



THE CITY OF
BENICIA
CALIFORNIA

Study Session On Benicia's Fiscal Health & Vision For Economic Recovery for FY 2021

PRESENTED BY:

ERIK UPSON, INTERIM CITY MANAGER
JAMES RUSSELL-FIELD, ASSISTANT FINANCE DIRECTOR
MARIO GIULIANI, ECONOMIC DEVELOPMENT MANAGER
SARAH TERHERST, SENIOR MANAGEMENT ANALYST

OCTOBER 6, 2020

Objective

The primary goals of the Study Session are to:

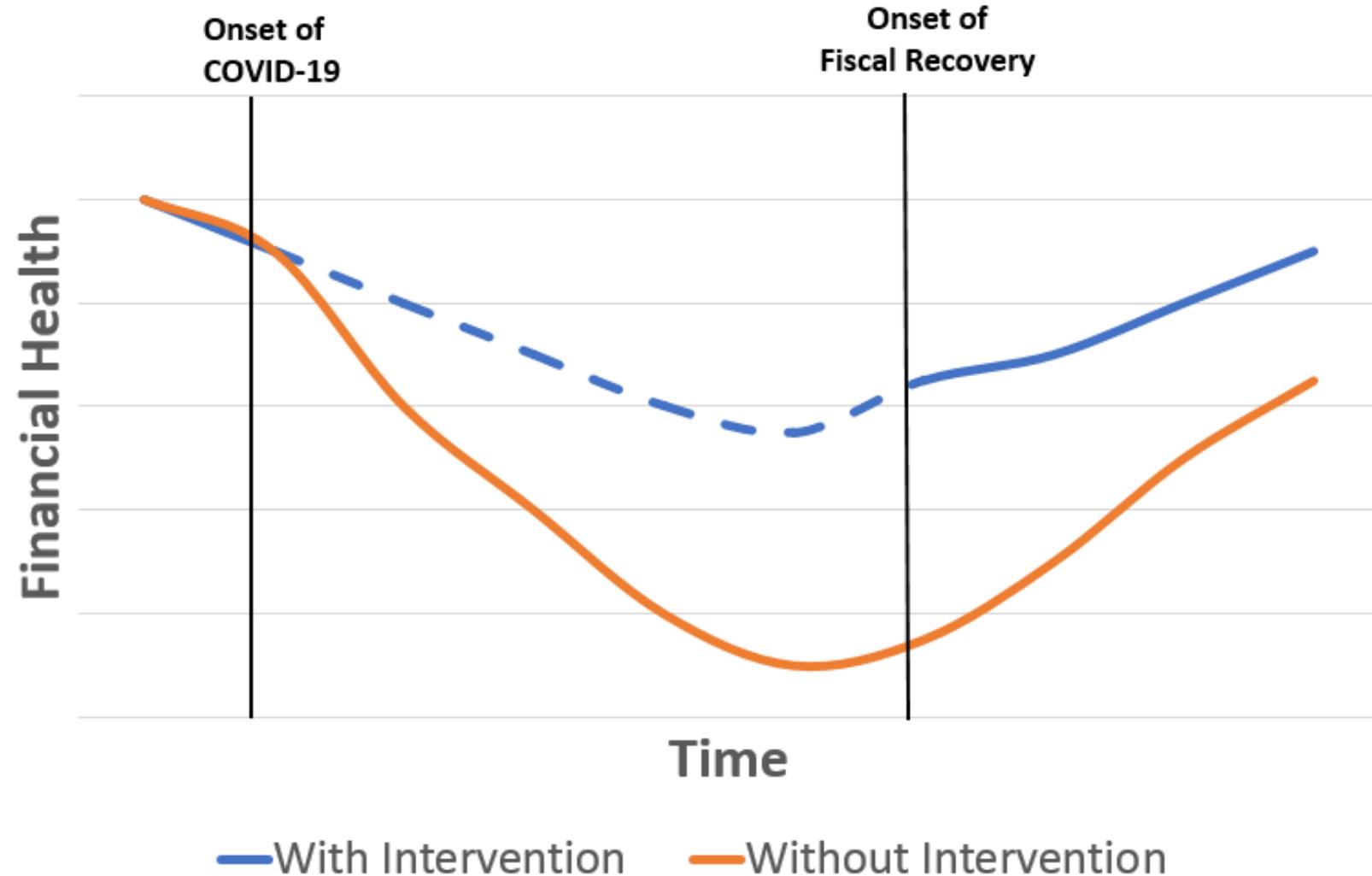
- Examine the FY 2018-19 assigned and unassigned fund balance to invest in actions that will aid in the restoration of our local economy & prepare for revenue shortfalls due to the COVID-19 Recession
- Receive policy guidance from City Council to prepare the FY 2021-23 Budget



Strategic Focus

1. Economic Development
2. Infrastructure
3. Staff Retention & Attraction
4. COVID-19 Contingency

Business Recovery Scenarios

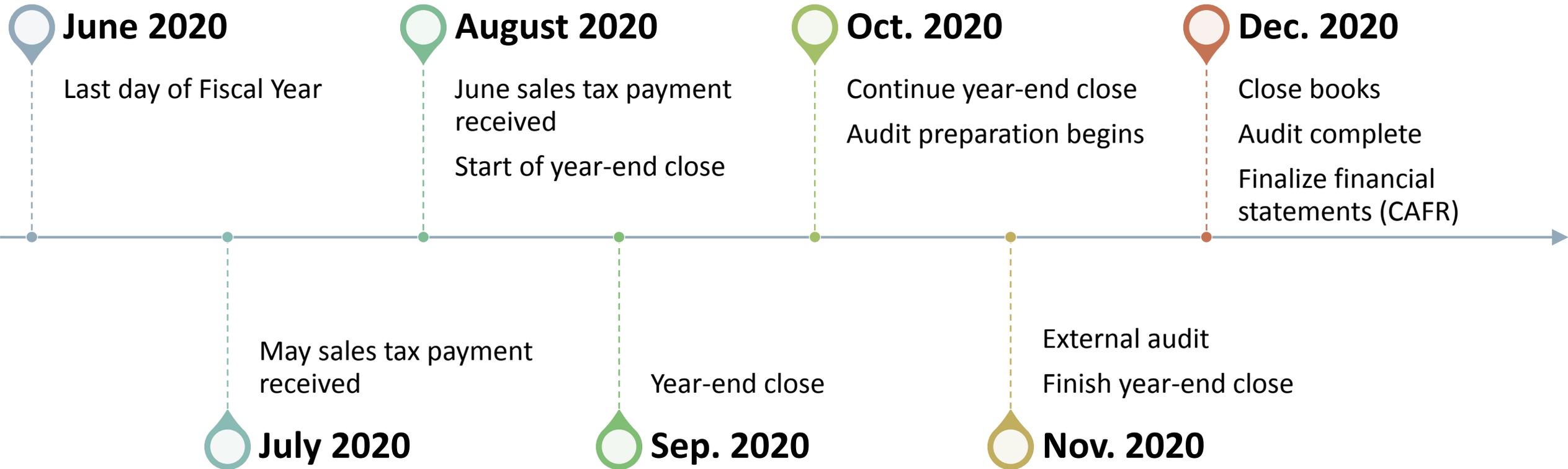


Benicia's Fiscal Health

FY19-20 General Fund

- Unaudited FY19-20 deficit is less than May 2020 forecast but full degree of COVID-19 financial impacts still unknown
- City has fully funded 20% Reserve
- City has one-time unassigned and recently assigned but not yet committed funds of \$12.1 million to invest

Year-End Timeline



Benicia's Reserve Policy

Type	Percent	Amount	Status	Purpose
Contingency	10%	\$4.6	Funded	“Severe financial hardships resulting from unforeseen changes in revenues and /or expenditures”
Emergency	10%	\$4.6	Funded	“Natural disaster of epic proportion” Ex: 8.0 Earthquake, 200-Year Flood Event

Review General Fund Assigned Fund Balance

ACTION TAKEN ON MARCH 3, 2020

Fund Balance Definitions

Committed – Funds tied up in previously-approved projects and contracts by City Council

Assigned – Funds set aside for intended future use at Council’s direction. Separate Council action is required to spend these funds.

Unassigned – Funds available for current expenditure or assignment by City Council

FY 18-19 Assigned Fund Balance Summary

	Prior Action		Status Update
	Assigned March 2020	Committed	Available to Reassign
City Hall Upgrades	\$ 2,000,000	\$ -	\$ 2,000,000
Pension Trust	2,000,000	-	2,000,000
Streets & Roads	2,000,000	-	2,000,000
New Police Facility	1,500,000	-	1,500,000
Labor Agreements	870,000	870,000	-
Economic Development	578,000	578,000	-
Historic Preservation	30,000	-	30,000
Climate Action Coordinator Position	350,000	-	350,000
Public Art Coordinator Positions	175,000	-	175,000
Public Art Funding	50,000	-	50,000
Human Services Board Food Programming	50,000	-	50,000
	\$ 9,603,000	\$ 1,448,000	\$ 8,155,000
FY 18-19 Unassigned Fund Balance as of March 2020	4,000,000		4,000,000
FY 18-19 Total Fund Balance	\$13,603,000		\$ 12,155,000

Reassigning Fund Balance To These 4 Key Objectives

Total Available Fund Balance	Economic Development	Infrastructure	Staff Retention	COVID-19 Contingency
\$ 12,155,000	\$ 925,000	\$ 3,600,000	\$ 2,500,000	\$ 5,130,000

Assigned and Reassigned Fund Balance Summary

	Economic Development	Infrastructure	Staff Retention	COVID-19 Contingency
Economic Development Initiatives	\$500,000			
Climate Action Coordinator	350,000			
Public Art Funding	75,000			
Streets & Roads		2,000,000		
New Police Facility		1,500,000		
City Hall Upgrades		100,000		
Pension Trust			\$ 2,000,000	
Staff Retention and Attraction			500,000	
Unassigned balance to act as COVID-19 Contingency				4,000,000
Reassigned Funds for COVID-19 Contingency				1,130,000
TOTAL: \$12,155,000	\$ 925,000	\$ 3,600,000	\$ 2,500,000	\$ 5,130,000

Priority Investment Areas

ECONOMIC DEVELOPMENT, CITY INFRASTRUCTURE, STAFF RETENTION
& COVID-19 CONTINGENCY

Economic Development Initiatives

- Climate Action Coordinator: \$350,000 (Through June 30, 2022)
- Public Art: \$75,000 (Through June 30, 2022)
- Economic Development Initiatives: \$500,000 (Through June 30, 2021)
 - Currently Developing/Evaluating Ideas. Initiatives Could Include Such Things As:
 - Business Expansion Assistance
 - Implementation of Permanent Downtown Parklet Program



CivicSpark *A program of the Local Government Commission*



**Local
Government
Commission**

TAKE A DAY TO GET AWAY

EscapeByTheBay.com



Sacramento—and the massive the Visit Benicia tourism group has debuted their “A Great Escape by the Bay” initiative, highlighting all the stress-reducing and COVID-19 focused opportunities visitors can take advantage of in this quiet and picturesque local gem.

Among Visit Benicia’s newest offerings is “Escape 2020 Step Back in Time,” a driving tour of the town that showcases the historical architecture and long-lasting legacy of the area, which has roots extending back to the Gold Rush. The route includes glimpses of the Southern Pacific Train Depot, the ghostly Union Hotel, and the Benicia Capital State Historic Park, with the only remaining former Golden

Gate-out Street, a stroll along the downtown Benicia waterfront in the evening can also be exceptionally relaxing, particularly with a special someone. On the Prosvende, visitors can watch ships, water sports enthusiasts, and the seals that are thriving in the Carquines Strait, and bring canine friends—Benicia is famously dog-friendly—40 bus in the beachy weather. For dog-friendly fun, keep your furry friend on a leash as you enjoy a stroll down First Street, but once you reach the beach, your pup can run free and cool off with a swim in the water. The Benicia Marina offers boaters a prime location from which to hit the water, while the Benicia



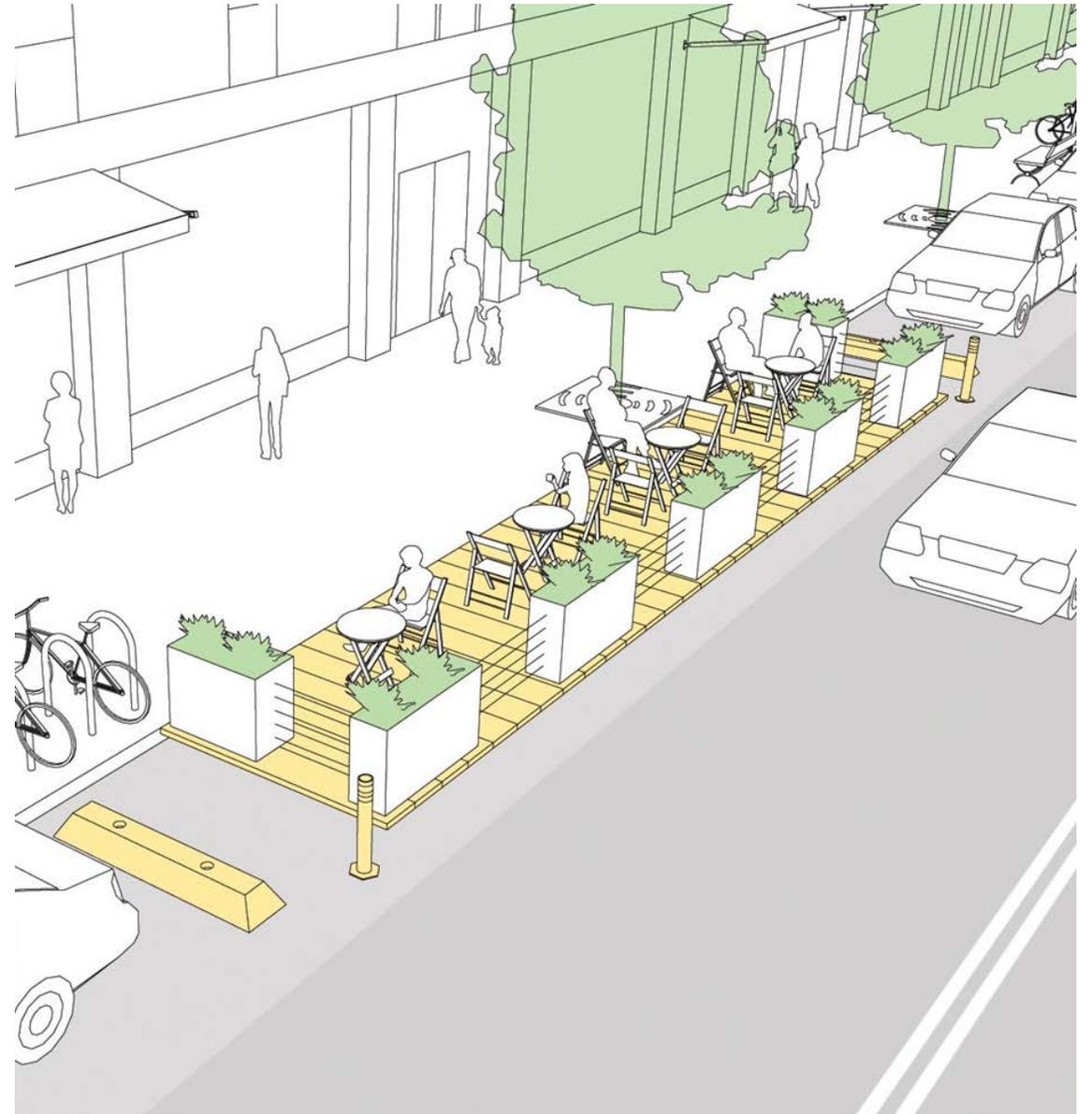
recently reopened with social-distancing measures—which provides visitors with fresh local foods every Thursday evening through October. Of course, physical distancing doesn't mean visitors aren't able to partake in the arts scene for which Benicia is so renowned. Alongside a variety of outdoor public art pieces, many of Benicia's walkable downtown galleries are open and open-air for the eyes. This summer is the best opportunity to enjoy Lindsay Art Glass's hand-blown pieces, as the fused

PHOTO COURTESY VISIT BENICIA



Safe, Relaxing Day Trips for All Ages

With a strollable downtown waterfront, 450 acres of outdoor adventure at the State Recreation Area, and charming local eateries for takeout dining and shopping, Benicia offers the perfect escape.



Carl Lucca
James Morgan
Joe Lopez
Susan North

Tourism Committee

Celeste Smeland, Arts Benicia
Elizabeth d'Huart, Benicia Historical Museum
Mike Caplin, Benicia State Parks Assoc
Belinda Smith, Benicia Old Town Theatre Group
Ginger Penny, Benicia Yacht Club

Benicia Industrial Park Association

Rod Sherry
Jasmin Powell

Lodging

Claire McFadden, Best Western Hotel
Tracee Varni, Inn at Benicia Bay

Restaurants

Peter Pervan, One House Bakery
Jon Meric, Kimono
Terry Krull, First Street Café
Jeff Cromer, Pacifica Pizza



Economic Development
www.beniciabusiness.com

BENICIA ECONOMIC RECOVERY TASK FORCE

AD HOC COMMUNITY ADVISORY GROUP

Mission

To Develop & Implement Actions to Aid Benicia
Businesses to Respond, Recover & Reimagine
Business Prosperity During the Covid19 Pandemic

City Infrastructure

- Road Infrastructure: \$2 Million (Summer 2021)
- City Hall Security Improvements: ~\$50,000-\$100,000
 - Create Permanent Single Point of Entry for City Hall — (Construction Date: TBD)
- Police Department Facility Savings Fund: \$1.5 Million
 - Estimated Total Project Cost: \$40 Million (Construction Date: TBD)

- \$2 million for Street and Roadway Improvements for specified streets that have a PCI of lower than 20

Grind 3-inch & Pave 3-inch

Street Name	Beginning Location	Ending Location	Area (Sq. Ft.)	Total Cost *	Most Recent PCI
Wainwright St. - 800	w/o W-8th St.	e/o W-9th St.	16,200	\$121,085	19
West J St. - 100	w/o W-8th St.	e/o W-9th St.	16,800	\$125,570	11
Clifton Ct - 800	s/o Channing Circle	625' s/o Channing	18,125	\$135,473	13
Channing Circle - 800	w/o Oxford Way	w/o Oxford Way	59,400	\$443,978	13
Campus Ct. - 800	w/o Dorset Way	100' w/o Dorset Way	4,500	\$33,635	15
Dover Circle - 800	s/o Oxford Way	n/o Hanlon Way	36,300	\$271,320	13
Hanlon Way - 800	e/o Oxford Way	w/o Dorset Way	38,940	\$291,052	13
Walsh Ct. - 800	e/o Channing Circle	150' e/o Channing Circle	4,350	\$32,514	10
Mills Dr. - 400	n/o Cambridge Dr.	e/o Larkin Dr	72,600	\$542,640	17

Total Cost \$1,997,267



Concept Design Services

TASK 2

- Leverage the space needs program from Task 1 as a foundation to guide the development of the various design concepts.
- Visualize how the updated facility program could work with the different design concepts.

Site Test Fits

During the course of this exercise, four potential site locations were identified to be explored further:

- Between City Hall & the Post Office
- **Behind the Gymnasium Building next to East K Street**
- As an addition next to the current Police Building
- On the current Senior Center site at E 2nd St & East L Street

Conceptual Options Development

- Option #1: Existing building renovation / optimization without increasing the size.
- Option #2: Expanding the facility on the current site with an addition.
- **Option #3: Building a new police facility (not on the current building footprint)**



Top: photo during design workshop; bottom: some site options that were explored



City Hall Security Improvements
Approx. \$50,000 - \$100,000

New Police Department Facility Fund
\$1,500,000

City Staff Retention and Attraction

- Pension Trust: \$2 Million
- Staffing Needs: \$500,000
 - Infusion of much-needed staffing resources into Community Development and Finance Departments to meet the needs of City priorities and residential and business applicants

COVID-19 Contingency: \$5.1 Million

- Duration of COVID-19 pandemic is uncertain.
- City is projected to have a deficit in FY 19-20 and FY 20-21
- Potential for additional State ordered business shut down(s) if there is no vaccine.
- Housing market: Home loan deferrals end in December 2020. Concern the housing market will decline if the economy doesn't come back and people return to work.
- Across over 500 cities in the U.S., the total of the pandemic recession on city budgets is poised to be as significant, if not worse, than what they experienced during the Great Recession.

Budget Development

FISCAL YEARS 2021-2023

Budgeting Best Practices

- Make strategic decisions with the long-term in mind
- Resist pressure to defer maintenance projects
- Resist pressure to stop new projects that are financially beneficial to the city
- Program-based budgeting
- Community outreach

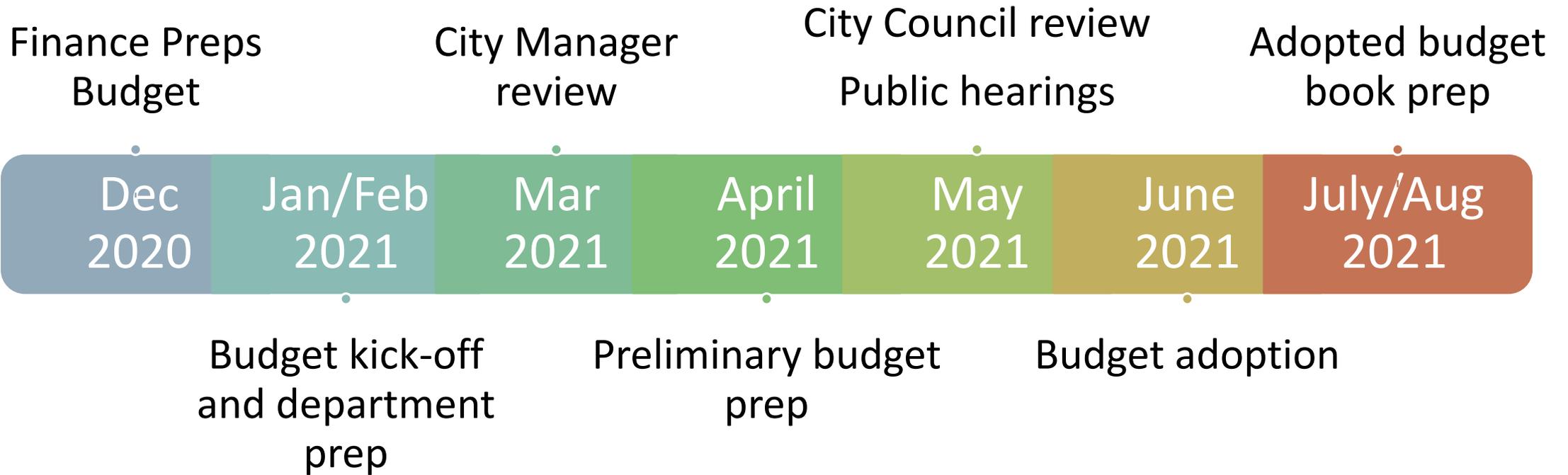
Budget and Financial Reporting Lifecycle



Section 1

Priority Based Budgeting Strategic Goals

1. Protect community health and safety
2. Maintain and enhance a high quality of life
3. Preserve and enhance infrastructure
4. Strengthen economic and fiscal conditions
5. Protect and enhance the environment
6. High performing government



Budget Development Timeline

Next Steps

October 20, 2020: Quarterly Budget Update Report

November 2020: Priority Based Budgeting Review

January 2021: City Council receives Comprehensive Annual Financial Report (CAFR)

Staff is Seeking Direction on...

Support for staff's recommendation on the assigned and reassigned funds.

Direction for the FY's 21-23 Budget development goals.