

Budget Engagement Commission - Preliminary Measure Z Recommendation Costs

As of April 19, 2017

Item #	Funding Request	BEC-Priority	Category	Original Proposal (Funded/Unfunded) / Beginning Measure Z Fund Balance	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1-5 Totals	Notes
					FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21		
					\$ -	\$ (0)	\$ 7,937,355	\$ 4,933,652	\$ (5,529,670)		
15	Reinstatement of Fire Squad	0	Public Safety	Original	\$ 450,000	\$ 792,798	\$ 832,438	\$ 874,060	\$ 917,763	\$ 3,867,058	Approved by City Council in December 2016. Estimates include 5% annual increases (salaries, benefits, etc.).
49	Ward Action Team (City Attorney's Office)	0	Quality of Life	Revised	\$ 56,250	\$ 225,000	\$ 236,250	\$ 248,063	\$ 260,466	\$ 1,026,028	Approved by City Council in February 2017.
9	Additional Sworn Police Positions	0	Public Safety	Original	\$ -	\$ 3,700,000	\$ 6,500,000	\$ 8,800,000	\$ 11,000,000	\$ 30,000,000	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.
7	50% Funding for Workers Comp and General Liability	0	Financial Discipline/Responsibility	Original	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ 8,000,000	\$8 million is estimated to result in a 50% funding level by FY 2021
17	Reinstatement of Battalion Chief	0	Public Safety	Original	\$ -	\$ 282,595	\$ 296,725	\$ 311,561	\$ 327,139	\$ 1,218,020	Estimates include 5% annual increases (salaries, benefits, etc.).
16	Reinstatement of Captains (Training and Arson)	0	Public Safety	Original	\$ -	\$ 450,025	\$ 472,526	\$ 496,153	\$ 520,960	\$ 1,939,664	Estimates include 5% annual increases (salaries, benefits, etc.).
63	Payoff of the Balloon \$32 million Pension Obligation Bond	0	Financial Discipline/Responsibility	Revised - BEC	\$ -	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 18,000,000	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. BEC Recommended to pay off General Fund portion over 4 years.
11	Additional Dispatchers	0	Public Safety	Original	\$ -	\$ 260,000	\$ 480,000	\$ 705,000	\$ 930,000	\$ 2,375,000	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.
23	Revised Fire Vehicle Replacement and Maintenance Plan	0	Public Safety	Revised	\$ -	\$ 1,690,000	\$ 1,990,000	\$ 3,574,252	\$ 3,894,158	\$ 11,148,410	One-time replacement of 16 vehicle; 10-year financing (\$13.7 million). Additional layering in of vehicle replacement for remainder of vehicles.
25	Additional Fleet Mechanics for Police Department (2)	0	Public Safety	New	\$ -	\$ 181,000	\$ 190,050	\$ 199,553	\$ 209,530	\$ 780,133	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)	0	Public Safety	New	\$ -	\$ 181,000	\$ 190,050	\$ 199,553	\$ 209,530	\$ 780,133	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.
28	Funding Gap - Existing Services (based on the FY 16-17 2nd Qtr General Fund Operating Deficit estimate)	0	Critical Operating Needs	Revised	\$ 3,939,526	\$ 5,482,404	\$ 10,787,847	\$ 17,266,026	\$ 10,734,277	\$ 48,210,080	Based on 5-Year Model and largely associated with union contracts. Model assumes no-raises for SEIU in Year 5.
45	Tree Trimming - Partial Funding	0	Quality of Life	Original	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,000,000	0
19	Revised PD Vehicle Replacement and Maintenance Plan	0	Public Safety	Revised	\$ -	\$ 2,704,822	\$ 2,745,119	\$ 2,786,221	\$ 2,828,146	\$ 11,064,308	Annual debt services of \$690,000 plus replacement of vehicles each year. Useful life of 3-5 years; 4 year financing (\$2.5 million)
46	Tree Trimming - Additional Need	0	Quality of Life	Original	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 6,000,000	0
34	New Police Headquarters	0	Facility Capital Needs	Original	\$ -	\$ -	\$ 2,181,818	\$ 4,363,636	\$ 4,363,636	\$ 10,909,091	Estimated \$50 million - Depending on features, liability costs will increase.
62	Request of Fund 80 miles of paving	0	Quality of Life	Revised - BEC	\$ -	\$ 9,710,000	\$ 6,210,000	\$ 6,210,000	\$ 6,210,000	\$ 28,340,000	Amounts needed to pave 80 miles per year. Amounts include the addition of eight staff members to facilitate the work. Amounts are a net of recent Gas Tax Increases, which are anticipated to be \$2,500,000 in FY 17/18 and \$6,000,000 in FY 18/19; \$6 million was used in calculations for for each year after
61	General Fund Reserve (20%)	0	Financial Discipline/Responsibility	Revised - BEC	\$ 5,554,224	\$ 3,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 20,554,224	Move to a 20% reserve over a 10-year period.
21	Refurbish PD Vehicle (Pilot Program)	0	Public Safety	New	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$25,000 per vehicle - 2 vehicle pilot program.
10	Police Officer Lateral Hire Incentives and Recruitment Costs	0	Public Safety	New	\$ -	\$ -	\$ 344,360	\$ 344,360	\$ 344,360	\$ 1,033,080	Includes hiring and retention bonuses, vacation bank accruals, and testing/background expenditures.

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40	Annual Deferred Maintenance (Existing Facilities) - Partial Funding	0	Facility Capital Needs	Original	\$ -	\$ 1,000,000	\$ 1,500,000	\$ 250,000	\$ 1,450,000	\$ 4,200,000	0
24	Fleet Facility Capital Repairs Needed	0	Public Safety	New	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	Facility improvements to doors, lifts and drive approach.
33	New Downtown Main Library	0	Facility Capital Needs	Original	\$ -	\$ -	\$ 1,309,091	\$ 2,618,182	\$ 2,618,182	\$ 6,545,455	Estimated \$30 million
8	Liability for excess unused vacation	0	Financial Discipline/Responsibility	Original (Unfunded)	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	0
57	Hardware (servers, storage, and network equipment) - Partial Funding	0	Technology	Revised (Unfunded)	\$ -	\$ 2,410,000	\$ 1,910,000	\$ 2,410,000	\$ 1,910,000	\$ 8,640,000	0
54	Cybersecurity - Partial Funding	0	Technology	Original	\$ -	\$ -	\$ 500,000	\$ -	\$ 250,000	\$ 750,000	0
55	Cybersecurity - Unfunded	0	Technology	Revised (Unfunded)	\$ -	\$ 900,000	\$ 400,000	\$ 900,000	\$ 650,000	\$ 2,850,000	0
56	Hardware (servers, storage, and network equipment) - Partial Funding	0	Technology	Original	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 1,000,000	0
BEC Recommended Measure Z Expenditure Totals					\$ 10,000,000	\$ 43,619,644	\$ 55,076,274	\$ 63,056,618	\$ 60,628,147	\$ 232,380,683	
Estimated 1% Transactions and Use Tax Revenue					\$ 10,000,000	\$ 51,557,000	\$ 52,072,570	\$ 52,593,296	\$ 53,119,229	\$ 219,342,094	Revenue estimates reflect 1% annual increases. Revised totals Received from HdL
Net Savings / (Expense)					\$ (0)	\$ 7,937,356	\$ (3,003,704)	\$ (10,463,322)	\$ (7,508,918)	\$ (13,038,589)	
Ending Measure Z Fund Balance					\$ (0)	\$ 7,937,355	\$ 4,933,652	\$ (5,529,670)	\$ (13,038,589)	\$ (13,038,589)	