should be Funded)	Lower Priority Services (Isn't Funded)
\$12.5m	\$5.3m	\$4.2m

- “Is Funded” highlights
 - Continue operation of Central Library 4 days per week, 24 hours per week instead of 44 hours
 - Continue operation of 23 Neighborhood Libraries 20 hours per week with no change to DISD locations

FY 2010-11 Outlook – Educational Enhancements (continued)



- “Should be Funded” highlights
 - Should restore funding to Neighborhood Libraries in order to maintain current service level at all 23 neighborhood libraries and restore material funding to current year level
 - Should restore funding in order to fund half of current Thriving Minds in-school arts education programs
- “Isn’t Funded” highlights
 - Central Library operation of 2 days per week and 20 hours



FY 2010-11 Outlook – E3 Government

- See Appendix for E3 Government bids and rankings

Services Above the Line (Is Funded)	Higher Priority *** Services (Should be Funded)	Lower Priority Services (Isn't Funded)
\$125.0m	\$12.9m	\$5.2m

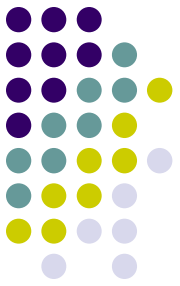
- “Is Funded” highlights
 - Continue funding programs such as appraisal districts, tax collection, independent audit, cash and debt management, liability, TIF payments, electricity, payroll, financial reporting, elections, etc.

FY 2010-11 Outlook – E3 Government (continued)



- “Should be Funded” highlights
 - Should restore custodial services to City facilities
 - Should restore City Secretary board and commission support
 - Should restore general counsel and police legal liaison and prosecution
 - Should restore service area coordinators
- “Isn’t Funded” highlights
 - Facility maintenance at current level

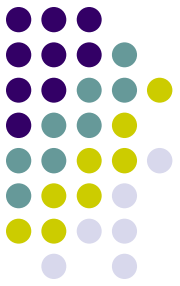
FY 2010-11 Outlook – Revised Differential



- After reducing or eliminating bids/services determined to be Lower Priority Services, differential between revenues and expenditures is currently forecast to be -\$81.3m

Differential in revenues and expenses from slide 15	-\$131.1m
Reduction or elimination of Lower Priority Services	\$49.8m
Revised Differential	-\$81.3m

FY 2010-11 Outlook – Balancing Strategies



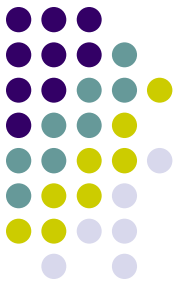
- Combination of strategies is necessary to eliminate \$81.3m current forecasted differential
- Following strategies for additional cost reductions and revenue enhancements for consideration and legal review
 - Implement additional civilian furlough days
 - Implement uniform furlough days
 - Examine civilian pay reductions
 - Examine uniform pay reductions
 - Review employee/retiree health benefits costs
 - Implement reduction-in-force
 - Continue restrictive hiring throughout FY 2009-10 and FY 2010-11

FY 2010-11 Outlook – Balancing Strategies (continued)

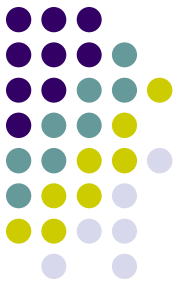


- Minimize police officer attrition replacement
- Review new fee study and prior year studies to ensure fees are set to full cost recovery where possible
- Evaluate new revenue sources
 - Transportation user fee
 - Garage sale permit fee
 - Off-duty police officer fee
- Evaluate expanding existing revenue sources
 - Property tax
 - Multi-tenant registration
 - Solid waste franchise

FY 2010-11 Outlook – Balancing Strategies (continued)



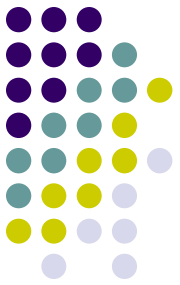
- Continue review and analysis of all bids to eliminate lower priority spending
 - Review of internal service costs
 - Continue to seek out efficiencies
 - Evaluate outsourcing options
 - Capitalize bond program in-house implementation expenses
-
- See Brainstorming Ideas briefing for additional information



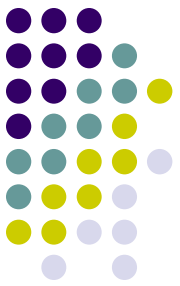
FY 2010-11 – Schedule

May 20	Receive Preliminary Tax Rolls from Appraisal Districts
May 24	Budget, Finance & Audit Committee – review preliminary rankings – E3/Government
May 24	Quality of Life Committee – review preliminary rankings – Educational Enhancements and Culture, Arts & Recreation
May 24	Transportation & Environment Committee – review preliminary rankings – Clean Healthy Environment
May 26	Budget Public Hearing
June 7	Economic Development Committee – review preliminary rankings – Economic Vibrancy
June 7	Public Safety Committee – review preliminary rankings – Public Safety
June 7	Housing Committee – review preliminary rankings – Economic Vibrancy
June 23	Budget Workshop #6 – FY 2010-11 Preliminary Budget Outlook

FY 2010-11 – Schedule (continued)



July 26	Receive Certified Tax Rolls from Appraisal Districts
August 9	City Manager's Proposed FY 2010-11 Budget Presentation
August 9	Begin Budget Town Hall Meetings
August 23	City Council Budget Workshop
August 25	Budget Public Hearing
September 1	City Council Budget Workshop
September 8	First reading of FY 2010-11 budget ordinances
September 13	Budget Amendment Workshop
September 15	Budget Amendment Workshop (if necessary)
September 22	Second reading of budget ordinances and set tax rate for FY 2010-11



Beyond FY 2010-11

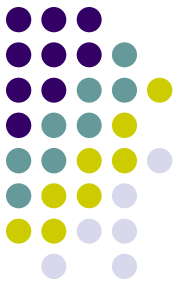
- To position City for period beyond FY 2010-11, future considerations are provided
- Economic analysis indicates influence of three broad factors on City's future budgets
 - U.S. macroeconomic policy – federal response to growing federal deficit will impact local economics
 - Higher federal taxes and interest rates are likely in next 5 years to rebalance federal finances
 - Government and Federal Reserve will respond cautiously to reduce odds of another recession while economic expansion remains weak

Beyond FY 2010-11



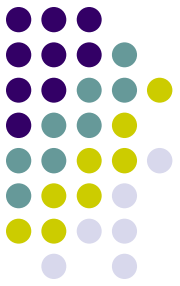
- Foreign macroeconomic risks – many foreign governments are in worse shape than U.S. which will have impact on local economics as foreign governments deal with their financial issues
- Microeconomic structural changes – individual household and business response to new market conditions (such as credit and energy) will impact local economics; and change in mix of industries as result of recession will effect regional economy

Beyond FY 2010-11 (continued)



- During current recession, declining revenue has presented greatest budgetary challenge
- Property tax accounts for 42% of general fund revenue
 - Commercial real value – major factors determining variation in commercial values include value of new commercial construction and U.S. gross domestic product
 - Business personal property value – major factors determining variation in BPP values include – Texas business cycle (Dallas Fed Index), retail vacancy rate, and total occupied commercial inventory

Beyond FY 2010-11 (continued)



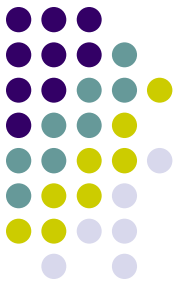
- **Property tax (continued)**
 - Residential value – major factors determining variation in residential values include tax rate, Dallas population, and residential investment (component of gross domestic product)
 - Property values are forecast to decline further, by 2.6%, for FY 2011-12 before beginning slight increases beginning in FY 2012-13 by 1.1%
- **Sales tax accounts for 21% of general fund revenue**
 - Major factors determining variation in sales tax revenue include unemployment rate, retail occupancy, and seasonal factors (holiday shopping)
 - Sales tax is forecast to grow by average of 2.6% per year from FY 2011-12 through FY 2015-16

Beyond FY 2010-11 (continued)



- Service reductions have occurred in areas such as library hours, recreation hours, street maintenance, and building maintenance
 - If economic conditions allow, these services will be restored over 3 years beginning in FY 2011-12
- Growth in police force was slowed in FY 2009-10 and being deferred in FY 2010-11
 - If economic conditions allow, growth will resume in FY 2011-12

Beyond FY 2010-11 (continued)

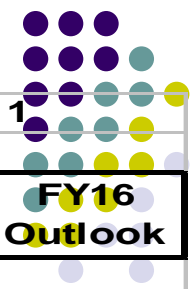


- Although most general purpose fleet replacement is deferred in FY 2009-10 and FY 2010-11, fleet replacement will be necessary at some point in future
 - If economic conditions allow, replacement will resume in FY 2011-12
- Employees have been impacted by budget reductions – furlough days and pay reductions
 - If economic conditions allow, these reductions will be reversed over 5 years beginning in FY 2011-12

Beyond FY 2010-11 (continued)

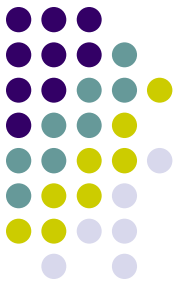


- Anticipate completion of 2006 bond program in FY 2011-12, so new bond election needed in Nov. 2012 to address infrastructure and capital needs
 - \$1.5 billion (5 years x \$300.0m)
 - Implementation of Commercial Paper program will help reduce debt cost
- Broad outlook beyond FY 2010-11 is provided on following slide
 - Future year expenses and possible restoration of services depends on service decisions made for FY 2010-11
 - Each year's budget will be analyzed to determine what service restorations can be made which will depend on revenue forecasts as economy recovers from current recession

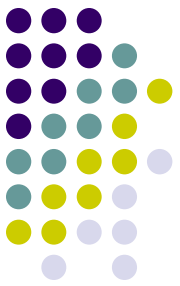


General Fund and Debt Service High Level Outlook - Beyond FY 2010-11
(In Million Dollars)

	FY12 Outlook	FY13 Outlook	FY 14 Outlook	FY15 Outlook	FY16 Outlook
Revenues					
Property Tax	(15.2)	6.3	13.8	21.3	23.9
Sales Tax	5.0	6.1	6.8	5.2	4.5
Total Revenue Changes	(10.2)	12.4	20.6	26.5	28.3
Expenses					
FY10 COPS grant for 3 years, then requires City funds		2.9			
Additional police officers - 60 per year for 3 years	1.9	3.8	3.8	1.9	
Eliminate 5 civilian furlough days taken in FY10 and FY11	0.7	0.7	0.7	0.7	0.7
Employee Health Benefits	2.7	2.8	3.0	3.2	3.3
Zoo contract increases	1.0	2.0			
Street Services - restore cuts made in FY10 over 3 years	3.5	3.5	3.5		
Library - restore cuts made in FY10 over 3 years	3.0	3.0	3.0		
Park & Recreation - restore cuts made in FY10 over 3 year	1.1	1.1	1.1		
Existing Debt	(13.7)	(12.6)	(22.2)	(14.8)	(7.3)
New debt including remaining 1998 and 2006 bonds, Nov 2012 bond program, technology upgrades, and fleet replacement assumed	9.6	32.5	43.6	45.9	37.1
Total Expense Changes	9.8	39.7	36.5	36.9	33.8
Differential	(20.0)	(27.3)	(15.9)	(10.4)	(5.5)



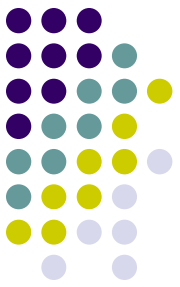
FY 2010-11 Preliminary Ranking Sheets



Ranking Sheets

- Bid (Offer) Number (Column 1) unique identifier assigned to each bid
- Bid Name (Column 2) – service title
- Bid to Maintain Current Service Level (Column 3) – amount requested to fund the current year’s service level. For FY 2010-11, this amount may not produce the same level of service as the current year
- New Services / Enhancements to Increase Current Year Service Level (Column 4) – amount requested by departments for a new service or to increase current year service level of the Basic Bid, such as opening new facilities or increasing hours of operation at libraries
- KFA Team Recommended Amount (Column 5) – amount of funding recommended by the KFA Team which may be less than the bid price
- Running Total (Column 6) – remaining amount available to “spend”

If the cost of the service is reimbursed from another department, the cost is shown net of the reimbursement. The remainder of the cost is shown in the reimbursing department’s bid.



Ranking Sheets

- “Is Funded” – Above the Funding Line Services are those services which currently are above funding line on Ranking Sheets and are considered to be funded in preliminary FY 2010-11 budget
- “Should be Funded” – Higher Priority *** Services are those services which fall “below funding line” but are designated as a higher priority to be restored to FY 2010-11 budget, should funding become available
- “Isn’t Funded” – Lower Priority Services are those services which fall “below funding line” and are subject to elimination and not restored in FY 2010-11 budget