

TO: City Council
FROM: James L. App, City Manager
SUBJECT: **Recovery Plan – Rebuilding Public Services**
DATE: March 24, 2012

NEEDS: For the City Council to consider establishing priorities for rebuilding public services.

- FACTS:**
1. The great recession reduced tax revenues by more than \$7,000,000 per year.
 2. Spending was cut by an equal amount through:
 - Wage freeze; &
 - Job elimination; &
 - Employee benefits reductions; &
 - Contract services termination; &
 - Maintenance deferrals; &
 - Service reductions.
 4. The most significant cost savings resulted from elimination of 76 jobs (out of a total 226). Staffing is now at 1991 levels (when the population was just 19,000).
 5. The result is reduced police, fire, and recreation services, as well as road and public facility maintenance.
 6. However, the spending reductions paid off – a balanced budget is projected this year, as is slow economic recovery [see Exhibit 1 – Financial Forecast].
 7. Given the magnitude of reductions, the recovery is not projected to offset the reductions (even in 2015). the City Council requested development of a recovery plan.
 8. The City Council requested development of a recovery plan. On February 11th a public meeting was held to discuss recovery priorities.
 9. An overview of broad community challenges, City services, as well as operating department's scope of service, were provided [see Exhibit 2 – Public Needs, Exhibit 3 – City General Fund Services, & Exhibit 4 – Department Briefings/Presentations].
 10. Forty citizens attended the February 11th meeting. Meeting participants commented that [see Exhibit 5 – Recovery Workshop 2/11/12 Notes]:
 - all City services and facilities have been negatively impacted by the recession
 - all services are important/needed
 - the issue is funding

11. Council members requested:

- a second workshop,
- a list of “must haves” from Departments,
- options to consider selective use of reserves, and
- options for new revenue, specifically new tax revenues.

[See Exhibit 6 – Department Must Haves; Exhibit 7 – Tax Options].

**ANALYSIS &
CONCLUSION:**

Confronted by massive revenue losses, the City had to dramatically reduce its costs. Expenditures were reduced by \$7,000,000 per year. The cuts required elimination of 35% of City jobs, reduction of public services, and deferral of facility maintenance.

Looking forward, and assuming no substantive increases in costs (or recovery of staff, services or maintenance), a sluggish recovery is projected to yield only small surpluses through fiscal year 2015. While this is comparatively good news, it remains unclear if/when recovery may become sufficiently vigorous to restore recession losses, even more generate enough income to confront the major challenges of deferred maintenance (roads, parks, and public buildings), public education, poverty, hunger and homelessness.

It is against this backdrop – i.e., many needs but little capacity - that a discussion of recovery priorities ensues. So, choices must be made to free up money to pay for recovery priorities. The options to generate cash include additional labor concessions, more service eliminations, privatization of City facilities/services, and/or increase revenues. Given the cuts of the past four years, the first two options would likely not prove long-lasting. Privatization of facilities and/or services might be viable in some cases, but would not produce cost savings of a magnitude to offset recession losses.

So, **IF** restoration of losses and/or addressing the major challenges enumerated above is deemed important to accomplish within the next 5-15 years, then the only means to generate the revenues required would be a new tax.

POLICY

REFERENCE:

Council Goals; Layoff Prevention Plan; Fiscal Policy.

FISCAL

IMPACT:

Recovery of recession losses will require approximately \$7,000,000 per year; deferred maintenance necessitates an additional \$7,000,000 annually. The only means to generate millions of dollars more every year is through a new tax. If there is no appetite for additional taxes, then service levels will not recover. In fact, with future inflationary pressures, service capacity will decline.

- OPTIONS:**
- a. For the City Council to consider:
 - Setting recovery priorities, &
 - Identifying privatization opportunities (if any), &
 - Determining revenue generation preferences (if any).

 - b. Amend, modify or reject the option above.

- Exhibits:
- 1 – Financial Forecast
 - 2 – Public Needs
 - 3 – General Fund Services
 - 4 – Department Briefings/Presentations
 - 5 – Recovery Workshop Notes
 - 6 – Department “Must Haves”
 - 7 – Tax Options

General Fund Summary of Revenue & Expense 5 Year Summary

<u>GENERAL FUND REVENUE</u>	<u>PROJECTED</u>					<u>Total 5 Years</u>
	<u>FY10/11</u>	<u>FY11/12</u>	<u>FY12/13</u>	<u>FY13/14</u>	<u>FY14/15</u>	<u>Total 5 Years</u>
Property Tax	8,291,000	8,128,000	8,206,000	8,370,000	8,620,000	41,615,000
Sales Tax	7,073,000	7,583,000	7,905,000	8,241,000	8,612,000	39,414,000
Transient Occupancy Tax	2,999,000	3,293,000	3,425,000	3,562,000	3,705,000	16,984,000
Other Taxes	2,040,000	2,092,000	2,239,000	2,348,000	2,444,000	11,163,000
Licenses/Fees	843,000	812,000	821,000	830,000	926,000	4,232,000
Fines/Interest/Other Agency	1,105,000	851,000	817,000	817,000	822,000	4,665,000
Charges for Current Services	950,000	814,000	823,000	834,000	907,000	4,328,000
Transfers In/Miscellaneous	<u>1,033,000</u>	<u>988,000</u>	<u>988,000</u>	<u>988,000</u>	<u>988,000</u>	<u>4,985,000</u>
Total Revenue	<u>24,334,000</u>	<u>24,561,000</u>	<u>25,224,000</u>	<u>25,990,000</u>	<u>27,024,000</u>	<u>127,133,000</u>
<u>GENERAL FUND EXPENSE</u>						
Salaries/Wages/Benefits	16,720,000	16,433,000	16,650,000	17,091,000	17,523,000	84,417,000
Maintenance & Operations	10,719,000	10,950,000	11,331,000	11,530,000	11,869,000	56,399,000
Transfers/Debt Service/Equip.	847,000	555,000	581,000	581,000	581,000	3,145,000
Allocations To/From Others	<u>(3,642,000)</u>	<u>(3,523,000)</u>	<u>(3,660,000)</u>	<u>(3,660,000)</u>	<u>(3,660,000)</u>	<u>(18,145,000)</u>
Total Expense	<u>24,644,000</u>	<u>24,415,000</u>	<u>24,902,000</u>	<u>25,542,000</u>	<u>26,313,000</u>	<u>125,816,000</u>
Projected Revenue vs Expense	<u>(310,000)</u>	<u>146,000</u>	<u>322,000</u>	<u>448,000</u>	<u>711,000</u>	<u>1,317,000</u>
Fund Balance	10,145,000	10,291,000	10,613,000	11,061,000	11,772,000	

NOTE: Assumes no new contractual wage increase after July 2012.
NOTE: Assumes program changes thru FY2015

PUBLIC NEEDS

The great recession appears to be ending. The City survived by making significant adjustments to its workforce and services, coupled with a judicious use of savings. But, there are consequences including inadequate road, park & public building repair, significantly reduced service capacity, and elimination of programs.

For public activities supported by taxes, here are some of the major needs:

- Road Repairs

Generally, City road conditions rate about a '60' on a scale of '100'. From school, most recognize 60 out of 100 as a 'D'. And, to make matters worse, road conditions are not static, i.e., they continue to deteriorate. To improve driving conditions, a one-time investment of \$80 Million dollars, PLUS another \$3.2 Million annually for maintenance, would be required.

- Police

Currently, there are enough police officers for a community of about 20,000 – but, we number 30,000. So, services are necessarily focused on the most critical matters, and officers are stretched to the limit. To handle the work generated by a City our size, 15 more officers would be needed. That would cost about \$2 Million more per year. And, as population increases, even more officers would be needed.

- Emergency Services

Fire suppression, multiple hazard and disaster response, and medical aid for 30,000 people require 30 fire/emergency medical personnel. Currently there are 22. So, to serve the needs, 8 more personnel would be needed at a cost of approximately \$1 Million per year more than today.

- Parks & Buildings Maintenance & Repairs

The City owns and operates 205,000 square feet of buildings plus 170 acres (7.4 Million square feet) of parkland, trails, and open space. Proper maintenance and repair would cost roughly \$5.5 Million annually. Currently, only \$1.5 Million is available. So, another \$4 Million per year would be required.

The needs total \$10 Million per year, or 40%, more than comes in today, plus a one-time bounce of \$80 Million. [For context, economic recovery is projected to generate about \$750,000 more per year by 2015.] Importantly, that amount does not include restoring suspended Recreation programs, covering the increasing costs of doing business, or replacing facilities as they wear out.

Additionally, there are other community needs:

- Education

Paso Robles public schools have lost millions of dollars with no reduction of students served. Cuesta College has suffered too. What has resulted is loss of faculty and staff, larger class sizes, fewer class offerings and (possibly) fewer days of instruction. This compromises the preparation of our youth, and the retraining of adults, for future employment and thus the competitiveness of Paso Robles as a place for business and industry.

- Unemployment

One of every eleven able-bodied adults is unemployed; even more may be underemployed. And, while economic recovery may spawn new job opportunities, local job growth will be slow and, most likely, in the hospitality, retail and service occupations – occupations with historically low pay. Additionally, the continuing deterioration of educational opportunities lessens prospects of attracting higher paying jobs as local labor will not be prepared for the demands of higher paying jobs.

- Poverty

One in seven lives in poverty (a family of four earning less than \$22,000/year is considered to be in poverty); that's 4,000 Paso Roblans struggling to survive.

- Hunger

One in seven is 'food insecure' (meaning there is limited or uncertain availability/accessibility of nutritionally adequate and safe foods). Thousands of our neighbors and school children go hungry.

- Homelessness

Over 700 Paso Roblans, including 300 children, are homeless.

CITY GENERAL FUND SERVICES

I. Public Safety

A. Police

- Core Services (patrol; traffic; detectives)
- Special Enforcement (narcotics; gangs; schools; etc.)
- Community/Crime Prevention Programs (Code Enforcement, DARE; Neighborhood Watch; etc.)

B. Emergency Services

- Core Services (fire suppression; medical aid)
- Special Services (code enforcement; bldg. plan check)
- Community Services (business inspection; disaster preparedness; etc.)

C. Building Inspection

- Plan Check
- Field Inspection
- Code Enforcement

II. General Services

A. Maintenance

- Road, Bridges, & Sidewalks
 - Signs
 - Striping
 - Sweeping
 - Resurfacing
 - Grinding/Patching
 - Drainage
- Parks & Parkways/Medians
 - Playfield Preparation
 - Irrigation & Mowing
 - Landscape Care
 - Play Equipment
 - Restrooms
- Buildings & Pools
 - Janitorial
 - Pool Use Support
 - Light Repair/Upkeep
 - Major Repair & Replacement
 - Meeting Room Support

- Fleet
 - Cars
 - Trucks
 - Public Transit
 - Heavy Equipment

B. Solid Waste

- Trash hauling & recycling contract administration
- Landfill operation contract administration
- Landfill site engineering & monitoring
- Rate setting

C. Accounting & Finance

- Budgeting & Accounting
- Financial Forecasting & Reporting
- Accounts Payable/Receivable, Payroll, etc.
- Accounting/Budgeting/Reporting Information System

D. Marketing/Tourism Promotion

- Tourism web site support
- Hotel B.I.D. support
- Major event support
- VCB Coordination
- Contracts (Chamber, Main St. & PRWCA)

E. Human Resources Management

- Employment & Development
- Classification & Compensation
- Labor & Employee Relations
- Occupational Safety
- Compliance

F. Risk Management

- General Liability
- Property Liability
- Workers Compensation
- Claims Administration
- Litigation Support

G. Information Systems

- Network Design & support
- Finance/Accounting System administration & support
- Public Safety communications & mobile systems support
- Geographic Information Systems
- City web design & support
- User support

H. City Clerk

- Public Information
- City Council Meeting Administration
- Legislative Record Administration
- Election Support
- State Reporting

I. Other

- Project Design
- Project Management
- SLOCOG Coordination

III. Development Services

A. Planning

- C.E.Q.A./Compliance
- Development processing
- Long-Range Planning, General Plan, Specific Plans, etc.
- Redevelopment Agency Support
- Housing & CDBG

B. Engineering

- Plan Check
- Development Standards
- Development Processing
- Infrastructure Planning
- Circulation/Traffic Engineering
- Development Impact Fee Administration

IV. Library & Recreation Services

A. Recreation

- Sports – Youth, Adult & Tournaments
- Senior Center & Programs
- After-School Programs
- Aquatics – Municipal & Centennial Pools
 - Lessons
 - Open Swim
 - Group Classes
- Classes

B. Library

- Electronic Resources
- Books, Audio, Video, & Magazines
- Special Reading, Art, & Culture Programs
- Study Center

***Service Delivery Options 2012 and Beyond
City Manager's Office***

The City Manager's Office provides internal structural support for the organization. The services and programs provided are often not the things that are particularly noticed "on the street," but are the necessary (essential) functions which enable the delivery of services by each department of the City.

Overview of Support Programs /Operations

City Council Business Support

City Council Agenda Management
Calendaring of Meetings (workshops / briefings)
Proclamations / Celebrations / Travel Arrangements

City Clerk Services

Legislative Record Administration
Public Information Accessibility
State Reporting Compliance
Election Support

Information Technology

Network Design & Support
Finance/Accounting System Administration & Support
Public Safety Communications & mobile systems support
Geographic Information Systems (GIS)
City web design & support
User Support

Human Resources

Employment & Development
Classification & Compensation
Labor & Employee Relations
Compliance

Risk Management

General Liability / Property Liability
Workers Compensation
Claims Administration
Litigation Support
Safety Programs / OSHA Compliance

Marketing/Tourism Promotion

PCC coordination and support
TPRA (Hotel BID) administrative support
Tourism Website support (www.travelpaso.com)
Contracts (Chamber, Main Street & PRWCA)
Major event support
Social Media program

Airport

Business / Lease focus*

*Non-General fund

Staffing

There are 15 budgeted positions to provide the programmed services described. Of those, only 10 are currently filled. Of the five non-filled positions, two were positions budgeted but never filled (IT Technician and Risk Manager) and three were people who left, but whose positions were not refilled.

Service Modifications since 2008

In a distressed economic environment, internal and external service demands rise. Examples include: general liability (“trip & fall”) claims, more complex personnel/labor matters, and high demand for information requests. With less people to tend to those service needs, it is necessary to prioritize and reorganize resources.

Core priorities are driven by legal and regulatory mandates so that delivery of services meet compliance standards at all levels. Examples include:

- Council Agendas/minutes
- Public records requests / Elections / FPPC Filings
- Risk/Liability claims

Since 2008 the following administrative positions became vacant:

- Deputy City Clerk
- Executive Secretary
- Benefits Administrator

These vacancies resulted in reassignment of resources between work divisions:

- Webmaster has absorbed Council Support & Deputy City Clerk duties
- Administrative duties redistributed among all CMO administration
- Benefits administration absorbed by HR administration

The reorganization of work has formed new systems and methods to deliver services to the public and to the organization. We are meeting legal mandates and compliance deadlines, but do not have the ability to implement service enhancements.

Cost Savings Measures implemented since 2008

As the economic challenges mounted, cost avoidance was a key focus (not spending money that we didn't have). To do this, we did the following things:

- Computer/Copier replacement schedules stretched (increasing usable cycle 1 to 3 years)
- Renegotiation of office maintenance contracts (saving over \$30K/year)
- Scheduled purchases deferred (deferred/reduced over \$70K/year)
- Restructuring of cell phone contract (estimated \$21,000/year savings)
- Eliminated non-essential travel and training
- Tourism contracts reduced 25%
- Personnel attrition

Over all – approximately \$600K in reoccurring savings have been accomplished, mostly through loss of employees.

Future Options and Recommendations

Existing contracts were evaluated with the consideration of their wholesale elimination and/or the capability to provide those same contracted services with in-house talent. Also, existing services historically provided in-house were evaluated for the potential of being outsourced.

In evaluating restructuring of service options, it is necessary to weigh and balance not only costs, but efficiency impacts to operations and the potential consequence of diminished service capabilities and/or income streams. With that in mind, the following service restructuring possibilities are offered for discussion. While they are not necessarily recommended for implementation, this will be the decision of the City Council as other competing interests are weighed.

1) Outsource Information Systems

By way of background, the City's Information Technology (IT) staff supports a \$ 1.1 million computer equipment fleet that includes over 200 PCs and Mobile Data Computers / 23 copiers / 25 servers to connect 12 satellite sites / a 911-dispatch system and 170 desk phones w/ networked voicemail system / and Geographic Information System (GIS) mapping for Water/WW/ Police & Fire needs.

In addition to the fleet of hardware the IT staff manages and supports multiple departmental software systems that are custom oriented for their individual service delivery needs. Examples of these systems include:

- Websites (City site / Tourism site) and Departmental Webpages
- Utility monitoring and operation systems (SCADA system)
- City wide Finance System and Utility Billing System
- Firehouse Software for State reporting and response planning
- Police CAD (Computer Aided Dispatching) and RMS (Records Management System)
- Police/Fire/Public Works Mobile Data Computers (MDC) fleet
- Library tracking/check-out System and Recreation program reservation system
- Public Works centralized irrigation timing system

Each department uses the services of the IT staff to support their service delivery needs, functioning similar to individual enterprises. The departments' software programs and systems are generally more technical/customized than typical "office support," but that sort of desk-help service is also provided by the staff of five.

Certain IT service needs are currently outsourced as needed, including Network System expansion / copier repair / anti-spam and anti-virus systems / and website hosting. It would be possible to consider additional outsourcing IT technical support, utilizing firms such as Tech-Express for service calls and software management. These contracts are generally set up on time and materials, as-needed basis; a technician is available by phone or may be dispatched.

The City has some historical experience with outsourced IT services in the late eighties and early nineties as computer systems were just coming on line. As computer use began to expand, it became evident that organized and centralized support would increase efficiency of operations.

The City's Information Systems Strategic Plan was adopted in 1994 to map out the IT infrastructure needs of the city organization to build in-house expertise which would allow the city to move away from outsourced/fragmented IT service. The core goals of the IS Strategic Plan were/are to:

- 1) provide a centralized support base
- 2) create efficiencies
- 3) engage in on-going training

To further expand IT outsourcing would be in conflict with the City's IS Strategic Plan. However, if the Council determines that in the context of overall competing service needs there is merit in considering decentralized and outsourced services for the City's Information System needs, a detailed evaluation/analysis can be generated for consideration.

2) Modify / Eliminate Tourism Program

The City had historically supported visitor and tourism needs through outsourced contracts with both the Chamber of Commerce (Visitor Center and previously the operation of a VCB) and with Main Street (for Down Town promotional activities).

Then in 2007 the City expanded that tourism and marketing support by establishing a Tourism/Marketing Program within the City Manager's Office. The program included budget for a fulltime administrative position (tourism coordinator) / continued outsourced marketing contracts / and the development and support of a broad serving visitor website www.travelpaso.com.

The City currently contracts with the Chamber / Main Street / and the Paso Robles Wine Country Alliance to accomplish the marketing goals established by the Promotions Coordinating Committee (PCC). These services aim to expand the Paso Robles "brand" and attract additional visitors to Paso Robles who in turn inject money into the local economy through hotel stays and patronizing local restaurants, wineries and retail establishments. The City receives funding through generated Transient Occupancy Tax (TOT) and retail sales tax.

In 2009 the local hoteliers formed a Business Improvement District (BID) to generate funding to be specifically used to market and promote Paso Robles tourism and increase visitor hotel stays. The City supports these efforts in a fiduciary and administrative role. Since its formation, the Hotel BID has generated an average of \$500,000 per year for marketing and promotions. The advisory committee (Travel Paso Robles Alliance / TPRA) guides the marketing effort and coordinates with the PCC tourism partners.

While the City is supportive of marketing as a key piece in the success of tourism and its economic benefits, there may be other private (non-governmental) sources that are better equipped and/or qualified to deliver these services. The City Council may wish to explore eliminating its tourism program and reassigning internal resources to other needed efforts. The www.travelpaso.com website might be sold/entrusted to an existing marketing partner and the related outsourced marketing contracts shifted to privately funded support.

Such a service restructuring would be a substantial shift in our current business model and would likely have significant transitional challenges. However, if the Council determines that in the context of overall competing service needs there is merit in considering privatization of marketing and tourism services, a detailed evaluation/analysis can be generated for consideration.

City Manager's Office

Recovery Plan Presentation

February 11, 2012

City Support Operations

- City Council
- City Clerk
- Information Technology
- Human Resources
- Risk Management
- Tourism / Marketing
- Special Projects

Staffing

- 15 Budgeted Positions
- 10 Filled
 - 3 Positions became vacant
 - 2 Positions budgeted but never filled

Service Modifications

- **Service demands are up in this environment**
 - Liability Claims
 - Personnel Needs
 - Public Records Requests
- **Legal Mandates remain priority**
 - Council Agendas / Minutes
 - Public Records Requests / Elections / FPPC filings
 - Risk / Liability Claims

Service Modifications

- Reassignment of resources
- New systems have been formed
- We are meeting legal mandates
- No ability to implement service enhancements

Savings Measures

- Computer / Copier replacement schedules stretched
- Renegotiation of office maintenance contracts
- Eliminated non-essential travel and training
- Restructuring of cell phone contract
- Scheduled purchases deferred
- Tourism Budget trimmed
- Personnel attrition

Future Service Options

- Existing Contracts evaluated
- In-house Services evaluated
- Key Considerations
 - Cost savings
 - Efficiency impacts
 - Diminishment of services
 - Depletion of revenue streams

IT Services

City's Information Technology (IT) staff supports:

- \$ 1.1 million computer equipment fleet
- 911-dispatch system & 170 desk phones w/ networked voicemail
- Over 200 PCs & Mobile Data Computers / 23 copiers / 25 servers to connect 12 sites
- Geographic Information System (GIS) mapping for Water/WW/ Police & Fire needs
- Two Websites (www.prcity.com and www.travelpaso.com)
- Multiple departmental software systems

IT Outsourcing

- Some IT services already outsourced
 - Copier repair / website-hosting
 - Network services
- Additional outsourcing could be considered
 - Service calls / software management
- Conflicts with adopted IS Strategic Plan
 - Calls for standardization / centralized support
 - Strives for efficiencies

Tourism Program

- 2007 – City Tourism/Marketing Program established
 - Fulltime Admin Position (tourism coordinator)
 - Visitor Website www.travelpaso.com development
 - Continuation of Outsourced Marketing Contracts
- Outsourced Contracts fulfill marketing goals
 - Chamber – Visitor Center
 - Main Street – Downtown Promotion/Events
 - PR Wine Alliance – Public Relations
- Tourism Program
 - Attracts visitors
 - Benefits the local economy
 - Generates income for the City

Modified Tourism Model

- Marketing is a key factor in success of tourism
- Restructuring/elimination of program could be considered
 - Reassignment of staff resources
 - Sell/entrust www.travelpaso.com website
 - Shift marketing contracts to privately funded support
- Substantial shift in current business model
 - Potential impact to revenue stream
 - Requiring significant exploration
 - Transitional challenges

The road to recovery is challenging.

Questions?

To: Jim App, City Manager
From: Jim Throop & Dave McCue
Subject: Administrative Services Options 2012
Date: January 25, 2012

Department Overview

The department is responsible for actions as simple as answering the City's information phone line, to the annual budget, forecasting, year-end financial reporting, payroll, accounts payable/receivable, public transportation, utility billing and all other financially related issues.

Duties of Administrative Services

- Financial Reporting
- Budget & Forecasting & Research
- Accounts Payable/Receivable
- Business License
- Payroll
- Public Transit
- Investment
- Utility Billing Services
- Storage Rental Facility
- Revenue Collection

The Administrative Service department is organized in the following manner:

General Fund Employees

Director	1.0
Finance Manager	1.0
Accounts Payable Clerk	1.0
Payroll/Accounts Receivable Clerk	1.0
Administrative Assistant	1.0
Business License Clerk	0.5
<i>Accounting Coordinator</i>	<i>0.0</i>

Enterprise Fund Employees

Utility Billing Clerk	3.5
Transit Coordinator	1.0

Total Employees

Budgeted Positions	11.0
Filled Positions	10.0

General Fund Overview

General Fund staff is responsible for annual budgeting & forecasting, reporting of the City's finances to Council, State, Federal and other agencies. In addition, the staff is responsible for payroll and pension reporting, accounts payable/receivable, management of the rental storage units, oversight of investments, revenue collection for past due accounts, business license application and other duties as needed.

Enterprise Fund Overview

Water/Sewer Funds

The City has over 10,500 water/sewer customers. Meter reading, which is manual, is outsourced to a private company. The billing system and accounts are managed by staff, but the printing and mailing of the utility bill is provided by a private company.

Water/Sewer Staffing

Water/Sewer Fund employees are responsible for the monthly utility billing. This function is critical to the financial health of the Enterprise funds.

The staffing includes 3.5 billing clerks to manage the 10,500 accounts. The utility billing department is one of the smallest in the county, though the number of accounts is second largest in the county. This is only capable through dedicated staff and automating the processes where possible.

The department upgraded its billing system in 2005, implemented a bill scanning system, offered direct payment, online bill paying and accepting credit cards. All of the options have allowed the department to maintain its work load with no additional staff.

However, due to the small staffing level, routine account maintenance, for instance, is not always possible. Typically, this type of work is assigned when possible. For instance, if there is a "slow" point in a month (fewer new accounts, shut offs, etc.) verification of account info is worked on.

Transit Fund

The City operates its own public transportation system. It includes three fixed routes that operate 6 days/week and 12 hours/day. The Dial-A-Ride, a demand-response system, operates 5 days/week, 6 hours/day. The day-to-day operations are overseen by the City's Transit Coordinator. The Transit system and Transit coordinator are funded through State and Federal appropriations.

Possible Changes to the Department

Outsourcing to Private Sector

- Payroll – Outsource to private company all payroll duties.
 - Contact was made with a large national firm, however, due to the department's small size (one payroll clerk) there would be no savings as the company would still require at least one payroll clerk to assist the company on an ongoing basis.

The cost for the service would be approximately \$5/month/employee, not including any initial set-up fees, or an additional yearly cost of approximately \$11,000.

- Utility Billing – Outsource to private company.
 - Research was conducted and no private firms currently exist for this process. Inquiries were made to companies who conduct “sub-metering” billing, but due to the need for a “store front” presence, it was not profitable and the companies declined.

Outsourcing to Other Public Agency

- Public Transit – Outsource the Paso Robles Transit to another public agency.
 - Discussions are beginning with the Regional Transit Authority (RTA) for operation of the current Paso Express and Dial-A-Ride. Prior discussions showed interest by the RTA. Paso Robles would still retain oversight, but daily operations would be given to the RTA. No financial savings would be seen by the City as it is funded by the State/Feds, but the amount of staff time dedicated to Transit could be used in other areas.
- Utility Billing – Outsource to another public agency.
 - Discussions with another agency were made, but again, due to the cost of maintaining front counter access for Paso Robles customers, as well as the need to hire additional staff at the other agency, made this a less than desirable option at this time.

Suggestions for Optimizing Administrative Services

The following options are recommended for the optimization of the department.

Equipment

- Financial Management System – The current finance system is over 25 years old and is no longer sold or updated. Vendor support is minimal, at best. Currently, less than 8 California cities still use this software.

Due to the system’s antiquity, departments keep shadow-systems in order to know their budget versus actual expenses.

A new system would allow for all departments to better track their budgets. It would also allow for tracking employee history, training, recruitment, etc. Lacking the ability to easily and correctly track budget to actual or pull data quickly and efficiently was a significant hindrance during this economic recession.

Staffing

The following staffing positions are recommended:

- **Accounting Coordinator** (fill vacant position) - The Accounting Coordinator would facilitate timely and comprehensive General Fund/Enterprise reporting customer service, and staff and supervision.

- **Budget Analyst** – This new position would assist with the development of the budget as well as all ad hoc reporting. Currently, it is difficult to pull data and create reports in a timely manner due to the limited financial system. This position could assist departments by analyzing their budget and expenses for improvements.
- **Business License Clerk** – Business license revenue should be about 4.0% of a City's General Fund revenue. Currently, only 2% of the General Fund revenue is collected from business licenses. This is a shortfall of approximately \$358,000, in FY2012, when using the 4% assumption. At this time, the department uses one of its utility billing clerks to process business licenses. The clerk essentially only spends half their time on business license and typically the time is centered around the annual application period. A full-time clerk could also begin auditing businesses within the City for compliance.

ADMINISTRATIVE SERVICES

- Duties
 - Financial Reporting
 - Budget & Research
 - Payroll
 - Accounts Payable/Receivable
 - Business License
 - Revenue Collection
 - Investment
 - Public Transit
 - Utility Billing Services
 - Storage Rental Facility



STAFFING

- General Fund
 - Budgeted – 6 positions
 - Filled – 5 positions
- Enterprise Funds
 - Utility Billing Budgeted – 4
 - Utility Billing Filled – 4
 - Public Transit Budgeted – 1
 - Public Transit Filled - 1



- Due to limited staff, crossing-training has been done so that staff may assist one another during sick time, vacations, etc.

OUTSOURCING - PRIVATE SECTOR

■ Payroll

- Contacted private companies
- Requires minimum of one payroll clerk to use outside company
- No salary savings, but an additional \$5/person/month to use private company - \$11,000/year additional cost

■ Utility Billing

- No private companies currently offer this service
- Contacted “sub-metering” companies, but no interest due to staffing of local office

OUTSOURCING - PUBLIC AGENCY

- **Public Transit**
 - Began discussion with prior RTA director
 - RTA showed interest in being the operator the transit system
 - Initial discussion would allow Paso Robles oversight of the city transit system
 - No financial savings as funding comes from State/Feds for transit
- **Utility Billing**
 - Contacted local agency to discuss
 - No interest due to staffing/office /supervision issues/billing cycles/rates/etc.

OPTIMIZING - STAFFING

- Accounting Coordinator
 - Fill vacant position
 - Positions assists with reporting and supervision/fill-in of Utility Billing
- Budget Analyst
 - New position
 - Assist in all budgeting and ad hoc reporting
 - Assist departments in analyzing their budget/expenses for cost savings
- Business License Clerk
 - New position
 - Allows for auditing businesses
 - Concentrate on compliance of businesses outside city limits

OPTIMIZING - EQUIPMENT

- Financial Management System
 - Current system over 25 years old, no longer sold or updated
 - Less than California 10 cities still use the system
 - Not user-friendly
 - No Human Resource module
 - Does not integrate with any other software from other vendors
 - Approximate cost of new system over a 10 year period is approximately \$950K.
 - Approximately \$500K available in Equipment Replacement Fund
 - Enterprise Funds will cover a proportional share of the cost
 - Approximately 12 - 18 month implementation, after selection is made

ADMINISTRATIVE SERVICES

QUESTIONS?

SERVICE DELIVERY OPTIONS 2012 AND BEYOND LIBRARY AND RECREATION SERVICES

Adversity is like a strong wind. It tears away from us all but the things that cannot be torn, so that we see ourselves as we really are.

-- Arthur Golden, *Memoirs of a Geisha*

Nearly a year has passed since my last public summary of service reductions in the Department of Library and Recreation Services, ample time for the wind of adversity to make its presence known. LRS staffing is down 45%, a majority of traditional recreation programming has been transferred or suspended, a pool has been closed indefinitely, and Library spending on collections and programs has been significantly reduced.

Such loss, albeit painful at times, compels us to reevaluate the role of City government in providing Library and Recreation Services to the community. Few would question the essential nature of these services: in fact, extreme economic times have drawn citizens to Library and Recreation facilities in unprecedented numbers as they seek to improve their quality of life. What *is* in question, however, is whether the City can continue to be the sole provider of these opportunities.

HISTORICAL PERSPECTIVE

Purpose

Library and Recreation divisions were linked in the fall of 1997 as an efficiency measure and in recognition of the complementary nature of services provided. The public library serves many educational, cultural and recreational needs; recreation programming offers similar experiences, with a greater emphasis on fitness and sports. A close working relationship with Public Works also exists in coordinating field use and maintenance.

- *Library Division*
 - Reference Services
 - Children's Services
 - Adult Services
 - Community programs
 - Public Internet access, including WiFi
 - Circulating collection, including books, audio/visual materials, downloadable ebooks and magazines.

- *Recreation Division*
 - Youth Sports
 - Adult Sports
 - Senior Services
 - Aquatics, including open swim, swim lessons and fitness classes
 - Centennial Pool
 - Municipal Pool
 - After-school programs
 - Contract classes
 - Facilities rentals—BBQ pavilions, meeting rooms, kitchen, etc.

Staffing

LRS came close to achieving optimal staffing levels in 2007 after the successful recruitment of a Technical Services Librarian. This new hire would have raised staffing for the entire department to a full-time equivalency of 37.4 at a cost of about \$2,680,000. With the start of an economic downturn, however, the new librarian was not hired. Shortly thereafter, a citywide hiring freeze and retirement incentive program were implemented, reducing LRS staffing to 17 FTE, a 45% reduction. Current LRS staffing costs are just under \$1,338,000.

POSITION	NOTES	HISTORICAL #	MAXIMUM BUDGETED + Benefits	CURRENT #	CURRENT EXPENDITURES
Executive Director	filled--interim	1	228,121	1	183,580
Prof Mgr III (City Librarian)	vacant	1	186,309	0	0
Prof Mgr II (Recreation Mgr)	filled--interim	1	149,872	1	121,973
Prof Mgr II (Library Mgr)	temporary position, pending City Librarian	0	0	1	121,973
Adult Services Librarian	vacant	1	110,373	0	0
Children's Librarian	filled--(reduced schedule thru 12/11--not computed)	1	110,373	1	110,373
Reference Librarian	vacant	1	110,373	0	0
Technical Services Librarian	authorized but never filled	1	110,373	0	0
Volunteer Coordinator	filled	1	110,373	1	110,373
Youth Coordinator	vacant	1	110,373	0	0
Senior Coordinator	vacant	1	110,373	0	0
Sports Coordinator	vacant	1	110,373	0	0
Marketing Coordinator	filled	1	110,373	1	110,373
Admin Asst. III--Library	filled	1	92,393	1	92,393
Admin Asst. III--Rec	vacant	1	92,393	0	0
Admin Asst. II--Rec facilities	filled--(reduced schedule thru 12/11--not computed)	1	83,795	1	83,795
Admin Asst. II--Rec Advisory Committees	filled--(reduced schedule thru 12/11--not computed)	1	83,795	1	83,795
Staff Asst. IV (\$22.75/hr)--FTE	2.4 authorized/1 currently	2.4	117,270	0.1	4,886.00
Staff Asst. III (\$18.25/hr--PERS)--FTE	1 authorized/1 currently	1	51,611	1	51,611.00
Staff Asst. III (\$18.25/hr--No PERS)--FTE	4.3 authorized/9 currently	4.3	168,551	0.9	72,124
Staff Asst. II (\$15.50/hr)--FTE	9.2 authorized/4.7 currently	9.2	306,277	4.7	151,528
Staff Asst. I (\$13.00/hr)--FTE	4.5 authorized/1.4 currently	4.5	125,647	1.4	39,050
		37.4	2,679,190	17	1,337,867

CURRENT STATUS

Continued economic decline after 2007 resulted in deficit spending for the City. Rather than tap heavily into reserves, various cost-cutting and revenue-generating strategies were implemented. Impacts on Library and Recreation Services are as follows:

Library

- Cuts in collection spending and programming.
 - In FY 10-11, Librarians spent nearly 25% less on books and other circulating library materials than they did in FY 07-08—this, in spite of the rising cost of books and magazine subscriptions in particular.
 - The number of library programs (such as story times, film events, children's craft activities, and public performances) is at 50% of the level offered in RFY 07-08.
- Significant reduction of research assistance by professional (master degreed) library staff.
 - The one Professional Reference Librarian retired in December, 2010, and the position remains unfilled.
 - The Professional Children's Librarian is working 20 hours per week per the Layoff Prevention Plan's option to reduce schedules; her time at public desks has been almost completely turned over to part-time support staff and volunteers.
 - The Professional City Librarian is now the interim Director of Library and Recreation Services. The City Librarian position remains unfilled.
- Elimination of community outreach.
 - The Adult Services Librarian is now the Acting Library Manager and has discontinued outreach service to the Senior Center. The Adult Services Librarian position remains unfilled.
 - The Children's Librarian has ceased visitations to area preschools as her reduced schedule does not allow time for this service.
- Increases in fines and fees
 - Library rates for library fines and Black Gold interlibrary loan fees were doubled as of July 1, 2011.
 - Charges for copying and faxing services were also doubled.

Recreation

- All youth sports have been transferred from Recreation to other community agencies.
 - YMCA (youth basketball)
 - Paso Robles Youth Baseball and Babe Ruth
 - American Youth Soccer Organization
 - Paso Robles Youth Football and Cheer
 - Paso Robles Girls' Softball
- All adult sports have been transferred from Recreation to other community agencies.
 - Paso Robles Adult Softball Organization
 - Adult volleyball is run as a contract class
 - Outdoor soccer is run by soccer leagues
 - Indoor soccer is run as a contract class.
- Tournaments
 - Recreation staff is no longer assigned to oversee weekend tournaments at Barney Schwartz Park, due to the resignation of the Sports Coordinator and reductions in recreation support staff.
 - Tournament organizers now handle their own field prep and receive minimal Public Works support due to staff reductions.
 - Tournaments are limited to 25 per year; should a tournament organizer cancel a reservation, the spot is to remain unfilled.
- Senior Services
 - The full-time coordinator of Senior Services is now the interim Recreation Manager. The coordinator position remains unfilled.
 - Many senior events and activities have been eliminated or streamlined.
 - Annual Senior Center Volunteer Appreciation Luau has been combined with the annual Senior Center BBQ to save on program costs.
 - Annual Black Tie Bingo event has been discontinued.
 - Annual Senior Center Tea Party-Fashion Show has been discontinued.
 - After-hours classes and facilities rental at the Senior Center have been discontinued.
 - Annual Senior Health Fair, a collaborative activity led by the City, has been discontinued.
- Trips—no recreation trips are currently offered.
- Events—several annual recreation events have been cancelled indefinitely.
 - Chocolate Fantasia
 - Middle Mania Dances
 - Kitefest
 - Fishing Derby
 - Father-Daughter Ball
 - Holiday Bazaar
- After-School Programs
 - The City's \$30,000 contract with the YMCA to conduct "Teen Extreme" at Centennial Park has been discontinued as of the 2011-12 school year. A less-structured program is now available to teens at Centennial Park.
 - The Oak Park youth afterschool program is now run via a contract between the YMCA and the Housing Authority.

- Aquatics
 - Centennial Pool was closed as of February 2011.
 - Municipal Pool is closed to the public on Sundays.
 - The number of swim lessons will be reduced by 20% this summer.
 - Adult aquatics fitness programs are run as contract classes.
- Classes--all participants in contract classes (art, fitness, dance, etc.) are now charged an additional \$10.00 per person participation fee.

FUTURE OPTIONS AND RECOMMENDATIONS

The wind of economic adversity has revealed that a variety of viable alternatives exist for what has been historically offered by the Department of Library and Recreation Services. While recent positive trends indicate that additional staff and service cuts may not be necessary, the successful transference of a good many recreation programs to other agencies begs the question: what further options exist to reinvent Library and Recreation Services?

Would our community be better served by:

1. Turning over additional operations over to other agencies?
2. Discontinuing some services altogether?
3. Returning the Department of Library and Recreation to historical service levels, reclaiming what has been transferred to date?

Possibilities include:

Library

- Reduce library hours—save \$100,000.
- Close the Library—save about \$650,000 in staffing and materials costs.
- Transfer administration of the City Library to the San Luis Obispo County system, Cuesta College or the Paso Robles School District—savings unknown.
- Privatize library operations—contract out library operations to a private company, Library Systems and Services (LSSI).

Recreation

- Lease Centennial Park and Pool to YMCA.
- Close entire Centennial Park facility and operations indefinitely—savings: \$945,300 (not counting Centennial Pool, since that savings has already been counted in previous Financial Forecasts so would not be additional savings.)
 - \$164,700 (M&O—Public Works)
 - \$280,600 (M&O—Rec Admin)
 - \$500,000 (Staff—Rec)
- Lease Barney Schwartz Park to Big League Dreams or other local business enterprise interested in running concessions, tournaments and leagues. Savings would vary according to terms of contract and opportunities for additional revenue.
- Discontinue all contract classes or turn them over to the YMCA to manage—save \$100,000 (Rec Staff).
- Turn Senior Center programming over to either senior volunteers or to an appropriate County agency (governmental or nonprofit)--save \$144,000 in staffing and materials costs.
- Close Senior Center entirely—save \$174,000.

- Lease Pioneer Park to the Paso Robles Events Center and to local history groups on site.
- Relinquish Muni Pool lease to Paso Robles School District—save \$137,000 (PW M&O) plus \$155,000 (Rec Staff)

Closer examination of the feasibility of these options narrows them significantly.

- Eliminating or reducing library access at a time when demand is at its greatest is marginally feasible at best. Eliminating the redundancy of library service by collaborating with the school district or Cuesta College is a worthy goal, but representatives from those agencies were not receptive to such a plan. As for privatization, I spoke to a representative from LSSI who was, frankly, in awe of the cost-effectiveness of our current library operations and acknowledged that it is unlikely that privatizing would save the City money. A discussion with a County Supervisor revealed that the County can ill-afford to take on an additional public library as it struggles to meet current funding needs.
- Last fall, the City issued a Request for Proposals to lease Centennial Pool, but not one proposal was received. The YMCA has indicated a willingness to provide programming at the pool, but the agency does not have the resources to cover pool maintenance. Funding issues aside, the Centennial Park/Facilities/Gym/Pool complex appears to be well-suited to the kinds of programming traditionally offered by the YMCA.
- The YMCA could be well-positioned to manage contract classes as well. While these classes do provide revenue to the City, they are ultimately not cost-effective as community members can seek other avenues for these kinds of classes.
- Big League Dreams and local business persons have expressed both the interest and ability to take over maintenance and operations at Barney Schwartz Park. There is real promise and flexibility in this option which could both reduce City expenses and generate additional revenue.
- Closing the Senior Center altogether is not a popular option; however, there is merit in pursuing alternatives for its management. Senior Volunteer Services—Retired Senior Volunteer Program has expressed interest. Unfortunately, the agency's ability to fund such an undertaking is questionable.

LRS ALTERNATIVE SERVICE DELIVERY OPTIONS

LIBRARY	Proposal	Research/Contacts	Information	Recommendation
Transfer Library Administration to SLO County.	12/2/11--Meeting with SLO County Supervisor Frank Mecham 12/8/11--Phone conversation with Brian Reynolds	<p>Mecham: the County is already encumbered with a new facility in the works for Templeton and expanded facilities for Atascadero and Templeton.</p> <p>Reynolds: several financial scenarios exist within the County Library system, but the County covers most expenses.</p> <p>Examples—</p> <ul style="list-style-type: none"> • SLO Main Library—City owns 52% of the building, County owns 48%. City maintains the Community Room and the landscaping, County pays for all other building maintenance as well as staff and materials. City contributes around \$14,000 annually. • Morro Bay Branch—In the 1980's, the Friends of the Library raised funds for the building, but it was later deeded to the City. City now leases the building to County. County pays all maintenance, staffing and materials fees. • Pismo Branch—Owned by City but supported by the County. 	<p>Not feasible.</p> <p>The County assumes the lion's share of maintenance, operations and staffing costs for the SLO County Library System and is not in a financial position to take on yet another library commitment.</p>	
Transfer Library Administration to PRUSD and/or Cuesta College, OR City contract to provide Library administration for either/both PRUSD or Cuesta College North.	12/1/11—Meeting with PRUSD Superintendent Kathy McNamara 12/2/11—Meeting with Executive Dean of N. C. Cuesta Campus Sandee McLaughlin and	<p>McNamara: PRUSD is in dire financial straits and can ill-afford to assist our City Library when its own school libraries are at risk. School—City collaborations involving staffing are difficult if not impossible to achieve with strict Union prohibitions of replacing PRUSD staff with contracted staff or even volunteers. McNamara referenced recent attempts to have the City assist with student transportation as an example of insurmountable challenges in this regard.</p> <p>McLaughlin and Stengel: Logistically, there are challenges vis-</p>	<p>Not feasible.</p> <p>The City of PR, Cuesta College and PRUSD each have severe budget issues and can ill-afford to take on more responsibility for library service to the community. Union prohibitions, different service missions and other logistical issues are daunting.</p>	

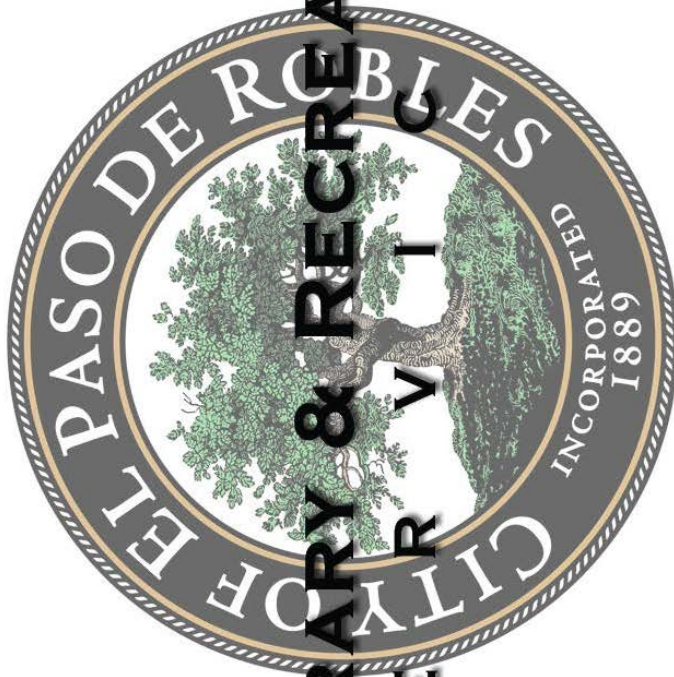
	<p>à-vis academic and public libraries (different missions, Dewey system vs. Library of Congress and so on). Per McLaughlin, Cuesta College absolutely would not take on another facility at this time. Assistance from the City would be welcome, but it would not be reciprocal and would therefore COST the City \$\$ rather than save.</p>	
<p>City Library to assume responsibility for retention, cataloging archiving and accessing official City records.</p>	<p>Cuesta Library Director, Mark Stengel.</p> <p>12/1/11—Email correspondence with IT Mgr, Dave McCue.</p> <p>12/1/11—Meeting with City Clerk, Dennis Fansler.</p>	<p>McCue: Currently, IT maintains a copy of the records on the City website; official documents are still paper and are handled by the City Clerk (Dennis) and his deputies (Caryn and Shonna). Records retention software and/or outsourcing are pricey—est. up to \$20,000.00 per year.</p> <p>Fansler: Library staff would need training on records retention policies and would need to be deputized (?).</p> <p>Other issues— The Library is currently understaffed. To accommodate this additional responsibility, we would need to either cut public hours or add part-time hours.</p>
	<p>Has potential.</p> <ul style="list-style-type: none"> • There is financial benefit in ensuring proper records retention practices (avoiding fines and minimizing civil litigation). • It may or may not be less costly to contract out this service, depending on how we choose to address the Library's staffing issues. • Librarians are in the business of information organization, storage and retrieval; it makes good sense to expand that role to managing our own govt. documents. • Serving the City in this fashion may underscore the value of continued library service in the eyes of our civic leaders and the public in general. 	

<p>Privatize Library Service via contracting with Library Systems and Services (LSSI) http://www.lssi.com/</p>	<p>Telephone conversation over a year ago with LSSI representative. Online research.</p>	<p>LSSI Rep: Cost savings are (ostensibly) achieved because Library employees would be employed by LSSI and not the City. (Employee pay and benefits would likely NOT be commensurate with what the City currently offers). Noting that the Library's actual expenditures for 2010 totaled only \$1.5 million, and that volunteer hours represent a FTE of 7.8, even the LSSI rep acknowledged that it would be tough to run a leaner program.</p> <p>According to an article dated 11-25-11 in the <i>Simi Valley Acorn</i>, (http://www.simivalleyacorn.com/news/2011-11-25/Front_Page/Cities_see_benefit_in_library_transition.html) Camarillo and Moorpark Libraries are satisfied thus far with their LSSI experience.</p> <p>Adding to the complexity of this issue is Assembly Bill 438 which "imposes strict requirements on a city or library district that intends to withdraw from a county library system and operate libraries with a private contractor," and goes into effect January 1, 2012. There are concerns "that the bill's mandated method for conducting a cost comparison doesn't provide for a balanced cost analysis and makes it nearly impossible for a city to come to a finding that contracting out its library services is the best option."</p>	<p>Marginally feasible, at best.</p> <ul style="list-style-type: none"> • The City Library budget is already extremely lean, even from the perspective of the LSSI rep himself. • Privatization of public library service is hugely controversial from both a public and an employee perspective.
<p>Reduce Library hours</p>	<p>Aspects of Annie Robb's 2008 Library Contingency Options.</p>	<p>Reduce Library open hours from 57 to 30 per week and lay off all part-time staff (retaining 20 part-time hrs. per week to continue Study Center service 3 days per week) for a savings of about \$100,000 annually in staff (plus minimal programming savings). Library to be open to the public on M from 10 to 6, T & W from 1-6 p.m. and on Sat from 10 to 5 (based on documented public usage). Full-time staff schedules to be altered to cover public service desks, and Library programs to be greatly reduced.</p>	<p>Doomsday solution. Financial gain is relatively minimal compared to impact on public and staff.</p>

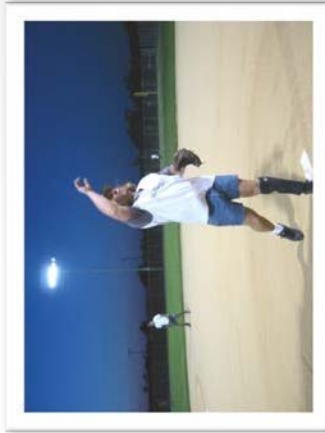
RECREATION

Proposal	Research/Contacts	Information	Recommendation
<p>Lease Centennial Park & Pool to YMCA with YMCA responsible for any/all programming (including contract classes, any residual sports responsibilities, pool, etc.)</p>	<p>Public distribution of RFP for Centennial Pool. Contacted YMCA</p>	<p>YMCA is not able to take on this level of responsibility for Centennial programming and facilities. No responses whatsoever were received for the Centennial Pool RFP.</p>	<p>Not feasible. No other group, nonprofit or commercial, has expressed an interest in this venture.</p>
<p>Lease BSP to a new nonprofit conglomerate of youth and adult sports interests</p>	<p>Lynn Stewart Big League Dreams 12/1/11 Meeting with Dennis Fansler</p>	<p>Local sports enthusiasts such as Lynn Stewart or nonprofits such as Paso Robles Adult Softball Organization may be interested in taking over portions of BSP programming. For example, Stewart would consider scheduling and prepping for all BSP tournaments as well as handling the concessions. P.A.S.O.'s level of interest is less clear. Fansler suggests that the City continue to provide passive park maintenance, charging the BSP contractor enough to cover these maintenance costs (staffing and utilities). He also recommends revisiting the concept of contracting out %100 of BSP programming and maintenance to Big League Dreams.</p>	<p>Either scenario has potential. Savings to the City would be twofold: • Layoff of one Recreation administrative assistant as BSP rentals, field scheduling and tournament oversight would no longer be necessary—a savings of about \$85,000 annually • Should Big League Dreams take over BSP, further savings would result in utilities and equipment. Also, revenue enhancements are a possibility as BLD maximizes the use of the park for events and shares a portion of rental income with the City. Next step—develop an RFP for distribution to local individuals and groups as well as to Big League Dreams.</p>
<p>Turn Senior programming over to either Senior volunteers or to an appropriate County agency (governmental or nonprofit).</p>	<p>12/12/11—Lynda met with Marie Brinkmeyer, Director Retired Senior Volunteer program SLO County (RSVP) 12/19/11—Brinkmeyer</p>	<p>Brinkmeyer: RSVP is interested in taking over responsibility for Senior Programming, with assistance from the City and the Endowment Fund. Ideas/Suggestions:</p> <ul style="list-style-type: none"> • City provides endowment funded part-time staffer • City continues to provide M & O • RSVP provides full-time staffing 	<p>Pros: City saves full-time Coordinator cost – \$114,400 (This position is currently unfilled and being managed by the Recreation Services Manager) City saves supplies expenses - \$30,700 (Current annual expenses are greatly reduced)</p>

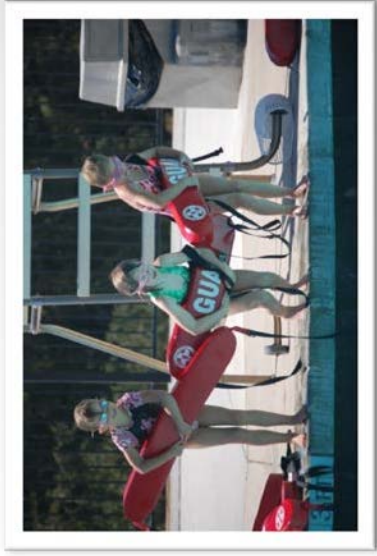
	<p>presented the option to the RSVP Executive Board; they are very interested and plan to discuss in detail in January.</p>	<ul style="list-style-type: none"> • RSVP is responsible for services and programs 	<p>Collaboration with an established non-profit serving county seniors is perceived to be a fiscally prudent move.</p> <p>Cons: City still incurs M & O expenses / charges from other Departments - \$261,800* Endowment Fund still incurs PT Staff costs - \$35,200 *(Amount could be adjusted to reflect reduced Admin & support costs.)</p>
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LIBRARY & RECREATION SERVICES



Purpose



One must not choose to support either public safety or recreation, recreation is public safety. Just ask any parent who has signed a child up for swim lessons.

--2012 JPIA Recreation Academy participant--



The Paso Robles City Library is the place to discover, to learn and to grow, empowering our community to achieve its vision for the future.

-Mission Statement: Paso Robles Library Board of Trustees

Challenges



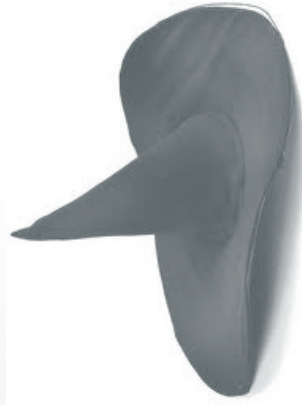
Adversity is like a strong wind. It tears away from us all but the things that cannot be torn, so that we see ourselves as we really are.

-- Arthur Golden, *Memoirs of a Geisha*



Toto...we're not in Kansas anymore.
--Dorothy Gale

LRS Staff



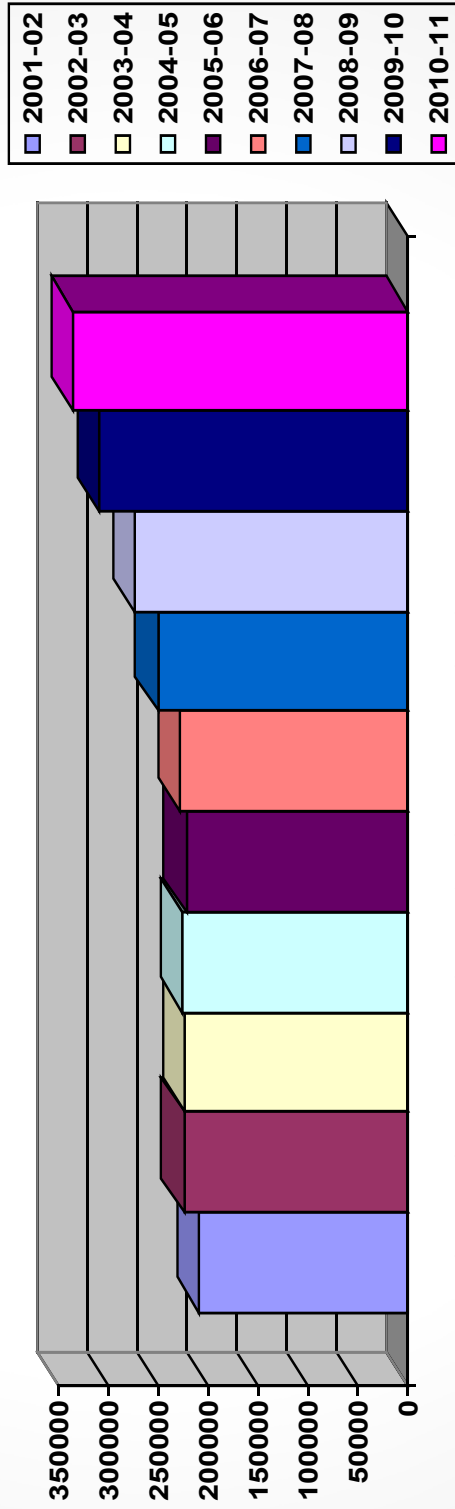
I'm melting, melting...

--Wicked Witch of the West

POSITION	HISTORICAL #	CURRENT #
Director	1	1
City Librarian	1	0
Recreation Manager	1	1
Library Manager	0	1
Adult Services Librarian	1	0
Children's Librarian	1	.5
Reference Librarian	1	0
Technical Svcs Librarian	1	0
Volunteer Coordinator	1	1
Youth Coordinator	1	0
Senior Coordinator	1	0
Sports Coordinator	1	0
Marketing Coordinator	1	1
Admin. Assistants	4	2.5
Staff Assistants	21.4	8.1
Approx savings: \$1.3 mil	37.4	16.1

In spite of significant staff reductions, there has been no reduction in Library service hours.

In a difficult economy, citizens turn to the public library in greater numbers.
This trend is not sustainable



City Library Circulation Statistics 2001-2011



Service Reductions

- Cuts in Library collection spending and programming.
- Limited access to professional library staff (masters degreed).
- No Library outreach programming.
- Increases in library fees and fines.
- Outsourcing of all youth sports.
- Outsourcing of all adult sports.
- Limited tournament support.
- Elimination of several community events.
- Elimination of organized trips.

...and her little dog, too.

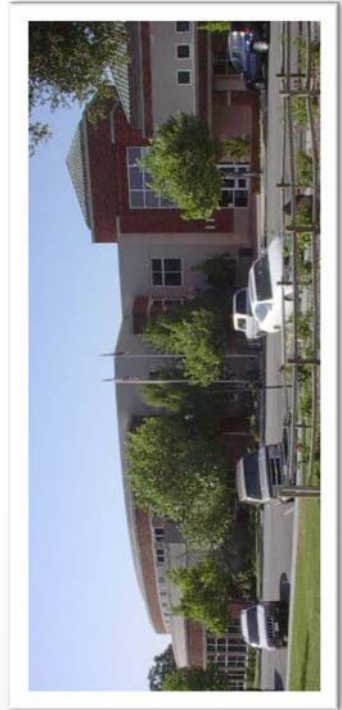
--Wicked Witch of the West

Moving Forward

- Outsource?
- Discontinue additional services?
- Return to historical service levels?

*It's always best to start at the beginning, and all you do is follow the Yellow Brick Road...
--Good Witch Glinda to Dorothy*

Outsource Facilities and Operations



Close Facilities



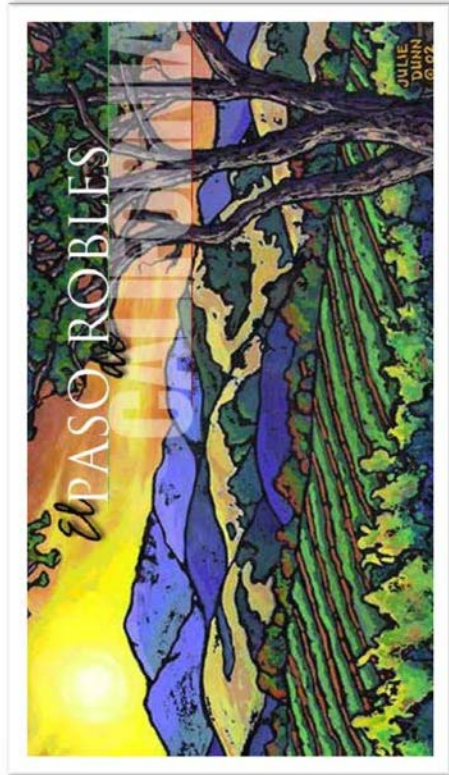
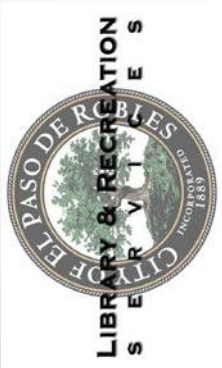
*I think I'm going to miss you most of all.
--Dorothy to Scarecrow*



Restore/Augment Staff & Services

*You have always had the power to return to Kansas.
--Good Witch Glinda to Dorothy*

There's no place like home.



To: James L. App, City Manager
From: Ed Gallagher, Community Development Director
Date: January 25, 2012
Subject: Community Development Service Options 2012



Historical Perspective:

Attachment 1 is a detailed list of activities and services historically provided by the Community Development Department. That attachment also includes a brief summary of the mandates for doing all of those tasks and a summary of cost-recovery efforts.

For development applications, staff has consistently given priority to meeting or exceeding deadlines specified by State Law and taken a stance of assisting development through the process expeditiously. The City enjoys a reputation of having the fastest processing time in the County.

Prior to the Recession, the Community Development Department was staffed with:

- Director
- 2 City Planners (Professional Manager [PM] 3 level)
- 1 City Engineer (PM 3)
- 1 Associate Planner (PM 2)
- 1 Assistant Planner (non-management)
- 2 Administrative Assistants
- 2 part (half) time Planning Interns

Additionally, the Budget provided for an Assistant Engineer (non-management); this position was approved shortly prior to the Recession and was never filled.

Attachment 2 is a table showing the number of planning permit applications received since 1990 and the number of engineering permit applications received since 2006. Engineering data was based on readily-available records. However, from this table, it can be seen that the ratio of Planning to Engineering permit activity between 2006 and 2011 was fairly constant. It seems safe, therefore, to assume that the ratio in prior years was similar.

Current Situation:

As the Recession progressed, the number of development applications dropped. At the same time, 3 staff members retired and/or left the City for other employment and internships were not renewed. Presently, the Department is staffed with:

- Director
- 1 City Planner (PM 3)
- 1 City Engineer (PM 3)
- 1 Associate Planner (PM 2)
- 1 Administrative Assistant

With the drop in development activity during the Recession, staff has been able to continue to handle a relatively robust schedule of long-range planning activities such as: preparing three specific plans, Circulation

and Housing Element updates, Furlotti Annexation (albeit with the assistance of a contract planner), various grants, and several regional environmental plans (e.g., greenhouse gas, low impact design, habitat conservation plan). Completion of the specific plans is necessary for future residential development when the economy recovers. Therefore, of all long-range planning activities, these have the highest priority.

Options for the Future (as Development Activity Picks Up):

1. Maintain staffing at current levels;
2. Contract for certain planning and engineering services;
3. Add staff incrementally when the demand for all planning and engineering services exceeds the capacity of current staff to process in a timely manner.

Maintain staffing at current levels:

- When the pace of development picks up, the City Planner will have to spend less time on long-range activities and take on more permit-processing duties. Activities likely to be put on the back burner could include: development of a Natural Resources Management Plan (an Economic Strategy task), pursuit of grants for infrastructure, participation in regional plans (sponsored by SLOCOG, the County, APCD, etc.), and even response to development and planning issues in the County.
- Additionally, certain planning services, such as landscaping inspections, code enforcement, liaison to the Housing Authority could be discontinued to free up staff time for permit processing.
- There could be some bottlenecks in the permit processing system when a staff member is on vacation, sick, or on maternity/baby-bonding time.

Contract for Certain Planning and Engineering Services:

As development activity picks up, contracted planners and engineers can be used to augment staff to keep permit processing streamlined. The costs of contracted employees would be covered by permit processing fees.

The City has used contract planners to assist with permit processing for both regular and complex projects and for certain long range planning activities. With such contracts, staff time is needed to educate the contracted planners about City policies and practices and to review and comment on their product.

Add Staff Incrementally:

In the past, the City exercised this option when the amount of permits being processed made it more cost-effective to hire an assistant planner than to hire contract planners. Assistant planners can handle several routine in-house tasks (e.g., respond to public inquiries, handle simple applications and plan checks) that management planners would otherwise have to do. The same rationale would apply to hiring an assistant engineer.

Recommendations for the Future

The primary assumption underlying the options listed above is that the City will continue to give highest priority to processing development applications so that economic recovery is facilitated. Certain long-range planning and engineering activities, particularly preparation of specific plans and engineering studies related to

major transportation improvements and low impact design will be critical to facilitating development. Therefore, not all long-range planning activities can be put on the back burner without jeopardizing future development.

The options listed above were arranged in an order that allows the City to use existing staff until development activity increases to a point where additional help is needed to keep the permit process streamlined. The cost of hiring contract planners and engineers can be covered by permit application fees. Hiring of an assistant planner and/or assistant engineer would not be cost-effective until the full cost of their position could be covered by permit application fees.

Paso Robles has long given highest priority to fostering robust economic growth in all sectors: commercial, industrial, and residential. Having a staff that is: (a) intimately familiar with codes, policies, and the people involved in the process (internal and external customers) and (b) readily available (at City Hall) for quick response has been critical to providing the level of customer service in assisting development that Council has wanted. The City has long been regarded as having the fastest permit processing time in the County.

Outsourcing most activities could lengthen the processing time; it would still require considerable staff time in oversight; and local familiarity would be compromised.

Attachment 1 - Services Provided by Community Development - Historically

A. Planning Division

- Public Information:
 - Respond to planning-related inquiries (counter, phone, email, snail mail), includes GP/zoning for properties, development status, zoning (burn down) letters, code enforcement matters.
 - Maintenance/updating of information on City's web site

- Development (zoning, subdivision, and building permits) Applications Processing:
 - Pre-application meetings for review of conceptual plans
 - Review applications for completeness
 - Review plans for conformance to zoning code, General Plan and Economic Strategy policies, environmental concerns; includes participation by other departments (PW-Building, Emergency Services)
 - Coordinate with applicants to provide additional information (if necessary) and to make changes to plans to conform to zoning and policies.
 - DRC: Prepare agenda, present projects to DRC, prepare minutes
 - Planning Commission: prepare staff reports, prepare and publish public notices (newspaper and mail), pre-meeting with applicants (if necessary for complex plans), Planning Commission meeting (staff time to attend and prepare minutes, printing, room costs, revise resolutions)
 - City Council: staff reports, notices, presentations
 - Follow-up correspondence (send resolutions to applicants)
 - Record-keeping: includes maintaining files, billing
 - Planning conducts plan check for building permits looking for compliance with approved plans and with zoning regulations (for over-the-counter plot plans)
 - Plan revisions: occasionally, an applicant revises approved plans, which need to be re-reviewed by the DRC or Planning Commission

The above includes CEQA/Compliance tasks (research, analysis, public notices, and initial studies)

- Long-Range Planning:
 - General Plan Element Updates
 - Preparation of Specific Plans
 - Annexations
 - Regional Plan Participation: SLOCOG, APCD, Camp Roberts, Prison, County Plans
 - Special Plans: Natural Resources Management (and components like Air Quality/Greenhouse Gas, LID, Habitat Conservation Plans)
 - Legislation Tracking and preparation of correspondence for Mayor/Council
 - Grants: prepare applications, grant management
 - Redevelopment Agency Support
 - Demographics: Maintain and disseminate statistics from US Census Bureau and State Department of Finance (Population Estimates), Research other statistics (e.g. employment, homelessness, illegal immigration), Land Use Inventory (LUI) maintenance (includes semi-annual residential and commercial development status reports). The LUI is used for a variety of plans: Land Use, Circulation, and Housing Elements, Urban Water Management Plan, Sewer Master Plan, other special plans (for CalTrans, SLOCOG, market feasibility analyses).

- Code Enforcement: Work with Police and Administrative Services Departments and the City Attorney regarding signs, business licenses, illegal land uses, and nuisances.

Attachment 1 - Services Provided by Community Development - Historically

Enforcement work includes research, site visits, contacting property and/or business owners, correspondence, and occasionally a staff report.

- Housing & CDBG:
 - CDBG Program Administration
 - CDBG-funded public works projects administration – to ensure compliance with Federal Regulations for procurement, labor, equal opportunity, etc.
 - Liaison to Housing Authority
 - Technical Assistance to affordable housing projects, particularly for financial assistance.

B. Engineering Division

- Public Information: Respond to engineering-related inquiries (counter, phone, email, snail mail).
- Development (zoning, subdivision, and building permit) Applications Processing:
 - Pre-application meetings for review of conceptual plans
 - Review applications for completeness
 - Review plans for conformance to Subdivision Map Act, General Plan (Circulation Element) policies, environmental (traffic and drainage) concerns.
 - Coordinate with applicants to provide additional information (if necessary) and to make changes to plans to conform to policies.
 - Planning Commission: prepare engineering report, pre-meeting with applicants (if necessary for complex plans), Planning Commission meeting.
 - City Council: staff reports, notices, presentations
 - Record Keeping: includes maintaining files, billing
 - Plan check for building and grading permits
 - Plan revisions: occasionally, an applicant revises approved plans, which need to be re-reviewed by the DRC or Planning Commission with Engineering Division participation
 - Administer encroachment permits

The above includes CEQA/Compliance tasks (research, analysis, public notices, staff reports)

- Development Standards, Code Updates, Plan Lines:
 - Prepare and update the City's standards for infrastructure ("Red Book"). This includes coordinating with Public Works, the development community, and writing staff reports;
 - Update the City's Subdivision and Plan Line ordinances.
 - Prepare a private well policy.
- Infrastructure and Circulation/Traffic Planning:
 - Provide engineering input on, and coordinate consultant services for, General Plan Amendments/ Updates, Annexations, Specific Plan Amendments, Regional Planning Efforts (SLOCOG's traffic studies, CalTrans' PSRs)
 - Coordinate with the Regional Water Quality Control Board for Clean Water Act compliance requirements (Low Impact Design standards)
 - Project Manager for such efforts as Golden Hill Road/Union Road Roundabout, Creston Road Plan Line Study, Safe Routes to Schools (entails coordinating with the School District)
 - Participate in review and comment on such projects as: ADA Improvements (Spring Street and Downtown), 21st Street makeover.
 - Review and comment on County development applications in the City's planning area
 - Participate in updating policies associated with the Community Facilities District

Attachment 1 - Services Provided by Community Development - Historically

- Development Impact Fee Administration: City Engineer is the Project Manager for periodic updates of the AB 1600 Fees. This includes research, preparing staff reports, facilitating ad hoc committee meetings and workshops, liaison with City's consultant.

C. Mandates Underlying the Above Tasks

- The Federal Freedom of Information Act requires that certain information in city files be available for public review upon request.
- Federal Environmental Laws impose conditions on development (e.g., Endangered Species Act, Migratory Bird Act, Clean Water Act, Clean Air Act).
- State Planning Law requires that written determinations be made whether or not applications are complete within 30 days of submittal.
- State Planning Law requires public notices for discretionary projects (PDs, CUPs, Tracts, Parcel Maps, General Plan amendments, specific plan amendments, and zoning code amendments).
- State Planning Law requires that certain findings be made for discretionary projects, including consistency with the General Plan.
- State Planning Law requires that the City have a General Plan consisting of at least 7 specified elements and that the plan be internally-consistent.
- State Planning Law requires that zoning codes be consistent with the General Plan.
- State Building Codes require fire protection and handicapped accessibility measures that affect site design.
- CEQA requires a determination of whether or not a project is subject to environmental review, and if so, what level of review (Neg Dec or EIR) is necessary. There are time limits for completing such determinations and for completing the documents.
- CEQA also requires public notices of review period for environmental documents.
- City-adopted General Plan, Zoning Code, other municipal codes, Economic Strategy, and adopted standard conditions establish permitted land uses, development regulations, and objectives for development to attain.

D. Cost Recovery for Planning and Engineering Tasks:

- The City charges applicants development processing fees to recover staff time and related costs (postage and publishing of public notices and staff report printing).
- The City does not charge for the following development-related services:
 - Time spent by the Community Development Director and Public Works and Emergency Services staff for reviewing applications;
 - Time spent by staff to review conceptual plans.
- The City does charge property owners in specific plan areas for the costs of Planning and Engineering staff time (including the Community Development Director), public notices, and staff report printing for preparation of specific plans. These expenses are "advanced" by the City and recovered at a later date (at the time of development) via specific plan fees.
- CDBG Funds may be used to administer the CDBG Program, projects that are funded with CDBG funds, and to conduct "capacity-building" activities that serve to assist low income housing such as updating the Housing Element, preparing a homeless shelter ordinance, and maintaining demographics. In 2012, the city will only have \$40,000 in CDBG funds that may be used for administration and capacity building.

Attachment 2: Planning and Engineering Permit Activity

PLANNING

Application Type	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Annexations	0	0	0	0	0	0	0	3	1	2	1	6	2	1	1	0	1	0	0	0	1	3
Appeals	2	0	2	1	2	2	8	5	2	4	3	2	3	5	4	3	0	0	0	2	3	7
Cert of Compliance	2	0	0	1	2	0	10	30	2	2	1	0	2	2	0	2	1	0	1	1	2	4
Code Amend (City Initiated)	3	0	3	1	1	2	4	1	6	11	5	4	4	4	8	4	13	7	7	12	9	4
Code Amend (Private Initiated)	13	8	8	12	19	13	14	19	17	29	26	19	9	13	12	18	19	13	17	5	18	26
Cond Use Permit	0	0	0	0	0	1	1	1	0	0	2	2	3	1	1	2	2	2	3	3	13	6
Cond Use Permit Amend	0	0	0	0	0	0	3	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demolition	1	0	0	0	1	1	1	1	2	1	4	0	1	1	0	0	0	0	0	0	0	2
GenPlanAmend /City Initiated	1	0	0	0	5	8	1	0	2	3	4	3	6	7	6	2	3	4	2	0	1	8
GenPlanAmend /Private Init	1	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Historical Preservation Review	5	3	3	10	10	9	10	10	12	16	15	27	19	18	11	7	5	3	3	13	4	13
Lot Line Adjustment	2	3	4	3	2	10	8	7	14	5	8	2	3	0	0	0	0	0	0	0	0	0
Miscellaneous	10	10	5	11	8	8	8	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Oak Tree Removal	1	2	3	5	12	34	30	19	13	10	15	7	6	10	7	6	0	0	0	0	0	0
Parcel Map Amend	8	2	0	0	16	25	25	27	24	18	30	29	30	18	12	9	9	7	12	9	21	34
Planned Development	5	1	1	1	3	6	6	11	2	7	6	10	2	2	6	2	0	3	0	2	3	2
Planned Development Amend	1	0	0	3	3	6	7	12	9	10	6	7	12	8	9	2	1	9	3	1	3	15
Rezoning	41	50	63	67	89	75	56	42	47	41	49	56	53	38	55	39	75	29	0	0	135	79
Sign Permits/DRC	13	9	12	20	21	30	37	35	39	25	9	12	4	3	9	10	5	4	30	71	1	0
Site Plans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Site Plan Amendments	1	0	0	1	1	1	4	2	4	4	2	0	3	4	1	0	0	0	0	0	0	0
Specific Plan Amend	1	1	0	0	2	2	1	9	4	8	6	4	13	10	2	1	3	2	5	4	2	8
Street Abandonment/Name Change	13	14	20	20	10	17	16	6	3	0	0	3	19	6	14	2	0	0	0	0	0	0
Temp Use Permits	3	3	0	14	15	18	11	5	5	18	8	13	21	14	12	4	5	0	0	0	0	0
Time Extensions	1	0	0	4	4	9	12	9	6	6	8	11	16	10	4	4	0	0	0	0	0	0
Tract Maps	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tract Map Amendments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Waivers	0	0	0	0	0	0	2	5	10	10	3	4	4	0	0	0	1	1	2	0	0	0
Variations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total All Projects	128	107	129	192	233	263	275	277	228	236	214	224	241	183	185	113	147	90	98	154	247	263

ENGINEERING

Application Type	2011	2010	2009	2008	2007	2006	2005
Cert of Compliance	1	0	0	1	5	2	2
Lot Line Adjustment/PRAL	1	1	4	7	6	8	8
Parcel Maps	0	2	6	5	15	30	30
Planned Development	1	1	4	2	2	3	3
Planned Development Amendments	0	0	0	0	0	0	0
Street Abandonments	1	1	0	2	1	1	1
Tract Maps	2	1	0	4	6	14	14
Grading Permits	35	20	27	46	69	62	62
Encroachment Permits	67	64	56	79	98	145	145
Total All Projects	108	90	97	146	202	266	266

NOTE: Engineering permit activity beginning in 2006 was readily available. Planning records have been kept for a longer period of time.

Community Development Department



Pre 2007	Today
<ul style="list-style-type: none"> ● Director ● 2 City Planners (Professional Manager 3) ● 1 City Engineer (PM 3) ● 1 Assistant Engineer (non-management) ● 1 Associate Planner (PM 2) ● 1 Assistant Planner (non-management) ● 2 Administrative Assistants ● 2 part (half) time Planning Interns 	<ul style="list-style-type: none"> ● Director ● 1 City Planner (PM 3) ● 1 City Engineer (PM 3) ● 1 Associate Planner (PM 2) ● 1 Administrative Assistant

Planning Application Type	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Maps												
Tract Maps & Amendments	1	0	0	4	4	10	12	9	6	6	9	13
Parcel Maps & Amendments	1	2	3	5	12	34	30	19	13	11	16	7
Lot Line Adjustment	5	3	3	10	10	9	10	10	12	16	15	27
Cert of Compliance	2	0	0	1	2	0	10	30	2	2	1	0
3-2												
Development Plans												
Planned Developments & Amendments	13	3	5	16	19	31	31	38	26	25	36	39
Grand Use Permit & Amendments	13	8	8	12	20	17	15	20	17	31	29	21
Site Plans	13	9	12	20	21	30	37	35	39	25	9	12
5-1												
Legislative Applications												
General Plan Amendments	2	0	0	2	6	9	2	1	4	4	8	3
Specific Plan Amendments	1	0	0	1	0	1	4	2	4	5	2	0
Code Amendments	3	0	4	1	2	2	4	7	8	13	6	5
Rezoning	1	0	0	3	3	6	7	12	9	10	5	7
4-P												
Other Requiring PC/CC Action												
Appeals	2	0	2	1	2	2	8	5	2	4	3	2
Time Extensions	3	3	0	14	15	18	11	5	5	18	8	13
Oak Tree Removal	10	10	5	11	8	8	8	1	1	0	0	0
2-2												
Street Abandonment/ Name Change	1	1	0	1	2	2	1	9	4	8	6	4
Demolition	0	1	0	0	6	0	3	11	1	0	0	0
Miscellaneous	2	3	4	3	2	10	8	7	14	5	8	2
DRC/Staff Approval												
Sign Permits/DRC	41	50	63	67	89	75	56	42	47	41	49	56
Temp Use Permits	13	14	20	20	10	17	16	6	3	0	0	3

Planning Division

- Public Information
- Development Applications Processing
 - Pre-Application
 - Post Application/Pre-Approval
 - Post Approval
- Long-Range Planning
 - Chandler Ranch and Olsen/Beechwood Specific Plans
 - Uptown/Town Centre Specific Plan Semi-Annual Review and Amendments
 - Furlotti Annexation
 - Sphere of Influence Update
 - Redevelopment Agency Support
 - Regional Water Quality Control Board Requirement to Amend Zoning Code
 - Demographics/Land Use Inventory

Planning Division

- Long-Range Planning (continued)
 - Regional Plans: SLOCOG (SB 375), Camp Roberts Land Use
 - Natural Resources Management Plan
 - Grant Applications & management
- Housing & CDBG:
 - CDBG Program Administration
 - CDBG-funded public works projects administration
 - Liaison to Housing Authority
 - Technical Assistance to affordable housing projects, particularly for financial assistance.
 -
- Code Enforcement Assistance

Engineering Division

- Development Applications Processing
- Long-Range Engineering
 - Development Impact Fee Update
 - LID: Compliance with RWQCB Directives
 - City Standards update
- Infrastructure and Circulation/Traffic Planning
 - Specific Plans, Furlotti Annexation
 - SLOCOG's traffic studies, CalTrans' PSRs
 - Golden Hill Road/Union Road Roundabout
 - Creston Road Plan Line Study
 - Safe Routes to Schools
 - Assist ADA Improvements, 21st Street makeover.
 - Community Facilities District

Strategy

Today

- Continue with existing staff
- Some activities will have to remain on back burner

As Economy Recovers

1. **City Planner takes on more Permit processing**
CRASP and OBSP have highest Advance Planning Priority
Some Advance Planning Activities shift to back burner
2. **Hire contract planners & Engineers (paid by applicants)**
May free City Planner for more Advance Planning activities
3. **Hire Assistant Planner and Engineer**
Costs to be covered by application fees

TO: Jim App, City Manager
FROM: Doug Monn, Public Works Director
SUBJECT: General Fund Maintenance Recovery Memo
DATE: January 23, 2012

This memorandum is intended to provide information and options for consideration in addressing the issues that face the General Fund Maintenance Division's regarding service and funding. Information pertaining to possible options for recovery is as follows:

Non management staffing comparison pre recession vs. current

Position classification	Pre recession	Current	difference
Fleet	3	2	1
Clerical	1	.6	.4
Maintenance specialists	21	10	11
Supervisors	3	2	1
Totals->	28	14.6	13.4 (- 48%)

As demonstrated in the table above, the greatest decrease in service capacity has resulted from staffing losses; however, maintenance contracts have also been cancelled:

- Janitorial contract - \$217,000 per year
- Median/Parkway contract - \$144,000 per year
- Graveyard security contract as Barney Schwartz Park (BSP) - \$35,000 per year
- Weekend and swing shift part time help at BSP and other parks - \$100,000
- Yearly paving maintenance - \$400,000
- Yearly street striping - \$25,000
- Yearly sidewalk maintenance and replacement - \$35,000

The reductions noted have resulted in a small consolidated maintenance staff that works on a priority basis with health and safety related issues having the highest priority. Due to the elimination of part time staff the remaining full time staff is scheduled over a seven day work week. Numbers of full time staff available given medical leave, vacations or personal business is often only one or two individuals on duty on a given work day to address all the daily maintenance needs of the City.

Recovery:

If the General Fund portion of Public Works is going to achieve an acceptable level of service over the next ten years a logical recovery plan must be formulated. The following are some suggestions how that might be achieved:

Fleet

The City's fleet operations have been the subject of much study and analysis. Results indicate the current model of two (2) full time mechanics supplemented by the use of outside contractors for work overloads or major repairs as most effective. However, efficiency and effectiveness could be improved by restoring the vacated Supervising Mechanic Position. City mechanics provide day-to-day essential mechanic

services at a substantially lower shop rate (50% lower) than outside contractors. With an inventory of over 200 individual pieces of equipment (rolling stock and other) a minimum of 2 mechanics is necessary to keep Police cruisers, Fire trucks, transit busses and other light and heavy duty equipment rolling. In addition to providing some mechanical work the Supervising Mechanic's Position would reassume the responsibility for purchasing of parts, oils and determine the rates charged by outside vendors are fair and supportable. Additionally the purchase of replacement equipment is currently being specified and bid by the mechanics and the Streets/Parks/Buildings Maintenance Supervisor this reduced their respective production.

Recovery suggestion – refill open Fleet Supervisor position as funding allows.

Roads, Bridges and Sidewalks, Parks, parkways & medians

Maintenance of Roads, Bridges, Sidewalks, Parks, Parkways, Medians, Buildings and Pools has been consolidated into a basic labor pool as the result of low levels of staffing and elimination of outside contract help. To reestablish minimum maintenance levels two recovery models are being presented for discussion and consideration.

Option #1

Option one suggests returning to 2008 full time staff and contract levels as funding becomes available.

Advantages

- A Full time workforce offers the most dependable, most flexible, most knowledgeable and most dedicated workforce. Full time staff can be cross trained, they can respond to changing priorities, they tend to have a great deal of local knowledge and they are the most dedicated.
- Past contracts, with some exceptions are the result of trial and error regarding which services lend themselves best to non full time staff help.

Disadvantage:

- The most costly option

Option #2

This option suggests varying from established maintenance practices historically used by the City. The options presented represent a new approach to maintenance needs for discussion. As they are untried they contain a possible risk of failure but also offer possible savings as well.

As funding improves consider the following:

1. Assign five of existing staff to building maintenance as Janitorial/light building maintenance workers. Shifts would start early – probably 4am to noon – to maximize accountability. In addition the staff shifts would be scheduled over a seven day per week schedule so work could be accomplished when buildings are empty or at minimum staff levels. This change would negate the need to add back the \$200,000 janitorial contract of the past.
2. Use outside contract help to do routine parks maintenance work such as mowing, edging, trimming and weed abatement. The existing parks lead workers would be responsible for quality

control and oversight of contractors. This change could potentially negate the need to hire back four or more parks workers. An estimated 30% or more savings could be realized in the parks maintenance area.

3. Use contract help to empty trash cans and pick up litter in the parks and other city maintained areas. Preliminary discussions indicate the potential hiring of Paso Robles Waste to empty the entire city maintained outside trash receptacles. Savings unknown, but this change could negate the need to hire back a full time maintenance worker.
4. Continue to use contractors to complete tasks relating to building maintenance (plumbing, HVAC, electrical), streets maintenance (striping, sign repairs etc.) and landscape maintenance (tree trimming/removal, median/parkway maintenance etc.). Our current fiscal situation has made it necessary to call in outside help when absolutely necessary. This model has worked well and could be continued even after funding improves.

Advantages:

- Potentially much less expensive than retaining full time staff.
- Staff reductions reduced the Public Works General Fund budget \$1.5 million. Contract Maintenance and amended full time janitorial is projected to cost one million per year maintaining a \$500,000 budget that could eventually be used to offset major building maintenance needs (IE: painting, roofing, etc.)
- In some cases contractors will only be called as needed.

Disadvantages:

- Proper oversight is essential. If contractors are not monitored the result could be sub standard work.
- Less “ownership” of work. Contractor work for profit and do only the work as outlined in the contract. Extra work equals extra cost to the city.
- No flexibility or cross training.

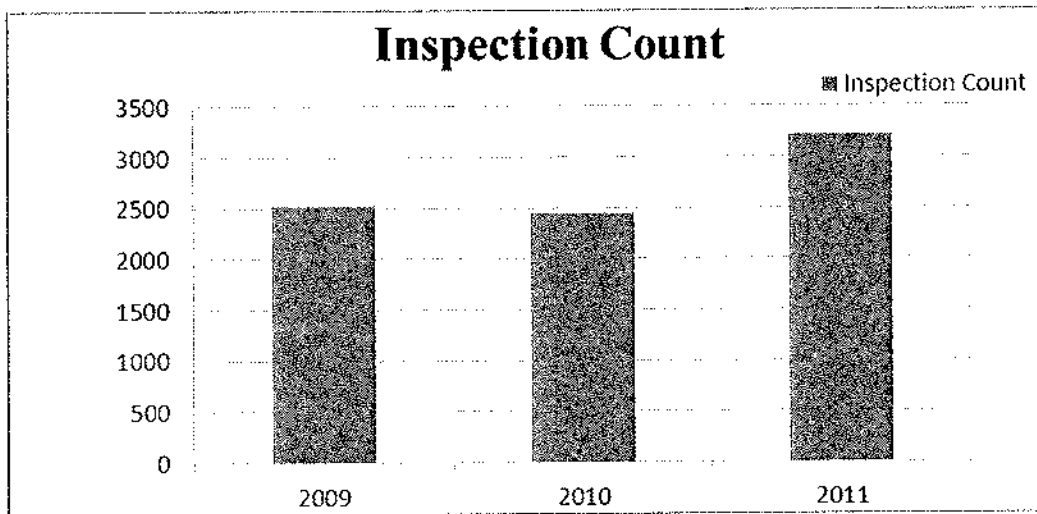
Summary of options above:

The potential exists for cost reductions of \$500,000 per year over the full time staffing option by using more contract help while achieving improved maintenance given current staffing levels.

Building Division:

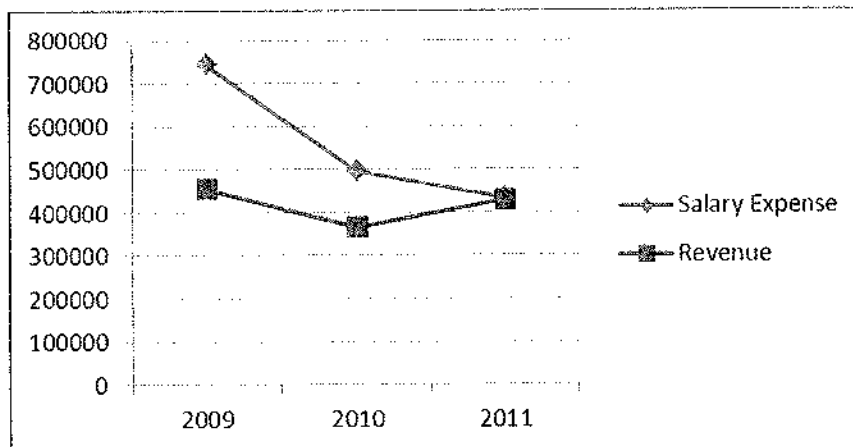
	<u>Total Permits Issued</u>	<u>Permit Valuation</u>
2009:	433	\$30,827,741.72
2010:	424	\$38,205,324.45
2011:	431	\$30,922,523.43

Permit numbers have remained consistent for the past three years; however the graphs below depict the increase in work load (number of inspections) given reduced staff and complexity of construction.



Inspections conducted in 2011 have increased in excess of 30% over 2010 as the result of:

- Large complex projects requiring multiple inspections for a single permit
- Owner/builder remodel/additions that require re-inspections and assistance



In 2011, Building Division salaries balanced to revenues collected. However, the increase in number of inspections performed in 2011 was accomplished by shifting the limited inspection staff back into the field this resulted in some extended plan review times.

In keeping with the Council's goal of streamlining the permit process, the Building Division is continuing to train and cross-train staff. The current administrative assistant is preparing to take the International Code Council certification examination for Permit Technician. Part of that training includes plan review and to that end, some permits such as water heater, forced air unit and air conditioner replacement are being reviewed by the administrative assistant under supervision. We find that this gives the applicant a quicker turn-around time and gives the inspectors more time for other duties such as other in-house plan checks or code research for applicants.

Recovery suggestion:

The position of Building Official should be transferred from the Director of Public Works and reassigned to the existing Deputy Building Official. This would expedite code research and decisions better streamlining the review process.

One of the two (2) vacant Deputy Building Official positions should be filled allowing more time to be allocated to coordinating and expediting the review process in addition to providing back up inspection during high demand periods.

Consolidated List of Public Works Contract Services:

A. General Fund:

I. Streets Maintenance:

- Siemens (formally Republic ITS) Traffic Signal Maintenance signal maintenance – base contract in \$80,000, with added repair work we are generally over \$100,000.

II. Parks and Landscaping:

- Martinelli Landscape Construction - \$40,000 for disking/trimming of open space.

III. Miscellaneous Supplies:

- State bid list for Vehicle and Equipment
- J.B. Dewar for fuel and lubricant
- Wayne's Tire for replacement tires

IV. Building Division, Plan Review: (services are 'pass through', paid by developers)

- California Code Check
- Interwest Consulting Group
- Darin Traverso

V. Landfill:

- Golder & Associates, Landfill testing, monitoring and reporting

B. Assessment District

I. Landscape/Lighting Fund:

- Wildan Financial - \$20,000 for preparation of Engineer's Report and assessment services
- Martinelli Landscape Construction - \$800,000 for L&L maintenance

C. Enterprise Operations

I. Water Operations:

- arsenic media reprocessing

II. Waste Water Operations:

- Sludge hauling

PUBLIC WORKS

If You:

**Run on it;
Drive on it;**

**Fly it;
Drink it;
Flush it;**

**Construct it; or
Throw it away**

It's Public Works

Public Works - General Fund

Major General Fund Categories

Road, Bridges, & Sidewalks

- Signs
- Striping
- Sweeping
- Resurfacing
- Grinding/Patching
- Drainage

Parks & Parkways/Medians

- Playfield Preparation
- Irrigation & Mowing
- Landscape Care
- Play Equipment
- Restrooms

Buildings and Pools

- Janitorial
- Pool Use Support
- Light Repair/Upkeep
- Major Repair & Replacement

Building/Construction

- Plan Review
- Field Inspection
- Code Enforcement

Fleet Maintenance

- City Fleet Vehicles
- Public Transit
- Heavy Equipment

Building and Park Maintenance & Repair

The City owns and maintains 205,000 square feet of buildings plus 170 acres (7.4 Million square feet) of parkland, trails, and open space.

Expenditure Comparison	FY09 (Highest)	FY12 (Current)	Budget Reduction
Building Maintenance Total	\$1,570,200	\$1,129,900	(\$440,300)
Park Maintenance Total	\$1,710,500	\$1,192,000	(\$518,500)

Roads & Sidewalks

Generally, City road conditions rate about a '60' on a scale of '100'. To improve driving conditions, a one-time investment of \$80 Million dollars, PLUS another \$3.2 Million annually for maintenance, would be required.

Streets 'Annual' Maintenance Budget (pothole repair) Information

	FY 09	FY 12	Budget Reduction
Concrete and Pavement Management	\$207,400	\$106,300	(\$101,100)
Street Lights, Signals, Road Markings	\$243,300	\$206,900	(\$ 36,400)

FUNDS NEEDED TO BRING STREETS UP TO 80% OF NEW

\$80,000,000

ANNUAL FUNDS NEEDED TO MAINTAIN STREETS AT 80% OF NEW

\$ 3,200,000

Fleet Maintenance

Maintenance and Repair of over 200 pieces of equipment:

- City Vehicles
- Stationary Equipment
- Portable Equipment
- Heavy Equipment
- Public Transit

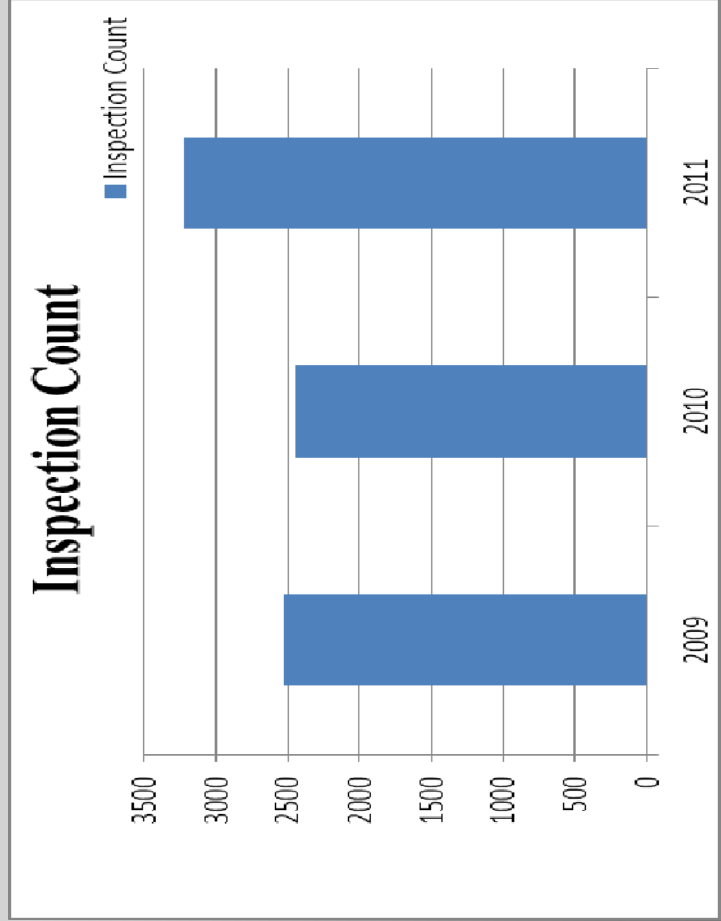
	FY 09	FY 12	Budget Reduction
Fleet Maintenance and Repair	\$952,000	\$904,000	(\$48,000)

Building Division

<u>Year</u>	<u>Permits Issued</u>	<u>Permit Valuation</u>
2009	433	\$30,827,741.72
2010	424	\$38,205,324.45
2011	431	\$30,922,523.43

Permit numbers have remained consistent for the past three years however, inspections conducted in 2011 have increased in excess of 30% over 2010 as the result of:

- Large complex projects requiring multiple inspections for a single permit
- Owner/builder remodel/additions that require re-inspections and assistance





The Road to Recovery

Current Staffing Levels Public Works General Fund

Position Classification	FY 09	FY 12	Difference
Fleet	3	2	1
Clerical	2	1	1
Maintenance Specialists	21	10	11
Building Division	8	4	4
Supervisors	3	2	1
Totals	37	19	18 (- 49%)

As demonstrated in the table above, the greatest decrease in service capacity has resulted from staffing losses; however, maintenance contracts have also been cancelled totaling \$496,000.

- *Janitorial contract - \$217,000 per year*
- *Median/Parkway contract - \$144,000 per year*
- *Graveyard security contract as Barney Schwartz Park (BSP) - \$35,000 per year*
- *Weekend and swing shift part time help at BSP and other parks - \$100,000 per year*

Possible Recovery Considerations

General Fund Budget	FY 09	FY 12	Budget Reduction
Personnel	\$4,173,300	\$2,228,200	(\$1,945,100)
Maintenance and Operations	\$3,927,000	\$3,871,800	(\$ 55,200)
Total Budget	\$8,100,300	\$6,100,000	(\$2,000,300)

Recovery Suggestions

Potential Outsourcing / Reestablished Limited Full Time Staffing:

Medians (<i>outsourcing</i>)	\$140,000
Parks Maintenance (<i>outsourcing</i>)	\$350,000
Part Time Staffing (<i>outsourcing</i>)	\$100,000
Building Maintenance/Janitorial 5 FTE's	\$400,000
Vehicle Maintenance 1 FTE	\$100,000

Recovery Suggestions \$1,090,000
Budget Reduction (\$2,000,300)
Remaining Budget Reduction (\$ 910,300)

Consolidated List of Public Works Contract Services

A. General Fund:

- I. Streets Maintenance:
 - Siemens (formally Republic ITS) Traffic Signal Maintenance signal maintenance base contract in \$80,000 with added repair work we are generally over \$100,000
- II. Parks and Landscaping:
 - Martinelli Landscape Construction - \$40,000 for disking/trimming of open space
- III. Miscellaneous Supplies:
 - State bid list for vehicle and equipment
 - J.B. Dewar for fuel and lubricant
 - Wayne's Tire for replacement tires
- IV. Building Division, Plan Review: (services are 'pass through', paid by developers)
 - California Code Check
 - Interwest Consulting Group
 - Darin Traverso Engineering
- V. Landfill:
 - Golder & Associates, Landfill testing, monitoring and reporting
 - TJ Cross landfill contracts
 - Paso Robles Waste Disposal, solid waste hauling
 - Pacific Waste Services, landfill operation

Consolidated List of Public Works Contract Services

B. Assessment District:

I. Landscape/Lighting Fund:

- Wildan Financial - \$20,000 for preparation of Engineer's Report and Assessment Services
- Martinelli Landscape Construction - \$800,000 for L&L Maintenance

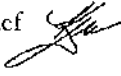
C. Enterprise Operations:

I. Water Operations:

- Arsenic media reprocessing

II. Waste Water Operations:

- Sludge hauling

To: James L. App, City Manager
From: Ken Johnson, ES Chief 
Date: January 23, 2012
Subject: Service Rebuilding (Recovery Plan)

The City commissioned two studies (in 1990 and 2000) of fire department type services provided to our community. These studies drew similar conclusions; given the degree of community risk and level of emergency activity, a greater resource commitment was warranted. The basis of the recommendations remains true today. As we look toward some percentage of revenue recovery, it seems appropriate to resume the path laid out years ago. Opportunities for further down-sizing, service level alterations and alternative service delivery models have been internally evaluated and eliminated as potential recommendations for policy changes.

Emergency Services implemented a number of operational changes over the last several years. These were beyond those enacted City-wide and resulted in additional cost savings. The changes included:

- Reducing daily minimum staffing from eight firefighters to six.
- Removing two vehicles (an airport crash/fire/rescue vehicle and a fire engine) from the fleet, including their accruals and maintenance costs.
- Suspending all out of area training.
- Adjusting response configurations; reducing the number of response vehicles for certain call types.
- Converting some (all possible) outsourcing contracts to internal work.
- Reducing General Fund impact by securing over \$250,000 in grant proceeds.

During the same period, Emergency Services examined other opportunities to further reduce costs. These included:

- **Closing fire station #2**
 - Approximately \$25,000 annual savings.
 - Adds 2 – 6 minutes additional response time for one-half of all emergency calls.
- **Eliminating Paramedic (Advanced Life Support) service**
 - \$100,000 savings 10+ years out.
 - \$60,000 annual revenue reduction (ALS first responder fee).
 - Reduces the number of Paramedics available in the County, including locally for major medical incidents.
 - Delays delivery of advanced medical procedures in some cases.
 - Requires a public noticing/hearing process in order to down-grade service (stipulated by State law).
- **Reconfiguring resources to operate one fire engine and one squad**
 - Some minor fuel savings annually.
 - \$10,000 annual savings in delayed fire engine replacement.
 - \$164,000 new vehicle and equipment cost.
 - \$27,000 new annual vehicle depreciation.
 - Increases the number of calls where both stations are required.
 - Increases resident/business fire insurance premium rates.
 - Precludes participation in mutual aid (critical loss for community fire protection).
- **Eliminating Emergency Medical Services (EMS) service**
 - \$150,000 savings, with most being 10+ years out.
 - Does not reduce the personnel requirement for fire and rescue response.
 - \$80,000 annual revenue reduction (first responder fee).

- Lengthens response time to most medical calls.
- Does not eliminate ES response to all medical calls (vehicle collision, industrial accident, above/below grade patients, etc.).
- Delays response to some medical calls, based on ambulance availability and response starting point (Paso Robles, Templeton, Atascadero, San Luis Obispo, etc.).
- Negatively impacts ambulance service availability for other parts of the county.
- Consider contracting for one private ambulance to serve just Paso Robles. Increases availability and coverage for EMS call overlap (\$700,000 annually).
- **Implementing a Paid-Call/Reserve Firefighter program**
 - May not overcome some of the difficulties uncovered later in the volunteer program (an insufficient number of volunteers and their replacements, training time insufficient to achieve/maintain proficiency, expired certifications, and lacking call participation).
 - Does not materially reduce the existing staffing commitment.
 - Requires a new position dedicated solely to training, program management, etc.

Given the impacts of additional cost reductions, I am unable to recommend any of these for further consideration. Emergency Services has reached the minimum level of staffing required to effectively meet community fire protection objectives alone. The marginal cost of providing rescue and emergency medical services appears relatively insignificant, especially when viewed against their value.

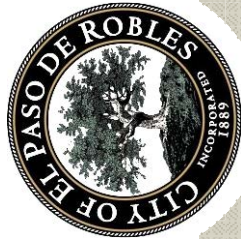
One alternative not reviewed in any detail, but considered and rejected by the City Council in 2000, was **contracting with the State (CAL FIRE)** to provide these services. Contractual implications are:

- Likely no cost advantage in contracting the service out “as-is”.
- Any spending reduction would be commensurate with service reductions, although the contractor could provide back-up resources for major incidents.
- The City would surrender control of employees and many service decision details, moving from an employer/director to a contractor.
- Cost of reentry could be a barrier and would require more than ten years to establish departmental competencies at their current level.
- One contracting example would be for one engine and one EMS squad staffed 24/7. This would not reduce EMS services, but would impact all other emergency responses (delay arrival). CAL FIRE would nevertheless retain sufficient back-up resources available in this part of the county for response to major events. Cost savings would be approximately \$300,000 – \$400,000 per year.

Recommended Recovery Steps


- Minimal Need - \$35,000
 - Increase training to provide for more than fundamental classes, \$35,000.
- Adequate Need - \$380,000
 - Increase service capability and effectiveness (7 firefighters working daily), \$200,000.
 - Increase supervision, training, code enforcement and other support capability, \$150,000.
 - Increase support to business community and disaster preparedness, \$30,000.
- Full Need - \$750,000
 - Increase service capability and effectiveness (8 firefighters working daily). Likewise increases deployment options and service flexibility, \$600,000.
 - Increase supervision, training, code enforcement and other support capability, \$150,000.

City of Paso Robles




DEPARTMENT OF EMERGENCY SERVICES





The Hunt Study

- Improve response times
- Improve staffing
- Improve field supervision
- Build an additional fire station
- Provide full-time staffing of 32



The City commissioned two studies of fire department services in the last two decades. The first was known as the Hunt Study. Conducted in 1989, the major conclusions were for the need to improve response times for Emergency Medical Services—or EMS, and fire calls; improve staffing to perform EMS and fire functions; improve field supervision; construct an additional station; and provide full-time staffing of 32. This plan was intended to cover immediate needs to 10 years out.

The state of our economy at that time prohibited any progress. We simply couldn't afford to do anything. Over the next ten years, the population increased, call volume went up, and service lag-time increased.



Advisory Task Force

- ES resources inadequate
- Develop and implement an improvement plan
- Incrementally implement the plan
- Provide same coverage on east and west sides
- Ensure 4 minute response to 90% of all calls
- Provide Advanced Life Support (Paramedics)
- Provide a second response equal to the first

In 2000, the City hired another independent firm to examine fire and rescue services. The City Council began this study by appointing an Advisory Task Force made up of community members. The Task Force met on a number of occasions. Several public workshops were also conducted. The Task Force's findings were that ES resources were inadequate; the City needed to not only develop an improvement plan, but to implement it; implement the solution incrementally; equalize services between the east and west areas of the city; provide a 4 minute response to 90% of all emergency calls; staff Paramedics; and in simultaneous call situations, ensure the second resource response was equal to the first.

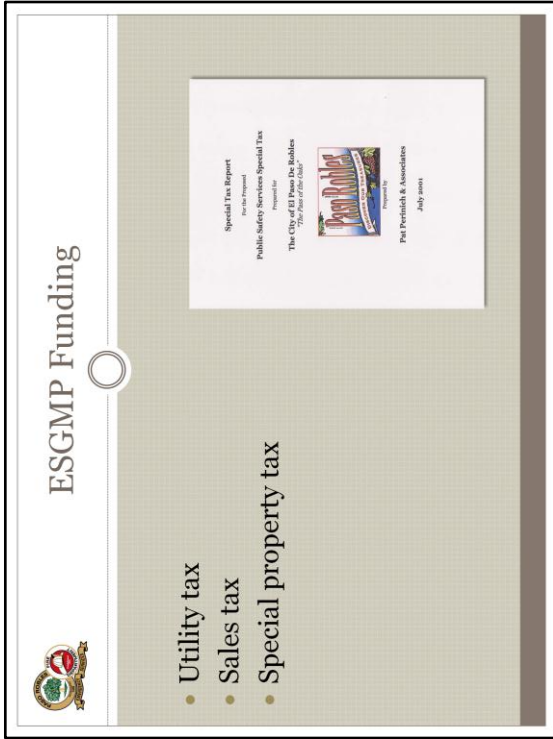


E.S. Growth Management Plan

- Improve service quality and promptness
- Reduce fire risk
- Reduce EMS demand
- Improve training
- Provide adequate training facility
- Improve dispatch
- Construct and staff an additional station



The ESGMP authors combined the Advisory Task Force recommendations, public testimony, and City Council input to provide a comprehensive set of recommendations. These included a need to improve the quality and promptness of emergency response--either by a City department or through a contract with CAL FIRE; to reduce fire risk through fire education; to improve the quality of the firefighter training program; to develop a training facility; to improve dispatch services; and finally to construct an additional fire station to serve the north-east portion of the city and provide sufficient overall capability.



There was obviously a significant price tag associated with the needed changes. Funding options were discussed over several months in different forums. Options considered were a utility tax, a sales tax, and a special property tax.



City Council Direction

- Build a City-owned department
- Initiate Paramedic level EMS
- Open fire station #2
- Funding according to revenue stream



The City Council ultimately decided to invest in its own department and then authorized ES to provide Paramedic level EMS and staff fire station #2. The Council also adopted a pay-as-you-go funding strategy for the needed expansion.




Cutbacks

- Reduced Firefighters (8 → 6 working daily)
- Suspended most public education
- Suspended outside training
- Eliminated two fleet vehicles
- Grant funding of \$250,000




While the department never reached the levels outlined in the plan, declining revenues necessitated cutbacks. Cost reductions over the last several years were accomplished by reducing the number of firefighters on duty each day from eight to six, suspending most citizen education and preparedness programs, suspending all outside training, and eliminating two emergency response vehicles from the fleet. In addition to these cost savings measures, the department secured over \$250,000 in grant funding for the replacement of needed equipment—thereby further reducing General Fund impact.



Fire Station Closure

- ↓ Some utility costs (gas & electric)
- ↑ Vehicle fuel costs
- Net savings potential of \$25,000
- Increased response time to one-half of all calls



The department examined a number of other cost reduction strategies over the last few years. Included was closing fire station #2. In this scenario, the fire engine and crew would be transferred to fire station #1. Cost savings would be limited to a reduction in some utilities, although there would be a minor increase in vehicle fuel costs needed to serve the east side from the downtown location. We estimate there to be a net annual savings potential of \$25,000. The result would be an additional response time of 2 to 6 minutes for all calls on the east side of the city, which represent about 50% of all calls.



Eliminate Paramedic Level Service

- Savings potential of up to \$100,000
- Revenue loss of \$60,000
- Fewer Paramedics in the City and system
- Medical procedure and/or medication delays



Another cost reduction strategy looked at was the elimination of Paramedic level service. This would not provide any immediate savings. These costs are primarily associated with the salaries and training of Paramedics. The degree and timing of savings would be dictated by what could be achieved through employee negotiations. The savings could be up to \$100,000 annually. The department currently receives \$80,000 per year to support Paramedic response. Responding with EMT's would decrease that by \$60,000. The end result would be fewer Paramedics available in the City and system for major medical incidents and occasional delays in the delivery of advanced medical procedures or drug administration.




Utilize a Squad for EMS

- Does not reduce the need for engines
- Represents vehicle fleet addition
- Increases costs while decreasing services
- Increases the number of responding vehicles
- Precludes mutual aid participation

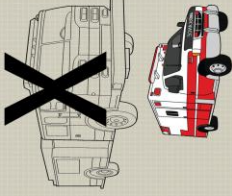


We also looked into reconfiguring our deployment, moving from using two fire engines to one fire engine and one squad. The theory was that using a smaller vehicle to provide EMS would be less costly. While there would be savings in some areas, these would be more than offset with cost increases in others. Having a squad would not eliminate the need to have two functioning fire engines, meaning that adding a squad represents an increase in the number of vehicles that must be purchased, maintained, and replaced. The result would be an increase in costs and reduction in service capability. It would also increase the total number of response vehicles required for some calls. Most importantly, this option precludes our ability to participate in the county's mutual aid system. We would not send our only fire engine out to assist our neighbors. Likewise, we would not be receiving theirs. This alone creates a critical flaw for this option.




Eliminate EMS Response

- Savings potential of up to \$150,000
- Revenue loss of \$80,000
- Delays arrival of any help
- Does not eliminate all ES response, but delays arrival
- Contract an additional ambulance (\$700,000)




Another consideration was to discontinue ES response for EMS. EMS calls are now responded to by licensed Paramedic firefighters and a privately owned ambulance. The intent is to put first responders on scene as quickly as possible, followed-up by an ambulance for hospital transport. As with the earlier option of eliminating Paramedics, most of the savings would be some years out. Also mentioned earlier, the department currently receives \$80,000 per year to support Paramedic response. This revenue would be lost. Eliminating ES response would lengthen the time needed to receive care, in most cases. It would also not completely eliminate an ES response —there are some calls that require additional help or special tools, although ES arrival would be delayed. Complete reliance on the ambulance company to meet EMS demand creates other complications, including wait times when the ambulance needs to come from remote locations. The Paso Robles based ambulance serves an area much larger than the City. Reliance on the ambulance company alone to serve community EMS needs should include provisions for an additional ambulance dedicated to Paso Robles.




Reserve Firefighters

- Approved in 2005
- Program suspended due to cost
- Would not eliminate need for on-duty Firefighters




The last option we looked at was implementing a paid-call/reserve firefighter program. This was actually something approved by the City Council back in 2005. Its execution was suspended in order to delay the associated costs. The savings potential is some time out, rather than immediate. The program was designed to supplement the existing workforce, not replace it.

All of the options studied would significantly impact the department's ability to provide a reasonable degree of public service and protection. In my professional opinion, staffing two engines with three firefighters each represents the minimum level of protection required in our community of 30,000. While I cannot recommend any of the options we looked at, one alternative not studied in great detail was the outsourcing of services.




CAL FIRE Service Contract

- Similar cost for similar service
- Cost reduction through service reduction
- Preserves back-up capability
- City becomes contract administrator
- Costs determined by the State




The City Council did consider contracting fire and rescue services from CAL FIRE in 2000. At the time, there were some cost advantages. Today, the situation is different. Contracting the same services at the same level would require the same level of funding. The greatest potential advantage to contracting would be the City's ability to reduce costs by reducing the level of service--while still maintaining the capability to respond to something more than routine emergencies. An important feature of this option is that the City moves from being an employer to a contractor. And all services changes result in contract changes.



Service Contract Details

- City retains ownership of property
- City contracts for labor component
- All ES employees become State employees
- Vehicle maintenance transfers to CAL FIRE
- Dispatch services transfer to CAL FIRE
- City determines services rather than negotiate costs

Some of the additional features in this arrangement would include the City retaining title to all vehicles, equipment and facilities, making their replacement a City responsibility. In this arrangement, the contract covers all labor costs, and the maintenance and operations expenses. ES employees would become employees of the State. The vehicle maintenance and dispatch functions would also be transferred to CAL FIRE. And lastly, the contract costs are set by the State. The City's decisions would be limited to the services or degree of service it desires. The costs would be determined by the amount and type of resources needed to provide service at the chosen level.



Moving Forward

- **Minimal Need - \$35,000**
 - Training
- **Adequate Need - \$380,000**
 - Responders
 - Supervision, training, code enforcement, other support
 - Public and business support, education
- **Full Need - \$750,000**
 - Responders
 - Supervision, training, code enforcement, other support

Assuming the City desires to continue maintaining an ES department, several needs should be met, and be done as revenues allow. These are all consistent with the needs identified in the department's strategic plans. Our most immediate need is to re-establish external training. This improves our Firefighters' skills. The fewer Firefighters we have, the more important this becomes.

Adequately meeting needs requires that we begin filling the vacancies created by the recession. This would put more responders on the street and provide for the support necessary to resume some non-emergency, yet important, public services.

The last category of service recovery recommendations expands on the prior needs and begins to provide the resources needed for service flexibility and other deployment options.



PASO ROBLES POLICE DEPARTMENT
INTERDEPARTMENTAL MEMORANDUM

Lisa Solomon
Chief of Police

To: James L. App, City Manager
From: Lisa Solomon, Police Chief
Date: January 9, 2012
Subject: Police Service Options 2012

This memorandum serves to provide options for consideration of rebuilding police services in the City of Paso Robles as economic recovery allows. The Police Department currently has 27 sworn officers on staff. They are deployed as follows:

Police Chief	1
Captain	1
Lieutenant	2
Sergeant	5
Detective	2
Patrol Officer	16

Due to the reduction of sworn staff by 14 officers since 2008, all special services and programs have been cut. The Department is not proactive in crime prevention or intervention methods. Patrol Officers respond to most calls for service (with the exception of non-injury traffic collisions) when there is minimum staffing (3 Officers + 1 Sergeant / Watch Commander). When Patrol staffing reaches critical lows (2 Officers + 1 Sergeant / Watch Commander), response to calls for service is limited to emergency / in progress type calls. All other calls remain in cue until staffing is restored to minimum levels and officers are then dispatched as they are available. Many calls / complaints regarding significant criminal / social matters affecting neighborhoods and business districts (described ongoing problems of drug / prostitution houses, gang problems, etc.) are taken for information only, with no resources available to conduct investigations, make proactive arrests or create permanent solutions. Detective staffing is also currently below minimum, so only violent crimes and property crimes with a minimum \$10,000 loss threshold are investigated by the Detective Bureau.

The city can consider two basic alternatives for providing policing services to the community; continue to maintain a local municipal Police Department, or contract police services through the San Luis Obispo County Sheriff's Department.

SHERIFF CONTRACT –

The City could consider contracting all or part of its police services through the Sheriff's Department. During initial discussions with Sheriff Parkinson regarding his interest in providing contract services to the City, he indicated concerns regarding the current level of staffing. The North County Sheriff's substation serves a population of about 25,600 residents over an area of approximately 2,100 square miles. Their staffing to provide patrol services for this population is as follows:



PASO ROBLES POLICE DEPARTMENT
INTERDEPARTMENTAL MEMORANDUM

Lisa Solomon
Chief of Police

Commander	1
Sergeant	2
Senior Deputy	4
Deputy	22

The number of deputies stationed in the North County serves a very similar population to Paso Robles, albeit over a larger area, with more troops in the field. Sheriff Parkinson indicated he would not be interested in contracting patrol services to Paso Robles with any less personnel than he currently staffs at the substation (essentially doubling his current staff). Further, he would feel compelled to deploy 4 sergeants in order to have adequate supervision for each shift (similar to the current PRPD model, but with a greater number of officers on each shift). The cost of a deputy is approximately \$16,300 more than a police officer. Rudimentary computations show that savings the City may eliminate in the salaries of management positions (\$678,000) would be significantly offset by the added cost of line level positions (\$448,000). Net savings may amount to approximately \$230,000 annually. Contracting Dispatch services presents the same dilemma. Sheriff Parkinson estimated he would need to add 6 full-time dispatch positions to accommodate the added workload in their center, at a cost of approximately \$574,600. Our current budgeted staff of 7 full-time and 2 part-time dispatchers cost approximately \$639,900. Net savings to transfer operations would be around \$65,000.

The Sheriff's Department could bring an added benefit of substantial resources in narcotics / gang enforcement, investigative resources, crime lab services, etc.; however, these would all be at some additional, as yet undetermined, cost. Further, any ancillary cost for administering personnel services is not known at this time. Should the Council be interested in considering contracting services, a much more significant, in-depth analysis would need to be undertaken by an independent consultant working with both agencies in order to determine feasibility.

POLICE DEPARTMENT REBUILDING

The Police Department is in need of additional staff in many areas, and careful thought should be given to deploy resources where they will most appropriately address community priorities. A matrix of options identifying needs, immediate, mid-term and long-term, is attached with an outline of service deliverables for each and associated costs. The following provides more in-depth discussion regarding how resources are deployed and where additions are most needed in the future. This analysis assumes no significant changes in City population.

PATROL DIVISION:

Patrol Officers work 12 hour shifts in 4 teams, with each officer working an 8 hour "make-up" shift every other week, for a total 80 hour pay period. The teams split the week, Sunday through Wednesday (days / nights) and Wednesday – Saturday (days / nights). Certain shifts require greater numbers due to workload; i.e. Friday / Saturday nights are much busier than Sunday days.

In order for officers to maintain basic safety and respond to most calls for service, a minimum of 3 Officers + 1 Sergeant / Watch Commander must be deployed. The weekend night shift requires 4 Officers + 1 Sergeant / Watch Commander. The Department must account for "relief" time in these figures in order to actually achieve these staffing minimums. To deploy 1 officer per team,



PASO ROBLES POLICE DEPARTMENT INTERDEPARTMENTAL MEMORANDUM

Lisa Solomon
Chief of Police

approximately 1.5 – 1.8 officers are required when “relief” time is factored. Therefore, to achieve minimum acceptable staffing levels in Patrol, the teams must be allocated a minimum of 4.5 officers each, with 6 on the busy weekend shift. This requires a total of 20 personnel assigned to the Patrol Division. Patrol staffing should be built to 24, providing 6 officers assigned to each shift, which would result in 4 officers on duty for call response at all times.

The City should also consider the addition of non-sworn staff to support the patrol function. There are many services currently provided by sworn officers that can be done by non-sworn personnel at a lower cost. In recent times, the Police Department has had to modify the duties of Code Enforcement Officers to have them provide a greater level of support to Patrol. These non-sworn personnel have been assigned to handle non-emergency calls for service to take cold police reports and deal with nuisance issues that do not present threat or danger. These positions should be more generally classified in name (i.e. Field Services Technician) and continue to be utilized in a more expanded role to support the patrol function. It is a less expensive alternative in cases where a sworn officer response is not needed, yet still provides staffing to attend to the many needs of the community.

In addition to basic call response, there are ancillary programs / services designed to directly support the Patrol Program. If the City is desirous of robust programs to ensure traffic safety, address school and juvenile crime / delinquency issues, and engage in partnerships for Community Policing efforts in specific geographic areas, these efforts would require additional staffing. Examples of staffing options that would be supportive to the patrol function and provide significant benefit to the community are Traffic Safety Officers, School Resource Officers, Community Policing Partnership Officers (HUD), etc.

DETECTIVE BUREAU:

The Detective Bureau has been reduced from 3 to 2 Detectives. When Detective staffing was reduced, changes were made to relieve workload. While all crimes against persons (violent crimes / assaults) with viable leads are investigated, delays in processing cases are not uncommon. The most emergent cases are worked first, i.e. homicides, sexual assaults, child molest / abuse, great bodily injury assaults, etc. Property crimes are often delayed and require a minimum loss threshold to be assigned for investigation. Detective Bureau staffing should be returned to 3 full-time Detectives in order to expeditiously address all cases with leads.

Staffing the Detective Bureau with 3 investigators should be considered is the minimum requirement for responding to cases presented to this agency. If the city is desirous of more proactive investigation of particular crimes (i.e. high tech crimes (identity theft / fraud), internet crimes against children (child pornography / predators) and crime analysis for intelligence led policing efforts, 2 additional Detectives should be assigned to the Bureau. Each would be assigned to work caseloads, but workload would be lightened enough among the group that the entire Bureau could be given ancillary assignments in specialty areas of expertise where additional training and tools (i.e. crime analysis software, high tech crimes resources, etc.) would be provided to take a proactive investigative approach to these challenging cases / problems. Additional Bureau resources would also provide for the ability to conduct more complex investigations involving minor surveillance operations and search warrant service without having to extensively borrow resources from other bureaus or jurisdictions. Another option for expanding Detective Bureau capabilities would be a non-sworn Crime Analyst position that could serve as tremendous investigative support for both Detectives and Patrol. This position could



PASO ROBLES POLICE DEPARTMENT INTERDEPARTMENTAL MEMORANDUM

Lisa Solomon
Chief of Police

provide a variety of services ranging from real time crime trending, comprehensive crime analysis for predictive policing efforts, court / trial exhibit preparation, case intelligence gathering, etc., at less expense.

SPECIAL PROBLEMS:

Special problems continue to emerge and grow in Paso Robles. The Department receives regular complaints regarding the presence of gang activity, drug houses, marijuana grow operations and drug labs, as well as organized houses of prostitution. The Department must develop resources to get control of these issues. There are two viable options for consideration to impact these problem areas; the establishment of a Special Enforcement Team within the Department, and / or participation in a regional task force.

Special Enforcement Team (Local):

A Special Enforcement Team (SET) has been deployed in Paso Robles in the past. The profile is a 2-person sworn unit designated to engage in proactive enforcement that focuses on community problems as they emerge. This team is freed from responding to daily calls for service that occupy the time of Patrol Officers. SET typically works the busier hours of the week (weekend nights), investigating drug sales, prostitution, gang activity, etc. While they work independently to dig up and deter criminal activity, they also provide support to patrol in cases where emergency calls for service require the dispatch of more significant resources for containment / control. Further, this team acts as a great support to Detectives in cases of major gang or drug related crimes requiring significant investigative resources. Their efforts are easily redirected to support different units as necessary. During normal operations, they would work up cases in narcotics, gangs and other street level crime. The local team would develop leads and work with (or pass on) leads on major crime cases to a regional narcotics or gang team to bring down large criminal operations. For a time, this local crime suppression team could delay the need for a 3rd Detective assignment, as the unit would support the Detective Bureau in major cases. As a 2-person team, oversight would be provided by the Detective Bureau Commander.

A 2-person team would be a good starting point to begin proactive enforcement of street crimes. Expansion beyond the 2-person model would need to be done in pairs, as this type of work is dangerous and requires cover / back-up to be built into the model. A team of 4 could cover a greater number of hours across the week (there is not a need for 24/7 deployment of such a resource) by working in teams of 2 on varied shifts under normal circumstances, and coming together when necessary for more intermediate level operations. Should a unit be built to a level of 4 officers or greater, a supervisor would be required to provide direct supervision of daily operations. In this capacity, a supervisor also becomes a working member of the unit (to a degree) and would be counted for operational deployment.

Should the City desire deployment of a full narcotics / gang unit, with capability to handle all levels of investigation of these crimes, a team of 7-9 agents would be required.

Regional Task Force:

San Luis Obispo County Narcotic Task Force has been dissolved. Paso Robles has more major drug operations than any other municipality in the County. The only option for investigating and taking down major drug rings is through participation in a regional drug task force. These types of cases require significant resources (10+ personnel) for undercover operations, surveillance, drug buy money



PASO ROBLES POLICE DEPARTMENT INTERDEPARTMENTAL MEMORANDUM

Lisa Solomon
Chief of Police

and major search warrant service. The sworn officers currently assigned to the SLO NTF from other municipal agencies are committed to transferring to the Sheriff's Department to augment their current narcotics and gang teams. Paso Robles would like to participate; however, current staffing levels do not permit our participation.

Dedicating a sworn officer to a regional task force would cost \$160,000 annually. This figure includes salary, overtime, vehicle, training, cell phone, etc.

An alternative option to remain engaged in the Sheriff's regional narcotics / gang enforcement team would be through a cash contribution. The Sheriff has administrative expenses that are not covered by agencies currently participating through the contribution of personnel. Although a specific monetary figure has not yet been identified, the cash contribution to participate in the previous NTF was \$20,000 annually. It is expected the Sheriff will require a figure of \$20,000 - \$50,000 annually.

This option would be most economical, and highly recommended, especially if the City were to staff a 2-person Special Enforcement Team that could be deployed to immediately address complaints of drug houses, gang problems, prostitution and other problems that arise, and work to "feed" larger cases to the regional Sheriff's team.

Thinking more long-term, the City should establish the 2-person SET now (minimum) and consider incremental expansion to a 7-9 person unit (including a supervisor), that would ultimately act as a fully functional narcotics / gang investigative unit. At these levels, a special unit would also require a non-sworn clerical person to maintain case files and oversee all requirements associated with the seizure and forfeiture of assets as required by State and Federal law. The benefit of a fully functional team that seizes assets is a more concentrated level of service to the community on a multitude of criminal activities, as well as a revenue source that can be used to support the cost of operating such a team. If we have a 2-person SET and we pay for the services of a large team through the Sheriff, part of the deal would be that they keep all assets seized. At such a time when the City is able to run its own full-size team, assets would only be shared (in specified percentages based on amount of work performed) with other agencies through specific agreement (LOA) made at the outset of the investigation.

Conclusion:

Resources remain minimal; therefore, adding staff must be done prudently. In order to properly staff patrol, address various street crime and provide for investigation of more significant criminal enterprise, funding of Option A in the attached matrix should be done as soon as possible, with the goal of building toward the long-term staffing goals and associated services identified.

Option A – 34 Officers (Immediate Need)	Cost
<ul style="list-style-type: none"> • 3 to 5 patrol officers per shift – minimum 3 deployed at all times • 3 Detectives • Deploy Special Enforcement Team (SET) [gangs, drugs, prostitution] • Money commitment to Regional Task Force [major drug / gang investigation] 	\$950,000

Option B – 40 Officers (Mid-Term)	Cost
<ul style="list-style-type: none"> • 3 to 6 patrol officers per shift – 3 to 4 deployed at all times • 4 Detectives for proactive investigative capacity • Expand SET (2 teams of 2) • Reinstitute Traffic Safety Program – 1 Motorcycle Officer • Money commitment to Regional Task Force 	\$1,750,000

Option C – 47 Sworn Officers (Long-Term)	Cost
<ul style="list-style-type: none"> • 6 officers per shift – minimum 4 deployed at all times; provides opportunity to consider assignment of special programs (i.e. School Resource Officers, Housing Authority Officer, etc.) • 5 Detectives to expand capacity of proactive investigative work by combining Detective and SET Resources; add dedicated crime analyst • Continue SET in teams of 2, with working supervisor • Expand Traffic Safety Program to 2 Motorcycle Officers • Assign Officer to Regional Task Force [drug / gang investigations] 	\$2,500,000

Police Department

City Council
Recovery Plan Workshop
February 11, 2012

Chief Lisa Solomon

Staffing Reductions

	1992	2007	2012
Sworn Officers	31	41	27
Non-sworn (FTE)	8.5	16.5	13
TOTAL FTE	39.5	59.5	40

Staffing Ratios

Since 1997, the Public Safety Element of the General Plan has called for 1.4 to 1.6 sworn and .5 non-sworn personnel per 1,000 residents

Actual Ratios:

	1992	2007	2012
Sworn	1.55	1.39	.90
Non Sworn	.42	.56	.43

Eliminated Positions / Programs

Sergeant
Traffic Officers (2)
Patrol Officers (4)
Records Supervisor
DARE Officer / Program
Housing Authority Officer / Program
School Resource Officer (Middle Schools)
General Crimes Detective
Narcotics Task Force Detective
Community Services Specialist / Program
Police Activities League (except Jr. Giants)
Explorer Post
Neighborhood Watch
Citizen's Academy

Impacts – Patrol Program

No Response to Non-Injury Traffic Collisions

No Directed Traffic Enforcement (Motors)

No Traffic Grants (Restraint / DUI / LE Challenge)

Reduced Supervision – LTs pushed to programs

Mandatory Overtime to meet minimum staffing

Service / Safety Response Levels Implemented

Service Reductions - Patrol

“Service” / “Safety” Response Levels:

“Service” Response Level -

Staffing appropriate for full response

“Safety” Response Level -

Staffing requires modified response

- Immediate Threat to Life
- Crimes In Progress
- Crimes w/ Major Physical Injury or Significant Property Loss / Damage

Safety Response Level

Implemented February 7, 2011

589 Hours = 24 days

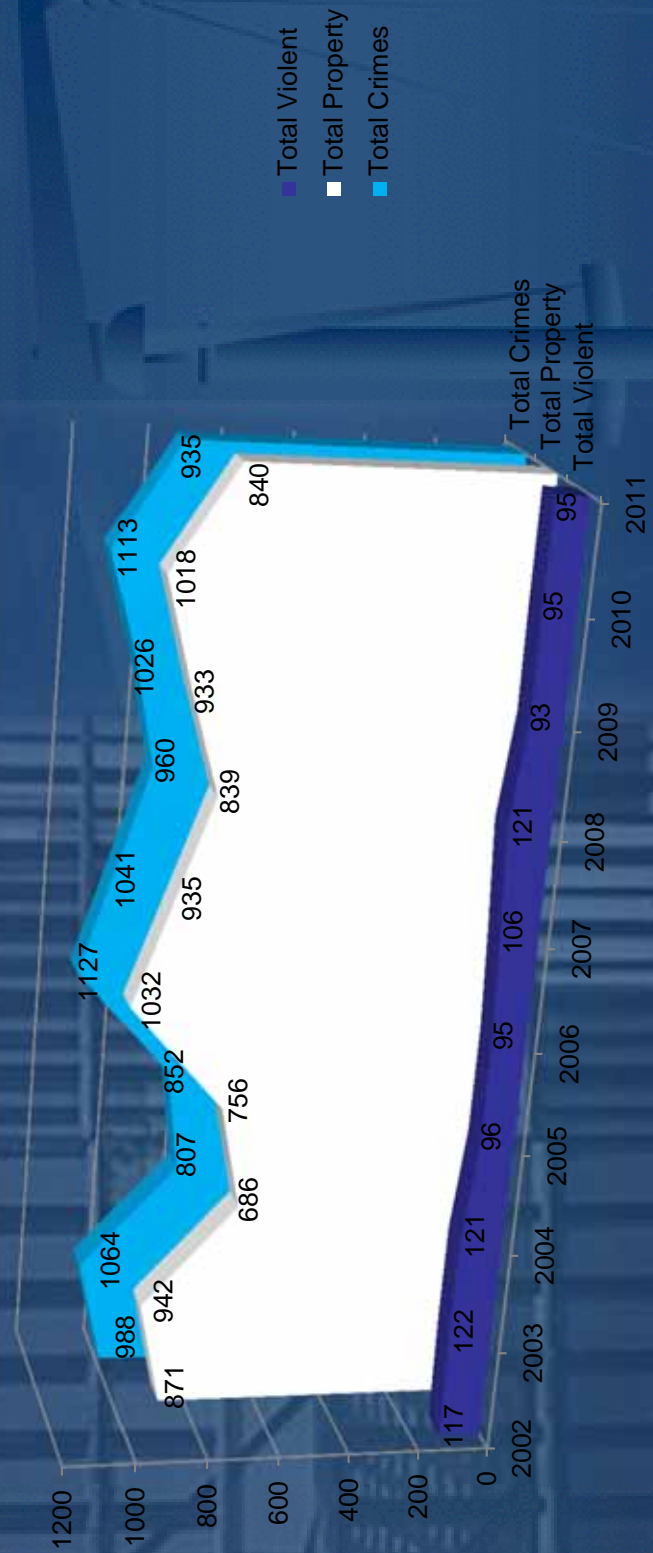
Almost all in < 4 hour increments

Service Reductions – Investigations

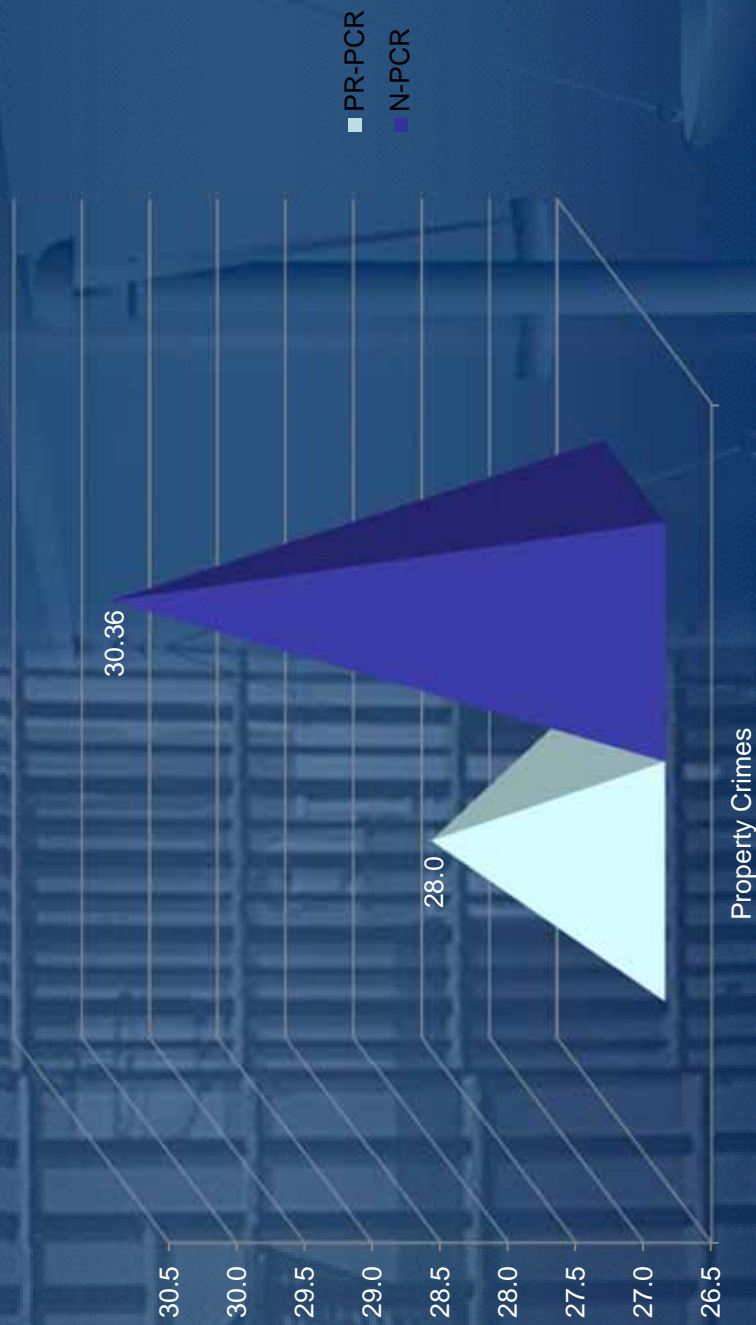
No Narcotics Task Force Investigator

\$10,000 Threshold – Property Crimes

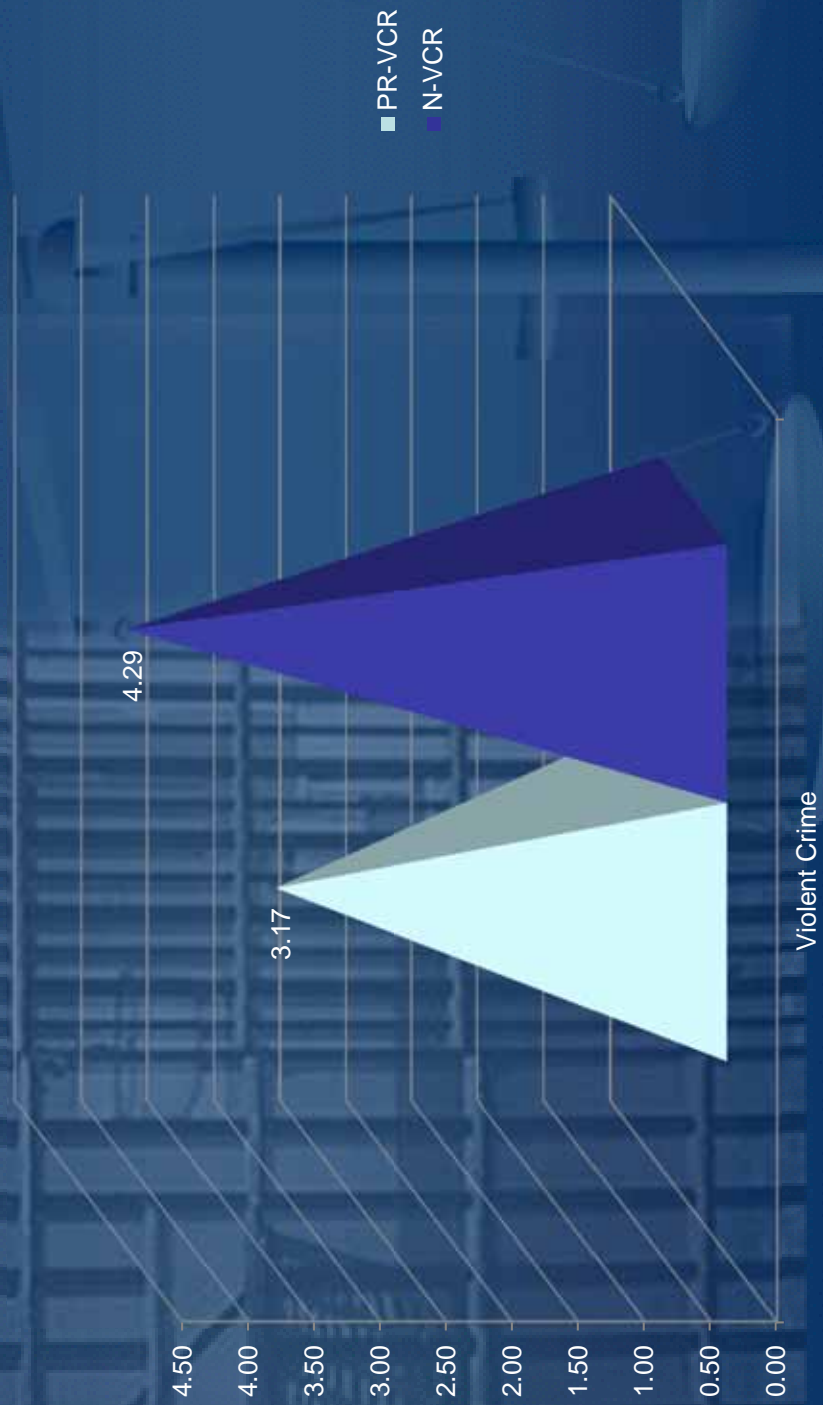
Crime Statistics



Crime Statistics



Crime Statistics



Service Statistics

Calls For Service

Average around 16,000 / year

2011 – 15,000 calls

Priority 1 Average Response Time

Dispatch to on-scene = 4:12

What UCR Doesn't Measure

Pro-active Policing Activities

Narcotics Violations

Gang Activity

Traffic enforcement

Public Disturbances

Vandalism

Alcohol Related Incidents (DUI / Drunk in Public)

Quality of Life Issues

Basic Needs

Patrol Service / Response

Employ “Service Level Response” staffing

Investigative Service / Resource

Investigate all cases with leads

Conduct Proactive Policing

Narcotics Enforcement

Gang Suppression

Prostitution

Options

Sheriff Contract – Patrol Services

Patrol – requires 31 sworn personnel

Deputy \$16,300 more than Officer

Savings in management salaries (\$678,000)

Increased cost of line personnel (\$448,000)

Net savings \$230,000

Does not account for any overhead or other administrative costs Sheriff would charge for other resources....records, detectives,

admin

Options

Sheriff Contract - Dispatch

Sheriff estimates need for 6 Dispatchers

Cost \$574,600

City employs 8 FTE Dispatchers

Cost \$639,900

Net savings \$65,000

Does not account for any overhead or other administrative costs Sheriff would charge for other resources....records, detectives,

admin

Rebuild PRPD Services

Recommendations developed for:

Immediate

Mid-term

Long-term

Recommendations

OPTION “A” – 34 Officers (Immediate Need)

1,000,000

- **3 to 5 patrol officers per shift**
- **3 Detectives**
- **Special Enforcement Team (SET) - 2 Officers**
- **Monetary Contribution to Regional Task Force
Sheriff Special Operations Unit**

Recommendations

OPTION “B” – 40 Officers (Mid-Term)

\$1,800,000

- **3 to 6 patrol officers per shift**
- **4 Detectives –proactive investigative capacity**
- **Special Enforcement Team (SET) - 4 Officers**
- **Traffic Safety Program – 1 Motorcycle Officer**
- **Monetary Contribution to Regional Task Force**

Sheriff Special Operations Unit

Recommendations

OPTION “C” – 47 Officers (Long-Term)

\$2,500,000

- **6 patrol officers per shift**

Minimum deployment of 4

Consider special programs; i.e.

School Resource Officers

Housing Authority Officer

Crime Prevention / DARE, etc.

Recommendations

OPTION “C” (cont’d)

2,500,000

- 5 Detectives
- Special Enforcement Team (4 Ofc. / 1 Sgt.)
- Expand Traffic Safety – 2 Motorcycle Officers
- Assign Officer to Regional Task Force



Questions????

TO: City Council
FROM: James L. App, City Manager
SUBJECT: Recovery Priorities – Department “Must Haves”
DATE: March 1, 2012

At the conclusion of the February 11th, 2012 Recovery Plan Workshop, individual Council Member’s requested a list of “must have this year” from the Departments, and options to selectively utilize a portion of General Fund reserves.

Presented below for your consideration is a list of the Department’s “must haves”, both recurring services and one-time projects.

	<u>F.Y. 2013</u>	<u>F.Y. 2014</u>	<u>F.Y. 2015</u>	<u>TOTAL</u>
Projected Net Operating “Surplus”¹	<u>\$322,000</u>	<u>\$448,000</u>	<u>\$711,000</u>	<u>\$1,481,000</u>
 <u>“Must Have” Recurring Services</u>				
Emergency Service Training	\$ 35,000	\$ 35,000	\$ 35,000	
County Narcotics/Gang Task Force	\$ 90,000	\$ 90,000	\$ 90,000	
Add 3 Police Officers (Totaling 34)	\$400,000	\$400,000	\$400,000	
Finance System ²	\$370,000	\$180,000	\$100,000	
H.R./Risk Mgt. Specialist	\$100,000	\$100,000	\$100,000	
Pot Hole Repair Program (10x current effort)	\$190,000	\$190,000	\$190,000	
LRS – Library Materials	\$ 30,000	\$ 30,000	\$ 30,000	
LRS – Part-Time Staffing	\$ 60,000	\$ 60,000	\$ 60,000	
LRS – Library Staffing (2 f.t.e.)	<u>\$225,000</u>	<u>\$225,000</u>	<u>\$225,000</u>	
Sub-Total (Recurring)	<u>\$1,500,000</u>	<u>\$1,310,000</u>	<u>\$1,130,000</u>	<u>\$3,940,000</u>
Net Operating Result³	<u><\$1,178,000></u>	<u><\$862,000></u>	<u><\$419,000></u>	<u><\$2,459,000></u>

¹ Risks to projected surpluses include unforeseeable economic decline, and/or significant increases in costs for gas, utilities, labor, new mandates, or State appropriation of local funds.

² Includes \$350,000 for one-time installation, testing, transition, & training expense.

³ Overspending would have to be drawn from General Fund Reserves.

“Must Have” One-Time Projects

Road Striping ⁴	\$120,000
General Plan Update	<u>\$1,000,000</u>
Total⁵	<u>\$1,120,000</u>
<u>General Fund Reserve⁶</u>	<u>\$10,145,000</u>

⁴ This would supplement the \$168,000 road striping grant resulting in striping of all major roadways.

⁵ Would have to be drawn from Reserves.

⁶ Risks to reserves include unforeseeable emergencies, replacement of 2 fire engines (\$500K ea.), FEMA disallows some earthquake repair expense (\$1.1M), and/or State disallows use of redevelopment bond proceeds for A.D.A. projects (\$2.5M).

RECOVERY WORKSHOP 2/11/12

Summary of Rebuilding Priority Suggestions

The City Council's Saturday workshop was attended by approximately 40 citizens. Following Department presentations and questions-&-answers, the public and City Council voiced their thoughts about rebuilding priorities, i.e., which service(s) should be attended first (as money becomes available).

Taken as a whole, interest was evident in:

- Police
- Streets
- Library
- Tourism
- Maintenance
- Emergency Services
- "All services are needed"

Additionally, there were a few other priorities suggested by one or more:

- Recreation
- Finance system
- Centennial Pool

A number of citizens, and some Councilmembers, suggested that "all services are important/needed; the real issue is inadequate funding." Related to this observation, the following suggestions were offered:

- Individual's suggestions:
 - Consider leasing facilities to private service providers – specifically:
 - Centennial Park to YMCA
 - Barney Schwartz Park to Big League Dreams.
 - Consider commercial offerings (ex. - coffee shop) in the Library
 - Increase fees for service
- Multiple citizens' suggestions:
 - Increase volunteerism
 - 1% general retail sales tax increase
 - Convene another public workshop/discussion

TAX OPTIONS

Overview

There are several possible types of taxes that may be considered as possible additional sources of revenue. Under state law, all of them require voter approval, and may be proposed as a ballot measure by the City Council. The Council may place one or more of them on the ballot for the November 6, 2012 election, as it is a regularly scheduled general election for members of the City Council. The City Council should determine by no later than its July 17, 2012 meeting if it wishes to submit a ballot measure or measures for the November election.

A general tax must be proposed by ordinance or resolution, and specify the type of tax, the rate of tax and the method of collection. It may specify a range of rates or amounts. General taxes must be voted on at a regularly scheduled general election for members of the council. Two-thirds of the city council must approve the proposed general tax measure for it to be placed on the ballot.

A special tax may be placed on the ballot by ordinance or resolution, adopted after notice and a public hearing. Only a majority vote of the council is required to place a special tax measure on the ballot, with the exception of a sales and use tax, which requires a two-thirds vote by the council. Similar to a general tax proposal, the special tax ordinance or resolution must include the type of tax, its rate, and the method of collection. In addition, it must specify the date on which the election on the tax will be held and the purpose for which the special tax will be used. It also may specify a range of rates or amounts. Unlike with a general tax, there is no restriction on when an election may be called on a special tax. In addition, an election on a special tax may be conducted wholly by mail if the election does not fall on the date of a statewide election and it is authorized by the city council. 2/3 voter approval is required.

Important Note: For all of these tax measures, if the revenues are to be used for general purposes, the measure must be approved by a majority of the voters; if for a special purpose, 2/3 voter approval is required.

Types of Taxes

Transactions & Use Tax (a.k.a., sales tax)

The city is authorized to levy transactions and use taxes (usually called "sales taxes") if the ordinance proposing that tax is approved by a two-thirds vote of all members of the council, and subject to a vote of the people (majority vote for general purpose; 2/3 vote for special purpose sales tax). The tax rate shall be 0.25 percent or a multiple thereof (to a maximum of 1%). It can be levied either for general or specific purposes.

Estimated additional revenue per 0.25 increase annually:

0.25% - \$1,500,000

0.50% - \$3,000,000

0.75% - \$4,500,000

1.00% - \$6,000,000

Parcel Tax

A parcel tax is an excise tax on the privilege of using or having available for use municipal services and is generally an annual tax that is based either on a flat rate per non-vacant parcel or a rate that varies depending on use, and size or number of units, or both, on each parcel. A parcel tax must be adopted as a special tax unless the tax can be shown to be something other than a tax on a parcel or on a person as an incident of property ownership. Because it is a special tax, it requires 2/3 voter approval. The measure should specify what activity or privilege the tax is imposed on and the rate should be structured in a way that has a meaningful relationship to the activity or privilege. (For example, if for library services, could be structured on number of dwelling units on a parcel.) The tax should be imposed on the occupant of the property rather than the owner.

There are approximately 12,000 parcels in town. Estimated additional annual revenue per \$250/yr.:

\$250/yr. - \$3,000,000

\$500/yr. - \$6,000,000

\$750/yr. - \$9,000,000

Utility User Tax

Cities have the authority to tax the use of utilities, such as gas, electricity, telephone, water and cable television and compel public and private utility providers to collect the tax. For example, the Mobile Telecommunications Sourcing Act (4 USC §§ 116-126) allows cities to impose a tax on all cellular telephone airtime, regardless of whether the call originates or terminates in the city, so long as the calls are billed to an address in the city or the telephone is primarily used in the city.

No estimate available – dependent on utility and tax rate.

Business License Tax

The city may impose a business license tax (to be distinguished from a business license fee for regulatory purposes) which can be measured by the licensee's income or gross receipts. (Health & Saf. Code §37101)

No estimate available.

Payroll Tax

A payroll tax is levied upon a business measured by or according to the gross earnings of a business' employees. (Rev. & Taxation Code §17041.5) It must be applicable to all businesses having payrolls within the city. Although it may be measured by the wages paid to employees, it is not an income tax, but rather a tax measured by this particular business expense.

No estimate available.

Transient Occupancy Tax

Cities may tax persons staying 30 days or less in hotels, motels and similar lodgings. (Rev. & Taxation Code §§ 7280-7283.51) The current TOT rate is 10.0%, plus an additional 2.0% for the BID.

Estimated additional revenue annually per 1% increase:

1% - \$300,000

2% - \$600,000

3% - \$900,000

Development Tax

A development or bedroom tax is an excise tax on development activity and/or on the availability or use of municipal services. This is generally imposed only on new construction and collected with building permit fees. The tax rate is usually based on number of units, number of bedrooms or square footage. This is different from development impact fees, which are intended to mitigate the impacts of development and cannot exceed the cost of providing the services or facilities necessitated by the development. The development tax is an excise fee, the purpose of which is to raise revenue, as authorized by law.

No estimate available – income would depend upon tax rate and number of units built annually

Admissions Tax

This is a tax imposed for the privilege of attending a show, performance, display or exhibition, and is usually based on either a flat rate per ticket or on a percentage of the admission price. Based on court cases, however, the city must have substantial businesses or events that do not disproportionately burden First Amendment rights for an admissions tax to be valid. For example, if a movie theatre would generate the bulk of the admissions taxes collected in the city, the tax would not be valid. In addition, an admissions tax cannot be charged at events such as the California Mid-State Fair, as it is run by an agricultural association that is an agency of the State, or on events sponsored by entities with which the agricultural association contracts.