



**CITY OF SCOTTSDALE
BUDGET REVIEW COMMISSION**

MONDAY, APRIL 20, 2009

**CITY HALL, KIVA FORUM
3939 NORTH DRINKWATER BLVD
SCOTTSDALE, AZ 85251**

PRESENT: Louis Schmitt, Chair
David N. Smith, Vice-Chair
Eric Borowsky
Martha Ecton
Michael Foster
Bob Berlese

ABSENT: Donna Reagan

STAFF: Scott McCarty, Financial Services General Manager
John Little, City Manager
Sylvia Dlott, Sr. Budget Analyst
Monica Staats, Sr. Budget Analyst
Judy Mcilroy Sr. Budget Analyst
Jack Miller, Sr. Management Analyst
Teresa Martin, Sr. Management Analyst
Debra Robberson, City Attorney
Caron Close, City Prosecutor
Carolyn Jagger, City Clerk
B. Monte Morgan, Presiding Judge, City Court
Janet Cornell, Court Administrator, City Court
Alan Rodbell, Chief of Police
Willie McDonald, Fire Chief
Neal Shearer, Assistant City Manager

Call to Order/Roll Call

Chair Schmitt called the Budget Review Commission meeting to order at 5:00 p.m. A formal roll call was conducted, confirming the presence of Commissioners as noted above.

Commissioner Comments

None noted.

Approval of Minutes – March 26, 2009 and April 02, 2009 meetings

COMMISSIONER ECTON MOVED TO APPROVE THE BUDGET REVIEW COMMISSION MEETING MINUTES OF MARCH 26, 2009, AND APRIL 2, 2009. COMMISSIONER BERLESE SECONDED THE MOTION, WHICH CARRIED BY A UNANIMOUS VOTE OF SIX (6) TO ZERO (0).

New Business

1. OVERVIEW OF MAJOR STRATEGIES – JOHN LITTLE, CITY MANAGER AND SCOTT McCARTY, FINANCIAL SERVICES GENERAL MANAGER / CFO

City Manager John Little noted the proposed FY 2009/2010 does not ask for any new or increased taxes of any kind. It represents the smallest utility rate increase since 2005, and maintains core quality services at established levels. This proposed budget reduces staffing levels by more than 200 full-time equivalents, or approximately 8 percent of the employee population. Services are scaled back only when and where demands are lowest or alternatives are readily available. The proposal does not use the General Fund reserve, and all CIP projects will continue to move ahead.

Mr. Little discussed Council-approved staffing levels, and indicated the City must be aware of the impacts the proposed 2 percent pay cuts might have on competitiveness, service, and employee morale. In addition, staff reductions have given the City fewer resources to meet community priorities. In regard to future service level objectives, part of continuous improvement is constantly refining the City's metrics.

The recommended area of emphasis for the Budget Review Commission in FY 2009/2010 will be measurement, benchmarking, best practices, and workload measures.

Mr. Little presented the Commission's Work Plan for their meeting with the City Council on May 5, when the City Manager's budget will be reviewed. The Commission should keep these strategies in mind during the budget review process:

- Do not use General Fund Reserves, in order to protect the City's bond rating.
- 2 percent pay reduction across the board, which will yield \$4 million in savings for the City.
- \$3 million dividend from the new organizational model, which should continue to yield savings and efficiencies.
- One-time \$9 million transfer in from CIP.

Commissioner Ecton asked what projects will be delayed by the \$9 million one-time transfer. Mr. Little said some projects will be delayed, and he will provide that list to the Commission.

Commissioner Ecton noted that despite the 2 percent pay reduction, some staff members are still receiving merit increases. She asked how that is impacting employee morale. Mr. Little explained the merit pay program has been eliminated, which will not take effect until the beginning of the fiscal year. There have been very few comments from employees about the unfairness of this process. Most employees understand the need for sacrifice.

Commissioner Ecton asked if the \$20 million in payroll savings represents a net savings, and whether the retirement system payment will reduce that amount. Financial Services General Manager explained that the \$20 million figure is the gross amount that will be removed from the City's payroll as a result of the 200+ positions being eliminated.

In response to an inquiry by Commissioner Ecton regarding State Shared Revenues, Mr. McCarty said those amounts have been reduced in the Five-Year Plan.

Commissioner Ecton asked for clarification regarding the cash transfers from the General Fund to fund Bed Tax and Transportation activities. Mr. McCarty explained the General Fund subsidizes the activities of both of those functions. Due to the economy, incoming Bed Taxes have been reduced; however, the expenditures used from those revenues remain fairly constant. The transfers from the General Fund to the Bed Tax Fund and Transportation Fund were made to make up the difference.

Commissioner Ecton noted there is a \$6 million deficit between the Preserve sales tax revenue and expenditures. Mr. McCarty said the difference is made up of the cumulative amount of tax that has been put in that fund.

Commissioner Ecton stated that due to Arizona American Water using City wells, there has been subsidence and damage near the CAP canal. She asked whether the City would be able to budget repairs of the CAP, if necessary. Mr. McCarty said there is a contingency fund in the water budget for exactly those kinds of issues.

Commissioner Ecton recommended the City implement an improved safety program, due to low safety audit scores. Mr. Little agreed the City should amplify its safety efforts, and it is a goal for the coming year.

Vice Chair Smith thanked staff for their hard work during these difficult times. He stated he is anxious to hear the individual department presentations. However, he indicated at this time he would not advise City Council to adopt the budget as presented. He expressed concern regarding the forecasted revenues, and the practice of charging General Fund expenses to other funds. In regard to expenses, he said he believes the numbers will be larger than presented, and by his calculations the two years beyond FY 2009/2010 show deficiencies of \$8 million and \$10 million respectively. He said this should be addressed in this budget cycle. He suggested additional longer term and deeper sacrifices must be made.

Commissioner Borowsky discussed staffing levels, stating many citizens have expressed concern regarding the size of City staff. He indicated his research shows that staffing levels are only approximately 1 employee per 1,000 residents higher than in 1990. He noted that surrounding cities have lower employee-to-citizen ratios. Budget per capita has gone up 91% since 1990 from \$1,027 per resident to \$2,158, which seems to be in line with inflation.

In regard to the Preserve funds, Commissioner Borowsky said that page 7 of the executive summary reflects the total sales tax forecasted at \$26 million going to Preserve. He said that preserve was .20 percent and .15 percent of the total sales tax revenue which is 1.65 percent. Commissioner Borowsky said that somewhere else in the executive summary, page iii, reflects that the total forecasted sales tax was \$83 million, and if that represents 1.65 percent the number for preserve does not come out to \$26 million. Mr. McCarty explained that the \$83 million just represents the 1 percent out of the 1.65 percent, which is the general use available to the City.

Commissioner Borowsky expressed concern regarding the lack of reserve funds for contingencies if revenues are down significantly from estimates.

Commissioner Berlese asked if the \$3 million dividend is a hard dollar figure, and how that number was calculated. Mr. Little explained division directors are expected to find those savings within their departments.

Commissioner Berlese asked for clarification regarding the Voluntary Protection Program. Mr. Little said the City has a very active safety program, and the VPP will continue to move forward; however, a

lot of work must be done to revitalize the program. A recertification effort was begun, but was suspended after training and other issues were identified.

Chair Schmitt said this budget represents approximately a 7 percent negative run rate; i.e., it is spending more money than it is taking in. In addition, he expressed concern regarding the validity of the forecast. If the forecast is off by 1 or 2 percentage points, it could cause serious financial problems for the City.

2. DIVISION BUDGET REVIEW

Staff presentation and Commission discussion of the City's Proposed FY 2009/10 Budget by division. The following budgets will be reviewed:

1. City Clerk - Carolyn Jagger, City Clerk, (480) 312-2411, Cjagger@scottsdaleaz.gov

City Clerk Carolyn Jagger explained the Clerk's Office is divided into two budget centers, operations and the election center. It is staffed by 10 full-time employees, and performs four core functions for the City:

- Ensure proper legal notice is given for all public meetings.
- Maintain public records in compliance with State law.
- Conduct local elections.
- Provide support to the City Council.

The Clerk's Office also processes passport applications, which provides approximately \$75,000 in revenue and helps offset operating costs.

The primary financial goal is to maintain or reduce its base budget while sustaining or, when possible, increasing levels of service. The Clerk's Office has successfully met that goal for the past five years. This year the Clerk's Office has made additional cuts, and as a result the operating budget was reduced by \$40,000 without cutting services to citizens. These cuts are as follows:

- Reduced funds paid to an outside vendor for City Council minutes, and now produce these minutes in-house.
- Reduced the number of full Council agenda packets produced by more than 50 percent, which saves approximately \$15,000 annually.
- Eliminated two off-site posting locations, saving approximately four man-hours per week and results in \$4,000 in annual savings.
- Cancelled the City Clerk's Blackberry service, saving the City approximately \$1,100 a year.

Since there are no elections currently scheduled for 2009, no funds have been allocated to that center.

As a result of the City's major reorganization, the Clerk's Office may be assuming additional duties including providing Council support; coordinating the City's boards and commissions application, nomination, and appointment process; and assuming responsibility for the agenda planner. For this reason, no staffing level reductions have been proposed at this time.

In order to increase efficiency and save taxpayer dollars, the Clerk's Office has converted from summary minutes to action minutes, saving staff time and allowing these minutes to be produced in-house. A number of enhancements have been made to the City's website which increases services to citizens, while allowing the office to run more efficiently. In addition, the City's Record Management Program has been updated and enhanced, which will save the City money. Processes and procedures have been reviewed in order to look for efficiencies and cost savings.

Looking ahead to the next fiscal year, the Clerk's Office will continue to focus on improving efficiency and service delivery through technology.

The Clerk's Office has begun working with staff regarding the possibility of a November 2009 special election. In addition, City Council will be discussing whether to establish a task force to review the City Charter and make recommendations for changes. By law, all charter changes must go to the voters for approval.

In response to a concern regarding the City Clerk's workload, Ms. Jagger stated that while her proposed budget is ambitious, the City Manager has committed to giving the Council the level of support that they need and will assist the City Clerk's office if the need arises.

Commissioner Borowsky thanked the City Clerk for the outstanding job she does.

Commissioner Berlese asked what other data the City Clerk's Office tracks. Ms. Jagger indicated her office tracks the number of passport applications, legal services, postings, and public records requests. Phone calls are not tracked.

Commissioner Berlese asked for clarification regarding FTE management positions in her department. Ms. Jagger stated four of the ten FTEs are management positions.

2. City Court - B. Monte Morgan, Presiding Judge, (480) 312-2772, Bmorgan@scottsdaleaz.gov and Janet Cornell, Court Administrator, (480) 312-2775, Jcornell@scottsdaleaz.gov

Presiding Judge Monte Morgan said the Court has taken many steps to create savings. The Court is a separate branch of government, which is created and authorized by Arizona Statute, City Charter, and City Ordinances. The Court is dedicated to serving the community by providing a dignified and professional forum for the efficient resolution of cases, and all persons shall be treated equally and fairly to promote public trust and confidence. The City Court adjudicates misdemeanor cases, petty offenses, traffic violations, photo enforcement issues, City Code/Zoning violations, contested parking violations, orders of protection, injunctions against harassment, juvenile cases, and the issuances of search warrants for law enforcement. As a charter officer of the City, Mr. Morgan indicated he serves as the Chief Executive Officer of the Court, and is responsible for overseeing the administration of all judicial and internal administrative and operational functions.

The City Court is the third largest municipal court in Arizona based on case filings; however, based on the number of court personnel, it is number four. Over 224,000 charges were filed in FY 2007/2008. On the average day, between 600 and 800 customers utilize the court. During the Loop 101 photo enforcement program over 237,000 cases were filed with the court. Over 12,000 phone calls come into the court on a monthly basis.

Court Administrator Janet Cornell presented the City Court's proposed FY 2009/2010 budget. She explained the Court is one budget program area. The Court's work is driven by law enforcement and the cases they initiate by the issuance of citations. The Court employs 22 pro tem judges who are paid on an hourly basis as special contract providers. The IRS has recently determined these positions should be considered employees of the City, and in order to avoid an IRS sanction, the Court is attempting to move these temporary judges into slotted employee status for FY 2009/2010. Funds must be reallocated out of Contractual Services into Personal Services. The ultimate net cost for the City to do this is \$8,000.

The Court is decreasing its total budget for FY 2009/2010 by \$137,000, which equates to approximately a 2 percent cut. Since 79 percent of the Court's costs are in personnel, discretionary funds are already very limited.

The Court is proposing a 1.9 FTE reduction in staff by not filling positions or by turning a full-time position into a part-time position. This would represent an employee base decrease of 3 percent. Overall, operating expenses would be decreased by approximately 19 percent.

Major budget adjustments include:

- Move Court staff out of the General Fund into the Special Revenue Fund, which is generated by a \$10 assessment on top of every fine.
- Reduce line item costs by limiting office supplies, travel, and training.
- Deferring capital projects.

In regard to operational enhancements and efficiencies, revenue will be enhanced by aggressive collection of financial sanctions. All collectable amounts will be moved into the FARE program, a centralized collection program operated by the Arizona Supreme Court. Fine and fee increases are being proposed, although due diligence must be used in deciding these increases because it is increasingly challenging for litigants to pay these obligations.

Using automated processes, use of an electronic document management system, and coordinating jail costs with the Prosecutor's Office and the Police Department will achieve expense reductions.

Several Capital Improvement Projects are currently in progress with estimated completion dates in FY 2009/2010:

- Refurbishing the court lobby and installing ergonomically approved workstations.
- Security remodel at main court entrance.
- Document management system expansion.
- Digital courtroom recording project.
- Justice center facility generator to avoid power outages.

CIPs recommended for deferral include:

- Justice Facility Space Program Study
- Mandated statewide case management system.

The Advisory Board in place to support the Court is staffed and maintained by the HR Department. It is convened when a judicial officer needs to be evaluated for reappointment and applicant review.

Major initiatives and policy issues are as follows:

- Legislative impacts
- Operational impacts

Vice Chair Smith asked for clarification regarding FTE reductions as it relates to the 2 percent wage and salary decrease. Ms. Cornell said the 2 percent reduction reflects the overall budget decrease based on line item cuts, reallocation of costs, and the movement of 9.5 FTEs out of the General Fund into the Court Enhancement fund.

Chair Schmitt asked if the City counted the removal of the FTEs out of the General Fund as a reduction to the fund, and Mr. Little indicated it did not.

Commissioner Berlese asked for the management to non-management employee ratio at the Court. Ms. Cornell said management positions represent approximately 8 to 10 percent, not including judicial officers.

In response to an inquiry by Commissioner Berlese, Ms. Cornell indicated the Court Enhancement Fund generates approximately \$1 million annually, and is traditionally used to pay for all capital projects. The fund can be used for technology, security, and court operations. Discussions have been held regarding temporarily placing additional FTEs in this fund but removing them in future fiscal years, in order to avoid drawing down that fund for ongoing or future capital items. At the end of FY 2009/2010, there will be approximately \$3.9 million still available in that fund.

In response to an inquiry by Commissioner Foster regarding the costs of required continuing education, Ms. Cornell explained the bulk of the costs are paid for out of the Court's budget. The Arizona Supreme Court does sponsor some conferences at little or no cost.

Commissioner Foster asked what percentage of fines goes uncollected. Ms. Cornell indicated there are currently approximately \$26 million in uncollectible fees and fines. These fines are not written off; however, the Court does an annual reconciliation process with the City Finance Department in order to state a more accurate number for truly potential collectibles.

Commissioner Foster asked for clarification regarding Maricopa County Jail expenses. Ms. Cornell explained that expense is embedded in the Police Department budget. That cost is assessed to the defendant; however, the City is not always successful in recouping it. When it is recouped, it goes into the City General Fund to offset the budget item in the Police Department.

In response to an inquiry by Commissioner Foster, Ms. Cornell said commodities are items the Court needs in order to operate like office supplies and equipment. In the past, contractual services included pro tem judges, public defenders, treatment and screening providers, and court interpreters.

Commissioner Ecton noted that the crime rate in Scottsdale has reduced significantly, and Loop 101 photo radar income has been eliminated. She asked why the Court's budget could not be reduced by more than 2 percent. Ms. Cornell explained while the nature of their workload is changing, criminal and civil traffic charges are holding their own. The incoming volume has leveled; however, the repeat visits, failures to comply, courtroom time, and document processing has multiplied. There are increased filings related to domestic violence and orders of protection. There has been a large increase in the number of search warrants requested by law enforcement. She agreed that the photo enforcement program created a large workload for the Court; however, it also required fewer resources.

3. City Attorney – Deborah Robberson, City Attorney, (480)312-7994, Drobberson@scottsdaleaz.gov

City Attorney Deborah Robberson explained the City Attorney's Office has two divisions that are budgeted as three: The Civil Division, and the Prosecution Division. For FY 2009/2010, the department has proposed 59.25 employees.

The Civil Division has 25.25 employees. Of those, 13.5 FTEs are attorneys. This division provides all legal advice to elected and public officials. This division does HR work, and provides advice to the Police Department, Natural Resources, Real Estate, Contracts, Procurement, Planning and Zoning, and Tax Litigation Departments. This Division also reviews all contracts, ordinances, and resolutions that go to the City Council for approval. A litigation group represents the City in all civil cases and legal proceedings. The Civil Division also provides the ethics training for all boards and commissions.

The Prosecution Division employs 35 FTEs; there are 12 attorneys, 16 staff members, and 5 full-time and two part-time employees who provide victim services. This division prosecutes all misdemeanor criminal matters, including DUI, domestic violence, and criminal traffic offenses. Special assignment cases are also prosecuted, including code enforcement, contracting without a license, and animal cruelty cases. Appeals are also handled through this office.

Victim services are also provided through this division. The State mandates certain services for victims; however, for many years the City has had a commitment to providing additional services for crime victims. This includes assisting with prosecution orders, accompanying victims to court, and providing referrals to community resources.

The projected FY 2009/2010 budget for the City Attorney's Office is \$6,375,000. 91 percent of that is in personnel costs, and the remainder is in contractual services and commodities. Proposed budget reductions for FY 2009/2010 include:

- \$100,000 reduction for ethics enforcement
- \$65,000 reduction in litigation-related expenses
- \$25,000 reduction in training-related expenses
- \$23,000 reduction in commodities
- A reduction of 5 FTEs will reduce the personnel services budget

In terms of operational enhancements and efficiencies, the code enforcement prosecution work will be transferred to the Civil Division. In addition, the Department has been researching potential suggestions for ordinance revisions to reduce the need for certain processes. Changes have been implemented to help reduce jail costs, and electronic data processing will be used to reduce operational and legal time requirements.

In regard to CIP projects, the final conversion to the electronic data management system will be delayed until FY 2010/2011.

Ms. Robberson discussed many of the department's support roles within the City.

Vice Chair Smith asked for clarification regarding the reduced FTEs. Ms. Robberson clarified two retiree positions will not be filled; the remainder would be achieved by not filling current vacant positions. The lawyer position in the Civil Division and one victim advocate position have been vacant, and will now be removed from the budget. Vice Chair Smith expressed concern that those vacancies provided a cushion in last year's budget, which will now be removed. Mr. McCarty indicated removing those positions from the budget represents a permanent reduction to staffing levels.

Vice Chair Smith asked why the professional services line item has not reduced in conjunction with the 8 percent FTE reduction. Mr. McCarty explained it includes the eliminated positions, the 2 percent salary reductions, plus any other personnel cost factors, which changes with each employee.

Commissioner Berlese asked for the ratio of management to non-management employees. Ms. Robberson stated out of the 59.25 employees, 4 are managers.

Commissioner Foster asked for clarification regarding the Legal Department's participation in the Multi-Departmental Revenue Enhancement Team that has collected over \$1 million in four years. Ms. Robberson explained this is part of one attorney's workload.

In response to an inquiry by Commissioner Borowsky, Mr. McCarty explained that personnel services include salaries, benefits, and overtime. Commissioner Borowsky asked staff to research why the number indicated for personnel services does not correlate with the staff and pay reductions. Mr. McCarty indicated the proportionate amount would not tie to the FTE decrease due to the differences in compensation between employees.

Commissioner Ecton suggested outsourcing the ethics training. Ms. Robberson said she believes it is more efficient for City staff to provide that training, since they are most familiar with the code. It would be more costly to the City to outsource this training.

Commissioner Ecton asked for clarification regarding attorneys' attendance at board and commission meetings. Ms. Robberson explained while her department does provide advice to the boards and commissions, they do not regularly attend all meetings. Attorneys regularly attend Planning Commission, Development Review Board, and Board of Adjustment meetings; the others are on an on-call basis.

Ms. Robberson discussed the role of victims' advocates, and clarified that they are not lawyers.

4. Public Safety – Alan Rodbell, Chief of Police, (480)312-1900, Arodbell@scottsdaleaz.gov and Willie McDonald, Fire Chief, (480) 312-1880, Wmcdonald@scottsdaleaz.gov

Chief of Police Alan Rodbell explained the Public Safety Division is a partnership between himself and Fire Chief Willie McDonald.

The Fire Department has three divisions, and the Police Department has five. They are proposing a \$7.4 million (6 percent) reduction in the overall Public Safety budget. This includes the elimination of 27 positions.

The Police Department is divided into three bureaus:

- Uniformed Services
- Administrative Services (civilian)
- Investigative Services

The Police Department currently employs approximately 1.7 officers per 1,000 residents. The Department is fully staffed, which will translate into savings in terms of overtime costs.

The Department has seen a 3 percent budget reduction over last year. 22 positions have been reduced; however, this statistic does not include 5 positions being transferred from other departments. Personnel costs have been reduced \$613,000; contractual reductions have been reduced by \$1.76 million, and commodities are down \$532,000. Holiday overtime for detectives and special assignment officers has also been reduced.

Chief Rodbell discussed the 30-Day Tow Program, indicating revenues from the tow program can only be used to support the program. He is asking for an additional position to support this program.

Department GL costs have gone up due to a 12 percent increase in arrests.

Police Reserves have been reduced from 15 slots to 11 slots. Reserve officers are retired Scottsdale officers who maintain their certification, which allows them to work without benefits. The City has traditionally used these officers to backfill areas where overtime would be required.

Pipelines positions have been reduced from 31 slots to 10. 3,400 hours of holiday overtime was reduced as a result of being fully staffed. The Department is on track to reduce overtime next year by \$600,000.

The Department rewrites its strategic plan every year, which aids in pinpointing possible enhancements and efficiencies. Chief Rodbell discussed current and future community projects.

Major technology improvements that have aided in crime reduction include:

- 4 license plate readers

- Dispatch system software upgrade
- ILEADS Records Management System
- Cop Link
- Public Safety Radio System

Current CIP projects include:

- Police Operational Support Building
- District I Police Facility
- Upgrades to the Police/Fire Training Facility

Vice Chair Smith noted that while FTEs have been reduced by 3 percent, the professional services line has reduced less than 1 percent. Mr. McCarty indicated staff would provide a memo to the Commission explaining this line item for all departments.

In response to an inquiry by Vice Chair Smith regarding overtime, Chief Rodbell reiterated that overtime will decrease by approximately \$600,000 in FY 2009/2010.

Commissioner Berlese asked how much of the \$71 million in personnel services is for overtime. Chief Rodbell indicated \$6.7 million was budgeted for FY 2008/2009, and \$6.5 was budgeted for FY 2009/2010. All special events the department supports through the course of the year will be overtime pay.

In response to an inquiry by Commissioner Berlese, Chief Rodbell stated out of the 430 sworn members of the department, 89 employees are in management, which includes 61 sergeants. Removing the sergeants from the equation, only 6 percent of the sworn officers are managers. When adding civilians to the formula, 4.9 percent of total employees are managers.

Commissioner Berlese asked if the salary benefits transferred to the 30-Day Tow Program special revenue fund would be permanent. Chief Rodbell stated to his knowledge it would be permanent, since those funds can only be used to support the tow program. If the workload increases, there is a possibility that the department will ask for additional support staff.

Commissioner Ecton asked for clarification regarding contractual services. Chief Rodbell said the department has security, animal control, and photo enforcement contracts.

Commissioner Ecton asked why special events sponsors are not required to pay for security coverage. Chief Rodbell explained they do handle internal security needs; however, the City must handle external issues such as traffic.

In response to an inquiry by Commissioner Ecton, Chief Rodbell said police and fire have discussed opportunities to partner in certain areas where overlaps may exist.

Commissioner Ecton asked if the Family Advocacy Center was still in operation. Chief Rodbell clarified that it is still in the budget.

Commissioner Berlese asked for clarification regarding the take-home vehicle policy. Chief Rodbell said 15 cars are designated as patrol take-home vehicles. There is no recommendation to expand that program.

Fire Chief Willie McDonald discussed Fire Department operations, indicating there are three main areas within the Department:

- Emergency Management

- Emergency Services
- Support Services

The Fire Emergency Services Division provides all services. Support Services includes the Fire Prevention Bureau. The Emergency Management Department provides planning, contingency training, and manages the federal requirements.

Chief McDonald pointed out the Fire Department is forecasted to end FY 2008/2009 approximately \$1 million under the adopted budget. There have been significant reductions in almost every area proposed for FY 2009/2010, resulting in a \$4.5 million reduction in the budget.

The Fire Department operates 14 fire stations strategically located throughout the City. Each station has at least one fire engine with an officer and two or three firefighters assigned to each one. A higher firefighter to citizen ratio is required in Scottsdale due to distance issues within the City. The service level objective presented to the Council in 2006 is to arrive at 80 percent of the calls for service within four minutes. The City has a total of 66 firefighters on duty each day. The department staffs 24 hours a day with three shifts, and responded to 22,000 calls for emergency services last year.

In terms of budget reductions, six FTEs have already been eliminated, including three firefighter positions. One rescue unit will be eliminated, which will lower the department budget by approximately \$350,000 annually. The personnel will be used as relief personnel to cover daily absences. The proposal recommends suspending the recruit academy in FY 2009/2010, and training will be reduced. In addition, the Wild Land Program will be scaled back.

The Department has begun to fully implement the findings from the Fire Station Location Study. So far, the Downtown Fire Station has been opened, and a ladder company was added for the Downtown area. There are now two paramedics for each unit to help provide a higher level of advanced life support services.

The department will stay aggressive with all non-emergency programs. Many volunteers provide services in this area, helping to keep costs low.

Ongoing capital projects in the Fire Department include:

- Eldorado Park Fire Station relocation
- Cactus Acres Fire Station
- Land acquisition for Desert Foothills Fire Station
- Land acquisition for Desert Mountain Fire Station

The Fire Department will continue to implement as much of the Strategic Plan as it can, primarily in areas where costs are low.

Vice Chair Smith asked who is responsible for 911 operations. Chief McDonald explained it is run by the Police Department.

In response to an inquiry by Vice Chair Smith, Chief McDonald indicated the department mostly responds to medical aid calls.

Commissioner Berlese asked for clarification regarding total FTEs in 2007/2008, and Chief McDonald responded there were 274 in 2007/2008. There is one manager to each 12.5 employees.

In response to an inquiry by Commissioner Berlese, Chief McDonald indicated the proposed overtime budget for FY 2009/2010 is approximately \$1.5 million.

Commissioner Berlese asked how many additional fire stations would be required to meet the current need. Chief McDonald explained the department anticipates a total of 16 fire stations.

In response to an inquiry by Commissioner Ecton, Chief McDonald explained 249 of the department's 267 employees are firefighters and/or firefighter paramedics.

Commissioner Ecton asked for clarification regarding SFD volunteers and their duties. Chief McDonald said they are available for most functions, except going out on emergency calls. Some of their duties include teaching classes, delivering supplies and equipment to fire stations, and staffing community outreach activities.

Chief McDonald explained the proposed budget has six fewer positions. The Wellness Coordinator is now assisting the entire City with wellness activities, and his salary and benefits were moved into the Citywide Wellness Fund. The 2.68 full-time equivalents represent bits and pieces of various part-time employees.

Commissioner Comments

Mr. McCarty stated staff would email clarifications on some of the major issues discussed at this meeting.

Commissioner Ecton said the City should be prepared to respond to the potential continuing reduction of revenue from all sources. She said a plan should be developed as a contingency; the plan should focus on eliminating or reducing non-critical services. The money saved by the implementation of this plan could be placed in a reserve and used to ensure that the City could continue to provide essential services in the event of further serious economic decline.

Chairman's Comments

None noted.

Public Comment

Chet Anderson, President, Scottsdale Fraternal Order of Police, said Scottsdale has long been known as an organization that cares for and takes care of its employees. The future of that vision is currently uncertain, as employees are nervous about layoffs, furloughs, and the fact that merit increases and cost of living adjustments have been left out of next year's budget. There is a current trend of employees facing more financial burden with less money to meet those burdens. He asked the Commission to realize that employees make Scottsdale special, and asked the Commission to realize that positive employee morale is tied directly to how that employee feels they have been valued by the City. He asked the Commission to be mindful of letting morale fall to a level where the employee cares about the City as much as the City cares about them. He asked that budget reductions not be laid solely on the backs of City employees.

Adjournment

Being duly moved and seconded, the meeting adjourned at 8:32 p.m.

Respectfully submitted,

A/V Tronics Inc., DBA AVTranz