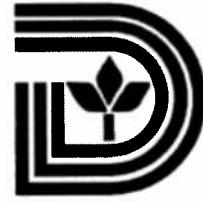


# Memorandum



CITY OF DALLAS

DATE June 10, 2011

TO Honorable Mayor and Members of the City Council

SUBJECT Budget Workshop #4 – FY 2011-12 Budget Development Update

Your June 15<sup>th</sup> agenda includes the briefing titled Budget Workshop #4 – FY 2011-12 Budget Development Update. Materials are attached for your review and consideration.

The briefing shows that the differential between revenues and expenses in the preliminary FY 2011-12 budget has been reduced to -\$32.2m. Through the summer, staff will continue to work to eliminate this differential before presenting a balanced budget to you on August 8<sup>th</sup>.

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

A handwritten signature in black ink, appearing to read 'M. Suhm', written over the typed name and title.

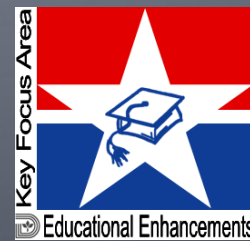
Mary K. Suhm,  
City Manager

## 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  
Jack Ireland, Director, Office of Financial Services

# Budget Workshop #4 – FY 2011-12 Budget Development Update

City Council Briefing – June 15, 2011



# Purpose of Briefing

- Provide update on development of FY 2011-12 budget
- Provide recap of May 18<sup>th</sup> briefing
- Review progress made since May 18<sup>th</sup>
  - Review proposed changes to address budget challenges
- Summarize outlook as of June 15<sup>th</sup>
  - Briefing is a “snapshot” only and not the final recommendation
  - Numbers included in briefing are estimates/projections and are subject to further review and change prior to a balanced budget being presented to Council on August 8th
- Review other considerations including Building Inspection, Dallas Water Utilities, Sanitation Services, and Storm Drainage Management
- Review remaining budget development schedule

# May 18<sup>th</sup> Briefing Recap

FY 2010-11 Adopted Revenue Budget	\$1,006.0m
Property Tax	(\$27.1m)
Sales Tax	+\$9.6m
Other revenues	(\$13.5m)
Total Revenue Changes	(\$31.0m)
FY 2011-12 Forecast Revenue	\$975.0m
FY 2011-12 Forecast Expense – to fund same services and service levels as in FY 2010-11	\$1,054.3m
Differential	(\$79.3m)
Reduction or elimination of Lower Priority Services (Isn't Funded) as indicated May 18 <sup>th</sup> – services below line without asterisk	\$20.0m
<b>Differential as of May 18<sup>th</sup></b>	<b>(\$59.3m)</b>

# Guiding Principles Process

- As development of FY 2011-12 budget continues, certain guiding principles and parameters are considered
- Services have been ranked and lower priority services totaling \$20.0m have been eliminated
- Combination of strategies must be implemented to resolve remaining \$59.3m differential

# Guiding Principles

- No single strategy will close \$59.3m differential; a balanced approach is necessary
  - Cannot just reduce/eliminate services
    - Code Compliance \$26.8 + Library \$19.6m + Office of Cultural Affairs \$12.5m = \$58.9m (based on FY11 budget)
  - Cannot just raise property taxes
    - 7.66¢ tax increase would be required and raise average homeowner tax bill by about \$130 per year
  - Cannot just make reductions impacting civilian employees
    - 1,186 employees would have to be eliminated or
    - 24% pay reductions would be necessary or
    - 62 furlough days would be required

# Guiding Principles

- Due to extent of challenge and fact that personnel costs are major component of budget, reduction in personnel costs must be part of solution
  - Impact of these reductions must be carefully considered since employees are the key City asset that deliver services
- New or expanded revenue sources must be considered to help make up for property tax revenue losses that result from declining values
- With nearly 60% of cost in Police and Fire, those services can not be off-limits for reductions but no uniform layoffs are considered
- Continue investment in infrastructure through capital spending

# Progress Made Since May 18<sup>th</sup>

	<b>Differential as of May 18<sup>th</sup></b>	<b>(\$59.3m)</b>
Property Tax revenue (page 8)		\$3.7m
State and Federal budget impact (page 9)		\$17.4m
Other revenue adjustment (page 10)		\$4.6m
Other expense adjustment (page 11)		\$1.4m
	<b>Revised Differential as of June 15<sup>th</sup></b>	<b>(\$32.2m)</b>



# Property Tax Revenue

- Decline in property value is assumed in development of FY 2011-12 budget
  - Preliminary information from appraisal districts (May 19<sup>th</sup>) indicate that value loss may not be as great as previously assumed
  - January and May assumed – decline of 4.23%
  - June update – decline of 3.65%
  - Certified tax roll will not be provided by appraisal districts until late July

# State and Federal Budget Impact

- State and federal budget decisions are assumed to impact cities during FY 2011-12
  - In January and May briefings preliminary information indicated the impact could be over \$20m
  - Updated information indicates that impact will be less
  - State budget not yet finalized and current special session runs through end of June

# Other Revenue Adjustments

- Sale of surplus property and abandonments will occur in FY 2011-12 and generate additional revenue
- Funding strategy for Recreation Centers adjusted and will include additional revenue and partnerships such as Baylor Medical and Boys & Girls Club

# Other Expense Adjustments

- Fuel cost in FY 2011-12 will be higher than amounts budgeted in current year, however, not as high as previously assumed
- Additional funds needed in FY 2011-12 to replenish contingency reserve fund due to Mayoral and Council elections costing more in current year than previously assumed

# Progress Made Since May 18<sup>th</sup>

- Progress made since May 18<sup>th</sup> through June 15<sup>th</sup> results in revised differential of (\$32.2m)

Differential in revenues and expenses from slides 3 & 7 – as of May 18 <sup>th</sup>	(\$59.3m)
Progress made since May 18 <sup>th</sup>	+\$27.1m
Revised Differential as of June 15 <sup>th</sup>	(\$32.2m)

- Available funds applied to most critical areas (primarily Public Safety KFA)

# June 15<sup>th</sup> Update – Ranking Sheets Summary

- All services are listed on Ranking Sheet in Appendix and fall into 3 categories
  - Is Funded – \$983.3m above the line; enough revenue is forecast to fund these services
  - Should be Funded – \$32.2m marked with asterisk; although not enough revenue is forecast at this time to cover these services, effort is underway to determine a means of funding them
  - Isn't Funded – \$20.0m below funding line with no asterisk; not enough revenue so these services are not funded
- Pound sign (#) next to a service indicates that service has been changed since May 18<sup>th</sup> briefing and comment section indicates what change has been made

# June 15<sup>th</sup> Update – 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	\$583.0m	\$19.1m	\$6.3m
Economic Vibrancy	\$71.9m	\$8.1m	\$3.2m
Clean Healthy Environment	\$108.0m	\$0.4m	\$0.0m
Culture, Arts & Recreation	\$58.8m	\$4.0m	\$8.1m
Educational Enhancements	\$16.3m	\$0.0m	\$0.0m
E3 Government	\$87.9m	\$0.5m	\$2.4m
E3 – Citywide Cost to be Distributed Later	\$57.4m	N/A	N/A
<b>Total</b>	<b>\$983.3m</b>	<b>\$32.2m</b>	<b>\$20.0m</b>

\* E3 “funded” amount includes cost that will be distributed to other KFA s later in process, including CIS charges, Risk charges, electricity, fuel, employee health benefits, and impact from federal/state budget.

# 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)
May 18 <sup>th</sup> Briefing		
\$556.3m	\$45.8m	\$6.3m
June 15 <sup>th</sup> Update		
\$583.0m	\$19.1m	\$6.3m



# FY 2011-12 Outlook – Public Safety (continued)

- “Is Funded” highlights
  - Police field patrol, with no uniform layoffs
  - Fire and rescue emergency response services with exception of 3.5 fire companies
  - Municipal court services enhanced with implementation of computerized case management system
  - Emergency medical services with exception of overtime for 11 ambulances
  - Lew Sterrett jail contract and City Detention Center
  - Narcotics, criminal investigations, vice, police intelligence, etc.
  - Police Special Operations such as mounted, helicopter, tactical, traffic, and Love Field

# FY 2011-12 Outlook – Public Safety (continued)

- **“Is Funded” highlights (was listed as “Should be Funded” in May briefing)**
- **Police recruitment, personnel, academy and in-service training based on police officer hiring plan to be implemented in FY 2011-12**
- **Add training of 60 paramedics**
- **School crossing guards (continue request for County to charge fee as allowed by State law)**
- **Overtime for ambulances and replacement ambulances**

# FY 2011-12 Outlook – Public Safety (continued)

- “Should be Funded” highlights
  - Police officer attrition (hire 50 officers)
  - 3.5 fire companies
  - O&M for new station #50 at Keeneland and Walton Walker
  - Marked squad cars to meet utilization needs
- “Isn’t Funded” highlights
  - Civilian personnel at auto pound, Lew Sterrett jail, evidence room, etc.
  - 12 security officers at City facilities (greater use of cameras and contract security)

# 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)
May 18 <sup>th</sup> Briefing		
\$71.9m	\$8.1m	\$3.2m
June 15 <sup>th</sup> Update		
\$71.9m	\$8.1m	\$3.2m

# FY 2011-12 Outlook – Economic Vibrancy (continued)

- “Is Funded” highlights
  - Street lighting
  - City ROW maintenance
  - TxDOT ROW maintenance except one-time remedial clean-up for FY 2010-11
  - Flood control and floodplain/drainage management
  - Asphalt and concrete street maintenance but at a reduced level
  - Fair Park operation and maintenance
  - Public Works’ bond program implementation
  - 57% of slurry seal and 72% of micro-surfacing streets
  - Economic Development initiatives substantially maintained

# FY 2011-12 Outlook – Economic Vibrancy (continued)

- “Should be Funded” highlights
  - 43% of slurry seal and 28% of micro-surfacing streets in order to maintain FY 2010-11 level
  - Street asphalt (restores street rehabilitation and full-depth repairs) and concrete (restores partial reconstruction, curb/gutter and sidewalk)
- “Isn’t Funded” highlights
  - Support of New Year’s Day college bowl game at Fair Park
  - Various economic development services

# 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)
May 18 <sup>th</sup> Briefing		
\$108.0m	\$0.4m	\$0.0m
June 15 <sup>th</sup> Update		
\$108.0m	\$0.4m	\$0.0m

# FY 2011-12 Outlook – Clean Healthy Environment (continued)

- “Is Funded” highlights
  - Sanitation services
  - Storm water management
  - Environmental initiatives
  - Neighborhood code, restaurant and bar inspections, environmental assessments, demolitions, and consumer protection, and most Neighborhood Nuisance Abatement



# FY 2011-12 Outlook – Clean Healthy Environment (continued)

- “Should be Funded” highlights
  - Neighborhood Nuisance Abatement (7 positions)
  - Some community center positions – temporarily funded by stimulus funds
- “Isn’t Funded” highlights
  - Animal Services – overtime to staff vaccination/registration clinics and off-site adoption events (to be conducted through use of flex-time or volunteer services)

# 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)
May 18 <sup>th</sup> Briefing		
\$58.4m	\$4.4m	\$8.1m
June 15 <sup>th</sup> Update		
\$58.8m	\$4.0m	\$8.1m

# FY 2011-12 Outlook – Culture, Arts, and Recreation (continued)

- “Is Funded” highlights
  - Park land maintenance funded at 64% of amount funded in current year
  - 29 of 43 recreation centers will be open
  - 8 of 16 community pools, Bahama Beach, and Bachman indoor pool will be open
  - Golf and tennis centers will be in operation and supported by fees
  - Commitment to public private partnerships such as the Zoo, Arboretum, Texas Discovery Garden, etc.
  - City Performance Hall to open in 2012
  - 5 City cultural centers funded with program funds at 80% current year level; 14 cultural facilities are supported including an increase of \$1m for ATPAC; and cultural services contracts are funded at 75% of current year level

# FY 2011-12 Outlook – Culture, Arts, and Recreation (continued)

- **“Is Funded” highlights (was listed as “Should be Funded” in May briefing)**
- **Funding strategy for Recreation Centers adjusted and will include additional revenue and partnerships**
- **In May, 29 of 43 centers were fully funded, but now in June this is adjusted to 31 of 43 centers being fully funded**
- **Funding needed for remaining 12 of 43 centers no longer required**
  - **Service providers such as Baylor Medical and Boys & Girls Club will be engaged to provide services at 5 centers with minimal support from the City**
  - **3 small centers will be closed**
  - **Renovation and construction will occur at 12 centers resulting in closure for various lengths of time during FY 2011-12**

# FY 2011-12 Outlook – Culture, Arts, and Recreation (continued)

- “Should be Funded” highlights
  - Park land maintenance would increase the amount funded to 82% of current funding level
- “Isn’t Funded” highlights
  - Cultural programs not funded include 20% of program related expenses at 5 cultural centers, 50% of funding for facility maintenance and repair at 14 city-owned facilities, and 25% of cultural services contracts to arts organizations

# 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)
May 18 <sup>th</sup> Briefing		
\$16.3m	\$0.0m	\$0.0m
June 15 <sup>th</sup> Update		
\$16.3m	\$0.0m	\$0.0m

# FY 2011-12 Outlook – Educational Enhancements (continued)

- “Is Funded” highlights
  - Central Library (all floors) open 40 hours per week, 26 Neighborhood Libraries open 40 hours per week, and 2 DISD locations open 56.25 hours per week
  - Materials funded at \$1.7m, same level as current year
  - White Rocks Hills scheduled to open in 2012
- “Isn’t Funded” highlights
  - 93 positions at Central and Neighborhood libraries not funded (2 at Central, about 1.7 per Neighborhood location, and 46 vacant)
    - Result of streamlined processes and improved technology such as paperless, self-service, and on-line processes
    - Also result of reduced service levels during operating hours such as less one-on-one service and reduction in variety and number of programs offered

# 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)
May 18 <sup>th</sup> Briefing		
\$164.1m	\$0.5m	\$2.4m
June 15 <sup>th</sup> Update		
\$145.3m	\$0.5m	\$2.4m



# FY 2011-12 Outlook – E3 Government (continued)

- “Is Funded” highlights
  - City-wide costs such as appraisal districts, tax collection, independent audit, liability, TIF payments, electricity, payroll, financial reporting, etc.
  - Fund election in November 2012 for future General Obligation Bond Program
  - Change Mandatory Civilian Leave Days from 8 to 6
  - Federal and state budget impact on City
  - Auditor’s Office – no reduction
  - Attorney’s Office – reduction of \$25K for supplies, postage, materials, and professional services
  - Secretary’s Office – reduction of 1 position for lobbyist registration
  - Manager’s Office – reduction of 4 administrative positions

# FY 2011-12 Outlook – E3 Government (continued)

- Since May, adjustments to the “Is Funded” category have been made for citywide cost captured in the E3 KFA
- Reduced amount of funds set aside to address State and Federal budget impacts
- Reduced funding for fuel price increases
- Increased funding to replenish Contingency Reserve Fund

# FY 2011-12 Outlook – E3 Government (continued)

- “Should be Funded” highlights
  - Add compliance officer and contract for independent review of EMS billing
- “Isn’t Funded” highlights
  - Facility maintenance at current level, 7 positions
  - Custodial service at current level, 4 positions and \$600,000 in contracted service
  - 4 positions in 311 Customer Service Center

# FY 2011-12 Outlook – Revised Differential – as of June 15<sup>th</sup>

- As of June 15<sup>th</sup>, budget differential for FY 2011-12 is forecast to be (\$32.2m)
- Combination of strategies is necessary to eliminate remaining differential
- Resolving this differential will be focus of effort through August 8<sup>th</sup> when a balanced budget will be presented to City Council

# FY 2011-12 Outlook – Balancing Issues

- Proceeding towards CMO recommendation to Council on August 8, many issues require further analysis to determine impact
  - Continue restrictive hiring throughout FY 2010-11 and FY 2011-12
  - Review new fee study and prior year studies to ensure fees are set to full cost recovery where possible
  - Evaluate transportation user fee
  - Evaluate solid waste flow-control
  - Further evaluation of state and federal budgets
  - Evaluate need for multiple service locations such as fleet maintenance facilities, libraries, recreation centers, etc.
  - Implement reduction-in-force
  - Review internal service costs

# FY 2011-12 Outlook – Balancing Issues (continued)

- Implement request for proposal to develop naming rights, sponsorships, and donor giving
- Continue review and analysis of all budget bids to eliminate lower priority spending
- Continue to seek out efficiencies
- Evaluate outsourcing options such as auto pound
- Evaluate capital spending and debt issuance
- Evaluate volatile market for fuel prices
- Seek partnership opportunities such as with County or private businesses
- Evaluate alternative and available funding sources
- Examine service levels and funding mechanisms in development processes to ensure customer needs are met as economy recovers

# Other Considerations for FY 2011-12

- Building Inspection
- Dallas Water Utilities
- Sanitation Services
- Storm Drainage Management

# Building Inspection Enterprise Fund

- Building Inspections Enterprise Fund pays for:
  - Building Inspections and Permitting
  - Current Planning/Zoning and Historic Preservation
    - Comprehensive Planning (4 planners) in General Fund
- This fund is separate from the General Fund and supported solely by fees charged for provided services
- 50% of the staff positions were eliminated during the last two fiscal years due to a severe economic downturn
  - Workload decreased by only 30% creating numerous customer service related issues



# Building Inspection Division

- Over the past 18 months, BI experienced a spike in customer complaints and dissatisfaction
  - Length of time to review and approve construction plans
  - Length of time to provide inspections (plumbing)
  - Staff not being readily accessible for consultation, information requests and reviews
  - Wanting services that were eliminated in prior year budget cuts
  - Zoning backlog extended 7 months and longer
- Rebuilding effort in progress since October in cooperation and consultation with the industry

# Building Inspection: Improving Service Process

- Building Inspections Fees adjusted in January 2011
  - Core fees were **not increased**
  - Selected fees adjusted to reflect true cost of providing service
  - Imposed new fees to recover costs of some “free” services
  - Offered additional services for customers who were willing to pay additional charge

# Building Inspection: Improving Service Process

- Rebalanced current staff and added positions to staff specific functional areas to
  - Enhance productivity, accountability and responsiveness
  - Improve Customer Service
  - Add 28 Positions
    - 20 have been filled
- Implemented new functional initiatives to address customer needs
  - Q-Team (expedited plan review) on March 1, 2011
  - Customer Consultation Center on April 18, 2011
  - Added focus on issuing Certificates of Occupancy

# Building Inspection: Improving Service Process Results

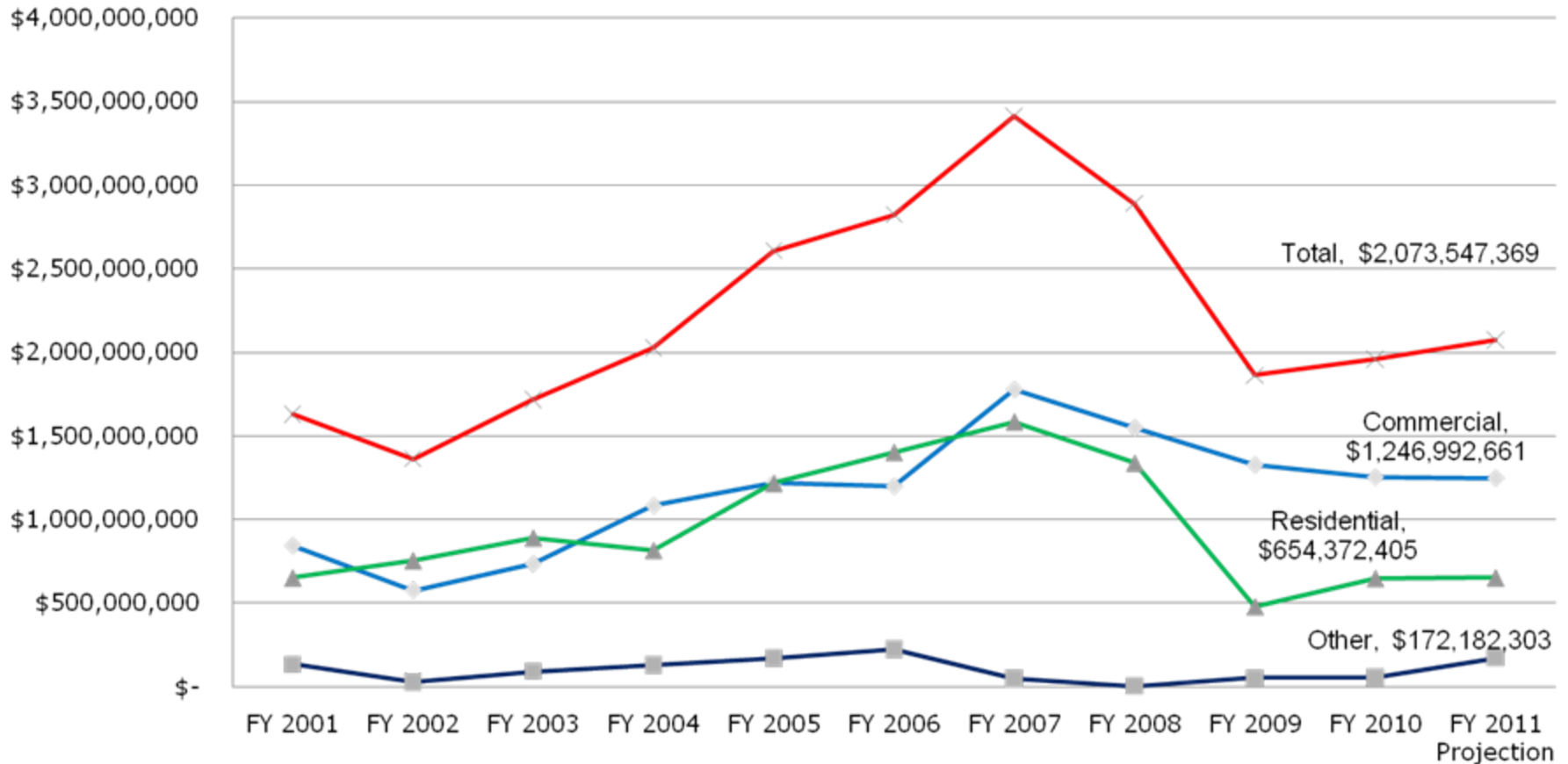
- Decrease in customer complaints and dissatisfaction since January
- Reduction of time to review and approve construction plans from 14 to 16 weeks to now 4 to 6 weeks
- 94% of inspections provided the same day requested
- More staff availability for customer consultation, information requests and reviews
- Restoration of some of the services that were eliminated and added some new services
- Zoning schedule restored to previous timeframes

# Building Inspection: Remaining Challenges

- Staff resources are focused on achieving acceptable level of service and performance targets for revenue producing work. Consequently, uncompensated and under-compensated work is given lower priority.
- Tremendous backlog persists for uncompensated and under-compensated work, particularly zoning.
- Currently, 1 staff member is dedicated to authorized hearings and code amendments. (one at a time, first come, first serve basis)
- Inspections for complaints and violations are scheduled after same-day inspections.
- Requests for research and analysis by citizens seeking documentation on possible violations has been suspended. Although guidance and assistance for citizen research is available.

# Building Inspection: Projected Economic Outlook for the Enterprise Fund

## Construction Permits Historical Valuation



# Building Inspection: Proposed FY 2011-12 Changes

- Anticipated revenues are strong enough to support additional staffing
- Add 18 FTEs (\$1.18m)
  - Positions added to Building Inspection, Plat Review and Engineering Divisions
  - Continue to rebalance current staff and add positions to staff specific functional areas to
    - Enhance productivity, accountability and responsiveness
    - Improve Customer Service
- Opportunity to adjust zoning fees to recover costs associated with activities such as SUPs, code amendments, authorized hearings and plan reviews

# Dallas Water Utilities

- Dallas Water Utilities is a large, municipally owned regional water/wastewater supplier
  - Costs are driven by infrastructure requirements for both growth and renewal
  - Responsibility for planning to meet water requirements for service area
  - Self-supporting
- Proposed budget continues the focus on maintaining infrastructure and conserving resources through
  - Programs for water and wastewater systems maintenance to proactively detect water system leaks
  - Water conservation efforts
  - Annual replacement rate of 1.5% for aged water and wastewater mains
  - Commitment to provide high quality and sufficient water and wastewater service to meet customer needs



# Dallas Water Utilities

- The Preliminary FY 2011-12 Budget includes
  - Operating Budget of \$554.2m
  - Capital Budget of \$333.2m
  - Overall retail rate increase by 6.5%
- Continue commitment to provide high quality and sufficient water and wastewater service to meet customer needs
- Continue Water Conservation Program to reduce per capita water consumption
- Future outlook on retail rates
  - FY 2012-13 - 7.6% increase
  - FY 2013-14 - 7.4% increase

# Dallas Water Utilities

- Capital Improvement Program of \$333.2m
  - Revenue bond sale of \$225M to refund commercial paper
- Major FY11-12 projects include
  - Pipeline Replacement Program - \$73.0m
  - East Side WTP Expansion and Improvements - \$63.0m
  - Elm Fork Improvements - \$25.0m
  - Central WWTP Improvements - \$40.0m
  - Southside WWTP Improvements - \$13.0m
- CIP includes four categories

■ Regulatory	\$35.4m
■ Growth	\$113.1m
■ Rehab and Replacement	\$158.8m
■ Work for Others	<u>\$25.9m</u>
	\$333.2m

# Dallas Water Utilities – Preliminary Retail Revenue Requirement

Preliminary FY 2011-12 Budget	\$554,203,050
Preliminary Revenues at Current Rates	<u>(\$525,921,772)</u>
FY 2011-12 Preliminary Additional Revenue Requirement	\$28,281,278
= 6.5% * Preliminary Retail Rate Increase	

\* A 7.4% preliminary rate increase was identified in the August 2010 Future Outlook Briefing to Council.

# Dallas Water Utilities - Impact of Preliminary 6.5% Rate Increase

- Typical monthly residential water and wastewater bill would increase from \$55.69 to \$59.31
  - Based on water use of 8,300 gallons and 6,400 gallons Winter Months Average for sewer
- US EPA affordability guideline for water and wastewater bills is 2% of median income
  - Dallas' water and wastewater bills would be 1.6% of median income

# Sanitation Services – Fee Impact

<b>Current Fee - FY10-11</b>		<b>\$ 20.25</b>
- Reduced payment for carts	\$ (0.31)	
- Increase in recycling revenue	\$ (0.25)	
- Reduced Outside Equipment Rentals	\$ (0.11)	
- Reduced Staffing & Office Expenses	\$ (0.08)	
+ Fuel Cost	\$ 0.60	
+ Furlough Days/Healthcare/Pension	\$ 0.15	
<b>Impact to SAN Fee:</b>		<b>\$ (0.00)</b>
<b>FY11-12 Proposed SAN Fee:</b>		<b>\$ 20.25</b>

# Storm Drainage Management Fee

- No change is proposed for the Storm Drainage Management fee in FY 2011-12
- Residential billing maintains a five-tiered system

<u>Residential Property Area</u>	<u>Rates</u>
Up to 6,000 sf	\$ 3.65 / Mo.
6,001 – 8,000 sf	\$ 5.77 / Mo.
8,001 – 17,000 sf	\$ 7.77 / Mo.
17,001 – 215,000 sf	\$13.87 / Mo.
More Than 215,000 sf	\$43.87 / Mo.

- Vacant and commercial property is calculated based on square footage and a runoff coefficient (\$0.1589 per 100 sq. ft. of impervious area)
- Vacant and commercial properties have a minimum monthly charge of \$5.00 and vacant lots have a maximum monthly charge of \$57.10

# Schedule and Process

✓ Oct 19	Budget Workshop #1: Update on results of citywide Strategic Plan
✓ Jan 19	Budget Workshop #2: (A) preliminary outlook of general fund and debt service fund and (B) City Council confirm objectives and strategies for six Key Focus Areas (KFA)
✓ Jan 25	Departments invited to submit bids to accomplish City Council goals and objectives
✓ Feb 28	Departments submit bids to OFS, CMO, and KFA Teams for funding consideration
✓ Mar 9	Public Hearing
✓ Mar 21- Apr 11	KFA Teams evaluate and prioritize bids/offers submitted by departments based on Council confirmed objectives and strategies; and “draw the line” when money allocated to KFA Team runs out
✓ Apr 22	Memo distributed setting overall “price” of government for FY 2011-12
✓ Apr 18- May 13	City Manager’s Office reviews and refines rankings established by KFA Teams
✓ May 18	Budget Workshop #3: Preliminary rankings
✓ May 25	Public Hearing

# Schedule and Process

✓ May 19	Preliminary tax rolls
Jun 15	Budget Workshop #4: Rankings and budget review
Jul 25	Certified tax roll
Aug 8	Budget Workshop #5: City Manager's recommended budget
Aug 8–Sep 6	Town hall meetings
Aug 22	Budget Workshop #6: Topics TBD
Aug 24	Public Hearing
Sep 7	Budget Workshop #7: Topics TBD
Sep 14	Adopt Budget at First Reading
Sep 19	Budget Workshop #8: Council Amendments
Sep 21	Budget Workshop #9: Council Amendments (if necessary)
Sep 28	Adopt Budget at Second Reading



**Appendix A**  
**FY 2011-12 Preliminary Ranking**  
**Sheets**

# Ranking Sheets

- Bid (Offer) Number (Column 1) – unique identifier assigned to each bid
- Bid Name (Column 2) – service title
- Bid Price (Column 3) – amount requested by department
- Recommended Amount (Column 4) – amount of funding recommended by the KFA Team which may be less than the bid price
- Running Total (Column 5) – remaining amount available to “spend”
- Revenue (Column 6) – revenue associated with that bid
- Reimbursement (Column 7) – additional funds from another source that add to the recommended amount as the total amount available for that service
- Comments/Impact Statement (Column 8) – additional information about the service including statement about reduction or source of reimbursements, etc.
  
- Pound sign (#) next to a service indicates that service has been changed since May 18<sup>th</sup> briefing and comment section indicates what change has been made

# 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 2011-12 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 2011-12 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 2011-12 budget