

FINANCE MEMORANDUM

#09-06

DATE: April 9, 2009
TO: Honorable Mayor Kathleen M. Novak and City Council members
FROM: William Simmons, City Manager *WS*
Shawn Cordsen, Finance Director *SC*
SUBJECT: Budget Reduction Update

UPDATE:

In response to the current economic environment, staff has prepared and is suggesting the following budgetary reductions:

▪ General Fund:	\$ 951,066
▪ Water & Wastewater Fund:	\$ 332,712
▪ Stormwater Fund:	\$ 3,000
▪ Sanitation Fund:	\$ <u>74,664</u>
Total all Funds:	\$1,361,442

Additional detail regarding the recommended budget reductions by fund, department, and division has been attached for review.

The goal for these budget reductions was to reduce general fund expenditures by approximately \$900,000 based on a reduction of 10% of \$8.8 million of budgeted sales tax revenues.

Each department's budget was examined for reduction. As a general rule, most general fund departments were asked to reduce their budget for commodities, contractual services and other operating expenses by at least 10% while public safety was asked to reduce expenses by 5%.

Water and wastewater along with stormwater and sanitation were asked to reduce their operating expenditures between 5 – 10%.

In addition there are a number of existing personnel vacancies in all departments with a number of these projected to go unfilled the remainder of the year.

We will also look to firm up new revenue sources (FASTER Legislation) and look at other revenue enhancements.

Upon Council consensus, a budget amendment will be prepared for Council action at a subsequent meeting.

The current economic conditions will require ongoing monitoring of all revenue sources and we will continue to look at other options to reduce expenditures. The goal is to ensure fiscal stability and citizen satisfaction with our continued operations within the financial resources available.

STAFF REFERENCE:

If Council members have any comments or questions, they may contact Bill Simmons at 303 450-8709 or email wsimmons@northglenn.org

**City of Northglenn
Budget Appropriation Reductions**

2009 General Fund Budget Appropriation **\$ 22,419,231**

Operating Cost Reductions

Legislative	\$	(34,830)
Administration		(27,800)
Finance		(6,000)
Central Services		(17,000)
Management Services		(21,467)
Parks, Recreation & Cultural Services		(49,290)
Planning & Development		(85,000)
Police		(23,240)
Public Works		(311,100)
Subtotal		\$ (575,727)

Personnel Cost Reductions

City Clerk: Deputy City Clerk	Recruitment In Progress	
Finance: Controller	Position filled 02-02-2009	
Finance: Director of Finance	Position filled 02-09-2009	
Management Services: Court Clerk	No Recruitment Planned	
Parks & Recreation: Director of Parks & Rec.	Recruitment In Progress	
Planning & Development: Housing/Grant Admin.	No Recruitment Planned	
Police Department: Police Officer	No Recruitment Planned	
Police Department: Police Officer	No Recruitment Planned	
Police Department: Administrative Specialist	No Recruitment Planned	
Public Works: Director of Public Works	Recruitment In Progress	
Subtotal		\$ (375,339)

Total Reductions **\$ (951,066)**

Proposed General Fund Budget Appropriation **\$ 21,468,165**

**City of Northglenn
General Fund Budget Appropriation Reductions**

Legislative

<i>City Council</i>	(30,760)	Decrease NAHF allocation - \$10,940; Remove undesignated budget allotment - \$19,820
<i>City Clerk</i>	<u>(4,070)</u>	General operating reductions - \$4,070
Legislative Total	(34,830)	

Administrative

<i>City Manager</i>	(4,800)	Eliminate Auto Allowance - \$4,800
<i>Public Communications</i>	(29,000)	Cancel "Eye on Northglenn" - \$17,000; Initiate Bulk Mail Process - \$12,000
<i>CIP Design & Engineering</i>	<u>6,000</u>	Telemetry for traffic lights - (\$6,000)
Administrative Total	(27,800)	

Finance

<i>Revenue Collection</i>	(5,500)	Reduce contracted sales tax audit activity - \$5,500
<i>Risk Management</i>	<u>(500)</u>	Remove conference allocation - \$500
Finance Total	(6,000)	

Central Services

	(12,000)	Reduce computer replacement program - \$12,000
	(5,000)	Remove over estimated audit costs - \$5000
	<u>(3,330)</u>	Cancel employee appreciation luncheon - \$3,330
Central Services Total	(17,000)	

Management Services

<i>Human Resources</i>	(5,967)	Reduced long-term employee award program - \$1,000; Renegotiated EAP expenditure - \$4,267; Reduce conference allocation - \$700
<i>Municipal Court</i>	(9,500)	General operating expenditure reductions - \$9,500
<i>Information Technology</i>	<u>(6,000)</u>	Technology repair services absorbed in-house - \$6,000
Management Services Total	(21,467)	

**City of Northglenn
General Fund Budget Appropriation Reductions**

Parks, Recreation & Cultural Services

<i>PRC Boards & Commissions</i>	(1,000)	General operating expenditure reductions - \$1,000
<i>Aquatics</i>	(8,000)	Reduced printing services bid - \$8,000
<i>Recreation Center</i>	(23,290)	Decreased school use fee - \$8,700; Reduce Sunday operating hours - \$1,590; Postpone tile reglazing - \$13,000
<i>Generation Based Recreation</i>	(1,000)	General operating expenditure reductions - \$1,000
<i>Theatre & Arts</i>	(1,000)	General operating expenditure reductions - \$1,000
<i>Parks Operations</i>	(15,000)	Reduction of overtime - \$15,000
Parks, Recreation & Cultural Services Total	(49,290)	

Planning & Development

<i>Building Inspection & Permits</i>	(35,000)	Reduction in abatement services - \$35,000
<i>Emergency Grants</i>	(10,000)	Elimination of emergency grant program - \$10,000
<i>Neighborhood Services</i>	(40,000)	Reduction in abatement services - \$40,000
Planning & Development Total	(85,000)	

Police

<i>Administration</i>	(9,296)	General operating expenditure reductions - \$9,296
<i>Support Operations</i>	(12,944)	General operating expenditure reductions - \$12,944
<i>NSA</i>	(1,000)	General operating expenditure reductions - \$1,000
Police Total	(23,240)	

Public Works

<i>Administration</i>	(800)	General operating expenditure reductions - \$800
<i>Streets</i>	(185,200)	General operating expenditure reductions - \$1,200; Eliminate streetsweeper replacement \$184,000
<i>Facilities Maintenance</i>	(6,500)	General operating expenditure reductions - \$6,500
<i>Fleet</i>	(66,000)	Reduction in estimated cost of gasoline - \$66,000
	(52,600)	Reduction in estimated cost of diesel - \$52,600
Public Works Total	(311,100)	

Grand Total

(575,727)

**City of Northglenn
Budget Appropriation Reductions**

2009 Water & Wastewater Fund Budget Appropriation **\$ 23,147,934**

Operating Cost Reductions

Finance	(20,000)
Central Services	(5,000)
Management Services	(2,000)
Public Works	(31,900)
Subtotal	\$ (58,900)

Personnel Cost Reductions

City Manager: Logistics Manager	No Recruitment Planned
Finance: Controller	Position filled 02-02-2009
Finance: Director of Finance	Position filled 02-09-2009
Finance: Meter Reader	Position filled 01-31-2009
Public Works: Director of Public Works	Recruitment In Progress
Public Works: IP/Backflow Specialist	Recruitment In Progress
Public Works: Lab Analyst	No Recruitment Planned
Public Works: MSW I	No Recruitment Planned
Public Works: MSW I	No Recruitment Planned
Subtotal	\$ (273,812)

Total Reductions **\$ (332,712)**

Proposed Water & Wastewater Fund Budget Appropriation **\$ 22,815,222**

**City of Northglenn
Water & Wastewater Fund Budget Appropriation Reductions**

Finance

Meter Reading 20,000 Eliminate vehicle replacement - \$20,000
Finance Total 20,000

Central Services

Central Services Operation 5,000 Remove over estimated audit costs - \$5,000
Central Services Total 5,000

Management Services

Information Technology 2,000 Reduce computer supply purchases - \$2,000
Management Services Total 2,000

Public Works

Administration 1,200 General operating expenditure reductions - \$1,200
Facilities Maintenance 2,000 General operating expenditure reductions - \$2,000
Distribution, Collection & Transmission 28,700 Reduce pipeline materials - \$15,000; Reduce road construction materials - \$13,700
Public Works Total 31,900

Grand Total

58,900

**City of Northglenn
Budget Appropriation Reductions**

2009 Stormwater Fund Budget Appropriation **\$ 369,288**

Operating Cost Reductions

Public Works	(3,000)
Total Reductions	\$ (3,000)

Proposed Stormwater Fund Budget Appropriation **\$ 366,288**

**City of Northglenn
Stormwater Fund Budget Appropriation Reductions**

Public Works

Streets

3,000 General operating expenditure reductions - \$3,000

Public Works Total

3,000

Grand Total

3,000

**City of Northglenn
Budget Appropriation Reductions**

2009 Sanitation Fund Budget Appropriation \$ **2,001,207**

Operating Cost Reductions

Finance	(2,000)
Public Works	(61,950)
Subtotal	\$ (63,950)

Personnel Cost Reductions

Public Works: Director of Public Works	Recruitment In Progress
Subtotal	\$ (10,714)
Total Reductions	\$ (74,664)

Proposed Sanitation Fund Budget Appropriation \$ **1,926,543**

**City of Northglenn
Sanitation Fund Budget Appropriation Reductions**

Finance

Admin & Accounting

2,000 Remove over estimated audit costs - \$2000

Finance Total

2,000

Public Works

Administration

300 General operating expenditure reductions - \$300
Reduce Polycart purchases - \$40,000; Reduce operating supplies - \$1,100;
Reduce conferences - \$750; Reduce landfill charges - \$15,000;

Sanitation

61,650 Reduce operating costs - \$800; Reduce overtime - \$4,000

Public Works Total

61,950

Grand Total

63,950