

## RESPONSES TO BUDGET QUESTIONS FROM THE CITY COUNCIL MEETINGS

- 1. Why is the City Council charged for the motor pool car use? Is it more cost effective to use rental cars? Additionally, please show for the last two years' costs of mileage reimbursement for the City Council offices.**

For the City Council Budget in fiscal year (FY) 2015/16 and for the FY 2016/2018 two-year proposed budget, \$20,000 has been budgeted for Rentals and Transport. These amounts can be broken down into two categories:

- Motor Pool Equipment Rental
  - FY 2015-16 Adopted Budget: \$10,000
  - FY 2016/2018 Proposed Budget: \$10,000 per year
- Vehicle Usage Reimbursement
  - FY 2015-16 Adopted Budget: \$10,000
  - FY 2016/2018 Proposed Budget: \$10,000 per year

### Motor Pool Equipment Rental

One City Council Member is assigned a 2006 Toyota Highlander for use in lieu of a monthly auto allowance. The estimated costs for FY 2015/16 are \$8,026. The costs are broken down into three categories:

1) Maintenance/repairs/fuel (\$4,257), 2) Annual replacement fund (\$3,589); and 3) Miscellaneous expenses (\$180).

- FY 2013/14
  - \$20,000 adopted budget / \$12,166.01 expended
- FY 2014/15
  - \$20,000 adopted budget / \$16,091.18 expended
- FY 2015/16
  - \$10,000 adopted budget / \$5,419.18 expended (to date)
- FY 2016-18 Estimated Costs from Fleet Division of General Services
  - \$8,266 (FY 2016/17) and \$8,514 (FY 2017/18)

### Vehicle Usage Reimbursement

This account is utilized to capture mileage reimbursements from Council Assistants. Employees who receive a car allowance or a City issued vehicles are not eligible to receive mileage reimbursement.

- FY 2013/14
  - \$0 adopted budget / \$0 expended
- FY 2014/15
  - \$0 adopted budget / \$5,025.40 expended
- FY 2015/16
  - \$10,000 adopted budget / \$2,203.00 expended (to date)

**2. How are the liability charges to departments calculated? What are the various costs included in the base, and what is the method to charge out these costs to the City departments? Include both general liability and worker's compensation charges.**

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The City has the following insurance limits:

- Property Insurance coverage is for total values insured up to \$1,285,611,936 with a deductible of \$100,000 per occurrence.
- Earthquake coverage has a limit of \$10,000,000 with a 5% or up to \$100,000 deductible, whichever one is greater.
- Flood Insurance coverage has a limit of \$25,000,000 for City Hall and Convention Center buildings with \$5,000,000 for all other structures with a deductible of \$100,000
- Workers' Compensation Insurance coverage has a limit of \$25,000, with a self-insured retention of \$3,000 per occurrence.
- Commercial Liability Insurance in the amount of \$20,000 for general and auto liability claims greater than \$3,000.

There have been no claims or settlements in the last three fiscal years that exceeded these insurance coverages, so our historical analysis indicates these limits as adequate coverage for the next two years.

Internal service funds have been established to account for and finance the uninsured risk of loss. All City departments participate in the Risk Management program and make payment to the Internal Service Funds based on actuarial estimates of the amounts needed to fund prior and current year claims and incidents, legal costs and insurance premiums. The actuarial estimates are provided annually for the worker's compensation and general liability funds.

For FY 2016-17 the total required funding for worker's compensation is \$5,926,986. Workers' compensation cost are allocated to departments based on three factors: actual four-year paid loss history (60%), gross annual payroll (30%) and number of vehicles (10%).

For FY 2016/17 the total required funding for the general liability costs is \$7,580,682. Liability costs are funded by City departments based on the same three factors as workers' compensation, with different weighting: actual four-year loss history (50%), gross annual payroll (40%) and number

of vehicles (10%). Risk Management determines these models and they are commonly used by municipalities in determining the liability cost breakdowns.

For the general liability, before the total costs are charged to the various departments based on the above formula, liabilities related to street tree claims (\$1,485,800 per year in FY 2016/17 and FY 2017/18) are charged directly to the General Fund under the Public Works Department (Forestry and Landscape).

**3. Does the City currently carry the errors and omissions policy? If so, who does it cover, and how much do we pay?**

The City does carry Errors and Omissions insurance of up to \$10,000,000 for all employees who act within their job duties and responsibilities unless Fraud or Conflict of Interest is proven. This insurance cost is included in the City's Liability Insurance (Alliant National Municipal Liability, ANML) and is not broken out. Total premium cost for ANML is \$320K.

**4. Is it cheaper to get insurance coverage for the City's various claims as opposed to being self-insured?**

The City uses an insurance broker who deals with most of the companies who insure governmental entities in the State. Unlike most special districts and the private sector, the City is responsible for law enforcement and firefighting activities, which many insurance companies will not insure. Thus, the City is required to "lump" its riskier activities with less risky activities to gain favorable rates, and most importantly, to get the riskier law enforcement and firefighting activities even insured.

The City periodically (every three years) looks at various government pools to see if they may be less costly for the same insurance levels - so far, the type of insurance we have seems the most cost effective. Many insurance pools would not even consider Riverside because of our size - pool coverage is typically for harder to insure or smaller Cities. In addition, a significant downside of being in the pool is that the City's rates could go way up if another member has a multi-million-dollar claim, even if ours have been historically low.

Very few insurance companies will insure the City without self-insurance in the first "tranche" of about \$1M. The one or two that will insure us would charge us almost triple of what our rates are now. Cities have lots of small claims (which insurance companies strongly dislike) and very few larger claims (which insurance companies also dislike, but tolerate) - so most cities

self-insure to take care of the small claims and use insurance for the large claims. This keeps the insurance costs down.

**5. How are the utility costs charged to City departments? Is the Mayor's Office being charged for the Mayor's Ceremonial Room? Could the cost for this room be further spread to the various City departments that use it?**

Basic utility services for City Hall such as water, electric and refuse are charged to the Non-Departmental section of the General Fund budget including the Mayor's Ceremonial Room. Specifically, section 72210, General Services – City Hall, includes electric (\$400,000), water (\$16,000), and refuse (\$15,000).

Each departmental budget, including the Mayor's, has utility related expenses reflecting phone charges only. For example, the Mayor's Office, in FY 2015-16 has:

- Telephone
  - \$2,200 adopted budget / \$713.82 expended (to date)
- Telephone-Cellular
  - \$4,800 adopted budget / \$3,425.82 expended (to date)

**6. Could the budget reflect revenues offsetting the Mayor's special programs?**

Yes. The conversation at the City Council meeting centered on grants, donations, and the ability to fund raise. Staff will also recommend a resolution to the City Council to grant authority to the City Manager to appropriate up to \$25,000 in these funds administratively. On a going forward basis, staff will come before the City Council to appropriate these funds to revenue and an equal amount to expenditure accounts (thus a net \$0 impact to the General Fund).

This process would allow for a tracking mechanism to determine how much money was raised by the Mayor's Office to supplement the Department's budget.

**7. What is included in the baseline budget for the ballot measures? How much, for which measures, and in which departments?**

Ballot Measures are typically accounted for in the City Clerk's Office. In the proposed FY 2016-2018 budget, \$90,000 is budgeted in the City Clerk's Office (Election Services) each year for the anticipated election costs. The City Attorney's Office is covering the costs of Measure A.

**8. What were the outcomes of the 31 out of the 35 legal defense cases kept in house in the City Attorney's Office, as opposed to being contracted out?**

In response to the City Council's inquiry regarding the outcome of matters retained in-house, the following information is provided. Unless it was dismissed or settled, it is still considered an active case.

This is the information that was compiled from the master case list, which has all the complaints that were served from 01/01/15 to 12/31/15.

In house	33
Outside counsel	5
Tendered	4
<b>Total</b>	<b>42</b>
Dismissed	12
Settled	5

Here is the information for 2016, complaints served from 01/01/16 to 05/10/16:

In house	16
Outside counsel	1
Tendered	0
<b>Total</b>	<b>17</b>
Dismissed	2
Settled	0

**9. What has been the history of recovering revenues from the Community Development / Code Enforcement abatement cases? How much in abatement charges has been filed, and what has been recovered in the recent history?**

Code abatement consists of several categories of charges as follows: Administrative Civil Penalties, Administrative Citations, Weed Control, Building Abatement and Litter & Trash Abatement. On an annual basis, abatement charges are placed as liens on the county property tax roll. From fiscal year 2010/11 through fiscal year 2014/15 the City has collected approximately \$12.5 million in abatement revenue. As of June 30, 2015, the City had an outstanding lien receivable of \$3.7 million.

**10. What is the Managed Savings History and do departments have enough budget allocation to meet this goal?**

Since traditionally departments do not always spend 100% of their budgets by the end of the fiscal year (due to position vacancies, or delayed projects or efficiency in saving costs) a “Managed Savings” mechanism was invented to recognize those savings within each department allowing maximum use of monies at budget time.

Historically, managed savings were budgeted at the fund level, but actual savings were expected in departmental level budgets. Periodically, the Finance Department would review the expenditure and budget details and report on the estimated savings in each department, comparing the estimated Citywide total to the total adopted budget's managed savings amount.

Beginning with the two-year 2016-2018 budget, managed savings amounts will be budgeted in each department, based on historical expenditure trends. A 10-year history of adopted budget total managed savings in the General Fund can be found below:

FY 2007/08: \$8,842,909  
FY 2009/10: \$4,427,294  
FY 2010/11: \$2,550,353  
FY 2011/12: \$4,424,735  
FY 2012/13: \$3,695,122  
FY 2013/14: \$4,444,556  
FY 2014/15: \$6,301,000  
FY 2015/16: \$6,100,000  
FY 2016/17: \$5,425,000  
FY 2017/18: \$5,425,000

Department	MANAGED SAVINGS ANALYSIS (Under)/Over Budget				4-Year Average	FY 2016/17 (Proposed)	FY 2017/18 (Proposed)
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16 (mid-year)			
City Attorney	\$ -	\$(70,000)	\$(318,000)	\$ 100,000	\$(122,000)	\$ (50,000)	\$ (50,000)
City Clerk	\$ -	\$(13,000)	\$(13,000)	\$(46,000)	\$(18,000)	\$-	\$-
City Council	\$(83,000)	\$(67,000)	\$(92,000)	\$(40,000)	\$(70,500)	\$ -	\$-
City Manager	\$(366,000)	\$(330,000)	\$-	\$(25,000)	\$(180,250)	\$(100,000)	\$(100,000)
Comm. & Econ. Dev	\$(240,000)	\$(636,000)	\$(1,042,000)	\$(1,500,000)	\$(854,500)	\$(400,000)	\$(400,000)
Finance	\$(2,070,000)	\$1,274,000	\$15,000	\$(350,000)	\$(282,750)	\$(125,000)	\$(125,000)
Fire	\$1,430,000	\$529,000	\$1,569,000	\$150,000	\$919,500	\$(750,000)	\$(750,000)
General Services	\$(246,000)	\$(471,000)	\$(350,000)	\$(550,000)	\$(404,250)	\$(200,000)	\$(200,000)
Human Resources	\$(189,000)	\$(124,000)	\$(346,000)	\$(395,000)	\$(263,500)	\$(100,000)	\$(100,000)
Innovation & Technology	\$(400,000)	\$(253,000)	\$(150,000)	\$(425,000)	\$(307,000)	\$(350,000)	\$(350,000)
Library	\$(202,000)	\$(244,000)	\$(327,000)	\$(370,000)	\$(285,750)	\$(150,000)	\$(150,000)
Mayor	\$ -	\$(39,000)	\$(31,000)	\$(25,000)	\$(23,750)	\$ -	\$-
Museum	\$-	\$(92,000)	\$(225,000)	\$(125,000)	\$(110,500)	\$(100,000)	\$(100,000)
Non-Departmental	\$(681,000)	\$(896,000)	\$(532,000)	\$(426,000)	\$(633,750)	\$-	\$-
Parks, Rec & Comm. Svcs	\$(230,000)	\$(734,000)	\$(848,000)	\$(500,000)	\$(578,000)	\$(400,000)	\$(400,000)
Police	\$1,142,000	\$283,000	\$(171,000)	\$(250,000)	\$251,000	\$(1,500,000)	\$(1,500,000)
Public Works	\$(1,178,000)	\$(1,395,000)	\$(1,357,000)	\$(800,000)	\$(1,182,500)	\$(1,200,000)	\$(1,200,000)
<b>Department Sub-Total</b>	<b>\$(3,313,000)</b>	<b>\$(3,278,000)</b>	<b>\$(4,218,000)</b>	<b>\$(5,777,000)</b>	<b>\$(4,146,500)</b>	<b>\$(5,425,000)</b>	<b>\$(5,425,000)</b>
<b>Managed Savings Target</b>	<b>\$3,695,122</b>	<b>\$4,444,556</b>	<b>\$6,301,000</b>	<b>\$6,100,000</b>	<b>\$5,135,170</b>	<b>\$5,425,000</b>	<b>\$5,425,000</b>
<b>(Under)/Over Target</b>	<b>\$382,122</b>	<b>\$1,166,556</b>	<b>\$2,083,000</b>	<b>\$323,000</b>	<b>\$988,670</b>	<b>\$-</b>	<b>\$-</b>

Both the Police and Fire Departments had issues that have been corrected.

#### 11. Assess viability of a policy to allow residents to trim City trees and be reimbursed, instead of the City spending money directly on trimming.

Trimming trees on an individual basis currently averages more than double the grid trimming prices. So on average, paying 50% of the cost would exceed our grid trimming prices and would cost more to facilitate than trimming on a grid basis.

- A ceiling on the 50% reimbursement would be suggested to not exceed 50% of the City's contracted service request trimming price.
- A limit on the frequency would be recommended to minimize cost and ensure funds are available to trim other trees that are in need of trimming as determined by the Tree Maintenance Inspector.
- Trees would need to be trimmed to City standards.

The program would require increased staff time to provide inspections as they would be performed at different locations throughout the city rather than in coordinated locations. Currently the City's contractor updates the

tree/work history database, with multiple contractors trimming City trees, there will be an increased need for city staff to track and update the information as needed for the individual tree trimmings. Based on historical utilization of the Resi-Pay Program (see below) for trimming, resident participation would likely be low.

Regular grid trimming would likely need to continue to minimize liability costs and help maintain the health of the trees. We have an aging urban forest so it is important to provide routine care of the trees.

Current Street Tree Trimming Program Options include:

For trimming paid for by the City, there are two cases when trimming is provided:

- A. Service Request Inspection: If a tree is determined by the Tree Maintenance Inspector during an inspection to be in an out of compliance/hazardous condition, the City will continue to pay the cost to remedy.
- B. Routine Grid Trimming: The City has a program to trim all street trees on a routine basis. This is done by a grid by grid basis where all trees within a specified boundary are trimmed at the same time, reducing mobilization time, traffic control costs and driving time, allowing for trimming in a very efficient and cost effective manner. With The average cost per tree for grid trimming is less than ½ of the cost of trimming individuals' trees on a case by case basis that are located in different areas.

Options for residents to pay for trimming at their desired frequency:

- A. Resi-Pay Option: Residents may elect to trim a City tree out of the normal grid-trimming schedule at the City's contracted rate for service request trimming. The current cost for the 15/16 fiscal year is \$95 per tree. Residents can call 311 or obtain the form online to schedule trimming. Approximately 200 residents per year participate in this option.
- B. No-Fee Permit: Residents may elect to trim a City tree out of the normal grid trimming schedule by directly hiring and paying their own contractor of choice that is licensed, insured, bonded and trims to the City and International Society of Arboricultural Standards through a No-Fee Permit issued by Public Works to insure the contractor meets the standards. Form can be found online.



**12. Provide an analysis of the RCC pool funding act - cost/benefit, including the potential revenue generation by the event organizers that use the pool. Reference all the groups that use the pool under the City's allowance.**

City currently pays a minimum of \$80,000 annually in exchange for 733 hours of pool usage. The 733 Hours are allotted to the following user groups:

- A. Turn 'n' Burn,
- B. Aquettes,
- C. Riverside Aquatics Association (RAA);
- D. Riverside Water Polo;
- E. Riverside Convention Center/Visitors Bureau (RCVB) and Sports Commission (RSC)

The \$80,000 paid directly to the Riverside Community College is in addition to \$200,000 that supports the Riverside Sports Commission's contractual services to attract sport events to Riverside.

Economic impact analysis will vary based on assumptions. For example, if it is assumed that the 1) user groups would not be able to successfully embark on alternate revenue generating and fund-raising strategies to cover the cost of pool usage without a city-subsidy; and/or 2) there would be no other demand for pool usage absent the city-sponsored usage, then there would be a negative economic impact. According to statistics provided by Debbie Guthrie, Executive Vice President/Chief Communication Officer of Raincross Hospitality Corporation, 10 events were hosted in FY 2015-16 yielding \$58,000 in direct Transient Occupancy Tax (TOT) Revenues and an Estimated Economic Impact (EEL) of \$1.6 million. (Please see the table below.) Again, the assumption is that these 10 events could not be hosted without city subsidy.

<b>Description</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Allocated</b>
RAA Swim	110	131	150
Water Polo	210	123	80
Riverside Aquettes	141	36	135
Turn & Burn Diving	50	103	85
Riverside Sports Commission	125	217	290
<b>Total Pool Usage (Hours):</b>	<b>636</b>	<b>610</b>	<b>740</b>
# of Events*	12	11	10
TOT*	30,707	75,277	58,243
EEI*	1,701,130	20,158,291	1,590,352
RCC pool usage expenses	80,000	80,000	80,000
Riverside Sports Commission expenses	150,000	157,500	257,500
Riverside Convention & Visitors Bureau expenses	1,100,000	1,155,000	1,255,000
<b>RCC, RSC, RCVB combined total Expenses:</b>	<b>1,330,000</b>	<b>1,392,500</b>	<b>1,592,500</b>
<b>Transiet Occupancy Tax Revenues:</b>	<b>4,189,350</b>	<b>5,279,657</b>	<b>5,656,000</b>
*Source: Debbie Guthrie public comments to City Council, 5-3-16, Item No. 4b			

Alternatives to city subsidy to cover the cost of pool utilization may include:

- Including cost and recuperating through price of admission to events,
- Negotiating for a share of parking fees or rental revenues currently retained by RCC, or
- Seeking sponsorships/conducting fund-raising by user groups/event organizers.

The City contributed toward the capital cost of building the aquatics complex and \$80,000 toward on-going maintenance cost; however, Parks, Recreation and Community Services Department is not aware of any revenues generated by the Aquatics Complex from rentals or parking fees being retained by the City.

Given the inter-relatedness with City's agreement with RCVB and RSC (managed by General Services Department), to market the City of Riverside and attract events to the City, a coordinated approach is recommended.

**13. Show what revenue is generated by the Parks and Rec department through fees and reservations, and how it compares to the department's overall General Fund budget. Consider including this information for all departments in the budget document.**

17% of the Parks, Recreation & Community Services Department's budget is offset by revenue – please see the summary below.

	FY 2013-14	FY 2014-15	FY 2015-16
Description	Actuals	Actuals	Budget
PRCSD Expenditures	17,619,036	17,891,379	18,152,311
PRCSD Revenues	2,859,848	2,995,750	3,103,800
Revenues as % of Expenditures	17%	17%	17%

**14. Show groups that receive City funding and potentially lead to the TOT revenue generation - Convention Center, RCVB, Sports Commission, etc. Show their funding vis-a-vis actual TOT revenues for the last 5-7 years, and what percentage of the TOT funding each represented in each of the 5-7 years.**

Finance Department staff is currently working with the Parks, Recreation, and Community Services, Museum and Cultural Affairs and General Services departments to generate data for the response. Once available, the information will be shared with the City Council.

**15. Explore alternatives of using RUSD and AUSD pools during the summer for all City residents, instead of or in addition to the City's pools.**

School facilities, including pools, are already currently available to the public for rent without the need for a Joint-Use agreement. Preliminary outreach to school staff indicated that the pools are already highly used during summer months.

Additional arrangements with RUSD and AUSD to use their pools during the summer would result in further costs to the City - to cover staffing of school pools during summer months as well as to pay for a share of their maintenance costs or pool rental rates that would likely be required by the schools. Staff cost for part-time Pool Managers and Lifeguards range per season per pool is approximately \$30,000 to \$40,000 depending on pool hours and programming.

**16. Communicate with the Janet Goeske Foundation regarding further cost sharing for the Center, in light of the proposed cuts to the Center's budget.**

Communication with JGF is on-going and additional meetings have been scheduled.

Annual General Fund resources/support (direct and indirect costs less revenues) for Janet Goeske Senior Center is approximately \$500,000; compared to \$145,000 for La Sierra Senior Center and \$214,000 for Dales Senior Center which are operated by the PRCSD. Following is a draft comparison.

**DRAFT****Comparison of Senior Centers Operations**

<b>Description</b>	<b>Janet Goeske</b>	<b>La Sierra</b>	<b>Dales</b>
Contractual Payments for Direct Operations	378,590	-	-
Direct Salaries & Benefits	-	146,188	150,393
Direct Non-Personnel	-	20,434	49,761
Utilities (Water, Electric, Sewer)	25,000	20,000	23,000
Telephone	-	430	430
Gas	-	481	647
Custodial	-	15,624	15,600
<b>Sub-Total City Direct Costs:</b>	<b>403,590</b>	<b>203,157</b>	<b>239,831</b>
General Fund Allocation (City-Wide Overhead)	26,691	13,436	15,861
Departmental Overhead	80,718	40,631	47,966
<b>Sub-Total Indirect Costs:</b>	<b>107,409</b>	<b>54,067</b>	<b>63,827</b>
<b>Sub-Total General Fund Direct &amp; Indirect Costs:</b>	<b>510,999</b>	<b>257,224</b>	<b>303,659</b>
Program Revenues/Membership Fees:	-	15,000	30,000
Facility Rental Revenue:	-	97,000	60,000
<b>Revenues back to City's General Fund:</b>	<b>-</b>	<b>112,000</b>	<b>90,000</b>
<b>Net General Fund Resources (Expense - Revenue):</b>	<b>510,999</b>	<b>145,224</b>	<b>213,659</b>
<b>Janet Goeske Foundation Contribution/Resources:</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>
<b>Net Resources Used for Center Operations:</b>	<b>1,510,999</b>	<b>145,224</b>	<b>213,659</b>
Service Hours Annually:	4,368	2,340	2,340
<b>Net GF Resources per Service Hour</b>	<b>\$ 116.99</b>	<b>\$ 62.06</b>	<b>\$ 91.31</b>
All Resources Used per Service Hour	\$ 345.92	\$ 62.06	\$ 91.31
Contacts Annually: (Senior participant contacts only for La Sierra & Dales. Does not include community meetings, rentals, and non-senior program visits)	264,000	32,000	23,000
<b>Net GF Resources per Contact</b>	<b>\$ 1.94</b>	<b>\$ 4.54</b>	<b>\$ 9.29</b>
All Resources Used per Contact:	\$ 5.72	\$ 4.54	\$ 9.29
* Staff assigned at La Sierra & Dales also plan, organize and execute other city programs such as Mariachi Festival and Friendly Stars Program.			

**17. Provide an analysis of not making the entire \$11+ million in budget cuts in FY 16/17, and instead stretching it over a two-year period. What is the impact on the reserves, bond ratings and debt costs?**

Category		3rd Quarter FY 2015/16	Proposed: FY 2016/17	Proposed: FY 2017/18	5-Year FY 2018/19	5-Year FY 2019/20	5-Year FY 2020/21
5-Year Financial Plan Projections	Beginning General Fund Reserve	\$40,085,510					
	Projected Baseline Deficit as of 5/19/2016	\$ (7,232,258)	\$ (10,575,744)	\$ (8,507,236)	\$ (7,652,903)	\$ (8,792,025)	\$ (645,080)
Scenario 1 (City Manager's Proposed Budget)	Balancing Measures as of 5/19/2016	\$ -	\$ 10,607,057	\$10,590,033	\$10,590,033	\$10,590,033	\$10,590,033
	Baseline with City's Recommended Reductions	\$ -	\$ 31,313	\$ 2,082,797	\$ 2,937,130	\$ 1,798,008	\$ 9,944,953
	Ending General Fund Reserve	\$32,853,252	\$ 32,884,565	\$34,967,362	\$37,904,492	\$39,702,500	\$49,647,453
	% of General Fund Expenditures	12.5%	12.4%	12.9%	13.5%	13.7%	16.8%
Scenario 2	50% of Balancing Measures as of 5/19/2016	\$ -	\$ 5,303,529	\$ 5,295,017	\$ 5,295,017	\$ 5,295,017	\$ 5,295,017
	Baseline with 50% of City's Recommended Reductions	\$ -	\$ (5,272,216)	\$ (3,212,220)	\$ (2,357,887)	\$ (3,497,009)	\$ 4,649,937
	Ending General Fund Reserve	\$32,853,252	\$ 27,581,037	\$24,368,817	\$22,010,931	\$18,513,922	\$23,163,859
	% of General Fund Expenditures	12.5%	10.2%	8.8%	7.7%	6.3%	7.7%
Scenario 3	0% of Balancing Measures as of 5/19/2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Baseline with 0% of City's Recommended Reductions	\$ -	\$ (10,575,744)	\$ (8,507,236)	\$ (7,652,903)	\$ (8,792,025)	\$ (645,080)
	Ending General Fund Reserve	\$32,853,252	\$ 22,277,508	\$13,770,272	\$ 6,117,369	\$ (2,674,656)	\$ (3,319,736)
	% of General Fund Expenditures	12.5%	8.0%	4.9%	2.1%	-0.9%	-1.1%

**18. Why did the Finance Department Training budget increase from \$3,000 in FY 2015/16 to \$32,408 in FY 2016/17 and FY 2017/18?**

The Finance Department's Training budget is increasing as a result of the City's financial system (IFAS) upgrade. IFAS is a citywide system that impacts all employees (e.g. payroll) and the City's business partners (e.g. payment for services). The upgrade will require training for the majority of City staff, including, but not limited to Finance (e.g. research, auditing, payment of bills, payroll, budget, etc.), Innovation and Technology (e.g. report writing, integrations with other City systems, database management, etc.) and user departments (e.g. reporting, bill payment, etc.).

**19. What professional services are paid from the General Fund?**

In the General Fund, \$13 million is budgeted for professional services in each of FY 2016/17 and FY 2017/18. Some of these funds are identified as

proposed reductions by the departments in individual departmental budget sections.

Other account classifications in the General Fund (e.g. special projects, software maintenance, etc.) may also include budget for expenditures similar to professional services (e.g. consultants, temporary assistance, strategic plans, audits, etc.).

The City does not have a contract management system to track professional services agreements. Each department would have to provide information on how they use their professional services budgets.

**20. What progress is being made on the Fire Department's recommended budget reductions, which require Memorandum of Understanding (MOU) changes.**

The Fire Department is working on alternative saving measures, which will be presented to the City Council on June 14<sup>th</sup>.

**21. What are the impacts to employees resulting from the recommended General Fund reductions, including, but not limited to pay decreases, benefit decreases, and layoffs?**

The Human Resources Department is currently working with Finance and other City departments to determine the anticipated employee impacts. The findings from this research will be presented to the City Council on June 14<sup>th</sup>.