

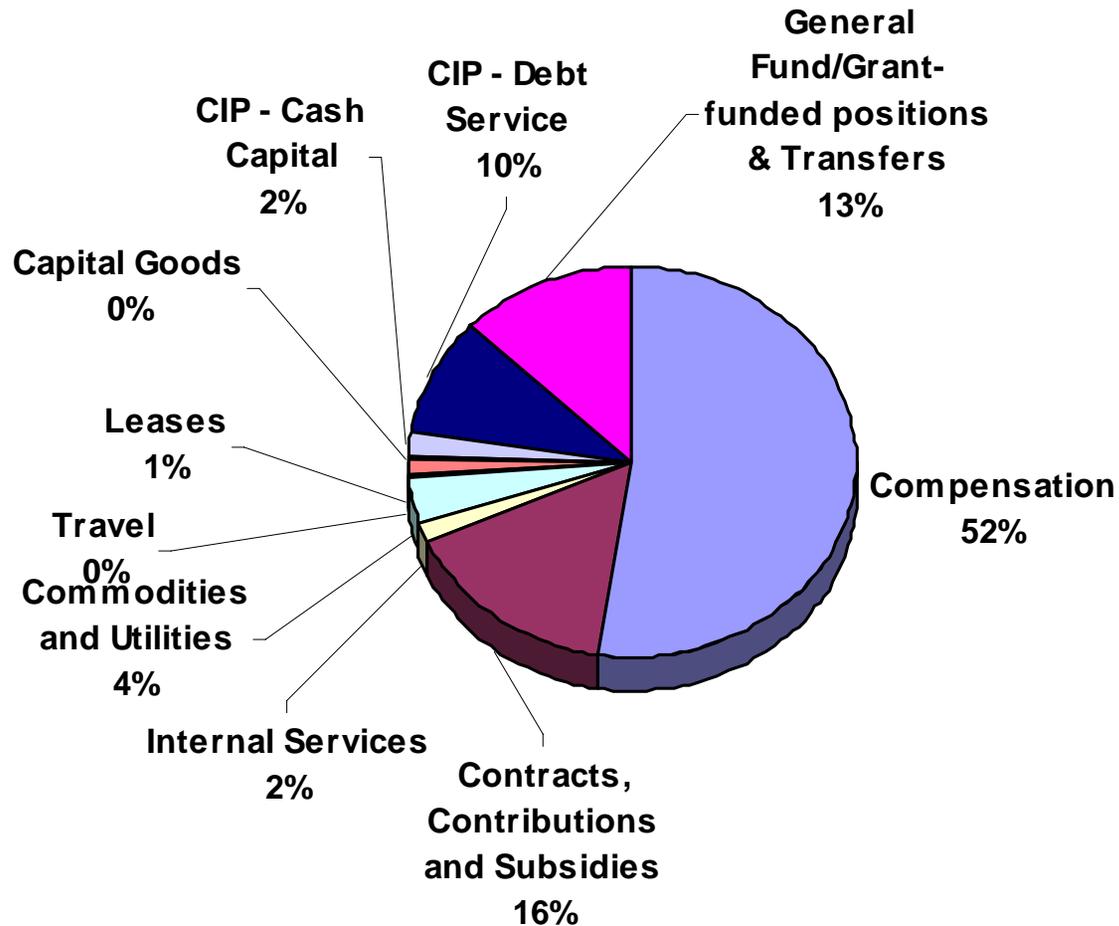
# City Operating Budget Current Services Expenditure Outlook for FY 2010



- **General Fund**
  - Personnel
  - Non-Personnel
- **Potential Discretionary Supplementals**

# FY 2010 GF City Operations – Current Services

## \$368.4 million - No Transit, No Schools



# City General Fund Operations

## Compensation: current policies

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- **Primarily Compensation (60% including General Fund share of grant-funded employees)**
- **Approximately 2% increase in budget for merits/steps (+\$4.4 million)**
- **No significant change in retirement rates in FY 2010**
- **8% increase in health insurance costs (+\$1.5 million)**
- **Estimated City-wide vacancy savings rate of 2.7% (-\$6.1 million)**
- **Low overall increase of 1.5% (rate of growth reduced by use of one-time pay supplement)**



# City General Fund Operations Vacancies

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- Using same vacancy rates applied as FY 2009 results in \$6.1 million savings (\$200K more than FY 2009)
- 222 total vacant positions throughout the City (150 full time and 72 part time) = \$11.7million annual cost
  - 128 with no current hiring action (\$6.4M)
  - 94 in process of recruiting/hiring (\$5.3M)
- Continue close case-by-case review by CMO
  - Freeze with few exceptions



# City General Fund Operations

## Non-personnel

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- **Only 23% of General Fund budget**
- **Contracts, contributions and subsidies for outside services – Detention Center services, street maintenance, contributory agencies, etc = 16% of GF budget**
- **Need increase of \$2.7 million to maintain current level of service, including \$2.0 million for mandated foster care and special education and \$0.7 million for other contract increases**
- **Commodities and Utilities – 4% of GF budget**
  - Minimal increase due to multi-year contracts with stable rates.
  - Need increase of \$0.3 million for fuel assuming \$2.77 per gallon (equal to FY 2009) – highly uncertain assumption



# City General Fund Operations

## CIP Cash Capital and Debt

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- **12% of General Fund budget**
  - Cash Capital originally planned to increase to \$7.3M from \$4.9M
  - Debt Service planned to increase to \$34.3M from \$33.6M.
  - Of the \$34.3M planned in 2010; \$33.1M is required to pay previously issued debt.



# City General Fund Operations

## Inter-fund Transfers

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- **13% of General Fund budget (primarily General Fund support of special revenue or grant-funded positions)**
- **Impacts for State budget cuts**
  - Little to no revenue increases
  - Eliminated or frozen positions (Health and CSU)
  - Reductions at Mental Health and further reductions expected



# City General Fund Operations

## Other Current Services Needs

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- **Mandated Foster Care and Special Education (CSA)**
  - Appropriating \$0.5 million from fund balance
  - Still need \$0.7 million in FY 2009 to meet projected expenditures
  - Need estimated \$2.0 million increase over 2009 budget in FY 2010
- **Transit Subsidies**
  - DASH - \$0.6M (7.7% increase)
  - WMATA - \$0.6M (10.0% increase)
  - Other Transit - \$0.1M (3.0% increase)Total Transit - \$1.3M increase (7.9%)



# City General Fund Operation Discretionary Issues

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- **Fire and Police Communications**
  - Cost TBD
- **Fire Department Initiatives**
  - Cost TBD
- **Personnel/Compensation**
  - Cost TBD



# City General Fund Summary (\$ in Millions)

	City Ops	ACPS Ops	Transit	CIP	Total
FY 2009 Approved	\$318.7	\$168.0	\$16.7	\$38.6	\$542.0
Compensation Increases					
Step/Merit	+\$4.4	+\$3.8			\$8.2
Health/Benefits	+\$1.0	+\$2.5			\$3.5
Retirement (OPEB)	+\$1.4	+\$0.8			\$2.2
Other	-\$2.0	+\$0.3			\$1.7
Subtotal Compensation	+\$4.8	+\$7.4			\$12.2



# City General Fund Summary

## (\$ in Millions)

	City Ops	ACPS Ops	Transit	CIP	Total
Non-Personnel					
Contracts/Contributions	+\$0.8	+\$0.5			\$1.3
Fuel/Utilities	+\$0.3	+\$0.4			\$0.7
CIP Operating Impacts	+\$0.3				\$0.3
Foster Care/Special Ed	+\$2.0				\$2.0
Transit			+\$1.3		\$1.3
Cash Capital/Debt Service				+\$3.0	\$3.0
One-time reductions	-\$0.1	-\$0.4			-\$0.5
Subtotal Non-Personnel	\$3.3	\$0.5	+\$1.3	+3.0	\$8.1



# City General Fund Summary

## (\$ in Millions)

	City Ops	ACPS Ops	Transit	CIP	Total
<b>FY 2009 Approved GF</b>	<b>\$318.7</b>	<b>\$168.0</b>	<b>\$16.7</b>	<b>\$38.6</b>	<b>\$542.0</b>
Subtotal Compensation	+\$4.8	+\$7.4	-	-	\$12.2
Subtotal Non-Personnel	+\$3.3	+\$0.5	\$1.3	\$3.0	\$8.1
<b>FY 2010 Current Services</b>	<b>\$326.8</b>	<b>\$175.9</b>	<b>\$18.0</b>	<b>\$41.6</b>	<b>\$562.3</b>
Schools Programs Net Additions and Reductions	-	-\$3.1	-	-	-\$3.1
Continuation of FY 2009 Spending Reductions (Debt Service impact shown above)	-\$6.8	-	-\$0.3	-\$1.9	-\$9.0
<b>FY 2010 Current Services (adjusted)</b>	<b>\$320.0</b>	<b>\$172.8</b>	<b>\$17.7</b>	<b>\$39.7</b>	<b>\$550.2</b>
Fire/Police Communications	TBD	TBD	TBD	TBD	TBD
Fire Department Initiatives	TBD	TBD	TBD	TBD	TBD
MRA	TBD	TBD	TBD	TBD	TBD
Note: Each 1% MRA	+\$2.2	\$1.5	+\$0.1		+\$3.8

