



OCTOBER 2008

**36 RECENT STEPS BEING CONSIDERED BY U.S. CITIES
SEEKING TO CUT COSTS AND BALANCE THEIR
BUDGETS**

On October 13, 2008 Mayor Jerry Sanders indicated that the City of San Diego faces a \$43 million deficit. As noted in our last policy brief, if local government revenues grow by only 1% (and expenses do not decrease), the City would face a \$110 million deficit in FY 2010. If revenues are flat, the gap could balloon to \$120 million.

San Diego is not alone. The City of Oakland is trying to cut \$43 million out of its General Fund. The City of Phoenix is dealing with true financial hurricane, requiring cuts of up to \$200 million or more than 15% of that City's \$1.2 billion General Fund. The City of Los Angeles is also looking at how to close a deficit that some experts say will exceed \$400 million.

Cities are getting creative and trying to prioritize.

This policy brief identifies 36 different steps municipalities throughout the country are considering. These are not easy actions. They represent real policy choices, tradeoffs, and prioritization. Most are not cutting "waste and fat" but trying to figure out how to make cuts that, while impacting service levels, preserve core municipal functions.

The inclusion of any specific policy in this report should not be construed as endorsing its appropriateness for San Diego. The cuts outlined here are painful and some may not work in the specific context of San Diego's current municipal operations and employee contracts.¹ But it is our hope that this list of proposed cuts being contemplated in other areas encourages City leaders to get creative and leave no stone unturned as they look for ways to close the soaring FY 2009 and FY 2010 deficits.

¹ . For example, it could be difficult to unwind the City's and the Data Processing Corporation's cellular phone contracts as South Bend is doing.

GENERAL GOVERNMENT

UNPAID HOLIDAY FURLOUGHS – CHICAGO, IL.

To deal with a possible \$200 million deficit, Chicago is moving to implement a partial municipal shutdown the day after Thanksgiving, the day after Christmas and over New Years. Non-public safety personnel would be asked to take unpaid furloughs during those days.

Chicago Tribune, October 16, 2008

<http://www.chicagotribune.com/news/local/chi-chicago-budgetoct15,0,6825171.story>

CUTTING BACK OVERTIME – UNION CITY, CA

Union City is looking at cutting back overtime, particularly overtime associated with certain special events.

The Argus, October 15, 2008

http://www.insidebayarea.com/argus/localnews/ci_10729922

12 DAY UNPAID FURLOUGH- STOCKTON, CA

To close their city's deficit Stockton is cutting \$11.3 million from their police department. Those cuts resulted in the resignation of their current chief of police.

San Jose Mercury News, October 15, 2008

http://www.mercurynews.com/news/ci_10728320?nclick_check=1

CONSOLIDATE HEALTH PLANS AND INSTITUTE HEALTH SAVINGS ACCOUNTS – PROVO, UT

To deal with their shortfall Provo consolidated health care plans to a single provider as well as offering a plan with a significantly higher initial deductible and an employer matched Health Savings Account.

Salt Lake City Tribune, October 16, 2008

http://www.sltrib.com/news/ci_10732382

DEPARTMENT MANAGERS TO RE-EVALUATE USE OF ALL CONTRACT/TEMPORARY LABOR – LEXINGTON, KY

In addition to a soft hiring freeze, the City Manager of Lexington, Kentucky directed all managers to reexamine all use of temporary and contract labor and whether the work could be brought in house.

Station WFMY, October 14, 2008

<http://www.digtriad.com/news/local/article.aspx?storyid=112409&catid=57>

1 DAY A MONTH SHUT DOWN, 5% SALARY CUTS TO ELECTED OFFICIALS SALARY - OAKLAND, CA

To close a \$42 million dollar FY 2008 Deficit Oakland is laying off one hundred city employees across all departments, shutting down City offices one day a month (in addition to a furlough between Christmas and New Years, cutting elected official salaries by 5%, slashing the spending of the executive office by more than 14% and cutting discretionary spending by the City Council by one half. In addition, the city is raising parking meter rates and fines for street sweeping violations.

San Francisco Chronicle, October 22, 2008

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/10/22/BA5F13M07D.DTL>

1,000 LAYOFFS POSSIBLE – PHOENIX, AZ

Faced with a \$250 million dollar deficit, equivalent to more than 15% of the City's General Fund, Phoenix's Mayor Phil Gordon forecasted that the City could have to lay off nearly 1,000 employees to close the gap.

KTAR, October 23, 2008

<http://ktar.com/?nid=6&sid=978636>

ELIMINATE ALL CITY OWNED CELL PHONES - SOUTH BEND, IN – In an effort to deal with a 8.5 million dollar shortfall in 2009 and a \$18 million dollar shortfall in 2010 the City of South Bend will eliminate all city owned cell phones next year (providing, instead, a cell phone allowance to those employees for whom cell phone use is determined critical), city owned “take home” employee vehicles will be cut, and is considering layoffs that could impact public safety.

WSBT 2, October 23, 2008

<http://www.wsbt.com/news/local/32659889.html>

SLOW GROWTH IN CITY EMPLOYEE WAGES – LAS VEGAS, NV

Facing an estimated \$150 million budget deficit over the next five years, the Las Vegas City Council approved new measures to control costs, including delaying by one year the capital projects that once completed will demand new staff positions or maintenance costs, as well as revising future rates of salary and cost of living increases for city employees.

Las Vegas Review Journal, October 7, 2008

<http://www.lvrj.com/news/30557064.html>

HOLIDAY SEASON SHUT DOWN – SAN LEANDRO, CA

In the San Francisco Bay Area, the city of San Leandro will be saving cash by closing City Hall offices from December 25th through January 4th.

The Daily Review, October 24, 2008

http://www.insidebayarea.com/dailyreview/localnews/ci_10797844

LAYOFFS OF 8.2% OF WORKFORCE CONSIDERED - CORONA, CA

In Riverside County, elected officials in the town of Corona approved cutting 69 workers and 43 vacant city positions, which represents 11% of the overall operating budget.

Laying off 69 workers effectively resulted in a 8.2% reduction in the city workforce.

Press-Enterprise, October 2, 2008

http://www.pe.com/localnews/inland/stories/PE_News_Local_W_wlayoffs03.1e62580.html

CLOSING CITY HALL ON FRIDAY – SALINAS, CA

The Central Coast community of Salinas is exploring whether to close the City Administration Building every Friday to reduce public payroll and utility costs.

The Californian, October 6, 2008

<http://www.thecalifornian.com/article/20081006/NEWS01/810060301>

PRIORITIZING

REDUCING EXPENDITURES FOR CULTURAL INSTITUTIONS – ERIE COUNTY, NY (Buffalo, NY)

Erie County announced that it was cutting back funding for certain cultural institutions.
WKBW, October 15, 2008

<http://www.wkbw.com/news/local/31074714.html>

FREEZE ON ALL VEHICLE AND MOST NEW EQUIPMENT PURCHASES – HOMER CITY, AK

Homer City's City Manager has called for a freeze on the purchase of all new vehicles and most new equipment.

Homer News, October 15, 2008

http://www.homernews.com/stories/101508/news_1_001.shtml

MAJOR CUTS TO TOURISM MARKETING - MARYLAND

Maryland cut \$5.5 million out of a variety of tourism marketing programs as they attempt to close a \$200+ million dollar deficit

Baltimore Business Journal, October 16, 2008

<http://www.bizjournals.com/baltimore/stories/2008/10/13/daily40.html>

SUSPENDING ALL PARK AND RECREATION PROGRAMS CONTEMPLATED – PATASKALA, NEW JERSERY

In an effort to balance their budget the small city of Pataskala New Jersey is considering stopping all its park and recreation programs and suspending its street resurfacing program.

Newark Advocate, October 15, 2008

<http://www.newarkadvocate.com/article/20081015/NEWS01/810150320/1002CUTS TO>

STREET, TREE MAINTENANCE, AND TRANSIT- COLORADO SPRINGS, CO

Looking to cut almost \$23 million or 10% from the City's General Fund, Colorado Springs is considering a 90% reduction in the amount of money for street resurfacing, the elimination of a tree maintenance/trimming program and a 13% reduction in spending on mass transit.

Colorado Springs Independent, October 16, 2008

<http://www.csindy.com/gyrobase/Content?oid=oid%3A31338>

POSTPONEMENT OF NEARLY ALL CAPITAL IMPROVEMENT PLANS – ASPEN, CO

To cut \$6 million from their General Fund the City of Aspen is deferring more than \$4 million in anticipated capital improvement projects, including gutter and sidewalk repairs and planned upgrades to recreation facilities.

San Francisco Examiner, October 14, 2008

http://www.examiner.com/a-1638469~City_of_Aspen_considers_6_million_in_budget_cuts.html

CLOSING POOLS IN WINTER & CUT BACK OF SUPPORT FOR SOCIAL SERVICES - TUCSON, AZ

To close a projected \$50 million gap Tucson is starting with elimination of 160 positions, the wintertime closing of all the City's pools, and cut backs to the support the City provides social service providers. More cuts are expected to be announced in late October.

Tucson Citizen, October 22, 2008

<http://www.tucsoncitizen.com/daily/local/100295.php>

SHUTTING DOWN POOLS CONSIDERED - DES MOINES, IOWA

Faced with a \$2.5 million dollar shortfall the City of Des Moines is contemplating shuttering its popular swimming facilities.

WNCN.Com, October 23, 2008

http://www.nwcn.com/statenews/washington/stories/NW_102308WAB_des_moines_pools_LJ.13ef74b29.html

COMPREHENSIVE CUTS IN CITY SERVICES AND WORKFORCE - OLYMPIA, WA

The Mayor of Olympia, Washington has proposed numerous cuts in local government, including trimming 22 positions, delaying transportation and park projects, slashing more than \$100,000 from social service agencies, cutting back on consultant services, and reducing the police department's budget, which will result in public safety employee layoffs.

The Olympian, October 8, 2008

<http://www.theolympian.com/southsound/story/611450.html>

The Olympian, October 10, 2008

<http://www.theolympian.com/112/story/614132.html>

PUBLIC SAFETY

REDUCING HOURS/LEAVING PUBLIC SAFETY POSITIONS OPEN – PHOENIX, AZ

To close a reported \$200 million dollar deficit in their \$1.2 billion General Fund, the City of Phoenix has announced its intent to reduce hours of operations at City facilities and leave certain public safety positions open.

www.AZcentral.com, October 14, 2008

<http://www.azcentral.com/community/phoenix/articles/2008/10/14/20081014phxbudget1015.html>

ROTATING “BROWNOUTS” AT CITY FIRE STATIONS – SACRAMENTO, CA

Sacramento has already implemented a rolling “brownout” at City Fire stations. To close a \$58 million gap they are considering further reductions in Public Safety.

Sacramento Bee, Oct. 16, 2008

<http://www.sacbee.com/345/story/1318238.html>

REDUCTION IN SCHOOL PROGRAMS AND OTHER SPECIAL POLICE ACTIVITIES – PETALUMA, CA

Petaluma, CA is considering moving 3 officers assigned to school-related programs and an unknown number of traffic control officers back to patrol duties to deal with its budget shortfall.

Argus-Courier, October 15, 2008

<http://www.petaluma360.com/article/AC/20081015/NEWS01/810159901/-1/PETALUMA360&template=ptart>

PARTIAL FIRE STATION BROWNOUT – ATLANTA, GA

Atlanta is considering a plan to temporarily shut down ladder trucks at some fire stations to reduce overtime expenses. Previously the department laid off 26 firefighters, closed a station, and cut \$13 million from its \$86 million budget.

Atlanta Journal-Constitution, October 15, 2008

http://www.ajc.com/metro/content/metro/atlanta/stories/2008/10/15/fire_department_costs.html

CUTS TO POLICE FORCE CONSIDERED - FORT WAYNE, IN

In anticipation of a soft FY 2010 budget, Fort Wayne is trying to cut \$4.5 million dollars from the FY 2009 General Fund. With the Police Department making up more than 25% of Fort Wayne’s budget, council members are talking about staffing cuts.

Fort Wayne News Sentinel, October 15, 2008

<http://www.news-sentinel.com/apps/pbcs.dll/article?AID=/20081015/NEWS/810150338>

CHARGING OFFICERS WHO TAKE THEIR POLICE CARS HOME – FORT WAYNE, IN

It also was announced that Fort Wayne is seeking to recoup \$200,000 by charging police officers who take department vehicles home at night with them.

Fort Wayne Journal Gazette, October 15, 2008

<http://www.journalgazette.net/apps/pbcs.dll/article?AID=/20081015/LOCAL/810150329/1002/LOCAL>

HIRING AND REASSIGNMENT OF PUBLIC SAFETY PERSONNEL – BALTIMORE

Facing a \$36.5 million shortfall Baltimore's administrators have announced plans to keep in place a hiring freeze and to reassign police and fire personnel to reduce their numbers at the respective headquarters and to get more into the field.

Baltimore Sun, October 21, 2008

<http://www.baltimoresun.com/news/local/politics/bal-md.ci.cuts21oct21,0,2066398.story>

LAYOFFS OF 11 POLICE CADETS AND ELIMINATION OF 1 OF 4 FIRE ENGINES CONSIDERED - STOCKTON, CA

To close a \$23 million gap the City of Stockton will lay off 11 police training candidates, eliminate 1 of 4 fire engine companies, and shift routine street tree maintenance to property owners.

The Record, October 22, 2008 5:39 PM

http://www.recordnet.com/apps/pbcs.dll/article?AID=/20081022/A_NEWS/81022007

TURNING OFF STREETLIGHTS & CUTTING PUBLIC SAFETY POSITIONS – SANTA ROSA, CA

The Northern California town of Santa Rosa is considering drastic measures to cut \$10.5 million from their Fiscal Year 2009 budget, including turning off half of their 16,000 streetlights, closing a homeless shelter, reducing public safety staffing, and eliminating more than 65 positions from the city workforce.

Press Democrat, October 12, 2008

http://www.pressdemocrat.com/article/20081012/NEWS/810120446/1349?Title=Making_ends_meet

POLICIES AND PROCEDURES

MANDATORY REDUCTION IN FUEL USAGE - BREMERTON, WA

To fill an expected \$4.4 million budget gap, the Mayor of Bremerton, Washington has proposed an ordinance to mandate a 2% fuel consumption reduction by city employees. An energy audit from the Department of Public Works and Utilities will also identify additional cost savings.

Kitsap Sun, October 22, 2008

<http://www.kitsapsun.com/news/2008/oct/22/bremerton-may-bridge-most-of-its-44m-budget-gap/>

WATER CONSERVATION SAVINGS IN WASHINGTON – VANCOUVER, WA

To stem off more than \$11 million in budget deficits over the next two fiscal years, the City Manager of Vancouver has proposed, among other initiatives, reducing the watering, mowing and weeding of parks and street rights of way.

The Columbian, October 20, 2008

<http://www.columbian.com/article/20081021/NEWS02/710219960>

REVENUE

LEASING OF PARKING METER OPS AND COLLECTIONS – CHICAGO, IL.

Chicago has called for proposals from parties interested in leasing parking meter operations and collections, enabling the city to increase revenues and eliminate the personnel costs associated with those activities.

Chicago Tribune, October 8, 2008

http://newsblogs.chicagotribune.com/clout_st/2008/10/aldermen-appr-1.html

ADVERTISEMENTS ON STREET SWEEPERS AND GARBAGE TRUCKS CONSIDERED– NEW YORK CITY, NY

Noting that taxis and buses are wrapped in advertisements, NYC City Council Speaker Christine Quinn called for NYC to explore that option for City vehicles, estimating the move could generate up to \$10 million a year.

Newsday, October 16, 2008

<http://www.newsday.com/services/newspaper/printedition/thursday/news/ny-c5884781oct16,0,1114222.story>

SHIFTING REDEVELOPMENT FUNDS TO THE GENERAL FUND – CARSON CITY, NV

A City Supervisor is making the pitch for taking 10% from Carson City's redevelopment fund and using it to pay for the costs for general services "and staff redevelopment uses."

Nevada Appeal, October 2, 2008

<http://www.nevadaappeal.com/article/20081002/NEWS/810029978/1070&ParentProfile=1058&title=City%20OKs%20new%20redevelopment%20plan>

INCREASING THE COSTS OF YARD WASTE PICK-UP – MODESTO, CA

The Modesto City Council voted to give residents a future opportunity to decide whether to finance the city's current yard waste pickup by approving a \$1.50-\$2 a month increase in garbage fees on their utility bills.

Modesto Bee, October 8, 2008

<http://www.modbee.com/1618/story/455897.html>