



PASADENA



Budget Presentation

Fiscal Year 2011

May 10, 2010



Presentation Objectives

- **General economic indicators and observations**
- **2010/11 Recommended Budget Overview**
- **Challenges/Strategies**
- **Service impacts**
- **Update of 2014 financial plan**
- **Next Steps**





Economic Indicators

- **Economy showing sluggish signs of improvement**
- **Pasadena may experience delayed recovery**
- **State budget remains in crisis**
- **Potentially positive legislation**
- **Continued reductions will be necessary to maintain FY 2014 plan**





General Observations

- **Current activity levels are the new “norm”**
- **Some improvement expected in 2010, full impact end of 2011**
- **Reduced availability of one-time resources will require additional structural reductions to maintain FY 2014 financial plan**
- **Unique economic activity complicates use of normal forecasting models**



Budget Summary

Recommended FY 2011 vs Revised FY 2010

	FY 11	FY 10
• Operating Budget	\$615.4M	\$644.8M
• Capital Budget	\$109.9M	\$64.4M
• Total Budget	\$725.4M	\$709.2M
• GF Budget	\$217.5M	\$225.0M





GF Summary

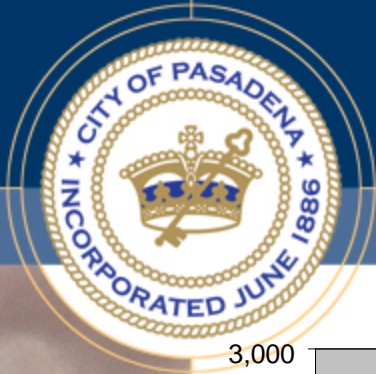


Revenue Category	FY10 Adopted	FY10 Revised	FY11 Recommended
Sales Tax	33,465,092	30,000,000	30,000,000
Transient Occupancy Tax (TOT)	7,995,108	6,852,457	7,300,000
Utility Users Tax (UUT)	33,128,136	30,234,709	31,732,000
Construction Tax	2,000,000	1,200,000	1,200,000
Property Tax	39,946,208	38,234,153	38,300,000
Other Tax	15,035,252	14,885,322	15,435,000
Other General Fund Revenues	88,694,711	92,539,774	87,870,080
Total General Fund	220,264,507	213,946,415	211,837,080

Expense Category	FY10 Adopted	FY10 Revised	FY11 Recommended
Operations	191,246,190	186,182,073	182,521,826
Debt Service	34,697,156	33,443,181	34,930,000
Total General Fund Expense	225,943,346	219,625,254	217,451,826

FY 11 Other GF Revenues and operations reflect exclusion of FPRS amounts

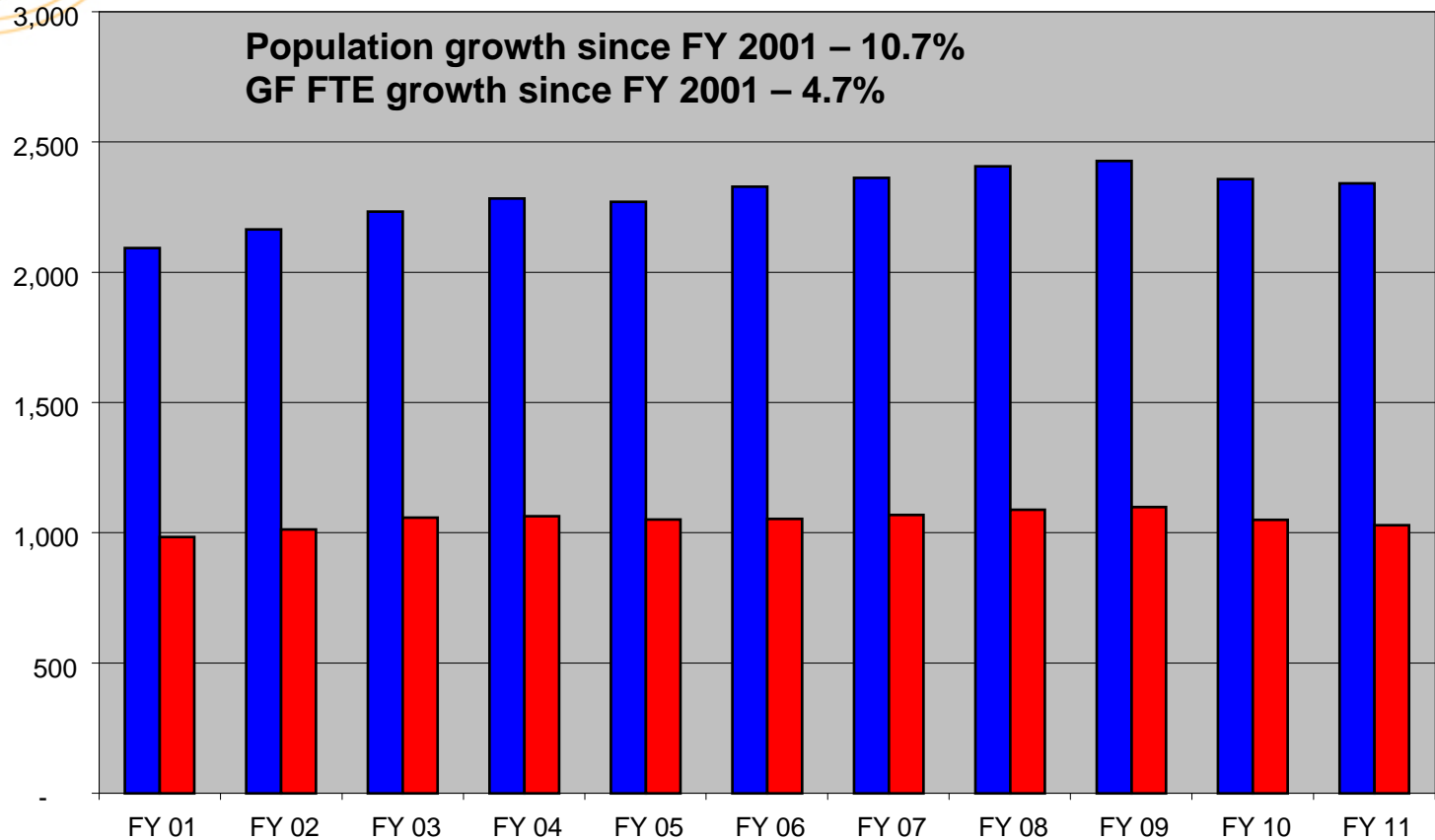
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Budgeted Position Activity

Historical

■ Total FTE
■ GF FTE



Fiscal Year	Population
FY 01	137,300
FY 02	138,839
FY 03	142,202
FY 04	144,044
FY 05	145,314
FY 06	146,138
FY 07	147,262
FY 08	148,126
FY 09	150,185
FY 10	151,100 (est)
FY 11	151,993 (est)



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Capital Improvement Plan

- **Total Capital Budget - \$109.9 million**
 - > Municipal Facilities - \$1.6 M
 - > Streets, Lighting, Streetscapes - \$6.9 M
 - > Transportation, Parking - \$1.8 M
 - > Sewers, Storm Drains - \$2.3 M
 - > Rose Bowl renovations(Phase I) - \$41.1 M
 - > Parks and Landscaping - .9 M
 - > Water and Power - \$55.3 M





Challenges

- **GF structural deficit**
 - > Continued revenue declines
 - > Use of \$8 M of onetime or limited term revenues
 - > Service level impacts due to department expense reductions
- **Other Funds**
 - > Building Services Fund - Permit Value down 63%
 - > Parks/Open Space - Residential Impact Fees down 97%
 - > Water Fund - Continuing operating deficit
 - > Transportation - Prop A&C, Measure R- Sales tax dependent



Challenges

- **State budget impacts**
 - > RDA transfer
 - > Gas tax restructuring
 - > Prisoner early release program
- **Development of funding strategy for future FPRS liability**
- **Infrastructure needs**



FY 2011 Budget Strategy

- **Incorporates Council priorities**
- **Continues 2014 financial plan** (Spread reductions over multiple years through use of GF fund balance)
- **Impact to all funds, not just GF**
- **Increase efficiencies and improve revenue collections**
- **Maintain minimum General Fund reserve** (current policy 10%)



FY 2011 Budget Strategy

- **Personnel costs reduction measures included**
 - > Eliminate/Defund/Freeze 50 vacant FTEs citywide
 - > Offset CY 2010 salary increases above 1-2%
 - > Additional managed savings
- **Other personnel reduction measures being reviewed**
 - > Change the % and/or manner employees contribute their portion of PERS
 - > Eliminate PERS on PERS

Council Directed Budget Strategies



From April 30 Council Retreat

- **Reduce benefits for new hires**
- **Solicit ideas from the community**
- **Establish an administrative citation and resolution program** (starting with adopting a vehicle code into the municipal code)
- **Full enforcement of business license fees, with a one-time amnesty period**
- **Consider the sale of surplus city property**





Service Level Impacts

- **Close 6 Libraries on Fridays and only Sunday operation at Central - \$200,000**
- **Increase tree trimming schedule from 5 to 6 years - \$50,000**
- **Utilize seed instead of sod for park turf renovation – extends down time - \$85,000**
- **Increased processing time on business licenses, parking violations, etc. - \$700,000**
- **Delay or deferral of city facility maintenance - \$95,000**



Service Level Impacts

- Reduce janitorial services - \$40,000
- Reduced outreach capacity for Public Health programs - \$200,000
- Possible reduction in fire apparatus and/or staffing - \$1,000,000
- Reduction in police staffing - \$800,000
- Increased wait times at community centers and reduced support to commissions - \$235,000



Service Level Impacts

- Overall reduction in staffing and support costs not tied to an individual program – over \$4 million





2014 GF Financial Plan

Recommendation Results

in Millions	FY 2011 Original	FY 2014 Original	FY 2011 Revised	FY 2014 Revised
Est Beginning Fund Balance	14.5	2.1	19.5	0.5
Revenues	230.3	259.6	211.8	233.8
Expenditures	235.7	258.7	217.5	231.6
Est Net Operating Surplus/(Loss)	(5.4)	0.9	(5.7)	2.2
Est Ending Fund Balance	9.1	3.0	13.8	2.7



Up Next

- **May 10, 2010**
 - > Rose Bowl Operating Company
- **May 17, 2010**
 - > Fire Department
 - > Human Resources
 - > Finance
- **May 24, 2010**
 - > Police Department
 - > Public Works
 - > Transportation
 - > Water & Power





Up Next

- **June 7, 2010**
 - > Department of Information Technology
 - > Planning & Development
 - > Housing
 - > Public Health
 - > Department of Libraries and Information Services
 - > Human Services & Recreation





Up Next

- June 14, 2010
 - > Pasadena Center Operating Company
 - > City Manager
 - > City Attorney/City Prosecutor
 - > City Council
 - > City Clerk
 - > Budget Wrap Up
 - > Fee adoption
 - > Adopt FY 2011 Budget





Up Next

- June 21 and June 28, 2010 - budget adoption alternate dates

