

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

Agenda Date: July 5, 2011
Reviewed by: BP

SUBJECT: Future Fiscal Planning

REPORT BY: Beth Pollard, City Manager

STAFF RECOMMENDATION

Review suggestions offered by the public and employees on medium to long range strategies to reduce expenses and increase revenues, and provide initial direction on pursuing these strategies.

BACKGROUND

During the month of April 2011, the City solicited suggestions from City employees and the community on budget balancing strategies. This process included employee meetings on the City's budget, and a public workshop on April 19 that included a presentations on City revenues, expenses, fund balance, and trends. The April 19th workshop also included roundtable discussions between Council Members, employees, commissioners, and other members of the public on ideas for closing a budget gap.

On May 19, the Council, employees and community engaged in further roundtable discussions about the budget balancing strategies. Participants were asked to indicate which ideas they thought were worth pursuing, which were "non-starters", and on which ones they were undecided. This matrix of ideas was also placed on the City website in a survey format for further responses.

DISCUSSION

The suggestions fall into these categories:

- Shared arrangements with other cities or public agencies
- Employee salaries and benefits
- Overtime and retirement
- Operate City services differently
- Modify/reduce City services, projects, policies, and subsidies
- Technology
- Economic development
- Fees and fines
- Taxes
- Other

Some of the suggestions have been incorporated into the 2011-12 budget and Master Fee Schedule. Other ideas would take a longer period of time to develop and/or policy changes.

Attached (Attachment 2) are the results of the feedback received from participant and survey responders to the suggestions. It was a small survey sample, but it does provide some initial indication of ideas that involved residents and employees consider worth pursuing and not worth pursuing.

ANALYSIS

Staff has reviewed the responses and excerpted those ideas on which the number of people who replied “Yes” the idea is worth pursuing is greater than the “Maybe” or “No.” Those excerpted suggestions are shown on Attachment 1.

At this time, staff is seeking Council direction on which strategies to continue to pursue. Some ideas are already underway or do not require a significant amount of staff time or other resources. Others will require investment in analysis or equipment, policy changes, or voter approval. For those items that require policy changes or voter approval, Council will need to provide direction to staff to place on a Council agenda or refer to an advisory body.

Staff recommends that Council give direction on pursuing the excerpted list of initial higher priority items, excluding any items that Council does not support and adding any items from the full list that Council believes warrant further consideration. That modified list could then return to Council with analysis of staff time, policy changes and other resources needed to develop the suggestions, and a preliminary indication of budget value.

SUSTAINABILITY IMPACT

Council can consider sustainability principles in the pursuit of each suggestion.

FINANCIAL IMPACT

There will be staff time involved in developing the recommended suggestions and/or providing staff support to advisory bodies. Some suggestions have a higher benefit ratio to staff time investment than others, which staff recommends Council consider in prioritizing its direction.

Attachments

1. Top Results from Employee/Public Suggestions
2. Public and Employee Budget Balancing Suggestions