CITY OF PITTSBURG
AGENDA

APRIL 22, 2019

CITY HALL COUNCIL CHAMBER
65 CIVIC AVENUE, PITTSBURG, CA

BUDGET WORKSHOP
4:30 P.M.

CITY COUNCIL
PITTSBURG ARTS AND COMMUNITY FOUNDATION
PITTSBURG POWER COMPANY
SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT DISTRICT II
SUCCESSOR AGENCY

PRESIDING

Juan Antonio Banales, Mayor/Chair
Jelani Killings, Vice-Mayor/Chair
Marilyn "Merl" Craft, Council Member/Board Member
Holland Barrett White, Council Member/Board Member
Shanelle Scales-Preston, Council Member/Board Member

FOR HOUSING AUTHORITY:
S.L. Floyd, 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.

4:30 P.M. - CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

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)

CONVENE BUDGET WORKSHOP

1. Budget Power Point Presentation

ADJOURNMENT to May 6, 2019

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 - 2019

Updated February 4, 2019

OUTSIDE AGENCY BOARDS	COUNCIL MEMBER(S)	TYPE	MEETS	STAFF
ABAG	Jelani Killings / Merl Craft Alternate	Standing	Annual	G. Evans
Delta Diablo**	Juan Banales / Shanelle Scales-Preston Alt.	Standing	2nd Wednesday	F. McKinley
East Co. Co. County Habitat Conservancy	Juan Banales / Holland White Alternate	Standing	Monthly	K. Pollot
East County Water Management	Merl Craft / Holland White Alternate	Standing	Annual	F. McKinley
MCE Clean Energy Board	Shanelle Scales-Preston / Juan Banales Alt.	Standing	4 Per Year	D. Buchanan
TRANSPLAN / ECCRFFA	Juan Banales / Holland White Alternate	Standing	2nd Thursday	J. Hecht
Tri-Delta Transit (2 reps)***	S. Scales-Preston & Merl Craft / Jelani Killings Alt.	Standing	Last Wednesday	J. Hecht

LIAISON TO	COUNCIL MEMBER(S)	TYPE	MEETS	STAFF
East Bay League of Calif. Cities	Jelani Killings / Juan Banales Alt.	Standing	3rd Thursday	*Rotational
Mayor's Conference	Juan Banales / Jelani Killings Alt.	Standing	1st Thursday	G. Evans
School Districts Committee (2x2)	Holland White & Jelani Killings / Merl Craft Alt.	Standing	4th Thursday even months	G. Evans

SUBCOMMITTEES	COUNCIL MEMBER(S)	TYPE	MEETS	STAFF
CAC CDBG Subcommittee	S. Scales-Preston & Jelani Killings / Holland White Alt.	Standing	As needed	M. Aliotti
Camp Stoneman Anniversary Celebration	Merl Craft & Shanelle Scales-Preston	Ad Hoc	As needed	Evans/Simonton
CIP	Juan Banales & Jelani Killings	Ad Hoc	As needed	G. Evans
Community Services Subcommittee	Juan Banales & Holland White	Ad Hoc	As needed	G. Evans/M. Aliotti
Hills Committee	Juan Banales & Holland White / Merl Craft Alt.	Ad Hoc	As needed	G. Evans
Pittsburg Recognition Committee	Merl Craft / Juan Banales Alt.	Ad Hoc	As needed	J. Hecht
Economic Develop/Waterfront Subcommittee	Jelani Killings & Holland White / Juan Banales Alt.	Standing	Quarterly	K. Simonton
Finance Subcommittee	Jelani Killings & Juan Banales / Merl Craft Alt.	Standing	As needed	B. Farmer
Land Use Subcommittee	Juan Banales & Holland White / Merl Craft Alt.	Ad Hoc	As needed	K. Pollot
Pittsburg Arts & Community Foundation	Merl Craft & S. Scales-Preston / Jelani Killings Alt.	Standing	As needed	G. Evans
Pittsburg Police Activities League (PAL)	S. Scales-Preston & Holland White / Juan Banales Alt.	Standing	Monthly	B. Addington
Power Company Advisory	S. Scales-Preston & Holland White / Merl Craft Alt.	Standing	As needed	D. Buchanan
Sister City Committee	Holland White & Merl Craft / Jelani Killings Alt.	Ad Hoc	As needed	K. Simonton
Successor Agency Subcommittee	Merl Craft & Jelani Killings / S. Scales-Preston 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 month in 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 22, 2019

AGENDA

1. Financial Stability - Bond Ratings
2. Estimated Reserve Levels – Enterprise and Internal Service Funds
3. Draft FY 2019-20 General Fund – Overview
4. FY 2019-20 Budget – Next Steps

Financial Stability
Bond Rating Increases

With the City's bond rating increases, the City has now seen 14 increases in the past 7 years

- July 9, 2018 – Moody's assigns an initial issuer rating of Aa2 to the City of Pittsburg, CA:
  - "The Aa2 issuer rating primarily reflects the city's strong financial position, with ample reserves and liquidity as well as its sizeable and growing tax base which is expected to continue to grow moderately in coming years."

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ESTIMATED FY 2019-20 RESERVE LEVELS

Enterprise Funds:	Est. Reserves @ 6/30/20[2]	2019-20 Draft Operating Expenses	Estimated % Reserve Level[1]
Water Operating Fund	$ 11,142,985	$ 20,784,847	53.61%
Sewer Operating Fund	2,524,999	3,225,345	78.29%
Waterfront Operations	1,240,204	1,285,089	96.51%
Marina	824,453	2,131,019	38.69%

1 - Minimum requirement is 30% of operating expenses

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

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ESTIMATED FY 2019-20 RESERVE LEVELS

Internal Service Funds	Est. Reserves @ 6/30/20	2019-20 Draft Operating Expenses	Estimated % Reserve Level[1]
Information & Communication Systems[2]	$1,136,196	$ 1,383,301	82.14%
Fleet Maintenance[2]	823,538	1,990,424	41.38%
Building Maintenance[2]	987,308	2,035,968	48.49%
Fringe Benefits	824,077	2,211,118	37.27%
Liability Insurance	545,980	1,786,912	30.55%

1 - Minimum requirement is 30% of operating expenses

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

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General fund Assumptions

- Maintain recent negotiation strategies in projection
- No projected use of property to satisfy 30% General Fund Reserve Policy for next two years, then phased in over 7 years
- Incorporate the CalPERS changes, including Unfunded Actuarial Liability
- Continue prefunding OPEB at $200,000/year
- Continue prefunding an Internal 115 Trust plan for CalPERS – current year General Fund contribution is $147,414
- Decrease attrition savings from 3.5% to 3.0% for non-sworn salaries
- Increase Pavement spending by $500,000

DRAFT FY 2019-20 BUDGET
GENERAL FUND OVERVIEW

	YE Estimate FY 2018-19	Draft FY 2019-20	Difference	Percent Change
Revenues	$45,582,602	$47,040,336	$1,457,734	3.20%
Expenditures	46,594,565	47,659,351	1,064,786	2.29%
Surplus (Deficit)	$ (1,011,963)	$ (619,015)	$ 392,948	
Authorized use of Fund Balance	$ 1,200,887	TBD		
Projected use of General Fund - Fund Balance	$ 1,011,963	$ 619,015		

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GENERAL FUND PROJECTIONS - REVENUES

Annual Revenues	YE Estimate FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Taxes - Property, Sales, TOT, Franchise and Motor Vehicle	28,896,482	29,557,928	30,364,057	31,215,185	32,069,234
Intergovernmental, Permits, Fines and Service Charges	6,523,916	7,287,268	7,360,109	7,433,991	7,508,933
Transfers In from other City Funds	4,776,538	4,802,989	5,050,314	5,213,737	5,391,797
Other revenues	4,952,115	5,081,117	5,131,036	5,181,606	5,232,837
Total Annual Revenues	45,149,051	46,729,302	47,905,516	49,044,519	50,202,801
Potential New or Short Term Revenues					
Police Grant	273,551	141,034	-	-	-
Public-Private Partnership Grant for PD	160,000	170,000	-	-	-
Waterfront Lease Revenues	-	-	81,162	165,669	169,098
New Hotel TOT	-	-	-	98,550	295,650
Commercial and Industrial Development	-	-	226,464	377,994	526,754
Housing Development Projects	-	-	63,833	102,021	211,745
Total Potential New or Short Term Revenues	433,551	311,034	371,460	744,233	1,203,247
Total Revenues	**45,582,602**	**47,040,336**	**48,276,976**	**49,788,753**	**51,406,048**

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General Fund Projections - Expenses

Annual Expenses	YE Estimate FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Salaries	19,270,698	19,561,828	19,873,982	20,063,033	20,254,000
Vacancy Rate/Attrition Savings	(387,121)	(518,527)	(534,083)	(550,105)	(566,608)
CalPERS	3,936,775	4,570,043	5,602,592	6,254,610	6,980,403
CCCERA, Pension Bonds & 115 Trust	3,458,680	3,323,653	3,405,470	3,441,597	3,519,119
Benefits & Insurance	7,115,866	7,435,413	7,892,919	8,382,419	8,906,263
Contractural and Professional Services	7,377,605	7,250,342	7,408,849	7,570,931	7,736,672
Transfers out and other costs	5,822,062	5,536,599	5,637,597	5,690,215	5,768,987
Pavement Maintenance	-	500,000	500,000	500,000	500,000
Total Annual Expenses	46,594,565	47,659,351	49,787,327	51,352,700	53,098,836
New Revenues or (Reductions) not yet identified	-	-	(1,200,000)	(1,400,000)	(1,400,000)
Total Expenses	46,594,565	47,659,351	48,587,327	49,952,700	51,698,836
Use of General Fund Reserves	(1,011,963)	(619,015)	(310,351)	(163,948)	(292,788)

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Fiscal Sustainability Ordinance Compliance Matrix

	YE Estimate FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Budget Stabilization Fund (BSF) Balance	2,395,285	2,395,285	2,495,285	2,595,285	2,695,285
BSF as a % of Operating Expenses	5.14%	5.03%	5.01%	5.05%	5.08%
Is BSF at least $2 Million or 5% of GF Operating Expenses?	Yes	Yes	Yes	Yes	Yes
Ending General Fund Reserve Balance	15,987,429	15,368,415	14,958,063	14,694,116	14,301,328
GF Reserves as a % of Operating Expenses	34.31%	32.25%	30.04%	28.61%	26.93%
Is General Fund Reserve at 20% or greater?	Yes	Yes	Yes	Yes	Yes
Reserve held in Property	-	-	-	750,000	2,000,000
Percentage of Annual Expenses	0.00%	0.00%	0.00%	1.46%	3.77%
Is GF + Property Reserve 30% or greater?	Yes	Yes	Yes	Yes	Yes
GF + Property + Available Balance of BSF	18,382,714	17,763,700	17,453,348	18,039,401	18,996,613
GF + Property + BSF as a % of Annual Expenses	39.45%	37.27%	35.06%	35.13%	35.78%
Is the City in compliance with the ordinance reserve requirement 35%?	Yes	Yes	Yes	Yes	Yes

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FY 2019-20 Budget – Next steps

- Incorporate input from today's Workshop into the Budget for Finance Subcommittee review - May
- Measure M Oversight Committee Meeting and recommendations – May
- Potential 2nd Budget Workshop – Late May 2019, if needed
- Approve Final Budget – June 3rd or 17th, 2019 City Council Meeting

Questions?