



*In accordance with City Council Resolution 1995-21, the minutes of meetings of the City Council and the Boards, Commissions, and Committees of the City shall be prepared as Action Minutes.*

*The following information comprises the minutes for the regular meeting of the City Council, a joint meeting of the Banning City Council and Banning Utility Authority and a joint meeting of the Banning City Council and the Banning City Council sitting in its capacity as the Successor Agency Board.*

MINUTES  
CITY COUNCIL

04/28/2020  
REGULAR MEETING

COUNCIL MEMBERS PRESENT: Mayor Andrade  
Mayor Pro Tem Wallace  
Councilmember Happe  
Councilmember Pingree  
Councilmember Welch

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT Douglas Schulze, City Manager (via teleconference)  
Kevin G. Ennis, City Attorney  
Sonja De La Fuente, Deputy City Clerk  
Jennifer Christensen, Administrative Services Director  
Adam Rush, Community Development Director  
Tom Miller, Electric Utility Director  
Matthew Hamner, Police Chief  
Art Vela, Public Works Director/City Engineer  
Suzanne Cook, Deputy Finance Director  
Laurie Sampson, Executive Assistant

**I. CALL TO ORDER**

A regular meeting of the Banning City Council was called to order by Mayor Andrade on April 28, 2020, at 5:06 p.m. via Video/Teleconference.

Mayor Pro Tem Wallace offered the invocation.

Councilmember Pingree led the audience in the Pledge of Allegiance.

## **II. AGENDA APPROVAL**

A motion was made by Mayor Pro Tem Wallace, seconded by Councilmember Pingree, to approve the agenda. Rollcall vote was taken as follows:

AYES:	Andrade, Happe, Pingree, Wallace & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

## **III. PRESENTATION(S)**

None

## **IV. REPORT ON CLOSED SESSION**

None

## **V. PUBLIC COMMENTS, CORRESPONDENCE, AND APPOINTMENTS**

### PUBLIC COMMENT(S)

Mayor Andrade opened Public Comment for items not on the Agenda.

Jerry Westholder spoke against the City housing or helping indigents and asked when it was approved by the City Council.

Seeing no further comments, the Mayor closed Public Comments.

### CORRESPONDENCE

None

### APPOINTMENT(S)

None

## **VI. CONSENT ITEMS**

Items 9, 10 & 11 were pulled for separate consideration.

1. Minutes – April 14, 2020, Regular Meeting
2. Proclamation – Police Week
3. Public Works Capital Improvement Project Tracking List

4. Contracts Approved Under the City Manager's Signature Authority for the Month March 2020
5. Fire Department Statistics for March 2020
6. Police Department Statistics for March 2020
7. Notice of Completion for Project No. 2014-06, "Ramsey Street Pavement Rehabilitation, Hargrave Street to West of Hathaway Street"
8. Resolution 2020-40, Approving a List of Projects to be Funded for Fiscal Year 2020-2021 by SB 1 "The Road Repair and Accountability Act of 2017"

### **Public Comments**

None

A motion was made by Councilmember Happe, seconded by Councilmember Welch to approve Consent Items 1-8. Rollcall vote was taken as follows:

AYES:	Andrade, Happe, Pingree, Wallace & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

### **Action: Approved Consent Items 1-8.**

9. Resolution 2020-44, and 2020-3 SA, City Officers Authorized to Order the Deposit and Withdrawal of Monies in the Local Agency Investment Fund

Mayor Pro Tem Wallace asked staff for clarification on the accounts and authorized signers and Administrative Services Director Jennifer Christensen provided an explanation and clarification on this item.

### **Public Comments**

None

A motion was made by Councilmember Welch, seconded by Mayor Pro Tem Wallace to approve Consent Item 9. Rollcall vote was taken as follows:

AYES:	Andrade, Happe, Pingree, Wallace & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

**Action:       Approved Consent Item 9.**

10.    Resolution 2020-54, Approving and Authorizing Submittal of California Emergency Management Agency Form California Office of Emergency Services Form 130 Designating Personnel to Act as the Agent for the City when Seeking Financial Assistance After a Disaster

Mayor Pro Tem Wallace asked staff .

Public Works Director Vela provided explained .

**Public Comments**

None

A motion was made by Councilmember Happe, seconded by Councilmember Pingree to approve Consent Item 10. Rollcall vote was taken as follows:

AYES:	Andrade, Happe, Pingree, Wallace & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

**Action:       Approved Consent Item 10.**

11.    Resolution 2020-55, Authorizing the Police Department to use Golden Star Technology to Outfit Seven New Police Vehicles with a F110 G5 Series Tablet

The Deputy City Clerk indicated that if approved the last sentence of the resolution would be stricken removed (Attachment 1).

Mayor Pro Tem Wallace expressed concern with money being available to cover the cost.

Chief Hamner explained there was a salary savings from some unfilled positions this fiscal year.

**Public Comments**

Jerry Westholder expressed concern with money being available for officers.

Police Chief Matthew Hamner addressed the concern.

A motion was made by Councilmember Welch, seconded by Councilmember Pingree to approve Consent Item 11 as amended. Rollcall vote was taken as follows:

AYES:	Andrade, Happe, Pingree, Wallace & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

**Action:**       **Approved Consent Item 11 as amended.**

**VII.    PUBLIC HEARING(S)**

**None**

**VIII.   ANNOUNCEMENTS AND REPORTS**

CITY COUNCIL COMMITTEE REPORTS

Councilmember Pingree reported that he has participated in the food drive and that is going strong.

Councilmember Welch advised the committees he participates in have been dormant during this time and therefore has nothing to report.

Councilmember Happe had nothing to report. He thanked the City Manager and staff for the work he has done with the homeless issue.

Mayor Pro Tem Wallace advised she is impressed with the food giveaway every Friday. She also reported that Kids Cure does giveaways as well and does a good job. The Community Action Partnership Executive Director oversees homeless in the County and they will help those in need.

Mayor Andrade advised that the committees she participates in have also gone dormant during this time. She is participating in the food drive on Fridays with the other Councilmembers and Parks & Recreation Commissioners Diaz and Cabral. She also thanked the Community for participating in the program.

REPORT BY CITY ATTORNEY

City Attorney Kevin Ennis reported that a lot of action has been taken by the Riverside County Health Officer, Governor, and the White House Administration

and the City Attorney's office is keeping up with everything and keeping Council and staff apprised as necessary.

### REPORT BY CITY MANAGER

City Manager Doug Schulze reported on the following:

- A coalition letter of all cities in Riverside County to State and Federal representatives was emailed to the City Council for the Mayor's signature. It addresses direct economic relief from the Federal government needed by all cities. The letter will be mailed from the League of California Cities.
- In order to receive Community Development Block Grant funding, a project name was given based on the the street it is on and the fact that it is a homeless village, thus Ramsey Street Village seemed appropriate, but it is not set in stone. This is a joint effort with the City Council, the community, the County, faith-based organizations and not-for-profit organizations. It is funded through Community Development Block Grants and supplemented by the CARE Act passed by Congress. He provided some background on how the project came to fruition and some details on the project.

Each member of the City Council expressed their support of the project.

### REPORTS OF OFFICERS

#### 1. Full Cost Allocation Plan

Deputy Finance Director Suzanne Cook provided the staff report and PowerPoint presentation (Attachment 2) for this item.

#### **Public Comment**

None.

A motion was made by Mayor Pro Tem Wallace, seconded by Councilmember Pingree, to receive and file the full Cost Allocation Plan as prepared by MGT Consulting Group, April 2020. Rollcall vote was taken as follows:

AYES:	Andrade, Happe, Pingree, Wallace & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

**Action: Received and filed Cost Allocation Plan**

The Mayor recessed the meeting at 7:02 p.m. and reconvened at 7:13 p.m.

## 2. Budget Workshop

Administrative Services Director provided the staff report and PowerPoint presentation (Attachment 3) for this item.

### **Public Comment**

None

There was extensive discussion held among Council and staff. Council provided several suggestions for consideration during the budget process.

A motion was made by Councilmember Welch, seconded by Mayor Andrade, to move forward with direction provided by City Council: Rollcall vote was taken as follows:

AYES:	Andrade, Happe, Pingree, Wallace & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

**Action:**        **Direction was provided.**

## **IX. DISCUSSION ITEM**

None

**CITY COUNCIL** – Next Meeting, May 12, 2020, 5:00 p.m.

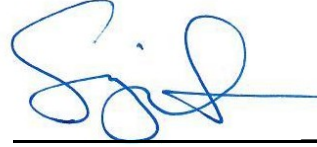
## **X. ITEMS FOR FUTURE AGENDAS**

Councilmember Happe requested Council consider reducing Public Comment time to three minutes.

## **XI. ADJOURNMENT**

By consensus, the meeting was adjourned at 8:57 p.m.

Minutes Prepared by:



---

Sonja De La Fuente, Deputy City Clerk

***The entire discussion of this meeting may be viewed here:***

***<https://banninglive.viebit.com/player.php?hash=DvVn4WoRZXsJ>. Any related***

***documents maybe viewed here:***

***<http://banningca.gov/ArchiveCenter/ViewFile/Item/2284> or by purchasing a CD or DVD  
in the amount of \$7.00 at Banning City Hall located at 99 E. Ramsey Street.***



# **ATTACHMENT 1**

**RESOLUTION 2020-55**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA AUTHORIZING THE POLICE DEPARTMENT TO UTILIZE GOLDEN STAR TECHNOLOGY FOR THE PURCHASE OF SEVEN (7) F110 G5 TABLETS AND ACCESSORIES NOT TO EXCEED THE AMOUNT OF \$28,261.00**

**WHEREAS**, the City of Banning Police Department is responsible for the security and safety of the Citizens of the City; and,

**WHEREAS**, emergency equipment in police vehicles is necessary for their deployment in the field; and,

**WHEREAS**, purchases in excess of \$25,000 require City Council approval.

**NOW, THEREFORE, BE IT RESOLVED**, the City Council of the City of Banning hereby authorizes the Banning Police Department to utilize Golden Star Technology for the purchase and installation of Tablets and accessories to outfit seven (7)) new police vehicles using Riverside County Contract #SHARC-20454-001-06/20 in an amount not to exceed \$28,261. ~~The Finance Department is authorized to make the necessary budget adjustments related to these funds.~~

**PASSED, APPROVED, AND ADOPTED** this 28th day of April, 2020.

\_\_\_\_\_  
Daniela Andrade, Mayor  
City of Banning

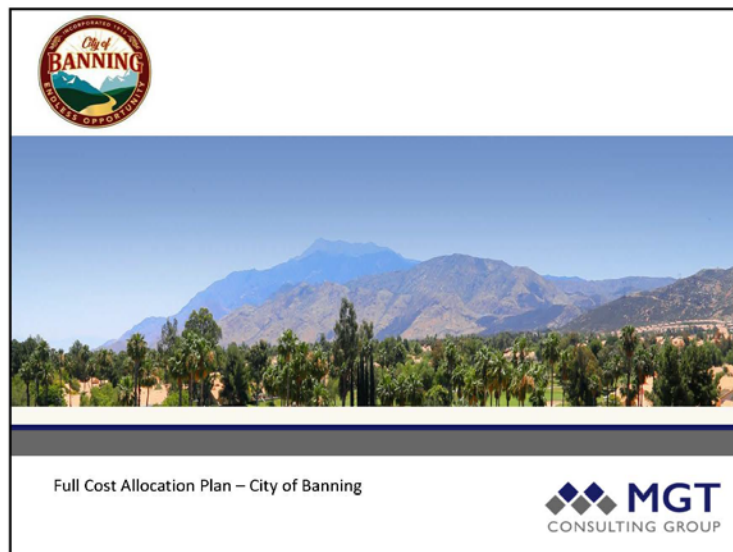
**ATTEST:**

\_\_\_\_\_  
Sonja De La Fuente, Deputy City Clerk  
City of Banning

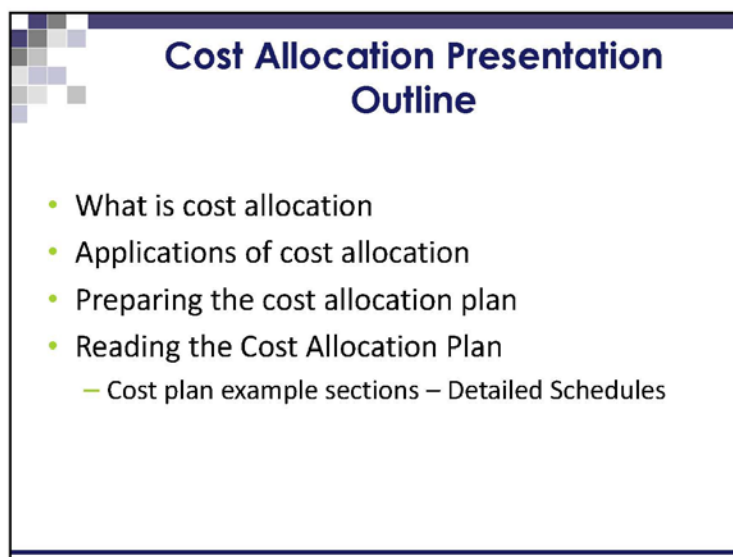
**APPROVED AS TO FORM AND  
LEGAL CONTENT:**

\_\_\_\_\_  
Kevin G. Ennis, Esq., City Attorney  
Richards, Watson & Gershon

# **ATTACHMENT 2**



1



2

1

## What is Cost Allocation?

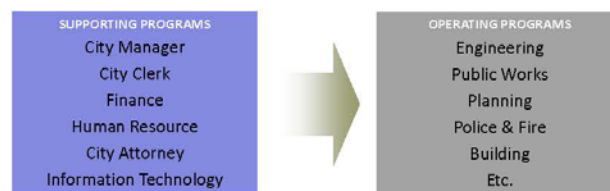
### Definitions of Cost

- Direct Costs
  - Project, program, or task specific.
  - Easily identifiable and tracked to a particular cost objective.
  - *Operating programs*, grantee departments
- Indirect Costs
  - Costs which benefit more than one task, activity or program.
  - Costs that cannot be assigned, or directed, to a specific task, activity or program *without making an effort disproportionate to the results achieved.*
  - Administrative/Overhead/*Support programs*

3

## What is Cost Allocation?

- A method to calculate and assign the cost of *supporting* programs that serve *operating* programs



- Assigning support cost in a manner that is reasonable and logical and is reflective of the use of the service.

4

2



## Applications of Cost Allocation

- Recover allowable indirect costs from Federal or State grant programs
- Reimbursement to the general fund for support provided to internal service and enterprise funds
- User fee calculations
- Integrate into SB90 claims
- Useful in budgeting process to understand the true or full cost of providing services
  - Subsidy decisions
  - Resource allocation

5



## Preparing the Cost Allocation Plan

- Collect financial and operational data
  - Budget & prior year actual expenditures
- Department meetings to discuss methodology and services provided
- Determine department functions
- Identify and request allocation data
- Prepare cost plan model, draft plan and conduct internal review
- City draft review
- Incorporate changes and produce final plans

6

3

## Reading the Cost Allocation Plan

- Table of Contents
- Summary Schedules
- Detailed Schedules

7

## Cost Plan: Table of Contents

- Identifies the allocated departments, the costs pools created, and the basis of the allocation.

Table of Contents	1
Summary Schedules	4
001-1000 City Council	11
1 Department Costs	12
1 Operating Costs	13
1 Council Support - Fiscal	15
1 Council Support - Personnel	17
1 Council Support - Agendas	18
1 Allocation Summary	19
001-1000 City Manager	21
2 Department Costs	22
2 Operating Costs	23
2 City Mgr Support - Fiscal	25
2 City Mgr Support - Personnel	27
2 Allocation Summary	28
001-1000 Human Resources	30
3 Department Costs	31
3 Operating Costs	32
3 HR Support	34
3 Allocation Summary	35
001-1000 City Clerk	36
4 Department Costs	37
4 Operating Costs	38
4 City Clerk Support - Fiscal	40
4 City Clerk Support - Personnel	42
4 City Clerk Support - Agendas	43
4 City Clerk Support - Records & Comm	44
4 Elections	45
4 Allocation Summary	46
001-1000 Fiscal Services	47
5 Department Costs	48
5 Operating Costs	50
5 Budget	52
5 Debt Accounting	54
5 Payroll	56
5 Accounts Payable	57

8

4

### Cost Plan: Summary Schedule

- Summarizes all allocation results.
  - Receiving departments are in columns. Allocating departments are in rows.

City of Banning  
Full Cost Allocation Plan

FY 2019-2020  
4/9/2020

Summary Schedule

Department	444 Wilson Median	451 Park Development	470 Capital Improvement	600 Airport	610 Transit Operations	610 5800 Fixed Route	610 5850 Dial-A-Ride	66X Water Operations Fund	67X Electric Operations Fund	68X Wastewater Operations Fund
1 001-1000 City Council	\$0	\$0	\$0	\$885	\$0	\$9,819	\$573	\$28,723	\$61,894	\$11,527
2 001-1000 City Manager	0	0	0	1,426	0	23,150	1,706	55,903	152,034	16,793
3 001-1300 Human Resources	0	0	0	1,301	0	31,219	1,301	41,625	80,648	7,825
4 001-1400 City Clerk	0	0	0	963	0	8,470	372	26,856	51,079	13,548
5 001-1500 Fleet Services	110	296	82	4,445	0	25,862	2,321	153,259	304,369	76,297
6 001-1910 Purchasing	0	1,255	0	1,371	0	10,702	5,371	63,107	64,901	44,133
7 001-3000 Building Maintenance	0	0	0	3,471	0	17,290	0	15,373	62,189	11,989
8 001-4500 Central Services	0	0	0	2,024	0	33,102	2,416	79,120	215,644	23,653
9 702 Fleet Maintenance	0	0	0	0	0	206,176	136,226	281,770	188,525	100,715
10 703 Information Systems Services	0	0	0	360	6,485	255	1,441	29,554	68,669	17,403
11 700-5040 Liability Insurance	0	0	0	19,125	0	59,105	11,258	59,900	285,573	34,432
12 700-5300 City Attorney	0	0	0	466	0	0	0	25,464	42,971	5,654
<b>Total Current Allocations</b>	<b>\$110</b>	<b>\$1,051</b>	<b>\$82</b>	<b>\$35,867</b>	<b>\$6,485</b>	<b>\$505,272</b>	<b>\$164,685</b>	<b>\$592,703</b>	<b>\$1,577,606</b>	<b>\$361,945</b>

9

### Cost Plan: Detailed Schedules

- Allocated Departments – have their own detailed schedule.
- Same basic structure
- Common components are:
  - Narratives
  - Department Costs
  - Incoming Costs
  - Cost Pool Allocations
  - Total Allocations

10



City of Banning		FY 2019-2020
Full Cost Allocation Plan		4/9/2020
001-1900 Fiscal Services		
Nature and Extent of Services		
<b>Narrative:</b>		
The Fiscal Services Division is responsible for payroll, accounts payable, accounts receivable, purchasing, grants, financial accounting and reporting, debt administration, business tax certificates, budget preparation and administration, cash management and treasury functions.		
Fiscal Services costs are distributed by the following functions:		
Budget - Costs have been allocated based on total operating budget per department.		
Gen'l Accounting - Costs have been allocated based on number of accounting trans per department.		
Payroll - Costs have been allocated based on number of payroll transactions per department.		
Accounts Payable - Costs have been allocated based on number of AP transactions per department.		
Business License - Costs have been allocated based on total operating budget per department, GF Only.		
AR (Non-Utility Billing) - Costs have been allocated based on number of AR transactions per department.		
AR Utility Billing - Costs have been allocated based on number of utility billings accounts per Utility Fund (Refuse weighted at 5%).		
Contracts - Costs have been allocated based on number of contracts per department.		

11

City of Banning		FY 2019-2020
Full Cost Allocation Plan		4/9/2020
Dept 5: 001-1900 Fiscal Services		
A. Department Costs		
Description	Amount	General Admin Budget Gen'l Accounting Payroll Accounts Payable Business License AR (Non-Utility Billing) AR Utility Billing
Personnel Costs		
Salaries	\$1 661,676	960 159,244 138,671 99,812 84,500 50,597 44,856 67,164
Salary & Shift		17% 24,076 20,961 15,896 12,776 7,681 6,396 10,196
Benefits	\$ 269,265	350 64,803 55,421 40,618 34,287 20,590 18,254 27,332
Subtotal - Personnel Costs	930,941	1,210 224,047 195,153 140,430 118,886 71,187 63,110 94,496
Services & Supplies Cost		
CONTRACTUAL SERVICES	\$ 57,850	75 13,923 12,124 8,727 7,388 4,424 3,822 5,872
CONTRACT SVC-EMPLOYEE GPC	\$ 1,380	2 308 268 193 163 86 87 130
CONTRACTUAL SVC-UTILITIES	\$ 0	0 0 0 0 0 0 0 0
CONTRACT SVC-REPAIR	\$ 36,800	36 7,220 4,287 4,525 3,831 2,294 2,034 3,545
CONTRACT SVC-PROFESSIONAL	\$ 66,454	86 15,993 13,927 10,024 8,487 5,082 4,505 6,345
MANAGEMENT AND SUPPORT	\$ 2,000	3 481 419 302 255 153 136 203
DEPARTMENTAL SUPPLIES	\$ 0	0 0 0 0 0 0 0 0
NONCAPITALIZED ASSETS	\$ 10,300	13 2,456 2,138 1,539 1,303 780 691 1,035
CONTRA EXPENDITURE	\$ (582,218)	0 0 0 0 0 0 0 0
Subtotal - Services & Supplies	(33,432)	218 40,380 35,163 25,310 21,427 12,830 11,334 17,037
Department Cost Total	597,509	1,428 264,427 230,266 165,740 140,313 84,018 74,485 111,527
Adjustments to Cost		
CONTRA EXPENDITURE	\$ (501,216)	0 0 0 0 0 0 0 0
Subtotal - Adjustments	501,216	0 0 0 0 0 0 0 0
Total Costs After Adjustments	1,098,725	1,428 264,427 230,266 165,740 140,313 84,018 74,485 111,527
General Admin Distribution		(1,428) 344 300 216 183 109 97 145
Grand Total	\$1,098,725	\$264,771 \$230,566 \$165,955 \$140,496 \$84,127 \$74,582 \$111,673

12

### Cost Plan – Detailed Schedules

Dept 5: 001-1900 Fiscal Services

**B. Incoming Costs - (Default Spread Salary%)**

Department	First Incoming	Second Incoming	Budget	Gen'l Accounting	Payroll	Accounts Payable	Business License	AR (New-Utility Billing)	AR Utility Billing	Contracts
1 Council Support - Fiscal	9236	9197	9194	901	901	395	335	329	344	916
1 Council Support - Personnel	2,473	2,100	1,104	961	692	385	351	311	466	111
Subtotal - 001-1005 City Council	2,709	2,305	1,208	1,052	757	641	384	340	510	121
2 City Mgr Support-Fiscal	1,057	235	311	271	195	165	99	88	131	31
2 City Mgr Support-Personnel	11,054	2,541	3,376	2,653	2,053	1,736	1,641	623	1,362	329
Subtotal - 001-1200 City Manager	12,111	2,776	3,589	3,124	2,249	1,904	1,140	1,011	1,513	360
3 HR Support	20,172	4,543	5,956	5,186	3,733	3,160	1,892	1,678	2,512	597
Subtotal - 001-1300 Human Resources	20,172	4,543	5,956	5,186	3,733	3,160	1,892	1,678	2,512	597
4 City Clerk Support-Fiscal	229	52	68	59	42	36	22	19	29	7
4 City Clerk Support-Personnel	2,396	307	717	625	400	301	228	202	303	72
Subtotal - 001-1400 City Clerk	2,625	633	785	684	402	417	249	221	333	79
5 Budget	0	1,275	307	268	193	163	98	87	130	31
5 Gen'l Accounting	0	691	167	145	104	88	53	47	70	17
5 Payroll	0	9,179	2,312	1,826	1,386	1,174	703	623	933	222
5 Accounts Payable	0	1,859	448	390	281	238	142	126	189	45
5 Business License	0	2,762	666	560	417	303	211	187	281	67
Subtotal - 001-1900 Fiscal Services	0	15,767	3,799	3,309	2,381	2,016	1,207	1,070	1,603	381
6 Purchasing A	0	2,409	581	506	364	308	184	164	245	58
6 Purchasing B	0	1,569	383	334	240	203	122	108	162	38
Subtotal - 001-1910 Purchasing	0	3,986	964	839	604	511	306	271	406	97
7 City Hall	0	10,811	2,567	2,227	1,603	1,357	812	720	1,078	256
Subtotal - 001-3200 Building Maintenance	0	10,811	2,567	2,227	1,603	1,357	812	720	1,078	256
8 Central Services- Fiscal	0	1,242	299	261	188	159	95	84	126	30
8 Central Services- Personnel	0	12,985	3,129	2,725	1,963	1,660	994	881	1,320	314
Subtotal - 001-4000 Central Services	0	14,227	3,428	2,986	2,149	1,819	1,089	966	1,446	344
10 Info Services Support	0	23,963	5,678	4,945	3,599	3,013	1,804	1,596	2,395	570
10 Phone Support	0	4,152	1,001	871	627	531	318	282	422	100

13

### Cost Plan – Detailed Schedules

Dept 5: 001-1900 Fiscal Services

**Budget Allocations**

Department	Units	Allocation Percent	First Allocation	Direct Billed	Department Allocation	Second Allocation	Total
(011) 66X Wastewater Operations Fund	3,627,334	4.50%	\$12,135	\$0	\$12,135	\$1,007	\$13,142
(178) 67X Electric Operations Fund	31,461,405	28.12%	\$27,146	0	\$27,146	2,745	\$29,891
(86) 68X Water Operations Fund	9,564,484	11.90%	\$2,573	0	\$2,573	2,659	\$5,232
(18) 001 Police	8,602,562	10.70%	29,297	0	29,297	2,391	31,688
1 001-1000 City Council	107,630	0.13%	367	0	367	0	367
2 001-1200 City Manager	227,889	0.28%	776	0	776	0	776
3 001-1300 Human Resources	161,673	0.20%	551	0	551	0	551
4 001-1400 City Clerk	181,637	0.23%	619	0	619	0	619
5 001-1900 Fiscal Services	374,508	0.47%	1,275	0	1,275	0	1,275
6 001-1910 Purchasing	165,779	0.16%	531	0	531	43	574
7 001-3200 Building Maintenance	203,836	0.25%	695	0	695	57	751
8 001-4000 Central Services	1,132,675	1.41%	3,857	0	3,857	315	4,172
9 702 Plant Maintenance	1,547,755	1.92%	5,271	0	5,271	430	5,701
10 703 Information Systems Services	525,172	0.65%	1,789	0	1,789	146	1,935
11 700-0000 Liability Insurance	953,306	1.19%	3,247	0	3,247	265	3,512
12 700-5300 City Attorney	750,000	0.93%	2,554	0	2,554	208	2,763
13 001-1800 City Attorney	362,077	0.45%	1,233	0	1,233	101	1,334
15 001-1210 Economic Development	252,520	0.31%	860	0	860	70	930
17 001-2060 TV Government Access	115,888	0.14%	385	0	385	32	427
18 001-2210 Openly	1,052,400	1.31%	3,584	0	3,584	293	3,877
20 001-2300 Animal Control	215,583	0.26%	717	0	717	59	775
21 001-2400 Fire	3,949,365	4.41%	12,090	0	12,090	987	13,076
33 661X-7000 Building & Related	679,046	0.71%	1,463	0	1,463	146	1,611

14

4/28/2020

## Cost Plan – Detailed Schedules

Allocation Summary								Dept: 01-1900 Financial Services	
Department	Budget	Gen'l Expenses	Payroll	Business Payable	Business Liabilities	Air (Int'l Utility Billing)	Air Utility Billing	Contracts	Total
080 181 BEALAM Capital Project Fund	\$0	\$128	\$0	\$0	\$0	\$0	\$0	\$0	\$128
070 180 BEA Capital Project Fund	0	760	0	418	0	0	0	0	1,178
070 180 Vancouver Operations Fund	13,342	38,447	2,945	4,125	0	0	0	29,244	68,858
172 174 Electric Operations Fund	13,581	75,290	20,000	0	0	0	0	65,958	154,731
070 180 Vancouver Operations Fund	35,352	35,352	18,960	0	0	0	0	28,242	82,604
070 180 Vancouver Operations Fund	0	234	0	0	0	0	0	0	234
180 180 Agency Funds	0	1,027	0	0	0	0	0	0	1,024
180 180 Agency Funds	31,658	2,913	26,900	432	34,653	55,560	0	0	171,020
1 001-1000 City Council	367	282	4,372	2,144	169	0	0	0	8,961
2 001-1000 City Council Manager	79	24,281	79	1,064	1,064	0	0	0	30,344
3 001-1000 Human Resources	501	532	2,122	2,249	1,179	0	0	0	8,981
4 001-1000 City Clerk	1,279	691	1,979	1,809	2,762	0	0	0	8,421
5 001-1000 Building Services	274	594	658	658	658	0	0	29,871	31,383
6 001-1000 Facilities Maintenance	75	645	1,969	1,969	2,762	0	0	0	15,627
7 001-1000 City Council Services	8	75	472	424	4,826	0	0	0	12,160
8 001-1000 Fleet Management	1,920	2,968	3,933	21,268	0	0	0	0	29,189
9 001-1000 Information Systems	1,505	1,334	1,966	1,533	0	0	0	0	6,338
10 001-1000 Liability Insurance	1,512	693	795	0	0	0	0	0	4,887
12 000-5000 City Attorney	2,763	17	0	12,124	0	0	0	0	17,904
13 000-5000 City Attorney	4	3	0	1,563	13,881	0	0	0	15,751
14 001-0001 General	0	548	0	16,914	0	0	0	0	17,964

15

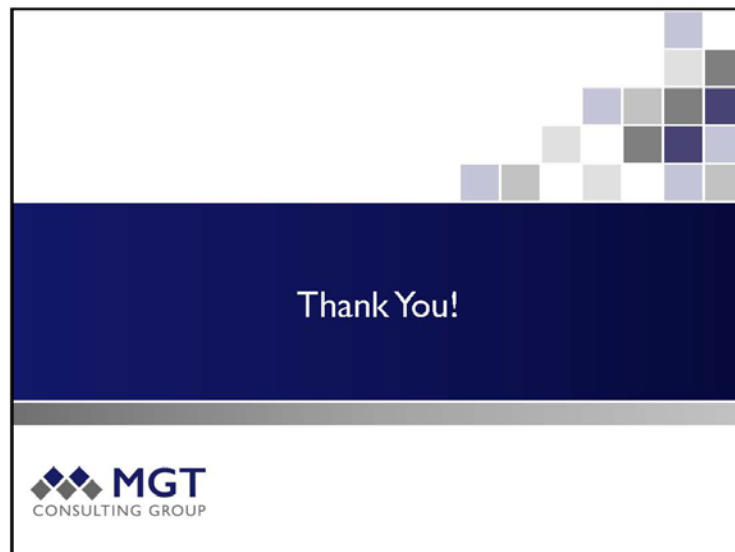
Questions & Comments  
Action Item: Receive & File



16

8

4/28/2020



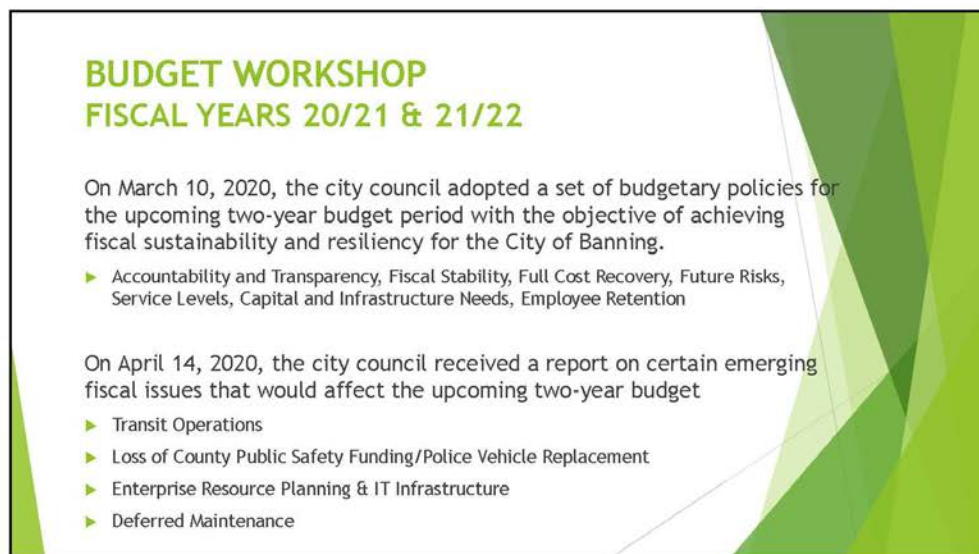
17

9

# **ATTACHMENT 3**



1



2

1

## BUDGET WORKSHOP FISCAL YEARS 20/21 & 21/22

### Additional Headwinds

- ▶ Animal Control Contract Increase for FY 2020-21 of 100%
- ▶ Pension Obligations
- ▶ Street Maintenance Funding and Gas Tax Impacts
- ▶ City Infrastructure Needs
  - ▶ Water, Wastewater, Electric, Streets
- ▶ City Facility Needs
  - ▶ City Hall
  - ▶ Emergency Operations Center/Armory
- ▶ Fire Contract and County Administration Costs
- ▶ Homelessness Issues

3

## BUDGET WORKSHOP FISCAL YEARS 20/21 & 21/22

### Coronavirus Pandemic

- ▶ Presidential Guidelines for Social Distancing issued March 16, followed by Governor's Shelter at Home Executive Order on March 19

### Causes Market Shocks...

- ▶ Job Loss and Abrupt Halting of Economic Activity Across Business Sectors
- ▶ Immediate Loss of Sales Tax and Transient Occupancy Tax (TOT aka Hotel Tax)
- ▶ Unfunded Mandates for Local Government

### Which Leads to Recession

- ▶ U-Shaped Recovery: Sharp downturn with depressed level of activity persisting for some period of time, followed by a pronounced recovery.
- ▶ L-Shaped Recovery: Sharp downturn, slow resolution to the virus, and inadequate federal fiscal stimulus leads to protracted recession with high unemployment rates.

4

2

## BUDGET WORKSHOP FISCAL YEARS 20/21 & 21/22

### Recovery from Stimulus and Role of Federal Government

- ▶ Given Its Ability to Run Deficits, the Federal Role Is Indispensable
- ▶ Adequacy of the Federal Fiscal Response Will Determine Much About the Pace of the Eventual Economic Recovery
- ▶ Federal Package To-Date Was Historic, in Size and the Speed With Which It Was Enacted

5

## BUDGET WORKSHOP FISCAL YEARS 20/21 & 21/22

### California Faces Challenging Fiscal Outlook

- ▶ Fiscal Outlook Has Gone From Anticipated Surplus to Very Likely Facing a Budget Problem
  - ▶ Budget picture will evolve over the next few months as data become available.
  - ▶ Timing of downturn creates higher than usual level of uncertainty.
- ▶ Fiscal Effects of the Recession Will Likely Span More Than One Budget Year
  - ▶ Reserve balances are very helpful, but insufficient to cover revenue losses.
  - ▶ In the near term, judicious use of budget reserves is warranted.
- ▶ Lacking Solid Basis for Revenue Estimates, Adoption of a Cautious Budget in June Is Justified
- ▶ Legislative Analyst's Office Assessment of Economic Impact Dated April 16, 2020  
<https://lao.ca.gov/handouts/FO/2020/Preliminary-Assessment-of-the-Economic-Impact-of-COVID-19-041620.pdf>

6

3





7

## BUDGET WORKSHOP: ECONOMY FISCAL YEARS 20/21 & 21/22

- About 95% of U.S. population, about 306 million people, are under stay-at-home orders
- Consequently, economic activity has been greatly decreased
- Local governments, especially cities, depend on economic activity for tax revenues

8

4



9



10

5

**BUDGET WORKSHOP: STRATEGIES  
REDUCE SPENDING  
FISCAL YEARS 20/21 & 21/22**

- Reduce capital asset investments
- Defer some purchases
- Improve capital project management
- Reexamine maintenance and replacement standards
- Refinance debt

11

**BUDGET WORKSHOP: STRATEGIES  
FIND NEW RESOURCES  
FISCAL YEARS 20/21 & 21/22**

- Increase interfund charges where there is a case for it
- Reassess internal service fund and cost allocation formulas
- Redesignate general fund reserves
- Consider monetizing assets
- Implement new or revised fees where appropriate
- Consider short-term borrowing

12

**BUDGET WORKSHOP: STRATEGIES  
REDUCE MATERIALS & CONTRACTOR COSTS  
FISCAL YEARS 20/21 & 21/22**



- Close facilities where social distancing isn't possible
- Eliminate lower-value or no-use programs
- Review contractor costs and renegotiate if possible
- Rethink subsidies, as painful as this might be

13

**BUDGET  
WORKSHOP  
FISCAL  
YEARS 20/21  
& 21/22**



**Operating Budget**

- Annual
- Day-to-day activities

**Capital Budget**

- Multi-year plan
- Fixed assets

14

7

## BUDGET WORKSHOP: OPERATIONS FISCAL YEARS 20/21 & 21/22

### General Fund (GF)

- ▶ General Operating Revenues estimated at \$16,343,290
- ▶ Deficit Projected at \$2,573,821

### Special Revenue Funds (SRF)

- ▶ Street maintenance funding reductions

### Internal Service Funds (ISF)

- ▶ Revenues estimated at \$6,262,763
- ▶ Deficit Projected at \$1,439,225
- ▶ Must charge full costs to all departments for Workers Compensation, Liability Insurance, City Attorney charges
- ▶ Need to develop fully loaded rates for ISFs and charge all departments

### Enterprise Funds

- ▶ Transit Operations deficit revised estimate at \$144,330
- ▶ Alternative: examine business model and explore regional partnership opportunities

15

## BUDGET WORKSHOP: CAPITAL FISCAL YEARS 20/21 & 21/22

### General Fund

- ▶ City Hall Deferred Maintenance Issues not included in proposed budget
- ▶ Estimated one-time cost of \$1.5-2.0 million over two-year period
- ▶ Alternative: consider focusing on essential safety improvements to reduce immediate budget impact

### Internal Service Funds

- ▶ IT Server Replacement
- ▶ No funding in proposed budget for Enterprise Resource Planning (ERP) or cybersecurity needs
- ▶ Alternative for ERP budget needs: scaling project

16

## BUDGET WORKSHOP: CAPITAL FISCAL YEARS 20/21 & 21/22

### Enterprise Funds

#### Water

- ▶ Water pipeline replacement needs continue to be unmet
- ▶ Water rates are insufficient to support infrastructure replacement needs
- ▶ Savings of \$600,000 for FY 20/21 due to use of municipal utility rates for all city departments

#### Electric

- ▶ Electric Improvement Fund proposed budget at \$16,358,240 vs. reserves of \$3,398,648
- ▶ All Electric Funds proposed budget at \$18,180,812
- ▶ Risk of depleting nearly all reserves in FY 2020-21

17



## BUDGET WORKSHOP FY 2020-21 & FY 2021-22

### QUESTIONS?

18



## BUDGET WORKSHOP FISCAL YEARS 20/21 & 20/22

### RECOMMENDED ACTIONS

- ▶ Provide direction, if any, regarding items to be addressed or included in the Recommended Budget, schedule for adoption on June 9, 2020; and
- ▶ Provide direction, if any, regarding the special issues or other items.

19

10