

# Preliminary Budget 2013-2014

City of Seaside

May 16, 2013

# Agenda

- Introduction - City Manager
- Financial Overview
- Department Presentations
- City Council discussion and questions
- Public comment
- Policy directions from the City Council, as desired
- Set Budget Study Session dates, as desired

Introduction

City Manager

# Introduction

- What is the City Budget?
  - A mass of undecipherable numbers  
*or*
  - A reflection of what makes up our City
    - Quality City services
    - Effective law enforcement and emergency services
    - Good streets, well maintained parks, playgrounds, and ball fields
    - Recreation and support services for our citizens

# The Current Situation

- Requirement for a balanced budget
  - Preliminary Budget is not balanced
    - Current deficit of approximately \$1,000,000
    - Current reserve of approximately \$740,000
    - Serious situation
- Budget will be balanced prior to adoption
  - City Council and the public need to review and discuss the current situation
  - Staff is seeking City Council direction on budget balancing alternatives

# The Current Situation

Estimated Revenue	\$ 20,415,400
Estimated Expenditures	\$ <u>21,373,093</u>
Estimated Deficit	\$ 957,693

This is the most conservative prospective budget because it contains no new personnel or programs, no capital improvements or capital outlay expenditures and does not fund four previously authorized but unfilled positions.

# The Modified Current Situation

Estimated Revenue	\$ 20,415,400
Estimated Expenditures	\$ <u>21,791,984</u>
Estimated Deficit	\$ 1,365,584

If these four positions: Associate Planner, Recreation Specialist - Programs, Recreation Specialist - Pool, and a Maintenance Worker in Public Works, were to be filled and the Fire Chief were to go from half time to three quarters time then the current situation would look like this.

# Background

- Great financial pressure for several years
  - Prolonged recession, including property devaluation
  - Loss of Redevelopment
  - Reductions in our major revenues
    - Sales taxes
    - Transaction taxes
    - Transient occupancy taxes
    - Property taxes
  - Significant impact on City reserves

# Prior Year Impacts

Budget Year	General Fund Revenues	General Fund Expenditures	June 30th Ending General Fund Reserves	Employees (filled positions)
2006-2007 Actual	\$18,519,957	\$18,441,863	\$5,150,756	169
2007-2008 Actual	\$18,948,990	\$20,770,345	\$1,607,393	165
2008-2009 Actual	\$19,949,098	\$22,379,568	\$1,355,301	177
2009-2010 Actual	\$18,836,800	\$20,445,694	\$1,267,675	156
2010-2011 Actual	\$19,630,169	\$18,349,680	\$1,508,869	145
2011-2012 Actual	\$19,605,517	\$19,526,008	\$1,588,378	142
2012-2013 Adjusted budget	\$19,774,321	\$21,507,411	\$ 741,699	126
2013-2014 Preliminary budget	\$20,415,400	\$21,373,093	\$ (215,994)	118

# Background

- Improving situation due to:
- Prior years cost cutting
  - Cuts to departmental programs
  - Employee reductions
    - From 177 to 118 employees
    - 33% reduction in the City's workforce
    - Minimal staffing now
  - Concession bargaining, employee sacrifices
- Recovering economy, slowly growing revenues

# Background

- Aggressive stance on dissolving Redevelopment
- Adoption of an Economic Opportunity Plan as a blueprint to move ahead with the use and development of several key parcels
- Comprehensive revenue analysis with recommendations for consideration and action
- Improved State financial position, reduce State take-aways
- Pension reform

# Background

- These measures will help the City in a more positive long-term financial course
- Staff is working on a long-term financial plan with the goals of
  - Living within our means
  - To grow and prosper
  - Achieve our potential as a City
- Short-term solution requires a multi-pronged approach

# Raising Revenues

- Increase fees and charges
  - Fee study underway
  - Determine the full cost of providing specific services
    - Cannot charge more than the cost of providing the service
    - City Council may choose to subsidize some services/fees
  - Anticipate including the possible fee increases in the adopted budget

# Raising Revenues

- Increase departmentally produced income
  - Examination of services provided
  - Providing public benefit versus property owner or private benefit
  - Look for reasonable and fair ways to better support service programs

# Raising Revenues

- Begin the process to hold an election to raise revenue for designated purposes
  - Consultant's revenue analysis discussed this issue
  - Due to State laws, the City Council is limited in their ability to raise revenues, except fees and charges
  - Time to ask the citizens if they want to pay for certain services, i.e. police, fire, recreation
    - Done in 2008, raised a 1% transaction tax

# Raising Revenues

- To win a revenue measure election it requires
  - Advanced thinking and planning
  - Strong citizen support
  - Conducting a citizen survey
  - A significant citizen education program

# Raising Revenues

- Adjustments to “contracting in” services the City provides to other agencies
  - Police Chief and Police Sergeant services to Pacific Grove
    - Currently brings in approximately \$200,000
    - Pacific Grove considering a new model
    - Contract could be eliminated causing a loss of \$200,000 of revenues
    - City may make a proposal
    - City could get a larger contract with Pacific Grove and increase revenues

# Raising Revenues

- Engineering services to Pacific Grove
  - Revenue of \$20,000 to \$40,000 annually depending on services needed
  - No anticipated changes
- Fire services to Del Rey Oaks
  - Contract has expired but still being honored
    - Revenue of approximately \$170,000 per year
  - New contract has been proposed
    - Revenue of approximately \$182,000 per year
    - If Del Rey Oaks chooses another agency for fire services, it would cause a loss of \$170,000

# Raising Revenues

- Public Works services to the U.S. Army (POMA)
  - Annual net revenues to the City were approximately \$200,000
  - Due to sequestration, this has dropped by 30%
  - Contract due to expire November 30, 2013
  - If not renewed, revenues will decrease and employees will be laid off
- Public Works services to Del Rey Oaks and Carmel
  - Street sweeping and storm drain maintenance
  - Approximately \$16,000 per year
  - No anticipated changes

# Raising Revenues

- Sale of land to private parties
  - Two current Exclusive Negotiating Agreements
    - Shoppette property on Monterey Rd.
    - Seasons Management proposal south of Lightfighter Dr.
  - Amount of sale prices is unknown
  - One-time funding
  - Use for one-time project
    - General Plan Update and Zoning Ordinance for Seaside lands in the former Ft. Ord

# Raising Revenues

- #1 source of City income is sales tax, #1 sales tax producer is auto sales
  - Examine ways to increase automobile sales and automobile related sales and services

# Raising Revenues

- Can we grow our way to success?
  - Yes, we can and will over the longer term
    - Premise of the Economic Opportunity Plan
    - Increased revenue will be limited in the short term
  - Project planning, such as the Property Management Plan, approval processes, and construction take time before revenue generation occurs.
  - Housing development costs money, it doesn't make money

# Raising Revenues

- Consider reducing subsidies to users of City facilities and personnel
  - Current lost revenues of approximately \$100,000
  - Review and update existing policy
  - Adopt new policy, if applicable
  - Follow agreed upon policy

# Raising Revenues

- Inter-agency lawsuit
  - Agreement with Sand City for maintenance of access streets to the Sand City shopping centers
  - Approximately \$400,000 per year
  - Sand City suspended its payments to Seaside
  - Leaves a budget gap of \$400,000

# One-Time Funding Opportunity

- Dissolution of Redevelopment
  - Former Redevelopment Agency cash was turned over to the County for distribution to the taxing entities, including the City of Seaside
  - To date the City has received \$2,564,194
  - Use to increase the City's reserves, not fund our current shortfall
    - One time monies should not be used to support continuing programs
    - To do so pushes the problem to the following year

# One-Time Funding Opportunity

- Ideas for the use of the one-time funding
  - Put \$1,000,000 in City reserves
  - Put \$500,000 to \$800,000 of funding toward the update and improvement of the City's IT system
  - Set aside funding of \$800,000 for the General Plan Update and associated Zoning Code for the Seaside portion of the former Ft. Ord
  - Set aside funding of \$80,000 to begin the process to raise revenues

# One-Time Funding Opportunity

- Other ideas for the use of the one-time funding, to be expanded on by each department
  - Public Works vehicles and equipment, especially a street sweeper
  - Police vehicles
  - Police camera project
  - Police IT project

# Critical Future Staffing Needs

- Fire Chief
  - Full-time or  $\frac{3}{4}$  time
- Information Technology Support person
  - Currently only one staff person
- Associate Planner
  - Previously authorized, but not filled
  - Not funded in the current base budget

# Critical Future Staffing Needs

- Recreation Supervisor - Programs
  - Previously authorized, but not filled
  - Not funded in the current base budget
- Recreation Supervisor - Pool
  - Previously authorized, but not filled
  - Not funded in the current base budget
- Public Works Maintenance Worker I
  - Previously authorized, but not filled
  - Not funded in the current base budget

# Critical Future Staffing Needs

- Community Liaison Officer (Police - civilian)
  - Previously eliminated
- Economic Development Specialist
  - Help to facilitate economic development
- Crime Analyst (possible to share with other agencies)
- Police Officers
- Firefighters (2 Safer Grant replacements)
- Fire Marshall
  - Previously eliminated

# Reducing Expenses

- All expenses have been reduced over the last several years
- Has included the reduction of staff
- Has included employee concessions
- Expense reductions this year would require additional layoffs

# Real Possibilities

- Increase fees and charges
  - Will be presented on June 6<sup>th</sup> to the Council for consideration
- Consider a voter or property owner election, as discussed on May 2nd
  - Use of one-time funding for this possibility has been suggested under the one-time money
  - It would take a year or more before additional revenues would be received
  - No guarantee of ballot box success

# Real Possibilities

- Put a portion of one-time money into the City's reserve
  - Cover this year's projected budget deficit
  - Danger of using one-time money for on-going expenditures
- City's projected revenues have been and will continue to be assessed by the Finance Director and the City Manager
  - Any increases or decreases, adhering to the usual (and conservative) rules for revenue projection, will be presented to the City Council in the next draft of the Proposed Budget

# Real Possibilities

- Department Heads could be requested to reduce non-personal expenses by a certain percentage and personnel by a certain percentage
  - Employee lay-offs would be an outcome
- City Council and staff could revisit the program priority exercise of two-plus years ago
  - Determine if there are lesser priority programs which could be dropped
    - Original exercise did produce City priorities in four quartiles
    - Did not lead to decisions as to what programs could be reduced or dropped

# Policy Issues to Consider

- What kind of City do we want to be?
- What are the things that are most important to us and our citizens?
- How should the City make the wisest and most profitable decisions on the use of the one-time Redevelopment money we have received?
- Should we avoid, or endorse, using our one-time money to partially address the projected deficit?
- Are we at the end of our employee lay-offs, or are more necessary for the City to survive its still pervasive financial short-fall?

# Policy Issues to Consider

- What will it take to produce a “sustainable” City budget, so the City does not have to go through this budget crisis every year?
- Should we use the City program priority system, or some other means, to see if certain services, and the costs of providing them can be cut?
- Which is more important, protection of our City from financial harm, or protecting citizen services and employee jobs?
- How do we make up the revenue if certain contracted services we provide to others are not continued?

# Financial Overview

# 2013-2014 Preliminary Budget General Fund

• Estimated Revenues \$ 20,415,400

LESS:

• Projected Expenditures \$ 21,373,093

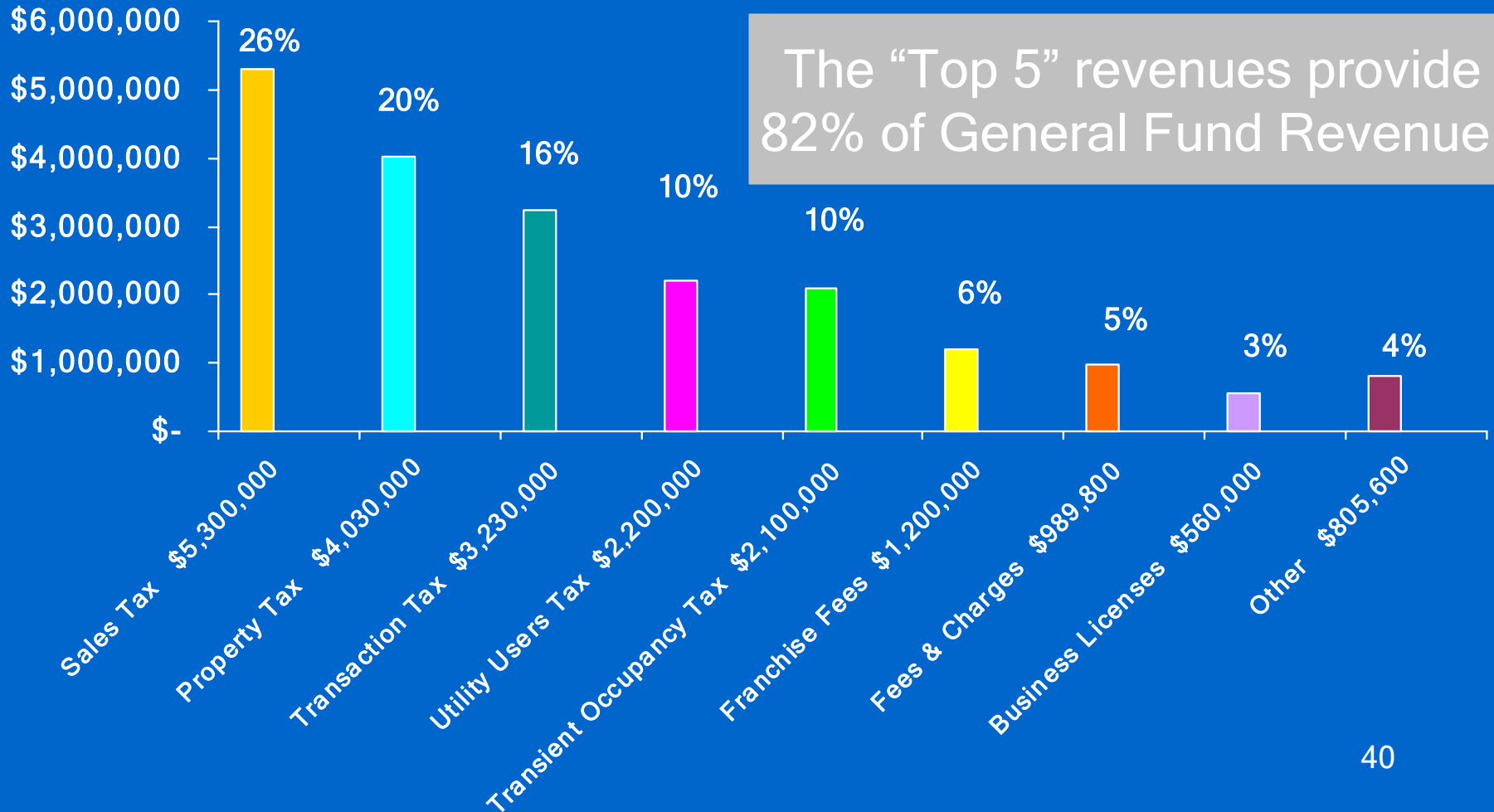
• Preliminary Operating Deficit \$ 957,693

# Reserves

- General Fund reserves  
after 2012-2013 mid-year  
budget adjustments \$ 741,699
- Preliminary Budget Deficit \$ -957,693
- Reserve (\$ 215,994)

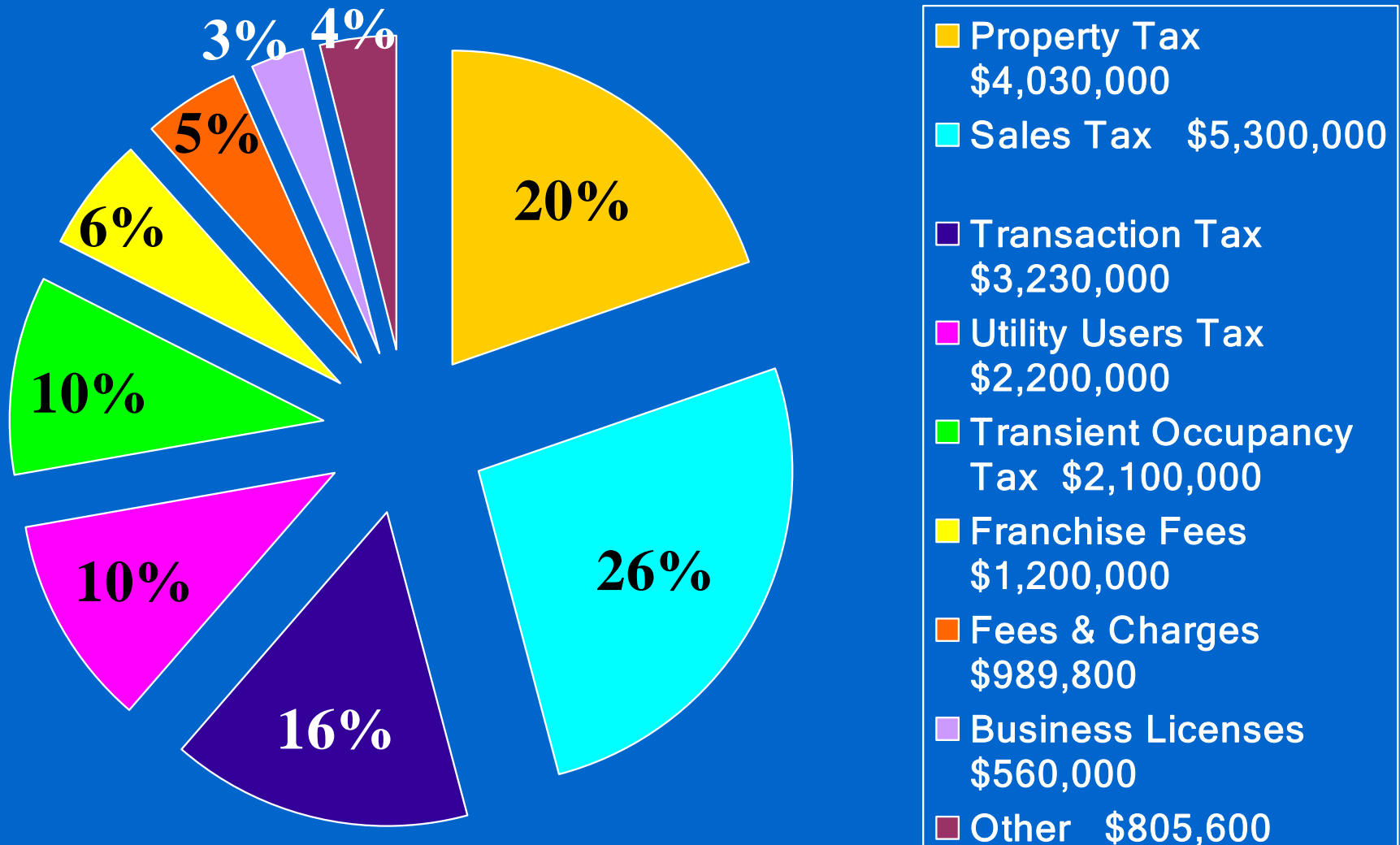
# 2013-2014 Preliminary Budget General Fund Revenues

Estimated Revenues \$20,415,400



# 2013-2014 Preliminary Budget General Fund Revenues

Estimated Revenues \$20,415,400



# 2013-2014 Budget Revenue Assumptions

- Revenue trends show some increases and a few decreases
  - Improvements have been seen in the economy and the outlook
  - Auto sales - anticipated growth of 5%
    - Source - Hinderliter de Llamas, sales tax consultants
  - Hotels - anticipated growth of 4.5%
    - Source - Hinderliter de Llamas, sales tax consultants
  - Building/Construction - anticipated growth of 5%
    - Source - Hinderliter de Llamas, sales tax consultants

# 2013-2014 Budget Revenue Assumptions

- Property taxes have not recovered
  - Property value increases have not been reflected in Seaside's assessed valuations and therefore not in property tax collections
  - Anticipated increases in property tax collections by the City due to the dissolution of Redevelopment have not occurred yet
- Utility Users Tax and Franchise Fees
  - Showing a slight decrease
  - Perhaps a reflection of people reducing their personal expenditures on non-necessities and cutting back<sup>43</sup>

# 2013-2014 Preliminary Budget General Fund Expenditures

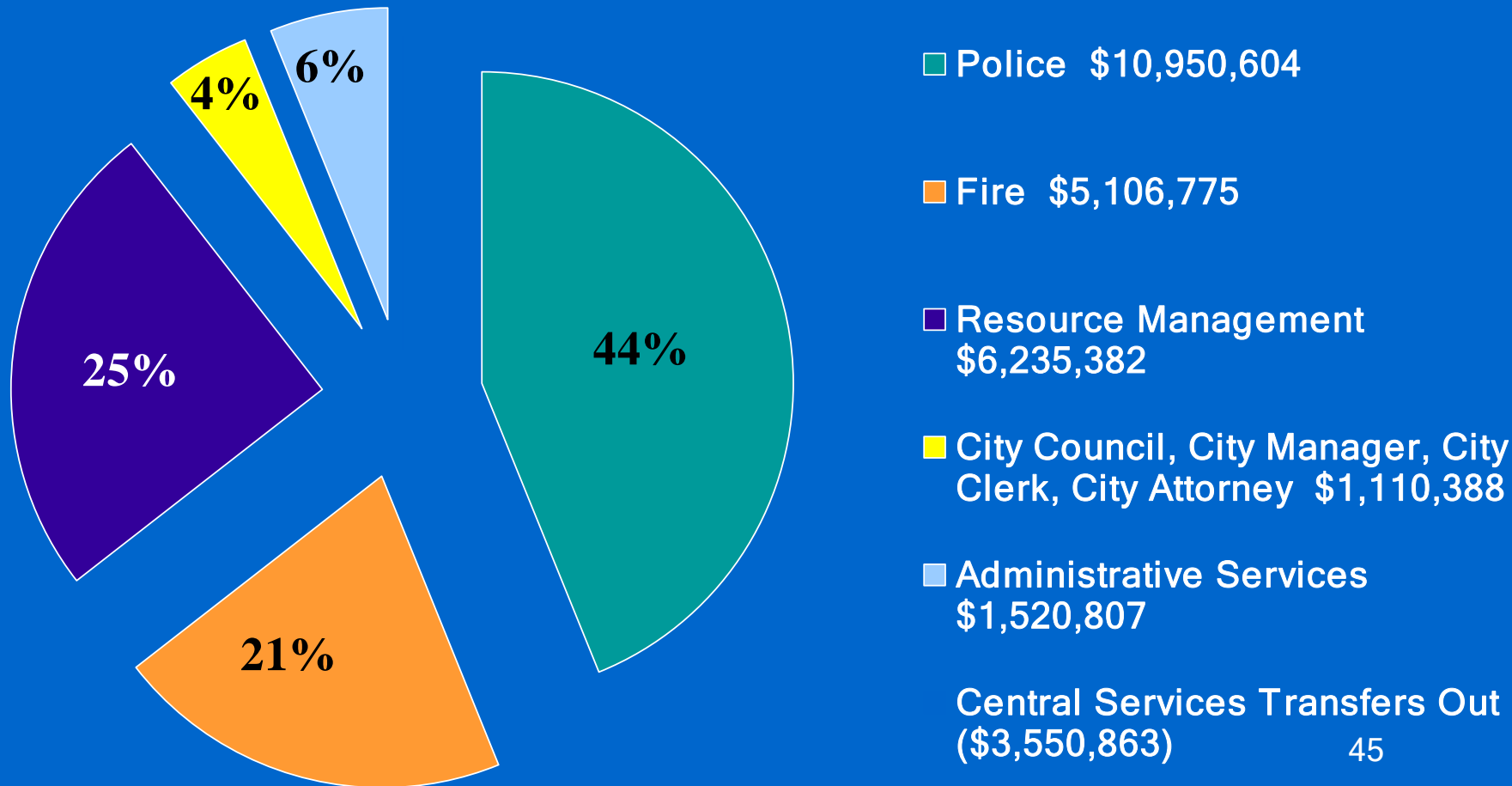
• City Council, City Manager, City Clerk, City Attorney - 4%	\$ 1,110,388
• Administrative Services - 6%	\$ 1,520,807
• Police - 44%	\$ 10,950,604
• Fire - 21%	\$ 5,106,775
• Resource Management - 25%	\$ 6,235,382
• Central Services, Transfers Out	<u>(\$ 3,550,863)</u>

TOTAL

\$ 21,373,093

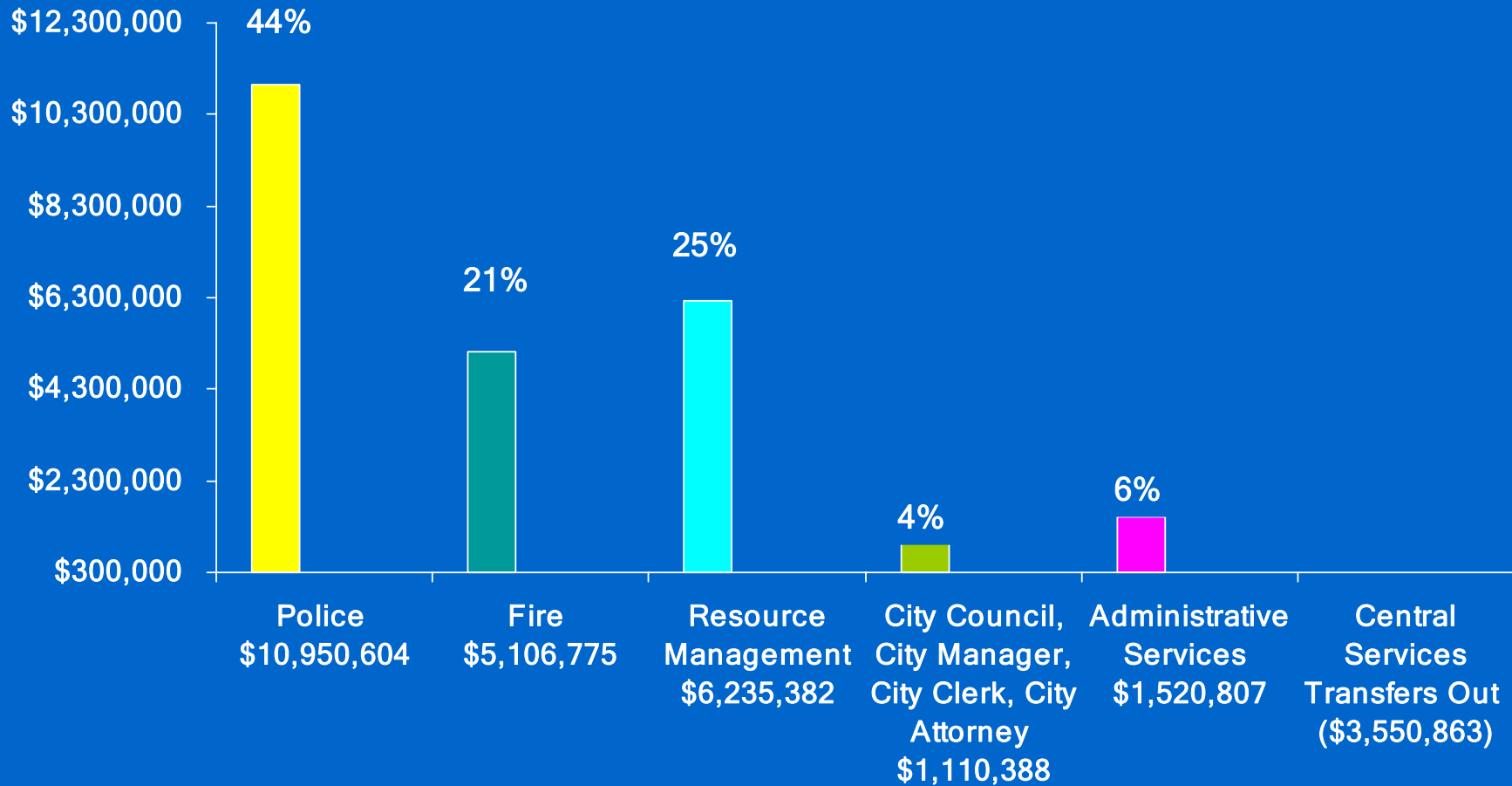
# 2013-2014 Preliminary Budget General Fund Expenditures

Total Expenditures \$21,373,093



# 2013-2014 Preliminary Budget General Fund Expenditures

Total Expenditures \$21,373,093



# 2013-2014 General Fund Preliminary Budget Expenditures

Department	Total Salaries & Benefits	% of Total Salaries & Benefits	Total Expenditures	% of Total Expenditures
City Council, City Manager, City Clerk, City Attorney	\$ 647,360	4%	\$ 1,110,388	4%
Administrative Services	\$ 947,780	6%	\$ 1,520,807	6%
Police	\$ 8,016,870	48%	\$ 10,950,604	44%
Fire	\$ 3,916,980	23%	\$ 5,106,775	21%
Resource Management	\$ 3,174,810	19%	\$ 6,235,382	25%
Central Services Transfers Out			(\$ 3,550,863)	
<b>Total General Fund</b>	<b>\$ 16,703,800</b>	<b>100.00%</b>	<b>\$ 21,373,093</b>	<b>100.00%</b>

- Total personnel costs are 76% of the General Fund total expenditures
- Public Safety personnel costs are 55% of the General Fund total expenditures

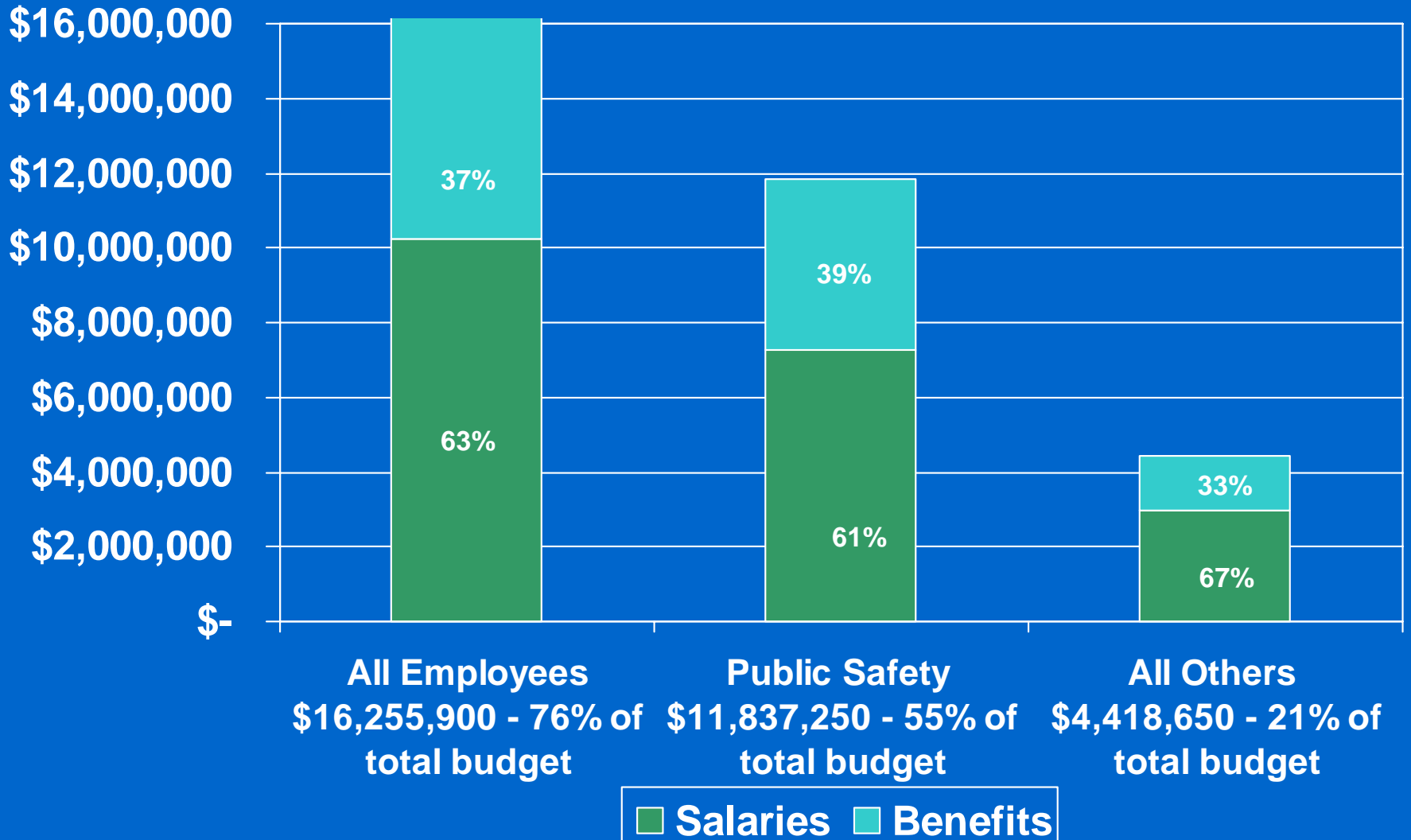
# Personnel Expenditures

# Number of City Employees

Department	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
City Council, City Manager, City Clerk, City Attorney	8	8	8	8	4	4
Administrative Services	11	11	11	11.5	9	8
Police	69	58	53	50	46	47
Fire	29	26	26	25.5	24	24
Resource Management	60	53	47	47	43	35
Total All Funds	177	156	145	142	126	118
						49

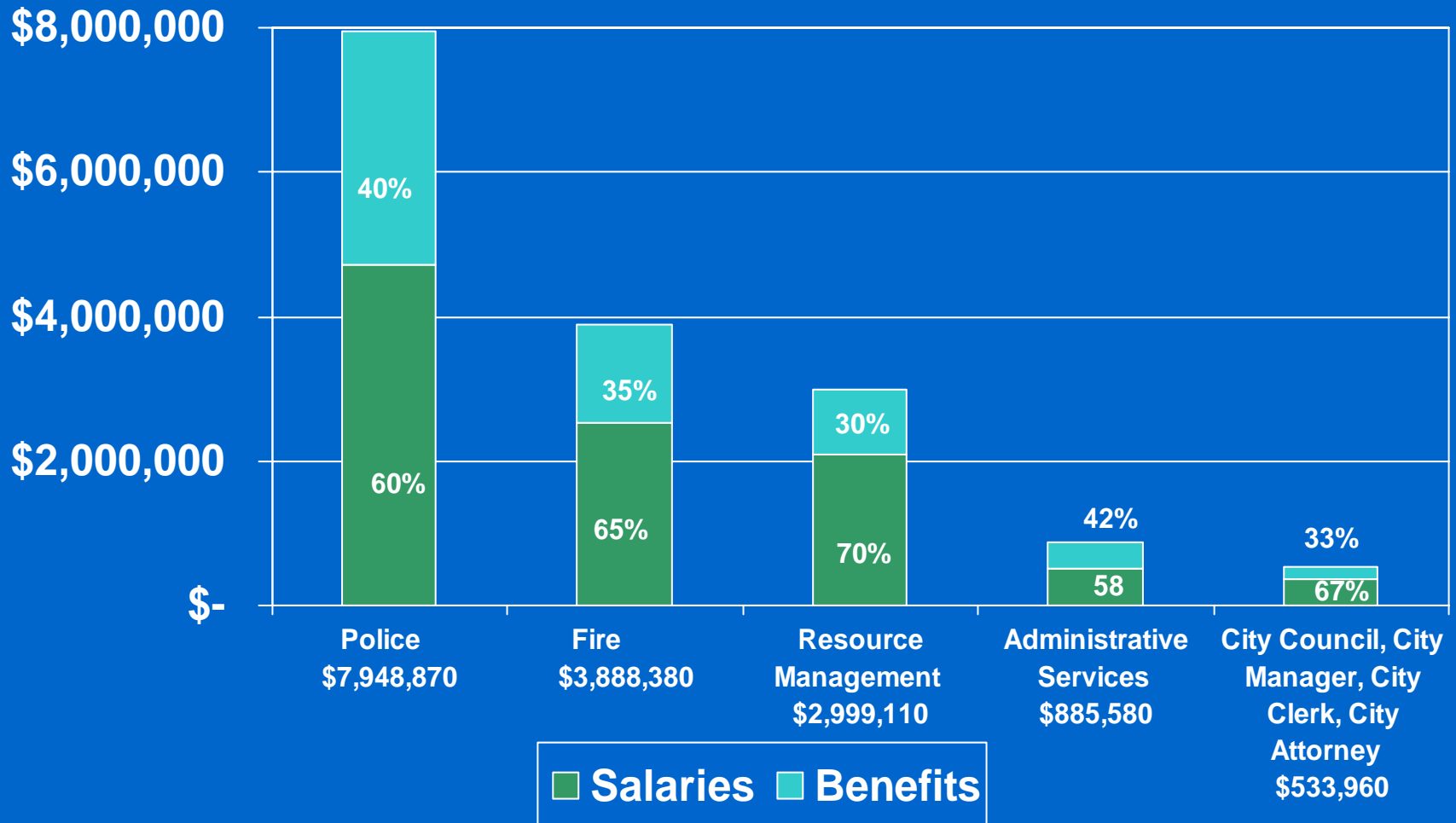
# 2013-2014 General Fund Personnel Costs - Full Time

*Preliminary Budget*



# 2013-2014 General Fund Full Time Salaries and Benefits

*Preliminary Budget*



# 2013-2014 General Fund Personnel Costs - Full Time

*Preliminary Budget*

## Summary

- City's total personnel costs are approximately \$16,300,000, or 76% of the City's General Fund Budget
- Public Safety personnel costs are approximately \$12,000,000, or 74% of the City's General Fund personnel costs

# Department Presentations


**FY13/14 BUDGET  
SUMMARY FOR THE  
SEASIDE POLICE  
DEPARTMENT**

# 46 FTE's (37 sworn, 9 civilian)



168 hours/week	40 hours/week
8,736 hours/year	2080 hours/week

# FY 13/14 POLICE BUDGET

Total Expenditures	\$ 9,315,822
Internal Services & Central Support Charges	\$ 1,995,500
Revenue	\$ 819,348
Police Department Budget Net Cost 	\$10,491,974

# INCREASES/DECREASES

PG Sgt. Contract	\$75,000	(-)
PG Chief of Police Contract	\$130,000	(-)
NGEN O & M	\$23,000	(+)
Radio Lease	\$143,277	(+)

# PD COST PER CAPITA

CITY	POP	FTE	OFF	CIV	2012/2013 Budget	PER CAPITA
Monterey	27,810	68	51	17	\$13,618,011	\$ 490
Sand City	372	11	10	1	\$ 2,075,800	\$5,580
Seaside	33,025	46	37	9	\$10,011,359	\$ 303
Marina	19,718	39	30	10	\$ 7,782,200	\$ 395
Carmel	3,938	21	14	7	\$ 3,354,835	\$ 851
P.Grove	15,041	30	22	8	\$ 5,180,464	\$ 344

# PD EMPLOYEE'S/1000 FOR FY13/14

CITY	POP	DOJ GRP	OFF	CIV	FTE	OFF /1000	DOJ AVG	EMP /1000	DOJ AVG
Seaside	33,025	IV	37	9	46	1.1	1.4	1.3	1.9
Monterey	27,810	IV	51	17	68	1.8	1.4	2.4	1.9
Marina	19,718	IV	30	10	39	1.5	1.6	2.0	2.1
P. Grove	15,041	IV	22	8	30	1.4	1.6	2.1	2.1
Carmel	3,938	IV	14	7	21	3.6	3.7	5.3	5.2

# NEED, BUT DOES NOT INCLUDE

- 1 Community Liaison Officer = \$100,000
- 2 Police Officers = \$300,000
- 1 Crime Analyst = \$100,000
- 1 Detective = \$145,000



# NEED, BUT DOES NOT INCLUDE



7 Vehicles (5/2) for \$325,000

**NEED, BUT DOES NOT  
INCLUDE**



**The STEMA Camera project For  
\$250,000**

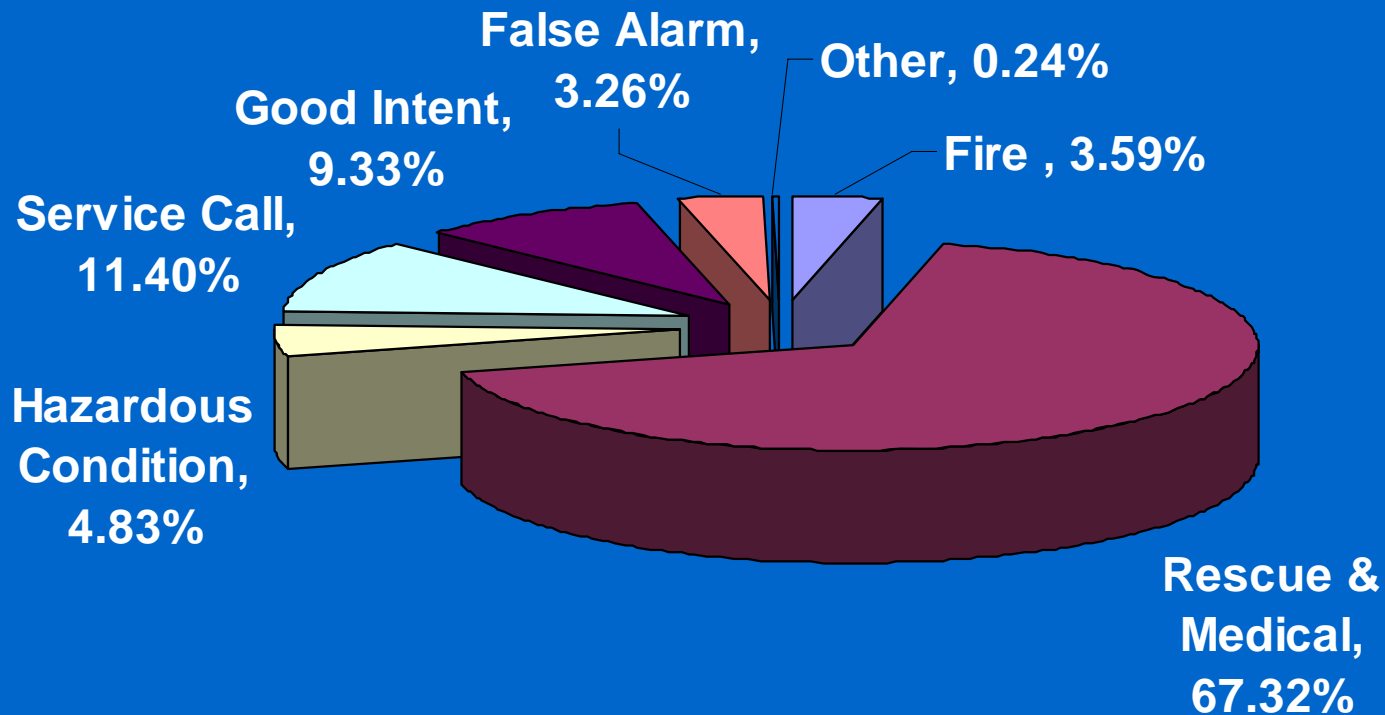
# QUESTIONS?



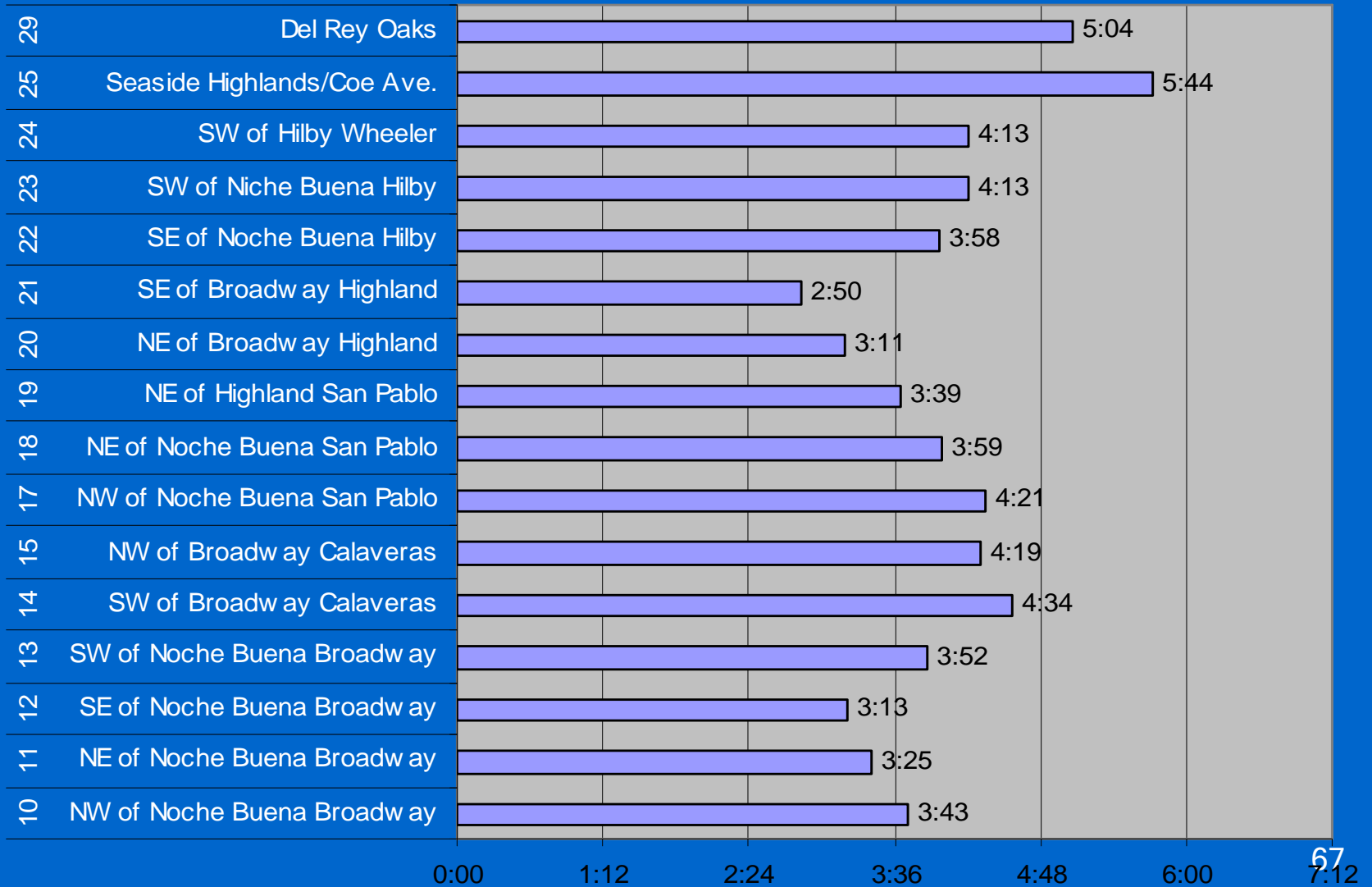
**FY13/14 BUDGET  
SUMMARY FOR THE  
SEASIDE FIRE  
DEPARTMENT**

The Seaside Fire Department, like most departments across the country faces new challenges each day to provide efficient and effective service to our residents as budgets continue to get tighter. However, we remain focused on our mission to serve as an “all hazards” response force to fires, floods, rescue situations, building collapse, water rescue, rope or high angle rescue, hazardous materials mitigation, trench rescue, and confined space rescue; at the same time fulfilling our ever expanding role in providing emergency medical response to our community.

# TOTAL CALLS FOR SEASIDE FIRE IN 2012: 2421



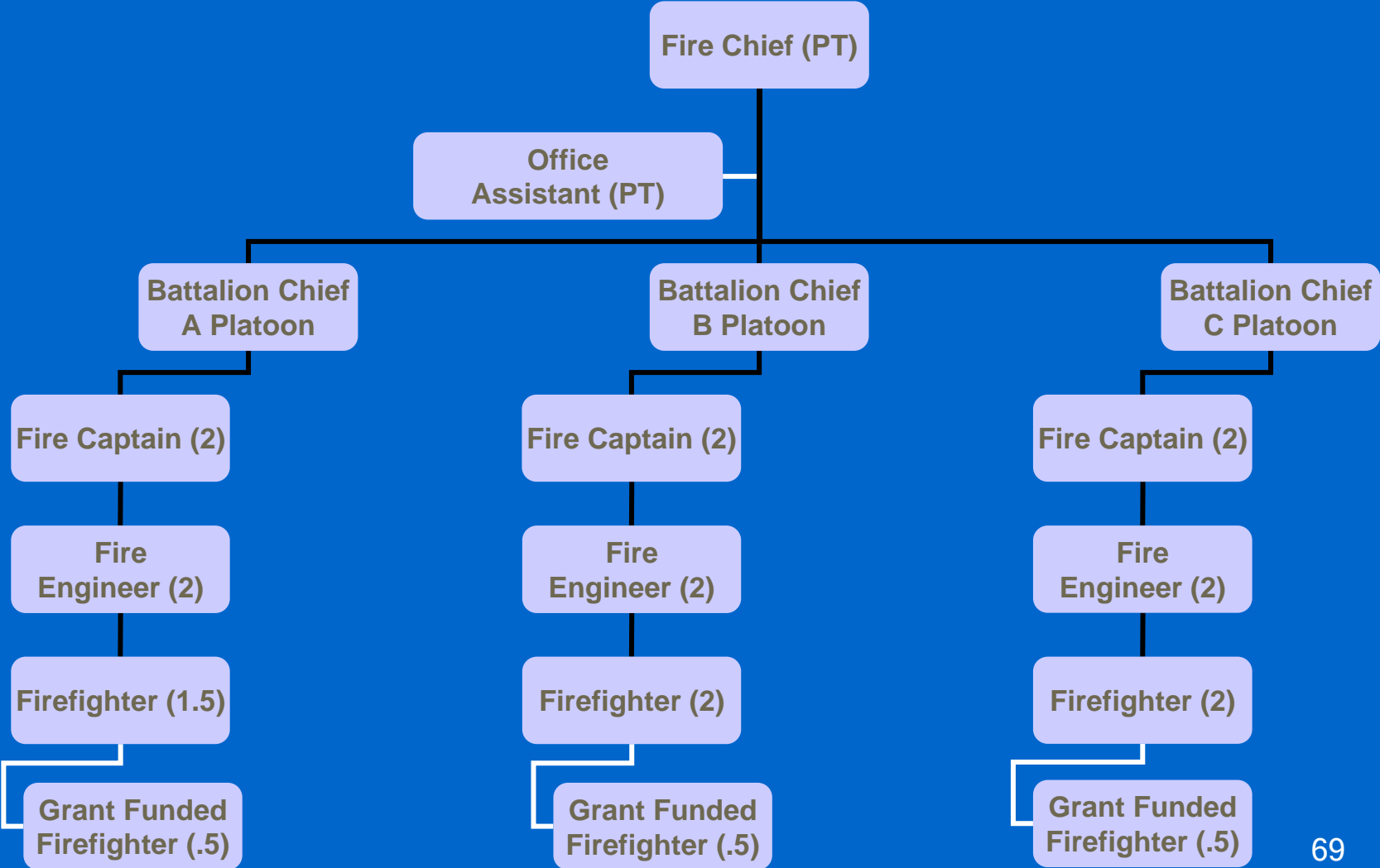
# OVERALL RESPONSE TIMES



# FD COST PER CAPITA

CITY	POP	FF's	2012/2013 Budget	PER CAPITA
Monterey	27,810	69	\$ 8,799,901	\$ 316
Sand City	372	Contract	\$ 250,000	\$ 672
Seaside	33,025	23	\$ 4,854,453	\$ 147
Del Rey Oaks	1,624	Contract	\$ 125,108	\$ 77
Pebble Beach	4,509	33	\$ 2,515,000	\$ 558
Carmel	3,938	Contract	\$ 2,242,753	\$ 570
Pacific Grove	15,041	Contract	\$ 2,819,491	\$ 187

# Fire Department



# BUDGET PREPARATION MESSAGE FROM THE CITY MANAGER

“We will basically be preparing a status quo budget, maintaining present City services, with an extremely limited opportunity to increase City employees, despite identified critical needs in certain functions.”

# BUDGET SUMMARY

<b>DEPARTMENTAL EXPENDITURES</b>	<b>GENERAL FUND</b>	<b>OTHER FUNDS</b>	<b>TOTAL</b>
<b>Personnel Services</b>			
<b>-Salaries</b>	<b>\$2,565,340</b>	<b>\$88,860</b>	<b>\$2,654,200</b>
<b>-Direct Cost Employee Benefits</b>	<b>1,246,640</b>	<b>47,800</b>	<b>1,294,440</b>
<b>-Vacation/Sick Leave Payout</b>	<b>14,500</b>	<b>-</b>	<b>14,500</b>
<b>Retiree Benefits</b>	<b>90,500</b>	<b>-</b>	<b>90,500</b>
<b>Supplies and Services</b>	<b>163,745</b>	<b>12,000</b>	<b>175,745</b>
<b>Capital and Debt</b>	<b>10,300</b>	<b>94,150</b>	<b>104,450</b>
<b>Internal Services &amp; Central Support</b>	<b>926,600</b>	<b>-</b>	<b>926,600</b>
<b>Charges</b>			
<b>Transfers out (for debt service)</b>	<b>89,150</b>		<b>89,150</b>
<b>Total Expenditures</b>	<b>\$5,106,775</b>	<b>\$242,810</b>	<b>\$5,349,585</b>

# BUDGET SUMMARY (continued)

DEPARTMENTAL REVENUE	GENERAL FUND	OTHER FUNDS	TOTAL
Grant	\$23,000	\$136,660	\$159,660
Fees & Services	15,000	1,100	16,100
Reimbursements	230,000		230,000
Special Revenues Funds		12,000	12,000
Transfer in (for debt service)		89,150	89,150
<b>Total Revenue</b>	<b>\$268,000</b>	<b>\$238,910</b>	<b>\$506,910</b>

# FY 13/14 FIRE BUDGET

Total Expenditures	\$5,349,585
Revenue	- \$506,910
Fire Department Budget	
Net Cost . . . . .	\$4,842,675

# OBJECTIVES FOR 2013-2014

- To maintain fiscal sustainability or improve the financial position of the Fire Department as an operation within the City of Seaside.
- To familiarize personnel with the Emergency Operation Center, Monterey Peninsula Regional EOC located at CSUMB. Develop strategies and tactics for personnel to operate during a disaster and for staff to function with in the EOC. Implement required training for all employees to comply with Federal guidelines.
- To increase the effectiveness and efficiency of the Fire Department Training Division.

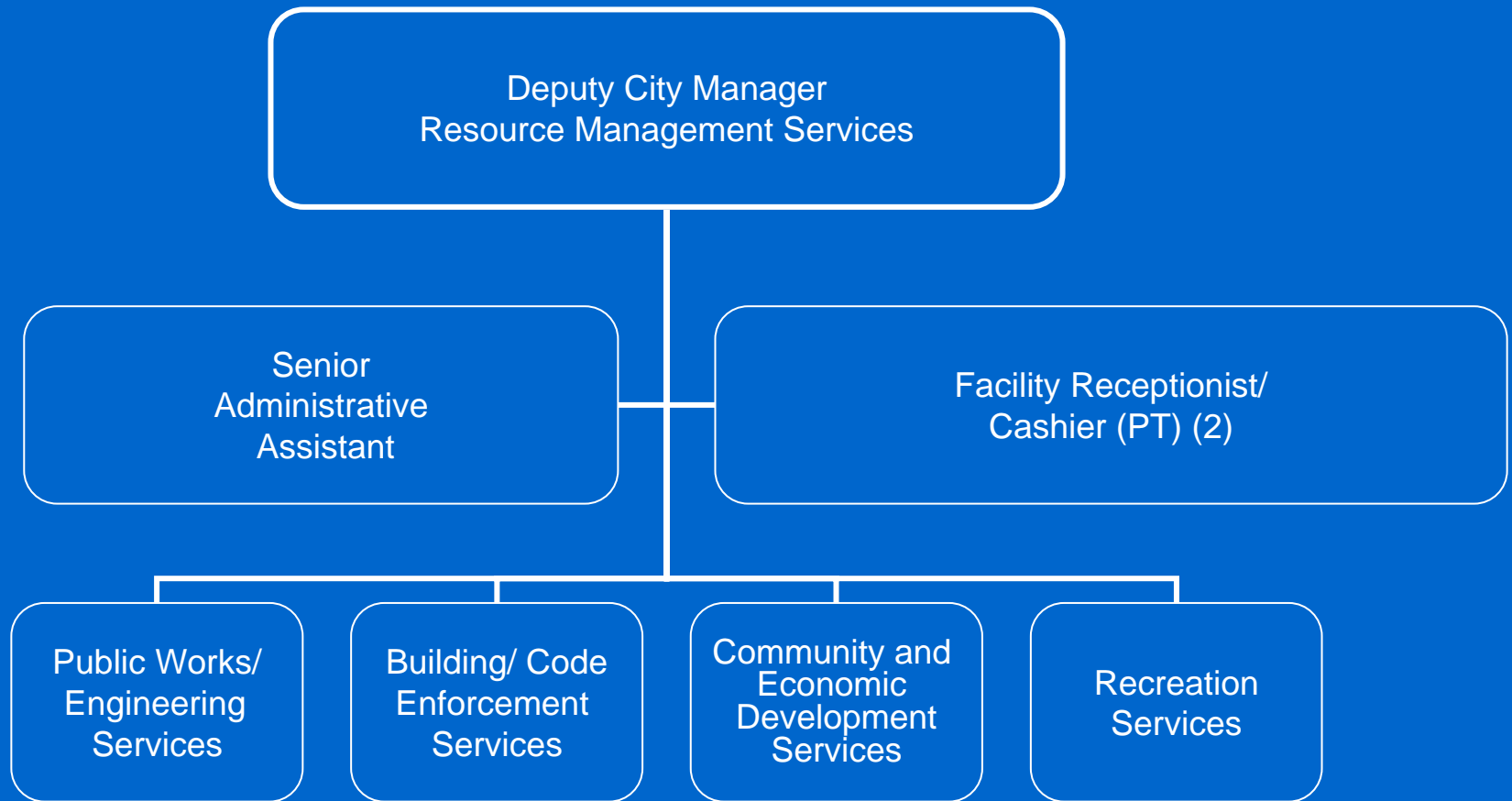
# OBJECTIVES FOR 2013-2014

- To create a Fire Department Strategic Planning document for the period of 2014-2019.
- To integrate the Firehouse Data Management Software Program into all Fire Department Operations.
- To create a Fire Department Succession Planning document that addresses the future needs of the department.

QUESTIONS?


**FY13/14 BUDGET SUMMARY  
FOR THE RESOURCE  
MANAGEMENT SERVICES  
(RMS) DEPARTMENT**

# Resource Management Services Organization Chart



# FY 13/14 RMS BUDGET

## General Fund Only

Total Expenditures	\$5,168,882
Internal Services & Central Support Charges	\$1,066,500
Revenue	\$2,201,555
RMS Department Budget Net Cost 	\$4,033,827

# City Sponsored Special Events

- Summer in the Parks (Blues)
- Halloween Party
- Holiday Snow Festival (Tree Lighting)
- Easter Egg Hunt
- Bach Festival

# INCREASES/DECREASES

PG Engineering Contract	\$40,000	(-)
Maintenance Contracts (sweeping/storm drain)	\$16,000	(-)
Utilities/Vehicle Fuel	\$90,000	(+)
Outside Contract Service (Local Costal Program, Housing Element, Zoning Amendment)	\$110,000	(+)

# RMS Full Time Employees

	FY 11/12	FY 12/13	FY 13/14
Public Works/Engineering Division	37.5	32.5	28.5
Building/Code Enforcement Division	4.5	3.5	2.5
Community and Economic Development Division	2.5	3.5	2.5
Recreation Division	2.5	3.5	1.5
Total	47	43	35

# RMS Reorganization FY 2012/2013

FY 2012/13

General Fund Reduction in Budget due to Reorganization  
and line item cuts - \$312,240

(Requested amount \$310,457)

- Laid Off 6 FTE
- Eliminated 2 Vacancies
- Added 4 positions
- Filled 1 vacancy
- Reclassified 2 positions FY 2012/2013

FY 2012/2013 General Fund Savings from 4 unfilled  
positions - \$264,171\*

Total Savings FY 2012/13 \$576,411 in General Fund

\* Included the 3 new positions and 1 vacancy not filled

# Proposed RMS Personnel Budget

FY 2013/2014

Decrease of 8 Positions not included in  
proposed budget

5 Vacancies

2 Layoff (Army Contract)

1 Transfer to Police Department

# NEED, BUT BUDGET DOES NOT INCLUDE

1. Water System Maint. Specialist = \$\*
2. Associate Planner = \$106,637.15
3. Parks Maintenance Worker I = \$55,694.10
4. Rec. Aquatics Coordinator = \$98,920.05
5. Recreation Supervisor = \$98,920.05

\*NOT GENERAL FUND

# NEED, BUT BUDGET DOES NOT INCLUDE



## Current Equipment

- 1) 2002 Geo Vac (Vacuum)
  - 30 days down for repairs
  - Delayed required Diesel Particulate Filter (\$10,000)
  - Identified to be retired December 2013
- 2) 2006 Broom Bear
  - \$40,000 in repairs
  - 1 year down due to repairs required
  - Operational 7/1/2013

## Street Sweeper for

**\$260,000**

(Street Sweeping required by NPDES (National Pollutant Discharge Elimination System) permit)

# Council Approved August 16, 2012

- Retain In House Sweeping Services
- Retain On-Call Sweeping Services
  - \$25,000 annual contract
- Repair and Upgrade Sweeper
  - Repair estimate \$20,000
  - Upgrade estimate \$13,800
- Purchase New Sweeper
  - Estimated \$260,000 or \$350,000 amortized over 10 years

# NEED, BUT BUDGET DOES NOT INCLUDE

General Plan Update for Former Fort Ord which includes associated Zoning Ordinance updates and CEQA (\$750,000 - \$1 Million)

## Seaside East

- Land Transfer in 2015
- Approved Conceptual Master Plan
- Requires change of Zoning from Housing to Economic Development ie: Office, Light Industrial, Conference Center, mixed use, retail

## Property @ Corner of Lightfighter & 1<sup>st</sup> Avenue

- Transferred to Redevelopment
- Zoned as Open Space

## First Tee Parcel

- Zoned as Open Space/Recreation
- Transferred to Redevelopment
- Trade & Expo District and mixed use proposed use

## Other Smaller Parcels

# QUESTIONS?



**FY13/14 BUDGET  
SUMMARY FOR THE  
ADMINISTRATIVE  
SERVICES DEPARTMENT**

# What We Do

- Finance
  - Administer financial services of the City
  - Prepare \$45 million annual budget and financial statements
  - Payroll Services for 180+ full-time and part-time employees
  - 2,760 vendor payments and 4,000 requisitions
  - City-wide cash collections of \$34 million
  - Customer service to 780 water customers
- Management Information Services
  - Maintains and supports the City's Information Technology Systems
  - 165 computers and 185 phones and related equipment

# What We Do

- Personnel

- Administer a centralized, merit personnel system
- 116 full-time employees and up to 60 part-time employees
- 20 External Recruitments and Internal Promotions/Transfers
- 1,040 Applications Received
- Employee Benefit Management
- Monitor/Process Employee Evaluations
- 11 City-wide training Sessions
- Assistance with disciplines
- Negotiated 5 Memorandums of Understanding

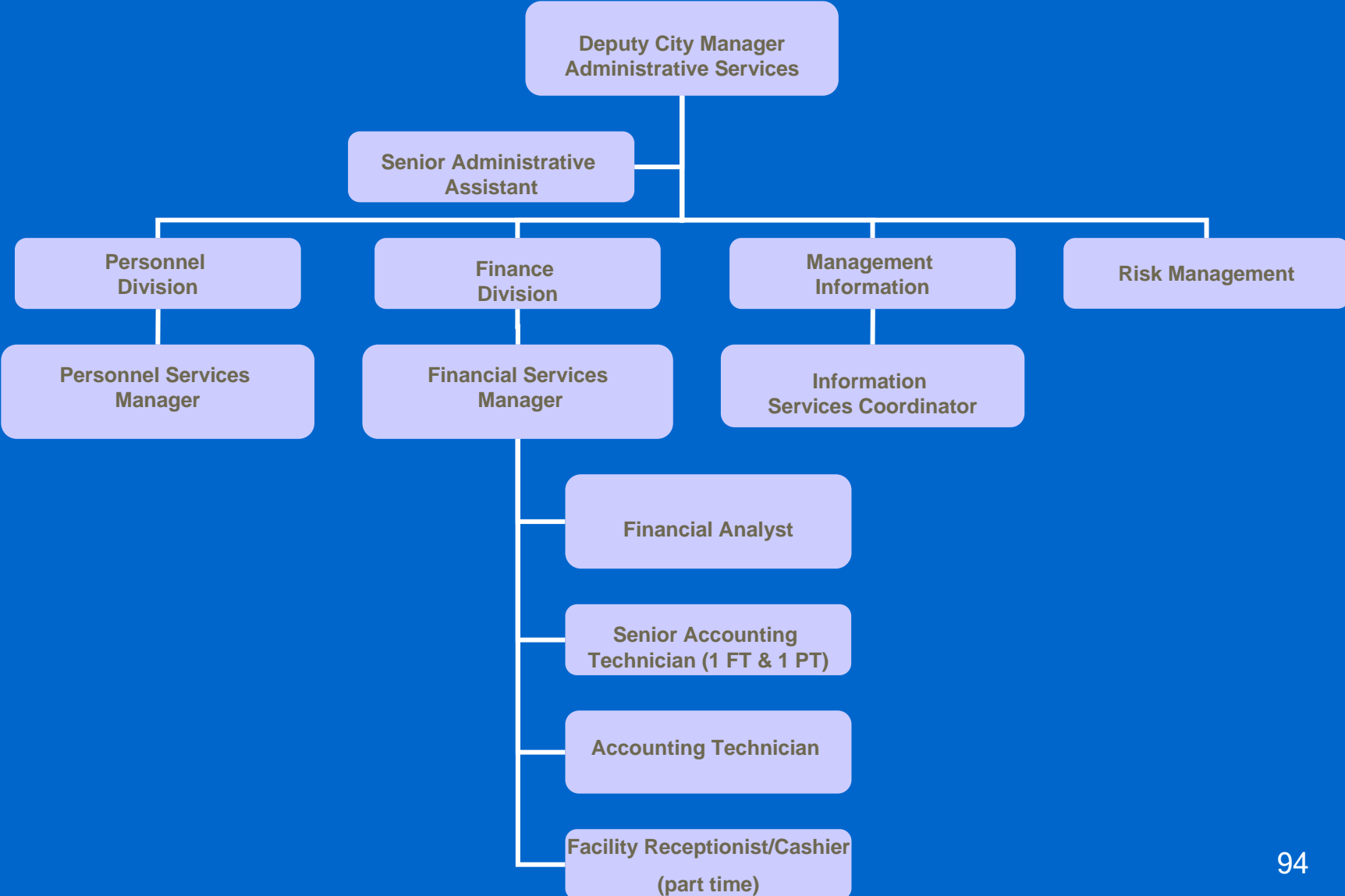
- Risk Management

- Foster and maintain a safe and healthy work environment for employees and a safe City for the residents of Seaside
- 30 Contract reviews
- 131 Liability and Workers' Compensation claims managed

# Department Changes

- One employee laid off due to the reduction in the POMA contract because of sequestration
  - Staffing reduced from 9 to 8
  - Reassignment of duties to cover the workload
- Purchased budgeting software
  - Implementation underway
- Continue to increase the use of electronic payments and receipting to improve service and efficiency

# Administrative Services



# Budget Summary

<b>DEPARTMENTAL EXPENDITURES</b>	<b>GENERAL FUNDS</b>	<b>OTHER FUNDS</b>	<b>TOTAL</b>
<b>Personnel Services</b>			
- Salaries	\$ 575,160	97,100	\$ 672,260
- Direct Cost Employee Benefits	321,320	59,730	381,050
- Vacation/ Sick Leave Payout	32,500	1,900	34,400
- Retiree Benefits	18,800	—	18,800
Supplies and Services	474,827	2,049,490	2,524,317
Capital and Debt	—	921,100	921,100
Internal Services & Central Support Charges	98,200	169,600	267,800
<b>Total Expenditures</b>	<b>\$ 1,520,807</b>	<b>\$ 3,298,920</b>	<b>\$ 4,819,727</b>
<b>DEPARTMENTAL REVENUES</b>			
Reimbursements	\$ 1,200	—	\$ 1,200
Internal Services & Central Support	1,217,887	\$ 2,464,640	3,682,527
Special Revenue Funds	—	966,800	966,800
<b>Total Revenue</b>	<b>\$ 1,219,087</b>	<b>\$3,431,440</b>	<b>\$4,650,527</b>
<b>NET COST</b>	<b>\$ 301,720</b>	<b>\$(132,520)</b>	<b>\$ 169,200</b>

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# Proposed Budget Schedule

- Possible Budget Study Sessions:
  - Wednesday, May 22; Tuesday, May 28; Wednesday, May 29
- June 6<sup>th</sup>, first regular meeting in June
  - Present Proposed Budget for 2013-2014
  - Public Hearing
- June 20<sup>th</sup>, second regular meeting in June
  - Public Hearing
  - Possible Adoption
- June 24 - 28 Potential meeting dates, if needed

# Remaining Agenda

- City Council Questions and Discussion
- Public Comments
- City Council Policy Direction, if desired
- Establish Study Session Schedule



# Cost Allocation System

- Central service and internal service support charges are allocated to all departments to provide the true cost of department operations
- Costing principles are established by the federal Office of Management and Budget Rules and Regulations 2-CFR-Part 225 (formerly titled OMB A-87) for state and local governments
- A cost allocation system is considered a necessary component of a modern municipal accounting system
- Its use is endorsed by the Government Accounting Standards Board

# Cost Allocation System

- City Council Policy adopted three years ago as part of the Fiscal Wellness Goal
  - First incorporated into the 2010-2012 Budget
  - In order to measure the true cost of programs and services
- Increase revenues by incorporating all costs into billable programs
  - Apply the full costs of services into charges for fee related services
- Make knowledgeable decisions regarding strategic planning issues, such as whether or not to cut the cost of operations or to privatize a service

# Cost Allocation System

- Direct costs of a City program or service
  - Salaries
  - Direct Employee Benefits
  - Indirect Employee Benefits (i.e. paid time off)
  - Supplies
  - Contract Services
  - Capital Costs (when applicable)

# Cost Allocation System

- Indirect costs incurred by a department to run a program or provide a service
  - Telephones
  - Computers
  - Insurance
  - Vehicle Maintenance
  - City Council, City Manager, City Clerk and City Attorney Support
  - Payroll and personnel support
  - Payments to vendors
  - Collection of revenues
  - Building maintenance