

# Structural Balance Report

Submitted as part of the  
Budget Review Process for  
2008

November 15, 2008

# Thank you for the opportunity to serve our community

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# In Accordance With Council Resolution 8167-07

- The Structural Balance Task Force is pleased to submit its analysis and recommendations for consideration by the Mayor and City Council.
- This report represents over 600 man hours of analysis and review by seasoned financial professionals.
- We experienced extraordinary cooperation from all levels of Lakewood City Government.

# Our focus-

(and what was not our focus)

- We focused on six departments which constitute 71% of the general fund budget.
- Our analysis focused on cost reduction with the least impact on Lakewood's citizens.
- We did not have the expertise, nor breadth of representation to adequately explore the social, political, and demographic impact on the citizens that might be affected by these cost reductions.
- Our review and analysis focused on costs of services delivered, the number of citizens benefiting from these services, and alternative approaches to deliver these services.
- Our review was not an operational effectiveness review. Such a review would be valid, and we believe Citistat provides the basis for such a review. Citistat should further the goal of service optimization and cost reduction within each department.
- Our approach and findings are detailed in the pages that follow

# Deliberation Process: Structural Balance Report

- We recommend that The Mayor and City Council members review this Material.- (done- Dec 07)
- We recommend that you create an opportunity to meet with our members to discuss this material . (done- Dec 07)
- This meeting, or meetings, can be segmented by the six departments.
- We believe this report represents the mid point from last year's budget to next year's budget. It is as much a starting point for discussion as an ending point of our analysis.

# Summary- Cost Reduction Opportunities

	Total Budget	<u>Most Likely</u> <u>Cost</u> <u>Reductions</u>	<u>Additional</u> <u>Aggressive</u> <u>Cost Reductions</u>
Fire Department	\$ 7,400,000	\$ 750,000	\$ 1,300,000
Parks Department	\$ 1,635,000	\$ 158,000	\$ -
Refuse Department	\$ 4,795,000	\$ 77,000	\$ 400,000
Office on Aging	\$ 2,079,000	\$ 500,000	\$ 488,000
Human Services- Other	\$ 1,087,000	\$ 168,000	\$ 295,000
Across Departmental costs- Cleaning	\$ 99,000	\$ 37,900	\$ 49,500
Total by Aggressivness:		\$ 1,690,900	\$ 2,532,500
Police Department	\$10,050,000	Requires Jail Facilities Analysis and probable investment	
Total General Fund of these 6 depts	\$27,145,000		
Total General Fund Budget- All Depts	\$38,600,000	total possible reductions-	\$ 4,223,400