

**Study Session
Preliminary Budget
2012-2013**

City of Seaside

May 9, 2012

Opening Comments

Mayor

Public Comment

City Council Comments Related to April 25th Budget Study Session

Introduction

City Manager

Problem: Large Budget Deficit

- Solution:
 1. To produce a balanced budget, budget cuts will be necessary
 2. Maintain reserves
 - ✓ Already minimal
 - ✓ Don't dip into them
 - ✓ Increase in future years
 3. Seek concessions from labor groups

Problem: Large Budget Deficit

- Solution:
 4. Seek “shared sacrifice” expenditure cuts from City Departments
 5. Continue economic development efforts
 - ✓ Need to develop sources of funding
 - ✓ Produces jobs/income for citizens
 - ✓ Provides revenue for the City

2012-2013 Budget Preparation Issue

• Projected expenditures	\$21,650,000
• Projected income	<u>\$19,450,000</u>
• Projected Budget Deficit	<u>\$2,200,000</u>
• Employee groups' concessions	\$1,100,000
• Necessary budget cuts	<u>\$1,100,000</u>
• Result: Expenditures do not exceed income	<u>\$0</u>

Statement from the Executive Team

Deputy City Manager -
Administrative Services

Responses to Questions and Requests from the City Council Members

How much did we “dig into” the reserves since 2006-2007?

General Fund Reserves

• July 1, 2006	\$7,001,333
• Operating Losses, 7/1/06 - 6/30/11	-\$10,417,464
• Redevelopment Loan Repayments, 7/1/06 - 6/30/11	<u>+\$7,258,431</u>
• June 30, 2011	\$3,842,300

Loan Repayment

- Not placed on Recognized Obligation Payment Schedule at this time
- May be added to the Schedule in the future
- Memo distributed to City Council

Storm Water

- List of capital improvements and projects in proposed storm water master plan
- Storm Water fee
- Steps and timing to finalize proposed storm water master plan
- How can storm water be used as an asset?

Draft 2010 Storm Water Master Plan Capital Improvement Projects

Project Name	2008 Estimated Cost (\$)
John Street at Redwood Avenue	98,000
90-inch Bay Avenue Outfall (Phase 1)	5,070,000
90-inch Bay Avenue Outfall (Phase 2)	30,420,000
Del Monte Boulevard at Auto Ctr. Pkwy.	415,000
Military Avenue at Mendocino	31,000
Hilby Avenue	5,623,000
Hamilton Avenue at Fremont Street	2,535,000

Draft 2010 Storm Water Master Plan Capital Improvement Projects

Project Name	2008 Estimated Cost (\$)
Broadway Avenue at Fremont Street	325,000
Canyon Del Rey at Hamilton Avenue	229,000
Roberts Lake Outfall	19,266,000
Olympia Avenue at Catalina Street	355,000
City-wide Storm Drain Water Quality Projects	5,010,000
Capital Outlay	1,495,000
Subtotal Projects	70,872,000

Storm Water Management Fee Implementation

- Complete the Stormwater Master Plan
- Public Outreach and Education
- Council Approves Fee Structure
- Council Places Fee Measure on Ballot
 - Council Conducts Public Hearing

Storm Water Management Fee Implementation

- County Tabulates Ballots
 - Affirmed by 2/3 Majority of Electorate, or
 - Affirmed by Majority of Property Owners
- If Approved, Impose Fee

Storm Water Program Next Steps

Finalize Phase 1 Master Plan	6 months	\$100,000
Public Outreach & Education	6 months	\$100,000
Determine Fee Structure	3 months	\$50,000

Storm Water Program Next Steps

Determine
approval based
on voters or the
property-
owners. Place
on Ballot

12 months

\$50,000

Total

\$300,000

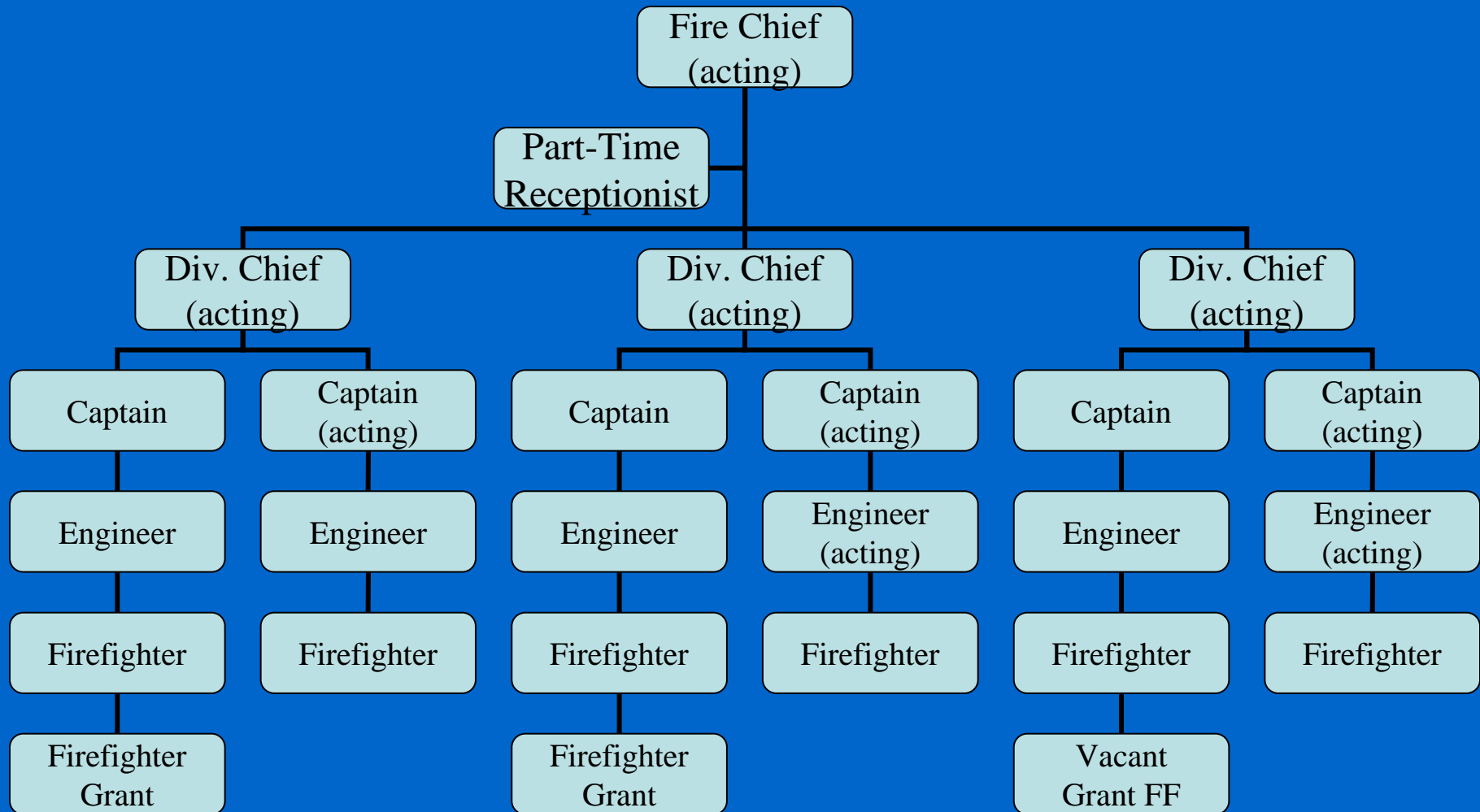
Storm Water as a Resource

- Storm Water in Laguna Grande
 - Untreated Water Uses
 - Currently used to irrigate Laguna Grande Park and City Hall
 - Could be used for maintenance activities
 - Estimate to construct connection at park - \$30,000
 - Treated Water Uses
 - Could be used as potable water
 - Estimate to construct - \$20MM

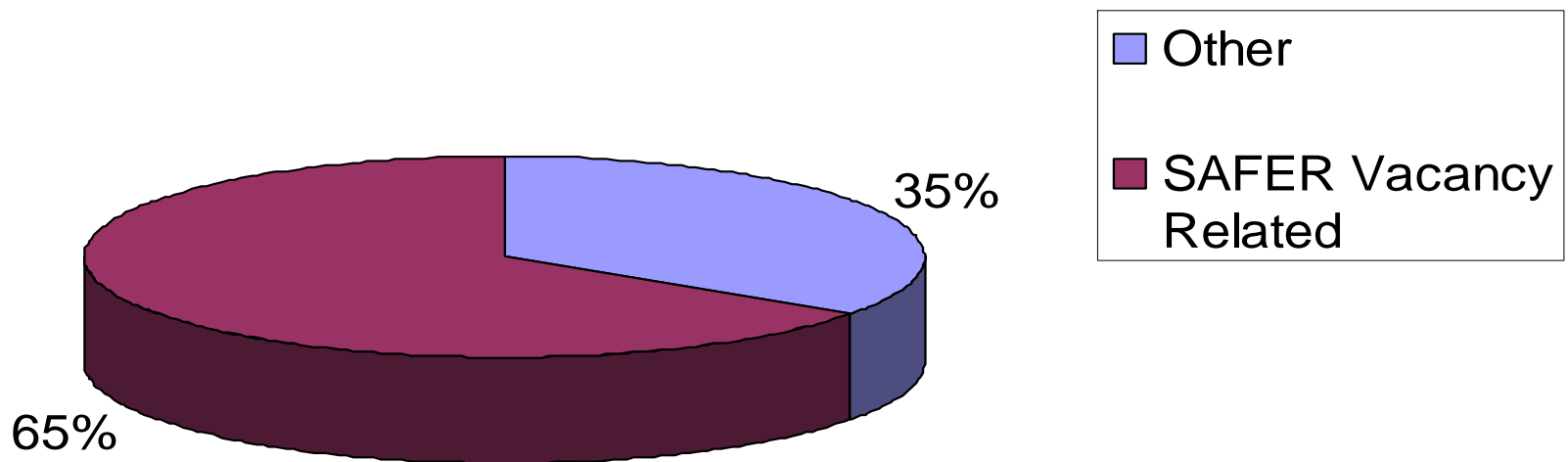
Fire

- Status of SAFER funded position
 - How much overtime to backfill since 2/5/12?
- Compare current Chief's salary to former Chief Wombacher's salary

Organizational Chart - Vacant SAFER FF



SAFER Related Overtime Comparison - 3/5/12 to Present



Fire Chief Salary Comparison

- Chief Wombacher (Retired December 2009)
 - \$150,488 - Salary prior to 10% Salary Reduction
 - \$135,437 - Salary with 10% Reduction
 - \$219,531 - Total Compensation after 10% Reduction*

- Acting Chief Prelsник (Effective March 4, 2011)
 - \$141,754 - Salary & Incentives
 - \$227,340 - Total Compensation*

*To make valid comparisons, 2012 rates used for PERS & Health Insurance

Acting Fire Chief Salary & Incentives

➤ Acting Chief PrelsNIK - Salary & Incentives

- \$126,454 - Base Salary
- \$ 6,323 - 5% Out of Class Pay
- \$ 5,817 - 4.6% Holiday Pay
- \$ 3,160 - 2.5% Longevity Pay
- \$141,754 - Total Salary & Incentives

Resource Management

- Status of Requests for Proposals
 - Pool operations
 - Street Sweeping

Request for Qualifications/Proposals Pattullo Swim Center Pool Operator & Street Sweeping Services Schedule

Request for Proposal Release	Thurs. May 17, 2012
Pre Submittal Conference	Thurs. May 24, 2012
Deadline for Questions	Thurs. May 31, 2012
City's Response to Written Questions	Thurs. June 7, 2012
Deadline for Submittal of Proposals	Mon. June 18, 2012
City Review of Proposals (6/18-6/28)	Thurs. June 28, 2012
City Council Consideration and Approval of Professional Services Agreement	Thurs. July 19, 2012

Community Development Block Grant Funds

- Code Enforcement salaries
- Comparison to prior year

Community Development Block Grant (CDBG) Salary Allocations

- Code Enforcement Officer
 - \$30,000
 - Eligible Projects
 - Commercial Façade, Graffiti Abatement, Residential Rehabilitation
- Community Liaison Officer
 - \$15,000
 - Eligible Projects
 - Graffiti Abatement

Revenue Generating Options to Support Economic Development

Alternative Funding Sources for Economic Development

- Infrastructure Facilities Districts
 - Bonds secured by tax increment pledges by volunteering taxing entities (30 years)
 - Finance various types of infrastructure improvements
 - The Projects at Main Gate, 26 acres south of Light fighter, and Seaside East
- Assessment and Business Improvement Districts
 - Special assessment of property and or business owners based on proportionate benefit received
 - Finance public improvements or services benefiting properties or businesses
 - West Broadway Urban Village

Alternative Funding Sources for Economic Development

- Community Facilities Districts
 - Special tax on property owners which can be pledged for repayment of bonds
 - Finance the purchase, construction and expansion, and improvement of public infrastructure and community facilities
 - Library and Trade and Convention Center

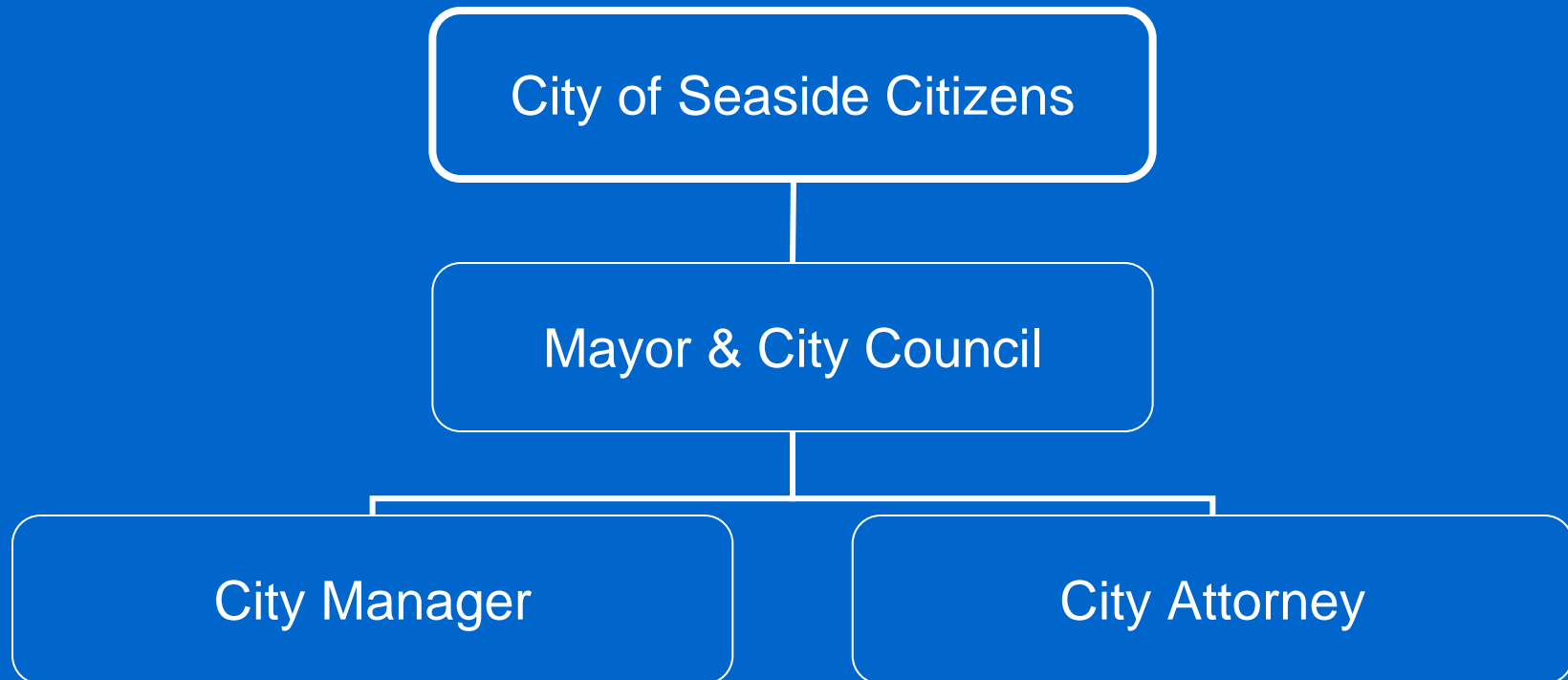
Alternative Funding Sources for Economic Development

- New Market Tax Credits
 - Private equity investment in exchange for federal tax credits
 - Financing for commercial projects in low income communities
 - Library and Trade and Convention Center
- Foreign Capital Investment (EB-5)
 - Investment of \$1M in a commercial enterprise or \$500K in a target employment area in exchange for a EB-5 visa
 - Must create 10 new full-time jobs in 2 years
 - West Broadway Urban Village/Library, Trade and Convention Center

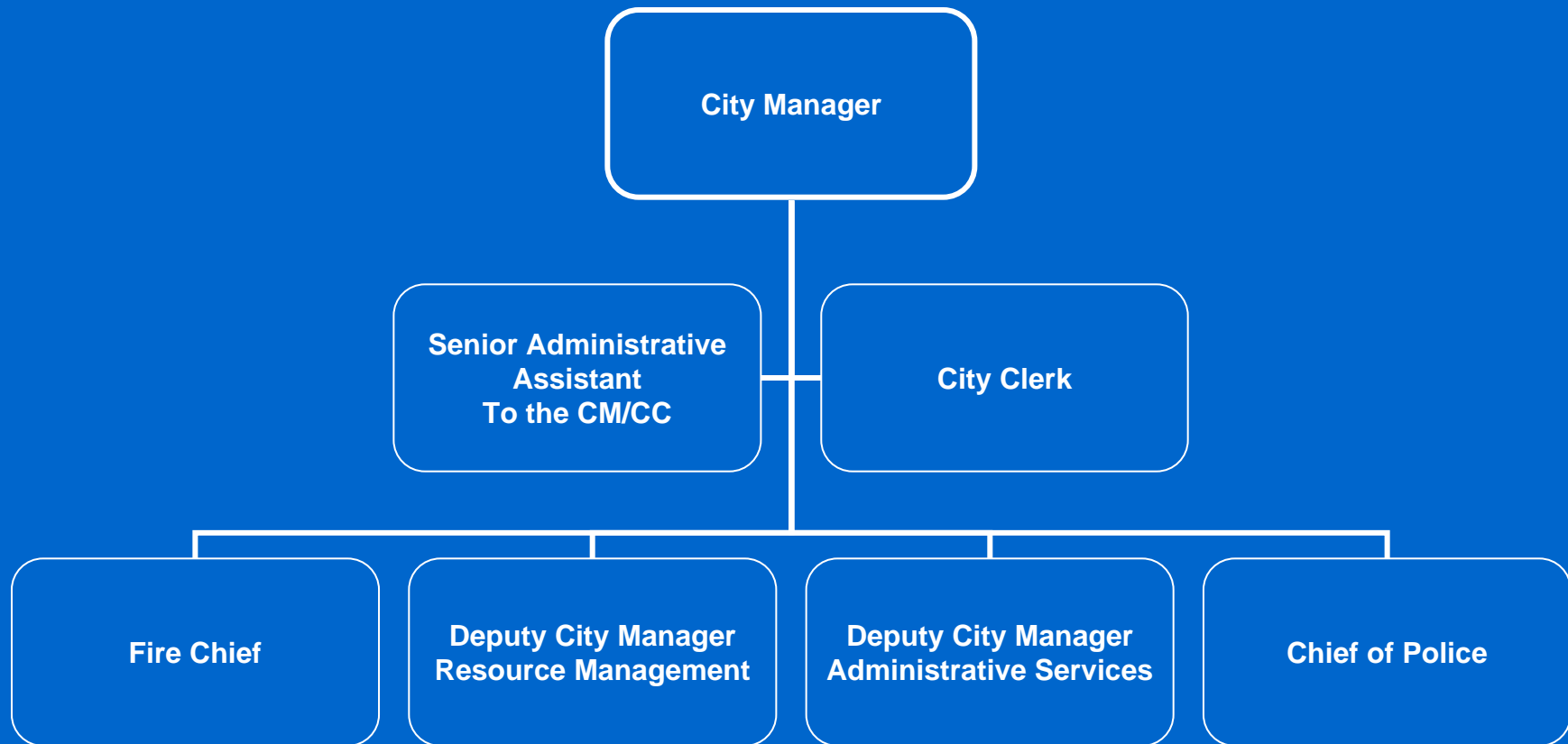
Organization Charts

City-wide
and
Departmental

City of Seaside Legislative Body



City of Seaside Office of the City Manager



Modified Sales Tax Estimate

- Close review of information provided by consultant
- Economic outlook information, including car sales
- New car dealership opening
- Victory Toyota Improvements
- Increase of \$200,000
- Reduction in deficit of \$200,000

Analysis of Options for Fire Department Management Services

Options for Fire Department Chief

- Steve PrelsNIK, Acting Fire Department Chief will retire on June 30th
- City Council asked City Manager to analyze options
 - Full-time Fire Chief
 - Half-time Fire Chief
 - Half-time Contract Fire Chief
 - Public Safety Director

Proposed Budget Schedule

- May 10 through June 6
 - Preparation of the 2012-2013 Proposed Budget
- June 7
 - Presentation of the 2012-2013 Proposed Budget and 1st Public Hearing
- June 21
 - 2nd Public Hearing and possible adoption of the 2012-2013 Proposed Budget
- June 27
 - Continued Public Hearing and possible adoption of the 2012-2013 Proposed Budget (only if necessary)

Public Comment

City Council Comments, Discussion and Direction to Staff

Closing Comments

Mayor