

Attachment 1
Measure Z Spending Options

Item #	Funding Request	Category	Original Proposal (Funded/Unfunded) / Revised	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1-5 Totals	Year 6-10	Year 11-15	Year 16-21	20 YEAR TOTALS	Notes
				FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21						
1	General Fund Reserve (15%)	Financial Discipline/Responsibility	Original - Funded	\$ 6,078,592	\$ -	\$ -	\$ -	\$ -	\$ 6,078,592	\$ -	\$ -	\$ -	\$ 6,078,592	
2	General Fund Reserve (20%)	Financial Discipline/Responsibility	Original - Funded	\$ -	\$ 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	
3	General Fund Reserve (15%)	Financial Discipline/Responsibility	Revised	\$ 5,554,224	\$ -	\$ -	\$ -	\$ -	\$ 5,554,224	\$ -	\$ -	\$ -	\$ 5,554,224	
4	General Fund Reserve (20%)	Financial Discipline/Responsibility	Revised	\$ -	\$ 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	Based on 2nd Quarter Financial Report (FY 2016/17)
5	Payoff of the Balloon \$32 million Pension Obligation Bond	Financial Discipline/Responsibility	Original - Funded	\$ -	\$ 4,500,000	\$ 5,000,000	\$ -	\$ -	\$ 9,500,000	\$ 22,500,000	\$ 5,000,000	\$ -	\$ 37,000,000	Paid off over 10 Years. Final payoff schedule will be determined based on market rates and financing options available at that time.
6	Payoff of the Balloon \$32 million Pension Obligation Bond	Financial Discipline/Responsibility	Revised	\$ -	\$ 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.
7	50% Funding for Workers Comp and General Liability	Financial Discipline/Responsibility	Original - Funded	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ 8,000,000	\$ -	\$ -	\$ -	\$ 8,000,000	\$8 million is estimated to result in a 50% funding level by FY 2021
8	Liability for excess unused vacation	Financial Discipline/Responsibility	Original - Unfunded	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	
9	Additional Sworn Police Positions	Public Safety	Original - Funded	\$ -	\$ 3,700,000	\$ 6,500,000	\$ 8,800,000	\$ 11,000,000	\$ 30,000,000	\$ 63,821,041	\$ 81,453,618	\$ 127,969,371	\$ 303,244,030	Year 2: Add back 17 sworn officers reduced during FY 2016-18 Two-Year Budget Year 3: Add 16 additional officers Year 4: Add 14 additional officers Year 5: Add 13 additional officers * 60 total sworn positions; all positions have an estimated 5% annual increase for salaries, benefits, etc.
10	Police Officer Lateral Hire Incentives and Recruitment Costs	Public Safety	New	\$ -	\$ -	\$ 344,360	\$ 344,360	\$ 344,360	\$ 1,033,080	\$ -	\$ -	\$ -	\$ 1,033,080	Includes hiring and retention bonuses, vacation bank accruals, and testing/background expenditures.
11	Additional Dispatchers	Public Safety	Original - Funded	\$ -	\$ 260,000	\$ 480,000	\$ 705,000	\$ 930,000	\$ 2,375,000	\$ 5,395,779	\$ 6,886,533	\$ 10,819,229	\$ 25,476,541	Year 2: Add 3 additional dispatchers Year 3: Add 2 additional dispatchers Year 4: Add 2 additional dispatchers Year 5: Add 2 additional dispatchers * 9 total dispatchers are all net "new" positions; all positions have an estimated 5% annual increase for salaries, benefits, etc.
12	Dispatcher Hiring Incentives and Recruitment Costs	Public Safety	New	\$ -	\$ -	\$ 107,533	\$ 107,533	\$ 107,533	\$ 322,600	\$ -	\$ -	\$ -	\$ 322,600	Includes vacation bank accruals and testing/background expenditures.
13	Civilian Personnel (non-dispatchers)	Public Safety	Original - Funded	\$ -	\$ 790,000	\$ 813,700	\$ 838,111	\$ 888,398	\$ 3,330,209	\$ 4,858,123	\$ 5,631,896	\$ 7,954,528	\$ 21,774,755	Year 2: Add back all non-sworn FY 2016-18 Two-Year Budget Reductions, including records specialist (2), sr. office specialist (2), assistant range master (0.75), sr. police records specialist (2), background investigator (1.25), custodian (1), general service worker (1), office specialist (1) * 11 total civilian (non-dispatchers); all positions have an estimated 3% annual increase for salaries, benefits, etc.
14	Human Resources - Senior Analyst	Public Safety	New	\$ -	\$ 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
15	Reinstatement of Fire Squad	Public Safety	Original - Funded	\$ 450,000	\$ 792,798	\$ 832,438	\$ 874,060	\$ 917,763	\$ 3,867,058	\$ 5,324,780	\$ 6,795,918	\$ 10,676,866	\$ 26,664,622	Approved by City Council in December 2016. Estimates include 5% annual increases (salaries, benefits, etc.).
16	Reinstatement of Captains (Training and Arson)	Public Safety	Original - Funded	\$ -	\$ 450,025	\$ 472,526	\$ 496,153	\$ 520,960	\$ 1,939,664	\$ 3,022,566	\$ 3,857,645	\$ 6,060,632	\$ 14,880,506	Estimates include 5% annual increases (salaries, benefits, etc.).
17	Reinstatement of Battalion Chief	Public Safety	Original - Funded	\$ -	\$ 282,595	\$ 296,725	\$ 311,561	\$ 327,139	\$ 1,218,020	\$ 1,898,032	\$ 2,422,423	\$ 3,805,798	\$ 9,344,273	Estimates include 5% annual increases (salaries, benefits, etc.).
18	Police Vehicles (Replacement, maintenance, and repair)	Public Safety	Original - Funded	\$ -	\$ 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	
19	Revised PD Vehicle Replacement and Maintenance Plan	Public Safety	Revised	\$ -	\$ 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)
20	Purchase 6 PD Vehicles in FY 2016-17	Public Safety	New	\$ 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.
21	Refurbish PD Vehicle (Pilot Program)	Public Safety	New	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$25,000 per vehicle - 2 vehicle pilot program.
22	Fire Vehicles (Replacement, maintenance, and repair)	Public Safety	Original - Funded	\$ -	\$ 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	
23	Revised Fire Vehicle Replacement and Maintenance Plan	Public Safety	Revised	\$ -	\$ 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.
24	Fleet Facility Capital Repairs Needed	Public Safety	New	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	Facility improvements to doors, lifts and drive approach.
25	Additional Fleet Mechanics for Police Department (2)	Public Safety	New	\$ -	\$ 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.
26	Additional Fleet Mechanics for Fire Department (2)	Public Safety	New	\$ -	\$ 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.
27	Funding Gap - Existing Services (based on the FY 16-17 1st Qtr General Fund Operating Deficit estimate)	Critical Operating Needs	Original - Funded	\$ 3,471,408	\$ 4,914,203	\$ 10,189,841	\$ 16,643,861	\$ 10,086,464	\$ 45,305,777	\$ 37,500,000	\$ 27,500,000	\$ 17,500,000	\$ 127,805,777	Based on 5-Year Model and largely associated with union contracts. Model assumes no-raises for SEIU in Year 5.
28	Funding Gap - Existing Services (based on the FY 16-17 2nd Qtr General Fund Operating Deficit estimate)	Critical Operating Needs	Revised	\$ 3,939,526	\$ 5,482,404	\$ 10,787,847	\$ 17,266,026	\$ 10,734,277	\$ 48,210,080	\$ 37,500,000	\$ 27,500,000	\$ 17,500,000	\$ 130,710,080	Based on 5-Year Model and largely associated with union contracts. Model assumes no-raises for SEIU in Year 5.
29	Principal Analyst (City Manager's Office)	Critical Operating Needs	Original - Funded	\$ -	\$ 165,000	\$ 173,250	\$ 181,913	\$ 191,008	\$ 711,171	\$ 1,043,715	\$ 1,152,345	\$ 1,542,208	\$ 4,449,438	
30	Budget Engagement Commission Support	Critical Operating Needs	Original - Funded	\$ 5,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 113,000	\$ 147,535	\$ 162,890	\$ 217,999	\$ 641,424	Supplies, printing and mailing, video and security staff
31	Contingency Replenishment	Critical Operating Needs	Original - Funded	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 10,000,000	
32	FY 2016-18 Budget Reductions (non-sworn)	Critical Operating Needs	Original - Unfunded	\$ -	\$ 3,659,044	\$ 3,659,044	\$ 3,659,044	\$ 3,659,044	\$ 14,636,176	\$ 18,295,220	\$ 18,295,220	\$ 21,954,264	\$ 73,180,880	
33	New Downtown Main Library	Facility Capital Needs	Original - Funded	\$ -	\$ -	\$ 1,309,091	\$ 2,618,182	\$ 2,618,182	\$ 6,545,455	\$ 13,090,909	\$ 13,090,909	\$ 15,709,091	\$ 48,436,364	Estimated \$30 million
34	New Police Headquarters	Facility Capital Needs	Original - Funded	\$ -	\$ -	\$ 2,181,818	\$ 4,363,636	\$ 4,363,636	\$ 10,909,091	\$ 21,818,182	\$ 21,818,182	\$ 26,181,818	\$ 80,727,273	Estimated \$50 million - Depending on features, liability costs will increase.

