

Irving

IN FOCUS

Budget Update

Overview

- > **Metroplex Budget Issues**
 - **Rising unemployment**
 - **Declining property and sales taxes**

- > **Reactions from other cities**
 - **Reduce services**
 - **Restrict service hours**
 - **Close libraries and parks**
 - **Eliminate vacant positions**
 - **Layoffs**
 - **Furloughs**

Financial Outlook

- > **Irving is not immune to the recession**

- > **\$7.5 million in revenue shortfall**

- > **Current year remains balanced due to:**
 - **Other revenues**
 - **Cost savings and efficiencies**

- > **FY 2009-10 Manager's Recommended Budget**
 - **Structurally balanced**
 - **Right sizing**
 - **No tax increase**

- > **Planning under way for FY 2010-11 budget**

Budget Directives

- > **Target 8 focus areas**
 - **Public Safety**
 - **Non-Compliant Apartments**
 - **Code Enforcement**
 - **Corridor Enhancements**
 - **Capital Improvement Projects**
 - **Communications and Customer Service**
 - **Neighborhood Improvements**
 - **Economic Development Initiatives**

- > **No new personnel**

- > **Hold operational expenditures constant**

- > **Focus on City Council priorities**

- > **Identify additional revenues**

- > **Find cost savings without impacting services**

Preliminary Ad Valorem Roll

- > **2009 Roll Composition** **+3.87%**
(1st EVR – \$18.9 billion)
 - **Residential** \$5,068,180,576 **+1.75%**
 - **Commercial** \$9,264,146,729 **+4.06%**
 - **BPP** \$4,579,023,179 **+5.93%**

- > **5/19/2009 Preliminary Roll – EVR #1**
 - **\$18,911,320,484**
 - **+13.14% from tax year 2008**
 - **Includes \$469,443,252 in new construction**

- > **Budget Adjusted Estimate**
 - **\$17,966,000,000**
 - **-5% from tax year 2008**

General Fund Budget Outlook

- > **General fund fundamentals are sound**

- > **Revenues**
 - **Ad valorem estimate down -5%** **-\$4.1 million**
 - **Sales tax declining** **-\$3.5 million**
 - **Other revenues increasing**

- > **Expenditures**
 - **No cuts to current service levels**
 - **Salaries and special pays fully funded**
 - **Maintain all current programs**

General Fund Budget Outlook

- > **No increase in the property tax rate**
- > **No employee furloughs**
- > **Step increases for all eligible employees**
- > **Market adjustments to maintain 65th percentile of salary ranges**
- > **All special pays and incentive programs**
- > **Funding for I Win fitness program**
- > **\$6 million increase in expenditures**
 - **Salaries**
 - **Health insurance**
 - **Retirement**

Credit Rating

- > **Irving is one of only two double AAA rated cities in Texas**
 - **Moody's Investment Services**
 - **Standard & Poors**

- > **Agency Comments:**
 - **Strong financial management practices**
 - **Proactive cost-savings measures to offset sales tax decline**

3-Year Review

> Processes and Services

- **Six Sigma and other performance reviews**
- **Positions and duties reviewed and redefined**
- **Workloads distributed**
- **Incentive pay for taking on additional duties**
 - **Custodians at Animal Services**
 - **Sanitation – Equipment Certification Program**
 - **Police – Detention Supervisor**
- **Able to maintain or increase services**

Incentive-Based Organization

- > Listen to residents, visitors, businesses
- > Maintain exceptional service levels
- > Reduce administrative costs
- > Reduced supervisory and management positions
- > Reward employees for taking on additional duties
- > Incentive Programs
 - Six Sigma incentive pay
 - On-the-Spot incentive award for exceptional service
 - All Eyes on Irving incentive pay
 - Rewarding excellence for sanitation workers with perfect safety records
 - Temporary assignment pay
 - Language skills pay
 - I Win fitness incentive pay
 - Certification pay

Incentive Pay

> Police Incentive Pay

- School crossing guard training pay
- Shift differential pay
- Education pay
- Master's certificate pay
- Sick leave buyback
- Annual physical fitness screening
- Bachelor's and master's degree pay

> Fire Incentive Pay

- Paramedic assignment pay
- Annual physical fitness screening
- High angle rescue pay
- Hazardous materials pay
- Swift water rescue pay
- Out-of-class pay
- Fire prevention pay
- Bachelor's and master's degree pay
- Administration pay

Wellness Initiatives

- > **Proactive control of health care costs**

- > **Employee Wellness Program**
 - **Financial incentives for participating**
 - **Rewards increase for meeting targets**

- > **I Win Fitness Program**
 - **Employee tests based on fitness standards**
 - **Three levels of monthly bonus**
 - **Retest annually**

Cost Savings and Efficiencies

> Service Levels Remain High

- 2009 Resident Survey – continued increases (mostly double-digit increases)
- Safety in neighborhoods
- Safety in parks
- Visual appearance of city
- Customer service
- Resulted in \$12.7 million in savings

> Energy Contract

- Cost savings
- Cost avoidance
- New revenues for cost recovery
- Grant-funded projects

Upcoming Service Enhancements

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- > **Accessible Children's Playground and Miracle League Field**
- > **Animal Shelter**
- > **West Irving Aquatic Center**
- > **Convention Center**
- > **West Irving Library**

Conclusion

- > **Implementation of council priorities through the Strategic Plan**
- > **Key revenues are declining, but Irving's financial fundamentals are sound**
- > **City operations are continually reviewed**
 - **Cost savings**
 - **Operational efficiencies**
- > **Structurally balanced base budget**
- > **Service enhancements will be discussed at budget retreat**