

FINANCING CITY SERVICES TASK FORCE TIMELINE

- **July 2008** - City Council forms the Financing City Services Task Force to identify funding to replace the Fire Assessment which expires on June 30, 2009.
- **January 2009** - Financing City Services Task Force recommends submitting a 1 cent Sales Tax to the voters in June 2009.
- **February 2009** - City Council places Sales Tax measure on the June 2009 Ballot. Later moved to May 2009 to consolidate with State election.
- **May 2009** - Sales Tax measure is not approved by the voters.
- **June 2009** - Fire Assessment expires and City Budget is reduced by \$1,000,000.
- **July 2009** - City Council directs Task Force to develop a Five Year Financial Plan that brings financial stability for the City.
- **January 2010** - Task Force recommends a Five Year Plan that includes new revenues that require voter approval and union negotiated reductions in employee costs.
- **June 2010** - City Council adopts the 2010/2011 Budget based on the Five Year Financial Plan and submits an increase in the Transient Occupancy Tax (TOT) to the voters. City budget adopted utilizing reserves to address structural deficit until the changes included in the Five Year Plan occur.
- **November 2010** - Voters approve the increase in the TOT the first of the proposed revenue measures.
- **December 2010** - Public Safety Bargaining units' contracts complete and include reductions in costs for salary and benefits.
- **April 2011** - New Fire Suppression Assessment revenue measure submitted to property owners. The assessment is not supported by the property owners.
- **June 2011** - With the failure of the Fire Suppression Assessment Council reduces 2011/2012 Budget by \$1,500,000. Cuts are made to City services to achieve the reduction.
- **July 2011** - Council directs Financing City Services Task Force to develop a new Financial Plan in light of the defeat of the Fire Assessment.
- **December 2011** - City concludes bargaining with non-safety units and achieves reductions in costs for salaries and benefits in the same manner as the Public Safety units.

- **September 2011 – December 2012**

The Task Force developed a series of revenue and expenditure options that were presented to the community in an Open House at the Community Center on January 11, 2012. Several hundred residents attended the Open House and listened to presentations on the various options, completed surveys regarding the options and for those not able to attend provided an on-line survey for additional input.

- **February 2012 -**

The Task Force met to consider the public input, both from the Open House and the extensive survey data. The Task Force recommended to the City Council that a ½ cent sales tax (transaction tax) with a five year sunset clause be placed on the June 5, 2012 ballot. Concurrently, the Task Force recommended, should the City Council not consider the sales tax option that be alternative options including reductions in the City's contributions to community organizations, maximizing revenue by reviewing fees and charges and exploring options for contracting out police services. The City Council decided not to place the sales tax measure on the ballot.

- **March 2012 – July 2012**

The City Council 1) reduced 50% of the funding for community groups in the FY 12/13 budget and 2) continued to implement, through ongoing labor negotiations, reductions in salary and benefit expenditures. The Council, concurrently, continued to explore options for contracting out police services and ultimately decided not contract services for the FY12/13.

- **October 2012**

In October, the Task Force reconvened to revise the Five-Year Financial Plan. The group once again reviewed the City's financial status taking into account the potential reduction in excess Educational Revenue Augmentation Funding (ERAF), new revenues from fees and charges and ongoing savings through labor contracts.

- **November/December 2012**

The Task Force reviewed the prior Five-Year Financial Plan and strategized approaches for developing a new plan.

- **January 2013**

The Task Force reviewed and revised Revenue and Expenditure Options to be considered as part of the new plan. At the January 30, 2013 Task Force meeting, it was determined that the next step was a joint City Council and Task Force study session on February 7, 2013 for the purpose of discussing the Five Year Financial Plan with the City Council.

**CITY OF PACIFICA
Excess ERAF Refund**

	<u>RECEIVED</u>	<u>BUDGETED/PROJECTED</u>	<u>REVISED AMOUNT</u>	<u>DIFFERENCE</u>	<u>% CHANGE</u>
09/10	\$1,418,953	n/a	n/a	n/a	n/a
10/11	\$1,255,892	n/a	n/a	n/a	n/a
11/12	\$1,287,088	n/a	n/a	n/a	n/a
12/13	n/a	\$1,400,000	\$1,531,309	\$131,309	9.38%
13/14	n/a	\$815,000	\$819,205	\$4,205	0.52%
14/15	n/a	\$815,000	\$128,700	-\$686,300	-84.21%
15/16	n/a	\$815,000	\$152,940	-\$662,060	-81.23%
16/17	n/a	\$815,000	\$0	-\$815,000	-100.00%
17/18	n/a	\$815,000	\$0	-\$815,000	-100.00%
			Total Reduction 14/15 - 17/18	-2,978,360	

**FINANCING CITY SERVICES
REVENUE AND EXPENDITURE OPTIONS
JANUARY 30, 2013**

<u>Revenue Options</u>	<u>Annual Amount</u>
Fire Suppression Assessment	\$1,000,000
<ul style="list-style-type: none"> • Requires a vote of property owners • Vote can be conducted at any time • Last attempt in 2011 not successful 	
Revised UUT	\$800,000
<ul style="list-style-type: none"> • Requires ballot measure approval • Majority approval required • Lower gas & electric and include telecommunications • Removes business cap of \$500 	
½ cent Sales Tax	\$1,062,200
<ul style="list-style-type: none"> • Could be placed on November 2013 ballot • Majority approval required • First year collection would begin in April and net \$265,550 	
Parcel Tax	\$1,200,000
<ul style="list-style-type: none"> • Any amount can be set • Requires ballot measure approval • 2/3 voter approval required • Collection would begin in 2014/15 fiscal year 	
Other	??
 <u>Expenditure Options</u>	 <u>Annual Amount</u>
Contract out Police Services	\$1,784,000
<ul style="list-style-type: none"> • Amount based on proposal from Sheriff in 2012 • Would require negotiation with Police Bargaining Units • A new Request for Proposals would need to be issued 	
Police Department Efficiency Improvements	??
<ul style="list-style-type: none"> • Study underway to determine if any savings are possible • Report to be done by end of April 	
Reductions in employee costs	\$600,000
<ul style="list-style-type: none"> • Subject to employee unit bargaining • In addition to continuing reductions in salaries and benefits 	
Non-departmental Community Organizations	\$217,584
<ul style="list-style-type: none"> • Resource Center • Visitor Center • PCT • Library Hours 	\$83,000 \$10,000 \$49,584 \$75,000
Service reductions	??

**CITY OF PACIFICA
FIVE YEAR FINANCIAL PLAN**

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GENERAL FUND - 01	ACTUAL	ACTUAL	ACTUAL	BUDGETED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
RESOURCES									
BEGINNING BALANCE	6,632,146	4,615,191	1,517,969	965,855	1,467,138	841,550	0	0	0
CHILDCARE ALLOCATION			31,000	106,000					
PROPERTY TAXES	9,979,374	9,812,885	9,876,488	10,406,309	9,944,567	9,528,404	9,830,885	9,964,533	10,259,719
SALES TAXES	1,239,707	1,443,285	1,373,840	1,464,105	1,502,928	1,542,916	1,584,103	1,626,527	1,670,222
OTHER TAXES	4,797,868	4,908,524	5,218,700	5,589,450	5,602,872	5,637,829	5,673,486	5,709,856	5,746,953
LICENSES & PERMITS	323,731	311,879	398,904	369,705	375,283	378,864	386,683	394,736	403,030
FINES & FORFEITURES	245,835	226,650	174,622	225,000	235,000	235,000	250,000	250,000	250,000
USE OF MONEY AND PROPERTY	124,071	125,779	165,691	138,480	143,990	146,529	149,600	152,202	154,836
INTERGOVERNMENTAL REVENUES	4,446,725	4,680,035	4,175,234	4,186,320	4,176,575	4,179,575	4,179,575	4,179,575	4,179,575
CURRENT SERVICE CHARGES	1,591,914	1,674,910	1,534,409	1,685,522	1,690,682	1,691,276	1,691,276	1,691,276	1,691,276
RECREATION PROGRAMS REVENUE	418,318	653,627	771,914	724,900	741,968	751,772	760,789	769,921	775,628
OTHER REVENUES	1,563,761	1,455,241	1,697,309	1,590,850	1,429,830	1,426,104	1,452,547	1,480,474	1,496,998
OTHER FINANCING SOURCES	216,931	0	60,000	0	0	0	0	0	0
TOTAL	24,948,235	25,292,815	25,447,111	26,380,641	25,843,694	25,518,270	25,958,944	26,219,099	26,628,239
TOTAL RESOURCES	31,580,381	29,908,006	26,996,080	27,452,496	27,310,832	26,359,820	25,958,944	26,219,099	26,628,239
REQUIREMENTS									
GENERAL FUND - 01	ACTUAL	ACTUAL	ACTUAL	BUDGETED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	16/17
CITY COUNCIL	149,987	135,906	105,267	98,997	100,141	101,313	103,149	105,027	106,947
CITY ADMINISTRATION	467,082	515,745	493,933	526,358	488,151	529,985	498,202	546,589	515,149
HUMAN RESOURCES	455,714	436,490	417,446	487,262	517,971	523,820	533,897	544,203	554,741
CITY ATTORNEY	658,651	761,347	607,873	461,100	461,557	462,024	464,023	466,062	468,142
FINANCE	1,156,023	1,163,291	1,100,564	1,151,433	1,186,254	1,143,645	1,163,675	1,184,133	1,205,028
POLICE	9,250,746	9,781,440	8,710,716	8,574,694	8,727,248	8,808,657	8,971,005	9,137,425	9,308,032
FIRE	5,607,998	5,823,344	5,198,938	5,303,391	5,402,048	5,431,065	5,517,444	5,605,828	5,696,267
PLANNING	1,243,747	1,373,761	1,359,923	1,270,862	1,279,607	1,287,096	1,309,112	1,331,614	1,354,613
PUBLIC WORKS	2,204,486	2,382,993	2,125,912	2,083,717	2,190,681	2,093,687	2,177,915	2,233,480	2,302,434
PB&R	3,567,111	3,762,890	3,788,367	3,860,531	3,916,532	3,957,630	4,073,665	4,162,096	4,253,531
NON-DEPARTMENTAL	894,645	987,831	822,286	882,013	942,092	809,644	827,635	846,076	864,978
OTHER	1,309,000	1,265,000	1,299,000	1,285,000	1,257,000	1,257,000	1,257,000	1,257,000	1,257,000
TOTAL	26,965,190	28,390,038	26,030,225	25,985,358	26,469,282	26,405,565	26,896,722	27,419,532	27,886,862
CONTINGENCY	0	0	0	0	0	0	0	0	0
RESERVES	4,615,191	1,517,969	965,855	1,467,138	841,550	0	0	0	0
TOTAL	4,615,191	1,517,969	965,855	1,467,138	841,550	0	0	0	0
TOTAL REQUIREMENTS	31,580,381	29,908,007	26,996,080	27,452,496	27,310,832	26,405,565	26,896,722	27,419,532	27,886,862