



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: November 24, 2009 REPORT NO: 09-167

ATTENTION: Budget and Finance Committee
Agenda of December 2, 2009

SUBJECT: Fiscal Year 2010 Budget Amendment Report and Fiscal Year 2011
Proposed General Fund Budget

REFERENCE: Fiscal Year 2010 Annual Budget
Fiscal Year 2010 Appropriation Ordinance (O-19887)
2011-2015 Five-Year Financial Outlook

REQUESTED ACTION:

1. Pass a Resolution amending the Fiscal Year 2010 Budget as recommended by the Mayor;
2. Direct the City Attorney to work with Financial Management to prepare an amendment to the Fiscal Year 2010 Appropriation Ordinance;
3. Pass a Resolution approving the Fiscal Year 2011 Proposed General Fund Budget as proposed by the Mayor;
4. Waive the City of San Diego Telecommunications Antenna Policy (Council Policy 600-43) to allow and authorize the Chief Financial Officer to transfer in Fiscal Year 2011 all balances not currently assigned to CIP projects, estimated to be \$636,000, from the Antenna Lease Revenue Fund to the General Fund;
5. Authorize the Chief Financial Officer to transfer \$7.5 million from the De Anza Operating Fund to the General Fund in Fiscal Year 2011;
6. Authorize the Chief Financial Officer to transfer \$2.0 million from the Library System Improvement Program Fund to the General Fund in Fiscal Year 2011; and
7. Waive the provisions of the San Diego Municipal Code Section 35.0128(a) and Section 22.0228 in Fiscal Year 2011 to allow the use of \$2.0 million from the Library System Improvement Program Fund for general government purposes.

STAFF RECOMMENDATION:

1. Pass a Resolution amending the Fiscal Year 2010 Budget as recommended by the Mayor;
2. Direct the City Attorney to work with Financial Management to prepare an amendment to the Fiscal Year 2010 Appropriation Ordinance;
3. Pass a Resolution approving the Fiscal Year 2011 Proposed General Fund Budget as proposed by the Mayor;

4. Waive the City of San Diego Telecommunications Antenna Policy (Council Policy 600-43) to allow and authorize the Chief Financial Officer to transfer in Fiscal Year 2011 all balances not currently assigned to CIP projects, estimated to be \$636,000, from the Antenna Lease Revenue Fund to the General Fund;
5. Authorize the Chief Financial Officer to transfer \$7.5 million from the De Anza Operating Fund to the General Fund in Fiscal Year 2011;
6. Authorize the Chief Financial Officer to transfer \$2.0 million from the Library System Improvement Program Fund to the General Fund in Fiscal Year 2011; and
7. Waive the provisions of the San Diego Municipal Code Section 35.0128(a) and 22.0228 in Fiscal Year 2011 to allow the use of \$2.0 million from the Library System Improvement Program Fund for general government purposes.

SUMMARY:

The purpose of this report is to recommend budget amendments to the City's Fiscal Year 2010 budget and recommend approval of the Fiscal Year 2011 Proposed General Fund Budget in order to mitigate the projected Fiscal Year 2011 deficit of \$179.1 million identified in the Fiscal Years 2011-2015 Five-Year Financial Outlook. Departments were requested to submit reduction proposals, including reductions in non-core programs, in an amount equal to 27.3 percent of their discretionary budget, in order to mitigate the projected Fiscal Year 2011 budget gap. The recommended budget reductions presented in this report include reduction proposals offered by departments and accepted by the Mayor.

This report also presents the Fiscal Year 2011 Proposed General Fund Budget. This budget is based on the Fiscal Year 2010 Adopted General Fund Budget, the updated revenue and expenditure projections outlined in the Fiscal Years 2011-2015 Five-Year Financial Outlook for Fiscal Year 2011, and the proposed solutions identified in this report to mitigate the Fiscal Year 2011 deficit. The Fiscal Year 2011 Proposed General Fund Budget as approved by Council will be incorporated into the annual budget presented no later than April 15, 2010. Any necessary amendments to the Fiscal Year 2011 General Fund Budget will be presented to the City Council as part of a June revision in advance of the scheduled June 14, 2010 budget approval date. The Fiscal Year 2011 Proposed General Fund Budget reflects revenues and expenditures of \$1.11 billion and includes 6,909.67 Full-Time Equivalent (FTE) positions.

FISCAL CONSIDERATIONS:

This report recommends a reduction to the Fiscal Year 2010 budget in the amount of \$26.2 million, of which \$24.5 million is to be reduced from the General Fund, and the net elimination of 464.92 FTE positions. These and additional reductions will be carried-forward into Fiscal Year 2011, for a savings of \$160.3 million, of which \$154.6 million is to be reduced from the General Fund, and a net reduction of 530.97 FTE positions in Fiscal Year 2011. The combined reductions in the second half of Fiscal Year 2010 and in Fiscal Year 2011 will result in an 18-month savings of \$186.5 million for the General Fund and certain non-general funds and a net reduction of 530.97 FTE positions, of which \$179.1 million impacts the General Fund.

This report also recommends the approval of the Fiscal Year 2011 Proposed General Fund Budget, which reflects revenues and expenditures of \$1.11 billion and includes 6,909.97 FTE positions.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: The Budget and Finance Committee has conducted three community outreach meetings to date called “San Diego Speaks” on October 28th and November 19th and 21st to present information on the budget shortfall projected in Fiscal Year 2011 and to receive comments from residents on potential solutions and concerns regarding the impact on services.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: All residents of the City of San Diego. If the budget reductions are approved by the City Council prior to January 2010, the City will have resolved a projected budget deficit of \$179.1 million for Fiscal Year 2011. If the City Council waits until June 2010 to approve these reductions, the City will have to make deeper budget reductions of approximately \$24.5 million in Fiscal Year 2011.

Mary Lewis
Chief Financial Officer

Jay M. Goldstone
Chief Operating Officer

Nader Tirandazi
Financial Management Director

Julio C. Canizal
Financial Manager

EXECUTIVE SUMMARY

On October 1, 2009, the Fiscal Years 2011-2015 Five-Year Financial Outlook was released, projecting a Fiscal Year 2011 General Fund deficit of \$179.1 million. To address this budgetary shortfall, departments were requested to develop a budget reduction plan that could be implemented as early as January 1, 2010 and identify reductions in an amount equivalent to approximately 27 percent of the Fiscal Year 2010 “discretionary” budget. The “discretionary” budget was determined by reducing each department’s budget by the fixed fringe cost that the City will be obligated to pay in Fiscal Year 2011 regardless of the number of employees. To meet the budget reduction targets, departments were requested to review for possible elimination of non-core programs, consider cost-saving reorganizations, and zero-base departments’ equipment outlay and consulting/contracts line item budgets. Departments submitted their reduction proposals by October 30, 2009 to the Financial Management Department (FM) for review. During the week of November 10, 2009 the Mayor met with each department to discuss their proposed reductions.

Upon conclusion of the department meetings, the reduction proposals were evaluated and decisions made. Decisions were made following four guiding principles:

1. Do not decimate City services
2. No sworn Police or Fire staff layoffs
3. Distribute the “pain” equitably
4. Preserve current reserve balances

In order to achieve these goals, several solutions to close the Fiscal Year 2011 deficit were identified that will have a one-time benefit to the Fiscal Year 2011 budget. These include:

1. Fiscal Year 2011 “holiday” from adding to the General Fund, Public Liability and Workers’ Compensation Reserves;
2. Structure the McGuigan settlement such that the full payment is made to SDCERS early but the City’s payment is financed over a five year period;
3. Postpone indefinitely the proposed sprinkler system for the City Administration Building;
4. Transfer the unencumbered portion of the Mission Bay lease revenues collected by the City prior to July 1, 2009 to the General Fund;
5. Release additional undesignated fund balances carried in several funds that were previously set aside for purposes that are no longer relevant and transfer to the General Fund.

The combination of the above recommendations will provide expenditure savings to the General Fund in the amount of \$72.0 million in Fiscal Year 2011. On-going solutions and departmental reductions in Fiscal Years 2010 and 2011 will provide additional savings of \$107.1 million, for a

total savings of \$179.1 million over Fiscal Years 2010 and 2011. **Table 1:** Summary of FY10 and FY11 Solutions, displays the proposed solutions by business center and category to mitigate the Fiscal Year 2011 projected General Fund deficit.

Summary of FY10 and FY11 Solutions			
Table 1			
Business Center/Category	FY2010 GF Net Impact	FY2011 GF Net Impact	Total GF Net Impact
One-Time Solutions	\$ -	\$ 72,013,808	\$ 72,013,808
On-Going Solutions	-	20,114,890	20,114,890
City Planning and Development	667,153	1,470,106	2,137,259
Community Services	2,645,744	7,697,696	10,343,440
Non-Mayoral	267,172	1,940,849	2,208,020
Office of the ACOO	858,030	2,023,078	2,881,109
Office of the CFO	696,939	2,639,265	3,336,204
Office of the Chief of Staff	117,051	476,054	593,105
Public Safety	11,244,663	26,048,351	37,293,014
Public Works	8,005,321	20,173,830	28,179,152
Total	\$ 24,502,073	\$ 154,597,927	\$ 179,100,000

Table 2: Summary of One-Time vs. On-Going Solutions, displays the reductions by business center and Category. The proposed solutions to mitigate the Fiscal Year 2011 projected General Fund deficit total \$179.1 million, of which \$96.8 million is considered one-time savings and \$82.3 million is on-going savings. These on-going savings will help mitigate the projected Fiscal Year 2012 deficit of \$158.8 million as identified in the Fiscal Years 2011-2015 Five-Year Financial Outlook.

Summary of One-Time vs. On-Going Solutions			
Table 2			
Business Center/Category	One-Time Solutions	On-Going Solutions	Total Solutions
One-Time Solutions	\$ 72,013,808	\$ -	\$ 72,013,808
On-Going Solutions	-	20,114,890	20,114,890
City Planning and Development	667,153	1,470,106	2,137,259
Community Services	2,963,744	7,379,696	10,343,440
Non-Mayoral	267,172	1,940,849	2,208,020
Office of the ACOO	858,030	2,023,078	2,881,109
Office of the CFO	696,939	2,639,265	3,336,204
Office of the Chief of Staff	117,051	476,054	593,105
Public Safety	11,244,663	26,048,351	37,293,014
Public Works	8,005,321	20,173,830	28,179,152
Total	\$ 96,833,880	\$ 82,266,120	\$ 179,100,000

The proposed solutions to mitigate the Fiscal Year 2011 General Fund deficit include the net reduction of 530.97 FTE positions, of which 492.74 FTE positions are in the General Fund. As shown in **Table 3: Summary of Position Adjustments**, of the nearly 531 position net change, approximately 339 positions are vacant, 281 positions are non-vacant, and 89 are new positions.

Summary of Position Adjustments							
Table 3							
Fund	Business Center	FTE	Vacant	Non-Vacant	Additions	FY10 Impact	FY11 Impact
General Fund							
	City Planning and Development	13.20	5.20	8.00	-	\$ 294,890	\$ 769,065
	Community Services	84.94	49.47	117.44	(81.97)	1,602,672	4,130,925
	Non-Mayoral	3.00	1.00	2.00	-	75,172	204,278
	Office of the ACOO	12.00	8.00	4.00	-	436,948	966,152
	Office of the CFO	29.00	8.00	23.00	(2.00)	539,969	1,631,652
	Office of the Chief of Staff	2.50	2.00	0.50	-	-	210,852
	Public Safety	324.75	230.75	94.00	-	10,717,365	23,129,786
	Public Works	23.35	13.00	12.35	(2.00)	533,130	1,459,115
General Fund Total		492.74	317.42	261.29	(85.97)	\$ 14,200,146	\$ 32,501,825
Non-General Fund							
	Office of the ACOO	4.00	-	4.00	-	\$ -	\$ 242,751
	Office of the CFO	4.00	3.00	1.00	-	110,320	243,019
	Public Works	30.23	19.08	14.15	(3.00)	80,845	1,621,636
Non-General Fund Total		38.23	22.08	19.15	(3.00)	\$ 191,165	\$ 2,107,406
General Fund and Non-General Fund Total		530.97	339.50	280.44	(88.97)	\$ 14,391,310	\$ 34,609,231

In conjunction with the proposed reductions, this report also presents the Fiscal Year 2011 Proposed General Fund Budget. This budget was developed based on the Fiscal Year 2010 Adopted General Fund Budget, the updated revenue and expenditure projections outlined in the 2011-2015 Five-Year Financial Outlook for Fiscal Year 2011, and the proposed solutions identified in this report to mitigate the projected Fiscal Year 2011 deficit. The Fiscal Year 2011 Proposed General Fund Budget reflects revenues and expenditures totaling \$1.11 billion and includes 6,609.67 FTE positions.

Table 4: Summary of FY11 Proposed General Fund Budget, displays the proposed appropriations by Business Center.

Summary of FY11 Proposed General Fund Budget

Table 4

Business Center	FTE	PE	NPE	TOTAL	REVENUE
Major Revenues	-	\$ -	\$ -	\$ -	\$ 821,108,864
City Planning and Development	116.50	11,940,870	4,559,865	16,500,735	3,636,038
Community Services	1,064.29	73,716,049	44,752,517	118,468,566	30,001,103
Non-Mayoral	565.72	56,186,431	6,488,759	62,675,190	6,800,005
Office of the ACOO	77.00	8,274,988	19,040,493	27,315,480	1,068,776
Office of the CFO	240.00	23,854,897	60,815,679	84,670,576	29,633,880
Office of the Chief of Staff	34.50	4,420,257	1,344,339	5,764,595	1,643,542
Office of the Mayor and COO	3.00	569,264	91,508	660,772	-
Public Safety	3,629.33	505,366,791	85,488,524	590,855,315	55,296,503
Public Utilities	-	-	2,024,502	2,024,502	1,835,513
Public Works	1,179.33	110,398,902	88,788,112	199,187,013	157,098,520
Total	6,909.67	\$ 794,728,448	\$ 313,394,296	\$ 1,108,122,745	\$ 1,108,122,745

The Solution

In order to address the projected General Fund deficit in Fiscal Year 2011 with the least impact to public services or disruption to City services, the Mayor is recommending the approval of these reductions prior to January 1, 2010. These reductions will be carried-forward into Fiscal Year 2011, thereby offsetting the need for a larger reduction in Fiscal Year 2011 by approximately \$24.5 million. Savings realized in Fiscal Year 2010 will be placed in a “2011 Reserve Fund” for the purpose of balancing the Fiscal Year 2011 Proposed General Fund Budget. Thereafter, the fund will be closed.

Departments were requested to identify reductions to their Fiscal Year 2010 appropriations that met a target of 27.3 percent of their Fiscal Year 2010 budget, excluding any non-discretionary costs. To meet the budget reduction targets, departments were requested to identify reductions to their non-core programs, consider cost-saving reorganizations, and zero-base their equipment outlay and consulting/contracts line item budgets.

Given the magnitude of the Fiscal Year 2011 projected deficit and the severity of cuts necessary to achieve an overall 27.3 percent reduction, the Mayor reviewed several options to minimize the impacts to City Services. Through a combination of one-time solutions, on-going solutions that do not impact City services and the recommendation to implement these reductions beginning in January 2010, the overall reduction has been reduced to an average of 8.1 percent of the “discretionary” General Fund departmental budgets. The discretionary budget is the Fiscal Year 2010 adopted expenditure budget for each department reduced by the fixed fringe expenses that will be paid by the City regardless of the number of active employees. These fixed fringe obligations are the payment to the pension plan (the annual required contribution or ARC); the retiree health pay-go costs and the contribution to the unfunded liability (Other Post Employment Benefits or OPEB); the payment of workers’ compensation claims and contribution to the unfunded liability; and the payment of debt service obligations. While the funding of the Mayor’s eight significant areas were preserved to the extent possible to ensure that the City’s efforts to correct past fiscal issues would continue, a reserve “holiday” is being proposed for the General Fund Reserves, Workers’ Compensation Fund Reserve, and Public Liability Fund

Reserve in Fiscal Year 2011. These reductions are outlined in detail in the *Corrective Actions* section within this document.

The Mayor's eight significant areas are:

- The City's Pension Plan
- The City's General Fund reserves
- The City's deferred maintenance and capital improvement needs
- The City's Retiree Health-Other Post Employment Benefits (OPEB)
- The City's obligations under the California Regional Water Quality Control Board (Municipal Storm Water Permit)
- The City's obligations under the Americans with Disabilities Act (ADA)
- The City's Workers' Compensation Fund reserves
- The City's Public Liability Fund reserves

In addition to restoring fiscal stability and addressing the City's financial obligations, the Mayor remains committed to providing essential core services to San Diego residents.

- Public safety – No sworn personnel are being laid off
- No Public Safety, Recreational, and Library facilities are being closed
- Existing reserves are preserved
- No budget reductions in the administration of the Living Wage Ordinance;
- Deferred maintenance – street repair; and ADA projects

CORRECTIVE ACTIONS

This report recommends a reduction to the Fiscal Year 2010 Adopted Budget in the amount of \$26.2 million, of which \$24.5 million is to be reduced from the General Fund, and the net elimination of 464.92 FTE positions. These and additional reductions will be carried-forward into Fiscal Year 2011, for a savings of \$160.3 million, of which \$154.6 million is to be reduced from the General Fund, and a net reduction of 530.97 FTE positions in Fiscal Year 2011. The combined reductions in the second half of Fiscal Year 2010 and in Fiscal Year 2011 will result in an 18-month savings of \$186.5 million for the General Fund and certain non-general funds and a net reduction of 530.97 FTE positions, of which \$179.1 million impacts the General Fund.

The corrective actions required to balance the Fiscal Year 2011 Proposed General Fund Budget are detailed below.

One-Time Expenditure Reductions and Revenue Increases (\$72.0 million)

Fiscal Year 2011 Reserves “Holiday”

General Fund Reserves

Fiscal Year 2011 Expenditure Reduction: \$4.2 million

Defer the contribution of \$4.2 million to the General Fund Reserve in Fiscal Year 2011. Instead, the General Fund will maintain a projected 7.0 percent reserves in Fiscal Year 2011 instead of increasing reserves to 7.5 percent.

Workers' Compensation Fund Reserve

Fiscal Year 2011 Expenditure Reduction: \$8.1 million

Defer the General Fund contribution of \$8.1 million to the Workers' Compensation Fund Reserve. The Worker's Compensation Fund is projected to reach 22.0 percent in reserves in Fiscal Year 2010. This reserve level at 22.0 will be maintained in Fiscal Year 2011 instead of reaching 30.0 percent.

Public Liability Fund Reserve

Fiscal Year 2011 Expenditure Reduction: \$15.2 million

Defer the General Fund contribution of \$15.2 million to the Public Liability Fund Reserve. The Public Liability Fund is projected to reach 15.0 percent in reserves in Fiscal Year 2010. This reserve level at 15.0 will be maintained in Fiscal Year 2011 instead of reaching a 25.0 percent targeted amount.

Restructure the McGuigan Settlement

Fiscal Year 2011 Expenditure Reduction: \$25.2 million

The McGuigan Settlement related to the underfunding of the pension system constitutes a significant portion of the General Fund projected deficit in Fiscal Year 2011. This settlement payment is a one-time expense in Fiscal Year 2011. The remaining obligation under the Settlement, including principal and accrued interest is approximately \$39.5 million citywide and the General Fund portion is approximately \$32.0 million if paid on the June 8, 2011 deadline.

A financing proposal is being brought to the City Council in January 2010 that provides for the early payoff of the McGuigan Settlement anticipated to occur on April 1, 2010 (the "Closing Date"). This is expected to result in interest cost savings of approximately \$2.4 million due to the reduction in interest expense owed at 7.0 percent from April 2010 to June 2011 (compared to paying the settlement amount on June 8, 2011) and will reduce the citywide judgment to \$37.1 million as of the Closing Date. In addition, the Water and Wastewater departments have the ability to pay in cash their pro-rata portions (thereby avoiding financing costs) of the Outstanding Judgment, which is estimated at \$1.6 million and \$1.8 million, respectively. As a result, the amount to be financed would be reduced by these amounts to approximately \$37.0 million.

California Government Code 970-971.1.2 stipulates that judgments, for which a local public entity is liable, are legal investments for certain financial institutions such as banks and insurance companies. In order for this to occur, the liability to the local public entity must be found to result in an "unreasonable hardship" per Government Code 970.6. Additionally, the Courts would need to concur with the finding of unreasonable hardship. The City is in discussions with a financial institution that has expressed a willingness to purchase the remaining balance with favorable financing terms for the City. The City would make annual equal installment payments for five years on the amount of the remaining balance plus interest. The total citywide annual debt service obligation would be approximately \$7.6 million each year for five years based on current interest rates. Of that amount, \$6.7 million would be paid by the General Fund and \$805,000 paid pro-rata by the other governmental funds (excluding Water and Wastewater which intend to pay their portion up front and in cash). The financing would be fully paid off in 2015.

The General Fund budget deficit for Fiscal Year 2011 will be reduced by the difference between the General Fund portion of the settlement of \$32.0 million (included in the \$179.1 million projected deficit) and the debt service amount of \$7.6 million due in Fiscal Year 2011 under the financing plan. This constitutes a reduction of approximately \$25.2 million in expense to the General Fund in Fiscal Year 2011.

Postpone City Administration Building (CAB) Sprinklers

Fiscal Year 2011 Expenditure Reduction: \$5.5 million

Postpone indefinitely the installation of fire sprinklers and spot asbestos treatment for the City Administration Building (CAB) in Fiscal Year 2011.

Transfer Mission Bay Revenue

Fiscal Year 2011 Revenue Increase: \$4.3 million

Fiscal Year 2009 and prior year Mission Bay lease revenue will be transferred from the Mission Bay Improvements Fund to mitigate the Fiscal Year 2011 deficit. An analysis was conducted on projects supported by Mission Bay lease revenues. Projects funded by the Mission Bay Improvements Fund listed in **Table 4** below will be funded by lease revenues received after July 1, 2009. Projects in the Regional Parks Improvement Fund are recommended to continue at the current schedule. In addition to the \$4.3 million to be transferred to the General Fund, a budget adjustment is required totaling \$0.3 million because revenues were not received as anticipated in prior years to support existing appropriations. The budget reduction to these projects will be implemented as part of the Fiscal Year 2010 budget amendment.

Mission Bay Improvement Fund Projects	
Table 5	
Project	Amount
AGF00004 Mission Bay Improvements Annual Allocation	\$ 2,501,802
S10069 Mission Bay Park Drinking Fountains Replacement	150,000
S10070 Mariner's Point Road Curbs and Parking Lot Improvements	400,000
S10071 Vacation Isle North Cove Parking Lot Security Lighting	150,000
S10072 Vacation Isle North Cove Road Improvements	150,000
S10073 Vacation Isle Northeast Parking Lot Security Lighting	150,000
S10074 West Bonita Cove Children's Play Area Upgrades	200,000
S10075 West Ski Island Shoreline Stabilization	500,000
S10076 Sunset Point Parking Lot Security Lighting	150,000
S10078 Mission Point/Bayside Walk Security Lighting Upgrades	275,000
Total Project Appropriations	\$4,626,802
Revenue Shortfall	(348,014)
Amount to Transfer to the General Fund	\$4,278,788

Release Additional Undesignated Fund Balances

Fiscal Year 2011 Revenue Increase: \$9.5 million

Undesignated fund balances will be released based upon a review of fund balances to identify obsolete funds where the purpose for which the fund was created is no longer needed and where the original source of funds was General Fund revenue. This is expected to result in an estimated one-time revenue increase to the General Fund of \$9.5 million. Below are the funds and a brief description of each:

- The De Anza Operating Fund was created to collect revenue and expenditures from the management of the De Anza Point mobile home park by a property manager. These funds have historically been used to fund repairs and infrastructure improvements to the property. However, fund balance has accumulated beyond operational needs. The estimated fund balance is \$7.8 million. It is recommended that only \$7.5 million be transferred to the General Fund in Fiscal Year 2011.
- The Library System Improvement Program Fund was established to fund Library capital projects. Primary funding for this fund includes transfers from the General Fund as well as Transient Occupancy Tax (TOT) revenue. Fund balance currently exceeds the funding requirements for current projects. This report requests the waiver of the San Diego Municipal Code Section 35.0128(a) and Section 22.0228 restrictions on the use of TOT revenue in Fiscal Year 2011 to allow the remaining balance of the fund of \$2.0 million to be transferred to the General Fund.

Ongoing Expenditure Reductions and Revenue Increases (\$20.1 million)

Adopt Parking Utilization Study

Fiscal Year 2011 Revenue Increase: \$2.6 million

Adoption of the Parking Utilization Study will provide the flexibility to set parking meter rates and the hours of parking meter operation. These changes in conjunction with other parking meter technologies are projected to result in an estimated net increase to the General Fund revenue of \$2.6 million annually beginning in Fiscal Year 2011.

Adjustment to Pension ARC

Fiscal Year 2011 Expenditure Reduction: \$9.7 million

On September 18, 2009, San Diego City Employees' Retirement System's (SDCERS) actuary, Cheiron, released a projected Annual Required Contribution (ARC) payment for Fiscal Year 2011 of \$224.8 million city-wide based on actuarial methodologies determined by the SDCERS' board. This assumption does not reflect the salary freeze for Fiscal Year 2010, the reduced Deferred Retirement Option Plan (DROP) interest rates for retirees, and savings from the new pension plan for new hires. Therefore, the forecasted ARC for Fiscal Year 2011 is expected to be approximately \$12.0 million lower city-wide or approximately \$9.6 million lower for the General Fund. The actual ARC for Fiscal Year 2011 will be released sometime in December 2009. Should the actual number differ from our current projections, an adjustment will be made to the budget revision prior to June 14, 2010, the date the City Council is expected to adopt the Fiscal Year 2011 budget for non-General Fund departments.

Information Technology (IT) Savings General Fund

Fiscal Year 2011 Expenditure Reduction: \$3.0 million

In Fiscal Year 2009, the City began the process of selectively outsourcing its information technology (IT) services by opening competitive bids, with the goal of maintaining or increasing service performance levels and at the same lowering costs. Selected IT services include the Help Desk and Desktop Support, as-needed SAP technical support, telecommunications, and Data Center. Other services will be evaluated in the future. These bidding efforts are projected to reduce the General Fund expenditures for IT by \$3.0 million in Fiscal Year 2011.

Reduce Arts and Culture

Fiscal Year 2011 Expenditure Reduction: \$0.7 million

This represents a 10.0 percent reduction in funding for the organizational support of arts, culture, and community festivals. The TOT allocation for arts has been held constant for the past four fiscal years.

Reduce Convention Center TOT Support

Fiscal Year 2011 Expenditure Reduction: \$0.5 million

Reduction in Transient Occupancy Tax (TOT) funding support for the operation and maintenance of the Convention Center.

Deferred Maintenance Debt Service

Fiscal Year 2011 Expenditure Reduction: \$3.6 million

A portion (\$3.6 million) of the total annual debt service payments in Fiscal Year 2011 for deferred maintenance bonds will be paid from the Capital Outlay Fund rather than the General Fund. Debt service is expected to increase in Fiscal Year 2011 to \$9.5 million as new bonds are issued to continue the work on deferred capital projects.

Department Reduction Detail

General Fund Departments

Administration

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>3.00</i>	<i>\$ 91,627</i>	<i>\$ 6,586</i>	<i>\$ -</i>	<i>\$ 98,213</i>
<i>FY11</i>	<i>3.00</i>	<i>\$ 236,231</i>	<i>\$ 36,380</i>	<i>\$ -</i>	<i>\$ 272,611</i>

Reduction of Executive Director

Reduction of 1.00 Executive Director position from the Citizen's Review on Police Practices program. The program will be transferred and staffed by the Executive Director of the Human Relations Commission (HRC) in the Human Resources Department.

Reduction in Non-Personnel Expenses

Reduction in non-personnel expense budget. No service level impacts are anticipated.

Reduction of Equal Opportunity Contracting Program (EOCP) Staff Support Position

Reduction of 1.00 Supervising Management Analyst position within the EOCP. The responsibilities associated with the position will be delegated to the Program Manager. The immediate purchase and implementation of the contract compliance software will mitigate the service level impacts.

Reduction of Emergency Medical Services (EMS) Staff Support Position

Reduction of 1.00 Administrative Aide II position from the EMS Program. The responsibilities associated with the position will be delegated to the Program Manager.

Assistant Chief Operating Officer

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>2.00</i>	<i>\$ 92,440</i>	<i>\$ 4,613</i>	<i>\$ -</i>	<i>\$ 97,053</i>
<i>FY11</i>	<i>2.00</i>	<i>\$ 184,879</i>	<i>\$ 9,226</i>	<i>\$ -</i>	<i>\$ 194,105</i>

Reduction of Program Manager

Reduction of 1.00 Program Manager position. No service level impacts are anticipated.

Reduction of Executive Secretary

Reduction of 1.00 Executive Secretary position. No service level impacts are anticipated.

Reduction in Per Diem/Travel Expenses

Reduction in per diem/travel expenses. No service level impacts are anticipated.

Business Office

<i>Fiscal Year</i>	<i>FTE</i>		<i>PE</i>		<i>NPE</i>		<i>Revenue</i>		<i>Net Impact</i>
<i>FY10</i>	<i>2.00</i>	\$	<i>101,991</i>	\$	<i>58,128</i>	\$	<i>-</i>	\$	<i>160,119</i>
<i>FY11</i>	<i>2.00</i>	\$	<i>203,981</i>	\$	<i>116,256</i>	\$	<i>-</i>	\$	<i>320,237</i>

Reduction of Program Manager

Reduction of 1.00 Program Manager position. The responsibilities associated with the position will be delegated to the current BPR Program Manager, along with assistance from Business Office staff.

Reduction of Department Director

Reduction of 1.00 Department Director position. The responsibilities associated with the position will be delegated to current Business Office staff.

Reduction in Non-Personnel Expenses

Reduction in non-personnel expenditures. This may limit the ability of the department to access consultant services for the implementation of the City's Managed Competition/outsourcing efforts and eliminates the funds needed to perform a resident satisfaction survey.

City Attorney

<i>Fiscal Year</i>	<i>FTE</i>		<i>PE</i>		<i>NPE</i>		<i>Revenue</i>		<i>Net Impact</i>
<i>FY10</i>	<i>0.00</i>	\$	<i>-</i>	\$	<i>-</i>	\$	<i>-</i>	\$	<i>-</i>
<i>FY11</i>	<i>0.00</i>	\$	<i>1,501,571</i>	\$	<i>-</i>	\$	<i>-</i>	\$	<i>1,501,571</i>

Increase of Vacancy Savings

Increase in Fiscal Year 2011 vacancy savings. The City Attorney's Office will take steps towards eliminating waste, streamlining operations, and implementing innovative General Fund cost savings measures.

City Comptroller

<i>Fiscal Year</i>	<i>FTE</i>		<i>PE</i>		<i>NPE</i>		<i>Revenue</i>		<i>Net Impact</i>
<i>FY10</i>	<i>4.00</i>	\$	<i>120,831</i>	\$	<i>9,297</i>	\$	<i>(91,032)</i>	\$	<i>39,096</i>
<i>FY11</i>	<i>11.00</i>	\$	<i>680,260</i>	\$	<i>701,038</i>	\$	<i>(182,064)</i>	\$	<i>1,199,234</i>

SAP Implementation Savings

Reduction in charges from the San Diego Data Processing Corporation (SDDPC), associated with shutting down the AMRIS and CAPPS systems.

Reduction of Interns

Reduction in hourly wages used for interns. This will impact the department's ability to respond to project analysis requests.

Efficiencies from SAP

Reduction of 2.00 Accountant II positions and 5.00 Account Audit Clerk positions due to efficiencies gained with the implementation of OneSD.

Reduction of Accountant II Positions

Reduction of 3.00 Accountant II positions. This will impact service levels in support in reporting, fund maintenance, and customer service.

Combine Information System Analysts (ISAs) in Finance Group

Reduction of 1.00 Information System Analyst II position. The department will rely on IT services from the remaining Information System Analysts within the Finance departments.

City Council Administration

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ 12,500	\$ -	\$ 12,500
<i>FY11</i>	<i>0.00</i>	\$ -	\$ 25,000	\$ -	\$ 25,000

Reduction in Non-Personnel Expenditure

Reduction to Council Administration non-personnel expenditures as a result of efficiencies identified in the department is not anticipated to impact service levels.

City Planning & Community Investment

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>7.20</i>	\$ 174,911	\$ 365,721	\$ -	\$ 540,631
<i>FY11</i>	<i>7.20</i>	\$ 566,340	\$ 614,745	\$ -	\$ 1,181,085

Reduction of Overtime Budget

Reduction eliminates the department's entire overtime budget. This will affect the department's ability to regularly attend community meetings with planning groups, the Community Planners Committee, and a number of other stakeholders.

Reduction of Redevelopment Lease Agreement

Reduction to the City's annual lease payment is contingent upon reaching an agreement with Wal-Mart to accept a lump sum payment and termination of the lease. The City Council will need to take action on this reduction after Wal-Mart agrees to the proposed terms.

General Fund Rent Obligation

Relief of rent obligation due to the transfer of Economic Development staff from Civic Center Plaza (CCP) to the City Administration Building (CAB).

Reduction in Non-Personnel Expenses

Reduction in non-personnel expenses will result in a reduction in community mailers, travel and training requests, transportation allowances, and in-house graphics assistance.

Senior Planner Adjustments

Reduction of 2.00 Senior Planner positions from three-quarter to half time.

Reduction of Information Systems Technician

Reduction of 0.20 Information Systems Technician position. No service level impacts are anticipated.

Reduction of Word Processing Operator

Reduction of 1.00 Word Processing Operator position. No service level impacts are anticipated.

Reduction of Clerical Assistant II

Reduction of 0.50 Clerical Assistant II position. This will impact the department's ability to process, monitor, and record invoices, payments, and deposits for various services among different CPCI funds, other departments, and outside agencies. Other department administrative services will be reduced or eliminated including the department's Rewards and Recognition program.

Reduction of Senior Clerk/Typist

Reduction of 1.00 Senior Clerk/Typist position. Planning group and other public correspondence, as well as many administrative and organizational functions, will be eliminated or transferred to a professional level position.

Reduction of Senior Management Analyst

Reduction of 1.00 Senior Management Analyst position. Department Capital Improvements Program work and oversight of the Regional Park and Mission Bay Improvements Funds will be transferred. Budget analyst support to the community plan update work program and other projects, as well as budget monitoring, analyzing, and reporting abilities, will be reduced.

Reduction of Historic Senior Planner

Reduction of 1.00 Historic Senior Planner position. This will slow new historic district designations and reforms to historic district policies and procedures, from five-to-six per month to two-to-three per month.

Reduction of Project Officer I

Reduction of 1.00 Project Officer I position. Project load will be assigned to a Senior Planner. The Recreation Element of community plan updates will be delayed, as will policy creation. Task force representation will be limited, while Facility Financing plans will be on hold or transferred.

Reduction of Associate Planner

Reduction of 1.00 Associate Planner position. This may result in delayed project review timelines.

Community & Legislative Services

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ -	\$ -	\$ -
<i>FY11</i>	<i>2.50</i>	\$ 210,852	\$ -	\$ 112,800	\$ 323,652

Reduction of Vacant Positions

Reduction of 1.00 Council Representative II and 1.00 Program Manager positions.

Reduction in Position Funding

Reduction of 0.50 Council Representative II position.

City TV Grant Fund Revenue

Revenue from Cox Grant Fund to cover expense of 1.00 Program Manager position.

Debt Management

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>3.00</i>	\$ 58,769	\$ 46,017	\$ -	\$ 104,785
<i>FY11</i>	<i>3.00</i>	\$ 253,607	\$ 90,902	\$ -	\$ 344,509

Reduction of Non-Personnel Expenses

Reduction of non-personnel expenses. No significant service level impacts are anticipated.

Department-Wide Training

Reduction in the department-wide training budget. This will not impact the department's ability to meet essential training needs.

Reduction of Executive Secretary

Reduction of 1.00 Executive Secretary position. This will have no service impact as the department and the City Comptroller's Office, in a collaborated effort, will share an Executive Secretary position that is currently budgeted within the Comptroller's Office.

Reduction of Program Coordinators

Reduction of 4.00 Program Coordinator positions. The responsibilities associated with these positions will be delegated to the remaining professional staff in the department.

Addition of Senior Management Analysts

Addition of 2.00 Senior Management Analyst positions to continue the work of complying with post bond issuance obligations and regulations.

Department of IT

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ 68,887	\$ -	\$ 68,887
<i>FY11</i>	<i>0.00</i>	\$ -	\$ 137,774	\$ -	\$ 137,774

General Fund PC Replacement

Reduction in funding for General Fund PC replacement. All scheduled PC replacements or upgrades, based on the previous 4-year lifecycle, will be suspended; only break-fix services will be provided to General Fund departments.

Development Services-NCC

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>6.00</i>	\$ 125,832	\$ 690	\$ -	\$ 126,522
<i>FY11</i>	<i>6.00</i>	\$ 287,641	\$ 1,380	\$ -	\$ 289,021

Reduction of Clerical Assistant II

Reduction of 1.00 Clerical Assistant II position. This will result in a loss of service levels in administrative support; mail delivery, provision of office supplies, and case setup will be delayed.

Reduction of Community Development Specialist II

Reduction of 1.00 Community Development Specialist II position. Responsibility of the Vacant Properties Program will shift to the Senior Zoning Investigator.

Reduction of Utility Positions

Reduction of 1.00 Utility Supervisor position, 1.00 Utility Worker I position, and 2.00 Utility Worker II positions. This will result in the delay of removal of obsolete traffic markings and graffiti tags within the Public Right-of-Way.

Engineering & Capital Projects

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>2.00</i>	\$ <i>57,536</i>	\$ <i>613,036</i>	\$ -	\$ <i>670,572</i>
<i>FY11</i>	<i>2.00</i>	\$ <i>115,072</i>	\$ <i>1,226,072</i>	\$ -	\$ <i>1,341,144</i>

Reduction of Positions

Reduction of 0.50 Payroll Specialist II, 0.50 Student Engineer, and 1.00 Senior Department Human Resources Analyst positions, and of various non-personnel expenses within the Business and Support Services division. No service level impacts are anticipated.

Reduction in Non-Personnel Expenses

Reduction in non-personnel expenses department-wide. Department will have diminished resources for training/developing staff and for implementing new programs focused on efficiency improvements.

Environmental Services

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ -	\$ -	\$ -
<i>FY11</i>	<i>12.35</i>	\$ <i>716,084</i>	\$ <i>2,583,107</i>	\$ -	\$ <i>3,299,191</i>

4/10/5 Work Schedule/Reorganization of Service Delivery

Reduction of 12.35 FTE positions involves changing the residential refuse, recycling, and yard waste collection routes. Employees will work four days a week, 10 hours a day with trucks being utilized 50 hours a week to achieve improved efficiency and budgetary savings.

Extend repayment of Miramar Place OPS

Reduction is predicated on the renegotiation of the General Fund repayment to the Refuse Disposal Enterprise Fund for the purchase of the Miramar Place Operations Station, extending the loan agreement through 2016 for a total of six more years.

Ethics Commission

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>1.00</i>	\$ <i>25,285</i>	\$ -	\$ -	\$ <i>25,285</i>
<i>FY11</i>	<i>1.00</i>	\$ <i>75,854</i>	\$ -	\$ -	\$ <i>75,854</i>

Reduction of City Attorney Investigator

Reduction of 1.00 City Attorney Investigator position. This will impact the Ethics Commission's ability to conduct efficient and thorough investigations into alleged violations of the City's Ethics Laws, Campaign Laws, and Lobbying Laws.

Financial Management

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ <i>102,025</i>	\$ <i>(40,354)</i>	\$ <i>61,671</i>
<i>FY11</i>	<i>1.00</i>	\$ <i>77,940</i>	\$ <i>197,897</i>	\$ <i>(158,648)</i>	\$ <i>117,189</i>

Reduction of Non-Personnel Expenses

Reduction in miscellaneous non-personnel expenses that are used to absorb unexpected expenses.

Reduction of Limited PBF Position

Reduction of a reimbursable Senior Budget Development Analyst position that was created to support development of Public Budget Formulation (PBF), the new budget system, and will not be needed when PBF goes-live this fiscal year.

Reduction of IT Support- FMIS

Reduction in support of the old budget system (FMIS) as well as other clean-up of DPC charges. No service impact is associated with this reduction as long as PBF, the new budget system, goes live this fiscal year.

Fire-Rescue

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>63.00</i>	<i>\$ 6,394,625</i>	<i>\$ 578,216</i>	<i>\$ -</i>	<i>\$ 6,972,841</i>
<i>FY11</i>	<i>63.00</i>	<i>\$ 12,964,331</i>	<i>\$ 1,156,431</i>	<i>\$ -</i>	<i>\$ 14,120,762</i>

Reduction in Uniform Allowance

Reduction in non-personnel expenses for dry goods and wearing apparel. This reduction is in line with the negotiated labor agreement.

Savings from Cancelled Fire Academies

Reduction in non-personnel expenses for props, equipment, and other supplies due to the cancellation of scheduled fire academies.

Reduction to the New Construction/Plan Check Program

Reduction of 3.00 Fire Prevention Inspector II positions and 1.00 Fire Prevention Supervisor position, and in vehicle costs and associated position special pays. Reduction reflects the decrease in demand for services related to new development and construction.

Reduction of Extended Warranty for 93 Zoll Monitors

Reduction eliminates the extended warranty on Zoll Monitors until 2015, as they will be replaced in June of 2010.

Reduction in Company Evaluations

Reduction eliminates overtime for two instructors that conduct company evaluations. This may result in delayed delivery of required training. Additional administrative duties will be delegated to a Battalion Chief.

Elimination of Lifeguard Sergeant Scheduler

Reduction of 1.00 Lifeguard Sergeant assigned to scheduling, and associated special pays. The responsibilities associated with the position will be delegated to the remaining sergeants assigned to operations.

Reduction in Equipment and Facilities Expenditures

Reduction in non-personnel expenses in equipment and facilities expenditures. This will impact the replacement and maintenance of aging equipment and facilities-related items.

Reduction of Fire Dispatch Administrator

Reduction of 1.00 Fire Dispatch Administrator position. The responsibilities associated with the position will be delegated to the Emergency Resource Officers and the Fire dispatch supervisors.

Reduction of Lifeguard Lieutenant

Reduction of 1.00 Marine Safety Lieutenant position, and associated non-personnel expenses and special pays. This will reduce senior leadership supervision and oversight of daily and emergency operations, and may reduce the ability to manage and participate in regional cooperative safety response efforts.

Night Detail Overtime Inspections

Reduction eliminates night detail overtime inspections. The elimination of these inspections may result in nightclub overcrowding.

Shift Training Hours to Up Staff for High Attendance and Reduce Training Staff Service-Wide

Reduction of 1.00 Marine Safety Lieutenant position and training. The lifeguards use an overlap day for training on Wednesdays, with half the force trained every other week. Training will be reduced by two-thirds, and the overlap days shifted to weekends to reduce overtime related to coverage on the beaches.

Suspension of Increase in Reserve Fleet

Suspension in the increase of 10 additional reserve Type 1 apparatus (the need for additional surge capacity was identified

in the 2003 and 2007 wildfire action reports). This will result in a decrease of available engines for surge capacity during major emergencies.

Elimination of Service at Torrey Pines for 9 Months

Reduction of 3.00 Lifeguard II positions and associated special pays from September through May. This will eliminate the immediate, on-scene response to water-related and beach emergencies.

Reduction of Service at Torrey Pines in the Summer

Reduction of 1.00 Lifeguard II position from June through August at Torrey Pines Beach. This will eliminate the presence of an advanced trained supervising lifeguard to oversee and manage beach operations.

Reduction of Lifeguard II at Wind & Sea

Reduction of 1.00 Lifeguard II position and associated special pays at Wind & Sea for 12 weeks in summer and relief hours in winter. This will eliminate the senior/lead lifeguard at Wind & Sea beach.

Implement Rolling "Brown-Outs" to Eliminate Eight Engines

Implementation of rolling services for eight engines. This may result in increased response times to emergency calls.

Reduction of Vacant Positions

Reduction of 50.00 FTE vacant positions for an additional reduction in the Fire-Rescue Department budget of \$3.7 million. The savings from these positions being eliminated have already been included in the vacancy savings that was already part of the calculation of the Fiscal Year 2011 deficit.

General Services-Facilities

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>4.00</i>	<i>\$ 110,331</i>	<i>\$ 85,500</i>	<i>\$ 1,244,211</i>	<i>\$ 1,440,042</i>
<i>FY11</i>	<i>4.00</i>	<i>\$ 295,644</i>	<i>\$ 171,000</i>	<i>\$ 2,488,422</i>	<i>\$ 2,955,066</i>

Reduction in Contractual Services

Reimbursement for San Diego Theatre expenses is anticipated to be \$50,000 less in Fiscal Year 2011 and is being reduced.

Tenant Improvements/Deferred Maintenance Crew Transfer

A total of 15.50 FTE positions will be reassigned to work on tenant improvement/deferred maintenance reimbursable projects. Response times for general facility repairs will increase due to reduced resources.

ADA/Deferred Maintenance Crew Transfer

A total of 12.50 FTE positions will be assigned to perform ADA/deferred maintenance reimbursable projects. Response times for general facility repairs will increase due to reduced resources.

Reduction of HVAC Supervisor

Reduction of 1.00 Heating, Ventilation, Air Conditioning Supervisor position. The responsibilities associated with the position will be delegated to the Building Maintenance Supervisor.

Project Officer (PO) II & Construction Estimator Substitution

1.00 Project Officer II position and 1.00 Construction Estimator position will be replaced with 1.00 Building Maintenance Supervisor position. This will result in delayed detailed project estimates, reduced oversight of contracts, and a need for additional project management support from the Engineering and Capital Projects Department.

Reduction of Carpenter Supervisor

Reduction of 1.00 Carpenter Supervisor position. The responsibilities associated with the position will be delegated to the Building Maintenance Supervisor.

Reduction of Plumber Supervisor

Reduction of 1.00 Plumber Supervisor position. The responsibilities associated with the position will be delegated to the Building Maintenance Supervisor.

Reclassification of an Associate Mechanical Engineer

An Associate Mechanical Engineer position will be reclassified to an Associate Civil Engineer position to perform a broader range of contractual duties given the reduced staffing proposed.

General Services-Street

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>1.00</i>	<i>\$ 22,811</i>	<i>\$ 263,828</i>	<i>\$ 435,837</i>	<i>\$ 722,475</i>
<i>FY11</i>	<i>1.00</i>	<i>\$ 68,434</i>	<i>\$ 527,655</i>	<i>\$ 871,673</i>	<i>\$ 1,467,762</i>

Reassign Concrete Crew

A concrete crew of 10.00 FTE positions will be reassigned to perform reimbursable work for disability services and General Services bond-funded capital improvement projects. The reassignment of this crew will increase workload for the remaining two concrete crews and delay response time to concrete requests from six months to nine months.

Reduction of Palm Tree Trimming

Reduction will eliminate planned palm tree trimming; only urgent trimming will be addressed.

Reduction of Root Pruning

Reduction of the root pruning contract will result in an increase in tree damage to sidewalks. The cost of pruning trees related to sidewalk repairs will be included in the sidewalk repair contract and will increase the cost of repair by 15%.

Reduction of Broadleaf Tree Trimming

Reduction of the broadleaf tree trimming contract will completely eliminate planned broadleaf tree trimming; only urgent trimming will occur.

Reduction of Horticulturist

Reduction of 1.00 Horticulturist position will reduce oversight of tree trimming contracts and will impact issuance of permits and inspections of newly planted trees. Remaining duties will be assigned to the Public Works Supervisor, who is a Certified Arborist.

Human Resources

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>2.00</i>	<i>\$ 41,689</i>	<i>\$ 82,971</i>	<i>\$ -</i>	<i>\$ 124,660</i>
<i>FY11</i>	<i>2.00</i>	<i>\$ 122,656</i>	<i>\$ 197,524</i>	<i>\$ -</i>	<i>\$ 320,180</i>

Reduction of Diversity Program

Reduction of 1.00 Organizational Effectiveness Specialist III position and the entire Diversity program will require that diversity training be conducted by the Labor Relations staff.

Reduction of Employee Training and Development

Reduction of 1.00 Word Processing Operator position and non-personnel expensed related to the Employee Training and Development program.

Reduction of Non-Personnel Expenses

Reduction in non-personnel expenses for the Human Relations Commission. No service level impact is anticipated.

Reduction of Executive Performance Pay

Reduction in Executive Performance Pay.

Library

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>53.26</i>	<i>\$ 1,271,042</i>	<i>\$ 402,086</i>	<i>\$ -</i>	<i>\$ 1,673,128</i>
<i>FY11</i>	<i>53.26</i>	<i>\$ 2,924,412</i>	<i>\$ 856,012</i>	<i>\$ -</i>	<i>\$ 3,780,424</i>

Reduction of Resource Development Officer

Reduction of 1.00 Resource Development Officer. No service level impact is anticipated.

Reduction of Library Matching Fund

The Library Matching Fund will be reduced from \$1.25 million to \$1 million.

Reduction of Account Clerk and Senior Clerk Typist in the Library Business Office

Reduction of 1.00 Account Clerk and 1.00 Senior Clerk Typist. The responsibilities associated with these positions will be delegated to other Library staff.

Reduction of Librarian II for Electronic Services Support

Reduction of 1.00 Librarian II position. This will impact electronic services support, which will decrease the department's ability to keep up with current technologies for libraries and lower the interaction with the public who are having difficulties accessing library databases.

Discontinue Mailing Overdue Materials Notices to Patrons

Reduction to the postage and mailing budget will eliminate the first and second mailings of overdue materials notices.

Reduction in the Number of Electronic Information Databases Leased for Public and Staff Research

Reduction in the number of electronic information databases the Library leases each year.

Reduction in the Number of Microsoft Office Licenses for Public Computers

Reduction in the number of Microsoft Office licenses on public access computers from 640 to 100 licenses across 36 library locations. The department will replace the 540 licenses lost with a free product called Open Office.

Reductions in Technical Services (Catalog/Order/Processing)

Reduction of 2.00 Librarian III positions, 2.00 Sr. Library Technician positions, 2.00 Library Technician positions, and 2.00 Library Clerk positions. This will cause delays in getting library materials to patrons, in resolving material ordering problems, in the speed and quality of cataloging library materials, and cause backlogs in ordering library materials.

Reduction of Bindery Budget

Reduction to the bindery budget will result in the department only being able to bind government documents that are not accessible in other formats.

Pairing of 16 Branches

Reduction includes the pairing of 16 branches and a reduction of 41.26 FTE positions. The pairing of branches will create a 36-hour, Tuesday through Saturday schedule, reducing the number of open days from six per week to five per week. This will impact children’s services and programs, community outreach, and meeting room scheduling. Sunday service at 12 branches is not affected.

Office of the Chief Financial Officer

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ 1,000	\$ -	\$ 1,000
<i>FY11</i>	<i>0.00</i>	\$ -	\$ 1,000	\$ -	\$ 1,000

Reduction of Equipment Outlay

Reduction of equipment outlay. No service level impacts are anticipated.

Office of the City Clerk

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>1.00</i>	\$ 61,236	\$ 47,000	\$ -	\$ 108,236
<i>FY11</i>	<i>1.00</i>	\$ 42,471	\$ 25,000	\$ -	\$ 67,471

Department Savings and One-Time Projects

Reduction in non-personnel expenses due to efficiencies achieved by the department. No service level impacts are anticipated.

Reduction in Personnel Expenses

Reduction in hourly wages and budgeted overtime. These expenses can be reduced for the current fiscal year, but due to State requirements for noticing and docket distribution, the department must have funds budgeted for this purpose in the future.

Reduction of Vacant Position

Reduction of 1.00 vacant Deputy City Clerk I position.

Office of the City Treasurer

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>14.00</i>	\$ 271,463	\$ 186,200	\$ (62,000)	\$ 395,663
<i>FY11</i>	<i>14.00</i>	\$ 682,519	\$ 213,700	\$ (124,000)	\$ 772,219

Reorganization of Delinquent Accounts Program

Reduction of 2.00 Collection Investigator I positions, 1.00 Collection Investigator II position, and 1.00 Collection Investigator III position, and associated non-personnel expense and revenue. This will result in fewer Small Claims Court lawsuits filed on delinquent accounts, which may delay or impact collection efforts.

Consolidation of Delinquent Accounts Program and Parking Administration Program

Reduction of 1.00 Clerical Assistant II position, 1.00 Senior Account Clerk position, 2.00 Clerical Assistant II positions,

and associated non-personnel expense and revenue. This will potentially decrease the level of customer service and reduce supervision, and the collection of delinquent account revenue may be affected long-term.

Treasury Operations Reorganization and Lobby Consolidation

Reduction of 1.00 Public Information Clerk position and 1.00 Senior Cashier position, and associated non-personnel expense. This will potentially decrease the level of customer service due to longer lobby lines/waits and increase the waiting time on the phones.

Reduction of Treasury Operations Vacant Positions

Reduction of 1.00 Field Representative position, 1.00 Account Clerk position, and 1.00 Clerical Assistant II position. This will reduce research of businesses being out of compliance, delay the implementation of Treasury projects, and may lead to longer call wait times in the Business Tax call center.

Reduction of Information Systems Analyst

Reduction of 1.00 Information Systems Analyst IV position will result in a decrease in Treasury systems and applications oversight and reduced assistance to other departments regarding electronic banking, online payments, and IT projects.

Park and Recreation

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>20.71</i>	<i>\$ 369,369</i>	<i>\$ 653,247</i>	<i>\$ (50,000)</i>	<i>\$ 972,616</i>
<i>FY11</i>	<i>31.68</i>	<i>\$ 1,557,058</i>	<i>\$ 2,186,261</i>	<i>\$ 173,953</i>	<i>\$ 3,917,272</i>

Beverage Vending Machine Program Revenue Transfer

Cessation of the distribution of vending machine revenues to employee groups and recreation councils in order to deposit into General Fund. Impacts include a reduction in program and special event supplies and in additional recreation center hours purchased by recreation councils.

Cellular Antenna Funds Transfer

Transfer of the antenna lease revenues to the General Fund. Per the City Council Policy, the Park and Recreation Director has discretion on fund expenditures.

Suspension of EGF Transfer to Open Space CIP

Suspension of the transfer from the Environmental Growth Fund to Open Space CIP projects. Impacts may include increased erosion, expansion of invasive plant species, and a reduction in trail repairs and expansion.

Reduction of Recreation Aide in Balboa Park

Reduction of 0.50 Recreation Aide position. No service level impacts are anticipated.

Modification of Golf Operations Land-Use Payment

Modification of land-use payment to reflect the current Consumer Price Index, changing the fixed flat cost per acre from \$1,500 to \$1,806, a 20.4 percent increase.

Chula Vista Reimbursement for Otay River Valley

The City of Chula Vista has agreed to reimburse the department for ranger services within parts of the Otay Valley Regional Park, per the Joint Exercise of Powers Agreement (JEPA).

Suspension of San Dieguito JPA Payment

Current JPA services for maintenance may need to be delayed, deferred, transferred or discontinued. City Attorney review confirms viability of proposal. (Endowment portion of payment is estimated at \$35,410.) This is a one-time suspension.

Park Maintenance Reorganization

Reduction of 7.97 FTE positions as a result of the reorganization of park maintenance and initiation of mobile crew concept to provide general landscape and facility maintenance operations by creating five year-round roving crews to provide daily maintenance in each regional park, and ten year-round mobile crews and three shared crews for Community Parks I & II park maintenance.

Modification of Kumeyaay Lake Maintenance

Reduction eliminates pumping services provided by the Storm Water Department. The department will utilize in-house staff to manage lake levels for mosquito infestation as mandated by the County. No service level impacts are anticipated.

Reduction of Rancho Encantada Ranger Position

Reduction of 1.00 Park Ranger position. No service level impacts are anticipated.

Modification of Brush Management Program

Reduction of 1.00 Utility Worker I position and 2.00 Laborer positions and associated non-personnel expenses due to new efficiencies in the brush management program. This reduction will not affect the number of target acres thinned. No

service level impacts are anticipated.

Modification of Street Median Maintenance Program

Reduction of 1.00 Grounds Maintenance Worker position and associated non-personnel expenses. Maintenance to all medians will be eliminated in Fiscal Year 2011.

Reduction of Mission Bay Maintenance Staff and Contractor Supervision

Reduction of 1.00 Grounds Maintenance Supervisor position in Mission Bay and associated non-personnel expenses. Service level impacts include decreased customer response times, delays in assessing and correcting maintenance problems, and safety and security issues.

Reduction of Citywide Park Maintenance Services Supervision

Reduction of 1.00 Grounds Maintenance Manager position and associated non-personnel expense. Service level impacts include decreased customer response times, delays in assessing and correcting maintenance problems, and safety and security issues.

Cessation of Park Turf Fertilization Program

Reduction of 3.00 Equipment Operating positions and associated non-personnel expenses. Turf fertilization at all parks will be eliminated, reducing the overall health of both athletic and passive turf.

Reduction of Citywide Facility Repair

Reduction of 1.00 Utility Worker I for citywide facility repairs will impact the ability to provide routine and emergency maintenance services to buildings and facilities throughout the park system.

Modification of Aquatic Features Safety Inspection and Maintenance Program Schedule

Rescheduling of staff from day shift to day and night shifts in order to reduce the amount of overtime needed to respond to after-hours calls. No service level impacts are anticipated.

Reduction of Sports Turf Maintenance

Reduction of 1.00 Seven-Gang Mower Operator position and turf maintenance for Robb Field, Morley, Penn Athletic, Allied Gardens, and Lower Lewis Sports Field Joint Use will result in lower quality of turf.

Reduction of Balboa Park Parking Lots and Road Sweeping Services

Reduction of 1.00 Light Equipment Operator position. Sweeping of parking lots and roads will be reduced from one time per week to sweeping only as required to meet storm water requirements. There are no service level impacts as park maintenance staff will absorb duties.

Reduction of Mission Bay Aquatic Maintenance

Reduction of 1.00 Utility Worker position and associated non-personnel expenses. Potential impacts include decreased response time for graffiti removal, litter removal, and sign installation and reduced cleaning of park amenities.

Mechanized Beach Refuse Removal Support

Reduction of 1.00 Laborer position and associated non-personnel expenses. Support to mechanized beach trash removal will be eliminated. Impacts include delays in removal times and waste removal route schedules, increased visible litter, and degraded park appearance.

Cessation of Fire Ring Program

Reduction of 2.00 Equipment Operator II positions and the removal of 186 fire rings located along the ocean front and Mission Bay shorelines and eliminates associated maintenance. A potential impact is the starting of illegal fires in the sand by the public.

Winter Restroom Closures

Reduction of 2.21 Grounds Maintenance Worker positions and closure of 13.5 restrooms from November 1 to March 30. Restrooms recommended for closure include Bahia Point, El Carmel, East Bonita, Middle Ski Beach, North Cove, North Ski Beach, North Tecolote, Playa One, Playa Three, South Crown, West Vacation, Youth Camp, half of the South Kellogg restroom and the North Mission Beach restroom. Potential impacts would include higher use at remaining facilities.

Reduction of Shoreline Beach and Mission Bay Beach Maintenance

Reduction of 1.00 Equipment Operator II position and 1.00 Heavy Truck Driver I position and associated non-personnel expenses in Shoreline and Mission Bay Beach. Potential impacts include decreased response times for non-routine emergency situations such as dead animal removal, storm repair and mitigation actions, reduced beach maintenance services, reduced beach restoration projects, and reduced beach grooming activities.

Reduction of Park Ranger Program Support in Balboa Park

Reduction of 1.00 Grounds Maintenance Worker II position and associated non-personnel expenses. Program and safety enhancement project support to park rangers will be eliminated, which will impact sign and trail maintenance, erosion control work, and support to volunteer projects.

Reduction of Department Grant Resource Development Support

Reduction of 1.00 Associate Management Analyst position dedicated to grant administration. Impacts include extended times for responding to mandated contract administrative requirements, project close-out and audit actions, and a reduction in the department’s ability to develop, prepare, and secure new grants for capital and operational needs.

Personnel

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>1.00</i>	<i>\$ 28,651</i>	<i>\$ 92,500</i>	<i>\$ -</i>	<i>\$ 121,151</i>
<i>FY11</i>	<i>1.00</i>	<i>\$ 85,953</i>	<i>\$ 185,000</i>	<i>\$ -</i>	<i>\$ 270,953</i>

Reduction of Medical Background and Random Drug Testing

Reduction of funding for the mandated random drug testing program for Police, Fire, and Lifeguards. This program also provides medical testing required for class A/B licenses necessary by law to drive fire engines, trucks, and other emergency fire-rescue apparatus.

Reduction of Fingerprinting/Background Checks

Reduction in funding for fingerprinting, evaluating, and screening criminal records checks for new and current City Employees.

Reduction of Exam Location Rentals

Reduction of funding for testing location rentals will limit the department in providing locations best suited for various types of exams.

Reduction of Employee Recognition Program

Reduction will completely eliminate the funding for the Employee Recognition Program and may have a negative impact on employee morale.

Reduction of Information Systems Analyst

Reduction of 1.00 Information Systems Analyst IV position. This will potentially delay responses to Public Record Act requests requiring data production and/or manipulation; delays in responding to requests from the Mayor and City Council on statistical reporting; delays in producing exam results, and other data systems needs of the Personnel Department and other Citywide departments requiring data for personnel-related costs.

Police Department

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>261.75</i>	<i>\$ 3,395,701</i>	<i>\$ 876,121</i>	<i>\$ -</i>	<i>\$ 4,271,822</i>
<i>FY11</i>	<i>261.75</i>	<i>\$ 8,600,343</i>	<i>\$ 3,327,246</i>	<i>\$ -</i>	<i>\$ 11,927,589</i>

Reduction of Budgeted Vacation Expenses

Reduction eliminates the budgeted amount for vacation, which is already captured elsewhere in the department's budget.

Reduction of Industrial Leave Expenses

Reduction eliminates the budgeted amount for industrial leave, which is already captured elsewhere in the department's budget.

Reduction of Mounted Enforcement Program

Reduction 1.00 Sr. Stable Attendant position and elimination of the mounted enforcement program. Equipment will be stored or auctioned and animals will be auctioned or donated.

Reduction of Harbor Patrol Unit

Reduction eliminates the harbor patrol unit. This will result in the ability to conduct pro-active boating under the influence (BUI) being greatly reduced and the ability to conduct boating collision investigations would be limited to shore investigations. Calls for service will be transferred to the Lifeguard Service or the Coast Guard.

Reduction of Janitorial Services/Landscaping

Reduction in contractual janitorial services throughout the Police Department facilities by approximately 50% and in landscape services by approximately 20% to 30%.

Reduction in Civilian Positions

Reduction of 41.00 FTE civilian positions. This will impact wait times for investigation support, fingerprint analysis, and other lab support, and will prolong the backlog of requests for assistance. Vacant dispatcher positions may necessitate

increased overtime. Administrative job duties may either be delayed, canceled, or require sworn personnel to complete, depending on priorities or demand.

Reductions in Data Services

Reduction in data services by 10%. This impacts purchase and implementation of preventive maintenance contracts, on-site support hours, and equipment purchases.

Reductions in Non-Personnel Expenses

Reduction in mobile phones and non-mission critical fleet may delay communication to and from officers.

Reduction of School Safety Camp/JST

Reduction of 1.00 Police Service Officer II position eliminates the week-long school safety patrol camp, which affects 750 to 800 ten- to twelve-year-old children whom participate in their School Safety Patrol.

Reduction of Video Media

Reduction eliminates the department public information services and videography services. This will impact the department's ability to produce videos for in-house training; however, the impact to the community is minimal.

Reduction to Canine Operations

Reduction of canine operations by approximately 40%. This will leave 24 units to cover three patrol watches and respond to special requests such as bomb, narcotic, and article searches. In addition, 1.00 Word Processing Operator position will be reduced.

Reduction of Star/PAL Transfer

Reduction eliminates the funding for STAR/PAL and 1.00 Program Manager position. This may impact the ability of the organization to thrive on its own without the connection to the Police Department.

Reduction of Motor Cleaning Pay

Reduction eliminates the motor cleaning pay (overtime) for all motor officers and terminates the vehicle take-home policy for Motor Officers. The motorcycles will be parked and stored at a police facility at the end of each day and the community will receive one less hour of patrol time in the field for Motor Officers.

Reduction of Police Investigative Aides

Reduction of 21.00 Investigative Aide positions. The responsibilities associated with these positions will be delegated to a sworn police officer, who will be assigned to handle the significant number of misdemeanor arrest cases that are currently assigned to the Administrative Aides.

Reduction of Police Service Officers

Reduction of 48.00 Police Service Officer II positions. This will likely result in increased response times to Priority 2, 3, and 4 calls for service, which may be responded to and investigated by sworn officers, increasing the patrol officers out-of-service time, thereby increasing police response times in all categories.

Reduction of Police Code Compliance Officers

Reduction of 12.00 Police Code Compliance Officer positions. The responsibilities associated with these positions will be delegated to sworn personnel and will likely increase delays and wait times.

Reduction of Sworn Vacant Personnel

Reduction of 133.75 FTE vacant sworn positions for an additional reduction in the Police Department budget of \$11.4 million. The savings from these positions being eliminated have already been included in the vacancy savings that was already part of the calculation of the Fiscal Year 2011 deficit.

Public Works

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ 5,000	\$ -	\$ 5,000
<i>FY11</i>	<i>0.00</i>	\$ -	\$ 10,000	\$ -	\$ 10,000

Reduction in Non-Personnel Expenses

Reduction of non-personnel expenses. No service level impacts are anticipated.

Purchasing & Contracting

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>3.00</i>	\$ 111,611	\$ 101,088	\$ -	\$ 212,699
<i>FY11</i>	<i>3.00</i>	\$ 223,222	\$ 202,175	\$ -	\$ 425,397

Reduction in Non-Personnel Expenses

Reduction of non-personnel expenditures. This will limit the department’s ability to cover unexpected or emergency expenditures.

Reduction of Program Manager

The reduction of 1.00 Program Manager position will result in delays in the processing of contractual actions.

Reduction of Principal Procurement Specialist

Reduction of 1.00 Principal Procurement Specialist position. This will lessen the department’s ability to achieve more strategic purchasing agreements and to take on special assignments.

Reduction of Word Processing Operator

Reduction of 1.00 Word Processing Operator position. This will result in longer turnaround times in the processing of required Requests for Proposals and contracts, whether routine or high priority.

Reduction of OPIS Maintenance

Reduction of application support expenditures for the Online Purchasing Information System (OPIS). This will not have an impact on the City, as the OneSD system replaces OPIS.

Real Estate Assets

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>4.00</i>	\$ <i>113,839</i>	\$ <i>4,493</i>	\$ -	\$ <i>118,332</i>
<i>FY11</i>	<i>4.00</i>	\$ <i>263,881</i>	\$ <i>8,985</i>	\$ -	\$ <i>272,866</i>

Reduction of Property Agents

Reduction of 2.00 Property Agent positions will inhibit the maintenance of current lease revenues and reduce the ability to manage existing leaseholds.

Reduction of Information Systems Analyst

Reduction of 1.00 Info Systems Analyst II position will eliminate the department's ability to manage and update its REPortfolio system in-house. The department will use the services of the Department of Information Technology and the San Diego Data Processing Corporation to accomplish tasks needed for services or ordering supplies.

Reduction of Public Information Clerk

Reduction of 1.00 Public Information Clerk position will impact requests for reviewing City-owned property files and maps.

Reduction of Non-Personnel Expenses

Reduction in non-personnel expense budget due to savings identified through zero-based budgeting. No service level impacts are anticipated.

Storm Water

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ <i>1,250,000</i>	\$ -	\$ <i>1,250,000</i>
<i>FY11</i>	<i>0.00</i>	\$ -	\$ <i>2,500,000</i>	\$ -	\$ <i>2,500,000</i>

Reduction in Contracts Budget

Reduction in contracts budget. The City of San Diego will remain in compliance with the municipal storm water permit.

Non-General Fund Departments

TOT - Commission for Arts & Culture

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ <i>81,700</i>	\$ -	\$ <i>81,700</i>	\$ <i>81,700</i>
<i>FY11</i>	<i>0.00</i>	\$ -	\$ <i>81,700</i>	\$ -	\$ <i>81,700</i>	\$ <i>81,700</i>

Reduction of Public Art Fund Allocation

Reduction of Public Art Fund allocation for civic art collection management and maintenance. This may result in

diminished resources for maintenance and restoration of public art.

Reduction of Non-Personnel Expenses

Reduction of miscellaneous non-personnel expenses may impact the department's ability to fund development and cultural tourism programs.

Reduction of EMBARK Software and Training

Reduction of funding for the web-based art collection management program, EMBARK, and training. The system will continue to be used.

Reduction of Travel Expenses

Reduction to the Department's travel budget may impact the ability of the Executive Director to network and fundraise as well as decrease the professional development opportunities for other staff.

Information Technology Fund

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>0.00</i>	<i>\$ 23,993</i>	<i>\$ 150,375</i>	<i>\$ -</i>	<i>\$ 174,368</i>	<i>\$ 96,401</i>
<i>FY11</i>	<i>4.00</i>	<i>\$ 290,736</i>	<i>\$ 300,750</i>	<i>\$ -</i>	<i>\$ 591,486</i>	<i>\$ 352,774</i>

Reduction in Web Services

Reduction of non-personnel expenses in the web services budget. This will decrease the resources available for new online employee or citizen surveys, new online training courses, rapid development of simple online applications, and acquisition of *ad hoc* IT services.

Reduction in Citywide Technologies and Applications

Reduction of non-personnel expenses in the Citywide Technologies & Applications budget. No significant service level impacts are anticipated.

Reduction in Department Management Expenses

Reduction of non-personnel expenses in the department management budget. No significant service level impacts are anticipated.

Reduction in Project Management Office

Reduction of non-personnel expenses in the project management office budget. No significant service level impacts are anticipated.

Reduction in Financial and Support Services

Reduction of non-personnel expenses in the financial & support services budget. No significant service level impacts are anticipated.

Reduction in Enterprise Architecture and Standards

Reduction of non-personnel expenses in the enterprise architecture & standards budget. No significant service level impacts are anticipated.

Reduction in Computing Infrastructure Support

Reduction of 2.00 Information Systems Technician positions and 2.00 Information Systems Analyst II positions. The active support to the Office of Homeland Security, Fire-Rescue Department, Department of IT, and the OneSD Support Department, as well as augmentation support for the Police Department and Library, performed by these positions will be provided by the new Help Desk & Desktop Support service provider beginning in Fiscal Year 2011.

Wireless Communications Technology Fund

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>2.00</i>	<i>\$ 80,845</i>	<i>\$ 61,885</i>	<i>\$ -</i>	<i>\$ 142,729</i>	<i>\$ 110,901</i>
<i>FY11</i>	<i>2.00</i>	<i>\$ 161,689</i>	<i>\$ 123,769</i>	<i>\$ -</i>	<i>\$ 285,458</i>	<i>\$ 221,801</i>

Reduction of Non-Personnel Expenses

Reduction in non-personnel expenses may impact public safety as radio parts cannot be procured for the number of vehicles or radios that will remain in service and must be retained. A reduction in services billed impacts building repair and maintenance.

Reduction of Communications Technician Supervisor

Reduction of 1.00 Communications Technician Supervisor involves combining the Fixed & Projects sections, increasing

span of control to 12 persons, and having three functions report directly to a Senior Communication Technician Supervisor. This will defer further projects for updating wireless communications infrastructure and information technology solutions. Information Systems Analyst functions will be reassigned and San Diego Data Processing Corporation and Help Desk resources will be further utilized.

Reduction of Communications Technician

Reduction of 1.00 Communications Technician will result in an increase in the average repair time for radios and sirens.

Fleet Operations Fund

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ 940,000	\$ -	\$ 940,000	\$ 700,000
<i>FY11</i>	<i>0.00</i>	\$ -	\$ 2,010,000	\$ -	\$ 2,010,000	\$ 1,530,000

Reduction of Underutilized Vehicles

Reduction in usage revenue based on proposed reduction of the underutilized vehicles in the fleet by 20%. Underutilized vehicles are categorized as less than 5,000 miles per year or 500 operational hours per year. Savings would be derived by reducing the size of the fleet and in the elimination of associated Usage fees.

Reduction of Police Take-Home Vehicles

Reduction of 10% in City police vehicles used for personal use, which equates to 20 vehicles. Fleet Services estimates an annual savings of \$5,000 per vehicle.

Reduction of Fire Take-Home Vehicles

Reduction of 10% in City fire-rescue vehicles used for personal use, which equates to 6 vehicles. Fleet Services estimates an annual savings of \$5,000 per vehicle.

Vehicle Replacement Fund

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ 4,100,000	\$ -	\$ 4,100,000	\$ 2,750,000
<i>FY11</i>	<i>0.00</i>	\$ -	\$ 8,200,000	\$ -	\$ 8,200,000	\$ 5,500,000

Increase of Vehicle Replacement Lifecycle

Reduction in assignment revenue based on proposal of increasing the replacement lifecycle on vehicles by two years. Savings from this proposal would be derived by reducing the annual assignment fees charged to customer departments. The impact to service levels would include an overall aged fleet and potentially increased repair and maintenance costs as the fleet ages.

Reduction of Underutilized Vehicles

Reduction in assignment revenue based on proposed reduction of the underutilized vehicle in the fleet by 20%. Underutilized vehicles are categorized as less than 5,000 miles per year or 500 operational hours per year. Savings would be derived by reducing the size of the fleet and in the elimination of associated assignment fees.

Qualcomm Stadium Operations

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ -	\$ 144,500	\$ -	\$ 144,500	\$ 144,500
<i>FY11</i>	<i>0.00</i>	\$ -	\$ 651,000	\$ 138,000	\$ 789,000	\$ 789,000

Reduction of Equipment Outlay

Reduction of equipment outlay funding will result in delays in the purchase of a small riding sweeper and a scrubber machine used for cleaning inside the stadium until Fiscal Year 2012.

Reduction of Landscaping Expenses

Reduction of landscaping expenses due to landscaping being done by in-house staff. These duties will be incorporated into the schedules of the new hires that replaced the hourly employees.

Reduction of Promotional Advertising

Reduction includes the elimination of Fiscal Year 2010 promotional advertising expense of \$5,000. All promotional advertising will be eliminated in Fiscal Year 2011.

Reduction of Print Shop Services

Reduction of the number of requests for maps and signs at Qualcomm Stadium. This may impact patrons during events if utilizing signs to assist with information.

Reduction of Cement and Aggregates Budget

Reductions of cement and aggregates budget are not anticipated to significantly impact service levels.

Security Services Reduction of 24/7 Personnel

Reduction of one security guard from 24/7 security at Qualcomm. This will impact scheduling of deliveries and event day activities.

Service Level Agreement (SLA) with Airports for Program Manager

Through a negotiated SLA with Airports Division for Fiscal Year 2011, 1.00 Program Manager position will be on loan for 20 hours per week. The approximate revenue to be received from the benefitting department is \$138,000.

Reduction of Asphalt Projects

Reduction in the number of asphalt projects scheduled in Fiscal Year 2010 and Fiscal Year 2011 at Qualcomm Stadium. This will have an impact on the condition of the stadium parking lot used for all event parking.

Reduction of Non-Personnel**Expenses**

Reductions of non-personnel expenses. No significant service level impacts are anticipated.

Concourse & Parking Garage Operating Fund

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>0.00</i>	<i>\$ -</i>	<i>\$ 93,500</i>	<i>\$ -</i>	<i>\$ 93,500</i>	<i>\$ 93,500</i>
<i>FY11</i>	<i>0.00</i>	<i>\$ -</i>	<i>\$ 187,000</i>	<i>\$ 100,000</i>	<i>\$ 287,000</i>	<i>\$ 287,000</i>

Contract Savings

Savings due to the installation of a new, automated 24-hour entry and exit system in the Concourse parking garage. No service level impacts are anticipated.

Implement New Concourse Parking Controls

The installation of a new automated parking system in the Concourse Parking Garage is expected to generate \$0.1 million in additional revenue for Fiscal Year 2011.

Risk Management Fund

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>4.00</i>	<i>\$ 110,320</i>	<i>\$ 25,000</i>	<i>\$ -</i>	<i>\$ 135,320</i>	<i>\$ 94,724</i>
<i>FY11</i>	<i>4.00</i>	<i>\$ 243,019</i>	<i>\$ 50,000</i>	<i>\$ -</i>	<i>\$ 293,019</i>	<i>\$ 205,113</i>

Reduction of Investment Consulting Services

Reduction of investment consulting services for the City's 457 Plan. No significant service level impacts are anticipated.

Reduction of Clerical Assistant

Reduction of 1.00 Clerical Assistant II position will result in delayed safety-related statistical reports and performance measure reporting.

Reduction of Claims and Insurance Manager

Reduction of 1.00 Claims and Insurance Manager position. All supervisory duties have been re-assigned and absorbed by the Deputy Director. Other day-to-day operating responsibilities have been re-assigned and absorbed by the existing Benefits staff.

Reduction of Claims Aide

Reduction of 1.00 Claims Aide II position will delay performance measures reporting and responses for CAFR information. Duties have been re-assigned and absorbed by the existing Public Liability staff.

Reduction of Employee Assistance Counselor

Reduction of 1.00 Employee Assistance Counselor position will result in counseling services being provided by the sole remaining EAP Manager position and qualified interns under the manager's direction.

TOT - Special Events

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ <i>1,596</i>	\$ <i>33,756</i>	\$ <i>-</i>	\$ <i>35,351</i>	\$ <i>35,351</i>
<i>FY11</i>	<i>0.00</i>	\$ <i>3,191</i>	\$ <i>67,511</i>	\$ <i>-</i>	\$ <i>70,702</i>	\$ <i>70,702</i>

Reduction of Non-Personnel Expenses

Reduction of allocation for moving costs from current office space in the World Trade Center building, miscellaneous expenses, and equipment. No service level impacts are anticipated.

Reduction of Print Shop Services

Reduction of Print Shop allocation will not affect service levels, as the need for printed materials is not as critical as information is now available via the City's web page.

Reduction of Computer Maintenance/Contracts

Reduction resulting from lower licensing rates for required computer services. No significant service level impacts are anticipated.

Reduction of Application Support

Reduction resulting from lower costs for maintenance of the Special Event Permitting System (SEPS), Special Event On-line Application (SOLA), Special Event Calendar (SECAL). No service level impacts are anticipated.

Reduction of Transportation Allowance

Reduction will eliminate the transportation allowance. No service level impacts are anticipated.

Reduction of Exceptional Performance Pay

Reduction of the exceptional performance pay allocation. No service level impacts are anticipated.

Reduction of Office Supplies

Reduction of office supplies expenses. No service level impacts are anticipated.

Refuse Disposal Fund

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ <i>-</i>	\$ <i>-</i>	\$ <i>-</i>	\$ <i>-</i>	\$ <i>-</i>
<i>FY11</i>	<i>3.31</i>	\$ <i>141,770</i>	\$ <i>48,832</i>	\$ <i>-</i>	\$ <i>190,602</i>	\$ <i>-</i>

4/10/5 Work Schedule/Reorganization of Service Delivery

Reduction of 3.31 FTE positions involves changing the residential refuse, recycling, and yard waste collection routes. Employees will work four days a week, 10 hours a day with trucks being utilized 50 hours a week to achieve improved efficiency and budgetary savings.

Recycling Fund

<i>Fiscal Year</i>	<i>FTE</i>	<i>PE</i>	<i>NPE</i>	<i>Revenue</i>	<i>Net Impact</i>	<i>General Fund Impact</i>
<i>FY10</i>	<i>0.00</i>	\$ <i>-</i>	\$ <i>-</i>	\$ <i>-</i>	\$ <i>-</i>	\$ <i>-</i>
<i>FY11</i>	<i>24.92</i>	\$ <i>1,282,377</i>	\$ <i>705,516</i>	\$ <i>-</i>	\$ <i>1,987,893</i>	\$ <i>-</i>

4/10/5 Work Schedule/Reorganization of Service Delivery

Reduction of 24.92 FTE positions involves changing the residential refuse, recycling, and yard waste collection routes. Employees will work four days a week, 10 hours a day with trucks being utilized 50 hours a week to achieve improved efficiency and budgetary savings.

FISCAL YEAR 2011 PROPOSED GENERAL FUND BUDGET

In conjunction with the proposed amendments to the Fiscal Year 2010 budget, the City's Fiscal Year 2011 Proposed General Fund budget is presented. This budget is based on the Fiscal Year 2010 Adopted General Fund Budget, the updated revenue and expenditure projections outlined

in the 2011-2015 Five-Year Financial Outlook for Fiscal Year 2011, and the proposed solutions identified in this report to mitigate the projected Fiscal Year 2011 deficit.

Departments within the General Fund provide core community services, such as public safety (including police and fire protection), parks and recreation, library services, and refuse collection, as well as vital support functions such as finance, legal, and human resources. These core services are primarily supported by major revenue sources that include property tax, sales tax, Transient Occupancy Tax, and franchise fees.

The Fiscal Year 2011 Proposed General Fund Budget reflects revenues and expenditures totaling \$1.11 billion, representing a decrease of \$21.6 million or a 1.9 percent decline from the Fiscal Year 2010 Adopted Budget. The Fiscal Year 2011 Proposed General Fund budget includes 6,609.67 budgeted full-time equivalent (FTE) positions, a decrease of 487.25 FTE positions over the Fiscal Year 2010 Adopted General Fund Budget. The net decrease in General Fund positions is primarily due to the net reduction of 492.74 General Fund FTE positions as part of the Fiscal Year 2010 budget amendment presented within this report to mitigate the Fiscal Year 2011 deficit. In addition, included in the Fiscal Year 2011 Proposed General Fund budget is the addition of 5.49 FTE positions for new facilities that are being partially staffed in Fiscal Year 2011.

Table 6 shows the change in budgeted expenditures from Fiscal Year 2010 to Fiscal Year 2011.

GENERAL FUND EXPENDITURE CHANGES FISCAL YEAR 2010 – 2011			
Table 6			
FY 2010 ANNUAL BUDGET	FY 2011 PROPOSED BUDGET	CHANGE	PERCENT CHANGE
\$ 1,129,706,375	\$ 1,108,122,745	\$ (21,583,630)	-1.9%

Table 7 presents the change in budgeted revenues from Fiscal Year 2010 to Fiscal Year 2011.

GENERAL FUND REVENUE CHANGES FISCAL YEAR 2010 – 2011			
Table 7			
FY 2010 ANNUAL BUDGET	FY 2011 PROPOSED BUDGET	CHANGE	PERCENT CHANGE
\$ 1,129,706,375	\$ 1,108,122,745	\$ (21,583,630)	-1.9%

General Fund Personnel

The Fiscal Year 2011 Proposed General Fund Budget includes a total of 6,909.67 FTE positions. **Table 8** presents the change in General Fund positions from Fiscal Year 2010 to Fiscal Year 2011.

TOTAL CITY FTE POSITION CHANGES FISCAL YEARS 2010 – 2011						
Table 8						
FUND TYPE	FY 2010 ANNUAL BUDGET	ADDITIONS	REDUCTIONS	FY 2011 PROPOSED BUDGET	CHANGE	PERCENT CHANGE
General Fund	7,396.92	91.46	(578.71)	6,909.67	(487.25)	-6.6%

As shown in **Table 8**, of the nearly 487 position net change to the General Fund, approximately 91 are new positions, and 578 positions were removed as part of the Fiscal Year 2010 budget amendment presented within this report to offset the Fiscal Year 2011 deficit.

Table 9 shows the change in the number of budgeted positions in the General Fund over the last three fiscal years. In Fiscal Year 2011, General Fund positions are recommended to decrease by 487.25 FTE positions, or approximately 6.6 percent from the Fiscal Year 2010 Adopted Budget. This net decrease is primarily due to the proposed reductions in the Fiscal Year 2010 budget amendment, and the addition of staff for new facilities in Fiscal Year 2011.

GENERAL FUND FTE POSITION SUMMARY FISCAL YEARS 2009 – 2011			
Table 9			
	FY 2009 ANNUAL BUDGET ¹	FY 2010 ANNUAL BUDGET	FY 2011 PROPOSED BUDGET
Total General Fund Budgeted FTE Positions	7,545.22	7,396.92	6,909.67
Percent Change from Previous Year	4.0%	-2.0%	-6.6%

¹The Fiscal Year 2009 General Fund Annual Budget included 273.42 FTE position additions resulting from the Engineering & Capital Projects Department and Street Division's Trench Restoration function restructures.

The Fiscal Year 2011 Proposed Budget reduces a net 525.48 FTE positions from the City's payroll, saving approximately \$34.0 million compared to the Fiscal Year 2010 Adopted Budget. This is in addition to the \$69.2 million in permanent savings that has already been accomplished by eliminating 883 positions in the previous four fiscal year budgets. The Fiscal Year 2011 position cuts that have been included in this budget are part of the Mayor's ongoing effort to streamline the City's workforce and to address the Fiscal Year 2011 budget deficit. **Table 10** shows the total number of net FTE position reductions from Fiscal Year 2007 through Fiscal Year 2011.

TOTAL CITY FTE POSITION REDUCTIONS BY FISCAL YEAR					
Table 10					
FY 2007 ANNUAL BUDGET	FY 2008 ANNUAL BUDGET	FY 2009 ANNUAL BUDGET	FY 2010 ANNUAL BUDGET ¹	FY 2011 PROPOSED BUDGET	TOTAL
(38.00)	(629.71)	(57.82)	(157.18)	(525.48)	(1,408.19)

¹Includes the elimination of 150.95 FTE positions as part of the Fiscal Year 2009 Revised Budget approved by City Council.

New Facilities

The Fiscal Year 2011 Proposed General Fund Budget includes \$557,108 in additional costs for new facilities for the Park and Recreation Department, which includes the addition of 5.49 FTE positions.

The City's Fiscal Year 2011 Proposed General Fund Budget reflects revenues and expenditures totaling \$1.11 billion. A total of 487.25 net FTE positions have been removed from the Fiscal Year 2011 Proposed General Fund Budget. This decrease is primarily due to the net elimination of 492.74 FTE positions from the General Fund budget as a result of the Fiscal Year 2010 budget amendment presented within this report to mitigate the Fiscal Year 2011 deficit and the addition of 5.49 FTE positions for new facilities for the Park and Recreation Department.

Conclusion

The reductions outlined in this report will mitigate the projected General Fund deficit of \$179.1 million in Fiscal Year 2011, and will maintain the City's progress toward fiscal recovery while preserving core services to the extent possible. In keeping with the City's goal of reducing structural budget gaps in coming years, the Mayor has recommended the net reduction of 525.48 FTE positions city-wide, of which 487.25 FTE positions are in the General Fund, thereby creating structural budget savings that will have a positive impact on future budgets. Reduction decisions were made with the goal of limiting the extent of public service impacts, and the implementation of these reductions in January 2010 will offset the need for a larger reduction of an additional \$24.5 million in Fiscal Year 2011.

Presenting the Fiscal Year 2011 Proposed General Fund Budget in conjunction with the proposed amendments allows for a comprehensive representation of solutions to mitigate the Fiscal Year 2011 deficit.

Attachments:

1. Summary of Fiscal Years 2010 and 2011 Solutions
2. Summary of Position Adjustments
3. Schedule I Summary of General Fund Revenues and Expenditures by Department
4. Schedule II Summary of General Fund Positions by Department