



CITY COUNCIL REPORT

November 25, 2008

TO: The Mayor and City Council Members

FROM: Phillip L. Nelson, City Manager
John M. Lamerato, Assistant City Manager/Finance & Administration
Brian P. Murphy, Assistant City Manager/Economic Development Services

SUBJECT: Preliminary Discussion No. 3 of the 2009/10 Budget -
Potential Revenue Enhancements and Expenditure Reductions

At the November 24, 2008 meeting City Council provided staff with direction regarding ways to potentially generate more revenue and reduce expenditures. Another preliminary budget discussion is therefore submitted as a study item in order to continue the process.

Staff has redesigned the tables that contain suggested methods to work toward balancing the 2009/10 budget. Several decisions were made, but due to the lateness of the hour, additional analysis is necessary to complete Council deliberations on the issue.

The new tables indicate overall Council feelings on the suggested issues, which of the adopted Council outcomes are tied to the proposed revenue or expenditure disposition, and initial action taken by the Council on each of the suggested line items. Items that are labeled "RC" mean that they require council consideration.

The table also shows a running total of items where the Council indicated approval of the revenue or expenditure items. As example, the Council tentatively approved \$1,683,600 in revenue enhancements and gave tentative approval for \$1,535,000 in expenditure reductions. Together, the Council has tentatively approved an estimated \$3,218,600 toward balancing the budget.

To clear up any discrepancies of intent, the last section of items were listed to get additional clarification from Council as to whether the items should be considered or removed from consideration. When the columns indicating strong consideration, consideration, and neutral are totaled, the number constitutes a majority of the Council and staff is simply asking for further clarification from the Council as to your intentions.

Potential New Revenues

Program (Objective)	Estimated Dollar Value	Strongly Consider	Consider	Outcome Connection	Council Action
Transfer excess Special Assessment funds	\$ 1,000,000	7		1,2,3	Implement
Increase DDA charge for charge for services	175,000	5	2	1,2,3	Implement
Implement Police arrest booking fee	158,600	5	2	1,2,3	Implement
Implement downed wire fire response fee (electric co. pays)	10,000	5	2	1	Delete
\$1.00 service charge on all parks and recreation transactions	100,000	4	2	1,2,3	Implement
Charge admission to museum grounds (currently donation is requested)	20,000	4	2	1,2,3	Implement
Charge non-resident fee for Internet usage at Library	20,000	4	2	2	Implement
Implement property damage auto crash recovery fee	135,000	3	1	1,2,3	RC
Increase building permit fees by 5%	70,000	3	2	1,3	Implement
Charge non-profit groups for use of Community Center meeting rooms	30,000	3	1	2,3	Implement
Increase shelter fees	10,000	3	3	2,3	Implement
Charge seniors the full cost of all programs	100,000	2	3	1,3	Implement
Implement auto injury accident cost recovery fee	61,500	2	3	1,3	RC
Implement structure fire response fee	25,000	2	4	1,2,3	RC
Implement fire re-inspection and revised plan review fee	18,750	2	5	1	RC
Implement a fuel surcharge on traffic tickets	100,000	2	4	1,2,3	RC
Implement suspicious fire response and investigation fee	12,500	1	3	1,2,3	RC
Potential Revenue Enhancement	2,046,350				

Running Total

1,683,600

Note: The transfer of excess Special Assessment funds is a "one-time" revenue enhancement meaning that subsequent years would require either additional revenues or additional expenditure reductions.

Potential Expenditure Savings	Estimated Dollar Value	Strongly Consider	Consider		Council Action
Freeze positions through retirement incentives (2009/2010)	\$ 1,300,000	6	1		Implement
Eliminate City Calendar	35,000	4	1		Implement
Eliminate all irrigation except athletic fields, DDA and City Hall	100,000	3	2		Implement
Reduce part-time staff in the parks by 25%	85,000	3	2		RC
Reduce number of right of way mowing from 6 to 3 cuttings per year	39,000	3	1		RC
Eliminate annual plantings, mulch, street maint. Except DDA & Civic Center	8,000	3	3		RC
Reduce Civic Center maintenance levels	30,000	2	4		RC
Eliminate employee tuition reimbursement	25,000	2	3		RC
Negotiate hiring part-time in lieu of full-time		2	3		RC
Reduce mowing in parks/public grounds	15,000	2	2		RC
Limit snow plowing of subdivisions to straight time, with min. overtime	30,000	2	2		RC
Eliminate Family Festival	6,800	1	4		RC
No snow removal on overtime (City Property)	100,000	1	3		Implement
Eliminate annual boards and committees appreciation banquet	15,000	1	3		RC
Estimated Expenditure Savings	1,788,800				

Other Ideas	Estimated Dollar Value	Strongly Consider	Consider	Outcome Connection	Council Action
Consider benefits of alternative fuel vehicles		6	1	1,2	Implement
Develop and promote energy saving policy		6	1	1,2,3	Implement
Direct city manager & department heads to eliminate lowest priority services		5	2	1,2,3	Implement
Promote Troy to the film industry-reap the benefits		5	2	1,2,3	Implement
Reevaluate Troy Daze event- including size, location, duration, purpose, etc		2	2		RC
Buy distressed property in Troy and use to rebuild for the future		2	2	1,2,3	RC
Operate the Nature Center as a park	300,000	2	2		RC

Running Total

1,535,000

Grand Totals

3,218,600

Counting Strongly Consider, Consider and Neutral, the following items received a majority of Council votes to require additional direction from the Council.

Item	Estimated Dollar Value	Strongly Consider	Consider	Neutral	Council Action
Implement business occupancy permit and annual renewal fee	75,000	2	1	3	RC
Implement a single-family residential rental inspection program	25,000	1	2		RC
Charge youth groups full cost for field usage	10,000	1	2	1	RC
Eliminate community agency contributions:			3	1	RC
Troy Youth Assistance	40,000				
Troy Community Coalition	97,000				
The Haven	4,370				
Troy Boys/Girls Club	76,320				
Eliminate Citizens Academy	3,000	2	1	1	RC
Operate City Hall on a four-ten hour day schedule, closing one day per week					
Privatize City Attorney's Office					
Total Estimated Savings	330,690				

