



CITY OF CARSON
INTEROFFICE MEMORANDUM

TO: HONORABLE MAYOR & CITY COUNCIL
FROM: DAVID C. BIGGS, CITY MANAGER
SUBJECT: BUDGET REFERRAL UPDATES
DATE: JUNE 30, 2012

There were three Budget Referrals not included with the Agenda for the Public Hearing set for July 3, 2012, on the General Fund Budget. An updated Budget Referral # 24 is attached. In addition, Budget Referrals # 31 (with two exhibits) and 32 are attached. These materials are being sent to you electronically and a hard copy has been left in your office.

In addition, Mayor Pro Tem Julie Ruiz-Raber and Council Member Lula Davis Holmes have provided me with their budget balancing suggestions. Administrative Services General Manager Jackie Acosta will be generating a single page worksheet to illustrate each of these suggested approaches for your meeting on Tuesday.

Attachments

1. Updated Budget Referrals #24
2. Budget Referral # 31
3. Budget Referral # 32
4. Exhibits to Budget Referral # 32 (Compaction/City Management Levels)

cc: General Managers
City Clerk
City Treasurer

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Question #24: What are the annual unrealized revenues for the Community Center due to free use or reduced fees?

Response: A follow up review to exclude City operated or directly affiliated programs indicates that for FY 2010/11, there was just \$83,883.50 in unrealized revenues and for FY 2011/12 year to date, there has been \$103,318.45 in unrealized revenues. While a further review of utilities, supplies and labor costs associated with these non-revenue generating events is needed, on a proportionate basis it is estimated that these events cost about \$80,750.00.

Response Provided By: The Public Services Work Group

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Question #31: How was the projected \$35,000 in savings from Commission consolidation estimated?

Response: The City currently has 20 Commission, Committee and Boards totaling 190 members. Of these only 68 of 190 do not receive a stipend. If the City Council approves the proposed consolidation there would be 138 Commission, Committee and Board members and 14 Commissions.
Anticipated annual savings would come from 3 areas:

Stipends	\$16,285.00
O&M	\$11,125.00
<u>Overtime</u>	<u>\$2,875.00</u>
TOTAL	<u>\$30,285.00</u>

Response Provided By: The City Manager's Office

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Question #32: On June 25, 2012, Councilwoman Davis-Holmes' submitted the following questions to staff and requested that staff respond. Attached are the questions and reponses.

- 1Q. I asked during our first budget workshop for an analysis as to the span of control, budget and level of responsibility for the Public Works Superintendent and the Recreation Superintendent. I see that the Public Works Superintendent is being proposed as a Public Works Officer and my question was why not the Recreation Superintendent because these two positions will have increased responsibilities in the proposed reorganization and these additional responsibilities have nothing to do with "other related duties." If it is considered other related duties for one, then it should be considered other related duties for both thereby leaving the title Superintendent for Public Works and also Recreation.
- 1R. A reorganization can be approved without the specific titles approved as we would need to do a job description and evaluate the specific duties and the history of the evolution of positions. For example, the Recreation Superintendent job used to cover Human Services and when it was split off there was no downward adjustment to compensation. A specific job description would require Council approval and keeping the titles the same may be one option which could result from a formal evaluation.
- 2Q. With the retirement of Ms. Dora from the Early Childhood Education program, why would you fill her vacancy as opposed to transferring one of the full-time Kids Club Site Directors to that position and underfilling the vacant Site Director position with a 30-hour per week part-time Recreation Assistant 4 or a part-time Assistant Recreation Center Director?
- 2R. That is certainly a likely option, but the recommendations to eliminate positions are based on operational requirements.
- 3Q. Just a reminder that the Transportation Supervisor is to have in their job spec's the ability to drive a school/recliner bus. That was decided by this Council during our last budget workshops so if the position is to be filled, make sure that is a part of the specifications.
- 3R. This requirement is already reflected in the class specification
- 4Q. Management Salaries: based on your comparison of salaries and our population and based upon the fact that we hired our new City Manager at a lower salary, what would be the cost savings if we reduced our General Manager salaries by 5%, or to \$156,898.00, which is more in line with our neighboring City of Compton and Hawthorne, with populations of 96,455 and is more than Norwalk with a population of 105,549 who only pay their department directors \$127,284.00.

Response Provided By: The City Manager, Administrative Services, and Development Services Work Groups

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- 4R. As indicated, this initial survey was just on compensation and is not yet in a format which addresses some of the other issues raised, like comparing specific responsibilities and total compensation. For example, while the City of Norwalk pays less, they have nine (9) department directors and an Assistant City Manager covering the same array of services. Attached is a listing of comparable cities and their senior management staffing. As noted in Budget Referral #4, a comprehensive review of our salary structure is warranted for all levels of the organization. Also attached is a simple illustration of the compaction occurring within the organization.
- 5Q. What is the entire package including leave redemption, auto allowance, etc. that we pay our General Managers and proposed Assistant City Manager?
- 5R. This information can be provided as part of looking at total compensation throughout the organization.
- 6Q. It is my understanding that the Class and Comp study that was performed several years ago did not recommend that all General Managers be compensated at the level. I believe that our former City Manager made an administrative decision to pay all General Managers the same salary. Please correct me if I am wrong in that assumption.
- 6R. Your recollection, Councilwoman Davis-Holmes, is correct. The study did not place all four General Managers at the same salary range, but the City Manager recommended that they be placed at the same salary.
- 7Q. Options to reduce overtime.
- a. Please clarify why we cannot direct staff to work comp time as opposed to paid overtime and if comp time is taken, can management direct staff to take that comp time off so that it does not have a negative impact on the organization?
 - b. There is \$233,256 in overtime budgeted for the 2012/13 budget year and when we tightened our belts in 2010/11, we only spent \$88,109. Listed below are some budgets for 2012/13 as follows:
City Manager - \$30,731 for 2012/13; in 2011 used only \$1,487 and as of 6/18/12 only \$15,572 has been used.
Administrative Services - \$29,899 but for the past three years they have used less than \$10,000.
Economic Development - \$1,500
Development Services - \$62,736; to date \$74,413 (of this amount, transportation has used \$8,085 when we have full-time bus drivers washing buses?)
Public Services with over 51% of city employees spent \$59,853 as of 6/18/12 and has \$58,600 budgeted for 2012/13.
 - c. Staff has mentioned on several occasions that Public Works has unforeseen emergencies but to date they have only used \$34,425 and are only budgeted \$21,241 in the 2012/13 budget? That is a small dent in the proposed \$233,256.
 - d. How much are you spending to deliver Council agenda packages? We have code enforcement working on Friday so why is it necessary to pay overtime?
- My recommendation is to reduce the overtime account to \$75,000. Any overtime needed, except in the case of an emergency, must receive prior approval from the City Manager. This approach has worked in the past.

Response Provided By: The City Manager, Administrative Services, and Development Services Work Groups

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7R. As stated in budget referral #10, labor laws do not allow the City to mandate employees to take overtime worked as comp time. The decision to take comp time or paid overtime is solely that of the employee. However, a couple years ago, staff was able to negotiate a one-year agreement with the employees in which they agreed to accept overtime for all overtime worked, except in cases where the overtime is being paid for by a third party.

Of the \$62,736 overtime budgeted in Development Services, approximately \$33,000 is for construction inspection overtime and this overtime is 100% reimbursable by the developers and is recorded in the general fund as revenue. That leaves only approximately \$30,000 for the remainder of the work group, including all of the Public Works division. Additionally, the Public Works division has been working diligently at reducing overtime costs and has been successful in that the overtime expenditures have gone down in each of the last four years.

As for the \$8,085 in overtime costs in the Transportation division, these overtime expenses are related to the public excursions, not to the time that the bus drivers have spent washing buses.

Additional information related to overtime has been included in an updated response to budget referral #10.

The proposal is to lay off approximately 14 people. Then why is it necessary at this time to create reserves and funding in the amount of \$3.5 million which will reduce our reserve?

- a. Use of \$500,000 for budget stabilization.
- b. Create a \$2 million budget stabilization reserve.
- c. Create a \$1 million capital projects fund.

8R.

- a. This use covers \$500,000 of the next fiscal year problem.
- b. This reserve can be used to address, in a small part, our projected on-going shortfall over the next five years.
- c. If we don't start to do this, we will have no money to address even the most basic capital project needs.

9Q. Are all the salaries for the 22 vacant positions included in the 2012/13 budget? It will take approximately 6 months to recruit and hire those people. Could you not show a 6 month savings for each of these positions? Why is it necessary to hire new people when we are laying off 14? Can you identify the most critical positions along with their salaries as opposed to hiring all 22? Also, how many code enforcement officers do we have?

9R. The proposed budget assumes immediate savings from the eliminated positions when, in fact, it could take 3 months or more for employees to exit the organization. As such, we had already factored in these savings to allow us to transition.

10Q. Are there any special funds that we can use such as Gas Tax funds to offset the costs, i.e. charging for traffic signal maintenance and traffic engineer's salary to Gas Tax? Are there other funds?

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- 10R. We are already charging a portion of the engineer's salaries to the Gas Tax Fund. As well, the following contracts are fully paid for with Gas Tax funds - tree trimming (\$360,000), street sweeping (\$731,420), and traffic signal maintenance (\$350,000). Additionally, we are annually transferring \$925,000 from the Gas Tax Fund to the General Fund to reimburse the General Fund for a portion of street maintenance costs. These items use almost \$2.4M of the \$2.6M of the gas tax funds received each year, thereby leaving only about \$200,000 for actual capital projects.
- 11Q. Have you looked at term purchase orders and contracts for additional savings?
- 11R. The line item adjustments already made would result in the reduction of some term purchase orders and contracts.
- 12Q. As it relates to revenue generated at the Community Center and parks, have you been able to identify unrealized revenues. This is not important for the budget at this time, but should be addressed again. (fee waivers for the Fine Arts programs, etc.) (I am not looking for the senior programs in the West Wing presented Mondays -Fridays)
- 12R. As it relates to the Community Center, this question is being responded to separately in budget referral #24. As to the parks, staff will analyze unrealized revenues and provide a response as soon as possible.
- 13Q. What is the cost recovery for the Early Childhood program? We should have that information for the Tuesday, June 26th budget workshop.
- 13R. The response to this question was provided in budget referral #28, on Tuesday, June 26, 2012, at the budget workshop.

MANAGEMENT LEVELS IN OTHER CITIES

CITY	POPULATION	MANAGEMENT POSITIONS	DEPARTMENTS	CONTACT
Bellevue	76,616	City Manager 1 Assistant City Manager 5 Department Heads	Community Development Finance Parks and Recreation Public Safety	Lydia CMO (562) 804-1424 x2207
San Francisco	49,041	City Manager 1 Senior Assistant City Manager 1 Assistant City Manager 5 Directors	Administrative Services Community and Safety Services Community Development Public Works	Yvette CMO (562) 916-1311
Compton	96,455	City Manager 13 Directors/Department Heads	CareerLink General Services (2) Human Resources Housing Authority (2)	Ms. Eaton Personnel (310) 605-5648
Long Beach	55,544	City Manager 1 Assistant City Manager 1 Assistant to the City Manager 5 Directors	Community Development Community Services City Engineer/Public Works Finance	Tommie CMO (909) 839-7010
San Diego	16,654	Interim City Manager 6 Directors	Finance Human Resources Library Services Planning/Building Safety	Mickie CMO (310) 524-2303
San Jose	58,829	City Manager 1 Assistant City Manager 5 Department Heads	Community Development Public Works Recreation and Human Services Transportation	Ian Human Resources (310) 217-9509
San Jose	84,293	Interim City Manager 5 Directors	Administrative Services Building Safety Planning/Community Development Public Works	Sandra CMO (310) 349-2910
San Jose	19,506	City Manager Assistant City Manager 7 Department Heads	Community Development Finance Personnel Public Works	Steve Burrell City Manager (310) 318-0216

CITY	POPULATION	MANAGEMENT POSITIONS	DEPARTMENTS	CONTACT
glewood BCOG Contract Service (no Fire)	109,673	City Manager 2 Assistant City Managers 1 Deputy City Manager 7 Directors	Community Development Public Works Finance Human Resources Administrative Services Community Development Community Services Public Safety	Tracy Comm. Development (310) 412-5290
Mirada Contract	48,527	City Manager 1 Assistant City Manager 6 Directors	Human Resources Public Works Theater	Amanda Personnel (562) 943-0131 x2318
glewood Contract	80,048	City Manager 1 Assistant City Manager 2 Deputy City Managers 5 Directors	Administrative Services Community Development Public Works Recreation & Community Services	Frank Personnel (562) 866-9771
Lawndale BCOG Contract	32,769	City Manager 1 Assistant City Manager 5 Directors	Community Development Community Services Human Resources Finance Public Works	Diane CMO (310) 973-3202
Compton BCOG Contract	20,256	City Manager 1 Assistant City Manager 4 Directors	Administrative Services Community Services Parks and Recreation Public Works	Chuck Human Resources (310) 325-7110 x128
Manhattan Beach BCOG Jill Service	35,135	City Manager 1 Assistant City Manager (Vacant) (may fill that vacancy with an analyst) 7 Department Heads	Community Development Finance Fire Human Resources Parks and Recreation Police Public Works	Patricia CMO (310) 802-5053
Long Beach Contract	105,549	City Manager 1 Assistant City Manager 9 Directors	City Clerk Community Development Finance Human Resources Public Safety Public Services Recreation and Parks Social Services Transportation	Cindy Human Resources (562) 929-5700
Los Verdes Estates BCOG Contract	13,438	City Manager 1 Assistant to the City Manager 1 Department Head	City Engineer/Public Works	Vickie CMO (310) 378-0383 x2222

CITY	POPULATION	MANAGEMENT POSITIONS	DEPARTMENTS	CONTACT
Paramount Contract	54,098	City Manager 1 Assistant City Manager 6 Department Heads	Administrative Services Community Development Community Services & Recreation Finance Community Development Finance Parks and Recreation Public Works	Carmin Human Resources (562) 220-2000 Beatriz Human Resources (562) 942-2000
Pico Rivera Contract	62,942	City Manager 1 Assistant City Manager 4 Directors 3 Deputy Directors	Community Development Finance Parks and Recreation Public Works	Christy CMO (310) 377-0360
Rancho Palos Verdes BCOG Contract	41,643	City Manager 1 Deputy City Manager 4 Directors	Community Development Finance & Information Technology Public Works Recreation and Parks	Irene CMO (310) 372-1171
Redondo Beach BCOG Utility Service	66,748	City Manager 1 Assistant City Manager 1 Assistant to the City Manager 10 Directors	Finance Harbor, Business, & Transit Human Resources Police Information Technology Planning	Heidi City Hall (310) 377-1521
Rolling Hills Estates BCOG Contract	8,067	City Manager 1 Assistant City Manager 3 Department Heads	Administrative Services Community Services Planning	Ellen Human Resources (310) 377-1577 x108
Rosemead Contract	53,764	City Manager 1 Assistant City Manager 6 Department Heads	Finance Housing Human Resources Parks and Recreation	Jan CMO (626) 569-2104
San Dimas BCOG Utility Service	145,438	City Manager 1 Assistant City Manager 12 Department Heads	City Cable Civil Service Communication and IT Community Development Community Services Finance	Toni CMO (310) 618-5880

Salary Groupings By Bargaining Groups

Illustrative Positions	Group	Top Step		
		Salary	% Diff	\$ Diff
City Manager	Unclass	195,000	15.30%	29,844
General Managers	Unclass	165,156	19.92%	32,892
Officers	Unclass	132,264	0.12%	156
Redevelopment Manager	AME	132,108	13.75%	18,168
Sr. Redevelopment Project Mgr	Prof	113,940	4.81%	5,484
Assistant to the City Manager	ACE	108,456	4.81%	5,220
GIS Adminsitrator	AME	103,236	7.16%	7,392
Senior Planner	Supv	95,844	23.43%	22,452
Recreation Center Super II	AFSCME	73,392	5.26%	3,864
Custodial Supervisor	Supv	69,528	2.42%	1,680
Administrative Specialist	Prof	67,848	0.00%	0
Human Resources Specialist	ACE	67,848	40.18%	27,264
Office Clerk	AFSCME	40,584		

- Notes:
- 1) The color coding defines the highest paid and lowest paid postions in each bargaining group
 - 2) The % Diff and \$ Diff is for the position relates to the one listed immediately below
 - 3) The positions are listed on approximately scaled basis