

Attachment 3
Potential Changes to Proposed Measure Z Spending Plan

Note: The potential Measure Z Spending Plan changes reflected in this document are as of March 24, 2017. The changes only refer to public safety & capital improvement/infrastructure items discussed at the March 9, 2017, Budget Engagement Commission meeting and technology items that will be discussed at the March 30, 2017 Budget Engagement Commission meeting. The items included in this analysis are contingent upon formal staff recommendation, input and recommendations from the Budget Engagement Commission and approval of the City Council.

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1-5 Totals	Year 6-10 Totals	Year 11-15 Totals	Year 16-20 Totals	GRAND TOTAL	Notes
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21						
Public Safety											
<i>Police Department Vehicles</i>											
Original PD Vehicle Replacement and Maintenance Plan	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,000,000	\$ 3,600,000	\$ 2,000,000	\$ 2,400,000	\$ 16,000,000	
Revised PD Vehicle Replacement and Maintenance Plan	\$ -	\$ 2,704,822	\$ 2,745,119	\$ 2,786,221	\$ 2,828,146	\$ 11,064,308	\$ 11,349,537	\$ 12,530,805	\$ 16,770,237	\$ 51,714,887	Annual debt services of \$690,000 plus replacement of vehicles each year. Useful life of 3-5 years; 4 year financing (\$2.5 million)
Purchase 6 Vehicles in FY 2016-17	\$ 307,000	\$ (84,575)	\$ (84,575)	\$ (84,575)	\$ (84,575)	\$ (31,300)	\$ -	\$ -	\$ -	\$ (31,300)	A recommendation to fund six vehicles, would reduce the need for vehicles purchased in future years.
Refurbish Vehicle (Pilot Program)	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$25,000 per vehicle - 2 vehicle pilot program.
<i>Net Increase / (Decrease in Funding)</i>	<i>\$ 307,000</i>	<i>\$ 670,247</i>	<i>\$ 660,544</i>	<i>\$ 701,646</i>	<i>\$ 743,571</i>	<i>\$ 3,083,008</i>	<i>\$ 7,749,537</i>	<i>\$ 10,530,805</i>	<i>\$ 14,370,237</i>	<i>\$ 35,733,587</i>	
<i>Fire Department Vehicles</i>											
Original Fire Vehicle Replacement and Maintenance Plan	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 6,400,000	\$ 4,160,000	\$ 1,600,000	\$ 1,920,000	\$ 14,080,000	
Revised Fire Replacement and Maintenance Plan	\$ -	\$ 1,690,000	\$ 1,990,000	\$ 3,574,252	\$ 3,894,158	\$ 11,148,410	\$ 19,538,870	\$ 14,235,618	\$ 13,552,341	\$ 58,475,239	One-time replacement of 16 vehicle; 10-year financing (\$13.7 million). Additional layering in of vehicle replacement for remainder of vehicles.
<i>Net Increase / (Decrease in Funding)</i>	<i>\$ -</i>	<i>\$ 90,000</i>	<i>\$ 390,000</i>	<i>\$ 1,974,252</i>	<i>\$ 2,294,158</i>	<i>\$ 4,748,410</i>	<i>\$ 15,378,870</i>	<i>\$ 12,635,618</i>	<i>\$ 11,632,341</i>	<i>\$ 44,395,239</i>	
<i>Vehicle Maintenance Staffing and Facility Improvements</i>											
Fleet Facility Capital Repairs Needed	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	Facility improvements to doors, lifts and drive approach.
Additional Fleet Mechanics for Police Department (2)	\$ -	\$ 181,000	\$ 190,050	\$ 199,553	\$ 209,530	\$ 780,133	\$ 1,112,211	\$ 1,227,971	\$ 1,643,419	\$ 4,763,734	Total salary and benefits - based on existing position. Final amounts may differ based on starting salary and CalPERS tier. Current costs anticipated 5% annual increases for first 5-years with 2% increases thereafter.
Additional Fleet Mechanics for Fire Department (2)	\$ -	\$ 181,000	\$ 190,050	\$ 199,553	\$ 209,530	\$ 780,133	\$ 1,112,211	\$ 1,227,971	\$ 1,643,419	\$ 4,763,734	Total salary and benefits - based on existing position. Final amounts may differ based on starting salary and CalPERS tier. Current costs anticipated 5% annual increases for first 5-years with 2% increases thereafter.
<i>Net Increase / (Decrease in Funding)</i>	<i>\$ -</i>	<i>\$ 462,000</i>	<i>\$ 380,100</i>	<i>\$ 399,105</i>	<i>\$ 419,060</i>	<i>\$ 1,660,265</i>	<i>\$ 2,224,422</i>	<i>\$ 2,455,942</i>	<i>\$ 3,286,839</i>	<i>\$ 9,627,468</i>	
<i>Police Department Recruiting</i>											
Dispatcher Hiring Incentives and Recruitment Costs	\$ -		\$ 344,360	\$ 344,360	\$ 344,360	\$ 1,033,080		\$ -	\$ -	\$ 1,033,080	Includes hiring and retention bonuses, vacation bank accruals, and testing/background expenditures.
Police Officer Lateral Hire Incentives and Recruitment Costs	\$ -		\$ 107,533	\$ 107,533	\$ 107,533	\$ 322,600	\$ -	\$ -	\$ -	\$ 322,600	Includes vacation bank accruals and testing/background expenditures.
Human Resources - Senior Analyst	\$ -	\$ 113,500	\$ 119,175	\$ 125,134	\$ 131,390	\$ 489,199	\$ 697,436	\$ 770,026	\$ 1,030,542	\$ 2,987,204	Total salary and benefits - based on existing position. Final amounts may differ based on starting salary and CalPERS tier. Current costs anticipated 5% annual increases
<i>Net Increase / (Decrease in Funding)</i>	<i>\$ -</i>	<i>\$ 113,500</i>	<i>\$ 571,068</i>	<i>\$ 577,027</i>	<i>\$ 583,284</i>	<i>\$ 1,844,879</i>	<i>\$ 697,436</i>	<i>\$ 770,026</i>	<i>\$ 1,030,542</i>	<i>\$ 4,342,884</i>	
Total Additional Public Safety Costs	\$ 307,000	\$ 1,335,747	\$ 2,001,712	\$ 3,652,030	\$ 4,040,073	\$ 11,336,562	\$ 26,050,266	\$ 26,392,391	\$ 30,319,958	\$ 94,099,178	

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	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21						
CAPITAL/INFRASTRUCTURE/QUALITY OF LIFE											
<i>Street Maintenance</i>											
Original Street Maintenance and Repair - Partial Funding	\$ -	\$ 7,000,000	\$ 1,500,000	\$ -	\$ 3,000,000	\$ 11,500,000	\$ 9,000,000	\$ 12,500,000	\$ 15,000,000	\$ 48,000,000	
Request of Fund 80 miles of paving		\$ 12,210,000	\$ 12,210,000	\$ 12,210,000	\$ 12,210,000	\$ 48,840,000	\$ 61,050,000	\$ 61,050,000	\$ 73,260,000	\$ 244,200,000	Amounts needed to pave 80 miles per year. Amounts include the addition of eight staff members to facilitate the work.
<i>Net Increase / (Decrease in Funding)</i>	\$ -	\$ 5,210,000	\$ 10,710,000	\$ 12,210,000	\$ 9,210,000	\$ 37,340,000	\$ 52,050,000	\$ 48,550,000	\$ 58,260,000	\$ 196,200,000	
Total Additional Capital/Infrastructure/Quality of Life Costs	\$ -	\$ 5,210,000	\$ 10,710,000	\$ 12,210,000	\$ 9,210,000	\$ 37,340,000	\$ 52,050,000	\$ 48,550,000	\$ 58,260,000	\$ 196,200,000	
FISCAL DISCIPLINE											
<i>Pension Obligation Bond - Payroll</i>											
Original Payoff of the Balloon \$32 million Pension Obligation Bond	\$ -	\$ 4,500,000	\$ 5,000,000	\$ -	\$ -	\$ 9,500,000	\$ 20,000,000	\$ 5,000,000	\$ -	\$ 34,500,000	Paid off over 10 Years. Final payoff schedule will be determined based on market rates and financing options available at that time.
Revised Payoff of the Balloon \$32 million Pension Obligation Bond	\$ -	\$ 2,145,000	\$ 2,145,000	\$ 2,145,000	\$ 2,145,000	\$ 8,580,000	\$ 10,725,000	\$ 2,145,000	\$ -	\$ 21,450,000	February 2017 Finance Committee recommendation to utilize Measure Z funding to pay off the BAN. The General Fund portion of the POB costs is approximately 55% of the total. The revised 10-year financing reflects \$39 million in total principal and interest payments. The total amounts presented are the General Fund portion only. Estimated City Council approval in April/May 2017.
<i>Net Increase / (Decrease in Funding)</i>	\$ -	\$ (2,355,000)	\$ (2,855,000)	\$ 2,145,000	\$ 2,145,000	\$ (920,000)	\$ (9,275,000)	\$ (2,855,000)	\$ -	\$ (13,050,000)	
<i>General Fund Reserve</i>											
General Fund Reserve (15%)	\$ 6,078,592	\$ -	\$ -	\$ -	\$ -	\$ 6,078,592	\$ -	\$ -	\$ -	\$ 6,078,592	
General Fund Reserve (20%)	\$ -	\$ 15,768,018	\$ 3,308,007	\$ 2,718,101	\$ 1,301,789	\$ 23,095,915	\$ 5,000,000	\$ 2,500,000	\$ 3,000,000	\$ 33,595,915	
Revised General Fund Reserve (15%)	\$ 5,554,224	\$ -	\$ -	\$ -	\$ -	\$ 5,554,224	\$ -	\$ -	\$ -	\$ 5,554,224	
Revised General Fund Reserve (20%)	\$ -	\$ 16,292,387	\$ 3,983,232	\$ 3,440,679	\$ 3,025,485	\$ 26,741,783	\$ 5,000,000	\$ 2,500,000	\$ 3,000,000	\$ 37,241,783	
<i>Net Increase / (Decrease in Funding)</i>	\$ (524,368)	\$ 524,369	\$ 675,225	\$ 722,578	\$ 1,723,696	\$ 3,121,500	\$ -	\$ -	\$ -	\$ 3,121,500	
Total Additional Fiscal Discipline	\$ (524,368)	\$ (1,830,631)	\$ (2,179,775)	\$ 2,867,578	\$ 3,868,696	\$ (920,000)	\$ (9,275,000)	\$ (2,855,000)	\$ -	\$ (13,050,000)	
TECHNOLOGY											
<i>Enterprise Resource Planning (ERP) System</i>											
Original ERP Funding	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 2,000,000	\$ 6,200,000	\$ -	\$ -	\$ 8,200,000	General Fund portion only.
Revised ERP unfunded items	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 4,000,000	\$ -	\$ -	\$ 5,000,000	General Fund portion only.
<i>Net Increase / (Decrease in Funding)</i>	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 4,000,000	\$ -	\$ -	\$ 5,000,000	
<i>Cyber Security</i>											
Original Cybersecurity Funding	\$ -	\$ -	\$ 500,000	\$ -	\$ 250,000	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000	
Revised Cybersecurity unfunded items	\$ -	\$ 900,000	\$ 400,000	\$ 900,000	\$ 650,000	\$ 2,850,000	\$ 900,000	\$ -	\$ -	\$ 3,750,000	
<i>Net Increase / (Decrease in Funding)</i>	\$ -	\$ 900,000	\$ 400,000	\$ 900,000	\$ 650,000	\$ 2,850,000	\$ 900,000	\$ -	\$ -	\$ 3,750,000	
<i>Other Technology Needs</i>											
Original Hardware (servers, storage, and network equipment)	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ 1,500,000	
Revised Hardware unfunded items (servers, storage, and network equipment)	\$ -	\$ 2,410,000	\$ 1,910,000	\$ 2,410,000	\$ 1,910,000	\$ 8,640,000	\$ 1,910,000	\$ -	\$ -	\$ 10,550,000	
New unfunded Computer Replacement	\$ -	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 5,200,000	\$ 1,300,000	\$ -	\$ -	\$ 6,500,000	
New unfunded Innovation and Technology Staffing - new	\$ -	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 3,200,000	\$ 800,000	\$ -	\$ -	\$ 4,000,000	

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	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21						
New unfunded Workorder/Asset Management System Replacements - new	\$ -	\$ 820,000	\$ 820,000	\$ 820,000	\$ 820,000	\$ 3,280,000	\$ 820,000	\$ -	\$ -	\$ 4,100,000	
<i>Net Increase / (Decrease in Funding)</i>	\$ -	\$ 5,330,000	\$ 4,830,000	\$ 5,330,000	\$ 4,830,000	\$ 20,320,000	\$ 4,830,000	\$ -	\$ -	\$ 25,150,000	
Total Additional Technology Costs	\$ -	\$ 6,230,000	\$ 5,230,000	\$ 7,230,000	\$ 5,480,000	\$ 24,170,000	\$ 9,730,000	\$ -	\$ -	\$ 33,900,000	
TOTAL POTENTIAL IMPACTS TO RECOMMENDED MEASURE Z SPENDING PLAN	\$ (217,368)	\$ 10,945,116	\$ 15,761,937	\$ 25,959,608	\$ 22,598,769	\$ 71,926,562	\$ 78,555,266	\$ 72,087,391	\$ 88,579,958	\$ 311,149,178	