

**BENICIA CITY COUNCIL
REGULAR MEETING AGENDA**

**City Council Chambers
March 24, 2015
6:00 PM**

*Times set forth for the agenda items are estimates.
Items may be heard before or after the times designated.*

I. CALL TO ORDER (6:00 PM):

II. CONVENE OPEN SESSION:

A. ROLL CALL.

B. PLEDGE OF ALLEGIANCE.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC.

A plaque stating the fundamental rights of each member of the public is posted at the entrance to this meeting room per section 4.04.030 of the City of Benicia's Open Government Ordinance.

III. ANNOUNCEMENTS/PROCLAMATIONS/APPOINTMENTS/PRESENTATIONS:

A. ANNOUNCEMENTS.

1. Announcement of action taken at Closed Session, if any.

2. Openings on Boards and Commissions:

Arts and Culture Commission
1 unexpired term
Open until filled

Finance Committee
1 full term
Open until filled

Open Government Commission
1 unexpired term
Open until filled

SolTrans Public Advisory Committee
1 full term
Open until filled

- 3. Mayor's Office Hours:**
Mayor Patterson will maintain an open office every Monday (except holidays) in the Mayor's Office of City Hall from 6:00 p.m. to 7:00 p.m. No appointment is necessary. Other meeting times may be scheduled through the City Hall office at 746-4200.

IV. ADOPTION OF AGENDA:

V. OPPORTUNITY FOR PUBLIC COMMENT:

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the City Council from responding to or acting upon matters not listed on the agenda. Each speaker has a maximum of five minutes for public comment. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Speakers may not make personal attacks on council members, staff or members of the public, or make comments which are slanderous or which may invade an individual's personal privacy.

A. WRITTEN COMMENT.

B. PUBLIC COMMENT.

VI. STUDY SESSION ITEMS (6:10 PM):

A. SUSTAINABLE COMMUNITY SERVICES STRATEGY - PRESENTATION OF ORGANIZATIONAL SCAN. (City Manager and Assistant City Manager)

The City has now completed the first phase of a long-term strategy for creating a fiscally resilient organization that can effectively weather an economic downturn. The first phase of the Sustainable Community Services Strategy (SCSS) includes 1) several financial studies, 2) a General Fund 10-year forecast, and 3) an Organizational Scan, all of which will help provide the City

with the basis for ascertaining whether the most efficient and effective means are used to provide valued services to the community or whether alternative service delivery models could be employed. The study session on March 24th will provide the Council with an opportunity to review the Organizational Scan final report and the proposed recommendations. Additionally the Council will be asked to provide direction on next steps, which may include direction to obtain a proposal to do further assessment of Public Works and Parks Maintenance operations.

Recommendation: Receive a presentation on the Organizational Scan and provide feedback/direction on proposed recommendations.

B. REVIEW OF DRAFT BUDGET IMPLEMENTATION PLAN 2015-17. (City Manager, Assistant City Manager and Finance Director)

In preparation for the 2015-17 Budget, staff has initiated development of a draft Budget Implementation Plan to assist in identifying priorities and allocating resources in the budget document that are consistent with the Strategic Plan. The study session will be an opportunity for staff to review the status of the Plan with Council, prompt public input, and receive feedback that will assist in the development of the 2015-17 Budget Implementation Plan.

Recommendation: Review the draft Budget Implementation Plan and provide feedback to staff.

VII. ADJOURNMENT (8:30 PM):

Public Participation

The Benicia City Council welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.

Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access or Special Needs

In compliance with the Americans with Disabilities Act (ADA) and to accommodate any special needs, if you need special assistance to participate in this meeting, please contact Anne Cardwell, the ADA Coordinator, at (707) 746-4200. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

Meeting Procedures

All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.

Pursuant to Government Code Section 65009, if you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council. A complete proceeding of each meeting is also recorded and available through the City Clerk's Office.

AGENDA ITEM
CITY COUNCIL MEETING DATE - MARCH 24, 2015
STUDY SESSION ITEM

DATE : March 18, 2015

TO : City Council

FROM : City Manager
Assistant City Manager

SUBJECT : **SUSTAINABLE COMMUNITY SERVICES STRATEGY -
PRESENTATION OF ORGANIZATIONAL SCAN**

RECOMMENDATION:

Receive a presentation on the Organizational Scan and provide feedback/direction on proposed recommendations.

EXECUTIVE SUMMARY:

The City has now completed the first phase of a long-term strategy for creating a fiscally resilient organization that can effectively weather an economic downturn. The first phase of the Sustainable Community Services Strategy (SCSS) includes 1) several financial studies, 2) a General Fund 10-year forecast, and 3) an Organizational Scan, all of which will help provide the City with the basis for ascertaining whether the most efficient and effective means are used to provide valued services to the community or whether alternative service delivery models could be employed. The study session on March 24th will provide the Council with an opportunity to review the Organizational Scan final report and the proposed recommendations. Additionally, provide direction on next steps, which may include direction to obtain a proposal to do further assessment of Public Works and Parks Maintenance operations.

BUDGET INFORMATION:

As was discussed at length during the 2013-15 budget process and reiterated during the presentation of the 10-year forecast last May, the City Council gave direction to undertake a comprehensive process that will provide the organization with the needed information in order to better plan and budget for the long-term and create a sustainable and financially resilient organization. The total contract amount with Management Partners for Phase 1 of the SCSS is \$96,900 and the contract was approved by Council on May 6, 2014 and January 6, 2015.

The item before the Council on March 24th is a study session item and no action with an associated budget impact is being requested.

STRATEGIC PLAN:

Strategic Issue #1: Protecting Community Health and Safety
Strategic Issue #2: Protecting and Enhancing the Environment
Strategic Issue #3: Strengthening Economic and Fiscal Conditions
Strategic Issue #4: Preserving and Enhancing Infrastructure
Strategic Issue #5: Maintain and Enhance a High Quality of Life

BACKGROUND:

As has been discussed in prior updates to Council on the SCSS, a sustainable organization is one that has the capacity and resources to provide the level of services relied on by the community on an on-going basis, as well as the ability to weather future economic uncertainties without disrupting priority City services.

To that end, in July 2013, staff was directed to begin a number of financial studies, as well as develop a long-term plan toward fiscal sustainability including strategies to protect and maintain vital city services, or a Sustainable Community Services Strategy (SCSS).

The purpose of the strategy is to create a foundation for the services that are a priority for the community, determine the financial commitment that will be required to fund those services, and identify the ways in which any identified financial gaps will be filled. The plan includes three phases:

- **Phase 1:** Complete a series of financial studies and a General Fund 10-year forecast. Conduct an organizational scan, including City employee input, and a community survey.
- **Phase 2:** Convene community discussion and obtain input
- **Phase 3:** Prepare the Long-Term City Services Plan to begin incorporating into the City's budget.

SCSS - Phase 1 (Completed March 2015)

Financial Studies: In order to properly set the stage for a process that is focused on creating a fiscally resilient organization, it was necessary to conduct a number of financial studies that many organizations utilize regularly as best practices. Over the last year and a half, staff has kept both the Finance Committee and City Council apprised of the progress of these various studies. The majority of the studies were scheduled for review by the City Council with the mid-cycle Biennial Budget update last June. See attached for a list of studies.

General Fund 10-Year Forecast: A critical component of the SCSS is the General Fund 10-year forecast. The forecast resulted from an analysis of the General Fund budget and projected the City's financial position through fiscal year (FY)

2021-22 along with options for making the budget sustainable. The forecast is a budgeting and management tool that the organization can use to understand the impact of costs and revenues as they change, and to guide the budgeting process each year. The forecast was originally presented to Council and the Finance Committee in May 2014, and a recent update was presented in February 2015. It will be updated at least annually, and will also be expanded to include Water and Wastewater funds.

Organizational Scan: The purpose of the Scan was to identify options for providing greater efficiency and sustainability of City services. The Organizational Scan had several components, which are summarized below:

Component	Completion Date
1) Identify critical unmet needs	Summer 2014
2) Identify alternative service delivery options	Summer 2014
3) Identify ways to improve efficiency of operations within all departments	Summer 2014
4) Conduct on-site interviews with City staff to clarify data provided.	Summer 2014
5) Conduct employee engagement process.	Summer 2014
6) Facilitate workshop with the executive management team to review initial results	Held August 21, 2014
7) Conduct benchmarking with six peer jurisdictions	January 2015
8) Prepare draft report and review/finalize with Executive Management Team	January 2015
9) Present final report to the Council	March 24, 2015

For this effort, the City utilized an outside firm, Management Partners, to collaborate with City staff to conduct the Scan. Management Partners was selected for this endeavor based on their extensive experience working with local governments nationwide, and specifically the City of Benicia, given their work on the City's 10-year forecast model. Further, the need for an objective review of the City's operations was key in this effort, in order to effectively take an unbiased view of the organization. Finally, staff did not have the capacity to complete the organizational scan without outside assistance.

Focusing on the Fundamentals

One of the key themes that has emerged from the Scan is that there must be more focus on the "fundamentals" of the City. The City's financial outlook will not allow the City to provide every current service provided at the quality level it was able to do in the past.

A municipal government is obligated to carry out certain functions, regardless of the numbers or levels of services provided. For instance, legal, human resources, financial management, information technology, and policy services must be provided. Having safe streets, utilities, and facilities are also fundamental. Providing for the safety of the community, both from police and fire, and from building inspections and planning are also core. The question of which services are “core” vs. “non-core” is a conversation that will need to occur both at the staff and the policy level now that the Organizational Scan is complete.

As the attached report illustrates, with the long list of critical unmet needs identified through the scan, refocusing the City’s attention on the “fundamentals” or core services will be important to increasing efficiency of limited resources. The report contains a series of recommendations developed with that goal in mind. Some of these recommendations, if pursued, will require additional analysis, such as consideration of consolidating maintenance functions within the City. Other recommendations will require more review and discussion to determine “fit” with the City, such as contracting out certain services. The latter also has labor negotiation obligations that must be factored in to the process. So, while a few of the recommendations from the Scan may be relatively simple to implement, the majority will require careful consideration and further analysis, and thus the recommendations will need to be prioritized before being pursued, while being mindful of current resources and staff capacity. This endeavor will be included as a component of the SCSS and an action plan will be developed and integrated into the process moving forward.

SCSS - Phase 2 (Summer/Fall 2015)

Convene Community Discussion: Community meetings can be useful in educating and gathering feedback, which will be helpful going into a comprehensive, long-term strategic planning process. Following completion of Phase 1, staff proposes to convene community discussions about the City’s financial outlook and results of the organizational scan. Potential discussion topics are listed below, to be refined now that Phase 1 is complete.

- Present and discuss the results of the 10-year forecast (All Funds), including risks to the City’s budget (revenue and expenditure risks);
- Educate residents on what services the jurisdiction provides and what is required to maintain a full service city;
- Engage community members in discussions about what is important to them, how their existing tax dollars are spent, what their priorities are in terms of dollars spent towards services, and services they are willing to reduce, if any; and
- Engage community members in an exercise in allocating a hypothetical set of resources (which could include reducing dollars from some services

and giving them to others), discussing their choices and the impacts of allocation decisions.

Community engagement meetings and workshops will require careful planning, including actively inviting people to attend and effectively facilitating the meetings so that people are involved and the results are meaningful to the Council and the community. It is staff's recommendation to incorporate community engagement efforts as the initial stage of a five-year Strategic Plan process that would then serve to guide future budgets. This document could be revisited and updated as needed, prior to the next two budget cycles, with more comprehensive updates occurring every five years.

Attached is a summary of draft community engagement activities and a tentative schedule. At this point, staff is looking for initial feedback from Council, and staff will return with a more definitive process.

SCSS - Phase 3 (Fall/Winter 2015)

Prepare Sustainable Community Services Strategy: This phase will involve compiling the information from the prior two phases to develop a long-term city services plan, which will create a foundation for determining the services desired by the community for the long-term, and identify the financial commitment that will be required to fund those services. It will allow the City to conduct longer-term strategic planning efforts and ultimately assist the Council in making key resource allocation decisions.

Another much needed endeavor that will be supported by the efforts of the SCSS, and specifically the organizational scan, is the development of more robust performance measures. As part of the scan, departments were asked to provide program metrics, or workload measures. These are the measurements of service provided and are focused on workload (how much service is provided). Examples are the numbers of people served, park acreage maintained, streets maintained, street lights maintained, calls for service, etc. This data will be extremely helpful for communicating the level of service provided. At a later point, these program metrics can serve as the basis for developing performance measures, which will assist the City in monitoring on an ongoing basis how efficient and effective the City is in delivering a particular program or service.

Next Steps

Immediate next steps include reviewing the Organizational Scan with the Council on March 24th and receiving initial feedback on the various recommendations offered, including whether there is a desire to pursue a more

detailed assessment of Public Works and Parks maintenance operations. This analysis would assist staff in assessing several related recommendations from the Scan, for example, opportunities for contracting out certain maintenance functions and/or consolidating within one department. If the Council concurs, staff will obtain a proposal for this work.

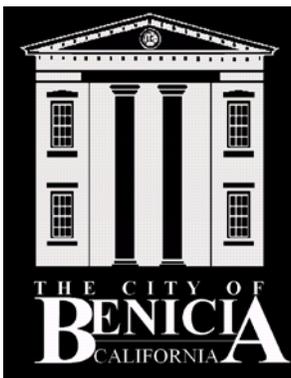
Next steps over the upcoming months include refining the proposed community outreach process and initiating a comprehensive strategic planning process that will focus on a five-year planning period, including prioritizing recommendations from the Organizational Scan.

Attachments:

- Organizational Scan Report
- Summary of Financial Studies – Phase 1
- Draft SCSS Community Engagement Plan

City of Benicia Organization Scan Report

March 2015



Management
Partners



VI.A.7



March 17, 2015

Mr. Brad Kilger
City Manager
City of Benicia
250 East L Street
Benicia, CA 94510

Dear Mr. Kilger:

We are pleased to submit this report on the organization scan we conducted collaboratively with your staff. This scan identified critical unmet needs, ways to increase efficiency, alternative service delivery methods, and ways to recover costs and increase revenue. This report will be the basis for a future discussion with the City Council and executive management team. Key observations from this organization scan are:

- Benicia is relatively unique for a city its size in that it provides all major services in house. Most cities of similar size have one or more major services provided by other entities.
- The City places a high priority on customized services to the public. This is reflected in the level of services provided but with limited staffing, it is challenging to provide highly customized services.
- A strong focus on the fundamentals (core services) would improve operational efficiency and cost effectiveness. Examples are enhanced technology, training and development, and updates to policies and procedures.
- There are many critical unmet needs. A "snapshot" of needs has been identified and presented.
- Several alternative service delivery options could be explored, including fire collaborations with other agencies, public safety dispatch, and consolidations of maintenance functions.
- City staff are highly committed and adaptable. Despite lean staffing and financial constraints, City staff stay focused on excellent service delivery.

We've appreciated the time and effort of you and your staff in conducting this scan. We look forward to receiving your feedback.

Sincerely,

Gerald Newfarmer
President and CEO

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Executive Summary

The City of Benicia has initiated development of a Sustainable City Services Strategy (SCSS). The strategy, once developed, will be a long-term plan for providing services that meet the essential needs of the community, and ensuring a well-functioning municipal government. Management Partners was engaged to assist the City in conducting an organization scan to be the foundation used to create the SCSS. The City selected Management Partners due to our 20 years of experience conducting organization assessments and our expertise in financial analyses and strategic planning.

The organization scan has been completed and this report presents observations and recommendations for discussion with the City Council. This constitutes a step in phase one of developing the SCSS that also includes a series of financial studies, a ten-year forecast and a community survey.

The key elements of the organization scan discussed in this report are:

- Understanding the City of Benicia, including core vs. service enhancements, and the financial outlook for the City;
- Critical unmet needs;
- Ways to improve efficiency of operations;
- Alternative service delivery options; and
- Opportunities to recover costs of operations and increase revenue.

The organization scan was conducted as a way of obtaining a broad view of organizational needs and then determining where more detailed assessments would be useful. As such, the scan was not a detailed review of all programs and services, and it is not intended to answer detailed questions about efficiency of City departments. The scan resulted in a set of recommendations to position the City of Benicia for sustainability into the future.

The organization scan process began with a ten-year forecast prepared by Management Partners and presented in May 2014. The highlights are included in this report. The ten-year forecast showed that the City will be

challenged by needs outpacing resources. Even with employee-related expenditures reduced by over \$11 million during the last five years, costs have continued to outpace revenues. Revenues are not recovering at sufficient levels, even as some other cities such as in Silicon Valley are experiencing major revenue increases. Costs are rising in a number of areas, including CalPERS, workers' compensation rates, maintenance, infrastructure, and technology. The City estimates it has \$100 million in unfunded needs in streets and transportation, storm drain improvements, parks, facilities, library and the swimming pool.

The recent voter approval of Measure C was an important step toward service delivery sustainability. New revenue from the 1% added sales tax will provide funding to maintain current service levels and address some of the City's deferred infrastructure needs. Of the estimated \$3.7 million in additional annual revenue generated by the sales tax measure, the City Council directed staff apply \$1.7 million to current operations in the general fund to maintain existing service levels. Feedback from community members identified the need to invest in public safety, parks, and roads. Based on this, elected officials directed staff to invest the remaining \$2 million in each of the next two years in infrastructure and capital projects. A total of 13 projects have been identified for this funding.

Measure C will allow funding of some service improvements and assist the City in continuing to provide current service levels, while also maintaining an adequate fund balance. However, the magnitude of the City's infrastructure needs will require additional funding solutions.

The City has made additional updates to the general fund ten-year forecast to fully incorporate the results of Measure C and will continue to update the forecast annually.

What is a Sustainable Organization?

The City has defined a *sustainable organization* as one that has the following two characteristics:

- Capacity and resources to provide the level of services desired by the community in the most efficient and effective manner on an ongoing basis; and
- Ability to weather economic uncertainties without disrupting City services.

Given this definition, this question was raised during the organization scan process: *What does it take to achieve a sustainable organization?*

Management Partners identifies five fundamental elements that must be in place, as shown in Figure 1.

Figure 1. Fundamentals of a Sustainable Organization



A municipal organization that functions well is one that delivers services both effectively and efficiently. Effectiveness is about achieving objectives and solving problems. Efficiency is about the cost (time and money) of delivering services and carrying out tasks.

- *Strategic Focus:* A strategic focus allows choices to be made by policy makers and executive management between competing interests and priorities. There is not an expectation that the organization will “do it all.”
- *Financial Capacity:* An organization that functions well has a reliable source of revenue to ensure uninterrupted service delivery.
- *Effective Internal Operations:* Effective internal systems provide the tools for employees to do their jobs (technology, equipment, facilities and training), track costs and measure performance, and support a productive environment for employees.
- *Reliable Community Services:* City governments are in the service delivery business. Residents, businesses and visitors must have confidence in services being delivered on time, uninterrupted, and

with planning for the future so that services are reliable in the long term.

- *Continuous Improvement:* High functioning organizations continually assess what they do and how they do it. There is an orientation to do things better, constructively learn from mistakes, and use data to measure performance. This requires a culture of support and accountability.

We have used this description of what is needed to have a sustainable organization to inform our observations, which are summarized below.

Key Observations

City staff and Management Partners worked collaboratively on this organization scan. As noted previously, the work was not a detailed assessment of all operations. It would not have been particularly useful to expend the resources to delve into all operations without first knowing which ones might benefit from detailed reviews. The scan allows the City to obtain a “30,000 foot view” of organizational needs and opportunities for increased efficiency, and then determine where targeted studies would be useful.

Seven key observations from the organization scan are summarized below.

1. *Benicia residents put a high value on personalized services.*

During the course of the organization scan, staff noted the community members have high expectations about the level of service received. With reductions in staffing over the last few years, along with a difficulty in retaining and attracting staff, it has been difficult to meet those expectations.

2. *Benicia is relatively unique as compared with other municipalities in that it provides all major services in house.*

Benicia, unlike most cities of its size, has chosen to provide all major services in house. Such services include police, fire, water, wastewater, code enforcement, parks, recreation, city attorney, and a library. That fact drives Benicia’s costs and staffing higher when compared with peers, as summarized in the following sections. Most of the benchmark cities have at least one major service provided through another agency serving multiple jurisdictions. Although the services provided are fundamentally the same, they are not provided through in-house staff.

3. A strong focus on the “fundamentals” would improve the efficiency of operations and position the City better for the future.

The City of Benicia has a very ambitious work program, provides customized services to residents and focuses most of its resources and staff time on day-to-day customer needs and urgent service delivery. Budget reductions, which were necessary to respond to lower revenues over the last several years, have virtually eliminated capacity to do more than respond to urgent, day-to-day tasks. The City’s strategic plan has many high priorities, yet staffing is not sufficient to carry them out. Further, many fundamental elements that need to be in place to expand staff capacity, such as through the use of technology, have not had much of an investment, and that impedes progress.

To operate optimally, more of a focus on the “fundamentals” will be important. Examples of what is needed include new technology, documenting procedures, updating or revising policies, and measuring performance.

It takes time to make changes that will enable the City to be more efficient. While undertaking the organization scan, City staff noted that although staffing has been reduced during the past several years, services to residents and time allocated to commissions and committees have increased. For example, data from the library shows library use increased by 5% between 2009-10 and 2013-14. Circulation of books and other materials increased by 28% during that period from 384,056 to 490,984. By 2013-14, staffing had been reduced by 19%, with no new full-time staff hired since 2006 despite increased library use.

This combination of fewer staff to do ongoing work and higher expectations for new initiatives has virtually eliminated any available time for planning, analysis, or improving processes, all of which are essential for efficiency. Staff clearly understands the need for capacity for important but non-urgent work in order to prevent problems that often result in higher costs, lost time, or other complications

Operating efficiently also will require an ability to recruit and retain staff. Turnover is increasing, mirroring what is occurring in other cities throughout California with a “retirement tsunami” well underway. This affects the marketplace for top talent by reducing the pool of available candidates. Remaining competitive with compensation is an important factor in reducing turnover.

4. *There are many critical unmet needs.*

A “snapshot” of critical unmet needs in the General Fund was created by City staff, totaling approximately \$8 million in ongoing costs and \$6 million in one-time costs. Critical unmet needs in the enterprise funds total approximately \$855,000 in ongoing costs and \$8 million in one-time costs. Not all of the needs identified in Attachment D have a cost attached, since more work will be needed to determine the cost of a number of items.

These needs have not been adequately prioritized, which will occur in the next phase of developing the SCSS and through the budget process. Critical unmet needs include infrastructure, technology, staffing and a variety of long-range plans, such as comprehensive capital improvement planning, General Plan update, parks master plan, zoning ordinance update, and downtown historic conservation plan. Having updated plans in place allows the governing body to make decisions based on long-range perspectives, and enables staff to do their day-to-day work in the context of current plans and policies.

5. *Some alternate service delivery options could be considered for optimizing the use of resources.*

Three categories of alternative service delivery options are described in this report: consolidation in house, regionalization, and contracted services.

- *Consolidation:* The organization structure as currently configured is effective so no changes are recommended. Within the maintenance arena, consolidating the functions now divided between Parks and Community Services and Public Works over time may offer increased efficiencies. More analysis will be needed to determine this.
- *Regionalization:* The principal regional service delivery options are for fire services, as a whole, fire dispatching as a subset, public safety dispatching as a whole, and library collaborations. Regionalization of emergency services is common throughout California, particularly for cities the size of Benicia, due to economies of scale that can be achieved. If the City wishes to pursue this direction, more analysis will be needed.

- *Contracted Services:* Benicia contracts for a number of specialized services in order to focus the efforts of in-house staff on tasks for which outsourcing is not efficient. For example, certain facility maintenance tasks are often outsourced. Using attrition as the time to increase contract services would be a way to minimize disruption to the workforce. Contracting comes with a cost, however, in contract management and oversight, which must be included in any cost estimates.

6. *City staff members are highly committed and adaptable.*

Management Partners team members observed through contacts with employees in meetings, interviews, and workshops that City staff are highly dedicated to delivering quality services and to professionally managing the City. They are clearly focused on delivering high-quality customer service and are committed to the long-term wellbeing of the community.

City staff members consistently demonstrate a strong ability to adapt to new challenges and resource reductions. Even with staffing reductions, 84% of respondents to a community survey conducted in summer 2014 said City services are either excellent or good. This shows that reductions that have been made have not been obvious to residents in terms of services they receive.

An example of adaptability is within Community Development, with staff continuing to provide good service to applicants and advisory bodies, and being responsible for many of the City's Strategic Plan Priority Projects even with 33% less staff today than it had in FY 2009-10. Another example is within Parks and Community Services with a staffing level that has been reduced by several positions, yet the staff has worked hard to maintain more public facilities, landscape and parks than they were required to do a few years ago before those facilities were added.

There are costs to adapting to demands in such a way that focuses all attention on the immediate and urgent, such as the next commission meeting, an applicant needing attention, or facility problems that emerge. The cost is in lack of long-range planning, outdated or inefficient policies or procedures, learning by error rather than proactive training, or waiting until something breaks rather than preventing the problem in the first place.

7. *Regularly analyzing costs and setting rates and fees to recover costs will be important to reduce the impact on services provided to individuals or groups.*

The City recently completed a cost allocation study and has several fee studies underway, which will set the foundation for cost recovery. Capturing costs for services that benefit a particular party or group can be a viable way to pay for some services. Regularly reviewing costs so that fees are set at a level to recoup costs is a way to ensure that the General Fund is not paying for services for which fees should be charged. Regularly evaluating costs and setting rates and fees is a best practice, as is having a clear policy statement about what rates and fees are intended to cover.

Next Steps

The observations and recommendations from this organization scan constitute an element of developing the Sustainable Community Services Strategy. This report will be the basis of discussions with the City Council and executive management team, as the strategic planning effort gets underway, as Measure C funds are prioritized, and for a framework to determine what opportunities for change and improvement warrant detailed analysis. This report can also be the basis for a community conversation about critical unmet needs that may not be apparent to the public but that are essential for a sustainable municipal organization.

A list of recommendations is provided in Attachment A.

Next steps include the following:

1. *Discussion of report with the City Council:* This will provide an opportunity for the City Council and executive team to discuss the report, a plan for identifying “core” vs. “nice to have” services, and a future strategic planning process.
2. *Develop an action plan to prioritize the recommendations of the report:* It is recommended that staff develop an action plan with an initial prioritization of the recommendations and then review that with Council as part of the SCSS process.

3. *Initiate five-year strategic planning process:* A long-range strategic planning process is recommended as a result of the organization scan. It is suggested that this process be undertaken in the summer 2015, which is in the first year of the City's new two-year budget cycle. That will give the City an opportunity to set a five-year timeline for addressing the priorities identified through the scan. Any immediate modifications that prove viable could potentially be made during the spring/summer of 2016, prior to the second year of the FY 2015-17 budget. Through the strategic planning process, the community can be engaged to provide information to them about the fundamentals needing to be addressed and to seek their feedback about "core" city services.

Project Approach

Management Partners worked collaboratively with City staff, employing a variety of methods in conducting this scan. The methods included a ten-year forecast prepared in May 2014, benchmarking with peer cities, creating templates for staff to complete to obtain information, analyzing a variety of documents, conducting workshops with the executive management team, and advising staff on preparing an employee survey and conducting employee focus groups. Each method is briefly described below.

Ten-Year Forecast

The foundation for the organization scan is the ten-year forecast prepared by Management Partners. The forecast resulted from an analysis of the General Fund budget and projected the City's financial position through fiscal year 2021-22 along with options for making the budget sustainable. The forecast is based on revenue projections from the City's revenue consultants for the property tax, sales tax, and utility users tax, and a long-term property tax forecast prepared by Management Partners.

The forecast is a budgeting and management tool that the organization can use to understand the impact of costs and revenues as they change, and to guide the budgeting process each year. The forecast should be updated at least annually, and more often if significant changes occur during the year.

Benchmarking

We conducted a benchmark comparison of communities similar in size, budgets and services. Benchmarking is used to ascertain where an agency stands in comparison with similar organizations. Peer agency benchmarking typically provides a general comparison of budget and staffing.

Benchmarking is different from considering best practices. Best practices can be from any size local government and about discrete programs and processes.

A sample list of best practices (that is far from comprehensive) is included as Attachment B. Most but not all of the best practices included are relevant; the particular environment and unique aspects of any municipality are also important factors in deciding the best practice suited for the needs of the jurisdiction. The City should use this list as a starting point for future evaluations of its practices.

Selecting benchmark agencies: Six benchmark agencies were identified through collaboration with Management Partners and Benicia staff using criteria such as population, budget and services offered. The six cities were Belmont, Burlingame, Foster City, Martinez, Menlo Park and San Carlos. Results of the benchmarking analysis are discussed later in this document.

Templates

We created templates for staff to complete to provide information on the following items:

- Critical unmet needs;
- City services currently provided;
- Opportunities for alternative service delivery methods;
- Ways that efficiency could be increased; and
- Ways to distinguish between “primary core services” and “service enhancements.”

Interviews

Management Partners conducted two rounds of onsite interviews with staff from each department to learn more about workload, critical needs, efficiencies that could be achieved and alternate service delivery options.

Workshops

Management Partners prepared a document containing preliminary observations and recommendations for discussion with the executive management team (EMT) at a workshop on August 21, 2014. The focus of the workshop was on reviewing critical unmet needs, alternate service delivery options, and ways to increase efficiency. A subsequent executive management team workshop was held on January 14, 2015 to discuss the draft report in detail.

Employee Survey

The City of Benicia prepared a confidential employee survey with Management Partners' help to gather employee comments on unmet operational needs on both a department-specific and city-wide basis, and ideas and suggestions about ways the organization could make changes or improvements that would save money. The electronic survey was sent to full-time employees in June 2014. The response rate was 52%, with 104 employees responding. The most important unmet need identified by respondents was staffing. Additional needs included long-range planning, training and development, updating information technology, improving procedures, and developing new policies. See Appendix 1 for employment engagement results.

Employee Focus Groups

Twenty employees were selected randomly from throughout the City to participate in one of two focus group sessions. Participants provided comments about current issues and challenges. These included the need for more staff, long-range planning, information technology, infrastructure improvements, more training, and improvements in processes, policies and practices. See Appendix 1 for employee engagement results.

Understanding the City of Benicia

Benicia has a population of 27454¹ and is a full-service city. It has a long-standing tradition of providing its core functions and the majority of its services with in-house staff. This differs from the peer cities in the benchmarking study that provide a number of their core services through contracts with other agencies. Services that Benicia provides in-house that some of the peer cities deliver through other agencies are fire, police, water and wastewater, and library.

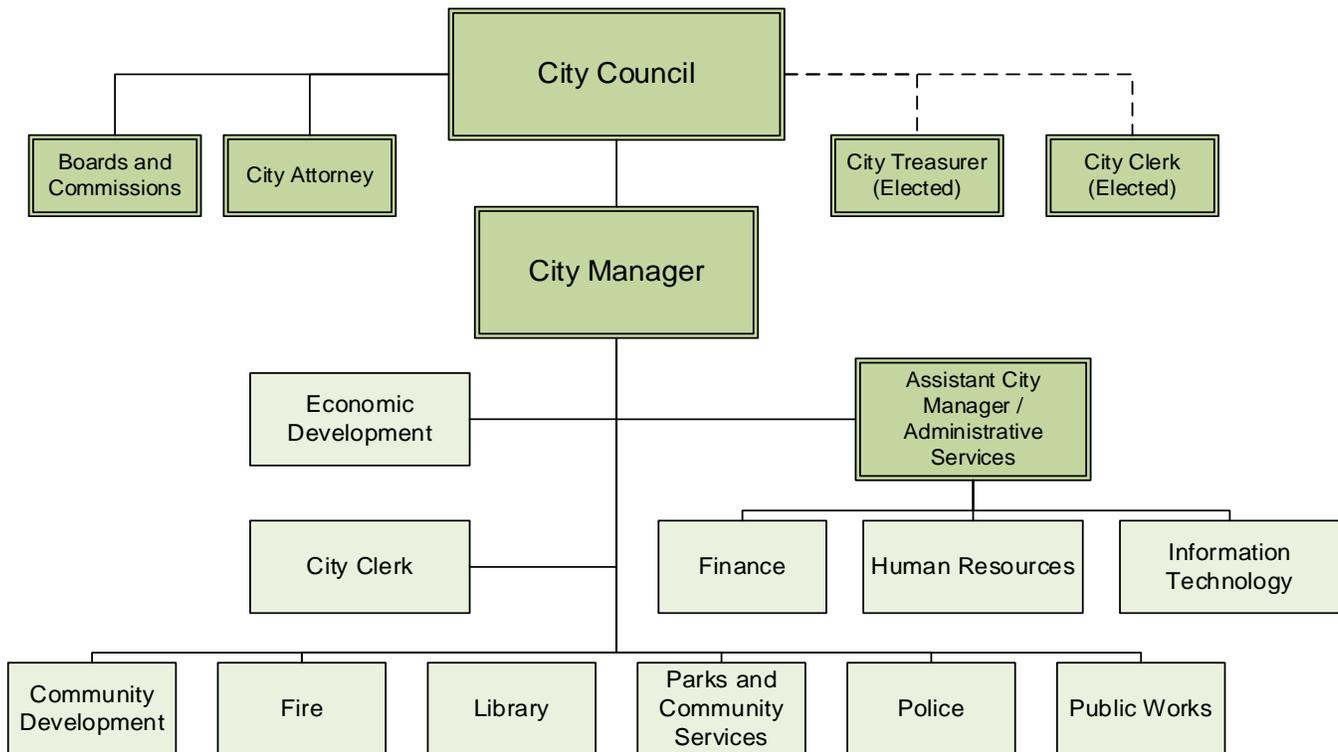
Organization Structure

The City of Benicia is organized into eight departments: Community Development, Public Works, Library, Police, Fire, Finance, Parks and Community Services and the City Manager’s Office. Within the City Manager’s Office, an Assistant City Manager oversees the Human Resources and Information Technology divisions, as well as the Finance Department. The City Attorney is also an in house function, and is shown on the following organization chart.

The citywide organization chart is shown in Figure 2. It shows the two elected staff positions, which are the City Clerk and City Treasurer. It also shows the two positions appointed by the City Council, which are the City Manager and City Attorney.

¹ CA Department of Finance 2014 Estimate

Figure 2. City of Benicia Organization Chart



Core Services and Service Enhancements

Benicia offers a wide variety of programs and services. Every city determines its primary core services (fundamentals), what services they can afford and which to provide that go beyond the core. “Service enhancements” are those that go beyond core functions.

The City of Benicia’s department managers have started the process of identifying services that are core and those that are beyond the core. This is ongoing and needs to be informed by a policy level discussion with the City Council.

- ***Primary core services (or fundamentals)*** refer to life and safety services that meet regulatory mandates; services that achieve long-term avoidance of harm or higher costs; services that provide revenue that covers the cost of service; or services that are vital to the support of another primary service. These include the administrative processes of the City, which must be provided to function as a local government, regardless of the specific external services offered to the community.

- *Service enhancements* are services that do not meet the definition of primary core services.

Examples of “core services” (fundamentals):

- Internal administrative processes of legal advice, labor negotiations, accounts payable, payroll, debt management, benefits administration and other personnel processes, and city manager’s office
- Email system, automated financial systems, IT infrastructure and website maintenance
- Building permit inspections, process and review permit applications, ACCELA management
- Emergency medical services, fire and rescue services, hydrant servicing and maintenance
- Building maintenance, facility/park rentals, open space access and trail maintenance, playground inspections
- Fire prevention/life safety services, community preservation/code enforcement
- Crime scene investigation, dispatch, patrol
- Lift station cleanings, sign maintenance, water treatment, water distribution system maintenance, sewer collection system maintenance, wastewater treatment and discharge, sidewalk survey, water line repair maintenance, storm drainage maintenance, vehicle maintenance, and bridge maintenance

Examples of “service enhancements”:

- Special events
- Graffiti removal
- Adult sports
- Book clubs

More discussion about what constitutes a core service for the City of Benicia and what is considered a service enhancement may help executives and the Council make difficult choices between competing needs as new resources are prioritized.

Recommendation 1. Engage executives and the City Council in a discussion of what constitutes core (fundamental) services/functions and what constitutes service enhancements. Use the results of this discussion as a guide to allocate resources.

Staffing Levels

The FY 2013-14 budget had an authorized full-time workforce of 213 positions. This represents a reduction of 8% from FY 2009-10 when the City had 231 positions.

Table 1 shows the changes in total staffing in Benicia over the five year period of FY 2009-10 to FY 2013-14. The City Attorney’s Office and Community Development Department lost the highest percentage of staff. The City Manager’s Office shows an increase due to adding economic development positions.

It is noted that the following numbers do not show either the impact of turnover or the impact of holding positions vacant (sometimes referred to as “freezing a position”). Therefore the numbers may not tell the complete story, since when positions are held vacant, functions cannot be performed and there is an impact on the remaining employees and service delivery. Turnover is described in a later section of this report.

Table 1. Changes in Department Staffing from FY 2009-10 to FY 2013-14¹

Department	FY 2009-10 FTE	FY 2013-14 FTE	Percent Change
City Council	5	5	0%
City Attorney	3.5	1.75	-50%
City Clerk	1.5	1.5	0%
City Treasurer	1.2	1.4	17%
City Manager/Economic Development	4.15	6.15	48%
Human Resources	3.35	3.35	0%
Information Technology ²	3	2	-33%
Finance ²	11	8	-27%
Community Development	9	6	-33%
Library ³	13	12	-8%
Parks/Community Services	31	28	-10%
Public Works	60.13	58	-4%
Fire	34	32	-6%
Police	52	48.25	-7%
Total	231.83	213.4	-8%

¹ Figures in the table represent funded positions only.

² Beginning in FY 2012-13 two full-time equivalent information technology positions were moved from Finance to the City Manager’s Office

³ No new full time staff have been hired since FY 2005-06

Financial Forecast

A ten-year budget forecast was prepared by Management Partners in May 2014. The forecast showed that the General Fund would not have sufficient funds to maintain the current level of services based on projected baseline expenditures.

The newly approved Measure C will help address the budget deficit shown in the May 2014 forecast. The new 1% sales tax will provide important added dollars to maintain City services and begin to address critical infrastructure needs. In addition, Measure C provides some relief to the General Fund in the near term which offers an opportunity for more policy and community level discussions of creating a sustainable financial future.

Ten year financial models provide a mechanism for staff to incorporate new information as it becomes available, and see how that information impacts the City's finances over time. The financial model provided by Management Partners is flexible enough to be used for other City funds, such as the water and wastewater funds.

Regular updating and reporting of the ten-year financial forecast model will be an important step in providing quality information for decision making. The ten year forecast will allow the City to anticipate and proactively adapt to changes in its financial position.

Recommendation 2. Annually update the ten-year financial forecast model so that long-range projections are part of annual budgeting decisions.

Community Satisfaction with City Services

A community needs survey conducted from June 25 through July 2, 2014 showed that residents are satisfied with the City's quality of life, with 97% agreeing it was either good or excellent. Similarly, 84% of residents surveyed ranked services as excellent or good.

Specific services ranked included fire, library, police, community events, parks, water and wastewater services, and the satisfaction range was 82% to 91%. The two services that received lower satisfaction rating were community services (youth and senior programs at 72% each) and streets and road maintenance (ranked the lowest at 59%). Residents were more accepting of service reductions in the area of streets and pothole repairs,

and progressively less accepting of reductions in services targeting youth programs, parks, libraries, and public safety.²

Use of Volunteers

Volunteers are used in several of the City's departments. The level of use as well as roles and responsibilities of volunteers vary significantly between departments. The tasks assigned to volunteers include clerical work, educational services, recreation activities, plan check, and some public safety services. In several departments, volunteers are onsite on a consistent or daily basis, and work directly with staff on projects and providing services to the community. In some cases, such as with the Fire Department, volunteers are provided with training and are only called upon during emergencies or special events.

In March 2014, staff compiled a summary of the number of volunteers and their total hours by department during 2013. A total of 22,048 volunteer hours were provided during this period. Excluding members of boards and commissions, the total was 20,248. If the volunteer hours were priced at \$22.14³ per hour as suggested by the *Nonprofit Quarterly*, the total value would be \$576,525. Table 2 shows the number of volunteers and volunteer hours for departments that use volunteers.

Table 2. Volunteer Counts and Hours in 2013

Department	Number of Volunteers	Volunteer Hours
Library	149	7,542
Fire	35	5,040
Police	21	4,555
Parks	100	3,111
Boards and Commissions	128	1,800

While volunteers provide valuable services, they are not free. Any organization utilizing volunteers must also supply staff for supervision and direction, accept costs of workers' compensation liability, provide

² City of Benicia, City Council Meeting, July, 22, 2014, Community Survey PowerPoint Presentation.

³<https://nonprofitquarterly.org/policysocial-context/22218-what-s-an-hour-of-volunteer-work-worth.html>

training to ensure that volunteers are following all of the same laws and regulations required of employees, conduct proper background checks, and take time to show appreciation for volunteers' efforts. Oversight of volunteers requires a commitment of time from executive and management staff to ensure appropriate application of policies, procedures, roles and responsibilities by volunteers.

The Center for Nonprofit Strategy and Management offers insights about use of volunteers, as follow:

Although volunteers can often perform these tasks, they might require more extensive training, background checks, and liability insurance. For instance, repetitive tasks that do not require significant training are easier to pass onto volunteers. Other tasks might pose a greater liability, as discussed previously, or may be considered too complex or too rewarding for professional staff to delegate to volunteers. ⁴

Administrative Processes Related to Volunteers

The City has a workload associated with the use of volunteers. Each department handles the recruitment of their volunteers. Human Resources staff process applications and track volunteers. For volunteers who drive City vehicles, Human Resources staff handle the Department of Motor Vehicles (DMV) "pull notice" program. Human Resources staff also administer the workers' compensation program which covers City volunteers.

The Police Department fingerprints most volunteers, although that does not include community members who participate in the Benicia Emergency Response Team (BERT). Volunteers working in the public safety departments are placed through a more extensive background investigation. The Fire Department uses an outside contractor, while the Police Department relies on their staff to complete background checks. The Fire Department completes medical examinations through the City's occupational medicine provider.

⁴http://www.baruch.cuny.edu/spa/centers-and-institutes/center-for-nonprofit-strategy-and-management/documents/NesbitBrudneyChristensen_ExploringtheLimitsofVolunteerisminPublicServiceDeliverySubstituting.pdf (page 9-12)

City staff noted that training on policies and procedures for volunteers could be more regularly provided. Staff also noted that the level of training and supervision varies between departments.

While the City receives benefits from the services of its various volunteers, it comes with a cost, and with pressures on staff to focus on fundamentals, it is challenging to provide the support necessary to ensure a good experience for the volunteers as well as productive work for City departments.

Recommendation 3. Track and calculate the costs and benefits of the use of volunteers. Identify training and supervision needed, and allocate appropriate staff resources to ensure a successful experience for volunteers and the City organization.

General Plan as a Key Policy Document

The General Plan guides development and is an important policy document to be considered as the Sustainable City Services Strategy is developed. The City of Benicia last updated its General Plan in June 1999. The Plan is focused on a 15 to 20 year timeframe. The General Plan states that it:

Is the principal policy document framed through the lens of sustainability that guides future conservation and development in the city. It reflects the community's shared values and determination of what Benicia is and should continue to be—an uncommonly special place.....The General Plan determines what kind of urban development should take place and where and when, and who in the City will be charged with getting it done.

This philosophy of governing through the lens of sustainability also serves as the “overarching goal of the general plan” and is imbedded in the City’s 2013-15 Strategic Plan.

City of Benicia Strategic Plan

The City has a two-year strategic plan. Planning for the future is a good practice and the City has undertaken its two-year strategic planning process for a number of years. Understanding this strategic plan is important in appreciating the work required of the staff. This section contains a short summary of the plan.

The FY 2013-2015 Strategic Plan prepared March 6, 2012 sets forth strategies and related action items related to goals in the General Plan. The strategic plan states the City's mission as "*excellent service*" and the vision "*to work together to build a sustainable community and enhance the City's overall quality of life.*"

There are five areas of focus within the strategic plan, as follow:

- *Strategic Issue 1: Protection Community Health and Safety*
- *Strategic Issue 2: Protection and Enhancing the Environment*
- *Strategic Issue 3: Strengthening Economic and Fiscal Conditions*
- *Strategic Issue 4: Preserving and Enhancing Infrastructure Strategy*
- *Strategic Issue 5: Maintain and Enhance a High Quality of Life*

The strategic issues are outlined in greater detail in the strategic plan and each issue contains a short list of strategies. Each strategy includes at least one or more actions.

Given the magnitude of the issues facing Benicia, like other cities, a longer planning horizon for its strategic plan would help tie short-term objectives to desired long-term outcomes. A five-year strategic planning process would be helpful to put projects in the context of fiscal and staffing capacity over several years, particularly in light of new Measure C general fund revenue.

Recommendation 4. Initiate a five-year strategic planning process. Review projects imbedded in the current strategic plan along with other critical unmet needs, and establish long-range objectives along with short-term priorities consistent with staff and resource capacity.

Comparisons with Peer Cities

As noted previously, Management Partners initiated benchmarking with six cities of relative population size to Benicia within the Bay Area. The data points compared were revenues, expenditures and staffing levels.

Benchmarking is inherently imprecise, since every municipal organization is unique, has different needs and environments, and varies in how they track and report data. Regardless of these limitations, comparing cities on a range of factors can suggest areas of further study and discussion. The intent of benchmarking is not to quantify or rate where a city *should* be, but rather to examine whether the city may be significantly different from its peers.

Benchmarking is different from best practices reviews. A city can learn from another city of any size about how to carry out any particular practice. For instance, best practices in capital project management are applicable for cities ranging in size of 10,000 to 500,000 population.

Keeping informed about and applying best practices are the responsibility of the professional staff, in all disciplines. The City of Benicia's staff regularly participate in their professional associations, learn from their colleagues, read professional journals, and identify practices that can improve how Benicia delivers services.

In assisting City staff with this organization scan, Management Partners applied its knowledge of best practices, based on its experience with hundreds of local governments throughout the nation.

Selecting Peer Cities

As previously noted, no city is identical to Benicia on all of the comparative indicators. The most significant reason is that Benicia is a full service city, providing all major services in house, while most cities the size of Benicia receive at least one major service through another public agency.

Twenty cities in the Bay Area are within the population range of 24,000 to 39,000. They are listed in Table 3 below.

Based on the mix of services provided in house, size of budget and median household income, the six cities that are most similar are as follow.

- San Carlos
- Burlingame
- Foster City
- Menlo Park
- Belmont
- Martinez

We would note that none of these cities provides all major cities in house. In all cases, at least one major service is provided by another governmental entity. That information is shown in Table 4.

Table 3. Peer Comparisons Raw Data

Jurisdiction	County	2014 Population Estimate ¹	Median Household Income ²	FY 2013-14 Adopted Budget Total Expenditures	FY 2013 -14 Adopted Budget General Fund Expenditures	FY 2013 -14 Adopted Budget Total Full Time Equivalent Employees (FTEs)
El Cerrito	Contra Costa	24,087	\$79,945	\$45,807,472	\$28,453,592	173.70
Hercules	Contra Costa	24,572	\$92,140	\$73,034,529	\$12,580,206	81.70
Lafayette	Contra Costa	24,659	\$136,438	\$26,821,724	\$10,572,456	44.00
Belmont	San Mateo	26,559	\$103,083	\$59,412,443	\$15,518,176	125.85
Windsor	Sonoma	27,104	\$79,076	\$51,285,272	\$13,151,268	96.00
Benicia	Solano	27,454	\$88,691	\$64,955,225	\$31,253,755	229.75
Suisun City	Solano	28,549	\$72,543		\$9,504,700	74.00
East Palo Alto	San Mateo	28,934	\$47,950	\$42,169,017	\$17,959,000	109.13
San Carlos ³	San Mateo	29,219	\$120,112	\$46,700,000	\$30,299,300	67.50
San Pablo	Contra Costa	29,465	\$44,155	\$34,134,370	\$22,713,965	156.85
Burlingame	San Mateo	29,685	\$77,661	\$100,269,015	\$41,850,938	192.91
Los Altos	Santa Clara	29,969	\$154,821	\$35,850,860	\$29,739,350	130.00
Los Gatos	Santa Clara	30,532	\$121,933	\$52,509,481	\$36,524,923	137.53
Saratoga	Santa Clara	30,887	\$157,439	\$34,449,442	\$17,025,522	60.95
Foster City	San Mateo	32,168	\$114,720	\$53,805,712	\$31,139,123	183.00
Menlo Park	San Mateo	32,896	\$113,774	\$76,442,334	\$42,138,639	230.75
Pleasant Hill	Contra Costa	33,872	\$76,750	\$36,063,195	\$20,385,827	121.00
Martinez	Contra Costa	36,842	\$80,928	\$51,235,173	\$18,985,748	134.30
Oakley ⁴	Contra Costa	38,075	\$75,825	\$26,725,528	\$13,200,058	31.89
Pacifica	San Mateo	38,292	\$96,014		\$26,812,272	186.00

¹ California Department of Finance

² United States Census Bureau

³ San Carlos contracts for 68.8 FTEs in Police, Fire, Dispatch, Parks and Building Maintenance, and Planning services

⁴ Oakley has 39.43 contract employees in Code Enforcement, IT, Public Works Engineering, and Police Department

Table 4 shows the peer cities, their populations, and major services provided (as indicated with a checkmark). The major services noted are police, fire, water, wastewater and library. As can be seen in Table 4, all of the other cities have at least one major service provided by another entity.

Table 4. Cities Included in Benchmark Survey

Jurisdiction	2014 Census Estimated Population	Police	Fire	Water	Wastewater	Library
Benicia	27,454	✓	✓	✓	✓	✓
Belmont	26,559	✓	Belmont Fire Protection District	Mid-Peninsula Water District	✓	San Mateo County Library
Burlingame	29,685	✓	Central County Fire Department	✓	✓	✓
Foster City¹	32,168	✓	✓	✓	✓	San Mateo County Library
Martinez	36,842	✓	Contra Costa County FPD	✓	Central Contra Costa Sanitary District	Contra Costa County Library
Menlo Park	32,896	✓	Menlo Park Fire District	✓	West Bay Sanitary District	✓
San Carlos	29,219	San Mateo County Sherriff	San Carlos/City of Redwood	CalWater	✓	San Mateo County Library

¹ Foster City shares a Fire Department management team with San Mateo and Belmont

Attachment C contains highlights of the benchmarking results. Key observations are summarized below.

Revenue comparisons

- Benicia relies on tax revenue for 85% of its General Fund revenue which is higher than the peer average of 75%. Benicia falls well below the peer average in transient occupancy tax revenues and non-tax revenue as percentages of General Fund revenues. The peer average for transient occupancy tax as a percent of General Fund is 11% compared with Benicia's 1%. In dollars, Benicia collects \$340,000 as compared with a peer average of \$4.5 million.
- Non-tax revenue for Benicia includes fees and charges for service, grants, and investment income. Benicia collected \$4.5 million compared with the peer average of \$7.65 million.

Expenditure comparisons

- Expenditure comparisons are difficult for Benicia because of the fact that it provides all of the major services in-house and none of the others do. Therefore, it is not known whether residents are paying more in Benicia for services, because the cost of some services in the other cities is not within the city's budget. For instance, Menlo Park receives its fire services through the Menlo Park Fire Protection District, Martinez is served by the Central Contra Costa Sanitary District for wastewater services, and Belmont only provides two of the five major services.
- Looking at the data, however, Benicia city government invests more per resident (expenditures and total staffing) than the peer average. Benicia's total expenditures (all funds) per capita of \$2,366 is higher than the peer average of \$2,147 but significantly less than the highest peer (the City of Burlingame) with total expenditures per capita of \$3,378. The \$753 per capita of enterprise expenditures for Benicia is also higher than the peer average of \$581.
- Benicia has higher General Fund expenditures per capita at \$1,138 compared with the peer average of \$969. This is likely due to the fact that Benicia provides both police and fire in-house, and only Foster City, among the six peers, does so. Where there is a fire district, the city does not typically pay out of its general fund but rather property taxes go directly to the fire district.

- As with most of the jurisdictions in this peer comparison, Benicia allocates the largest share of General Fund expenditures to police (26%) and fire (21%).
- Benicia is one of three peers that provide library services in house, allocating 4% of General Fund expenditures to the service which is comparable to the peers who allocated 4.5% of General Fund expenditures.

Staffing comparisons

- Benicia has fewer full-time equivalent employees as a percentage of total staff in the Police, Parks and Community Services, and Community Development Departments than the peer averages.

Critical Unmet Needs

Each department was asked to provide a list of critical unmet needs in summer 2014. The list is as of that point in time and should be considered a “snapshot” rather than fully comprehensive. It does, however, provide a perspective on the magnitude of fundamental needs of the City of Benicia. As staff conducted further needs assessments, it is likely that other critical items will be identified.

The critical unmet needs identified represent areas of risk to the City, opportunities for cost avoidance, foundational elements such as critical technology needed for operations, and other items the departments consider “critical.”

Attachment D contains a full list of the specific needs identified by City staff for both the general fund and enterprise funds.

The departments provided short description of the unmet need, the estimated fiscal impact, or the best estimate of the direct cost of the item or the total amount of revenue pertaining to the item. Departments also provided the total expenditure, including one-time costs, e.g., capital, systems and ongoing personnel, supplies, equipment and other items annually.

Summary of Critical Unmet Needs

The unmet needs in the General Fund total approximately \$8 million in ongoing costs and approximately \$6 million in one-time costs. Critical unmet needs in the enterprise funds are \$855,000 in ongoing costs and \$8 million in one-time costs.

These needs identified by departments have been categorized, as shown in Table 5.

The needs identified by departments have not been prioritized, are not necessarily all of the City's needs, and the dollars shown clearly are beyond the City's capacity to fund. A cost estimate is provided for some but not all of the critical needs listed in Attachment D.

The purpose of this exercise is to identify what is needed for long-term organizational sustainability if all current programs are maintained. This exercise also provides context for determining what is truly fundamental to City government so that informed choices can be made.

Summary of Needs: General Fund

- Approximately 72% of the one-time costs are associated with facilities, equipment and information technology needs.
- Nearly 35% in ongoing costs are associated with adding staffing.
- Approximately 59% of needed ongoing costs are related to infrastructure maintenance. The single biggest cost identified in infrastructure maintenance is deferred maintenance at \$5 million per year. Of this, \$1.4 million a year is the estimated need for street maintenance.

Table 5 summarizes the cost of identified critical unmet needs for the General Fund. These are a “snapshot” as of summer 2014.

Table 5. Summary of Critical Unmet Needs (from the General Fund)

Category of Need	Estimated Cost		Proposed Additional Full Time Equivalent Positions
	Annual (On-going) Costs	One-Time Costs	
A. Community Planning Studies	\$0	\$1,540,000	0
B. Equipment	\$0	\$710,000	0
C. New or Improved Facilities	\$0	\$2,330,000	0
D. Information Technology	\$427,000	\$1,276,000	0
E. Infrastructure Maintenance	\$5,000,000	\$50,000	0
F. Policy and Procedures Updates	\$0	\$50,000	0
G. Added Staffing	\$2,926,000	\$30,000	26.50
H. Training and Development	\$40,000	\$0	0
I. Emergency Operations	TBD	TBD	0
Total	\$8,393,000	\$5,986,000	26.50

Financial Impact: General Fund

The cost to the General Fund of funding the *ongoing items* would represent a 28% increase to the budget. The \$5,986,000 identified for *one-time* costs represents an additional 19% and is 1.61 times the revenue expected to be received through Measure C. This is not an unusual situation in any city, with needs outpacing available funding, and careful prioritization will be important.

Description of Critical Unmet Needs: General Fund

The following describes the needs categorized as shown in Table 5.

A. *Community Planning Studies*

- Parks master plan: Parks and Community Services staff indicated a need to update the parks master plan. There is not currently a tree master plan, which would be the basis of determining resources needed to preserve public and private investment in trees and reduce public safety issues triggered by fallen or dead trees.
- Three planning studies: Community Development staff identified three needed studies, one of which is an update of the General Plan, adopted in 1999. The General Plan should be updated to reflect the City's focused work on sustainability as well as the environmental impact report on which planning decisions are based. Best practices suggest that communities are best positioned to support good short and long range decisions by updating their general plans each decade. The other two needed planning initiatives include the Downtown Historic Conservation Plan, and completing the Lower Arsenal Area Plan.

B. *Equipment*

- The Fire Department lists several needs including replacement of emergency radios, acquisition of water rescue equipment, a strategic plan to replace fire apparatus, acquire a Type III Wildland Fire Engine, and purchase of an engine that features a high-volume and high-pressure pump.
- The Police Department identified a need for replacement workstations in the dispatch center. The department also needs fleet equipment.
- The City has more than 10 fixed and mobile generators. Several generators are over 20 years old and several need to be replaced to meet Bay Area Air Quality Management District requirements.

- There is a need organization-wide for replacement office equipment.

C. Facilities

- Fire: Public safety training facility.⁵
- IT: Facilities to house IT servers and replacement of City Council chamber audio-visual equipment.
- Library: Rehabilitation and roof replacement at the Library.
- Pool: Repairs at the James Lemos Swim Center.
- Gym and Playgrounds: Upgrade restrooms at the City Gym and playground equipment.
- Clock Tower: Upgrading the elevator and restrooms.
- Miscellaneous Other Items: Among upgrading the SP Depot, implementing ADA improvements, repairing a City Park gazebo, and making road repairs at the City cemetery road.
- Joint Senior Center/Library: Staff suggested a feasibility study for this.

D. Information Technology (IT)

The list of investments is long and critical to the business and information needs of the organization to be effective. Since we cannot list them all, some examples follow.

- Community Development and Economic Development staff identified the need to upgrade or replace the ACCELA system, with an upgrade to include online business licenses and plan submittals.
- The City Attorney identified the need for a citywide document management and scanning system.
- The Finance Department listed a variety of needs, including a replacement of the financial system with an enterprise resource planning (ERP) system.
- Other department needs include updating of the records management system (RMS) for fire to interface with other software programs and to allow for enhanced data analysis.
- Replacement of the computer aided dispatch (CAD)/RMS system in police.

⁵ While not critical at this time, the potential need for an additional fire station should be evaluated at some point in the future in order to address response time needs in the northeast part of the community.

- GIS and intranet systems are important for citywide use.
- Public Works identified the need to purchase a maintenance management system.

E. Infrastructure Maintenance

Public Works identified a need to create a plan to repair Grant Street and repair street lights, replace traffic controller at 7th and Military and develop a long range capital improvement plan. A comprehensive capital improvement plan that extends ten years would be the best way to have a full understanding of the range of capital renewal and investment needs of the City. A storm drainage plan is also needed.

F. Policy and Procedures

These include document storage, new project and contract management procedures, updated records retention, and updated employee personnel rules and policies.

G. Staffing

Departments identified a total of 26.50 additional positions necessary to address current unmet needs. These have not been prioritized.

- *City Attorney:* Clerical/analyst, shared attorney services.
- *Community Development:* Chief building official and senior planner.
- *Fire:* Fire prevention position, a management analyst, and an EMS/Training division chief.
- *Human Resources:* Director or manager and a support position for reporting compliance and employee recognition.
- *Information Technology:* A position for process improvement and project management, and a help desk position.
- *Library:* A librarian and library technician.
- *Parks and Community Services:* Building maintenance worker and custodial position.
- *Police:* Police officers, dispatcher, and IT staff.
- *Public Works:* Assistant public works director, an associate civil engineer, a GIS analyst, and a management analyst.
- *City Manager's Office:* A public information officer/management analyst.

H. Training and Development

Community Development identified a need for ACCELA training. Finance Department expressed the need for more dollars to support staff training and development. Human Resources identified to need to support citywide safety training needs. A comprehensive needs assessment for training and development has not been done and is likely to show higher needs than those indicated through this initial scan.

I. Emergency Operations

Benicia's Emergency Operations Plan (EOP) was adopted in 2007 and should be updated to reflect the City's current structure. There was an intention to update the EOP in 2012 but due to lack of resources the project was not undertaken. Additionally, the City's Local Hazard Mitigation Plan is due for an update every five years, with the next update due in 2015. Further, changes are needed within the Emergency Operations Center (EOC), and additional training is needed. Among the needs are the following, each of which comes with a cost in staff time or other resources.

1. Update EOP to reflect the current staffing to provide a more effective structure with clear roles for emergency response and recovery for staff and policy makers.
2. Update the Local Hazard Mitigation Plan.
3. Modify the EOC which is in the training room of the main fire station. Provide adequate space for all individuals with a role that requires access to the EOC. Also identify a backup location for the EOC should the primary location be out of service due to the disaster.
4. Participate in WebEOC, which is a statewide and county web-enabled crisis information management system. Through this technology, in a disaster or other emergency, there will be improved documentation, situation analysis and interaction with Solano County and the State of California. This project will provide a common operating picture, interoperable communication systems and capabilities between jurisdictions and the state.
5. Provide training for staff in emergency preparedness and response to ensure employees meet the minimum requirements for disaster workers and additional requirements for those with an EOC responsibility. This includes exercises as well as other forms of training. With high turnover in the City of Benicia, this is particularly important.

In an emergency minutes count and it is critical that everyone with a role to serve in responding to a disaster be clear about what they are to do and how and where they are to respond. This is particularly essential for all managers and supervisors.

Conclusions Regarding General Fund Critical Unmet Needs

The needs briefly described above all represent fundamentals of a municipal organization. Clearly, the needs cannot all be met immediately due to the magnitude.

The City will need to prioritize them and consistently review unmet needs to maintain a comprehensive list and begin to address them over a multi-year period. Attention to fundamentals provides the foundation that the City will need for sustainability.

Recommendation 5. Prioritize the critical unmet needs within the General Fund and establish a multi-year plan to address these needs to strengthen the foundation of the municipal corporation and focus on fundamentals.

Summary of Critical Unmet Needs: Enterprise Funds

Table 6 summarizes the fiscal and staffing impact of critical unmet needs on the enterprise funds, specifically from the Water and Wastewater Funds.

Table 6. Summary of Critical Unmet Needs (Enterprise Funds)

Category of Need	Estimated Fiscal Impact		Proposed Additional FTE
	Ongoing Cost	One-Time Cost	
Equipment	\$0	\$3,000,000	0
Infrastructure Maintenance	\$500,000	\$5,000,000	0
Policy and Procedures Updates	\$0	\$50,000	0
Added Staffing	\$355,000	\$30,000	5
Total	\$855,000	\$8,000,000	5

The identified critical unmet needs for the enterprise fund include the following:

- **Staffing:** Over 40% of the critical unmet needs with ongoing costs are for increased staffing. Public Works identified four positions to meet critical needs in the Enterprise Funds including a field utilities/streets (FUS) supervisor, field utilities/streets (FUS) worker, a wastewater treatment plant (WWTP) supervisor, a WWTP mechanic, and a Water Treatment Plant (WTP) mechanic.
- **Maintenance:** These needs include added ongoing infrastructure maintenance costs to address immediate flooding needs and ongoing maintenance and upgrades to the stormwater system (which is also part of the General Fund). Over 58% of one-time costs for infrastructure maintenance are for flood control and storm drain improvements.
- **Water meters:** Needs for new water meters and associated water meter system have been identified as critical.

These critical unmet needs are clearly more than the City of Benicia can take on all at once but creating an understanding these needs allows for the important tasks of prioritizing and staying focused on what residents find foundational.

Recommendation 6. Prioritize the critical unmet needs in the enterprise funds and establish a multi-year plan to address those needs.

Ways to Increase Operational Efficiency

This section summarizes opportunities for departments to increase the efficiency of their operations. The costs associated with purchases and staffing are included in the previous section under critical unmet needs. Attachment E contains a full list of efficiency improvements identified by staff.

Five main methods of gaining efficiencies are discussed below. Each will require both a financial investment as well as an allocation of staff time. Since staff members are fully occupied with immediate day-to-day tasks, it will be important to add capacity to make these efficiency improvements feasible.

The problem with not addressing efficiency improvements today before they become urgent, is that once they do become urgent they are more expensive.

The five categories of efficiency improvements discussed in this section are:

1. Invest in technology;
2. Update policies and procedures;
3. Improve competitiveness to recruit and retain employees;
4. Invest in employee development; and,
5. Explore levels of staff support to boards and commissions.

Invest in Technology

As discussed previously, new technology is needed throughout the organization. A preliminary needs assessment estimates the unfunded business system needs to be \$2.6 million, but this number is likely to change as the assessment continues on an organization wide basis. A comprehensive technology plan would enable the City to identify long-term as well as short-term needs, including technology maintenance and replacement costs.

Purchasing the systems described below also requires an investment of staff time. Processes need to be modified in many cases so that the new IT system does not build in inefficiencies that can be avoided. This means that for each new IT system purchased, there must be staff capacity to review and modify processes, policies and practices. Staff time for installing the systems, converting from manual to automation, and training staff in the new systems is also required. This means that all staff capacity cannot be consumed with urgent, day-to-day tasks or projects if the new technology is to be fully and efficiently utilized once purchased.

The following information describes needed technology investments that would either improve efficiency or replace systems that are beyond their useful lives.

1. ***Enterprise resource planning (ERP) system:*** An ERP is a software system that would enable the City of Benicia to manage and automate a number of “back office” functions. An ERP would provide for efficient financial (i.e., payroll and accounting), human resources reporting and information management. Investment in an ERP is the way that municipalities are centralizing and integrating critical information that can then be accessed for management and policy level decisions. Advantages include the following:
 - a. An ERP would offer all departments access to a dashboard of real-time financial information including standardized budgets and reports.
 - b. It would be an efficient way for the City to retrieve cost information about programs and services so there could be an accurate assessment of the true cost of delivering a service.
 - c. Other features include timecard uploads, utility billing processing and supplemental applications integration.
 - d. It would improve efficiency and reduce the use of paper reports as information is transmitted, reported, and available online.

- e. An ERP could serve as a gateway for web-based service delivery to residents and customers.
2. **Geographic information system (GIS):** The need is for GIS to be developed for use by all departments. A geographic information system is useful for a variety of purposes, including:
 - a. Creating a comprehensive inventory of its assets including storm drains, water and wastewater lines, water meters, streets, street lights, signs, trees, and facilities;
 - b. Providing for easily retrievable information of assets and properties within Benicia, including location, age condition, maintenance performed, and other data points;
 - c. Serve as a key tool for managing property-based information and documents, including building permits, planning permits, code enforcement cases, fire permits, business license information;
 - d. Capturing data about crimes and calls for service in both the Police and Fire Departments; and
 - e. Saving staff time to research issues, provide reliable information to limit service interruptions, make scanned records drawings available to field crews, and aid in responding to underground service alert requests to locate water and sewer lines, among other needs.

GIS is a useful tool but also carries with it the need for additional staffing and training of other staff on its use in the short term and updates with new information in the long term.

3. **Permit System:** The existing ACCELA permit system is outdated and the City will need to determine whether it can feasibly be upgraded or whether it should be replaced. Staff estimates the cost of an upgrade to be \$125,000, although more analysis is needed. An effective permit system is essential for tracking and measuring performance about turnaround times and other outcomes.

A few key problems exist with the current system. The first is that it is difficult to track planning permits and is not being fully utilized for the issuance of business licenses, code enforcement or building inspections. As a result, staff only makes limited use of the system and it is not an effective tool for measuring performance. For instance, Building Division and Planning staff use white boards to track plan check review. This is obviously inefficient and makes it

difficult to track milestones to ensure turnaround times and commitments are met.

The second problem is that building inspection appointments are made by phone, rather than online, which is an inefficient use of staff resources. Improvements are needed to automate inspection appointments. This would be included as a component of the most current tracking system.

The fire department is also involved in inspections related to development and construction projects. Additionally, annual fire and life safety inspections of commercial properties are performed by the Fire Department. These inspections and associated records are tracked within the department RMS. It would be beneficial to ensure an interface is possible between these systems to allow for automatic update of occupancy information and inspection history. The city intends to review this as part of the upcoming ERP process in order to determine whether this need can be addressed through the ERP or should be a stand-alone system.

4. ***Computerized maintenance management system (CMMS):*** Best practices cities use a CMMS as a tool for creating an inventory of assets, managing maintenance resources and tracking performance measures. A CMMS offers the following benefits:
 - a. It provides an organized way to log and track requests for repairs and maintenance, assign work, track completion time, identify any problems that arose that need attention later, and identify what equipment and supplies were used;
 - b. Management can calculate costs using a CMMS and can more efficiently assign work and manage resources;
 - c. Fleet maintenance can be included in this type of system;
 - d. CMMS provide information for management and decision making purposes. Information that is easy to gather through an electronic work order system is very time consuming and expensive to do manually.
 - e. CMMS information about water leaks and sewer collection system repairs can help prioritize water and sewer pipeline replacement projects.
 - f. CMMS can be used at the Water and Wastewater Treatment Plants to create preventive maintenance programs for equipment and generate an equipment replacement fund amount based on replacement costs and replacement schedules.

There are currently two different standards for maintenance and different procedures for Public Works maintenance and Parks and Community Services maintenance functions.

Parks lacks a work order system. The Public Works Department has a computerized maintenance management system but it is cumbersome and difficult to use. The Public Works Department is in the process of setting up a Spice Works Software Program to help them turn emailed work requests into work orders and tracking them, which should help staff.

It would be more efficient for both departments to have access to a common work order system. Acquisition and implementation of a shared computerized maintenance management system would help both operations be more efficient, for the reasons stated previously.

5. ***Automated irrigation control:*** Upgrades to the evapotranspiration system (ET) are still needed to the irrigation controllers in a few of the landscaped areas and parks. Automating irrigation control reduce staff time needed to troubleshoot irrigation problems and moves from modem connections to wireless capabilities.
6. ***Automatic water meter reading (AMR) and advanced metering infrastructure (AMI) technology:*** The City reports 26% in unaccounted for water where more typical losses would be between 5% and 7%. This high level represents a potentially large revenue loss to the City. Old, inaccurate meters are suspected for over half of the loss, which would result in under-billing.

Additionally, manually reading the existing water meters are labor intensive. It takes five staff three to four days to read meters each month. While that occurs, these crews cannot perform other tasks, requiring several maintenance staff to spend several days each month reading the meters. Replacing existing meters with AMR or AMI technology would reduce staff costs, increase water conservation, and likely increase water enterprise revenues.

City staff notes that by automating the water meters, which is being recommended for the reasons stated above, it will also result in fewer hours available for sidewalk inspections. Resources may need to be applied for that function in the future.

7. ***Computer Aided Dispatch/Records Management System (CAD/RMS):*** The current CAD/RMS for the Benicia Police Department was purchased and installed more than 20 years ago. Although the

software in the existing system has been upgraded at times, this technology is far beyond its estimated life cycle. A modern CAD/RMS system will allow for inter-agency sharing of information and a faster, more complete distribution of information between dispatch, patrol and investigations. A contemporary system will also allow for the leveraging and compatibility of new technology, e.g., seamlessly integrated images, videos and texts into one system, including a complete integration of Fire Department modules. The new system will provide for contemporary analytical tools for crime analysis.

The Police Department has established an internal technology team that includes input from the Fire Department and overall City technology team. The new technology team has embarked on a research project to identify and select a qualified vendor to supply a single database software solution for a new CAD/RMS System. This system will interface with the E-9-1-1 phone system, mobile computer platform systems, California Law Enforcement Telecommunication Systems (CLETS), and allied law enforcement agencies.

All police and fire personnel including patrol, dispatch, records, investigations, code enforcement, crime analysis, property/evidence, administration and other support services staff, will utilize the new software and complete CAD/RMS System.

8. ***Class/Active Registration System:*** The Parks and Community Services Department currently uses the CLASS registration system for customers (in person, faxed, drop-off or mail in registration) for classes, programs and rentals. Customers can register online 24 hours a day, seven days a week. City staff report that over the past two years the company has been moving to a cloud based system, consistent with industry best practices. As a result, rather than having two different systems, the company will transition to a cloud based Active network and discontinue CLASS registration. The City will need to invest in the purchase of the new cloud based system, and staff notes that the cost will be between \$20,000 and \$30,000.
9. ***Integrated Library System (ILS).*** The Benicia Public Library has been a member of the Solano Napa and Partners (SNAP) group since the early 1980s. The group is investigating purchase of a new ILS to manage circulation, cataloging, and other technology services. The new system would potentially save staff time and enhance services

for patrons, such as payment from home of library fees and fines. A new system will require a financial commitment from each partner to purchase any necessary equipment and to migrate the existing records onto a new system.

Conclusions Regarding Technology

Through the organization scan, nine significant types of technology investments were identified. It is understood that the City will not have the capacity (either financial or staffing) to implement these all at once. Therefore, prioritization will be needed, with a multi-year plan established to make these investments as funds become available. They are all needed for efficient operations of fundamental city services.

Recommendation 7. Prioritize implementation of technology investments. Create a five-year funding plan for technology investments.

Document and Update Policies and Procedures

The organization scan identified a number of areas in which policies and procedures need to be updated or created. Without clearly established written operating procedures, time is wasted and mistakes can be made that require more staff time to fix.

Policies and procedures provide guidelines for actions and support management information needs. With the turnover in staff, the existing policies and procedures have been forgotten or put to the side due to the press of business. Training is required on the existing procedures.

In addition, staff members recognize the need to modify or create policies and procedures but there simply has been no capacity for them to do so. Given the existing staff workload, performing this work is likely to require outside resources. However, even with outside resources, staff members will be needed to fully participate and assist, so time will need to be reallocated from existing projects to this work.

Among the policies and procedures staff has identified to be either updated or created are the following:

- Contract management procedures;
- Model purchasing documents to incorporate new insurance requirements;
- Document management policies and procedures ;
- Records retention policy;

- Water shut-off procedures;
- Personnel policies and rules and employer/employee resolution;
- Various financial policies, such as reserve (other than general and enterprise funds), fund balance, debt capacity, and credit card policies;
- Policies for responding to requests for traffic calming;
- Business license procedures; and
- Board and commission administrative standards and templates (i.e., report templates, records management standards, and action minutes).

An inventory of policies and updates to existing policies and procedures is needed, along with a schedule and estimate of resources necessary to complete them over a period of time. Again, it should be recognized that this will require time and dedication of resources to complete in an effective manner; that it is a project in and of itself that will take a significant amount of time to accomplish. For example, many policies impacting employees typically involve requesting input from those bargaining units affected, which may require additional time for review, meetings, and preparation of new language.

Recommendation 8. Prepare an inventory of policies and procedures that are in need of updating and schedule the updates over a multi-year period.

Improve Competitiveness to Recruit and Retain Employees

This section discusses the need to improve the City's ability to recruit and retain employees, develop employees to be their best, and find satisfaction working for the City of Benicia.

The City has found it challenging to recruit and retain employees, and the pace of retirements is increasing. Other local governments are experiencing the same thing, which means that there is much greater competition for staff, particularly at the executive, managerial, professional and technical levels.

Turnover creates gaps in institutional knowledge and the loss of continuity on projects. While turnover will always occur, the pace is increasing for all local governments, and it will be important for Benicia to ensure it can recruit and retain top talent. The retirement wave can be expected to continue for the next decade, which means this is not a short-term challenge for the City of Benicia.

Examples of high turnover in Benicia are executive management positions of Public Works Director, Police Chief and Finance Director. Front line staff are also leaving. For instance, turnover of sworn staff in the Police Department was 41% between 2013 and 2014. Another department highly impacted by turnover is Public Works which in the last six years (2008 to 2014) has seen five directors; an assistant public works position vacant for several years; elimination of city engineer, construction inspector, and management analyst; and turnover of the principal civil engineer, water quality division supervisor, three field utilities and streets workers, two wastewater treatment plant operators, two maintenance mechanics, two laboratory technicians, one water treatment plant operator, and an administrative secretary.

The chief cause of non-retirement turnover, based on data provided by staff, is the City's noncompetitive compensation structure. Key positions have become vacant, such as Public Works Director and Police Chief, due to the individual leaving for higher paying positions.

During the recent recession when unemployment was high and cities were not recruiting, compensation was not as large an issue. However, the situation has changed significantly and many jurisdictions are competing for talent now, which means that candidates have choices. That means that compensation is a critical factor. Cities are finding some positions particularly hard to fill, such as executive management and professional/technical positions in finance, engineering and planning.

An additional factor for Benicia is that the cost of housing within the community is expensive for municipal employees which means that the City must attract people who will be commuting. With virtually all other cities recruiting for vacancies, the City will need to have a compensation structure that makes it attractive for professionals to work for Benicia.

In terms of attracting new talent, in addition to the standard recruitment practices which the City uses, it may be beneficial to begin "growing your own" through attracting talent at the line level and supporting their development as well as working with the local schools to educate youth about professions in local government. With the pace of retirements now quite rapid, preparing the next generation of professional staff will be an important undertaking.

"Growing your own" also requires an investment of time and dollars for training and mentoring. For people to succeed as managers, they need to be familiar with a much broader scope of work than they previously would have been required to know. They also must be able to assign and

supervise work and do quality control consistent with executive management expectations. All of that takes an investment of time of executives, as well as budget resources to provide managerial and supervisory training. Until new managers are fully trained, the organization is less likely to be able to innovate or respond to rapid change.

The City of Benicia should examine its experience with recruitment to determine which positions have been difficult to recruit for and fill, and do market studies to determine whether compensation should be increased.

There is a high cost to turnover, including:

- *Loss of corporate memory and knowledge of the local environment.* This takes a minimum of six to 12 months to gain a basic level of understanding of local issues.
- *Higher demands on supervisors who must spend more time in on-the-job training and direction of new staff.* New individuals, regardless of their professional expertise, require additional guidance and supervision, which is particularly acute in an organization the size of the Benicia City government with its small executive management staff.
- *Vacancies, particularly in executive level positions, require either interim staffing from the outside or added duties to staff from within.* While interim solutions are obviously necessary, it means that there is a delay in effectively moving the City forward that can only come with permanent appointments in place.
- *Diminished ability to take time to celebrate achievements and recognize employees, and an impact on morale from the lack of permanency of staff within the organization.*

It should be noted that the cost and impacts of turnover are higher in a smaller organization, because there are fewer people to get the work done. When a vacancy occurs, there is often no one else to take on the duties of the person leaving.

It is far more efficient for the City to be able to retain employees, as well as attract individuals who will enjoy working for the City for many years.

Additionally, attracting and retaining talent requires not only compensation that is competitive, but other factors, such as:

- Support (including time and money) for training and professional development;
- Having the tools to do the job (i.e., technology, equipment and facilities);
- A sense of teamwork and sharing information;
- Opportunities to work across departments and learn more about other areas of the organization;
- Celebrate successes and recognize accomplishments;
- Workload that is commensurate with the time available to carry it out; and
- Respect and trust from executives and policy makers.

Further, the potential of turning over an increasing number of the City's employees annually is costly. Steps should be taken to restructure compensation that will enable the City to recruit and retain top talent, particularly in hard-to-fill positions.

The City also needs to continually examine the work environment and focus on the more intangible items noted above that are critical in retaining talent.

Recommendation 9. Develop a strategy for studying and restructuring compensation to be competitive with the market so as to increase the City's ability to recruit and retain employees in a manner that is fiscally responsible.

Employee Development

Training of new staff, as well as existing staff, is essential for efficient operations. The need for ongoing employee training and development was identified by staff as part of the scan as both a critical unmet need and a way to increase efficiency and job satisfaction. The latter is particularly important in retaining employees.

In 2013, firms that ranked high in employee development invested up to 4% of their total budgets in training.⁶ The return on investment for staff training ranges from 150% to 2,000%.⁷

An investment in training and education will build employee skills for their current jobs and help prepare staff for promotions within the organization to develop succession plans. For example, incentivizing staff to pursue additional education related to their positions can be helpful both in terms of retention and succession planning, particularly at the supervisor/management level. Additionally, some regional training programs may be free or low cost, and/or offered more efficiently/effectively via webinars, or other means.

Staff training and development should be considered a fundamental investment and prioritized within the budget. The current budgets and memoranda of understanding provide funding for mandated training and training supported by grants.

City management advises that the City return to the once per month trainings for all employees on topics that range from supervising other employees to harassment laws and other essential training.

Training that was initially grant funded such as risk management training should be budgeted to ensure continued professional development in key topics important to the efficient and effective operations of the City.

In addition to resources, also important for a successful training program is ensuring that employees are provided time to participate in training, and that training is clearly championed as a value in the organization.

Recommendation 10. Create a staff development program involving all departments and all positions.
Invest dollars in training and professional development.

⁶<http://www.trainingmag.com/content/training-magazine-ranks-2013-top-125-organizations>

⁷ http://www.sagepub.com/upm-data/26858_7.pdf

Clarify Staff Support to Boards and Commissions

The City has 14 boards and commissions established to advise the City Council. All of these require staff support. Given the limited staff capacity citywide, which as noted previously has been reduced over the last five years, assessing how much staff time can be practically provided, while having time for other priority tasks, will be an important efficiency consideration.

Allocating staff time to support advisory bodies should be assessed based on the capacity that is available and the value that is achieved in relation to other work that is not getting done.

A staff report to the City Council dated May 29, 2013 indicated that in 2012 staff spent 5,268 hours supporting boards and commissions. The May 29, 2013 staff report included the following information:

- An overview of each of the 14 advisory boards and commissions charges;
- Summary of the staff hours and costs necessary to support board and commission work; and
- Sample documents about advisory bodies' roles and expectations and manuals from other communities.

In the report, staff presented three options to balance the responsibility to provide support to boards and commissions with the realities of reduced staffing available to carry out day-to-day work and to plan for the future. The options included:

- Reducing the number of meetings,
- Combining boards and commissions, and
- Eliminating some boards and commissions.

Based on current resource challenges, it would be beneficial for the City to evaluate the results delivered through advisory bodies and determine the appropriate allocation of resources based on primary core service needs to support the organizations long term sustainability.

Cities throughout California are tackling the difficult problem of how to engage the community while not allocating a disproportionate level of staff resources to supporting boards and commissions. As cities have reduced their staffing, as has occurred in Benicia, the level of support expected for advisory bodies is often also reduced.

The City has initiated a project to create an advisory body manual which will provide guidelines for boards and commissions. It will state the role and expectations for the advisory bodies, role of staff and how staff time can be accessed, annual work plan for each advisory body, annual reports to be prepared of each advisory body's work, and resolving issues between an advisory body and staff. The manual that is produced will help provide limits that should assist staff in managing workload associated with boards and commissions.

Conclusions Regarding Staff Support to Advisory Bodies

Among the consequences of not reducing workload or not increasing staffing to support boards and commissions are that (1) other priority work will not get done and (2) the pressures placed on staff can contribute to low morale and feeling of frustration in the work place. Being proactive about how to match advisory body support with staff capacity will alleviate both problems.

Recommendation 11. Update the information regarding cost of supporting boards and commissions and complete guidelines for advisory bodies. Recommend changes that will reduce staff workload or, if no changes are made, allocate more staff resources to support advisory bodies.

Alternative Service Delivery Options

The organization scan identified potential opportunities for delivering services differently. The focus of this effort was to ascertain whether there are ways to reduce costs by doing things in another way, while still providing the service.

City staff and Management Partners identified several alternative service delivery options that could result in greater effectiveness if pursued by the City. As noted, some of the options will require further analysis. The focus of the organizational scan was on identifying options that would be the most viable for implementation in the near term versus those that were more speculative in nature. This approach was used to minimize study preparation costs, yet still provide the City with a solid base of information that the City could choose to further analyze if so desired.

Three categories of alternatives are described in this section, as follow:

- Service consolidation within the organization;
- Regional service sharing; and
- Contracting for some services.

Each is discussed below.

Consolidation Within the Organization

Management Partners reviewed the overall organization structure. It works well as currently configured.

There are numerous ways that municipalities are organized and we often recommend changes to optimize staff efficiency and effectiveness. Based on the scan conducted, it appears that the City of Benicia is appropriately structured and there is no need for major changes.

This opinion is based on Management Partners' knowledge of municipalities, our observation of Benicia's breadth of services provided and the need for professional expertise in the executive level of each of the departments. The City of Benicia has "working department heads"

meaning they not only provide direction and supervision for staff who carry out line work, but they also personally prepare reports, provide expertise on technical matters, respond to citizen inquiries and issues, and provide direct assistance to boards, commissions, and committees leaving less time to truly manage. The City is leanly staffed and as such, would be hard pressed to consolidate departments and eliminate a senior manager.

City executives noted that significant collaboration exists now, which is a way to optimize efficiency. For instance, the Police Department shares a Management Analyst with the Fire Department.

The scan identified two potential internal consolidations that could increase efficiency: (1) code enforcement inspections and (2) street, landscape and park maintenance functions. Both are described below. Each of these would merit more in-depth evaluation to ascertain whether the benefits of consolidation would outweigh the costs involved.

Code Enforcement

Code enforcement responsibilities are carried out in several departments including the Community Development, Public Works, Police and Fire Departments. Consolidating these responsibilities may be more cost effective.

The City should evaluate how much time is spent on code enforcement activities. Performing enforcement tasks requires considerable training and often involves knowledge of various codes, including the zoning ordinance, building and fire codes. Issuing and processing of citations often involves consultation with the city attorney.

Recommendation 12. Conduct a focused assessment of code enforcement to determine the optimum way to organize.

Maintenance Functions

Two departments share responsibilities for maintaining the City's infrastructure, the Parks and Community Services Department and the Public Works Department. Their responsibilities are described below.

- The Parks and Community Services Department is responsible for park maintenance, facilities maintenance, ball field maintenance, school district ball field maintenance, street median landscape maintenance and trails weed spraying.

- The Public Works Department is responsible for weed abatement in the parkways, repair and maintenance of sewer, water, and the street systems along with the City's fleet.

We noted that the Public Works Department provides cross training, flexibility and collaboration internally with its maintenance crews between water, sewer and streets. This is an efficient practice. Many agencies have utilities as a separate department, but in Benicia, it works efficiently to have them together because of the shared supervision and administrative support, as well as the shared crews for the maintenance functions.

If the utilities function were separated out, it is likely that costs would go up because of the continued need for supervision and staffing within the non-utilities functions. A detailed staffing analysis would need to be performed to determine whether it would save dollars or be more effective in some ways to water and sewer maintenance separated out from street maintenance.

We noted that the landscape maintenance function is now divided between the two departments. It may be advantageous to consolidate roadway shoulder weed abatement (now performed by Public Works crews) with the work performed by the parks landscape maintenance unit. It is all similar work with the same type of equipment being used. Parks crews are already handling street median landscaping and trails weed spraying.

An analysis should be done to determine whether merging this work would be cost effective and efficient and, if so, where the merged function should be placed organizationally.

This is suggested because of the possible efficiency improvements that could be achieved by consolidating all landscape maintenance functions. Potential improvements could include reduced mobilization of work crews, reduced duplication of equipment, a single CMMS system for work requests and dispatch, clearer knowledge of who is responsible when problems arise, and consistent procedures and practices. Additionally, for purposes of contracting routine landscape tasks, particularly in the future as attrition occurs, it would be more efficient to have contracts handled in a single location. *(See the section below pertaining to contracting out.)*

A second possible area for analysis pertains to all of the maintenance functions within the City. Similar tasks, skills and equipment are used for various maintenance functions which are now performed by the two

departments with maintenance responsibility. Merging all of these functions at some point could provide flexibility in assigning staff where needed, whether for parks, landscape maintenance, or streets. It could also provide for cross-trained personnel to be assigned in emergencies such as storms. The potential of merging maintenance functions would need a detailed assessment to ascertain whether it would provide greater efficiency and effectiveness, with benefits outweighing costs of implementation.

Recommendation 13. Conduct an analysis to determine the costs, benefits and implementation issues of consolidating some or all of the maintenance functions.

Regional Service Sharing Opportunities

Many cities the size of Benicia have some of their major services provided by other public agencies due to economies of scale that can be achieved by being in a partnership with others. The peer benchmarking conducted as part of this scan illustrated that.

The organization scan surfaced three areas for discussion, two of which pertain to public safety.

In addition, since some library systems are regionalized, comments are made about that option below.

Fire Services

Regionalizing fire services is a long-standing state and national trend because of the potential to achieve economies of scale and the regional nature of mutual aid. Regionalization can begin with individual functions such as training and equipment purchase or could be for full fire services.

Currently, Benicia fire relies on neighboring agencies to assist with apparatus when responding to emergency incidents that require multiple resources. Collaborating across jurisdictions creates a common platform of operations and equipment. It could enhance safe and timely deployment, to reduce response times and reduce resource demands.

To determine the feasibility and cost/benefit of incorporating or sharing resources of the Fire Department with other fire agencies, detailed analysis would be needed. Additionally, there would need to be sufficient interest on the part of potential partners.

Collaborative initiatives underway include:

- Reviewing an automatic-aid agreement between the cities of Benicia and Vallejo to expand sharing of apparatus and staffing in a more coordinated manner, particularly with respect to fire and EMS training operations.
- Collaborating with Solano County Fire Chiefs Association to secure grants for equipment and training.
- Updating a county-wide emergency response matrix to include a "move-up and cover" component that provides fire station coverage during times of peak demand for emergency services in any neighboring jurisdiction.

Recommendation 14. Provide support for increasing collaborations between fire agencies to better utilize resources and increase response capabilities.

Public Safety Dispatch

Over the past several years, a variety of discussions between the Benicia Police Department, Vallejo Police Department and Solano County Fire agencies have taken place regarding the feasibility of consolidating law and/or fire communication services. In 2014, Solano County Fire Chiefs held several meetings and discussions regarding the potential for a consolidated countywide fire dispatch operation. As recently as January 2015, discussions have been ongoing between the Police Chiefs of the Benicia and Vallejo Police Departments, regarding the feasibility to consolidate both police/fire communications between our two agencies.

The fire chiefs in Solano County are currently actively evaluating the feasibility of centralized fire dispatch to increase effectiveness of communications and coordinated response from multiple fire agencies. There are currently six centers performing fire dispatch on three non-compatible radio systems. In addition, each of these centers is operating a standalone computer aided dispatch (CAD) system. This impacts the Benicia Fire Department's ability to coordinate response to larger scale incidents and to ensure the effectiveness of automatic and mutual aid agreements designed with the intent to send the closest available and appropriate resource regardless of jurisdiction. The current coordination of automatic aid and mutual aid requires the dispatchers from the various centers to call each other with the resource requests. These requests are

then processed by the other centers resulting in delays in the actual response of resources.

When there is a large scale incident in the county a chief officer from one of the jurisdictions responds to the Sheriff's dispatch facility. From there they work in an effort to coordinate with the incident commander and the other dispatch centers to meet the needs of the incident and to ensure adequate fire station coverage throughout the county.

Recently the county chiefs updated the response plan for the county. The cities of Benicia and Vallejo led the effort to build in coverage plans at each alarm level. This was a change for Solano County. Due to the need to coordinate with all of the dispatch centers in order to arrange the coverage there are often delays. This leads to a lack of available resources to respond to an escalating incident or subsequent incidents in the communities that are stripped out due to a major incident.

To be effective the fire chiefs see a need to take a regional approach and have a system that is dynamic in its ability to manage the resources. The current practice of operating this system from different computer systems and paper templates that are static in nature is not an effective way to deliver fire and emergency services.

Regionalizing fire dispatch would likely result in Benicia's fire dispatch being provided outside of the Benicia Police Department. This may also impact the staffing level in the center for support of Police dispatching operations. There have not been any cost estimates done as of yet, as it is very early in the current discussion. No funds are currently budgeted for such an effort or for fire dispatching outside of the Police Department budget, other than fund for radio equipment necessary for station alerting and communications with dispatch.

A draft plan from the fire chiefs is slated for completion in 2015. The intent is to create a new system that increases the participating jurisdiction's capacity to respond to emergency calls (i.e., through consolidating staff and equipment) as the system deploys the closest available crew even if the crew is not from the jurisdiction where the incident is occurring.

Recommendation 15. Assess the draft dispatch plan once presented to determine the costs/benefits to the City of Benicia.

Library

In some municipalities, the library is part of a regionalized service, such as a county library. In the case of Benicia's Library, the library is very clearly a valued resource in Benicia, with over 100 years of independent library service to the community. Additionally, the community recently passed Measure L, indicating its strong support for its local library.

In addition, the library is already maximizing the advantages of being part of a larger system through the Solano, Napa and Partners (SNAP) collaboration. This allows the Benicia Library to have the best of both worlds, offering personalized service to the Benicia community while providing access to materials located in Napa and Solano County for Benicia residents.

Recommendation 16. Support the library's initiatives in working with regional library partners to enhance services for Benicia residents.

Contracting for Some Services

The City of Benicia currently contracts for a variety of specialized services. Examples include plan check, building services inspections, medical director for EMS services, radio system maintenance, utility billing system, labor negotiations, plant maintenance at the library, workers compensation administration, after-school transportation, pest management, housing element update, animal shelter, some janitorial services, some landscape maintenance, some tree maintenance, street lights/traffic signal maintenance, street resurfacing, street sweeping, design engineering services, construction management services, instrumentation and control services, and some legal services and personnel background investigations.

This longstanding practice of contracting for services is consistent with other municipalities, since there are many tasks and functions which lend themselves to outside contractors including functions that are technical and specialized in nature for which it would be too expensive or infeasible for the city to have in-house staff. As shown in the peer benchmarking done regarding contracting out (see section below and Attachment F) the peer cities generally use contracting to supplement their workforce rather than contracting out whole functions.

Some cities, particularly newly incorporated municipalities, contract for virtually all services, such as the City of Lakewood which was

incorporated in 1954 with a largely contracted service delivery model for lower costs. Contracts can be with a county, another city, joint powers authority, or private entity.

When technical skills are needed, but not on a full time basis, contracting for services allow a city to respond quickly to changes in demand in a more efficient manner. Additionally, cities are considering the long-term costs of staffing rather than only the annual costs. For instance, pension costs, workers' compensation, benefits and salaries may be higher than in the private sector. Contracting can also provide flexibility in responding to changing community needs or externalities, such as complying with State and Federal regulatory changes.

However, contracting out comes with costs and challenges. Among the factors that should be considered are:

- ***The pursuit of contracting for services currently performed by represented employees typically requires labor negotiations.*** This requires executive management and other resources (such as outside labor attorney) to meet that obligation. The City will need to ensure that all meet and confer requirements related to labor agreements are met.
- ***Customer expectations need to be considered in any contracted services.*** A request for proposals process can help determine whether the expected high level of customized services can be met through contractors. The cost of such services may or may not be less expensive through a contract as compared with in house staffing. Services with significant public contact may not be suitable for contracting out.
- ***Contract management is essential in order to ensure that the City receives the cost savings and benefits intended through each contract.*** Executive and mid-level managers must have capacity to devote to contract management. This includes monitoring and supervising the contracts to ensure compliance with the terms. The time required for contract management should be considered a cost as the calculations are performed on the cost/benefit of a particular contract.

- *Close project direction from staff is also needed for many contracts, as the City knows from engaging consultants on a variety of projects.* Examples are the housing element update and a variety of special studies. This takes staff capacity.
- *Community interests and “political will” are often considerations for a local government.* A community may have strong preferences about having city employees, rather than contractors, performing functions, even when the cost would be greater to have in-house staff. When considering a proposed contract for services that have been traditionally provided by city staff, community preferences may come into play.

As noted, along with contracting for a service there is a workload for the City staff in managing those contracts to ensure that the City is receiving the value intended.

This organization scan identified the need for additional staff capacity and training for effective management of existing and future contracts, as well as supervision of the contractors, to ensure performance and compliance with contract terms, handling contractor payments, and resolving customer service issues. Form agreements and purchase orders need to be improved with updated insurance language. Contracting out will only work if the proper documents and management of the contracts is done. Additionally, the City must ensure that all meet and confer requirements related to labor contracts are met.

The decision of whether to contract out or provide service in-house is always a challenging one for organizations, and is influenced by many factors. Examples of factors include is it an ongoing or one-time need, is it a specialized service, does it remove work from an existing bargaining unit, and does it reflect the preference of the local community.

Recommendation 17. Develop a policy, including a list of best practices and criteria, for assisting in decision making about contracting out.

Recommendation 18. Update written contract management guidelines and provide training to staff responsible for managing contracts for services. Ensure sufficient staff capacity is available to manage contracts.

Facilities and Grounds Maintenance

The Parks and Community Services Department is responsible for maintenance of 35 buildings, a community pool, city cemetery, 28 parks and a variety of landscaped areas including five lighting and landscape districts and medians. The department currently contracts some building maintenance and park work (i.e., electrical, plumbing, construction, weed abatement, trees) to reserve in-house capacity for work that requires flexibility of assignments.

As park positions in the lighting and landscape districts become vacant it may be more cost effective to contract the lighting and landscape districts and keep the general maintenance of parks in house. A detailed analysis would need to be performed to determine expected cost savings.

Another option would be to contract general custodial and janitorial work, especially for those facilities that require work after regular work hours, overnight or weekend, or for larger building maintenance projects.

Work that could be examined for contracting when attrition occurs, include the following:

1. Certain facilities maintenance tasks.
2. Maintenance of landscape and lighting districts.
3. School district facilities.
4. Pool maintenance.
5. Operations and maintenance of the City's cemetery.
6. City tree maintenance.

Each instance will require a cost/benefit analysis and request for proposals in order to determine whether it is in the City's best interest to contract for particular services.

Recommendation 19. Identify specific facilities, grounds and tree maintenance functions for contracting as attrition occurs. Conduct cost/benefit analyses to determine which to pursue.

Engineering

City engineering staff members support all the divisions. Due to the growing complexity of regulations related to water, wastewater and storm water, the City could gain additional support by contracting with an engineering firm.

Consultants with special skills and equipment are helpful for large, complex and infrequent projects, such as a treatment plant upgrade. A licensed land surveyor may be required to review maps and a traffic engineer may be required to design a traffic signal. The City would need to maintain in-house engineering staff to provide oversight and direction to contract engineers. City engineering staff are essential in preparing for and responding to disasters.

Contracting with an engineering firm can provide flexibility to add or decrease time, and it can broaden the engineering expertise available to the City.

Recommendation 20. Identify the specific engineering services and as-needed staff support that would provide added capacity for capital improvement projects, water, wastewater, traffic engineering, storm water compliance and development processing.

Public Works Maintenance

A variety of Public Works maintenance services can also be efficiently handled by contractors. Examples include graffiti removal, roadway repair (potholes, crack sealing, water and sewer trench repairs), street signing and striping, sewer line videoing, cleaning and repairs, waterline and sewer line televising and replacement and repairs. Additionally, maintenance at the water treatment plant and wastewater treatment plants could potentially be contracted out.

Street sweeping, sludge disposal, vehicle towing, street paving, traffic signal maintenance, street light maintenance, and some weed abatement work are contracted to third parties now.

As vacancies occur in public works maintenance and at the water and wastewater treatment plants outsourcing should be considered. It is important to have employees who know the City's infrastructure and problem areas, so that requests for service can be handled quickly and efficiently. A core maintenance staff is needed to handle some of the time-

sensitive customer calls for service that cannot be responded to quickly by a contractor, and to respond to emergencies.

Recommendation 21. Outsource maintenance functions to supplement maintenance staff as vacancies occur and when workloads fluctuate.

Positions were added to implement the Riverwatch Settlement agreement. The primary purpose of adding the positions was to establish a City crew to televise the sewer lines and make repairs. Contracting for these services is another option. It should be noted that there will be contract administration and inspection costs, as well as costs related to labor relations, but it may also be less expensive in the longer term. Two or three positions could be eliminated over time through attrition and transfers. The personnel budget could be reduced to reflect the staffing level consistent with what was in place prior to the Riverwatch agreement, which would then be available to pay for a private contract. Equipment funds could also be unencumbered once the work is no longer performed in-house.

Recommendation 22. Explore utilizing a private firm to do the work of inspecting and repairing sewer lines rather than in-house staff to fulfill the terms of the Riverwatch Settlement Agreement.

Additionally, maintenance staff are assigned special event duties which takes them away from their primary functions. It is possible that such tasks could be handled by staff paid at a lower rate or contracted to a third party at lower cost. Some tasks like placing barricades could be performed by volunteers. Some practices could be improved, such as using water filled barricades instead of sand filled barricades that must be moved with heavy equipment. Such services could potentially be charged either in part or fully to the group seeking the special event permit.

Recommendation 23. Conduct an analysis to determine whether it would be more cost effective to contract out special event support tasks that are now provided by City crews. Determine whether such costs can be paid for in part or fully by the special event applicant.

Fleet Maintenance

Fleet maintenance personnel have significant institutional knowledge and technical skills. As attrition occurs, their knowledge and skills will be difficult to replace.

It is possible that once the incumbents leave the City, this work could be efficiently contracted to a third party (e.g., other public agency or private entity). Contracting out fleet maintenance might increase down time of equipment, costs associated with the transport of equipment out of town, and the need for more management of the fleet by existing staff in order to insure the necessary availability of equipment and that all maintenance is being completed. It will be important to ensure that an outside party is able to meet established standards, such as quality of work and turnaround times for public safety vehicles.

Recommendation 24. Conduct an assessment of the fleet maintenance function to identify options for contracting with another jurisdiction or private party when attrition occurs.

Comparing Contracting Among Peer Cities

Management Partners conducted benchmarking with the six peer jurisdictions to find out what services they contract out in their Community Development, Parks and Community Services, and Public Works Departments. The six cities are the same ones used for the other benchmarking, previously discussed in this report. Those cities are Belmont, Foster City, Burlingame, Martinez, Menlo Park and San Carlos.

The purpose of this portion of the benchmarking survey was to ascertain whether Benicia is consistent with or different from the other cities in the peer group regarding contracting for services. The highlights of the survey are provided below. See Attachment F for several tables showing the results.

Contracting can take the form of using firms to do some of the work on a limited basis, or all of a particular function.

Note that any benchmarking is inherently imprecise, since all organizations and their environments vary. However, comparison information provides a general context of how one city compares to selected peer agencies. The intent is not to quantify or rate where a city should be, but rather to examine whether the city may be significantly out of alignment with its peers.

From this benchmarking, the following conclusions can be drawn.

- The peer cities operate similarly to Benicia in terms of what functions they contract out.
- There is moderate contracting out but not significant functions, and for the most part, not an entire function or task.

Specific comparisons by category are as follow.

- ***Community Development:*** Benicia is the only jurisdiction that contracts some of its business license inspection work, according to the responses received from cities participating in the benchmarking survey.
- ***Parks and Community Services:*** Benicia is one of three cities to partially contract weed abatement services and tree removal services (park landscape maintenance). None of the peers contract for banner installation and removal, graffiti removal or special event maintenance. *(As a note, Fire also is involved in weed abatement in terms of enforcing the ordinance on property owners and coordinating with other City departments to get work completed on City properties. Fire manages the disking of the open space and in some cases has a vendor address issues on City owned lots.)*
- ***Street Repair and Maintenance Services:*** Benicia is one of four jurisdictions that contracts for concrete temporary trip and fall repairs.
- ***Building Maintenance:*** Benicia partially contracts for all building maintenance services. For those functions that Benicia partially contracts, City staff members performs maintenance on smaller projects while larger work is outsourced to a private company. This is similar among all peers that contract out all or part of building maintenance.
- ***Capital Improvement Plan Management and Engineering:*** No peer jurisdictions contract the city engineer or traffic engineer positions. Benicia is one of three jurisdictions to partially contract for CIP management, also contracting for larger projects and managing smaller projects in-house.

- ***Fleet Maintenance, Street Lighting Maintenance, and Solid Waste Disposal:*** Benicia is the only jurisdiction that partially contracts fleet maintenance. Benicia contracts some fleet maintenance for fire apparatus (most is done in-house), diesel filter preventative maintenance, collision work, and warrantee items. Benicia contracts for street light maintenance. All of the peer cities contract for service solid waste disposal.
- ***Utilities:*** Benicia is the only jurisdiction to contract any water line maintenance work, though this is only for larger projects. Among those jurisdictions providing water, only Menlo Park contracts for water billing services. Among those jurisdictions that are not part of a sanitation district, no peers contract for lift station maintenance or sewer main cleaning.

Opportunities to Recover Costs and Increase Revenue

This section describes several important processes that are underway that are best financial practices. Management Partners has included these in this report because they are fundamental practices for a municipal corporation that require time away from day-to-day work, but yield financial benefit to the City.

Cost Allocation Plan

A cost allocation plan was adopted on August 22, 2014 to fairly and appropriately allocate overhead costs to programs within all of the City's funds and grants. This provides an accurate view of the cost of direct services to the public. It is also required as part of grant reimbursements.

Overhead costs include all of the central administrative operations of the City such as legal, city manager, human resources, finance, and information technology. In addition to central overhead, there are department overhead costs to be identified and budgeted.

City staff report that a comprehensive cost allocation plan has never been prepared until the one completed recently. The City's indirect costs should be calculated annually to ensure they are properly distributed to City programs and funds.

Recommendation 25. Update the Cost Allocation Plan annually to ensure all costs are identified and allocated to programs within all City funds and grants.

Utility Rates

The City operates both a water and wastewater utility. As enterprise funds, they are intended to be fully paid for by user rates. These utilities require sufficient revenue to pay costs of current operations and maintenance, replace the system, and ensure reserves for emergencies that arise. As such, regular rate review and adjustments are a best practice, so that a gap between needed expenditures and available revenues does not occur, and that the systems are properly planned and managed.

Recommendation 26. Establish a regular schedule for analyzing costs, revenues, infrastructure needs and reserves with the intention of raising rates on a regular basis to ensure the City's utilities are properly funded.

Lighting Maintenance Districts

The City's lighting and landscape maintenance districts were created in the 1970s. When established, they did not include an annual increase to keep pace with cost of living increases. As time has passed, the district rates no longer cover the cost of lighting, landscape maintenance, repair and replacement as intended. The result is that the General Fund is filling the gap that was intended to be covered by assessments.

Recommendation 27. Analyze the cost of the landscape and lighting maintenance district and establish a process to increase rates to reflect current and projected costs.

Services to Outside Agencies and Groups

The City provides a number of services at no or partial cost to outside agencies. As an example, the Parks and Police Departments provide services to the Benicia Unified School District (BUSD). The City also provides facility usage to outside agencies at little or no cost to those organizations.

The City should consider the cost and benefits of such services so as to align with the City's strategic goals and objectives and the provision of its core services. The City should consider these services in their fee study and a discussion should occur to determine the level of subsidy, if any, that is appropriate for these programs.

As an example of a service the City of Benicia provides, and where the City has entered into an agreement to recoup some of the costs, on July 1, 2013 the City and the BUSD began a two year agreement wherein BUSD agreed to pay \$150,000 per fiscal year toward the cost of the School Resource Officer (SRO) program.

The City of Benicia also provides for a second full-time SRO, thereby providing a total of two SRO's assigned to Benicia schools. The current agreement between BUSD and the City of Benicia expires on June 30, 2015. A two-year contract extension was presented for approval to the Benicia City Council and the BUSD School Board and was approved.

Recommendation 28. Engage the City and outside agencies and organizations in a discussion about the full costs and benefits of City services being provided and determine if reimbursement of the services is appropriate.

The City currently contributes funds and/or services to a variety of organizations, such as non-profit human service organizations via the Human Services Funds, arts and culture organizations, Benicia Historical Museum, Benicia Fire Volunteers Association and the school district. There is not currently a consistent process or set of procedures for organizations to use in applying for funds or for the city to use in considering requests. Considering these requests in light of other City priorities would be a way to understand how funding outside groups impacts the City's ability to fund its core services.

Recommendation 29. Develop a consistent process and/or procedures for organizations applying for and/or receiving City funds. Consider funding requests in light of other City priorities.

Community and Special Event Fees

The City provides support for community and special events through police, fire, public works parks and community services, city attorney, city manager's office and other staff. Examples of assistance include providing signage, set-up, clean-up and public safety support.

Until 2006, the City maintained a record of the costs but discontinued the practice. Understanding the full cost of this work is an important step, like other cost recovery efforts, to ensure the City can charge appropriate fees for community events. Once costs are known, there can be a policy

decision to subsidize events, but at least the impact on the General Fund will be clear.

Nearly every department is involved with special event permit review. Most departments have a larger role than is commonly recognized including the Police, Fire, Parks and Community Services, and Finance Departments and the City Manager and City Attorney's Offices.

Providing free services for special events competes with other work tied to fundamental service delivery. Some of the special events tasks could be delegated to the applicant directly or to an authorized third party hired by the applicant. Roles of special event sponsors regarding their areas of responsibility should be clarified.

In addition, it is typical in public sector agencies to charge an application fee and other direct costs such as staff time (i.e., hourly rate with benefits) to support an event directly to the applicant.

Recommendation 30. Develop a community and special event policy and fee schedule that determines what subsidy, if any, will be provided from the General Fund for these events.

Conclusions and Next Steps

Creating a long-term plan for a sustainable City government requires having sufficient dollars to pay for current and future costs, an organization that has technology and systems that support efficiency, and a strategic plan for the long term.

Making efficiency improvements, conducting fee studies, purchasing technology, changing processes and preparing a variety of plans all require time and attention, away from the day-to-day work. Change requires communication, strategy and implementation. All are critical and require patience and persistence.

Through this organization scan, it became clear that a focus on the fundamentals of government would increase efficiency and effectiveness of staff and the use of all City resources. Many of the items discussed in this report are not ones that will be obvious to the community as “needs” but yet they are important for creating a sustainable organization.

Having a dialogue with the City Council and community about core services and the expectations of City government will help set the path for the long term. Everything the City of Benicia does is important to someone, so it is not a question of whether certain tasks or services are not valuable. The question is what is core and therefore essential for the effective functioning of city government. That is not an easy question and it requires collaborative discussions, sharing varying points of view, so that in the end, policy makers can have a baseline of how to gauge what is essential for the government organization and for the community – and what can be afforded.

The bottom line is that there are many critical unmet needs that should be met for the City to have a sustainable governmental organization. The needs identified are fundamental – there are virtually no “nice to have” items in this list. However, not everything can be tackled, and the 30 recommendations will need to be prioritized, through a discussion with the Council, and an action plan created.

Next steps include the following:

1. *Discussion of report with the City Council:*
This will provide an opportunity for the City Council and executive team to discuss the report, “core” vs. “nice to have” services, and a future strategic planning process.
2. *Develop an action plan to prioritize the recommendations of the report:*
It is recommended that staff develop an action plan with an initial prioritization of the recommendations and then review that with Council as part of the SCSS process.
3. *Initiate five-year strategic planning process:*
A long-range strategic planning process is recommended as a result of the organization scan. It is suggested that this process be undertaken in the summer/fall 2015, which is in the first year of the City’s new two-year budget cycle. That will give the City an opportunity to set a five-year timeline for addressing the priorities identified through the scan. Any more immediate modifications that prove viable could potentially be made during the spring/summer of 2016, prior to the second year of the 2015-17 budget. Through the strategic planning process, the community can be engaged to provide information to them about the fundamentals needing to be addressed and to seek their feedback about “core” city services.

Attachment A – List of Recommendations

- Recommendation 1.** Engage executives and the City Council in a discussion of what constitutes core (fundamental) services/functions and what constitutes service enhancements.
- Recommendation 2.** Annually update the ten-year financial forecast model so that long-range projections are part of annual budgeting decisions.
- Recommendation 3.** Track and calculate the costs and benefits of the use of volunteers.
- Recommendation 4.** Initiate a five-year strategic planning process.
- Recommendation 5.** Prioritize the critical unmet needs within the General Fund and establish a multi-year plan to address these needs to strengthen the foundation of the municipal corporation and focus on fundamentals.
- Recommendation 6.** Prioritize the critical unmet needs in the enterprise funds and establish a multi-year plan to address those needs.
- Recommendation 7.** Prioritize implementation of technology investments. Create a five-year funding plan for technology investments.
- Recommendation 8.** Prepare an inventory of policies and procedures that are in need of updating and schedule the updates over a multi-year period.
- Recommendation 9.** Develop a strategy for studying and restructuring compensation to be competitive with the market so as to increase the City's ability to recruit and retain employees in a manner that is fiscally responsible.
- Recommendation 10.** Create a staff development program involving all departments and all positions.
- Recommendation 11.** Update the information regarding cost of supporting boards and commissions and complete guidelines for advisory bodies.
- Recommendation 12.** Conduct a focused assessment of code enforcement to determine the optimum way to organize.
- Recommendation 13.** Conduct an analysis to determine the costs, benefits and implementation issues of consolidating some or all of the maintenance functions.
- Recommendation 14.** Provide support for increasing collaborations between fire agencies to better utilize resources and increase response capabilities.
- Recommendation 15.** Assess the draft dispatch plan once presented to determine the costs/benefits to the City of Benicia.
- Recommendation 16.** Support the library's initiatives in working with regional library partners to enhance services for Benicia residents.
- Recommendation 17.** Develop a policy, including a list of best practices and criteria, for assisting in decision making about contracting out.
- Recommendation 18.** Update written contract management guidelines and provide training to staff responsible for managing contracts for services.

Recommendation 19. Identify specific facilities, grounds and tree maintenance functions for contracting as attrition occurs.

Recommendation 20. Identify the specific engineering services and as-needed staff support that would provide added capacity for capital improvement projects, water, wastewater, traffic engineering, storm water compliance and development processing.

Recommendation 21. Outsource maintenance functions to supplement maintenance staff as vacancies occur and when workloads fluctuate.

Recommendation 22. Explore utilizing a private firm to do the work of inspecting and repairing sewer lines rather than in-house staff to fulfill the terms of the Riverwatch Settlement Agreement.

Recommendation 23. Conduct an analysis to determine whether it would be more cost effective to contract out special event support tasks that are now provided by City crews.

Recommendation 24. Conduct an assessment of the fleet maintenance function to identify options for contracting with another jurisdiction or private party when attrition occurs.

Recommendation 25. Update the Cost Allocation Plan annually to ensure all costs are identified and allocated to programs within all City funds and grants.

Recommendation 26. Establish a regular schedule for analyzing costs, revenues, infrastructure needs and reserves with the intention of raising rates on a regular basis to ensure the City's utilities are properly funded.

Recommendation 27. Analyze the cost of the landscape and lighting maintenance district and establish a process to increase rates to reflect current and projected costs.

Recommendation 28. Engage the City and outside agencies and organizations in a discussion about the full costs and benefits of City services being provided and determine if reimbursement of the services is appropriate.

Recommendation 29. Develop a consistent process and/or procedures for organizations applying for and/or receiving City funds.

Recommendation 30. Develop a community and special event policy and fee schedule that determines what subsidy, if any, will be provided from the General Fund for these events.

Attachment B – Sample Best Practices

A “best practice” is defined as the most efficient and effective way of accomplishing a task, based on favorable experiences in other similar organizations, and identification by industry associations. As things change over time, new best practices emerge and are adopted by leading organizations. Best practice implementation may be preceded by a cost/benefit analysis to determine applicability to any particular local government.

Practices that are currently in place (partially or fully) in the City of Benicia are shown with an X in the right hand columns. *The following is a sample list of best practices in typical city departments. Not all departments or operations are shown on this sample list.*

Department	Sample Best Practices	Partially in Place	Fully in Place
All Departments	A resolution stating the city’s expectations regarding organizational ethics and values		X
	A single document management system is used for all city records		
	A strategic plan or multi-year master plan that is updated regularly		X
	All employees are trained in customer service protocols	X	
	Alternative funding opportunities are analyzed and pursued on a regular basis	X	
	City support services are centralized, such as finance, human resources, purchasing, and information technology	X	
	Contract administration documents all aspects of the contracting process and subsequent administration	X	
	Contract administration includes frequent communication between the city and contractor		X
	Contract administration includes methods for gauging stakeholder satisfaction		
	Contract administration includes periodic formalized reviews		X
	Contract administration includes service delivery oversight for quality and quantity accountability		X
	Contract administration includes training staff in the areas of contract provisions and service so they can knowledgeably monitor performance, handle problems, and respond to constituent questions and concerns	X	
	Contracts contain clear and measurable performance and reporting requirements		X
	Contracts contain consequences for lack of performance		X
	Cost recovery calculations include all overhead costs (centralized services or ISFs) and replacement cost amortizations	X	
	Cost recovery policies are established for all services		
	Credit cards are used for authorized purchases	X	
	Fees are reviewed annually to assure cost recover policies are being met		X

Department	Sample Best Practices	Partially in Place	Fully in Place
	Functions common to multiple departments are not centralized within one of the departments served	X	
	Functions with a common purpose and similarly-skilled workforce are best consolidated in a single department (e.g., landscape maintenance and street maintenance)	X	
	Lifecycle costing is used in capital budgeting	X	
	Partnerships with outside organizations are used		X
	Performance measures and workload measures are used	X	
	Performance-based contracts are used with performance standards tied to compensation and include financial incentives		
	Public records are accessible and easily found on both the city's internal intranet and external internet website	X	
	Regular monitoring and performance evaluations are conducted		X
	Residents are surveyed periodically about satisfaction with all city services		X
	Sharing/combining services with enterprise units, other cities, or the county		
	Solicitation process for bids includes cost analysis of the bids, consideration of service delivery options and reference checks		X
	Solicitation process is transparent in all aspects of the request for proposals (RFP) process from advertising to evaluation process criteria		X
	Standards of performance are stakeholder-driven		
	Succession planning and promotional career tracks	X	
	To produce an accounting type budget, have the Finance Department responsible; for a policy/program budget, place responsibility in the City Manager's office	X	
Website has a directory of city services, contact phone numbers, and e-mail addresses for all city services		X	
City Attorney	Annual "customer satisfaction survey" of clients within the city organization, including elected officials and department heads		X
	Boilerplate contract sections and forms are provided to departments		X
	Departments are trained on proper methods of contract preparation, insurance requirements, and the legal reasoning behind practices		X
	Status of pending litigation and requests for legal services are reported regularly to client departments and the city manager		X
City Clerk	Agenda preparation software is used for paperless agenda packets and elected officials have an appropriate viewing device		X
	Municipal election cycle is consolidated with state and other elections		X
Community Development	All development and permit applications include a general plan maintenance fee		
	Automated permit tracking system	X	
	Housing trust fund as a sources of revenue to support affordable housing		

Department	Sample Best Practices	Partially in Place	Fully in Place
	Multi-year workload estimates are made to determine appropriate minimum staffing levels and periodic temporary staffing needs		
	Owners of multi-family rental units are charged a yearly administrative fee for review of monitoring reports prepared by owner		
	Permit fees include the cost of advance planning		
	Plan checks, plan check corrections and dates of actions taken are available on-line for customers		
	Standard cycle times exist for plan reviews		
	The land use function is treated as a single line of business		
Finance	A 911 fee supports the operation of the 911 center		
	A utilities users tax (UUT) is implemented and is updated as utility services change		X
	A written fund investment policy has been adopted		X
	Accounting duties are appropriately segregated; checks and balances are in place	X	
	Accounts payable are processed within 30 days	X	
	Adequate reserve level and/or ending fund balance are maintained as determined annually and as appropriate for each fund.		X
	All city financial functions are consolidated under a single chief finance officer		X
	All fees are centralized in a master fee schedule		X
	All general fund debt issuances identify the method of repayment (or has a dedicated revenue source)		X
	An internal control system exists and is based on American Institute of CPAs guidelines		X
	Asset management program is used to minimize the total cost of acquiring, operating, maintaining, and renewing infrastructure assets (life-cycle costing)	X	
	Audits of time and attendance data indicate error rates under 1%		X
	Automated and integrated financial packages are used to eliminate duplicate data entry (electronic or paper) among departments for payroll, accounts payable, accounts receivable		X
	Bad debt collections operations are centralized		X
	Banking relationships are competitively bid every 5 years, well-structured and rigorously monitored		X
	Budgets provide readable, comprehensive information of costs, staffing, revenues and program objectives as well as workload and performance measures		X
	Capital Improvement Plan provides readable and comprehensive information on costs, and provides a link to the operating budget	X	
	Capital improvement projects do not proceed without city council certification that ongoing operations and maintenance funding will be made available	X	
City is in compliance with current GASB requirements.		X	

Department	Sample Best Practices	Partially in Place	Fully in Place
	City’s assets are surveyed to identify associated risks	X	
	Common office supplies are contracted to be delivered directly to departments from the vendor		X
	Cost centers are used to separately track costs of fee based activities, e.g. development services and recreation programs		X
	Departments have on-line access to real-time budget and expenditure status reports		X
	Fees for services are reviewed annually to assure that those commonly charged by peers are being charged	X	
	Fixed asset program is used		X
	Formal budget principles have been adopted		X
	Formal cash management plan and cash flow projections are used to determine available funds		X
	Identify the full costs of special events to assure their value is appropriate for the cost and to provide information to the city council on levels of subsidy provided	X	
	Long-term (over one year) general fund debt is not used to support ongoing operating costs (other than debt service) unless such debt issuance achieves net operating cost savings and such savings are verified by appropriate independent analysis		X
	Mid-year budget updates are presented to the City Council		X
	Multi-year financial forecasting includes total compensation costs	X	
	Multi-year financial forecasting updated annually	X	
	One-time operating grant revenues are not used to begin or support the costs of ongoing programs		X
	Ordering goods, verifying receipt, and approving invoices for payment are performed by different staff		X
	Personnel and payroll systems are integrated		
	Policy and procedure is in place to inform the city manager and city attorney if an important breach in the system of internal control occurs		X
	Pro forma analysis of relative costs (immediate and long term) and benefits is conducted before applying for grants	X	
	Quarterly reports of operating revenues and expenditures compared to budget are provided to the City Council		X
	Real property transfer tax policy, e.g. the average level for charter cities in California		
	Replacement funds exist to ensure that funding is available at the end of assets’ economic lives	X	
	Reserve funds have a target level		X
	Special revenues funds are self-sufficient and there is a policy stating that intention	X	
	Standardized budget forms are provided to operating departments		X
	Structurally balanced budget	X	

Department	Sample Best Practices	Partially in Place	Fully in Place
	The cost allocation plan is updated annually and is in compliance with Federal Guidelines		X
	Use of one-time resources is avoided for current or new ongoing operating expenses		X
Fire	A light duty program exists for fire-fighters		X
	Ambulance subscription program		
	Centralized communications center	X	
	City fire response fee for non-residents involved in incidents		
	Consolidation of fire services		
	False alarm fee for fire calls for service		X
	Fire suppression engine companies are used to assist with annual fire prevention inspections		X
	Standard cycle times exist for plan reviews	X	
Human Resources	A citywide safety program includes an annual work plan, identified priorities, and a designated city safety officer to establish accountability for the program		X
	A citywide training needs assessment is conducted for each department and a training plan is updated		
	A management information system exists to track employees' data		X
	A position control system is used	X	
	Core management competencies are determined and a professional development plan is updated on an annual basis as part of the employee's performance plan	X	
	Feedback is provided on test performance to job seekers		X
	Supervisory training is provided	X	
	Training plan for each employee	X	
Information Technology	A help desk with service log is provided		X
	An information technology strategic plan is updated annually		
	E-mail retention policy	X	
	Multi-year IT equipment and software replacement policies	X	
	Off-site (out-of-area) system and data back-up is provided		
	Replacement funding for software, servers, desktop pcs, and network communications equipment is in place	X	
	Security systems for data and equipment are updated regularly		X
	User training and support is provided		X
Library	Facility sharing opportunities are regularly explored with other agencies		
	Library master plan includes capital and operational expense funding		X
Mayor/Council	Strategic planning is conducted with the executive team		

Department	Sample Best Practices	Partially in Place	Fully in Place
	The number of committees and commissions are limited to those that can be adequately supported by staff		
Parks and Recreation	A comprehensive database of park facilities and amenities is maintained and updated regularly		X
	A computerized irrigation system is used to water as needed and turn off water for breakage	X	
	A Computerized Maintenance Management System (CMMS) is used to prioritize work, track work, and condition of assets		
	A database of equipment is maintained, including: scheduled maintenance requirements and warranty data		
	A Park Master Plan is updated on a regular basis		
	A written competitive bidding program (including bidding by staff) is used in evaluating contracting		X
	Community satisfaction with parks is surveyed on a regular basis		
	Deferred maintenance is tracked, funded, and scheduled		X
	Equitable access to park amenities is ensured by understanding the users		
	Facilities are inspected on a regular basis and condition ratings are assigned. Checklists are used		X
	Guidelines that define the level of maintenance services to the city's parks and open spaces		
	Park assets are maintained at levels to avoid mounting deferred maintenance		X
	Park usage, workloads, performance is tracked		
	Regular cost/benefit analyses are conducted to reduce maintenance and utility costs of existing and proposed facilities		
	Stakeholders are educated regularly about park stewardship, values of parks, and department challenges		
Use of non-profits is maximized in performing maintenance (e.g. sports leagues, homeowner associations, hiking groups, etc.)			
Work is prioritized as Preventative, Proactive, Reactive, and Discretionary			
Police	A false alarm control program and fees are used to reduce the public subsidy of faulty alarm systems		X
	A regional SWAT team is used		X
	Non-sworn personnel are used to perform duties not requiring arrest authority, weapons, or specialized legal knowledge to reduce expenditures and maintain a high level of customer service.		X
	Private security is used for special events where possible		
Public Works ¹	A basic utilization review of the entire fleet is conducted every two to 4 years		
	A centralized heavy equipment pool is used		X

Department	Sample Best Practices	Partially in Place	Fully in Place
	A charge-back system is used that incorporates fleet replacement, overhead and all operational costs	X	
	A comprehensive list of building systems and equipment is maintained in the CMMS, e.g. location, model type, warranty information, age and replacement parts ²	X	
	A computerized maintenance management system (CMMS) is used to track work orders, scheduling, costs, assets, and productivity	X	
	A computerized work order system is used, e.g. part of a CMMS	X	
	A five-year maintenance and capital replacement plan is updated annually for city facilities ²	X	
	A fleet management information system is used to track performance measures and effectively monitor and manage the fleet management function	X	
	A fuel markup is used that reflects the true cost of providing fuel service		
	A listing of deferred maintenance is maintained and tracked		
	A methodology to support the replacement of vehicles and equipment is used based on the optimum economic life of a unit	X	
	A multi-level preventative maintenance program is used that is unique to each class in the fleet	X	
	A parts markup is used that reflects the true cost of providing this service		
	A pavement management system is used to identify the most cost effective treatment for individual streets		X
	A preventative maintenance schedule is maintained for traffic controllers		X
	A preventive maintenance checklist and inspection program is in place		X
	A preventive maintenance system is used, e.g. part of a CMMS		
	A replacement schedule for traffic signals is used		
	A sublet markup is used that reflects the true cost of providing sublet service		
	A written long-range building maintenance plan is in place		
	Activity-based costing analysis is used in fleet operation		
	All heavy equipment rentals are processed through the fleet maintenance department	X	
	An annual condition survey for streets and sidewalks is conducted		X
	An asset management program has been implemented, e.g. part of a CMMS	X	
	An asset management program of streets is linked to a pavement management system that provides lifecycle costing and analysis of the most cost-effective maintenance strategy for individuals streets	X	
	An estimate of useful life for major components is included in long range plans		
	An Internal Service Fund is used for facilities, including funding for replacement reserves, and is charged to put the fund on a self-sustaining basis ²		X
	Building component conditions are periodically inspected ²	X	

Department	Sample Best Practices	Partially in Place	Fully in Place
	Building utility systems are electronically monitored and optimized remotely ²	X	
	Condition ratings are assigned to building components		
	Conduct fleet utilization analyses every two to 4 years to identify surplus vehicles/equipment and whether it is more economical to own, lease, or rent.	X	
	Contract custodial services ²	X	
	Cost effective improvements to maintenance services are regularly analyzed		
	Cost/benefit or life cycle costing approach is used for capital improvement program		
	Energy use is monitored to quantify energy use and identify opportunities for energy savings. Energy use is benchmarked with similar buildings ²	X	
	Facility budgets include a funded depreciation schedule and funding for cyclical repairs, including necessary administrative costs for managing the services		
	Facility inventories are regularly updated for changes in square footage, condition, value, and maintenance practices	X	
	Fleet maintenance performance standards are measured against industry and shop standards.	X	
	Fleet maintenance specialty services are outsourced	X	
	Full-cost market rates are used for city facility rental fees		
	Guidelines and policies are available for employees that describe the most economic means of transportation		
	Hours devoted to preventive maintenance are tracked		
	Maintenance standards and priorities are used when responding to work orders for preventative, proactive, reactive, and discretionary work		
	Monthly and weekly preventive maintenance schedules are used	X	
	Most energy efficient lights are used. Period cost/benefit analyses are made for upgrading to newest systems ²	X	
	No-cost/low cost opportunities for energy savings have an implementation schedule		
	On-call parts contract is used ²	X	
	Operating and maintenance costs are included in capital investment decisions	X	
	Performance measures are in place for building condition index		
	Performance measures are in place for deferred maintenance backlog tracking		
	Performance measures are in place for ratio of deferred maintenance to replacement cost		
	Performance measures are in place for ratio of preventive maintenance expenditures to deferred maintenance backlog		
Performance standards and performance measures use data from the maintenance management system			

Department	Sample Best Practices	Partially in Place	Fully in Place
	Preventive maintenance expenditures are tracked per square foot and evaluate against peer jurisdictions		
	Property owners are required to fix sidewalks	X	
	Random spot checks and conducted to ensure the vendor is meeting established standards for response and workmanship		
	Rental agreements are negotiated with local heavy equipment rental agencies for equipment to augment the heavy equipment pool		
	Rental agreements are negotiated with local rental car agencies for vehicles to augment the fleet management pool when units are out of service or for peak needs		
	Reserve funds are available for building and equipment replacement; reserve fund needs are calculated for each facility	X	
	Retro-commissioning studies of HVAC and lighting systems are conducted		
	Review all city properties to identify surplus property that can be disposed of		
	Specific performance expectations (such as maximum response time) are used in contract documents	X	
	Street light maintenance is contracted		X
	Street sweeping contracts include maximum speeds in residential areas		X
	Street sweeping contracts require 24-hour emergency response with equipment to be on site within two hours		X
	Street sweeping contracts require monthly reports detailing mileage, cubic yards of debris removed, gallons of water used, and other measures		X
	Street sweeping contracts utilize an inspection rating system to verify compliance with contract terms and as a basis for verifying monthly payments and deductions from payments for non-compliance		
	Street sweeping is contracted		X
	Streets and sidewalks inventory is linked to a GIS based maintenance management system (CMMS)		
	Take-home mileage for each standby unit and number of callouts is tracked		X
	The Capital Improvement Plan is prepared in conjunction with the operating budget	X	
	The relative importance of different maintenance/CIP projects are evaluated according to building usage ²	X	
	The streetlight inventory is linked through a GIS based maintenance management system		
	The traffic signal inventory is linked to a GIS based maintenance management system		
	The traffic signal system uses the most energy efficient lights	X	
	The vehicle replacement fund includes credit for salvage revenues and interest earnings; auction fees and make-ready costs are included	X	
	There is an implementation plan for capital intensive energy retrofits		

Department	Sample Best Practices	Partially in Place	Fully in Place
	Timers and/or motion detectors are used for lights, heating etc.	X	
	Track usage of pool vehicles	X	
	Traffic signal maintenance is contracted		X
	Traffic signal timing 'is regularly monitored	X	
	Train employees on the guidelines and policies regarding use of pool vehicles vs. mileage reimbursement vs. rental vehicles		
	Underground utility projects are coordinated with street improvements and major maintenance		
	Use of daily take-home units is tracked; a policy and guideline standards are developed for take-home units	X	
	Use of the central heavy equipment pool units is monitored to determine the type and number of units required; own versus lease		
	Vehicles and equipment are replaced based on the “optimum economic life point” of a unit	X	
	Vendors are required to submit monthly reports providing detailed information on incidents, location, response time and other performance measures	X	
	Work orders are tracked and evaluated in a database, e.g. CMMS		
	Written guidelines, standardized checklists and/or automated systems are used to conduct facility assessments ²	X	
	Written procedural manuals are in place and are available on-line	X	

¹ Parks and Community Services Department (PCSD) is responsible for building and parks maintenance, but Public Works still takes on much of the asset management, equipment replacement, capital improvement and facility maintenance at the Water and Wastewater Treatment Plants.

² These best practices also apply to Parks and Community Services Department, which, as noted, maintains buildings and parks.

Attachment C – Comparison of City Services

FY 2013-14 budgets were used to gather data for each of the peer cities. The data for Benicia is based on pre-cost allocation plan data. It should be noted that unique or one-time factors can influence the budgets in any given year, so a complete city-to-city comparison cannot be done by simply looking at totals. Benchmarking is only undertaken to inform the process and raise issues that may warrant further analysis or consideration.

Revenues

Total General Fund tax revenues for each of the benchmark cities are shown in Table 7.

Table 7. General Fund Tax Revenue Sources and Amounts

Tax Type	Property Tax	Sales Tax	Utility Users Tax	Transient Occupancy Tax	Other State and Local Taxes	General Fund Non-Tax Revenue	Total General Fund Revenue
Benicia	\$12,028,100	\$6,205,000	\$4,595,000	\$340,000	\$2,322,600	\$4,558,835	\$30,049,535
Belmont	\$6,087,739	\$2,943,296		\$1,565,318	\$1,487,683	\$5,510,898	\$17,594,934
Burlingame	\$14,441,000	\$9,445,000		\$18,570,000	\$2,881,000	\$5,160,100	\$50,497,100
Foster City	\$16,192,000	\$3,451,000		\$2,040,000	\$3,028,600	\$6,826,000	\$31,537,600
Martinez	\$6,420,000	\$3,400,000		\$310,000	\$6,228,763	\$2,597,894	\$18,956,657
Menlo Park	\$13,955,000	\$6,331,400	\$1,184,620	\$3,743,000	\$1,812,300	\$15,523,527	\$42,549,847
San Carlos	\$9,416,500	\$5,432,500		\$940,500	\$1,640,800	\$10,315,400	\$27,745,700
Peer Average	\$11,085,373	\$5,167,199	\$1,184,620	\$4,528,136	\$2,846,524	\$7,655,637	\$31,480,306

Table 8 details each tax as a percentage of General Fund tax revenues. Comparing tax revenues in this manner allows for an understanding of which taxes peers rely on to fill General Fund coffers. Benicia relies on property and sales tax revenues more than the peer agencies (measured as a percentage of General Fund revenues).

Table 8. General Fund Tax Revenues as Percentage of Total General Fund Tax Revenues

Jurisdiction	Property Tax	Sales Tax	Utility Users Tax	Transient Occupancy Tax	Other State and Local Taxes	General Fund Total Tax Revenue	General Fund Non-Tax Revenue
Benicia	40%	21%	15%	1%	8%	85%	15%
Belmont	35%	17%		9%	8%	69%	31%
Burlingame	29%	19%		37%	6%	90%	10%
Foster City	51%	11%		6%	10%	78%	22%
Martinez	34%	18%		2%	33%	86%	14%
Menlo Park	33%	15%	3%	9%	4%	64%	36%
San Carlos	34%	20%		3%	6%	63%	37%
Peer Average	36%	16%	3%	11%	11%	75%	25%

Table 8 also shows that Benicia falls well below the peer average in transient occupancy tax revenues and non-tax revenue as percentages of General Fund revenues. The peer average for transient occupancy tax as a percent of General Fund is 11% compared with Benicia’s 1%. In dollars, Benicia collects only \$340,000 as compared with a peer average of \$4.5 million.

Non-tax revenue for Benicia includes fees and charges for service, grants, and investment income. Benicia collected \$4.5 million compared with the peer average of \$7.65 million. More analysis would have to be performed to ascertain the fees or rates that are charged by peer cities to determine whether there may be opportunities for Benicia to increase its revenue from non-tax sources. A discussion of fees and charges is provided in the section of this report entitled Opportunities for Cost Recovery.

Expenditures

Because Benicia provides all major city services in house, the City’s total expenditures per capita are higher than the peer average for General Fund and enterprise funds, as can be seen in Table 9. Benicia also has more full-time equivalent employees per 1,000 population compared with the peer average. That is expected with the City providing all major services in-house. All of the peer cities receive at least one major service from an outside agency.

Table 9 shows a comparison of expenditures on a per capita basis. It also shows staffing comparisons (all funds), on the basis of full-time equivalent (FTE) employees per 1,000 population.

Table 9. Total Expenditures and Staffing Comparisons (All Funds)

Jurisdiction	FY 2013-14 Total Expenditures per Capita	FY 2013-14 GF Expenditures per Capita	FY 2013-14 Enterprise Expenditures per Capita	FY 2013-14 FTE per 1,000 Population
Benicia	\$2,366	\$1,138	\$753	7.50
Belmont	\$2,449	\$584	\$715	4.74
Burlingame	\$3,378	\$1,410	\$903	6.68
Foster City	\$1,750	\$968	\$489	6.64
Martinez	\$1,391	\$515	\$458	3.65
Menlo Park	\$2,324	\$1,287		7.01
San Carlos	\$1,800	\$1,047	\$340	2.31
Peer Average	\$2,182	\$969	\$581	5.17

These data show that the City of Benicia invests more per resident in terms of expenditures and total staffing than the peer average. Benicia’s total expenditures (all funds) per capita of \$2,366 is higher than the peer average of \$2,147 but significantly less than the highest peer (the City of Burlingame) with total expenditures per capita of \$3,378. The \$753 per capita of enterprise expenditures for Benicia is also higher than the peer average of \$581.

Benicia also has higher General Fund expenditures per capita (\$1,138 compared with the peer average of \$969), as shown in Figure 3.

Figure 3. General Fund Expenditures per Capita

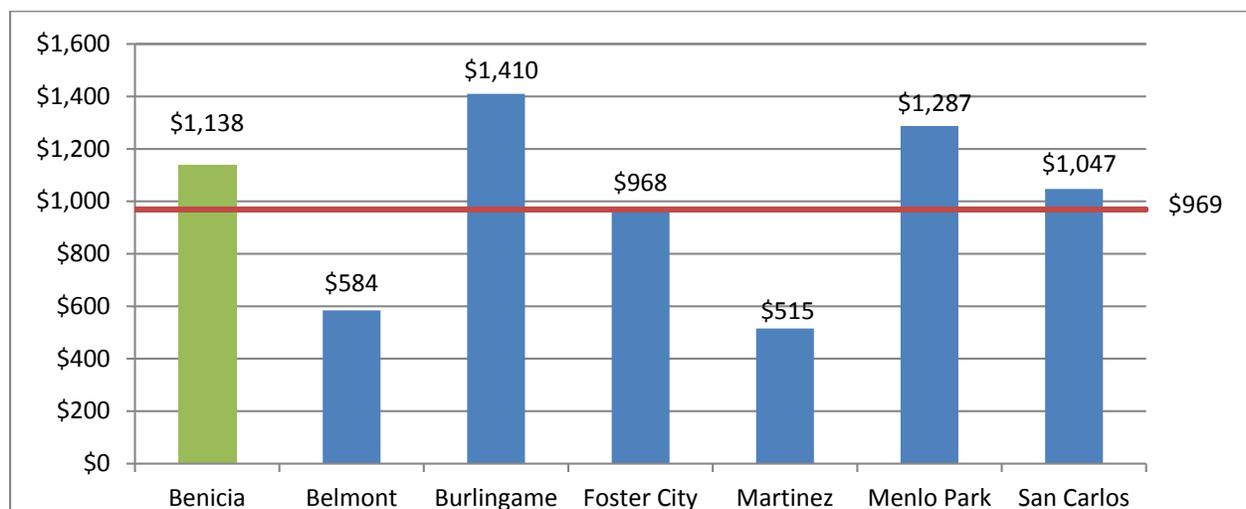


Table 10 shows department expenditures as a percentage of total General Fund expenditures. This allows a comparison of how each jurisdiction is directing its resources within the organization.

Table 10. Departmental General Fund Expenditures as Percentage of Total General Fund Expenditures

Jurisdiction	Government Services ¹	Community Development	Library	Parks / Community Services	Public Works	Fire	Police
Benicia	12%	3%	4%	16%	5%	21%	26%
Belmont	18%	3%		9%	40%	14%	15%
Burlingame	7%	2%	8%	10%	9%	23%	25%
Foster City	10%	6%	1%	23%	5%	25%	30%
Martinez	15%	4%		6%	20%	4%	52%
Menlo Park	0%	8%	5%	17%	13%	5%	35%
San Carlos	17%	9%		16%	6%	24%	28%
Peer Average	11%	5%	5%	13%	16%	16%	31%

¹ Government Services includes City Council, City Clerk, City Attorney, Finance Department, the City Manager's Office, Human Resources, and Information Technology

Key observations from Table 10 follow.

- As with most of the jurisdictions in this peer comparison, Benicia allocates the largest share of General Fund expenditures to police (26%) and fire (21%).
- Benicia allocates slightly more to fire than the peer average of 16% and slightly less to police than the peer average of 31%. Benicia’s higher fire expenditures may partially be a result of providing the service in house instead of contracting with a fire district like some of the peers.
- The percentage of General Fund expenditures allocated to parks and community services, 16%, is not far from the peer average of 13%.
- Benicia allows allocates less to Community Development, at 2.73% of total General Fund expenditures than the peer average of 5.28%.

Total full-time equivalent positions by department for all funds are shown in Table 11. The staffing levels reflect the same departments as in the previous table.

Table 11 shows that Benicia has fewer full-time equivalent employees as a percentage of total staff in the Police, Parks and Community Services, and Community Development Departments than the peer averages.

Table 11. Staffing by Department as a Percentage of Total Staff (All Funds)

Jurisdiction	Government Services ¹	Community Development	Library	Parks / Community Services	Public Works	Fire	Police
Benicia	13%	3%	9%	13%	26%	14%	22%
Belmont	12%	5%		16%	20%	16%	32%
Burlingame	11%	5%	11%	14%	30%		28%
Foster City	12%	5%		28%	15%	17%	23%
Martinez	11%	7%		11%	29%		41%
Menlo Park	13%	8%		21%	22%		30%
San Carlos	34%	18%		18%	30%		
Peer Average	15%	8%	8%	18%	24%	16%	31%

¹ Government Services includes City Council, City Clerk, City Attorney, Finance Department, the City Manager's Office, Human Resources, Information Technology, and Economic Development

Attachment D – Critical Unmet Needs

The following is a verbatim list of the critical unmet needs submitted by each department, sorted by type of need. As Table 12 shows, some of the needs noted by a single department are actually city-wide in nature (e.g., compensation and training) so when these are reviewed by the executive team, some needs should be expanded to include all departments. Additionally, estimated costs have not been attached to a number of critical needs and in many cases the costs shown are incomplete. These cost figures were provided by departments and will need to be reviewed and modified by City staff.

Table 12. Critical Unmet Needs by Category of Need – General Fund

Category of Need	Department	Critical Unmet Need	Estimated Fiscal Impact		Proposed Additional FTE	Implementation Priority
			Ongoing	One-Time		
Community Planning Studies	Parks and Community Services	Update Parks Master Plan		\$100,000		FY 2015-16
	Community Development	Update Zoning Ordinance & Downtown Mixed Use Master Plan Incorporation		\$150,000		FY 2016-17
		Update Downtown Historic Conservation Plan		\$40,000		FY 2015-16
		Update to General Plan		\$750,000		FY 2015-16
		Create Stormwater Master Plan		\$500,000		FY 2015-16
		Completion of Lower Arsenal Area Plan		TBD		FY 2015-16
	Community Planning Subtotal			\$1,540,000		
Equipment	Fire	Replace Portable Emergency Radios		\$100,000		FY 2015-16
		Purchase Water Rescue Equipment		\$30,000		FY 2017-18
		Create Strategic Plan for Replacing Fire Apparatus		\$50,000		FY 2014-15
		Type III Wildland Fire Engine		\$300,000		FY 2015-16
	Citywide	Replace Office Equipment		TBD		FY 2014-15

Category of Need	Department	Critical Unmet Need	Estimated Fiscal Impact		Proposed Additional FTE	Implementation Priority	
			Ongoing	One-Time			
	Police	Replace Dispatch Center Workstations		\$80,000		FY 2017-18	
		Replace Fleet Equipment		TBD		FY 2017-18	
	Public Works	Generators		\$250,000		FY 2014-15	
	Equipment Subtotal				\$710,000		
Facilities	Fire	Public Safety Training Facility	TBD	TBD		FY 2018-19	
	Information Technology	Rehabilitate Facilities that House IT Servers		\$100,000		FY 2015-16	
	Library	Library Facilities Rehabilitation		\$40,000		FY 2015-16	
		Replace Library Roof		\$250,000			
	Library; Parks and Community Services	Conduct Feasibility Study of a Joint Senior Center/Library		TBD		FY 2015-16	
	Parks and Community Services	Re-plaster James Lemos Swim Center Pool			\$300,000		FY 2015-16
		Upgrade City Gym Restroom to be ADA Compliant			\$250,000		FY 2016-17
		Upgrade Community Playground Equipment			\$200,000		FY 2015-16
		Replace Metal Siding on Senior Center			\$140,000		FY 2016-17
		Upgrades for ADA Compliance			\$975,000		FY 2016-17
		Construct New City Park Gazebo			\$75,000		FY 2015-16
Upgrade SP Depot for ADA Compliance				TBD			
Repair Roads at City Cemetery				TBD			
Install Elevator at Youth Activity Center for ADA Compliance			TBD				
Facilities Subtotal				\$2,330,000			

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Category of Need	Department	Critical Unmet Need	Estimated Fiscal Impact		Proposed Additional FTE	Implementation Priority
			Ongoing	One-Time		
Information Technology	Community Development	Upgrade or Replace ACCELA		\$125,000		FY 2015-16
		Website management	TBD			FY 2014-15
	City Attorney	Create City-wide Document Scanning and Management System		TBD		FY 2014-15
		Create Project / Case Management Program		TBD		FY 2014-15
		Replace Contract Management System		TBD		FY 2014-15
	Finance	Purchase New Financial and HR System		\$600,000		FY 2015-16
		Institute Process Changes to Support New IT. System		\$75,000		FY 2015-16
		Upgrade or Replace Utility Billing System		\$100,000		FY 2016-17
		Replace Permit and Business License Billing System		\$150,000		FY 2016-17
	Fire	Update Records Management System (RMS) to Interface with ACCELA and Ongoing Maintenance	\$3,000	\$6,000		FY 2014-15
		Various Information Technology Upgrades	\$2,000			FY 2015-16
	Information Technology	Develop City Intranet		\$50,000		FY 2015-16
		Develop Project Management System		TBD		FY 2016-17
		Purchase Video Conference Software		\$20,000		FY 2015-16
	Library	Participate in Integrated Library Resource Sharing System	\$22,000	\$100,000		FY 2015-16
	Police	Replace CAD / RMS	\$400,000	\$94,000		FY 2017-18
	Public Works	Purchase a Maintenance Management System		\$50,000		FY 2014-15

Category of Need	Department	Critical Unmet Need	Estimated Fiscal Impact		Proposed Additional FTE	Implementation Priority
			Ongoing	One-Time		
		(CMMS)				
		Create Long Range Capital Improvement Plan		TBD		FY 2015-16
		Information Technology Subtotal	\$427,000	\$1,276,000		
Infrastructure Maintenance	Public Works	Create Plan for Repair of Grant Street		TBD		FY 2014-15
		Street Light Repair/Replace Traffic Controller at 7 th and Military		\$50,000		FY 2014-15
		Infrastructure Needs (including \$1,400,000 for Street Maintenance)	\$5,000,000			FY 2015-16
		Create Storm Drainage Master Plan		TBD		FY 2015-16
		Infrastructure Maintenance Subtotal	\$5,000,000	\$50,000		
Policy and Procedures Updates	City Attorney	Policy for Document Storage and Records Retention		TBD		
	Human Resources	Update Employee Personnel Rules and Policies		\$25,000		FY 2014-15
	Citywide	Create New Project and Contract Management Procedures		\$25,000		
	Policies and Procedures Subtotal			\$50,000		
Added Staffing	City Attorney	Add Administrative for Document Management	\$54,000		1	TBD
		Shared Attorney Services	\$120,000		1	TBD
	Community Development	Add Department Director	\$240,000		1	FY 2014-15
		Add Chief Building Official	\$140,000		1	FY 2015-16

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Category of Need	Department	Critical Unmet Need	Estimated Fiscal Impact		Proposed Additional FTE	Implementation Priority
			Ongoing	One-Time		
		Sustainability Project Implementation – Senior Planner	\$150,000		1	FY 2015-16
	Fire	Add Fire Prevention Position	\$80,000		1	FY 2015-16
		Add Management Analyst	\$100,000		1	FY 2015-16
		Add EMS/Training Division Chief	\$180,000		1	FY 2014-15
	Human Resources	Add Human Resources Director/Manager	\$170,000		1	FY 2014-15
		Add Support Position for Reporting Compliance and Employee Recognition	\$27,000		0.5	FY 2014-15
	Information Technology	Add position for Process Improvement and Project Management	\$60,000		1	FY 2015-16
		Add Help Desk Staff	\$35,000		0.5	FY 2015-16
		GIS (Geographical Information System)	\$100,000	TBD	1	FY 2016-17
	Library	Add Librarian and Library Technician	\$120,000		2	FY 2015-16
	Parks and Community Services	Fill a frozen maintenance worker position in Building Maintenance	\$80,000		1	FY 2015-16
		Fill a frozen custodial position in Building Maintenance	\$70,000		1	FY 2015-16
	Police	Add Police Officers	\$660,000	\$25,000	4	FY 2015-16
		Add Dispatcher	\$110,000		1	FY 2015-16
		Add IT Staff	\$55,000	\$5,000	0.5	FY 2015-16
	Public Works	Assistant Public Works Director	\$100,000		1	FY 2015-16
		Associate Civil Engineer	\$75,000		1	FY 2015-16

Category of Need	Department	Critical Unmet Need	Estimated Fiscal Impact		Proposed Additional FTE	Implementation Priority
			Ongoing	One-Time		
	City Manager's Office	GIS Analyst	\$70,000		1	FY 2015-16
		Management Analyst	\$55,000		1	FY 2015-16
		Add PIO/Management Analyst	\$75,000		1	
	Staffing Subtotal		\$2,926,000	\$30,000	26.50	
Training and Development	Community Development	Contract for ACCELA Training	\$15,000			FY 2015-16
	Finance	Contract for Finance Department Training	\$10,000			FY 2015-16
	Human Resources	Contract for Safety Training	\$20,000			FY 2014-15
		Contract for HR Training and Other HR Support to Departments	TBD			FY 2015-16
	Training and Development Subtotal		\$45,000			
Emergency Operations	Fire	Update EOP to Reflect an Effective Structure	TBD	TBD	0	FY 2014-15
		Update the Local Hazard Mitigation Plan	TBD	TBD	0	FY 2014-15
		Modify the EOC is in the Training Room of the Main Fire Station	TBD	TBD	0	FY 2014-15
		Participate in WebEOC	TBD	TBD	0	FY 2014-15
		Provide Training for Staff in Emergency Preparedness and Response	TBD	TBD	0	FY 2014-15
	Emergency Operations Subtotal		TBD	TBD	0	
Total		\$8,393,000	\$5,986,000	26.50		

Table 13. Critical Unmet Needs by Category of Need – Enterprise Fund

Category of Need	Department	Critical Unmet Need	Estimated Fiscal Impact		Proposed Additional FTE	Implementation Priority
			Ongoing	One-Time		
Equipment	Public Works	Purchase New Water Meters / AMI System		\$3,000,000		FY 2016-17
	Equipment Subtotal			\$3,000,000		
Infrastructure Maintenance	Public Works	Address Flood Control / Storm Drain Improvement Needs	\$500,000	\$5,000,000		FY 2018-19
	Infrastructure Maintenance Subtotal		\$500,000	\$5,000,000		
Staffing	Public Works	Field Utilities & Streets (FUS) Worker	\$65,000		1	FY 2015-16
		Field Utilities & Streets (FUS) Supervisor	\$80,000		1	FY 2015-16
		Wastewater Treatment Plant (WWTP) Supervisor	\$80,000		1	FY 2015-16
		WWTP Mechanic	\$65,000		1	FY 2015-16
		Water Treatment Plant (WTP) Mechanic	\$65,000		1	FY 2015-16
	Staffing Subtotal		\$355,000		5	
Training	Public Works	Contract for Safety Training for Public Works	TBD			
	Training Subtotal		TBD			
Total			\$855,000	\$8,000,000	5	

Attachment E – Potential Efficiency Improvements

Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
Information Technology	Support/Helpdesk	Establish a calendar of trainings and brown bag lunches to support FAQ and reduce help desk demand. (All City employees must submit a help ticket. No random calls or walk ups.)	Yes	U
	IT Infrastructure Maintenance	Create IT capital and maintenance plan. (See IT 5 year plan.)	Yes	U
	Backups of major systems	Establish policy and schedule to ensure system backups.	Yes	U
	E-mail system	Monitor and train staff regarding the e-mail policy in place as approved by City Attorney and City Manager's office; delete all emails older than (decide agreed upon date).	Yes	U
	Virus scan and web filters	Establish procedure.	Yes	U
	Remote access to the city system	Proceed with selection of CITRIX or VDI.	Yes	U
	Research new technology	Schedule time weekly to research. Seek opportunities participate in webinars and training regarding new technology.	Yes	U
	Training the users	Establish User Group with staff from each department to assess needs. Develop training schedule and conduct training (i.e., document-email storing policy, how to use email). Also, develop list of policies and procedures to support user needs and system integrity.	Yes	U
	Websites	Centralize system management. Establish and monitor policies regarding website. Include on Use Group regular meeting agendas.	Yes	U
	Document Management System	Purchase new system. Possibly combining this project with MFD (Multi-Function Device) vendor.	No	

Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
Finance	Budget and Forecasting	Input Requested, Proposed, Adopted, Amended in Bi-Tech or other system	Yes	U
	Audit and Reporting	Program/build CAFR-compliant financial reports (new ERP)	No	
	Capital Project Accounting, Debt Management, and Special Assessment District Tax Liens	Connect Capital Project software with IFAS, move capital projects into BiTech system (to be part of ERP)	No	
	Payroll Processing and reporting	Online schedule based digital payroll	No	U
	Utility billing, customer service, Call-out, Reads, Turn-off	An improved process with better computer aid in identifying misreads	No	U
	Business License	Online system allowing for customer data entry (new system needed)	Yes	
	Cash Receipts and Cash Management	Payments, Reflections, Homebanking systems replacement (new system needed)	No	
	Policies, Purchasing, and Invoice Processing	Recurring Journal Entry or similar.	No	U
	Policies, Purchasing, and Invoice Processing	Document Imaging for Claim Form History (new system needed)	No	
	Centralized Mail and Office Supplies	Departmental mail control; each department would do its own stamping	Yes	U
Human Resources	Recruitment	Fully implement NeoGov and continue to shift to online advertising for recruitments.	Yes	U
	Classification and Compensation	Hire a consultant to do a full citywide classification and compensation study on a scheduled basis to maintain relatively current data.	No	

Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
	Workers Compensation Administration	Create a database accessible to supervisors and HR to share workers' compensation information. This would reduce internal service demands on staff. (requires staff time to do this)	No	
	Labor and Employee Relations	Implement an enterprise resource planning (ERP) system.	No	
	Workplace Safety	Maximize BENSAC as a resource and establish a training calendar. Leverage department trainings by opening to all city employees based upon required duties. (requires staff time to do this)	No	
	Training	Establish training calendar. Spread ownership of trainings across departments based upon expertise and partner with Solano County and/or neighboring agencies. Add 0.5 clerk to assist and track.	No	
	HR/Payroll Activities	Implement ERP. Revisit business processes for HR and payroll (i.e., process mapping).	No	
	Response to Public Records Requests	Add 0.5 clerk to assist and track PRA requests.	Yes for minimal; need more assistance to properly track	U
	Employee Leave Management (FMLA, RTW - ADA accommodation-related efforts - non-workers comp)	Conduct training for supervisors outlining employee expectations and steps to communication with HR. Add 0.5 clerk to assist with and track.	No	
	Benefit administration	Implement ERP.	No	
	Staff to Civil Service Commission	Return to quarterly meeting schedule. Dissolve commission or refine charge.	Yes	
	Misc. employee support/recognition	Form a cross-functional team including each City department. Add 0.5 clerk to assist.	No	

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Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
City Attorney	Contract Approval	Update policy and procedures to support contract administration.	No	
	Opinions and requests for service	Update policy and procedures regarding staff practices (i.e., water shut-offs, utility practices, etc.)	No	
	Open Government Trainings	Update policy and procedures to support records storage.	No	
Fire	BERT	Place under supervision of non-sworn Coordinator (would free up capacity of Division Chief)	Yes	
	Community Preservation/Code Enforcement	Return position to Community Development Department to streamline the complaint process and reduce the time spent by Fire Chief and Division Chiefs. Fire prevention functions that are currently conducted by this position would be absorbed by the new non-sworn fire inspector	Yes	
	Disaster Preparedness	Establish non-sworn position of Emergency Coordinator to add capacity related to the EOC, insure City staff training that meets FEMA guidelines, and maintain all records necessary for reimbursements associated with disaster events	No	
	Plan Review/Associated Inspections	Incorporate plan review/inspections into non-sworn prevention staff duties	Yes	
	Public Education	Increase use of social media and other technologies	Yes	
	Reserve Firefighters	Increased role and capacity for support functions would free capacity of management personnel.	Yes	
	Special Events	Assign coordination of event review and planning to staff member and centralized it.	Yes	
	Vegetation Management and Weed Abatement	Hire temporary-seasonal staff to conduct annual project oversight and review and annual open space disking (to restore capacity of management staff to perform essential functions).	No	

Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
Community Development - Building	Health and safety Issues- Implement all CBCs-review, process, and issue building permits	Upgrade to ACCELA for online submission and building permit review.	No	
	Assist Fire Department with Code Enforcement	Upgrade ACCELA. Train and support interdepartmental staff to use system effectively. Avoid hand/manual reporting. Move Community Preservation Officer to CDD.	No	
	Building Code Enforcement	Upgrade ACCELA. Train and support all employees to use software code enforcement module.	No	
	Building permit inspections	Update to ACCELA. Provide the public to self-schedule inspection on-line through ACCELA or automated telephone system.	No	
	Public counter/public information	Create one-stop-shop for permits. Move Finance FTE to CDD to process business licenses to increase the efficiency and communication during the process and support our ED efforts for local businesses. Utilize both CDD and PW clerical staff for "counter" support as well. Update land use public notices process.	Yes	
	Inspections/issuance change of use	Conduct process improvement and review fee accuracy and expense recovery.	Yes	
	Business license inspections	Update to ACCELA to offer self-scheduling option. Move Finance FTE to CDD to process business licenses to increase the efficiency and communication during the process and support our ED efforts for local businesses.	No	
	Plan check	Conduct process improvement and review fee accuracy and expense recovery.	Yes	
	Issue Certificates of Occupancy	Update to ACCELA with the ability to automatically create a Certificate of Occupancy at time of Building Permit Final	No	

Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
	Web page maintenance	City-wide centralized web management or a City-wide protocol on website formatting and staff training with an established User Group meeting quarterly supported by IT	No	
	ACCELA Management	Establish User group meeting quarterly supported by IT to maximize system capacity.	Yes	
	Administrative Support (customer service, accounting, general clerical)	Update to ACCELA to provide self-scheduling customer options. Create one-stop-shop for permits. Move Finance FTE to CDD to process business licenses to increase the efficiency and communication during the process and support our ED efforts for local businesses. Training and process documentation by the Finance Department would increase efficiency of accounting by CDD staff in providing the correct documentation to the Finance Department Utilize both CDD and PW clerical staff for counter support.	No	
Community Development - Planning	Planning Commission	Modify public hearing notice procedure to require the applicant to post the public notice and change the mailed notice to a postcard eliminating the need for folding and stuffing by Admin. Development Services Technician or Assistant Planner service front counter staff in lieu of Associate Planner so that position can be fully utilized for higher level planning projects.	Yes	
	Historic Review Commission	Modify public hearing notice procedure to require the applicant to post the public notice and change the mailed notice to a postcard eliminating the need for folding and stuffing by Admin. Development Services Technician posts public hearing notices rather than building inspectors.	Yes	

Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
	Community Sustainability Commission (including some support to the Good Neighbor Steering Committee)	Establish cross-functional team to support and monitor implementation. Or, shift plan and commission support to department with highest volume of plan elements.	Yes	
	Zoning Administrator	Modify public hearing notice procedure to require the applicant to post the public notice and change the mailed notice to a postcard eliminating the need for folding and stuffing by Admin. Development Services Technician posts public hearing notices rather than building inspectors.	Yes	
	Process Applications	Conduct process mapping and improvement events for each and all of the following applications and permits and review of accuracy of fees and potential new fees for current services. Cross-train department employees to support customer needs, such as Development Services Tech trained to process minor Planning application including sign permits.	No	
	Assist Fire Department with Code Enforcement	Move Community Preservation Officer from Fire to CDD to ensure consistent oversight and delivery and tracking of planning/building outcomes. Code enforcement is currently being done by the Fire Dept. and the position also conducts Fire inspections.	Yes	
	Web Site Maintenance	City-wide centralized web management or a City-wide protocol on website formatting and staff training with an established User Group meeting quarterly supported by IT	No	

Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
Public Works	<p>Pretreatment/Pollution Prevention Program</p>	<p>The newly issued NPDES permit has relaxed some pretreatment testing frequencies and this, along with potential Regional Board changes, may allow the City to eliminate some of the program elements (monitoring, reporting, inspection, etc.). This should save staff time and money in industrial monitoring costs. We would still need to intermittently sample and inspect the businesses within the industrial park to protect the WWTP from illicit discharges.</p> <p>Savings could potentially be realized from staff reductions through job sharing and reductions to other components of these programs. The City presently contracts out elementary school water/wastewater education and Earth Day cleanup efforts.</p>	Yes	
	<p>Safety Programs</p>	<p>Hire staff (reallocate an existing position) to bring this function in-house. The City has recently used a contract entity (Duall) to attack some of these issues. This has limited success within the Utilities because of the uniqueness of our business.</p>	No	
	<p>Strategic Planning</p>	<p>Fund a mid-manager position from existing lower level staff positions that are presently not filled. Even though we would lose a lower level employee, we feel this would increase the overall efficiencies of the department.</p>	No	
	<p>Regional Board Compliance</p>	<p>Staffed with a PW Director, Water Quality Supervisor, and Superintendent, and with the assistance of the Bay Area Clean Water Agencies group there is a possibility the cost for EOA may be able to be reduced.</p>	Yes	

Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
	Plant Maintenance	Modify operator and maintenance mechanic job descriptions to clarify roles. The plant presently has 1 operator and 2 maintenance mechanic vacancies. There is a potential that we could continue to not fill at least 1 of the maintenance positions and perhaps one of the other positions. Changing the staffing to 5 operators and 2 or 3 maintenance workers is being evaluated.	Yes	
Library	Programs	Reduce number of programs during the school year. Reduce number of teen volunteers working at the library. Reduce or eliminate adult programs. Eliminate special services like proctoring.	Yes	
	Public computer workstations and wireless access	The State budget supports connection of local libraries to the Corporation for Education Network Initiatives in California (CENIC) network although exact date of implementation is uncertain. Under CENIC, libraries obtain cost-effective, high-bandwidth networking. Faster speeds will reduce wait for patrons.	Yes	U
	Reference questions answered	Staff available on demand only -- not regularly staffing the customer service desk. Staff answer incoming calls and reference questions from their desk.	Yes	U
	Library use	Link plus resource sharing subscription allow patrons to facilitate their needs like self-initiate and place holds reducing staff required to process ILL materials.	No	
	Administration	Eliminate grant funding through the city or give as one lump sum payment to Arts and Culture non-profit.	No	
	Circulation of materials	Purchase and install a fourth self-check machine. Perform a workflow study to eliminate any duplication of effort/work.	No	U

Department	Program	Changes That May Produce Efficiency Improvements	Funds or Staff Resources are Currently Available	Underway (U)
	Collection development <i>(selecting materials and providing information in a variety of materials and formats)</i>	Purchase only pre-processed materials. Purchase more e-books and e-audio books.	No	

Attachment F – Peer Comparisons of Contracting Out

Management Partners conducted benchmarking with the six peer jurisdictions to learn about the services or tasks they contract out in their Community Development, Parks and Community Services, and Public Works Departments. The purpose of this survey was to determine whether Benicia is consistent with or different from the other cities in the peer group regarding contracting for services.

Contracting can take the form of using firms to do some of the work on a limited basis, or all of a particular function. The tables below compare the level of contracting out various municipal functions among the peer agencies.

Community Development

Table 14 shows the functions in the Community Development Department that are either fully or partially contracted out.

Table 14. Community Development Contracted Services

Jurisdiction	Advance Planning	Building Code Enforcement	Building Permit Inspections	Building Plans Review	Business License Inspections	Current Planning	Zoning Code Enforcement
City of Benicia	Partial	No	Partial	Yes	Partial	Partial	No
City of Belmont	Partial	No	Partial	Partial	No	Partial	No
City of Foster City	Partial	No	No	Partial	No	Partial	No
City of Burlingame	Partial	No	No	Partial	No	Partial	No
City of Martinez	Partial	No	Partial	Yes	No	No	No
City of Menlo Park	Partial	No	No	Partial	No	Partial	No
City of San Carlos	No	Partial	No	Partial	No	Partial	Partial

Key observations are:

- Benicia is the only jurisdiction that contracts some of its business license inspection work.
- Several cities like Benicia partially contract planning and building permit inspections.
- Zoning code violation enforcement is not contracted by the other cities, except on a partial basis by San Carlos.

Parks and Community Services

Table 15 shows the functions in the Parks and Community Services arena that are contracted out.

Table 15. *Parks and Community Services Contracted Services*

Jurisdiction	Banner Installation and Removal	Graffiti Removal	Landscape Right-of-Way Maintenance	Open Space Access and Trail Maintenance	Park Landscape Maintenance	Special Events Maintenance	Weed Abatement
City of Benicia	No	No	No	Partial	Partial	No	Partial
City of Belmont	No	No	No response	No response	No response	No response	No response
City of Burlingame	No	No	No	No	No	No	No
City of Foster City	No	No	No	Partial	No	No	Partial
City of Martinez	No	No	No	Partial	No	No	No
City of Menlo Park	No	No	Partial	Partial	No	No	No
City of San Carlos	No	No	Yes	Partial	Yes	No	Partial

Key observations are:

- Benicia is one of three cities to partially contract weed abatement services and tree removal services (park landscape maintenance).
- No jurisdictions contract for banner installation and removal, graffiti removal or special event maintenance.
- San Carlos contracts for right-of-way maintenance landscaping and Menlo Park partially contracts for it, but Benicia does not contract. This may be a function to consider for contracting.

Street Repair and Maintenance Services

Table 16 shows street repair and maintenance services that are contracted out.

Table 16. *Street Repair and Maintenance Contracted Services*

Jurisdiction	Pothole Repair	Slurry Seal	Trench Repair	Overlays	Concrete Removal and Replacement	Concrete Temporary Trip and Fall Repairs
City of Benicia	No	Yes	No	Yes	Partial	Partial
City of Belmont	No	Yes	No	Yes	No	No
City of Burlingame	No	Yes	Partial	Yes	Yes	No
City of Foster City	No	Yes	Partial	Yes	Partial	Partial
City of Martinez	No	Yes	No	Partial	No	No
City of Menlo Park	Yes	Yes	Yes	Yes	Yes	Yes
City of San Carlos	No	Yes	Yes	Yes	Yes	Yes

Key observations are:

- Benicia is one of four jurisdictions that contracts for concrete temporary trip and fall repairs.
- Only Menlo Park contracts any pothole repair.
- All of the cities outsource slurry seal and overlays.
- Benicia is one of three jurisdictions that does not outsource trench repair. This may be a function to consider contracting.

Building Maintenance Functions

Table 17 shows building maintenance functions that are contracted out.

Table 17. *Building Maintenance Contracted Services*

Jurisdiction	Custodial	Electrical	Plumbing	HVAC	Painting	Misc. Service Requests
City of Benicia	Yes	Partial	Partial	Yes	Partial	Partial
City of Belmont	No response					
City of Burlingame	Yes	Partial	Partial	Partial	Partial	Partial
City of Foster City	No	No	No	No	Partial	No
City of Martinez	No	Partial	No	Yes	No	No
City of Menlo Park	Yes	Yes	Yes	Yes	Yes	Partial
City of San Carlos	Yes	Partial	Partial	Yes	Partial	No

Key observations are:

- Benicia partially contracts for all building maintenance services. For those functions that Benicia partially contracts, City staff members performs maintenance on smaller projects while larger work is outsourced to a private company.
- The cities that partially contract any building maintenance functions do so similarly to Benicia in that they only contract large projects.
- The City of Martinez and the City of Foster City are the only peer jurisdictions that do not either fully or partially contract all building maintenance functions.

Capital Improvement Plan Management and Engineering

Table 18 shows capital improvement plan management and engineering services that are contracted out.

Table 18. *CIP and Engineering Contracted Services*

Jurisdiction	City Engineer	Traffic Engineer	Design Engineering	CIP Management
City of Benicia	No	No	Partial	Partial
City of Belmont	No	No	Partial	No
City of Burlingame	No	No	Partial	No
City of Foster City	No	No	Partial	No
City of Martinez	No	No	Partial	Partial
City of Menlo Park	No	No	Partial	Partial
City of San Carlos	No	No	Partial	No

Key observations are:

- No peer jurisdictions contract the city engineer or traffic engineer positions.
- Each jurisdiction partially contracts design engineering, preferring to conduct smaller work in-house and contract larger projects.
- Benicia is one of three jurisdictions to partially contract for CIP management, also contracting for larger projects and managing smaller projects in-house.

Fleet Maintenance, Street Lighting Maintenance, Solid Waste Disposal

Table 19 shows fleet maintenance, street lighting maintenance, and solid waste disposal services that are contracted out.

Table 19. *Public Works Miscellaneous Contracted Services*

Jurisdiction	Fleet Maintenance	Street Lighting Maintenance	Solid Waste Disposal
City of Benicia	Partial	Yes	Yes
City of Belmont	No	Partial	Yes
City of Burlingame	No	No	Yes
City of Foster City	No	Yes	Yes
City of Martinez	No	No	Yes
City of Menlo Park	No	Yes	Yes
City of San Carlos	No	Yes	Yes

Key observations are:

- Benicia is the only jurisdiction that contracts fleet maintenance, even if only a partial basis. Benicia contracts fleet maintenance for fire apparatus, diesel filter preventative maintenance, collision work, and warrantee items.
- All of the peer cities contract for service solid waste disposal.
- Benicia fully contracts street lighting maintenance while only two peer jurisdictions do not contract that function at all.

Utilities

Some functions within utilities may also be contracted. Table 20 shows wastewater and stormwater functions that are fully, partially or not at all contracted out.

Table 20. *Wastewater and Stormwater Utility Contracted Services*

Jurisdiction	Lift Station Maintenance	Sewer Main Cleaning	Sewer Line Repair and Replacement	Storm Drain Maintenance	Wastewater Treatment Plant Maintenance
City of Benicia	No	No	Partial	No	Partial
City of Belmont	No	No	Partial	No	Partial
City of Burlingame	No	No	No	No	Yes
City of Foster City	No response	No response	No response	No response	No response
City of Martinez	Sanitation District	Sanitation District	Sanitation District	Sanitation District	No
City of Menlo Park	Sanitation District	Sanitation District	Sanitation District	Yes	
City of San Carlos	No	No	Yes	Yes	

Key observations are:

- Benicia does not fully contract for the wastewater or stormwater functions shown in the table above. Only general preventative and corrective maintenance are performed by Benicia staff for the sewer line repair and replacement and wastewater treatment plant maintenance.
- Among those jurisdictions that are not part of a sanitation district, no peers contract for lift station maintenance or sewer main cleaning.
- Storm drain maintenance is not contracted by Benicia, Belmont or Burlingame but is by Menlo Park and San Carlos.

Table 21 shows water utility functions that are contracted out.

Table 21. Water Utility Contracted Services

Jurisdiction	Water Billing	Water Line Maintenance	Water Meter Replacements	Water Treatment Plant Maintenance
City of Benicia	No	Partial	No	Partial
City of Belmont	Water District	Water District	Water District	Water District
City of Burlingame	No	No	Partial	No
City of Foster City	No response	No response	No response	No response
City of Martinez	No	No	No	Partial
City of Menlo Park	Yes	No	No	No response
City of San Carlos	Water District	Water District	Water District	Water District

Key observations are:

- Two of the cities are served by a water district.
- Benicia is the only jurisdiction to contract any water line maintenance work, though this is only for larger projects.
- Among those jurisdictions providing water, only Menlo Park contracts for water billing services.
- Burlingame is the only jurisdiction that contracts for any water meter replacements.

Appendix 1 – Employee Engagement Results

Prepared by the Municipal Resource Group for the City of Benicia

The City of Benicia initiated a confidential employee survey to seek input about:

- Unmet operational needs, on both a department-specific and city-wide basis; and
- Ideas and suggestions about ways the organization could make changes or improvements that would save money, on both a department-specific and city-wide basis.

The electronic survey was sent to full-time City employees in early June, with a response timeline of 10 days.⁸ Confidential responses were collected and summarized by Municipal Resource Group (MRG). At the close of the survey period, 104 employees had submitted responses to the survey; this reflected a response rate of 52%. 49% of the survey respondents were from Public Works/Community Development/Parks and Recreation, 27% were from General Administration/Library, and 24% were from Police/Fire. 17% of respondents have been with the City for 3 years or less; 30% have been with the City for 4-11 years; and 53% have been with the City for 12+ years.

Survey Summary:

The unmet organizational need ranked highest by employees on both a department-specific and city-wide basis was Staffing. Long-Range Planning, Training and Development and Information Technology also ranked highly as unmet organizational needs in the employee survey. Areas in which changes or improvements were ranked as having the most potential impact in the employee survey were: Enhancing Information Technology, Evaluating Current Procedures; Developing New Policies Practices, and Changing Staffing Levels/Positions. In addition to providing responses to questions in the forced-ranking structure of the survey, employees were provided the opportunity to provide narrative responses to the survey questions. A summary of those narrative responses follows.

⁸ Employees who did not have access to a computer at their worksite were advised they could complete the electronic survey using a computer in either the Human Resources Department or the Library.

Unmet Needs/Issues	Cost Saving Ideas/Suggestions
<p><i>Staffing:</i></p> <p>Short-staffing is having significant impact in the organization, including reduction in service levels and efficiency, deferred maintenance, delay of capital purchases, and employee burn-out</p>	<p><i>Staffing:</i></p> <p>Add more staff; analyze whether there are sufficient staffing resources to maintain projects as a part of the review and approval process; reduce redundancy in some staff positions; “right-size” rather than freeze positions based attrition; communicate with citizens & Council about the impacts of short-staffing; provide training to managers and supervisors; need improved performance evaluation processes; focus on hiring “most qualified” employees; look at utilizing trained City staff to perform work currently assigned to consultants; consider alternate work schedules to improve efficiency.</p>
<p><i>Compensation/Morale:</i></p> <p>Lack of competitive salary & benefits leading to staff retention issues; lack of advancement opportunity; unrealistic expectations on the part of citizens/Council, based on available resources</p>	<p><i>Compensation/Morale:</i></p> <p>Improve compensation; communicate with the employees; trust employees to make day-to-day decisions</p>
<p><i>IT/Internal Infrastructure:</i></p> <p>Paper processes are inefficient; need proper tools and equipment to do the job; old water meters are inefficient – the City is losing money; need better vehicle replacement program</p>	<p><i>IT/Internal Infrastructure:</i></p> <p>Use centralized time tracking system to reduce paper and manual processes; increase use of electronic files; work can be streamlined and service improved by IT investment (permit tracking, digital recordkeeping, permit tracking, etc.); need new City website, and shift to on-line delivery of some services; invest in smart technology (i.e., smart thermostats and water meters); replace old vehicles</p>
<p><i>Revenue/Budget:</i></p> <p>Need new revenue sources</p>	<p><i>Revenue/Budget:</i></p> <p>Allow big-box stores and keep sales tax dollars in the community; consider charging citizens for some services (i.e., vacation watches); implement permit system for alarms; focus attention on tourism and</p>

	economic development – maximize draw of water-front location; consider service reductions to match resources; review fee structures
<p><i>Process/Policy/Practices:</i></p> <p>Need to have departments with similar functions work together (i.e., Public Works and Parks); redundancy of some functions across departments (i.e., purchasing); gap in evaluation of on-going costs of projects during initial review process</p>	<p><i>Process/Policy/Practices:</i></p> <p>Improve performance management processes and systems; provide training to supervisors and managers; provide training that will improve efficiency; centralize purchasing function; improve project management methodology and practices; need better system for prioritization of work/projects; watch for “mission creep” when evaluating projects; factor-in on-going costs and resources when evaluating projects; close pool from October – March; evaluate BUSD contract, consider whether that contract is consistent with organizational resources & priorities; review end-of-year spending to evaluate purchases; need better controls on departmental spending</p>
<p><i>Consolidation/Contracting Out:</i></p> <p>Some redundancies and/or inefficiencies under current structure</p>	<p><i>Consolidation/Contracting Out:</i></p> <p>Consider consolidation of Fire Department with neighboring cities; consolidate some functions of Parks & Public Works; consolidate all initial “front counter” work into a single desk; consider contracting out Animal Control; consider contracting out City Attorney function; contract out EMS to Medic Ambulance; evaluate savings related to contracting landscape services – retain minimum level of street and parks functions for signs, special events, emergency issues</p>

Employee Focus Groups

In an effort to gather more detailed and specific information from employees about information gathered through the employee survey process, MRG facilitated two, one and one-half hour employee focus group sessions. Employees were selected randomly from throughout the City to participate in each of these sessions; a total of twenty employees participated in the focus group element of Employee Engagement process.

Focus group participants further expanded on the unmet organizational needs identified through the Employee Survey. The groups undertook candid discussion about current issues and challenges, with specific focus on staffing, long-range planning, information technology and infrastructure, training, and process/policy/practices. Additionally, a number of creative, thoughtful and insightful suggestions and ideas for change and improvements came out of the focus group process.

Observations and Recommendations

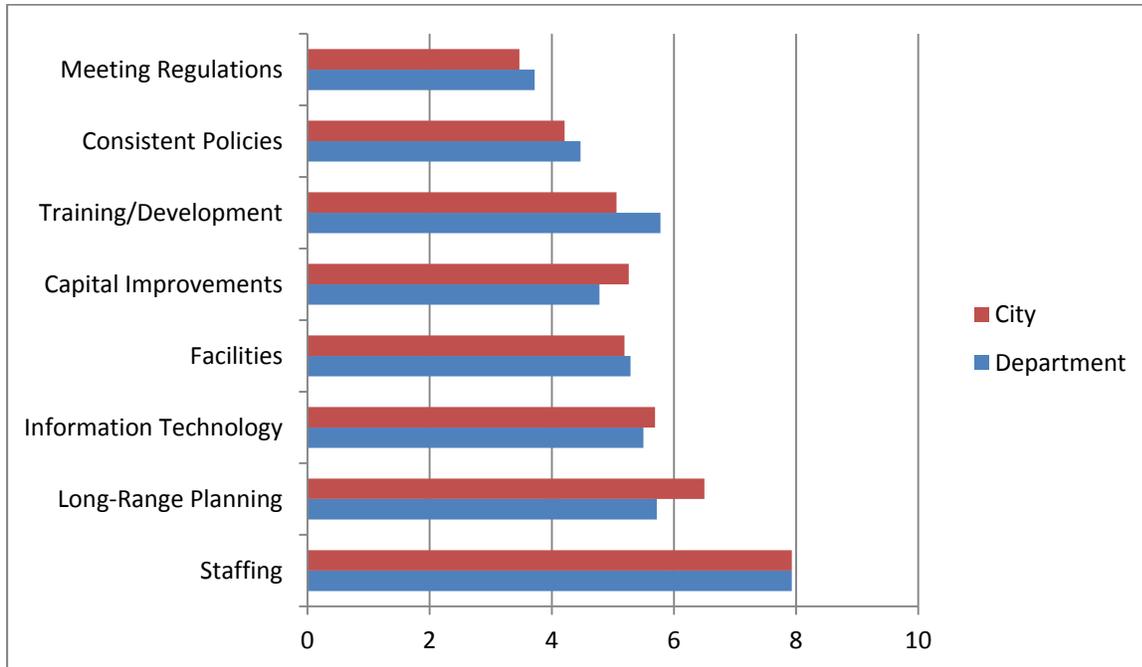
The City's efforts to engage employees as a part of the organizational scan component of the Sustainable Community Services Strategy (SCSS) resulted in honest employee input about unmet needs, and identification of creative ideas for improvements and change. The employees of the City of Benicia are clearly committed to providing high-quality and consistent service to the community. Responses through the survey and focus group process reflect concerns about the impediments and challenges to providing that service. Employees have also identified a variety of process improvements and changes that could serve to enhance efficiency and which have the potential to save money. These recommendations will need to be evaluated in the larger context of organizational priority and the feasibility of actually achieving savings, but employees are to be commended for providing a thoughtful and solution-oriented approach to addressing identified issues.

Employee responses through the survey and the focus group sessions indicate that there is a shared frustration about the conflict between service expectations and the lack of resources necessary to deliver those services. This conflict is a key element to be addressed through the development of a Sustainable Community Services Strategy (SCSS) for the City of Benicia. Once developed, the SCSS should serve as an effective framework for organizational policy, funding and operational decisions going forward, and should serve both the organization and community well.

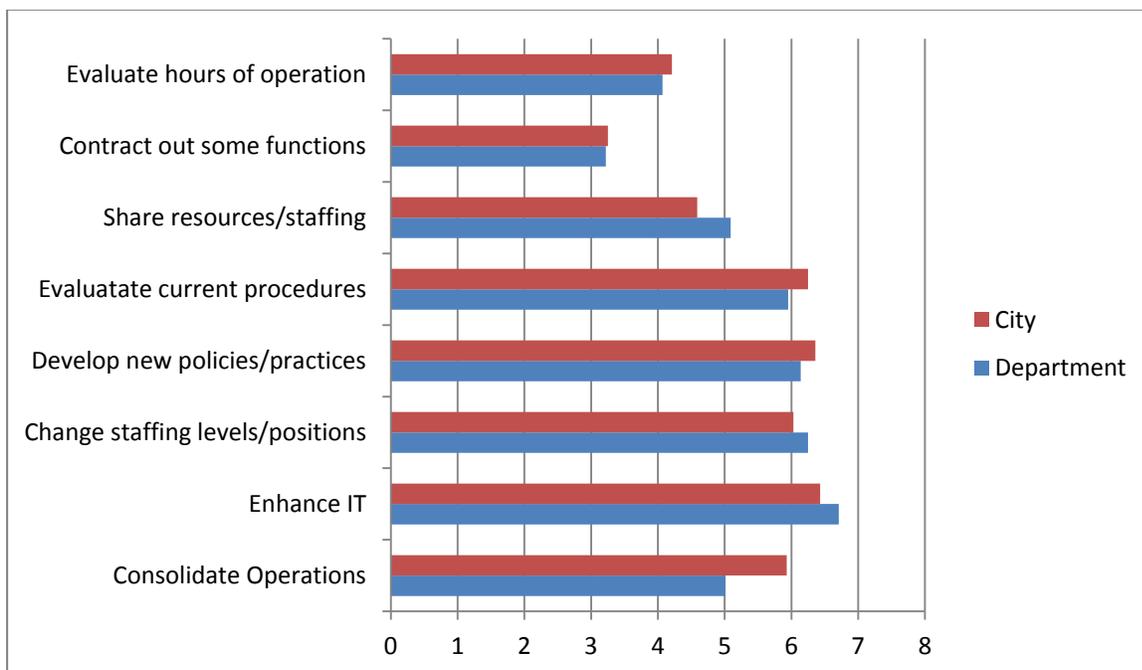
The City is encouraged to continue with employee engagement efforts as it proceeds with the implementation of the Sustainable Community Services Strategy, as well as resolution of related organizational problems and challenges. Regular and effective communication, solicitation of input and feedback, and a participatory approach to problem solving will serve to engage employees, and will further strengthen the organization.

EMPLOYEE SURVEY RESULTS (RANKED)

UNMET ORGANIZATIONAL NEEDS



CHANGES/IMPROVEMENTS WITH THE GREATEST POTENTIAL IMPACT



Summary of 2013-15 Financial Studies

Financial Studies: In order to properly set the stage for a process that is focused on creating a fiscally resilient organization, it was necessary to conduct a number of financial studies that many organizations utilize regularly as best practices.

Completed Studies:

- Pension Obligation Bonds Fund Rates Study – This study confirmed that the rate calculation adopted in the FY 2013-15 Budget is accurate and generating required debt service payments for the respective plan (safety and miscellaneous) groups.
- Workers' Compensation Study – Full study was completed in February 2014. Implementation of new internal service rates is included in the FY 2014-15 Budget.
- Liability Insurance – Full study completed in February 2014. Implementation of new internal service rates is included in the FY 2014-15 Budget.
- Property Tax Appeals – This study was initiated to understand and confirm whether County intended to impound for significant appeals. The County did, in fact, impound revenues lowering receipts in the 2013-14 fiscal year. This study was covered as part of the mid-year budget item at the February 25, 2014 Council meeting, and the status of appeals continues to be monitored over time.
- CalPERS' Sustainability Plan – This study has been completed and incorporated in the mid-cycle update of the Biennial Budget in June. As more guidance is provided by CalPERS, the City's 10-year forecast and budgets will be updated accordingly.
- Cost Allocation Plan – This study was completed and a phased implementation was initiated with the mid-cycle update to the 2014-15 Budget last June.

Studies in Progress:

- User-Fee Study – This study is in progress and expected to go to the Finance Committee and other boards/commissions in the spring of 2015, and then to the Council in July.

Summary of 2013-15 Financial Studies

- Capital/Vehicle Replacement Study – This study is planned for summer 2015, with implementation expected at mid-year of the 2015-16 Budget.
- Water & Sewer Operation, Maintenance & Capital Improvement Funding Study – This study is currently underway and expected to be finalized in time for review of the City's water/wastewater rates in the spring.

**DRAFT Community Engagement Plan
Sustainable Community Services Strategy (SCSS)**

SCSS Community Engagement Effort	Tentative Schedule
Plan community workshops. Develop a format that is information and interactive.	May – June
Develop a page for the City website on SCSS. Include a summary of process and a method to provide input on the site to a series of questions, similar to what will be an activity at the workshops.	May – June
Distribute information on community workshops. Post on City Facebook page, include in City Manager newsletter, insert in water bill regarding upcoming SCSS workshops, press releases, emails to boards and commissions, local groups (Rotary, Soroptimist, PTA, etc.) Also agendize informational item on all board and commission agendas regarding SCSS and upcoming workshops.	July
Hold several interactive community workshops in different locations in town. Helps encourages participation from those that may not typically attend such meetings.	August - September
Follow up press release regarding SCSS and workshops that were held, including a reminder that opportunity available online to provide input if unable to attend a workshop.	September
Compile information from workshops and online activity.	September – October
Present information gathered to Council.	October - November

AGENDA ITEM
CITY COUNCIL MEETING DATE - MARCH 24, 2015
STUDY SESSION ITEM

DATE : March 18, 2015

TO : City Council

FROM : City Manager
Assistant City Manager
Finance Director

SUBJECT : **REVIEW OF DRAFT BUDGET IMPLEMENTATION PLAN 2015-17**

RECOMMENDATION:

Review the draft Budget Implementation Plan and provide feedback to staff in order to finalize the Plan.

EXECUTIVE SUMMARY:

In preparation for the 2015-17 Budget, staff has initiated development of a draft Budget Implementation Plan to assist in identifying priorities and allocating resources in the budget document that are consistent with the Strategic Plan. The study session will be an opportunity for staff to review the status of the Plan with Council, prompt public input, and receive feedback that will assist in the development of the 2015-17 Budget Implementation Plan.

BUDGET INFORMATION:

This is agendaized as a study session item for discussion. There is no immediate budget impact.

STRATEGIC PLAN:

- Strategic Issue #1: Protecting Community Health & Safety
- Strategic Issue #2: Protecting and Enhancing the Environment
- Strategic Issue #3: Strengthening Economic and Fiscal Conditions
- Strategic Issue #4: Preserving and Enhancing Infrastructure
- Strategic Issue #5: Maintain and Enhance a High Quality of Life

BACKGROUND:

The City is currently in the midst of working on the Sustainable Community Services Strategy (SCSS), which is a significant effort to review the operations and financial outlook of the organization and identify strategies for creating a more fiscally sustainable entity. As has been discussed previously with the Council, that process will involve community engagement and a comprehensive strategic planning process, and so will not be done before the preparation of

the 2015-17 budget. Thus, staff is working from the Council's existing strategic plan and Priority Project List to create a Budget Implementation Plan for the 2015-17 budget. This Plan will be a first step in more clearly distinguishing projects/programs from the bigger picture "strategies" and "strategic issues" currently noted in the Strategic Plan document and thus better situate the City for a more comprehensive strategic planning effort.

Included in the packet for the March 24th study session is a proposed list of projects/programs for initiation or continuation in 2015-17. The projects/programs included are:

- Notable mandatory projects and programs
- Council priorities previously identified and included on the Priority Project List from 2013-15
- Staff priorities – both those previously identified and included on the Priority Project List, as well as some new items that departments have identified as potential priorities for the next budget period (see below for project criteria).

The eight criteria utilized for selection of priorities in the development of the Priority Project List were also incorporated in the development of the draft Budget Implementation Plan. These criteria are:

1. The work implements the City Council's Strategic Plan
2. The work would assist the City in achieving fiscal sustainability
3. The work is mandated by the State (or other agency)
4. The work would generate revenue, grants or other funding
5. The work would prevent higher costs from deferred maintenance
6. The work would protect public health or safety
7. The City is significantly committed financially to the project
8. The work would promote job creation or investment in the community

The goal for the March 24th study session is to review the draft Plan with the Council and revisit Council's prior priorities to confirm priority status. Additionally staff will review the "new" staff priorities that have been included in the Plan,

and orient the council to those items, answer any questions, and get feedback. This will also serve as an opportunity for the Council to indicate if there are any priorities that are missing from the Plan or, conversely, any that should not be considered a priority for the next budget cycle, particularly given the financial constraints of the next two-year period. As conveyed in the recent 10-year General Fund Forecast update, while Measure C gives the City some breathing room and helps staff address some key projects as identified by the Council, the City still has bounded revenues and rising expenditures.

Indeed, many of the projects listed on the draft Budget Implementation Plan do not yet have full funding identified, but are either an existing project on the Priority Project List, or have been identified by staff as one per the previously noted criteria. Some notable examples include the Enterprise Resource Planning (ERP) system and the Parks Master Plan. Thus, to the extent new items are added to the Budget Implementation Plan, it will mean that additional items will need to be removed or delayed. While staff is not yet far enough along in the budget process to be able to indicate which projects may or may not move forward into the proposed budget process for 2015-17, this study session will provide a venue to receive public input on the draft Plan, get Council consensus on short-term priorities, and provide needed guidance in developing the budget document.

Attachments:

- Draft Budget Implementation Plan
- Reference Guide to 2013-15 Priority Project List
- 10-year General Fund Forecast PowerPoint Presentation
- City of Benicia Strategic Plan

Project verses Program

Project:

1. a large or major undertaking, especially one involving considerable money, personnel, and equipment
2. is not reoccurring, must be added into capacity and one-time use of resources
3. the initial phase or implementation, may lead to ongoing service, program
4. has a defined completion date

Program:

1. a planned, coordinated group of activities, procedures, etc., often for a specific purpose, or a facility offering such a series of activities
2. reoccurring, requires on-going support, capacity and resources
3. may come out of the initiation of a project or priority
4. does not have a defined completion date

TIER (May 2014)		This column is used to tie back to the Project Priority List last reviewed May 2014.
INITIATED		Date: When has/will this projected begin (initiated)?
COMPLETION		Date: When will this projected end (completion)?
LEAD DEPT		Name the lead department for this project. This department will be responsible for providing updates to the City Council.
PROJECT NAME		Name of project as it is shown on the project priority list. Projects and programs may be divided into phases so as to demonstrate important milestones.
MANDATED		Are there any legal mandates that require this project to be completed?
BUDGET	FUND	Name of fund(s)
	FUND-DEPT NUMBER	Provide Fund and department number.
	FTE HOURS FROM CURRENT ALLOCATION	Estimated number of hours from both the lead department and assisting departments that are part of the existing staffing allocations.
	FTE HOURS FROM ADDITIONAL ALLOCATION	Estimated number of hours from both the lead department and assisting departments that are NOT part of the existing staffing allocations. If hours are listed here, the estimated budget costs should be shown in the appropriate.
	FY 15-16	Use this column if the fund/dept needs funds over and above what is in the FY 2014-2015 budget
	FY 16-17	Use this column if the fund/dept needs funds over and above what is in the FY 2014-2015 budget
QUARTERLY STATUS UPDATE	DONE	This column will update the City Council on project status. Indicate with an "X".
	ON TARGET	This column will update the City Council on project status. Indicate with an "X".
	REVISED	This column will update the City Council on project status. Indicate with an "X".
COMMENTS		Other comments as needed
Related Strategic Issue: Project or Program		This column indicates the related Strategic Issue; tying these projects back to the prior Strategic Plan.

TIER (May 2014)		This column is used to tie back to the Project Priority List last reviewed May 2014.
PRIOR PROJECT PRIORITY		Yes or No: Has/will this projected begin (initiated)?
OUTSIDE SERVICES		Yes or No: Does this program require outside services? If yes is entered, place the estimated annual costs in the appropriate budget.
LEAD DEPT		Name the lead department for this program. This department will be responsible for providing updates to the City Council.
PROGRAM NAME		Name of project as it is shown on the project priority list. Projects and programs may be divided into phases so as to demonstrate important milestones.
MANDATED		Are there any legal mandates that require this project to be completed?
BUDGET	FUND	Name of fund(s)
	FUND NUMBER	Provide Fund and department number.
	FTE HOURS FROM CURRENT ALLOCATION	Estimated number of hours from both the lead department and assisting departments that are part of the existing staffing allocations.
	FTE HOURS FROM ADDITIONAL ALLOCATION	Estimated number of hours from both the lead department and assisting departments that are NOT part of the existing staffing allocations. If hours are listed here, the estimated budget costs should be shown in the appropriate.
	FY 15-16	Use this column if the fund/dept needs funds over and above what is in the FY 2014-2015 budget
	FY 16-17	Use this column if the fund/dept needs funds over and above what is in the FY 2014-2015 budget
REOCCURRING STATUS UPDATE	MONTHLY	This column indicated how often the item returns to the City Council. Indicate with an "X".
	QUARTERLY	This column indicated how often the item returns to the City Council. Indicate with an "X".
	ANNUALLY	This column indicated how often the item returns to the City Council. Indicate with an "X".
COMMENTS		Other comments as needed
Related Strategic Issue: Project or Program		This column indicates the related Strategic Issue; tying these programs back to the prior Strategic Plan.

VI.B.5

* Full Time Equivalent (FTE) hours and costs are an estimate and may not reflect all hours and costs from all departments.

PROJECT LIST

	INITIATED	COMPLETION	LEAD DEPT	PROJECT NAME	MANDATED	BUDGET						QUARTERLY STATUS UPDATE			COMMENTS	Related Strategic Issue: Project or Program
						FUND	FUND-DEPT NUMBER	FTE* HOURS FROM CURRENT ALLOCATION	FTE* HOURS FROM ADDITIONAL ALLOCATION	FY 15-16*	FY 16-17*	DONE	ON TARGET	REVISED		
T1: 1	Apr-14	Apr-16	ED	Benicia Industrial Park Market Study Phase II	No	GENERAL FUND	010-2605	500		\$ 40,000			X			STRATEGIC ISSUE 3
T1: 1	Jan-13	Feb-16	ED	Business Resource Incentive Program	NO	GNSC / GF	217-2605	100	600				X		Carryover budget: Staff costs for M. Giuliani and K. Majors supported by GF	STRATEGIC ISSUE 3
T1: 2	Oct-10	Jun-16	ED	Benicia Industrial Park Broadband Project	NO	GNSC / GF	217-2605	260					X		Carryover budget: Additional contract services costs to support contract with Tellus Venture Assoc. \$15,000 GF	STRATEGIC ISSUE 3
T1: 4	Jul-16	Jul-17	ACM	PHASE 3 SUSTAINABLE COMMUNITY SERVICES STRATEGY: PREPARE LONG TERM CITY SERVICES PLAN	NO	GENERAL FUND	011-2401	2,250			\$ 65,000		X		FTE WITHIN BUDGET ALLOCATION; USE OF OUTSIDE SERVICES; EXTENSION OF EXISTING CONSULTANT BUDGET	STRATEGIC ISSUE 5
T1: 4	May-14	Sep-15	ACM	PHASE 1 SUSTAINABLE COMMUNITY SERVICES STRATEGY: INITIAL SCAN AND SOME DEEPER LEVEL DEPARTMENT SCANS	NO	GENERAL FUND	011-2401	2,250					X		FTE WITHIN BUDGET ALLOCATION; USE OF OUTSIDE SERVICES; EXTENSION OF EXISTING CONSULTANT BUDGET	STRATEGIC ISSUE 5
T1: 4	Aug-15	Aug-16	ACM	PHASE 2 SUSTAINABLE COMMUNITY SERVICES STRATEGY: COMMUNITY OUTREACH	NO	GENERAL FUND	011-2401	2,250					X		FTE WITHIN BUDGET ALLOCATION; USE OF OUTSIDE SERVICES; EXTENSION OF EXISTING CONSULTANT BUDGET	STRATEGIC ISSUE 5
T1: 5	Jul-16	Jun-17	ACM	COMPENSATION REPORT	NO	GENERAL FUND-COST ALLOCATIONS	010-2401	225			\$ 25,000		X		FTE WITHIN BUDGET ALLOCATION; USE OF OUTSIDE SERVICES	STRATEGIC ISSUE 5
T1: 6	Apr-15	Aug-16	PW	REPAIR 250 DAMAGED SECTIONS OF ROAD	NO	GENERAL FUND-MEASURE C	MEASURE C	100	200		\$ 200,000		X		Measure C	STRATEGIC ISSUE 4
T1: 6	Apr-15	Aug-16	PW	REPAIR AND REPAVE SOUTHAMPTON, PANORAMA AND HASTINGS	NO	GENERAL FUND-MEASURE C	MEASURE C	500	200		\$ 500,000		X		Measure C	STRATEGIC ISSUE 4
T1: 6	Apr-15	Aug-17	PW	REPAIR AND REPAVE INDUSTRIAL WAY FROM TEAL TO LAKE HERMAN ROAD	NO	GENERAL FUND-MEASURE C	MEASURE C	1,000	500	\$ 1,000,000			X		Measure C	STRATEGIC ISSUE 4
T1: 6	Nov-14	Jun-17	PW	COLUMBUS PARKWAY WIDENING	YES	TIF and GAS TAX	034-8705 017-8705	90		\$ 200,000	\$ 700,000		X		\$200K is for design (funded from TIF.) \$700K is for construction (funded \$600K TIF and \$100K Gas Tax.)	STRATEGIC ISSUE 4
T1: 7; T2: 1	Jul-15	Sep-15	FINANCE	DEFERRED MAINTENANCE FUNDING POLICY	NO	GENERAL FUND-COST ALLOCATIONS	010-2401	150					X		FTE WITHIN BUDGET ALLOCATION	STRATEGIC ISSUE 3
T1: 8	Jan-12	Jun-27	CAO	ARSENAL CLEANUP	YES	GENERAL FUND	011-2401	600		\$ 150,000	\$ 150,000		X		This project in a multiyear project, unknown completion date. Total project estimated at \$1,500,000 over ten years	STRATEGIC ISSUE 1
T1: 13	Jan-14	Jul-17	IT	CONTINUED DEVELOPMENT OF IT MASTER PLAN	NO	GENERAL FUND-COST ALLOCATIONS	010-2401	500		\$ 30,000	\$ 30,000		X		BUDGET APPROVAL IN FY 2014-2015	STRATEGIC ISSUE 4
T1: 13	Sep-14	Jul-15	IT	EMAIL MIGRATION	NO	GENERAL FUND-COST ALLOCATIONS	010-2401	500		\$ 30,000	\$ 30,000		X		BUDGET APPROVAL IN FY 2014-2015	STRATEGIC ISSUE 4
T1: 13; T3: 6	Aug-15	Aug-15	IT	MAINTENANCE AND IMPROVEMENTS TO COUNCIL CHAMBER AVR	NO	GENERAL FUND-COST ALLOCATIONS	010-2401	80		\$ 250,000			X		BUDGET HAS \$95,000 IN RESERVES, NEEDS \$125,000-\$155,000 FOR COMPLETION	STRATEGIC ISSUE 4
T1: 14	Jan-05	May-16	PW	Design/Construct Industrial Park Bus Hub	NO	Grant		1,000	1,000	\$ 1,200,000			X		\$1.2M is for construction only. Pending outside funding. It is possible PW staff will not have the capacity to do the construction inspection and additional staff will need to be hired (est. cost \$120,000).	STRATEGIC ISSUE 4
T1: 17	Oct-14	Jun-15	FINANCE	ERP: PHASE 1-RFP AND SELECTION	NO	GENERAL FUND-COST ALLOCATIONS	010-2401	500		\$ -			X		FTE WITHIN BUDGET ALLOCATION	STRATEGIC ISSUE 3

* Full Time Equivalent (FTE) hours and costs are an estimate and may not reflect all hours and costs from all departments.
Bold items (T1-T7) are City Council top priorities.

PROJECT LIST																
TIER (May 2014)	INITIATED	COMPLETION	LEAD DEPT	PROJECT NAME	MANDATED	BUDGET						QUARTERLY STATUS UPDATE			COMMENTS	Related Strategic Issue: Project or Program
						FUND	FUND-DEPT NUMBER	FTE* HOURS FROM CURRENT ALLOCATION	FTE* HOURS FROM ADDITIONAL ALLOCATION	FY 15-16*	FY 16-17*	DONE	ON TARGET	REVISED		
T1: 17	Jul-15	Oct-15	FINANCE	ERP: PHASE 2-DEVELOPMENT IMPLEMENTATION/CONVERSION SCHEDULE	NO	GENERAL FUND-COST ALLOCATIONS	010-2401	350		\$ 800,000			X		FTE WITHIN BUDGET ALLOCATION; ESTIMATION OF COST OF TOTAL ERP	STRATEGIC ISSUE 3
T1: 17	Oct-15	Oct-16	FINANCE	ERP: PHASE 3-IMPLEMENTATION/CONVERSION SCHEDULE	NO	GENERAL FUND-COST ALLOCATIONS	010-2401	3,000		\$ -			X		FTE WITHIN BUDGET ALLOCATION	STRATEGIC ISSUE 3
T1: 20	Jul-13	Sep-15	PCS	Von Pfster Adobe-National Register	NO	Benicia Historical Society	020-3120	10					X			STRATEGIC ISSUE 4
T1: 21	Dec-15	Dec-15	PCS	Tree Management Plan	NO	Grant from CAL Fire		100					X		Inventory completed. Maintenance plan in progress.	STRATEGIC ISSUE 4
T1: 22	Mar-16	Jun-16	CAO	Complete ADA Transition Plan	YES	GENERAL FUND	010-2505	100	100				X		Use of outside Attorney within existing budget	STRATEGIC ISSUE 1
T1: 23	Jul-05	May-16	CAO	Update Sign Ordinance	NO	GENERAL FUND	010-2505	200	200				X		Use of outside Attorney within existing budget	STRATEGIC ISSUE 3
T1: 26	Jul-13	Jul-05	PW	BRIDGE MAINTENANCE	NO	GAS TAX	017-8705	150	-	\$ 50,000			X		City staff will do the work. \$50K is for materials/equipment.	STRATEGIC ISSUE 4
T1: 28	Mar-13	Sep-15	CDD	Benicia Industrial Park Circulation Study (Project Development Area)	NO	Planning Grant One Bay Area Grant with MTC		400		\$ 250,000			X		pending receipt of grant	STRATEGIC ISSUE 4
T1: 28	Apr-15	Aug-16	PW	DESIGN INDUSTRIAL PARK ROAD	NO	GENERAL FUND-MEASURE C	MEASURE C	75	-	\$ 50,000			X		MEASURE C: \$50K is for design.	STRATEGIC ISSUE 4
T1: 29	Oct-15	Dec-15	Police	Dispatch Remodel	NO	SLEFS				\$ 10,000			X		COPS Supplemental Grant	STRATEGIC ISSUE 1
T1: 30	Mar-15	Dec-15	CDD	Benicia Industrial Park Transportation and Employment Center Plan	NO	Grant		200			\$ 35,000		X		pending receipt of grant	STRATEGIC ISSUE 4
T1: 33	May-15	Oct-15	FINANCE	DROUGHT SURCHARGE TRUE UP	NO	WATER	010-3105	350		\$ -			X		FTE WITHIN BUDGET ALLOCATION	STRATEGIC ISSUE 3
T1: 33	Sep-15	Jun-16	PCS	Drip Irrigation	NO	GNSC / GF	010-9505	100					X		EXISTING DROUGHT PROGRAM; MATERIALS FUNDED BY CSC; STAFF HOURS FUNDED OUT OF THE GENERAL FUND	STRATEGIC ISSUE 2
T1: 33	Dec-14	Jun-15	PCS	Irrigation Control System Upgrade	NO	GNSC / GF	010-9505	100					X		EXISTING DROUGHT PROGRAM; MATERIALS FUNDED BY CSC; STAFF HOURS FUNDED OUT OF THE GENERAL FUND	STRATEGIC ISSUE 2
T2: 8	Mar-17	Jun-17	Fire	Replace Type 1 Fire Engine	NO	GENERAL FUND-MEASURE C	MEASURE C				\$ 450,000		X		Measure C Funded.	STRATEGIC ISSUE 1
T2: 10	Jul-16	Jun-17	ACM	UPDATE PERSONNEL RULES AND REGULATION	NO	GENERAL FUND	011-2401	225			\$ 25,000		X		FTE WITHIN BUDGET ALLOCATION; USE OF OUTSIDE SERVICES	STRATEGIC ISSUE 5
T2: 12	Mar-15	Jul-17	CDD	Valero Air Monitoring	NO	GNSC / GF	010-4105	40					X		Council P.P., potentially funded through Valero GNSC	STRATEGIC ISSUE 2
T2:13	Mar-15	Mar-16	CDD	Update to Downtown Historic Cons. Plan	NO	Grant		200			\$ 35,000		X		pending receipt of grant	STRATEGIC ISSUE 5
NEW1	Jul-16	Jul-17	PW	HMI REPLACE WITH SCADA NODES AT WASTEWATER TREATMENT PLANT	NO	WASTEWATER CAPACITY	044-8044	50	100	\$ -	\$ 100,000		X			STRATEGIC ISSUE 4
	Dec-14	Aug-15	FINANCE	WATER AND SEWER RATE STUDY	NO	WATER CAPACITY	045-8044	250		\$ 15,000			X			STRATEGIC ISSUE 3
	Jul-15	Dec-15	FINANCE	WATER AND SEWER CAPACITY FEE STUDY	NO	GENERAL FUND-COST ALLOCATIONS	010-2401	400		\$ 25,000			X		NEW FEE STUDY	STRATEGIC ISSUE 3
	Oct-14	Mar-15	FINANCE	MARINA REPORT	NO	GENERAL FUND	010-3105	225					X		FTE WITHIN BUDGET ALLOCATION	STRATEGIC ISSUE 3

* Equivalent (FTE) hours and costs are an estimate and may not reflect all hours and costs from all departments.
B1-1-17 are City Council top priorities.



M.I.B.8	PROJECT LIST																
	INITIATED	COMPLETION	LEAD DEPT	PROJECT NAME	MANDATED	BUDGET						QUARTERLY STATUS UPDATE			COMMENTS	Related Strategic Issue: Project or Program	
						FUND	FUND-DEPT NUMBER	FTE* HOURS FROM CURRENT ALLOCATION	FTE* HOURS FROM ADDITIONAL ALLOCATION	FY 15-16*	FY 16-17*	DONE	ON TARGET	REVISED			
NEW5	Mar-15	Jun-16	PW	WATER METER REPLACEMENT PROGRAM AND AUTOMATIC METER INFRASTRUCTURE	NO	WATER	596-8259	500	1,000	\$ 3,800,000				X		This project will generate sufficient revenue to fund the expense. Budget neutral. Plus \$100,000 in FY 14/15. (Costs do not include additional FTE.)	STRATEGIC ISSUE 3
NEW6	Apr-15	Nov-15	PW	REPAIR SIDEWALKS DOWNTOWN	NO	GENERAL FUND-MEASURE C	MEASURE C	150	100	\$ 100,000				X		Measure C	STRATEGIC ISSUE 4
NEW7	Jan-15	Jun-16	PW	GIS AND CMMS	NO	GENERAL FUND	010-8105	80	200	\$ 150,000				X		GIS hardware/software/base map (split 50/50 with CDD - total cost estimated to be \$150,000). 200 hours is for consultant. (Note: after GIS is purchased and installed, additional staff will be needed to enter information and keep it up to date.)	STRATEGIC ISSUE 4
NEW8	Jul-14	Jun-16	PW	ST. AUGUSTINE FLOOD RELIEF PROJECT	YES	GENERAL FUND	010-8080	100	240	\$ 195,000				X		Construction cost is estimated at \$195,000. Staff will apply for SCWA funding that could fund a maximum of 1/3. Additional staff is needed for construction mgmt./inspection.	STRATEGIC ISSUE 4
NEW9	Jul-15	Jun-16	PW	SEWER LINES AT LOWER ARSENAL: ADAMS, JEFFERSON, AND JACKSON	NO	WATER CAPACITY	045-8044	140	335	\$ 300,000				X		\$50,000 is for design. \$250K is for construction.	STRATEGIC ISSUE 4
NEW10	Mar-15	Mar-16	Fire	Local Hazard Mitigation Plan (LHMP)	YES	GENERAL FUND	010-6105	70	-								STRATEGIC ISSUE 1
NEW11	Jun-15	Jun-16	Fire	Emergency Operations Plan Update	YES	GENERAL FUND	010-6105	150	-	\$ -	\$ 10,000			X		This plan was last updated in 2007. Funds would be used for producing updated books and associated materials	STRATEGIC ISSUE 1
NEW12	Jul-16	Oct-16	Fire	Adopt Updated Fire Code	YES	GENERAL FUND	010-6105	100	-	\$ -	\$ 2,750			X		Code adoption occurs every three-years	STRATEGIC ISSUE 1
NEW13	Jul-16	Jun-17	Fire	Purchase "Wild land" Fire Engine for Grass Fires	NO	GENERAL FUND-MEASURE C	MEASURE C				\$ 292,000			X		Measure C Funded.	STRATEGIC ISSUE 1
NEW14	Jul-15	Oct-15	Police	Replace Outdated Radios	NO	GENERAL FUND-MEASURE C	MEASURE C			\$ 80,000				X		Measure C Funded. Grant funds may be available for this project.	STRATEGIC ISSUE 1
NEW15	Mar-16	Mar-16	Police	Radios: CAD/RMS	NO	GENERAL FUND-MEASURE C	MEASURE C			\$ -	\$ 400,000			X		Measure C Funded	STRATEGIC ISSUE 1
NEW16	Mar-15	Dec, 2015	CDD	Update Solar PV Permitting Procedures	YES	GENERAL FUND	010-4105	40						X		Required by State law by Dec. 31, 2015	STRATEGIC ISSUE 2
NEW17	Mar-15	Jun-16	CDD	Public Outreach, new FEMA Flood Insurance Rate Maps	NO	GENERAL FUND	010-4105	60						X		FTE within budget allocation	STRATEGIC ISSUE 2
NEW18	Feb-15	TBD	PCS	PARKS MASTER PLAN	NO	GENERAL FUND	010-9405	2,000		\$ 175,000				X		Staff would like to implement the turf removal analysis as part of the Parks Master Plan update. New item, cost approx. \$175,000	STRATEGIC ISSUE 2
NEW19	Feb-15	Jun-17	PCS	Turf removal analysis	NO	GENERAL FUND	010-9405							X		A Phase within of the Parks Master Plan.	STRATEGIC ISSUE 2
NEW20	Mar-15	Aug-15	CDD	Update Construction Hours (Noise Ordinance)	NO	GENERAL FUND	010-4105	40						X		Council initiated, Feb, 2015; assumes some work after July 1, 2015	STRATEGIC ISSUE 2
NEW21	Jul-15	Jun-17	PW	DEVELOP STORM WATER MANAGEMENT AND FLOOD MITIGATION PLAN	YES	GENERAL FUND-MEASURE C	MEASURE C	160	-	\$ 100,000				X		MEASURE C: \$100,000 for consultant to prepare master plan. No additional FTE hours needed. Assumed that existing staff can manage project (160 hours).	STRATEGIC ISSUE 2

PROJECT LIST																
TIER (May 2014)	INITIATED	COMPLETION	LEAD DEPT	PROJECT NAME	MANDATED	BUDGET						QUARTERLY STATUS UPDATE			COMMENTS	Related Strategic Issue: Project or Program
						FUND	FUND-DEPT NUMBER	FTE* HOURS FROM CURRENT ALLOCATION	FTE* HOURS FROM ADDITIONAL ALLOCATION	FY 15-16*	FY 16-17*	DONE	ON TARGET	REVISED		
NEW22	Mar-15	Jul-18	PW	RECYCLED WATER PROJECT TO VALERO OIL REFINERY	NO	WASTEWATER CAPACITY	044-8044	2,000	-	\$ 350,000	\$ 800,000		X		This item is pending grant applications and is reflective of a potential 25% match. Hire consultant for feasibility study in FY 15/16 (Est. cost \$350,000.) (FY 16/17 Est. cost \$800K for design.)	STRATEGIC ISSUE 2
NEW23	Dec-14	Jul-15	FINANCE	FEE STUDY (WO BUILDING)	NO	GENERAL FUND	010-2401	1,200					X		FINAL IMPLEMENTATION EXPECTED JULY 2015	STRATEGIC ISSUE 3
NEW24	Jul-15	Dec-15	FINANCE	FEE STUDY (BUILDING)	NO	GENERAL FUND	010-2401	400		\$ 25,000			X		NEW FEE STUDY FOR BUILDING FEES	STRATEGIC ISSUE 3
NEW25	Mar-15	Mar-16	CDD	LAFCO Municipal Services Review	YES	GENERAL FUND	010-4105	60					X		FTE within Budget allocation	STRATEGIC ISSUE 4
NEW26	Nov-14	Aug-15	PCS	Replace Rail on First Street Promenade	NO	GENERAL FUND-MEASURE C	MEASURE C	25		\$ 280,000			X		MEASURE C	STRATEGIC ISSUE 4
NEW27	Nov-14	Sep-15	PCS	Replace playground at Community Park	NO	GENERAL FUND-MEASURE C	MEASURE C	15		\$ 200,000			X		MEASURE C	STRATEGIC ISSUE 4
NEW28	Sep-16	Jan-17	PCS	Repair Pool Deck/Improvements to Registration area	NO	GENERAL FUND-MEASURE C	MEASURE C	100		\$ 400,000			X		MEASURE C	STRATEGIC ISSUE 4
NEW29	Jul-15	Jun-16	PW	EAST 5TH ST ROAD WAY IMPROVEMENTS	NO	TIF	034-8705	80	80	\$ 50,000			X		\$50K is for design and construction. Additional 80 hrs. needed for construction inspection.	STRATEGIC ISSUE 4
NEW30	Jan-05	Jan-17	PW	New 24" waterline in Park Road for Zone 1	NO	WATER CAPACITY	045-8045	200	450	\$ 357,000			X		This project will be done concurrently with the Bus Hub project. It is projected that an additional 450 hours is needed (in addition to the 1,000 hours for the Bus Hub.)	STRATEGIC ISSUE 4
NEW31	Jul-15	Jun-16	PW	Bayshore Road Sanitary Sewer Crossovers	NO	WASTEWATER CAPACITY	044-8044	100		\$ 75,000			X		\$75K is for materials only. Work is being done in-house with Maintenance crew.	STRATEGIC ISSUE 4
NEW32	Jul-13	Sep-16	Library	Revision of SNAP agreement to create Joint Powers Agreement	NO	GENERAL FUND	010-3405	75		\$ 10,000			X		Staff time: Library Director, City Attorney, City Manager).	STRATEGIC ISSUE 5
NEW33	Jul-13	Jul-16	Library	Migration to new Integrated library System (ILS) with Solano Napa and Partners (SNAP) & connection through Solano County to CENIC High-speed broadband	NO	GENERAL FUND	010-3405	400		\$ 30,000			X		Initial migration costs are covered through SNAP reserves. New system should cost same or less as currently budgeted amount. Staff time will consist of selecting system, creating policies, training, and troubleshooting	STRATEGIC ISSUE 5
NEW34	Dec-14	Sep-15	ACM	COMPLETE BOARDS AND COMMISSION MANUAL	NO	GENERAL FUND	011-2401	400		\$ 25,000			X		FTE WITHIN BUDGET ALLOCATION;	STRATEGIC ISSUE 5
NEW35	Jan-14	Jan-16	CDD	ADAPTATION PLAN AND VULNERABILITY STUDY AS PART OF CLIMATE ACTION PLAN IMPLEMENTATION	NO	GNASC / GF	217-2605	200	500				X		Project should be completed by 6/30/15 - May require follow up implementation work.	STRATEGIC ISSUE: 2

PROJECT LIST

INITIATED	COMPLETION	LEAD DEPT	PROJECT NAME	MANDATED	BUDGET				QUARTERLY STATUS UPDATE			COMMENTS	Related Strategic Issue: Project or Program
					FUND	FUND-DEPT NUMBER	FTE* HOURS FROM CURRENT ALLOCATION	FTE* HOURS FROM ADDITIONAL ALLOCATION	FY 15-16*	FY 16-17*	DONE		

SUMMARY OF PROJECTS BY FUND

TIF and GAS TAX	320	80	\$ 300,000	\$ 700,000
GENERAL FUND	13,775	740	\$ 800,000	\$ 252,750
GENERAL FUND-COST ALLOCATIONS	5,705	-	\$ 1,135,000	\$ 85,000
GENERAL FUND-MEASURE C	2,125	1,000	\$ 2,210,000	\$ 1,842,000
GRANTS/OTHER	2,710	2,100	\$ 1,460,000	\$ 70,000
WATER	850	1,000	\$ 3,800,000	\$ -
WATER CAPACITY	590	785	\$ 672,000	\$ -
WASTEWATER CAPACITY	2150	100	\$ 425,000	\$ 900,000
Annual Total (all projects):	28,225	5,805	\$ 10,802,000.00	\$ 3,849,750.00

* Full Time Equivalent (FTE) hours and costs are an estimate and may not reflect all hours and costs from all departments.
Bold items (T1-T7) are City Council top priorities.

PROGRAM LIST

TIER (May 2014)	PRIOR PROJECT PRIORITY	OUTSIDE SERVICES	LEAD DEPT	PROGRAM NAME	MANDATED	BUDGET						REOCCURRING STATUS UPDATE			COMMENTS	Related Strategic Issue: Project or Program
						FUND	FUND- DEPT NUMBER	FTE* HOURS FROM CURRENT ALLOCATION	FTE* HOURS FROM ADDITIONAL ALLOCATION	FY 15-16*	FY 16-17*	MONTHLY	QUARTERLY	ANNUALLY		
T1: 1	Yes	Yes	ED	Tourism Program(Marketing/Promotions)	No	GENERAL FUND	010-2605	1,300		\$ 70,000	\$ 70,000			X	Outside Assistance from Wolf Communications	STRATGIC ISSUE: 3
T1: 6	YES	YES	PW	ANNUAL STREET RESURFACING	NO	GAS TAX	017-8705	200	200	\$ 350,000	\$ 350,000			X	\$350K/FY is for construction. Anticipated that 200 hours for additional staff is for inspection.	STRATGIC ISSUE: 4
T1: 6	YES	NO	PW	SEEK ALTERNATIVE FUNDING MECHANISMS FOR ROAD MAINTENANCE	NO	MTC/STA LOCAL STREETS AND ROADS		40	120					X	Would need to hire a consultant to accomplish this task or pay STA.	STRATGIC ISSUE: 4
T1: 7	YES	NO	FINANCE	10 YEAR FORECAST	NO	GENERAL FUND	010-3105	100						X	FTE WITHIN BUDGET ALLOCATION	STRATGIC ISSUE: 3
T1: 7	YES	NO	FINANCE	10 YEAR FORECAST (WATER/WASTEWATER)	NO	GENERAL FUND	010-3105	150						X	FTE WITHIN BUDGET ALLOCATION	STRATGIC ISSUE: 3
T1: 9	YES	YES	FINANCE	SOLAR	NO	GENERAL FUND	010-3105	65		\$ 15,000	\$ 15,000			X	FTE WITHIN BUDGET ALLOCATION; OUTSIDE SERVICES: PART OF ONGOING MAINTENANCE AGREEMENT	STRATGIC ISSUE: 3
T1: 10	Yes	NO	PCS	Solano State Parks Committee	NO	GENERAL FUND		100					X		Staff coordinates and prepares material for quarterly meeting. Staff also corresponds with committee on a on-going basis.	STRATGIC ISSUE: 4
T1: 11	Yes	NO	PCS	State Capitol Building	NO	General Fund		50					X		Maintain turf and landscaped area at State Capitol Building (weekly)	STRATGIC ISSUE: 4
T1: 12	YES	YES	PW	LANDSCAPE AND LIGHTING DISTRICT ASSESSMENTS ANALYSIS	NO	L&LD	052, 056, 07	50	-	\$ 12,500	\$ 12,500			X	This is for the annual Engineer's Report for LLD, and full rate increase would be more than \$50,000.	STRATGIC ISSUE: 5
T1: 13	YES	YES	IT	IT MASTER PLAN; IMPLEMENTATION	NO	GENERAL FUND- COST ALLOCATION	010-2401	500		\$ 25,000	\$ 25,000			X	IMPLEMENTATION AND ONGOING WORK IN THE IT MASTER PLAN	STRATGIC ISSUE: 4
T1: 19	Yes	YES	PCS	Seek funding for engineering and design for Waterfront Master Plan	NO	Grant/City Match		1,000		\$ 400,000				X	This is an ongoing program until all phases (4) of the project have been completed.	STRATGIC ISSUE: 4
T1: 21	NO	Yes	PCS	Pilot program-PG&E tree removal and replacement program	NO	PG&E, Tree Foundation	010-9505	20					X		Staff is working with PG&E and the Tree Foundation with removal and replacement of trees that impact power lines.	STRATGIC ISSUE: 2
T1: 24	Yes	Yes	ED	Business Retention/Recruitment Program	no	GENERAL FUND	010-2605	1,716		\$ 145,000	\$ 145,000			X	Outside Assistance from Chabin Concepts	STRATGIC ISSUE: 3
T1: 25	YES	YES	FINANCE	CALPERS AND PENSION REFORM	YES	GENERAL FUND	010-3105	200		\$ 10,000	\$ 10,000			X	FTE WITHIN BUDGET ALLOCATION; USE OF OUTSIDE SERVICES	STRATGIC ISSUE: 3
T1: 33	YES	Yes	PW	DROUGHT/WATER SUPPLY/WATER CONSERVATION	YES	WATER	090-8205	5,000	1,500	\$ 40,000		X			15/16 includes \$20K for PT staff and 20K for outreach consultant. 16/17 expenses depends on if drought continues.	STRATGIC ISSUE: 1
T2:3	YES	YES	FINANCE	DEVELOPMENT OF EMPLOYEE TRAINING PROGRAM	NO	GENERAL FUND	010-3105	500		\$ 15,000	\$ 15,000			X		STRATGIC ISSUE: 3

V.I.B.11

Full Time Equivalent (FTE) hours and costs are an estimate and may not reflect all hours and costs from all departments. old items (T1-T7) are City Council top priorities.

PROGRAM LIST

TIER (May 2014)	PRIOR PROJECT PRIORITY	OUTSIDE SERVICES	LEAD DEPT	PROGRAM NAME	MANDATED	BUDGET					REOCCURRING STATUS UPDATE			COMMENTS	Related Strategic Issue: Project or Program	
						FUND	FUND- DEPT NUMBER	FTE* HOURS FROM CURRENT ALLOCATION	FTE* HOURS FROM ADDITIONAL ALLOCATION	FY 15-16*	FY 16-17*	MONTHLY	QUARTERLY			ANNUALLY
NEW	NO	YES	CDD	COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)	NO	GRANT		160						X	Ongoing implementation of the CDBG program, including reallocation of current funds, and application for new funds	STRATGIC ISSUE: 5
NEW	No	Yes	ED	Downtown Program (Ben. Main Street)	No	GENERAL FUND	010-2605	300		\$ 119,000	\$ 119,000			X	Outside Assistance from Benicia Main Street, Arts Benicia, and sidewalk cleaning company	STRATGIC ISSUE: 3
NEW	YES	YES	FINANCE	AFORDABLE CARE ACT IMPLEMENTATION	YES	GENERAL FUND	010-3105	200		\$ 25,000	\$ 25,000			X	FTE WITHIN BUDGET ALLOCATION; USE OF OUTSIDE SERVICES	STRATGIC ISSUE: 3
NEW	YES	NO	FINANCE	FUND STABILIZATION	NO	GENERAL FUND	010-3105	150						X	FTE WITHIN BUDGET ALLOCATION	STRATGIC ISSUE: 3
NEW	NO	YES	PW	CCTV INSPECTION OF SEWER LINES (RIVER WATCH)	YES	WASTEWATER	014-8315	200	-	\$ 50,000	\$ 50,000	X			Hire contractor to conduct CCTV inspections. Est. cost \$50K in 15/16 and \$250K in 16/17.	STRATGIC ISSUE: 2
NEW	NO	YES	PW	URBAN WATER MANAGEMENT PLAN	YES	WATER	090-8205	500	-	\$ 45,000	\$ 45,000		X		Every 5 years. Hire consultant to prepare UWMP update. No other additional staff needed. Est. cost \$90K over 2 fiscal years.	STRATGIC ISSUE: 2

SUMMARY OF PROGRAMS BY FUND

GAS TAX	200	200	\$ 350,000	\$ 350,000
GENERAL FUND	4,831	-	\$ 399,000	\$ 399,000
GENERAL FUND- COST ALLOCATION	500	-	\$ 25,000	\$ 25,000
GRANTS/OTHER	1,270	120	\$ 412,500	\$ 12,500
WASTEWATER	200	-	\$ 50,000	\$ 50,000
WATER	5,500	1,500	\$ 85,000	\$ 45,000
Annual Total (all PROGRAMS)	12,501	1,820	\$ 1,321,500	\$ 881,500

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Bold items (T1-T7) are City Council top priorities.

DRAFT (March 24, 2015)

Priority Project List - Revised May 2014
Status update added 01/31/2015

PRIORITY PROJECT SELECTION CRITERIA (Project must meet one or more of these criteria to be placed on project list)

1. The work implements the City Council's Strategic Plan
2. The work would assist the City in achieving fiscal sustainability
3. The work is mandated by the State (or other agency); the City could be fined or face similar consequences if the work is not done
4. The work would generate revenue, grants or other funding
5. The work would prevent higher costs from deferred maintenance
6. The work would protect public health or safety
7. The City is significantly committed financially to the project
8. The work would promote job creation or investment in the community

Category Definitions

Tier 1 – Tier 2: Existing items from prior PPL, combined to show projects either underway or will begin in FY 15-17. Resources may or may not be available.

Tier 1 – Tier 2: New Items will begin in FY 15-17. Resources may or may not be available.

Tier 3: Deemed lower priority, resources may or may not be available.

Tier 3: New Items – Deemed lower priority, resources may or may not be available.

Note: **BOLD T1-T7 are the City Council's top priority projects.** All other items are not listed in order of priority within tiers, but provided in the order previously seen May 2014 for continuity. T1: prior Tier 1; T2: prior Tier 2; T3: prior Tier 3.

Tier 1 - Tier 2

Item #	Project Description	Selection Criteria	Related Strategic Issue: Project or Program
T1:1	Implement the Business Development Action Plan with primary focus on enhancing the economic competitiveness of the Benicia Industrial Park (BIP)	1,2,4,7,8	STRATEGIC ISSUE 3: Project and Program
T1:2	Develop a funding strategy for improving Internet technology in the BIP	1,4,7,8	STRATEGIC ISSUE 3: Project
T1:4	Phase 1 of Sustainable Community Services Strategy (SCSS): Conduct a 10-year forecast and organizational scan.	1,2,7	STRATEGIC ISSUE 5: Project
T1:5	Complete an employee compensation study	1,2,7	STRATEGIC ISSUE 5: Project
T1:6	Seek alternative funding mechanisms for road maintenance	1,2,5,6,7,8	STRATEGIC ISSUE 4: Project
T1:7	Review of FY-2011-12 and 2012-13 Budget and Develop Funding Strategies for Fund Deficits	1,2,3,4,5,6,7,8	STRATEGIC ISSUE 3: Project and Program
T1:8	Resolution of Arsenal clean-up issue	1,2,3,6,8	STRATEGIC ISSUE 1: Project
T1:10	Capitol/Fisher Hanlon House	1,5	STRATEGIC ISSUE 4: Program
T1:11	State Park (SRA)	1,5	STRATEGIC ISSUE 4: Program
T1:12	Landscape and Lighting District assessments analysis	2, 4, 5, 6	STRATEGIC ISSUE 5: Program
T1:13	Develop IT Plan for City	1,2,5,7	STRATEGIC ISSUE 4: Program
T1:14	Construct Western Intermodal Facility	1, 5, 6, 7, 8	STRATEGIC ISSUE 4: Project
T1:17	Enterprise Resource Planning (ERP) Request for Proposal	1,2,7	STRATEGIC ISSUE 3: Project
T1:20	Von Pfister Adobe	1,4	STRATEGIC ISSUE 4: Project
T1:21	Tree Master Plan	1,2,4,6,7	STRATEGIC ISSUE 2 AND 4: PROGRAMS
T1:22	Complete update of ADA Transition Plan	1,3,6	STRATEGIC ISSUE 1: Project
T1:23	Update Sign Ordinance	1,4,8	STRATEGIC ISSUE 3: Project
T1:24	Benicia Industrial Park Recruitment/Retention Program	1,2,4,7,8	STRATEGIC ISSUE 3: Project and Program
T1:25	Implement new Pension Reform law	2,3,5,7	STRATEGIC ISSUE 3: Program
T1:26	Bridge Maintenance	1,5	STRATEGIC ISSUE 4: Project
T1:28	Benicia Industrial Park Circulation Study	1,2,3,8	STRATEGIC ISSUE 4: Project
T1:29	911 System Replacement	5, 6, 7	STRATEGIC ISSUE 1: Project
T1:30	Design/Construct Industrial Park Bus Hub	1,4, 5, 6, 7, 8	STRATEGIC ISSUE 4: Project
T1:31	Implement Affordable Health Care Act	3,7,8	STRATEGIC ISSUE 3: Program
T1:33	Drought/Water Supply/Water Conservation	2, 4, 6, 7	STRATEGIC ISSUE 1, 2 AND 3: project
T2:1	Secure funding to upgrade fleets	1, 2, 4, 5	STRATEGIC ISSUE 3: Project

DRAFT (March 24, 2015)

Priority Project List - Revised May 2014
Status update added 01/31/2015

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T2:3	Restore employee training funding	2,3,6,7	STRATEGIC ISSUE 5: Project
T2:8	Fire apparatus replacement	1, 2, 5, 6	STRATEGIC ISSUE 1: Project
T2:10	Update Personnel Rules and Policies	1,3,8	STRATEGIC ISSUE 5: Project
T2:12	Valero Air Monitoring Station	1	STRATEGIC ISSUE 2: Project
T2:13	Update the H-Historic Overlay District Chapter	1	STRATEGIC ISSUE 5: Project
T3:6	Council Chamber Upgrade	1,2,5,7	STRATEGIC ISSUE 4: Project

DRAFT (March 24, 2015)

Priority Project List - Revised May 2014
Status update added 01/31/2015

PRIORITY PROJECT SELECTION CRITERIA (Project must meet one or more of these criteria to be placed on project list)

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Category Definitions

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Tier 1 – Tier 2: New Items will begin in FY 15-17. Resources may or may not be available.

Tier 3: Deemed lower priority, resources may or may not be available.

Tier 3: New Items – Deemed lower priority, resources may or may not be available.

Note: **BOLD T1-T7 are the City Council's top priority projects.** All other items are not listed in order of priority within tiers, but provided in the order previously seen May 2014 for continuity. T1: prior Tier 1; T2: prior Tier 2; T3: prior Tier 3.

Tier 1-2: New Items

Item #	Project Description	Selection Criteria	Related Strategic Issue: Project or Program
NEW1	Programmable Logic Controller (PLC) / Supervisory Control and Data Acquisition (SCADA) replacement at Water Treatment Plant (WTP)	5, 6, 7	STRATEGIC ISSUE 4: Project
NEW2	WATER AND SEWER RATE STUDY	2, 4, 5, 6, 8	STRATEGIC ISSUE 3: Project
NEW3	WATER AND SEWER CAPACITY FEE STUDY	2, 4, 5, 6, 8	STRATEGIC ISSUE 3: Project
NEW4	MARINA REPORT	2,4,5,	STRATEGIC ISSUE 3: Project
NEW5	WATER METER REPLACEMENT PROGRAM AND AUTOMATIC METER INFRASTRUCTURE	2, 4	STRATEGIC ISSUE 3: Project
NEW6	REPAIR SIDEWALKS DOWNTOWN	2, 5, 6, 7	STRATEGIC ISSUE 4: Project
NEW7	GIS AND CMMS	2, 5, 6	STRATEGIC ISSUE 4: Project
NEW8	ST. AUGUSTINE FLOOD RELIEF PROJECT	3, 5, 6	STRATEGIC ISSUE 4: Project
NEW9	SEWER LINES AT LOWER ARSENAL: ADAMS, JEFFERSON, AND JACKSON	4, 6	STRATEGIC ISSUE 4: Project
NEW10	Local Hazard Mitigation Plan (LHMP)	3, 5, 6	STRATEGIC ISSUE 1: Project
NEW11	Emergency Operations Plan Update	3,6	STRATEGIC ISSUE 1: Project
NEW12	Adopt Updated Fire Code	3,6	STRATEGIC ISSUE 1: Project
NEW13	Purchase "Wild land" Fire Engine for Grass Fires	1, 2, 5, 6	STRATEGIC ISSUE 1: Project
NEW14	Replace Outdated Radios	1, 2, 5, 6	STRATEGIC ISSUE 1: Project
NEW15	CAD/CMMS	5, 7, 8	STRATEGIC ISSUE 1: Project
NEW16	Update Solar PV Permitting Procedures	4,6	STRATEGIC ISSUE 2: Project
NEW17	Public Outreach, new FEMA Flood Insurance Rate Maps	3, 4, 6	STRATEGIC ISSUE 2: Project
NEW18	PARKS MASTER PLAN	1,4,6,7,8	STRATEGIC ISSUE 2: Project
NEW19	Turf removal analysis	1,2,4,8	STRATEGIC ISSUE 2: Project
NEW20	Update Construction Hours (Noise Ordinance)	1,6	STRATEGIC ISSUE 2: Project
NEW21	DEVELOP STORM WATER MANAGEMENT AND FLOOD MITIGATION PLAN	4, 6	STRATEGIC ISSUE 2: Project
NEW22	RECYCLED WATER PROJECT TO VALERO OIL REFINERY	6,	STRATEGIC ISSUE 2: Project
NEW23	FEE STUDY (WO BUILDING)	2,3,4,7	STRATEGIC ISSUE 3: Project
NEW24	FEE STUDY (BUILDING)	2,3,4,7	STRATEGIC ISSUE 3: Project
NEW25	Lafco Municipal Services Review	1,3,8	STRATEGIC ISSUE 4: Project
NEW26	Replace Rail on First Street Promenade	1,5,7,8	STRATEGIC ISSUE 4: Project
NEW27	Replace playground at Community Park	1,5,6,7,8	STRATEGIC ISSUE 4: Project
NEW28	Repair Pool Deck/Improvements to Registration area	1,4,5,6,7,8	STRATEGIC ISSUE 4: Project

DRAFT (March 24, 2015)

Priority Project List - Revised May 2014
Status update added 01/31/2015

PRIORITY PROJECT SELECTION CRITERIA (Project must meet one or more of these criteria to be placed on project list)

1. The work implements the City Council's Strategic Plan
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NEW29	EAST 5TH ST ROAD WAY IMPROVEMENTS	6	STRATEGIC ISSUE 4: Project
NEW30	New 24" waterline in Park Road for Zone 1	2, 6	STRATEGIC ISSUE 4: Project
NEW31	Bayshore Road Sanitary Sewer Crossovers	1, 5, 6, 7	STRATEGIC ISSUE 4: Project
NEW32	Revision of SNAP agreement to create Joint Powers Agreement	1, 5, 6, 7	STRATEGIC ISSUE 5: Project
NEW33	Migration to new Integrated library System (ILS) with Solano Napa and Partners (SNAP) & connection through Solano County to CENIC High-speed broadband	1,5	STRATEGIC ISSUE 5: Project
NEW34	COMPLETE BOARDS AND COMMISSION MANUAL	7	STRATEGIC ISSUE 5: Project
NEW35	Adaptation Plan and Vulnerability Study as part of Climate Action Plan Implementation	1,3,4,6,8	

DRAFT (March 24, 2015)

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Status update added 01/31/2015

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Tier 3- Low Priority

Item #	Project Description	Selection Criteria
T2:4	Adopt Alcohol Ordinances	6
T2:5	Adopt Smoking Ordinance	6
T1:15	Boatyard Cleanup	3, 6
T2:2	Update Employer Employee Relations Resolution (Greg - can you move this to tier 3 for me?)	2,7
T2:6	Prepare Public Arts Master Plan	1
T2:11	Retrofit City Hall Windows	1,2,5,6
T3:1	Fill position vacancies and develop succession plans	
T3:2	Obtain grants to provide a transitional shelter	1, 6
T3:3	Update Code Enforcement Ordinance	1, 2, 3, 5, 6, 7, 8
T3:4	Upgrade/improve City website	1,7
T3:5	Adopt Lower Arsenal Specific Plan	1, 5, 8
T3:7	Address Police building space needs	1,5,6
T3:8	Library Basement	

DRAFT (March 24, 2015)

Priority Project List - Revised May 2014
Status update added 01/31/2015

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Tier 3- New Items

Item #	Project Description	Selection Criteria
T3NEW1	Plant Electrical System Modernization	3, 5, 6
T3NEW2	Effluent Pipeline Assessment and Repair	3, 5, 6
T3NEW3	Extend Casing @ I-80 Crossing	3, 5, 6
T3NEW4	I-780 Crossing at @ West 7th Street	3, 5, 6
T3NEW5	WWTP Reliability Plan Update (Master Plan)	3, 5, 6
T3NEW6	Odor Scrubber at A Basin	3, 5, 6
T3NEW7	Nutrient Removal (Study)	3, 5, 6
T3NEW8	Recycled Water Project to Valero	1, 2, 3, 4, 6, 8
T3NEW9	Urban Water Management Plan (UWMP)	3
T3NEW10	Military @ West 7th Street Intersection Improvements (Study)	6
T3NEW11	Traffic Impact Fee (TIF) Projects	6
T3NEW12	Replacement of Two Chemical Tanks at Wastewater Treatment Plant	3, 5, 6
T3NEW13	Columbus Parkway Widening Project	1, 5, 8
T3NEW14	HMI Replace with SCADA Nodes at Wastewater Treatment Plant	3, 5, 6
T3NEW15	Chemical Building Electrical Control System	3, 5, 6
T3NEW16	12-inch Water Main in Adams Street from Grant to Bayshore	3, 5, 6
T3NEW17	Recoating of R-2 Reservoir	3, 5, 6
T3NEW18	East 7th St. Sewer line Replacement	3, 5, 6
T3NEW19	Additional Pipeline Replacement on 100-year cycle	3, 5, 6
T3NEW20	Manhole Rehabilitation on 100-year cycle	3, 5, 6
T3NEW21	New Roadway between East 2nd Street and Park Road	1, 5, 7
T3NEW22	Park Road Roadway Improvements	1, 5, 7
T3NEW23	Industrial Way Roadway Improvements	1, 5, 7
T3NEW24	Military West Roadway Improvements	1, 5, 7
T3NEW25	New Pedestrian/Bicycle Bridge	1, 5, 7
T3NEW26	Columbus Parkway Roadway Improvements	1, 5, 7
T3NEW27	Traffic Calming Roadway Improvements	1, 5, 7
T3NEW28	Columbus/Rose Intersection Improvements	1, 5, 7
T3NEW29	Southampton/Hastings Intersection Improvements	1, 5, 7
T3NEW30	Southampton/Chelsea Hills Intersection Improvements	1, 5, 7
T3NEW31	West 7th/I-780 Westbound Ramps	1, 5, 7
T3NEW32	West 7th/I-780 Eastbound Ramps	1, 5, 7
T3NEW33	East 2nd/Military East	1, 5, 7
T3NEW34	East 5th/I-780 Westbound Ramps	1, 5, 7
T3NEW35	East 5th/I-780 Eastbound Ramps	1, 5, 7
T3NEW36	East 5th/Military East	1, 5, 7
T3NEW37	West 7th/Military West	1, 5, 7
T3NEW38	Cathodic Protection Improvements for Wastewater Pipelines	3, 5, 6
T3NEW39	CCTV Inspection (River Watch)	3, 5, 6
T3NEW40	Water Reuse Pilot Project at WWTP	1, 2, 5, 6
T3NEW41	24-Inch Cordelia Transmission Main Repair Project (at Interstate 80)	2, 4, 5, 6
T3NEW42	Relocate North Bay Aqueduct Raw Water Transmission Line (RWTL) at Interstate 80 and Green Valley Overcrossing	3, 6, 7
T3NEW43	Design Industrial Park Road	1, 5, 7, 8
T3NEW44	Repair 250 damaged sections of road	1, 5, 6, 7
T3NEW45	Develop Storm Water Management and Flood Mitigation Plan	1, 4, 5, 6, 7
T3NEW46	Repair and Repave Southampton, Panorama and Hastings	1, 5, 6, 7
T3NEW47	Repair and Repave Industrial Way from Teal to Lake Herman Road	1, 5, 6, 7
T3NEW48	Master Plan for Public Art	1

General Fund Ten-Year Forecast

February 3, 2015
Joint Meeting of the
City Council and Finance Committee

Introduction to General Fund FY 2013-2024 Forecast

- May 2014 Management Partners presentation of General Fund ten-year forecast model to the Finance Committee and City Council
- 10 year forecasts are not static and should be regularly updated as new information becomes known
 - Sales Taxes
 - Projected trends
 - Measure C
 - Pension costs

Introduction to General Fund FY 2013-2024 Forecast

- Reflective of conservative estimations and assumptions based upon what is known today
 - FY 2014-2015 adopted budget as foundation
- Represents the financial outlook assuming the City maintains what services it has today and into the future
 - Short term: 1-5years
 - Long term: 5-10 years
- Provides context for sustainability

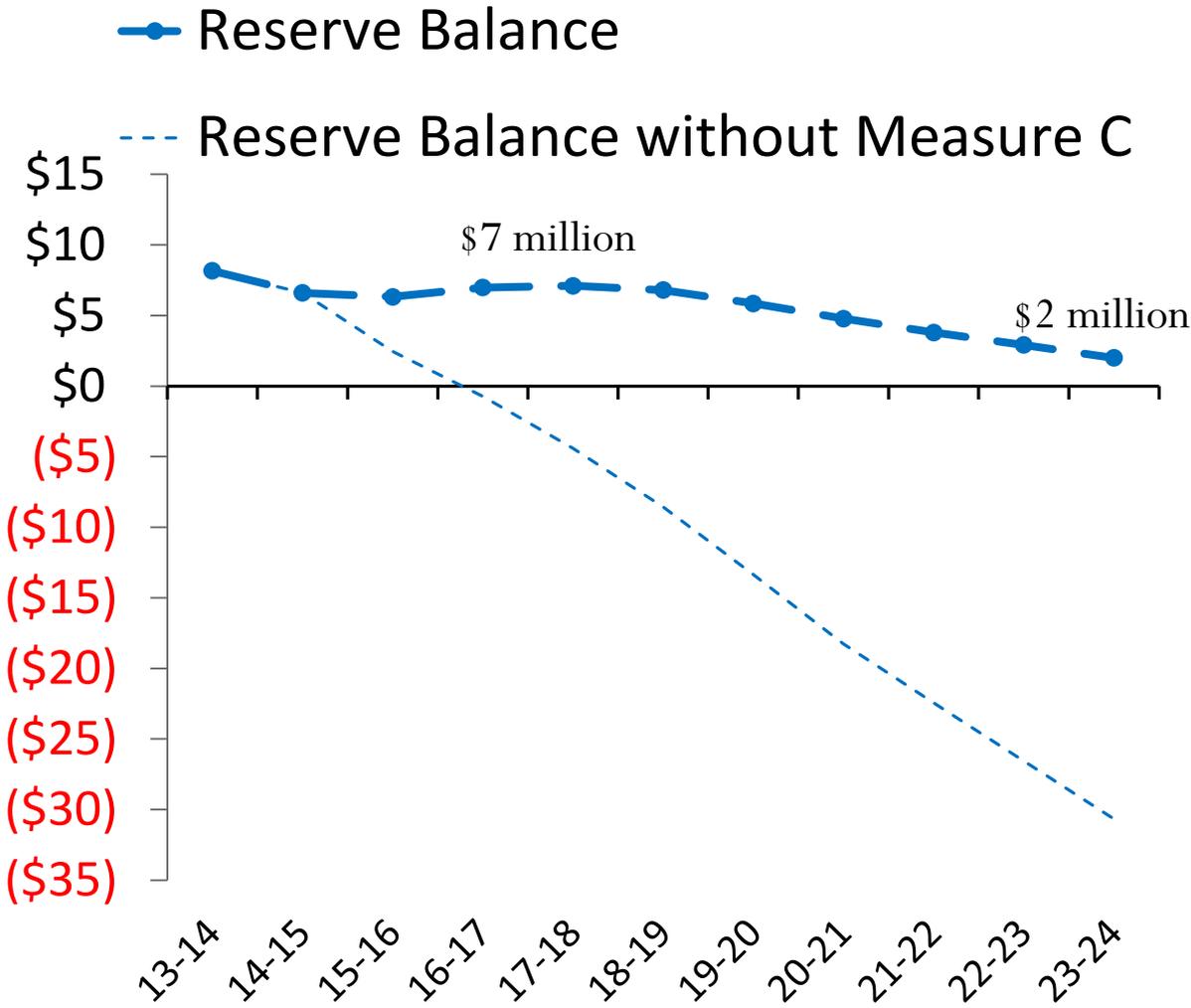
Summary of General Fund Forecast

Forecast Summary of General Fund

- In the short term, FY 2016-2018, the General Fund reserves are increasing.
 - This is primarily from voter approved Sales Tax increase.
- In the long term, FY 2018-2024, the General Fund reserves are decreasing
 - This is primarily from expenditures continuing to outpace revenues.
 - Expenditures increase by an annual average of over 1.7% in the long term
 - Revenues increase by an annual average of over 1.5% in the long term

General Fund FY 2013-2024

Forecasted Reserves and Forecasted Reserves without Measure C



This graph shows the current forecasted reserves over ten-years. For contrast, the ten-year forecast without Measure C.

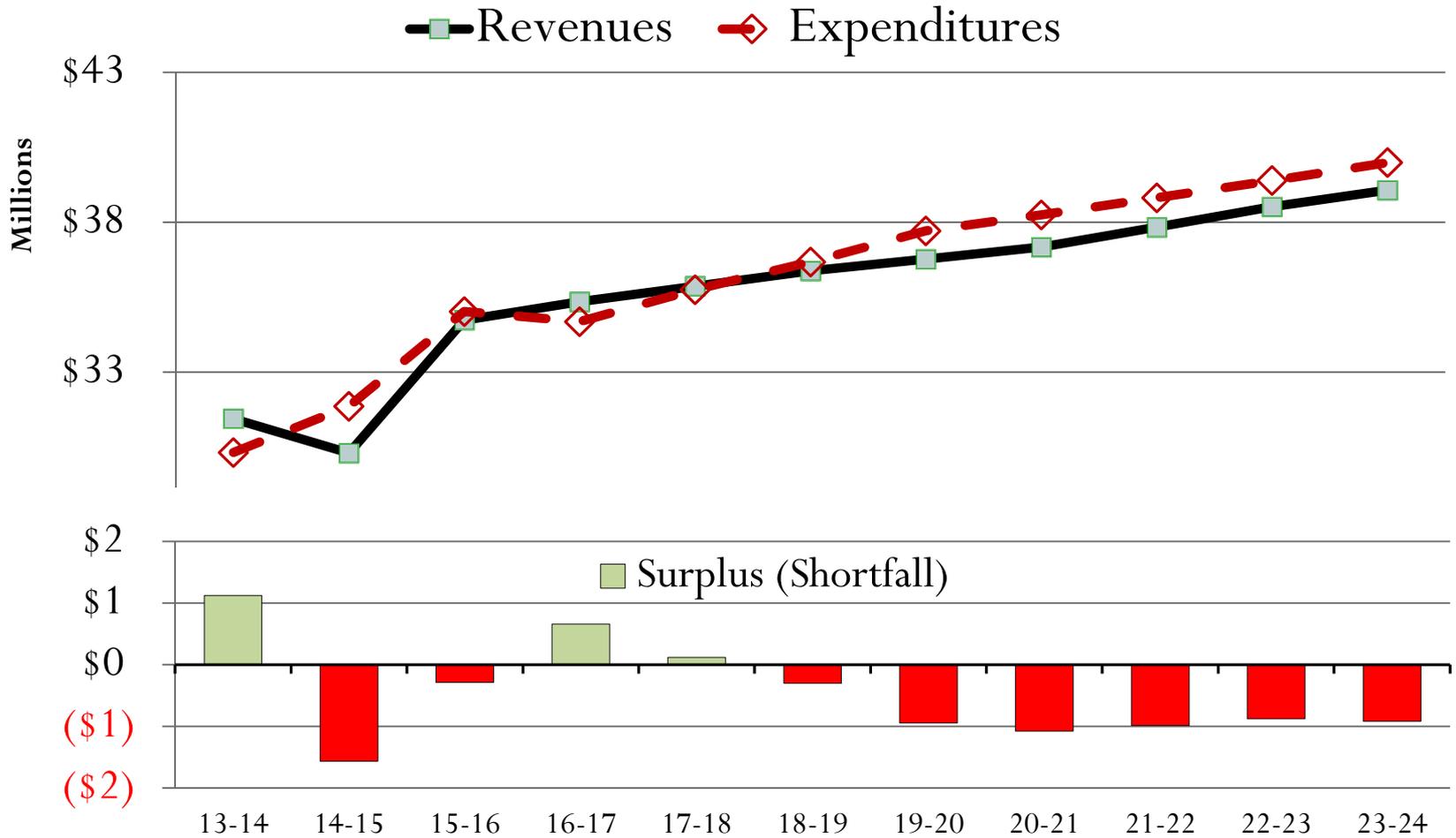
Forecast Summary of General Fund FY 2013-2018

(in thousands)	Actuals 2013- 2014	Budget 2014- 2015	Forecast 2015- 2016	Forecast 2016- 2017	Forecast 2017- 2018
Revenues	31,264	30,298	34,733	35,345	35,867
Expenditures	29,852	31,281	34,378	34,024	35,014
Transfers - In (Out)	(288)	(579)	(639)	(660)	(734)
Net Change – Increase (Decrease)	1,124	(1,562)	(284)	661	119
Beginning Reserves	7,041	8,165	6,603	6,319	6,981
Ending Reserves	8,165	6,603	6,319	6,981	7,100

Forecast Summary of General Fund FY 2018-2024

(in thousands)	Forecast 2018- 2019	Forecast 2019- 2020	Forecast 2020- 2021	Forecast 2021- 2022	Forecast 2022- 2023	Forecast 2023- 2024
Revenues	36,375	36,766	37,168	37,832	38,514	39,068
Expenditures	35,904	36,920	37,445	38,010	38,576	39,165
Transfers - In (Out)	(768)	(793)	(800)	(808)	(815)	(823)
Net Change - Increase (Decrease)	(298)	(947)	(1,077)	(986)	(877)	(920)
Beginning Reserves	7,100	6,802	5,855	4,778	3,792	2,915
Ending Reserves	6,802	5,855	4,778	3,792	2,915	1,995

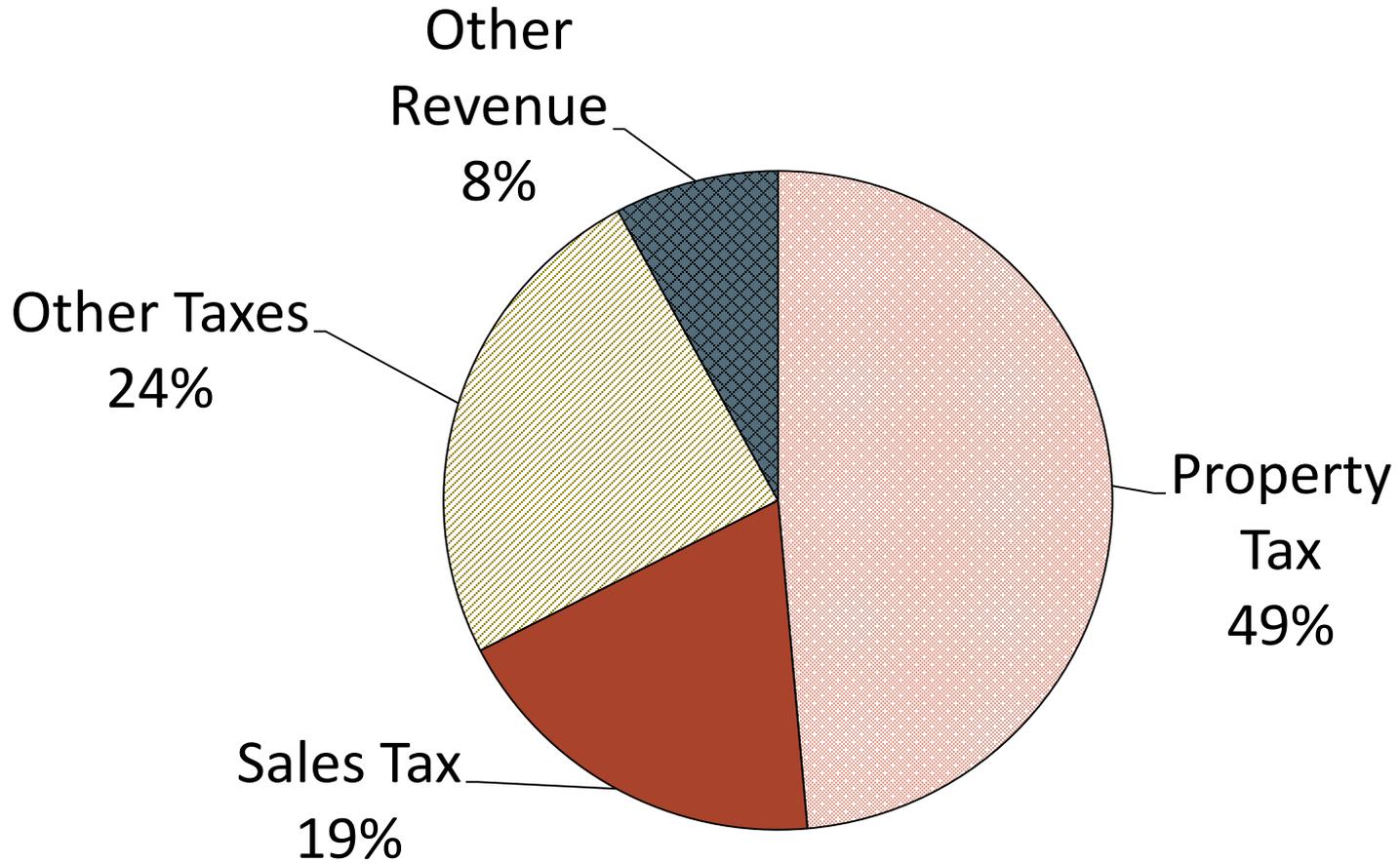
Forecast Summary of General Fund FY 2013-2024



Forecasted General Fund Revenues

General Fund FY 2014-2015

Allocation of Revenues



General Fund Forecasted Revenues

Property Tax

- Short Term: 3% average annual growth
 - Prop 13 assessment plus residential sales growth
- Long Term: 2.2% growth
 - Prop 13 assessment only

Other Taxes and Revenues

- The forecast reflects a short term loss in Other Taxes in FY 2015-2016 to reflect these market conditions.
- Past this first year of the forecast, revenue is expected to hold to historical escalation of about 1.75%.

General Fund Forecasted Revenues

Sales Taxes

- Assumes that an average 1% decline each year is expected in the short term, FY 2015-2018.
- A recession is assumed in FY 2019-2021 of another 3% decline each year,
- Economic recovery with 2% increase, after FY 2022-2024.

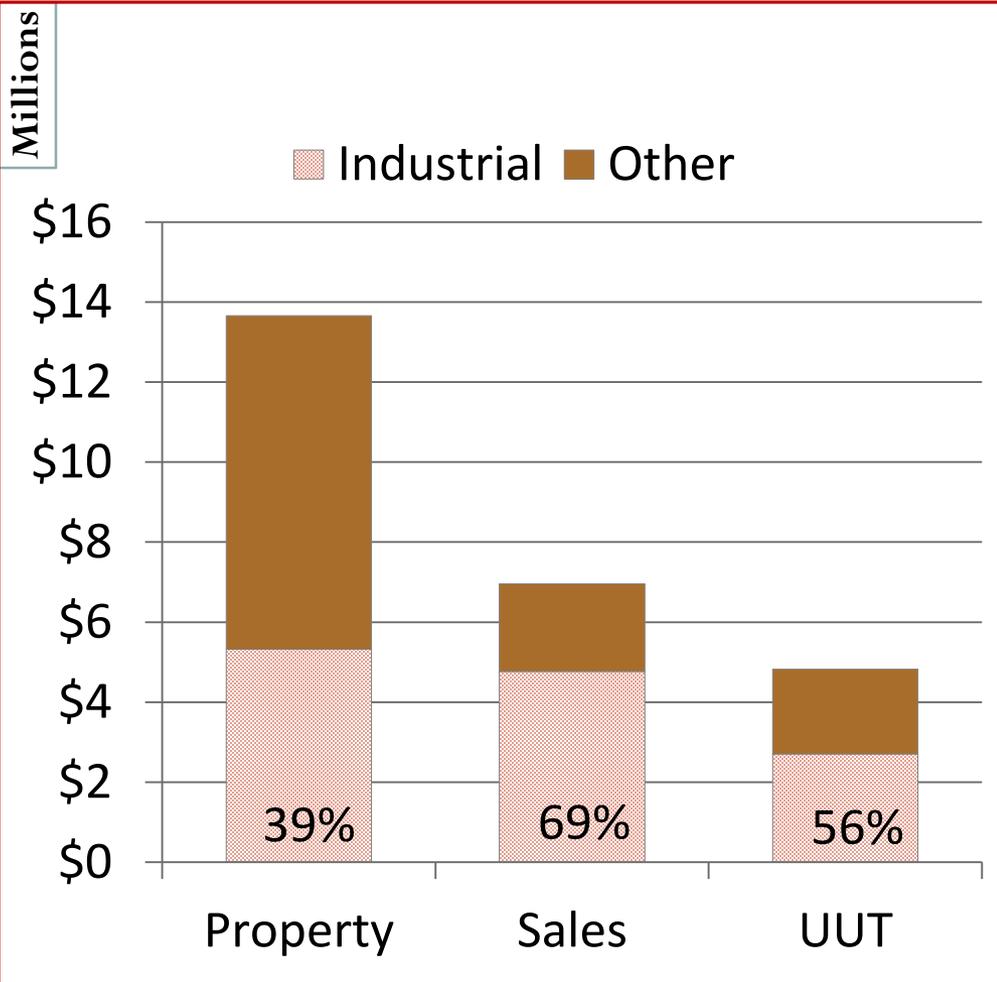
Sales Tax-Measure C

- Voters approved 1% Sales Tax increase: projected revenue \$3.7 million

It is unknown how much of the Sales Tax from Measure C will change over the course of the forecast.

Therefore, revenue from 1% sales tax increase is kept at \$3.7 million each year until more information is known.

General Fund FY 2014-2015 Concentration of Revenues



- ❖ The City's revenues are heavily concentrated in the Benicia Industrial Park
- ❖ The Industrial Park is moving away from Sales Tax

General Fund FY 2013-2018

Forecasted Revenues

	Actuals 2013- 2014	Budget 2014- 2015	Forecast 2015- 2016	Forecast 2016- 2017	Forecast 2017- 2018
(in thousands)					
Property Tax	14,291	14,724	15,327	15,777	16,157
Sales Tax	6,430	5,718	9,306	9,286	9,238
Other Taxes	7,565	7,451	7,290	7,454	7,599
Other Revenues	2,979	2,404	2,810	2,828	2,873
Total Revenues	31,264	30,298	34,733	35,345	35,867

General Fund FY 2018-24

Forecasted Revenues

(in thousands)	Forecast 2018- 2019	Forecast 2019- 2020	Forecast 2020- 2021	Forecast 2021- 2022	Forecast 2022- 2023	Forecast 2023- 2024
Property Tax	16,510	16,872	17,243	17,623	18,013	18,372
Sales Tax	9,201	9,036	8,876	8,975	9,080	9,080
Other Taxes	7,726	7,865	8,009	8,156	8,308	8,464
Other Revenues	2,938	2,993	3,041	3,078	3,113	3,152
Total Revenues	36,375	36,766	37,168	37,832	38,514	39,068

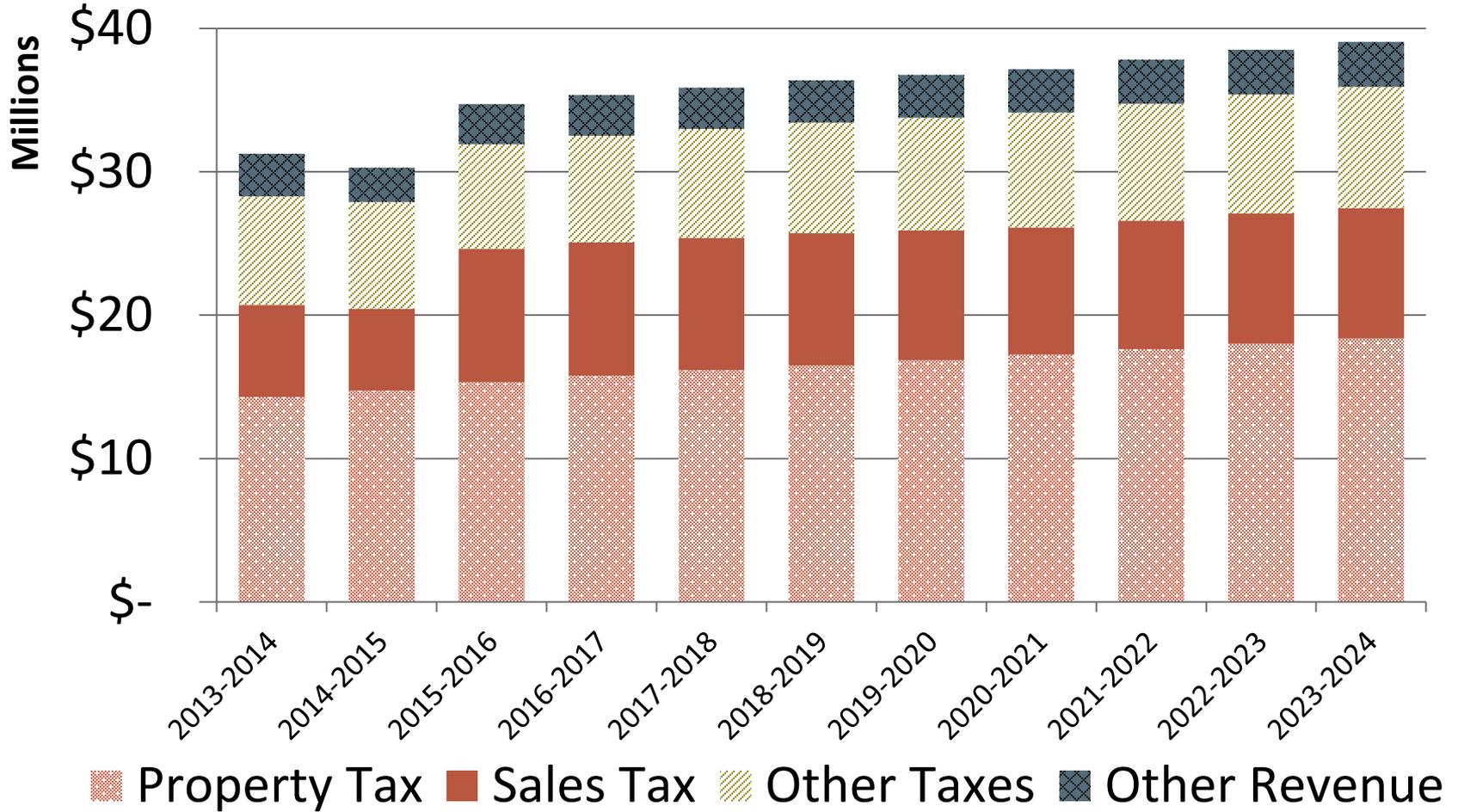
General Fund FY 2013-2018 Forecasted Sales Tax Revenues

	Actuals	Budget	Forecast	Forecast	Forecast
(in thousands)	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018
Sales Tax	6,430	5,718	9,306	9,286	9,238

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
(in thousands)	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024
Sales Tax	9,201	9,036	8,876	8,975	9,080	9,080

General Fund FY 2013-2024

Forecasted Revenues



Forecasted General Fund Expenditures

General Fund FY 2013-2018

Forecasted Expenditures

	Actuals	Budget	Forecast	Forecast	Forecast
(in thousands)	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018
Personnel	20,631	23,185	24,604	24,386	25,054
Operating Expenses	8,555	7,415	7,393	7,463	7,785
Capital Outlay	267	283	1,982	2,060	2,060
Debt Payments	399	398	398	114	114
Total					
Expenditures	29,852	31,281	34,377	34,023	35,013

General Fund FY 2018-24 Forecasted Expenditures

(in thousands)	Forecast 2018- 2019	Forecast 2019- 2020	Forecast 2020- 2021	Forecast 2021- 2022	Forecast 2022- 2023	Forecast 2023- 2024
Personnel	25,684	26,422	26,791	27,164	27,533	27,917
Operating Expenses	8,045	8,323	8,479	8,671	8,869	9,074
Capital Outlay	2,060	2,060	2,060	2,060	2,060	2,060
Debt Payments	114	114	114	114	114	114
Total Expenditures	35,903	36,919	37,444	38,009	38,576	39,165

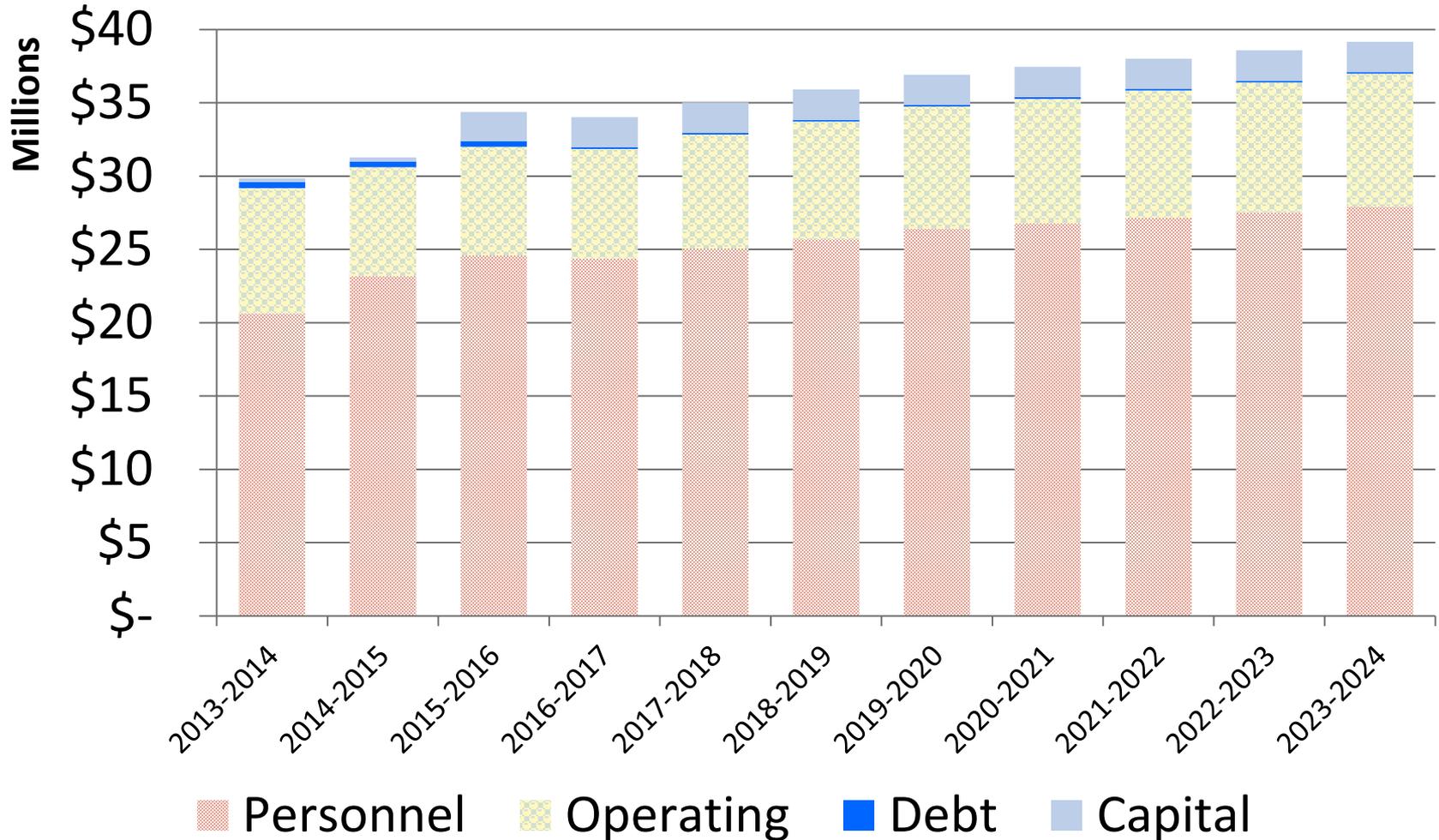
General Fund FY 2015-2017 Forecasted Expenditures

	Forecast 2015- 2016	Forecast 2016- 2017
(in thousands)		
Personnel	24,604	24,386
Operating Expenses	7,393	7,463
Capital Outlay	1,982	2,060
Debt Payments	398	114
Total Expenditures	34,377	34,023

Pension obligation bonds reduce total pension costs and completion of capital lease reduce expenditures in the General Fund.

General Fund FY 2013-2024

Forecasted Expenditures



City Forecasted Pension Costs

City Control

- Short term: The City has chosen to pay down unfunded pension obligations bonds with terms favorable to the City.
- Long term: The City through negotiations reduced the pension benefits to employees.

CalPERs Control

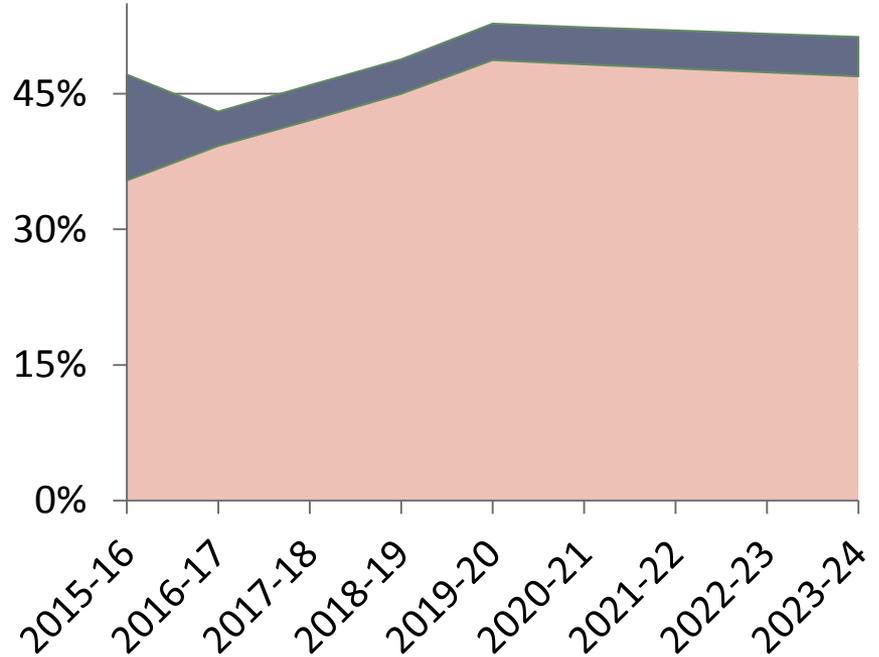
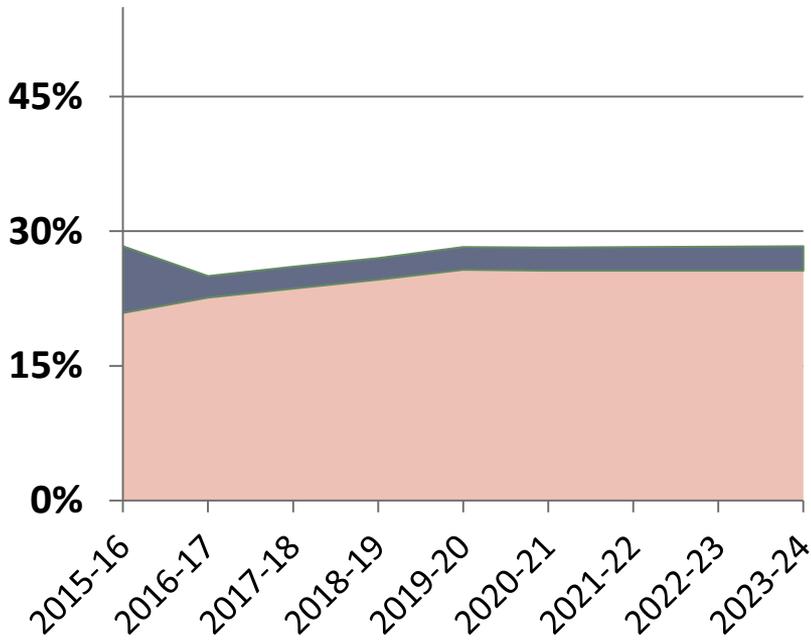
- Short term: adjusting to losses of recession, adjusting for Pension reform and other market corrections.
- Long term: Assumptions for unfunded liabilities and smoothing of market volatility

Forecast of General Fund FY 2015-2024

Employer Pension Rates and Pension Obligation Bonds

■ Pension Obligation Bonds
■ Composite Rate Misc

■ Pension Obligation Bonds
■ Composite Rate Safety



Forecasted General Fund Reserves

General Fund Forecasted Reserves FY 2013-2024

The City has a reserve policy goal of 20% of Revenues.

*The effective impact is
that as revenues rise, so must reserves.*

General Fund FY 2014-2024

Reserve Goal as 20% of Revenues, Forecasted Reserves, and Reserves as a Percentage of Revenues

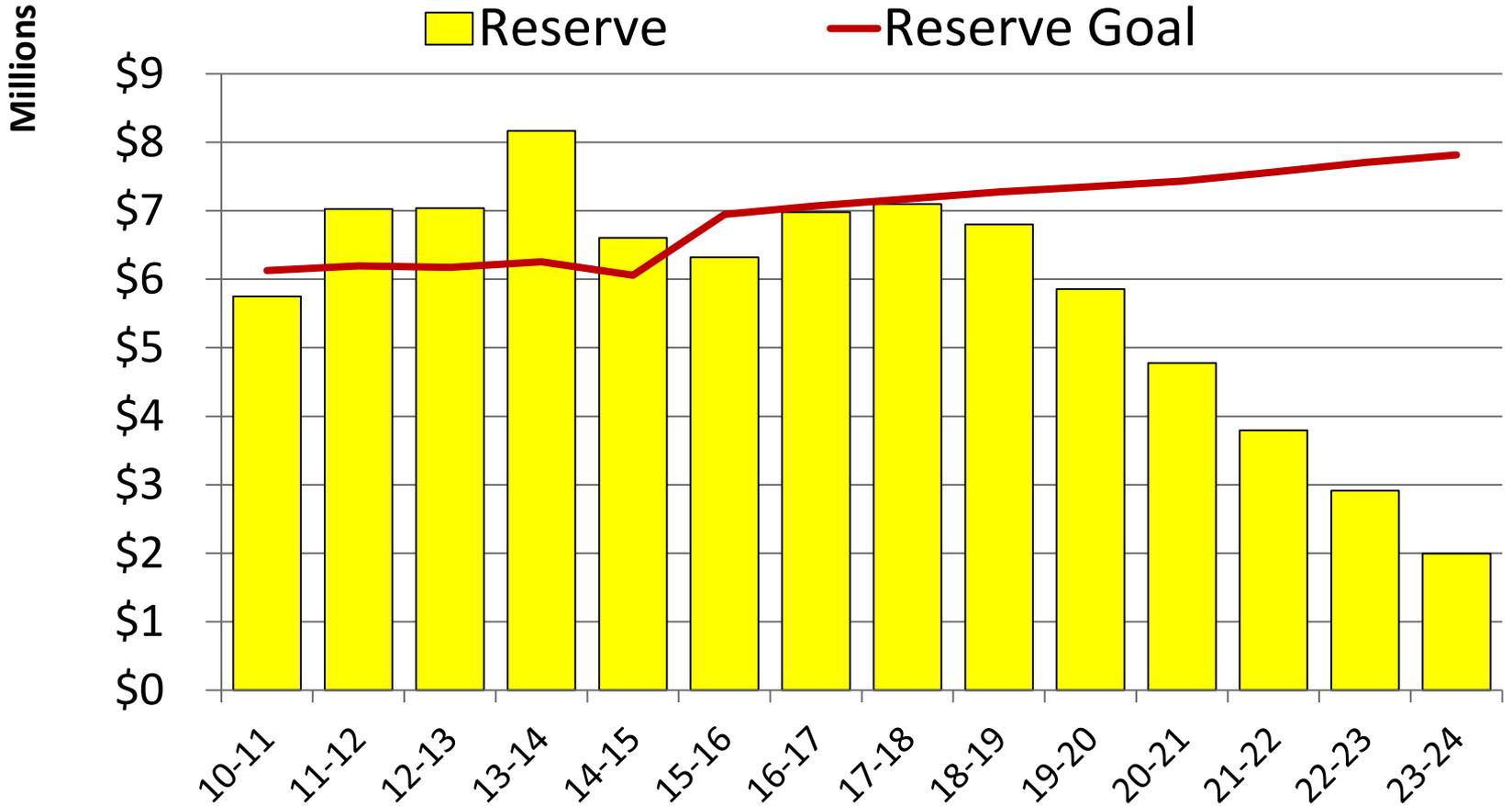
(in thousands)							
Fiscal Year	Reserve Goal - 20% of Revenue	Forecast Year Ending Reserves	Forecasted Reserves as % of Revenue	Fiscal Year	Reserve Goal - 20% of Revenue	Forecast Year Ending Reserves	Forecasted Reserves as % of Revenue
14-15	6,060	6,603	22%	19-20	7,353	5,855	16%
15-16	6,947	6,319	18%	20-21	7,434	4,778	13%
16-17	7,069	6,981	20%	21-22	7,566	3,792	10%
17-18	7,173	7,100	20%	22-23	7,703	2,915	8%
18-19	7,275	6,802	19%	23-24	7,814	1,995	5%

General Fund Forecasted Reserves FY 2013-2024

- In FY 2015-2016, the General Fund policy increases the reserves by \$900,000, primarily because of Sale Tax increase.
- The City reserves are stable, around 20% of revenues, for the next 3-4 years.
- Beginning in FY 2019-2020, the City will be faced with balancing the General Fund with reserve levels falling each year after.

General Fund FY 2010-2024

Forecasted Reserves and
Reserve Goal as 20% of Revenue



Any Questions?

Fiscal Sustainability

Look at policies and practices to fiscal sustainability

- Continue to develop efficiencies: complete organizational scan and explore desired service levels
- Evaluate capacity: no new services without offsetting reductions
- Examine ways to maximize revenues
- Plan for future outcomes today

Best Practices Fiscal Sustainability

- Plan for capacity and resource management to meet current and future service levels demands
- Create a plan for sustainable employee pay and benefits
- Develop equipment and infrastructure maintenance and replacement policies
- Evaluation of unfunded liabilities and planning for future uncertainty

Best Practices Fiscal Sustainability

- Explore the economic volatiles for strengths and weaknesses
- Expect change and encourage adaptability
- Increase efficiency and effectiveness through technology advancements
- Provide transparency through multiple mediums
- Create dialog in the community about realistic resources and the representative services

Next Steps

-
- Sustainable Community Services Report
 - Priority Project List
 - Citywide Fee Study
 - Proposed FY 2015-2017 biennial budget



City of Benicia
Strategic Plan
FY 2013-2015

Strategic Planning

The Strategic Planning process is a proven and thoughtful method for determining how an organization's resources can be most wisely allocated. Strategic Planning requires research and analysis before making resource allocation decisions; strategic planning decisions are not randomly made. Strategic Planning requires research and analysis that is:

1. **COMPREHENSIVE:** all of the City's functions and responsibilities are reviewed prior to allocation decisions.
2. **LONG-TERM:** the City's long-term needs and opportunities are reviewed prior to making allocation decisions.
3. **INCLUSIVE:** all stakeholders are invited and encouraged to participate in needs and opportunities assessment prior to allocation decisions.

Strategic Plan Elements

1. **MISSION STATEMENT:** a statement of the City's ultimate purpose and the difference it wishes to make for the community.
2. **VISION STATEMENT:** the character-defining elements of the ideal organization.
3. **VALUES STATEMENT:** the guiding principles the organization believes are right and should guide conduct.
4. **STRATEGIC ISSUES:** the major needs and opportunities facing the organization over the next two to five years that most impact achievement of the Mission and Vision. Numerous, important issues face any organization. The identified Strategic Issues are those that are perceived to be most critical.
5. **STRATEGIES:** one or more approaches to take in order to address the Strategic Issues.
6. **STRATEGIC PLAN ACTION ITEMS:** the specific projects and programs that will be pursued by the organization in the budget period (two years) to implement the Strategies.

The Strategic Plan differs from the City's General Plan in that the General Plan reflects the City's long-range vision. The Strategic Plan is a plan for the next two-five years that will help the City accomplish the goals of the General Plan with shorter-term strategies and actions.

Key points to keep in mind when developing a Strategic Plan include:

- Strategic Planning proceeds from the assumption that resources are limited so we must allocate them based on a review and identification of the highest priorities for the upcoming planning period (two-five years).

- Strategic Plan issues are the five +/- problems and opportunities that will arise in the planning period that will most impact achievement of the City's mission, vision and values.
- Strategic Plan strategies are the most promising approaches or general direction that will resolve the five Strategic Issues.
- Strategic Actions are the most effective projects, programs or activities that will execute or implement the strategies.
- It should be noted that Strategic Actions may be cross-cutting, that is they may fit under more than one Strategic Issue. Actions are listed under the Issue with which they are most clearly aligned. For example, Item 3c "Continue to collaborate with the Benicia Unified School District (BUSD) to support quality education" is listed under Strategic Issue 3: Strengthening Economic and Fiscal Conditions, but it also fits under Strategic Issue 5: Maintain and Enhance a High Quality of Life.
- Actions selected can be new, already planned, or on-going. The point is identifying and selecting actions that will best address the strategies and issues identified in the plan.
- The package of actions selected should not be comprised of only those that are easily achievable. Instead, they should be ambitious, while realistically achievable within resources that can be assembled within the planning period.
- Ultimately, resources required will be considered and evaluated in the budget process. The budget process is about allocating available resources to priorities established by the City Council.
- The last major policy step in the Strategic Planning process is budget adoption.

Implementation Process

The City's Strategic Plan is achieved by pursuit of the following activities:

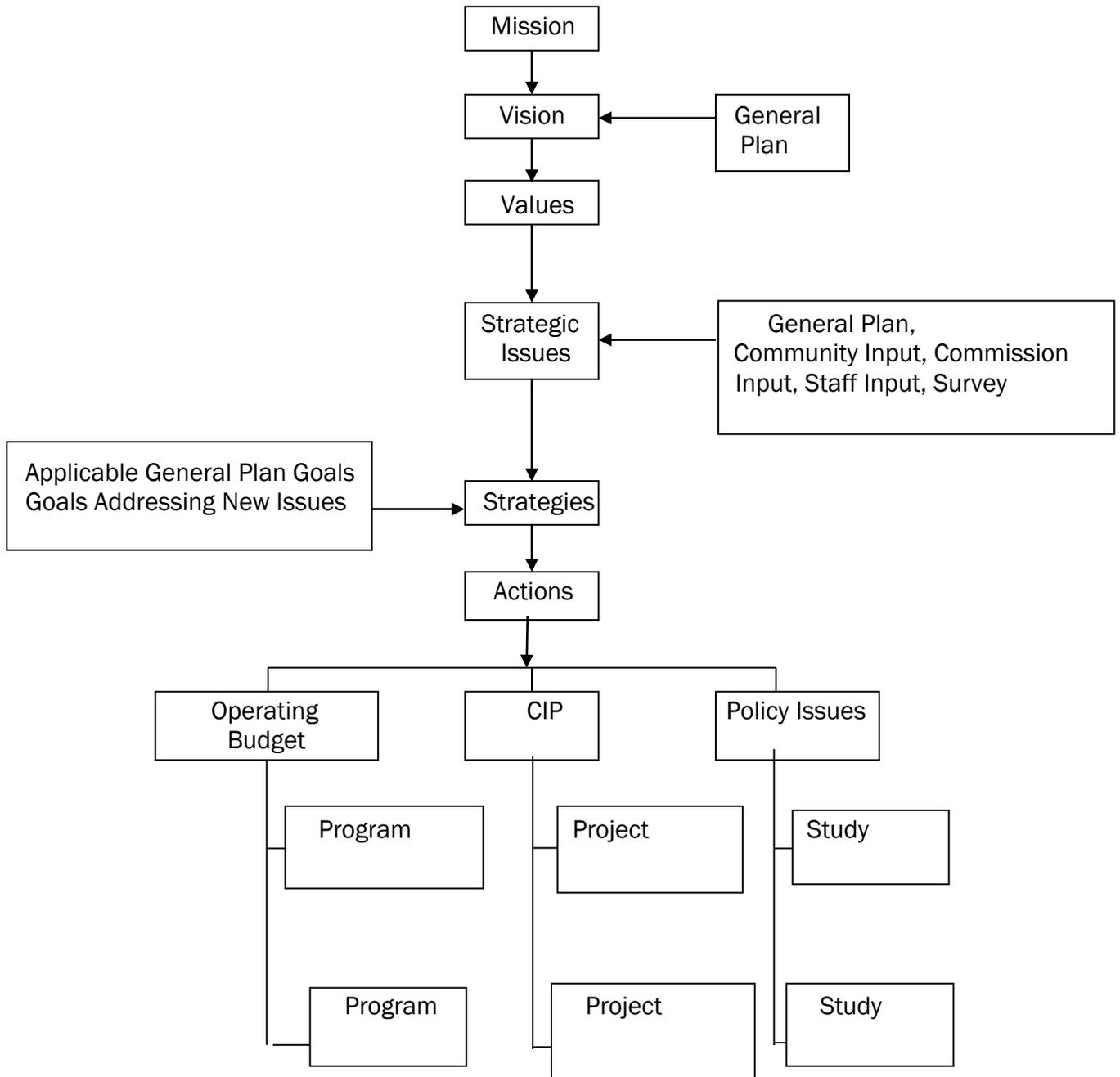
1. **BUDGET APPROPRIATION:** allocating our discretionary budget dollars to projects and programs that will address Strategic Plan Issues.
2. **DEPARTMENT STRATEGIC PLANS:** establishment of Strategic Plans by each department that include Actions that address Strategic Plan Issues.

3. **EMPLOYEE PERFORMANCE PLANS:** including objectives in the Performance Plan of every employee that addresses Strategic Plan Issues.

4. **MONITORING PLANS:**
 - a. Employee Performance Plans: supervisors personally review and discuss the employee's performance plan on an annual basis.
 - b. Strategic Action Plan: City Manager and Department Heads review progress once per month at staff meetings, and once per quarter at Council meetings.
 - c. Performance Measures: The 2013-2015 Budget has performance measures identified in each of the department narratives. These measures will be useful for tracking progress on both the Citywide Strategic Plan Actions, as well as other departmental priorities.

The following pages illustrate the process, as well as each of the City's Strategic Plan elements and together comprise the City's Strategic Plan for 2013-2015.

Benicia Strategic Planning Process



City of Benicia

Mission, Vision and Values

City Mission:

- **Excellent Service**

City Vision:

- **To work together to build a sustainable community and enhance the City's overall quality of life.**

City Values or Guiding Principles:

- **Respect**
- **Responsiveness**
- **Integrity**
- **Inclusiveness & Collaboration**
- **Teamwork**

The Mission Vision and Guiding Principles of the Strategic Plan are consistent with the General Plan. The Strategic Plan supports accomplishment of the goals of the General Plan via shorter-term strategies and actions.

STRATEGIC ISSUE 1: Protecting Community Health and Safety

STRATEGIES

- 1) Provide modern and functional public safety facilities
- 2) Maintain adequate staffing for public safety and a strong EMS program
- 3) Provide a high state of preparedness for disasters/emergencies
- 4) Promote community preservation and prevent nuisances through increased code enforcement, environmental strategies and community education
- 5) Promote community and personal health

ACTIONS

- 1) (a) Investigate funding strategies for a functional police building
(b) Evaluate need to replace emergency generators at Fire Station 11
- 2) (a) Maintain current public safety service levels
(b) Explore opportunities for resource sharing/collaboration with other fire service agencies
(c) Explore opportunities for consolidation of fire and emergency medical dispatch services with other agencies
- 3) (a) Educate our citizens on the Community Alert Notification System, and conduct EOC trainings
(b) Establish a community real-time air monitoring system to alert the City and affected community of significant air quality issues
(c) Conduct Emergency Operations Center Exercises, at least twice annually.
(d) Ensure all city employees are trained at the proper levels to meet the National Incident Management System Standards
- 4) (a) Leverage code enforcement resources to resolve systemic quality of life issues
(b) Utilize technology to produce an effective and efficient use of resources
- 5) (a) Continue to support the Benicia Youth Action Coalition, a community collaborative, working together to reduce the underage use of alcohol, tobacco, and other drugs (ATOD) by Benicia Youth
(b) Review smoking ordinance
(c) Utilize library services and programs to promote community health

STRATEGIC ISSUE 1: Protecting Community Health and Safety - Continued

PRIMARY GENERAL PLAN GOALS

- ▶ GOAL 2.28: Improve and maintain public facilities and services.
- ▶ GOAL 4.22: Update and maintain the City's Emergency Response Plan.



STRATEGIC ISSUE 2: Protecting and Enhancing the Environment

STRATEGIES

- 1) Reduce greenhouse gas emissions and energy consumption
- 2) Implement new water conservation projects/programs
- 3) Pursue and adopt sustainable practices
- 4) Protect air quality

ACTIONS

- 1) (a) Pursue financing mechanism for home and business renewable energy and/or energy conservation methods
: (b) "Buy green", if fiscally feasible
- 2) Pursue water conservation projects as opportunities arise
- 3) (a) Pursue LEED certification for community center
- 4) Pursue multiple mass transit opportunities

PRIMARY GENERAL PLAN GOALS

- ▶ Overarching Goal of the General Plan: Sustainability
- ▶ GOAL 2.36: Ensure an adequate water supply for current and future residents and businesses.
- ▶ GOAL 3.27: Improve energy efficiency.

STRATEGIC ISSUE 3: Strengthening Economic and Fiscal Conditions

STRATEGIES

- 1) Implement Economic Development Strategy
- 2) Strengthen Benicia Industrial Park competitiveness
- 3) Retain and attract business
- 4) Manage City finances prudently
- 5) Increase economic viability of industrial park and other commercial areas, while preserving existing economic strengths and historic resources

ACTIONS

- 1)
 - (a) Replace Nationwide sign with tourism sign on I-680 freeway
 - (b) Continue tourism brand promotion and marketing (e.g., tourism website)
 - (c) Formulate BIP Marketing program
 - (d) Continue funding for non-profit arts and culture organization grants
 - (e) Complete master plan for Downtown Waterfront Park
- 2)
 - (a) Continue to approve and implement road resurfacing projects
 - (b) Pursue and develop Benicia Industrial Park Broadband Project
- 3)
 - (a) Implement Business Development Action Plan
 - (b) Continue and expand business support tools and policies that balance sustainability with economic vitality
 - (c) Continue to collaborate with the Benicia Unified School District (BUSD) to support quality education
- 4) Prepare and maintain balanced budget with strong emergency and contingency reserve and internal service funds
- 5)
 - (a) Plan for sustainable Benicia Business Park including pursuing grants for transit oriented development area and Intermodal Station planning
 - (b) Plan for investment in the Arsenal including hazard remediation
 - (c) Update zoning code to encourage clean energy, high-tech R&D uses in industrial districts

STRATEGIC ISSUE 3: Strengthening Economic and Fiscal Conditions - Continued

PRIMARY GENERAL PLAN GOALS

- ▶ Overarching Goal of the General Plan: Sustainability
- ▶ GOAL 2.34: Ensure adequate school facilities to serve all residential areas.
- ▶ GOAL 2.35: Cooperate with the School District to provide opportunities for citizen use of the schools.
- ▶ GOAL 2.5: Facilitate and encourage new uses and development which provide substantial and sustainable fiscal and economic benefits to the City and the community while maintaining health, safety, and quality of life.
- ▶ GOAL 2.28: Improve and maintain public facilities and services.
- ▶ GOAL 2.7: Attract and retain industrial facilities that provide fiscal and economic benefits to – and meet the present and future needs of – Benicia.

STRATEGIC ISSUE 4: Preserving and Enhancing Infrastructure

STRATEGIES

- 1) Provide safe, functional and complete streets
- 2) Increase use of mass transit
- 3) Address technology needs
- 4) Provide adequate funding for ongoing infrastructure needs

ACTIONS

- 1) (a) Fund street maintenance at a level that will improve pavement management index rating
(b) Implement traffic calming work program
- 2) (a) Complete plans for and begin construction of a park-and-ride facility at W. Military at Southampton
(b) Continue to pursue designation for a WETA-Ferry stop in downtown area
(c) Continue planning for an intermodal transportation station in vicinity of Benicia Industrial Park and proposed Benicia Business Park
- 3) (a) Prepare a City government technology improvement plan
(b) Acquire and implement: 1) upgraded public safety technology, and 2) enhanced GIS capabilities
- 4) (a) Implement a plan for funding of reserves for vehicle, equipment and facilities infrastructure
(b) Fund bridge maintenance program

STRATEGIC ISSUE 4: Preserving and Enhancing Infrastructure - Continued

PRIMARY GENERAL PLAN GOALS

- ▶ Overarching Goal of the General Plan: Sustainability
- ▶ GOAL 2.15: Provide a comprehensive system of pedestrian and bicycle routes which link the various components of the community: employment centers, residential areas, commercial areas, schools, parks, and open space.
- ▶ GOAL 2.17: Provide an efficient, reliable, and convenient transit system.
- ▶ GOAL 2.19: Promote a regional (San Francisco, Oakland, Alameda) and local (Martinez, Port Costa, and Crockett) ferry service.
- ▶ GOAL 2.20: Provide a balanced street system to serve automobiles, pedestrians, bicycles, and transit, balancing vehicle-flow improvements with multi-modal considerations.
- ▶ GOAL 2.28: Improve and maintain public facilities and services.

STRATEGIC ISSUE 5: Maintain and Enhance a High Quality of Life

STRATEGIES

- 1) Operate community activity centers
- 2) Implement the Downtown Master Plan
- 3) Promote arts and culture
- 4) Preserve City-owned historic structures
- 5) Provide support to disadvantaged segments of the community
- 6) Support Benicia Public Library's ability to meet the public's expanding needs for information, communication and literacy

ACTIONS

- 1) (a) Continue to provide support for the library as a community center
- 2) (a) Pursue outside funds for Downtown improvements (streetscape, parking and traffic calming enhancements)
(b) Review mixed use and other alternatives for the City's E Street lot
- 3) (a) Pursue funding sources for arts and culture activities
- 4) (a) Continue to seek tenant for occupancy of Commanding Officer's Quarters
(b) Maintain City-owned historic structures (e.g. Benicia Historical Museum, SP Depot, Clocktower)
- 5) (a) Obtain grants to provide a transitional shelter
(b) Facilitate construction of affordable housing per updated Housing Element
(c) Continue funding for Human Services grants
- 6) (a) Provide ongoing support for library and literacy services
(b) Plan for future basement expansion

STRATEGIC ISSUE 5: Maintain and Enhance a High Quality of Life – Cont.

PRIMARY GENERAL PLAN GOALS

- ▶ Overarching Goal of the General Plan: Sustainability
- ▶ GOAL 2.11: Encourage the retention and continued evolution of the lower Arsenal into a historical/cultural/commercial/industrial center of mutually compatible uses.
- ▶ GOAL 2.12: Strengthen the Downtown as the City's central commercial zone.
- ▶ GOAL 2.30: Maintain and improve existing parks and recreation programs.
- ▶ GOAL 3.1: Maintain and enhance Benicia's historic character.
- ▶ GOAL 3.3: Increase public awareness of cultural resources and activities.
- ▶ GOAL 3.4: Support the library and the services it provides the community.

2013-15 Strategic Plan Appendix

The following City documents are existing plans, adopted by the City Council, that are relevant to the Strategic Plan.

- ▶ Downtown Historic Conservation Plan 1990
- ▶ Downtown Streetscape Design Plan 1990
- ▶ Arsenal Historic Conservation Plan 1993
- ▶ Parks Master Plan 1997
- ▶ Benicia General Plan 1999 and 2007-2014 Housing Element
- ▶ Downtown Mixed Use Master Plan 2007
- ▶ Economic Development Strategy 2007
- ▶ Strategic Tourism Marketing Plan 2008
- ▶ Benicia Climate Action Plan 2009
- ▶ Public Art Program 2012
- ▶ BIP Technology Needs Assessment 2012
- ▶ Business Development Action Plan 2012
- ▶ City of Benicia Emergency Operations Plan (2007)