



## CITY COUNCIL STAFF REPORT

**TO:** Honorable Mayor and City Council

**DATE:** June 19, 2018

**FROM:** Matthew Bronson, City Manager

**PREPARED BY:** Matthew Bronson, City Manager  
Gayla Chapman, Administrative Services Director

**SUBJECT:** Adoption of 2018-19 Budget

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### **RECOMMENDATION**

Review recommended changes to the 2018-19 Proposed Budget presented on June 4, 2018; adopt the Resolution to adopt and appropriate funds for the 2018-19 budget, adopt the Resolution to set the 2018-19 Appropriations Limit from Tax Proceeds, adopt the Resolution to establish authorized positions in departments for 2018-19, and adopt the Resolution to update the City's Financial Policies.

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### **BACKGROUND**

On June 4, 2018 staff presented the 2018-19 Proposed Budget to the City Council for review and public comment. The proposed citywide operating budget for 2018-19 is \$34.5 million including \$11.4 million in the City's General Fund, \$6.3 million in Enterprise Fund including the Water and Wastewater Funds, and \$1.7 million in Special Revenue Funds outside of the Capital Improvement Program (CIP). The five-year CIP includes \$16.0 million in funding for key capital projects in 2018-19 or nearly half of the total citywide budget next year. These expenditures include salaries, benefits, services, supplies, maintenance, debt service, and capital-related items over the next fiscal year. The Proposed Budget maintains current service levels with a 2% average increase in overall ongoing operating costs and adheres to the Council's policy goal of reserves equaling 20% of operating expenditures despite the use of reserves to close a projected funding gap between revenues and expenditures for next year.

Budget changes are identified in the City Manager's Letter of Transmittal in the budget document previously provided to the Council and posted on the City's website for review. The Proposed Budget maintains existing services with targeted General Fund funding increases in key areas including \$140,000 for one-time needs and \$388,000 for ongoing needs. This ongoing funding primarily reflects \$306,000 in additional costs to the Five Cities Fire Authority from providing more responsive and sustainable fire services by transitioning from use of Reserve Firefighters to permanent Firefighter positions. The budget assumes a 4.25% increase in property taxes, 2% increase in sales taxes, 2% increase in transient occupancy taxes, and \$700,000 in commercial cannabis tax revenues in addition to application and regulatory fees.

Items Raised by the Council

After reviewing the Proposed Budget on June 4, the Council identified the following items for further clarification. In addition, the Council raised a number of questions prior to the June 4<sup>th</sup> Council meeting with the responses shown in Attachment 5.

- *Central Coast Blue recycled water project.* The Council requested additional information about this regional project and specifically the City's estimated cost of \$500,000 in fiscal year 2018-19. This project is a partnership with Pismo Beach, Arroyo Grande, Oceano Community Services District, and the South San Luis Obispo County Sanitation District to inject treated wastewater into the groundwater basin and produce 30% more water supply and reduce ocean outfall by 70%. The City committed to \$85,000 in funding this year towards the preliminary engineering work for the Environmental Impact Report and this \$500,000 allocation in 2018-19 is the City's share of the costs based on groundwater allocation towards the final design and project management. A similar allocation would be made in 2019-20 pending the Council's adoption of the 2019-20 budget in June 2019. These costs for the final design and project management would be billed on a time and materials basis over the next two years and offset by grants and low-interest loans expected to be a significant part of the total \$60 million for the recycled water treatment facility and infrastructure with the initial phase operational in 2020.
- *Major drivers behind \$1.4 million estimated funding gap for the current fiscal year 2017-18.* The Council requested additional information about the major drivers behind the estimated funding gap in this year's budget. It is important to point out that the City is financially stable and has accumulated reserves over time that totaled 46% of operating expenditures in 2016-17. The 2017-18 budget was developed with a goal of utilizing these funds along with ongoing revenues to make investments in core services and achieve Council Goals. Examples of these investments this year include construction of the broadband fiber network (\$502,000), Self-Contained Breathing Apparatus for Fire Cities Fire Authority (\$121,575), Senior Planner position (\$85,000), data center ventilation improvements, (\$70,000), development review and parking consultants (\$50,000), financial system upgrade (\$52,780), IT Specialist position (\$51,000), and replacement backhoe loader (\$38,000). The funding gap this year between revenues and expenditures was originally budgeted at \$2.4 million and is estimated now at \$1.4 million primarily with savings from the City not constructing the Grover Beach Lodge offsite improvements. Despite this gap, staff anticipates closing the fiscal year with 28% ending reserves which is significantly above the Council's reserves policy.
- *Employee contribution to PERS.* Below is a list of the CalPERS contributions by employer and employee for 2018-19 based on Classic or PEPRA employee status:

Plan	Employer Cost	Employee Cost
Miscellaneous (Classic)	10.6%	8.0%
Safety (Classic)	18.7%	12.0%
Miscellaneous (PEPRA)	6.8%	6.8%
Safety (PEPRA)	12.1%	12.1%

- *Resources needed to design all five street projects identified by Council over the next year.* There are sufficient staff resources in 2018-19 to design and begin construction on CIP 2295-8 (17-block section of northwest streets including Atlantic City Avenue west of 8th Street) and to begin design on CIP 2295-9 (9-block section of South 16th Street). The

remaining three projects identified by Council would be underway in 2019-20. In addition, staff resources will be working on three street projects currently or soon under construction in 2018-19 including CIP 2295-5 (Long Branch Avenue), CIP 2295-6 (Newport Avenue) and CIP 2295-7 (Northwest streets) along with improvements on major streets and other capital projects included in the CIP. Based on the requirements associated with design projects, staff estimates that adding three more street projects into design phase in 2018-19 would involve adding two field maintenance positions, one additional project manager or consultant project manager, 0.5 full-time equivalent (FTE) of engineering staff support, and 0.5 FTE for administration staff support. The estimated cost of these four additional FTEs would be \$374,550 and additional work space would also be needed.

- *Additional information about facility monument signs including specific facilities.* The capital budget includes \$70,000 in funding in 2018-19 for monument signs at City facilities and entrance gateways. Staff's understanding of previous Council direction is that the City Hall monument sign and new guide signs at Highway 101 off-ramps to El Camino Real would be the initial priorities. This funding should be sufficient to professionally design and construct the City Hall monument sign and 1-2 guide signs. Other locations for signage improvements include a new monument and guide signs at Ramona Garden Park and 16<sup>th</sup> Street Park along with the train station given the expansion project. Additional funding could be allocated for these additional signs.
- *Funding for Newport Avenue project.* The Council requested additional information about the proposed funding sources for the Newport Avenue street improvement project including the estimated \$415,000 needed from non-Measure K-14 funds. Based on Council direction, a revised preliminary street design will need to be developed to implement direction provided by Council on May 21, 2018 and the actual portion of the project that will need funding outside of Measure K-14 street repair funds is likely to be reduced. Staff would recommend using Measure K-14 funds for components of the Newport project directly relating to narrowing the street consistent with what the Council approved for Long Branch Avenue. There is also an unallocated balance of \$120,000 of Gas Tax funds that could be allocated to this project. Staff intends to bring a design to Council for final approval and budget allocation in late summer or early fall.
- *Use of Successor Housing Agency funds to support potential housing project.* The Council asked if remaining Successor Housing Agency funds of approximately \$300,000 could be used to support a housing project developed by a private or non-profit developer. Such funds could potentially be used and staff is planning to bring an item to the Council in late summer to discuss potential housing projects and the application of these funds.

### Proposed Budget Changes

In addition to requesting clarification on the preceding items, the Council identified four specific changes to the Proposed Budget at the June 4<sup>th</sup> public hearing. These items are listed below along with staff's recommendation for addressing these items:

- *Update City's financial policy regarding reserves.* The Council provided direction to amend the City's Financial Policies to clarify the General Fund reserve policies. As part of this direction, the City's goal is for the General Fund reserves to be at least 20% of operating expenditures while the minimum reserves level will be 15% of operating expenditures. This minimum reserves level will be comprised of 10% of general reserves and 5% of emergency reserves. Attachment 4 includes this revised language.

- *Add \$5,000 in business development funding for marketing related to the broadband fiber network.* The Council provided direction to add \$5,000 to the existing \$10,000 allocation for business development funding in the City Manager's Office budget to provide for broadband fiber marketing. This additional \$5,000 will be met through allocating funds for communication work in the City Manager's Office without additional funds needed.
- *Add \$50,000 in capital funding for sidewalk infill.* The Council requested the addition of \$50,000 for sidewalk infill installation in the City's capital budget. Staff is recommending the creation of a sidewalk infill capital project that would include \$50,000 annually for the five-year span of the CIP with the locations to be determined by the Council. This amount would be in addition to the \$30,000 budgeted in the operating budget for sidewalk repair. Funding for this additional sidewalk infill project is recommended to come from unallocated Gas Tax funds. This funding would go along with \$100,000 recently awarded to the City by SLOCOG in Safe Routes to Schools funding for sidewalk infill near Grover Beach Elementary School.
- *Expand the initial phase of the Ramona Square parking lot project to entire area behind the post office.* The Proposed Budget recommended that the initial phase of this improvement project in 2018-19 be focused on the City-owned portion of the parking lot before expanding to the rest of the parking lot during the following fiscal year 2019-20. The Council requested that this initial phase also include the portion of the parking lot behind the post office beyond the area owned by the City and include privately-owned sections of the parking lot to have a more visually complete project. Staff has determined there is sufficient funding budgeted for next year to carry out a light maintenance program for this entire section of the parking lot that will fix major existing pavement failures and cap over less obvious failures. This repair will have a lifespan of approximately five years to allow time to develop a plan for improving the rest of the privately-owned parking lot including the possibility of forming a new assessment district.

Overall, the 2018-19 budget represents a fiscal approach that maintains current service levels and continues to make targeted investments to address Council Goals while retaining reserves consistent with the Council's goal of at least 20% of operating expenditures. While the City's long-term fiscal outlook is positive with projected revenue growth, there are near-term challenges to address including the potential of an economic downturn, deferred maintenance needs, and increased costs for core City services such as fire, police, and maintenance services. Projected funding gaps between revenues and expenditures in the next 2-3 years will require use of reserves below minimum policy levels to maintain service levels or lead to service reductions which illustrates the importance of seeking additional ongoing revenue for core City services.

### Next Steps

The Council is asked to consider these recommended changes and any other potential changes to the budget and adopt the related Resolutions to approve a final budget and personnel allocation for 2018-19. Pending Council's adoption, staff will incorporate the changes with the final budget to begin on July 1, 2018. Staff will also create an adopted budget document and provide this document to Council Members and post on the City's website in July. Staff will return to the Council with quarterly financial reports over the next fiscal year.

## **FISCAL IMPACT**

There are no General Fund impacts from the recommended changes outlined above as the \$50,000 added for sidewalk infill installation would come from unallocated Gas Tax funds.

## **ALTERNATIVES**

The City Council has the following alternatives to consider:

1. Review recommended changes to the 2018-19 Proposed Budget presented on June 4, 2018; adopt Resolutions to adopt and appropriate funds for the 2018-19 budget, set the 2018-19 Appropriations Limit from Tax Proceeds, establish authorized positions in departments for 2018-19, and update the City's Financial Policies; or
2. Provide alternate direction to staff.

## **PUBLIC NOTIFICATION**

The agenda was posted in accordance with the Brown Act.

## **ATTACHMENTS**

1. Annual Appropriation Resolution
2. Gann Limit Resolution
3. Position Allocation Resolution
4. Financial Policies Resolution
5. Responses to Initial Council Questions

**RESOLUTION NO. 18-**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF GROVER BEACH, CALIFORNIA APPROPRIATING  
THE FY 2018-19 BUDGET**

**WHEREAS**, all requisite public hearings relating to the budget have been duly held, and all necessary findings have been made.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL:**

**PART I**

**THAT** the amounts set forth for the purposes named herein shall, upon the adoption of this Resolution, become the Budget for the City of Grover Beach for FY 2018-19; and

**PART II**

**THAT** the general provisions governing this Resolution shall be as follows:

**SECTION 1. APPROPRIATION OF THE FY 2018-19 BUDGET.** Monies are hereby appropriated from each of the several funds of the City to each department of the City in the amounts set forth herein for employee services, supplies & services, minor capital, special activities, and capital improvements.

**SECTION 2. TRANSFERS BETWEEN APPROPRIATIONS AND INCREASE IN APPROPRIATIONS.**

- a. Consistent with the Financial Policies of the City that are contained in Resolution No. 18-\_\_\_\_\_ of the City Council, any adjustments in the amounts appropriated for the purposes indicated herein at the department/fund level shall be made only upon the motion to amend this Resolution adopted by the affirmative votes of a majority of a quorum of the City Council. Administrative changes within the department/fund level may be made without the approval of the City Council pursuant to Subsection (d) of this Section.
- b. For accounting and auditing convenience, accounts may be established to receive transfers of appropriations from department appropriations for capital improvements & special activities in two or more different funds for the same project.
- c. Department appropriations in Intra-governmental Service Funds (ISF) may be administratively adjusted, provided no amendment to this Resolution would be required to adjust the appropriation in the department receiving the service from the ISF.
- d. Any adjustments made pursuant to Subsections (a), (b) or (c) of this Section shall be made consistent with written guidelines established by the City Manager.

**SECTION 3. TRANSFER WITHIN AN APPROPRIATION.** The funds allocated to the respective accounting object classes comprising the total appropriation for each program or department are for purposes of budgeting consideration and convenience only and are not intended to constitute separate appropriations; provided, however, that funds allocated to an object class may be expected for the purposes of any other object class if such expenditures are within the written guidelines established by the City Manager.

**SECTION 4. CONTRADICTORY PROVISIONS OF PREVIOUS RESOLUTIONS.** Any other prior Resolution or provision thereof of the City Council respecting the appropriation and administration of the FY 2018-19 Budget which is in contradiction with this Resolution is hereby superseded. Notwithstanding any other provisions of this Resolution, no funds appropriated into the Reserves of the City shall be expended, transferred, obligated, used, encumbered or otherwise disposed of except as specifically authorized by previously approved bonded indebtedness or until the City Council reallocates such appropriations by amending this Resolution as provided in Subsection 2(a) of this Part.

**SECTION 5. ADMINISTRATION.** The City Manager or his/her designee shall maintain all changes to this Resolution and shall cause to be filed with the City Clerk and the Administrative Services Director a copy of, and subsequent amendments to, this Resolution following its adoption by the City Council.

**SECTION 6. CLERICAL CORRECTIONS.** The adoption of this Resolution implements the motions and actions of the City Council with respect to the proposed Budget, as amended by those motions and actions, if any, for the direction in drafting this Resolution. By adoption of this Resolution, the City Council hereby directs responsible City staff members to make necessary technical and clerical corrections to this Resolution to implement the intent of the City Council. Such corrections shall not alter, in any manner, the substance or intent of the City Council's adoption of this Resolution.

### PART III

**THAT** the following amounts are appropriated to the various departments for the purpose or purposes indicated:

<b>FUND 01 - GENERAL FUND</b>	<b>FY 2018-19</b>
TO: NON DEPARTMENTAL	\$2,888,401
TO: CITY MANAGEMENT DEPARTMENT Legislative, General Management, Human Resources	1,049,570
TO: ADMINISTRATIVE SERVICES DEPARTMENT General Accounting, Risk Management	568,333
TO: COMMUNITY DEVELOPMENT DEPARTMENT Planning, Building Inspection	954,200

TO: PUBLIC WORKS AND UTILITIES DEPARTMENT Facility Maintenance, Street Construction and Repair, City Shop/Corp Yard, Code Enforcement	1,143,110
TO: PARKS AND RECREATION DEPARTMENT Recreation, Parks Facilities, Community Services	428,400
TO: POLICE DEPARTMENT Police Support Services, Police Operations, Investigations, Communications & Records	4,099,299
TO: NON DEPARTMENTAL Transfers Out	150,000
TO: CAPITAL IMPROVEMENT PROGRAM	<u>88,750</u>
<b>SUBTOTAL OPERATING &amp; CAPITAL</b>	<b>\$11,370,063</b>
TO: NON-DEPARTMENTAL General Contingency	556,566
TO: NON-DEPARTMENTAL General Reserve	1,113,131
TO: NON-DEPARTMENTAL Emergency Reserve	529,169
<b>SUBTOTAL RESERVES</b>	<b><u>\$2,198,866</u></b>
<b>TOTAL GENERAL FUND</b>	<b><u>\$13,568,929</u></b>

**FUND 10 - PARKS CONSTRUCTION FUND**

TO: PARKS AND RECREATION DEPARTMENT Parks Facilities	\$9,500
TO: CAPITAL IMPROVEMENT PLAN	<u>54,000</u>
<b>TOTAL PARKS CONSTRUCTION FUND</b>	<b><u>\$ 63,500</u></b>

**FUND 15 – UNDERGROUND UTILITIES FUND**

TO: CAPITAL IMPROVEMENT PLAN	\$ <u>0</u>
<b>TOTAL UNDERGROUND UTILITIES FUND</b>	<b><u>\$ 0</u></b>

**FUND 16 - SUBSIDIZED SENIOR TRANSPORTATION FUND**

TO: PUBLIC WORKS AND UTILITIES DEPARTMENT Senior Taxi Program	<u>\$5,000</u>
<b>TOTAL SUBSIDIZED SENIOR TRANSP. FUND</b>	<b><u>\$5,000</u></b>

**FUND 17 - GAS TAX FUND**

TO: PUBLIC WORKS AND UTILITIES DEPARTMENT Street Construction and Repair	\$287,950
TO: CAPITAL IMPROVEMENT PLAN	171,352
TO: NON-DEPARTMENTAL Transfers Out	<u>3,000</u>
<b>TOTAL GAS TAX FUND</b>	<b><u>\$462,302</u></b>

**FUND 18 - LOCAL TRANSPORTATION FUND**

TO: ADMINISTRATIVE SERVICES DEPARTMENT General Accounting	\$4,500
TO: PUBLIC WORKS AND UTILITIES DEPARTMENT Street Construction and Repair	80,000
TO: CAPITAL IMPROVEMENT PLAN	<u>3,154,125</u>
<b>TOTAL LOCAL TRANSPORTATION FUND</b>	<b><u>\$3,238,625</u></b>

**FUND 19 – ROAD MAINTENANCE AND REHABILITATION FUND**

TO: CAPITAL IMPROVEMENT PLAN	<u>298,846</u>
<b>TOTAL ROAD MAINTENANCE AND REHABILITATION FUND</b>	<b><u>\$298,846</u></b>

**FUND 20 – STREET REHABILITATION AND REPAIR FUND**

TO: STREET CONSTRUCTION AND REPAIR	\$540,450
Street Construction and Repair	
TO: CAPITAL IMPROVEMENT PLAN	<u>8,219,121</u>
<b>TOTAL STREET REHABILITATION &amp; REPAIR FUND</b>	<b><u>\$8,759,571</u></b>

**FUND 31 – CDBG – NON ENTITLEMENT FUND**

TO: CDBG	\$371,526
Supplies and Services	
TO: CAPITAL IMPROVEMENT PLAN	<u>1,686,495</u>
<b>TOTAL STREET REHABILITATION &amp; REPAIR FUND</b>	<b><u>\$2,058,021</u></b>

**FUND 35 - PUBLIC SAFETY GRANTS FUND**

TO: POLICE DEPARTMENT	<u>\$165,000</u>
Police Operations, Investigations; Communications & Records	
<b>TOTAL PUBLIC SAFETY GRANTS FUND</b>	<b><u>\$165,000</u></b>

**FUND 43 – STATE MANDATED ADA FUND**

TO: COMMUNITY DEVELOPMENT DEPARTMENT	<u>\$6,620</u>
Planning	
<b>TOTAL STATE MANDATED ADA FUND</b>	<b><u>\$6,620</u></b>

**FUND 50 – TRANSPORTATION DEVELOPMENT IMPACT FEE FUND**

TO: TRANSPORTATION DEVELOPMENT IMPACT FEE	<u>\$ 7,500</u>
Streets	
<b>TOTAL TRANSPORTATION DEVELOPMENT IMPACT FEE FUND</b>	<b><u>\$ 7,500</u></b>

## **FUND 51 – LAW ENFORCEMENT DEVELOPMENT IMPACT FEE FUND**

TO: LAW ENFORCEMENT DEVELOPMENT IMPACT FEE  
Operations \$ 7,500

**TOTAL LAW ENFORCEMENT DEVELOPMENT IMPACT FEE FUND** \$ 7,500

## FUND 52 – ADMINISTRATIVE DEVELOPMENT IMPACT FEE FUND

TO: ADMINISTRATIVE DEVELOPMENT IMPACT FEE \$ 7,500  
Supplies and services

**TOTAL ADMINISTRATIVE DEVELOPMENT IMPACT FEE FUND** **\$ 7,500**

## **FUND 53 – FIRE DEVELOPMENT IMPACT FEE FUND**

TO: NON DEPARTMENTAL  
Supplies and Services \$7,500

**TOTAL FIRE DEVELOPMENT IMPACT FEE FUND** **\$7,500**

FUND 54 – STORMWATER DEVELOPMENT IMPACT FEE FUND

TO: STORMWATER  
Supplies and Services \$7,500

**TOTAL STORMWATER DEVELOPMENT IMPACT FEE FUND** \$7,500

## FUND 55 – WASTEWATER DEVELOPMENT IMPACT FEE FUND

TO: WASTEWATER \$ 7,500  
Wastewater System

TO: CAPITAL IMPROVEMENT PLAN \$275,000

**TOTAL WASTEWATER DEVELOPMENT IMPACT FEE FUND** \$282,500

**FUND 56 – PARKS FACILITIES DEVELOPMENT IMPACT FEE FUND**

TO: PARKS FACILITIES	\$ 7,500
Parks Facilities	
TO: CAPITAL IMPROVEMENT PLAN	<u>\$235,000</u>
<b>TOTAL PARKS FACILITIES DEVELOPMENT IMPACT FEE FUND</b>	<b><u>\$242,500</u></b>

**FUND 57 – RECREATION FACILITIES DEVELOPMENT IMPACT FEE FUND**

TO: RECREATION	\$ 7,500
Recreation	
TO: CAPITAL IMPROVEMENT PLAN	<u>\$ 75,000</u>
<b>TOTAL RECREATION FACILITIES DEVELOPMENT IMPACT FEE FUND</b>	<b><u>\$ 82,500</u></b>

**FUND 58 – WATER DEVELOPMENT IMPACT FEE FUND**

TO: WATER	\$ 7,500
Water System	
TO: CAPITAL IMPROVEMENT PLAN	<u>\$ 30,149</u>
<b>TOTAL WATER DEVELOPMENT IMPACT FEE FUND</b>	<b><u>\$ 37,649</u></b>

**FUND 71 – EQUIPMENT REPLACEMENT FUND**

TO: PUBLIC WORKS AND UTILITIES	\$41,060
Minor Capital & Debt Service	
TO: POLICE	
Minor Capital & Debt Service	<u>77,877</u>
<b>TOTAL EQUIPMENT REPLACEMENT FUND</b>	<b><u>\$118,937</u></b>

**FUND 80 - WASTEWATER ENTERPRISE FUND**

TO: NON-DEPARTMENTAL	\$91,450
TO: PUBLIC WORKS UTILITIES DEPARTMENT Wastewater System, Storm Water System	2,457,481
TO: ADMINISTRATIVE SERVICES DEPARTMENT Utility Billing	320,267
TO: CAPITAL IMPROVEMENT PLAN	715,591
TO: NON-DEPARTMENTAL Transfers Out	<u>200,384</u>
<b>TOTAL WASTEWATER ENTERPRISE FUND</b>	<b><u>\$3,785,173</u></b>

**FUND 81 - WATER ENTERPRISE FUND**

TO: NON-DEPARTMENTAL	\$177,259
TO: PUBLIC WORKS AND UTILITIES DEPARTMENT Water System	2,400,469
TO: ADMINISTRATIVE SERVICES DEPARTMENT Utility Billing	326,163
TO: CAPITAL IMPROVEMENT PLAN	1,082,999
TO: NON-DEPARTMENTAL Transfers Out	<u>337,099</u>
<b>TOTAL WATER ENTERPRISE FUND</b>	<b><u>\$4,323,989</u></b>

**FUND 82 - WATER CONSERVATION FUND**

TO: WATER CONSERVATION Water Conservation	<u>\$110,900</u>
<b>TOTAL WATER CONSERVATION FUND</b>	<b><u>\$110,900</u></b>

On motion by Council Member, seconded by Council Member, and on the following roll-call vote, to wit:

AYES:            Council Members –  
NOES:            Council Members –  
ABSENT:         Council Members –  
ABSTAIN:        Council Members –

the foregoing Resolution was **PASSED, APPROVED, AND ADOPTED** at a Special meeting by the City Council of the City of Grover Beach, California, this 19<sup>th</sup> day of June, 2018.

**\*\* D R A F T \*\***

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JOHN P. SHOALS, MAYOR

ATTEST:

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DONNA L. McMAHON, CITY CLERK

**RESOLUTION NO. 18-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
GROVER BEACH, CALIFORNIA, SETTING THE FY 2018-19 APPROPRIATIONS  
LIMIT FROM TAX PROCEEDS**

**WHEREAS**, in accordance with Article XIIIIB of the State Constitution, local governments are required to establish certain spending levels that cannot be exceeded; and

**WHEREAS**, the City of Grover Beach has established in accordance with these requirements its FY 2018-19 appropriations as its base year; and

**WHEREAS**, in accordance with these requirements, cities may annually increase their previous base year appropriations by the per capita income change of their City's or County's population increase; and

**WHEREAS**, the per capita income change from FY 2017-18 to FY 2018-19 has been set at 3.67%, and the City of Grover Beach certified population change has been set -.2400%; and

**WHEREAS**, the FY 2017-18 appropriation (spending) limit for Grover Beach was \$10,259,357 and, when multiplied by the allowed per capita income change increase and the certified population change increase, sets the FY 2018-19 appropriation limit from tax proceeds at \$10,610,349.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Grover Beach does hereby establish \$10,610,349 as its FY 2018-19 appropriation limit from tax proceeds.

On motion by Council Member, seconded by Council Member, and on the following roll-call vote, to wit:

AYES:            Council Members -  
NOES:            Council Members -  
ABSENT:         Council Members -  
ABSTAIN:        Council Members -

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a Special meeting of the City Council of the City of Grover Beach, California this 19<sup>th</sup> day of June, 2019.

**\*\* D R A F T \*\***

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JOHN P. SHOALS, MAYOR

Attest:

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DONNA L. McMAHON, CITY CLERK

**RESOLUTION NO. 18-**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF GROVER BEACH, CALIFORNIA ESTABLISHING  
THE NUMBER OF AUTHORIZED POSITIONS IN THE VARIOUS  
DEPARTMENTS OF THE CITY FOR THE FY 2018-19 BUDGET  
AND ESTABLISH THE 2018-19 SALARY SCHEDULE**

**WHEREAS**, all requisite public hearings relating to the budget have been duly held, and all necessary findings have been made.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL:**

**PART I**

**THAT** the number of permanent full-time positions in which persons may be employed by the City during FY 2018-19 is hereby establish as set forth in Part IV of this Resolution; and

**PART II**

**THAT** a change in the total number of permanent full-time positions authorized in a department in any Section of Part IV or part-time positions authorized in a department in any Section of Part V shall only be accomplished by Resolution of the City Council; and

**THAT** except as provided in Part III Section 3, the number of persons employed in permanent full-time positions shall not exceed the total number of authorized positions in a department in any Section of Part IV; and

**PART III**

**THAT** the number of permanent positions allocated by class to department is for budgeting consideration and convenience only, and is not intended to constitute separate authorization of permanent positions by class except as provided below:

**SECTION 1.** The number of permanent full-time positions allocated to any department may be adjusted, provided that the number of permanent full-time positions authorized in any Section of Part IV is not exceeded and that there are sufficient unspent appropriations available to fund the adjustment.

**SECTION 2.** The City Manager or his/her designee may, upon the recommendation of the Administrative Services Director, adjust the number of permanent full-time positions allocated by class within any Section of Part IV, provided that the total number of permanent positions authorized in any Section of Part IV does not change and that there are sufficient unspent appropriations as verified by the Administrative Services Department available to fund the adjustment.

**SECTION 3.** The number of part-time positions allocated to any department may be adjusted, provided that the number of part-time positions or their full-time equivalents (hereinafter "FTE") authorized in any Section of Part V is not exceeded and that there are sufficient unspent appropriations available to fund the adjustment.

**SECTION 4.** The City Manager or his/her designee may, upon the recommendation of the Administrative Services Director, adjust the number of part-time positions allocated by class within any Section of Part V, provided that the total number of part-time positions or their FTE authorized in any Section of Part V does not change and that there are sufficient unspent appropriations as verified by the Administrative Services Department available to fund the adjustment.

**SECTION 5.** The City Manager may, at his/her discretion, extend for a period of up to two months positions scheduled to be eliminated so as to ensure a smooth transition due to bumping, demotions, and other personnel adjustments required by attempting to accommodate employees affected by layoffs, provided that funds have been budgeted for the transition period.

**SECTION 6.** Any adjustment made pursuant to Sections 1 through 5 of Part III shall only be made within the guidelines established by the City Manager.

**SECTION 7.** By adoption of this Resolution, the City Council hereby directs responsible City staff to make necessary technical and clerical corrections to this Resolution to implement the intent of the City Council. Such corrections shall not alter, in any manner, the substance or intent of the City Council in adopting the Budget Resolution.

#### PART IV

**THAT** permanent full-time positions are authorized in the various departments as listed by Section as follows:

	<u>Months Authorized</u>	<u>Number of Positions Authorized</u>
<b>SECTION 1. CITY MANAGEMENT DEPARTMENT</b> Legislative, General Management, Human Resources	Full Year	4
<b>SECTION 2. ADMINISTRATIVE SERVICES DEPARTMENT</b> General Accounting, Utility Billing, Risk Management	Full Year	8
<b>SECTION 3. COMMUNITY DEVELOPMENT DEPARTMENT</b> Planning, Building Inspection	Full Year	5.25
<b>SECTION 4. PUBLIC WORKS AND UTILITIES</b> Facility Maintenance, Street Repair, City Shop/ Corp Yard, Wastewater, Water, Storm Water	Full Year	15.75
<b>SECTION 5. PARKS AND RECREATION DEPARTMENT</b> Recreation, Parks Facilities, Community Services	Full Year	2

<b>SECTION 6. POLICE DEPARTMENT</b> Police Support Services, Police Operations Investigations, Communications & Records	Full Year	<u>28</u>
<b>TOTAL PERMANENT FULL-TIME POSITIONS</b>		<u>63</u>

## PART V

**THAT** part-time positions are authorized in the various departments as listed by Section as follows:

	<u>Months Authorized</u>	<u>Number of FTEs Authorized</u>
<b>SECTION 1. CITY MANAGEMENT DEPARTMENT</b> Legislative, General Management, Human Resources,	Full Year	0.00
<b>SECTION 2. ADMINISTRATIVE SERVICES DEPARTMENT</b> General Accounting, Utility Billing	Full Year	0.00
<b>SECTION 3. COMMUNITY DEVELOPMENT DEPARTMENT</b> Planning, Building Inspection	Full Year	0.00
<b>SECTION 4. PUBLIC WORKS AND UTILITIES</b> Facility Maintenance, Street Repair, City Shop/ Corp Yard, Wastewater, Water, Storm Water	Full Year	0.63
<b>SECTION 5. PARKS AND RECREATION DEPARTMENT</b> Recreation, Parks Facilities, Community Services	Full Year	0.60
<b>SECTION 6. POLICE DEPARTMENT</b> Police Support Services, Police Operations Investigations, Communications & Records	Full Year	<u>2.00</u>
<b>TOTAL PART-TIME POSITIONS</b>		<u>3.23</u>

## Part VI

**THAT** the attached salary schedule (Exhibit A) is hereby adopted beginning July 1, 2018.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

AYES:            Council Members -  
NOES:            Council Members -  
ABSENT:         Council Members -  
ABSTAIN:        Council Members -

the foregoing Resolution was **PASSED, APPROVED, AND ADOPTED** at a Special meeting by the City Council of the City of Grover Beach, California this 19<sup>th</sup> day of June, 2018.

**\*\* D R A F T \*\***

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JOHN P. SHOALS, MAYOR

ATTEST:

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DONNA L. McMAHON, CITY CLERK

**Compensation Plan – Monthly Salary Ranges**  
**As of July 1, 2018**

**Section 1 – Executive Management**

	Exempt					
City Manager	*	12,480	-	15,259		
Police Chief	*	10,442	-	13,546		
Administrative Services Director	*	9,570	-	12,274		
Community Development Director	*	9,394	-	12,215		
Public Works Director/City Engineer	*	9,394	-	12,215		
Parks & Recreation Director	*	6,861	-	8,756		

**Section 2 – Management & Confidential**

	A	B	C	D	E	F
Senior Engineer	*	6,926	7,272	7,636	8,018	8,419
Capital Improvement Project Manager	*	6,735	7,072	7,426	7,797	8,187
Senior Planner	*	6,497	6,822	7,163	7,521	7,897
City Clerk/Executive Assistant	*	6,367	6,685	7,019	7,370	7,739
Assistant Administrative Services Director	*	6,102	6,407	6,727	7,063	7,416
IT Specialist	*	5,926	6,222	6,533	6,860	7,203
Building Official	*	5,792	6,082	6,386	6,705	7,040
Accountant	*	5,306	5,571	5,850	6,143	6,450
Public Works Supervisor	*	5,130	5,387	5,656	5,939	6,236
Management Analyst/Human Resources	4,675	4,909	5,154	5,412	5,683	5,967
Administrative Analyst (Confidential)	4,201	4,411	4,632	4,864	5,107	5,362
Deputy City Clerk/Administrative Specialist (Confidential)	3,890	4,085	4,289	4,503	4,728	4,964

**Section 3 – Police Management & Confidential**

Police Commander	*	8,625	9,056	9,509	9,984	10,483
Administrative Assistant/Public Safety (Confidential)	4,050	4,253	4,466	4,689	4,923	

**Section 4 – Competitive Service**

Police Sergeant	6,126	6,432	6,754	7,092	7,447	7,819
Planner II	5,266	5,529	5,805	6,095	6,400	
Planner I	4,828	5,069	5,322	5,588	5,867	
Police Officer	4,966	5,214	5,475	5,749	6,036	6,338
Communications Supervisor	4,598	4,828	5,069	5,322	5,588	5,867
City Mechanic	4,399	4,619	4,850	5,093	5,348	
Code Compliance Officer	4,306	4,521	4,747	4,984	5,233	5,495
Maintenance Worker III	4,301	4,516	4,742	4,979	5,228	
Accounting Specialist	4,261	4,474	4,698	4,933	5,180	
Fleet Maintenance Coordinator	4,199	4,409	4,629	4,860	5,103	
Building/Planning Technician	4,102	4,307	4,522	4,748	4,985	
Equipment Mechanic II	4,098	4,303	4,518	4,744	4,981	
Recreation Coordinator	4,098	4,303	4,518	4,744	4,981	
Lead Communications/Records Technician	4,129	4,335	4,552	4,780	5,019	5,270
Maintenance Worker II	3,905	4,100	4,305	4,520	4,746	
Revenue Technician	3,867	4,060	4,263	4,476	4,700	
Communications/Records Technician	3,929	4,125	4,331	4,548	4,775	5,014
Records/Property Technician	3,839	4,031	4,233	4,445	4,667	4,900

<u>Section 4 – Competitive Service – Continued</u>	A	B	C	D	E	F
Administrative Secretary	3,698	3,883	4,077	4,281	4,495	
Administrative Assistant III	3,500	3,675	3,859	4,052	4,255	
Account Clerk	3,450	3,623	3,804	3,994	4,194	
Engineering Technician	3,357	3,525	3,701	3,886	4,080	
Maintenance Specialist	3,296	3,461	3,634	3,816	4,007	
Administrative Assistant II	3,150	3,308	3,473	3,647	3,829	
Maintenance Worker I	3,140	3,297	3,462	3,635	3,817	
Equipment Mechanic I	3,140	3,297	3,462	3,635	3,817	
Administrative Assistant I	2,850	2,293	3,143	3,300	3,465	

Section 5 – Hourly/Part-Time/Miscellaneous Classes (Per Hour)

Administrative Assistant I	16.44	17.27	18.13	19.03	19.99	
Administrative Assistant II	18.17	19.08	20.04	21.04	22.09	
Administrative Assistant III	20.19	21.20	22.26	23.38	24.55	
Janitor (P/T)	12.00	13.00	14.00	15.00	16.00	
Police Detective (P/T)	27.96	29.35	30.83	32.37	33.98	35.68
Reserve Police Officer						
Level I	27.00	28.00	29.00	30.00	31.00	
Level II	22.00	23.00	24.00	25.00	26.00	
Level III	17.00	18.00	19.00	20.00	21.00	
Communications/Records Technician (P/T)	21.47	22.55	23.67	24.85	26.10	27.40
Property/Records Technician (P/T)	21.47	22.55	23.67	24.85	26.10	27.40

Section 6 – Trainee

Police Officer Trainee (F/T)                                  4,500 Per Month

**RESOLUTION NO. 18 -**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH,  
CALIFORNIA, UPDATING THE FINANCIAL POLICIES OF THE CITY OF GROVER BEACH**

**WHEREAS**, the City Council and City staff are committed to improving the financial management of the City; and

**WHEREAS**, the City Council of the City of Grover Beach reviewed and considered amendments to the financial policies; and

**WHEREAS**, updating funding of reserves will promote the City's financial health; and

**WHEREAS**, this resolution supersedes all previous resolutions for Financial Reserves and Guidelines.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Grover Beach does hereby approve and establish Financial Policies and provides guidelines for the use of the reserves as shown in Exhibit A.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

AYES:            Council Members -  
NOES:            Council Members -  
ABSENT:         Council Members -  
ABSTAIN:        Council Members -

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a Special meeting of the City Council of the City of Grover Beach, California this 19<sup>th</sup> day of June, 2018.

**\*\* D R A F T \*\***

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JOHN SHOALS, MAYOR

Attest:

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DONNA L. McMAHON, CITY CLERK

## **FINANCIAL POLICIES**

The cornerstone of municipal financial management is sound policies that set forth guidelines in the areas of revenues, operating expenditures, investments, reserves, financial reporting, capital improvements and budgeting. Elected officials and appointed staff are accountable for public funds and responsible for wisely managing municipal finances. The community is entitled to reports that clearly communicate the financial health of the City. The following policies will guide and influence the financial management practices of the City of Grover Beach.

### **Budget Policies**

- The City Manager will provide a proposed Annual Budget to the City Council no later than June 1<sup>st</sup> of each year, and the City Council will review and adopt an Annual Budget no later than June 30<sup>th</sup> of each year for the following fiscal year.
- The City's budgetary system will be integrated and compatible with the accounting system and the City budget will be prepared on a basis in conformance with Generally Accepted Accounting Principles (GAAP).
- The Mid-Year Budget Review will be presented no later than the first regular City Council Meeting in March of each year. The Mid-Year Budget Review will include the current status of revenue collections and budget expenditures, economic trends, and state budget deliberations, as well as any proposed amendments necessary to bring the budget back into balance.
- Annually, the City may seek the California Society of Municipal Finance Officers (CSMFO) Award of Excellence for Municipal Budgeting.
- Annually the City may seek the Government Finance Officers Association (GFOA) Certificate of Achievement for Distinguished Budget Presentation Award.
- Annually, the City's Comprehensive Annual Financial Report (CAFR) will be prepared by an independent auditor in accordance with Government Auditing Standards issued by the Comptroller General of the United States.
- Annually, the City may seek the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

### **Resources**

Resources are defined as revenues collected during one fiscal year, as well as resources carried over from prior years. Revenues may be ongoing or one-time in nature, but resources from prior years are always one-time in nature. The following policies shall apply to resources:

- One-time revenues will be used for one-time expenditures or enhancement of reserves.
- All revenue forecasts shall be conservative.
- Regular reports comparing actual to budgeted revenues will be prepared by city staff for the City Council.
- The City will avoid using one-time resources to fund ongoing municipal services.

- All potential grants shall be carefully reviewed for matching requirements, and maintenance of effort requirements.
- Intergovernmental grants will be evaluated to determine the long-term operating and maintenance costs associated with the grant.

## **Expenditures**

Expenditures are payments made to employees, vendors, or contractors supplying goods or contractors supplying goods or services to the City. Except as provided in GBMC Section 2107.1, all expenditures must be made consistent with appropriations approved by the City Council in the Annual Appropriation Resolution.

- Regular reports comparing budget expenditures to actual expenditures will be prepared by city staff for the City Council's information.
- When new operating programs or capital projects are proposed, staff will provide the City Council with an analysis of the one-time and ongoing costs associated with the program or project.
- With the exception of initial expenditures for the creation of new programs or during periods of economic distress which result in reductions in local revenues or state funding for municipal activities, all ongoing costs for operating programs shall be paid for from ongoing revenues.

## **Reserves**

It shall be the City's policy to draw down reserves consistent with the following priorities:

- The use of reserves for a one-time expenditure that generates ongoing cost savings or cost avoidance.
- The use of reserves for one-time expenditures that generates ongoing revenue enhancements.
- The use of reserves for a one-time expenditure that leverages the expenditure of significant public or private investment in the City by other entities.
- The use of reserves to offset shortfalls in the collection of revenues.
- The use of reserves to offset unanticipated increases in expenditures for current programs or projects.

The General Fund Reserves for the City is established as a minimum of 15% of operating expenditures with a goal of at least 20%. The minimum reserves of 15% is comprised of a General Reserve and Emergency Reserve as described below.

### General Fund—General Contingency

~~The City hereby establishes a General Contingency for the General Fund operating budget. The goal for the General Fund—General Contingency is 5%. The specific purpose of the~~

Exhibit A

~~General Contingency is to provide funding to meet operational appropriation requirements in the event of minor or routine unanticipated increases in expenditures.~~

~~Any transfer of funds from the General Contingency may only be made upon City Council approval of an amendment to the Annual Appropriation Resolution.~~

**General Fund – General Reserve**

The City hereby establishes a General Reserve of 10% of each Fiscal Year's General Fund operating budget. The General Fund reserve should be increased to an amount greater than 10% when economic conditions warrant. The specific purpose of the General Reserve is to provide funding to meet operational appropriation requirements in the event the City experiences shortfalls in the collection of General Fund Revenues or unanticipated increases in expenditures.

Any transfers of funds from the General Reserve may only be made upon City Council approval of an amendment to the Annual Appropriation Resolution.

**General Fund – Emergency Reserve**

The City hereby establishes an Emergency Reserve of not less than 5% of the General Fund Operating Budget. This reserve is established for the purpose of providing emergency funding as a result of a declared emergency or to fund an unanticipated by urgent event affecting or threatening the public health, safety, and welfare of the City of Grover Beach. The goal of this is to have a reserve equal to one year's contribution from the largest revenue source.

Any transfers of funds from the Emergency Reserve may only be made upon City Council approval of an amendment to the Annual Appropriation Resolution, subsequent to the City Council's finding that the guidelines established in this Resolution have been met.

**Water Enterprise Fund – General Reserve**

The City hereby establishes a General Reserve of not less than 10% of each Fiscal Year's Water Fund operating budget. The Water Fund Reserve should be increased to an amount greater than 10% when economic conditions warrant. The specific purpose of the General Reserve is to provide a funding to meet operational appropriation requirements in the event the City experiences shortfalls in the level of anticipated Water Fund and operating revenues or unanticipated increase in expenditures.

Any transfer of funds from the Water Fund's General Reserve may only be made upon City Council approval of an amendment to the Annual Appropriation Resolution.

**Wastewater Enterprise Fund – General Reserve**

The City hereby establishes a General Reserve of not less than 10% of each Fiscal Year's Wastewater Fund operating budget. The Wastewater Fund Reserve should be increased to an amount greater than 10% when economic conditions warrant. The specific purpose of the General Reserve is to provide funding to meet operational appropriation requirements in the event the City experiences shortfalls in the level of anticipated Wastewater Fund and operating revenues or unanticipated increase in expenditures.

Any transfer of funds from Wastewater Fund's General Reserve may only be made upon City Council approval of an amendment to the Annual Appropriation Resolution.

## **Appropriation Transfer Authority**

The following criteria establishes the transfer authority for appropriations as set forth in the fiscal year budget.

- Transfers between line items in the same program can be made by the department directors.
- Transfers between programs can be made by the department directors with the City Managers approval.
- Transfers between department budgets can only be made by the City Manager.
- Transfers between different funds can only be made by the City Council.
- Transfer of appropriations from employee service line items can only be made by the City Manager.

## **Capital Improvement Program**

- Annually, city staff will propose a Capital Improvement Program covering the subsequent five fiscal years. The plan will recommend specific funding of projects for the next three years and identify projects for further consideration.
- The Capital Improvement Program will include a listing of projects for future consideration by the City Council. Such projects will be those which are determined to merit further study but lack funding sources.
- Capital Improvements will include Facilities and Infrastructure improvements which are valued over \$50,000.
- Capital Improvement Program projects will be reviewed to determine the best method of financing the project. City Council will determine whether or not the project is funded on a "Pay as you go" basis or a debt instrument.
- The City will continue imposing development impact fees which ensure that a new development pays its fair share of the increased service capacity.

## **Fiscal Management**

- It is the City's policy to minimize the subsidization by the general taxpayer of the costs of services provided to the public which are of specific benefit, rather than general benefit. The City Council shall annually consider establishing specific cost-recovery policies related to such costs to be reflected in the Master Fee Schedule.
- Consistent with the State Constitution, Charges for services will not exceed the costs reasonably borne to deliver those services. Costs reasonably borne may include direct and in-direct costs, as well as reasonable reserves or amortization of equipment associated with the provision of the services.

## Exhibit A

- The City will annually review the Master Fee Schedule to insure that each user fee is reflective of its intended cost-recovery percentage, and will revise the fees as needed to revise the cost-recovery percentage.
- The City will maintain water and sewer rate structures which are adequate to insure that these enterprise funds remain firmly and separately self-supporting, including the costs of operation, infrastructure maintenance and replacement, in-direct cost recovery, and debt service.
- Whenever required by bond indentures, the City will determine whether debt service coverage ratios are being met. Whenever coverage ratios are not being met, staff will recommend rate increases or expenditure deductions or some combination of the two, in order to meet coverage ratios.
- An independent firm of certified public accountants will perform an annual financial and compliance audit according to General Accepted Auditing Standards (GAAS) which will be incorporated into the Comprehensive Annual Financial Report.

### **Investments**

- The City will continue to have a written investment policy approved by the City Council resolution annually. The policy for investments in priority order are safety, liquidity and yield.
- The City Council will receive reports on the cash position and performance of City Investments at a minimum of a quarterly basis.

### **Capital Assets**

- Future maintenance needs for all new capital facilities will be fully costed out.
- All equipment and facility maintenance needs for the next five years will be projected and updated annually.
- All assets will be maintained at a level that protects capital investment and minimizes future maintenance cost.

## Responses to Council Budget Questions Prior to June 4, 2018 Council Meeting

### **Mayor Pro Tem Lee**

- Page 36: Franchise Fee Revenues...is Digital West considered a franchise fee or accounted for in GF revenues? This is considered a franchise fee revenue. We budgeted a small amount of \$1,200 as an initial estimate since we do not yet know how many industrial or commercial customers will sign up for this new service. The City receives a relatively small percentage (5.1%) of gross revenues from operation of this service. We would consider a mid-year adjustment to reflect higher revenues received.
- Pages 37/44/48: GF amounts do not match \$10,129,430/\$11,400,250/11,489,000 - why the differences? Page 27 number of \$10,129,430 is the number for the current fiscal year 2017-18 not the 2018-19 Proposed Budget. The difference in the numbers between page 44 and 48 is that the number of \$11,400,250 on page 44 does not include the \$88,750 in Capital Improvement Funds which then totals \$11,489,000. This number is the one used on page 48. We'll make this distinction more clear in the final budget.
- Page 50: are Measure K-14 funds considered Use Of Reserves for sources of funding? Yes, these funds are considered "use of reserves" in this chart since these one-time funds were received in this current fiscal year 2017-18. However, we will change this chart for the final version to denote these as "use of bond funds" since this use is different than reserves.
- Page 54: please explain slight differences in FTE between departments. For instance, P&R goes from 2.5 to 2.6 - is city increasing part time work force? Similar question for Police from 29.8 to 30.0. We're not increasing the part-time work force per se but increasing budgeted hours for existing personnel given workload needs. The part-time Recreation Coordinator positions was budgeted at 1,000 hours or approximately 19 hours per week but the workload in the department is sufficient to increase the part-time hours to 24 per week. The part-time Detective position in the Police Department was budgeted in this year at 24 hours per week but the workload in overseeing the police regulatory oversight of cannabis businesses has been significant. We've thus increased the position to 32 hours per week over this next year and will reevaluate the needs over the coming year.
- Page 54: confirm amount of Reg Dev Support (EVC) is \$21,600 versus \$21,000 This amount should be \$21,600 and will be fixed in the final budget.
- Page 58: what conferences and/or training trips are scheduled/planned for CM and/or staff this year? See below for list of conferences and training trips by program area. This does not include more operational training for staff members throughout the year.

Legislative	Council Travel and Meetings City Clerk Annual Conference New Law and Election Conference Technical Training for Deputy City Clerk
General Management	League of CA Cities City Managers' Department Conference International City/County Management Association Conference
Human Resources	Liebert Cassidy Labor Relations Training
General Accounting	California Society of Municipal Finance Officers Conference CalPERS Conference California Municipal Revenue and Tax Administration Training

## **Responses to Council Budget Questions Prior to June 4, 2018 Council Meeting**

Information Technology	IT Certification Training
Planning	American Planning Association Conference for two staff and two Planning Commissioners
Code Enforcement	Code Enforcement Conference
Public Works	League of CA Cities Public Works Institute
Recreation	California Park and Recreation Society Conference for staff and PRB Commissioners
Police Support Services	Cal Chiefs Conference International Association of Chiefs of Police Conference Cannabis Regulatory Training for PT Detective
Police Operations	POST Training
Investigation	POST Training
Communications and Records	POST Training

- Is city attorney considered a non-departmental expenditure (supply and services)? Yes, legal expenses for the City Attorney is considered a Non-Departmental expense in supplies and services.
- Same question for each department: are there budget worksheets for the Supplies and Services portion of the budget request? There are detailed budget worksheets for each department covering individual line items in the major categories of expenses (salaries and benefits, supplies and services, minor capital, and debt service). We will send these out to the Council this week under a separate cover to make this information available prior to budget adoption on June 19.
- CD: increase from \$299k to \$655k...this is more than the anticipated cannabis. This cost increase is primarily tied to CDBG expenses next year with the \$2 million in grant funding received by the City. These costs include implementation of the \$100,000 Senior Center Feasibility Study and \$271,526 for grant administration and management. This increase is also tied to reallocating code compliance activities to a separate Code Compliance program with additional funding from the General Fund.
- Police: where/how is fire dispatch being handled in FY19? Are there \$ coming from AG and OCSD for dispatch under a contract or is there a contract directly with 5CFA? The City is phasing out providing fire dispatch over the next year as fire dispatch will transition to a countywide Cal Fire center beginning in October. We are estimating approximately \$25,000 in revenue from AG and OCSD for the first quarter of the next fiscal year.

### **Council Member Peterson**

- What was the difference between the cost estimate and actual costs for the broadband fiber network installation? Original estimate for construction was \$783,000 which included a portion to be paid by the County. Construction bid including the County portion was \$742,770. A

## **Responses to Council Budget Questions Prior to June 4, 2018 Council Meeting**

change order increased the construction cost to \$756,823. Minus the County's share of \$254,250, the City's construction cost was \$502,573.

### **Council Member Shah**

- What improvements are included in the \$10K for beach boardwalk maintenance? Primarily replacement of metal structural support elements. Minor repairs to the boardwalk lumber are handled in the maintenance budget.
- Can Transportation Development Impact Fees be used for sidewalks? No, these DIF funds cannot be used for sidewalks as this was not an identified use of the funds when the DIFs were established.