



City of Long Beach
Working Together to Serve

Memorandum

Date: August 30, 2010

To: Patrick H. West, City Manager

From: Lori Ann Farrell, Director of Financial Management/CFO *LAFF*

For: Members of the Budget Oversight Committee

Subject: August 31, 2010 Budget Oversight Committee Meeting Agenda

At the request of the Budget Oversight Committee (BOC), the following information is attached for discussion:

1. Recommendation to approve the Budget Oversight Committee minutes for the meeting of Monday, August 23, 2010.
2. Recommendation to receive and file an update on the labor negotiation process.
3. Recommendation to receive and file an update on pensions. (Attachment A)
4. Recommendation to receive and file an updated report on budget solutions in other Cities. (Attachment B)
5. Recommendation to review and approve Library Services Family Learning Centers alternative funding options.
6. Recommendation to review and approve Fiscal Year 2011 Plan A and Plan B budget options for General Fund Departments.
7. Recommendation to review and approve Fiscal Year 2011 budget recommendations for the following funds:

Development Services Fund
Employee Benefits Fund
Fleet Services Fund
Gas Fund
General Services Fund
Health Services Fund
Insurance Fund
Police and Fire Public Safety Oil Production Tax (Prop H)
Towing Fund

Patrick H. West, City Manager
August 30, 2010
Page 2 of 2

8. Recommendation to review and discuss the Fiscal Year 2011 budget.

LAF:DW
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ATTACHMENT

CC: MAYOR AND MEMBERS OF THE CITY COUNCIL
SUZANNE FRICK, ASSISTANT CITY MANAGER
REGINALD I. HARRISON, DEPUTY CITY MANAGER
ALL DEPARTMENT HEADS

Bartel Associates Second Tier Data Base

CAIPERS Er #	Agency	Plan	Formula	From FAE	Other	Formula	To FAE	Other	Effective Date	Notes
572	American Canyon Fire District	Safety	3@50			3@55			Unknown	
1239	Belmont-San Carlos Fire Department	Safety	3@50			3@55			1/1/2007	
69	City of Bell	Police	3@50			3@55			6/26/2006	
621	City of Bishop	Safety	3@50			3@55			1/1/2010	
703	City of California City	Police	3@50			3@55			6/12/2007	2@50 on CaIPERS website; Unable to verify
469	City of Campbell	Police	3@50			2@50			6/18/2010	Added
733	City of Gilroy	Safety	3@55			2@55			Unknown	Not verified (Pending council adoption)
733	City of Gilroy	Police	3@50			2@50			1/1/2011	Not verified (Pending council adoption)
993	City of Maywood	Safety	3@50			3@55			4/16/2007	
492	City of Montclair	Safety	3@50			3@55			6/27/2005	3@55; not 2@50
587	City of Rohnert Park	Safety	3@50			3@55			Unknown	
50	City of San Carlos	Safety	3@50		5% COLA	3@55		2% COLA	7/1/2008	
SDCERS	City of San Diego	Police	3@50			3@55			8/4/2008	
301	City of San Marino	Police	3@50			3@55			7/25/2009	
726	City of South Lake Tahoe	Fire	3@50			3@55			7/15/2006	
93	City of South San Francisco	Safety	3@50	FAE1		3@55	FAE3		7/1/2006	Added (CaIPERS worksheet)
157	City of Susanville	Safety	3@50	FAE1		2@50	FAE3		9/5/2009	
198	City of Tracy	Police	3@50			3@55			7/1/2010	Added
482	City of Tulare	Fire	3@50			3@55			7/1/2009	Added (Tracy worksheet)
FCERA	County of Fresno	Safety	3.27@55			3@55			7/1/2005	
104	County of Mono	Fire	3@50			2@50			1/1/2007	
221	County of Napa	Police	3@50		PRSA	3@55		No PRSA	7/1/2007	
OCERS	County of Orange	Safety	3@50			2.29@50			4/8/2010	
SCERS	County of Sacramento	Police	3@50			3@55			Unknown	
SDCERA	County of San Diego	Safety	3@50		3% COLA	3@55	FAE3	2% COLA	8/28/2009	
222	County of Shasta	Police	3@50	FAE1		3@55	FAE3		8/27/2003	
1572	Gold Ridge Fire Protection District	Fire	3@50			3@55			4/8/2004	
865	Marinwood Community Services District	Safety	3@50			3@55			7/13/2008	3@50 on CaIPERS website
446	Town of Fairfax	Safety	3@50			3@55			7/1/2009	
401	Town of San Anselmo	Police	3@50			3@55			2/1/2007	



Bartel Associates Second Tier Data Base

CalPERS Er #	Agency	Plan	Formula	From FAE	Other	Formula	To FAE	Other	Effective Date	Notes
821	Bonita-Sunnyside Fire Protection District	Miscellaneous	2.7@55			2.5@55			8/11/2004	
1043	Cal Interscholastic Fed. South Section	Miscellaneous	2@55			2@60			7/1/2005	
639	Cal Poly Corporation	Miscellaneous	2@55			2@60			5/14/2005	
296	City of Antioch	Miscellaneous	2.7@55			2@55			11/9/2007	
36	City of Bakersfield	Miscellaneous	3@60	FAEI		2.7@55	FAE3		12/20/2008	3@60 on CalPERS website; 2.7@55 verified in MOU
621	City of Bishop	Miscellaneous	2@55			2@60			1/1/2010	
736	City of Brentwood	Miscellaneous	2.7@55		5% COLA	2@60		2% COLA	9/1/2010	Added (Tracy worksheet)
440	City of Brisbane	Miscellaneous	2.7@55			2@60			7/1/2008	
496	City of Cerritos	Miscellaneous	3@60			2.5@55			11/21/2004	
295	City of Long Beach	Miscellaneous	2.7@55			2.5@55			9/30/2006	
430	City of Los Altos	Miscellaneous	2.7@55			2@60			7/1/2010	Added
890	City of Mill Valley	Miscellaneous	2.5@55	FAEI		2@55	FAE3		Unknown	Added (Tracy worksheet)
14	City of Palo Alto	Miscellaneous	2.7@55			2@60			7/1/2010	Added
73	City of Pasadena	Miscellaneous		FAEI			FAE3		1/8/2007	
587	City of Rohnert Park	Miscellaneous			5% COLA			2% COLA	7/1/2008	
50	City of San Carlos	Miscellaneous	2.7@55			2.5@55			8/4/2008	
SDCERS	City of San Diego	Miscellaneous	2.8@65	FAEI	Max 90% FAE	2.6@65	FAE3	Max 80% FAE	7/25/2009	
133	City of San Fernando	Miscellaneous	3@60			2@55			7/1/2005	
51	City of San Leandro	Miscellaneous	2.5@55	FAEI		2@55	FAE3		5/6/2010	Added
251	City of Santa Paula	Miscellaneous	2.5@55			2@55			3/20/2006	
186	City of Signal Hill	Miscellaneous	2@55			2@60			4/20/2010	Added (CalPERS worksheet)
1424	City of Solana Beach	Miscellaneous	2.5@55	FAEI		2@60	FAE3		7/1/2010	Added (CalPERS worksheet)
93	City of South San Francisco	Miscellaneous	2.7@55	FAEI		2@60	FAE3		Unknown	Added (CalPERS worksheet)
157	City of Susanville	Miscellaneous	3@60			2@55			9/5/2009	
198	City of Tracy	Miscellaneous	2.5@55	FAEI		2@55	FAE3		12/1/2010	Added (Tracy worksheet)
482	City of Tulare	Miscellaneous	2.7@55			2.5@55			Unknown	Added (Tracy worksheet)
424	City of Visalia	Miscellaneous	3@60			2@60			5/10/2008	Added
1103	Conejo Recreation and Park District	Miscellaneous	2@55			2@55			12/4/2009	
FCERA	County of Fresno	Miscellaneous	3.273@60			2.42@63			7/1/2005	Tier 1 => Tier 2
FCERA	County of Fresno	Miscellaneous	2.42@63	FAEI		3.1336@65	FAE3		12/18/2007	Tier 2 => Tier 3
KCERA	County of Kern	Miscellaneous	3@60			1.62@65			10/27/2007	
221	County of Napa	Miscellaneous			PRSA			No PRSA	12/18/2004	Voluntary participation in DC plan with 1.62@65
OCERS	County of Orange	Miscellaneous	2.7@55			2.7@55 or 1.62@65			5/7/2010	
SDCERA	County of San Diego	Miscellaneous	3@60	FAEI	3% COLA	2.6@62	FAE3	2% COLA	8/28/2009	
1534	El Dorado Co Fire Protection District	Miscellaneous	2.7@55		Prior Service Credit of an Assumed Agency	2@55		No Prior Service	10/13/2007	
1705	Garden Valley Fire Protection District	Miscellaneous	2.7@55	FAEI			FAE3		5/23/2009	
867	Georgetown Divide Public Utility District	Miscellaneous	2.7@55			2@60			6/19/2006	
837	Housing Authority of the City of San Buenaventura	Miscellaneous	3@60			2@60			4/5/2008	
1681	Housing Authority of the City of Santa Cruz	Miscellaneous	2@55	FAEI		2@60	FAE3		3/5/2006	2@55 on CalPERS website; Unable to verify
675	Long Beach St. University Assoc. Students	Miscellaneous	3@60			2@55			10/1/2008	
1096	Midway City Sanitation District	Miscellaneous	2.7@55			2@55			Unknown	
316	Napa Sanitation District	Miscellaneous	2@55		3% COLA	2@60		2% COLA	9/5/2009	2@55; not 2.5@55
1012	North LA CO Regional Center Inc.	Miscellaneous	3@60			2.5@55			2/1/2008	Added (CalPERS worksheet)
1210	Padre Dam Municipal Water District	Miscellaneous	2@55			2@60			6/26/2010	Added (CalPERS worksheet)
508	Rancho Simi Recreation & Park District	Miscellaneous	3@60	FAEI		2@60	FAE3		Unknown	Added (CalPERS worksheet)
1842	Sacramento Suburban Water District	Miscellaneous	3@60			2@55			9/25/2006	
1114	San Juan Water District	Miscellaneous	2.7@55	FAEI		2@60	FAE3		2/14/2009	
1115	Solano Irrigation District	Miscellaneous	2.7@55		IDR			No IDR	Unknown	
816	Soquel Creek Water District	Miscellaneous	3@60			2@60			12/18/2005	
1829	South Central LA Regional Center for the Developmentally Disabled	Miscellaneous	2.5@55			2@55			7/1/2007	3@60 on CalPERS website; Unable to verify
446	Town of Fairfax	Miscellaneous	2.7@55			2@55			2/3/2010	2@55; not 2@60
401	Town of San Anselmo	Miscellaneous	2.7@55			2@55			2/1/2007	
369	Town of Yountville	Miscellaneous	2.7@55			2@55			7/1/2010	Added (Tracy worksheet)
1673	Tri-Counties Association for the Developmentally Disabled	Miscellaneous	3@60			2@60			3/27/2006	

OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
State of California	38,648,090	\$19.1 billion	<p>-Leaders of six unions (California Association of Highway Patrolmen; California Department of Forestry Firefighters; California Association of Psychiatric Technicians; American Federation of State, County and Municipal Employees, Union of American Physicians and Dentists and the International Union of Operating Engineers) agree to pension concessions, which will save an estimated \$138 million in the coming fiscal year. Savings would grow to \$2.2 billion if the other 170,000 unionized state workers adopted similar contracts.</p> <p>Proposal:</p> <ul style="list-style-type: none"> -The retirement age would rise by five years for new hires, and current workers must immediately begin contributing more – at least 10% of their salary – to their retirement <p>The tentative contracts now face votes by union members and the Legislature</p> <p>On June 30, the Governor issued three unpaid days off per month without termination date. Estimated savings \$147.2 million per month, about \$80 million of that from the general fund. Excludes members of the six unions with a tentative agreement and specific essential departments.</p>
Los Angeles	4,094,764	\$485 million	<p><u>Final Adopted FY 11 Budget</u></p> <ul style="list-style-type: none"> -Plan to eliminate 761 city jobs starting July 1 through layoffs; and 16 – 26 day furloughs for certain civilian employees if concessions from unions are not reached - \$53 million in revenue from leasing out 10 parking garages. If this does not materialize, another 1,000 layoffs will be implemented -Libraries closed an additional day each year - Tree trimming scaled back - Reduced services at city parks -Fire Department will continue its rolling brownout program - Sworn police department staffing to remain flat - New billboard tax will be put on the November ballot - Parking citations increased from by \$5 - \$15.

Note: Data reflected above has been obtained from both primary and secondary (e.g. media) sources and changes daily and, therefore, may not precisely reflect the most recent information.

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OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
Los Angeles County	10,441,080	\$500 million	<p><u>Final Adopted FY 11 Budget</u></p> <p>County Supervisors approved a \$23-billion budget, but decisions on layoffs and severe program cuts were postponed because the State budget is unfinished, as are negotiations over federal funding for health services</p> <p>Proposed Reductions:</p> <ul style="list-style-type: none"> -About 100 county workers may lose their jobs and about 1,400 vacant county positions would be eliminated -Eliminate \$128 million from the Sheriff's Department, largely by eliminating vacant positions and reducing overtime -\$7.9 million cut to the public health department -\$7.4 million cut to the Department of Public Social Services -\$4.8 million cut from the county's public libraries, resulting in fewer hours at some libraries and the elimination of an adult literacy program
Orange County	3,166,461	\$85 million	<ul style="list-style-type: none"> -Approved a contract with the deputy sheriff's union that moves the retirement age to 55 from 50 for new hires and requires deputies to contribute part of their pension costs -County has cut about 15% of its non-public safety budget and eliminated more than 1,000 jobs since 2008
Sacramento	486,189	\$43 million	<p><u>Final Adopted FY 11 Budget</u></p> <p>City reached a deal with members of Local 39 (the largest city union) to take one furlough day a month and go without raises for the next two years. In exchange, city officials promised they would not lay off Local 39 members for a year</p> <ul style="list-style-type: none"> -Agreed to add 30 cops to the streets over the next three years and close two Fire Department units on a rotating basis, which will save \$3.2 million -Directed the City Attorney to draft a November ballot measure that would create a local marijuana tax and increase fees paid by businesses in the city
San Diego	1,376,173	\$28 million	<ul style="list-style-type: none"> -Branch libraries closed Sundays and Mondays -City suing its retirement system to force employees to pay more into their pension fund to make up for \$80 million in investment losses. About 9,000 workers would be charged an extra \$4,000 each

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OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
San Diego (cont'd)			<p>-Police officers have agreed to forego across-the-board pay increases</p> <p>-Under new two-year contract, SDPOA allowed to offer an additional, less expensive health care plan and will explore moving officers to State's employee retiree health care system, CalPERS</p> <p>-Fire station 'brown outs' in place in current fiscal year. Plan, in effect since February 6, calls for up to eight stations to go without a fire engine on any given day to save \$11.5 million annually by cutting overtime costs. Those fire crews are then used to fill vacancies elsewhere in the department and prevent overtime</p> <p>-City Council approves a measure to be placed on the November ballot that will increase its sales tax by a half-cent for five years once a series of retirement benefit and outsourcing reforms are met</p>
San Jose	1,023,083	\$118.5 million	<p><u>Final Adopted FY 11 Budget</u></p> <p>-50 firefighters (closure of one station, three engines and one truck) laid off July 31 while 142 full-time workers and 21 part-time employees were also let go.</p> <p>-Most of the city's 11 unions consented to 10 percent compensation cuts to avoid even more job losses</p> <p>-Three unions-representing firefighters, librarians, custodians, and clerical workers-have yet to reach a deal with the city</p> <p>-The police union agreed to reduce compensation by less than 4 percent. By contributing an additional 5.25 percent towards their retirement pensions for a year, officers will delay 70 layoffs</p>

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OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
San Francisco City/County	856,095	\$483 million	<p>-Police and fire unions reach tentative deal to forgo pay raises. *The firefighters' agreement calls for union members to give up at least 8 percent in planned wage increases over the next two years (\$18.5 million savings).</p> <p>*Police details not immediately available, but said to be similar to the firefighters' pact. Savings roughly \$27.6 million over two years</p> <p>*Deal must still be ratified by union members. No firefighters or police officers are planned to be laid off</p> <p>-All other unions (minus Municipal transit operators) approve a two-year agreement to institute 12 furlough days per year, saving an estimated \$200 million. Employees now cover all spouse and dependent health costs</p> <p>-City department heads, represented by the Municipal Executives Association, agree to take what will amount to a 4.62 percent pay cut in the form of furloughs during the upcoming fiscal year. Mayor asks top administrators to take a voluntary additional 5.38 percent pay cut beginning July 1. Fourteen of the 58 department heads have complied</p> <p>-\$30 million annual reduction in city contracts with service organizations</p> <p>-Voters approve ballot measure (Prop D) to change pension rules by shifting more of the funding burden onto city workers. Pension changes will apply only to new city employees hired after July 1, 2010; city workers already on the payroll will not be affected.</p> <p>Prop D:</p> <p>*Changes the way pensions are calculated. Current calculation uses pay earned during the last year on the job. New calculation will be based on the average pay during the final two years of employment</p> <p>*Increases the employee contribution to 9 percent – up from the current 7.5 percent - for public safety employees. All other employees would continue to pay 7.5 percent</p> <p>*In years when SFERS investments do better than planned, takes the reduced contribution amounts from the general fund, and stashes the savings in a new fund to help cover the mounting costs of retiree health and pension benefits in future years</p> <p>Proposed November 2010 ballot initiative (Proposition D) that would require current city workers to contribute 9 to 10 percent of their pay to their pensions, and to double their contributions to dependents health care coverage from 25 to 50 percent</p> <p>The city's largest labor unions (police and fire included) filed a lawsuit asking to strip Prop B from the November ballot</p>

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OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
Fresno	502,303	\$30.6 million	<p><u>Final Adopted FY 11 Budget</u></p> <ul style="list-style-type: none"> -Elimination of 304 filled or vacant positions -100 of these are clerical positions cut in the Police Department. No sworn police officers or firefighters will be laid off -Assumes \$3 million in police union contract concessions and a \$1.5 million franchise fee from the proposed privatization of the commercial solid waste service that may not come to pass -\$2 million cut from the Parks Department and \$200,00 from the Downtown and Community Revitalization Department
Oakland	430,666	\$42.6 million	<p><u>Final Adopted FY 11 Budget</u></p> <p>80 police officers were laid off when the City of Oakland and the Oakland POA did not reach an agreement over pension and layoff language. The officers were laid off on July 14, 2010.</p> <ul style="list-style-type: none"> -Two November ballot tax measures (\$20.6 mil): <ul style="list-style-type: none"> Parcel tax raising tax on single-family home \$180/year Temporary half-percent increase in the UUT <p>Police union agrees to concessions contingent on voters passing a parcel tax. Under the agreement:</p> <p><u>Pension Pick-Up</u> Officers would pay 4 percent of their salaries towards pensions in 2011, 7 percent in 2012, and the full 9 percent in 2013. Currently, all other city union workers pay at least 9 percent</p> <p><u>Retirement Age</u> Raise retirement age for all new hires from 50 to 55</p>
Santa Ana	357,754	\$25 million	<ul style="list-style-type: none"> -City has asked POA, FBA, PMA, and FMA to consider paying more toward their PERS -Cut all Police Department overtime (except for grant funded OT) -Eliminated 120 jobs
Anaheim	353,643	\$19 million	<p><u>Final Adopted FY 11 Budget</u></p> <ul style="list-style-type: none"> -Adopted budget calls for dipping into 'rainy day' fund, taking about \$18.6 million of the city's \$29.7 million in reserves -No layoffs. Higher service fees to increase revenues

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OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
Sacramento County	1,445,327	\$181 million	<p>-Tentative deal between county officials and Sheriff's union:</p> <ul style="list-style-type: none"> *Increase employee pension contribution to around 9 percent this year and top off at nearly 13 percent next year. In exchanges, deputies would get an additional 3.8 percent raise next year on top of the 2 to 5 percent cost of living boost they are expected to receive *Raise retirement age for newly hired deputies from 50 to 55
Bakersfield	338,952	\$8.2 million	<p>-Council agrees to put pension reform ballot measure to voters in November, which would only affect new hires:</p> <p>"The measure, if approved, would reduce the retirement benefit for public safety to '2 at 50' or 2 percent of final salary for each year worked available at 50 years of age. That's where it was before the council awarded 3 at 50 in 2001. The measure would also call for new safety employees to pay their full employee contribution to retirement, or 9 percent of salary. The city currently picks up the tab after five years."</p>
Glendale	207,902	\$8.1 million	<p>-City Manager's Proposed Budget factors in \$3 million in employee salary and benefits concessions, though deals with unions are still pending</p> <p>-City officials are asking employee groups to pick up a larger share of the rising costs for retirement and health plans</p> <p>-Last year, three unions agreed to forgo pay increases, excluding the POA</p>
Santa Rosa	163,436	\$4 million	<p>-Council votes 6-0 to impose a two-tiered pension system on all of its workforce except police and firefighters. Changes will only affect new hires</p> <p>-Under the new system, new city employees will earn a maximum of 75 percent of their salary at age 55, as opposed to the previous maximum of 90 percent</p>
Pasadena	151,576	\$5.7 million	<p><u>Final Adopted FY 11 Budget</u> Among the budget cuts were:</p> <ul style="list-style-type: none"> -Temporary cut of a four-person ladder company at Fire Station 32 -De-funding of 14 police positions, and the planned loss of 10 or more other officer positions through attrition -Elimination of several public works positions -Library closures and reduced hours
Huntington Beach	203,484	\$3 million	<ul style="list-style-type: none"> -Suspend a Police Department physical fitness program -Reducing Police Helicopter usage -Firefighters forgo raises for the next 18 months -Increased employees' contributions to retirement funds - Non-residents who cause a vehicle accident within the City are expended to pay for emergency response services (Up to \$2,000 per accident).

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Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
Fremont	218,128	\$11.4 million	<ul style="list-style-type: none"> -City employees being asked to take six furlough days a year, which would save about \$1.8 million -Last year, city unions approved contracts that provided no raises over two years
Irvine	217,686	\$17 million	<p><u>Final Adopted FY 11 Budget</u></p> <p>Approved solutions:</p> <ul style="list-style-type: none"> -Agreed to take a \$14 million dip into the communities "rainy day" reserve fund to avoid staff layoffs and reductions in core services -Cancellation of two summer concerts -Suspension of placing holiday banners along city streets -Holding off on plans to construct a new police headquarters and expand the city's animal care facility <p>City reaches an agreement with its Police Association for a three-year pay freeze</p>
Newport Beach	86,738	\$8 million	<ul style="list-style-type: none"> -Firefighters Union agrees to forfeit a scheduled 3.5% pay increase in favor of having the raise go toward paying a portion of employee pension costs, saving \$500,000. Under the agreement, new hires would have to pay an additional 5.5% of their retirement costs for the first five years of service in addition to the forfeited 3.5% pay increase
Fullerton	138,610	\$6.3 million	<p><u>Final Adopted FY 11 Budget</u></p> <ul style="list-style-type: none"> - Council officially cut 50 positions and shut down the library for an extra day -All of city employee unions except the Firefighters Association have agreed to contracts mandating 5 percent pay cuts retroactive to December 2009 -Bargaining units will take off Fridays unpaid to make up for the retroactive cut
Costa Mesa	117,178	\$16.4 million	<p><u>Final Adopted FY 11 Budget</u></p> <ul style="list-style-type: none"> -Eliminated many city programs and 24 full-time positions. Twenty-six other positions were reduced to part time or left vacant -Voted to place a 2% increase to the transient occupancy tax on the November ballot

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OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
Redding	91,561	\$2.3 million	<p>-Unions declined to pay a portion of their pensions for at least two years</p> <p>-Council voted 3-2 to cut \$2.3 million from the general fund budget and to ask voters to curtail employee retirement benefits:</p> <ul style="list-style-type: none"> * One initiative would impose pension concessions on workers permanently, requiring them to pick up a portion of PERS. Currently, the city picks up the full 9% for public safety and 7% for other workers * The other measure would require workers hired after a certain date to pay the full cost of city health insurance on retirement <p>-RPOA offered to give up a 4 percent pay raise, but council rejected the concession, saying the city needs to make permanent cuts</p> <p>-Four police officers will lose their jobs in late June, along with two parks workers and a clerk</p>
Stockton	292,133	\$23 million	<p><u>Final Adopted FY 11 Budget</u></p> <p>Without labor agreements, the following cuts will go into effect July 1:</p> <ul style="list-style-type: none"> -26 police officer layoffs -A plan to temporarily close one fire truck company <p>The city declared a fiscal emergency last month, a maneuver officials believe give them the authority to impose more immediate cuts, which include:</p> <ul style="list-style-type: none"> -Laying off 66 police officers -Temporarily closing Truck Co. 4 and placing the 15 firefighters that work there into a pool of workers called into relieve absent personnel, reducing overtime -Both police and fire would have their scheduled pay increases suspended and be required to pay more for their health benefits <p>The city rejected Fire's latest concession, which included a contract extension and a scheduled pay increase</p> <p>The Police Union has not negotiated for any concession</p> <p>Non-public safety workers have agreed to furlough days, increased health care payments and to forgo COLA increases</p>

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OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
Santa Barbara	90,893	\$9 million	<p>-City asked for a 10-percent cut from public safety departments and 12-percent from other departments. Fire Department came up with about \$655,000 in cuts, with an additional \$1 million in contingency savings-the majority of which would come from station brown-outs</p> <p>-City Council rejected POA's proposed 5-percent cut in pay and benefits as it is seeking a 10% cut</p> <p>-Possible elimination of 41 positions</p> <p>-City Administrator asking for \$2.6 million in wage and benefit concessions from labor unions. If not received, 17 more positions will be eliminated</p> <p>-Police Department will be forced to eliminate seven (vacant) sworn officers, three non-sworn employees, PAL, and DARE. Funding for school crossing guards will now be shared with the Santa Barbara school district</p>
Maywood	30,034	\$450,000	<p><u>Final Adopted FY 11 Budget</u> - Lay off all city employees (about 100) and contract with neighboring Bell and begin contracting police services with the LA County Sheriff's Department effective July 1</p>
Signal Hill	11,465		<p>-City Council voted to freeze salaries and impose higher retirement contributions by city employees toward their retirement pension and retirement healthcare costs</p>
Torrance	149,717	\$8.7 million	<p><u>Final Adopted FY 11 Budget</u> Cuts include:</p> <p>-Fourth of July fireworks show, which will be done away with completely after this year</p> <p>-Four of the five summer Concerts in the Park</p> <p>-2012 Rose Parade Float, which will now come from one-time money</p>
Carlsbad	106,804		<p>-Council imposes two-tier pension system on its firefighters union. 3% @ 50 for current firefighters, 2% @ 50 for firefighters hired after October 4.</p> <p>-Council also imposes requirement that all firefighters to pick up the full share of their pension obligation. The city had been paying 8% of the firefighters' 9% share</p> <p>-Eliminating 18 positions, but not laying off any employees</p> <p>-City has reached a tentative agreement with the Police Officers' Association:</p> <p style="text-align: center;">Implement a two-tiered retirement plan that will apply to all</p>

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OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
Carlsbad (cont'd)			<p>sworn members hired on or after October 4, 2010. The terms of the second tier include the 2% @ 50 formula and the use of the 3-year Final Average Earnings formula for final compensation calculation</p>
			<p>Proposed November 2010 ballot initiative: -Charter amendment requiring voter approval of any future increases in the second tier retirement formula for all sworn police employees represented by the association. The measure requires a simple majority to pass</p>
Milpitas	71,552	\$11 million	<p><u>Final Adopted FY 11 Budget</u> Council reaches agreement with the city's major unions</p> <p>-Most city employees' pay cut 7 percent by taking 18 unpaid furlough days</p> <p>-Firefighters defer a 3-percent salary increase for one year and agree to delay the hiring of four unfilled fire personnel positions</p> <p>-Police officers will not be able to cash out on unused vacation time for one year</p>
Redondo Beach	68,105	\$7.2 million	<p>-\$3.7 million in program cuts</p> <p>-\$3.5 million in employee union concessions (minus police). Without an agreement, layoffs at the Police Department are included in the approved budget adopted by council.</p> <p>-Union concessions equate to a 6-percent pay cut</p>
Menlo Park	32,185	\$470,000	<p>-Unions file a lawsuit in an effort to prevent a pension reform initiative from going before voters on the November ballot</p> <p>-Initiative, if approved, would raise the retirement age for new hires from 55 to 60. It would also cap the benefit at 2 percent of employee's highest salary multiplied by the number of years worked, instead of the 2.7 percent provided now</p>
San Carlos	29,155	\$3.5 million	<p>Outsource police and fire protection services to San Mateo County, saving city \$3 to \$5.5 million</p>

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OTHER CA AGENCIES' FY 11 BUDGET STRATEGIES

Agencies	Population	Estimated FY11 Deficit	Examples of Proposed/Adopted Solutions
Hermosa Beach	19,599	\$2.4 million	<p>Council adopted budget which:</p> <ul style="list-style-type: none"> -Leaves 14 positions unfilled -Reduces the Fire Department's overtime staff from six to five people -Eliminates a Concert Series -Cancels funding for parades, hoping to find private sponsorship
Corning	7,409	\$1 million	<ul style="list-style-type: none"> -Eliminate the Recreation Department -Consolidate dispatch services in the Fire and Police Departments -Public Works cut painting and repairs to the Library
Bellflower	72,878	\$1.4 million	<ul style="list-style-type: none"> - The City declared fiscal emergency and is now proposing an additional 2 percent increase over the current 5 percent utility tax, bringing the utility tax at 7 percent. - 13 frozen vacant positions - Over 50 percent of the part-time positions have been eliminated - Remaining full-time employees received a 10 percent salary reduction via furloughs.
Oakley	35,646		<p>-City Council approves a two-tiered pension plan. The city will stop offering the "2.5 percent at 55" plan to new hires and will replace it with a "2 percent at 60" benefit</p>

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OTHER US CITIES' FY 11 BUDGET STRATEGIES

City	Population	Estimated FY11 Deficit	Examples of Proposed Solutions
Phoenix, AZ	1,567,924	\$241 million	-Eliminate 1,310 of the city's 16,000 positions. Police Department would lose about 353 sworn positions. Fire Department would cut 144 sworn jobs. The cuts represent about 18 percent of the total sworn police and fire force -Reduce library hours of operation at all 15 branches by 8 hours per week by closing on either Mondays or Fridays
Dallas, TX	1,279,910	\$108 million	-No pay raises -Plans for 5 furlough days
Detroit, MI	912,062	\$300 million	-Council agrees to close 77 parks scattered throughout the city -10% pay cuts on non-union workers -\$11 million in layoffs and 26 unpaid furlough days
Tucson, AZ	541,811	\$33 million	-Eliminated 400 positions -Proposed one percent sales tax hike
Charlotte, NC	687,456	\$8 million	-Close 12 county library branches and layoff a third of the staff (148 employees)
Jacksonville, FL	807,815	\$58 million	Reduce employee pay by 3%, increase workers' contribution toward healthcare, raise fees for various city services
Las Vegas, NV	558,383	\$80 million	-Council approved FY 11 budget that cuts the jobs of 200 city employees -Department cuts include reducing the amount of city marshals available to patrol city parks and trails by a dozen and 'brown outs' for three fire units -Mayor states that unions could still offer concession to help save jobs -City is asking unions to reopen their contracts and give up this year's automatic COLA, merit pay, longevity pay or step increases, plus take an 8 percent cut in salaries and benefits -Unions have come to the table with various offers, but none that have been willing to give the city the amount of concessions it needs
Kansas City, MO	451,572		-35 layoffs (\$2 mil) Elimination of 100 vacant positions (\$5 mil) -Wage freezes (\$7.5 mil) -Reduced park and boulevard mowing cycles (\$250k)
Colorado Springs, CO	380,307	\$28 million	-City has turned off one-third of its 24,512 street lights. -Trying to get volunteers and the private sector to provide services the city can no longer afford: -Taxi drivers recruited to serve as second set of eyes for over-stretched police patrols -Residents can pay \$100 a year to adopt a street light -Volunteers are organizing to empty the garbage cans in 128 neighborhood parks -City is asking private swimming programs to operate its pools, and one of the city's four community centers will soon be run by a church

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OTHER US CITIES' FY 11 BUDGET STRATEGIES

City	Population	Estimated FY11 Deficit	Examples of Proposed Solutions
Gainesville, FL	114,916	\$8.2 million	<p>City Manager's Proposed Budget:</p> <ul style="list-style-type: none"> -Lay off 37 full-time employees, including 11 firefighters and two police commanders <p>Establishes three tiers of cuts:</p> <p>Tier 1: 'bearable' cuts: horticulturist in the parks department and the police's community relations coordinator, which is vacant</p> <p>Tier 2: 'intermediate cuts': reducing overtime for the fire department and a an accountant in the budget and finance department</p> <p>Tier 3: 'most significant impact to core services' (police and fire cuts above are included here): eliminating police's party patrol program, reassigning seven detectives to patrol duties, cutting one of Fire Rescue's five engine unit and firing 11 firefighters, and reducing the school resource officer and crossing guard programs.</p>
Flint, MI	112,900	\$8 million	<ul style="list-style-type: none"> -Pink slipped 57 police officers and 23 firefighters -City administration considering borrowing \$13 mil to stabilize budget
Saginaw, MI	55,620	\$2 million	<ul style="list-style-type: none"> -Reorganize government structure. Create a public safety director who would oversee the police and fire departments. Both the police and fire chief posts would remain. Savings achieved through clerical centralization. -Two public safety tax propositions will be on the August election ballot. If voters reject both, 31 officers and 20 firefighter positions will be eliminated
Billings, MT	103,994		<ul style="list-style-type: none"> -City Council considering purchasing smaller fire trucks, which would be useful for stations that respond mostly to medical calls

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