

Cuts Made to General Fund Expenditures

:

- Hiring freeze in all City departments, except if a position is deemed critical.
- Elimination of 11.5 full-time equivalency employees since 2009
- Cut over-time and eliminated certain part-time positions.
- No pay increase for any employee.
- Increased staffs' out-of-pocket costs for health care premium and deductible.
- Eliminated training (and associated travel) except as required for licensing and certification purposes.
- Shut down Aquatics Facility from November through March.
- Reduced parks and 610 feeder road maintenance.
- Eliminated City Council compensation and meals.
- Reduced associations and memberships unless deemed critical.
- Reduced materials and supplies.
- No transfers from General Fund for any future Capital Improvement purchases (ie, no new funding).
- Reduced number of garbage bags purchased.

Options City Council Has in Adopting FY2011 Budget and Tax Rate

Although the adopted budget for FY2011 proposes paying for the additional debt service through a 2.4 cent debt service tax rate increase (1.73%, or \$78 more than average homeowner paid last year), the increase in the bond payments could also be paid for in three other ways:

- Transfer from the Enterprise Fund by either deficit spending in the Enterprise Fund and/or an increase in the water rates.
- Eliminate some City services or programs completely through additional cuts to General Fund expenditures. This could be accomplished through pay cuts and staff eliminations in city departments, including police and fire.
- Operate under an unbalanced General Fund budget by using cash reserves. (This potentially could have a downgrade in Bellaire's bond rating, increasing interest rates charged on future bond issuances and larger interest payments.

Recent Bellaire Tax Rates

<u>YEAR</u>	<u>BELLAIRE TAX RATES</u>
2004	48.00 cents per \$100 of tax value
2005	47.00 cents
2006	44.00 cents
2007	40.00 cents
2008	37.75 cents
2009	37.59 cents (26.39 to General Fund and 11.20 to Debt Service Fund)
2010	39.99 cents (26.39 to General Fund and 13.60 to Debt Service Fund)