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# **Municipal Services Agency**

## **Recommended Budget Hearings**

### **Fiscal Year 2010-11**

**Presented by Paul Hahn, Agency Administrator**

**June 14, 2010**

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# Agency Overview

- Four MSA Departments receive General Fund support.
  - ❑ Animal Care - \$4.3 M
  - ❑ Parks - \$3.0 M
  - ❑ Planning - \$ 0.9 M
  - ❑ Neighborhood Services - \$ 0.4 M
- The total amount of the MSA General Fund is \$8.6 million, which represents 1.67% of the County General Fund.

# Agency Overview continued

- The construction and development downturn impacts seven out of nine of the MSA departments. Animal Care and Neighborhood Services are not affected.
- Planning, Engineering, Environmental Review and Assessment, Transportation, Water Resources, Parks, and Waste Management all depend on development or development fees as a key revenue source.
- Layoffs in Planning, Engineering and Transportation for 2010-11 are directly related to a slow-down of development fees.
- Future layoffs in Environmental Review and Assessment, Water Resources, and Transportation will occur if conditions don't improve.

# Agency Layoffs

<b>Department</b>	<b>FTE</b>	<b>Vacancy</b>	<b>Filled</b>
Animal Care	7	0	7
Engineering	43.6	18.6	25
Parks	19.5	2.7	16.8
Planning	5.9	1.6	4.3
Transportation	36	14	22
<b>Total</b>	<b>112</b>	<b>36.9</b>	<b>75.1</b>

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# Waste Management

- During the last two years, landfill tonnage has been significantly reduced due to minimal construction and less consumer spending.
- No service impacts yet, but if current economic conditions continue, layoffs, service impacts and/or rate increases could occur in FY 2011-12.
- WMR will continue work on new revenue services.

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# Water Resources

- Impacted by reductions in construction and development.
- 5 Vacant positions are being eliminated.
- Reduced the five year Capital Improvement Projects list by almost \$8 million.
- Eliminated operations and maintenance expenses for a three year period by \$5.8 million.
- Service impacts will occur.

## Department of Environmental Review and Assessment

- Anticipates a balanced budget by end of FY 2009-10.
- Reduced staffing levels from 32 to 23 during the last two years.
- Is not recommending any further staff decreases for FY 2010-11.
- Closely tracks active and future projects to maintain a staff-to-workload balance.
- Steady billing rates since July 1, 2008.

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# Neighborhood Services

- Code Enforcement is fully supported by departmental revenues.
- General Fund support covers one-third of the costs of two Service Centers and three Service Area Managers (SAM).
- No new programs will be introduced.

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# MSA Overhead and Administration

- MSA has made reductions in overhead and administration in FY 2009/10.
- Cost reductions and position cuts, including layoffs, have been implemented within MSA IT Services, Finance Services and agency support.
- General Fund charges to all departments have been reduced.

# Transportation

- Total recommended budget is \$200.8 million for FY 2010-11. \$54.4 million from internal service. \$146.4 million from special revenue sources.
- While DOT's expenses continue to climb, revenue sources including sales tax and gas tax are flat.
- DOT is expecting to eliminate 36 positions in FY 2010-11 and is projected to eliminate 40 additional positions in FY 2011-12.

# DOT Road Fund Program Costs FY 10-11

<b>Expenses</b>		<b>Revenue</b>	
Operating Unit Program Costs 2611-2620	\$41.4m	Sales Tax Maintenance	\$10.0m
Project Match Funds	\$2.0m	Gas Tax	\$20.5m
Insurance Liability	\$0.8m	Excise tax (Prop.42)	\$9.5m
Contributions to others	\$0.5m		
Landscape Maintenance	\$0.9m		
CSA/LMD Support	\$0.5m		
<b>Total Expenses</b>	<b>\$46.1m</b>	<b>Total Revenue</b>	<b>\$40m</b>
<b>Annual Operating Deficit</b>			<b>&lt;\$6.1m&gt;</b>