



Memorandum

To: Honorable Mayor and Members of the City Council

From: Wally Bobkiewicz, City Manager

Subject: Proposed FY 2010/11 Budget

Date: December 18, 2009

Staff has completed work on the development of the FY 2010/11 budget. We will distribute the complete proposed budget to the City Council on or about December 31, 2009. There are significant changes proposed in operations funded through the General Fund. In advance of the distribution of the proposed budget, I would like to inform you of these changes.

Estimated General Fund revenue for FY 2010/11 is \$84,933,900. Estimated expenditures providing the same level of service as in FY 2009/10 is \$94,465,900. This leaves a deficit of \$9,532,000. In order to balance the budget, I am proposing budget reductions and some limited new revenues to match this deficit. The most significant new revenue is the increase in Sanitation Service fees approved by the City Council on December 7.

In addition to the \$9,532,000 in adjustments to fund the projected deficit, I am also asking that the City Council consider an additional \$1.5 million in reductions and adjustments. I am recommending that this \$1.5 million be directed to the Police and Fire Pension funds or to the City's General Fund Reserve to increase these balances.

The primary area for budget reductions is a decrease in personnel costs. I am proposing that the City eliminate 47.05 full time equivalent positions. This includes 19.1 vacant positions, 27.95 currently filled positions and will require the layoff of 36 permanent full-time and part-time employees. All employee layoffs would be effective February 28, 2010. An additional 5 individuals who are filling temporary or contractual positions will also be laid off. \$435,000 in overtime costs in various departments is also proposed to be eliminated.

In order to keep the number of eliminated positions to a minimum, I am also proposing the following for FY 2010/11:

No cost of living adjustments (COLAs) for the coming year

No merit increases for non-represented employees (step increases for represented employees would continue)

5% increase to employee contributions for health care costs

All employees be required to take three City holidays without pay

In addition, all department directors, the Assistant City Manager and I will take a 5% salary reduction beginning March 1, 2010.

I am mindful that the announcement of these reductions is stressful at anytime of year, but is especially so during the holiday season. I hope that the information provided by announcing them before the end of December will help everyone on the City staff understand their status and to plan for the coming year.

It is a difficult process to identify position reductions and other spending cuts. The process used to identify these reductions for FY 2010/11 was informed in three primary ways: the City Council's goals, the Community Budget Workshops and the feedback received from employees. The City Council established twelve goals for 2010 in September. My first priority was to be able to fund those City services identified in the City Council goals. The Community Budget Workshops identified many cost saving measures which have been incorporated into the proposed budget. The ideas generated in the workshops that were held by employees in each department in October and November also provided many good ideas for making adjustments to the proposed budget.

I have three primary objectives for change in FY 2010/11:

1. Focus on Customer Service: The City will place new focus on how residents receive services from the City and how the City communicates about our services with residents
2. Obtain Additional Resources to Deliver Services to Evanston: The City will work to obtain additional state and federal resources, utilize volunteers and raise money from the private sector to support City services
3. Operate More Efficiently and Effectively: The City will reorganize its operations to better serve our residents while living within our budgetary means

Attached is a complete listing of proposed budget reduction and adjustments for FY 2010/11. Listed below are selected issues by department, including reorganizations:

City Manager's Office

Elimination of vacant second Assistant City Manager position

Reassignment of Finance Director responsibilities from Assistant City Manager to Administrative Services Director
Reassignment of Liquor and Special Projects Coordinator to Citywide Volunteer Coordinator
Reassignment of Assistant to the City Manager to Chief Customer Officer
Addition of one-year Local Government Management Fellow to assume some of the responsibilities of Assistant to the City Manager
Addition of Intergovernmental Relations Coordinator funded by non-General Fund sources
Addition of Development Officer funded by non-General Fund sources
Reduction of funding to Evanston Community Media Center by \$200,000
Transfer of Outreach Specialist from Health Department to City Manager's Office
Transfer of BPAT to new Administrative Services Department
Transfer of Liquor Control Board administration to Law Department

Finance and Human Resources

Creation of new Administrative Services Department consisting of existing Finance and Human Resources Departments, Purchasing Division and BPAT (now to be known as Information Technology Division)
Reassignment of Finance Director responsibilities from Assistant City Manager to Administrative Services Director
Reassignment of Human Resources Director to Administrative Services Director
New department management: Director Joellen Daley, Finance Division Manager Steve Drazner, Information Technology Division Manager Bruce Slown, Human Resources Division Manager Cheryl Chukwu
Elimination of Tuition Reimbursement Program
Transfer of Administrative Adjudication Section to Law Department

Fire

Elimination of Vacant Division Chief
Reduction in Overtime Hours

Community Development

Renamed - Community and Economic Development Department
Transfer of Zoning Section to Planning Division
Transfer of M/W/EBE Program Coordinator from Parks/Forestry and Recreation to Economic Development Section
Transfer of Human Relations Specialist from Health Department to Economic Development Section

Transfer of Community Intervention Coordinator from Health Department to
Community and Economic Development Department

Addition of Economic Development Planner funded by Economic
Development Fund

Health and Human Services

Renamed: Health Department

Elimination of Dental Services clinic

Transfer of Community Health Manager and Secretary II from Commission on
Aging Section to Parks, Recreation and Community Services

Transfer of Inclusion Specialist to Parks, Recreation and Community Services

Transfer of Human Relations Specialist to Community and Economic
Development

Transfer of Youth Coordinator to Parks, Recreation and Community Services

Transfer of Community Intervention Coordinator to Community and Economic
Development

Transfer of Outreach Specialist to City Manager's Office

Transfer of Health Program Coordinator to Parks, Recreation and Community
Services

Reduction of \$200,000 in Community Purchased Services account

Law

Transfer of Administrative Adjudication Section from Finance

Transfer of Liquor Control Board management from City Manager's Office

Library

Close South Branch Library

Close North Branch Library

Outsourcing of materials, acquisition, cataloging and processing functions

Parks/Forestry, Recreation and Facilities Management

Renamed – Parks, Recreation and Community Services Department

Transfer of M/W/EBE Program Coordinator to Community and Economic
Development

Transfer of Community Health Manager and Secretary II from Health
Department

Transfer of Inclusion Specialist from Health Department

Transfer of Youth Coordinator from Health Department

Transfer of Health Program Coordinator from Health Department

Police

- Reduce "Summer Plan" by 50% (\$70,000)
- Eliminate Special Patrol for Off-Campus Housing with NUPD
- Eliminate Downtown Weekend Enforcement ("Beat 87")
- Reduce Unreimbursed NU Home Football Game Overtime

Public Works

- Reorganization of Refuse, Recycling and Yard Waste Collection
- Reorganization of street sweeping

The City Council will begin its deliberations on the proposed FY 2010/11 budget on Saturday January 9, 2010. The budget is expected to be adopted on or about February 22, 2010 for the fiscal year beginning March 1, 2010.

Attachment:

Summary of Proposed FY 2010/11 Budget Reductions and Adjustments