CITY OF PITTSBURG
AGENDA

April 30, 2018

CITY HALL COUNCIL CHAMBER
65 CIVIC AVENUE, PITTSBURG, CA

CLOSED SESSION
5:30 P.M.

BUDGET WORKSHOP
6:30 P.M.

CITY COUNCIL

PRESIDING

Dwaine "Pete" Longmire, Mayor/Chair
Sal Evola, Vice-Mayor/Chair
Juan Antonio Banales, Council Member/Board Member
Jelani Killings, Council Member/Board Member
Marilyn "Merl" Craft, Council Member/Board Member

FOR HOUSING AUTHORITY:
Michelle Bond, Housing Authority Member
Annie Hill Herring, Housing Authority Member

Pittsburg City Council meetings are held the first and third Mondays of each month at 7:00 p.m. The Housing Authority meets in conjunction with the City Council on the third Monday of each month. The Pittsburg City Council meets regularly in the Council Chamber at 65 Civic Avenue, unless otherwise noted above. The City Council also sits as the Board of Directors of several other City agencies. The stipends for all agency members conform to state statutes governing compensation amounts. All other Agencies meet on an as needed basis and will be listed above if applicable. Copies of the open session agenda packets, which are distributed to the City Council, are on file in the office of the City Clerk, 65 Civic Avenue, Pittsburg, California, and are available for public inspection, beginning 72 hours in advance, during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, except from noon to 1:00 p.m. and City holidays). The agenda and reports are also located on the City's website at www.ci.pittsburg.ca.us. Additionally, if any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports and documents will also be available for public inspection in the City Clerk's Office and on the day of the meeting in the Council Chamber at the public counter area below the dais.

NOTICE TO PUBLIC (Attached)

COUNCIL COMMITTEES LIST (Attached)

COMMISSIONS/COMMITTEES MEETING SCHEDULE (Attached)

AUDIENCE REMARKS

The Audience Remarks period is for the public to comment on any items scheduled to be heard during the Closed Session portion of the meeting, if applicable.

5:30 P.M.

CONVENE IN CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION FOR THE CITY OF PITTSBURG (Paragraph (1) of subdivision (d) of Section 54956.9):

   Wade Derby v. City of Pittsburg, et al; United States District Court, Northern District of California, Case No. 3:16-cv-05469-SI

   Michael Sibbitt, Jr. v. City of Pittsburg et al.; United States District Court Northern District of California Case No. 3:16-cv-04377-SK

   Elisabeth Anne Terwilliger v. City of Pittsburg et al.; United States District Court Northern District of California Case No. 3:16-cv-04373-MEJ

2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION FOR THE CITY OF PITTSBURG; Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:

   One (1) case

3. CONFERENCE WITH LABOR NEGOTIATORS (Pursuant to Section 54957.6):

   Agency designated representatives: Joe Sbranti, Garrett Evans, Stacy Shell;
   Employee organization: AFSCME Miscellaneous A; AFSCME Management/Professional/
   Confidential; Teamsters Local 856

4. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION FOR THE CITY OF PITTSBURG; Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:

   Two (2) cases

6:30 P.M.

CONVENE IN OPEN SESSION FOR BUDGET WORKSHOP

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

CITY MANAGER REPORTS/REMARKS

The City Manager may make brief announcements or informal comments at this time and brief the Council on items of interest. (No Action Required)

CITIZENS REMARKS

Members of the audience who wish to address the City Council or Agency Boards on issues that are not scheduled for the agenda and on any items listed as part of the Consent Calendar should complete a Speaker's Card available at the dais. Please read the card carefully in order to fill out the card properly. Submit the completed card to the City Clerk before the item is called, preferably before the meeting begins. Individuals will be given three minutes to address the Council unless additional time is allowed as provided for spokespersons. Prior to speaking, each member of the public shall state their name and business and City of residence in a clear and audible tone of voice. (No Action Required)

BUDGET WORKSHOP

POWER POINT PRESENTATION

5. Power Point Presentation

ADJOURNMENT to May 7, 2018

NOTICE TO PUBLIC

GENERAL INFORMATION

Copies of the open session agenda packets, which are distributed to the City Council, are on file in the office of the City Clerk, 65 Civic Avenue, Pittsburg, California, and are available for public inspection, beginning 72 hours in advance, during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, except City holidays). The full packets are also located on the City's website at www.ci.pittsburg.ca.us. If any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports or documents will be available for public inspection in the City Clerk's Office and on the day of the meeting in the Council Chamber at the public counter area below the dais.

SPEAKER'S CARD

Members of the audience who wish to address the City Council on issues that are not scheduled for the agenda and on any items listed as part of the agenda should complete a Speaker's Card available at the dais. Please read the card carefully in order to fill out the card properly. Submit the completed card to the City Clerk before the item is called, preferably before the meeting begins. Individuals will be given three minutes to address the Council unless additional time is allowed as provided for spokespersons. Speakers are not permitted to yield their time to another speaker. Prior to speaking, each member of the public shall state their name and business and City of residence in a clear and audible tone of voice. Pursuant to the Brown Act, no action may be taken by the City Council on items not already scheduled on the agenda; however, the City Council may refer your comments/concerns to staff or request that the item be placed on a future agenda.

PUBLIC HEARINGS

Persons who wish to speak on Public Hearings listed on the agenda will be heard when the Public Hearing is opened, except on Public Hearing items previously heard and closed to public comment. After the public has commented, the item is closed to public comment and brought to the Council/Agency level for discussion and action. Further comment from the audience will not be received unless requested by the Council/Agency.

There is a 90-day limit for the filing of a challenge in the Superior Court to certain City administrative decisions and orders which require a hearing by law, the receipt of evidence, and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge an action take by the City Council in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised in the public hearing, or in written correspondence delivered to the City Council prior to or at the public hearing. The City Council may be requested to reconsider a decision if the request is made prior to the next City Council meeting, regardless of whether it is a regular or special meeting.

NOTICE TO THE DISABLED AND VISUALLY OR HEARING IMPAIRED

In compliance with the Americans with Disabilities Act, the City of Pittsburg will provide special assistance for disabled citizens. Upon request, an agenda for any meeting shall be made available in appropriate alternative formats. The Council Chamber is equipped with sound amplifier units for use by the hearing impaired. The units operate in conjunction with the Chamber's sound system. You may request the sound amplifier from the City Clerk for personal use during Council meetings. If you need special assistance to participate in this meeting, or are requesting a specially formatted agenda, please contact the City Clerk at 925-252-4850. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting or provide the requested agenda format. (28 CFR 35.102-35.104 ADA Title II)

DISRUPTIVE CONDUCT

The Council requests that you observe the order and decorum of our Council Chamber by turning off or setting to vibrate all cellular telephones, and that you refrain from making personal, impertinent, or slanderous remarks. Boisterous and disruptive behavior while the Council is in session, and the display of signs in a manner which violates the rights of others or prevents others from watching or fully participating in the Council meeting, is a violation of our Municipal Code and any person who engages in such conduct can be ordered to leave the Council Chamber by the Mayor.

LIVE MEDIA BROADCASTING ADVISEMENT

City Council meetings are webcast live on the City's website at www.ci.pittsburg.ca.us on the Streaming Media page. Past meetings are also archived on that webpage. City Council meetings are also broadcast live on CCTV, Channel 24 also re-run at a later date. For more information, please contact the City Clerk's office at 252-4850.

City Council Outside Agency / Liaison / Sub-Committees Assignments - 2018

Updated December 18, 2017

OUTSIDE AGENCY BOARDS	COUNCIL MEMBER(S)	TYPE	MEETS	STAFF
ABAG	Merl Craft / Pete Longmire Alternate	Standing	Annual	J. Sbranti
SF Bay Regional Water Quality Board	Merl Craft / Pete Longmire Alternate	Standing	As needed	J. Sbranti
Contra Costa County Fire Dist.	Pete Longmire / Jelani Killings Alternate	Standing	2nd Monday	J. Sbranti
Delta Diablo**	Pete Longmire / Juan Banales Alternate	Standing	2nd Wednesday	F. McKinley
East Co.Co.County Habitat Conservancy	Sal Evola / Juan Banales Alternate	Standing	Monthly	K. Pollot
East County Water Management	Merl Craft / Pete Longmire Alternate	Standing	Annual	F. McKinley
MCE Clean Energy Board	Juan Banales / Pete Longmire Alternate	Standing	4 Per Year	G. Evans
TRANSPLAN / ECCRFFA	Sal Evola / Juan Banales Alternate	Standing	2nd Thursday	J. Hecht
Tri-Delta Transit (2 reps)***	Pete Longmire& Merl Craft / Jelani Killings Alt.	Standing	Last Wednesday	J. Hecht

LIAISON TO	COUNCIL MEMBER(S)	TYPE	MEETS	STAFF
East Bay League of Calif. Cities	Sal Evola / Merl Craft Alternate	Standing	3rd Thursday	*Rotational
Mayor's Conference	Pete Longmire / Sal Evola Alternate	Standing	1st Thursday	J. Sbranti/G. Evans
School Districts Committee	Merl Craft &Jelani Killings / Juan Banales Alt.	Standing	4th Thursday even months	J. Sbranti

SUBCOMMITTEES	COUNCIL MEMBER(S)	TYPE	MEETS	STAFF
CAC/CDBG	Juan Banales & Jelani Killings / Pete Longmire Alt.	Standing	As needed	M. Aliotti
Concord Hills Working Group	Sal Evola & Juan Banales / Merl Craft Alt.	Ad Hoc	As needed	J. Sbranti
Pittsburg Recognition Committee	Merl Craft / Pete Longmire Alt.	Ad Hoc	As needed	J. Hecht
Economic Develop/Waterfront Subcommittee	Pete Longmire &Juan Banales / Sal Evola Alt.	Standing	Quarterly	G. Evans
Finance Subcommittee	Sal Evola & Pete Longmire / Merl Craft Alt.	Standing	As needed	B. Farmer
Land Use Subcommittee	Sal Evola &Juan Banales / Merl Craft Alt.	Ad Hoc	As needed	K. Pollot
Local Contracting & Preference Policy	Merl Craft & Sal Evola	Ad Hoc	As needed	J. Sbranti
Pittsburg Arts & Community Foundation	Merl Craft& Jelani Killings / Pete Longmire Alt.	Standing	As needed	J. Sbranti
Pittsburg Police Activities League (PAL)	Juan Banales & Pete Longmire / Killings Alt.	Standing	Monthly	B. Addington
Power Company Advisory	Pete Longmire & Juan Banales / Merl Craft Alt.	Standing	As needed	G. Evans
Sister City Committee	Sal Evola&Merl Craft/ Pete Longmire Alt.	Ad Hoc	As needed	G. Evans
Successor Agency Subcommittee	Merl Craft &Jelani Killings / Pete Longmire Alt.	Standing	As needed	M. Aliotti

*Rotational Staff as assigned by City Manager
**Stipend of $209 per month
***Stipend of $100 per month

COMMISSION/SUBCOMMITTEE MEETING SCHEDULE

Following is a tentative list of currently scheduled Commission meetings for the upcoming month. For further information, please visit our website at www.ci.pittsburg.ca.us and click on the CALENDAR link for meetings, dates, times and locations.

Commission	Tentative Meeting Dates
Planning Commission	2nd and 4th Tuesdays
Community Advisory Commission	1st Wednesday

Planning Commission meetings are regularly held the second and fourth Tuesdays of the month in the Pittsburg City Hall Council Chambers.

Community Advisory Commission meetings are regularly held the first Wednesday of the monthin the Pittsburg City Hall Council Chambers.

In addition to the Commission Meetings listed above, there are several Council Member Subcommittees that meet on an “as needed basis”.For a list of subcommittees that Council Members and staff are assigned to, please see the “Council Committee List” attached to the agenda.

Subcommittee Meetings that are anticipated to occur in the coming month vary. The meeting dates, times and locations for these meetings are yet to be determined. This information will be posted on the City’s website, www.ci.pittsburg.ca.us, as soon as it is determined. Please check the Calendar on the City’s website for information.

For further information, contact the City staff member assigned to that Commission or Subcommittee.

BUDGET WORKSHOP

Monday, April 30, 2018

AGENDA

1. Financial Stability - Bond Ratings
2. Estimated Reserve Levels – Enterprise and Internal Service Funds
3. Draft FY 2018-19 General Fund – Overview
4. FY 2018-19 Potential Reductions
5. FY 2018-19 Budget – Next Steps

Financial Stability
Bond Rating Increases

With the two recent bond rating increases, the City has now seen 13 increases in the past 6 years

- April 16, 2018 – S&P Global raised its rating to "AA" from "A" on the Senior Reassessment revenue refunding bonds 2011-01 due to:
  - "Strong financial profile…stable population growth…healthy labor market…and strong median household effective buying income"
- February 23, 2018 – S&P Global raised it rating to "AA" from "A+" on the 2006 Pension Obligation Bonds

ESTIMATED FY 2018-19 RESERVE LEVELS

Enterprise Funds:	Est. Reserves @ 6/30/19[2]	2018-19 Draft Operating Expenses & Transfers Out	Estimated % Reserve Level[1]
Water Operating Fund	$ 11,946,406	$ 20,800,323	57.43%
Sewer Operating Fund	2,329,581	3,709,484	62.80%
Waterfront Operations	803,319	1,472,197	54.57%
Marina	1,053,723	2,005,191	52.55%

1 - Minimum requirement is 30%

2 - Reserves above 30% are purposely accumulated for long-term repairs and maintenance projects

ESTIMATED FY 2018-19 RESERVE LEVELS

Internal Service Funds	Est. Reserves @ 6/30/19	2018-19 Draft Operating Expenses	Estimated % Reserve Level[1]
Information & Communication Systems[2]	$1,013,232	$ 1,161,210	87.26%
Fleet Maintenance[2]	798,938	1,515,770	52.71%
Building Maintenance[2]	1,306,804	1,760,734	74.22%
Fringe Benefits	763,522	2,519,513	30.30%
Liability Insurance	503,024	1,657,729	30.34%

1 - Minimum requirement is 30%

2 - Reserves above 30% are purposely accumulated for long-term repairs and maintenace projects

General fund Assumptions

- Maintain recent negotiation strategies in projection
- No projected use of property to satisfy 30% General Fund Reserve Policy for next three years, then phased in over 6 years
- Incorporates the CalPERS changes
- Continue prefunding OPEB at $200,000/year
- Begin prefunding CalPERS UAL at $250,000/year
- Add 6.5 full time employees
- Increased vacancy rate from 3% to 3.5% for salary savings

DRAFT FY 2018-19 BUDGET
GENERAL FUND OVERVIEW

	YE Estimate FY 2017-18[1]	Draft FY 2018-19	Difference	Percent Change
Revenues	$43,307,123	$43,602,462	$ 295,339	0.68%
Expenditures	43,407,636	44,267,756	860,120	1.98%
Surplus (Deficit)	$ (100,513)	$ (665,294)	$(564,781)	
Authorized use of General Fund - Fund Balance	1,325,629	TBD		
Projected use of General Fund - Fund Balance	100,513	665,294		

1 - FY 17-18 combines General Fund and Public Safety Community Facilities District for comparative purposes to FY 18-19

GENERAL FUND PROJECTIONS

	YE Estimate FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Annual Revenues					
Taxes - Property, Sales, TOT, Franchise & Motor Vehicle	$26,857,104	$28,297,525	$28,842,117	$29,459,652	$30,082,886
Intergovernmental, Permits, Fines and Service Charges	6,126,001	6,022,177	6,083,782	6,146,313	6,209,788
Transfers In from other City Funds	5,329,489	4,804,237	5,054,992	5,302,316	5,465,740
Other revenues	4,632,156	4,248,523	4,286,357	4,324,620	4,363,317
Total Annual Revenues	42,944,749	43,372,462	44,267,249	45,232,902	46,121,732
Potential New or Short Term Revenues					
DOJ Grant - 3 Year Project	120,374	-	-	-	-
Police Grant	72,000	70,000	-	-	-
Public-Private Partnership Grant for PD	170,000	160,000	-	-	-
Waterfront Lease Revenue	-	-	-	81,162	165,669
Developer Agreement Revenue	-	-	50,000	50,000	50,000
New Hotel TOT	-	-	98,550	295,650	394,200
Commercial and Industrial Development	-	-	328,837	482,413	492,062
Housing Development Projects	-	-	-	63,833	102,021
Total Potential New or Short Term Revenues	362,374	230,000	477,387	973,059	1,203,951
Total Revenues	**$ 43,307,123**	**$ 43,602,462**	**$ 44,744,635**	**$ 46,205,960**	**$ 47,325,683**

GENERAL FUND PROJECTIONS

	YE Estimate FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Annual Expenses					
Salaries	18,083,969	19,081,376	19,705,376	19,963,675	20,153,821
CalPERS	3,437,240	3,935,665	4,338,420	5,058,424	5,689,481
CCCERA, Pension Bonds & OPEB & 115 Trust	3,129,059	3,446,589	3,474,558	3,509,299	3,545,426
Benefits & Insurance	6,287,440	7,189,204	7,574,717	7,983,143	8,415,888
Contractual and Professional Services	6,693,807	6,799,279	6,935,265	7,073,970	7,215,449
Transfers out and other costs	6,213,125	4,580,148	4,570,845	4,563,437	4,552,764
Total Annual Expenses	**43,844,641**	**45,032,262**	**46,599,182**	**48,151,949**	**49,572,830**
Additional Projected Expense (Savings)					
Vacancy Rate/Attrition Savings	(437,005)	(764,506)	(850,769)	(872,030)	(886,051)
Use of GF Reserves	-	(665,294)	(1,003,778)	(1,073,959)	-
New Revenues or (Reductions) Not Yet Identified	-	-	-	-	(1,000,000)
Total Projected Expense Savings	(437,005)	(1,429,800)	(1,854,547)	(1,945,989)	(1,886,051)
Total Expenses	43,407,636	43,602,462	44,744,635	46,205,960	47,686,779
Current Year (Use) Surplus of General Fund - Fund Balance	**(100,513)**	**0**	**0**	**0**	**(361,096)**

Fiscal Sustainability Ordinance Compliance Matrix

	YE Estimate FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Available Balance of Budget Stabilization Fund (BSF)	2,196,556	2,271,556	2,371,557	2,435,461	2,500,149
BSF as a Percentage of Operating Expenses	5.03%	5.02%	5.07%	5.05%	5.02%
Is BSF at least $2 Million or 5% of GF Operating Expenses?	Yes	Yes	Yes	Yes	Yes
Ending General Fund Reserve Balance	14,734,640	14,659,640	14,559,640	14,134,640	13,784,640
General Fund Reserves as a Percentage of Operating Expenses	33.72%	32.41%	31.14%	29.31%	27.69%
Is General Fund Reserve at 20% or greater?	Yes	Yes	Yes	Yes	Yes
Reserve held in Property	-	-	-	500,000	1,500,000
Percentage of Annual Expenses	0.00%	0.00%	0.00%	1.04%	3.01%
Is GF + Reserve held in Property 30% or greater?	Yes	Yes	Yes	Yes	Yes
GFF + Property + Available Balance of BSF	16,931,196	16,931,196	16,931,197	17,070,101	17,784,789
GF + Property + BSF as a % of Annual Expenses	38.75%	37.43%	36.21%	35.39%	35.72%
Is the City in compliance with the ordinance reserve requirment 35%?	Yes	Yes	Yes	Yes	Yes

FY 2017-18 Reductions

	17-18 Budget Reductions
IT Allocation	$ (365,940)
GF Subsidy to L&L (14 positions)	(250,000)
Additional Attrition Savings	(235,000)
Contractual Services	(115,000)
Grant Programs	(35,000)
Festivals & Events	(20,000)
Membership Dues	(10,000)
Telephone	(5,000)
Council Travel	(5,000)
Outside Legal	(5,000)
	$ (1,045,940)

FY 2018-19 Budget – Next steps

- Incorporate input from today's workshop into the budget for May Finance Subcommittee review
- Measure P/M Oversight Committee Meeting and final recommendations – May
- Potential 2nd Budget Workshop – Late May 2018
- Approve Final Budget – June 4th or 18th, 2018 City Council Meeting

Questions?