

CITY OF PACIFICA
FINANCING CITY SERVICES TASK FORCE
AGENDA

January 14, 2010
7:00 PM
Pacifica Police Station
2075 Coast Highway

1. Call to Order
2. Approval of 12-10-09 Meeting Minutes
3. Questions from last Meeting
4. Discussion on expenditures
5. Oral Communications/Questions from the Public
6. Next meeting January 28, 2010

City of Pacifica
Financing City Services Taskforce
Minutes – December 10, 2009

1. Call to Order: 7:05 by Vice Chair Mary Ellen Carroll
Bill Bent, Suzan Getchell-Wallace, Bruce Banco, Sue Vaterlaus, Mary Ellen Carroll, Karen Ervin, Mary Ann Nihart, Julie Lancelle and Greg Cochran
Staff: Steve Rhodes, Ann Ritzma
Excused: Omar Saleh, Mary Ellen Carroll

Audience: Sue Digre and Andy Sloane.
2. Approval of Minutes of 11-12-09 – Moved and approved.
3. Questions from Last Meeting – Handout on the City's Cafeteria Plan.
4. Discussion: The group reviewed the City Manager, Human Resources and Finance department budgets and discussed individual line items that could be reduced. Staff responded with pros and cons in making reductions in these areas.
5. The group also discussed in broad terms reductions in personnel costs – salaries, pension (retirement) and benefits.
6. Next Meeting: January 14, 2010
 January 28, 2010
 February 11, 2010.

Adjourned at 8:50 pm.



Daly City braces for deeper budget cuts

By Neil Gonzales
San Mateo County Times

Posted: 01/01/2010 09:39:24 PM PST

Updated: 01/03/2010 07:15:15 PM PST

DALY CITY — The city is still crunching budget numbers but is already bracing for larger financial hurdles than what it has endured so far.

The city's two top funding sources — property and sales taxes — "are much lower than we projected," City Manager Patricia Martel said. "So that's going to mean there will have to be some cuts. Going into next (fiscal) year, it's going to be difficult."

Daly City, like other municipalities and school districts, is trying to piece together a balanced budget as it faces revenue losses given today's economic downturn.

The city seeks to identify key priorities to determine funding levels for programs and services in its two-year budget ending June 2012. To help in that process, the city has surveyed and held forums with residents about what is most important to them.

In February, the City Council is expected to evaluate potential budget cuts.

City leaders do not know yet how much those cuts might be, saying they are analyzing figures. But indications are that the reductions will run deep.

The city is projected to see a 4.6 percent decrease in its property-tax revenue in 2010, according to a

recent staff report.

In addition, sales-tax dollars are forecast to plunge 9.7 percent this year.

"There is no doubt in my mind that 2010-2011 is going to be an extraordinarily tough budget — certainly tougher than (the current) budget," Councilman David Canepa said. "Daly City, like a lot of cities, is dealing with these pressures and how we deliver services with less dollars."

The city runs on an operating budget of about \$72 million.

For this fiscal year, the city chopped about \$5 million through cost-savings measures such as eliminating more than 40 full-time positions, reducing library hours and cutting back on some recreational programs. City workers are also currently on a weeklong unpaid furlough, returning today.

"I would say (these measures will remain) on the table with potential deeper cuts in other areas," Canepa said.

"It's not a pretty picture," Vice Mayor Carol Klatt added. "I think we're going to have to tighten our belts a little more."

In prioritizing programs, the city will take residents' thoughts into consideration.

"This year, we challenged our residents to identify their budget priorities by hosting seven community forums and mailing our community surveys to better understand our residents' needs," Canepa said.

According to survey results, residents rated public

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SATISFIES ACCOUNTANTS.

Dollar Menu

SATISFIES ALL DAY LONG.

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Human Resources

Training Mandatory ethics and discrim/harassment **\$3,000**

Departmental Expense

Employee recognition	\$2,000
Health - preventative	\$3,000
Fingerprinting	\$3,000
Medical exams/pre employment	\$20,000
Publications - FLSA, ADA, etc.	\$2,000
Postage	\$1,200
Membership Dues - Calpera	\$600
HRIS Data	\$3,000
Office Supplies	\$3,000
Retirement plan admin fees/act valuation	\$12,000
Annual Employment Posters	\$1,000
Advertising - jobs	\$1,000
Employee development, new hire packets	\$1,000
Copier Toner	\$1,000
	\$53,800

Contractual Services

CalOpps	\$6,000
ERS	\$8,000
PERS Act	\$1,000
Employee Assistance Program	\$12,000
Discrimination Testing - Benefits Admin	\$10,000
Training Consortium - HR	\$3,000
FLSA Audit	\$1,000
DOT - Federal Driver testing training	\$2,000
Policy and Job Description Development	\$3,000
Unemployment Claims - E group	\$4,000
PARS retirement plan	\$7,000
Drug Testing	\$3,000
	\$60,000

Contract Legal

Negotiations	\$35,000
Investigations	\$5,000
	\$40,000

Finance

Contractual Services - Accounting

RFP **\$75,000** Solid Waste

MIS (see attached)

Operating Software and Licensing (See attached)

Non Departmental

Contract Services

League of Cities	\$12,000
Maximus - Mandated Costs	\$8,320
HdL - Sales Tax	\$7,000
Misc.	\$2,000
Buske	\$1,500
Dev. Fee Study	\$30,000
Smart Silicon Valley	\$1,000
Community Clean Up	\$3,000
HEART	\$15,000
ICLEI	\$600
Farmers Market	\$4,000
	\$84,420

Community Service Organizations

Resource Center	\$83,000
Chamber of Commerce	\$10,000
	\$93,000

**Management Information Systems
Fiscal Year 2009-2010 Proposed Budget**

<u>Account</u>	<u>Description</u>	<u>As of 31-Jan-09</u>	<u>Revised Budget</u>	<u>Expected 30-Jun-08</u>	<u>Proposed FY 2008-2009</u>
01.300345.51200.0000.000	Salaries - Regular	136,859.38	231,200.00	0.00	234,911.00
01.300345.51300.0000.000	Salaries - Part Time	0.00	0.00	0.00	0.00
01.300345.51400.0000.000	Salaries - Overtime	2,450.86	2,000.00	2,600.00	2,000.00
01.300345.51500.0000.000	Retirement	26,101.74	45,900.00	0.00	45,470.00
01.300345.51600.0000.000	Benefits	11,896.40	30,900.00	0.00	31,681.00
01.300345.51711.0000.000	Car Allowance	320.23	500.00	550.00	550.00
01.300345.51700.0000.000	Conferences & Training	835.95	3,000.00	1,000.00	3,000.00
01.300345.52105.0000.000	Telephone	1,294.73	3,000.00	2,700.00	3,000.00
01.300345.52200.0000.000	Office Supplies	368.16	500.00	500.00	500.00
01.300345.52300.0000.000	Departmental Expense	3,087.20	3,500.00	3,500.00	3,500.00
01.300345.52325.0000.000	Operating Software	52,012.12	76,100.00	57,245.65	62,000.00
01.300345.52800.0000.000	Contractual Services	0.00	3,000.00	1,521.60	3,000.00
01.300345.55125.0000.000	Capital Outlay - Software	0.00	0.00	0.00	0.00
01.300345.55130.0000.000	Capital Outlay - Machinery & Equipment	7,919.56	51,000.00	49,000.00	91,000.00
		243,146.33	450,600.00	118,617.25	480,612.00

Notes:

- (a) MIS portion of software formulas plus Business License, etc.
- (b) Increase in cost of McAfee and purchase of 2 years of 2 copies of SQL for 2 processors.
- (c) McAfee AntiVirus software 2 year subscription due up in January, 2011

Operating Software Distribution:		
	Microsoft (Office / Windows / Client / Server)	21,161.33
	Microsoft SQL Server (1 processors) (w/10 CAL)	2,050.00
	McAfee Virus Defense (115) (2-yr)	4,500.00
	Total	27,711.33
% of Formula Formula Dist.		
01.200210.52325.0000.000	City Manager / City Clerk	7.7670
01.220240.52325.0000.000	City Attorney	1.9417
01.300345.52325.0000.000	Finance - MIS Division	8.7379
01.600630.52325.0000.000	Fire - Suppression Services	9.7087
01.800800.52325.0000.000	Parks, Beaches & Recreation	20.3883
01.500530.52325.0000.000	Police - Communication Services	25.2427
01.660712.52325.0000.000	Planning	4.8544
01.700751.52325.0000.000	Public Works - Streets	1.9418
01.700780.52325.0000.000	Public Works - Parks	1.9418
18.940741.52325.0000.000	Public Works - Wastewater	11.6505
01.700723.52325.0000.000	Public Works - Engineering	5.8252
		100.0000

MIS Operating Software:		Yearly Cost
Adobe Acrobat Professional (10 licenses)		2,782.19
Adobe Acrobat Professional (10 licenses)		(2,782.19)
AP Technology Secure Check Maintenance Renewal		995.00
AS/400 Software Assurance (thru ACS by IBM)		1,273.00
GEMS Annual Support (FMS, HRMS, RMS)		42,420.00
HdL Business License Software Maintenance		3,200.00
Microsoft / McAfee Volume Licensing (MIS portion only)		2,421.39
RCI Fixed Asset Management Software Maintenance		700.00
Unisys System Software Support (GEMS app/web servers)		5,831.00
Other Software (see wish list)		
Firewall Software for City Attorney's Office		0.00
McAfee AntiVirus for Seniors Lab		320.00
MS Office for Homework Center		600.00
MS Office for Cabrillo ASP		600.00
Laserfiche Licensing for PD (1)		2,200.00
Adobe Photoshop for Evidence Tech		300.00
Contingency		1,139.61
		62,000.00

2-Year Contract due January, 2009

CITY OF PACIFICA
COUNCIL AGENDA SUMMARY REPORT
November 23, 2009

Agenda Item No.

SUBJECT:

Report on information received from City Attorney Request for Information (RFI) process

ORIGINATED BY:

City Manager

DISCUSSION:

At the September 28, 2009 City Council meeting the Council authorized the issuance of a Request for Information (RFI) to examine the potential for contracting out City Attorney Services. The RFI was issued on the 30th of September with a return date of October 31, 2009. The RFI was sent to eight law firms that provide services to the City and was advertised on-line with *Western City*.

Material was received from two law firms, Best Best & Krieger LLP (BBK) and McDonough Holland & Allen PC (MHA). Those responses are attached to this staff report. A letter was received from Dapeer, Rosenblit & Litvak, LLP stating that they were not responding since they did not provide general City Attorney Services.

BBK provided the most thorough response to the RFI and provided a good basis for a comparison of contracting versus in-house City Attorney services. The firm proposes to designate Malathy Subramanian to serve as the contract City Attorney. She currently serves in a similar capacity for 5 other government agencies.

The response outlines the approach that the firm would take in providing services and sets out a retainer for 90 hours of service per month at a fee of \$19,350. Additional work would be charged at varying rates depending on the member of the firm that was working on the issue and the nature of the issue (see page 14 & 15 of the response). It is estimated that of the 90 hours per month 44 of the hours would be devoted to attendance at Council and Planning Commission meetings and attendance at staff meetings. That would leave 46 hours for general advice. On a weekly basis that would be approximately 11 hours per week.

Assistance beyond the retainer amount would be charged on a sliding scale and could range from \$128 to \$251 per hour. Since the person designated to serve as the contract attorney is a partner it is likely that the rate will vary from \$230 to \$251 per hour

depending on the nature of the work. Based on a sample of the last three months of the work of the City Attorney's Office it is estimated that the annual cost of the BBK contract would be \$327,158. This amount would cover 120 hours per month in service. The current annual budget for the City Attorney is \$576,940. The difference between the two costs is \$249,782.

The 120 hours of service estimated above can be compared to the 200 hours of service provided by an in-house full time staff attorney. If BBK were to provide an equivalent amount of hours the cost would increase to \$543,360 or \$33,580 less than our current City Attorney budget. Because MHA did not give sufficient cost information we could only calculate a fee based on the 200 hours of service. On that basis, the MHA fee would be \$624,000 or \$47,060 more than our current budget.

It appears that the choice becomes one between cost and hours of service. Because outside legal firms serve numerous clients, contact with them will at times be difficult due to the needs of those multiple clients. In the case of BBK the City would be competing with at least 5 other government agencies with perhaps similar needs and priorities.

FISCAL IMPACT:

Undetermined without Council action

ATTACHMENTS:

Proposals from Best Best & Krieger and McDonough Holland & Allen

COUNCIL ACTION REQUESTED:

Determine whether to pursue contracting out of City Attorney services and, if so, direct staff to prepare a Request for Proposals or retain current in-house arrangement.

GENERAL FUND - 01	RESOURCES									
	ACTUAL 06/07	ACTUAL 07/08	ACTUAL 08/09	BUDGETED 09/10	PROJECTED 10/11	PROJECTED 11/12	PROJECTED 12/13	PROJECTED 13/14	PROJECTED 14/15	
BEGINNING BALANCE	0	0	7,340,000	6,717,324	3,155,223	298,185	0	0	0	
PROPERTY TAXES	8,730,175	9,317,967	9,720,884	9,130,000	9,742,986	10,027,985	10,380,924	10,662,052	10,951,613	
SALES TAXES	1,367,418	1,443,417	1,356,812	1,450,000	1,391,894	1,427,350	1,463,871	1,501,487	1,540,232	
OTHER TAXES	4,800,508	5,208,108	5,131,653	5,277,500	5,511,500	5,684,500	5,694,500	5,719,500	5,728,125	
LICENSES & PERMITS	417,566	457,980	375,169	337,425	373,814	381,232	389,535	396,610	404,590	
FINES & FORFEITURES	217,699	186,600	245,492	300,000	220,000	220,000	220,000	220,000	220,000	
USE OF MONEY AND PROPERTY	211,611	175,911	402,240	397,000	183,696	186,913	189,992	193,535	194,278	
INTERGOVERNMENTAL REVENUES	4,285,812	4,827,761	4,907,553	4,560,129	4,491,200	4,503,215	4,516,445	4,526,896	4,529,076	
CURRENT SERVICE CHARGES	1,654,244	1,732,894	1,738,857	1,568,434	1,870,203	1,896,069	1,917,167	1,938,599	1,947,389	
RECREATION PROGRAMS REVENUE	559,350	584,724	582,304	429,500	494,688	596,149	608,609	618,598	627,858	
OTHER REVENUES	2,292,146	5,591,080	1,302,575	1,295,200	1,471,392	1,504,258	1,538,949	1,573,487	1,592,377	
OTHER FINANCING SOURCES	870,000	0	0	0	0	0	0	0	0	
TOTAL	25,406,528	29,526,441	25,763,539	24,745,188	25,751,383	26,427,671	26,919,992	27,350,764	27,735,538	

GENERAL FUND - 01	REQUIREMENTS									
ACTUAL 06/07	ACTUAL 07/08	ACTUAL 08/09	BUDGETED 09/10	PROJECTED 10/11	PROJECTED 11/12	PROJECTED 12/13	PROJECTED 13/14	PROJECTED 14/15		
CITY COUNCIL	148,235	158,928	164,371	157,500	158,255	159,029	159,822	160,635	161,469	
CITY ADMINISTRATION	542,432	382,623	589,296	512,650	566,414	541,352	596,719	572,529	628,794	
HUMAN RESOURCES	476,266	424,271	468,461	463,840	496,041	508,942	527,198	540,819	554,814	
CITY ATTORNEY	1,160,201	982,989	777,751	599,940	615,729	632,681	650,106	668,017	686,428	
FINANCE	1,104,434	1,004,177	1,072,609	1,284,700	1,244,265	1,278,612	1,313,928	1,350,241	1,387,579	
POLICE	8,293,397	8,696,901	9,166,405	9,466,930	9,769,280	10,081,559	10,404,103	10,737,259	11,081,390	
FIRE	6,158,492	5,356,204	4,943,524	6,020,330	6,017,781	6,198,731	6,385,376	6,577,895	6,776,480	
PLANNING	974,112	1,217,918	1,240,235	1,222,311	1,255,982	1,292,169	1,329,665	1,368,578	1,409,037	
PUBLIC WORKS	1,552,790	1,535,951	1,800,644	2,367,433	2,377,114	2,445,540	2,515,997	2,588,546	2,111,768	
PB&R	3,362,755	3,789,271	3,956,264	3,792,432	3,911,415	4,076,910	4,261,309	4,399,139	4,542,583	
NON-DEPARTMENTAL	1,049,941	1,017,376	1,129,155	1,035,223	866,147	877,621	899,635	922,201	945,333	
OTHER	1,690,000	814,800	1,077,500	1,384,000	1,340,000	1,374,000	1,360,000	1,332,000	1,332,000	
TOTAL	26,513,056	25,381,409	26,386,215	28,307,289	28,608,421	29,467,145	30,403,857	31,217,860	31,617,673	

GENERAL FUND - 01	CONTINGENCY RESERVES									
ACTUAL 06/07	ACTUAL 07/08	ACTUAL 08/09	BUDGETED 09/10	PROJECTED 10/11	PROJECTED 11/12	PROJECTED 12/13	PROJECTED 13/14	PROJECTED 14/15		
TOTAL	0	0	6,717,324	3,155,223	298,185	0	0	0	0	

GENERAL FUND - 01	5 YR DIFFERENCE									
TOTAL REQUIREMENTS	26,513,056	25,381,409	33,103,539	31,462,512	28,906,606	26,725,856	26,919,992	27,350,764	27,735,538	
5 YR DIFFERENCE	0	0	0	0	0	-2,741,289	-3,483,865	-3,867,096	-3,882,135	

GENERAL FUND - 01	TOTAL REQUIREMENTS									
TOTAL REQUIREMENTS	26,513,056	25,381,409	33,103,539	31,462,512	28,906,606	29,467,145	30,403,857	31,217,860	31,617,673	

GENERAL FUND - 01	RESOURCES									
	ACTUAL 06/07	ACTUAL 07/08	ACTUAL 08/09	BUDGETED 09/10	PROJECTED 10/11	PROJECTED 11/12	PROJECTED 12/13	PROJECTED 13/14	PROJECTED 14/15	PROJECTED 14/15
BEGINNING BALANCE	0	0	7,340,000	6,717,324	3,155,223	832,275	0	0	0	0
PROPERTY TAXES	8,730,175	9,317,967	9,720,884	9,130,000	9,742,996	10,027,985	10,380,924	10,662,052	10,951,613	10,951,613
SALES TAXES	1,367,418	1,443,417	1,356,812	1,450,000	1,391,894	1,427,350	1,463,871	1,501,487	1,540,232	1,540,232
OTHER TAXES	4,800,508	5,208,108	5,131,653	5,277,500	5,511,500	5,684,500	5,694,500	5,719,500	5,728,125	5,728,125
LICENSES & PERMITS	417,566	457,980	375,169	337,425	373,814	381,232	389,535	396,610	404,590	404,590
FINES & FORFEITURES	217,699	186,600	245,492	300,000	220,000	220,000	220,000	220,000	220,000	220,000
USE OF MONEY AND PROPERTY	211,611	175,911	402,240	397,000	183,696	186,913	189,992	193,535	194,278	194,278
INTERGOVERNMENTAL REVENUES	4,285,812	4,827,761	4,907,553	4,560,129	4,491,200	4,503,215	4,516,445	4,526,896	4,529,076	4,529,076
CURRENT SERVICE CHARGES	1,654,244	1,732,894	1,738,857	1,568,434	1,870,203	1,896,069	1,917,167	1,938,599	1,947,389	1,947,389
RECREATION PROGRAMS REVENUE	559,350	584,724	582,304	429,500	494,688	596,149	608,609	618,598	627,858	627,858
OTHER REVENUES	2,292,146	5,591,080	1,302,575	1,295,200	1,471,392	1,504,258	1,538,949	1,573,487	1,592,377	1,592,377
OTHER FINANCING SOURCES	870,000	0	0	0	0	0	0	0	0	0
TOTAL	25,406,528	29,526,441	25,763,539	24,745,188	25,751,383	26,427,671	26,919,992	27,350,764	27,735,538	27,735,538

GENERAL FUND - 01	REQUIREMENTS									
	ACTUAL 06/07	ACTUAL 07/08	ACTUAL 08/09	BUDGETED 09/10	PROJECTED 10/11	PROJECTED 11/12	PROJECTED 12/13	PROJECTED 13/14	PROJECTED 14/15	PROJECTED 14/15
TOTAL RESOURCES	25,406,528	29,526,441	33,103,539	31,462,512	28,906,606	27,259,946	26,919,992	27,350,764	27,735,538	27,735,538
TOTAL REQUIREMENTS	26,513,056	25,381,409	26,386,215	28,307,289	28,074,331	28,371,186	28,721,738	28,930,872	28,763,214	28,763,214

GENERAL FUND - 01	REQUIREMENTS									
	ACTUAL 06/07	ACTUAL 07/08	ACTUAL 08/09	BUDGETED 09/10	PROJECTED 10/11	PROJECTED 11/12	PROJECTED 12/13	PROJECTED 13/14	PROJECTED 14/15	PROJECTED 14/15
CITY COUNCIL	148,235	158,928	164,371	157,500	158,255	159,029	159,822	160,635	161,469	161,469
CITY ADMINISTRATION	542,432	382,623	589,296	512,650	554,825	517,049	559,323	521,650	564,029	564,029
HUMAN RESOURCES	476,266	424,271	468,461	463,840	489,463	495,222	506,121	512,165	518,355	518,355
CITY ATTORNEY	1,160,201	982,989	777,751	599,940	606,056	612,320	618,736	625,308	632,039	632,039
FINANCE	1,104,434	1,004,177	1,072,609	1,284,700	1,221,273	1,230,621	1,240,188	1,249,980	1,260,001	1,260,001
POLICE	8,293,397	8,696,901	9,166,405	9,466,930	9,550,444	9,636,645	9,725,625	9,817,479	9,912,308	9,912,308
FIRE	6,158,492	5,356,204	4,943,524	6,020,330	5,874,327	5,907,196	5,940,963	5,975,657	6,011,305	6,011,305
PLANNING	974,112	1,217,918	1,240,235	1,222,311	1,230,010	1,238,131	1,246,739	1,255,919	1,265,772	1,265,772
PUBLIC WORKS	1,552,790	1,535,951	1,800,644	2,367,433	2,335,927	2,359,692	2,384,150	2,409,322	1,940,463	1,940,463
PB&R	3,362,755	3,789,271	3,956,264	3,792,432	3,858,067	3,964,622	4,081,911	4,150,562	4,222,693	4,222,693
NON-DEPARTMENTAL	1,049,941	1,017,376	1,129,155	1,035,223	855,686	876,660	898,159	920,195	942,781	942,781
OTHER	1,690,000	814,800	1,077,500	1,384,000	1,340,000	1,374,000	1,360,000	1,332,000	1,332,000	1,332,000
TOTAL	26,513,056	25,381,409	26,386,215	28,307,289	28,074,331	28,371,186	28,721,738	28,930,872	28,763,214	28,763,214

CONTINGENCY RESERVES										
GENERAL FUND - 01	ACTUAL 06/07	ACTUAL 07/08	ACTUAL 08/09	BUDGETED 09/10	PROJECTED 10/11	PROJECTED 11/12	PROJECTED 12/13	PROJECTED 13/14	PROJECTED 14/15	PROJECTED 14/15
TOTAL REQUIREMENTS	26,513,056	25,381,409	33,103,539	31,462,512	28,906,606	28,371,186	28,721,738	28,930,872	28,763,214	28,763,214
5 YR DIFFERENCE	0	0	0	0	0	-1,111,240	-1,801,746	-1,580,108	-1,027,676	-1,027,676