



**BENICIA CITY COUNCIL
SPECIAL MEETING AGENDA**

**Dona Benicia Room
April 26, 2011
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. 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.

IV. CLOSED SESSION: (6:05 PM)

A. CONFERENCE WITH LABOR NEGOTIATOR

(Government Code Section 54957.6 (a))

Agency negotiators: City Manager, Administrative Services Director

Employee organizations: City Manager, City Attorney, Benicia Senior Management Group, Benicia Middle Management Group, Local 1, Benicia Public Service Employees' Association (BPSEA), Police Officers Association (BPOA), Benicia Firefighters Association (BFA), Benicia Dispatchers Association (BDA), Police Management, Unrepresented.

V. STUDY SESSION (7:00 PM):

**A. 2011-13 STRATEGIC PLAN UPDATE AND BUDGET STUDY SESSION.
(City Manager)**

At the March 22nd Council study session, staff reviewed proposed updates of the Strategic Plan with Council, as well as members of the various City Boards and Commissions. Staff has since reviewed the various comments and suggestions from the Boards and Commissions, as well as the public that spoke at the last study session, and will be presenting an updated version of the Strategic Plan to the Council on April 26th. Additionally, the second half of the study session will be devoted to a presentation on the anticipated budget shortfall for 2011-12, as well as the various assumptions relative to revenues/expenditures.

RECOMMENDATION:

- 1) Review proposed updates to the City's Strategic Plan and provide an opportunity for public input and Council direction; and**
- 2) Receive a presentation on the projected budget shortfall for 2011-12 and revenue/expenditure assumptions.**

VI. ADJOURNMENT (9:00 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

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact Anne Cardwell, the ADA Coordinator, at (707) 746-4211. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this 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 Clerks Office.

AGENDA ITEM
SPECIAL CITY COUNCIL MEETING: APRIL 26, 2011
BUDGET STUDY SESSION

DATE : April 21, 2011
TO : City Council
FROM : City Manager
SUBJECT : **2011-13 STRATEGIC PLAN UPDATE AND BUDGET STUDY SESSION**

RECOMMENDATION:

- 1) Review the proposed updates to the City's Strategic Plan and provide an opportunity for public input and Council direction; and
- 2) Receive a presentation on the projected budget shortfall for 2011-12 and revenue/expenditure assumptions, and give direction on the budget reduction target and next steps to address the budget shortfall

EXECUTIVE SUMMARY:

At the March 22nd Council study session, staff reviewed proposed updates of the Strategic Plan with Council, as well as members of the various City Boards and Commissions. Staff has since reviewed the various comments and suggestions from the Boards and Commissions, as well as the public that spoke at the last study session, and will be presenting an updated version of the Strategic Plan to the Council on April 26th. Additionally, the second half of the study session will be devoted to a presentation on the anticipated budget shortfall for 2011-12, as well as the various assumptions relative to revenues/expenditures.

STRATEGIC PLAN:

Relevant Strategic Plan Goals and Strategies:

- Strategic Issue 3: Strengthening Economic and Fiscal Conditions

BACKGROUND:

Strategic Plan Update:

As was reviewed at the March 22nd study session, the Strategic Planning process is a proven and thoughtful method for determining how an organization's resources can be most wisely allocated. In 2009, the City Council approved a comprehensive Strategic Plan document that identifies the Mission, Vision, Values and Guiding Principles of the City. It also presents a number of Strategic

Issues, Strategies and Actions. This Plan was developed after a fairly intensive process of soliciting input from the City's boards and commissions, employees and the public. Given the fairly comprehensive process that was conducted in 2009, as well as the need to respond to the projected deficit for next fiscal year, staff proposed a streamlined process for updating the Strategic Plan for 2011-13.

As part of that process, on March 22nd, the Council reviewed a number of staff updates to the 2009-11 Strategic Plan and received public input, both from members of the City's various boards and commissions as well as the general public, relative to potential updates to the Plan. City Board and Commission Members in attendance were then asked to review the information from the study session with their respective bodies at their next meeting, and submit any additional comments and suggestions for Council's consideration at the next study session on April 26th.

Attached please find an updated version of the draft 2011-13 Strategic Plan. The Plan document includes the changes proposed and accepted at the last study session. It also reflects, in strike-through format, staff's additional modifications to the Plan following review of a number of suggested revisions to strategies and actions received from Boards and Commissions, as well as the public input received at the March 22nd study session. To provide some background regarding several of the proposed modifications, attached to this report are the memos received from several of the various boards and commissions with suggested updates/revisions, as well as copies of a few comments received via email.

Finally, it is staff's view that the City will need to first address the anticipated shortfall for 2011-12 prior to adding new actions to the Strategic Plan. Thus, new actions that were suggested as part of the study session or submitted by a City board or commission have been added to a matrix of Proposed Strategic Actions for 2011-13. This matrix also includes a number of criteria that have been utilized in the past for prioritizing projects and programs. It is proposed that this matrix be utilized to rank the proposed strategic actions after the budget process, when staff can better determine what, if any, resources will be available to dedicate toward such actions.

Budget Forecast For FY 2011-13:

The Finance Department has been putting together the General Fund financial forecast for the next two-year budget cycle for the past several months. The project has been very difficult, given the continued decline in the economy. Since the beginning of the fiscal year, the City has experienced \$2.1 million in revenue decreases or expenditure increases and the losses are expected to continue through the end of the fiscal year.

The losses are centering around Property Taxes, Sales Taxes, Franchise Fees, and Utility User's Taxes. Assumptions have been updated with the most current information and the trends all appear to be negative. In addition to the revenue losses, the City's retirement costs and workers' compensation costs will increase significantly in the year's ahead. When the six areas are combined, it yields a significant shortfall for next year.

When it comes to projecting future budgets, the Finance Department relies on the Long Range Budget Model (the "Model"). The Model has been in existence for over two decades and has been revised on several occasions. At this point in time, the Model has been updated with the current fiscal year budget information that is based on the March 15, 2011 budget adjustments. The City's current fiscal position is then used to extrapolate growth rates for both revenues and expenditures into the future. Individual accounts may also be revised to reflect changing conditions in the economy or various other areas. This year's Model was also adjusted following the April 19th Council Meeting to show the Reserve Balance as a percentage of revenues, instead of expenditures.

Once the Model is updated and future growth rates are determined, it can be modified to show different fiscal scenarios. This year, three different scenarios were developed to reflect changes in the State, Regional and Local economies: a Best Case, a Worst Case and a Most Likely Scenario. The three scenarios differed by changes in the four largest revenue areas mentioned above and yielded results that differed by about \$600,000, which is plus-or-minus about 2% of the City's General Fund Budget.

In terms of confidence levels, the Most Likely Scenario reflects the highest level of confidence that revenues and expenditures will come in within an acceptable range of the predicted levels. Given the uncertain economy and variability of revenues over the last year, staff has also developed a Best Case and Worst Case Scenarios. In short, if we are to understand the methods needed to balance the General Fund Budget, we first need to understand the range of potential gains and losses.

The table below displays the results of the three different scenarios for Fiscal Year 2011-12, the first year in the next two-year budget cycle. The information has been lifted directly from each of the Model Scenarios and shows the required amounts necessary to balance the Operating Budget and to balance to the 20% Reserve Level. The Combined Adjustment Amount is the figure that will be used as a target for budget balancing efforts in the months ahead.

Table 1.

Long Range Budget Model for FY 2011-12			
Description	Worst Case Scenario	Most Likely Scenario	Best Case Scenario
Operating Revenues	\$ 29,450,000	\$ 30,240,000	\$ 31,000,000
Operating Expenditures	\$ (31,250,000)	\$ (31,260,000)	\$ (31,250,000)
Operating Surplus/(Deficit)	\$ (1,800,000)	\$ (1,020,000)	\$ (250,000)
Required Budget Adjustment	\$ 1,800,000	\$ 1,020,000	\$ 250,000
One-Time Revenues	\$ 10,000	\$ 10,000	\$ 10,000
One-Time Expenditures	\$ (460,000)	\$ (460,000)	\$ (460,000)
One-Time Surplus/(Deficit)	\$ (450,000)	\$ (450,000)	\$ (450,000)
Required Budget Adjustment	\$ 530,000	\$ 685,000	\$ 840,000
Combined Surplus/(Deficit)	\$ (2,250,000)	\$ (1,470,000)	\$ (700,000)
Required Budget Adjustment	\$ 2,330,000	\$ 1,705,000	\$ 1,090,000
Fund Balance	\$ 5,900,000	\$ 6,050,000	\$ 6,200,000
Reserve Percentage	20%	20%	20%

A copy of the Most Likely Budget Scenario is attached to this report. On page 4, entitled Revenue Assumptions, each of the growth assumptions for the major revenues are listed through the year 2020. The summary of the differences between the three scenarios can be seen in Table 2 below.

While it is important to compare the three scenarios to gauge the range of possibilities in the coming years, staff anticipates the Most Likely Scenario will be the closest to the final outcome. On the revenue side, each revenue item has been analyzed in detail in separate worksheets listing their receipts over the past several years, along with estimates of expectations for the next two year budget cycle. Property Taxes, Sales Taxes, Franchise Fees and Utility Users' Taxes are among those that resulted from the review. Also, as the year progresses, we will be refining the estimates based on current economic trends and future forecasting changes.

On the expenditure side, most of the information needed to accurately forecast employee compensation is already known. This is the largest portion of the expenditure budget, which narrows the range of fluctuation considerably. These items included Salary Levels, retirement rates, health insurance, and other employee benefit amounts. For these reasons and for purposes of comparing the different scenarios, expenditures remain the same in all three scenarios.

Table 2.

REVENUE ASSUMPTIONS - PERCENTAGE CHANGE			
Revenue Growth Assumptions	FY 2011-12		
	Worst Case Scenario	Most Likely Scenario	Best Case Scenario
Property Taxes - Secured	-2.00%	-0.60%	0.75%
Property Taxes - Unsecured	0.00%	-0.60%	0.00%
Property Taxes - Unitary	0.00%	-0.60%	0.00%
Property Taxes - Homeowners Exemption	0.00%	-0.60%	0.00%
Property Taxes - Supplemental	0.00%	34.00%	0.00%
Sales Tax	-5.00%	-2.00%	2.00%
Sales Tax - State Triple Flip	-25.00%	-25.00%	-25.00%
Utility User's Tax - PG&E	0.00%	2.00%	3.00%
Utility User's Tax - Cable	-2.00%	0.00%	2.00%
Utility User's Tax - Communications	-2.00%	1.00%	2.00%
Utility User's Tax - Valero	3.62%	3.62%	3.62%
Franchise Tax - Solid Waste	-2.00%	1.00%	2.00%
Franchise Tax - PG&E	-20.00%	-10.00%	0.00%
Franchise Tax - Cable	0.00%	1.00%	2.00%
Motor Vehicle Fees	-2.00%	0.00%	2.00%
Transient Lodging Tax	-20.00%	-15.00%	-10.00%
Real Property Transfer Tax	-30.00%	-20.00%	-10.00%
Business License Tax	-2.00%	0.00%	2.00%
Investment Earnings Rate	1.75%	2.00%	2.25%
Planning Related Fees	-30.00%	-20.00%	-10.00%
Building Related Fees	-20.00%	-10.00%	-5.00%
Engineering Related Fees	-30.00%	-20.00%	-10.00%
Police Revenues	-10.00%	-5.00%	0.00%
Fire Revenues	-10.00%	-5.00%	0.00%
Community Services Programs	-10.00%	-5.00%	0.00%
All Other Operating Revenues	-10.00%	-5.00%	0.00%
Valero VIP Property Tax Increase (\$0mm/\$50mm/\$100)	-	\$ 134,150	\$ 268,300

The Long Range Budget Model is a useful tool to help understand the magnitude of the budget problem the City is facing. As the Finance Department progresses through the budget cycle, the predictions will be refined to reflect changing conditions. It is expected that the changes will fall somewhere within a narrow band of the Most Likely Scenario and, assuredly, between the Best Case and Worst Case parameters.

Attachments:

- ❑ Strategic Plan (strike-out copy)
- ❑ Matrix of Proposed Strategic Actions for 2011-13
- ❑ Board and Commission memos/emails
- ❑ Mayor Patterson's comments
- ❑ Most Likely Budget Scenario



City of Benicia
Strategic Plan
FY 2011-2013

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.
- 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:

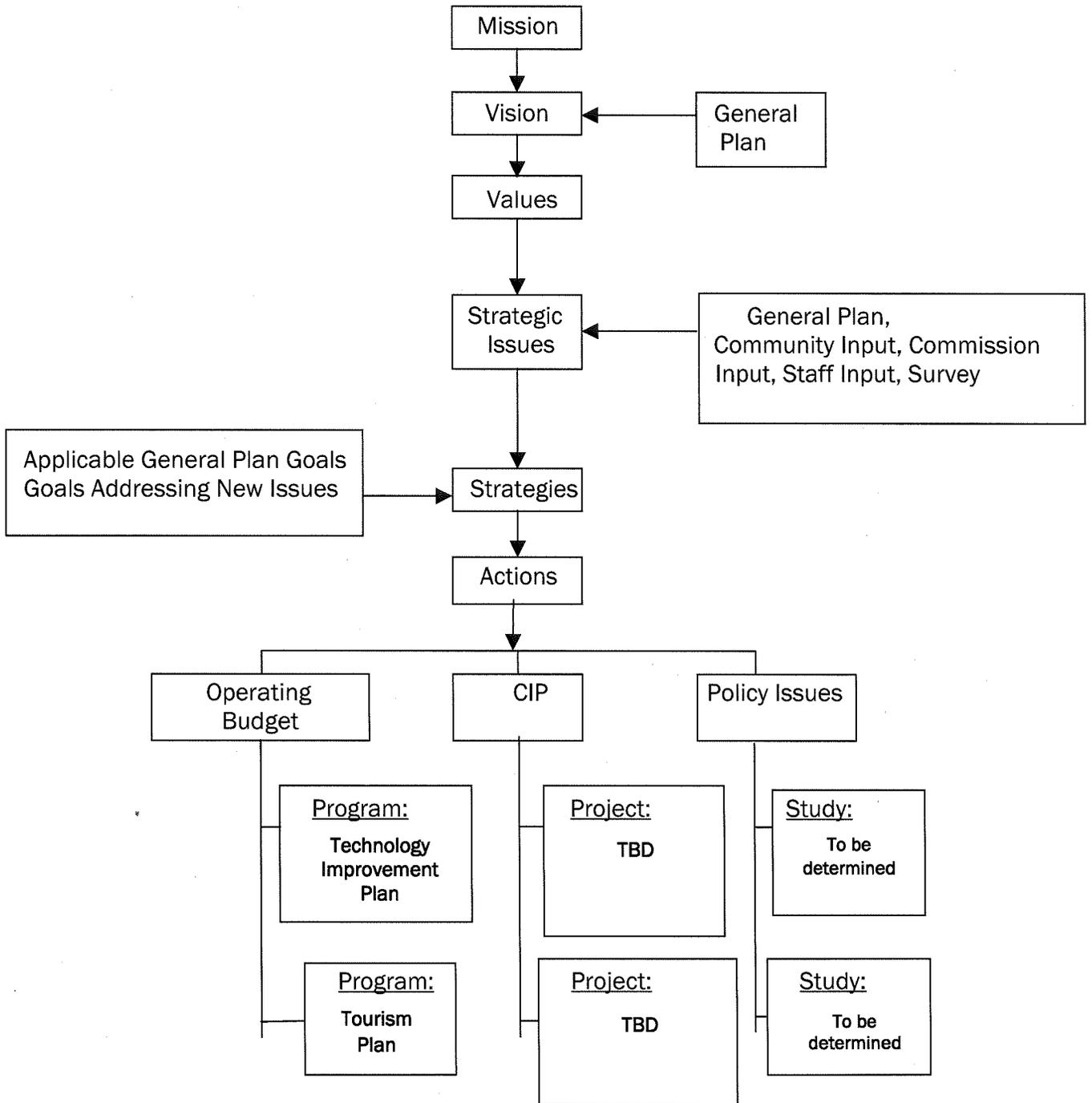
1. **BUDGET APPROPRIATION:** allocating our discretionary budget dollars to projects and programs that will address Strategic Plan Issues.
2. **DEPARTMENT STRATEGIC PLANS:** establishment of Strategic Plans by each department that include Actions that address Strategic Plan Issues.
3. **EMPLOYEE PERFORMANCE 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 -2011-2013 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 illustrates the process, as well as each of the City's Strategic Plan elements and together comprise the City's Strategic Plan for 2011-2013.

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 to enhance the City's overall quality of life.

City Values or Guiding Principles:

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

* The City of Benicia is committed to building and maintaining a healthy and safe community for current and future generations through preserving natural resources and the environment, fostering a healthy economy and meeting the basic needs of all residents with respect and cultural awareness. The three elements that help define sustainability (vibrant economy, healthy environment and social equity), allow the City, its businesses and its residents to meet the needs of today, while not compromising the ability of future generations to meet their needs.

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, particularly for Benicia's youth.

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) Address issues in healthy kids survey to reduce alcohol experimentation, access and use by Benicia Youth Continue to support the Benicia Youth Aciton Coalition, a community collaborative, working together to reduce the underage use of alcohol, tobacco, and other drugs (ATOD) by Benicia Youth
(b) Improve 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 solar, wind, renewable energy and/or energy conservation methods
(b) Facilitate private construction of at least one alternative energy project
(c) "Buy green", if fiscally feasible, when purchasing vehicles for City fleet
- 2) Pursue water conservation projects as opportunities arise
- 3) (a) Pursue LEED certification for community center
(b) Implement sustainable solid waste agreement
- 4) Pursue multiple mass transit opportunities (See Issue #4, Strategy/Action #2)

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

ACTIONS

- | | |
|--|---|
| <p>1) Implement Economic Development Strategy</p> | <p>1) (a) Update ED Strategy
 (b) Fund and prepare provide staff support for BID proposal
 (c) Replace Nationwide sign with tourism sign on I-680 freeway
 (d) <u>Continue</u> tourism brand promotion and marketing (e.g., <u>tourism website</u>)
 (e) Formulate BIP Marketing program
 (f) <u>Continue funding for non-profit arts and culture organization grants (See Issue #5/Action #3a)</u>
 (g) <u>Pursue planning grant for Downtown Waterfront Park (See Issue #5/Action #2c)</u></p> |
| <p>2) Strengthen Benicia Industrial Park competitiveness</p> | <p>2) Approve and implement a road resurfacing project (See Issue #4/Action #1a)</p> |
| <p>3) Retain and attract business</p> | <p>3) (a) Prepare Business Development Action Plan
 (b) Continue and expand business support tools and policies that balance sustainability with economic vitality</p> |
| <p>4) Manage City finances prudently</p> | <p>4) Prepare and maintain balanced budget with strong emergency reserve, capital <u>and vehicle</u> replacement funding</p> |
| <p>5) Increase economic viability of industrial park and other commercial areas, while preserving existing economic strengths and historic resources</p> | <p>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</p> |

PRIMARY GENERAL PLAN GOALS

- ▶ **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 ~~maintain~~ raise pavement management index rating (See Issue #3, Action #2)
(b) Obtain funding for and begin construction of Benicia Bridge /Arsenal Pedestrian Path Project
(c) Implement traffic calming work program
- 2) (a) Complete plans for and begin construction of park-and-ride facilities at City Park and W. Military at Southampton
(b) Continue to Ppursue designation for a WETA-Ferry stop in downtown area
(c) ~~Obtain funding for~~ Continue planning ~~of~~ 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

- ▶ **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) Open new community center
(b) 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) ~~Prepare and approve a~~ Review mixed use ~~project and other~~ alternatives for the City's E Street lot
(c) Pursue planning grant for Downtown Waterfront Park (See Issue #3/Action #1g)
- 3) (a) Continue funding for non-profit arts and culture organization grants (See Issue #3/Action #1f)
(b) Pursue funding sources for arts and culture activities
- 4) (a) Continue to seek tenant for occupancy of Commanding Officer's Quarters
(b) ~~Improve and restore~~ 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

- ▶ **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.

Projects	Source	(1) Add'l Cost / Staff Time	(2) Applicable Strategic Issues				(3) Top Investment Issues				(4) Top Survey Priorities					(5) Urgency	(6) Leverage	(7) Enables Completion of or Continuation of Important Projects, Programs & Svcs.	Total		
			Health & Safety	Env. Safety	Economic	Infrastr.	Quality of Life	Protecting Env.	Resources - Public Safety	Streets	Rec. town	Down town	Transit	Police Services	Emerg. Prep					Side-walks	Public Schools
Strategic Issue #1 - Protecting Community Health and Safety																					
Safe Routes for wheeling and walking	Mayor																				
Healthy Eating and Active Living resolution	Mayor																				
Positive programs in arts, culture and recreation	Mayor																				
Strategic Issue #2 - Protecting and Enhancing the Environment																					
Revitalization of City Green Team	Study Session																				
Strategic Issue #3 - Strengthening Economic & Fiscal Conditions																					
Financial Sustainability Commission	Study Session																				
Pursue Wi-Fi for Industrial Park	EDB																				
Develop full high speed broadband access to businesses in civic center, commercial centers, Ind. Park, port and lower arsenal	Mayor																				
Strategic Issue #4 - Preserving and Enhancing Infrastructure																					
Maintain, enhance and develop infrastructure including complete streets, low impact storm water management, broadband	Mayor																				

Projects	Source	(1) Addtl Cost / Staff Time	(2) Applicable Strategic Issues				(3) Top Investment Issues				(4) Top Survey Priorities					(5) Urgency	(6) Leverage	(7) Enables Completion of or Continuation of Important Projects, Programs & Svcs.	Total
			Health & Safety	Env.	Economic	Infrastr.	Quality of Life	Protecting Env.	Resources - Public Safety	Streets	Rec.	Down town	Transit	Police Services	Emerg. Prep				
Continue and expand traffic calming work program	Mayor																		
Seek funding to revise the Parks Master Plan.	Parks Comm.																		
Strategic Issue #5 - Maintain and Enhance a High Quality of Life																			
Action re: Importance of City Employees - Development Program, etc. Fund for historic preservation of facilities	Civil Service																		
	HPRC																		

- 1) Additional Cost/Staff Time: Indication whether adds cost and/or staff time
- 2) Strategic Issues Criteria: Each project was evaluated to determine which of the strategic issues it is best aligned with
- 3) Top Survey areas: Each project was evaluated to determine which of the top National Citizen Survey areas the project addresses
- 4) Key Drivers: Each project was evaluated to determine which of the key drivers from the National Citizen Survey the project addresses
- 5) Urgency: Each project was evaluated to determine if a significant opportunity will be lost if the action is not pursued immediately; or if a very significant adverse affect will occur if the action is not pursued immediately.
- 6) Leverage: Each project was evaluated Means pursuit of the action will attract substantial matching funds to complete the project
- 7) Enables completion of or continuation of important projects, programs or services: Means that the project is already underway and near completion and/or not pursuing the project will significantly impact continuation of important programs & services

2011-13 Strategic Plan Update
Summary of Comments from Boards & Commissions

Board or Commission	Comments	Response
Economic Development Board	Under Strategic Issue 3 - "Strategies" amended to "Economic Development Strategies"	The "Strategies" heading is the same for each Strategic Issue of the Plan – is not tailored for the Issue
	Continue Tourism Program as Strategy No. 1 under Strategic Issue 3	The Strategy "Implement Economic Development Strategy" encompasses the Tourism Program
	Add as an action for Strategic Issue 3/Strategy No. 1: Keep and maintain tourism website	Done – referenced under Action 1d
	Make "Tourism Brand Promotion and Marketing" the first action for Strategic Issue 3/Strategy No. 1	The actions are not listed in order of priority
	Have "Approve and Implement a Road Resurfacing Project" as an action in both Strategic Issue 3 and 4	Done – Cross referenced
	Add "Pursue Wi-Fi for Industrial Park" as Action 2 for Strategic Issue 3/ Strategy 2	This action has been added to the list of proposed Strategic Actions
	Move "Plan for Investment in the Arsenal" as the top action for Strategic Issue 3/Strategy No. 5	The actions are not listed in order of priority
	Benicia Arts & Culture Commission	Under Strategic Issue 3, Strategy 1, add Continue funding for non-profit arts and culture organization grants
Under Strategic Issue 5, Strategy 3, keep Action: Continue funding for non-profit arts and culture organization grants		Done

Note: Some Boards and Commissions provided additional comments/suggestions beyond recommended new actions. Please see attached memos/emails.

Board or Commission	Comments	Response
Board of Library Trustees	Under Strategic Issue 1, add as item 5c “Utilize library services and programs to promote community health”	Done – added to Plan
	Under Strategic Issue 5, add item 1b: “Provide ongoing support for the library as a community center”	Done – added to Plan
Parks, Recreation & Cemetery Commission	Strategic Issue 4, Strategy 4 – recommended that City seek funding to revise the Parks Master Plan	This action has been added to the list of proposed Strategic Actions
Civil Service Commission	Under Strategic Issue 5 – add an item addressing City employees, including need for an Employee Development Plan	This action has been added to the list of proposed Strategic Actions
Benicia Youth Action Coalition	Change Strategic Issue 1, Strategy 5, Action 5a: “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”	Done – added to Plan
Community Sustainability Commission	Allow all renewable energy possibilities in future home and business retrofit programs (not just solar and wind)	Done – added to Plan under Strategic Issue 2/Strategy 1/Action 1a
	Re-establish City green team	This action has been added to the list of proposed Strategic Actions
	Emphasize public transportation in any planning for future development at the business park site	Already noted in the Strategic Plan (Strategic Issue 4, Strategy 2, Action 2c)
	Increase green/hybrid vehicles in the City’s fleet	See Strategic Issue 2, Strategy 1, Action 1c
Historic Preservation Review Commission	Need a fund for historic preservation of facilities	This action has been added to the list of proposed Strategic Actions

Note: Some Boards and Commissions provided additional comments/suggestions beyond recommended new actions. Please see attached memos/emails.



**City Manager's Office
Division of Economic Development**

MEMORANDUM

Date: April 14, 2011
To: Anne Cardwell, Administrative Services Director
From: Mario Giuliani, Acting Economic Development Manager
Re: **EDB Strategic Plan Comments**

At the March 23rd EDB meeting, members of the EDB reviewed and discussed the revisions to the proposed 2011/2013 Strategic Plan. The primary change and comment offered by the EDB focused around tourism. Simply put, members of the EDB desired that tourism remain an independent strategy, rather than just an enumerated action. Below are their specific suggestions:

- “STRATEGIES” amended to “ECONOMIC DEVELOPMENT STRATEGIES”
- Continue Tourism Program as Strategy No. 1
- Add as an action for Strategy No. 1: Keep and maintain tourism website
- Make “Tourism Brand Promotion and Marketing” the number 1 action for strategy No. 1
- Have “Approve and Implement a Road Resurfacing Project” as action in both Strategic Issue 3 and 4.
- Add “Pursue Wi-Fi for Industrial Park” as Action 2 for Strategy 2.
- Move “Plan for Investment in the Arsenal” as the top action for Strategy No. 5.

cc: Economic Development Board

Memo

To: Brad Kilger, City Manager
Anne Cardwell, Administrative Services Director

From: Diane Smikahl, Library Director

Date: April 18, 2011

Re: Strategic Plan comments from Benicia Arts & Culture Commission

The Commission met on April 14 and discussed the Strategic Plan. Attached are there comments and suggestions.

Thank you.

**2011-13 City of Benicia Strategic Plan
Comments/Suggestions for Council Consideration**

Respectfully submitted by
Benicia Arts and Culture Commission, April 5, 2011

Suggestion 1:

Under **SRATEGIC ISSUE #3: Strengthening Economic and Fiscal Conditions, STRATEGY 1. Implement Economic Development Strategy, ACTIONS, add:**

6) Continue funding for non-profit arts and culture organization grants

Reasoning:

The continued funding of arts and culture grants is an economic issue. Without funding, these organizations will most likely make cuts in programs and offerings. Program cutbacks mean fewer draws for visitors and tourists leading to a decrease in economic return for our City. An investment in arts and culture non-profits supports tourism.

Benicia’s arts and culture non-profits significantly contribute to the number of event attendees by both Benicia residents and residents outside Benicia. It is the assumption of the Benicia Arts and Culture Commission (BACC) that these arts and culture organizations contribute directly to the number of ‘tourists’ that come to Benicia providing a valuable source of City and community revenue. BACC has quantified the number of event attendees using information received from those groups presently funded or requesting funding. The estimated numbers include:

Organization	Unduplicated Benicia Residents Served	Estimated Number Outside Benicia	Serving Community Since	Notes
VOENA	4,000 including ticketed & non-ticketed audiences	6,000	1994	Numbers include National & International Tours
TULA	Benicia Community	NA	1979/2002	
Benicia Performing Arts	3,000	150	2004	
Benicia Old Time Theatre Group	2,830	708	1964	
Benicia Community Arts	Attendees Art in the Park	Not Known	1,982	2011- 13 BCA Reorganized to include only Art in the Park
Benicia Ballet	80-100 Student Participation / 300 - 400 residents	4	2,002	Reflects 2011 new Summer Intensive Course & Performance Only
Arts Benicia	7 - 10,00	2,125	1988	

Suggestion 2:

Under **STRATEGIC ISSUE #5: Maintain and Enhance a High Quality of Life,**
STRATEGY 3: Promote arts and culture, ACTIONS, keep:

3) (a) Continue funding for non-profit arts and culture organization grants

Reasoning:

Vibrant arts and culture offer an intrinsic value, leading to a higher quality of life.

Summary:

BACC is recommending “Continue funding for non-profit arts and culture organization grants” as an action item under both STRATEGIC ISSUE 3 and STRATEGIC ISSUE 5 as this action serves two strategic issues.

BACC also strongly requests that the City Council continues its full financial support of these organizations. As the Strategic plan is being reviewed, it would be remiss to decrease and/or eliminate financial support for these groups. These non-profits continually increase economic returns while significantly contributing to the quality of community life and identity.



To: Brad Kilger, City Manager
From: Diane Smikahl, Library Director
Date: April 15, 2011
Re: Board of Library Trustees comments

Several trustees were at the Council meeting that discussed the Strategic Plan update, and the Board discussed the Strategic Plan at some length at their April 12 meeting. Their input/comments follow.

Under Issue 1, we propose adding item 5c. "Utilize library services and programs to promote community health."

Explanation: The library already provides educational services and materials, as well as educational programs that would lend themselves to city support of efforts to promote health in people of all ages.

Under Issue 5, we propose adding item 1b. "Provide ongoing support for the library as a community center."

Explanation: The library has served as a community center for many years, and will continue to provide after-school programs and educational activities for children, as well as activities and programs for teens and adults, even after the completion of the new community center. These ongoing, very popular programs cannot be supplanted by the new community center, and therefore should continue to be supported by the city.

We also note that items listed under Issue 5, Quality of Life, including library and literacy services, have a significant impact on economic development, and suggest that this impact be noted in the strategic plan.



Parks and Community Services

MEMORANDUM

Date: April 14, 2011
To: Anne Cardwell, Administration Services Director
From: Mike Dotson, Assistant Director Parks & Community Services Department
Re: **STRATEGIC PLAN UPDATE**

The following are the comments and suggestions made by the Parks, Recreation, and Cemetery Commission on Wednesday, April 13, 2011 regarding the 2011-13 Strategic Plan update.

Strategic Issue 5: Maintain and Enhance a High Quality of Life

Strategy 4: Preserve City-owned historic structures

Action 4: (a) Continue to seek tenant for occupancy of Commanding Officer's Quarters

The Commission recommended that if after September 2011 a tenant for the COQ is not secured the facility becomes a rental facility for non-profit/resident/non-resident use, managed by the Parks and Community Services Department.

Strategic Issue 4: Preserving and Enhancing Infrastructure

Strategy 4: Provide adequate funding for ongoing infrastructure needs

The Commission recommended that we seek funding to revise the Parks Master Plan. It is staff's recommendation that this be included in Strategic Issue 4, Strategy 4, Action c.



City Manager's Office
MEMORANDUM

Date: April 19, 2011
To: Brad Kilger, City Manager
From: Anne Cardwell, Administrative Services Director
Re: Civil Service Commission: Strategic Plan Recommendations

The Civil Service Commission noted that, in addition to the prior recommendations they made as part of the 2009-11 Strategic Plan process (see attached), they would also like to see an Action Item added under Strategic Issue #5 regarding City employees, and specifically noted the need for an Employee Development Program.



Human Resources Department
MEMORANDUM

DATE: March 18, 2009
TO: Jim Erickson, City Manager
FROM: Valerie Ruxton, Human Resources Manager
RE: **Civil Service Commission: Strategic Plan Recommendations**

In conjunction with the City's Strategic Plan Update and invitation for Commissions to participate in the process, the Civil Service Commission is submitting the following recommendations of importance for the employees of the City.

- ◆ Promote a safe and healthy environment, which has a direct impact on the City's ability to recruit, retain and promote employees. (For example, finding permanent housing for the City Attorney's office and Human Resources, including additional space for training and testing.)
- ◆ Continue to promote openness and inclusiveness in the Strategic Plan process by inviting employees, as stakeholders, to participate in the Strategic Plan process.
- ◆ Undertake aggressive recruitment processes to fill key positions at the policy-making level in the organization. Cast a "wide-net" in an effort to identify and attract the best and the brightest at this level.
- ◆ Develop and implement programs to address culture gaps identified through the recent employee survey process; re-survey to measure the success of these efforts no less frequently than every two years.

Cc: Anne Cardwell, Administrative Services Director
Kim Imboden, Sr. HR Analyst (Civil Service Commission Secretary)



Benicia Youth Action Coalition

Our Mission:

The mission of the **Benicia Youth Action Coalition (BYAC)**, a community collaborative, is to encourage the healthy growth of Benicia youth by sponsoring comprehensive programs, maximizing available resources, and obtaining financial support for activities which will reduce the use of alcohol, tobacco and other drugs (ATOD) by Benicia's youth and support a strong sense of responsibility to self, culture and society.

TO: Anne Cardwell
Administrative Services Director

FROM: Patti Baron, Coordinator
Benicia Youth Action Coalition

RE: City's Strategic Plan

I had the opportunity to attend the City's Strategic Plan meeting on behalf of the Benicia Youth Action Coalition. We would like to offer a change to the Strategic Issue #1: Protecting Community Health and Safety, Strategy #5(a) statement.

We would like to expand the statement to incorporate all of the issues, not just alcohol that the City's Youth Action Coalition's mission, goals and programs are currently addressing for Benicia's youth.

Below is our suggested statement:

“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.”

Thank you for the opportunity to allow us to offer our recommendations and we look forward to working with you on this matter.

Sponsored by
City of Benicia
Benicia Police Department
Solano Board of Supervisors
Reducing Rates Coalition

From: Charlie Knox
To: Doug Vu
Date: 3/25/2011 10:37:23 AM
Subject: Re: Strategic Plan Study Session - Follow up

Doug-

I let Anne know CSC would not be meeting until May, so Doug please send the Commissioners the following:

Dear Commissioners,

Thank you for the great CSC participation at the City Council meeting with boards and commissions on March 22 to discuss the City's Strategic Plan.

Constance, Kathy, Rae Lynn, Larry and Marilyn attended (we had the best attendance of any board/commission).

Council was very receptive to comments on the Strategic Plan from our commissioners, which included:

- *allow all renewable energy possibilities in future home and business retrofit programs (not just solar and wind)*
- *re-establish the City green team*
- *emphasize public transportation in any planning for future development at the business park site*
- *increase green/hybrid vehicles the City fleet*

Council will consider these and any other comments you wish to provide at a follow-up public meeting on April 26.

If you have additional comments, please send them to me, and I'll make sure they are included in the Council packet.

Thanks.

>>> Anne Cardwell 3/25/2011 10:20 AM >>>

Hello,

Thanks to everyone for the help in getting the info. out regarding Tuesday evening's study session to the various board and commission members.

Just a reminder, if, at your next meeting, your respective boards and commissions have any additional comments/suggestions on the Strategic Plan - if you can please get those to me by the morning of April 21st, then they can be included in the packet for the next study session on April 26th.

Thanks!
Anne

CC: Anne Cardwell; Gina Eleccion; Lisa Porras; Melissa Morton

From: Gina Eleccion
To: Anne Cardwell
Date: 4/14/2011 1:40:32 PM
Subject: Fwd: RE: Study Session on 3/22 - City's Strategic Plan

The only other comment I got is from Chair Haughey regarding COQ and Depot maintenance and fund for preservation.

>>> toni haughey <tonihaughey@hotmail.com> 3/10/2011 2:45 PM >>>

Hi All...I will be out of town. Who would like to go to this meeting? It's important. Money is needed to maintain the commanding officer's quarters and the depot is starting to show a lot of wear and tear. There has to be a fund for preservation. Let me know. Toni

Toni Haughey
707-494-4224

Date: Thu, 10 Mar 2011 13:41:42 -0800
From: Gina.Eleccion@ci.benicia.ca.us
To: Doug.Vu@ci.benicia.ca.us; Gina.Eleccion@ci.benicia.ca.us; dcrompton@ci.danville.ca.us; mwbenicia@comcast.net; tonihaughey@hotmail.com; chuckmang@sbcglobal.net; tktoride@sbcglobal.net; steve@smckee.com; jonvanland@yahoo.com
CC: Anne.Cardwell@ci.benicia.ca.us; Tonya.Gilmore@ci.benicia.ca.us
Subject: Fwd: Study Session on 3/22 - City's Strategic Plan

Historic Preservation Review Commissioners,

See attached email regarding the March 22nd budget session. Given the possibility of Brown Act issues, we would like attendance to be limited to two members of each commission. Please work directly through Toni to determine who will be attending.

Toni - Once determined, please let me know which HPRC members will be attending.

Thank you!

Gina

Hello,

On **March 22nd**, the Council will have its next **budget study session** meeting in the **Dona Benicia Room at 6 pm**. The focus of that meeting will be a review of the City's Strategic Plan and proposed updates to the Plan.

As has been noted at recent Council meetings, the Strategic Plan update process is somewhat abbreviated this year due to the condensed timeline for achieving a balanced budget for the next fiscal period. To that end, City staff is asking the various City boards and commissions to have at least one or two of their representatives come to the 3/22 Council study session on the Strategic Plan. Those board and commission members will be encouraged to take the information they obtain at the session back to their respective boards and commissions and, at their next meeting, consider any additional modifications they may wish to recommend to Council.

Any suggested modifications from the boards and commissions can then be forwarded to the City

From: Anne Cardwell
Subject: Fwd: Re: Fw: Tuesday, Budget Study Session

>>> Gina Eleccion 4/14/2011 1:39 PM >>>
One comment from HPRC Commissioner Taagepera regarding grants.

>>> Leann Taagepera <tktoride@sbcglobal.net> 3/22/2011 2:15 PM >>>
What I'd want to make sure the Council knew is that as a CLG, we are eligible for grants for historic preservation projects, so outside funding for thing(s) on the priority may be possible and we have volunteers to assist with projects, as well.

Thanks!

Leann

Anne Cardwell - Fwd: Re: Strategic Actions - comments

From: Anne Cardwell
Subject: Fwd: Re: Strategic Actions - comments

The following comments focus on the short-term update of the Strategic Policies. An **overarching theme** is to maximize job retention and job creation both for the immediate future as well as for the sustainable budget. The approach for this theme is based on the new economy, an economy in transition and demographics in concert with what other communities are achieving successfully. In short, the **quality of life** is fundamentally the most important element for retaining and recruiting workers and businesses.

Therefore: it would be helpful to "list" the quality of life issues that contribute to the theme and approach above (see Strategic Issue 5):

- schools
- small town with historic district(s)
- wheeling and walking capacity
- independent retail stores
- setting - waterfront and proximity to big metropolitan activities and economic and academic centers
- public involvement

Strategic Issue 1: Health and Safety - add

safe routes for wheeling and walking
 Healthy Eating and Active Living (adopted resolution)
 positive programs in arts, culture and recreation add to health and safety - general
 community welfare IS health and safety

Strategic Issue 3: Economic and Fiscal

- 1) add: Maintain tourism website
- 2) add: develop full high speed broadband access at reasonable cost to all businesses in city civic center, commercial centers, and Industrial Park, Port, and Lower Arsenal

Strategic Issue 4: Preserving Enhancing Infrastructure

maintain, enhance and develop infrastructure including complete streets, low impact storm water management (drainage), broadband.

insert at (c) continue and expand traffic calming work program

Again, I encourage the use of the matrix of strategic block building with the example I

mentioned:

Traffic calming is also way finding which is also economic development and requires complete streets and pavement in good condition for bicycling and sidewalks for walking.

Let me know if you need further clarification of my comments.

Elizabeth

Elizabeth Patterson

Mayor

707.746.5668

ELOPATO@ELIZABETHPATTERSON.COM

www.elizabethpatterson.blogspot.com

It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so.

Mark Twain

Most Likely Scenario
EXHIBIT I
Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario
Includes Audited Results for FY 2009-10

Operational Assumptions

- (1) Includes March 15, 2011 Budget Adjustments for FY 2010-11 and Forecast Adjustments for FY 2011-12
- (2) Valero VIP expected to be \$50 million in FY 2011-12 and result in Property Taxes of \$134,150 but then decline 10% per year due to depreciation and lack of further VIP.
- (3) Includes \$0 in additional State takeaways beginning in FY 10-11.
- (4) Changing future Interest Earnings Rate from 3.5% to 2%
- (5) Includes 0% Salary growth in FY12, 0% in FY13 and 2.75% thereafter.
- (6) Includes returning to scheduled contributions to Internal Service Funds beginning at 30% in FY 2010-11.
- (7) Includes Health Premium increases at 5%.
- (8) Includes all debt service, with Wastewater Advance recorded as Non-Recurring Expense of \$260,000.
- (9) Includes adding back \$150,000 in general operating expenditures beginning FY 2011-12.
- (10) Includes Cell Tower Income of \$160,000.
- (11) Includes reduction in PG&E Franchise Fees of \$100K in FY 2011-12.
- (12) Includes additional reduction in Sales Taxes of \$85K in FY 2011-12.
- (13) Includes additional reduction in Property Taxes of \$48K in FY 2011-12.
- (14) Includes Increase of \$260,000 for Solid Waste Franchise in FY 2011-12.

Non-Recurring Assumptions

- (1) Includes \$200,000 in supplemental CIP in FY 2012 and increases by \$25,000 per year thereafter.

Trends

- (1) With Policy Adjustments: Shortfall of **\$1.7 million** in FY 2011-12 and **\$1.7 million** FY 2012-13
- (1) With Policy Adjustments: Average annual shortfall of **\$2.1 million** over 5 years from FY2012-2016.

EXHIBIT II (a) With Policy Adjustments

SUMMARY

Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario

SCENARIO -4- Amended Budget 2010-11	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	1	2	3	4	5	6	7	8	9	10
Beginning Fund Balance	\$6,551,010	\$5,812,500	\$6,048,003	\$6,130,574	-\$12,159,423	-\$31,024,005	-\$36,622,907	-\$42,327,341	-\$48,151,887	-\$54,088,109
Operational Revenues and Expenditures										
Operating Revenues	30,708,280	30,240,014	30,652,868	13,107,795	13,526,078	27,851,970	28,862,585	29,863,294	30,908,095	31,999,232
Growth in Revenues	2.1%	-1.5%	1.4%	-57.2%	3.2%	105.9%	3.6%	3.5%	3.5%	3.5%
Operating Expenditures	(30,908,670)	(31,260,788)	(31,805,242)	(33,275,112)	(34,236,838)	(35,427,016)	(36,667,980)	(37,750,490)	(38,849,699)	(39,989,845)
Growth in Expenditures	0.2%	1.1%	1.7%	4.6%	2.9%	3.5%	3.5%	3.0%	2.9%	2.9%
Required Operating Rev/Exp Adjustments		1,020,774	1,152,374	1,691,089	1,644,519	1,761,506	1,875,584	1,838,790	1,772,228	1,697,850
	0.0%	-3.3%	-3.6%	-5.1%	-4.8%	-5.0%	-5.1%	-4.9%	-4.6%	-4.2%
Operating Surplus / (Deficit)	(200,390)	0	(0)	(18,476,228)	(19,066,241)	(5,813,540)	(5,929,811)	(6,048,407)	(6,169,376)	(6,292,763)
Percentage (Rev/Exp)	-0.6%	-3.3%	-3.6%	-60.6%	-60.5%	-21.4%	-21.3%	-20.9%	-20.4%	-20.0%
Non-Recurring Revenues and Expenditures										
One-Time Revenues	874,395	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
One-Time Expenditures	(3,412,515)	(460,000)	(485,000)	(510,000)	(535,000)	(560,000)	(325,000)	(350,000)	(375,000)	(400,000)
Required One-Time Rev/Exp Adjustments	0	685,503	557,571	686,231	726,659	764,638	540,377	563,861	598,154	632,905
One-Time Surplus / (Deficit)	(2,538,120)	235,503	82,571	186,231	201,659	214,638	225,377	223,861	233,154	242,905
Combined Surplus / (Deficit)	(2,738,510)	235,503	82,571	(18,289,997)	(18,864,582)	(5,598,902)	(5,704,434)	(5,824,546)	(5,936,222)	(6,049,858)
Percentage (Comb.Rev./Comb.Exp.)	-8.0%	-4.6%	-5.0%	-61.2%	-61.1%	-22.6%	-22.0%	-21.6%	-21.2%	-21%
Combined Rev/Exp Adjustments	0	1,706,277	1,709,945	2,377,320	2,371,178	2,526,144	2,415,961	2,402,651	2,370,382	2,330,755
Balance Sheet Adjusts (No Marina/Vila/Valero)	2,000,000	0	0	0	0	0	0	0	0	0
SCENARIO -4- Amended Budget 2010-11										
Ending Fund Balance	\$5,812,500	\$6,048,003	\$6,130,574	-\$12,159,423	-\$31,024,005	-\$36,622,907	-\$42,327,341	-\$48,151,887	-\$54,088,109	-\$60,137,967
Reserve Percentage (FB/Op. Exp.)	18.9%	20.0%	20.0%	-92.8%	-229.4%	-131.5%	-146.7%	-161.2%	-175.0%	-187.9%
Gap to 20% Reserve Level	(329,156)	0	0	(14,780,982)	(33,729,220)	(42,193,301)	(48,099,858)	(54,124,546)	(60,269,728)	(66,537,813)
5-Year Average from 2011-2015 - With Policy Adjustments						\$2,138,173				

EXHIBIT III(a)
REVENUE DESCRIPTIONS

Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario

SCENARIO -4- Amended Budget 2010-11

Property Taxes - Secured	Taxes based on assessed value of real property as of December 31 and due December 10 and April 10. Valero has Personal Property taxed as Secured Property.
Property Taxes - Unsecured	Taxes based on assessed value of personal property as of December 31 and due December 10 and April 10.
Property Taxes - Unitary	State assessed taxes on railroads, PG&E lines and other utility companies.
Property Taxes - Homeowners Exemption	The California constitution provides a \$7,000 reduction in the taxable value for a qualifying owner-occupied home.
Property Taxes - Supplemental	Additional taxes assessed after the sale of real property for more than its Assessment Roll Value.
Property Taxes - Combined	
Sales Tax	Tax imposed on retailers within the City for the privilege of selling tangible personal property at retail prices.
Sales Tax - State Triple Flip	Sales tax remitted by the County, through the property tax apportionment, as a result of the State FY2004-05 budget adoption.
Sales Taxes - Combined	
Utility User's Tax - PG&E	Excise tax of 4% of gross revenues imposed on utility providers within the City, in this case PG&E.
Utility User's Tax - Cable	Excise tax of 3.5% of gross revenues imposed on cable providers within the City.
Utility User's Tax - Communications	Excise tax of 3.5% of gross revenues imposed on tele-communication providers within the City.
Utility Users' Tax - Combined	
Utility User's Tax - Valero	Excise tax collected through agreement of 4% imposed on Valero and based on rolling 5-year average.
Franchise Tax - Solid Waste	Tax or assessment imposed to a sole service provider who has a contractual agreement with the City to provide waste management.
Franchise Tax - PG&E	Tax or assessment imposed to a sole service provider who has a contractual agreement with the City to provide gas & electric services.
Franchise Tax - Cable	Tax or assessment imposed to a sole service provider who has a contractual agreement with the City to provide cable services.
Franchise Tax - Combined	
Motor Vehicle Fees	Licensing Fee collected by California DMV and transferred to the City. 1/3 from car owner and 2/3's from pass-thru.
Transient Lodging Tax	9% Tax imposed on persons occupying a hotel/motel for a period of 29 consecutive days or less.
Real Property Transfer Tax	Tax of \$.55 per \$1,000 imposed on any transfer, conveyance or sale of realty.
Business License Tax	Tax imposed on doing business within the city limits.
Investment Earnings Rate (Actual rate beginning 2012)	Interest earned on Investments.
Building Related Fees	Building Permits and Plan Check Fees collected from persons improving properties or constructing new properties.
Police Revenues	Proposition 172 Public Safety Tax, Dog Licenses, Vehicle Code Fines, Traffic Fines, Special Police Services, Reimbursed Overtime, POST Training Reimbursement.
Fire Revenues	Public-Private EMS Partnership, Special Fire Services, Reimbursed Overtime.
Community Services Programs	Building Rents, Indoor Facilities, Outdoor Facilities, Swimming, Specialty Classes, Recreation Programs, Sports at Lake Herman.
All Other Operating Revenues	The balance of all the other revenue accounts.
Valero VIP Property Tax Increase	Property Taxes resulting from the construction of new facilities related to the Valero Improvement Project. Estimated at \$50 million over 4 year period.

**EXHIBIT III(b)
REVENUE ASSUMPTIONS**

Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario

SCENARIO -4- Amended Budget 2010-11	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	1	2	3	4	5	6	7	8	9	10
REVENUE GROWTH ASSUMPTIONS										
Property Taxes - Secured	0.72%	-0.60%	2.00%	3.00%	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Property Taxes - Unsecured	-10.12%	-0.60%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Property Taxes - Unitary	4.51%	-0.60%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Property Taxes - Homeowners Exemption	0.51%	-0.60%	2.00%	3.00%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Property Taxes - Supplemental	0.00%	34.00%	25.00%	50.00%	50.00%	25.00%	25.00%	10.00%	10.00%	10.00%
Property Taxes - Combined	0.84%	-0.39%	2.18%	-100.38%	-315.13%	13756.91%	5.27%	4.93%	4.94%	4.96%
Sales Tax	0.36%	-2.00%	2.00%	4.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Sales Tax - State Triple Flip	6.63%	-25.00%	-2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Sales Taxes - Combined	2.01%	-8.32%	2.00%	-79.33%	1.92%	2.00%	2.00%	2.00%	2.00%	2.00%
Utility User's Tax - PG&E	7.68%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Utility User's Tax - Cable	3.79%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Utility User's Tax - Communications	0.42%	1.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Utility Users' Tax - Combined	4.55%	1.08%	2.36%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Utility User's Tax - Valero	2.98%	3.62%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Franchise Tax - Solid Waste	106.90%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Franchise Tax - PG&E	29.22%	-10.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Franchise Tax - Cable	-0.30%	1.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Franchise Tax - Combined	29.69%	0.99%	4.56%	-53.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Motor Vehicle Fees	0.66%	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Transient Lodging Tax	31.45%	-15.00%	0.00%	5.00%	4.00%	3.00%	2.00%	2.00%	2.00%	2.00%
Real Property Transfer Tax	47.11%	-20.00%	0.00%	5.00%	5.00%	5.00%	5.00%	2.00%	2.00%	2.00%
Business License Tax	0.14%	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Investment Earnings Rate (Actual rate beginning 201	12.76%	2.00%	2.25%	2.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Planning Related Fees	0.70%	-20.00%	0.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Building Related Fees		-10.00%	0.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Engineering Related Fees	5.71%	-20.00%	0.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Police Revenues	0.70%	-5.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Fire Revenues	5.71%	-5.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Community Services Programs	2.75%	-5.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
All Other Operating Revenues	-39.62%	-5.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Valero VIP Property Tax Increase		134,150	118,150	102,150	86,150	70,150	54,150	38,150	22,150	6,150

**EXHIBIT IV Without Policy Adjustments
EXPENDITURE ASSUMPTIONS**

Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario

SCENARIO -4- Amended Budget 2010-11	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	1	2	3	4	5	6	7	8	9	10
Public Safety PERSable Salary & Retirement										
Public Safety Administration	(1,042,260)	(957,177)	(957,177)	(983,499)	(1,010,546)	(1,038,336)	(1,066,890)	(1,096,229)	(1,126,376)	(1,157,351)
Growth Rate	-9.71%	-8.16%	0.00%	2.75%						
PERS Employer Rate	20.88%	25.82%	26.60%	30.40%	31.00%	31.50%	32.10%	31.00%	30.00%	29.00%
PERS Employer EPMC	3.98%	2.32%	2.39%	2.74%	2.79%	2.84%	2.89%	2.79%	2.70%	2.61%
Pension Bond Surcharge	14.37%	12.25%	12.25%	12.25%	12.25%	12.25%	12.25%	12.25%	12.25%	12.25%
PERS Employee Share	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Combined City-paid PERS Rate	48.23%	49.39%	50.24%	54.39%	55.04%	55.59%	56.24%	55.04%	53.95%	52.86%
PERS Cost	(502,713)	(472,797)	(480,924)	(534,886)	(556,204)	(577,159)	(600,008)	(603,365)	(607,680)	(611,776)
Public Safety Sworn Officers	(5,973,170)	(6,031,110)	(6,031,110)	(6,196,966)	(6,367,382)	(6,542,485)	(6,722,403)	(6,907,270)	(7,097,219)	(7,292,393)
Growth Rate	1.55%	0.97%	0.00%	2.75%						
PERS Rate (Employer Share)	20.88%	25.82%	26.60%	30.40%	31.00%	31.50%	32.10%	31.00%	30.00%	29.00%
Pension Bond Surcharge	14.37%	12.25%	12.25%	12.25%	12.25%	12.25%	12.25%	12.25%	12.25%	12.25%
Combined City-paid PERS Rate	35.25%	38.07%	38.85%	42.65%	43.25%	43.75%	44.35%	43.25%	42.25%	41.25%
PERS Cost	(2,105,542)	(2,296,104)	(2,343,086)	(2,643,006)	(2,753,893)	(2,862,337)	(2,981,386)	(2,987,394)	(2,998,575)	(3,008,112)
Combined Safety Salaries	(7,015,430)	(6,988,287)	(6,988,287)	(7,180,465)	(7,377,928)	(7,580,821)	(7,789,293)	(8,003,499)	(8,223,595)	(8,449,744)
Growth Rate	-0.30%	-0.39%	0.00%	2.75%						
Combined Safety Retirement Costs	(2,608,256)	(2,768,900)	(2,824,010)	(3,177,892)	(3,310,097)	(3,439,496)	(3,581,394)	(3,590,759)	(3,606,255)	(3,619,888)
Annual Retirement Change	(138,496)	(160,645)	(55,110)	(353,882)	(132,205)	(129,399)	(141,898)	(9,365)	(15,496)	(13,633)
Blended City-Paid PERS Rate	37.18%	39.62%	40.41%	44.26%	44.86%	45.37%	45.98%	44.86%	43.85%	42.84%
Pension Obligation Bond Savings	2,400	3,430	3,595	4,747	1,920	146	4,063	0	0	0

**EXHIBIT IV Without Policy Adjustments
EXPENDITURE ASSUMPTIONS**

Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario

SCENARIO -4- Amended Budget 2010-11	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	1	2	3	4	5	6	7	8	9	10
Miscellaneous PERSable Salary and Retirement										
Miscellaneous Dispatch Salaries	(970,050)	(977,267)	(977,267)	(1,004,142)	(1,031,756)	(1,060,129)	(1,089,283)	(1,119,238)	(1,150,017)	(1,181,642)
Growth Rate	1.92%	0.74%	0.00%	2.75%						
PERS Employer Rate	11.132%	14.722%	15.200%	17.600%	17.900%	18.300%	18.600%	18.000%	17.000%	16.000%
Pension Bond Surcharge	4.37%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Combined City-paid PERS Rate	15.50%	18.47%	18.95%	21.35%	21.65%	22.05%	22.35%	21.75%	20.75%	19.75%
PERS Cost	(150,358)	(180,521)	(185,192)	(214,384)	(223,375)	(233,758)	(243,455)	(243,434)	(238,629)	(233,374)
Miscellaneous Salaries - No EPMC										
Miscellaneous Salaries - No EPMC	(1,950,757)	(1,902,400)	(1,902,400)	(1,954,716)	(2,008,471)	(2,063,704)	(2,120,455)	(2,178,768)	(2,238,684)	(2,300,248)
Growth Rate	3.00%	-2.48%	0.00%	2.75%						
PERS Employer Share	11.13%	14.72%	15.20%	17.60%	17.90%	18.30%	18.60%	18.00%	17.00%	16.00%
PERS Employee Share	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Pension Bond Surcharge	4.37%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Combined City-paid PERS Rate	22.50%	25.47%	25.95%	28.35%	28.65%	29.05%	29.35%	28.75%	27.75%	26.75%
PERS Cost	(438,920)	(484,579)	(493,673)	(554,162)	(575,427)	(599,506)	(622,354)	(626,396)	(621,235)	(615,316)
Miscellaneous Salaries - with EPMC										
Miscellaneous Salaries - with EPMC	(3,828,346)	(3,893,964)	(3,893,964)	(4,001,048)	(4,111,077)	(4,224,131)	(4,340,295)	(4,459,653)	(4,582,294)	(4,708,307)
Growth Rate	-3.06%	1.71%	0.00%	2.75%						
PERS Employer Share	11.13%	14.72%	15.20%	17.60%	17.90%	18.30%	18.60%	18.00%	17.00%	16.00%
PERS Employer EPMC	1.58%	1.03%	1.06%	1.23%	1.25%	1.28%	1.30%	1.26%	1.19%	1.12%
PERS Employee Share	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Pension Bond Surcharge	4.37%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Combined City-paid PERS Rate	24.08%	26.50%	27.01%	29.58%	29.90%	30.33%	30.65%	30.01%	28.94%	27.87%
PERS Cost	(921,674)	(1,031,999)	(1,051,915)	(1,183,590)	(1,229,335)	(1,281,221)	(1,330,387)	(1,338,342)	(1,326,116)	(1,312,205)
Combined Misc. Salaries										
Combined Misc. Salaries	(6,749,153)	(6,773,631)	(6,773,631)	(6,959,906)	(7,151,303)	(7,347,964)	(7,550,033)	(7,757,659)	(7,970,995)	(8,190,197)
Growth Rate	-0.68%	0.36%	0.00%	2.75%						
Combined Misc. Retirement Costs										
Combined Misc. Retirement Costs	(1,510,952)	(1,697,099)	(1,730,780)	(1,952,136)	(2,028,137)	(2,114,486)	(2,196,196)	(2,208,172)	(2,185,979)	(2,160,896)
Annual Retirement Change	(92,564)	(186,147)	(33,681)	(221,356)	(76,001)	(86,348)	(81,710)	(11,976)	22,193	25,083
Blended PERS Rate	22.39%	25.05%	25.55%	28.05%	28.36%	28.78%	29.09%	28.46%	27.42%	26.38%
Pension Obligation Bond Savings	53,217	53,265	48,804	49,850	51,421	48,532	51,203	53,201	52,043	52,043
Combined Safety and Misc Salaries										
Combined Safety and Misc Salaries	(13,764,583)	(13,761,918)	(13,761,918)	(14,140,371)	(14,529,231)	(14,928,785)	(15,339,326)	(15,761,158)	(16,194,590)	(16,639,941)
Annual Salary Change	66,798	2,665	0	(378,453)	(388,860)	(399,554)	(410,542)	(421,831)	(433,432)	(445,351)
Salary Growth Rate	-0.48%	-0.02%	0.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Combined Safety and Misc Retirement										
Combined Safety and Misc Retirement	(4,119,208)	(4,466,000)	(4,554,791)	(5,130,028)	(5,338,234)	(5,553,982)	(5,777,590)	(5,798,931)	(5,792,234)	(5,780,784)
Annual Retirement Change	(231,060)	(346,792)	(88,791)	(575,237)	(208,206)	(215,747)	(223,608)	(21,341)	6,697	11,450
Retirement Growth Rate	5.94%	8.42%	1.99%	12.63%	4.06%	4.04%	4.03%	0.37%	-0.12%	-0.20%
Other Compensation										
Deferred Compensation	(275,325)	(261,032)	(261,032)	(268,210)	(275,586)	(283,165)	(290,952)	(298,953)	(307,174)	(315,621)
Leave Allowance	(374,820)	(357,100)	(357,100)	(366,920)	(377,011)	(387,378)	(398,031)	(408,977)	(420,224)	(431,780)
Total Other Comp - Without Insurances	(650,145)	(618,132)	(618,132)	(635,131)	(652,597)	(670,543)	(688,983)	(707,930)	(727,398)	(747,402)

**EXHIBIT IV Without Policy Adjustments
EXPENDITURE ASSUMPTIONS**

Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario

SCENARIO -4- Amended Budget 2010-11	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	1	2	3	4	5	6	7	8	9	10
Health Insurance Costs										
Health Insurance (No Vision or Dental)	(2,202,170)	(2,349,053)	(2,466,506)	(2,589,831)	(2,719,322)	(2,855,289)	(2,998,053)	(3,147,956)	(3,305,353)	(3,470,621)
Annual Change	(173,241)	(146,883)	(117,453)	(123,325)	(129,492)	(135,966)	(142,764)	(149,903)	(157,398)	(165,268)
Growth Rate	8.54%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Medicare	(214,276)	(214,364)	(214,364)	(220,259)	(226,316)	(232,540)	(238,935)	(245,506)	(252,257)	(259,194)
Dental Insurance	(232,705)	(228,954)	(228,954)	(235,250)	(241,720)	(248,367)	(255,197)	(262,215)	(269,426)	(276,835)
Vision Insurance	(48,740)	(43,001)	(43,001)	(44,184)	(45,399)	(46,647)	(47,930)	(49,248)	(50,602)	(51,994)
Life Insurance	(24,255)	(21,558)	(21,558)	(22,151)	(22,760)	(23,386)	(24,029)	(24,690)	(25,369)	(26,066)
Total Insurances	(2,722,146)	(2,856,930)	(2,974,383)	(3,111,675)	(3,255,517)	(3,406,229)	(3,564,144)	(3,729,614)	(3,903,007)	(4,084,711)
Total Compensation										
Total Compensation	(21,256,082)	(21,702,980)	(21,909,224)	(23,017,204)	(23,775,579)	(24,559,538)	(25,370,043)	(25,997,633)	(26,617,229)	(27,252,837)
Compensation Change		(446,898)	(206,243)	(1,107,981)	(758,375)	(783,959)	(810,505)	(627,590)	(619,597)	(635,607)
Percentage Change		2.10%	0.95%	5.06%	3.29%	3.30%	3.30%	2.47%	2.38%	2.39%
Overtime										
Overtime - Police	(241,400)	(243,742)	(243,742)	(250,444)	(257,332)	(264,408)	(271,680)	(279,151)	(286,827)	(294,715)
Overtime - Fire	(601,690)	(607,526)	(607,526)	(624,233)	(641,400)	(659,038)	(677,162)	(695,784)	(714,918)	(734,578)
Reimbursable Overtime - Police	(89,080)	(89,944)	(89,944)	(92,418)	(94,959)	(97,570)	(100,254)	(103,011)	(105,843)	(108,754)
Reimbursable Overtime - Fire	(50,000)	(50,485)	(50,485)	(51,873)	(53,300)	(54,766)	(56,272)	(57,819)	(59,409)	(61,043)
Overtime - Misc. Group	(30,895)	(30,129)	(30,129)	(30,958)	(31,809)	(32,684)	(33,583)	(34,506)	(35,455)	(36,430)
Total Overtime	(1,013,065)	(1,021,826)	(1,021,826)	(1,049,926)	(1,078,799)	(1,108,466)	(1,138,949)	(1,170,270)	(1,202,453)	(1,235,520)
Community Based Organizations	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Marina Dredging Contribution		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Storm Water Maintenance Contribution	41.16%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Other Operating Expenditures										
Other Operating Expenditures	-97.48%	2.00%								
Workers' Compensation	(464,880)	25.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Property/Liability/Unemployment Insurance	(642,650)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Facility Maintenance Charges	(116,769)	(155,692)	(235,540)	(331,758)	(444,346)	(573,304)	(718,632)	(880,330)	(1,058,398)	(1,252,836)
Vehicle Replacement Charges	(159,051)	(212,068)	(270,387)	(330,953)	(393,834)	(459,098)	(526,815)	(597,058)	(669,899)	(745,414)
Equipment Replacement Charges	(77,054)	(102,739)	(130,992)	(160,335)	(190,798)	(222,416)	(255,223)	(289,253)	(324,541)	(361,126)
Retirement Stabilization Subsidy	0	0	0	0	0	0	0	0	0	0
Internal Service Totals	(352,874)	(470,499)	(636,919)	(823,046)	(1,028,979)	(1,254,819)	(1,500,670)	(1,766,640)	(2,052,838)	(2,359,376)
Charge Rate as Percentage of Requireme	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%

EXHIBIT V Without Policy Adjusts
OPERATIONAL REVENUES AND EXPENDITURES
Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario

SCENARIO -4- Amended Budget 2010-11	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	0	1	2	3	4	5	6	7	8	9
Operating Revenues										
Property Taxes - Secured	11,127,515	11,207,280	11,140,036	11,362,837	11,703,722	12,171,871	12,780,465	13,419,488	14,090,462	14,794,985
Property Taxes - Unsecured	630,250	566,465	563,066	574,328	585,814	597,530	609,481	621,671	634,104	646,786
Property Taxes - Unitary	215,760	225,480	224,127	228,610	233,182	237,845	242,602	247,454	252,404	257,452
Property Taxes - Homeowners Exemption	136,450	137,145	136,322	139,049	143,220	148,949	151,928	154,966	158,066	161,227
Property Taxes - Supplemental	(1,450)	74,395	99,689	124,612	186,917	280,376	350,470	438,088	481,897	530,086
Payment in Lieu of Tax (PILOT)	32,360	32,360	32,360	32,360	32,360	32,360	32,360	32,360	32,360	32,360
Property Taxes - Combined	12,140,885	12,243,125	12,195,601	12,461,794	(47,524)	102,240	14,167,306	14,914,027	15,649,292	16,422,896
Growth	-4%	1%	0%	2%	-100%	-315%	13757%	5%	5%	5%
Sales Tax - .75% Share	4,249,620	4,265,000	4,179,700	4,263,294	(85,300)	(87,859)	(89,616)	(91,409)	(93,237)	(95,101)
Sales Tax - .25% State Triple Flip	1,516,780	1,617,310	1,212,983	1,188,723	1,212,497	1,236,747	1,261,482	1,286,712	1,312,446	1,338,695
Sales Tax - Combined	5,766,400	5,882,310	5,392,683	5,452,017	1,127,197	1,148,888	1,171,866	1,195,303	1,219,209	1,243,594
Growth	-15%	2%	-8%	1%	-79%	2%	2%	2%	2%	2%
Utility User's Tax - PG&E	1,096,975	1,181,200	1,204,824	1,228,920	1,253,499	1,278,569	1,304,140	1,330,223	1,356,828	1,383,964
Utility User's Tax - Cable	197,630	205,120	205,120	209,222	213,407	217,675	222,028	226,469	230,998	235,618
Utility User's Tax - Communications	796,625	800,000	808,000	816,080	832,402	849,050	866,031	883,351	901,018	919,039
Utility Users' Tax - PG&E/Cable/Communications	2,091,230	2,186,320	2,217,944	2,254,223	2,299,307	2,345,293	2,392,199	2,440,043	2,488,844	2,538,621
Growth	0%	5%	1%	2%	2%	2%	2%	2%	2%	2%
Utility User's Tax - Valero	2,847,355	2,932,125	3,038,255	3,038,255	3,099,020	3,161,001	3,224,221	3,288,705	3,354,479	3,421,569
Growth	22%	3%	4%	0%	2%	2%	2%	2%	2%	2%
Franchise Tax - Solid Waste	145,000	300,000	410,000	470,475	533,205	543,869	554,746	565,841	577,158	588,701
Franchise Tax - PG&E	778,730	1,006,250	905,625	905,625	(100,625)	(102,638)	(104,690)	(106,784)	(108,920)	(111,098)
Franchise Tax - Cable	361,085	360,000	363,600	367,236	374,581	382,072	389,714	397,508	405,458	413,567
Franchise Fees - Solid Waste/PG&E/Cable	1,284,815	1,666,250	1,679,225	1,743,336	807,161	823,304	839,770	856,565	873,697	891,171
Growth	-30%	30%	1%	4%	-54%	2%	2%	2%	2%	2%
Vehicle In Lieu Fees and State Pass-Thru	1,951,715	1,964,620	1,964,620	1,964,620	2,003,912	2,043,991	2,084,870	2,126,568	2,169,099	2,212,481
Transient Occupancy Tax	228,230	300,000	255,000	255,000	267,750	278,460	286,814	292,550	298,401	304,369
Property Taxes - Real Property Transfer Tax	101,965	150,000	120,000	120,000	126,000	132,300	138,915	145,861	148,778	151,754
Business License Tax	444,365	445,000	445,000	445,000	453,900	462,978	472,238	481,682	491,316	501,142
Investment Earnings	177,360	200,000	204,000	208,590	213,805	221,288	229,033	237,049	245,346	253,933
Planning Related Fees	307,210	50,300	40,240	40,240	42,252	44,365	45,252	46,157	47,080	48,022
Building Related Fees		311,600	280,440	280,440	294,462	309,185	315,369	321,676	328,110	334,672
Engineering Related Fees		74,000	59,200	59,200	62,160	65,268	66,573	67,905	69,263	70,648
Police Revenues	396,420	399,200	379,240	379,240	386,825	394,561	402,453	410,502	418,712	427,086
Fire Revenues	274,345	290,000	275,500	275,500	281,010	286,630	292,363	298,210	304,174	310,258
Community Services Programs	971,325	998,030	948,129	948,129	967,091	986,433	1,006,162	1,026,285	1,046,810	1,067,747
Cell Tower Income	0	160,000	163,200	166,464	169,793	173,189	176,653	180,186	183,790	187,466
All Other Operating Revenues	754,225	455,400	447,588	442,670	451,523	460,554	469,765	479,160	488,743	498,518
Subtract: State Takeaways	0									
Other Revenue Changes-Valero Agreement & VII	348,740	0	134,150	118,150	102,150	86,150	70,150	54,150	38,150	22,150
Operating Revenues	30,086,585	30,708,280	30,240,014	30,652,868	13,107,795	13,526,078	27,851,970	28,862,585	29,863,294	30,908,095
Growth in Revenues	-7%	2%	-2%	1%	-57%	3%	106%	4%	3%	3%

2020
10

15,534,735
659,722
262,601
164,452
583,095
32,360
17,236,963

(97,003)
1,365,469
1,268,465

1,411,643
240,331
937,419
2,589,394

3,490,000

600,475
(113,320)
421,839
908,994

2,256,731
310,456
154,789
511,165
262,821
48,982
341,365
72,061
435,628
316,463
1,089,102
191,215
508,489

0
6,150

31,999,232

0

EXHIBIT VI Without Policy Adjusts
OPERATIONAL REVENUES AND EXPENDITURES
Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario

SCENARIO -4- Amended Budget 2010-11	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	1	2	3	4	5	6	7	8	9	10
Operating Expenditures										
Total Employee Costs	(21,256,082)	(21,702,980)	(21,909,224)	(23,017,204)	(23,775,579)	(24,559,538)	(25,370,043)	(25,997,633)	(26,617,229)	(27,252,837)
Growth		2.1%	1.0%	5.1%	3.3%	3.3%	3.3%	2.5%	2.4%	2.4%
Economic Development	(183,075)	(186,737)	(190,471)	(194,281)	(198,166)	(202,130)	(206,172)	(210,296)	(214,502)	(218,792)
Community Based Organizations	(375,280)	(382,786)	(390,441)	(398,250)	(406,215)	(414,339)	(422,626)	(431,079)	(439,700)	(448,494)
BUSD Fields Maintenance	(80,300)	(81,906)	(83,544)	(85,215)	(86,919)	(88,658)	(90,431)	(92,239)	(94,084)	(95,966)
Mills Center - Operations (Net of Revenues)	(145,000)	(189,780)	(193,576)	(197,447)	(201,396)	(205,424)	(209,532)	(213,723)	(217,998)	(222,358)
Insurance Premiums	(642,650)	(642,650)	(642,650)	(642,650)	(642,650)	(642,650)	(642,650)	(642,650)	(642,650)	(642,650)
Marina Fund Contributions	(136,235)	(143,047)	(150,199)	(157,709)	(165,594)	(173,874)	(182,568)	(191,696)	(201,281)	(211,345)
Storm Water Contributions	(204,000)	(214,200)	(224,910)	(236,156)	(247,963)	(260,361)	(273,380)	(287,048)	(301,401)	(316,471)
Police Remodel/Marina Drain Lease	(276,680)	(276,680)	(276,680)	(276,680)	(276,680)	(276,680)	(276,680)	(276,680)	(276,680)	(276,680)
Vilarrasa Lease	(114,310)	(114,310)	(114,310)	(114,310)	(114,310)	(114,310)	(114,310)	(114,310)	(114,310)	(114,310)
Wastewater Advance (Valero Agreement)		0	0	0	0	0				
Equipment Services	(303,625)	(309,698)	(315,891)	(322,209)	(328,653)	(335,227)	(341,931)	(348,770)	(355,745)	(362,860)
Workers' Compensation	(464,880)	(581,100)	(592,722)	(604,576)	(616,668)	(629,001)	(641,581)	(654,413)	(667,501)	(680,851)
Property/Liability/Unemployment Insurance	(642,650)	(655,503)	(668,613)	(681,985)	(695,625)	(709,538)	(723,728)	(738,203)	(752,967)	(768,026)
Internal Service Funds	(352,874)	(470,499)	(636,919)	(823,046)	(1,028,979)	(1,254,819)	(1,500,670)	(1,766,640)	(2,052,838)	(2,359,376)
Contract Services	(478,945)	(488,524)	(498,294)	(508,260)	(518,425)	(528,794)	(539,370)	(550,157)	(561,160)	(572,384)
Professional Technical	(206,800)	(210,936)	(215,155)	(219,458)	(223,847)	(228,324)	(232,890)	(237,548)	(242,299)	(247,145)
Travel & Training	(235,895)	(240,613)	(245,425)	(250,334)	(255,340)	(260,447)	(265,656)	(270,969)	(276,389)	(281,916)
Operating Supplies	(2,110,285)	(2,152,491)	(2,195,541)	(2,239,451)	(2,284,240)	(2,329,925)	(2,376,524)	(2,424,054)	(2,472,535)	(2,521,986)
Office Supplies	(84,385)	(86,073)	(87,794)	(89,550)	(91,341)	(93,168)	(95,031)	(96,932)	(98,870)	(100,848)
Utilities - Gas & Electric	(537,938)	(548,697)	(559,671)	(570,864)	(582,282)	(593,927)	(605,806)	(617,922)	(630,281)	(642,886)
Utilities - Water Charges	(174,702)	(178,196)	(181,760)	(185,395)	(189,103)	(192,885)	(196,742)	(200,677)	(204,691)	(208,785)
Telephone & Radio Communications	(253,840)	(258,917)	(264,095)	(269,377)	(274,765)	(280,260)	(285,865)	(291,582)	(297,414)	(303,362)
Fuel	(167,480)	(170,830)	(174,246)	(177,731)	(181,286)	(184,911)	(188,610)	(192,382)	(196,230)	(200,154)
Weed Abatement	(137,620)	(140,372)	(143,180)	(146,043)	(148,964)	(151,944)	(154,982)	(158,082)	(161,244)	(164,469)
Property Tax Administration Fee	(286,445)	(292,174)	(298,017)	(303,978)	(310,057)	(316,258)	(322,584)	(329,035)	(335,616)	(342,328)
Sales Tax Sharing Agreements	(168,530)	(171,901)	(175,339)	(178,845)	0	0	0	0	0	0
Capital Outlay	(225,385)	(229,893)	(234,491)	(239,180)	(243,964)	(248,843)	(253,820)	(258,897)	(264,074)	(269,356)
Operating Supplies Supplement	0	(150,000)	(153,000)	(156,060)	(159,181)	(162,365)	(165,612)	(168,924)	(172,303)	(175,749)
All Other Operating Expenditures	(662,779)	(176,035)	(179,555)	(183,146)	(186,809)	(190,545)	(194,356)	(198,244)	(202,208)	(206,253)
Expenditure Changes per Scenario			0							
Operating Expenditures	(30,908,670)	(31,260,788)	(31,805,242)	(33,275,112)	(34,236,838)	(35,427,016)	(36,667,980)	(37,750,490)	(38,849,699)	(39,989,845)
Growth in Expenditures	0%	1%	2%	5%	3%	3%	4%	3%	3%	0
Operating Surplus / (Deficit)	(200,390)	(1,020,774)	(1,152,374)	(20,167,317)	(20,710,760)	(7,575,046)	(7,805,395)	(7,887,197)	(7,941,604)	(7,990,613)
Percentage (Rev/Exp)	-1%	-3%	-4%	-61%	-60%	-21%	-21%	-21%	-20%	(0)

EXHIBIT VII Without Policy Adjusts
NON-RECURRING REVENUES AND EXPENDITURES
Scenario 4 - Amended Budget FY 2010-11 as of 03/15/2011 - Most Likely Scenario

SCENARIO -4- Amended Budget 2010-11	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
One-Time Revenues	1	2	3	4	5	6	7	8	9	10
Misc. One Time Revenues	464,395	0	0	0	0	0	0	0	0	0
Arsenal Master Plan Reimbursement	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Valero VIP - Use Tax	400,000	0	0	0	0	0	0	0	0	0
One-Time Revenues	874,395	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
One-Time Expenditures										
Capital Expenditures	(2,805,000)	(200,000)	(225,000)	(250,000)	(275,000)	(300,000)	(325,000)	(350,000)	(375,000)	(400,000)
Misc. Operational & One-Time Adjusts	(121,305)	0	0	0	0	0	0	0	0	0
Legal Fees & Settlements	(100,000)	0	0	0	0	0	0	0	0	0
Capital Outlays	(126,210)	0	0	0	0	0	0	0	0	0
Wastewater Advance (Valero Agreement)	(260,000)	(260,000)	(260,000)	(260,000)	(260,000)	(260,000)				
One-Time Expenditures	(3,412,515)	(460,000)	(485,000)	(510,000)	(535,000)	(560,000)	(325,000)	(350,000)	(375,000)	(400,000)
One-Time Surplus / (Deficit)	(2,538,120)	(450,000)	(475,000)	(500,000)	(525,000)	(550,000)	(315,000)	(340,000)	(365,000)	(390,000)
Combined Surplus / (Deficit)	(2,738,510)	(1,470,774)	(1,627,374)	(20,667,317)	(21,235,760)	(8,125,046)	(8,120,395)	(8,227,197)	(8,306,604)	(8,380,613)
Percentage (Comb.Rev./Comb.Exp.)	-8.0%	-4.6%	-5.0%	-61.2%	-61.1%	-22.6%	-22.0%	-21.6%	-21.2%	-20.7%
Balance Sheet Adjustments	2,000,000	204,770	204,770	204,770	204,770	204,770				

