Memorandum

April 25, 2007

To: Honorable Councilmembers

From: Mayor Jerry Sanders

Subject: City Service Levels Funded in my FY08 Budget Proposal

I have stated that my FY08 budget maintains municipal service levels. Let me explain what that means:

- trash will be picked up on the same schedule;
- recreation center, pool and library hours will remain the same;
- city funding for cultural institutions and neighborhood street festivals remains exactly at the same level;
- our citizens will be able to continue to rely on a clean water supply; and
- police and fire departments will continue to respond in the case of emergency.

I am very proud of the fact that my administration was able to freeze many of these service levels in place last year after three consecutive years of cuts. In some cases, my proposed FY08 budget includes funding increases that will allow us to enhance service levels. For example, the proposed budget includes a 96% funding increase for street repairs. There are also $10 million in enhancements for the police and fire-rescue departments.

There are some who have challenged my statement about service levels by asserting that any changes or deviations from the way we currently administer programs is equal to a service level reduction. I disagree.

We will continue to meet the top-line service level expectations of our citizens. But we will also continue to examine our programs to optimize their delivery overall and assess whether or not they are compatible with each community's needs. The Park and Recreation Department performs this function on nearly constant basis. For example, if there are only 2 participants in an archery class but 20 interested citizens in a ceramics class, we may well make a decision to use our limited resources to conduct the ceramics class.

The argument has been made that my proposal to cut 671.53 FTE's from the budget will result in service level reductions. I don't agree for a number of reasons.

I don't think that more people equal better service. More people certainly equal greater costs but it does not follow that more people equal greater service levels. Over the past decade, the City has added roughly 2,000 more employees. I don't necessarily believe that these additions have aggregated to an increase in service levels.

At least 400 or 60% of the positions that I am recommending be eliminated are currently vacant. Vacant positions do not provide services. In the case of the library department, for instance, 31 of the 36.5 FTE's that I have recommended be cut are vacant; no librarians will be laid off. The elimination of vacant positions is financially prudent given the city's current financial situation. The largest position reduction count came from the Metropolitan Wastewater Department (98.90 FTE filled) as a result of a Bid-to-Goal that involved labor.

It is true that we will be asking our dedicated City employees to do more -- and I appreciate that. It will be incumbent on us as managers to ensure that things don't fall through the cracks and that the workload is redistributed.

Will things change? Absolutely. Will we go about providing the same service in a more efficient manner? You bet. But as with all change processes, there will be bumps in the road. I acknowledge that and want all of our citizens to know that as well. But I believe those issues will be temporary in nature and that we will have a far more efficient operation on the other side of our transition.

I know that the goal of making government more efficient is one shared by you. I firmly believe that we can do more with less. What's the alternative? The only alternatives that I can see are for us to once again not fund several long-term obligations that threaten to overwhelm us or to raise taxes. Neither are acceptable options. This challenge belongs to all of us, not just me as Mayor. I challenge each and every one of you to become a solution finder. We can and must work cooperatively on this important issue.