



CITY COUNCIL AGENDA ITEM

September 9, 2011

TO: The Honorable Mayor and City Council Members

FROM: John Szerlag, City Manager

SUBJECT: Proposed Amendment to the Three Year Budget; Retention of Two Sergeants and Two Police Officers

At our last study session we spoke about the cost effectiveness of the Early Retirement Incentive Program (ERIP) and other best practices vis a vis our three year budget. As you know, the ERIP is part and parcel of employee concessions as well as modified collective bargaining agreements and reduction in costs for replacement employees. Because of this, the ERIP/Concession initiative not only reduced reliance on Fund Balance, but we now have projected revenues exceeding projected expenditures for the first two years of the three year budget. If we compare the average expenditure reductions from the ERIP to the average use of Fund Balance over the next three years, we project revenues over expenditures on an average of \$600,000 per year.

I wish to thank all employees for making the sacrifice. We could not have achieved this economic sustainability benchmark without them. And we stand alone in this regard as we know of no other Municipal, County or State organization that has matched this achievement.

Turning now to the organizational restructuring and economic sustainability study performed by the International City/County Management Association (ICMA), this organization made two recommendations pertaining to retention of employees:

1. The streets, drains and parks division of public works would not be sustainable unless we reinstated eight positions slated for elimination.
2. The police department would not be sustainable unless four of the thirty eight sworn positions slated for elimination were retained.

In other words, proposed cuts made by staff and approved by Council were essentially too deep to be sustainable in these areas. Our three year budget retains the eight positions in public works, but does not address the four sworn positions in the police department.

Given the above, I recommend that City Council authorize the retention of two sergeants and two police officers slated for elimination in FY 2014.



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C: Gary Mayer, Chief of Police
Keith Frye, Police Captain
Gerard Scherlinck, Police Captain
Monica Irelan, Assistant to the City Manager/Coordinator of Continuous Improvement
Peggy Sears, Human Resources Director
Thomas Darling, Darling & Associates

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