

Budget Questions, FY 2016

- 1) Staff is recommending balancing our budget by reducing the Stabilization Fund by \$3.2M. There was some mention at the most recent M&C meeting that because of possible increased revenues from the State, that figure might be reduced. What is the current staff proposal for taking money out of the Stabilization Fund in order to balance our FY'16 budget?
- 2) When was the last time M&C put money back into the Stabilization Fund?
- 3) Our current policy is that the Stabilization Fund is 10% of revenues. Based on current revenue projections, where will we stand in relation to that goal?
- 4) One of staff's recommendations for this year is that we commit to replacing the \$3.2M removed from the Stabilization Fund by allocating \$1.1M annually for the next three years until the fund is back to its current level. That is an annual budget decision. Given the fact that we have not put money into the Stabilization Fund for several years, how can we codify and commit M&C this year to actually following through on that staff recommendation.
- 5) Staff is balancing the FY'16 budget assuming \$1.1M in "Minor Service Changes" to bus service. What specific route changes does that include? How does this proposal differ from the COA options M&C rejected last year?
- 6) Staff is balancing the FY'16 budget by including a further option noted in our material (Major Service Change) that will yield \$1.2M annually eventually, but will only yield \$507K this fiscal year. What specific bus routes are affected and how does this differ from the COA options staff presented to M&C last spring (projected at the time to yield \$2.4M in total.) I'm assuming what we're being shown here is that total set of changes, all but \$110K of which was rejected by M&C last fall. Is that correct?
- 7) Our Five Year Transit Plan indicates a Capital Expense in FY'17 of \$6.9M, FY'18 of \$19.1M, and FY'19 of \$14.4M. While those are largely funded through Federal and other funding sources, is the City General Fund match approximately 20% in each of those years? Much of our capital investment obligation is a function of Federal requirements to maintain an efficient fleet. What amount of those capital costs are mandated by those FTA regulations, and by what amount can they be mitigated if we are to adopt all \$2.4M of the route efficiency proposals indicated in items 'e' and 'f', above?
- 8) What was the process by which the City Manager decided to fund three civic events (Veterans, MLK and Chavez parades)? Last year the MLK event still owed the City for services provided. Have those bills been paid? How are these events determined to be different than the other civic events now competing for funding through our RFP process? What is the status of the Rodeo Day Parade funding under the current staff proposal?
- 9) In the past we have been told that our annual investment in vehicles should be \$9M, and in building maintenance should be \$6M. Have those numbers changed? What is in the staff plan to achieve those funding goals? Provide M&C a summary statement of the current condition of our vehicle fleet, as well as our building infrastructure to justify deferring these investments for yet another year.
- 10) Last year, staff presented M&C a budget plan called "Adjusting to the New Normal." A part of that plan was a priority listing by department that showed services each department is providing to the public. If it is true that we must reduce expenditures to

meet future financial obligations, please draw from that priority listing and show to M&C what services to the community we would be asked to eliminate if each department was asked to take an immediate 10% cut in its operating budget. Please provide that full list to M&C.

- 11) Pima Animal Care Center budget is paid on a fee for service basis. Each year we pay the delta between what we have budgeted and the actual billed expenses. The staff proposed budget assumes zero year over year increase this year. Will we have an amount due to PACC this fiscal year (exclusive of the current differences of opinion related to Administration and Capital costs), and if so, why are we not building those increased costs into the FY'16 budget?
- 12) The voters overwhelmingly approved a new PACC facility. It will be larger, will house more animals, and will include a medical care component. Is it staff's assumption that the new facility will be less costly to operate than the current one is? Please align that answer with the proposed PACC budget.
- 13) Each year our compensation plan includes both wages and benefits. During the current labor negotiations, what specific items from the benefits column are envisioned to be moved over to the base rate column in order to allow for an increase in base pay on a dollar for dollar basis?
- 14) The proposed FY'16 budget appears to assume an increase in TPD overtime. What is our current turnover rate in TPD? What are we doing to recruit to fill those vacancies? Have we reassessed our hiring standards in an effort to increase our recruitment success? If base pay is one of the issues raised for turnover, how have we tried to address that in the current contract negotiations by moving money from 'benefits' over to 'base pay' on a dollar for dollar basis?
- 15) In economic times like these, why are we given an "Unmet Needs List" from TPD that includes items such as \$1,000 projector screens, personalized coffee cups, over 500 office chairs valued at \$400 each, and other similar items? How urgent are these 'needs' assumed to be by staff?
- 16) Remind M&C of the cost of the salary increases voted to approve last year. Please include the cost for pensions and benefits that came along with those pay increases.
- 17) Staff has indicated we still have options for transit fare increases. Those include a "10% increase" which would yield \$730K to the General Fund if implemented in August of this year, and what is described as the "Maximum allowable Fare Equity Analysis" which would yield \$1.6M to the GF if implemented in August, 2015. What is the public outreach required for adopting either of those options?
- 18) In FY'17, the remaining 25 police officers will leave the COPs Grant funding. We will also likely see another large PSPRS pension obligation due to pending litigation being completed. What will be the General Fund responsibility for those two items in FY'17? What other similar items are you aware of that will be unavoidable obligations to the General Fund in FY'17?
- 19) Describe the status of TFD vehicles and the implications for the safety of the public in terms of service delivery.
- 20) What is the anticipated impact to our sales tax revenues due to the new retail outlet that will soon be opening in Marana?
- 21) Several of our departments charge fees for services to the public and to the business community. Please assess how those fees have kept pace, or not, with our own internal

costs of doing business. What specific increases would you propose in order to offset this year's General Fund deficit?

- 22) When have we audited our own internal processes in order to ensure the procedural requirements we impose on the business community is not excessive; increasing costs to the City for implementing those processes, and to the private sector for compliance? Comment on changes we could make to help reduce both our own internal costs, and those incurred by the business community.
- 23) We share many challenges as a jurisdiction with those faced by the County. I continue to believe there's a value to joint M&C/BOS quarterly meetings. Has the City Manager approached the County Administrator with that proposal, and if so, what has been the response?
- 24) If M&C adopt a budget ceiling for FY'16 on May 19th, what options exist for implementing any of these suggestions before final adoption in June?
- 25) Finally, we continue to attract service sector employment. While hotels and restaurants are good for the community, they are not the high paying jobs found in the manufacturing and logistics sector. We have an economic initiatives staff. What specific efforts are they making to recruit new manufacturing to this region? What 'Road Trips' have they taken in an effort to attract new high paying manufacturing/logistics employers to this area? What is our game plan for aggressively going out into the marketplace, knocking on doors and letting large, well-paying employers know that Tucson is open for their business?
- 26) Have we looked into privatizing Sun Van services as a way of reducing our General Fund costs / maintaining similar levels of service as I believe Marana and Oro Valley are doing?