

Council gets some good budget news

By GREG GILES NEWS EDITOR VENICE GONDOLIER

Venice Finance Director Jeff Snyder had a mixture of good and bad news for Venice City Council on Tuesday.

The good news is the city isn't expected to spend as much as originally planned from its savings account to make ends meet this fiscal year.

The bad news is that the property tax base next year is expected to drop almost another 10 percent.

The taxable value of Venice properties will be 9.7 percent less than this year. It follows reductions of 13.2 percent and 16.4 percent for the two prior years, along with double-digit unemployment in a slowly recovering economy.

Tuesday's budget review kicked off a series of budgetary workshops aimed at eliminating the entire budget deficit.

Snyder said the anticipated draw on reserves of \$3.2 million is now projected to be only \$2.1 million, a \$1.1 million difference. The savings were realized by a reduction in budgeted positions, some filled and others unfilled. The city's 2010-11 general fund budget is \$22.9 million.

Just a few weeks ago council identified nearly a \$500,000 dollars in projected savings by proposing to raise the contribution rates for medical insurance for retired city workers. Retired employees and their dependants account for nearly a third of the 800 people covered under the city self-insured healthcare program.

Next year, however, the city will face a drop of \$600,000 to \$800,000 in city revenue from lower ad valorem tax receipts.

City Manager Isaac Turner said the past year involved a "grueling exercise" in reducing positions and negotiating contracts that don't include a raise while trying to strengthen individual departments in a "reorganization effort that would make their areas function even better."

Experts say the economy appeared to have bottomed out last year, and is currently recovering very slowly.

"We don't expect it to rebound overnight. We will probably see another 10 percent ad valorem falling," Snyder warned. "We're hoping it won't be worse than that."

Turner reminded council it would be looking at another \$3 million budget shortfall next fiscal year if the city maintains its rollback ad valorem tax rate of 2.779 mills.

Council members noted the ad valorem millage rate is the lowest it's been in years and may have to be revisited. In 2002 it was 3.406 mills. The total reduction in ad valorem tax revenue since fiscal year 2007 is nearly \$5 million.

"The average taxpayer doesn't understand they are paying the lowest taxes now," Daniels said.

He asked staff to look into selling excess city property.

Still up for discussion is changing to once-per week trash pickup. Holic said it would perhaps save the city only about \$1 per person, but it might have other advantages, like less impact on the environment from running trucks less often.

“It’s hard to explain to the population that you won’t save much by going to one day a week,” he said. “(But) there is a fuel savings. If we are saving a thousand gallons of fuel ... that’s something we need to focus on.

Council Member Emilio Carlesimo said there are other negatives associated with making the change, like the increased weight of each receptacle and possibly more injuries to employees.

He, and previously Daniels, suggested the city formally adopt some kind of cash reward system for employees who identify ways to save the city money.

An example, he said, was a proposal by two patrol officers to reduce the Venice Police Department by four positions, which the city seems to be following. The savings would be \$400,000.

“To me that’s a sizeable amount of money,” Carlesimo said. “(And) should be rewarded in a way that encourages others to do the same. It needs to be a good reward for these people coming forward with ideas.”

Council reached a consensus to pursue the reward program.