

Mayor and Council

5/4/16

Please accept these comments regarding the budget. I suggest the following policies with respect to defining the cuts to make.

Year 1

- Make no reductions that impact current employees, including furlough
- Implement all recommendations, by departments, regarding elimination of funded but unfilled positions
- Reduce fireworks display to one. Then seek outside sponsorships for future years
- Postpone for one year operational audits of those departments scheduled for audit in fy16/17. Discontinue the audit consultant.
- Targeted reduction of deputy or assistant positions using attrition as the tool to accomplish this
- Establish the goal of a 4% reduction, including the "managed savings" component
- Establish a "hiring freeze" for positions above the first line supv. Extraordinary circumstances would be at the discretion of the City Manager, but reported to City Council.
- 100% hiring freeze in the City Attorney office. Again extraordinary circumstances would be reported to the City Council
- Define how overtime is to be used in lieu of adding an FTE. Overtime hours can be less expensive than straight time since no benefit "burden" is added. This may not apply in cases where the overtime rate exceeds 1.5 and employee burnout leads to safety considerations.

Year 2

- Establish goal of 3% reduction including managed savings.
- Release hiring freeze

These recommendations are made without the benefit of knowing what the revenue projections are and the sensitivity analysis. For example, \$1million increase in electric revenue brings \$180,000 to the general fund (11.5%gft and 6.5%uut). As economic development is successful, it is not unreasonable to see the RPU elec. revenue increase significantly.

Thank You

Tom Evans



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