



# CITY COUNCIL AGENDA STATEMENT



June 4 , 2019

File ID: 19-0249

## TITLE

- A. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR THE CITY OF CHULA VISTA FOR FISCAL YEAR 2019/20 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2020 EXCLUDING OPEN SPACE DISTRICTS: 1, 9, 10, 20 ZONE 7, EASTLAKE MAINTENANCE DISTRICT 1 ZONE C, COMMUNITY FACILITY DISTRICT 07M EASTLAKE WOODS & VISTA, AND CAPITAL IMPROVEMENT PROJECTS TRF0407 AND STL0436
- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR OPEN SPACE DISTRICT 1 AND THE CAPITAL IMPROVEMENT BUDGETS FOR CIP PROJECTS TRF0407 AND STL0436 FOR FISCAL YEAR 2019/20 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2020
- C. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR OPEN SPACE DISTRICT 20 ZONE 7 FOR FISCAL YEAR 2019/20 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2020
- D. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR OPEN SPACE DISTRICT 9 AND OPEN SPACE DISTRICT 10 FOR FISCAL YEAR 2019/20 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2020
- E. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR EASTLAKE MAINTENANCE DISTRICT 1 ZONE C FOR FISCAL YEAR 2019/20 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2020
- F. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR COMMUNITY FACILITY DISTRICT 07M EASTLAKE WOODS & VISTA FOR FISCAL YEAR 2019/20 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2020
- G. RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR THE HOUSING AUTHORITY FOR FISCAL YEAR 2019/20 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2020

- H. RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGETS FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR FISCAL YEAR 2019/20 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2020
- I. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE REVISED FISCAL YEAR 2019/20 COMPENSATION SCHEDULE EFFECTIVE JULY 5, 2019, AS REQUIRED BY CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5
- J. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE COMPENSATION SCHEDULE AND CLASSIFICATION PLAN TO REFLECT THE ADDITION OF VARIOUS POSITION TITLES AND CHANGES IN SALARY AS REFLECTED IN THE FISCAL YEAR 2019/20 OPERATING BUDGET
- K. ORDINANCE OF THE CITY OF CHULA VISTA AMENDING CHULA VISTA MUNICIPAL CODE SECTION 2.05.010 TO ADD THE UNCLASSIFIED POSITION OF FINANCE MANAGER AND DELETE THE FINANCE AND PURCHASING MANAGER (FIRST READING) (4/5 VOTE REQUIRED)

#### **RECOMMENDED ACTION**

Council conduct the public hearing, adopt resolutions A-F, I and J, place the ordinance on first reading, Authority adopt resolution G and Successor Agency adopt resolution H.

#### **SUMMARY**

On May 17, 2019, the City Council was provided the City Manager's proposed operating and capital improvement budgets for the City, and the operating budgets for the Housing Authority and for the Successor Agency to the Redevelopment Agency for Fiscal Year 2019-20 (ending June 30, 2020). The budgets submitted at this time for formal adoption and appropriation represent the City Council's Fiscal Year 2019-20 proposed budget.

#### **ENVIRONMENTAL REVIEW**

The Development Services Director has reviewed the proposed activity, Adoption and Appropriation of the City, Successor Agency to the Redevelopment Agency, and Housing Authority budgets for Fiscal Year 2019-20, for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378(b)(4) of the State CEQA Guidelines because it involves only the allocation of funding; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Although environmental review is not necessary at this time, once projects have been defined, environmental review will be required and a CEQA determination completed prior to commencing to start of any of the projects identified.

#### **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

On April 25, 2019, the Citizens Oversight Committee (COC) for Measure P affirmed that the proposed budget for Measure P was in compliance with the City's approved infrastructure, facilities and equipment expenditure plan.

On May 16, 2019, the Measure A Citizens’ Oversight Committee (COC) affirmed that the proposed budget for Measure A was in compliance with the City’s approved Intended Public Safety Expenditure Plan.

On May 16, 2019, as required by the City Charter, the Parks and Recreation Commission reviewed and approved the Fiscal Year 2019-20 proposed budget for the Parks and Recreation Department.

**DISCUSSION**

Staff submitted the Fiscal Year 2019-20 Proposed Budget document to the City Council on May 17, 2019. As required by the City Charter, the City Manager’s proposed budget was submitted to the City Council at least thirty-five days before the beginning of the fiscal year. The City Council furthermore set June 4, 2019 as the date for the adoption of the Fiscal Year 2019-20 budget. The budget presented for final adoption in this staff report is the Fiscal Year 2019-20 proposed budget accepted by the City Council on May 21, 2019.

In accordance with the City Charter, a copy of the City Council’s proposed budget was made available on May 17, 2019, for public review by making a hard copy of the budget available at the City Clerk’s Office and at the City’s Libraries, as well as posting a copy of the budget on the City’s website.

Attachment A, Recommended Expenditures by Department and Category, summarizes the City Council’s proposed budget for Fiscal Year 2019-20. The final All Funds expenditure budget submitted for Fiscal Year 2019-20 totals \$387.3 million and includes transfers out of \$68.0 million. The General Fund budget totals \$197.0 million. The All Funds budget for Fiscal Year 2019-20 includes allocations for capital improvement projects totaling \$26.8 million. The remaining \$95.5 million represents the operating budgets for various funds including the Successor Agency to the Redevelopment Agency, Housing, Sewer, Development Services, Fleet, Debt Service, and other funds.

Estimated All Funds revenues total \$390.3 million, the Schedule of Revenues is included as Attachment B.

**CITY COUNCIL FISCAL YEAR 2019-20 PROPOSED BUDGET  
(IN THOUSANDS)**

<b>Description</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Impact</b>
General Fund as Proposed in May 18 Budget Document	\$ 196,967	\$ 196,967	\$ -
Other Funds as Proposed in May Budget Document	\$ 193,317	\$ 190,314	\$ 3,003
Appropriations for FY 2019	\$ 390,284	\$ 387,281	\$ 3,003
Use of Reserves (Excludes General Fund)	\$ (3,003)	\$ -	\$ (3,003)
<b>TOTAL ALL FUNDS</b>	<b>\$ 387,281</b>	<b>\$ 387,281</b>	<b>\$ -</b>

Note: The Use of Reserves figure reflects amount of revenues being directed to Other Funds fund balances.

**Proposed New Classifications**

Approval of Resolution J authorizes amendments to the Compensation Schedule and Classification Plan to reflect new classifications and the staffing changes proposed in the fiscal year 2019-20 budget. The following table reflects the new titles, bargaining group, and E-Step salary to reflect these changes.

### Summary of Proposed New Classifications

Position Title	PCN	Employee Group	E Step Bi-Weekly Salary
City Clerk Analyst	2221	Professional	\$3,662.77
Park Ranger Program Manager	7431	Professional	\$3,881.84
Traffic Signal and Lighting Technician I	6187	ACE	\$2,714.20
Traffic Signal and Lighting Technician II	6185	ACE	\$2,985.62
Traffic Signal and Lighting Supervisor	6181	ACE	\$3,433.45
Director of Human Resources/Risk Management	3300	Executive Management	\$7,934.82
Director of Engineering	6006	Executive Management	\$7,934.82
Director of Public Works	6320	Executive Management	\$7,934.82
Assistant Director of Development Services	4040	Senior Management	\$7,112.77
Finance Manager	3623	Senior Management	\$5,235.84

#### Fiscal Year 2019-2020 Compensation Schedule

California Code of Regulations (CCR), Title 2, Section 570.5 ("CCR Section 570.5") requires that, for purposes of determining a retiring employee's pension allowance, the pay rate be limited to the amount listed on a pay schedule that meets all of the following requirements:

1. Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
2. Identifies the position title for every employee position;
3. Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the pay rate.

This regulation applies to all employers reporting compensation to California Employees' Retirement System (CalPERS).

Staff is submitting the Fiscal Year 2019-2020 pay schedule ("Compensation Schedule") that complies with these requirements to Council for approval. If approved, the duly approved and adopted Compensation Schedule will be immediately accessible and available for public review on the City's internet website in accordance with CCR Section 570.5. Failure to comply with this State-mandated approval requirement would delay computation of a retiring employee's pension allowance by CalPERS. Adoption of the 2019-20 Compensation schedule pertains to resolution (I).

The Compensation Schedule consists of step salary pay for all established positions at the City of Chula Vista, including hourly and bi-weekly time base. This schedule defines the payment to employees for services performed during normal working hours or for time during which the employee is excused from work because of holidays, sick leave, industrial disability, payments under Labor Code Section 4850, vacation, compensatory time-off or leave of absence. It is designed and administered to provide and maintain an equitable wage and salary system at the City that compensates all employees for their work efforts performed within specific job classifications and corresponding salary ranges, in order to attract and retain the most highly skilled employees possible.

The Compensation Schedule attached to the attendant resolution (I) reflects the pay rate of all job titles effective July 5, 2019, and includes the proposed salary adjustments for Executive Management, Senior Management, Unclassified Middle Management, Confidential Middle Management, Unclassified Professional, Confidential Professional and Unclassified Hourly positions with a represented counterpart. The Compensation Schedule also reflects scheduled salary adjustments for positions represented by the Association of Chula Vista Employees (ACE), Chula Vista Police Officers Association (CVPOA), Western Council of Engineers (WCE) and Chula Vista Mid-Managers/Professional Association, SEIU Local 221 (MMPR/SEIU 221), as negotiated in their respective bargaining agreements. Once approved, any changes to the adopted Compensation Schedule including, but not limited to, across-the-board increases, classification changes and salary adjustments approved subsequent to this date will be reflected in a revised Compensation Schedule which will be submitted to Council for approval.

#### Position Summary

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The City Council Proposed Budget for fiscal year 2019-20 includes 1,054.25 positions for all funds. This is a net increase of 44.00 positions when compared to the fiscal year 2018-19 adopted budget that included 1,010.25 authorized positions. 21.00 of the 44.00 positions were approved by the City Council during fiscal year 2018-19.

Fiscal year 2018-19 changes in the General Fund resulted in the reduction of 8.00 FTEs and changes to other funds resulted in a net increase of 21.00 FTEs. The development of the Fiscal Year 2018-19 resulted in a net increase of 44.00 positions recommended in the Fiscal Year 2019-20 budget. In addition to these net changes, several reclassification studies were completed city-wide to reflect changes of duties performed by City personnel.

The staffing changes are summarized in the following tables and the Proposed Staffing by Department/Fund for Fiscal Year 2019-20 is included as Attachment C.

### **Summary of Fiscal Year 2018-19 Mid-Year Staffing Changes**

Department/Fund	Program	Position	FTE
Advance Life Support Fund (1.00)	Reclassification	EMS Nurse Coordinator	(1.00)
		Fire Captain	1.00
	Training	Multimedia Production Specialist	1.00
City Attorney (1.00)	Criminal	Deputy City Attorney III	1.00
City Clerk (0.00)	Reclassification	Deputy City Clerk I	(1.00)
		Deputy City Clerk II	1.00
City Council (0.00)	Reclassification	Constituent Services Rep	(1.00)
		Sr. Council Asst	1.00
Economic Development (0.00)	Reclassification	Sr. Conservation Specialist	(1.00)
		Environmental Sustainability Manager	1.00
Engineering and Capital Projects (0.00)	Reclassification	Environmental Health Specialist	(2.00)
		Storm Environmental Specialist II	2.00
Federal Grants Fund - Police (0.00)	Reclassification	FA Program Assistant	(1.00)
		FA Sr. Program Assistant	1.00
		FA Analyst	(1.00)
		FA Intelligence Analyst	1.00
		FA Sr. Intelligence Analyst	(1.00)
		FA Supervisory Intelligence Analyst	1.00
Fire (-12.00)	Operations	Firefighters (112hr)	(12.00)
Human Resources (1.00)	Operations	Sr. Human Resources Analyst	1.00
Library (0.00)	Reclassification	Library Digital Services Manager	(1.00)
		Principal Librarian	1.00
Measure A (28.00)	Fire	Firefighter (112hr)	12.00
		Deputy Fire Chief	2.00
		Fire Captain (80hr)	1.00
		Fire Captain (84hr)	2.00
		Firefighter/Paramedic (84hr)	2.00
	Police	Peace Officer	4.00
		Police Agent	1.00
		Police Dispatcher	2.00
		Civilian Background Investigator	1.00
		Sr. Police Technology Specialist	1.00
Police (0.00)	Reclassification	Sr. Office Specialist	(1.00)
		Sr. Police Records Specialist	1.00
		Community Service Officer	(1.00)
		Sr. Parking Enforcement Officer	1.00
		Secretary	(1.00)
		Community Service Officer	1.00
Public Works (2.00)	Reclassification	Management Analyst	(1.00)
		Sr. Management Analyst	1.00
		Locksmith	(1.00)
		Carpenter	1.00
		Graffiti Abatement Coordinator	(1.00)
		Public Works Supervisor	1.00
	BRT Maintenance	Equipment Operator	1.00
		Sr. Maintenance Worker	1.00
<b>CITYWIDE TOTAL</b>			<b>21.00</b>

**Fiscal Year 2019-20 Staffing Changes**

Department/Fund	Program	Position	FTE
City Clerk (0.00)	Reclassification	Records Manager	(1.00)
		City Clerk Analyst	1.00
City Jail (0.00)	Jail	Police Services Officer	10.00
		Police Srvs Officer Supervisor	2.00
CV Housing Authority Fund (0.00)	Transfer to Dev Srvs Fund	Sr. Project Coordinator	(1.00)
	Housing	Management Analyst	1.00
Development Services Fund (2.00)	Reclassification	Engineering Tech II	(1.00)
		Development Automation Spec	1.00
	Land Development	Associate Engineer	1.00
	Transfer from Housing	Sr. Project Coordinator	1.00
Engineering and Capital Projects (0.00)	Transfer to Fleet/PW	Secretary	(1.00)
	Signal Maintenance	Traffic Signal & Lighting Tech II	1.00
Finance (0.00)	Reclassification	Collections Supervisor	(1.00)
		Accountant	1.00
		Finance & Purchasing Manager	(1.00)
		Finance Manager	1.00
Fire (1.00)	Fire Prevention	Fire Ins/Inv I	1.00
Gas Tax Fund (2.00)	Graffiti	Sr. Maintenance Worker	1.00
		Maintenance Worker II	1.00
Measure A (16.00)	Fire	Fire Captain (84 hr)	2.00
		Firefighter/Paramedic (84 hr)	2.00
	Police	Community Services Officer	2.00
		Peace Officer	3.00
		Police Agent	2.00
		Police Dispatcher	3.00
		Police Sergeant	2.00
Parks and Recreation (0.00)	Reclassification	Sr. Park Ranger	(1.00)
		Park Ranger Program Manager	1.00
Police (0.00)	Jail	Police Services Officer	(10.00)
		Police Srvs Officer Supervisor	(2.00)
Public Works (1.00)	Reclassification	Fiscal Office Specialist	(1.00)
		Sr. Fiscal Office Specialist	1.00
	Transfer from Eng	Secretary	1.00
Sewer Service Revenue (1.00)	Sewer Billing	Management Analyst	1.00
<b>TOTAL CITYWIDE</b>			<b>23.00</b>

Finally, Chula Vista Municipal Code Section 2.05.010 also needs to be updated to reflect the position changes impacting the unclassified positions. Chula Vista City Charter Section 500 requires that all unclassified positions not mentioned specifically in Charter Section 500 be adopted by ordinance. Adoption of ordinance (K) will add the position title of Finance Manager and delete the Finance and Purchasing Manager title from the Municipal Code Section 2.05.010.

## **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council/Successor Agency to the Redevelopment Agency/Housing Authority members and has found that potential conflicts exist, in that members have property holdings within 1,000 feet of the districts listed below:

- City Council Conflicts:
  - Mayor Salas – Open Space District #20 Zone 7, Open Space District #09, and Open Space District #10. These conflicts pertain to Resolutions: C and D.
  - Council Member McCann – Open Space District #01, Open Space District #20 Zone 7, Community Facility District 07M Eastlake Woods & Vista, and capital projects STL0436 and TRF0407. These conflicts pertain to Resolutions: B, C, and F.
  - Council Member Padilla – Eastlake Maintenance District #1 Zone C and Community Facility District 07M Eastlake Woods & Vista. These conflicts pertain to Resolution: E and F.

Each of the remaining decisions contemplated by this action is either: (i) not site specific; or (ii) ministerial, secretarial, manual, or clerical in nature, thus, not requiring the members to make or participate in making a governmental decision, pursuant to California Code of Regulations Title 2, section 18704.4(a)(1); or (iii) solely concerns the repair, replacement or maintenance of existing streets, sewer, storm drainage or similar facilities, pursuant to California Code of Regulations Title 2, sections 18700 and 18705.2(c)(1); or (iv) to the extent that any decision would have a reasonably foreseeable financial effect on the member’s real property, the effect would be nominal, inconsequential, or insignificant, and, thus, would not be material, pursuant to California Code of Regulations Title 2, sections 18700 and 18702(b). Consequently, these decisions do not present real property-related conflicts under the Political Reform Act (Cal. Gov’t Code § 87100, *et seq.*)

Staff is not independently aware, nor has staff been informed by any City Councilmember, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

## **LINK TO STRATEGIC GOALS**

The City’s Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This action supports the Operational Excellence goal by communicating the City’s projected financial position for the current fiscal year in an open and transparent manner. This transparency supports City Initiative 1.3.1. - “Foster public trust through an open and ethical government.”

## **CURRENT-YEAR FISCAL IMPACT**

There is no fiscal impact in the current fiscal year as a result of the adoption of the budget.

## **ONGOING FISCAL IMPACT**

Approval of the proposed budgets will result in the appropriation of \$387.3 million in funding for the fiscal year ending June 30, 2020. This amount includes a General Fund budget of \$197.0 million.



**PROPOSED FISCAL YEAR 2019-20 APPROPRIATIONS BY FUND TYPE**

<b>FUND</b>	<b>PROPOSED EXPENDITURES (thousands)</b>
General Fund	\$196,967
Capital Funds	\$840
Debt Funds	\$11,374
Development Funds	\$21,439
Enterprise Funds	\$2,384
Gas Tax Fund	\$6,803
Grant Funds	\$19,926
Internal Service Funds	\$11,563
Measure A Sales Tax Fund	\$11,083
Measure P Sales Tax Fund	\$18,266
Open Space Funds	\$15,302
Other Funds	\$18,813
Sewer Funds	\$42,693
Successor Agency Funds	\$9,829
<b>TOTAL ALL FUNDS</b>	<b>\$387,281</b>

**ATTACHMENTS**

- A – Recommended Expenditures by Department and Category
- B – Schedule of Revenues
- C – Proposed Staffing by Department and Fund
- Exhibit 1 – Fiscal Year 2019-2020 Compensation Schedule

*Staff Contact: David Bilby, Finance Department*