

# Priorities in Perspective: The Fiscal 2010 Budget Adapting to A Brave New World



# Overarching Principles

- **Governed by the Five Point Financial Plan**
- **Strong Foundation:**
  - **Health Insurance Reforms – Redirecting \$\$s**
  - **Collective Bargaining Contracts – Balance**
  - **Reality Based Budgeting for Known Costs**
  - **Debt Management and Reserve Building**
  - **Reorg & Technology to Improve Services**
- **Long Term – 18-month Budget & Beyond**
- **Community Priorities and Difficult Choices**

# Fiscal Year 2010: The Anatomy of a \$31M+ Challenge

## ORIGINAL DEFICIT:

Governor's Local Aid Reductions & Other Cuts	<b>(\$16,800,000)</b>
City's FY 2010 Exp./Rev. Projection	<b>(\$7,000,000)</b>
FY 2009 Snow and Ice Removal Carry-Over	<b>(\$3,100,000)</b>
FY 2010 City-Side Required Pension Deposit	<b>(\$4,500,000)</b>

***SUBTOTAL City-Side Deficit FY 2010*** **(\$31,400,000)**

***Deficit as Percentage of Operational Budgets*** **-24.34%**

The FY 2010 budget process began with the assumption of revenue increases and expenditure growth, resulting in a budget deficit.



# Fiscal Year 2010 Solutions

## REVENUE/ REFORM:

Extension of Pension Schedule/ERI	6,500,000
One Time Revenues for Snow Removal Carryover	2,500,000
One Time Revenues to Stabilize Services	1,500,000
Seventy Current/ Projected Frozen Positions	2,500,000
Non-Union Employees Wage & Benefit Changes	850,000
Increase in Administrative Fee for Grants	1,000,000
911 Communications – Grant Funding	620,000
Fee Increases – (Parking, Permits, Records, etc)	500,000
City Street Light Acquisition and Maintenance	1,000,000
Reduce Capital Borrowing Cap to \$15 Million	300,000

---

**Subtotal Revenue/ Reform**

**17,270,000**

---



# FY 2010 Solutions Continued

<b>Initial Fiscal Year 2010 Budget Deficit</b>	<b>(31,400,000)</b>
Previously Identified Solutions	17,270,000
<b>Remaining Fiscal Year 2010 Budget Deficit</b>	<b>(14,130,000)</b>

## **ADDITIONAL DECISIONS TO BALANCE FISCAL YEAR 2010**

Planned Trash Bag Fee Increase 25/50	1,000,000
<b>Eliminate Wage Increases Fiscal Year 2010</b>	<b>2,000,000</b>
Health Insurance Rate Increase Due to Prov. Neg. (8.5% vs. 10%)	689,391

<b>Establish Fiscal Year 2010 9C/ Emergency Stabilization Reserve</b>	<b>1,000,000</b>
<b>SUBTOTAL CITY-SIDE PROJECTED FY2010 DEFICIT</b>	<b>(12,440,609)</b>

**Employee Health Insurance Rates – Negotiations With Providers Net an 8.5% Increase vs. Proposed 10% Increase – Saves City an Additional \$689,391**

# Tough Decisions

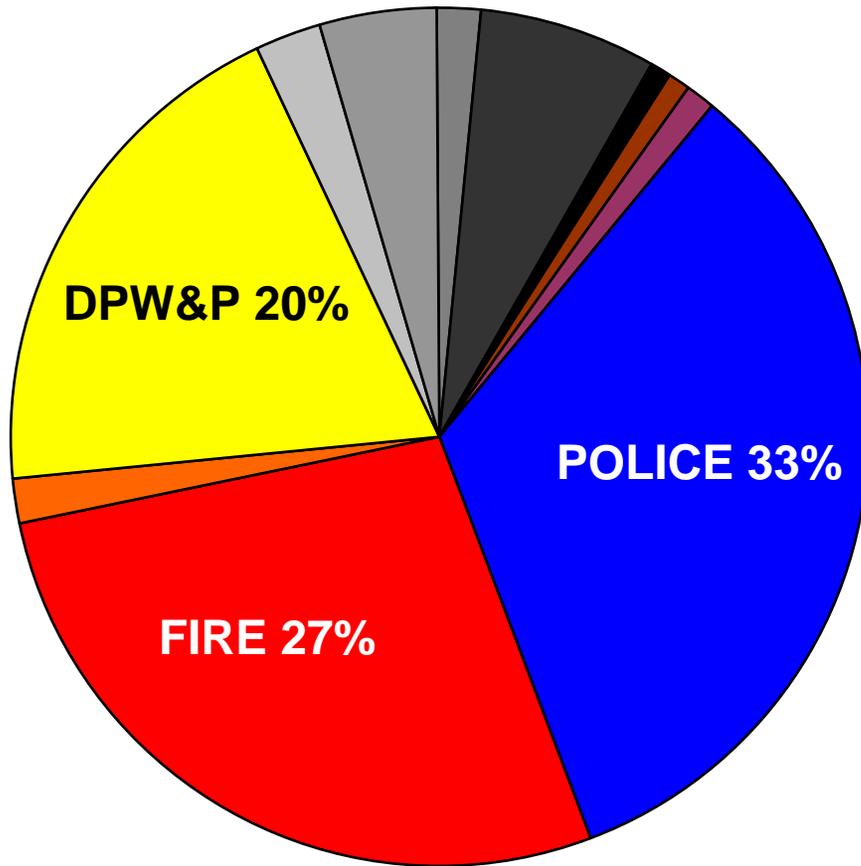
## Preserve Jobs & Services

- **FY2010 2% Wages Increases - \$2,000,000: How Do We Justify w/ Layoffs, Deep Recession and “Other Shoe Set to Drop?” Decision to Remove and Put to Work Preserving Jobs and Services.**
- **Analyzed Trash Bag Fee Increase... Believe It Is Justified - Initially Included in My Solutions – Now Removed. Feedback and Realities. One Million Dollars Redirected Here to Preserve Services and Jobs.**
- **“Other Shoe Set to Drop” – One Million Dollars Redirected to Emergency Stabilization Reserve To Maintain My FY2010 Budget Recommendation. Stay Tuned... Other Shoe Will Likely Drop.**

# Must Act Now! - 18 Month Budget

- **State FY2009 9-C Cuts of \$5M**
- **FY2009 Snow Deficit Exceeds \$3M**
- **Delay Will Magnify the Problem and Will Increase the Number of Layoffs Required**
- **Results of Prompt Action -**
  - **FY09 Salary Savings from Layoffs and Vacancies Will Exceed \$2 Million**
  - **FY09 Programmatic and Overtime Reductions Will Generate Additional Savings Toward the Fiscal Year 2009 Deficit.**
- **Actions Now Serve Well to Balance FY09 and FY10**

# Our Priorities are Clear: 80% of Operational Funding for Police, Fire and DPW

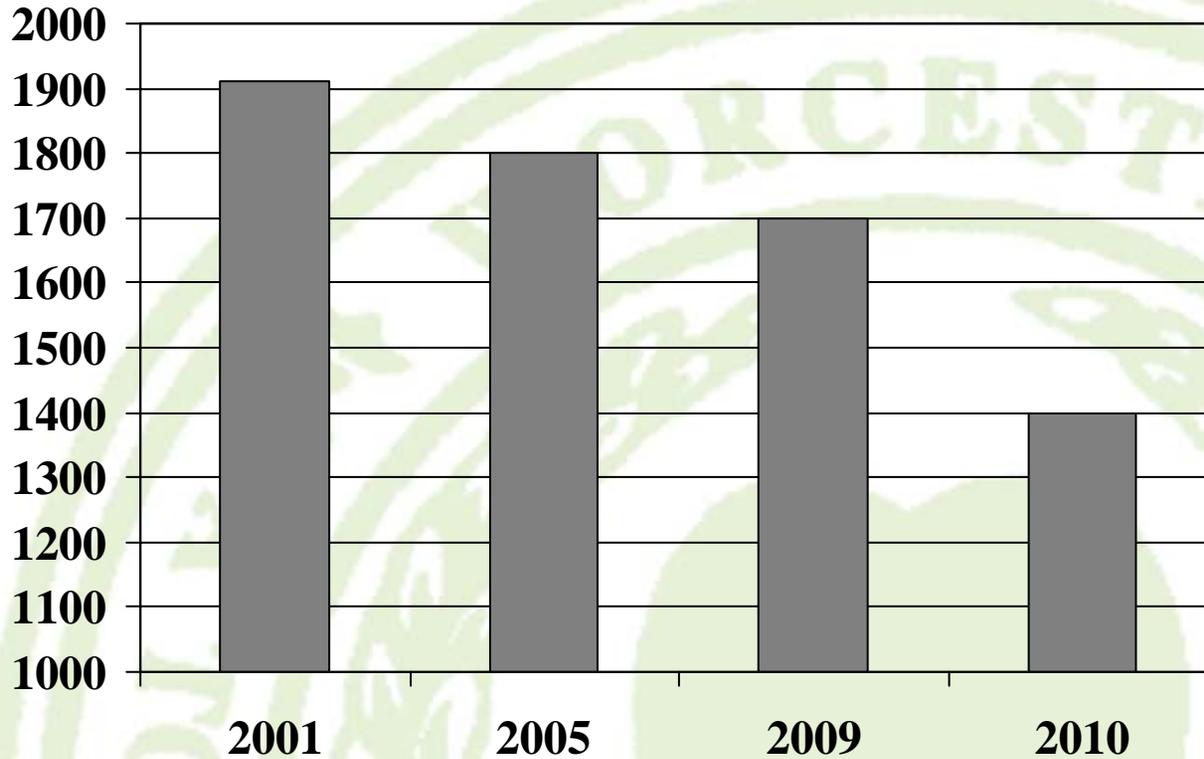


- Legislative Offices
- Office of City Manager
- Human Resources
- Economic Development
- Law
- Police
- Fire
- Communications
- Public Works and Parks
- Inspectional Services
- Finance

# \$12.4M Departmental Reductions

- **Priorities and Choices**
- **These Reductions are Significant. Decline in the Services We Provide and The Quality of Life We Enjoy.**
- **“Top to Bottom – Stem to Stern”. Cabinet to Line Positions. Continued Reorganization Departmental/ Division Organization to Job Descriptions**

# City Positions—The Trend is Clear



The FY2010 Budget Recommendation Reduces our FY2009 Workforce of 1681 By 308 Positions – to a FY2010 Workforce of 1,380, Nearly 18% Cut

# Budget Impact = 308 Positions

**208 Positions Layoff or Vacancy**

**80 Positions to be Eliminated Through  
Early Retirement Incentive**

**+ 20 Projected Vacancies to be Frozen**

---

**= 308 Total Positions Eliminated OR**

**18% Reduction in City's Workforce**

# Proactive Course...

- **Strong Management – Perspective...**
- **308 Positions Lost (24 Potential WPD Restorations)**
- **99 Layoffs Effective Today**
- **31 WPD Recruits**
  - **24 WPD Layoffs (Stabilized by Byrne/ COPS)**
- **54 Vacancies Frozen and Eliminated**
- **80 Early Retirements**
- **20 Future Vacancies**
- **IT COULD HAVE BEEN A FAR DIFFERENT SCENARIO...**



# Across the Board Position Reductions

## Positions Eliminated By Department

	Positions	Total		
<b>A&amp;F</b>	20	93	21.5%	5
<b>Fire</b>	25	417	6.0%	5
<b>Police</b>	44	533	8.3%	12
<b>Communications</b>	2	64	3.1%	0
<b>Law</b>	2	15	13.3%	0
<b>Inspectional Services</b>	12	72	16.7%	4
<b>DPW &amp; Parks</b>	37	273	13.6%	23
<b>Clerk</b>	4	22	18.2%	0
<b>Auditing</b>	4	11	36.4%	1
<b>City Manager</b>	3	10	30.0%	2
<b>Human Resources</b>	2	17	11.8%	1
<b>HHS (Lib., Health, Elder Affairs, H.S.)</b>	24	126	19.0%	0
<b>Economic Development</b>	5	35	14.3%	1
<b>Sub-Total</b>	<b>184</b>	<b>1688</b>	<b>10.9%</b>	
Police (funded by Byrne Grant through 9/30)	24			
<b>Total</b>	<b>208</b>	<b>1688</b>	<b>12.3%</b>	

# Department Summaries

- **WPD**
  - **Split Force/Community Impact Sustained**
  - **Neighborhood Watch Program Sustained**
  - **Night Traffic Enforcement Sustained**
  - **Domestic Violence Unit Sustained**
  - **Assumes Animal Control Enforcement**
  - **Recruit Class Remains on Layoff**
  - **24 Officers Funded By Byrne from April – June 30, 2009 and from July 1 through September 30<sup>th</sup>. Peak Season. COPS Grant**



# Department Summaries

- **WFD**
  - **No Layoffs of Current Line Firefighters.**
  - **New Fire Class - Layoff.**
  - **Deputy Chiefs Positions to be Reduced to Two Upon Retirement.**
  - **Promotions to Official Ranks Frozen – Firefighters Vacancies Upon Retirements Filled from Fire Class.**
  - **Manpower Levels from 406 to 384.**
  - **Elimination of Manpower Overtime - Rolling Company Closures, Risk Spread Throughout City.**
  - **Emergency Management to Communications.**
  - **Fire Administration Positions to Line.**

# Department Summaries

- **Department of Emergency Communications**
  - **State 911 Grant Sustains Dispatcher Positions**
  - **UMASS Agreement Sustains Dispatcher Positions**
  - **Emergency Management**

# Department Summaries

- **Department of Public Works and Parks**
  - **Streetlights ON – Creativity through Acquisition, \$\$s to restore DPW services.**
  - **4 City beaches Will Open for Summer.**
  - **Honest Conversation on Pools.**
  - **Parks Staff Proper Down to 25 People (40% Reduction in 4 Years), 30 Years of No Capital Reinvestment, Deep Cuts...**
  - **Programs Reduced or Eliminated**
    - Long patch
    - Guardrails
    - Crosswalk Painting
    - Berm Repairs
    - Abandoned Vehicles

# Department Summaries

- **Inspectional Services**
  - **Front Line of Foreclosure - Minimized Losses, One Inspector Layoff Each for Code and Housing.**
  - **Clerical and Technical Support Reduced.**
  - **Vacant Positions Eliminated.**
  - **Response Times for Required Annual Inspections Expected to Increase.**
  - **Food Inspection Times to Increase (12 to 20 Months)**
  - **Emergency/Priority Tenancy Stabilization Funding Remains.**
  - **Water Lab Eliminated, Baseline Funding Maintained for Independent Outside Testing.**

# Department Summaries

- **Public Library**
  - **Main Library and Branches Will Open.**
  - **MCPHS Funding in Place for FY2010.**
  - **No Sundays or Mondays at Main Library.**
  - **Elimination of 8 Librarians and 2 Other Staff Positions.**
  - **Without Additional Support, Library Will Struggle to Schedule Adequate Hours to Meet State Funding Requirements.**
  - **Non-Profits Will Step Up – Stay Tuned...**

# Departmental Summaries

- **Elder Affairs**
  - **Senior Center Will Remain Open.**
  - **Department Moved To City Manager's Office.**
  - **Loss of Positions Will Effect Hours of Operation.**
  - **70% of Programming to be Maintained.**
  - **Custodial Will Pose Ongoing Operational Challenge.**
  - **Elder Services Will Maintain 59% of Contracted Services for Elders.**
    - **Loss of RSVP, Food Distribution, Elder Home Maintenance, Elder Services Transportation, Latino Elder Programs, Etc.**

# Departmental Summaries

- **Health and Human Services**
  - **Cabinet Position and Office Eliminated, Sub-Departments assigned to City Manger's Office**
  - **Human Services (Human Rights, Disabilities, and Veterans) to be Relocated to City Hall, Reporting through City Manager's Office**
  - **MMRS Program Assigned with Core Function to Emergency Management Department**
  - **Grant Funded Health Operations Preserved to Address Core Mission.**

# Departmental Summaries

- **Administration and Finance**
  - **Federal 3% Funding Stabilized Core Functions in Backbone Departments: Treasury, Purchasing, Budget, Assessing, Technical Services**
  - **FINANCE: Elimination of 10 Positions, Requiring Further Consolidation of Finance Functions to Allow Cross Training and Additional Resource Sharing**
  - **Focus on First Line Service, Collections, Internal Controls, Budget Monitoring, Contract Compliance.**
  - **TECHNICAL SERVICES: 5 Positions Lost will Slow Development of Software and Deployment of New Technologies**
  - **ASSESSING: 5 Positions Will Reduce Customer Service Capacity and Slow Assessing Work.**

# Departmental Summaries

- **Law Department**
  - **Federal 3% Funding Stabilized Department**
  - **Key Legal Functions Intact**
  - **Attorney and Clerk Positions Eliminated Through Layoff**
- **Human Resources**
  - **Federal 3% Funding Stabilized Department**
  - **Two Positions Eliminated**

# Departmental Summaries

- **City Manager**
  - **Direct Management of Human Services, Inclusive of Human Rights, Disabilities, and Veteran Services.**
  - **Cabinet Oversight of Public Library, Elder Affairs, and Public Health**
  - **Funding for Community Parades Maintained**
  - **Loss of 3 Positions for Management and Clerical Support**

# Departmental Summaries

- **Public Health Division – Deep Reductions...**
- **Shell of Former Self**
- **Public Health Nurses, Staff and Clerical Reduced.**
- **Best of Community will Bring About National Model.**
- **UMASS Memorial with Other Institutions- Partnership for the Future.**

# Departmental Summaries

- **Economic & Neighborhood development**
  - 25% reduction in staff
  - Reduced cultural support
  - Reduced reporting capacity
  - Reduce support for business development including Choose Worcester
- **Planning**
  - Increase in review time to avg 33 days
  - Reduce customer service hours
- **Neighborhood Services**
  - 15% staff reduction
  - Reduced support for crime watch and neighborhood meetings

# Departmental Summaries

- **Auditing**
  - 27% reduction in workforce
  - Core tasks slowed
  - Additional duties assumed by remaining staff
- **Clerk**
  - 18% reduction in workforce
  - Customer service challenges with reduced staff
  - Additional cross-training required to support elections division



# Worcester Public Schools

---

## Worcester Public Schools Breakdown

---

Reduction Due to Funding Formula	(1,834,395)
Reduced Amount Over Minimum	(1,070,000)
<b>Total City Reduction to Worcester Public Schools</b>	<b>(2,904,395)</b>

---

<b>Charter School Loss</b>	<b>(1,254,827)</b>
----------------------------	--------------------

---

<b>Subtotal Schools Reduction</b>	<b>(4,159,222)</b>
-----------------------------------	--------------------

---

## City Solutions for Worcester Public Schools

---

Health Insurance Rates	600,000
Non Represented 75/25	250,000
Retirement Schedule Legislation	1,200,000
Health Trust Fund to Reduction Health Costs	2,300,000
<b>Total City Solutions for Worcester Public Schools</b>	<b>4,350,000</b>

---

City Solutions also Benefit the Worcester Public Schools –  
Restoring \$\$s in When Deficits Cut Services on City-side

# The Other Shoe

- **City Budget Assumptions:**
  - **ERI Dependent on State Legislative Action**
  - **Pension Schedule Extension Requires State Legislative Action**
  - **Governor's Budget Reduces Local Aid Significantly, and State Revenues ARE PLUMMETING...**
  - **Layoff Notifications Up to 400; Process May Restart**
  - **Emergency Reserves, Deeper Cuts, Trash Bag Fee, Other...**
  - **WE HAVE PLAYED ALL OUR CARDS....**
  - **Reforms: Ongoing Reforms are the Best Medicine...**



# Partnerships that Define Our Future

<b>Reform</b>	<b>Value</b>	<b>Jobs</b>
<b>Public Safety</b>		
Health Insurance	1,200,000	16
Wage Proposals	2,600,000	36
<b>Other Unions</b>		
Health Insurance	720,500	16
Furlough 1 Week	527,000	10
Wage Proposals	403,000	10
<b>TOTAL</b>	<b>5,450,500</b>	<b>88</b>