

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: 5/16/11
Reviewed by: BP

SUBJECT: City of Albany Operating Budget
Fiscal Year 2011-12 and Beyond

REPORT BY: Beth Pollard, City Manager

STAFF RECOMMENDATION

- 1) That Council approve the recommended budget balancing strategies for 2011-12, and direct staff to return with an amended budget for adoption in June.
- 2) That Council, the community, and employees engage in discussion about the suggested revenue, expense, and operating options for future fiscal sustainability, and provide preliminary guidance on options for further consideration.

BACKGROUND

The City has been working to bridge a gap between projected revenues and expenses for the 2011-12 fiscal year, in the range of about \$500,000. During a Community Conversation on April 19th, and in meetings with employees, members of the public and City staff produced many suggestions for cutting costs, increasing efficiency, and generating new revenue. Questions about the City's revenues and operations were also raised during the April 19th workshop; answers were posted on the City's website and also are attached.

DISCUSSION

Most of the budget balancing suggestions would require policy changes, negotiations with other agencies, staff time for research, analysis, and evaluation, or other factors that make them more medium to long range strategies than ones that can be implemented immediately. There were some short-term suggestions which, combined with other opportunities that emerged and cuts that department managers prepared, have led to a recommended balanced budget for fiscal year 2011-12. A summary of the key recommended budget balancing strategies is attached.

ANALYSIS

The proposed 2011-12 budget leaves vacant several important positions. It does not sufficiently fund the technology and training the City needs to continually evolve to meet the public's needs. It stretches City staff in meeting current expectations and emergency response. It does not provide sufficient capacity for new initiatives, projects, and policy development that are desirable for new direction, innovation, and growth.

Nevertheless, staff believes the recommended budget changes are feasible, will allow the City to provide essential operations, and in some cases inspire new ways to meet community needs.

In looking ahead, staff recommends that the City develop new approaches to services and revenues so that the City has the quality and quantity of services the community wants. These changes would be developed over the next year or two for incorporation into the 2012-13 budget and beyond.

Attached is a matrix of the revenue and expense suggestions offered by employees and the public, with some initial staff comments. Staff recommends that after presentation of the proposed budget balancing strategies for 2011-12, the Council, community, and employees engage in roundtable discussions on the suggestions, and identify which suggestions are worth pursuing and which are non-starters. The results of this evaluation will be brought back to Council for direction on priorities of strategies to pursue.

SUSTAINABILITY IMPACT

The proposed 2011-12 budget amendments seek to maintain the City's mission of being environmentally and fiscally strong.

FINANCIAL IMPACT

The proposed budget changes will allow the City Council to adopt a balanced budget for fiscal year 2011-12. The suggested expense and revenue changes for the future will enhance the City's ability to maintain City services.

Attachment

1. 2011-12 Budget Balancing Recommendations, with attachment
2. Community and Employee Suggestions for future expense and revenue changes
3. Questions & answers from the April 19, 2011 City Council Community Conversation

2011-12 Operating Budget
Major Budget Balancing Changes from Adopted Budget

1. Managers, supervisors, professional staff and others in the Albany Municipal Services Joint Powers Authority (JPA) and public safety management will pay between 4% and 4.5% of pay towards the Public Employees' Retirement System retirement contribution. This will result in a reduced compensation for these employees. The last salary increase for this group of employees was July 2008. The City Manager has volunteered a 5% salary cut in addition to the PERS payment.
2. The sixth public safety dispatcher position that will become vacant in June will be unfilled. This position is becoming vacant due to a retirement. It was a position that was added in the 2008-09 budget due to the demands on the dispatch center with calls for service, communication with officers and firefighters, inquiries from the public and other agencies, 9-1-1 calls, and other duties.
3. The vacant City Clerk and Police Officer positions will be unfilled. The Administration Secretary's hours will be increased by 8 additional hours per week, and a Council meeting minutes clerk will be hired. The City Council has appointed the Assistant City Manager the title of City Clerk; other duties are being assigned to other staff.
4. Recreation/Community Services will be restructured. The proposals are to change the Teen Center services by partnering with other teen services providers and changing the City's services to enrichment programming; move the Teen Center Supervisor (who also performs cable, audio/visual, and other IT services) into cable operations; eliminate the $\frac{3}{4}$ time Recreation Coordinator position that performs cable duties; and modify the Senior Center dinner program. Attached is a memo explaining these changes in more detail.
5. Shared Fire Chief with Piedmont. The City Council has approved this arrangement for a 12-month trial period, with a review in January 2012.
6. Personnel change in the Community Development Department. The Community Development Director has announced her retirement; this reorganization will result in cost savings.

Recreation & Community Services Reorganization and Budget Reduction Ideas

Teens/Cable

Currently, the City's Cable division has a $\frac{3}{4}$ full-time position as well as a portion of a full-time supervisor position. The full-time supervisor who oversees the Cable division is also the Teen Services Supervisor, Jeremy Allen. Jeremy also works with the City's IT division to offer IT support on an as needed bases. Staff is proposing that by reorganizing how the city provides Teen Services at the same time as reorganizing the Cable division, the supervisor can take over as the only full-time employee allotted to the Cable division without a disruption in services or how the Cable division operates. What this means is that the Cable division will still have the attention of a full-time employee; however, the $\frac{3}{4}$ time position will be eliminated saving the City approximately \$53,000 in salary and benefits. Jeremy would take over the responsibilities of the $\frac{3}{4}$ employee making the transition seamless to the public as no services in the Cable division will be diminished. This is possible by revamping the City's Teen Services in an effort to increase cost recovery in teens.

The number of participants using the City's Teen Services simply does not support costs. An average of 23 teens participate in the after school program daily and approximately 5 of those 23 leave the program by 4:00pm, approximately 9 participants leave by 5pm and remaining 9 participants leave between 5-6pm each day. There are a total of 31 registered; however, as can be seen by the daily participation numbers, not all participate every day. Of the 31 registered most are 6th and 7th graders.

Staff has been working with local teen service providers such as the Albany Y, the Albany School District, and the City of El Cerrito to discuss how partnering can continue the level of teen services for Albany youth and at the same time be more cost effective. Albany City staff is proposing that the Albany Teen Center become an after school enrichment facility offering a number of classes specifically for teens. The City would offer music, art, movie making, fun physical fitness classes, etc from which families could choose. As is being done now, the City could continue to provide a supervised walk from the Middle School to the Teen Center after school for those participating in the enrichment classes; therefore, a portion of the part-time budget will remain in the teen budget. A portion of part-time budget also remains so that the City can continue to offer Teen Nights, once or twice per month. Teen Nights are also being considered as a partnering opportunity with the Y. Similarly, summer events for teens such as day trips to regional parks and local amusement parks are being considered as partnering opportunities as well in lieu of weekly camps.

By converting the Teen Center into an after school enrichment program, the instructor teaching the enrichment class receives a percentage of those enrolled in the class. The administration of the enrichment program would be primarily handled by the City's Recreation Coordinators, thus,

freeing up more of Jeremy's time for the Cable division. Jeremy would; however, continue being the staff liaison to the School District and the Albany Y to ensure the City is taking advantage of possible partnerships as well as keeping the enrichment program relevant. By implementing the after school enrichment program, the City would no longer be paying part-time staff on a daily bases which equals approximately \$42,000 per year. The City employs three part-time staff members at between \$12.00-\$15.00 per hour. A minimum of two are present at all times with the third going off duty when the bulk of the participants leave each day.

By reorganizing the Cable division and restructuring teen services the net saving would be approximately \$94,650.

Senior Center

Regarding the Senior Center the Congregate Meal Program is the most heavily subsidized with the City's Senior Services.

The senior center provides congregate meals at 4pm, 5 days a week. Dinners are served restaurant style daily by 3 staff (kitchen Aides) and 1-2 volunteers. Additional staff provides administrative support and goes shopping at Costco once a month to buy supplies.

The meals are subsidized by a Federal grant through the Older Americans Act, administered by the City of Berkeley. The meals are provided by Project Open Hand the caterer chosen by Berkeley. Up to 6,000 meals per year are ordered by Albany. There is no cost for the actual meal to the city of Albany. A \$2 fee per meal to cover administrative cost is requested, but not required by Berkeley. Albany pays for staff to implement and administer the program. FOAS also provides funding for meal enhancement and kitchen supplies. A suggested donation of \$4 per meal is requested from participants, but is not required per the grant. On average \$3.75 is collected per meal. Approximately 75% of the dinner program participants are Albany residents.

As a way of reducing costs, the City could continue to provide meals in the afternoon, but in alternative ways. Options include:

- Serving dinners on trays, which would require less kitchen staff,
- Offering dinners 3 times a week instead of 5.
- Requesting additional funding from the Friends of Albany Seniors
- Providing the dinners from a different caterer
- Use the Senior Center Shuttle to transport Albany seniors to the North Berkeley Senior Center for lunch a few times per week. This may interfere with current shuttle bus activities.
- Provide meals through a contract instructor who would create a nutrition curriculum that would include education and food sampling.

**Employee and Public Suggestions
To Decrease Expenditures, Increase Revenues, Plan for the Future**

Decrease Expenditures/Do Things Differently

Shared arrangements with other cities or public agencies:

Ideas	Comments
Share department heads with other cities	Shared Fire Chief w/Piedmont started April 2011. Review in Jan. 2012. Savings approx. \$85K/yr. Feasibility of this arrangement will inform additional dept head sharing.
Share other services with other cities; For example, building inspection; contracting; public safety dispatch; fire marshal	Opportunity for shared arrangements for public safety dispatch will improve after construction of an interoperable radio system among public safety agencies in Contra Costa & Alameda County, starting 2013. The Alameda County City Managers Association is initiating a project in 2011-12 to explore feasibility, cost/benefit, etc. of shared staffing and services between cities. Fire Chief will explore potential shared arrangements for fire marshal & other duties of the Bat. Chief position
Contract for services, such as Fire or Sewer services	Emeryville hired Citygate to conduct an analysis of alternative arrangements for Fire Services, which will be informative for Albany in looking at future options. Albany has approached Stege Sanitary District in El Cerrito about possible shared arrangements; low interest at this time.
Share services/positions with the Albany School District	City & AUSD staff are exploring feasibility and cost/benefit of shared arrangements in information technology, and facilities rentals and maintenance
Share equipment with other agencies	City will start new procedure to require exploring shared possibilities before purchasing equipment not used on a daily basis. Issues to consider: Cost/benefit of savings vs. use fees and travel time.

Employee Salaries & Benefits

Ideas	Comments
<p>Review, limit, and/or reduce salaries. Ideas include:</p> <p>Salaries not exceed “the norm” for the time being; scale pay cuts to salary levels – e.g. decrease salaries 10% for those earning more than \$100,000 and 5% for those earning between \$90,000 and \$99,000; Establish lower step in pay ranges for new hires</p>	<p>Most salaries are established through collective bargaining with employee unions/associations. Through collective bargaining with employee groups, City is pursuing fiscally sustainable salaries. Council could consider reviewing/revising policy adopted in 1994 that commits to “bring salaries to the mid-range of cities in the San Pablo Corridor, as increased revenue permits, as one of the City Council’s highest priorities in regards to maintaining high quality services and employees performance in the City of Albany.”</p>
<p>If reduce compensation, cut work hours: For example, shorter work week or furlough days</p>	<p>A reduced number of work hours/year is a potential option. Challenges include: If there is not a decrease in services or expectations, public may become frustrated with slower pace of service delivery; the City is required to perform certain functions in a timely manner (i.e. paying bills and payroll; handling sewer blockages)</p>
<p>Contract for workers (salary but no pension or benefits).</p>	<p>The advantages of contract services include flexibility in scaling the amount of time and type of expertise to specific needs; it is particularly useful for short-term projects; and it does not incur workers compensation or pension liabilities; Disadvantages include the potential for there to be less direct control over the work product since the private company, not the City, is the immediate supervisor; and fewer City staff means less flexibility in assigning work (daily and during emergencies) Whether there are financial savings depends on the type of services. IN the planning and building area, contract services can increase costs to the applicant. The City of Albany has a living wage ordinance that applies to contracts over \$25,000.</p>

Ideas	Comments
Have employees pay 50% to 100% the employee share of PERS	Police employees will pay the percentage of pay equal to the full amount of the employee share starting 7/1/11. Managers, supervisors, professional staff and others in the Albany Municipal Services JPA and public safety management will pay one-half the employee share starting 7/1/11. The City's goal is for all employees to pay the full employee share of the pension cost.
Second lower tier of benefits for new hires	<p>The City is negotiating with employee groups for reduced benefits for future hires.</p> <p>The League of California Cities is undertaking a pension reform analysis with an eye towards adoption of strategies statewide. A broad approach will assist the City in remaining competitive to attract and retain employees.</p>
Modify or reduce health benefits; For example: Higher deductible or co-pay; reduce Council Members health benefits to employees' plan; cover costs for employee only or employee + one instead of family coverage; reduce support to a fixed dollar amount rather than Kaiser family rate; provide "cafeteria plan" for more individual choice in selecting changes/reductions.	The City contracts with PERS for health benefits. On the one hand, the size of PERS is a competitive advantage for rates; on the other hand, there are no local options for different deductibles/co-pays. The cost savings for reducing Council health benefits to employee plan would currently be about \$2,500/year. Options for cafeteria plans and reduced health benefits coverage can be considered in collective bargaining with employee groups.

Overtime & Retirement

Ideas	Comments
Use Flex-Time approach rather than overtime pay	Can be accomplished for shifts that do not need backfilling (typically non-public safety), as long as Fair Labor Standards are followed
Cut unnecessary overtime	Police Dept. has reduced overtime over past few years Fire overtime under review.
Offer early retirement incentives; hire back some retirees on contract to reduce costs	Early retirement incentive employed for City Clerk position. Other retirements are anticipated that could result in a contract back for services at a lower cost, which by PERS rules cannot exceed 980 hours/year
Combine positions upon retirements	It is the City's practice to evaluate positions when they become vacant. For example, City Clerk duties and responsibilities are being assigned to other persons while position is held vacant.

Ideas	Comments
<u>Operate City services differently</u>	
Expand work hours and cut days by one (i.e. 4/10) to save energy costs	Potential energy cost savings are unknown.
Reduce service/counter hours (close Fridays?)	<p>Reduced service/counter hours will occur for most areas if there are furlough days or other reduction in work hours.</p> <p>The City Manager is exploring reducing service/counter hours in City Hall to reflect reduction in staffing and to provide focused time to complete work (e.g. permit reviews, agenda packets, accounts receivable, etc.)</p>
Close down between holidays – December – January 3 days	Many cities close down for a few to several days at the end of the year, such as between Christmas and New Year's. This is a potential furlough time if there is a reduced work year.
Increase volunteers – for clerical, maintenance, or other routine tasks; consider volunteer firefighters	<p>Volunteers who are reliable, able to perform certain tasks well and with little supervision are a great find. For example, many volunteers help the City at the Senior Center, special events, tree plantings, parks/landscape maintenance, passports, police reserves, and some other tasks. However, the time it takes to recruit, train, and supervise volunteers can sometimes exceed the amount and value of work produced. There can be problems when volunteers fail to appear or to perform well.</p> <p>As a cost-saving measure, the City did not fill the volunteer coordinator position two years ago. Volunteer opportunities and placements are generally handled by each department.</p> <p>City Committee members are a growing source of volunteers for research, event coordination, document drafting, and publicity.</p> <p>In 2011-12 the City plans to continue and possibly expand parks/landscaping maintenance work parties; explore the</p>

Ideas	Comments
	potential for volunteers in the Fire Dept.; and seek volunteer(s) with writing skills to draft proclamations and routine documents for the City Manager/Council/Clerks offices.
Look at restructuring public works and information technology for efficiency	Staff is exploring potential for shared services in these two areas with the Albany Unified School District.
When vehicles are replaced, move toward smaller, more energy efficient vehicles	The City has an Environmentally Preferential Purchasing Policy that applies to vehicle replacement. Options are limited for fire engines, ambulances, patrol vehicles, and certain public works vehicles. There are few other vehicles in the City's fleet, and the City extends their useful life as much as possible
Decrease GIS where not required	GIS is required for state and federal wastewater reporting. Other uses are optional, and can be evaluated on the basis of their cost benefit compared with manual mapping and data retrieval
Reduce water usage = reducing costs to EBMUD	<p>Staff recommends reducing or eliminating irrigation on the Ohlone Greenway when the BART retrofit work in Albany is within range of getting underway</p> <p>The City continues to lobby EBMUD to extend a recycled water line to the Ohlone Greenway</p>
Eliminate or reduce number of vehicles/fleet/cell phones	The City is evaluating cell phone use, and is reducing the fleet by one vehicle.

Ideas	Comments
<u>Operate City services differently, con't</u>	
Reduce use of rental property (e.g. Maintenance Center)	The City is purchasing property on Pierce Street on which to build and own a Maintenance Center, which is the only property currently leased by the City.
Vehicles & Equipment – sell and share	From time to time the City sells its old vehicles and equipment. The City will review its vehicle and equipment list to evaluate whether any should be sold.
Combine Police & Fire into one department	The City studied the concept of combining the positions of Police Chief and Fire Chief, and found that a shared Fire Chief with another agency was preferable at the present time.
Use staff rather than consultants or contractors as much as possible; For example: try to be efficient/low cost with the General Plan update	<p>Cities with a small number of staff often have a greater number of consultants and/or contractors because staff often does not have the time and/or the expertise for a certain project.</p> <p>The City Manager will recommend that the General Plan update be prepared with the least amount of outside consultants as possible; this will mean the City being prudent and focused with the scope of work.</p>
Training/Education for employees to increase efficiency.	Training is often a line item that cities cut in lean budget times, and Albany is no exception. For employees to continually learn best practices in working faster and better means investing in training and education. The City Manager recommends that the City look to reinstate training budgets as soon as possible so that employees can keep developing skills, knowledge and abilities to best serve the public.

Ideas	Comments
<u>Modify/Reduce City Services, Projects, Policies and Subsidies</u>	
Reduce KABL cable services	<p>KABL staff currently video record and broadcast the twice/month meetings of the City Council, School Board, and Planning & Zoning Commission, and the once/month meetings of the Waterfront Committee (WFC).</p> <p>City staff working on KABL have begun merging KABL and website content in an effort to expand and improve the City's communications reach.</p>
Change to on-site childcare at schools	The cost of the childcare building is minimal. On-site care would still require staff and supplies.
Keep community engagement with CERT training, and seek reimbursement for CERT training staff time and expenses from Alameda County	Police and Fire are pursuing reimbursement and grants for CERT training and other disaster preparedness efforts by the community engagement specialist
Decrease community events and/or subsidies for community events (e.g. Solano Stroll – Fire, Police, Maintenance)	<p>For many years, City support for the Solano Stroll has included a \$5,000 contribution, the waiver of permit fees (2010: \$131), and provision of services which in 2010 included approximately \$1,900 in fee waivers for paramedic services, \$7,500 for police overtime, and \$7,000 for maintenance services (\$6,000) and supplies (\$1,000) for a total support value of \$21,531.</p> <p>There was no City cost for 2010's Dinner with Albany (which is not scheduled again until 2012). The Fourth of July event is being scaled back slightly to reduce costs. Music in the Park is funded primarily through a grant from Target. There was a minor subsidy for the Arts & Green Festival in 2011, and the inaugural Film Festival is being funded through entry fees and sponsorships.</p>

	Comments
Decrease nice but not necessary	The City Council could conduct a process to prioritize services on a scale of necessary to nice; this would require staff time and possibly a facilitator/consultant. It would provide a basis for future funding priorities, which is especially useful for times of revenue shortfalls.
Suspend work on the Climate Action Plan	The City has one Environmental Specialist who works on a variety of City policies, programs, and projects of which the Climate Action Plan is one part. She has been able to get grant funds for interns and other support. Per the City Council referral, the Sustainability Committee is developing recommendations for voters to consider a special tax for Climate Action plan implementation.
Place a moratorium on new policy issues	New policy initiatives should be evaluated against the available staff and advisory bodies' time, focus, and other resources, so that the vision, mission, and goals of the City Council get achieved.
Stronger prioritization of projects	Same as above.
Use Roundup for weed control to reduce labor time/costs	This runs contrary to the City's Integrated Pest Management ordinance and policies, and would require the City Council to make ordinance and policy changes. One of the goals of the ordinance and policy is to use plant material and methods to reduce the appearance of weeds; that approach does not work in concrete sidewalks, medians, and other hardscape areas where weeds reappear after being cut back; the weed whacking compromises the condition of concrete and asphalt. The City spends a roughly estimated 200-300 staff hours/year on this weed removal.

Ideas	Comments
<u>Technology</u>	
Tailor services to on-line transactions; do more on-line business forms and services	The City is in the process of developing a Technology Master Plan to prioritize recommendations for technology upgrades; this includes more on-line transactions. The Recreation Department is changing to a no-fee on-line registration program.
Computerize permit system to share all information at once; use automated internet permitting to speed up the processing and earn more fees for the City.	Worth exploring.
Look for other operations' computerization to increase efficiency/services.	Worth exploring.
Renew business licenses on-line (at least for renewals with no changes)	Worth exploring
Go paperless with everything (receipts, etc.)	Worth exploring.

Increase Revenues

Ideas	Comments
<u>Economic Development:</u>	
Work to attract more business to Albany; be more active in promoting and retaining businesses to stay; hire someone dedicated to economic development; encourage Shop/eat locally (incentives/advertising); Seek these particular businesses: In & Out Burger; Dollar Store; IHOP; Denny’s; Walmart; allow destination stores like Target; bring people from outside Albany to spend \$\$ here; attract more diverse retail opportunities for higher-end market; bring revenue generating business rather than more nail salons.	The City is working with the Chamber and Solano Avenue Association to brand and market Albany as a destination retail, services and business investment location; The City has allocated part-time staff and consultant assistance; more could be done with additional resources
Develop waterfront area to increase revenue including the Bulb (i.e. Pt. Richmond, Emeryville); Hotel on Waterfront (hotel tax) Health Club – Brewery – Bike Rental – Bird/Wildlife Observation Point – Boat Dock – Convention Center Develop the Albany Bulb and sell it; allow slot machines at Golden Gate Fields; allow construction on unused parking lot at golden gate fields but only if waterfront improvements included.	The Voices to Vision waterfront planning completed in 2010 provides guidelines for what the Albany community wants on the waterfront
Seek development as opposed to open space	These are policy choices of the community; Voices to Vision planning provides guidelines on balance between development and open space on the waterfront.
Encourage development in the redevelopment areas (Eastshore, Cleveland)	Staff is working with property owners, realtors, and area economic development organizations; development in general is experiencing a “pause” due to economy
Relax parking requirements for commercial development if it spurs construction	The Planning & Zoning Commission could consider ways to reduce or streamline parking requirements

Ideas	Comments
Streamline process for independent business; expedite major projects like Safeway and Whole Foods; Find ways to expedite major revenue improvements	The Planning & Zoning Commission could consider different approaches.
<u>Fees/Fines:</u>	
Alarms: Charge fees for false burglar alarms and other alarms; charge alarm registration fees	Worth considering
Pay for parking: Install parking meters in commercial areas and on Buchanan at waterfront; Explore cost of installing parking fee boxes; put parking permit programs in residential neighborhoods; charge for residential on-street parking "Price For Parking) 2 car free – 2 cars you pay; establish and charge for preferential parking; Business owner permits for use of parking spaces	Traffic & Safety Commission is looking into parking permit programs; As for parking meters, the Traffic & Safety Commission received a presentation that gave some pause as to whether they are the revenue generators they appear to be; research and analysis for Albany locations would be needed. As advances in paying parking meters electronically evolves – making it more convenient - distaste for parking meters in business areas could diminish. Staff recommends trying paid parking with a permit/fee program for Buchanan Street at the waterfront before parking meters for the commercial district
Charge fines for storm water runoff	Worth exploring
Increase after-school program fee	Underway
Charge a sewer inspection fee	A fee is included in the building permit

Ideas	Comments
Re-evaluate all fees and raise where possible; Conduct a fine/permit fee study; Community Development/Master fees – 10-15% increase; Add 10% administrative fee on building & planning permits	Master Fee Schedule sets rates for fees, which need to reflect cost of service. Staff reviews annually; a study by a consulting firm could lead to increasing or decreasing rates
Increase garbage/cable franchise fees	City has the opportunity to do so in the next garbage franchise agreement City does not have the authority to increase cable franchise fees.
Increase park use fees	Just increased in July 2010. Not a significant revenue generator
Increase Teen Center fees	Staff is proposing reformatting the Teen Center services to enrichment programming
Charge for smoke detector installation by Fire Department for able-bodied persons	Worth exploring
Temporarily suspend permit subsidies (Solar power, seismic retrofit)	Subsidies were created to encourage these types of improvements; Council could remove subsidies for a period of time or permanently
Increase parking fines	Parking fines are set in the Master Fee Schedule and may be increased during the annual updates.
Charge “non-residents” fees	City currently charges a \$10 non-resident fee for recreation programs and services. Staff will propose raising it to \$12 in 2011-12 Master Fee Schedule. Have to consider what the market will bear since the recreation services are optional.

Ideas	Comments
Dog Walking Licenses; Charge for dog owners to use dog parks	The City could require a business license for professional dog walkers; The City does not have a designated dog park.
Red light cameras	The Police Dept. has previously explored this idea, conducted a review of accident data, and surveyed red light violations at intersections with the greatest number of collisions. A pilot project was deferred because the intersection was slated for reconfiguration. In the meantime, there is growing interest at the state capitol to regulate or prohibit this equipment.
Expand street sweeping coverage areas	Street sweeping compliance is currently under review for a report to City Council on potential expansion of no-parking enforcement, with an evaluation of cost/benefit
Increase facility capital replacement fees (rentals)	In the 2011-12 Master Fee Schedule, staff will recommend increasing the fee by \$2.
Bill insurance companies for fire services	This is already being done.
Evaluate tow, recreational vehicle parking & other fees; increase fines; charge a vacation watch fee; establish a vehicle impound fee program	Fees for services generally must reflect the cost of providing the service
Break even or make money on events/programs (charge instead of free)	Currently our concerts in the park are subsidized with a grant from Target. Dinner with Albany was subsidized by sponsors and the rental of tables, July 4 is partially covered by the wrist bands purchased for the rides and jump houses, the Arts and Green Festival is also subsidized by sponsors.

Ideas	Comments
"Technology fees" for building permit review – streamline process – but ONLY if permits processed in reasonable time as a result.	Worth pursuing
Charge other City APAL classes	The Albany Police Activities League is a separate entity (non-profit corporation) from the City of Albany.
<u>Sales of services/property use</u>	
Bill public for consultations (e.g. building, planning, engineering)	Possibility for a trial period
Raise fees to rent City facilities	Fees were raised in 2010-12 for uses other than Albany non-profit organizations. City should not charge more than market can bear since this is an optional service
Rent the childcare facility	City has started to rent childcare building, and Teen Center building, for birthday parties
Rent space on city property for cell towers	Would need to comply with City wireless facilities ordinance and not interfere with city operational needs.
Sell naming rights for city properties	This is usually associated with capital project improvements, but worth exploring; P&Z has been tasked with developing a naming policy. Council could consider selling temporary or permanent naming rights (ala Oracle Coliseum)
Recreation Center sponsorships/fields (advertising for fees); Advertising "underwriting" on KABL and City website	Staff recommends experimenting with sponsorships and/or advertising on KABL, the Recreation Activity Guide, and fields, with Council approval of this approach

Ideas	Comments
Teen Center – Charge for late pickups and late childcare	Done
Start an AUSD in-service day baby-sitting service	Done
Recreation – create new classes and market facility rentals more	Ongoing
UC Village – Charge for fire services	Not legally feasible at this time
Provide State Mutual aid resources	City does participate in mutual aid opportunities, which are reimbursed by the State
Voluntary subscriber program for ambulance (pay flat fee and don't get charged if use it)	Would have to be evaluated in the context of local EMS tax measures
Sell City services to other cities/agencies	Worth considering
Sell police dispatch services (e.g. Kensington)	Worth considering
Offer Notary services for a fee	Worth considering
Build parking lot(s)/garages	Could be feasible if public is willing to pay for parking in an amount that would repay cost to construct, maintain, and operate, and a suitable property is identified
Charge for speed/volume surveys for speed treatments; Charge for parking permit signs, installation, surveys, etc.	These services, materials, and supplies are currently done for free at the request of neighborhoods seeking signs or other speed treatments; the City could require neighborhoods to contribute to the cost as an indication of the block's desire for a change and to offset City costs
Offer finger printing services and charge for it	Police Department is looking into experimenting with this on a trial basis, starting with Albany residents only, by

Ideas	Comments
	appointment only, and subject to staff availability
Mayor could officiate weddings for a charge.	City could explore this idea for the Council Chamber or Community Center, depending on interest and availability of Mayor
Sell billboard space	City could explore allowing a billboard (such as an electronic/video billboard) on City property
<u>Taxes:</u>	
Increase sales tax	Majority approval of voters required to use revenues for general purposes. City can increase sales tax up to ½ cent (could be a smaller increment). Revenues would fluctuate with the amount of retail sales in Albany. Current estimates are that each ¼ cent could generate about \$400,000/year
Increase property transfer tax	Majority approval of voters required to use revenues for general purposes. City currently charges \$11.50 per \$1,000 of sales/purchase price, which in 2009-10 generated \$1,063,000 in revenue.
Increase hotel tax now for future use	Rate is currently 10%, although there are no hotels in Albany. Worth considering.
Increase utility user tax on telephone use	2/3 voter approval needed. Tax was lowered from 7% to 6.5% in 2010. In 2009-10, City received about \$700,000 in telephone user tax.
Increase business license tax	Majority voter approval required. Basic business license rate is \$242, plus \$50/employee, and adjusts annually with the

Ideas	Comments
	Consumer Price Index.
<u>Other</u>	
Pursue more grants; Have grant writer on percentage contract	City is active and successful in acquiring grants for transportation, climate action, creek restoration, senior services, Music in the Park, and other projects and programs. Staff time and matching funds are typically required. Most grant writers require payment whether or not grant is received.
Use Credit Card plan to receive cash back (i.e. "vanity" credit card)	Worth considering
Install donation bin for park use	Could be worth considering if funds were designated for a desirable cause and theft/vandalism issues didn't outweigh benefit
Pay pal accounts on-line	Worth considering
Fund Raising	Could be worth considering if funds were designated for a desirable cause and the cost to fund raise did not exceed funds received; would need additional staff, consultant, and/or effective volunteers

Other Ideas from April 19, 2011 Community Conversation

Other ideas to consider as Albany plans its future

- How do we make the city business friendly?
- Develop residential over commercial properties (give incentives).
- State Bill 375 will increase Albany's housing units to 2,000 and Albany needs to think long range (i.e. school, police, fire).
- Establish a citizen budget task force
- Study pros & cons of height limit along San Pablo Ave
- More cell towers that give residents better cell service and also more fees for City
- Increase transparency & accountability of all budgeting & negotiations
- Define deficit & make up difference by splitting expenses & raising taxes 50/50
- Hire someone to address economic development.
- Know revenue services/sources.
- Potential tax profile 1-2 years out.
- Prioritize importance of services.
- Salaries need to reflect the reality of not having enough money for high salaries.
- New revenue – sharing services
- Keep collaborating and collaborate more with Albany school district, coordinating complementary services – child care, adult education, community engagement, taxation.
- If the service is not cost effective it may have to be discontinued until stronger budget periods.

What is important to consider about local control? What criteria might Albany use in selecting which services to contract, if any, and with which agencies, organizations, etc.?

- Don't contract out services that generate revenue & are cost neutral.
- Commitment level.
- Quality of service.
- Need to be selective with contract service providers.
- Want to be able to re-gain local control when able to.
- Think about what services need to be geographically situated here. Ex. It could be elsewhere.
- Oversight
- This is not a path we want to start down – hard to regain control.
- Do standards of pay/benefits measure up with Albany's own values?
- Do you lose some kind of loyalty/commitments when you contract/not permanent?
- Quality! Be selective!
- Check if contracted services (i.e. animal control) can be done by another agency cheaper?
- What services possible to contract?
- Criteria, how to control costs?
- What can we share with school district? (i.e. technical, IT, facilities, maintenance)
- Utilize more contract workers instead of all staff hires with full pension and benefits. Contract workers do just as good a job with lower overall costs. Pay more flat fees instead of overtime fees.
- Utilize sharing service with El Cerrito, Berkeley, etc. to compensate for vacations, sick days, etc.
- Local control is very important!
- Share personnel and services with other cities.
- Contract services that require expertise (time response/affect) i.e paramedic.
- Control things that don't generate \$
- Purchasing together, shared resources.
- Maximize our services & potentially contract those services with outsiders to generate \$

Public Comments submitted after April 19th Workshop

How might Albany deliver services differently or more efficiently?

- A judicious use of volunteers can reduce *some* staff work. The arts and green festival has been a good model for volunteers working on city events. Although some staff time is necessary to guide the process, competent and experienced volunteers can organize and staff events like this. Some clerical work can also be done by volunteers. Staff needs to spend time training and supervising volunteers which often dilutes the value they provide.
- Combine with other public agencies to reach more economies of scale? Share maintenance equipment and or space with AUSD or UCV especially with large ticket items that are expensive and not used every day.
- Leverage something from the University in exchange for the fire protection Albany provides to the Village (assuming we don't contract out fire service) I think I read UC purchased a fire truck for Berkeley fire department in exchange for services.
- Modify or suspend the IPM policy until such time as there is staff to weed by hand every area. You can have no staff or no chemicals but I don't believe you can have both. Due to limited staff in public works, it is impossible to keep all of the streets, parks and public building landscaping looking as perfect as we would like.
- The sharing of the fire chief is an interesting idea and the short term contract enables staff and council to evaluate its success or make any adjustments in a timely manner. One of the services that are important to Albany citizens is the rapid and professional medical care including transport provided by AFD. This service seems to be the major portion of their calls. Is there a way to divide the fire and medical service provided and contract out fire protection and keep the paramedic services? In the budget workshop presentation, salaries in the fire department were shown to be above the average of local cities demonstrating the need to make major changes in this department.

How might Albany generate more money to provide City services?

- Increase the commercial tax base. This can come from new or renovated businesses such as the Whole Foods project and Safeway. The Whole Foods project is especially interesting because it moves property that was previously off the tax rolls onto the tax rolls. Both projects also include small stores which create a small town atmosphere while adding more businesses to the economy
- Consider ideas to streamline and enhance the planning department. Would hiring another planner assist in moving projects through faster? Is there any way to expedite the permit process? How can we make relocating to Albany easy for new businesses? Collaborating with the Chamber on various programs, like façade improvement, will help make Albany businesses grow.

- Examine business permits. Does each operator in a nail or hair salon or massage parlors have their own business license? What about permits for dog walkers? Do all of the vendors around the schools and in the parks have business licenses? What about permits for taxis? There are lots of them late at night on San Pablo, which is great, but can we get money from them?
- Discuss implementing a program of parking permits and paid parking including such questions as – what is the goal of the program? Does it make fiscal sense? Do we have staff to implement and manage it? Where does the money go? How will it affect the business community? Albany is small enough that one plan with a variety of components must be implemented for the entire city. Anything done on a particular street will impact other streets and there will be a ripple effect throughout the entire city. Start with parking meters on Buchanan St. at the waterfront.
- Consider the installation of state of the art cell towers. What type of revenue would the city get from these towers?
- Form a consortium with other agencies for purchasing. Chief Tubbs mentioned purchasing fire department uniforms with another agency and this could be done for uniforms, supplies, equipment etc. in all departments, not just public safety.
- Consider corporate sponsors and partnerships for events and programs. This is common practice for recreation programs. Naming rights for fields is another possibility.
- Consider combining programs etc. of the recreation department, the library and the AUSD adult education? Is there duplication of activities which could in some way be consolidated for cost effectiveness?

What is important about local control?

Local control gives a city personality and is one thing that differentiates one city from another. Albany is so small that our very existence is threatened by a loss of local control. The schools are the engine which drives this town followed closely by public safety. The quick response time, competent personnel, and high quality service are important to residents. People choose to pay lots of money both to purchase a home in Albany and also for taxes (supported by the electorate) to support these services. Without local control these services would possibly diminished or eliminated, housing prices would drop as the reasons to live here lessen and an unstoppable slide toward no longer being a city begins. Having said all of that, I am not opposed to considering every possible alternative to providing necessary services so long as we are aware of the consequences of losing local control and the importance of preserving our unique and independent Urban Village.

What criteria might Albany use in selecting which services to contract and with which agencies?

What do we already share? How close is the other agency? What is the fee and for how long? What happens if the conditions change? How do we get out of outsourcing a service? Is there any way we can make a trade? What do we lose? Gain? What collaborative opportunities are available?

What does Albany need to consider in fiscally planning the future?

I think it is worth considering what services are absolutely necessary, what are necessary and what are nice to do. This will help guide staff and council in determining priorities in both good and bad times.

Staff compensation is going to be a major issue going forward. Basic salaries need to be competitive in order to attract the best and most qualified employees. With the exception of the fire department Albany seems to be below the average of local cities. As health care costs continue to rise, some creative solutions will be in order. Council needs to show leadership and reduce their plans to the level provided to staff. They need to remove the in lieu payments from their package. They are not full time employees and should not be treated as such.

Health care coverage will be driven by other competing agencies. Albany must have a competitive package to attract the best people. I imagine over time the amount of coverage will diminish as costs continue to rise.

PERS contributions will have to be shared by the employee and the employer which is common in public agencies. The APOA has already agreed to do this and I imagine other groups will have to do this also.

As the City moves out of these desperate financial times (and we will) it is important continue to be conservative. Albany has a history of paying off debt as money is available to prevent being over extended when funds are more limited. During good times, it is imperative to continue to act in a prudent and responsible manner and not commit to programs or compensation packages that cannot be continuously funded during the next downward cycle.

Questions & Answers from April 19th City of Albany Community Conversation Balancing our Values and Budgets during Tough Economic Times

1. *Who is in charge of and holds decision making authority of our City's Budget?*

The City Council is the responsible authority for adoption of the City Budget.

2. *What percent of the budget is restricted funds?*

The budget discussed at the workshop was the General Fund Operating Budget and this budget of approximately \$17,000,000 is controlled by the City Council, and is not restricted by any local, state, or federal authority. The total budget for all funds for fiscal year 2010-11 is approximately \$25,000,000. Thus, of the total City budget of \$25,000,000, thirty two percent is restricted.

3. *Why is the general "fund balance" now \$5 million – it was \$3 plus million before? Is that the same as the Reserve Fund?*

The General Fund, fund balance at June 30, 2009 was \$5,025,037, of which \$3,560,007 was Unreserved/Undesignated (Reserves). This fund balance increased to \$5,065,478 at June 30, 2010 as a result of revenues exceeding expenditures during the 2009-10 fiscal year. The Unreserved/Undesignated portion of the fund balance at June 30, 2010 was approximately \$3,600,000, with the remainder being designated or reserved for special purposes. The final audited balance has not yet been reported.

The schedule below was presented at the Council budget workshop.

GENERAL FUND RESERVES

	Fiscal Years Ended			
	2007	2008	2009	2010
General Fund Expenditures	\$13,786,799	\$14,963,976	\$16,034,369	\$15,831,374
Minimum Target Reserves - 25%	3,446,700	3,740,994	4,008,592	3,957,844
Undesignated Fund Balance	3,182,581	3,209,486	3,560,007	3,600,000
Under Target	\$264,119	\$531,508	\$448,585	\$357,844

4. What percent of the City's annual expenditures is related to debt service payments?

General Fund expenditures in fiscal year 2009-10 were \$15,759,826 and of these expenditures, \$19,901, or 0.1%, was for debt service. Total expenditures for governmental funds in fiscal year 2009-10 were \$27,356,185 and of these expenditures, \$1,846,515, or 6.7%, was for debt service. In addition to the governmental funds debt, the City has a special assessment district for which the annual debt service is approximately \$475,000, and the City's enterprise fund (Sewer Fund) pays annual debt service of approximately \$630,000 per year.

5. What would a sales tax of ¼ cent generate in revenue?

Based on taxable sales for the 12 months ended September 30, 2010, the City's sales tax consultant (auditor/monitor) projects that an increase in the local sales tax rate of an additional .25% (1/4 cent) would yield revenue to the City of \$400,000 to \$500,000.

6. What would a parcel tax of \$50 generate in revenue?

There are 5,737 parcels in the City, so a strictly drafted parcel tax would yield revenue of \$286,850. However, all parcels are not equal and if the tax was based on an equivalent residential units (ERU) formula typically applied to parcel taxes, the number of units would be 7,000 to 8,200 ERUs, yielding revenue of \$350,000 to \$410,000.

7. Could the property transfer tax be raised? How?

Raising the real property transfer tax would require approval of a measure placed before the voters in an election, and would have to be passed by a majority of the voters in the election. Placing a measure on the ballot would either have to be done by approval of the City Council or by citizens circulating a referendum petition. The next general municipal election is November 2012, and if passed, the change in tax would most likely be effective 1/1/2013.

8. How much does it cost to place a measure on the ballot?

At a general municipal election, when members of local offices (City Council, School Board, City Treasurer) are on the ballot, there is a very minor incremental cost to print and publish materials. The estimated cost to conduct a special election separate from the general municipal election is \$50,000. It may be possible to conduct a mail ballot special election for a lesser amount.

9. *What is the per capita citizens' amount for staff salaries in Albany and how does that compare with other cities along the San Pablo corridor?*

Albany's salaries are \$492 per capita. Here are the figures for some of the other cities of somewhat comparable size: Pinole \$509, El Cerrito \$669, Piedmont \$791, and Emeryville \$1,561. Hercules and San Pablo do not have municipal fire departments.

10. *What was the total cost of consultant services and contracting services issued by the City in 2009, 2010 and projected in 2011, 2012?*

Consultant and contracting services are recorded in the accounting classification of Professional Services which is a broad category in which consultant services is minor portion. General Fund Professional Services are charted below. They are classified by services that are reimbursed (such as by permit applicants), and those that are not reimbursable (such as specialized services).

GENERAL FUND PROFESSIONAL SERVICES
ACTUAL AND BUDGETED

Period	Reimbursable	Non Reimbursable	Total
Fiscal year 2008-09	333,130	884,408	1,217,538
Fiscal year 2009-10	387,383	659,860	1,047,243
Fiscal year 2010-11(10 mo.)	297,761	441,945	739,706
Fiscal year 2010-11 budget	375,800	776,387	1,152,187
Fiscal year 2011-12 budget	375,800	718,247	1,094,047

11. *How much of these plans/studies have been implemented and what were the costs of implementation?*

Most of the professional services are for activities other than developing plans/studies. The plans developed in the above fiscal year include *Voices to Vision* about the Albany waterfront, which is providing guidance to the property owner on what the community would support, and an Economic Development study, which is being implemented as part of the City Council's work plan primarily through the work of City staff and the local business associations, with some outside assistance related to the redevelopment zone and identity/branding work.

12. *Albany is comparing its City employees' salaries/benefits/pensions with employees of other cities. With as high as benefits and pensions are across the board, that's comparing our City employees with dollars that are too high. You should be comparing*

salaries/benefits/pensions with those of us who pay the property taxes, and thus pay City employees' salaries/benefits/pensions. I, and many people I know, have had salaries, rates and/or hours cut. Our overtime is cut or capped, and we work for flat rates. This is what all of us who live in Albany do. We pay your salaries/benefits/pensions; you employees should do the same, shouldn't you?

What this question suggests is basing compensation on factors other than comparison with other cities, and raises the idea of considering the compensation of residents in setting city salaries. The City Council has the option of considering this approach, while also recognizing other factors such as the type and level of skills, knowledge and ability it is seeking in its applicants and employees, the availability of those qualifications among prospective employees, and whether to seek to retain employees who are competitive for other cities' positions.

13. How did salaries and benefits get to where they are relative to other cities and the private sector?

When the economy was booming, there was a lot of competition among cities, and between cities and the private sector, for public employees. Cities had difficulty attracting and retaining employees who were being wooed by private sector salaries and bonuses. At various times, competition was particularly fierce for positions such as police officers, engineers, accounting technicians, planners, paramedics, and other support, operations, technical, and managerial staff. Turnover is expensive for any organization because of recruitment and training costs. Albany made efforts to attract and retain quality personnel who had not only good skills, knowledge, and ability for the jobs, but could also provide the wide range of duties employees in a small city perform.

14. How do Albany's post-retirement costs compare with other cities?

Albany has three advantages over many other cities with respect to post-retirement obligations:

- 1) The City avoided entering into obligations for retiree health benefits. So while other cities are facing rising costs and liabilities to pay for retiree health benefits, the City of Albany pays only the fixed cost required by PERS of \$104/month (plus CPI), and a certain amount into a health benefits account for some long-time employees.
- 2) The City was able to pay off some of its pension obligations, thereby avoiding higher pension costs currently and going forward.
- 3) The City's pension plans for police and fire is the "3% at 55 formula", rather than the higher-cost "3% at 50" formula in place in most Bay Area public safety agencies; the City's "2.5% at 55" formula for non-safety is about middle-of-the-road for pension benefits in the area.

15. Can't the City reduce employee pensions?

Cities and other public agencies are restricted from reducing pension benefits for current employees. They can reduce pension plans for new hires if agreed upon during the collective bargaining with employee groups. PERS has a set range of benefit plans available for contract. The City is pursuing this so-called "two-tier" approach.

16. Who negotiates with the union groups?

The City hires a negotiator from a local non-profit entity, IEDA, which represents many public agencies in collective bargaining. The Human Resources Manager also participates in negotiations. The negotiator is given direction by the City Council and reports to the City Manager.

17. Explain how a furlough program lowers costs and how it affects employee compensation.

A furlough program reduces the number of hours per year that employees work. Employees' pay is reduced by the same percentage that the hours are reduced. Lower salaries result in lower costs for benefits that are priced based on salary (pension, Social Security, Medicare, etc.).

18. Has the City considered unpaid leave/furlough program to cut down the salary?

Yes.

19. The forthcoming 4.0% and 4.5% contributions to PERS by some City employees (directors, managers, supervisors and professionals) are lower than many other cities. Why can't the City ask more?

The City is asking more. It is the goal of the City to have employees pay the entire 8.0% (non-safety) or 9.0% (safety) employee contribution. Police employees will begin paying 8.0% or 9.0% this July. The City is in negotiations with its miscellaneous employees (SEIU) and with its Fire employees.

20. How much money would be saved if staff reduced their salaries by 5% for those who earn \$90,000-\$100,000, and 10% for those who earn over \$100,000?

Salary and PERS savings of \$13,207 for the two employees earning \$90,000-\$100,000 base salary plus incentives. Salary and PERS savings of \$426,467 for the twenty-eight employees earning over \$100,000 base salary plus incentives.

21. *Can the employees pay more of the pension and health benefits cost?*

Employees can pay more towards the cost of pensions, although PERS does regulate how far employers can go in the employee pick-up formula. Employees can pay more health benefits costs. Both the pension and the health benefits payments by employees are subject to collective bargaining negotiations between the City and the employee associations.

22. *Is overtime included in the calculation of the pension pay? If included why not remove overtime in calculation?*

Overtime is not included in the calculation of the pension pay.

23. *Is the 20% of monies not allocated to salaries, benefits or overtime flexible enough to bridge the budget gap?*

That does not appear likely at this time.

24. *How many of recreation activities/camps were used by Albany vs. Non-Albany residents?*

Albany Residents Registrations:

July 1, 2009 to June 30, 2010 -----6,569

July 1, 2010 to April 28, 2011 -----6,306

Non-Residents Registrations

July 1, 2009 to June 30, 2010 -----7,427

July 1, 2010 to April 28, 2011-----6,971

25. *Are these recreation activities self-sustainable economically?*

Cost recovery varies in each of the Recreation and Community Services divisions.

Teens, Seniors, and Special Events have the least cost recovery. Teens and Special Events recover approximately 23-25% of expenses, and Seniors approximately 44% of expenses. Facility Rentals are approximately 50% cost recovery, although this number is expected to improve now that the Community Center Tower has been repaired. Child Care and Recreation

Classes are approximately 83%-85% cost recovery, the Cable division is approximately 93% cost recovery. Adult Sports is 104% cost recovery. The Civic Arts program is a very small budget and is 6% cost recovery.

26. *Can we increase the fee for non-Albany residents/participants?*

Yes, the City can increase the non-resident fee. Currently, non-residents pay an additional \$10 per person, per class. When cities evaluate non-resident fees, they consider what other providers charge and what the market will bear since these services are optional.

27. *How can the City Charter sections 14-1.5 and 14-1.6 transfer the cost of replacing the public sidewalk in front of our house caused by the City of Albany's Camphor tree on the City of Albany owned strip?*

This inquiry raises the question of how the City can require a private property owner to maintain the sidewalk, even when it may be damaged by a tree in the parking strip. State laws found in the Streets and Highways Code (sections 510 and 5611, for example) contain very similar provisions to Albany Municipal Code sections 14-1.5 and 14-1.6. The City derives its authority to pass its ordinances under its inherent police powers. The State likewise has a similar power under its legislative authority.

Residents and city officials sometimes refer to trees planted in the parking strips as city trees. This is not necessarily an accurate statement. When land is subdivided, as it was in Albany for the most part several decades ago, developers are typically required to create roads, curbs, parking strips, sidewalks, and landscaping. Once planted, a tree within the public right of way is not technically owned by the city. The tree becomes the responsibility of the owner of the private property contiguous to the right of way. As such, the owner becomes responsible for the tree and the maintenance of the sidewalk or other elements within the public right of way. It may be more accurate to say that the tree is owned by the owner of the private property that is contiguous to the public right of way. So, if a public park (land owned by the City) was next to a public right away with a tree in the planting strip, that tree would be owned by the City.

Finally, many residents may not be aware of the fact that they may have fee ownership of the land where a sidewalk, parking strip, or curb is. These areas are usually referred to as the public right of way because when the land was subdivided, the sub divider was required to provide those public amenities.

28. *Will there be a sidewalk reimbursement fund this year as there has been in past years to at least reimburse 50% of the homeowners' sidewalk replacement cost?*

In the past several years the City has allocated funds to be available on a first-come, first-serve basis to reimburse property owners for up to 50% of the cost to replace sidewalk areas where damage is caused by the roots of trees in the parkway strip. The funds for fiscal year 2010-11 have been exhausted. Whether funds will be allocated in 2011-12 will be determined as part of the budget adoption. A one-year pause on this reimbursement program has been identified as a potential contributor to balancing the budget.

29. *How can the City encourage home sales so that the transfer tax will rise? For example, can there be waivers to encourage home buying?*

According to local Realtors, there are more people interested in buying a home in Albany than there are homes for sale. It is an interesting question as to what might trigger more property owners putting their houses up for sale. While one idea could be to waive the property transfer tax, this tax does not appear to be a driving factor in whether owners list their properties for sale.

30. *Has the city considered taking a more active role to initiate a "broker: service to attract mid to large size business to come to the City?"*

The City discusses available properties with commercial real estate agents and brokers, property owners, and prospective businesses. The City has initiated inquiries about potential businesses to move to Albany, most notably in the City's redevelopment district on Cleveland Avenue and Eastshore Highway. In addition, Albany is a member of the East Bay Green Business Corridor and the East Bay Development Alliance, which are consortiums of cities that provides assistance in seeking new businesses, retaining existing businesses, and related investment strategies.

Cities of a larger size, larger budget, and/or larger redevelopment agency sometimes have staff members who, with policy direction on the specific businesses or types of business to recruit, continually solicit businesses to locate or relocate in their cities. The City of Albany dedicates a portion of one staff person, with some outside assistance, to work on economic development projects and programs. The relatively small size of Albany's commercial parcels and buildings, and the fact that the redevelopment agency does not have the authority to assemble parcels that most agencies have, puts it at a competitive disadvantage for new mid to large sized businesses.

The City could do more to attract businesses, but it would require additional funds for staff and/or consultants. It would also depend on local support for medium to large-sized businesses to locate in Albany.

31. Please explain how the leaving of a planning position vacant saved money when you calculate lost revenue from delayed permit approvals and lost permit opportunities from discouraged applicants who did not apply for permits?

The City has worked hard to avoid significant delays in processing planning applications. Some applications have moved relatively slowly, such as the Safeway, University Village, and St. Mary's projects, but the speed has been a result of iterative refinements in project design initiated by the Planning and Zoning Commission or by the applicant rather than because of lack of attention from staff.

The consequence of the open planning position has been that the Planning Manager has focused more on planning applications at the expense of on-going long term planning initiatives. Examples include the Housing Element, refinements to the Planning and Zoning code for telecommunications, annual monitoring of St. Mary's High School, etc.

32. Has the city considered shared services - not contracting, but forming a regional type group of service such as fire services & sewer services, etc.?

The City has discussed some regional services with nearby cities and other agencies, and we anticipate that there may be increasing interest in a tight economy. There are challenges to regionalizing services, and Albany's location at a county line presents additional difficulties to partnering with neighboring cities to the north.

33. With the City Clerk retiring, who will process election information?

The City Council is appointing an existing staff member (most likely the Assistant City Manager) to serve as the City Clerk and perform some of the functions of the position while overseeing other staff members performing other of the duties. The person in that position will perform the election duties directly or the City will contract for those services on an as-needed basis. The next scheduled municipal election is November 2012.

34. Does the City have other options than Alameda County for vector control services?

That is something that the City will research.

35. City should charge some minimum fees on fire services (e.g. smoke detector installation, CPR training, etc) during the economy low times. Has the City considered this?

The Fire Department charges \$25 for either CPR or First Aid. The First Aid classes are offered twice a year, and CPR is offered four times per year. We anticipate that these classes generate about \$2,000 – 2,500 annually.

When a smoke detector is installed we only charge \$16 to cover the cost of the detector. We only install the detectors in senior housing and for our disabled residents. We have not charged fees for several of the allowed permits in the Fire Code to be a better partner with our Albany businesses.

36. Can we reduce fire department costs from 6 to 5 staff requirements because of our large overtime costs?

Overtime is caused by several factors which include sick leave for self and family, jury duty, vacation, on the job injuries, mandated training, and vital regional meetings that keep employees up to date on various aspects of the job: (Emergency Medical Services, or EMS), disaster preparedness, fire prevention, public education, training, and daily operations, to name a few.

The Fire Department used to be staffed by seven people at all times. The Department cut back to six people per shift in the mid-1990's as a cost saving measure. Since there is no additional staff to cover when a person is out for any of the reasons above, those shifts are filled on an overtime basis. Some overtime costs are recovered; for example, when we participate in fighting fires or assist in any disaster in California, we are reimbursed for the costs of our staff and equipment assisting at the incident as well as the costs for backfilling all personnel here at home. We do actively watch our overtime costs and do everything possible to minimize its effect.

The entire city departments combined overtime is approximately 5% of the total budget. To save on overtime, we could increase staffing to at least seven per shift and then allow one person to be off duty at any time. This would reduce the amount of overtime but it does front load the cost to increase the staffing level by three positions. If in the alternative the shift was not backfilled, the department would lose the flexibility to respond to simultaneous or subsequent call(s) for service.

37. What is the staffing level, and what services are provided by the Fire Department?

The Fire Department is staffed by 18 firefighters, one Battalion Chief/Fire Marshal, and a shared Fire Chief. They fight fires, handle medical calls, respond to hazardous conditions, perform over 1,000 business and fire safety inspections, educate the public, and perform CERT and CPR training. Albany receives a high level of quality fire services with far less personnel when compared to most other fire departments in the area.

On a daily basis the Fire Department has six firefighters to staff an engine, an ambulance, and the truck. In any of the other neighboring cities this would be staffed with eight firefighters but we accomplish this by "cross-staffing." The type of unit responding to a call, and the staffing level are determined by the type of call that the fire department is dispatched to and the order in which it was received.

For instance, the ambulance has two people that operate this unit with both of them being paramedics. The engine responds with the ambulance as we do not know when a third person is needed to assist with a patient's medical needs when transporting a critical patient to the emergency room. When this

does happen the fourth firefighter can return to the fire station with the engine and team up with the two other firefighters to form a three person engine or truck. This allows a three person staffed reserve engine on the truck, which is also staffed with a paramedic, to respond to another call for service and allows them to perform most of the functions needed; realizing that they will need assistance from another adjoining city or other mutual aid resources to minimize the impact of the incident. Without six personnel on duty at all times, we cannot handle a simultaneous call for service of any consequence. So utilizing our six personnel per shift is trying to meet the standards of service levels and the safety requirements of our firefighters while trying to operate at a cost savings level for the City budget. Four firefighters on an engine or truck is the industry standard for minimum staffing based on several factors which include: level of service. Fires, as well as medical calls, are dynamic and do change quickly. Three, and even four persons, are regularly needed to assist with the following on medical emergencies: splinting extremities or spinal immobilization onto a backboard, conscious and unconscious patient carries, multiple patients, patient access above/below ground, contact information, and medical history retrieval, CPR regularly requires at least four people to provide the necessary care to treat and transport a single patient.

Regarding response to fires, the industry standard is four firefighters on each engine or truck. Using four firefighters allows shorter start to finish times of handling an incident, allows faster completion of the four critical events of firefighting which are: Entry into the building, rescue, water on the fire, and ventilation. It also helps prevent firefighter injuries which reduces overtime costs to the city, prevents exhaustion due to physically taxing activities and helps minimize the damage to the personal residence or commercial business.

Reducing the level of staffing would also reduce the First Responder Advanced Life Support, or FRALS revenue that the City receives from Alameda County. Additionally, reduced staffing could jeopardize Measure "N" funding that was passed with our community to help support the fire department in meeting the community's needs. It also would prevent the fire department from assisting any other city with an out-of-Albany emergency as we would not have any available personnel or equipment here in the City. That would most likely have repercussions to any other city responding to Albany when we would need assistance.

So to answer the questions of staffing levels; we cannot reduce our number of firefighters on duty without sacrificing the level of service provided by the Albany Fire Department.

38. Can fire services be shared with other cities?

We have already started to explore ideas of providing services by alternative means. The new Fire Chief is the first example of this concept. The Chief is already exploring other options of sharing costs of service as well as joint purchasing to lower the operating expenses for the Albany Fire Department but for our surrounding cities as well.