DRAFT PROPOSED BUDGET 2017-18
THE GOOD, THE BAD AND THE UGLY (Part 2)

City of Chico
May 2, 2017
DRAFT PROPOSED BUDGET 2017-18

SCHEDULE

• May 2\textsuperscript{nd} – Round #2
  • Community Development
  • Public Works

• May 16\textsuperscript{th} – Questions Reviewed - Feedback

• June 5\textsuperscript{th} – Adoption of Final Budget

• Budget needs to be adopted before July 1\textsuperscript{st}
DRAFT PROPOSED BUDGET 2017-18
QUESTIONS/COMMENTS FROM APRIL 18TH

• IT Contractual Expense Increases
  • Microsoft Windows 10 subscriptions - $28,880
  • Dude Solutions IT helpdesk - $7,680
  • Other Microsoft Product subscriptions - $10,082

• Cost savings of 14 step salary schedule
DRAFT PROPOSED BUDGET 2017-18
QUESTIONS/COMMENTS FROM APRIL 18TH

• Discuss with County importance of Fire Service to the City
  • County request to fund County Station #42 ($1,000,000)
  • Local Government Committee discussion

• New draft job descriptions provided for Park Rangers
  • Emailed to Council

• Community Organization Funding

• Chico Creek Nature Center
DRAFT PROPOSED BUDGET 2017-18
OUT OF STATE TRAVEL

• City Manager
  • International City Managers Association Conference in San Antonio

• Police
  • International Association of Police Chiefs Conference in Philadelphia.
  • Criminal Investigative Analysis Training in Phoenix

• Fire Department
  • International Association of Fire Chiefs Conference in North Carolina.
  • Aircraft Rescue Firefighting Training for 9 personnel in Salt Lake City.
DRAFT PROPOSED BUDGET 2017-18

FUND REVIEW

• Fund 212 - Transportation Fund (pdf 24)
  • Updated with Final Proposed Budget

• Fund 307 - Gas Tax (pdf 34)
  • Potential Additional Revenues with SB1
    • 2017-18 - $821,647
    • 2018-19 - $1,092,165

• Development Impact Funds (pdf 35, 36, 43-56)
  • Nexus Study results not included in Budget
DRAFT PROPOSED BUDGET 2017-18
FUND REVIEW

• Enterprise Funds
  • Fund 853 – Parking (pdf 63)
    • New Staff member added in 2016-17
  • Fund 856 – Airport (pdf 65)
    • Transfer of $495,000 from General Fund
    • 5 year plan to reduce deficit to approximately $500,000
  • Fund 862, 863 - Private Development (pdf 66-68)
    • Increased activity and revenue
    • Fees are set at 90% of cost
    • 10% of revenue budgeted to come from General Fund ($265,000)
DRAFT PROPOSED BUDGET 2017-18
FUND REVIEW

• Enterprise Funds
  • Sewer
    • Fund 850 - Sewer Operations (Debt) (pdf 60)
    • Fund 851 - Water Pollution Control Plant (WPCP) Capital Reserve (pdf 62)
    • Fund 320 - Sewer-Trunk Line Capacity (Debt) (pdf 39)
    • Fund 321 - Sewer-WPCP Capacity (Debt) (pdf 40)
    • Fund 322 - Sewer-Main Installations (pdf 41)
    • Fund 323 - Sewer-Lift Stations (pdf 42)
• Sewer Related Debt Payments
  • Three Loans for Plant Expansion by years: 2001, 2008, 2009
  • Three Funds make annual loan payments (850, 320, 321)
  • Total Projected Liability at 6/30/2017 - $40,062,541

• Fund 321 Sewer-WPCP Capacity
  • Can’t cover its share of annual payments totaling $3,826,528
  • Fund 850 Sewer Operations transfers funds to cover loan payment
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FUND REVIEW

• Fund 850 Fund Balance Decreasing
  • Fund Balance at 6/30/2015 - $16,719,116
  • Fund Balance projected at 6/30/2018 - $6,994,602

• Reasons for Decreases:
  • Operation costs increasing
  • Revenue growth is level
  • Fund 321 Transfers starting in 2015-16

• Staff is reviewing this for future Council Discussion
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FUND REVIEW

• Replacement Funds
  • Fund 931 - Technology Replacement (pdf 75)
    • $150,000 General Fund Transfer In
  • Fund 932 - Fleet Replacement (pdf 76)
    • $376,000 General Fund Transfer In
    • $230,980 Other Funds Transfers In
  • Fund 933 - Facility Maintenance (pdf 77)
    • $300,000 General Fund Transfer In
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FUND REVIEW

• Internal Services Funds (Insurance, CalPERS)
  • Fund 900 - General Liability (pdf 69)
    • Legal costs and settlements
  • Fund 901 - Workers Compensation (pdf 70)
    • Updated actuarial report coming in the spring
  • Fund 902 - Unemployment (pdf 71)
    • Increased due to Fire layoffs
  • Fund 903 - CalPERS Unfunded Liability (pdf 72)
DRAFT PROPOSED BUDGET 2017-18
FUND REVIEW

• Internal Services Funds (Maintenance)
  • Fund 929 - Central Garage (pdf 73)
  • Fund 930 - Municipal Buildings (pdf 74)
  • Fund 935 - Information Technology (pdf 79)
CITY OF CHICO, DRAFT PROPOSED BUDGET 2017-18

• BUDGET PRESENTATION
  • GOOD – Positive news we can be happy about
  • BAD – Not so good news
  • UGLY – On the Horizon

• Tonight:
  • Community Development
  • Public Works – Engineering
  • Public Works – Operations and Maintenance
CITY OF CHICO, DRAFT PROPOSED BUDGET 17-18
COMMUNITY DEVELOPMENT
DRAFT PROPOSED BUDGET 17-18

Community Development

• Good
  • Stronger Economy and More Development Activity
  • Essential Functions of Department Intact
  • Main Funds (862 and 863) are Healthy – Revenue Exceeding Projections
  • Efficiencies Improving through Technology and Code Changes– Improved Customer Service
  • People
DRAFT PROPOSED BUDGET 17-18

Community Development

• Bad
  • Staffing Levels Extremely Low; No Capacity to Respond to Opportunities, Council Requests, etc.
  • Quantity of Work Produced Good; Quality Has at Times Suffered
  • Difficulties in Recruiting for Key Positions/Training New Staff
  • Responding to Constantly Changing Regulatory Environment
Community Development

• Ugly (On the Horizon)
  • Correcting the “Bad” Will Take Time – No Quick Fixes
  • Filling Critical Staff Positions as Staff Retires
CITY OF CHICO, DRAFT PROPOSED BUDGET 17-18
PUBLIC WORKS: ENGINEERING
DRAFT PROPOSED BUDGET 17-18
Public Works - Engineering

• Good
  • $34 Million in outside (State & Federal) funding secured since May 2015
  • Received GOLD STATUS as a Bicycle Friendly Community through the League of American Bicyclists (previously held Silver ranking)
Public Works - Engineering

- Good
  - Continued to build strong, positive relationships with agencies such as CSU-Chico, Butte College, CARD, Chico Unified School District, Butte County, Caltrans, Chamber of Commerce, DCBA
  - Development Engineering maintained excellent customer service despite overwhelming activity with extremely limited staffing, utilized consultants to help carry work load as best as possible.
  - Update of Development Impact Fee (DIF) Program
Public Works – Engineering – C.I.P.
SR32 Widening – PHASE 2 (CIP #15010)
Public Works – Engineering – C.I.P.

BIKEWAY 99 – PHASE 4 (CIP #50166)
Public Works – Engineering – C.I.P.
BIKEWAY 99 – PHASE 5 (CIP #50347)

COMMUNITY WORKSHOP

20th Street Pedestrian/Bicycle Overcrossing Feasibility Study
Public Works – Engineering – C.I.P.
CERES (LINDO CHANNEL) PEDESTRIAN BRIDGE REHAB (CIP #50347)
Public Works – Engineering – C.I.P.
WALNUT AVE (SR32) ROAD DIET (CIP #50336)
Public Works – Engineering – C.I.P.
ESPLANADE SAFETY & ACCESSIBILITY IMPROVEMENTS (CIP #TBD)
Public Works – Engineering – C.I.P.

BRUCE RD WIDENING (CIP #16038)
Public Works – Engineering – C.I.P.
IVY ST BUFFERED BIKE LANE (Part of CIP #16011)
Public Works – Engineering – C.I.P.
SALEM ST BRIDGE WIDEN @ LCC (CIP #50231)
Public Works – Engineering – C.I.P.
GUYNN RD BRIDGE REPLACE @ LINDO CHANNEL (CIP #50232)
Public Works – Engineering – C.I.P.
POMONA AVE BRIDGE WIDEN @ LCC (CIP #50233)
Public Works – Engineering – C.I.P.
SR99 – EATON RD RAMP IMPROVEMENTS (CIP #13023)
Public Works – Engineering – C.I.P.
EATON RD EXTENSION (CIP #12056 / DEVELOPER)
Public Works – Engineering – C.I.P.
RIVER RD TRUNKLINE REPLACEMENT (CIP #17009)
Public Works – Engineering – C.I.P.
ANNUAL ROAD MAINTENANCE (CIP #18907) - 2018
Public Works – Engineering – C.I.P.

DOWNTOWN ROUNDABOUT LANDSCAPING (CIP #50126)
Public Works – Engineering – C.I.P.

EMERGENCY VEHICLE PRE-EMPTIVE SYSTEM (CIP #50337)
Public Works – Engineering – C.I.P.
CALTRANS PROJECTS

• IVY STREET @ 8TH AND 9TH STREETS – TRAFFIC SIGNAL INSTALLATION
• NORTHBOUND SR99 – EAST AVE RAMP WIDENING
• Phase 2 and 3 of ADA improvements along SR32 corridor
DRAFT PROPOSED BUDGET 17-18
Public Works - Engineering

• Bad
  • Limited capacity to review and approve development projects/entitlements. Results in longer review times for developer projects that affect economic development. Overwhelms lone staff member, burn out
  • Inability to meet obligations of State mandates for storm water management (City MS4 Permit)
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Public Works - Engineering

• Bad
  • High use of consultants to complete CIP elements, results in higher project costs and inefficient sequencing & internal coordination
  • Limited to no discretionary funding, therefore CIP driven heavily by restricted funds for very specific uses
DRAFT PROPOSED BUDGET 17-18
Public Works - Engineering

• Ugly
  • DEFERRED MAINTENANCE OF CITY INFRASTRUCTURE
    • INCLUDES: Roads, Bridges, Storm Drains, Right-of-Way Landscaping, Parks, Street Trees, City Building Facilities, Sidewalks, Bike Paths, Traffic Safety & Signal Equipment
      • CURRENT Budget Allocations: ~ $6.6 Million
      • MINIMUM Needed Allocations to maintain: ~ $16.2 Million
      • DESIRED Allocations to optimally maintain and enhance: ~ $26.2 Million
Public Works - Engineering

- Bad
  - Outdated City Standards and ability to update CMC with current staffing resources to ensure efficient delivery of projects (both public and private)
Department of Public Works
Operations and Maintenance
Streets
Fleet
Street Trees
Parks
Facilities
Airport
Sewer
Storm Drain
Good – Our Successes

• New management & supervisor leadership
• Successful storm management
• Sewer collection crew staffing
• LED retrofit project
• Facilities assessments & software
• Airport improvements
• WPCP efficiencies
Bad & Ugly

• Funding
• Deferred maintenance costs
Public Works (All, annual allocation)

$16.2 Million Minimum Maintain Current Condition

$6.6 Million (Current)
Fleet

• Replacement schedule needs
• Rising cost of public safety vehicles
• Highly effective support staff
WPCP – Restructure (current)
WPCP – Restructure (proposed)

- Water Pollution Control Plant Manager
  - Office Assistant
  - Maintenance Supervisor
    - Electrical Technician
    - Senior Industrial Waste Inspector
    - Industrial Waste Inspector
  - Lead Operator III
    - WWTP Operator III
  - Senior Lab Technician
    - Laboratory Technician
    - WWTP Operator III
    - WWTP Operator III
Parks

- Large park with many impacts
- Need 3 additional staff members
- Staff & Community
- Local agency partners
- Re-focus on core objectives
Street Trees
Street Trees

• Increased maintenance needs
• Need 3 staff
• Cost effective insourcing
• Maintain contractual services
Airport
Airport

- No commercial air, losing $1M annually
- Taxi and runway reconstruction
- 3 prong approach
Facilities
Facilities - Capital

- Reset to operational standard
- Planned maintenance
- Refurbishment

$925k Annually Desired

$322k Current

$603k Funding Gap

- Maintain current conditions
- Reactive maintenance
Facilities - Operational

Landscape Maintenance

- Insourced from outside contract
  - Two new staff
- Focus on city facilities & buildings
- Higher level of detail and quality
- Seasonal flexibility
- Strategic maintenance offset program
Streets
Streets

- $10 Million
  - Increase pavement condition index
  - Reduce future maintenance costs
- $1 Million (current)
  - Decrease pavement condition index
  - Reactive repairs, pothole patching

Current funding = 10% of need
Streets - Outlook

• Cooperation with engineering
• Preventative maintenance
• Waste hauler franchise fee
Public Works (All, annual allocation)

- $16.2 Million Minimum
  Maintain Current Condition
- $6.6 Million (Current)