BUDGET MEMO # 15

DATE: April 5, 2013

TO: The Honorable Mayor and Members of the City Council

FROM: Department Heads, Constitutional Officers, & School Board

THROUGH: Robert Sisson, City Manager

SUBJECT: FY 2014 Proposed Budget Scenarios – Impact of 1% and 2% Cuts to General Fund Expenditures

On March 26, 2013, Councilman DeMarco asked staff to present the impacts to the operating General Fund budgets under two scenarios: 1) a 1% cut; and 2) a 2% cut. The attachment summarizes the cuts and their respective impacts.

Most of these cuts have adverse impacts on the City's residents and businesses.

Cost Center	Account #	Account Name	1% Cut	2% Cut	Comments
City Council	560110	Office Supplies	300	300	Framing proclamations may not be an option
City Council	550813	Discretionary Fund	387	400	These funds are unallocated
City Council	550720	Special Events	-	400	No refreshments at many special events
City Council	550501	Travel and Training	-	300	Provide snacks instead of dinners prior to early meetings
City Council		**Subtotal**	**687**	1,400	
City Clerk	511105	Salaries	1,556	1,601	Would require 2 furlough days each for the City Clerk and Deputy City Clerk.
City Clerk	530512	Code Supplement	-	1,511	Supplement size varies each year. May not be able to update the Code Book.
City Clerk		**Subtotal**	**1,556**	**3,112**	
Electoral Board	530113	Contract Services	820	2,001	Reduce the number of Officers of Election in May Election. This will slow down election results reporting on election night. The May Election is the only one with staffing flexibility; all other elections' staffing is mandated by the State. If there is no primary in June 2014, there will be savings in this account.
Electoral Board	560110	Office Supplies	-	352	Would have enough to cover very basic supplies for 2014.
Electoral Board	530521	Printing & Duplication	-	757	Would have to bring certain printing/duplication functions in house, resulting in inefficiencies.
Electoral Board		**Subtotal**	**820**	**3,110**	
City Manager	550820	Dues and Subscriptions	4,264	4,264	We could no longer be members of VA Institute of Government, ICMA and Alliance for Innovations
City Manager	511105	Salaries	-	4,263	City Manager, Assistant City Manager, Admin Specialist and City Clerk would need to be furloughed for several days.
City Manager		**Subtotal**	**4,264**	**8,527**	
Personnel	550807	Other Expenses	5,474	6,500	No employee luncheon, awards or retirement luncheon
Personnel	530113	Contract Services	-	4,448	No staff development or flu shot clinics
Personnel		**Subtotal**	**5,474**	**10,948**	
Community Relations	560420	Operating Supplies	986	986	Postpone printing & binding Cityscene archive 2009-13
Community Relations	550501	Travel & Training	395	-	Eliminate Adobe InDesign social media training, causing a reduction in employee efficiency and the quality of the end product.
Community Relations	580103	Office Equipment Replace	-	1,900	Defer Software upgrade, causing a reduction in employee efficiency and the quality of the end product.
Community Relations		**Subtotal**	**1,381**	**2,886**	
Cable TV	550501	Travel & Training	1,500	1,500	No staff development in 2014
Cable TV	511125	Temporary Help	500	-	Cut back on hours of training Temporary Help on new equipment in Control Room
Cable TV	511125	Temporary Help	-	2,315	Cut back on hours of training Temporary Help on new equipment in Control Room and reduced programming (eliminates coverage of Children's Concert, Fesitval of Lights and Carols and Spotlight on the Arts Festival)
Cable TV		**Subtotal**	**2,000**	**3,815**	

Cost Center	Account #	Account Name	1% Cut	2% Cut	Comments
Information Technology	530113	Contract Services	3,500	3,500	Reduce the number of new network drops.
Information Technology	530113	Contract Services	1,680	1,680	Eliminate Comcast Service for Water Plant; would speed up the WTP's connection. They currently use DLS
Information Technology	530127	SSL Certificate	600	600	SSL Certificate. 2 yr vs. 3 yr.
Information Technology	530127	Software Fees/Contracts	-	3,300	Eliminate Adobe Pro Upgrade resulting in staff inefficiencies.
Information Technology	550501	Travel & Training	8,500	8,347	Eliminate SW Dev team training.
Information Technology	550501	Travel & Training	-	7,323	Reduce IT Tech team training.
Information Technology	560120	Small Equipment	-	3,504	Reduce Mobile Device purchases.
Information Technology		**Subtotal**	**14,280**	**28,254**	
Printing & Office Supplies	560110	Office Supplies	2,164	4,327	Reduce Office Supplies for all departments, particularly ink for personal printers. May need to reduce the number of personal printers and increase usage of shared, high-volume Xerox machines..
Printing & Office Supplies		**Subtotal**	**2,164**	**4,327**	
Finance & Accounting	511105	Salaries	-	2,050	Five furlough days for Assistant Finance Director
Finance & Accounting	511125	Temporary Help	1,017	1,017	Will use exempt employees for additional help as needed
Finance & Accounting	550501	Travel & Training	5,000	5,000	No staff development in 2014
Finance & Accounting	560110	Office Supplies	-	2,400	Account will be left with enough for just replacement ink for check printer
Finance & Accounting	511115	Overtime	-	1,068	Will use exempt employees for additional help as needed or allow invoice processing to take 60+ days.
Finance & Accounting	530113	Contract Services	-	312	Cut in half; will be able to print only 20 CAFRs
Finance & Accounting		**Subtotal**	**6,017**	**11,847**	
Real Estate Assessments	511125	Temporary Help	1,000	2,551	BOE Secretary remains unfunded
Real Estate Assessments	530113	Contract Services	1,581	2,100	Maximum amount (2,100) that can be cut due to BOE stipends
Real Estate Assessments	550501	Travel & Training	885	2,300	Maximum amount (2,300) that can be cut due to CE requirements for professional designations
Real Estate Assessments	550820	Dues & Subscriptions	1,415	2,810	Maximum amount that can be cut due to required publications and data
Real Estate Assessments	560110	Office Supplies	300	600	Risk running out of ink for printers.
Real Estate Assessments		**Subtotal**	**5,181**	**10,361**	
Treasurer	530114	Delinquent tax collection	500	500	Eliminate fees paid to Sheriff to seize vehicles - loss in collection of delinquent revenue est. $25,000
Treasurer	530351	Equipment maintenance	225	225	Lose annual replacement of two calculators
Treasurer	550501	Travel and training	300	300	Remove January Legislative Day - lose supporting Treasurers' Association agenda that benefits City
Treasurer	550820	Dues and Subscriptions	125	125	Lose membership fees to VALECO and VACO - both organizations support local government legislative initiatives
Treasurer	511110	Salaries - part time	4,663	-	14% reducing in hours of Decal Enforcement officer will result in identifying fewer vehicles that should have City decal and will result in the loss of $50,000 in revenue
Treasurer	511110	Salaries - part time	-	10,476	32% reduction in hours of Decal Enforcement officer will result in identifying fewer vehicles that should have City decal and will result in the loss of an estimated $115,000 in revenue
Treasurer		**Subtotal**	**5,813**	**11,626**	

Cost Center	Account #	Account Name	1% Cut	2% Cut	Comments
Commissioner of the Revenue	530351	Equip Maintenance	1,700	1,700	Would require use of shared printers or copiers, which would reduce staff efficiency and possibly jeopardize confidential information.
Commissioner of the Revenue	550820	Dues & Subscriptions	100	100	VALECO Dues. VALECO is the Virginia Association of Locally Elected Constitutional Officers. This association is an advocacy for local govt issues each year before the Virginia General Assembly.
Commissioner of the Revenue	511125	Temporary Help	8,200	-	All revenue staff are directly involved in the administration and generation of approximately $43,547,000 in revenue for the city from all sources. This equates to approximately $4,838,555 per employee. Temporary Help (511125) consists of a retired staff member who assists in processing BPOL, Meals Tax and Personal Property at peak times. Her schedule is 25% that of other F/T employees. The revenue generation attributable to her effort therefore is approximately $1,209,638. A reduction of Temporary Help of 55% will result in a possible loss of revenue of $665,300.
Commissioner of the Revenue	511125	Temporary Help	-	15,000	All revenue staff are directly involved in the administration and generation of approximately $43,547,000 in revenue for the city from all sources. This equates to approximately $4,838,555 per employee. Temporary Help (511125) consists of a retired staff member assists in processing BPOL, Meals Tax and Personal Property at peak times. Her schedule is 25% that of other F/T employees. The revenue generation attributable to her effort therefore is approximately $1,209,638. A reduction of Temporary Help of 100% will result in a possible loss of revenue of $1,209,638.
Commissioner of the Revenue	511115	Overtime	-	3,300	Eliminate extended hours during personal property season. Will result in inconvenience to taxpayers and possible delay in posted PP revenue.
Commissioner of the Revenue		**Subtotal**	**10,000**	**20,100**	

Cost Center	Account #	Account Name	1% Cut	2% Cut	Comments
Police	511115	Overtime	26,050	26,050	In an effort to achieve this savings the police department will reduce officer involvement or presence at some community events and will continue to carefully control other discretionary overtime. Since the majority of overtime is non-discretionary (court, minimum staffing, on-scene investigations, mandatory training and major city events) it is difficult to predict actual expenditures in advance.
Police	550807	Other Expenses	20,000	20,000	This new service was recommended to enable on-line reporting of crimes by citizens and would have brought city service to a comparable level with that of other Northern Virginia municipalities.
Police	511105 & 512110	Salaries & Fringe	73,603	73,603	This extra position was established at Council's request in FY2005 to provide an extra level of traffic enforcement in residential neighborhoods. On average, it adds about 1500 enforcement contacts a year in neighborhoods. If eliminated, regular enforcement by the assigned area officer will continue but will not be supplemented during rush hours.
Police	511105 & 512110	Salaries & Fringe	-	73,603	Elimination of this position will significantly reduce routine drug investigations in the city. It will also eliminate a source of forfeiture revenue from assets seized as result of these investigations.
Police	511110 & 512110	Salaries & Fringe	-	58,591	This position was added in the 1990s to provide 7 day a week response capability and some evening coverage. In 2012 the part time ACO responded to 235 citizen calls, handled 78 domestic and wild animals (42% of the total ACO workload), and made 54 enforcement contacts. Loss of this position will result in fewer days/hours that ACOs are available to citizens. Overtime costs will also increase for those cases that can only be handled by an ACO and will therefore require call out of the only remaining ACO.
Police		**Subtotal**	**119,653**	**251,847**	

Cost Center	Account #	Account Name	1% Cut	2% Cut	Comments
Fire	422120 - 530835	City -County Contracts Fire Dispatch Services	127,501	127,501	No immediate impact due to re-negotiation of billing formula (Annual Savings) Intent was to apply a portion of these funds to training funds reduced in past budgets
Fire	422120 - 560418	Protective Clothing	-	24,000	Will not be able to purchase 2nd set of structural firefighting gear for all firefighters which is regional standard after 9/11
Fire	422120 - 511115	Salaries Overtime Required Training Continuing Medical Education	-	45,480	This represents requested funding for CME training. If removed this state required training would have to take place on duty instead on a day off. Impact is that all operational units at both fire stations would be out of service for 911 calls for approximately 3-4 hours three days a month in 9 months of the year
Fire	422120 - 511115	Salaries Overtime Non-Discretionary Special Events	-	5,000	No Bike Medic Support for July 4th or Fall Festival. No funding identified for storm or significant incident overtime
Fire	422120 - 511115	Salaries Overtime Discretionary Training Instructors for FX VFD Training	-	10,000	Will Prompt cancellation of most firefighter training (Firefighter I & II) for volunteers
Fire	422120 - 511115	Salaries Overtime Discretionary Dept Committee Meetings	-	10,000	Severely limits support programs for department inclusive of Health & Safety, Apparatus, and Training. This is only mechanism to support these programs due to limited administrative staff of one person
Fire	422120 - 511115	Salaries Overtime Discretionary - Program Mngmt	-	3,020	Reduction of funding for management of key programs. Due to the fact we have one (1) administrative employee these programs must be managed by personnel on their days off. This reduction would severely limit this ability and consequently our ability to effectively manage many of those programs
Fire	422140 - 511105	Salaries - Full Time	-	15,000	Reduce one inspector position from full time to part time (32 hours/week). Impact – curtailment of inspections relating to health and safety menaces, including enforcement of grass and weed ordinance, possible delay in conducting new construction inspections depending on construction activity
Fire	422140-530360	Maint. Code Violations	-	15,000	Eliminate dedicated funding for abatement of property maintenance violations where the owner cannot afford them and to pay for city enforced mowing of private property (typically recovered by invoice).
Fire		**Subtotal**	**127,501**	**255,001**	

Cost Center	Account #	Account Name	1% Cut	2% Cut	Comments
Public Works	530113	Right of Way Contract Services	15,000	15,000	Eliminate Downtown Power Washing of brick sidewalks. Savings = $15K. Effect: Deterioration of downtown historic brick sidewalks and reduced overall aesthetic appeal of the historic downtown.
Public Works	530113	Right of Way Contract Services	10,000	10,000	Eliminate Turf Application. Savings = $10K. Effect: More weeds and overall deterioration of City maintained grassy areas. Overall reduction in aesthetic appeal of City maintained grounds.
Public Works	560430	Right of Way Operating Supplies	30,000	30,000	Reduce Downtown Operating Supplies = $30K. Effect: Damaged planters, benches, bike racks, trees, etc. in the historic downtown will not be replaced or fixed, just removed. Less flowers in downtown flower beds and planters.
Public Works	550430	Refuse	35,000	35,000	Eliminate Drop-Off Recycling Center at Property Yard. Savings = $35K. Effect: Residents & Small Businesses would need to make other arrangements to drop off their recycling. City's recycling rate would decrease.
Public Works	Multiple	Facilities Maintenance Equipment Maintenance	23,000	23,000	Reduce HVAC preventive maintenance from monthly to quarterly. Savings = $23K. Effect: More HVAC equipment breakdowns. Reduced level of comfort in City buildings. Possible lower air quality in buildings due to less frequent filter changes. (530350, 530356, 530357, 530361, 530364)
Public Works	511125	Right of Way Temporary Help	-	42,000	Eliminate 8 of 16 Temporary Help employees hired during Leaf Collection Season. Savings = $42K. Effect: Manpower shortage will cause leaf collection Season to be extended from end of calendar year until sometime during the spring. Leaf piles will sit longer and accumulate. This will reduce on street parking availability, affect traffic flow on narrow streets, impede snow removal operations, and become unsightly. May have to borrow personnel from other divisions, resulting in more overtime.
Public Works	511125	Right of Way Temporary Help	-	71,000	Eliminate 5 Temporary Summer Help hired during Grass Cutting Season. Savings = $71K. Effect: Grass will be cut bi-weekly instead of weekly, causing grass height to be taller before being cut. Grass areas will become unsightly. Delays in other summer landscaping duties such as mulching, edging, watering, trimming and pruning. Possible increase in pests and rodents, overall reduction in aesthetic appeal of City maintained grounds. May have to borrow personnel from other divisions, resulting in more overtime.
Public Works		**Subtotal**	**113,000**	**226,000**	
Senior Citizen Tax/Rent Relief	550760	Rent/Real Estate Tax Relief	13,565	27,130	Cut additional income exemption for disabled. Lower gross income ceiling from $62,000 to a lesser amount.
Senior Citizen Tax/Rent Relief		**Subtotal**	**13,565**	**27,130**	
Human Services	550601	Community Services Board	20,400	20,400	The CSB formally requested $20,400 less than what was estimated for the proposed budget.
Human Services		**Subtotal**	**20,400**	**20,400**	

Cost Center	Account #	Account Name	1% Cut	2% Cut	Comments
Parks & Rec Admin	511105	Full Time Salaries	-	10,500	(5) Five Furlough Days-Programs, senior center, services and main office may need to close due to lack of supervision
Parks & Rec Admin	511110	Part Time Salaries	-	1,500	(5) Five Furlough Days-Programs, senior center, services and main office may need to close due to lack of supervision
Parks & Rec Admin	511115	Overtime	2,000	2,000	Reduce and limit staffing at Fall Festival and 4th of July
Parks & Rec Facilities Maintenance	511115	Overtime	-	11,000	No weekend trash pick ups during May, June, Sept, Oct at parks
Parks & Rec Facilities Maintenance	511125	Temporary Help	3,390	3,390	Reduce Field Monitors Hours at Stafford and Draper by 5 hours per week-Anticipate major field conflicts
Parks & Rec Admin	530113	Contractual	500	500	Senior Center Entertainment removed
Parks & Rec Special Events	530113	Contracting	3,200	3,200	Reduce bands at Fall Festival
Parks & Rec Special Events	530113	Contracting	-	3,000	No wreaths for Lights & Carols
Parks & Rec Admin	550501	Travel & Training	2,839	2,839	No staff development in 2014; 7 certifications to lapse
Parks & Rec Special Events	550501	Travel & Training	-	500	No staff development in 2014.
Parks & Rec Ballfield Maintenance	550501	Travel & Training	2,250	2,250	No staff development in 2014.
Parks & Rec Admin	550601	Grants Contributions	650	-	Reduce Fall For Book, City Band, Commission on Arts by 1%
Parks & Rec Admin	550601	Grants Contributions	-	1,300	Reduce Fall For Book, City Band, Commission on Arts by 2%
Parks & Rec Admin	550807	Other Expenses	3,000	3,000	Senior Financial assistance removed resulting in a loss of fees and a net loss for the program.
Parks & Rec Admin	550807	Other Expenses	1,264	1,264	Senior Center "bunco" game and other prizes removed.
Parks & Rec Special Events	560408	Food and Concession	217	217	No volunteer refreshments/lunch Fall Festival
Parks & Rec Admin	560416	Uniforms	2,250	2,250	No camper shirts as part of Day Camp Registration-May be a safety issue on field trips
Parks & Rec Ballfield Maintenance	560435	Soil and Mulch	8,400	8,400	Reduce Soil and mulch no overseeding and top dressing of fields
Parks & Rec		**Subtotal**	**29,960**	**57,110**	
Historic Resources	550726	Collections Management	4,000	4,000	Will defer proposed increase in this account. Consequence is that it will take longer to inventory collections required for museum accreditation goal.
Historic Resources	550820	Dues & Subscriptions	1,528	2,000	Reduce subscriptions including annual Civil War Trails Program membership fee.
Historic Resources	560110	Office Supplies	-	1,500	Enough remaining for just copier rental at 2 buildings.
Historic Resources	550724	Exhibitions	-	1,000	Reduces exhibitions expenditures, already minimal.
Historic Resources	550723	Museum Shop	-	1,000	Shop inventory sales generate revenue, we will request an increase for this account when times are better.
Historic Resources	530521	Printing & Duplicating	-	1,557	Will produce fewer printed materials, already minimal.
Historic Resources		**Subtotal**	**5,528**	**11,057**	

Cost Center	Account #	Account Name	1% Cut	2% Cut	Comments
CD&P	461110-530113	PDR Contract Services	12,750	25,500	Reduce the scope of zoning ordinance revision
CD&P	461110-550501	PDR Travel and Training	1,000	-	25% reduction in this fund. 7 professional certifications are funded (AICP, RLA), as well as a modest amount for meeting registration/parking. If this fund is reduced further, then at least 2 of the certifications will not be funded.
CD&P	461110-550501	PDR Travel and Training	-	2,000	50% reduction for training, meetings, parking. 7 professional certifications are funded (AICP, RLA), as well as a modest amount for meeting registration/parking. If this fund is reduced further, then at least 4 of the certifications will not be funded.
CD&P	461210-550501	ED Travel and Training	750	-	25% reduction in this fund. ED Manager attends economic development-related meetings on a regular basis (NAIOP, NVEDC, VEDA, ICSC, etc.), which are important to the City's economic development efforts. The Economic Development Authority members attend local/regional meetings/seminars as well. These funds cover registration, gas, and parking expenses. This fund is already minimally funded.
CD&P	461210-550501	ED Travel and Training	-	1,500	50% reduction for training, meetings, parking. ED Manager attends economic development-related meetings on a regular basis (NAIOP, NVEDC, VEDA, ICSC, etc.), which are important to the City's economic development efforts. The Economic Development Authority members attend local/regional meetings/seminars as well. These funds cover registration, gas, and parking expenses. This fund is already minimally funded.
CD&P	461210-550624	EDA	3,000	-	Will reduce resources available to Economic Development Authority for outreach and expenses.
CD&P	461210-550624	EDA	-	6,001	Will further reduce resources available to Economic Development Authority for outreach and expenses.
CD&P	461220-530113	CP Contract Services	6,105	12,210	Reduce scope of Fairfax Blvd. contracts
CD&P	461220-550501	CP Travel and Training	1,050	-	25% reduction in this fund. 3 professional certifications are funded (AICP), a modest amount for meeting registration/parking, and a relatively small amount of funding for classes/certifications/registration for Planning Commissioners, Board of Zoning Appeals members, Board of Architectural Review members, Environmental Sustainability members. The current proposed funding level is most likely insuffucuent, a reduced amount would exacerbate.
CD&P	461220-550501	CP Travel and Training	-	2,100	50% reduction for training, meetings, parking. 3 professional certifications are funded (AICP), a modest amount for meeting registration/parking, and a relatively small amount of funding for classes/certifications/registration for Planning Commissioners, Board of Zoning Appeals members, Board of Architectural Review members, Environmental Sustainability members. The current proposed funding level is most likely insuffucuent, a reduced amount would exacerbate.
CD&P		**Subtotal**	**24,655**	**49,311**	

Cost Center	Account #	Account Name	1% Cut	2% Cut	Comments
School Board	530113	Contract Services	6,841	13,681	These reductions would affect our payments for legal counsel, facility maintenance, and grounds maintenance. Of particular concern is the grounds maintenance contract which is due for renewal in FY2014.
School Board	550501	Travel & Training	1,500	3,000	Would affect the ability of board members to attend one day Hot Topic conferences, or smaller conferences, including legislative conferences. In FY2014, our Board bears the cost of the annual meeting between Fairfax County School Board and City School Board which is normally paid from this account.
School Board	550820	Dues & Subscriptions	200	500	Major costs out of this account include VSBA memberships for SB members, and Superintendent group memberships. These items are non-negotiable, therefore, cost cuts would likely affect publication subscriptions.
School Board	560110	Office Supplies	300	500	Would have to cut printer cartridges for office Xerox 4-in-1 printer and award certificates and folders for School Board recognition events.
School Board		**Subtotal**	**8,841**	**17,681**	
Regional Agencies	550601	General Subsidies	4,000	4,000	Cut Volunteer Center contribution to match our proportion of costs to services received.
Regional Agencies		**Subtotal**	**4,000**	**4,000**	
Transit	530438	City Wheels	3,000	3,000	Reduction assumes no new riders.
Transit	530620	Advertising	15,800	15,800	Based on expenditures for FY12 and estimated FY13 expenditures, proposed FY14 budget is overestimated.
Transit	550501	Travel/Training	4,300	4,300	No staff development for 2014.
Transit	550820	Dues/Subscriptions	4,000	4,000	Eliminate completely. City will not have the opportunity to be current with related transit and technology information.
Transit	560416	Uniforms	2,500	-	Reduction represents elimination of City-provided shoes for drivers.
Transit	560416	Uniforms	-	13,000	Eliminate completely. CUE drivers will not appear to be professional or credible to the public. Could also pose a safety hazard if a driver is not readily identifiable by passengers.
Transit	530113	Contract Services	-	9,000	Eliminate 4 wireless devices and internet access for laptop, all CUE staff would have to use land line and would not be able to monitor buses on events from Car/Locations. Leaves funds to replace only 4 glass shelter panels. Should more than 4 be vandalized, the replacements could not be obtained until FY1S. Reduce the maintenance on the bus washer facility.
Transit	530351	Equipment Maintenance	-	7,500	Eliminate annual cleaning of 4 bus shelters and replacement of batteries for solar panel at NextBus shelters.
Transit	560110	Office Supplies	-	500	Based on expenditures for FY12 and estimated FY13 expenditures, proposed FY14 budget is overestimated.
Transit	560420	Operating Supplies	-	2,000	Reduction of supplies necessary for cleaning office and buses.
Transit		**Subtotal**	**29,600**	**59,100**	
	GRAND TOTAL		**556,339**	**1,098,948**	