

UPDATE ON 2009 BUDGET ADJUSTMENT PLAN

File 091107

December 16, 2009

Budget & Management Division

Background

- Administration developed Plan to help adapt to emerging fiscal challenges
- Common Council adopted file 090043 in June, 2009
- Resolution directs DOA report on 12/16/09

Plan Objectives

1. Achieve a \$13 million 2009 expenditure lapse for 2011 TSF regeneration
2. Achieve 200 funded general City vacancies by the end of 2009
 - Reduce 2010 layoff potential
 - Helps achieve expenditure lapse
3. Provide for adequate operating funds for Q 4 2009 snow & ice operations
4. Reduce future budget impact of \$2.7 m of contingent borrowing for 2008 snow & ice control expenses

Plan Strategies

1. Position control
2. Harvest projected energy savings (i.e., no reallocations)
3. Implement 2009 furlough program
4. Modify the 2009 snow and ice removal charge
 - \$2.7 million increase adopted in July via File 090333
5. Police overtime management not a formal part of Plan but has contributed to objectives

Preliminary Assessment of Results

1. Final estimate not possible until end of Q1 2010
2. Vacancy objective was largely achieved
 - Less than 10 layoffs projected for 2010
 - Position management facilitated feasibility of “no layoff provision” with DC 48 for 2010-2011
3. \$13 million lapse to TSF appears feasible
 - Final Q 4 2009 snow & ice operations need to be determined
 - Will help address rating agency concerns
4. 2010 adopted D/S levy reflects \$2.7 million reduction from change to 2009 snow & ice removal charge

Future Action

1. DOA can report on final assessment in April 2010
2. Q 1 2010 presents opportunity to discuss goals for 2010 operating results
3. No borrowing for 2009 operations is foreseen