

## Agenda Item VI. A – Overview of Budget/Staffing Issues

### I. Key Points of Council Special Study Session on the Budget (10/28/08)

- The identified structural deficit is estimated to require \$2.5 million reductions per year in annual general fund expenditures beginning in 2009-2010.  
 From the City Manager’s Report to the Council: *The term **structural** means that programs, work units and departments will need to reorganize and change to become more efficient or adjust service levels based on Council and community priorities. Specific actions may include:*
  - o *Review existing vacancies to determine if the loss of the positions can be absorbed permanently with minimal service level impact;*
  - o *Modify and/or discontinue programs and services based on identified Council and community priorities;*
  - o *Review reductions in supplies, services, contracts, training and equipment to determine if those reductions can be absorbed with minimal impact;*
  - o *Provide a prioritized list of activities with associated costs that will be discussed with the City Manager and City Council in order to consider alternatives for an additional General Fund expenditure reductions for FY 2009-10;*
  - o *Consider other operating alternatives such as contractual services or community collaborations that would generate significant savings;*
  - o *Consider utilizing other revenue sources to fund existing programs and services in order to reduce the impact on the General Fund;*
  - o *Consider implementing new or expanded program fees for appropriate programs in order to mitigate reductions;*
  - o *Consider reorganization and use of attrition to facilitate staffing reductions in a manner that reduces the impact to employees;*
  - o *Meet all budget submission deadlines and review potential cost saving or revenue generating scenarios with Finance staff prior to inclusion within the department’s budget submittal.*
- The structural deficit will require reductions in services in all areas.
- Staff costs are the largest single budget item in the City. A planned attrition program that seeks to reduce the workforce over time through retirements and voluntary separation is anticipated.

### II. Report on Existing Current FTE Vacancies (10/31/08)

	<u># Vacancies</u>	<u># Authorized FTE Positions</u>
Community Development Department	8	54
Finance	2	21
Fire	7	62
Library	0	12
Parks	8	42
Police	8	99
Public Works	<u>9</u>	<u>85</u>
<b>Total</b>	<b>42</b>	<b>375</b>

**III. Employee/Staff Expenditures 10/31/08 (33.33% of fiscal year)**

5110	Salaries Permanent FT	\$179,074.73	31.46%
5111	Hourly Wages Permanent	9,215.37	32.80%
5113	Hourly Wages Temporary	36,686.46	45.82%

4,498.75 Temporary Hours (includes all shelving, special projects for collection cleanup, significant children's and media desk coverage, and substitutes as required due to vacations, sick leave or training).

**IV. Major Factors Impacting Salary Costs**

- Hours of Operation: The current 54 hours per week of operations required the utilization of two shifts on Monday-Thursday.
- Number of Staffed Public Service Desks: WPL currently staffs 4 services desks for every hour of operation. Historically, the circulation desk has been staffed with two employees as a result of demand. However, the pending purchase of two Millennium Express Lane (self-check) options is anticipated to reduce the demand to one. The reference desk, children's desk and media desk are each staffed with one employee.
- Amount of Support Work Required: In addition to face-to-face public contact, significant work is required behind the scenes; this work includes shelving returned items, contacting patrons for holds/returns/etc., receiving, dispersing and shipping deliveries daily from/to other libraries, selecting/ordering/processing and cataloging newspapers/magazines/electronic resources/ books & materials. In addition, significant time is devoted to outreach, planning and conducting library programs. Current research of pre-processed materials may offer some relief in this area but will increase the cost of materials, resulting in the purchase of fewer items.

**V. Director's Preliminary Recommendations**

- Shift previously identified temporary hourly wages from general fund to 917 as approved by the Board.
- With the anticipation of three (possible four) retirements in the next year, succession planning is critical. Not all vacancies will be filled. Advocate reasonably for prioritized positions and consider alternatives for the unfilled.
- Work with Board and staff to evaluate reorganization/restructurings options and priorities for reductions.
- Focus on automation, self-service and contracting in appropriate areas.

**Agenda Item VII. E. Update on Impact of Changes to ILL Reporting:** 8% decrease for first quarter 2009.