

CITY COUNCIL
Lori Wilson, Mayor
Michael A. Segala, Mayor Pro-Tem
Anthony Adams
Jane Day
Wanda Williams



CITY COUNCIL MEETING

First and Third Tuesday
Every Month

A G E N D A

SPECIAL MEETING OF THE SUISUN CITY COUNCIL

TUESDAY, MAY 28, 2019

5:30 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

NOTICE

Pursuant to Government Code Section 54953, Subdivision (b), the following City Council meeting includes teleconference participation by Council Member Jane Day from: 301 Morgan Street, Suisun City, CA 94585.

ROLL CALL

Council Members

PUBLIC COMMENT

(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)

CONFLICT OF INTEREST NOTIFICATION

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

CLOSED SESSION

City Council

1. CONFERENCE WITH LABOR NEGOTIATOR
Agency negotiator: City Manager.
Employee organization: SCPOA (Suisun City Police Officers' Association)

2. CONFERENCE WITH LABOR NEGOTIATOR
Agency negotiator: City Manager
Employee organization: SCEA (Suisun City Employees' Association).

3. CONFERENCE WITH LABOR NEGOTIATOR
Agency negotiator: City Manager.
Employee organization: SCMPEA (Suisun City Management and Professional Employees' Association)

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340
SUCCESSOR AGENCY 421-7309 FAX 421-7366

CONVENE OPEN SESSION

Announcement of Actions Taken, if any, in Closed Session.

ADJOURNMENT

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting related to an agenda item for the open session of this meeting will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The City may charge photocopying charges for requested copies of such documents. Assistive listening devices may be obtained at the meeting

PLEASE NOTE:

1. The City Council/Agency/Authority hopes to conclude its public business by 11:00 P.M. Ordinarily, no new items will be taken up after the 11:00 P.M. cutoff and any items remaining will be agendized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.
2. Suisun City is committed to providing full access to these proceedings; individuals with special needs may call 421-7300.
3. Agendas are posted at least 72 hours in advance of regular meetings at Suisun City Hall, 701 Civic Center Boulevard, Suisun City, CA. Agendas may be posted at other Suisun City locations including the Suisun City Fire Station, 621 Pintail Drive, Suisun City, CA, and the Suisun City Senior Center, 318 Merganser Drive, Suisun City, CA.

I, Donna Pock, Deputy City Clerk for the City of Suisun City, declare under penalty of perjury that the above agenda for the meeting of May 28, 2019 was posted and available for review, in compliance with the Brown Act.



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Lori Wilson, Mayor
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CITY COUNCIL MEETING

First and Third Tuesday
Every Month

A G E N D A

REGULAR MEETING OF THE SUISUN CITY COUNCIL

SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY, AND HOUSING AUTHORITY

TUESDAY, MAY 28, 2019

7:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

NOTICE

*Pursuant to Government Code Section 54953, Subdivision (b), the following Council/Successor Agency/Housing Authority meeting includes teleconference participation by:
Councilmember Jane Day from: 301 Morgan Street, Suisun City, CA 94585.*

(Next Ord. No. – 761)

(Next City Council Res. No. 2019 – 49)

Next Suisun City Council Acting as Successor Agency Res. No. SA2019 - 05)

(Next Housing Authority Res. No. HA2019 – 05)

ROLL CALL

Council / Board Members

Pledge of Allegiance

Invocation

PUBLIC COMMENT

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SUCCESSOR AGENCY 421-7309 FAX 421-7366

GENERAL BUSINESS**Joint City Council / Suisun City Council Acting as Successor Agency/Housing Authority**

1. Fiscal Year 2019-20 Annual Budget Workshop and Presentation of Conceptual Fiscal Year 2019-20 Budget Strategy - (Folsom/Dingman/Corey).

REPORTS: (Informational items only.)

2. a. Council/Boardmembers
b. Mayor/Chair
3. City Manager/Executive Director/Staff

PUBLIC COMMENT

(Additional time for request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda limited to no more than 3 minutes.)

ADJOURNMENT

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I, Donna Pock, Deputy City Clerk for the City of Suisun City, declare under penalty of perjury that the above agenda for the meeting of May 28, 2019 was posted and available for review, in compliance with the Brown Act.

AGENDA TRANSMITTAL

MEETING DATE: May 28, 2019

CITY AGENDA ITEM: Fiscal Year 2019-20 Annual Budget Workshop and Presentation of Conceptual Fiscal Year 2019-20 Budget Strategy.

FISCAL IMPACT: There would be no fiscal impact at this time.

BACKGROUND: The FY 2019-20 Annual Budget will be presented to the City Council at the Budget Hearing on June 18, 2019. As a prelude to finalizing the full budget document for FY 2019-20, this item provides a summary and overview of the Recommended FY 2019-20 Annual Budget, with an emphasis on the General Fund. This provides the Council with the opportunity to give staff feedback about the proposed budget prior to preparing the document itself in advance of the formal public hearing. The budget strategy was developed to be consistent with City Financial Policies adopted by Resolution 2010-31 and re-affirmed annually with their inclusion in the Annual Budget.

STAFF REPORT: This Budget Strategy staff report is presented in three sections:

- Context within which the Budget Strategy has been formulated.
- Conceptual Fiscal Year 2019-20 Budget Strategy.
- Service Enhancements contained in the Budget Strategy.

This report will focus on both traditional tax revenues and the Measure S Transactions and Use Tax – a 1% tax on retail purchases approved by City voters in November 2016.

BUDGET STRATEGY CONTEXT

This section will address the following topics:

- New Leadership.
- Measure S Report Card.
- Budget Challenges.

New Leadership

In many significant ways, FY2018-19 has been a period of noteworthy transition. Following the elections of November 2018, new members joined the City Council led by a newly elected Mayor. The Council then brought a new, permanent City Manager to lead staff. This leadership has a new vision for Suisun City and steps will be taken this year to define that vision into a strategic plan that will become a guide for future performance based budgets.

The new fiscal year provides an opportunity for a reset of City priorities, to define new paths forward and to improve processes. The budget strategy was designed to address some lingering challenges, provide new tools to increase efficiency and effectiveness, and prepare the City for future innovation.

PREPARED BY: Joe Dingman, Admin. Svs. Dir./Scott Corey, Sr. Mgmt. Analyst
REVIEWED/APPROVED BY: Greg Folsom, City Manager

Measure S Report Card (Reference May 7, 2019 Council Meeting)

FY2018-19 was the second full year of programming Measure S funds. Revenues were projected at \$2.3 million, but are tracking to be approximately \$2.5 million. Staff anticipates similar revenue generation for FY2019-20.

As presented at the May 7, 2019, Council meeting, the Staff and Measure S Committee discussed the original strategy set up to help guide the allocation of Measure S monies through a community workshop held in March 2017. During the workshop, community participants were asked, “How Would You Spend \$1.8 Million?” The exercise mimicked the hard decisions that have to be made when setting priorities for expenditures when resources are limited. The result was the Measure S Budget Item list of priorities, as identified in the list below, as well as the progress on the completion of those items to date.

Measure S Priorities

Ranking	Budget Item	Ranking	Budget Item
1	Police Officer	12	Storm Drain Repairs one-time
2	Fire Engine (one-time)	13	Public Safety Dispatcher
3	Business Mgt Sys (one-time)	14	Roads - Reconstruct (one-time)
4	Roads—Slurry Seal (one-time)	15	Rec Supervisor/Youth Sves
5	Fire Admin Captain	16	Pothole Repair (St Maint Ops)
6	Roads—Overlay (one-time)	17	Streetlights/Parks (PW Maint Op)
7	Maintenance Worker	18	CC TV Cameras (one-time)
8	Marina Dredging (one-time)	19	Dispatch System Upgrade
9	Economic Dev Specialist	20a	Police Sergeant
10	Code Enforcement CSO	20b	Facility Repairs
11	Playground/Refurbishment		

With a significant number of initial community priorities accomplished, the Council gave direction for a Resolution adjustment to give the Measure S Committee the ability to advise them on a new Measure S strategy, including full community participation, to update the Measure S priority list. The new resolution is forthcoming, and the Measure S Committee will bring its recommendations back to Council prior to the FY2021-22 Budget adoption hearing.

Budget Challenges

- Budget Challenges.
 - Staff & Project Investments
 - Facility Needs

Though there are a number of development projects anticipated to come to fruition in the next year or two, additional streams of ongoing revenue that can be derived from development activity are

essential to provide the level of service required by the community. During the current fiscal year, Suisun City enjoyed the upswing of the economy with increases in homes sales and increased tax collections based on consumer transactions (both sales tax and Measure S).

While the City has fully recovered the property tax and sales tax declines from the Great Recession, some chronic budget challenges remain and future risks cloud the horizon. These are highlighted below:

- Public Safety – Fire and Police services are consistently a high priority for the City and the community. Significant requirements have been identified for the Fire Department in staffing, training, safety and facility needs. The department will need to add two full-time Division Chiefs, three Fire Engineers, six Firefighters and a part-time Fire Inspector to be able to fully staff a complete Full Engine Company. To support these additions, there also will need to be an increase in training, vehicles and safety budgets. As described more fully below, the FY 2019-20 Budget was developed to begin addressing this need with the addition of one Division Chief, two Fire Engineers and one part-time Fire Inspector.

Key factors for both Police and Fire continue to be employee recruitment and retention, safety, training, mentoring and morale while leveraging technology and the supportive services provided in other departments that impact public safety. A key continued effort for FY 2019-20 is funding the upgrade to our Public Safety communications system.

- Gas Tax Fund - The Gas Tax Fund is supported by statewide gas taxes. The fund provides street maintenance (pothole repairs), as well as the energizing and maintenance of streetlights and traffic signals. Although the revenue stream has been declining as this tax is a per gallon tax, and vehicles are getting more fuel efficient every year SB1 has added additional revenue. Measure S monies have been used to augment the gas tax in order to support the work that our crews provide.
- Lighting and Landscaping Districts (LLD) - Through the FY 2018-19 budget, a strategy was developed to begin to address the deficit situation of the Montebello Vista LLD with the development of joint soccer/baseball fields for rent. The immediate results of this effort were less robust than hoped, but will continue for FY 2019-20. Staff also is closely watching the Heritage Park LLD Fund, which also has developed a deficit posture. The challenge for these two LLDs is that not everyone benefitting is participating in the LLD assessments and the assessments cannot be adjusted for inflation.

Special maintenance projects for the adequately funded Lawler LLD are programmed for the FY2019-20 budget, including maintenance of palm trees, entryway plantings and wall painting.

- Roads, Facilities and Equipment - Ongoing maintenance of aging public infrastructure – city facilities, roads, sewers, sidewalks, marina – is a challenge facing all levels of government. Suisun City is no different. An emerging vehicle fleet management program to enhance the quality of our city fleet inventory while driving significant cost savings and efficiencies is suggested as a priority for FY 2019-20. The potential cost savings could exceed \$200,000 (City & Police fleets), allowing those recurring savings to flow back into the General Fund.
- Enterprise Resource Planning Platform, Transparency & Community Outreach – Funding to replace the City’s aged business and financial systems will be proposed for FY 2019-20 along with new tools that will make the budgeting process itself more internally interactive and externally transparent. Staff and Council will develop a strategy to improve City efforts to engage the community.

- Changing Employment Environment – The State has enacted a number of employment related policies in recent years that are beginning to have operational and budgetary impacts on the City. Chief among them are the increased minimum wage and enhanced leave laws, particularly the California Family Rights Act and Pregnancy Disability Leave. The minimum wage, which will rise to \$13 per hour in January 2020, \$14 in January 2021 and \$15 in January 2022, is increasing the cost of operating Recreation programs. The leave laws are producing staffing and operational challenges in Departments with a high density of younger staff members coupled with around-the-clock work requirements, particularly in the Police Department. Staff will continue to develop strategies to address these challenges.
- Modest Growth Outlook – Because the City’s bedrock revenues are closely tied to the consumer economy, Staff has developed a modest growth perspective for FY 2019-20. Fluctuations in interest rates have cooled the housing market somewhat curtailing property tax growth expectations. General consumer spending appears to be slowing somewhat despite wage increases across the economy, which could impact sales tax growth. However, the State’s increased efforts to maximize sales tax collections from online retailers could prove to be an undetermined boost to Measure S revenues particularly.

A more detailed review of the revenue and expenditure trends that guide the FY 2019-20 budget strategy are outlined below and on the following pages, including specific service enhancements proposed to be included in the upcoming fiscal year budget.

CONCEPTUAL FISCAL YEAR 2019-20 BUDGET STRATEGY

This section of the report will address the budget balancing strategy for the FY 2019-20 General Fund, as well as selected other funds. This section of the report is organized as follows:

- Fire Department Needs
- General Fund Resources
- General Fund Use of Resources
- General Fund Structural Analysis
- Discussion of Other Funds

Fire Department Needs

The most critical aspect of the FY19-20 draft budget that needs Council direction to staff is regarding future Fire Department funding levels and the lack of existing funding to maintain a balanced budget in future years at an enhanced level of service. The Fire Department has identified significant staffing needs to provide the level of service expected by City residents in a manner consistent with best operational practices and State law. The primary factors bringing this issue to the surface is a changing workforce that makes recruiting and retaining sufficient numbers of qualified volunteers very challenging and legal standard changes for volunteer firefighters that bring their training and equipment needs more in line with full-time professional firefighters.

The needs identified by the Fire Department are for a full Engine Company 24 hours a day every day. Separately, the City also needs a Fire Inspector. To accomplish this, the Department requested the following positions:

- Two Fire Division Chiefs;
- Conversion of existing three Administrative Fire Captains to operational Fire Captains;
- Three Fire Engineers; and
- Six Firefighters.

The approximate cost of this request is \$1.59 million, which will be an additional ongoing annual cost, inclusive of vehicle, training and equipment costs.

Recognizing the City does not have a new ongoing funding source identified to address that level of need, the Department identified its minimum additional staffing request at the following:

- Two Fire Division Chiefs,
- Conversion of existing three Administrative Fire Captains to operational Fire Captains, and
- Three Fire Engineers.

The approximate cost of the Department's minimum staffing request is \$964,600 additional ongoing annual cost. Adding additional staff in a multi-year phased approach would be dependent upon funding.

The City Manager has proposed the following new positions in the FY 2019-20 Budget request:

- One Fire Division Chief,
- Conversion of existing three Administrative Fire Captains to operational Fire Captains, and
- Two Fire Engineers.

The approximate cost of this proposal is \$652,000 (additional ongoing annual costs). A part-time Fire Inspector also is included at an annual cost of \$60,000.

To pay for these additional costs, Staff proposes to utilize one-time and limited duration funding sources, curtail infrastructure improvements and maintenance, and increase reserves to address anticipated FY 2020-21 expenses. During FY 2019-20, Staff would undertake a Fire needs assessment and develop a strategy for new ongoing revenue streams, which may require voter approval.

The addition of more paid Fire personnel will likely result in increased Workers' Compensation costs, added need for local training facilities, and added pressure on the City's single Fire Station. The General Plan has identified a need for a second station.

General Fund Resources

The Proposed FY 2019-20 General Fund Budget (including Measure S) is summarized in **Attachment 2**. Column 5 displays the Requested FY 2019-20 Budget, and Column 6 indicates the anticipated dollar change from the FY 2018-19 Amended Budget, while Column 7 represents the percentage change. The General Fund Resources are a combination of the Beginning Balance (which a one-time resource), reimbursement of prior Dredging Project funding, as well as ongoing revenues. The General Fund Resources assumptions include the following:

Beginning Balance

- Carryover from the prior year is expected to be \$3,648,600, which represents a 2.76% decrease over the prior year budget.

Dredge Reimbursement

- The General Fund and Measure S made significant contributions to the Dredge Fund (Fund 340) since FY2017-18 to pay for the Marina Dredging Project. On its FY 2019-20 Recognized Obligation Funding Schedule (ROPS), the Successor Agency requested \$2.7 million to reimburse prior General Fund and Measure S support. Staff recommends programming \$2.2 million for the General Fund (Fund 10) and \$583,000 for Measure S (Fund 12). Staff recommends developing a budget policy of setting aside funds annually in excess of maintenance assessments for dredging.

Revenues

Consistent with City Financial Policies, revenues have been conservatively estimated, but not so conservative as to unnecessarily constrict the budget. Staffing incorporated the following assumptions in the budget concept:

- Property Tax is comprised of eight component revenues. The cumulative change is an anticipated increase of 6.27%, or \$97,300. Significant changes occurred in the following:
 - Secured Property Tax: Decrease of 1.5%, or \$10,200.
 - Two Redevelopment Pass-Through revenues: Increase of 17.5%, or \$101,800.
 - Property Transfer Tax: Increase of 9.3%, or \$8,600
- Redevelopment (RDA) Residual Property Tax – The City receives an annual payment of Redevelopment property taxes that is left over after all the bills on the Recognized Obligations Payment Schedule (ROPS) are paid and other taxing agencies receive their shares. Staff previously rolled this payment into the Property Tax object line; for the FY 2019-20 Budget it will be displayed separately. In FY 2018-19, this RDA Residual Property Tax payment was budgeted at \$940,000.

For FY 2019-20, the City will receive no RDA Residual Property Tax because it will receive the Dredge Reimbursement discussed above (we can only receive one, not both). The reimbursement was treated as a bill on the ROPS and was large enough to consume all of the left over proceeds that go to other taxing agencies and the City. For FY 2019-20, the ongoing RDA Residual Property Tax payment will be replaced with a one-time Dredge Reimbursement. The result is a one-time net increase to the General Fund of approximately \$885,000. Staff anticipates the RDA Residual Property Tax payments to resume in FY 2020-21.

- Sales Tax growth (exclusive of Measure S) would be about 2% according to Staff and HdL consultant projections.
- The Measure S portion of Sales Tax revenues is expected to grow about 11%, or \$255,500.
- Other Taxes (comprised of Transient Occupancy Tax and utility franchise fees) is expected to decrease about 1%, or \$17,900.
- Licenses & Permits decrease of 10.73%, or \$63,200, to reflect staff projections of development activity.
- Fines & Forfeitures shows an increase of 13%, or \$42,400, based on current strength of parking ticket processing for outside agencies and the level of Code Enforcement activity. Historically, this is a highly variable revenue stream.
- Motor Vehicle License Fees (property tax on vehicles) is projected to increase by about 7%, or \$138,000, due to continued strength in the auto sales market.

Overall, revenues (exclusive of the beginning balance) are expected to increase by \$2,045,300 over the FY 2018-19 amended budget, primarily driven by the one-time Dredge Project reimbursement.

General Fund Use of Resources

The General Fund Use of Resources is a combination of the Operating Budget, the Non-Operating Budget, and the Ending Balance. The addition of Fire Department personnel will have a ripple effect across all payroll-related expenses. The General Fund Use of Resources assumptions are presented below:

Operating Budget

- Salaries & Wages has an increase of 17.42%, or \$846,700, reflecting new Labor Group MOUs, the addition of a Fire Division Chief and two Fire Engineers, plus wage adjustments for Fire Captains.
- Overtime is expected to increase 28.8%, or \$104,700, due to the addition of non-exempt Fire Department staff.
- Payroll Taxes will increase by 60%, or \$275,300. Approximately \$200,300 of that increase is due to resetting the Workers' Compensation internal charges after holding them steady for several years.
- PERS costs are projected to increase about 14%, driven primarily by a \$184,400 increase in unfunded liability payments. Health-insurance costs are anticipated to increase 3%, though Staff is awaiting final rate setting by CalPERS. Staff is exploring options for a tool to help determine future strategies to manage increasing unfunded liability costs.
- Services & Supplies are expected to increase by about 10%, or \$249,700, due to increases for the City's share of County Animal Control operating costs, legal services, Police and Fire uniforms and contract engineering services.
- Interdepartmental Charges will increase about 50%, or \$464,500, due to increases in excess insurance rates, a reset of the internal risk charge and an allocation of funds to replace recently purchased fire apparatus.
- Overall, the Operating Budget would see an increase of 16.6%, or \$2,225,100, most of which are ongoing costs.

Non-Operating Budget

- Transfers Out reflects \$600,000 for Measure S contributions to the Public Safety Communications Project and the Enterprise Resource Management Project, a reduction of nearly \$1.6 million, or 60%, over the prior year.
- General Fund Emergency Reserve would be \$3,127,700, or 20% of Operating Expenses as set by the Financial Policies.

Ending Balance

The ending balance is forecast to be \$4,116,400, which would be included in the Emergency Reserve. Staff proposes to allocate the \$988,700 to an Operating Reserve for use in funding future Fire Department needs.

General Fund Structural Analysis

The structural analysis compares ongoing revenues against ongoing expenditures. To minimize reductions in service levels, short-term limited structural operating deficits can be acceptable when future *new* ongoing revenues are anticipated to cover the resulting shortfall. The FY 2019-20 Budget makes use of a significant one-time revenue (\$2.2 million in Dredge Project reimbursement) and limited term revenue (\$2.5 million from Measure S, which sunsets in FY 2026-27).

A measure of the General Fund structural status is to compare revenue projections (exclusive of beginning balance or interfund transfers) against operating expenditure forecasts.

	FY 2018-19	FY 2019-20
Revenues w/o Transfers	\$13,793,900	\$13,711,700
Operating Expenditures	\$13,413,600	\$15,638,700
Surplus/Deficit	\$ 380,300	\$ (1,927,000)

The primary cause of the projected FY 2019-20 structural deficit is the replacement of ongoing RDA Residual Property Tax payment with a one-time Dredge Project reimbursement.

The proposed FY 2019-20 General Fund structural analysis is still being refined, and will be presented at the June 18th City Council meeting during Budget Approval.

SERVICE ENHANCEMENTS CONTAINED IN THE BUDGET STRATEGY

This section of the report will address the service enhancements contained in the proposed budget funded from existing revenue streams, as well as Measure S. These services will be broken down by proposed changes in the following areas:

- Staffing
- Service Enhancements

Staffing

Proposed Changes in Staffing Allocation

Staff proposes to make the following changes in staffing allocations:

- City Manager's Office
 - Add an Administrative Assistant II (+ \$87,700 GF cost)
- Fire Department (to include classification amendments)
 - Add a Fire Division Chief (+ \$185,200 GF cost)
 - Add two Fire Engineers (+ \$255,240 GF cost)
 - Adjust Fire Captain wages (+ \$92,000 GF cost)
 - Add Fire Inspector (PT) (+ \$60,000 GF cost)
- Development Services Department
 - Eliminate an Economic Development Analyst (vacant) (- \$32,900 GF cost)
- Public Works
 - Eliminate a Public Works Superintendent (vacant) (- \$74,500)

New Classifications

The budget request will include \$68,000 to be used in the City Manager's discretion to address departmental reclassification requests for existing employees. Staff has identified the need to create the following classifications and salary ranges to facilitate changes that may be identified by the City Manager:

- Administrative Services Department
 - Fiscal & Human Resources Manager
 - Project Manager (redrafted to remove real estate emphasis)
- Fire Department
 - Fire Division Chief

- Fire Engineer
- Fire Captain
- Fire Inspector
- Police Department
 - Records & Dispatch Manager

Unfunded Position Requests

Due to limited ongoing funding, several positions requested by City departments were not included in the requested FY 2019-20 Budget. These positions include:

- Administrative Services Department
 - Add Fiscal Services Analyst (Management Analyst I) (+ \$104,500)
- Fire Department
 - Add a Fire Division Chief (+ \$185,200 GF cost)
 - Add a Fire Engineer (+ \$255,240 GF cost)
 - Add 6 Firefighters (+ \$624,600)
- Police Department
 - Add Community Services Officer (Volunteers in Police Service) (+ \$68,900 GF cost)
- Recreation, Parks & Marina, and Arts
 - Convert PT Admin Coordinator to Recreation Coordinator (Administrative and Marketing function) (+ \$35,200 GF cost)
 - ASES / Afterschool Coordinator (+ \$44,100 GF cost)

Service Enhancements

The requested budget includes the following General Fund service enhancements:

- Citywide strategy study (\$25,000)
- General landscaping contract for specialized projects (\$30,000)
- Additional City Attorney services (\$164,900 add in FY19 & \$105,900 increase for FY20)
- CalPERS unfunded liability strategy (\$7,500)
- Nixle public engagement tool (\$5,000)
- Fleet Management Contract (unspecified savings)
- ENGIE Services solar power project (unbudgeted \$121,000 savings)

Funding from Measure S would assist with the following:

- Contribution to Public Safety Communications Project (Year 2) (\$450,000)
- Enterprise Resource Management Project & Budget Tool (Year 2) (\$200,000)
- Computer Assisted Dispatching (CAD) software (\$60,000)

Other Funds – Non-General Fund sources would fund the following key assessments that could provide a basis for making future operational decisions and considering increases to Development Impact Fees:

- Sewer Condition Assessment for small pipe system (\$200,000 from Fund 185 - Sewer Maintenance Fund)
- Recreation Facilities Master Plan (\$32,000 from Fund 300 – Park Development Fund)

- Fire Department Standards of Cover / Needs Assessment (\$52,500 from Fund 310 – Fire Facilities and Equipment Fund)
- Police Department Services Assessment (\$30,000 from Fund 312 – Police Facilities and Equipment Fund)

Unfunded Service Enhancements

Due to limited ongoing funding, several service enhancements requested by City departments were not included in the requested FY 2019-20 Budget. These include:

- Contract Engineering services (\$30,000)
- Annual Street Maintenance Program (\$600,000)
- Keep Suisun City Clean (\$50,000)
- Nelson Center interior upgrades (\$30,000)
- Redesign primary City website (\$60,000)
- Facility maintenance and improvement projects – Staff identified the following as Tier 1 safety, accessibility and maintenance priorities:
 - Fire Alarm Panel Replacement and Upgrades at both Civic Center buildings (\$70,000)
 - City Hall, Police Station, Fire Station and Corporation Yard security upgrades (\$130,000)
 - Rear Police Station sally port and bulletproof Dispatch windows (\$13,000)
 - Senior Center ADA restrooms (\$40,000)
 - Nelson Center reroof (\$170,000)
 - Harbor Master Office gutter replacement (\$5,000)
 - Police Station HVAC flat roofs and parapet dry rot (\$15,000)
 - Senior Center flat roof parapet walls (\$10,000)
 - Corporation Yard gutters, down spouts, windows exterior pain (\$20,000)
 - City Hall gutters, down spouts and HVAC flat roofs (\$33,000)
 - Repaint City Hall lower story (\$24,000)

RECOMMENDATION: It is recommended that the City Council receive the staff's presentation, and provide feedback about the proposed FY 2019-20 budget strategy.

ATTACHMENTS:

1. General Fund Fiscal Analysis Table
2. Benefits - Major Changes for PERS, Unfunded Liability and Health Insurance

GENERAL FUND FISCAL ANALYSIS
With Measure S

FY 17 Actual Through FY 20 Recommended

	Column 1 FY 17 ACTUAL	Column 2 FY 18 ACTUAL	Column 3 FY 19 AMENDED	Column 4 FY 19 PROJECTED	Column 5 FY 20 REQUESTED	Column 6 Col 5 vs. Col 3	Column 7 % Change Col 5 vs. Col 3	Column 8 Notes
BUDGET ACTIVITIES								
Beginning Balance	\$ 3,372,643	\$ 3,877,428	\$ 3,752,000	\$ 3,957,100	\$ 3,648,600	(103,400)	-2.76%	
Local Taxes								
Property Taxes	\$ 1,405,921	\$ 1,471,445	\$ 1,551,800	\$ 1,568,800	\$ 1,649,100	\$ 97,300	6.27%	Increase of pass-through components
RDA Residual Property Tax	\$ 725,839	\$ 937,544	\$ 940,400	\$ 746,300	\$ -	(940,400)	-100.00%	Reduced to zero by dredge reimbursement
Sales Taxes	\$ 1,615,792	\$ 1,748,217	\$ 1,774,400	\$ 1,889,400	\$ 1,807,800	\$ 33,400	1.88%	Consumer activity; fuel & restaurant strength
Measure S	\$ 303,728	\$ 2,501,763	\$ 2,307,000	\$ 2,500,000	\$ 2,562,500	\$ 255,500	11.07%	Strong online sales & vehicles
Other Taxes (TOT & Franch. Fees)	\$ 1,260,095	\$ 1,303,427	\$ 1,255,600	\$ 1,193,000	\$ 1,237,700	(17,900)	-1.43%	Based on performance
Subtotal Local Taxes	\$ 5,311,375	\$ 7,962,396	\$ 7,829,200	\$ 7,897,500	\$ 7,257,100	(672,100)	-7.31%	
Licenses & Permits	\$ 539,116	\$ 538,107	\$ 588,900	\$ 471,900	\$ 525,700	(63,200)	-10.73%	Negative trend development
Fines & Forfeitures	\$ 253,160	\$ 459,668	\$ 325,600	\$ 368,000	\$ 368,000	\$ 42,400	13.02%	Highly variable; supported by parking ticket processing
Use of Money	\$ 23,876	\$ 19,206	\$ 60,000	\$ 176,300	\$ 131,000	\$ 71,000	118.33%	Interest rate increases & minor equipment sales
Intergovernmental	\$ 3,082,678	\$ 3,081,589	\$ 3,052,000	\$ 3,099,900	\$ 3,323,600	\$ 271,600	8.90%	VLF/Prop Tax increase
Charges for Services	\$ 1,229,528	\$ 1,293,026	\$ 1,350,100	\$ 1,381,700	\$ 1,548,700	\$ 198,600	14.71%	Increased fees & Rec activity
Intragovernmental	\$ 347,374	\$ 480,307	\$ 560,700	\$ 556,400	\$ 535,900	(24,800)	-4.42%	Flat to budget
Misc Revenues	\$ 47,698	\$ 56,439	\$ 27,400	\$ 129,000	\$ 21,700	(5,700)	-20.80%	Estimate
Transfers In	\$ 960,548	\$ 926,930	\$ 964,900	\$ 1,234,900	\$ 3,676,000	\$ 2,711,100	280.97%	Dredge repayment from ROPS & Meas S - Meas S Transfers in
Subtotal Revenues	\$ 11,795,353	\$ 14,817,668	\$ 14,758,800	\$ 15,315,600	\$ 17,387,700	\$ 2,628,900	17.81%	
TOTAL RESOURCES	\$ <u>15,167,996</u>	\$ <u>18,695,096</u>	\$ <u>18,510,800</u>	\$ <u>19,272,700</u>	\$ <u>21,036,300</u>	\$ <u>2,525,500</u>	13.64%	

USE OF RESOURCES

Personnel Services								
Salaries & Wages	\$ 3,995,046	\$ 4,437,605	\$ 4,861,300	\$ 4,753,200	\$ 5,708,000	\$ 846,700	17.42%	Includes new MOUs & additional Fire personnel
Overtime	\$ 362,368	\$ 338,812	\$ 363,600	\$ 373,700	\$ 468,300	\$ 104,700	28.80%	3-Year PD average; estimated Fire OT
Employee Benefits	\$ 2,626,144	\$ 2,933,787	\$ 3,456,500	\$ 3,176,000	\$ 3,820,700	\$ 364,200	10.54%	11% PERS plan, 16% PERS UAL increases
Payroll Taxes	\$ 371,235	\$ 442,197	\$ 457,800	\$ 465,500	\$ 733,100	\$ 275,300	60.14%	Reset WC and UI charges
Employee Onboarding	\$ -	\$ -	\$ -	\$ -	\$ 31,400	\$ 31,400	100.00%	Backgrounds, physicals, psych; formerly in S&S
Travel & Training	\$ -	\$ -	\$ -	\$ -	\$ 194,100	\$ 194,100	100.00%	Travel & Training; formerly in Non-Recurring
Subtotal Pers Svcs	\$ 7,354,793	\$ 8,152,401	\$ 9,139,200	\$ 8,768,400	\$ 10,955,600	\$ 1,816,400	19.87%	
Services & Supplies	\$ 1,952,559	\$ 2,340,397	\$ 2,478,500	\$ 2,485,900	\$ 2,728,200	\$ 249,700	10.07%	Incr Legal (\$105,900), Am Control (\$34k), PS Uniforms (\$45k)
Interdepartmental Charges	\$ 919,433	\$ 1,240,871	\$ 929,100	\$ 919,500	\$ 1,393,600	\$ 464,500	49.99%	Reset Risk & IT Charges & Apparatus Replace
Non-Recurring Charges	\$ 359,790	\$ 364,926	\$ 866,800	\$ 535,300	\$ 561,300	(305,500)	-35.24%	Moved Travel & Training, City strategy, GovInvest
Subtotal Operating	\$ 10,586,575	\$ 12,098,595	\$ 13,413,600	\$ 12,709,100	\$ 15,638,700	\$ 2,225,100	16.59%	
Transfers Out	\$ 534,654	\$ 2,470,108	\$ 2,738,200	\$ 2,738,200	\$ 1,111,900	(1,626,300)	-59.39%	Meas. S \$450k Motorola; \$150k ERP
Major Capital	\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ -	-100.00%	
Debt Service	\$ 169,339	\$ 169,339	\$ 169,300	\$ 169,300	\$ 169,300	\$ -	0.00%	
RDA Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
Contingencies & Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
Subtotal Non-Operating	\$ 703,993	\$ 2,639,447	\$ 2,907,500	\$ 2,915,000	\$ 1,281,200	(1,626,300)	-55.93%	
Ending Balance	\$ 3,877,428	\$ 3,957,054	\$ 2,189,700	\$ 3,648,600	\$ 4,116,400	\$ 1,926,700	87.99%	
TOTAL USE OF RESOURCES	\$ <u>15,167,996</u>	\$ <u>18,695,096</u>	\$ <u>18,510,800</u>	\$ <u>19,272,700</u>	\$ <u>21,036,300</u>	\$ <u>2,525,500</u>	13.64%	

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BENEFITS - MAJOR CHANGES/HIGHLIGHTS

With Measure S

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
				% CHANGE	% CHANGE	\$
Benefits	FY 19 AMD	FY 19 PROJ	FY 20 REQ	AMD vs REQ	PROJ vs REQ	CHANGE AMD vs REQ
PERS Plan	\$ 826,200	\$ 728,800	\$ 962,400	16.49%	32.05%	\$ 136,200
PERS UL	\$ 1,135,600	\$ 1,135,600	\$ 1,320,000	<u>16.24%</u>	<u>16.24%</u>	\$ 184,400
Total PERS	<u>\$ 1,961,800</u>	<u>\$ 1,864,400</u>	<u>\$ 2,282,400</u>	<u>16.34%</u>	<u>22.42%</u>	\$ 320,600
Healthcare	\$ 1,200,300	\$ 1,021,200	\$ 1,160,900	-3.28%	13.68%	\$ (39,400)
Healthcare Commit	2018	2019	2020 Est.	% Change	% Change	
Kaiser Rate	\$ 795.25	\$ 768.25	\$ 782.25	-3.395%	1.822%	