

# City of Los Alamitos

## ***Agenda Report Special Orders of the Day***

***May 22, 2009  
Item No: 4A***

**To:** Mayor Troy Edgar & Members of the City Council

**From:** Nita McKay, Assistant City Manager

**Via:** Jeffrey L. Stewart, City Manager

**Subject:** Review of Proposed Reductions to the Fiscal Year 2009-10 Preliminary Operating Budget

**Summary:** This report provides the City Council with a follow-up discussion of the Fiscal Year 2009-10 Proposed Operating Budget, including recommendations for additional budget reductions.

### ***Recommendation:***

1. Review the Fiscal Year 2009-10 recommended budget reductions as outlined in the attached memorandum; and,
2. Direct staff to include City Council comments and/or revisions to the Fiscal Year 2009-10 Proposed Operating Budget for formal adoption on June 15, 2009.

### ***Background***

On April 30, 2009, staff provided the City Council with the Proposed Operating and Capital Improvement Program Budget for Fiscal Year 2009-10. The City Council held a Special Budget Workshop Meeting on May 4, 2009 to review in depth the budget and proposed operating reductions.

### ***Discussion***

The Fiscal Year 2009-10 Proposed Operating and Capital Improvement Program Budget includes a detailed listing of revenues by fund, departmental organizational charts, departmental full-time equivalents, and detailed proposed departmental expenditures by line item. These were presented for City Council consideration and approval at the May 4, 2009 Budget Workshop.

Each departmental proposed operating budget included certain budget reductions which were detailed and discussed in the presentation at the City Council Budget Workshop. It should be noted that each City department made significant budgetary reductions during the Mid-Year Budget Review which was held in February, 2009 in

order to close the \$600,000 budgetary deficit that existed at that time. All departments maintained these budgetary reductions in their bottom line with the exception of the one-time salary savings that were realized in fiscal year 2008-09. A copy of the approved fiscal year 2008-09 mid-year budget reductions are attached for City Council review (**Attachment 1**).

On May 4, 2009, City Council made the following recommendations to staff:

1. Review all departmental maintenance and operations line items for further reductions.
2. Review all possible revenue sources for future opportunities related to grant funding.
3. Review Police Department overtime for possible reduction if one unfunded Police Officer position is funded.
4. Review the Garage Fund replacement schedule for possible savings to the General Fund.
5. Review the City's Street Sweeping program for possible savings.
6. Review the City's Redflex red light camera program for possible budgetary savings and/or increased revenue.
7. Review possible revenue enhancements at the Joint Forces Training Base Pool, including revenue from naming rights.
8. Continue discussions with the School District and the City of Seal Beach for possible contributions to funding the School Resource Officer.
9. Reduce the City Attorney operating budget.
10. Reduce the City Council travel line item by \$7,500.

Since the time of the Budget Workshop, each of the items listed above have been reviewed in detail. The attached memorandum details the items that have been discussed at length with the executive management team. The items detailed on the memorandum are recommended for City Council approval by the City Manager (**Attachment 2**).

Additionally, the City management labor negotiators have met with the Los Alamitos City Employees Association. The discussions were productive and the Association understands the paramount importance of closing the current budgetary gap.

Staff continues to work on finding cost savings within the FY 2009-10 Proposed Operating Budget. We are confident that a balanced budget will be achieved by the time of formal adoption.

### ***Fiscal Impact***

There is no fiscal impact at this time, as staff is requesting comments on the City's Fiscal Year 2009-10 Operating Budget for the formal adoption on June 15, 2009.

Submitted By:

Approved By:

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Nita McKay  
Assistant City Manager

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Jeffrey L. Stewart  
City Manager

*Attachments: 1) Summary of approved mid-year budget adjustments for FY 2008-09  
2) Memorandum detailing recommended budget reductions for FY 2009-10  
3) Revised Summary of Resources and Requirements for FY 2009-10*