

Budget Worksession

Agenda Item #	3
Meeting Date	April 23, 2009
Prepared By	Barbara B. Matthews City Manager
Approved By	

Discussion Item	Worksession concerning the proposed General Government budget for FY 2010
Background	<p>The City's new fiscal year will commence on July 1, 2009. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager prepared a proposed budget for consideration by the City Council.</p> <p>On April 23, 2009, the City Council is scheduled to discuss the proposed operating budget for the General Government Department. The department is comprised of the elected branch of the City government and support staff to the City Council, including the Office of the City Manager, the City Attorney, and the City Clerk. Expenditures related to the internal service functions that provide support to all City departments are also accounted for in the General Government budget. These functions are accounted for in seven budgetary divisions: Legislative, General Management, Finance, City Clerk, Legal Services, Human Resources, and Information Systems.</p> <p>The City Manager's proposed budget for the General Government Department is \$2,532,288. This represents an increase of \$66,049—or 2.7 percent—compared to budgeted expenditures for FY 2009. Personnel-related costs account for the variance.</p> <p>Approximately 69 percent of departmental expenditures for FY 2010 are personnel-related. Departmental full-time equivalents remain unchanged.</p> <p>Supplies account for about two percent of proposed departmental expenditures. This category includes the cost of such items as office supplies, printer toner, and other computer-related items.</p> <p>Services and charges represent approximately 22 percent of proposed expenditures for FY 2010. Expenditures accounted for in this category include legal services and other contractual expenditures, including the annual financial audit and software maintenance and licensing costs. Banking fees and telephone costs are also accounted for in this expenditure classification.</p> <p>Miscellaneous expenditures total approximately seven percent of departmental expenditures. The most significant expenditure in this category is the cost of association dues, including the City's membership in the Maryland Municipal League and the Metropolitan Council of Governments. Costs related to the general election to be held in November 2009 are also charged to this category.</p> <p>A breakdown of the most significant departmental expenditures is provided below:</p>

	<ul style="list-style-type: none"> • Personnel-related expenditures = \$1,755,788 • Legal services = \$200,000 • Software maintenance and licensing, tech support = \$68,000 • Association dues = \$49,550 • Biannual resident survey = \$40,000 • Annual financial audit = \$35,000 • Employee recruitment costs = \$25,000 • Bank charges = \$17,000 • Review and update of personnel policies = \$15,000 • Preparation of CAFR = \$14,500 • Election expenses = \$12,000
Policy	<p>In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager is charged with submission of a proposed budget for consideration of the City Council. Before adoption of the budget, the City Council shall hold at least one public hearing.</p> <p>A public hearing on the City Manager’s proposed budget was held on April 13, 2009.</p>
Fiscal Impact	<p>The City Manager’s proposed operating budget for the General Government Department is \$2,532,288.</p> <p>Passport services are projected to generate \$21,000. Investment earnings are projected to total \$190,000.</p> <p>Funds from the sources noted above total \$211,000, requiring an additional \$2,321,288 to pay for these City services.</p>
Attachments	<p>Staff previously provided the City Council with a binder containing information related to the proposed budget for FY 2010. The information contained therein will be discussed at the worksession. Staff requests that Councilmembers bring their binders with them to the worksession.</p> <p>The following information previously distributed may be referred to during the discussion:</p> <ul style="list-style-type: none"> • Proposed FY 2010 Budget Summary for the General Government Department

	<ul style="list-style-type: none"> • Proposed Capital Improvement Program <p>New information includes the following:</p> <ul style="list-style-type: none"> • Proposed FY 2010 Budget Highlights <p>More information on the proposed General Government Department budget for FY 2010 can be found on the City's website, www.takomaparkmd.gov.</p>
Recommendation	Staff recommends that the City Council discuss the proposed budget for the General Government Department and provide direction to the City Manager relative to the proposed budget for this service area.
Special Consideration	<p>Staff has discussed ways that the General Government Department budget could be reduced, should circumstances require it or the Council desire to do so. As noted above, the vast majority of the department's expenditures are related to personnel, legal services, financial/accounting functions, software maintenance and licensing costs, employee recruitment, and legal services. Consequently, achieving significant savings would be difficult without reducing departmental staffing.</p> <p>Minor savings could be realized by reducing funding for overtime, training, and conference attendance. More significant savings could be realized by reducing departmental staffing, eliminating funding for the biannual resident survey, and terminating the City's membership in certain professional associations.</p>

GENERAL GOVERNMENT

Proposed FY 2010 Budget Highlights

The General Government Department comprises the divisions of Legislative (City Council and elections), General Management (City Manager's office), Finance, Legal, Information Systems, Human Resources, and City Clerk. Together, these divisions provide the fundamental management and administrative services required for municipal government.

The City Council established its goals of sustainability; a livable community; and an engaged, responsive, and service-oriented government in its draft Strategic Plan for FY 2009-2014. The City Manager ensures that the Council's goals guide the activities of all departments, including the activities within the General Government Department itself.

SUSTAINABILITY: The following General Government initiatives respond to the Council's intent, as expressed in their Strategic Plan, to ensure that Takoma Park is financially, environmentally, and economically sustainable.

1. Obtain an unqualified opinion on the City's financial statements and annually obtain the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the U.S. and Canada. Meeting these objectives annually will provide the City's residents with the confidence that the City is financially sound, operating efficiently, and in compliance with finance-related City/state laws and grant requirements. Maintaining sound financial practices and ensuring adequate unrestricted fund balance will also assist the City in obtaining bond funding for improving its infrastructure and capital assets.
2. Continue efforts to ensure fair municipal tax duplication payments for Takoma Park through the City Manager's continued participation in the Joint County/Municipal Revenue Task Force and, through coordination of lobbying efforts, with County and State officials as necessary.
3. Explore health insurance cost reduction options with representatives of the two City bargaining units prior to the next contract renewal period.
4. Focus attention on disaster recovery and network security for the City's computer network systems. These systems must remain operational and, if there is a major disaster, be able to recover, so that public safety systems and the City's financial

records are fully protected. Backup and disaster recovery capabilities will be enhanced first. Subsequently, the Local Area Network security will be subjected to a penetration and vulnerability assessment and test.

5. Further upgrade the City's financial software. The capacity to safely accept credit card payments for more uses will be available.
6. Review the City's insurance and workers' compensation claims. Provide training programs to address areas where measures may be taken to help improve staff safety and reduce the City insurance and workers' compensation payments.

LIVABLE COMMUNITY: The following General Government initiatives respond to the Council's intent, as expressed in its draft Strategic Plan, to create and maintain a livable community that is vibrant, healthy, and safe, with convenient transportation for all of its residents.

1. Continue lobbying efforts on many aspects of promoting a livable community, including supporting efforts to fund the Purple Line and working to ensure that the adequate bus capacity remains at the Takoma Metro station if development plans at the station are pursued.
2. Promote voter registration and participation in City elections through the Takoma Park Board of Elections.
3. Conduct a second Residents' Survey to help monitor perceptions of quality of life and of City services. A statistically valid random survey is particularly helpful in learning of quality of life perceptions across the spectrum, whether or not the persons participate in City government activities. (The objective of monitoring perceptions of quality of City services also addresses the Council goal of an Engaged, Responsive, and Service-Oriented Government.)

ENGAGED, RESPONSIVE, AND SERVICE-ORIENTED GOVERNMENT: Ensure the delivery of high quality city services. The City needs to understand the community's needs, be responsive to these needs, and measure progress in meeting those needs.

1. Develop and implement regular training programs aimed at improving customer services. Programs will consist of both on-line and face to face trainings.

2. Work with City departments to identify ways to encourage customer feedback on City services, in addition to the general information obtained from the Residents' Survey.
3. Continue to administer My TKPK, the City's on-line customer service request software, and refine as needed.
4. Continue to administer the Alert Messaging services, which provide e-mail and text messaging notices during emergencies to subscribers.
5. Continue to administer wireless synchronization services to all City staff members who have City-issued cell phones. These services facilitate efficient customer service for both internal and external customers.
6. Implement second phase of human resources intranet system to include posting of information of use to City staff, such as policies, class specifications, pay scales, and the class allocation chart. This project will also include the design of a formal intranet web page. Implementation of the first phase of the project included identifying, purchasing and installing software that permits candidates to apply on-line and allows employees to be able to change their payroll and personnel information. Training on the new software is expected to be completed by the end of May, 2009.
7. Review, update and streamline all personnel city policies, codes and practices. The project is to be completed in two phases. The first phase includes hiring a consultant and having the consultant review old policies and meet with department heads to compile recommended changes. The second phase includes development of a policy manual and the posting of revised policies on the City's intranet.
8. Create a video highlighting why the City of Takoma Park is a great place to work. The video will be used for New Employee Orientation and could be used for Economic Development marketing.
9. Continue use of an on-line performance management evaluation system and an on-line web-based tool for human resources management.
10. Provide enhanced transparency by maximizing the amount of information about Council actions and City committees on the City's web page and via other communications methods.

11. Staff support of the activities of various boards, commissions, committees, and work groups. Current staffing responsibilities include the Board of Elections, Emergency Preparedness Committee, Ethics Commission, Noise Control Board, Nuclear Free Committee, Personnel Appeal Board, Police Employees' Retirement Committee, and Safe Roadways Committee.