



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

SUBJECT: CITY-WIDE VACANCIES

DATE: June 1, 2005

Approved

/s/

Date 06/01/05

BACKGROUND

During the 2005-2006 Proposed Budget Study Sessions, information was requested by Councilmember LeZotte regarding the number of current city-wide vacant positions projected to be available for placement of displaced employees and/or to provide alternative budget savings as part of 2005-2006 Tier 1 and Tier 2 budget balancing strategies.

ANALYSIS

As of the middle of May 2005, a total of 483 positions were vacant city-wide, including 297 supported by the General Fund and 186 supported by various special funds. This represents approximately 7% of total budgeted positions. It should be noted, however, that of this total, 43 of these positions are sworn vacancies in the Fire Department, which are continually backfilled with overtime to address minimum staffing requirements, and, therefore, the elimination of these positions would not generate any vacancy savings.

As noted in the 2005-2006 Proposed Operating Budget, 140 positions (62 vacant and 78 filled) have been recommended for elimination as part of the City Manager's proposed budget balancing strategy. Thus, net of the Fire Department vacancies, and after the elimination of the vacant positions and the placement of displaced employees, it is anticipated that approximately 302 positions will remain available for future budget actions. If fully implemented as proposed, Tier 2 budget reductions would result in the elimination of an additional 333 positions, of which approximately 208 would be filled and 125 vacant. If implementation of the entire Tier 2 strategy were necessary therefore, all of the current vacancies would have to be eliminated or used for displaced employees.

While the current pool of vacant positions could be entirely depleted as part of the 2005-2006 budget process, it is anticipated that as part of the normal attrition process, between 300 and 350 new vacancies would be generated next year. It is important to note, however, that when the annual budget is developed, it is assumed that a certain level of vacancies will exist (approximately 2% of the total positions) and the personal services budgets are built to reflect those savings. With this vacancy factor, approximately 112 of these positions would need to remain vacant for the full year to achieve the budgeted vacancy savings targets.

CONCLUSION

Elimination of most, if not all, of the current complement of vacancies could still prove to be necessary for the 2005-2006 Tier 1 and Tier 2 budget balancing strategies. In addition, although additional vacancies can be expected to accrue in the coming year as part of the normal attrition process, savings from approximately one third of the anticipated vacancies has been assumed in the Proposed Budget. Further, given the projections for another tough budget year in 2006-2007, the strategy so successfully utilized for the last several years of accumulating vacancies during the year to allow greater flexibility to minimize the need for layoffs in balancing the next year's shortfall should be continued.

As a result, the Administration recommends against eliminating vacancies over and above the level recommended in the 2005-2006 Proposed Budget as an alternate budget balancing at this time.

/s/
LARRY D. LISENBEE
Budget Director