



Staff Report

Date: May 9, 2006

To: Mayor and Council

From: Bill Emlen, City Manager
Paul Navazio, Finance Director
Donna Silva, Director Parks and Community Services

Subject: Parks Maintenance Tax – Budget Contingency Proposals

Recommendation:

This informational items presents staff recommendation for budget proposals to be implemented should the renewal of the Parks Maintenance Tax fail to receive the two-thirds voter-approval required for passage. While no action is required of the City Council, the recommendations presented in this report are included in the FY2006/07 budget as a contingency plan, pending the outcome of the June 6th election.

Fiscal Impact:

The current Parks Maintenance Tax, scheduled to sunset June 30, 2006 generates approximately \$1.3 million annually in support of park maintenance activities. The City Council has placed a measure on the ballot for the June 6th election to renew this tax at the current rate. Should the renewal measure fail to receive the required level of voter support for passage, the FY2006/07 Proposed Budget would need to be amended to reflect adjustments necessary to mitigate the loss of Parks Tax revenues.

The staff recommendation would trigger budget adjustments across all city departments totaling \$1,377,702, and includes a combination of new revenues as well as reductions in operating budgets and staffing. While the recommendations presented in this report constitute recurring revenue and expenditure proposals, it is unlikely that all of the recommendations could be implemented by July 1st. As such, should the Parks Tax renewal fail, staff would refine the list of recommendations to specify which budget adjustments would be implemented on July 1st, versus over the next six-to-twelve months. Any “savings” that are deferred due to the timing of implementation would need to be offset by draw-down of General fund reserves.

Summary

The following table summarizes the range of options considered by staff in arriving at the recommendations included in the report.

ALTERNATIVE REDUCTION SCENARIOS *Impact of Loss of Parks Maintenance Tax*

Department	Option "A"	Option "B"		Option "C"	City Manager's Proposal	Implementation			FTE
	Parks Reductions	Parks 50% Balance to Depts	Parks 50% Bal to Depts Excl Safety	All Depts. Prorated Reductions		July '06	Jan'07	Jul '07	
City Manager's Office		62,000	274,000	90,000	81,250				
Finance		45,000	200,000	66,000	43,500				0.50
Community Development		29,000	129,000	42,000	29,000				
Parks & Comm Svcs	1,300,000	650,000	650,000	354,000	995,500				2.00
Fire		192,000	-	279,000	40,452				0.75
Police		311,000	-	453,000	141,000				1.00
Public Works*		11,000	47,000	16,000	47,000				
	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,377,702	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>	4.25

Detailed listings of specific proposals and impacts are included as attachments to the report for both the staff recommendation (City Manager's Proposal) as well as the alternative scenario (Option "A") whereby the entire impact of loss of the Parks Tax is absorbed through reductions in Park Maintenance programs.

The total recommended adjustments of \$1.377 million includes revenue augmentations of \$310,500, \$781,500 in non-personnel expenditure reductions and \$285,702 in personnel-related expenditure reductions which would result in the reduction of 4.25 full-time equivalent staff positions.

Attachments – Parks Tax Contingency Proposals

- 1) City Manager's Recommended Budget Adjustments
- 2) Alternative Scenario – Parks Maintenance Reductions (Option "A").

**PARKS MAINTENANCE TAX CONTINGENCY PROPOSAL
CITYWIDE BUDGET ADJUSTMENT PROPOSALS**

Dept	Item Description/Service Reduction	Staff Impact	FTE	Savings	CATEGORY		
					Revenues	O&M	Staffing
CDD	Bill all city staff hours to all RDA programs at the Planning Division professional hourly rates.			164,232		\$ 29,000	
CMO	Reduce amount available for business promotion and HRC Ceremonial. Reduces ability to provide special events, assist with events such as conferences or to promote business and visitor attraction.			\$ 14,000		\$ 14,000	
CMO	Equipment Upgrades: Existing equipment will need to last longer. Systems will be more prone to failure.			\$ 14,250		\$ 10,000	
CMO	Operational Cuts: Reduced ability to send citywide mailings and less ability to produce special events.			\$ 11,500		\$ 11,500	
CMO	Eliminate contribution to International House - Reduces city's ability to respond to international delegations			\$ 15,000		\$ 10,000	
CMO	Recruitment Advertising - Reduces ability to advertise out of region.			\$ 3,000		\$ 3,000	
CMO	Pre-employment Physicals			\$ 3,000			
CMO	Eliminate contribution to the Yolo County Visitors Bureau; Endangers the Bureau's ability to provide marketing and outreach materials about Davis and to bring conferences/meetings to Davis.			\$ 30,000		\$ 15,000	
CMO	Reduce Temporary Part Time Staffing	Temporary Part Time	TPT	\$ 2,250			\$ 2,250
CMO	Cut Employee Service Recognition Awards and Program; Eliminates ability to formally recognize employees			\$ 10,000		\$ 10,000	
CMO	Reduce Temporary Part Time Staffing and Professional Services; Reduces City Clerk's ability to undertake special projects/research/improvements.	Temporary Part Time	TPT	\$ 5,500			\$ 5,500
FD	Eliminate office support staff: The impact would close the office and non-emergency phones would roll to an answering machine voice mail recorder. All divisions would be affected as there would be no support staff to initiate, process, record all products and public information requests.	Eliminate Office Asst. II (75%)	0.75	\$ 40,452			\$ 40,452
FIN	Implement Administrative Fee for Downtown Business Improvement District Fee Processing (Approximately 700 @ \$15.00)			\$ 10,500	10,500		
FIN	Increase BL base fee to \$15.00 (would require voter approval)			\$ 25,000			
FIN	Implement Administrative Fee for Visitor Attraction District Assessment (\$100 per quarter)			\$ 400			
FIN	Reduce counter hours 2 hours per day	Reduce Financial Assistant II to (75%)	0.25	\$ 16,500			\$ 16,500
FIN	Reduce counter hours to 4 hours per day	Reduce Financial Assistant II to (50%)	0.25	\$ 16,500			\$ 16,500
PCS	3rd & B (teen center): Relocate teen activities to another facility (e.g. Veteran's Memorial Center) and lease the 3rd & B facility. There would be additional costs to relocate the teen activities. General Fund reduction of \$65,000; estimated annual lease \$185,000.	Eliminate 75% custodian	0.75	250,000	\$ 185,000	\$ 22,000	\$ 43,000
PCS	Hunt-Boyer: Lease this facility for use as retail, office or restaurant space. City staff would need to be relocated to another facility. There would be additional costs for relocating the staff. General Fund reduction would be minimal since special funds pay for the majority of the facility maintenance; estimated annual lease of \$65,000.	No staff impact: eliminate contractual services		65,000	\$ 65,000		
PCS	Cable Franchise Fee: Reduce Franchise Fee pass-through to Davis Community TV and DJUSD for operation of Public and Educational cable channels.			50,000	\$ 50,000		
PCS	Public Education/Outreach Program Reduce scope of program services. Services provided by this program include special community events, educational information and public outreach and communication.			15,000		\$ 15,000	
PCS	Neighborhood Associations Support Reduce scope of program services. Reduce overhead costs in the formation of new neighborhood associations (i.e. printing/ mailing) and reduce outreach efforts for the formation of new neighborhood associations.			20,000		20,000	
PCS	Recreation Programs: reduce services in the following areas: Aquatic Special Events - \$7,000; Aqua Aerobics program- \$3,500; Open Gym - \$3,000; Skate Park staffing - \$1,500; Teen Tutoring - \$1,000; Teen Field Trips - \$8,000; Lap Swim program - \$8,000; Martial Arts classes - \$3,000; Adult Dance classes - \$1,000; Horse Camp; \$4,000	Elimination of temporary part-time positions	Seasonal TPT	40,000		40,000	

**PARKS MAINTENANCE TAX CONTINGENCY PROPOSAL
CITYWIDE BUDGET ADJUSTMENT PROPOSALS**

Dept	Item Description/Service Reduction	Staff Impact	FTE	Savings	CATEGORY		
					Revenues	O&M	Satffing
PCS	Community Pool: Closure of pool for public use. Minimal maintenance of the pool and grounds; restrooms would remain open and maintained; pool building meeting room would remain open and maintained. Cost reductions would occur in utilities, pool maintenance and chemicals. Pool could be re-opened when financially feasible.	Reduce Pool Maint position to 75%	0.25	80,000		62,000	18,000
PCS	Street Trees: Reduction in scope of services resulting in reactive rather than proactive care; reduction of misletoe removal resulting in decrease in tree health and potential loss of trees; creation of back log of tree removals; potential increase in overtime due to reactive tree care; reduction and possible elimination of replacment tree plantings.	Reduce Contract Maintenance		50,000		50,000	
PCS	Recreation Programs: reduce services in the following areas: Elimination of Teen Center Drop In Program \$40,500			40,500			40,500
PCS	Mediation Services: eliminate Mediation Services for the city.	Eliminate 50% Coordinator position	0.50	35,000			35,000
PCS	Park Maintenance: reduce maintenance standards: \$50,000 - Eliminate capital improvement funds-resulting in an inability to repair and renovate capital asset infrastructure. \$34,000 - Reduce graffiti/vandalism Maintenance Worker from full-time to half time-resulting in a cooresponding reduction in ability to address graffiti and vandalism in a timely manner. \$266,000 - Reduce landscape contract services. Transfer associated maintenance to in-house, full-time staff, resulting in acres maintained by each Park Maint Wrkr from 12 to 16 acres.	Reduce Contract Maintenance Reduce Maint Worker positon 50%	0.50	350,000		350,000	
PD	Eliminate 50% funding for Crossing Guard program			45,000		45,000	
PD	Reduced coordination of regional drug enforcement/elimination of training/career development in narcotics enforcement; Withdraw from YONET narcotics task force			\$ 28,000		\$ 28,000	
PD	Eliminate crime prevention,neighborhood watch,DBBA liaison,elder outreach programs	Eliminate Police Service Specialist	1.00	68,000			\$ 68,000
PD	No youth offender diversion program,reduced consequences for first-time juvenile offenders	Eliminate Youth Intervention Specialist	1.00	68,000			
PW	Delete portion of recurring Dark Sky Conversion CIP, funded by Gas Tax. Plug the GT into fund 7256 and free up like amount of General Fund			\$ 11,000		\$ 11,000	
PW	Delete portion of recurring Dark Sky Conversion CIP, funded by Gas Tax. Plug the GT into fund 7256 and free up like amount of General Fund			\$ 5,000		\$ 5,000	
PW	Delete portion of recurring Dark Sky Conversion CIP, funded by Gas Tax. Plug the GT into fund 7256 and free up like amount of General Fund			\$ 9,000		\$ 9,000	
PW	Reduce Contract Concrete work and swap transportation funds into 7256 to free up G/F			\$ 11,000		\$ 11,000	
PW	Reduce Traffic Safety Measures Program. Contract amount currently requested at \$100,000. Swap transportation funds into 7256 to free up G/F			\$ 11,000		\$ 11,000	
TOTAL REDUCTIONS				1,377,702	\$ 310,500	\$ 781,500	\$ 285,702

Budget Reduction: Services funded with Park Maintenance Tax

Dept	Program	Item Description/Service Reduction	Staff Impact	Positions Cut (FTE)	Cost Reduction
PCS	Pools	<p>Pool Maintenance: \$200,000 of the Park Maintenance Tax funds the maintenance of four pool complexes (Arroyo, Civic, Community and Manor). The following reduction is proposed:</p> <p>Permanent Closure of Community Pool - "Mothball" pool. Drain pool and fill with 3/4 AB concrete. There would be a cost to permanently close the pool. Restrooms and Community pool building would remain open.</p> <p>Seasonal Closure of Arroyo Pool: Both pools would be closed during winter months - operated between June and August only.</p>	Pool Maintenance Worker	1.0	\$200,000
PCS	Parks	<p>Park Maintenance: \$888,444 of the Park Maintenance Tax funds the maintenance of parks, greenbelts and streetscapes, which includes graffiti and vandalism. Eliminate all capital improvement funds; Eliminate graffiti abatement and vandalism; Eliminate contractual maintenance, which currently provides maintenance services to approx 50% of the acreage.</p> <p>Requires in-house maintenance staff to cover all city parks and landscaping, increasing responsibility per FTE from 12 acres to 24 acres; Severe degradation in maintenance and long-term loss of quality of parks; Significant reduction in services such as restroom cleaning, trash pick up and hard surface cleaning; Elimination of tree and shrub replacement; Significant weed growth; Reduced standards for downtown, public plazas and picnic areas; Elimination of capital replacement funds would result in an inability to repair and renovate assets, such as re</p>	Park Maintenance Workers	2.0 City Staff; Potential loss of contractor's employees	\$888,444
PCS	Urban Forest	<p>Urban Forest Maintenance: \$200,000 of the Park Maintenance Tax funds the maintenance of the City's urban forest.</p> <p>Eliminate \$200,000 in annual tree pruning contract for street tree care. Extends tree pruning from 7yr. to 10 yr. cycle; Shift from proactive to reactive care; reduction of mistletoe removal resulting in decrease in tree health and potential loss of trees; creation of back log of tree removals; reduction and possible elimination of replacement tree plantings; increased risk and potential liability from tree-related problems; Increase in overtime due to increase in call outs due to decreased tree care; Decrease in asset value.</p>		Potential loss of contractor's employees	\$200,000
PCS	Open Space	<p>Open Space Maintenance: \$50,000 of the Park Maintenance Tax funds the Open Space programs.</p> <p>Reduction in Open Space acquisition and management activities; reduction in maintenance of restored wildlife habitat, such as Mace Ranch habitat area; Elimination of public outreach and volunteer coordination; Elimination of support to local non-profits who partner with the City; Elimination of contractual maintenance services - shifting maintenance to in-house staff.</p>	Park Maintenance Worker	Eliminate all TPT staff	\$50,000
TOTAL REDUCTIONS (FY 2006/07 Preliminary Budget):					\$1,338,444