

**SAN RAFAEL
RECESSION ACTION PLAN
STATUS REPORT UPDATE - January 2012**

Below is a progress report of activities over the last six months related to the City's Recession Action Plan (RAP). Staff has issued updates approximately every six months since the RAP was adopted in May 2009. As a reminder, the Principles for Budget Recovery are included, along with a short summary of actions to date.

Principles for Budget Recovery

To meet our financial challenges, the City is taking steps that will keep our budget balanced and in line with the City Council's goals and priorities. Budget actions will also be guided by a series of long-standing financial management policies. The Council has identified the following guidelines as we respond to the recession:

- Collaborate with neighboring governmental agencies to consolidate or regionalize services to leverage resources and improve efficiency
- Reduce services, where necessary, after identifying the impacts and weighing the reduction against other options
- Reject new services or projects if reduced staffing cannot manage the workload
- Continually assess and improve efficiency in the delivery of services
- Manage the size and compensation of the workforce to best deliver services given our current and anticipated financial realities
- Provide a responsible level of transition assistance to city employees who have lost their jobs
- Seek additional revenues from all sources to meet the community's expectations of a high level of service

ACTIONS IN PROGRESS LISTED IN RAP	STATUS AS OF JANUARY 2012
<p><i>· Implementing an Economic Vitality Plan focusing on local business retention, expansion and attraction as well as job development</i></p>	<p>Commenced implementation of Economic Vitality Plan (<i>see separate report</i>)</p>
<p><i>· Pursuing Federal Stimulus actions and other grants that can provide one time resources for projects and service needs</i></p>	<p>In addition to the \$2,000,000 in federal stimulus funds reported previously, staff secured \$619,000 from Golden Gate Transit for Canal Street Pedestrian Access and Safety Improvements (Phase II), \$565,000 from the Safe Routes to School program for Davidson School improvements, and \$200,000 from ABAG to design Grand Avenue bridge pedestrian and bicycle improvements. Staff continues to pursue grants with minimal City matching fund commitments. We also consider grants which are large enough to justify the significant staff time for administration often required by federal and state funding sources.</p>

ACTIONS IN PROGRESS LISTED IN RAP	STATUS AS OF JANUARY 2012
<ul style="list-style-type: none"> · <i>Continuing to suspend hiring of positions whenever possible</i> 	<p>Staff continues to suspend hiring whenever possible. Each new vacancy undergoes a process that ultimately requires City Manager approval to fill the position. Staff first looks at other options such as eliminating the position, reducing the hours, reorganizing the division or work group, etc.</p>
<ul style="list-style-type: none"> · <i>Offering early retirement packages through incentives</i> 	<p>Program completed. Created “Voluntary Retirement Separation Program” resulting in savings of approximately \$900,000 annually through permanent elimination of these positions.</p>
<ul style="list-style-type: none"> · <i>Offering employees the opportunity to voluntarily reduce their work hours</i> 	<p>This opportunity continues for employees. However, given the current (Fiscal Year 2011-12 and 2012-13) work hour reductions and the prior two years of furloughs, there is limited interest at this time in additional time off without pay.</p>
<ul style="list-style-type: none"> · <i>Reducing the workforce by laying off employees through strategic planning</i> 	<p>Implemented layoffs in July 2009, January 2010, and June 2011; provided transition assistance to those who lost their jobs. Layoffs remain an option to reduce the workforce to control costs.</p>
<ul style="list-style-type: none"> · <i>Working with employees to develop a furlough plan that includes a pay reduction and time off by closing City Hall and other non-public safety facilities on certain days</i> 	<p>Furlough implemented for Fiscal Year 2009-10 and continued in Fiscal Year 2010-11. Furloughs saved approximately \$450,000 per fiscal year. Work hours continue to be reduced for Fiscal Year 2011-12 and 2012-13 for non-safety employees. Combined with other compensation reductions to safety employees noted below, the total annual savings due to compensation reductions is approximately \$1.4 million.</p>
<ul style="list-style-type: none"> · <i>Meeting with employee unions to control costs by analyzing compensation levels, including possible reductions in salaries or benefits</i> 	<p>Contract negotiations complete for all bargaining units through June 30, 2013 (Childcare through October 2013). Achieved a 4% total compensation reduction for all safety and non-safety bargaining units for both years. At the same time, all bargaining units agreed to new, lower pension tiers for new hires. A City Council Pension Subcommittee has been established to further study possibilities to control pension and other post employment benefit costs.</p>

ACTIONS IN PROGRESS LISTED IN RAP	STATUS AS OF JANUARY 2012
<p><i>· Considering alternative work schedules in order to save costs</i></p>	<p>Staff has investigated alternative work schedules and has brought the topic to a recent City Council Study Session. The topic continues to be explored with the bargaining units and will be brought back to the Council in early 2012 for consideration.</p>
<p><i>· Maximizing opportunities to recover costs, such as changes in our paramedic transport service</i></p>	<p>In August 2011, the City updated the master fee schedule which improved our ability to recover costs. Staff estimates between an additional \$200,000 and \$300,000 in revenue due to the fee changes.</p> <p>Also, paramedic transports completed by City staff have significantly increased due to program changes, which enhance City revenues.</p>
<p><i>· Continuing to explore collaboration opportunities with other public agencies to maximize efficiency</i></p>	<p>Finalized a zero-cost agreement with Marinwood CSD to reduce City costs and provide superior levels of service to both Marinwood and San Rafael. Fire Battalion Chief services agreement with the City of Larkspur (cost sharing) continued as did the contracting out of Fire Dispatching with the County Communications Center.</p> <p>City operated Hamilton Pool for the City of Novato the past two seasons and will do so again for the 2012 season - providing high quality services and bringing in revenue to the City of San Rafael.</p> <p>A City Council Subcommittee on Facilities has been established which will consider additional areas for collaboration.</p>
<p><i>· Other Actions to Reduce Expenditures or increase revenues</i></p>	<p>Measure C was passed and will increase library service revenues by approximately \$900,000 per year through Fiscal Year 2016-17.</p> <p>The City issued bonds to create a “retirement system fund” to go towards retirement cost increases.</p> <p>The City issued “tax revenue anticipation notes” which will steady our cash flow as revenues are received by the City at various points throughout the year while expenditures are weekly.</p>

ACTIONS IN PROGRESS LISTED IN RAP	STATUS AS OF JANUARY 2012
	<p>The City continued to make use of special funds (such as Measure A) to meet General Fund obligations where appropriate. The City also continued to defer expenditures where possible (such as to vehicle fleet replacement), reduce contract services, reduce supplies, etc.</p> <p>The City took action on a development proposal (Target) which would significantly increase sales tax revenues and has seen other openings (e.g. Honda) that will also enhance revenue (see Economic Vitality Strategy).</p>