

# City of Raleigh

## Budget Note 7

### INTEROFFICE MEMORANDUM

June 4, 2012

**MEMO TO:** J. Russell Allen  
City Manager

**FROM:** Office of Management & Budget

**SUBJECT:** Budget Note 7 – Summary of FY13 General Fund Reductions and Additions

Attached is a summary of personnel-related and other significant reductions and additions to the FY13 proposed General Fund budget. The FY12 General Fund adopted budget was \$386.8M, compared with \$383.6 proposed for FY13. Between FY12 and FY13, Solid Waste Services, which was a \$23.9M operation in FY12, shifted to an enterprise fund. The changes described below have a net impact of \$13.5M on the General Fund budget. A second table outlines the major budget changes in Solid Waste Services, which resulted in a net increase of \$872k. The third table reflects the elimination of three positions within the Convention Center and Performing Arts Center enterprise, which reduces the General Fund subsidy of the operation.

**Attachment:** Summary of FY13 General Fund Reductions and Additions

		Cost	#	Savings	#
City Council	Increase to Council salaries and benefits	104,424			
City Attorney	Addition of 1 paralegal to support police operations	51,232	1		
	Full year funding of mid-year addition of attorney to support police operation	108,940			
	Other budgetary reductions and efficiencies			(50,000)	
City Manager	Eliminate 1 senior staff analyst, replace with part-time intern			(43,000)	-1
	Savings from reclassification of vacant positions and lower salaries			(110,000)	
Agency & Special Appropriations	Arts per Capita increase	32,166			
	Debt Service (reflects 2011 bond referenda for affordable housing and transportation)	4,680,822			
	Retiree health insurance and OPEB costs	993,713			
	Increase in pass-thru penalty payments to Wake County; offset by increase in revenue	177,658			
	Improved risk management experience and reallocation of risk management property/liability insurance claims and costs to enterprise funds (except SWS)			(948,184)	
	Eliminate biennial election cost; \$0 in FY13, will return in FY14			(350,000)	
	Increase in "pay-go" capital projects (general public improvements, technology, parks, performing arts)	1,463,722			
	NC League of Municipalities Conference (elimination of one-time cost)			(75,000)	
	Reduction in contractual services (completion of one-time studies)			(125,000)	
	Increase subsidy to Transit	583,072			
	Increase subsidy to Parking Fund	555,644			
	Increase subsidy to Solid Waste Service Operations	871,618			
	Increase in RCCC/PAC subsidy	369,501			
	Reduce subsidy to Community Development			(15,932)	
	Increase subsidy to Economic Development - Red Hat Incentive Grant	100,000			
Reserve - Open Data Catalog (As requested by Council)	50,000				
Bgt & Mgt Services	Elimination of prof services and part-time salaries for budget system training and support			(20,800)	
	Part-time salaries to backfill OMB analyst providing staff assistance to Mayor	36,550			
	Restored full year of funding for real estate specialist	36,859			
Finance	Mailings for CCB tiered billing launch			(165,000)	

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		Cost	#	Savings	#
Human Resources	Tuition reimbursement reduced from \$1,250 to \$1,000 annual max per employee			(27,500)	
	Facility lease increase for Professional Building	18,500			
	Increased funding for compliance training	85,050			
Info Technology	Negotiated reduction in Oracle contract for Shelfware			(245,181)	
	Funding for City participation in Code for America program.	180,000			
	Funding for eProcurement (SciQuest) annual subscription fee	244,000			
Public Affairs	Elimination of December edition of utility bill insert			(9,500)	
	Estimated cost savings from full implementation of outsourced print services			(45,000)	
Community Services	Reduction in funding for the Raleigh Neighborhood Exchange and VIVA Raleigh			(5,790)	
	Other budgetary reductions and efficiencies			(9,069)	
Planning and Development	Cost savings from continued reorganization efficiencies - includes the elimination of 1 staff support specialist and anticipated reclassification of other positions			(119,000)	-1
	Funding to mail Unified Development Ordinance public notification letters	41,000			
	Funding for Western Boulevard Crossing Study (CAMPO)	25,000			
	Increase in Credit Card Fee Costs	30,000			
	Reduced technology costs - printing, cell phones, etc.			(150,000)	
	Other budgetary reductions and efficiencies			(70,000)	
Public Works	Reduction in leased office space for survey group and construction mgt by relocations (e.g., former Solid Waste facility on Peace Street)			(50,000)	
	Reduction in contracts for pavement markings			(93,000)	
	Elimination of bridge inspection funding (biennial cost) - \$0 in FY13, will return in FY14			(120,000)	
ECC	7 new call taker positions from increase in dispatches and call volume	325,570	7		
	Other budgetary reductions - operational maintenance costs			(50,960)	
Fire	Delay replacement of three fire engines			(313,356)	
	Restore funding for academies - academies were delayed 6 months in FY12	324,000			
	Replacement of ladder truck	139,810			

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		Cost	#	Savings	#
Police	Reduction in equipment use charges - 800 MHz radio final payment in FY12			(1,004,800)	
	Increase in police separation allowance liability cost	362,800			
	Improvement in ERP system budgeting yielded one-time savings from more accurate budgeting of police positions			(300,000)	
	Restore funding for academies - academies were delayed 6 months in FY12	815,000			
	Other budgetary reductions - technology and facility leases			(250,000)	
Parks & Rec	Greenway - 10 positions to support 30.6 miles of new greenways and operating costs	447,525	10		
	Highway Maintenance - 5 labor positions and operating costs	263,815	5		
	Hill Street Neighborhood Center - 1 service specialist and operating costs (open 7/12)	109,996	1		
	Five Points Center for Active Adults - operational costs (open 7/12)	162,165			
	Millbrook Exchange Center for Active Adults - operational costs (open 8/12)	110,906			
	Chavis Carousel - operational costs	47,125			
	Historical Resources & Museum Ops program - 3 positions and operating costs (open 7/12)	365,643	3		
	Facilities and Ops electronic data interchange - convert 1 admin. support specialist to FT	24,000	1		
	Part-time salaries - Recreation Division			(207,500)	
	Equipment Use Charge - Parks Division			(181,000)	
	Rental Costs - Move Recreation programs to city facilities			(124,880)	
	Reduce Facilities and Ops utility and contractual services accounts			(285,000)	
	Contracting concession operations at Walnut Creek Softball Complex			(40,000)	
	Recreation Division - elimination of contracted fieldtrip transportation and other reductions			(58,000)	
	Other budget reductions - Parks Division			(110,000)	

**Attachment:** Summary of FY13 General Fund Reductions and Additions

		Cost	#	Savings	#
All General Fund Operations	Merit Increase - equivalent to approximately 2% of full-time salaries.	2,687,990			
	Active employee health insurance	1,627,012			
	Reduction in workers compensation cost projections			(440,548)	
	Fuel - consumption and fuel price cost projections are increasing 28%	916,862			
	Vehicle maintenance and operations - costs increasing as fleet ages	145,000			
	Uniforms - increased due to previously deferred replacement	148,000			
		<b>19,758,266</b>	<b>28</b>	<b>(6,213,000)</b>	<b>-2</b>

		Cost	#	Savings	#
Solid Waste Services (Enterprise)	Elimination of 6 vacant labor/equipment operator positions with Phase 3 of the automated recycling service			(223,467)	-6
	Elimination of 1 custodial position (replaced by contracted service)			(34,000)	-1
	Merit increase - equivalent to approximately 2% of full-time salaries	161,000			
	Recycling igloos for multi-family residential units	200,000			
	Replacement of 25 vehicles and pieces of equipment and equipment maintenance	1,167,057			
	Landfill closure costs - address federally mandated post-closure corrections	207,000			
	Overtime cost reduction - from more reliable/newer equipment			(122,223)	
	Fuel increase in consumption and price	407,909			
	Reduction in after-hours dead animal collection costs			(200,000)	
	Reduction in Operations and Maintenance supplies			(30,500)	
	Reduction in Workers Compensation from improved safety and claims experience			(617,922)	
	Reduction in staffing at Yard Waste Center to operational minimums - still operates 6 days a week but eliminates 2 temporary employees and reduces overtime			(38,000)	
	Elimination of print media advertising of holiday schedules (change to web only)			(4,000)	
<b>Total</b>		<b>2,142,966</b>		<b>(1,270,112)</b>	<b>-7</b>

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		Cost	#	Savings	#
Convention Center/PAC	Elimination of 1 service specialist vacant position			(36,468)	-1
	Elimination of 1 production assistant vacant position			(47,755)	-1
	Elimination of 2 security guard vacant positions (replaced by contract)			(72,936)	-2
<b>Total</b>				<b>(157,159)</b>	<b>-4</b>