



CITY COUNCIL AGENDA STATEMENT



June 12, 2018

File ID: 18-0246

TITLE

CONSIDERATION BY THE CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, AND HOUSING AUTHORITY OF THE ADOPTION OF THE OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR THE CITY AND THE OPERATING BUDGETS FOR THE HOUSING AUTHORITY AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR FISCAL YEAR 2018-19

- 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 2018-19 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2019 EXCLUDING OPEN SPACE DISTRICTS: 1, 8 ,9, 10, 20, EASTLAKE MAINTENANCE DISTRICT 1, COMMUNITY FACILITY DISTRICT 07M, CAPITAL IMPROVEMENT PROJECTS: STL0406, TRF0405, AND THE OTHER EXPENSES CATEGORY OF THE NON-DEPARTMENTAL BUDGET IN THE GENERAL FUND
- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR THE OTHER EXPENSES CATEGORY OF THE NON-DEPARTMENTAL BUDGET IN THE GENERAL FUND AND EASTLAKE MAINTENANCE DISTRICT 1 FOR FISCAL YEAR 2018-19 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2019
- C. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR COMMUNITY FACILITY DISTRICT 07M FOR FISCAL YEAR 2018-19 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2019
- D. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR OPEN SPACE DISTRICT 20 FOR FISCAL YEAR 2018-19 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2019
- E. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING CAPITAL IMPROVEMENT BUDGETS FOR CIP PROJECTS STL0406 AND TRF0405 AND OPEN SPACE DISTRICTS 9 AND 10 FOR FISCAL YEAR 2018-19 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2019

- F. RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR THE HOUSING AUTHORITY FOR FISCAL YEAR 2018-19 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2019
- G. 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 2018-19 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2019
- H. 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 2018-19 OPERATING BUDGET
- I. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE FISCAL YEAR 2018-2019 COMPENSATION SCHEDULE EFFECTIVE JULY 6, 2018, AS REQUIRED BY CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5
- J. ORDINANCE OF THE CITY OF CHULA VISTA AMENDING CHULA VISTA MUNICIPAL CODE SECTION 2.05.010 RELATING TO THE ESTABLISHMENT OF UNCLASSIFIED POSITIONS TO ADD PUBLIC WORKS SUPERINTENDENT (FIRST READING) (4/5THS VOTE REQUIRED)
- K. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR OPEN SPACE DISTRICT 8 FOR FISCAL YEAR 2018-19 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2019
- L. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING THE OPERATING BUDGET FOR OPEN SPACE DISTRICT 1 FOR FISCAL YEAR 2018-19 AND APPROPRIATING FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2019

RECOMMENDED ACTION

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

SUMMARY

On May 18, 2018 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 the 2018-19 fiscal year (ending June 30, 2019). The budgets submitted at this time for formal adoption and appropriation represent the City Council's fiscal year 2018-19 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 2018-19, 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 18, 2017 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 17, 2018 as required by the City Charter, the Parks and Recreation Commission reviewed and approved the Fiscal Year 2018-19 proposed budget for the Recreation Department and Public Works Department (Parks).

DISCUSSION

Staff submitted the Fiscal Year 2018-19 Proposed Budget document to the City Council on May 18, 2018. 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 12, 2018 as the date for the adoption of the fiscal year 2018-19 budget. The budget presented for final adoption in this staff report is the fiscal year 2018-19 proposed budget accepted by the City Council on May 22, 2018.

In accordance with the City Charter, a copy of the City Council's proposed budget was made available on May 18, 2018, 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, Proposed Expenditures by Department and Category, summarizes the City Council's proposed budget for fiscal year 2018-19. The final All Funds expenditure budget submitted for fiscal year 2018-19 totals \$347.5 million and includes transfers out of \$48.9 million. The General Fund budget totals \$174.7 million. The All Funds budget for fiscal year 2018-19 includes allocations for capital improvement projects totaling \$30.1 million. The remaining \$93.8 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 \$337.0 million, the Schedule of Revenues is included as Attachment B.

CITY COUNCIL FISCAL YEAR 2018-19 PROPOSED BUDGET

DESCRIPTION	REVENUES	EXPENDITURES	NET IMPACT
GENERAL FUND AS PROPOSED IN MAY 18 BUDGET DOCUMENT	\$174,677,179	\$174,677,179	\$ -
OTHER FUNDS AS PROPOSED IN MAY BUDGET DOCUMENT	\$162,314,826	\$172,848,981	\$10,534,155
APPROPRIATIONS FOR FY 2018	\$336,992,005	\$347,526,160	(\$10,534,155)
USE OF RESERVES (EXCLUDES GENERAL FUND)	\$ 10,534,155	\$ -	\$ 10,534,155
TOTAL ALL FUNDS	\$347,526,160	\$347,526,160	\$ -

Note: The use of reserves for Other Funds reflects revenues collected in prior years for expenses like capital improvement projects and debt service

Proposed New Classifications

Approval of Resolution H authorizes amendments to the Compensation Schedule and Classification Plan to reflect new classifications and the staffing changes proposed in the fiscal year 2018-19 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 Attorney Investigator	2435	Confidential	\$2,992.44
Paralegal	2475	Confidential	\$2,725.69
Public Works Superintendent	6327	Senior Management	\$5,256.47

Fiscal Year 2018-2019 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 2018-2019 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 2018-19 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 6, 2018, and includes the proposed salary adjustments for Executive Management, Senior Management, and Confidential Professional positions. The Compensation Schedule also reflects scheduled salary adjustments for positions represented by the Chula Vista Police Officers Association (CVPOA) 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

The City Council Proposed Budget for fiscal year 2018-19 includes 1,010.25 positions for all funds. This is a net increase of 16.50 positions when compared to the fiscal year 2017-18 adopted budget that included 993.75 authorized positions. 14.50 of the 16.50 positions were approved by the City Council during fiscal year 2017-18.

Fiscal year 2017-18 changes in the General Fund resulted in the addition of 10.50 FTEs and changes to other funds resulted in a net increase of 4.00 FTEs. The development of the fiscal year 2018-19 resulted in a net increase of 2.00 positions recommended in the fiscal year 2018-19 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 2018-19 is included as Attachment C.

Summary of Fiscal Year 2017-18 Mid-Year Staffing Changes

Department/Fund	Program	Position	FTE
Animal Care Facility (-0.5)	Reclassification	Animal Care Specialist	(1.00)
		Animal Control Officer	0.50
Development Services Fund (4.00)	Development Services	Development Services Tech II	1.00
		Development Services Tech III	1.00
		Senior Planner	1.00
	Transfer from Public Works	Senior Landscape Inspector	1.00
Engineering and Capital Projects (0.00)	Reclassifications	Principal Civil Engineer	(1.00)
		Principal Traffic Engineer	1.00
		Senior Civil Engineer	(1.00)
		Stormwater Program Manager	1.00
Finance (0.00)	Reclassification	Accountant	(1.00)
		Associate Accountant	1.00
Fire (12.00)	Fire Operations	Firefighters	12.00
Library (0.50)	Reclassification	Director of Library	(1.00)
		City Librarian	1.00
	Library Administration	Director of Community Services	0.50
Public Works (-1.00)	Reclassifications	Custodial Supervisor	(1.00)
		Building Services Supervisor	1.00
		Maintenance Worker I	(1.00)
		Maintenance Worker II	1.00
		Parks Operations Manager	(1.00)
		Parks Manager	1.00
		Signing and Striping Supervisor	(1.00)
		Public Works Supervisor	1.00
	Transfer to Dev Srvs Fund	Senior Landscape Inspector	(1.00)
Recreation (-0.50)	Reclassification	Management Analyst	(1.00)
		Administrative Technician	1.00
		Director of Recreation	(1.00)
		Senior Recreation Manager	(1.00)
		Parks and Recreation Administrator	1.00
	Recreation Administration	Director of Community Services	0.50
TOTAL CITYWIDE			14.50

Summary of Fiscal Year 2018-19 Staffing Changes

Department/Fund	Program	Position	FTE
Development Services (0.00)	Reclassification	Administrative Technician	(1.00)
		Sr. Management Analyst	1.00
Development Services Fund (1.00)	Development Services	Assoc Plan Check Engineer	1.00
Economic Development (-1.00)	Transfer to Library	Cultural Arts Program Mgr	(1.00)
Fleet Management (-1.00)	Transfer to Public Works	Fiscal Office Specialist	(1.00)
Library (1.00)	Transfer from Economic Dev	Cultural Arts Program Mgr	1.00
Recreation (38.00)	Transfer from Public Works	Gardener II	22.00
		Park Ranger Supervisor	1.00
		Parks Manager	1.00
		Parks Supervisor	4.00
		Sr. Gardener	9.00
		Sr Park Ranger	1.00
Public Works (-36.00)	Transfer from Fleet Mgmt	Fiscal Office Specialist	1.00
	PW Operations Admin	Public Works Superintendent	1.00
	Transfer to Recreation	Gardener II	(22.00)
		Park Ranger Supervisor	(1.00)
		Parks Manager	(1.00)
		Parks Supervisor	(4.00)
		Sr. Gardener	(9.00)
		Sr Park Ranger	(1.00)
	Reclassification	Wastewater/Strmwtr Ops Mgr	(1.00)
		Public Works Manager	1.00
TOTAL CITYWIDE			2.00

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 (J) will add the position title of Public Works Superintendent to 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 500 feet of the districts listed below:

- City Council Conflicts:
 - Mayor Salas –Open Space District 9, Open Space District 10, Capital Projects: STL0406 and TRF0405, these conflicts pertain to Resolution: E
 - Council Member McCann – Community Facility District 07M, Open Space District 1, and Open Space District 20, these conflicts pertain to Resolutions C, D, and L.
 - Council Member Aguilar – Open Space District 8, and Open Space District 20, these conflicts pertain to Resolution D and K.
 - Council Member Padilla - Community Facility District 07M and Eastlake Maintenance District 1, these conflicts pertain to Resolutions: B and C.

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 \$347.5 million in funding for the fiscal year ending June 30, 2019. This amount includes a General Fund budget of \$174.7 million.

PROPOSED FISCAL YEAR 2018-19 APPROPRIATIONS BY FUND TYPE	
FUND	PROPOSED EXPENDITURES
GENERAL FUND	\$174,677,179
MEASURE P	\$16,657,150
CAPITAL PROJECTS FUNDS	\$14,808,318
DEBT SERVICE FUNDS	\$11,425,131
DEVELOPMENT SERVICES FUND	\$11,045,302
FLEET MANAGEMENT	\$3,424,835
OTHER FUNDS	\$60,504,964
SEWER FUNDS	\$44,478,031
SUCCESSOR TO REDEVELOPMENT AGENCY	\$10,505,249
TOTAL ALL FUNDS	\$347,526,159

ATTACHMENTS

A – Proposed Expenditures by Department and Category

B – Schedule of Revenues

C – Proposed Staffing by Department and Fund

Exhibit 1 – Fiscal Year 2018-2019 Compensation Schedule

Staff Contact: David Bilby, Finance Department