
APPROACH—FY11 (NEXT BUDGET YEAR)—STRATEGIC APPROACH:
***OPPORTUNITY TO SET STAGE FOR IMPROVING SERVICES, IMAGE WHEN
 ECONOMY RECOVERS...***

GOALS/PRINCIPLES FOR ADDRESSING PROBLEM:

- **Permanently reduce expense base without reducing “return”:** Cannot predict if/when revenues will increase—need to cut costs without sacrificing “return” (preservation/continuing improvement in revenues, quality of life, business/population bases), avoid damage to citizen morale.
- **Preserve service levels and enhance where possible:** Be more efficient/effective.
- **Permanently increase revenue base:** New recurring revenues but w/o damage to competitiveness.
- **Avoid increasing future costs to maximum extent possible.**
- **Avoid cuts that reduce City’s attractiveness as a place to live, work and play**—those with choices will leave!
- **Solutions must be feasible within next six months**—start of new budget year.
- **Avoid damage to citizen morale.**
- **Avoid damage to employee morale to maximum extent possible**—recognizing that sacrifices are necessary throughout City government to get us through recession.

STRATEGIES TO ADDRESS GOALS:

- **Cut recurring expenses rather than one-time:** Focus on middle-management to avoid service cuts.
- **Cut unnecessary functions/costs that do not produce “return”.**
- **Combine functions/reduce costs:** Where duplication exists and where appropriate.
- **Seek new revenue sources that do not reduce “return”.**
- **Increase efficiency:** Energy conservation, elimination of “perks”
- **Reduce pension costs.**
- **Consider if other entity is better qualified to provide necessary service.**

EVALUATION CRITERIA:

- **Extent of savings?**
- **Feasible within next 6 months?**
- **Impact on “return”?**
- **Impact on service levels?**
- **Improves efficiency?**
- **Avoids offloading to future?**
- **Impact on employee/citizen morale?**

LIST OF OPTIONS ATTACHED:

- **To stimulate your thought processes.**
- **As discussion tool for use as we build consensus on best way to address problem in way that best prepares City for the future.**
- **For discussion only!!! Far more options listed than necessary to address what is believed to be next year’s budget deficit.**
- **None of these ideas are being advocated by anyone at this point—presented as possibilities only.**
- **BUT WE HAVE TO DO ENOUGH TO BALANCE BUDGET!**

FY11 AND BEYOND BUDGET ADJUSTMENT OPTIONS:

OPTION	Estimated Savings	Positions Eliminated	Can be done in 6 months?	Reduces cost w/o sacrificing "return"?	Preserves/enhances service levels?	Improves efficiency/"green" image?	Avoids future increases?	Avoids damage to citizen morale?	Avoids damage to employee morale?	NOTES
GENERAL FUND EXPENDITURE DECREASES:										
<i>General Government:</i>										
Eliminate Cityview	\$156,527	2								
Eliminate Planning/Urban Design subsidy	\$130,000	2								
Merge ITSA w/other government	???	?								
Automate payroll system	???	?								Use police system as base?
Marketplace TIF debt paid off	\$675,000	?								Confirm!
Eliminate mail room	\$240,000	?								Salaries only
<i>Parks/Recreation:</i>										
Eliminate Park Rangers/partially replace w/police or other option	\$500,000	26								
Eliminate contract recreation programs	\$354,297	N/A								Annual RFP
Sell 1300 LRA parcels to McEagle	\$500,000	?								Reduce Forestry costs
Close recreation centers	???	?								To be verified!
Use bond issue for new rec center initial operating subsidy	\$700,000	N/A								Bids for North Side center came in low
<i>Judicial/County Offices:</i>										
Merge Circuit Clerk/Court	???	?								
Reduce Court administration costs	\$858,000	?								
Expand mobile ticketing	\$100,000	?								Add initial capital cost, reduce clerical costs
Eliminate general fund drug court subsidy	\$325,000	?								
Work w/County officeholders to achieve efficiencies	\$2,000,000	?								
<i>Public Utilities:</i>										
Eliminate Cable TV	\$1,164,000	14								Move permitting to streets; move regulatory to BPS

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<i>Streets/Traffic/Refuse:</i>										
Reduce street lighting costs w/energy-efficient fixtures	???	N/A								Loan to replace luminaires; net annual savings after DS
Dig-Rite program	\$178,000	4								
Reduce trash collection to 1/wk	???	51								
<i>Public Safety--Fire:</i>										
Outsource EMS billing, collections and/or services; divert non-emergency to private ambulance companies	???	?								
Eliminate routine mutual aid	???	?								
Training at community college	???	?								
Civilianize fire prevention unit	\$200,000	3								Combine w/building division
Eliminate 2 duplicate companies	\$1,000,000	23								No firehouses closed!
Eliminate shift differential	\$1,000,000	N/A								
Consolidate EMS, fire dispatch w/police	???	?								
<i>Public Safety--Police:</i>										
Consolidate City/County crime lab	???	?								
Consolidate City/County training academies	???	?								
Consolidate admin functions w/City	\$2,000,000	?								
<i>Public Safety--Building/Other:</i>										
Eliminate NSOs, replace w/6 nuisance officers	\$1,500,000	21								
Reduce inspectors due to reduced building activity	\$425,000	7								
Eliminate probation/parole contract in Corrections	\$220,000	8								
<i>Board of Public Service:</i>										
Reduce energy consumption	???	N/A								
Eliminate capital improvement liaisons; contract out or transfer duties	\$150,000	3								

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<i>Across-the-Board:</i>										
Eliminate middle mgmt/clerical	\$2,500,000	30								Includes health ins., fringes; consider early retirement?
Offset FY11 pension cost increases w/ employee contributions to pension system:										
--ERS	\$1,900,000									
--Fire	\$6,100,000									
--Police	\$3,000,000									
Reduce health insurance costs	\$800,000									5%--based on bids to date
Change future pension benefit structure	\$0									Cost decreases FY12. beyond
<i>Non-Personnel/Program:</i>										
Eliminate subsidies:										
--ARCHS After School	\$100,000	N/A								
--Teach for America	\$75,000	N/A								
--Sports Commission	\$100,000	N/A								
--Grand Center	\$60,000	N/A								
--Laclede's Landing	\$200,000	N/A								
--Regional Health Commission	\$335,000	?								
--Domestic violence shelter subsidy	\$108,000	?								
SUBTOTAL CUTS:	\$29,545,824									Plus ??? to be quantified

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REALLOCATION OF SPECIAL REVENUE ACCOUNTS:										
<i>Capital:</i>										
Divert discretionary capital to maintenance:										
--1/2 of Ward Capital	\$7,950,000	N/A								
--Remainder of Major Parks	\$1,334,000	N/A								After debt service
--Rec Center allocation	\$477,000	N/A								
Major Parks to Forest Park debt service	\$1,369,000	N/A								
Municipal Courts Building sale proceeds	\$4,200,000	N/A								Would otherwise go to capital
Sell "steam loop"	?	N/A								
<i>Public Safety Trust Fund:</i>										
Reallocate "crime prevention" funds to other public safety:	\$1,000,000	N/A								
<i>Parks/Recreation:</i>										
Charge Forest Park utility costs to Forest Park Fund	\$600,000	N/A								
Use excess 1/8 cent parks/rec tax for existing park/rec activities	\$300,000	N/A								After debt service
<i>Specific Use Tax Allocations:</i>										
Affordable Housing Commission	\$5,000,000	4								
Demolition	\$3,000,000	?								
Major Parks to Forest Park debt service	\$1,369,000	N/A								
SUBTOTAL REALLOCATIONS:	\$26,599,000									Plus ??? to be quantified
GENERAL FUND REVENUE INCREASES:										
Departmental fee adjustments	\$1,000,000									
Charge for multi-unit trash pickup	???									5 or more units
Charge for some special events	\$200,000									
Cost allocation to grants, special funds	\$500,000									Need to determine legality!
Real estate transfer tax	???									
Adjust auto license tax for inflation	\$1,350,000									
Increase courthouse restoration fee	\$300,000									
SUBTOTAL FEE/TAX INCREASES:	\$3,350,000									Plus ??? to be quantified
GRAND TOTAL ALL OPTIONS:	\$59,669,824									Plus ??? to be quantified

GRAND TOTAL ALL OPTIONS:

\$59,669,824

EVERYTHING IS “ON THE TABLE”—THESE ARE OPTIONS!
WE WELCOME YOUR THOUGHTS ON ANYTHING WE’VE MISSED.
MAY BE VARIATIONS ON SOME OF THESE “THEMES”.

Need to be as creative as possible as we make decisions among the choices—while being sensitive to:

- **Concerns, needs and anxiety of employees.**
- **Concerns of our citizens/“customers”.**
- **Desire to set stage for a positive future for our city/our citizens in coming years.**

Number of opportunities:

- **to achieve efficiencies through energy conservation/other “green” measures.**
- **to streamline our government as we modernize our systems.**
- **to combine functions with other governments in the City/region to reduce overhead costs.**

Savings we achieve in these areas can be used to reduce the deficit—and as our revenues grow as the economy recovers, these savings can be used to improve services and quality of life for our residents and workers.

NEXT STEPS:

- **Work with E&A, Aldermen, other elected officials, departments to prioritize options using above/other criteria**
- **Estimate savings/revenues for options with ???**
- **Refine savings/revenues for other estimates**
- **Watch FY10 revenues/expenses**
- **Develop FY11 budget**

THANK YOU!
