

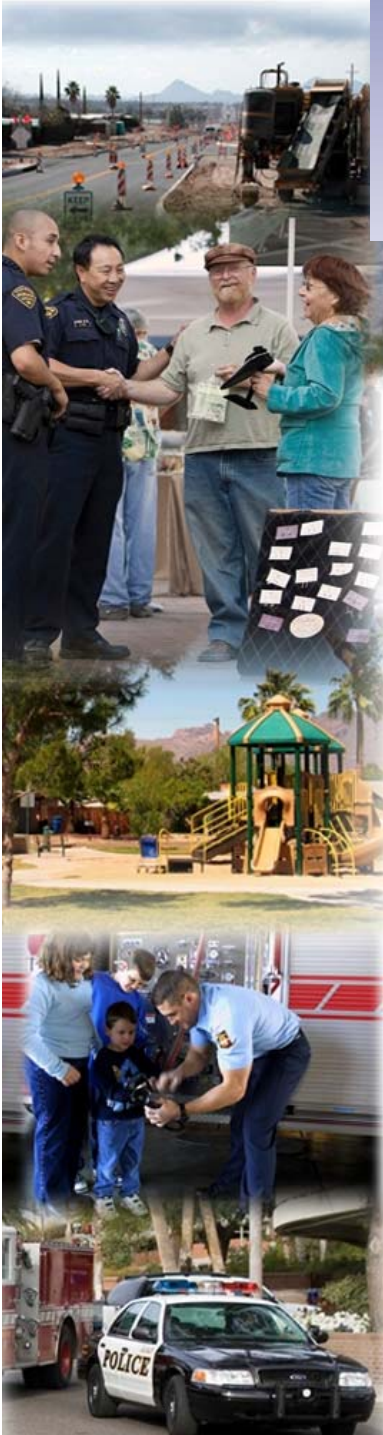


Community Key Services Dialogues

Working Together to Set City Budget Priorities

Dialogue Agenda

1. Table Discussion – Likes and Improvements
2. Introduction & Background Presentation
3. Table Discussion – Services, Resources, and Priorities
4. Report-Out and Close





Why Are We Here?

- City revenues have dropped
- Demand for services has *not* dropped
- City revenues are not expected to return to levels that will cover service demand in the near future
- We need your suggestions for how to address these issues





How Will Information Be Used?

- Results from each Dialogue will be posted to the website as they are completed
- Summary of results from all dialogues will be provided to Mayor and Council in February 2010 to inform City budget and strategic work plan over next 3 years



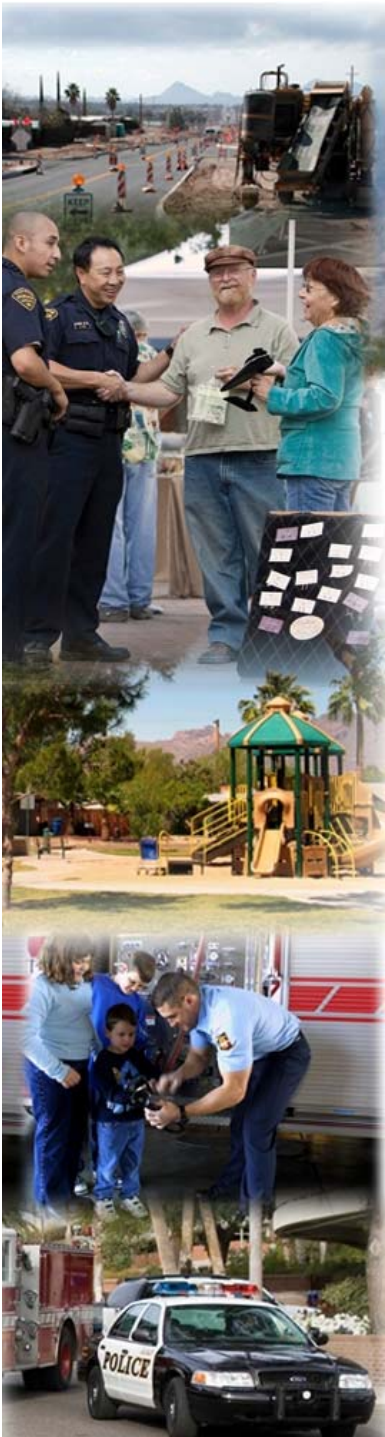
Looking Ahead

This is not a one-time effort. We will be inviting you to participate in additional dialogues in the future.

City Budget & Work Plan (1 – 3 year view)

Economic Recovery Plan (3-10 year view)

General Plan Update (Vision for the future)



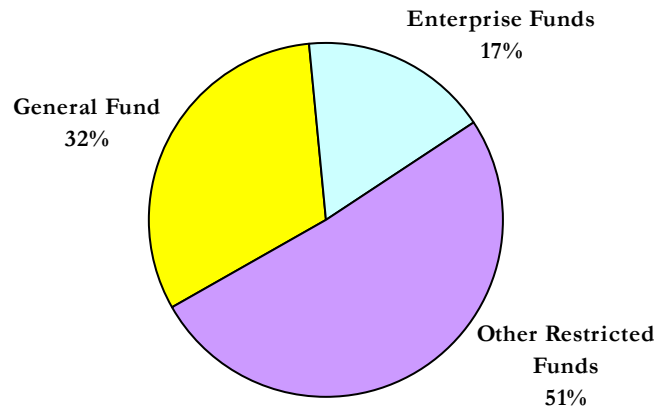
Community Key Services Dialogues
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City Budget 101

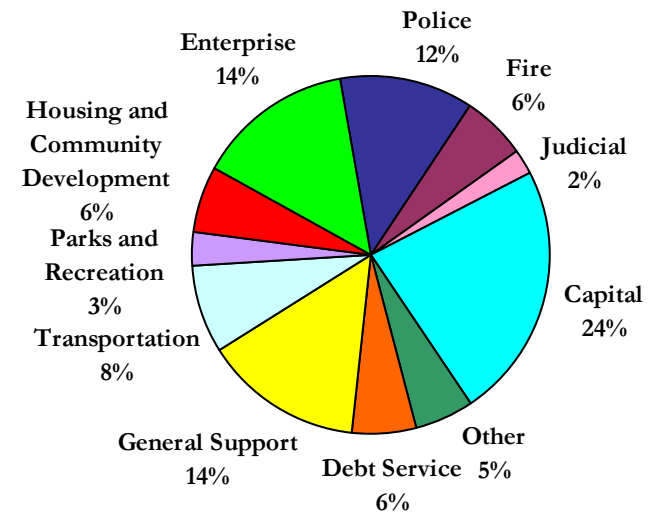
The City is required to balance the budget each year (revenues must equal expenditures)



Fiscal Year 2010
Revenues
\$1.3 billion



Fiscal Year 2010
Expenditures
\$1.3 billion



=

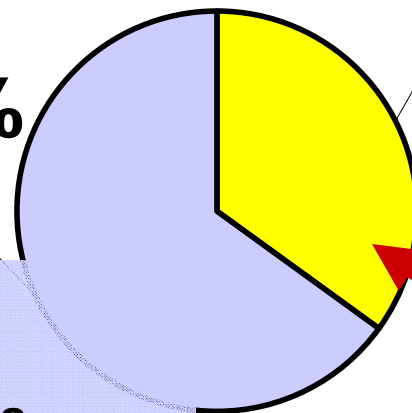


City Budget 101

A majority of the City's budget is for restricted uses

Restricted Revenues

68%



32%

Discretionary Revenues

Focus of the Dialogues

Enterprise Funds

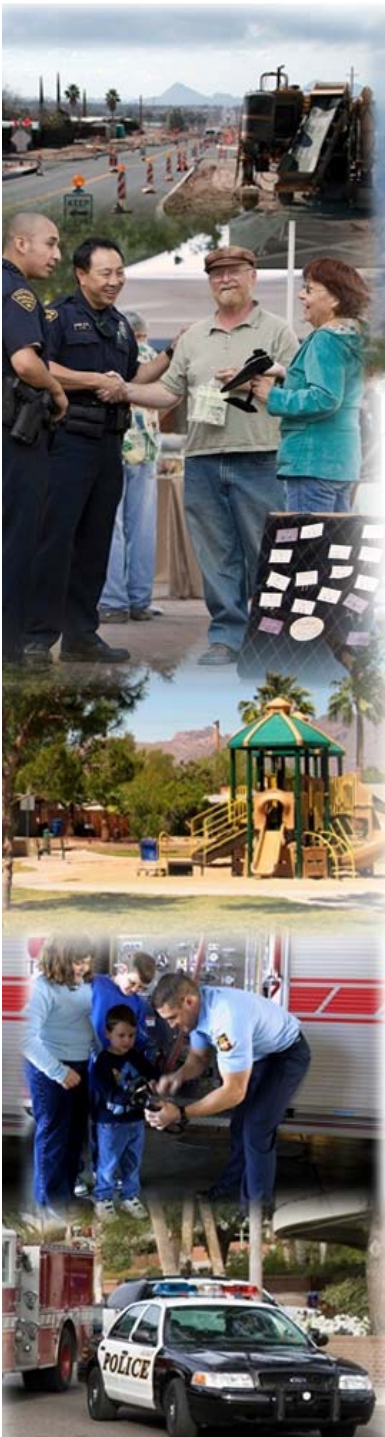
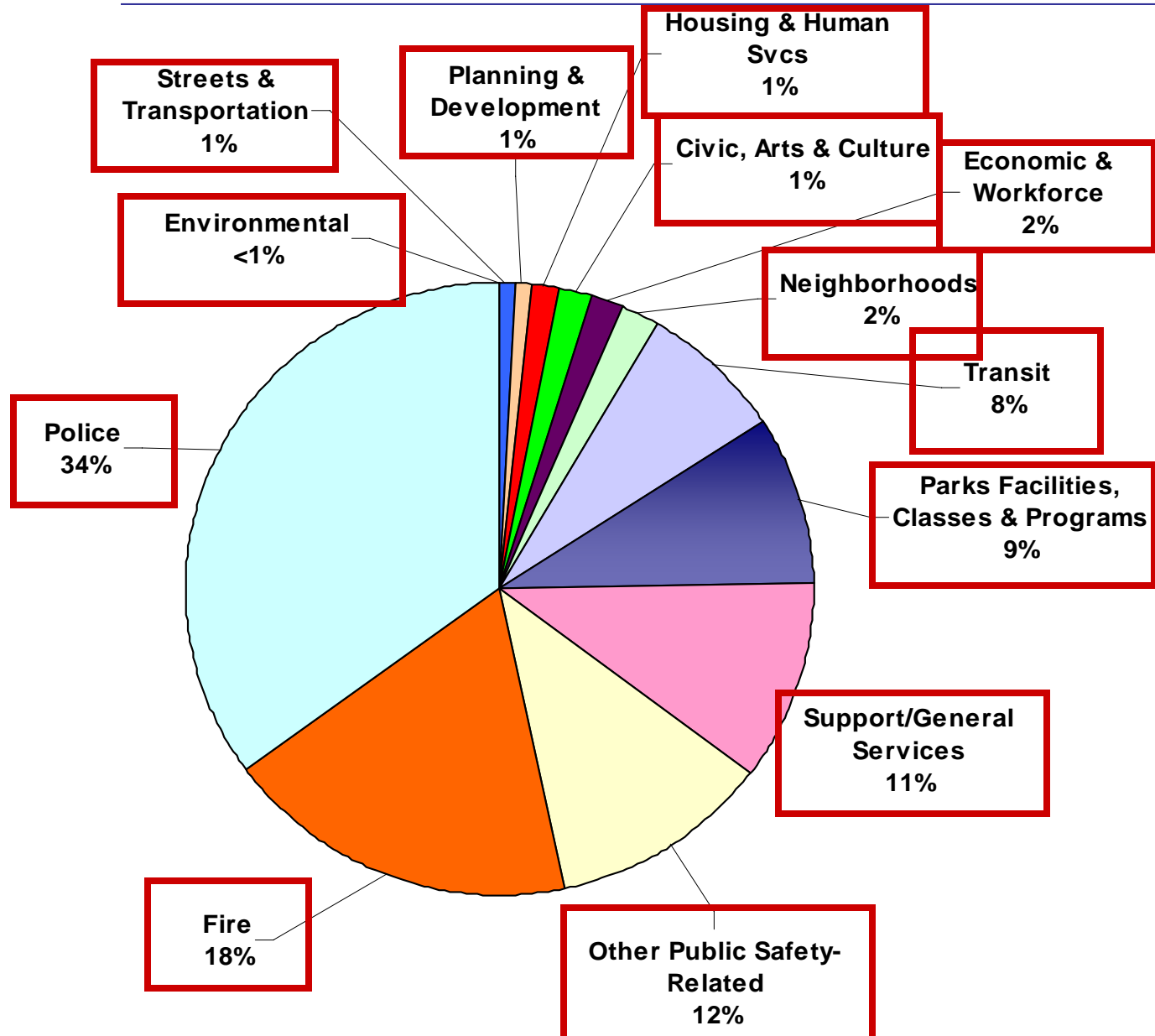
- Water
- Environmental Services
- Golf

Restricted Funds

- Grants & Federal Funding
- Highway User Revenue Funds (HURF)
- RTA contributions

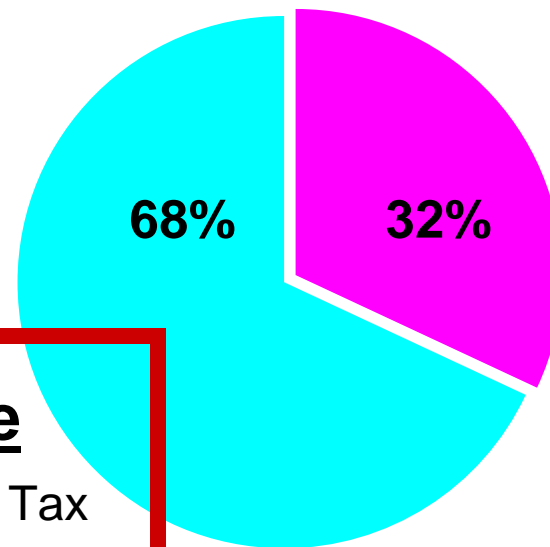


City Services Funded by Discretionary Revenues



City Budget 101

The majority of discretionary revenues are highly subject to economic ups and downs



Stable

City Property Tax

Miscellaneous Revenues

Volatile

Local Sales Tax

State Shared Sales and Income Taxes



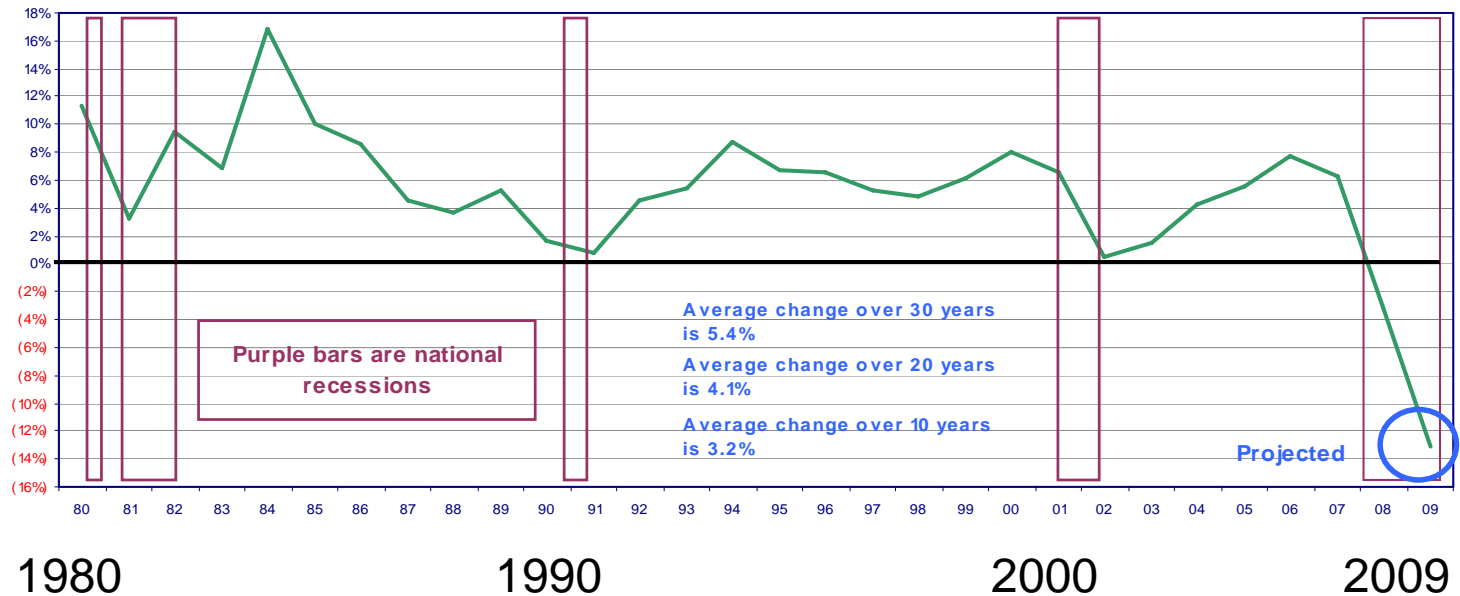
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City Budget 101

Recent declines in sales tax are the largest seen in 30 years

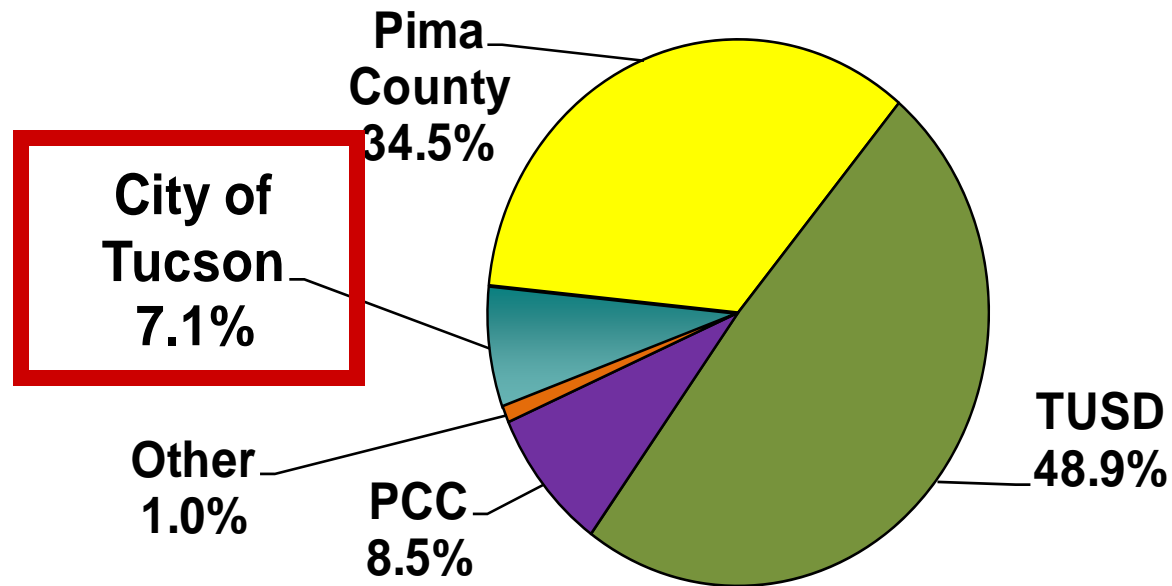
Percent Change in Sales Tax Receipts
Fiscal Years 1980 to 2009



City Budget 101

The majority of your property tax bill goes to pay for education and County services

2008 Property Taxes by Jurisdiction

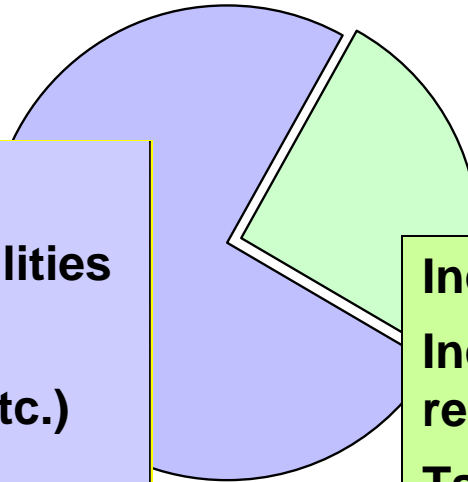


City Budget 101

We have made significant cuts to balance recent budgets

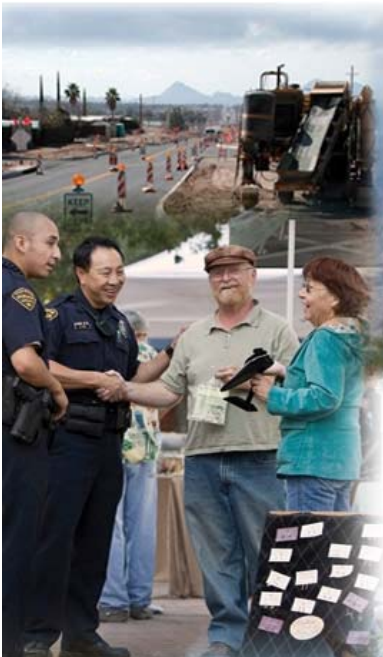
Cuts
\$49.4 M
75%

New Revenue
\$16.6 M
25%



Elimination of 400 staff positions
Deferral of maintenance of parks facilities
Deferral of equipment replacements
Employee contributions (furloughs etc.)
Suspension of street paving
Closure of 5 pools during winter
Fewer Parks & Recreation leisure classes
Decrease In Neighborhood Center hours
Cuts to outside agency funding

Increase in utility tax
Increase in transient rental surtax
Tax on health spa memberships



City Budget 101

The number of City employees is at the lowest level since 1999

Number of Full Time Employees



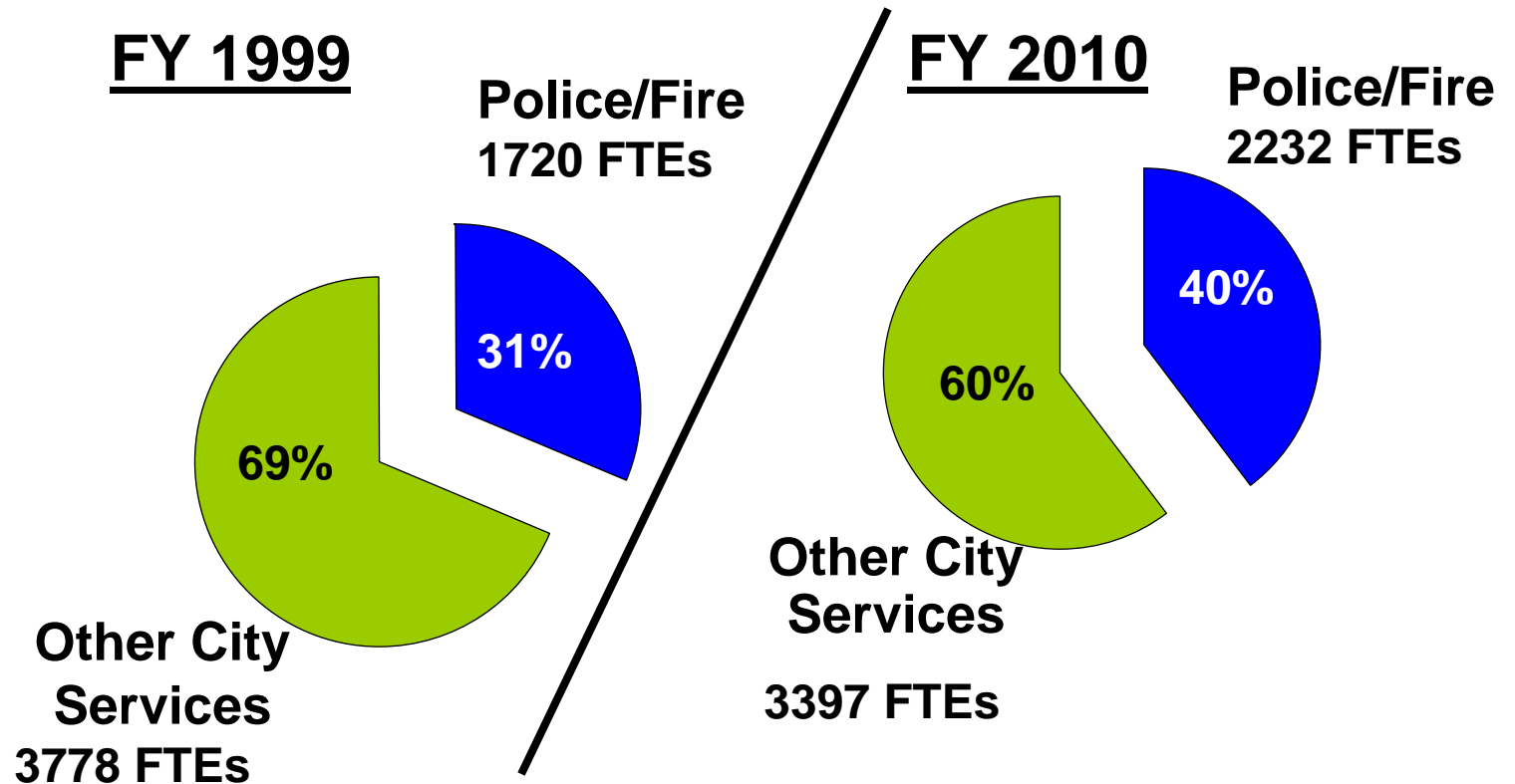
Population
up 12%



Community Key Services Dialogues
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City Budget 101

The number of public safety employees has risen since 1999 while other staffing has decreased



City Budget 101

Next year's budget gap: \$46-\$68 million or a 10-15% reduction in the size of the discretionary service pie chart

Strategies Underway:

- Community Key Services Dialogues
- Pilot User Fee Policy & New Fees
- Asset Management/Leaseback
- Defer Expenditures
- Citywide hiring freeze



Community Key Services Dialogues
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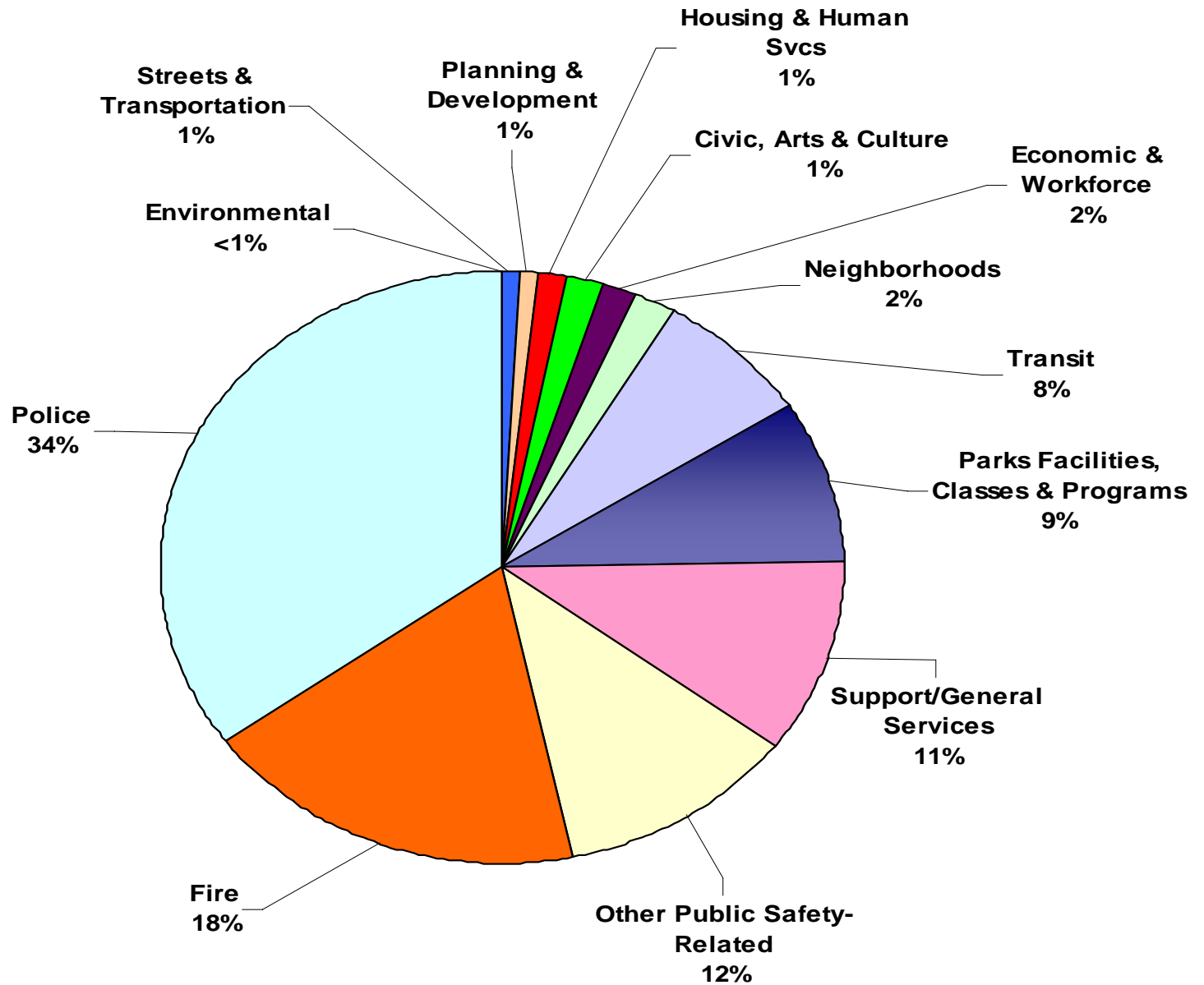
Now We Want to Hear from You

1. What City services do you use?
2. With fewer resources available, which services would you maintain and which would you cut? Why?
3. What new resources, revenues, or efficiencies should be pursued?
4. What investments should we be making for our community's future?

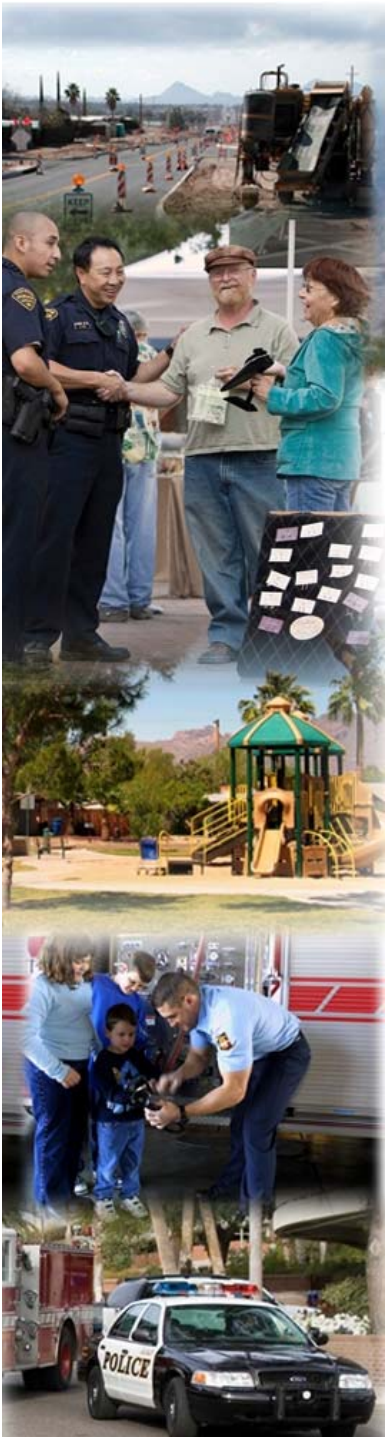


Community Key Services Dialogues
Working Together to Set City Budget Priorities

Now We Want to Hear from You



Ground Rules



- Start and end on time
- Scripted questions
- Each participant will have a chance to talk
- All participants will practice mutual respect and active listening
- One participant speaks at a time
- Individual comments are limited to 2 minutes
- Creativity is good!
- No idea or suggestion is too crazy to consider
- Different ideas can be correct under different circumstances
- Issues identified for future dialogues will be noted