



# AGENDA

## VALLEJO CITY COUNCIL

### NOVEMBER 6, 2008

MAYOR  
Osby Davis

CITY COUNCIL  
Tom Bartee, Vice Mayor  
Hermie Sunga  
Stephanie Gomes  
Michael Wilson  
Joanne Schivley  
Erin Hannigan

City Hall  
555 Santa Clara Street  
Vallejo, CA 94590

This AGENDA contains a brief general description of each item to be considered. The posting of the recommended actions does not indicate what action may be taken. If comments come to the City Council without prior notice and are not listed on the AGENDA, no specific answers or response should be expected at this meeting per State law.

Those wishing to address the Council on any matter for which another opportunity to speak is not provided on the AGENDA but which is within the jurisdiction of the Council to resolve may come forward to the podium during the "COMMUNITY FORUM" portion of the AGENDA. Those wishing to speak on a "PUBLIC HEARING" matter will be called forward at the appropriate time during the public hearing consideration.

Notice of Availability of Public Records: All public records relating to an open session item, which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to a majority of the City Council will be available for public inspection at the City Clerk's Office, 555 Santa Clara Street, Vallejo, CA at the same time that the public records are distributed or made available to the City Council. Such documents may also be available on the City of Vallejo website at <http://www.ci.vallejo.ca.us> subject to staff's ability to post the documents prior to the meeting. Information may be obtained by calling (707) 648-4527, TDD (707) 649-3562.



Vallejo City Council Chambers is ADA compliant. Devices for the hearing impaired are available from the City Clerk. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof.

### **VALLEJO CITY COUNCIL** **SPECIAL MEETING – CLOSED SESSION** **5:30 P.M. – COUNCIL CHAMBERS**

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PUBLIC COMMENT**

*Members of the public shall have the opportunity to address the City Council concerning any item listed on this agenda. No other items may be discussed at this special meeting*

4. **CLOSED SESSION**

- A. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:**  
PROPERTY: APN 056-191260 AND APN 056-191-100 (PARCEL A); APN 055-160-170 (PARCEL B); APN 055-160-300, APN 055-160-380, AND APN 055-160-240 (PARCEL C); APN 055-170-280 AND APN 055-170-290 (PARCEL D); APN 056-192-070, APN 056-192-080, AND APN 056-192-090 (PARCEL E); APN 056-194-110, APN 056-194-120, APN 056-194-130, AND APN 056-194-140 (PARCEL F); AND APN 056-223-030 (PARCEL G) (SEVEN CERTAIN PARCELS ASSOCIATED WITH THE DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO, LLC.

CITY NEGOTIATORS: JOE TANNER, CITY MANAGER; CRAIG WHITTON, ASSISTANT CITY MANAGER/COMMUNITY; ANNETTE TAYLOR, SENIOR COMMUNITY DEVELOPMENT ANALYST  
NEGOTIATING PARTIES: TRIAD DOWNTOWN VALLEJO, LLC  
UNDER NEGOTIATION: PRICE AND TERMS OF PAYMENT

- B. CONFERENCE WITH CITY'S LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6 CONCERNING THE FOLLOWING EMPLOYEE ORGANIZATIONS: INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 1186 (IAFF); VALLEJO POLICE OFFICERS' ASSOCIATION (VPOA); INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 2376 (IBEW), AND CONFIDENTIAL, ADMINISTRATIVE, MANAGERIAL, AND PROFESSIONALS (CAMP). THE CITY'S NEGOTIATORS ARE: JOSEPH M. TANNER, CITY MANAGER, CRAIG WHITTON, ASSISTANT CITY MANAGER / COMMUNITY DEVELOPMENT; ROBERT STOUT, FINANCE DIRECTOR; SANDY SALERNO, ACTING HUMAN RESOURCES DIRECTOR

NOTE: The Council will be meeting in closed session with its negotiators and staff to review its position and to give instructions to its negotiators concerning labor negotiations with the above-named employee organizations. No negotiations take place in the closed session between the Council and the employee organizations.

- C. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION: IN RE: CITY OF VALLEJO, CALIFORNIA, DEBTOR; UNITED STATES BANKRUPTCY COURT, EASTERN DISTRICT OF CALIFORNIA, CASE NO. 08-26813-A-9, PURSUANT TO SUBDIVISION (C) OF GOVERNMENT CODE SECTION 54956.9

**5. ADJOURNMENT**

**VALLEJO CITY COUNCIL**  
**REGULAR MEETING**  
**7:00 P.M. - COUNCIL CHAMBERS**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **PRESENTATIONS AND COMMENDATIONS - NONE**
5. **FIRST COMMUNITY FORUM**

*Anyone wishing to address the Council on any matter for which another opportunity to speak is not provided on the agenda, and which is within the jurisdiction of the Council to resolve, is requested to submit a completed speaker card to the City Clerk. When called upon, each speaker should step to the podium, state his /her name, and address for the record. The conduct of the community forum shall be limited to a maximum of fifteen (15) minutes, with each speaker limited to three minutes pursuant to Vallejo Municipal Code Section 2.20.300. The remainder of the speakers wishing to address the Council on non-agenda items will be heard at the second Community Forum listed later on the agenda.*

6. **PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS**

*Members of the public wishing to address the Council on Consent Calendar Items are requested to submit a completed speaker card to the City Clerk. Each speaker is limited to three minutes pursuant to Vallejo Municipal Code Section 2.02.310. Requests for removal of Consent Items received from the public are subject to approval by a majority vote of the Council. Items removed from the Consent Calendar will be heard immediately after approval of the Consent Calendar and Agenda.*

7. **CONSENT CALENDAR AND APPROVAL OF AGENDA**

- A. **APPROVAL OF A RESOLUTION AWARDING THE FERRY ENGINE OVERHAUL CONTRACT AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH VALLEY POWER SYSTEMS NORTH OF SAN LEANDRO, CALIFORNIA**

**PROPOSED ACTION:** Adopt the resolution awarding the Ferry Engine Overhaul Contract and authorizing the City Manager to enter into a contract with Valley Power Systems North of San Leandro, California.

- B. **ACCEPTANCE OF REPORT REGARDING CODE ENFORCEMENT CASE PRIORITIZATION**

**PROPOSED ACTION:** Informational item only. No action will be taken.

- C. **APPROVAL OF A RESOLUTION DEDICATING THE ONE-MILE CONNECTOR TRAIL FROM THE INTERSECTION OF HIDDENBROOKE PARKWAY AND BENNINGTON COURT TO THE RIDGE TRAIL'S PRIMARY TRAIL AS PART OF THE SAN FRANCISCO BAY TRAIL AND CONGRATULATING THE BAY AREA RIDGE TRAIL COUNCIL FOR SEEING THIS TRAIL COMPLETED**

**PROPOSED ACTION:** Adopt the resolution dedicating the one-mile connector trail as a part of the San Francisco Bay Area Ridge Trail and congratulating the

Bay Area Ridge Trail Council for seeing this trail completed, with dedication ceremonies on November 8, 2008.

- D. APPROVAL OF A RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR 2008-2009 BUDGET FOR FUND 102 (FEDERAL HOME INVESTMENT PARTNERSHIPS PROGRAM)

PROPOSED ACTION: Adopt the resolution of intention to amend the Fiscal Year 2008/2009 Federal HOME Program Budget.

- E. APPROVAL OF A RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR 2008-2009 BUDGET FOR FUND 101 (FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM) (

PROPOSED ACTION: Adopt the resolution of intention to amend the Fiscal Year 2008/2009 Federal CDBG Program Budget.

- F. APPROVAL OF A RESOLUTION OF INTENTION TO AMEND THE CITY OF VALLEJO FEE SCHEDULE AND THE VALLEJO MUNICIPAL CODE, CHAPTER 7.62 – VACANT BUILDING ORDINANCE

PROPOSED ACTION: Adopt the resolution of intention to amend the City of Vallejo's Fee Schedule and Vallejo Municipal Code Chapter 7.62, Vacant Building Ordinance, to allow the addition of a mandatory Vacant Residential Property Registration Program and the incorporation of provisions contained in California State Senate Bill 1137, Section 2929.3 (a.1-3) and (b-i).

**8. PUBLIC HEARINGS – NONE**

**9. POLICY ITEMS – NONE**

**10. ADMINISTRATIVE ITEMS**

- A. CONSIDERATION OF A RESOLUTION APPROVING THE PHASING OF VALLEJO STATION INTERMODAL FACILITY PARKING STRUCTURE PROJECT

PROPOSED ACTION: Adopt the resolution accepting the phasing of Vallejo Station Intermodal Facility – Parking Structure project; authorizing staff to proceed with the conceptual design and authorizing staff to pursue additional funding for the remaining phase of the project.

- B. APPROVAL OF A RESOLUTION AMENDING THE FISCAL YEAR 2008-2009 BUDGET

PROPOSED ACTION: Adopt the Resolution amending the City's budget for Fiscal Year 2008-2009.

**11. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES - NONE**

**12. WRITTEN COMMUNICATIONS**

*Correspondence addressed to the City Council or a majority thereof, and not added to the agenda by the Mayor or a Council member in the manner prescribed in Government Code, Section 54954.2, will be filed unless referred to the City Manager for a response. Such correspondence is available for public inspection at the City Clerk's office during regular business hours.*

**13. CITY MANAGER'S REPORT**

**14. CITY ATTORNEY'S REPORT**

**15. COMMUNITY FORUM**

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**16. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL**

**17. CLOSED SESSION - NONE**

**18. ADJOURNMENT**

<b>AFFIDAVIT OF POSTING CITY OF VALLEJO</b>	
<i>Mary Ellsworth</i> certify that I caused to be posted the	
notice of <u><i>City Council Agenda</i></u> in the areas	
designated on <u><i>10/31/08</i></u> , <u><i>Mary Ellsworth</i></u>	
(Date)	City Clerk / Designee



**VALLEJO CITY COUNCIL  
SPECIAL MEETING/CLOSED SESSION  
5:30 P.M. – CITY COUNCIL CONFERENCE ROOM  
THURSDAY, NOVEMBER 6, 2008**

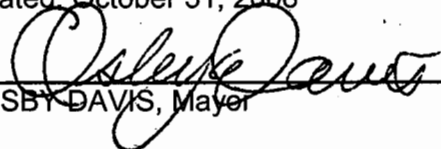
In accordance with the provisions of the Ralph M. Brown Act, Government Code Section 54956, you and each of you are hereby notified that I, Osby Davis, the undersigned, have called a Special Meeting Closed Session of the City Council of the City of Vallejo at the City Council Chambers, 555 Santa Clara Street, Vallejo, California, on Thursday, November 6, 2008 at 5:30 p.m. to consider only the following matters:

***NOTICE:** Members of the public shall have the opportunity to address the City Council concerning any item listed on this notice before or during consideration of that item. No other items may be discussed at this special meeting.*

**CLOSED SESSION**

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Dated: October 31, 2008

  
\_\_\_\_\_  
OSBY DAVIS, Mayor

**CERTIFICATION**

I, Mary Ellsworth, City Clerk, undersigned, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the City Council of the City of Vallejo, California, at the time and in the manner prescribed by law, or said members have waived notice thereof by their consent attached hereto.


Dated: October 31, 2008

*Mary Ellsworth*  
MARY ELLSWORTH, City Clerk

<b>AFIDAVIT OF POSTING CITY OF VALLEJO</b>	
I, <u><i>Mary Ellsworth</i></u> certify that I caused to be posted the	
notice of <u><i>posting of the</i></u> in the areas	
designated on <u><i>10/31/08</i></u>	
<u><i>Mary Ellsworth</i></u>	(Date)
City Clerk / Designee	

**Agenda Item No.****COUNCIL COMMUNICATION****Date:** November 6, 2008

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Gary A. Leach, Public Works Director 

**SUBJECT:** APPROVAL OF A RESOLUTION AWARDDING THE FERRY ENGINE OVERHAUL CONTRACT TO VALLEY POWER SYSTEMS NORTH, A CALIFORNIA CORPORATION, AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH VALLEY POWER SYSTEMS NORTH, SAN LEANDRO, CALIFORNIA

**BACKGROUND AND DISCUSSION**

The City owned M/V SOLANO ferry is powered by MTU Series 4000 high performance marine diesel engines. These engines require complete disassembly, inspection, and overhaul every 15,000 operating hours (approximately every four years). This planned maintenance action is termed an M-6.

There are two such engines currently installed and operating in this vessel. As soon as a contract can be executed, the City's swing (spare) engine will be installed and the first of the two operating engines will be removed and made available to the contractor for the M-6 overhaul. About three to four months later the process will be repeated for the remaining M/V SOLANO engine. These engine changes are accomplished over the weekend and are not expected to cause any interruption to ferry service.

As required by Federal and City procurement rules, this work must be competitively bid. Accordingly, Invitation for Bids # 08-11-08 (IFB) was published and advertised in the Vallejo Times Herald on August 11, 2008 and sent to the four MTU certified engine maintenance facilities in North America. The bid due date was September 4, 2008.

The IFB included work on the engines of another City ferry, the M/V Vallejo, as a deduct option, meaning that the City reserved the right to remove this portion of the work from the contract at no cost. The work specified in this IFB would have required that the two engines in the M/V Vallejo be removed by cutting a hole in the side of the vessel and overhauled. This method would have been expensive and required this vessel to be out of use for several months. Accordingly staff contacted the engine manufacturer to ask if our warranties would be honored if an alternative method was used for performing the Vallejo engine overhauls (i.e. an "in-frame" overhaul that will not require removal of the engines from the vessel). The manufacturer has now approved this alternative method so staff is recommending that this work be deleted from this





contract and will be re-bid. This will result in a lower cost and less downtime for the M/V Vallejo.

A condition of the bid was that all bidders be officially recognized and authorized by the Original Equipment Manufacturer (OEM) MTU Detroit Diesel to provide engine overhaul services. As many of the parts required for M-6 are new and come from the OEM, factory authorization is critical as it relates to after work warranty coverage.

The City received two bids for the work with the following results:

Bidder	Bid (Sept. 4, 2008)
Stewart & Stevenson of Houston, TX	\$2,012,252.36
Valley Power Systems North of San Leandro, CA	\$1,378,510.00
Engineer's Estimate	\$1,640,000
Project Budget	\$1,733,864

Following deletion of the M/V Vallejo work the final contract, assuming award to the low responsive and responsible bidder, is \$718,382.

### Responsiveness

Following review of the two submitted bids, staff found Stewart and Stevenson non-responsive, and Valley Power responsive.

Stewart and Stevenson failed to submit a bidder bond or other appropriate bid security. Additionally Stewart and Stevenson claimed several exceptions to the proposed contract relating to liability and insurance. Following further review of the submitted documents following the bid opening, the contractor is now deemed not responsive.

Having provided all the required bonding, certifications, and documents requested in the IFB documents, Valley Power Systems North of San Leandro, CA (Valley Power) was deemed responsive to the IFB.

### Responsibility

Valley Power does possess the resources, tooling, and facilities to complete this essential ferry maintenance work; as well as factory authorization. Valley Power has



demonstrated the ability to do the work under our current contract, where they have performed a similar set of overhauls. However, Valley Power has not been able to maintain schedule on the current contract with the City for overhaul of the Series 396 engines for INTINTOLI and MARE ISLAND. This is a recognized weakness. The City has requested and received confirmation regarding Valley Power's ability to meet schedule through the attached letter from Valley Power and plans to implement the following procedures upon delivery of the first engine:

1. Hold bi-weekly progress meetings with Valley Power, Blue & Gold Fleet, and Admiralty Diesel Services (our in-house diesel engine expert) to go over all aspects of the overhaul work
2. At these meetings address conditions found, get an update on the status of all part orders and delivery dates, review Valley's manpower allocation, and track physical progress against the schedule
3. If at any point part orders are being delayed, or that manpower allocation is not adequate to support the schedule, the concerns will be addressed with Valley Power senior management and require a corrective action plan to bring the project back into schedule
4. In the event that parts issues with the factory become problematic, senior management will be contacted at MTU and their aid will be enlisted in getting overhaul parts delivered to Valley Power in a timely manner – we are an excellent customer of the factory and our voice carries weight
5. When the time comes to schedule dynamometer testing the overhauled engine, a time slot will be set up on the test stand well in advance in order to preclude any delays in the final steps of the overhaul process

While there may be issues with adherence to schedule, after reviewing Valley Power's submitted bid, interviewing past owner references, and considering the City's current contract and plan to address schedule issues with Valley Power, staff finds them a responsible bidder. As noted above, since we have a swing-engine, any delays of this overhaul work should not result in significant down-time for the M/V SOLANO.

Accordingly, approval is being sought for a resolution authorizing the City Manager to enter into a contract with Valley Power for the ferry diesel engine overhauls.



### Fiscal Impact

There will be no impact to the General Fund. This work will be funded out of ferry capital funds identified in the Transportation Division budget line items for ferry maintenance. Eighty percent (80%) of the work will be funded by FTA 5307 funds, the 20% local match will be provided by 2% Bridge Toll funds. The work has already been budgeted at \$350,000 per engine, representing the total project budget amount of \$1,400,000 for four engines. The Engineer's Estimate was lowered to \$410,000 per engine prior to receipt of bids. The responsive and responsible bid received came in \$240,000 (approximately 16%) under the Engineer's Estimate.

Following deletion of the M/V Vallejo engine work from the contract, the final award amount is \$718,382.

### RECOMMENDATION

Staff recommends approval of a resolution awarding the Ferry Engine Overhaul Contract to Valley Power Systems North, a California Corporation and authorizing the City Manager to enter into a contract with Valley Power Systems North of San Leandro, California.

### ALTERNATIVES CONSIDERED

The engine overhauls are mission critical to the ferry service. Without these overhauls eventual engine failures would compromise the reliability of the system and eventually lead to catastrophic engine failure much earlier than the anticipated useful life of the engine. There is no practical alternative to performing the work.

### ENVIRONMENTAL REVIEW

This project is exempt from CQEA pursuant to section 15301 (Existing Facilities) of Title 14 of the California Code of Regulations as it consists of the minor alteration of an existing public facility (ferry diesel engines) involving no expansion beyond the existing use.

### PROPOSED ACTION

Approve the resolution awarding the Ferry Engine Overhaul Contract to Valley Power Systems North, a California Corporation and authorizing the City Manager to enter into a contract with Valley Power Systems North, San Leandro, California.



DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution awarding the Ferry Engine Overhaul Contract to Valley Power Systems North, a California Corporation and authorizing the City Manager to enter into a contract with Valley Power Systems North, San Leandro, California.
- b. Letter from Valley Power Systems North

CONTACT PERSON

Gary A. Leach, Public Works Director  
648-4315, [garyl@ci.vallejo.ca.us](mailto:garyl@ci.vallejo.ca.us)

Crystal Odum Ford, Transportation Superintendent  
648-5241, [codumford@ci.vallejo.ca.us](mailto:codumford@ci.vallejo.ca.us)

NOVEMBER 6, 2008  
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**RESOLUTION NO. \_\_\_\_ N.C.**

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, it has been determined that the proposed Ferry Engine Overhaul Contract is essential for operation of the City of Vallejo's Transportation System; and

WHEREAS, the City Council has appropriated \$1,400,000 of funding for the Ferry Engine Overhaul Project. (Fund 421); and

WHEREAS, the City published and advertised Invitation for Bids # 08-11-08 (IFB) in the Vallejo Times Herald on August 11, 2008 and sent it to the four MTU certified engine maintenance facilities in North America; and

WHEREAS, the Transportation Division received two Bids; and

WHEREAS, after reviewing the Bids, staff finds that the Bid of Stewart and Stevenson of Houston, Texas was nonresponsive for the reasons detailed in the Agenda Report for this matter; and

WHEREAS, staff further finds that the Bid of Valley Power Systems North of San Leandro, California was responsive and, for the reasons described in the Agenda Report, finds that Valley Power is a responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that an invitation for bids was duly advertised and Valley Power Systems North Inc., San Leandro, California was determined to be the lowest responsive and responsible bidder in the amount of One Million Three Hundred seventy Eight Thousand, Five Hundred and Ten Dollars, (\$1,378,510.00), and its Bid is hereby accepted and a contract is awarded to said low bidder at the reduced price of Seven Hundred and Eighteen Thousand, Three Hundred and Eighty Two Dollars (\$718,382) following deduction of bid Item #3.

BE IT FURTHER RESOLVED that the all other bids to-wit:

Stewart and Stevenson, Houston, CA	\$2,012,252.36
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are hereby deemed rejected, upon the full execution of the contract documents by the successful bidder, with notice of rejection to be given thereupon by the City Clerk.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to sign an Agreement between the City of Vallejo and Valley Power Systems North Inc., San Leandro, California, with any modifications recommended by City Attorney or the Risk Manager, and the City Clerk to attest the signing of that Agreement.

NOVEMBER 6, 2008

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Attachment B – Letter from Valley Power Systems North

10/24/2008 10:31 IFAX CanonLC700SanL@ValleyPSI.com

→ Mickey Smith

001/001



**Valley**

**POWER SYSTEMS NORTH, INC.**

1755 Adams Avenue, San Leandro, CA 94577 (510) 635-8991 FAX (510) 635-9284

October 23, 2008

Mr. Martin J. Robbins  
City of Vallejo-Baylink Ferries  
Building #477  
Waterfront Ave P.O. Box 2287  
Vallejo, CA 94592-2287

Subject: MTU Series 4000 M-6 Ferry Engine Overhaul Schedule.

Pursuant to our recent discussion Valley Power Systems North, Inc. would like to offer the following overhaul outline for your review.

Valley Power Systems North, Inc. understands the concerns of the City of Vallejo; please be assured that our management team as well as our service departments have met and discussed this project in detail since the Invitation for Bid was first released in August of this year. We reviewed our tactical plans and overhaul procedures before submission to the City in September to insure we could meet the delivery requirements of the contract.

All details have been worked out to include facility location, trained manpower allocation, MTU parts requirements and initial availability. Also all outside vender support has been reviewed for location and vender turnaround time.

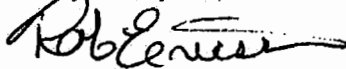
Valley Power Systems North, Inc. has thoroughly reviewed the full content of the contract to include the impact of meeting the Cities delivery schedule as well as any and all penalty's involved; and is confident we can deliver a quality MTU factory approved rebuild within the Cities guidelines and schedule requirements.

In closing Valley would be more than happy to set up an ongoing project progress report to keep the communication lines open between the Cities representatives and Valley during the overhaul process of each engine.

Please review this information and contact us if you should have any questions at all.

Thank you for the opportunity to serve you.

Sincerely,  
Valley Power Systems, Inc.



Rob Ericsson  
Vice President

cc: Sam Hill  
Tom Eastman  
Mickey Smith



Agenda Item No. CONSENT B

**COUNCIL COMMUNICATION**

**Date: November 6, 2008**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Craig Whittom, Assistant City Manager/Community Development *CW*  
Bob Adams, Development Services Director *BA*  
Nimat Shakoor-Grantham, Code Enforcement Manager *NSG*

**SUBJECT: RECEIVE AND FILE INFORMATION REGARDING CODE ENFORCEMENT CASE PRIORITIZATION**

**BACKGROUND AND DISCUSSION**

This is an informational item describing the administrative procedure used to prioritize code enforcement complaints in the Code Enforcement Division. Due to the volume of complaints received by the Code Enforcement Division (1,679 since January 1, 2008) we prioritize the complaints so that they can be more effectively addressed based on the available resources.

Between May and September 2008, the Code Enforcement Division was reduced to two officers to address 1,400 code enforcement violations. The officers performed enforcement activities throughout the City. The vacant Code Enforcement position has since been filled allowing us to divide the City into three enforcement areas instead of two for more effective enforcement. The increased workload, due to the onset of foreclosed, abandoned and vacant residential property complaints, is taking the officers approximately three weeks to address a case, unless the complaint is one of a life-safety concern.

**RECOMMENDATION**

Staff recommends that the City Council receive and file this informational item.

**PROPOSED ACTION**

Receive and file this informational item.

FISCAL IMPACT

There is no anticipated fiscal impact.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a project as defined under Section 15378 of the State CEQA Guidelines.

DOCUMENTS ATTACHED

1. Code Enforcement case priority procedure.

AREA OF FOCUS

No. 3 - Quality of Life (d)



OCTOBER 16, 2008

## REVISED CODE ENFORCEMENT PRIORITY PROCEDURE

### PRIORITY A. VIOLATIONS - HIGH PRIORITY

Complaints involving violations that pose an immediate threat and are hazardous to the public health and safety will be designated **Priority A**. Examples of **Priority A** complaints include, but are not limited to:

1. Property that is detrimental to public health, safety, or general welfare as determined by the Code Enforcement Manager.
2. Hazardous trees, i.e., large branch or whole tree in danger of falling and harming persons or property. Tall dry weeds during fire season.
3. Any wall, fence, or hedge, which is a hazard to persons or property.
4. Hazardous pools, ponds and excavations.
5. Refrigerators that present a hazard to children by being unsecured.
6. Major accumulation of junk and debris, salvage materials, lumber on private property hazardous, abandoned or partially destroyed buildings.
7. Unsecured, vacant or abandoned or partially destroyed buildings that present an attractive nuisance to children.
8. Hazardous Uniform Housing Code (UHC), and (UCADB) complaints. (Refer to Building Division).
9. Complaints which pose an immediate threat to the public health and safety and/or the environment, may be referred by the lead department/division to the City Attorney for consideration of appropriate civil or criminal action.
10. Vulgar graffiti.

### PRIORITY B. VIOLATIONS - MEDIUM PRIORITY

Complaints involving activities entirely or mostly confined to a single property, and which affect a small number of properties and/or persons, shall be designated **Priority B**. Examples of **Priority B** complaints include, but are not necessarily limited to:

1. Non-hazardous dead, decayed or diseased trees, weeds or vegetation.
2. Non-hazardous vacant or abandoned buildings.
3. Unpainted buildings, buildings having dry rot, warping, or termite infestation
4. Non-hazardous (UHC), and (UCAB) complaints to be assigned to Code Enforcement Building Division Inspector.
5. Windows with broken glass or no glass.
6. Property in such disrepair that it causes depreciation of the surrounding property values.
7. Moderate accumulation of dirt, litter, or debris.
8. Moderate accumulation of damaged lumber, junk, trash, salvage materials, household materials, etc.
9. Unattractive nuisances such as abandoned household appliances, equipment and machinery, non-hazardous pools, ponds, and excavations.
10. Construction equipment or machinery visible to the public.

### **PRIORITY B. VIOLATIONS - MEDIUM PRIORITY**

11. Maintenance of property in such condition that it causes depreciation of value of surrounding properties.
12. Non-hazardous walls, fences, or hedges which are deteriorated or unsightly.
13. Graffiti
14. Flyers or posters affixed to the exterior of buildings.

### **PRIORITY C. VIOLATIONS -LOW PRIORITY**

Complaints involving activities which pose no threat to public health or safety, which are confined to a single property or structure, and which do not adversely affect persons or property, will be designated **Priority C**. Examples of low priority complaints include, but are not necessarily limited to:

1. Signs related to uses of products no longer sold on the property, or improper maintenance of signs.
2. Clotheslines or drying of laundry in front area of property.
3. Non-hazardous property maintenance violations in rear of property.
4. Vehicles parked in front yard.
5. Visible garbage and recycling containers
6. Shopping carts

### **INITIAL RESPONSE TO COMPLAINTS**

The Code Enforcement Officer will respond to complaints by:

- (1) First sending a courtesy warning letter if the alleged violation is non-emergency, can eventually be abated by the City or if eventual City abatement is not a feasible or an efficient option
- (2) Conducting an initial on-site investigation if the alleged violation appears to be hazardous or is otherwise necessary, either with consent or with an inspection warrant, and
- (3) Following up with the appropriate code enforcement actions if a violation is confirmed by the inspection.

Estimated time frames for responding to complaints are as follows:

### **IMMEDIATE HAZARDOUS VS. NON HAZARDOUS**

- Priority A Complaints: On-site inspection within 5 working days of intake. If immediate threat, on-site inspection within 24 hours of intake, and subsequent referral to other responsible agencies, departments or divisions.
- Priority B Complaints: Courtesy letter, case status report from the reporting party; then on-site inspection, if needed, within 14-21 working days of intake.
- Priority C Complaints: Courtesy letter, case status report from the reporting party; then on-site inspection, if needed, within 21-30 working days of intake.

Using the criteria described above, all incoming complaints, excepting those where no action is required, are assigned a priority ranking of A, B, or C. The Code Enforcement Officer shall seek successful resolution of all complaints within **24 hours to 30 days**. **Priority A** rankings will be responded to first. The Code Enforcement Manager based upon information that becomes known or available during investigation of the complaint, may reassign an initial priority ranking to a higher or lower level.

**REFERRAL OF IMMINENT THREAT VIOLATIONS**

**PRIORITY A** complaints that are imminent threats and are not acted on by the owner/tenant may be prepared for abatement by staff or referred to the City Attorney for legal action. If referred to the City Attorney's office, a duplicate file must be prepared and submitted to the Attorney.



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NIMAT SHAKOOR-GRANTHAM  
CODE ENFORCEMENT MANAGER




CONSENT C

**Agenda Item No.**

**COUNCIL COMMUNICATION**

**Date:** November 6, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Gary Leach, Public Works Director 

SUBJECT: APPROVAL OF A RESOLUTION DEDICATING A ONE-MILE CONNECTOR TRAIL IN HIDDENBROOKE TO THE BAY AREA RIDGE TRAIL

**BACKGROUND**

The San Francisco Bay Trail is a planned 500-mile recreational pathway encircling the San Francisco Bay. It is designed to connect communities to their open spaces and parklands in the nine Bay Area Counties. Many parts of the trail are on ridge tops that have views of the Bay. In cooperation with the Association of Bay Area Governments (ABAG) and Consultant LandPeople, the City of Vallejo has supported the planning phase for the completion of the trail system in Vallejo.

Completing the San Francisco Bay Trail involves connecting the trail's primary route with the connector trails. As part of the conditions of acceptance for D. R. Horton Reflections Two Development in Hiddenbrooke, Vallejo recently completed a one mile connector trail that runs from the intersection of Hiddenbrooke Parkway and Bennington Court up the hill to the current Ridge Trail's dedicated primary trail. It is now appropriate to approve the dedication of this connector trail. Dedication ceremonies will be held on Saturday, November 8, 2008.

**Fiscal Impact**

Adopting this resolution will have no fiscal impact on the City of Vallejo. Maintenance of this connector trail is included in the budget of the Hiddenbrooke Maintenance District (HMD).

**RECOMMENDATION**

Staff recommends adopting a resolution approving the dedication of the one mile connector trail in Hiddenbrooke from Bennington Court to the Ridge Trail's primary trail as part of the San Francisco Bay Trail.



ENVIRONMENTAL REVIEW

No environmental review under California Environmental Quality Act (CEQA) is required for this Council action as the creation of this trail was previously analyzed for the approval of the D. R. Horton Reflections Two subdivision.

PROPOSED ACTION

Adopt the attached resolution approving the dedication of the one mile connector trail for the San Francisco Bay Area Ridge Trail Project and congratulating the Bay Area Ridge Trail Council for seeing this trail completed, with dedication ceremonies on November 8, 2008.

DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution approving the dedication of a one mile connector trail in Hiddenbrooke to the Bay Area Ridge Trail in Vallejo.

CONTACT PERSON(S)

Gary A. Leach, Public Works Director  
648-4315  
[GARYL@ci.vallejo.ca.us](mailto:GARYL@ci.vallejo.ca.us)

John Cerini, Maintenance Superintendent  
648-4557  
[JCerini@ci.vallejo.ca.us](mailto:JCerini@ci.vallejo.ca.us)

NOVEMBER 6, 2008  
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**RESOLUTION NO. 08 \_\_\_\_\_ N.C.**

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, the Bay Area Ridge Trail Council was formed in 1988 with the goal of a continuous multi-use Ridge Trail of over 550 miles around the San Francisco Bay on the ridge tops with views of the Bay; and

WHEREAS, the purpose of the Ridge Trail is to connect communities to their open spaces and parklands in the nine Bay Area counties; and

WHEREAS, the first Bay Area Ridge Trail segment in Vallejo, along the Carquinez Strait from Benicia State Park through Glen Cove, was dedicated in October, 1989, and subsequent trails have been dedicated including the Benicia/Vallejo Buffer Trail, the Hiddenbrooke Trail, a new alignment through Benicia State Park and last year the Blue Rock Springs Corridor Connector Trail; and

WHEREAS, as planned, the Bay Area Ridge Trail Council is working to further complete the Bay Area Ridge Trail, a spectacular multi-use trail route for hikers, equestrians and bicyclists that weaves among the ridgelines of the hills and mountains surrounding the San Francisco Bay; and

WHEREAS, the Ridge Trail has dedicated over 8.6 miles in Vallejo, with an additional 2 miles of community connector trails, and 23.25 miles in Solano County; and

WHEREAS, through the expertise and diversity of the Bay Ridge Trail Council's Board of Directors, partners, and broad base of support from the public, the 300<sup>th</sup> mile was dedicated in 2006, and

WHEREAS, the one mile multi-use connector trail was constructed as part of the conditions of acceptance for the D.R. Horton Reflections Two Development at Hiddenbrooke.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo hereby approves the dedication of a one mile multi-use connector trail to the to the Bay Area Ridge Trail in Vallejo from the intersection of Hiddenbrooke Parkway and Bennington Court up the hill to the current Ridge Trail's dedicated primary trail.

BE IT FURTHER RESOLVED the City Council wishes to congratulate the Bay Area Ridge Trail Council for seeing this trail completed and dedicated on November 8, 2008.

NOVEMBER 6, 2008

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CITY OF VALLEJO

Agenda Item No.

**COUNCIL COMMUNICATION****Date:** November 6, 2008

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development *W*  
Robert V. Stout, Finance Director *RVS*  
Melinda Nestlerode, Acting Housing and Community Development Manager *mn*

SUBJECT: APPROVAL OF A RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR 2008/2009 BUDGET FOR FUND 102 (FEDERAL HOME INVESTMENT PARTNERSHIPS PROGRAM)

**BACKGROUND AND DISCUSSION**

In 2007, the City of Vallejo approved Federal HOME Investment Partnerships Program activities for Fiscal Year (FY) 2007/2008 (July 1, 2007 through June 30, 2008). HOME funds are received by the City from the U. S. Department of Housing and Urban Development (HUD) for affordable housing projects and activities.

Some of the FY 2007/2008 activities are completed and may be closed out. Other projects may be in progress or are not yet underway, and may be carried over. At the end of each fiscal year, the City Council reviews the status of each HOME-funded activity.

Staff recommends that the activities approved in FY 2007/2008 be either carried over or closed out as described below, and as shown in Attachment "B".

Additionally, after the FY 2008/2009 HOME Program Budget was adopted by the City Council on June 24, 2008, HUD increased the City's HOME Program grant allocation for FY 2008/2009 by \$31.

**Completed Activities**

Staff recommends that the following Fiscal Year 2007/2008 HOME activities be closed out.

1. City Administration. The maximum allowed by the HOME Program guidelines (ten percent) was expended.
2. Vallejo Neighborhood Housing Services (VNHS) – Community Housing Development Organization (CHDO) Project at Sonoma/McLane (12 Units). This allocation was expended on eligible pre-development costs, e. g., architectural services.

Activities Recommended for Carry Over

The following activities are recommended for carry over, (as further described in column E of Attachment B).

1. Rental or Ownership Housing Development. If a new affordable housing project is approved by the City Council in FY 2008/2009, these funds will be needed.
2. VNHS – Homebuyer Loans and Closing Cost Grants, (three loans issued). This is an ongoing program.
3. VNHS – Community Housing Development Organization (CHDO) Projects
  - a. Graham Gardens, 22 for-ownership duets at Mini and Stanford Drives. This project is not financially feasible at this time. VNHS is evaluating, in consultation with City staff, its project options, which may include disposition of the site and returning some or all of the CHDO funds expended to date to the City from any sales proceeds.
  - b. Four for-ownership homes on the east side of Sonoma Boulevard at McLane Street. This project is in the engineering and design phase.
  - c. FY 2007/2008 CHDO Project allocation, (project to be determined).
4. VNHS – Rehabilitation Loans, (two loans issued). This is an ongoing program.
5. Unallocated – Funds allocated to a housing development have been designated as “unallocated” until a project is identified. These funds may be needed in FY 2008/2009. In FY 2007/2008, an amount of \$49,210 was budgeted as unallocated.
6. VNHS – FY 2007/2008 CHDO Administration allocation, (to support project to be determined).

Staff recommends these unspent fund balances be reauthorized in FY 2008/2009.

Unbudgeted Funds

Primarily through the repayment of loans, the City receives HOME program income. Typically, the City estimates how much program income it will receive at the beginning of the fiscal year, and allocates this amount to activities and projects. Because the City has received more program income over the last few years than projected, there are additional HOME funds available to the City in the U. S. treasury for projects and activities. As of June 30, 2008, this amount was \$712,822. Of this amount, \$81,511 must be expended on CHDO project costs.

Staff recommends these additional funds be allocated later in FY 2008/2009, for a new affordable housing project or projects, which may be for-ownership or rental. Pursuant to K:\CityWide\PUBLIC\AI\VHA and CD Division staff reports\CC110608staffreport 2007 08 HOME Intention.doc



the "Area of Focus" section of this report, staff will return to the City Council in January 2009 to discuss allocation of its affordable housing funds.

#### Fiscal Impact

The net effect of the staff recommendation is to reauthorize funding in FY 2008/2009 in a total amount of \$1,117,455 for activities that are in progress or are not yet underway. Because these are Federal funds, this action will have no impact on the General Fund.

Finally, as noted earlier, subsequent to the City Council's approval of the FY 2008/2009 HOME Program Budget, HUD increased the City's HOME Program allocation by \$31. This amount will be allocated pursuant to HOME Program guidelines.

#### RECOMMENDATION

Approve the carry over or close out of FY 2007/2008 HOME activities as shown in Attachment "B".

#### ALTERNATIVES CONSIDERED

The City benefits from its use of Federal HOME funds. By reauthorizing the funding for activities in progress or not yet underway, the City is able to accomplish the affordable housing objectives that have been adopted by the City Council. Therefore, no other alternatives were considered.

#### ENVIRONMENTAL REVIEW

An environmental review is not required for this action.

#### AREA OF FOCUS

Not applicable. This action is required pursuant to Federal HOME Program funding regulations.

#### PROPOSED ACTION

Adopt the enclosed resolution of intention to amend the Fiscal Year 2008/2009 Federal HOME Investment Partnerships Program Budget.

#### DOCUMENTS AVAILABLE FOR REVIEW

Attachment "A" – Resolution

Attachment "B" – Carry Over and Close Out of Fiscal Year 2007/2008 HOME Activities

PREPARED BY/CONTACT:

Craig Whittom, Assistant City Manager/Community Development, (707) 648-4579, or [cwhittom@ci.vallejo.ca.us](mailto:cwhittom@ci.vallejo.ca.us).

Melinda Nestlerode, Acting Housing and Community Development Manager, (707) 648-4408, or [mnestlerode@ci.vallejo.ca.us](mailto:mnestlerode@ci.vallejo.ca.us).

Guy L. Ricca, Senior Community Development Analyst, (707) 648-4395, or [gricca@ci.vallejo.ca.us](mailto:gricca@ci.vallejo.ca.us).

**RESOLUTION NO. 08- N.C.**

BE IT RESOLVED by the Council of the City of Vallejo as follows:

THAT WHEREAS, certain Federal HOME Investment Partnerships Program activities funded in Fiscal Year (FY) 2007/2008 have been completed.

WHEREAS, certain HOME FY 2007/2008 activities have not been completed, and the funds allocated to these activities should be carried over and approved for expenditure in Fiscal Year 2008/2009.

WHEREAS, after the adoption of the FY 2008/2009 HOME Program Budget by the City Council on June 24, 2008, the U. S. Department of Housing and Urban Development (HUD) increased the City's HOME Program entitlement grant allocation by \$31.

WHEREAS, the U. S. Department of Housing and Urban Development (HUD) requires the City of Vallejo to commit and expend its HOME Program funds in a timely manner.

NOW THEREFORE BE IT RESOLVED that the City Council hereby declares its intention to amend the FY 2008/2009 HOME Program Budget as shown in Attachment "B".

ATTACHMENT "B"  
CITY OF VALLEJO  
CARRY OVER AND CLOSE OUT OF FISCAL YEAR 2007/2008 HOME PROGRAM ACTIVITIES

A	B	C	D	E	F	G
ACTIVITY/ ACCOUNT NUMBER	2007/2008 APPROPRIATION	UNSPENT BALANCE, 06/30/2008*	CONTRACT/PREVIOUS COUNCIL ACTION	PROPOSED BUDGET AMENDMENT	2008/2009 ALLOCATION**	REVISED 2008/2009 BUDGET
City Admin. (102-2101-463.xx-xx)	\$ 83,535				\$ 81,587	\$ 81,587
Rental or Ownership Housing Development (102-2101-463.40-13)	250,606	250,606		250,606	245,128	495,734
VNHS - Closing Costs (102-2101-463.40-60)	107,000	88,658		88,658	42,000	130,658
VNHS - CHDO Projects (102-2101-463.40-61)			1,992			1,992
Graham Gardens Sonoma/McLane, 12 Units	32,261	1,992				1,824
Sonoma/McLane, 4 Units	101,855	1,824		1,824		95,303
CHDO Project (TBD)	95,803	95,303		95,303		92,381
CHDO Project (TBD)	95,303				92,381	189,508
Subtotal, CHDO Projects	325,222	99,119	1,992		92,381	
VNHS - Rehab. Loans (102-2101-463.40-62)	329,186	154,588		154,588	120,836	275,424
VNHS - Homebuyer Loans (102-2101-463.40-63)	635,433	445,498		445,498	203,150	648,648
Unallocated (102-2101-463.40-66)	49,210	49,210		49,210		49,210
VNHS - CHDO Admin. (102-2101-463.40-67)						
CHDO Project (TBD)	31,768	31,768		31,768		31,768
CHDO Project (TBD)					30,793	30,793
Subtotal, CHDO Admin.	31,768	31,768		31,768	30,793	62,561
<b>TOTAL</b>	<b>\$ 1,811,960</b>	<b>\$ 1,119,447</b>	<b>\$ 1,992</b>	<b>\$ 1,117,455</b>	<b>\$ 815,875</b>	<b>\$ 1,933,330</b>
<b>Memo:</b>						
Additional Unallocated, CHDO Projects		\$ 81,511				
Additional Unallocated		631,311				
<b>Total, Additional Unallocated</b>		<b>\$ 712,822</b>				
<b>Notes:</b>						
*Unaudited						
**Of this amount, \$200,000 is estimated program income.						



**COUNCIL COMMUNICATION**

Date: November 6, 2008

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development *W*  
Robert V. Stout, Finance Director *RS*  
Melinda Nestlerode, Acting Housing and Community Development Manager *MN*

SUBJECT: APPROVAL OF A RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR (FY) 2008/2009 BUDGET FOR FUND 101 (FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM) (Continued from September 16, 2008)

BACKGROUND AND DISCUSSION

In May 2007, the City of Vallejo approved Federal Community Development Block Grant (CDBG) Program activities for Fiscal Year (FY) 2007/2008 (July 1, 2007 through June 30, 2008). At the end of each fiscal year, the Community Development Commission (CDC) of the City of Vallejo and the City Council review the status of each CDBG-funded activity. Some activities are completed and may be closed out. Other projects may be in progress or are not yet underway, and may be carried over. Funds for some projects may also be reallocated to other activities.

The CDC considered this item at its regular meeting on September 4, 2008. The Commission voted unanimously, 4-0-0, to recommend that the City Council adopt the carry over, close out, or reallocation of CDBG Program activities as shown in Attachment "B".

Additionally, after the FY 2008/2009 CDBG Program Budget was adopted by the City Council on June 24, 2008, the U. S. Department of Housing and Urban Development (HUD) reduced the City's CDBG Program entitlement grant allocation for FY 2008/2009 by \$71.

This item was presented to the City Council for its consideration on September 16, 2008, and was continued, because additional information was requested from staff by members of the City Council regarding funding allocations for the installation of curb ramps, and the status of the Benson Avenue Project.

CDBG Program Activity Categories

The City's CDBG Program activities typically fall into one of the following categories:

- (1) an activity that has been completed, ("closed out");
- (2) an activity that is not completed, but its funding authorization expired June 30. This type of activity may be closed out, or the activity may be approved again (reauthorized) in Fiscal Year 2008/2009; or

- (3) an activity that may be revised, including changing the amount budgeted for the activity. This is usually accomplished through the reallocation of unspent funds from one activity to another activity.

(1) Completed Activities

A completed activity is an activity that has been finished or delivered. In some cases, an activity is completed and all the budgeted funds are expended. In others, activities are completed under budget.

A “completed activity” may also refer to activities with written agreements that expire at the end of the fiscal year, on June 30. All CDBG Program social service activities expire on June 30 and may not be carried over from one fiscal year to another, pursuant to HUD’s CDBG Program regulations. Any CDBG Program social service funds unspent as of June 30 become available for any non-social service eligible activity in the next fiscal year.

The CDC and staff recommend that the following Fiscal Year 2007/2008 CDBG Program activities be closed out, and any remaining balance be used in FY 2008/2009 for the construction of public improvements on the 100 block of Benson Avenue:

<u>Activity</u>	<u>Unspent Balance</u>
Reynaissance Family Center Rehabilitation	- 0 -
Vallejo Senior Citizens Council Facility Rehabilitation (Florence Douglas Senior Center)	- 0 -
Vallejo Neighborhood Housing Services, Inc. (VNHS)	
Closing Cost Grants	- 0 -
Rehabilitation Loans	- 0 -
Social Services: Area Agency on Aging	800
Catholic Social Service	- 0 -
Christian Help Center	485
Global Center for Success	1,826
Greater Vallejo Recreation District (GVRD)	
Summer Camps	14,481
Hope Haven Transitional Shelter	- 0 -
The House of Acts	2,753
Meals on Wheels	209
Total, Social Services	<b>20,554</b>
Contingency	<b>3,621</b>
Program Administration	<b>+ 53,497</b>
<b>Total Unspent Balance to Benson Avenue</b>	<b>77,672</b>
<b>Construction</b>	

The engineering and design of **Benson Avenue** will be completed by December 31, 2008. Staff believes that this project will need additional funding in order to be completed, due to a delay in the design of the project, during which time costs have increased. Staff anticipates putting the project out to bid in early 2009. At that time, actual construction bid costs will be known. Construction of these improvements are proposed to begin in 2009. There have been no project design cost overruns to date. However, staff believes that this project will need additional funding in order to be completed.

If the Commission and staff's recommendation is approved, the total estimated amount that would be added to the Benson Avenue construction budget from closed out activities is \$77,672.

### (2) Reauthorized Activities

Some activities are still in progress, but the contract or funding authorization has expired; so, the City may authorize the carry over of funds to the next fiscal year. The Commission and staff recommend that the FY 2007/2008 activities shown below be reauthorized in FY 2008/2009, i. e., the funds carried over:

<u>Activity</u>	<u>Reauthorization Amount</u>
Benson Avenue	
Construction	730,464
Project Delivery (engineering, design, inspection, and contract administration)	57,750
<b>Total, Benson Avenue</b>	<b>788,214</b>
City Park Neighborhood Preservation	
Grounds/Landscaping/Trees Construction	90,000
Grounds/Landscaping/Trees, Project Delivery	27,000
Community Building Construction	150,000
Community Building, Project Delivery	45,000
Play Structure	75,000
Internet Enhanced Security Cameras	20,000
<b>Total, City Park</b>	<b>407,000</b>
VNHS	
Homebuyer Education	48,516
Homebuyer Loans	68,897
<b>Total, VNHS</b>	<b>+ 117,413</b>
<b>Total Recommended for Reauthorization</b>	<b>1,312,627</b>

### (3) Revised Activities

In FY 2007/2008, funds were allocated to the City Park Preservation Project. This project included funds for exterior house paint grants, and Code Enforcement activities, in the City

Park neighborhood. At June 30, 2008, these activities had unspent balances.

The CDC and staff recommend that the unspent balances for these activities (as shown below) be allocated to the Country Club Crest Neighborhood Preservation Project, which has received CDBG Program funding in FY 2008/2009.

<u>Activity</u>	<u>Unspent Balance</u>
City Park Neighborhood Preservation	
Code Enforcement	
Part Time Dedicated Code Enforcement	6,413
Civil Prosecutions	10,000
Total, City Park Code Enforcement	<b>16,413</b>
VNHS	
Paint Grants	<u>+ 514</u>
<b>Total Reallocation to Country Club Crest Preservation</b>	<b>16,927</b>

#### Summary of Recommendation

A summary of the funding recommendation is shown below:

Closed Out Activities:	77,672
Reauthorized Activities:	1,312,627
Revised Activities:	<u>+ 16,927</u>
<b>Total</b>	<b>\$1,407,226</b>

Finally, as noted earlier, subsequent to the City Council's approval of the FY 2008/2009 CDBG Program Budget, HUD adjusted the City's CDBG Program allocation downward by \$71. In order to maintain the same planned level of CDBG Program services to the residents, staff recommends that this small funding reduction be made in the category of Program Administration, (from \$272,326 to \$272,255).

#### Curb Ramps

On April 30, 1996, the City Council adopted Resolution No. 96-177 N. C., which in part established the installation of curb ramps in the City as a high priority until all needed ramps have been installed. Since 1991, the City has allocated over \$1.7 million in CDBG Program funds for curb ramps, for an average annual allocation of approximately \$100,000. A total of 1,245 curb ramps have been installed. Since FY 2005/2006, i. e., over the last four fiscal years, \$428,000 in CDBG Program and Redevelopment Agency funds have been allocated for curb ramps.

Curb ramps are still needed in many locations. In accordance with the City Council's direction, in 2009 staff intends to recommend that the City Council consider allocating FY 2009/2010 CDBG Program funds for curb ramps.



Fiscal Impact

The net effect of the recommendation is to: 1) reauthorize funding in FY 2008/2009 for activities that are in progress or are not yet underway; 2) increase the amount of funding in FY 2008/2009 for the completion of public improvements on Benson Avenue; and (3) reduce the CDBG Program Budget by a minor amount, (\$71), pursuant to HUD's revision to the City's CDBG Program entitlement grant for FY 2008/2009 in August, 2008.

RECOMMENDATION

Approve the carry over, close out, or reallocation of FY 2007/2008 CDBG Program activities, as shown in Attachment "B".

ALTERNATIVES CONSIDERED

The City benefits from its use of Federal CDBG Program funds. By reauthorizing the funding for activities in progress or not yet underway, the City is able to accomplish the community development objectives it has adopted. Therefore, no other alternatives were considered.

ENVIRONMENTAL REVIEW

An environmental review is not required for this action.

CITY COUNCIL AREA OF FOCUS

Not applicable. The proposed action is required pursuant to Federal grant guidelines.

PROPOSED ACTION

Adopt the enclosed resolution of intention to amend the FY 2008/2009 Federal CDBG Program Budget.

DOCUMENTS ATTACHED

Attachment "A" – Resolution

Attachment "B" – Carry Over, Close Out, and Reallocation of Fiscal Year 2007/2008 CDBG Program Activities

PREPARED BY/CONTACT:

Craig Whittom, Assistant City Manager/Community Development, (707) 648-4579, or [cwhittom@ci.vallejo.ca.us](mailto:cwhittom@ci.vallejo.ca.us).

Melinda Nestlerode, Acting Housing and Community Development Manager, (707) 648-4408, or [mnestlerode@ci.vallejo.ca.us](mailto:mnestlerode@ci.vallejo.ca.us).

Guy L. Ricca, Senior Community Development Analyst, (707) 648-4395, or [gricca@ci.vallejo.ca.us](mailto:gricca@ci.vallejo.ca.us).

**RESOLUTION NO. 08- N.C.**

BE IT RESOLVED by the Council of the City of Vallejo as follows:

THAT WHEREAS, certain Federal Community Development Block Grant (CDBG) Program activities funded in Fiscal Year (FY) 2007/2008 have been completed.

WHEREAS, certain CDBG FY 2007/2008 activities have not been completed, and the funds allocated to these activities should be carried over and approved for expenditure in Fiscal Year 2008/2009.

WHEREAS, after the adoption of the FY 2008/2009 CDBG Program Budget by the City Council on June 24, 2008, the U. S. Department of Housing and Urban Development (HUD) reduced the City's CDBG Program entitlement grant allocation for FY 2008/2009 by \$71.

WHEREAS, HUD requires the City of Vallejo to expend its CDBG Program funds in a timely manner.

WHEREAS, the Community Development Commission of the City of Vallejo considered this item at its regular meeting on September 4, 2008 and voted unanimously, 4-0-0, to recommend that the City Council adopt the carry over, close out, or reallocation of FY 2007/2008 CDBG activities as shown in Attachment "B".

WHEREAS, this item was presented to the City Council for consideration on September 16, 2008, and was continued, because members of the City Council requested additional information from staff.

WHEREAS, the information requested has been provided in the attached staff report dated November 6, 2008.

NOW THEREFORE BE IT RESOLVED that the City Council hereby declares its intention to amend the FY 2008/2009 CDBG Program Budget as shown in Attachment "B".

ATTACHMENT "B"  
CITY OF VALLEJO  
CARRY OVER, CLOSE OUT, AND REALLOCATION OF FISCAL YEAR 2007/2008 CDBG PROGRAM ACTIVITIES

A ACTIVITY	B 2007/2008 APPROPRIATION	C UNSPENT BALANCE 06/30/2008*	D PREVIOUS COUNCIL ACTION	E BUDGET TRANSFERS	F PROPOSED BUDGET AMENDMENT	G 2008/2009 ALLOCATION**	H REVISED 2008/2009 BUDGET	I ACCOUNT
<b>Facilities</b>								
Continents of Omega	\$ 20,000	\$ 20,000	\$ 20,000				\$ 20,000	101-2104-463.40-17
Reynolds Family Center	393,415							101-2104-463.40-09
Vallejo Senior Citizens Council	6,318							101-2104-463.40-26
Subtotal, Public Facilities	419,733	20,000	20,000				20,000	
<b>Public Improvements</b>								
Benson Avenue								
Construction Costs	730,464	730,464	47,192	77,672	808,136		808,136	101-2104-463.40-75
Public Works Staff Costs	169,503	104,942	47,192		57,750		104,942	101-2104-463.40-58
Subtotal, Benson	899,967	835,406	47,192	77,672	865,886		913,078	
City Park Neighborhood Preservation								101-2104-463.40-20
Grounds/Landscaping/Trees								
Construction Costs	90,000	90,000			90,000		90,000	
Public Works Staff Costs	27,000	27,000			27,000		27,000	
Subtotal, Grounds/Landscaping/Trees	117,000	117,000			117,000		117,000	
Community Building								
Construction Costs	150,000	150,000			150,000		150,000	
Public Works Staff Costs	45,000	45,000			45,000		45,000	
Subtotal, Community Building	195,000	195,000			195,000		195,000	
Play Structure	75,000	75,000			75,000		75,000	
Code Enforcement								
Part Time Dedicated Code Enforcement	50,000	6,413		(6,413)				
Civil Prosecutions	10,000	10,000		(10,000)				
Subtotal, Code Enforcement	60,000	16,413		(16,413)				
Internet Enhanced Security Cameras	20,000	20,000			20,000		20,000	
Subtotal, City Park	467,000	423,413		(16,413)	407,000		407,000	101-2104-463.40-77
Country Club Crest Neighborhood Preservation								
Lighting								
Construction Costs						96,687	96,687	
Public Works Staff Costs						29,000	29,000	
Subtotal, Lighting						125,687	125,687	
Curb/Gutter/Sidewalk, Curb Ramps								
Construction Costs						154,670	154,670	
Public Works Staff Costs						46,400	46,400	
Subtotal, Curb/Gutter/Sidewalk, Curb Ramps						201,070	201,070	
Code Enforcement								
Part Time Dedicated Code Enforcement				16,413	16,413	48,334	64,747	
Neighborhood Clean-ups/Public Education						16,434	16,434	
Subtotal, Code Enforcement				16,413	16,413	64,768	81,181	
Vallejo Neighborhood Housing Services (VNHS)								
Paint Grants								
Paint the Town				514	514	48,334	48,848	
Subtotal, VNHS				514	514	36,711	36,711	
Country Club Crest						85,045	85,559	
Subtotal, Country Club Crest						16,927	493,497	
Subtotal, Public Improvements	1,366,967	1,258,819	47,192	78,186	1,289,813	476,570	1,813,575	
<b>Housing</b>								
Rental or Ownership Housing Development						408,488	408,488	101-2104-463.40-76
VNHS								
Closing Cost Grants	48,975							101-2104-463.40-80
Homebuyer Education	77,912	48,516			48,516		48,516	101-2104-463.40-02
Homebuyer Loans	395,045	68,897			68,897		68,897	101-2104-463.40-01
Paint Grants	33,701	514		(514)				101-2104-463.40-03
Rehab. Loans	24,000							101-2104-463.40-04
Subtotal, VNHS	579,633	117,927		(514)	117,413		117,413	
Subtotal, Housing	579,633	117,927		(514)	117,413	408,488	525,901	
<b>Social Services</b>								
Area Agency on Aging	20,000	800		(800)		19,334	19,334	101-2104-463.40-31
Catholic Social Service	20,000					19,334	19,334	101-2104-463.40-51
Christian Help Center	20,000	485		(485)		19,334	19,334	101-2104-463.40-35
Fighting Back Partnership (Country Club Crest)						41,568	41,568	101-2104-463.40-45
Global Center for Success	25,000	1,826		(1,826)		24,167	24,167	101-2104-463.40-52
GVRD Summer Camps	43,000	14,481		(14,481)		29,000	29,000	101-2104-463.40-40
Hope Haven Transitional Shelter	30,000	2,753		(2,753)		21,267	21,267	101-2104-463.40-41
House of Acts	31,282	209		(209)		30,240	30,240	101-2104-463.40-32
Meals on Wheels	211,262	20,554		(20,554)		204,244	204,244	
Subtotal, Social Services	281,710	53,497		(53,497)		272,255	272,255	101-2104-463.40-56
<b>Program Administration</b>								
<b>TOTAL</b>	<b>\$ 2,933,140</b>	<b>\$ 1,474,418</b>	<b>\$ 67,192</b>	<b>\$ -</b>	<b>\$ 1,407,226</b>	<b>\$ 1,361,557</b>	<b>\$ 2,835,975</b>	
<b>Notes:</b>								
*Unaudited.								
**Of this amount, \$200,000 is estimated program income.								



Agenda Item No. CONSENT F

## COUNCIL COMMUNICATION

Date: November 6, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development CW  
Bob Adams, Development Services Director BA  
Nimat Shakoor-Grantham, Code Enforcement Manager NSG

SUBJECT: APPROVAL OF RESOLUTION OF INTENT TO AMEND THE CITY OF VALLEJO FEE SCHEDULE AND THE VALLEJO MUNICIPAL CODE, CHAPTER 7.62 – VACANT BUILDING ORDINANCE

### BACKGROUND AND DISCUSSION

The current foreclosure crisis has raised a myriad of local, regional and national issues which governmental agencies have been forced to grapple with. Many Adjustable Rate Mortgages (ARM's) are at a point where property owners can not afford to pay the higher mortgage payments nor can they refinance their homes due to the lack of equity. This situation negatively affects both the individual property owner and the City's property tax revenues.

According to foreclosure data base, Realty Trac, 4,742 properties in Vallejo are in the foreclosure process. Not all are vacant or in formal foreclosure. 1,549 properties are in the pre-foreclosure stage and 2,580 properties are bank owned. The other 613 properties are either being sold by auction, sold by owner, being resold or labeled as "government owned." The foreclosure process can take several months to complete while some of the properties remain vacant. These properties are reported to the Code Enforcement Division by neighborhoods that are suffering from the severe states of blight, fire hazard, lack of maintenance and security and other health safety issues. Examples of conditions include: Weeds, litter, junk, trash, odors, algae-filled mosquito-breeding pools, abandoned pets, rodents and other public nuisances that plague these properties and the neighborhoods. These neighborhoods include but are not limited to: County Club Crest, Central Vallejo, Glen Cove, Vallejo Neighborhood Heights, College Park, East Vallejo, Washington Park, South Vallejo and Hiddenbrooke.

Requiring owners of vacant properties to correct these listed violations presents significant challenges to the code enforcement process. When homes are abandoned and vacated due to

foreclosure activities, it is very difficult to locate the titled property owner. Grant deed property profiles from title companies, the County Tax Assessor roll and foreclosure databases fail in many instances to show when the deed to the property changes ownership.

Vacant and abandoned properties are at high risk for fire hazard and vandalism. These properties represent a significant lack of property monitoring and maintenance responsibility by absentee owners.

In order to keep abreast of the frequent changes in property ownership, code enforcement officers would have to spend an unreasonable amount of time researching the ownership information at the County Recorders' Office in Fairfield or spend 4-6 hours at a time researching the changing ownership of a property using the phone and internet.

When asked to assist in informing the current or new owner of the need to correct property maintenance violations on foreclosed and vacant property, assigned Real Estate Owned Property (REO) Realtor's will often say that the owner does not want to put more money into the property or will refuse to provide any current owner of asset manager information due to the fiduciary relationship with the owner and their agents.

An amended Vacant Building Ordinance would more effectively address the problems of blight, health and safety issues, property vandalism, inefficient owner notification and property maintenance. The ordinance would require owners of vacant properties to register those homes with the City of Vallejo Code Enforcement Division at the time that the ownership information is registered with the Solano County Recorder's Office. Absentee owners would also be required to retain the services of a property management company. Registration would facilitate more efficient enforcement of the above mentioned violations that are common on these types of properties. An administrative fee to cover the cost of processing and maintaining the registration information will be charged per property, therefore, the City's fee schedule will need to be amended. The methodology used to calculate the registration fee would consist of a cost of service study which analyzes the direct costs associated with providing each fee-for-service activity and the indirect costs that support these activities. The findings of the study should be presented in December 2008 with the amended Vacant Building Ordinance.

The ordinance would adopt provisions of California State Senate Bill 1137, Section 2929.3 (a.1-3, (b-i). This would allow the Code Enforcement Division to serve notice to owners of foreclosed vacant and abandoned properties. Owners must begin the correction of noted property maintenance violations within 14 days and complete the correction of those violations within 30 days. If the noticed owner fails to comply, the Code Enforcement Division will be able to fine the owners up to \$1,000 per day that the violations exist past the 30 day deadline. The owners would have fee waiver and due process appeal rights.

RECOMMENDATION

Staff recommends that the City Council Adopt a Resolution of Intent to amend the City of Vallejo's Fee Schedule and Vallejo Municipal Code Chapter 7.62, Vacant Building Ordinance, to allow the addition of a mandatory Vacant Residential Property Registration Program as-well-as the incorporation of provisions contained in California State Senate Bill 1137, Section 2929.3 (a.1-3), (b-i).

PROPOSED ACTION

Adopt a Resolution of Intent to amend the City of Vallejo's Fee Schedule and Vallejo Municipal Code Chapter 7.62, Vacant Building Ordinance, to allow the addition of a mandatory Vacant Residential Property Registration Program and the incorporation of provisions contained in California State Senate Bill 1137, Section 2929.3 (a.1-3), and (b-i).

FISCAL IMPACT

Revenue from California State Senate Bill 1137, Section 2929.3(d) penalties and fees associated with the Residential Property Registration Program may increase the City's resources for code enforcement activities.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a project as defined under Section 15378 of the State CEQA Guidelines.

CITY COUNCIL AREAS OF FOCUS

This project is consistent with City Council Area of Focus #1 – Achieve Fiscal Stability in All Funds and Area of Focus #3 – Improve Quality of Live.

DOCUMENTS ATTACHED

1. Proposed City Council Resolution

CONTACT PERSON/S

Nimat Shakoor-Grantham, Code Enforcement Manager, 707/648-4522, e-mail address: [Nimat@ci.vallejo.ca.us](mailto:Nimat@ci.vallejo.ca.us); Bob Adams, Development Services Director, 707/648-4326.

**RESOLUTION NO. \_\_\_\_\_ N.C.**

BE IT RESOLVED, by the Council of the City of Vallejo as follows:

THAT WHEREAS, the recent foreclosure crisis has raised a myriad of local, regional, and national issues which various governmental agencies, including the City of Vallejo have been forced to address, and

WHEREAS, 4,742 properties in Vallejo are in the foreclosure process, many of which are reported to the Code Enforcement Division due to being vacant, unsecured and often vandalized, having excessive amounts of weeds, litter, junk, trash, odors, algae-filled mosquito-breeding pools, abandoned pets, rodents and other public nuisances that plague these properties and their neighborhoods, and

WHEREAS, the City of Vallejo Code Enforcement Division is intent on increasing the effectiveness of code enforcement efforts to address these violations on vacant residential properties;

NOW, THEREFORE, BE IT RESOLVED, that the Vallejo City Council hereby approves this resolution to amend the City of Vallejo's Fee Schedule and Vallejo Municipal Code Chapter 7.62, Vacant Building Ordinance, to allow the addition of a mandatory vacant residential property registration program and the adoption of California State Senate Bill 1137, Section 2929.3 (a.1-3),(b-i).

*//s//*

\_\_\_\_\_  
OSBY DAVIS, Mayor

ATTEST:


*//s//*

\_\_\_\_\_  
MARY ELLSWORTH, City Clerk



**Agenda Item No.****COUNCIL COMMUNICATION****Date:** November 6, 2008

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Gary A. Leach, Public Works Director 

**SUBJECT:** CONSIDERATION OF A RESOLUTION APPROVING THE PHASING OF VALLEJO STATION INTERMODAL FACILITY - PARKING STRUCTURE PROJECT

**BACKGROUND**

The Vallejo Station project was conceived in 2001 by the City in conjunction with Callahan DeSilva Vallejo LLC (CDV), the Waterfront master developer. The project concept was based on elements of the federal government's T-2000 transportation program which encouraged Transit Oriented Development (TOD) projects as well as public/ private partnerships (PPP). Subsequent federal transportation programs continue to encourage TOD and PPP projects. The City and CDV established a wide range of goals associated with implementation of the Waterfront and Vallejo Station projects including:

- The conversion of approximately 24 acres of undeveloped (or underdeveloped) land [identified as Parcels J, K, and L in the central portion of the Waterfront master plan], major portions of which are currently being utilized for Baylink ferry parking, into developable property;
- Improved parking for ferry patrons through the construction of a new two level, 1200 space, all weather, below grade parking structure across Mare Island Way from the ferry terminal;
- The consolidation of existing on-street local bus transfers into an off-street central Bus Transit Center between Sacramento and Santa Clara Streets (Parcel O) to enhance bus access to the Ferry Terminal and provide better coordination of the local bus routes;
- A building for a bus driver break room, ticket sales, security and the City's Transportation operations staff adjacent to the proposed Bus Transit Center;
- New bus turnouts along Mare Island Way adjacent to the existing Ferry Terminal for long-haul express busses to facilitate regional access to the ferry system;
- A public Paseo to facilitate access between the Bus Transit Center and the Ferry Terminal; and



- Significant retail and commercial development as well as residential condominiums on various private development parcels (the balance of Parcel L and Parcel J).

The landuse project components were approved by the City Council in the Waterfront Planned Development Master Plan (PDMP). Initial elements of the Waterfront Plan have been completed – the extension of Georgia Street (completed in 2003) and a portion Capital Street (completed in 2004). These street extensions help to define private development parcels that will ultimately enhance the City's tax rolls and facilitate the redevelopment of downtown. Parcel K (located north of Capitol Street) has already been developed with a 60,000 square foot, two story office building for State Farm Insurance Company.

#### *Vallejo Station Intermodal Facility Parking Structure*

The mixed use, transit oriented development (TOD) aspects of the project, as well as its proximity to the Vallejo Baylink Ferry Terminal (which provides direct access to downtown San Francisco) has made the Vallejo Station project attractive to the City's federal, state and regional funding partners. The project has competed well against other regional transportation projects.

To date, the City has secured approximately \$56 million in regional, state, and federal grants for the project. Additionally, the City has designated local transportation impact fee funding to the project. The developer/ redevelopment portion of the project is anticipated to come from a combination of developer contributions, land sale revenues and/or tax increment bond proceeds from development in the Merged Redevelopment Project Areas. Regional, State and Federal funding that has been secured to date for the public elements of the project (bus transit center, right of way acquisition, parking garage, street improvements, etc.) include:

- Over \$8 million in Federal Transit Administration (FTA) grant funds secured for the City by Congressman George Miller;
- Almost \$14 million in State Transportation Improvement Program (STIP) funds programmed by the Solano Transportation Authority (STA);
- \$28 million in bridge toll revenues through Regional Measure 2 (RM 2); and
- Approximately \$5 million in local funds (primarily the City's "Bridge" funds).

In addition to the above, the city is pursuing a federal EDA grant that, if approved, would provide another \$4 million in funding for the project. City staff is also working with the STA and the newly formed Water Emergency Transportation Authority (WETA) to secure additional STIP and/or Proposition 1B bond funds for the project.



### *Design*

The City Council authorized the City Manager to enter into a contract with Watry Design, Inc. (WDI), Redwood City, California thru Resolution No. 07-288 N.C. on November 13, 2007. WDI's initial tasks were to gather geotechnical information and perform a parking study. WDI has recently completed the schematic design phase, which included schematic plans and a preliminary cost estimate.

### *Property Acquisition*

A functioning post office and restaurant are still situated in the proposed parking structure footprint. It is anticipated that both properties will be acquired. Moreover, it is anticipated that the post office will be relocated to a new facility located in the southwest quadrant of Sonoma Blvd. and Solano Ave. intersection. On August 19, 2008, through Resolution No. 08-144 N.C., the City Council authorized City Manager to submit an allocation request for the right-of-way phase with Metropolitan Transportation Commission (MTC) for Regional Measure 2 funds in the amount of \$3,567,000, for the project. MTC approved the allocation request on September 24, 2008. The City's property acquisition consultant has been directed to make offers to purchase both properties.

### Fiscal Impact

The cost of the proposed 1200 car garage, bus transit center and related improvements within the Vallejo Station portion of the Waterfront Plan is currently estimated at \$99 million (recently updated to include inflation, scope refinements, and changes in eminent domain law). The estimates have been escalated to the mid-point of construction (mid 2011).

Funding in the amount of \$56 M has been obligated to date from various federal and state grants as well as some local match, as identified above.

### RECOMMENDATION

#### *Implementation*

Since available funding (approximately \$56 million) falls short of the currently estimated \$99 million overall cost of the project, staff and consultants have been working to identify and evaluate opportunities to accelerate construction of the project as quickly as possible. Factors considered during the review of the various implementation options included:



- The need to take advantage of currently available funding (and not lose funding because of grant requirements/ deadlines);
- The desire to consolidate ferry parking on Parcel L, thereby freeing up Parcel J for development and potentially accelerated implementation of the City's Waterfront Plan); and
- Preserving the opportunity of full funding and implementation of the ultimate 1200 car parking garage

In addition to the need to align the project with available funding, implementation of the 1200 car parking structure is complicated by the need to relocate the City's main Post Office. The Post Office is located in a leased building on a privately held 3.1 acre parcel at the southwest corner of Santa Clara Street and Georgia Street in the downtown area (a portion of parcel L). The proposed 1200 car, two story, below grade parking structure covers an area of approximately 4.6 acres (L-3), of which approximately 2.2 acres (or 48%) is currently encumbered by the existing Post Office. The Waterfront Plan envisions relocation of the Post Office to a larger parcel (parcel T2) in the southern waterfront area at the corner of the Sonoma Boulevard and the Solano Avenue.

Staff and consultants have been evaluating issues and options related to relocation of the Post Office and its potential to impact the schedule for completion of the proposed 1200 car parking garage. A number of factors complicate efforts to relocate the Post Office, including:

- Relocation of the Post Office requires both the acquisition of underlying fee title to the property on which the Post Office building is located as well as negotiations with the Post Office with respect to termination of its existing lease;
- Post Office policies and procedures include a lengthy public input and review process in conjunction with the relocation of a Post Office;
- The parcel identified by the City as the site of the new Post Office is located in an area that requires permits and approvals from a number of regulatory agencies including the Regional Water Quality Control Board (RWQCB) (hazardous material environmental clearance) as well as the removal or modification of State Lands Commission (SLC) land use restrictions;
- A lease agreement between the Post Office and the Developer will be necessary to secure financing for the proposed new Post Office. The Post Office will need to agree to apply funding it receives from the city (for its leased fee interest in the existing facility, its FF&E and relocation costs, and its lease incentive fee) toward new facility construction costs (est. \$3.75 million); and



- Specialized geotechnical testing (deep foundations are likely to be required), civil engineering (mapping, site and utility plans) and architectural design work is needed to refine USPS development costs.

While the City, its Redevelopment Agency and the designated developer (CDV) are well into addressing the issues associated with relocation of the Post Office (originally anticipated to be complete by late 2008) the physical relocation of the existing Post Office building is not anticipated until at least 2010.

### *Recommendation*

As a means of implementing the Vallejo Station project as envisioned by the City's Waterfront Plan as expeditiously as possible, it is recommended that the Vallejo Station Intermodal Facility - Parking Structure be implemented in phases. An initial phase of the overall project (Phase A) has been indentified that can be completed with available funds. The estimated cost of this initial phase is \$56 million and would complete the following:

- The proposed Bus Transit Center and a security/ transportation office;
- An initial phase of the proposed parking structure with approximately 740 parking spaces. This phase of the garage would be constructed on the southern half of parcel L3 and include a top deck with parking (approximately 190 spaces) as well as the Paseo to connect the bus transit center to the Ferry Terminal;
- The consolidation of all existing ferry parking onto interim (temporary) lots on the balance of Parcel L (parcels L1, L2 and the Post Office site) thereby freeing up Parcel J for private development;
- Improvements along Mare Island Way to include a traffic signal and improvements to the existing kiss/ride; and
- Acquisition of the My Café and Hilf Trust (Post Office) properties, demolition of the existing Post Office and physical relocation to the new Post Office site.

This approach will allow construction on both the Bus Transit Center and the southern half of the ultimate garage to begin in 2009. Upon completion, parking for over 1200 ferry patrons would be available with the boundaries of Parcel L (approximately 740 permanent and 500 interim spaces) and Parcel J would be available for development.

The recommended strategy maintains a focus on implementation of the full 1200 car parking structure as envisioned in the approved Waterfront Plan while at the same time recognizing funding realities as well as the complexities and potential for delay inherent in the need to relocate the Post Office.



To implement this strategy it is recommended that the City:

- Reaffirm the plan for completion of a 1200 car parking structure on Parcel L3, but authorize phasing of the project to avoid conflicts with the Post Office until the property can be acquired and the Post Office relocated. The scope of the initial phase of the garage would include two levels of below grade parking as well as a full top deck with parking (approximately 190 spaces) and a Paseo to connect the Bus Transit Center to the Ferry Terminal; necessary improvements to Mare Island Way (traffic signal and improvements to the kiss/ride lot) and needed improvements to Santa Clara Street;
- Reaffirm staff's direction to the A&E firm (Watry) to prepare the plans, specifications and estimates for Phase A of the garage as described above. A final design and bid package for the project will be developed as quickly as possible with construction likely to begin in the fall of 2009.
- Authorize staff to continue working with the city's funding partners to secure additional regional, state, and federal grants for the remaining phase (Phase B) of the parking structure.

#### NEXT STEPS

November 19, 2008 – Community Meeting/Workshop

December 8, 2008 – Design Review Board (DRB) review of architectural concepts.

December 16, 2008 – City Council considers conceptual plan.

Spring/Summer 2009 – Complete final design, advertise for bids.

Fall 2009 – Begin construction

#### CITY COUNCIL AREA OF FOCUS

This action is consistent with City Council Area of Focus 2 – Bring Investment and Business to Vallejo and Area of Focus 5 – Infrastructure Improvements.

#### ENVIRONMENTAL REVIEW

On October 25, 2005, City Council adopted Resolution No. 05-354 N.C., which certified the Environmental Impact Report and adopted findings, a statement of overriding considerations and the mitigation monitoring program for the Vallejo Station Project and the Waterfront Project.

The Federal Transportation Administration determined that Vallejo Station as “categorical exclusion” under 23 CFR part 771.117 (d) (4) thru a letter received on December 14, 2005.



## ALTERNATIVES CONSIDERED

Various options were identified and evaluated to address the funding and property acquisition related constraints with the Vallejo Station project, the most significant of which included:

- Delaying the project until the Post Office is relocated and full project funding is identified;
- Relocating all or part of the proposed parking structure to another site to avoid the conflicts with the Post Office; and
- Phasing construction of the parking structure to allow time to relocate the Post Office and secure the necessary additional funding for the remainder of the project.

## PROPOSED ACTION

Approve the resolution accepting the phasing of Vallejo Station Intermodal Facility – Parking Structure project; authorizing staff to proceed with the conceptual design and authorizing staff to pursue additional funding for the remaining phase of the project.

## DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution approving the phasing of Vallejo Station Intermodal Facility – Parking Structures; directing staff to proceed with the conceptual design; and directing City Manager to pursue additional funding for the remaining phase of the project.
- b. Parcel Map of Central Waterfront
- c. Site Plan
- d. Aerial View after Phase A Construction
- e. Aerial View after Phase B and Private Development Construction

## CONTACT PERSON

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[garyl@ci.vallejo.ca.us](mailto:garyl@ci.vallejo.ca.us)



Crystal Odum Ford, Transportation Superintendent  
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[codumford@ci.vallejo.ca.us](mailto:codumford@ci.vallejo.ca.us)

NOVEMBER 6, 2008  
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**RESOLUTION NO. 08-\_\_\_\_\_ N.C.**

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, the Vallejo Station Intermodal Facility Project (the "Project") is envisioned as a transit oriented development as well as a public / private partnership; and

WHEREAS, current funding is available to construct the initial phase of the parking structure located in the southern half of Parcel L3; and

WHEREAS, federal and state grants obligated for the Project have requirements and expiration dates; and

WHEREAS, interim parking in Parcels L1 and L2 will consolidate surface parking from Parcel J thereby freeing Parcel J for private development; and

WHEREAS, a functioning United States Post Office is currently located in the northern half of Parcel L3; and

WHEREAS, a number of factors complicate and will delay efforts to relocate the Post office, including Post Office requirements for a lengthy public input and review process and the permit and approval processes of a number of regulatory agencies having jurisdiction over the site of the new Post Office; and

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Vallejo approves the phasing of the Vallejo Station Intermodal Facility – Parking Structure Project as described more particularly in the agenda report for this matter.

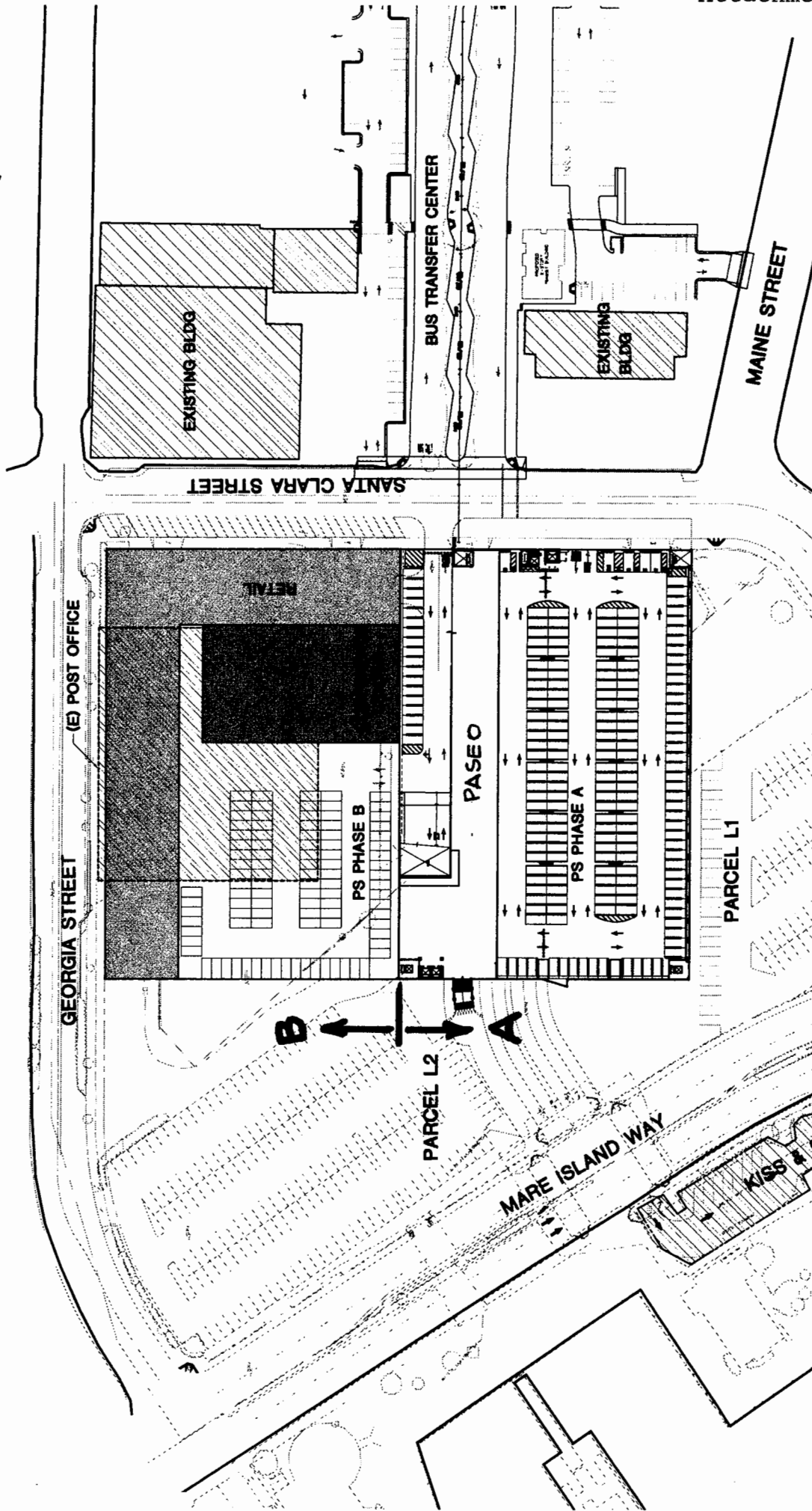
BE IT FURTHER RESOLVED, that the City Council hereby directs Public Works staff to proceed with the conceptual design for the Project and begin implementation of Phase A of the Project.

BE IT FURTHER RESOLVED, that the City Council hereby directs the City Manager to pursue additional funding for the remaining phase of the Project.

NOVEMBER 6, 2008

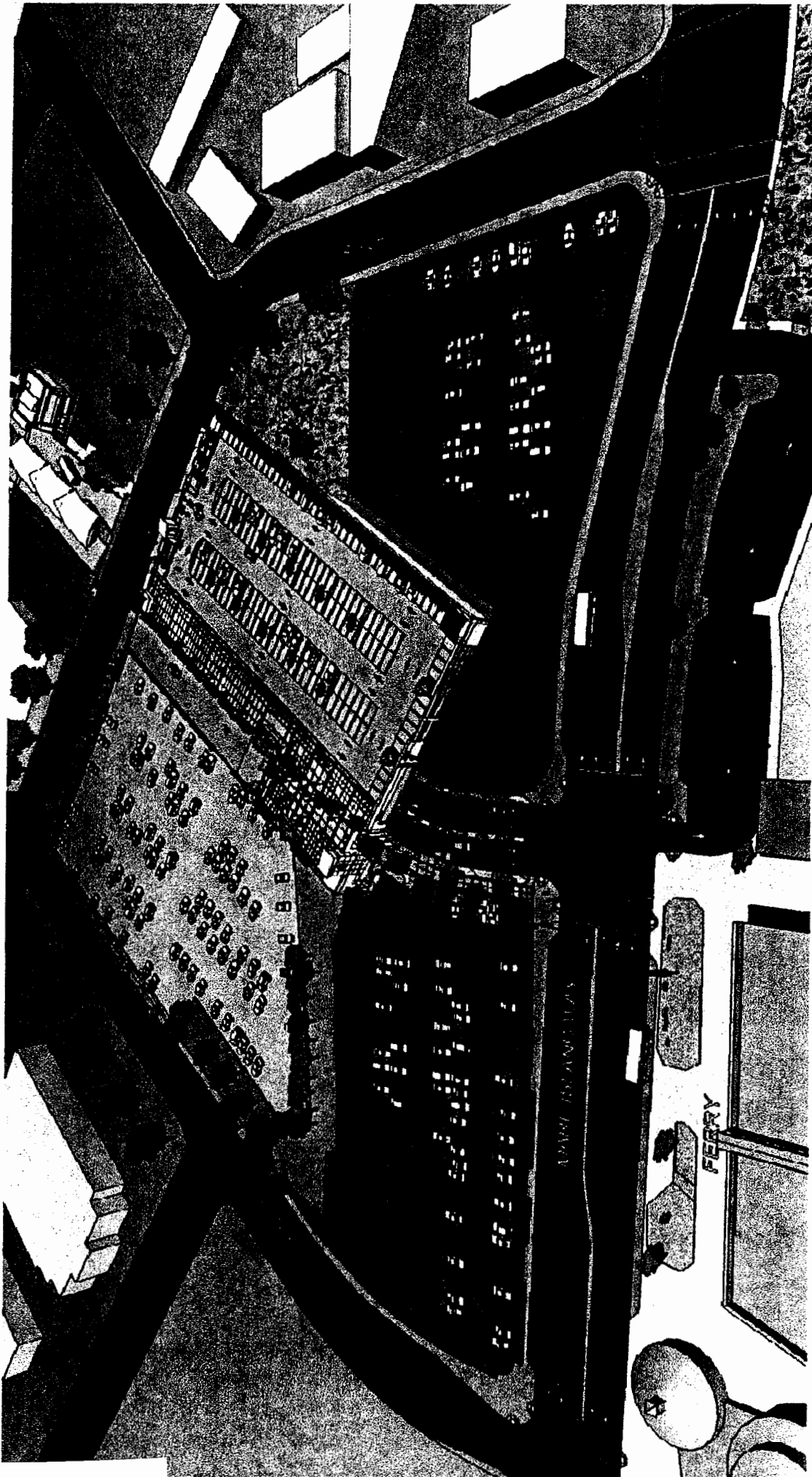
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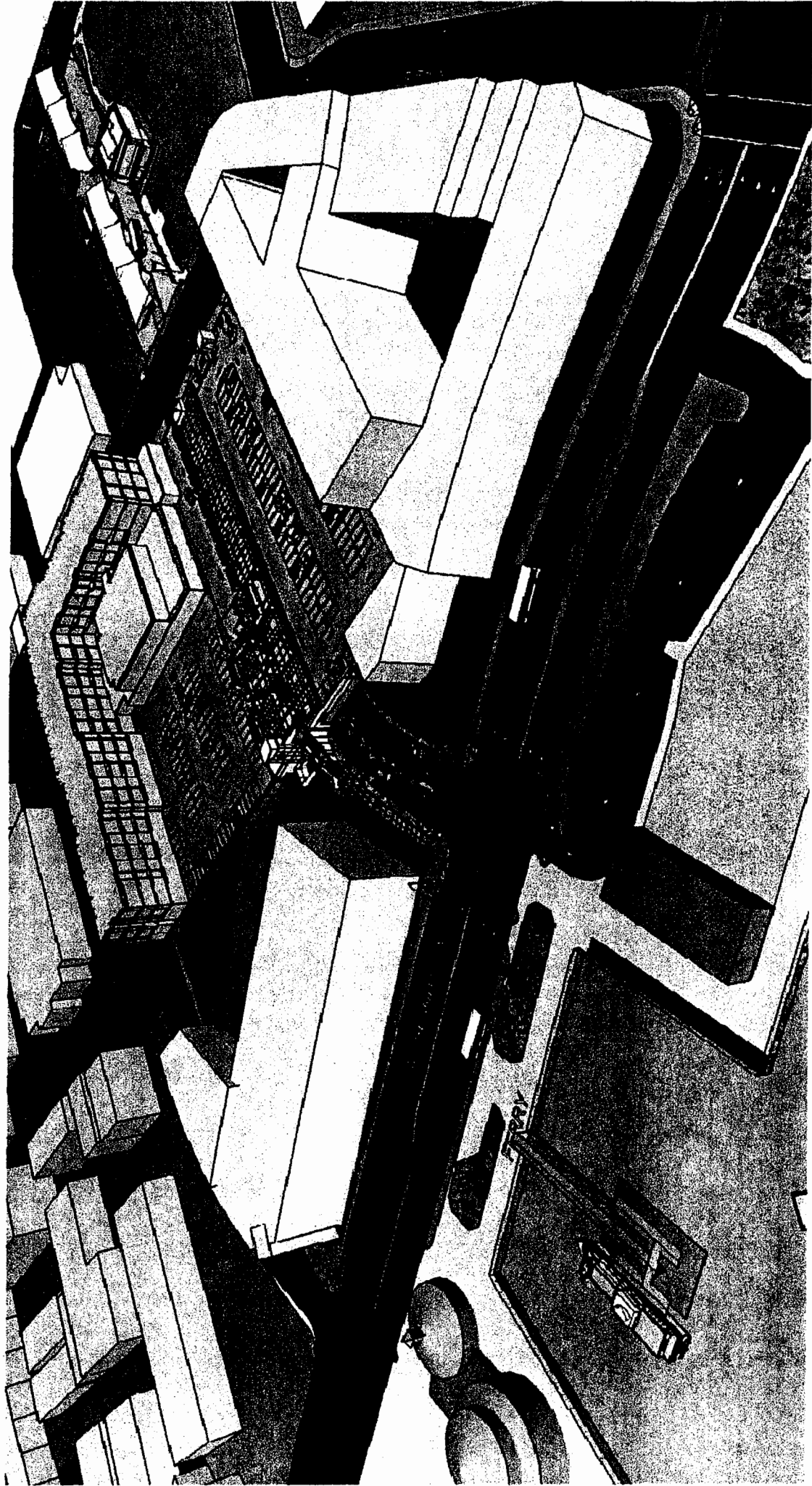


# VALLEJO STATION SITE PLAN

N.T.S.



AERIAL VIEW  
AFTER PHASE A CONSTRUCTION



AERIAL VIEW  
AFTER PHASE B AND PRIVATE DEVELOPMENT



**Agenda Item No.**

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**COUNCIL COMMUNICATION**

**Date:** November 6, 2008

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Joseph M. Tanner, City Manager  
Robert V. Stout, Finance Director *RVS*

**SUBJECT: GENERAL FUND BUDGET UPDATE AND  
CONSIDERATION OF THE RESOLUTION AMENDING THE  
FY 2008-09 BUDGET.**

**PURPOSE OF REPORT**

On October 28, 2008, City Council received a General Fund budget update and adopted a resolution of intention to amend the FY 2008-09 budget. This report repeats the budget update and proposes final action by the City Council on the proposed budget amendments. Staff will address City Council questions from the October 28 meeting during the November 6<sup>th</sup> meeting.

**OCTOBER 28, 2008 BUDGET UPDATE**

**BACKGROUND & DISCUSSION**

**Overview**

This report provides the first updated look at the General Fund's fiscal condition since City Council adopted its FY 2008-09 Budget last June. It is intended to inform City Council and the City's many stakeholders/interested parties that are tracking the City's fragile fiscal condition and bankruptcy status. Ongoing fiscal monitoring and reporting were included as objectives adopted in the City's Council's 2008 Areas of Focus on October 21, 2008. This report also proposes modifications to the FY 2008-09 budget.

Vallejo joins other municipalities, states, and Federal agencies which are reacting to rapidly deteriorating economic conditions. The Federal government's deficit grows by billions daily. Many sources think California's current year deficit is between \$3.0 and \$5.0 billion. San Diego, Los Angeles, San Francisco, Oakland and Sacramento are all experiencing large revenue losses and are working to make the reductions necessary to bring their budgets back into balance. For Vallejo, our property values and retail sales declines driven in large part by the recent national credit crisis find the City with a significant drop in General Fund resources from which to pay for essential services. Despite years of budget cut-backs, the elimination of over 23% of the General Fund workforce since FY 2003-04, and finally the protection of the bankruptcy court, we now



must propose even further service reductions to rebalance operations with available revenues.

The outlook for the 2009-10 Fiscal Year remains challenging and uncertain. The 2008-09 budget adjustments presented below include sizable one-time items that do not resolve the City's ongoing structural fiscal deficit. Existing tax revenues are not expected to recover in the next year, and many expect them to decline even further. Staff continues to seek agreement on labor cost reductions with the City's employee organizations, either through out-of-court negotiated modifications to labor agreements or through a court-approved plan of adjustment. Staff will also begin assessment of which revenue measures the voters might support in a November, 2009 ballot initiative. Unless both efforts are successful, the City may face even more severe service reductions.

Tonight's action is the second step of the charter-required two-step budget amendment process. The City Council will consider a resolution formally amending the budget.

The discussion below is presented in the following sections:

- I. 2007-08 General Fund Results
- II. 2008-09 Economic Environment and Revenue Update
- III. 2008-09 Program Operating Cost Update
- IV. 2008-09 Budget Reduction Proposal
- V. Ending Fund Balance, Risk Assessment, and Future Outlook
- VI. Non-General Fund Program Update

#### **I. FY 2007-08 General Fund Results**

On March 11, 2008, City Council adopted a Fiscal Emergency Plan and revised FY 2007-08 budget that relied upon one-time inter-fund transfers and short-term Public Safety salary concessions to achieve an operating budget projection that would draw the General Fund's remaining available balance to zero at June 30, 2008. Updated revenue and expenditure estimates were presented to City Council in May and again in June in connection with the proposed FY 2008-09 budget, with the same "net zero" ending reserve projection.

Preliminary (unaudited) FY 2007-08 results for both revenues and expenditures were slightly favorable to this projection. Summary results are presented in the Fund Balance Projection at **Attachment C**. Revenues of \$83.629 million exceeded the June 6<sup>th</sup> projection by approximately \$400,000, or one half of one percent. While sales taxes fell \$360,000 below projection, utilities user taxes and the newly implemented Six Flags/Discovery Kingdom Park Operations Fee exceeded projection by \$414,000 and \$264,000, respectively. Transfers in from other funds also exceeded projection by \$188,000. \$300,000 of the sales tax loss was due to a one-time correction in the



allocation from the County-wide tax pool that fortunately is not a permanent erosion in the sales tax base. Detail line item revenues are presented at **Attachment D**.

Expenditures of \$87.344 million, along with reserve transactions, were also \$400,000 favorable to projection. Labor cost overruns were offset by savings in services and supplies as departments shut down disbursements wherever possible to preserve cash flow. Results by individual departments are presented at **Attachment F**.

The General Fund balance sheet as of June 30, 2008 is presented at **Attachment B**. Total fund balance of \$3.5 million, after exclusion of \$2.7 in restricted reserves, leaves \$797,000 in available undesignated surplus, or 1% of annual expenditures. On a cash basis, the ending cash deficit of \$451,000 was financed through a short-term inter-fund loan from the Risk Management Fund.

## **II. FY 2008-09 Economic Environment and Revenue Update**

Vallejo's General Fund revenues have slowed along with the local housing market over the past two years as revenues related to new housing development and housing sales have declined in the transfer tax, excise tax, and permit fee areas. In FY 2008-09, economic concerns have moved on to the State level with the State's massive structural budget deficit and its own "band-aid" budget passed after months of delay and alarming lack of political will and focus. Even shortly after its passage, further State revenue declines have turned the State ink red with new multi-billion dollar projected operating deficits and cash flow deficits that rely upon market financing in a nervous and evaporating bond market.

California is not alone in this economic downturn. Unprecedented swings in the national and international financial markets have generated a global chill in the essential credit and cash flow avenues that have kept our domestic economic engine moving. Michael Pagano, dean of the College of Urban Planning and Public Affairs at the University of Illinois, reports in Governing that "this is the first time for at least two decades that all three major general tax sources – property, income and sales - have declined at the same time." The national economy has suddenly stalled, creating consumer credit difficulties as well as caution in basic housing, automobile, and consumer retail purchases. USA Today reported this week that two auto dealerships closed nationally each day in September. And that brings us back to Vallejo, as our local community suffers retail closures, including an auto dealership and several national/regional chain stores. Vallejo's tax revenues are suffering, and would be even without bankruptcy. The difficulty for Vallejo is that it has already drawn down its reserves and doesn't have the cushion to withstand the revenue losses from this economic cycle.

Updated FY 2008-09 revenue projections are detailed at **Attachment D**. The following are highlights and notes on the major revenue sources.





- **Property Taxes** are down \$1.1 million from the original FY 2008-09 budget. Projections have been provided by the County of Solano based upon actual property assessments. FY 2008-09 tax revenues are based upon property values as of January 1, 2008. The County Assessor has initiated across-the-board valuation reductions in targeted neighborhoods within the County. We understand that these adjustments were typically rolled-back two years in value, which may be less than a four-year roll-back implemented in some other counties. This may indicate that Vallejo's property values could see further erosion in the next tax year, or upon resale. The projected net 2008-09 decline in secured property tax in the General Fund is 5%, while the composite rate including unsecured, supplemental, unitary, and other property tax categories is a decline of 7%. The projected 2008-09 property tax revenues of \$18.0 million represent approximately one quarter of General Fund revenues.
- **Sales Taxes** are down \$1.1 million from the original FY 2008-09 budget. Projections, by quarter, are detailed at **Attachment E**. The fourth quarter of FY 2007-08, ending in June 2008, saw an alarming drop in revenue of 19% from the same quarter in the prior year. Excluding a one-time \$300,000 County pool correction, the base still realized a 10% reduction from the prior year. Projections for FY 2008-09 have been built upon the following assumptions:
  - 3% reduction for known store closures
  - 2% reduction for potential additional store closures
  - 5% reduction for general economic downturnThe composite rate is a 7% reduction from actual FY 2007-08 sales tax revenue. Projected 08-09 sales tax revenues of \$11.2 million represent approximately 15% of total General Fund revenues.
- **Vehicle License Fees** are down \$481,000 from the original FY 2008-09 budget. The projections (including "in lieu" fees from the County's ERAF Fund) are now substantially distributed from a County pool based upon assessed valuation, and not license fees. Revenue projections are from the County of Solano and have been reduced by 3% from the original budget. Projected 08-09 VLF fees of \$10 million represent approximately 14% of total General Fund revenues.
- **Excise Tax, Franchise Fee, and Utility User Tax** projections have been updated based upon the prior year base. The combined reductions from the original FY 2008-09 budget are \$343,000.
- **Business License** revenue projection has increased by \$200,000 from the original FY 2008-09 budget. These revenues are the direct result of the recent audit efforts by an external auditing firm. While not popular, they have resulted in new or increased revenues and compliance with the City's tax ordinance by 259 taxpayers and \$124,000 in additional revenue. The average increase by audited taxpayer was \$478.



- **Departmental Revenues**, in total, have decreased by \$474,000 from the original FY 2008-09 budget. Reductions are primarily in Development Services fees due to reduced new housing permit activity and in Police grants, fees, and reimbursements due to the Department's reduced workforce.
- **State Budget Risk** The City's original budget had included a \$1 million placeholder for the City's potential risk from impacts from the State Budget deficit. The state has the power to impact several local agency revenue sources, and this line item had been intended to mitigate that risk until the state budget was balanced. The State budget was balanced with a tax shift from Redevelopment agencies and through minor adjustment to other city programs such as booking fees. Accordingly, this placeholder has been eliminated in the current projection. However, with the state budget again out of balance, risk of further tax shift in the General Fund remains. This risk will be absorbed, along with other risks, in the ending balance reserve.

Staff is now projecting total General Fund revenues of \$77.4 million, excluding the State Budget Risk placeholder, which is \$3.2 million less than the original FY 2008-09 budget. Removal of this State Budget Risk placeholder has mitigated this loss to \$2.2 million. FY 2008-09 revenues still include a one-time \$1 million transfer from the Risk Management Fund that is not sustainable in FY 2009-10. Total revenues are now projected at 7% below the prior year. These revenues cannot sustain even the reduced pendency plan service levels and operating costs adopted in the 2008-09 Budget.

Staff does not believe that the economy will recover significantly within the next several years. In addition, significant financial benefit from future economic development is, likewise, years away. Staff anticipates presenting a variety of possible revenue enhancements to the City Council in December 2008. We believe, however, that long term financial stability that includes the levels of services that our City deserves can only be achieved by reducing total labor compensation costs through ongoing negotiations with our employees and approval by our citizens of new revenue sources that will most likely include new taxes. Our challenge will be to identify the proper balance of service levels and revenue enhancements that will be supported by a majority of our citizens in time to place the appropriate measures on the ballot for the November 2009 election.

### **III. FY 2008-09 Program Operating Cost Update**

This section of the report will provide analysis of year-to-date labor costs vs. budget. Various other program operating costs will be discussed and budget adjustments proposed.

- **Labor costs** represent 74% of the gross General Fund expenditure budget, before interfund reimbursements. Costs are generally straight-line through out the year, with the exception of certain quarterly and annual payments for public safety uniform



allowances and holiday leave bank payouts. Year-to-date payroll data is presented at **Attachment G**. This analysis assists in tracking actual bi-weekly payments vs. a pro-rated budget. This year is a particularly challenging year for labor cost projection given employee attrition, vacancy savings, and offsetting costs from back-fills, out-of class assignments, and overtime, depending upon the program and the service requirements.

The data presented is through the pay period ending October 10, 2008 which represents 7 ½ of the 26 pay periods of the fiscal year. To date, the General Fund has realized \$485,000 in savings of its \$18 million year-to-date labor budget. \$200,000 of this savings is from the Police Department, which reflects attrition from the budgeted level of 124 sworn officers to the current 118 sworn employees. Fire Department labor is \$100,000 over budget due to larger than expected holiday leave disbursements in the first of the quarterly leave bank payouts. Fire Department vacancies do not generate savings since vacancies (and other absences) are required to be backfilled with overtime to maintain the three-person staffing level to operate each engine company. Non-Safety programs have realized \$385,000 in year-to-date payroll savings. It is uncertain at this time how much of these non-safety payroll savings will have offsetting back-fill or revenue/inter-fund reimbursement offsets.

The original budget assumed \$500,000 of vacancy savings for the year. This vacancy assumption will be increased in the budget reduction plan discussed in the next section of the report to partially mitigate the loss of revenues. However, some vacancies will erode the reimbursements that the employees generate. For example, further attrition in the Police Department may challenge the department's ability to continue to provide services reimbursed by various grants and by the school district.

- **Public Safety Cadet and Trainee programs** have been proposed by both the Police and the Fire departments to develop and recruit local applicants into the Vallejo workforce. The Police department currently operates a cadet program that provides security services for City Hall and for Mare Island. The current proposal is to reallocate \$50,000 from Police Department salary savings to further invest in this existing program. The objective is to groom potential future officers for hire upon successful completion of academy training.

The Fire Department has also proposed re-establishment of Firefighter/Trainee program that was eliminated in 2004 due to budget cuts. The objective is also to develop local residents for potential future hire as Firefighter/ Paramedics in the department. Funding will be proposed and considered in the February budget update after further development of the program.



Both the Police and Fire Department programs would assist in providing a hiring pool of potential employees during a period when attracting personnel from other agencies may be challenging, at best.

- **Fire Training Academy** Funding of \$250,000 is proposed to conduct a Fire training academy. No sworn personnel have been hired in the Fire department since November 2003. Current lack of sufficient staffing has led to excessive overtime requirements for existing personnel. The department also faces an aging work force with 15 of the 75 remaining sworn employees over the retirement-eligible age of 50. The proposed academy would be conducted in a modified 12-week schedule, down from the normal 16-week schedule, and with payment to trainees reduced to 70% of base pay salary. This modified academy format is a departure from the IAFF contract provision and will require either agreement by IAFF or an update to the City's "pendency plan" under which it is operating during the pendency of the bankruptcy case.
- **Police Department**
  - The 08-09 State budget was adopted with 10% reduced funding for the booking fees that the State had been reimbursing to Counties on behalf of Cities for bookings into the County jail. A budget adjustment of \$40,000 is proposed to fund the County's anticipated annual billing.
  - An additional \$165,000 budget adjustment is proposed to reduce expected grant interfund reimbursements from a State Department of Corrections grant.
- **Community Development and Public Works Restricted Fees and Reserves**
  - Both Development Services and the Public Works Engineering Division established new technology fees in FY 2007-08 to finance technology improvements to build efficiencies into development processing and review. During FY 2007-08, \$93,000 was collected by these programs and has been held in a General Fund reserve pending appropriation. An additional \$105,000 and \$54,000 has been budgeted by these programs, respectively, in FY 2008-09. A budget transfer is proposed to move both the FY 2007-08 and 2008-09 funds, as realized, into a dedicated capital project in the Capital Projects fund to ensure that these restricted fees are spent for the purpose for which the fee was established.
  - Development Services has also collected restricted fees for the General Plan update and for Permit Coordination. Unspent funds are held in a General Fund reserve pending appropriation. The department proposes to draw \$100,000 and \$75,000 from these reserves, respectively, to fund current projects. The General Plan funds are proposed to offset the costs of the Housing Element update project now underway. Permit Coordination funds are proposed to offset costs for the Building Technician position. The



proposed action is to draw from available reserves to pay for costs already included in the FY 2008-09 budget.

- Public Works Maintenance Division revenues and offsetting expenditures are proposed to increase by \$23,000 for additional program revenues, such as special event cost reimbursements.
- Economic Development revenues and offsetting expenditures have been reduced by \$35,000 to eliminate the pass-through funding for the disbanded downtown Business Improvement District.

- **Administration**

- The City Manager's budget has been reduced by \$15,000 for a proposed voluntary 10% furlough of the City Manager and corresponding salary cost reduction effective January 1, 2009.
- The Commercial Services Division budget is proposed to increase by \$100,000 to pay the 50% audit fee for the projected \$200,000 increase in business license revenue discussed above. The fees are contingent and only paid if the revenue is realized.

- **Debt**

- **Interest Rate Savings** During the pendency of the City's bankruptcy case, the City has indicated that debt interest payments on its approximately \$54 million of outstanding debt secured by the General Fund would not exceed 6%. Actual payments on the City's variable rate debt, now tendered to its letter of credit provider, however, have been in the 4-5% range, depending upon the time held by credit provider. The City has reduced payments from the provider's contractual "reference plus penalty" interest rate by the same percentage reduction in aggregate salary/benefit costs paid to the City's employees.
- **Offsetting Legal and Carrying Costs** Interest rate savings for the General Fund have been offset in part by increases in legal costs. General Fund debt carrying costs have also increased due to delay in the planned bond call of \$7 million in unspent bond proceeds. While these unspent proceeds earn interest, there remains a spread between the earnings and the carrying costs. These combined legal and carrying costs have offset the interest rate savings from the budgeted 6% rate. As a result, no net change has been proposed in the General Fund Debt Service budget.
- **Marina Debt Subsidy** \$100,000 in savings has been projected, however, in budgeted transfer from the General Fund to subsidize Marina operations for its escalated debt costs.



• **Bankruptcy Costs**

- The costs to file and defend the City's bankruptcy petition have far exceeded initial estimates. Increased costs have been primarily driven by the challenge to the City's eligibility for bankruptcy filed by three of the City's employee associations (International Association of Firefighters - "IAFF", Vallejo Police Officers Association - "VPOA", and International Brotherhood of Electrical Workers- "IBEW"). The trial for the first phase of the case, to prove the City's insolvency, spanned two months and included 8 days in court. Over 40,000 pages of documents were requested for discovery by the employee associations at significant cost to the City. The associations have now appealed the judge's ruling to accept the City's bankruptcy petition. If current negotiations with employee associations are unsuccessful in reaching modifications to existing labor agreements, legal costs will continue to accumulate for the contract rejection phase of the proceedings.
- Every dollar spent on bankruptcy legal costs represents one dollar less that is available to pay employees and to sustain municipal services. However, without the protection of the court, the City would not have the legal authority to pay less than contractual salary rates or modify the IAFF-contractual minimum staffing requirement.
- Bankruptcy costs to date have exceeded \$2 million. The first million was incurred in FY 07-08 and the second in FY 08-09. The FY 08-09 budget bankruptcy budget was initially set at \$2 million. An additional \$500,000 is proposed. The budget to date has covered the City's bankruptcy attorneys, labor attorneys, bond counsel, and Management Partners consulting support.
- This budget will be revisited again in the February midyear budget review. At that time, the status of an out-of court settlement, the employee association's appeal, and the motion to reject the labor contracts should be known and a better cost estimate provided.

**IV. 2008-09 Budget Reduction Proposal**

• **Net Impact**

The net impact of the above budget proposals are detailed at **Attachment C** and can be summarized as follows, along with the level of reductions proposed to maintain the \$1 million ending balance reserve adopted in the original 2008-09 budget:

Ending June 30, 2009 available balance, as adopted in budget	\$ 1,000,000
Increase in July 1, 2008 beginning available balance	797,195
Decrease in projected tax and other general revenues	(2,082,906)
Net change in departmental revenues, costs, and reserves	<u>(1,234,289)</u>



Subtotal, deficit available balance, before reductions	(1,520,000)
Proposed budget reductions	<u>2,520,000</u>
Ending June 30, 2009 available balance, after reductions	\$ 1,000,000

o **Proposed Reductions**

The proposed budget reductions are summarized here, with details below:

One-time transfers from other funds	\$ 120,000
Police Department savings	800,000
Fire Department savings	600,000
Non-sworn 2-day furlough	(a)
Deferred retiree leave payments	<u>1,000,000</u>
Total reductions	\$ 2,520,000

(a) Used to achieve budgeted \$500,000 vacancy assumption in original budget

o **One-time Transfers**

During the FY 2007-08 year-end close, staff identified the following unrestricted resources now proposed for transfer into the General Fund:

Solid Waste Fund	\$ 75,000
Repair/Demolition Fund	
<i>Surplus from demolition project</i>	<u>45,000</u>
Total	\$ 120,000

o **Police Department**

The Police Department has identified vacancy savings of \$800,000 through employee attrition below the authorized staffing level of 124 sworn officers. \$200,000 of this amount has already been realized through the pay period ending October 10, 2008. Additional savings of \$600,000 is anticipated as the department searches for candidates to refill their vacancies. The department anticipates further attrition, suggests January 2009 as the earliest date that applicants could be hired, and targets two hires a month until authorized staffing is restored, as follows:

October	118
November	118
December	116
January	118
February	120



March	122
April	124

This staffing plan restores essential patrol and other police services to the 124 sworn position staffing level adopted in the FY 2008-09 original budget as soon as practical, while achieving the necessary budget savings target.

- **Fire Department**

The Fire Department proposes \$600,000 in staff labor savings as follows.

- **Truck Company Staffing Reduction - \$310,000**

The department currently operates with 6 engine companies (staffed with 3 employees) and 1 truck company (staffed with 4 employees). This reflects a reduction of 2 engine companies from IAFF contract levels. Elimination of an additional full engine or truck company could create additional delays in our ability to respond to emergencies. Therefore, we are proposing to temporarily reduce the truck company staffing from 4 to 3 personnel only on those days when full staffing is not available. In other words, this savings will be accomplished by not filling 1 overtime shift per day when overtime callback is required. While it would be desirable to maintain a 4 person truck company (to allow assignments (truck operations and rescue) to be split into 2 person teams), this proposal maintains the number of companies while allowing us to achieve the needed department budget reductions.

- **Modified Duty Program - \$130,000**

This program would create mandatory modified duty assignments for employees unable to perform their normal range of duties due to an injured status. Based on the experience of other fire agencies, the department believes that many employees will return to full duty much faster after participation in a modified duty program. Savings will be realized by reduction of overtime backfill when personnel return to full duty earlier than projected return date.

- **Deputy Fire Chief - \$160,000**

The Deputy position will be held vacant for no less than seven months of the fiscal year. This savings, along with the other items above, help create the General Fund budget flexibility to be able to absorb the one-time \$250,000 costs necessary to conduct the Training Academy and to augment the fire workforce.

- **Non-sworn (IBEW, Camp, Executive) 2-Day Furlough**

A two-day furlough is proposed for all non-sworn employees, city-wide, to share necessary budget reductions. The proposal would give employees the flexibility to select two dates between now and the end of the fiscal year as furlough days, which





will be time off without pay, subject to coordination within each work unit. 911 - Communications operators and Water Treatment Plant operators will be excluded. General Fund savings are estimated at \$65,000 per day. Other fund savings are estimated at an additional \$50,000 per day. The General Fund savings will be used to achieve the existing \$500,000 vacancy target already included in the FY 2008-09 original budget. This proposal will require an update to the City's "pendency plan" under which it is operating during the pendency of the bankruptcy case.

- **Deferred Retiree Leave Payments**

Public Safety employees who retired during the Spring of 2008 earned \$4 million in vacation, compensatory, and sick leave payouts. As part of an interim labor agreement, these retirees voluntarily agreed to defer 50% of their leave payouts until December 2008. During the pendency of the City's bankruptcy case, the City has budgeted to pay half of the remaining balance during December, 2008, and to further defer the remaining balance until 2010.

\$1.0 million is currently budgeted and scheduled to be disbursed in December. However, this plan would provide 75% payment to this group of retirees, and leave insufficient funds to pay future retirees even the first half of their balances unless more severe staffing reductions are implemented, such as the additional closure of a full fire station instead of just short-staffing the truck company, or reducing police staffing by another five positions.

This proposed budget reduction of \$1.0 million in the 2008-09 compensated absences budget would defer further payment to the spring 2008 retirees, and would allow continued funding of the first 50% of leave payments for new retirees. This proposal will require an adjustment to the pendency plan. The eventual payment date of the remaining 50% of leave payments for all retirees remains uncertain.

- **Alternatives Considered**

Staff does not recommend additional permanent staffing reductions at this time since the City's objective is to preserve, even at minimal levels, a breadth of municipal services.

## **V. FY 2008-09 Ending Fund Balance, Risk Assessment, and Future Outlook**

The proposed budget adjustments are projected to preserve the \$1 million ending available fund balance adopted in the original FY 2008-09 budget. The proposed plan will draw down on the \$797,000 beginning balance surplus earned in FY 07-08 to mitigate the dramatic decline in 08-09 revenues. The \$1 million projected ending available balance represents 1% of annual expenditures, which is far less than the Council adopted reserve policy of 15% and the "best practice" 5 – 15% level recommended by the Government Finance Officers Association. Further, the City is unable to commit resources at this time to the "Un-appropriated Reserve Fund" required by Section 710 of the City Charter.



**Risks** With a minimal reserve level, it is important to consider the numerous significant uncertainties that could quickly dissolve this balance:

- **Further property and sales tax revenue declines** - Given the national and even global economic slowdown, the depth or duration of revenue fluctuations cannot be adequately known or projected. The city must closely monitor these trends and be ready to react as necessary.
- **State Budget** – Until the state’s structural deficit is addressed, the risk of a state reallocation of local property taxes or other program revenues remains high.
- **Mare Island 2002 CFD** – \$6 million in annual municipal services are provided on this former naval base through the 2002-01 Community Facilities District, including Police and Fire services. Lennar Mare Island, the major developer on the island, currently contributes more than half of the annual property levy for remaining undeveloped parcels. In addition, the County of Solano has notified the City that it will charge back \$800,000 in delinquent CFD levies from prior years, at an 18% annual interest cost, that will further erode CFD cash flow. The district may be challenged to continue supporting Police, Fire, and other municipal services on the island.
- **CalPERS** – There are two risks associated with our CalPERS pension funding rate. The rate could increase in FY 2009-10 with the amortization of the Safety plan’s \$51 million unfunded liability over a reduced public safety payroll that has been impacted by retirements and attrition. In addition, there have been news reports that large, recent market losses in the CalPERS investment portfolio could result in 2 – 4% increases in our contribution rates for FY 2010-11 and 2011-12.
- **Ferry and Bus Transportation System** – The City operates a transportation system with a \$30 million annual budget that is dependent entirely upon annual Federal, State, and regional grant allocations to subsidize fare box revenues and to sustain operations. Economic pressures and changing priorities within these granting agencies could quickly challenge the viability of the system. Further, the anticipated transfer of Ferry operations to the Water Emergency Transportation Agency (a State-controlled joint powers authority) may lessen local control of this transit system.
- **Bankruptcy** – The city will face continuing legal costs as it works through the various stages of bankruptcy to seek adjustment of its debts and to emerge from court protection with sound financial footing. Cost uncertainties include the status of the opposition’s appeal of the court ruling to accept the City’s bankruptcy petition, the ability to renegotiate labor and debt obligations either outside or inside of court, the accumulating significant legal costs, and the long-term ability to remarket outstanding bonds and permanently reduce interest costs in a challenging national bond market.



**FY 2009-10 Outlook**

If next year's assumptions include flat tax revenues and a flat salary structure, further cost or service adjustments would still be necessary to mitigate the one-time solutions used to balance in FY 2008-09 and the expenditure line items with natural cost escalation. The following are examples of the larger items that will need to be mitigated to maintain a balanced budget in 2009-10:

One-time 08-09 transfer from Risk Management Fund	\$1,000,000
Resumption of vehicle replacement program after multiple years of deferrals on approximately 286 General Fund vehicle/equipment inventory items	\$2,000,000
Restore Police vacancy assumption to fully fund 124 sworn positions	\$800,000
Escalating pay-as-go retiree medical benefits	<u>\$300,000</u>
Total	\$4,100,000

The impact of these items can be offset by reduced legal costs when the City emerges from its bankruptcy status. The base budget also assumes a continued growth in available fund balance reserve of \$1 million (1% of expenditures) per year.

**VI. Non-General Fund Program Update**

The focus of this budget report has been the General Fund. FY 2007-08 accounting compilation of the other funds is in progress but not complete. Status information on the most significant other programs will be included in the next budget report in early 2009. The Transportation Fund has also scheduled a separate financial update to City Council in November.

The following programs, however, do propose budget adjustments at this time:

**Fund #349 – Touro CFD - \$475,000**

*To appropriate start up costs for a proposed new Community Facilities District and the related developer reimbursement*

**Fund #129 – Outside Funded Activities - \$27,000**

*To appropriate short-term maintenance activities and the related developer reimbursement for Touro Reuse Area 1A per the terms of the development agreement*

**Fund #135 – Solid Waste - \$75,000**

*Transfer of FY 07-08 surplus unrestricted resources to the General Fund*



**Fund #142 – Repair/Demolition \$45,000**

*Transfer of FY 07-08 surplus unrestricted resources to the General Fund (Starr property demolition project surplus)*

**Fund #138 - Hiddenbrooke Landscape Maintenance District - \$200,000**

*To appropriate a planned draw on reserve for utility corridor maintenance per FY 08-09 district engineer's report*

**Fund #171 – Cimarron Hills Landscape Maintenance District - \$2,000**

*To appropriate funds received from insurance reimbursement*

**Fund #178 – Northgate Landscape Maintenance District - \$32,000**

*To appropriate maintenance funds received from developer for warranty items and the related developer reimbursement*

**Fund #601 – Administrative Trust - \$25,000**

*To appropriate fees and donations received for Police Department programs*

K-9 Competition	\$10,000
Motor Unit Competition	\$10,000
Junior Safety Patrol	\$ 5,000

**Next Steps**

Upon approval of the proposed budget amendment, staff will update the Pendency Plan with the Bankruptcy Court for consistency with this updated budget.

Staff is committed to closely monitoring internal and external economic conditions and to move forward with further adjustments – up or down – as needed to protect and maintain the General Fund's fiscal position. The next budget update has been scheduled for February 2009.

**FISCAL IMPACT**

The proposed amendments to the 2008-09 General Fund budget, as detailed on **Attachment I**, will decrease General Fund revenues by \$2.2 million, decrease expenditures by \$1.2 million, and draw on fund reserves by \$1.0 million.

The net impact of the recommendations on all other funds will increase revenues by \$647,000, increase expenditures by \$967,000, and draw on fund reserves by \$320,000.

**PROPOSED ACTION**

Staff proposes that the Council adopt a resolution to amend the City's budget for Fiscal Year 2008-09 as set for in **Attachment A**.



**ENVIRONMENTAL REVIEW**

The adoption of this resolution is not a project as defined by the California Environmental Quality Act (CEQA) pursuant to section 15378 (b)(4) of Title 14 of the California code of Regulations and is not subject to CEQA review.

**DOCUMENTS ATTACHED**

- |              |  |
|--------------|--|
| Attachment A | Resolution to amend the City's FY 2008-09 budget |
| Attachment B | General Fund Balance Sheet at June 30, 2008      |
| Attachment C | Fund Balance Projection and Footnotes            |
| Attachment D | Revenue Trends                                   |
| Attachment E | Sales Tax Revenue Projection                     |
| Attachment F | FY 07-08 Expenditures by Department              |
| Attachment G | FY 08-09 Payroll Budget vs. Actual Analysis      |
| Attachment H | Net Program Costs                                |
| Attachment I | Proposed Budget Adjustments                      |

**PREPARED BY:**

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**CONTACT:**

Robert V. Stout, Finance Director (707) 648-4592

RESOLUTION NO. \_\_\_\_\_ N.C.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO  
AMENDING THE FISCAL YEAR 2008-2009 BUDGET**

BE IT RESOLVED by the Council of the City of Vallejo as follows:

**WHEREAS**, in June 2008, the City Council did adopt a budget for the Fiscal Year 2008-2009; and

**WHEREAS**, the City Charter Section 703 requires that available funds not included in the budget may be appropriated by the City Council after giving one week's notice of intention to do so; and

**WHEREAS**, on October 28, 2008, the City Council adopted a Notice of Intention at the regular City Council meeting to appropriate funds not included in the current Fiscal Year 2008-2009 Budget; and

**WHEREAS**, staff is proposing that General Fund revenue budgets be decreased by \$2,236,929 and expenditure appropriations be decreased in the amount of \$1,172,095 and that other City fund revenue budgets be increased by \$647,639 and expenditure appropriations be increased by \$967,639 as set forth in **Attachment I** of the Staff report accompanying this Resolution ("Staff Report") for Fiscal Year 2008-2009; and

**WHEREAS**, the Council has considered the report and recommendations of the City Manager on the budget amendments and has determined that the budget amendments are both fair and appropriate.

**NOW, THEREFORE, BE IT RESOLVED** that the Council of the City of Vallejo, pursuant to Charter Section 703, does hereby amend the City's budget for Fiscal Year 2008-2009, by changing certain revenue estimates, decreasing expenditures, and transferring unencumbered appropriations, as set forth in **Attachment I** to the Staff Report, which is by this reference incorporated herein.

As of 10-24-08

**GENERAL FUND  
BALANCE SHEET**

	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>(Unaudited) June 30, 2008</u>
<b>ASSETS</b>			
Cash and investments	\$ 5,706,698	\$ 2,609,264	\$ -
Accounts receivable	3,371,297	3,164,222	2,493,784
Notes and loans receivable	850,213	781,119	804,499
Due from other governments	4,484,322	4,214,254	3,465,905
Due from other funds	-	-	100,572
Material, parts, and supplies	3,461	1,577	2,355
Prepays	102,748	156,783	55,975
Land held for redevelopment	499,684	499,684	499,684
<b>Total Assets</b>	<u>15,018,423</u>	<u>11,426,903</u>	<u>7,422,774</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,289,336	1,822,666	1,197,194
Salaries and wages payable	1,347,883	1,617,384	1,778,535
Employee benefits payable	637,236	-	-
Due to other funds	-	-	450,982
Due to other governments	163,474	185,567	16,018
Deferred revenues	453,076	510,798	223,110
Deposits payable	270,746	269,091	243,895
<b>Total Liabilities</b>	<u>4,161,751</u>	<u>4,405,506</u>	<u>3,909,734</u>
<b>FUND BALANCE</b>			
Reserved for:			
Encumbrances	666,232	339,682	206,947
Materials, parts, and supplies	3,461	1,577	2,355
Prepaid Items	102,748	156,783	55,975
Notes and loans	845,018	777,221	777,221
Land held for redevelopment	499,684	499,684	499,684
Unreserved:			
Designated for program commitments	131,165	244,472	517,382
SB 1096	856,541	759,722	656,281
Undesignated	7,751,823	4,242,256	797,195
<b>Total Fund Balances</b>	<u>10,856,672</u>	<u>7,021,397</u>	<u>3,513,040</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 15,018,423</u>	<u>\$ 11,426,903</u>	<u>\$ 7,422,774</u>

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**City of Vallejo General Fund  
Fund Balance Projection**

	FY 05-06	FY 06-07	FY 07-08	FY 08-09					
	Actual	Actual	Amended Budget 3-11-08	Actual (Preliminary/ Unaudited) 10-23-08	Updated General Revenues	Program Updates	Program Reductions	Program Reductions	Projected at 10-24-08
<b>Beginning Available Balance</b>	9,878,065	7,751,830	4,242,256	4,242,256	797,195			797,195	797,195
<b>Revenues</b>									
Property tax	15,857,808	18,776,182	19,578,142	19,473,533	(1,059,037)			18,023,578	18,023,578
Sales tax	13,819,405	13,353,505	12,060,000	12,021,086	(1,115,000)			11,200,000	11,200,000
Other general revenues	38,786,701	37,636,853	35,904,756	36,928,076	(908,869)	A 200,000		35,124,991	35,124,991
Program revenues	12,645,644	12,741,038	13,424,997	12,966,006		B (474,023)		11,944,459	11,944,459
One-time interfund transfers	-	-	2,240,000	2,240,000				1,000,000	1,120,000
State budget risk	-	-	-	-	1,000,000				
	81,109,558	82,507,578	83,197,895	83,628,701	(2,082,906)	(274,023)		77,293,028	77,413,028
<b>Expenditures</b>									
Salaries and benefits:									
Authorized positions	66,758,700	72,553,936	74,252,852	74,568,476				66,919,246	66,919,246
Vacancies	2,257,722	2,551,113	3,070,003	3,068,796		C 225,000		(500,000)	(1,900,000)
Service and supplies:	1,875,802	2,193,913	2,644,214	2,578,857				66,419,246	65,019,246
Vehicle maint/replacement	1,446,903	1,314,168	3,600,000	3,309,325					
Retiree Health -pay as go	-	-	1,603,400	1,603,746					2,366,871
Retiree Health -prefunding	1,520,950	1,765,099	10,625,465	10,690,827				2,366,871	3,000,000
Compensated absences	8,913,310	9,372,598	10,625,465	10,690,827				3,000,000	3,000,000
Street maintenance	214,779	339,682	-	206,947					
Contributions to other agencies	16,229,466	17,536,573	21,543,082	21,458,498					
Other	1,292,314	1,452,387	2,113,642	1,713,908					
Interfund transfers:	500,000	-	-	-					
General Fund Debt Service	5,412,934	1,725,303	100,000	99,803					
Marina Fund Debt Service	(5,869,412)	(6,585,663)	(10,569,425)	(10,496,680)					
Other	84,324,002	86,682,536	87,440,151	87,344,005					
Interfund reimbursements	(3,214,444)	(4,174,958)	(4,242,256)	(3,715,304)					
Subtotal, expenditures	1,088,209	665,384	-	270,243	(2,082,906)	(1,501,928)		(2,584,834)	(64,834)
<b>Annual Operating Results</b>									
Reserve Transactions	7,751,830	4,242,256	0	797,195		H 267,639		267,639	267,639
<b>Ending Available Balance</b>	9%	5%	0%	1%	(1,285,711)	(1,234,289)		(1,520,000)	1,000,000
% annual expenditures					1.3%			2,520,000	1.3%

FOOTNOTES - See Attached

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**City of Vallejo General Fund  
Fund Balance Projection  
Footnotes**

**Program Updates**

<b>A</b>	<b>Other General Revenues</b>	<u>200,000</u>	Increase Municipal Auditing Services Generated Revenues
<b>B</b>	<b>Program Revenue Updates</b>	<u>(474,023)</u>	Development Services Economic Development Fire Police Public Works Maintenance
<b>C</b>	<b>Salaries and Benefits Updates</b>	<u>225,000</u>	Fire Training Academy Cadet Program City Manager 10% Furlough Leave Savings
<b>D</b>	<b>Service and Supplies Updates</b>	<u>686,266</u>	Fire Training Academy Booking Fees Public Works Maintenance Costs Cancel Pass-through of Business Improvement District Fees Municipal Auditing Services Fees Bankruptcy Attorneys and Consultants Rounding
<b>E</b>	<b>Marina Fund Debt Service Transfer</b>	<u>(100,000)</u>	Marina Fund Debt Service
<b>F</b>	<b>Transfer to Capital Project Fund</b>	<u>251,639</u>	07-08 Development Services and Public Works Technology Fees 08-09 Development Services Technology Fees 08-09 Public Works Technology Fees
<b>G</b>	<b>Interfund Reimbursement</b>	<u>165,000</u>	Reduce Police Dept Grants reimbursement
<b>H</b>	<b>Draws on Fund Balance Reserves</b>	<u>267,639</u>	Technology Fee Reserve General Plan Reserve for Housing Element Building Technology from Permit Coordinator Fees

**Program Reductions**

<b>I</b>	<b>One-time Interfund Transfers</b>	<u>120,000</u>	Repair and Demolition Fund #142 Solid Waste Disposal Fund #135
<b>J</b>	<b>Salary and Benefits - Vacancy Savings</b>	<u>(1,400,000)</u>	Salary/benefits savings - Police Salary/benefits savings - Fire
<b>K</b>	<b>Compensated Absences</b>	<u>(1,000,000)</u>	Defer 25% for Spring 2008 Retirees

As of 10-29-08

City of Vallejo General Fund  
**Revenue Trends**  
 (Net of Mare Island Allocations)

	2005-06		2006-07		2007-08		2008-09		Change vs. Budget	% vs PY
	Actual	% vs PY	Actual	% vs PY	Actual (Unaudited)	% vs PY	Projection at 10-24-08			
<b>General Revenues</b>										
<b>Property Taxes</b>										
CURRENT SECURED TAXES	14,027,383	15%	16,141,292	15%	17,562,788	9%	17,516,183	16,678,917	(837,266)	-5%
CURRENT UNSECURED TAXES	474,469	11%	527,720	11%	578,241	10%	630,524	585,687	(44,837)	1%
SUPPLEMENTAL TAXES	2,056,575	-30%	1,437,746	-30%	823,854	-43%	350,000	164,771	(185,229)	-80%
HOMEOWNERS EXEMPTN TAX	199,849	1%	201,317	1%	196,686	-2%	188,343	182,842	(5,501)	-7%
UNITARY TAXES	305,430	2%	310,083	2%	366,739	18%	357,565	391,361	33,796	7%
TAX INCREMENT PASS-THROUGH	-		158,024		(54,775)	-135%	40,000	20,000	(20,000)	-137%
SB 1096 ERAF	(1,205,898)		-		-		-	-	-	
	15,857,808	18%	18,776,182	18%	19,473,533	4%	19,082,615	18,023,578	(1,059,037)	-7%
<b>Sales Tax</b>	13,819,405	-3%	13,353,505	-3%	12,021,086	-10%	12,315,000	11,200,000	(1,115,000)	-7%
<b>Vehicle License Fees (including In Lieu)</b>	8,592,520	11%	9,536,759	11%	10,388,740	9%	10,512,621	10,030,986	(481,635)	-3%
<b>Transit Occupancy Tax</b>	1,405,410	15%	1,618,954	15%	1,497,237	-8%	1,500,000	1,500,000	-	0%
<b>Real Property Excise Tax</b>	256,438	158%	662,491	158%	91,039	-86%	200,000	80,000	(120,000)	-12%
<b>Franchise</b>	2,377,793	29%	3,061,529	29%	3,992,171	30%	4,427,850	4,155,697	(272,153)	4%
<b>UUT</b>	12,488,855	0%	12,504,321	0%	13,208,564	6%	13,152,946	13,202,187	49,241	0%
<b>Property Transfer Tax</b>	5,106,488	-26%	3,778,090	-26%	1,696,396	-55%	1,665,000	1,665,000	-	-2%
<b>Business License</b>	1,298,046	7%	1,388,111	7%	1,364,571	-2%	1,390,000	1,590,000	200,000	17%
<b>Subtotal, Taxes</b>	61,202,763	6%	64,679,942	6%	63,733,337	-1%	64,246,032	61,447,447	(2,798,585)	-4%
<b>Revenue From Use of Money</b>										
RENTALS	187,859	-70%	56,498	-70%	707,620	1152%	826,211	741,890	(84,321)	5%
INVESTMENT INCOME	315,289	-35%	206,061	-35%	(234,269)	-214%	(250,000)	(250,000)	-	7%
	503,148	-48%	262,559	-48%	473,351	80%	576,211	491,890	(84,321)	4%
<b>Misc</b>										
WATER RETURN TO RATE BASE	2,762,722	4%	2,867,434	4%	-		-	-	-	
WATER RIGHTS	-		-		1,013,332		1,043,732	1,043,732	-	3%
DISCOVERY KINGDOM/Park Fee	-		-		264,718		765,000	765,000	-	
OTHER	709,093	-60%	285,784	-60%	223,691	-22%	175,500	175,500	-	-22%
	3,471,815	-9%	3,153,218	-9%	1,501,741	-52%	1,984,232	1,984,232	-	32%
<b>Transfers</b>										
DISCOVERY KINGDOM/Revenue Sharing	2,977,418	-51%	1,454,098	-51%	1,675,251	15%	1,000,000	1,000,000	-	0%
RISK FUND	-		-		400,000		400,000	400,000	-	
REDEVELOPMENT/Loan Repayment	308,770	-30%	216,723	-30%	2,879,015	1228%	25,000	145,000	120,000	-95%
OTHER FUNDS	3,286,188	-49%	1,670,821	-49%	4,954,266	197%	1,425,000	1,545,000	120,000	-69%
<b>State Budget Risk</b>										
	-		-		-		(1,000,000)	-	1,000,000	
<b>Subtotal, General Revenues</b>	68,463,914	2%	69,766,540	2%	70,662,695	1%	67,231,475	65,468,569	(1,762,906)	-7%

	2005-06		2006-07		2007-08		2008-09			
	Actual	% vs PY	Actual	% vs PY	Actual (Unaudited)	% vs PY	Original Budget	Projection at 10-24-08	Change vs. Budget	% vs PY
<b>Program Revenues</b>										
<b>Development Services</b>										
BUILDING FEES	2,672,397	-31%	1,854,869	-31%	1,934,969	4%	1,625,000	1,499,364	(125,636)	-23%
PLANNING FEES	671,568	-27%	490,958	-27%	404,706	-18%	437,987	280,900	(157,087)	-31%
CODE ENFORCEMENT FEES	199,933	16%	232,904	16%	273,543	17%	443,625	443,625	-	62%
	3,543,898	-27%	2,578,731	-27%	2,613,218	1%	2,506,612	2,223,889	(282,723)	-15%
<b>Administration</b>										
FINANCE - BOND ISSUANCE FEES	-		5,000	136%	11,800	136%	-	-	-	-100%
HUMAN RESOURCES - VSFCO	202,034	12%	227,255	12%	-	-100%	-	-	-	-
	202,034		232,255	15%	11,800		-	-	-	
<b>Economic Development</b>										
DOWNTOWN MANAGEMENT DIST	141,941	0%	141,941	0%	196,989	39%	205,000	205,000	-	4%
DOWNTOWN IMPROVEMENT DIST	22,300	38%	30,665	38%	27,766	-9%	35,000	-	(35,000)	-100%
TOURISM BUSINESS IMP DIST	223,188	-5%	211,972	-5%	302,233	43%	306,000	306,000	-	1%
MOBILE HOME FEES	12,840	-9%	11,688	-9%	-	-100%	-	-	-	-
	400,269	-1%	396,266	-1%	526,988	33%	548,000	511,000	(35,000)	-3%
<b>Fire</b>										
MARE ISLAND/STATION 9 ALLOCATION	2,149,788	21%	2,603,100	21%	2,676,465	3%	2,596,208	2,596,208	-	-3%
EAST VALLEJO FIRE DIST.	458,169	9%	498,062	9%	565,216	13%	500,000	540,000	40,000	-4%
GRANTS	221,983	-88%	26,731	-88%	56,274	111%	-	-	-	-
MISC REIMBURSEMENTS	45,905	473%	263,239	473%	125,138	-52%	30,000	135,000	105,000	8%
CONFINED SPACE RESCUE	20,000	-50%	10,000	-50%	10,000	0%	10,000	10,000	-	0%
AMBULANCE SAVINGS-SOLNO CO	71,559	134%	167,673	134%	196,195	17%	144,000	144,000	-	-27%
PLAN REVIEW FEES	55,506	18%	65,628	18%	59,907	-9%	35,000	35,000	-	-42%
INSPECTION FEES	32,365	57%	50,949	57%	48,027	-6%	36,400	36,400	-	-24%
WEED ABATEMENT	36,654	163%	96,409	163%	78,757	-18%	-	-	-	-100%
OTHER	570	89%	1,080	89%	845	-22%	500	500	-	-41%
	3,092,499	22%	3,782,871	22%	3,816,824	1%	3,352,108	3,497,108	145,000	-8%
<b>Police</b>										
PROP 172 - SALES TAX	473,633	0%	474,229	0%	476,666	1%	483,715	453,715	(30,000)	-5%
MARE ISLAND	630,504	47%	923,700	47%	1,067,530	16%	1,109,447	1,109,447	-	4%
SCHOOL DISTRICT	446,667	-6%	421,333	-6%	396,000	-6%	520,000	400,000	(120,000)	1%
HIGH TECH TASK FORCE	435,152	-19%	353,095	-19%	502,867	42%	400,000	350,000	(50,000)	-30%
POST REIMBURSEMENTS	97,935	-15%	83,528	-15%	82,897	-1%	100,000	100,000	-	21%
OVERTIME REIMBURSEMENT	154,519	9%	169,018	9%	244,803	45%	120,000	120,000	-	-51%
VEHICLE FINES - CITY	524,137	-21%	416,213	-21%	338,251	-19%	400,000	400,000	-	18%
PARKING FINES	507,013	12%	566,761	12%	560,170	-1%	560,000	460,000	(100,000)	-18%
ABANDONED VEHICLES	103,218	36%	140,532	36%	108,951	-22%	75,000	75,000	-	-31%
POLICE IMPOUND FEES	73,356	16%	84,905	16%	78,171	-8%	85,000	85,000	-	9%
FALSE ALARM FEES	59,107	4%	61,717	4%	99,436	61%	200,000	100,000	(100,000)	1%
OTHER (including new grants)	198,359	-42%	114,896	-42%	387,146	237%	229,500	304,500	75,000	-21%
OTHER (one-time items)	141,057	316%	586,675	316%	80,315	-86%	-	-	-	-100%
	3,844,657	14%	4,396,602	14%	4,423,203	1%	4,282,662	3,957,662	(325,000)	-11%
<b>Public Works</b>										
ENGINEERING FEES	1,056,855	-22%	822,174	-22%	773,798	-6%	1,000,000	1,000,000	-	29%
GRADING PERMIT FEES	225,520	16%	261,855	16%	82,559	-68%	100,000	100,000	-	21%
WASTE MANAGEMENT	143,800	-45%	79,500	-45%	249,800	214%	249,800	249,800	-	0%
OTHER	136,112	40%	190,784	40%	467,816	145%	381,300	405,000	23,700	-13%
	1,562,287	-13%	1,354,313	-13%	1,573,973	16%	1,731,100	1,754,800	23,700	11%
<b>Subtotal, Program Revenues</b>	12,645,644	1%	12,741,038	1%	12,966,006	2%	12,418,482	11,944,459	(474,023)	-8%
<b>Total</b>	81,109,558	2%	82,507,578	2%	83,628,701	1%	79,649,957	77,413,028	(2,236,929)	-7%

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As of 10-24-08

**City of Vallejo  
Sales Tax projection  
FY 2008-09**

	Quarter 1 September 30	Quarter 2 December 31	Quarter 3 March 31	Quarter 4 June 30	Total	
FY 07-08 Actual (Gross)	\$ 3,311,112	\$ 3,388,159	\$ 2,891,034	\$ 2,841,009	\$ 12,431,314	100%
One-time County Pool adjustment				300,000	300,000	2%
Known Store closures	(154,343)	(57,258)	(56,727)	(48,000)	(316,328)	
FY 07-08 Actual, adjusted for closures	<u>3,156,769</u>	<u>3,330,901</u>	<u>2,834,307</u>	<u>3,093,009</u>	<u>12,414,986</u>	
2% reduction - additional closures	(63,135)	(66,618)	(56,686)	(61,860)	(248,299)	-2%
5% reduction - general economy	(157,838)	(166,545)	(141,715)	(154,650)	(620,748)	-5%
Rounding				(10,939)	(10,939)	
FY 08-09 Projection	<u>\$ 2,935,796</u>	<u>\$ 3,097,738</u>	<u>\$ 2,635,906</u>	<u>\$ 2,865,560</u>	<u>\$ 11,535,000</u>	<u>-7%</u>
Less: Mare Island 2002 CFD				FY 07-08 Actual	(335,000)	
<b>FY 08-09 Net, General fund</b>					<u><u>\$ 11,200,000</u></u>	<u><u>-7%</u></u>
<b>Original Budget</b>					\$ 12,315,000	
<b>Change</b>					(1,115,000)	
<b>Updated projection</b>					<u><u>\$ 11,200,000</u></u>	

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**General Fund  
Expenditures by Department  
FY 07-08**

As of 10-24-08

	<u>Budget</u>	<u>Actual (Unaudited)</u>					<u>Savings</u>	
		<u>Salaries/ Benefits</u>	<u>Service/ Supplies</u>	<u>Interfund</u>	<u>Encumbrance</u>	<u>Total</u>	<u>\$</u>	<u>% of Budget</u>
<b>Administration</b>								
City Council	\$ 255,943	\$ 319,893	\$ 47,983	\$ (121,668)	-	\$ 246,208	\$ 9,735	
City Manager/Clerk	1,014,839	929,081	336,553	-528,788	-	736,846	277,993	
City Attorney	917,981	1,028,538	288,546	-424,800	-	892,284	25,697	
Finance	1,417,970	2,270,751	1,030,995	-2,142,372	101,089	1,260,463	157,507	
Human Resources	886,689	854,540	343,517	-474,564	1,722	725,215	161,474	
Subtotal	4,493,422	5,402,803	2,047,594	-3,692,192	102,811	3,861,016	632,406	14%
Community Development	4,035,274	3,490,709	1,238,766	-1,121,752	37,017	3,644,740	390,534	10%
Fire	25,284,608	24,242,741	1,116,648	-72,986	10,309	25,296,712	-12,104	0%
Police	37,926,011	34,868,324	4,438,080	-919,667	-	38,386,737	-460,726	-1%
Public Works	4,395,911	6,563,899	2,251,302	-4,604,433	55,124	4,265,892	130,019	3%
Non-department	11,722,696	0	11,972,872	-85,650	1,686	11,888,908	-166,212	-1%
<b>Total</b>	<b>\$ 87,857,922</b>	<b>\$ 74,568,476</b>	<b>\$ 23,065,262</b>	<b>\$(10,496,680)</b>	<b>\$ 206,947</b>	<b>\$ 87,344,005</b>	<b>\$ 513,917</b>	<b>1%</b>
		GAAP Expenditures		\$ 87,137,058		-		

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City of Vallejo  
Fiscal Year 2008-09  
Payroll Budget vs. Actual

Fiscal Year	Calendar Year	PP#	PPE	% of Year	Foot-Notes	Police Department		Fire Department		General Fund - Non-Safety		Total General Fund		Budget vs. Actual Variance
						Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
1	13 (1/2)	07/04/08		1.9%		327,149	323,107	209,919	209,593	176,908	158,097	713,976	690,797	23,179
2	14	07/18/08		5.8%		1,145,080	1,165,214	734,753	749,198	619,208	638,170	2,499,041	2,552,582	(53,541)
3	15	08/01/08		9.6%		1,145,080	1,111,643	734,753	685,854	619,208	546,961	2,499,041	2,344,458	154,583
4	16	08/15/08		13.5%		1,145,080	1,118,065	734,753	743,903	619,208	553,343	2,499,041	2,415,311	83,730
5	17	08/29/08		17.3%		1,145,080	1,126,404	734,753	714,567	619,208	551,980	2,499,041	2,392,951	106,090
6	18	09/12/08		21.2%		1,145,080	1,149,729	734,753	690,052	619,208	556,653	2,499,041	2,396,434	102,607
7	19	09/26/08	(B)	25.0%		1,145,080	1,076,307	946,174	1,205,144	619,208	555,744	2,710,462	2,837,195	(126,733)
8	20	10/10/08		28.8%		1,145,080	1,072,584	734,753	665,787	619,208	565,280	2,499,041	2,303,651	195,390
			Subtotal, Year-to-Date			8,342,712	8,143,053	5,564,610	5,664,098	4,511,366	4,126,228	18,418,687	17,933,379	485,308
9	21	10/24/08		32.7%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
10	22	11/07/08		36.5%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
11	23	11/21/08		40.4%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
12	24	12/05/08	(A)	44.2%		1,738,316		734,753	-	619,208	-	3,092,277	-	-
13	25	12/19/08		48.1%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
14	26	01/02/09	(B)	51.9%		1,145,080		946,174	-	619,208	-	2,710,462	-	-
15	1	01/16/09		55.8%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
16	2	01/30/09		59.6%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
17	3	02/13/09		63.5%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
18	4	02/27/09		67.3%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
19	5	03/13/09		71.2%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
20	6	03/27/09	(B)	75.0%		1,145,080		946,174	-	619,208	-	2,499,041	-	-
21	7	04/10/09		78.8%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
22	8	04/24/09		82.7%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
23	9	05/08/09		86.5%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
24	10	05/22/09		90.4%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
25	11	06/05/09		94.2%		1,145,080		734,753	-	619,208	-	2,499,041	-	-
26	12	06/19/09	(B)	98.1%		1,145,080		946,174	-	619,208	-	2,499,041	-	-
27	13 (1/2)	07/03/09		100.0%		817,931		524,834	-	442,300	-	1,785,065	-	-
			Rounding			(3)		-	(17)	-	-	-	(20)	
			Year-To-Date			30,365,324	8,143,050	19,949,257	5,664,098	16,099,416	4,126,211	66,413,997	17,933,359	
			% of Year-to-date Budget Used				97.61%		101.79%		91.46%		97.37%	
			Annual Budget - Regular			29,772,088		19,103,573		16,379,666		65,255,327		
			(A) Police - HBB & Unif. Allow. December 2008			593,236						593,236		
			(B) Fire - HBB & Unif. Allow. Four Quarters					845,684				845,684		
			Budget Adjustments							(280,250)		(280,250)		
			<b>Total Annual Budget</b>			<b>30,365,324</b>		<b>19,949,257</b>		<b>16,099,416</b>		<b>66,413,997</b>		
			% of Annual Budget Used				26.82%		28.39%		25.63%		27.00%	

**General Fund**  
**Net Program Costs**  
**FY 08-09**  
**As Proposed in 10-28-08 Council Report**

Attachment H

Programs	Departmental Expenditures			Net Program Costs		
	Gross Program Costs (Salaries, Services, Supplies)	Interfund Allocations (A)	Net Expenditures	Program Revenues (B)	Total	% of Total
<b>Public Safety:</b>						
Police	\$ 33,657,179	\$ (685,195)	\$ 32,971,984	\$ (3,957,662)	\$ 29,014,322	44%
Fire	20,872,477	(83,700)	20,788,777	(3,497,108)	17,291,669	26%
	<u>54,529,656</u>	<u>(768,895)</u>	<u>53,760,761</u>	<u>(7,454,770)</u>	<u>46,305,991</u>	<u>71%</u>
<b>Community Development:</b>						
Building	1,359,928	-	1,359,928	(1,499,364)	(139,436)	0%
Planning	967,389	(149,353)	818,036	(280,900)	537,136	1%
Code Enforcement	791,859	(48,334)	743,525	(443,625)	299,900	0%
Economic Development	2,056,914	(937,356)	1,119,558	(511,000)	608,558	1%
	<u>5,176,090</u>	<u>(1,135,043)</u>	<u>4,041,047</u>	<u>(2,734,889)</u>	<u>1,306,158</u>	<u>2%</u>
<b>Public Works:</b>						
Admin/Engineering	3,320,567	(1,702,594)	1,617,973	(1,444,000)	173,973	0%
Maintenance						
Administration	345,960	(345,960)	-	-	-	-
Public Buildings	1,357,392	(252,039)	1,105,353	(10,000)	1,095,353	2%
Streets	1,749,417	(1,215,912)	533,505	(1,000)	532,505	1%
Grounds	702,845	(215,123)	487,722	(108,000)	379,722	1%
Traffic Signs	1,045,866	(907,926)	137,940	(10,000)	127,940	0%
Recycling Program	128,075	-	128,075	(143,800)	(15,725)	0%
Library	58,319	29,574.00	87,893	(30,000)	57,893	0%
Landscape	107,000	-	107,000	(8,000)	99,000	0%
	<u>8,815,441</u>	<u>(4,609,980)</u>	<u>4,205,461</u>	<u>(1,754,800)</u>	<u>2,450,661</u>	<u>4%</u>
<b>Non-departmental:</b>						
Contributions/Other Agencies	750,000	-	750,000	-	750,000	1%
Retiree Health	3,000,000	-	3,000,000	-	3,000,000	5%
Compensated Absences	1,600,000	-	1,600,000	-	1,600,000	2%
Debt Service Transfers	2,120,650	-	2,120,650	-	2,120,650	3%
Bankruptcy consultants	2,500,000	-	2,500,000	-	2,500,000	4%
Utility/Water	570,000	-	570,000	-	570,000	1%
Property Tax Admin Fee	358,000	-	358,000	-	358,000	1%
PC Replacement & Licensing	175,000	-	175,000	-	175,000	0%
Vacancy assumption	(500,000)	-	(500,000)	-	(500,000)	-1%
Other	792,682	(102,145)	690,537	-	690,537	1%
	<u>11,366,332</u>	<u>(102,145)</u>	<u>11,264,187</u>	<u>-</u>	<u>11,264,187</u>	<u>17%</u>
	<u>79,887,519</u>	<u>(6,616,063)</u>	<u>73,271,456</u>	<u>(11,944,459)</u>	<u>61,326,997</u>	<u>94%</u>
<b>Administration</b>						
Legislative	374,603	(162,383)	212,220	-	212,220	0%
Executive	1,234,899	(582,127)	652,772	-	652,772	1%
Legal	1,381,500	(434,652)	946,848	-	946,848	1%
Finance	3,656,451	(1,907,902)	1,748,549	-	1,748,549	3%
Human Resources	1,067,711	(421,694)	646,017	-	646,017	1%
	<u>7,715,164</u>	<u>(3,508,758)</u>	<u>4,206,406</u>	<u>-</u>	<u>4,206,406</u>	<u>6%</u>
	<u>\$ 87,602,683</u>	<u>\$ (10,124,821)</u>	<u>\$ 77,477,862</u>	<u>\$ (11,944,459)</u>	<u>\$ 65,533,403</u>	<u>100%</u>

**Definitions****(A)****Interfund Allocations**

The cost of services provided by the General Fund to Enterprise and other funds

**(B)****Program Revenues**

Program revenues are those earned directly by departments for the services they provide to customers outside the City, such as inspection fees.

**08-09 Midyear Budget Review  
Proposed Budget Adjustments  
October 28, 2008 Council Report**

	<u>Revenue</u>	<u>Expenditure</u>	<u>Reserves</u>	<u>Net</u>
<b>General Fund</b>				
<b><u>Beginning Available Fund Balance</u></b>				
To update Beginning balance for preliminary 07-08 results	-	-	797,195	797,195
<b><u>Updated Revenue Projections</u></b>				
<b><u>General Tax Revenues</u></b>				
Property Taxes	\$ (1,059,037)			
Sales Tax	(1,115,000)			
Motor Vehicle License Fee	(481,635)			
Excise Tax	(120,000)			
Franchise/Utility User Tax	(222,913)			
Rentals	(84,321)			
Remove State Budget Risk	1,000,000			
Subtotal, Updated Revenue Projections	<u>(2,082,906)</u>	<u>-</u>	<u>-</u>	<u>(2,082,906)</u>
<b><u>Program Updates</u></b>				
<b><u>Police</u></b>				
To update grant and other revenues:				
Prop 172 - Sales Tax	(30,000)			
Reimbursement from School District	(120,000)			
High Tech Task Force	(50,000)			
Parking Fines	(100,000)			
False Alarm Fees	(100,000)			
Solano County Gang Task Force Grant	75,000			
Salaries and Benefits - To expand Cadet program		\$ 50,000		
County allocation -Booking fees (State budget impact)		40,000		
Reduction in Interfund Grant Reimbursements		165,000		
	<u>(325,000)</u>	<u>255,000</u>	<u>-</u>	<u>(580,000)</u>
<b><u>Fire</u></b>				
To update grant and other revenues:				
East Vallejo Fire Dist	40,000			
Miscellaneous Reimbursements	105,000			
Fire Training Academy		250,000		
	<u>145,000</u>	<u>250,000</u>	<u>-</u>	<u>(105,000)</u>
<b><u>Community Development</u></b>				
To update program revenue projection				
Building Fees	(125,636)			
Planning Fees	(157,087)			
To cancel budget for disbanded Business Improvement District	(35,000)	(35,000)		
	<u>(317,723)</u>	<u>(35,000)</u>	<u>-</u>	<u>(282,723)</u>
<b><u>Public Works - Maintenance Division</u></b>				
Miscellaneous Reimbursements	23,700			
Operating services and supplies		21,000		
	<u>23,700</u>	<u>21,000</u>	<u>-</u>	<u>2,700</u>
<b><u>Executive</u></b>				
City Manager 10% Furlough Leave Savings		(15,000)		
	-	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
<b><u>Finance</u></b>				
Gross up for Business License Fees for MAS audit results	200,000			
Professional fees - Municipal Auditing Services (50%)		100,000		
	<u>200,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>



**08-09 Midyear Budget Review  
Proposed Budget Adjustments  
October 28, 2008 Council Report**

	<u>Revenue</u>	<u>Expenditure</u>	<u>Reserves</u>	<u>Net</u>
<b><u>Technology Fees</u></b>				
To transfer restricted technology fees to Capital Fund #201:				
07-08 Development Service Tech Fees (from reserve)		75,633	75,633	
07-08 Public Works Engineering Tech Fees (from reserve)		17,006	17,006	
08-09 Development Services Tech Fees (from current revenue)		105,000		
08-09 Public Works Engineering Tech Fees (from current revenue)		54,000		
	-	251,639	92,639	(159,000)
<b><u>Non-Department</u></b>				
Reduction in Marina Fund Debt Service subsidy		(100,000)		
Bankruptcy Attorneys and Consultants		500,000		
Rounding		266		
	-	400,266	-	(400,266)
Subtotal, Program Updates	(274,023)	1,227,905	92,639	(1,409,289)
<b><u>Reserve Transactions</u></b>				
To draw on restricted fee reserves to fund current operations:				
General Plan Reserve for Housing element			100,000	100,000
Building Technology from Permit Coordinator Fee			75,000	75,000
	-	-	175,000	175,000
Subtotal	(2,356,929)	1,227,905	1,064,834	(2,520,000)
<b><u>Budget Reductions/ Mitigation</u></b>				
<b><u>One-time Funds</u></b>				
Transfer of unrestricted balances from other funds:				
Solid Waste Disposal Fund #135	75,000			
Repair and Demolition Fund #142	45,000			
	120,000	-	-	120,000
<b><u>Police</u></b>				
Salary/benefits savings		(800,000)		
	-	(800,000)	-	800,000
<b><u>Fire</u></b>				
Salary/benefits savings		(600,000)		
	-	(600,000)	-	600,000
<b><u>Non-Department</u></b>				
To further defer 25% payout due to Spring 2008 retirees		(1,000,000)		
	-	(1,000,000)	-	1,000,000
Subtotal, Budget Reductions/Mitigation	120,000	(2,400,000)	-	2,520,000
Total, General Fund adjustments	\$ (2,236,929)	\$ (1,172,095)	\$ 1,064,834	\$ -

**08-09 Midyear Budget Review  
Proposed Budget Adjustments  
October 28, 2008 Council Report**

	<u>Revenue</u>	<u>Expenditure</u>	<u>Reserves</u>	<u>Net</u>
<b><u>Other Funds</u></b>				
<b><u>Mare Island CFD 2009-1 #349</u></b>				
To appropriate revenue and expenditures for Touro start-up costs:				
Charges for Services Revenue	475,000			
Professional Services		475,000		
	<u>475,000</u>	<u>475,000</u>	<u>-</u>	<u>-</u>
<b><u>Outside Funded Services #129</u></b>				
To appropriate revenue and expenditures for Touro Reuse 1 A Maintenance:				
Charges for Services Revenue	27,000			
Other Services Expenditure		27,000		
	<u>27,000</u>	<u>27,000</u>	<u>-</u>	<u>-</u>
<b><u>Solid Waste Disposal Fund #135</u></b>				
Transfer unrestricted funds to General Fund				
	<u>-</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
		75,000	75,000	-
<b><u>Repair and Demolition Fund #142</u></b>				
Transfer unrestricted funds to General Fund				
	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
		45,000	45,000	-
<b><u>California Dept - Correction/Rehabilitation Grant Fund #156</u></b>				
To reduce State grant revenues				
	(165,000)			
To reduce General Fund Interfund Reimbursement				
		(165,000)		
	<u>(165,000)</u>	<u>(165,000)</u>	<u>-</u>	<u>-</u>
			-	-
<b><u>Hiddenbrook LMD #138</u></b>				
Utility Corridor Maintenance				
	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
		200,000	200,000	-
<b><u>Cimarron Hills LMD # 171</u></b>				
Insurance Reimbursement				
	2,000			
Services		2,000		
	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
			-	-
<b><u>Northgate LMD #178</u></b>				
Miscellaneous Reimbursement	32,000			
Mandarich warranty/maintenance		32,000		
	<u>32,000</u>	<u>32,000</u>	<u>-</u>	<u>-</u>
			-	-
<b><u>Admin Trust Fund # 601</u></b>				
PD designated programs - Revenue				
	25,000			
PD designated programs - Supplies				
		25,000		
	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
			-	-
<b><u>Capital Outlay Fund #201</u></b>				
To appropriate revenue and expenditures for Technology Fees:				
a) Development Services - Planning				
Transfer in	180,633			
Service/ Supplies		180,633		
b) Public Works - Engineering				
Transfer in	71,006			
Service/ Supplies		71,006		
	<u>251,639</u>	<u>251,639</u>	<u>-</u>	<u>-</u>
			-	-
<b>Total, Other Funds adjustments</b>	<b><u>\$ 647,639</u></b>	<b><u>\$ 967,639</u></b>	<b><u>\$ 320,000</u></b>	<b><u>\$ -</u></b>