



City Council Meeting

December 16, 2008



Follow Up Items

- Early Retirement Program
- Revenue forum
- Parking district revenues
- Process for eliminating CVRC and RAC
- Park Shelter Fees
- Employee Focus Group Suggestions



Process & Schedule

- ✓ Labor and employee briefings
- ✓ Employee focus group
- ✓ Employee suggestions and involvement
- ✓ November 17 Workshop
 - Budget overview and balancing options
- ✓ Community and labor briefings
- ✓ December 4 Workshop
 - City Manager's Proposed Budget Reduction Plan
- ✓ December 9 Council Meeting



Process & Schedule

- December 16 Council Meeting
- January 6 Council Meeting, January 8 Council Workshop - Council approval of Budget Reduction Plan
- January 12 Issue Advance Layoff Notices to Employees affected by Budget Reduction Plan
- March 27 layoff notice issued to affected employees
- April 10 implement employee layoffs in order to close current year deficit



Projected Deficit

	FY 08-09	FY 09-10
Projected Revenues	\$ 137.31	\$ 134.25
Projected Expenditures	\$ 141.25	\$ 154.22
Projected Deficit	\$ (3.94)	\$ (19.97)



Council Supported Budget Cuts

Description	Estimated Savings
Eliminate Coastal & Environmental Policy Consultant	\$118,000
Department consolidations	\$300,000
Eliminate January 2010 cost of living adjustments for Management	\$390,000
Total estimated savings	\$808,000



Recreation Department



Recreation

- Loma Verde Solar Hot Water Project
 - 79 new solar panels
 - 82 degrees (pool temp setting)
 - 11,061 therms (annual savings)
 - \$10,600 (annual savings)
 - 14% reduction in total therm consumption/cost
- Replaced new high efficiency boilers reduced energy costs by \$23,000
- Parkway Pool savings estimated at \$18,500



Public Works Department



Public Works

- LED's (Traffic Signals)
 - Only 24 are non-LED out of approx. 3,700 – 4,000 signal indicators (citywide)
 - Will be replaced with LED's as they burn out
- Flyer for Nature Center (Trash Bill)
 - Next billing cycle in March



Police Department



Comparison Agencies County Comparison

AGENCY	POPULATION	SWORN	Sworn Per Thousand	Cost Per Citizen	Violent Crime Rate	Part 1 Crime Rate Total
Chula Vista	231,305	244	1.05	\$ 210.96	4.04	36.01
Carlsbad	103,811	115	1.11	\$ 250.41	3.14	27.30
Sheriff	870,112	966	1.11	\$ 328.39	3.82	22.72
Escondido	143,389	170	1.19	\$ 246.44	4.63	35.17
Oceanside	178,806	212	1.19	\$ 277.53	5.15	31.12
La Mesa	56,666	68	1.20	\$ 228.48	4.18	43.89
El Cajon	97,934	132	1.35	\$ 282.28	5.08	45.71
National City	61,194	92	1.50	\$ 266.17	6.94	42.43
San Diego	1,336,865	2,128	1.59	\$ 293.91	4.81	38.35
Coronado	23,101	44	1.90	\$ 363.41	1.13	24.48
Averages			1.32	\$ 274.80	4.41	34.72

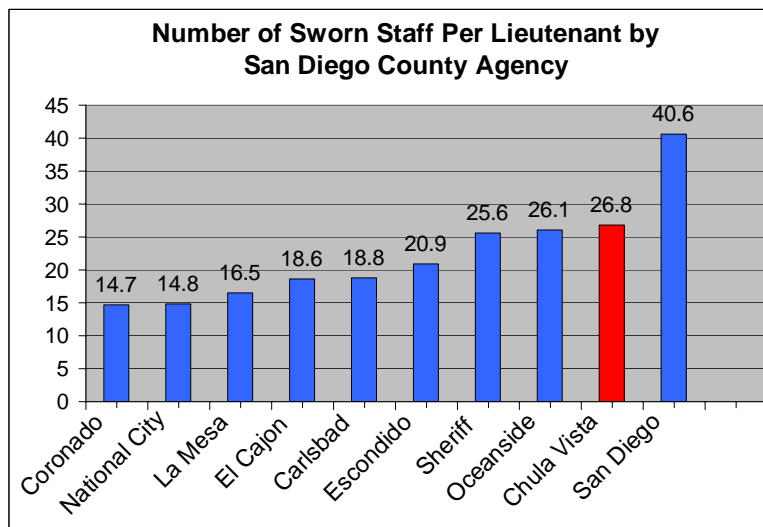


Comparison Agencies State Comparison

AGENCY	POPULATION	SWORN	Sworn Per Thousand	Violent Crime Rate	Part 1 Crime Rate Total
Fremont	213,512	196	0.92	3.01	27.07
Irvine	209,806	203	0.97	0.71	16.20
Chula Vista	231,305	244	1.05	4.04	36.01
Huntington Beach	201,993	237	1.17	1.93	21.84
Oceanside	178,806	212	1.19	5.15	30.75
Oxnard	194,905	238	1.22	4.53	26.27
Modesto	209,936	267	1.27	7.16	64.40
Glendale	207,157	264	1.27	1.87	19.51
Ontario	173,690	230	1.32	4.87	38.60
Torrance	148,965	241	1.62	2.40	23.70
Pasadena	148,126	268	1.81	5.11	34.08
Averages			1.26	3.67	27.62

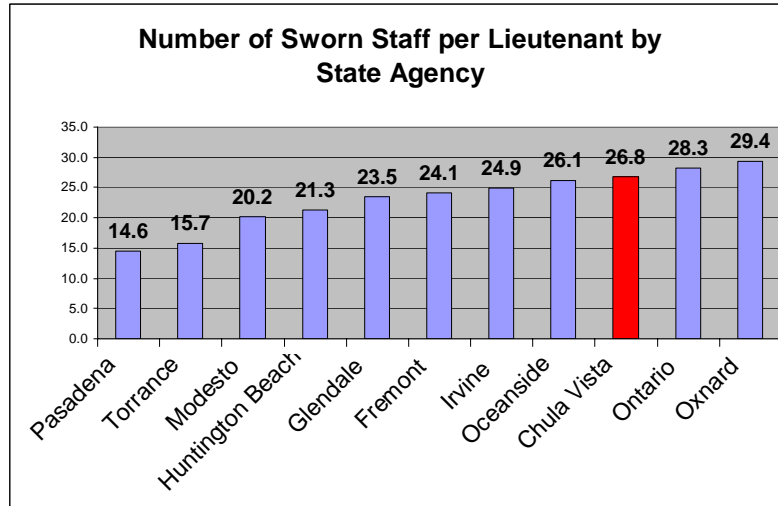


Officers per Lieutenant County Comparison

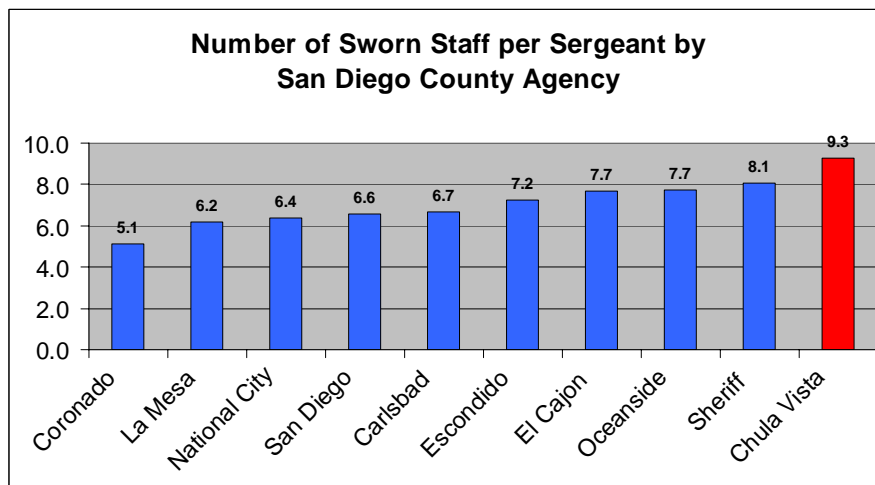




Officers per Lieutenant State Comparison



Officers per Sergeant County Comparison





Fire Department



Fire Department Daily Staffing Levels

DAILY STAFFING CONFIGURATION DEPLOYED:

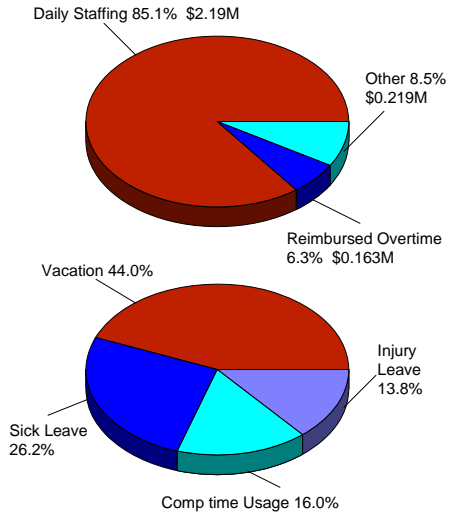
RESOURCES	STAFFING
8 ENGINE COMPANIES	24
2 TRUCK COMPANIES	8
1 URBAN SEARCH AND RESCUE (USAR) BATTALIONS	4 2
TOTAL DAILY STAFFING:	38



Fire Department

FY 07-08 SUPPRESSION / TRAINING OVERTIME

Suppression/Training Divisions Only	OVERTIME AMOUNT	% OF TOTAL
Daily Staffing:		
Authorized Leave		
Sick Leave	\$ 535,825	
Vacation Leave	\$ 900,363	
Injury Leave	\$ 283,451	
Comp-Time Usage	\$ 327,864	
Subtotal Authorized Leave	\$ 2,047,503	79.4%
Backfill for Vacancies	\$ 147,960	5.7%
OT for Leave/Vacancies:	\$ 2,195,463	85.1%
Other	\$ 219,930	8.5%
Reimbursed Overtime	\$ 163,772	6.3%
*Total Overtime for Leaves, Vacancies & Reimbursement	\$ 2,579,165	100.0%



*Totals above do not include an additional \$558,441 in Overtime for FLSA and Hard Holiday



Potential Revenue Enhancements

December 16, 2008





Potential Revenue Sources

- Sales Tax
- Utility Users Tax
- Transient Occupancy Tax
- Franchise Fees
- Storm Water Fee
- Master Fee Schedule
- Development Fees



Local Sales Tax Rate

State	6.00%
State Fiscal Recovery Fund	0.25%
*City/Local Government	0.75%
Local Transportation Fund	0.25%
Local TransNet Funding	0.50%
TOTAL CHULA VISTA TAX RATE	7.75%

*The remaining 0.25% is allocated to Local Govt. by the County.



Sales Tax

Current Rate: 7.75%

- FY 2010 projected revenue
 - City share 1% totals \$26.4 million
 - Projection represents a 2% reduction from fiscal year 2009
- Maximum increase: 1.5%
 - Rate after 1.5% increase: 9.25%



Sales Tax

Rate Increase	Projected Additional Revenue (Millions)
0.25%	\$5.6
0.50%	\$11.3
0.75%	\$16.9
1.00%	\$22.6
1.25%	\$28.2
1.50%	\$33.9



Special Election

Calendar Year 2009

- Mail Ballot Election:
 - Possible Dates: May 5 or August 25
 - Cost Estimate: \$255,000 to \$275,000
 - Election must be called by January 27 for May 5
- Special Election
 - Possible Dates: June 2 or November 3
 - Cost Estimate: \$600,000 to \$700,000
 - Election must be called by February 24 for a June 2 election and by July 28 for a November 3 election
 - Cost for June 2 could decrease if State adds more measures to Special Election

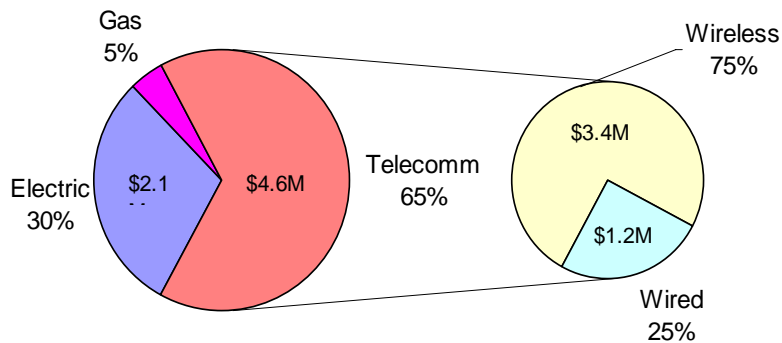


Sales Tax San Diego County Increased Rates

JURISDICTION	RATE (%)	EFFECTIVE DATE	DURATION	GENERAL / SPECIAL PURPOSE	% APPROVAL
El Cajon	0.50%	04/01/2005	10 Years	Special Purpose	68.92%
National City	1.00%	10/01/2006	10 Years	General	59.01%
Vista	0.50%	04/01/2007	30 Years	General	53.97%
NOVEMBER 4, 2008 ELECTION					
El Cajon	0.50%	04/01/2009	20 Years	General	51.10%
La Mesa	0.75%	04/01/2009	20 Years	General	55.30%



UUT Revenues (Total \$7.0 million)



Threats to UUT (Telecommunications)

- Ordinance is outdated as it applies to telecommunications creating technological loopholes (i.e. wireless communications)
- References to Federal Excise Tax Laws which have recently been repealed.
- Modernize the definitions of telecommunications and make it technology neutral.
- Seeking adoption of "Model" language used by other Cities who have recently updated their ordinance.
- Pending litigation in other jurisdictions challenging the application of utility users tax.



Transient Occupancy Tax

Current Rate: 10%

2.0% INCREASE SCENARIO (MILLIONS)

FY2009 Estimated Revenue	\$	2.8
Estimated Additional Revenue	\$	0.6
TOTAL ESTIMATED REVENUE	\$	3.4

NOVEMBER 4, 2008 ELECTION RESULTS – SAN DIEGO COUNTY

JURISDICTION	DESCRIPTION	% APPROVAL
Encinitas	+2% on vacation rentals –beach maintenance funding	51.10%
Del Mar	Council authority to increase from 10.5% up to 13% - general purpose	55.30%



Transient Occupancy Tax

Local Rates

JURISDICTION	RATE (%)	GENERAL / DEDICATED	FY06 REVENUES	FY07 REVENUES
San Diego - City	10.50%	6.5% General + 4% Dedicated	\$ 135,891,366	\$ 150,417,640
Carlsbad	10.00%	General	\$ 11,510,097	\$ 10,504,353
Coronado	8.00%	General	\$ 8,624,351	\$ 8,910,953
San Diego - County	8.00%	General	\$ 3,180,427	\$ 3,387,032
Chula Vista	10.00%	General	\$ 2,336,204	\$ 2,551,570
Oceanside	10.00%	General	\$ 2,185,114	\$ 2,351,759
Del Mar	10.50%	General	\$ 1,564,617	\$ 1,679,854
Escondido	10.00%	General	\$ 1,221,365	\$ 1,318,644
El Cajon	10.00%	General	\$ 1,098,769	\$ 1,105,546
Encinitas	10.00%	8% General + 2% Dedicated	\$ 1,100,000	\$ 1,102,623
Solana Beach	12.00%	10% General + 2% Dedicated	\$ 919,638	\$ 987,246
La Mesa	10.00%	General	\$ 872,341	\$ 914,629
National City	10.00%	General	\$ 829,869	\$ 837,944
Vista	10.00%	General	\$ 404,545	\$ 400,670
San Marcos	10.00%	General	\$ 327,632	\$ 363,885
Imperial Beach	10.00%	General	\$ 240,000	\$ 292,411
Poway	10.00%	General	\$ 190,097	\$ 202,767
Santee	6.00%	General	\$ 118,669	\$ 128,811
Lemon Grove	6.00%	General	\$ 31,810	\$ 31,525



Energy Franchise Fees

- **Estimated Annual Revenue Increases:**
 - Increase rate by 1/2% to 2%
 - Approximately \$1,100,000 to \$4,500,000
- **Ratepayer Monthly Impacts Per Customer Class:**
 - Residential \$1.55 to \$3.77
 - Commercial \$2.71 to \$7.85
 - Large Commercial \$14.23 to \$41.99
- **Implementation Timeline**
 - 4 to 6 Months for Proposition 218 Review & Billing Process



Energy Franchise Fee

		RESIDENTIAL (DR)		SMALL COMMERCIAL (A)		LARGE COMMERCIAL (ALTOU)**		ESTIMATED REVENUE INCREASES ^A		
		Amount	Difference	Amount	Difference	Amount	Difference	Electricity	Natural Gas ^{AA}	TOTAL
ELECTRICITY	Monthly Baseline (kWh)	306	-----	n/a	-----	n/a	-----	-----	-----	-----
	Monthly Use (kWh)	500	-----	1,500	-----	10,000	-----	-----	-----	-----
	Estimated Cost*	\$78.39	-----	\$286.76	-----	\$1,592.65	-----	-----	-----	-----
NATURAL GAS	Monthly Baseline (Therms)	15	-----	n/a	-----	n/a	-----	-----	-----	-----
	Monthly Use (Therms)	50	-----	50	-----	250	-----	-----	-----	-----
	Estimated Cost*	\$69.35	-----	\$56.11	-----	\$258.24	-----	-----	-----	-----
	Estimated Total Cost	\$147.74	-----	\$342.87	-----	\$1,850.89	-----	-----	-----	-----
BASELINE FRANCHISE FEE	No Change** (Elec - 1.10%; NG - 1.00%)	\$1.56	-----	\$3.72	-----	\$20.10	-----	-----	-----	-----
FRANCHISE FEE INCREASE AMOUNTS (for both Elec. & NG)	0.50%	\$3.11	\$1.55	\$6.42	\$2.71	\$34.33	\$14.23	\$657,080.26	\$459,200.74	\$1,116,281.00
	0.75%	\$3.47	\$1.92	\$7.28	\$3.56	\$38.95	\$18.85	\$985,620.39	\$688,801.11	\$1,674,421.50
	1.00%	\$3.84	\$2.29	\$8.14	\$4.42	\$43.50	\$23.40	\$1,314,160.52	\$910,401.40	\$2,224,561.92
	1.25%	\$4.21	\$2.66	\$8.99	\$5.28	\$48.21	\$28.11	\$1,642,700.65	\$1,148,001.85	\$2,790,702.50
	1.50%	\$4.58	\$3.03	\$9.85	\$6.13	\$52.84	\$32.73	\$1,971,240.78	\$1,377,602.22	\$3,348,843.00
	1.75%	\$4.95	\$3.40	\$10.71	\$6.99	\$57.46	\$37.36	\$2,299,780.91	\$1,607,202.59	\$3,906,983.50
	2.00%	\$5.32	\$3.77	\$11.56	\$7.85	\$62.09	\$41.99	\$2,628,321.04	\$1,836,802.96	\$4,465,124.00

^ABased on Summer rate schedule. ^BIncludes commodity. ^C100% basis. ^DElectricity. ^EDomestic oil.



LOCAL FRANCHISE FEES 2004

Jurisdiction	Electric Fee as % of Revenue	Natural Gas Fee as % of Revenue
Carlsbad	1.00%	1.00%
Chula Vista	1.10%	2.00%
Coronado	1.00%	1.00%
Del Mar	1.00%	1.00%
El Cajon	1.00%	1.00%
Encinitas	1.00%	1.15%
Escondido	1.00%	1.05%
Imperial Beach	1.00%	1.00%
La Mesa	1.00%	1.05%
Lemon Grove	1.00%	1.25%
National City	1.00%	1.08%
Oceanside	0.81%	2.00%
Poway	1.00%	1.43%
San Diego City	6.87%	3.02%
San Marcos	1.00%	1.06%
Santee	1.00%	1.30%
Solano Beach	1.00%	1.00%
Vista	1.00%	1.08%
County of San Diego	1.00%	1.12%
AVERAGE FRANCHISE FEE	1.30%	1.31%



Recycling and Trash Franchise Fees

- **Estimated Revenue Increases:**
 - Increase rate by 2% to 6%
 - Approximately \$380,000 to \$1,140,000
- **Ratepayer Impacts Per Customer Class**
 - Sm.; \$1.18 to \$2.51, Lrg.; \$8.50 to \$35.87, and Roll-off; \$12.92 to \$18.09, Comp.; \$19.99-\$27.99
- **Implementation Timeline**
 - 3 to 6 Months for Prop 218 Review & Billing Process



Recycling and Trash Franchise Fees

City of Chula Vista - DRAFT Solid Waste Franchise Fee Increase Analysis

	Current Revenue 8% plus 2% *	Projected 10% plus 2%	Projected 12% plus 2%	Projected 14% plus 2%
Franchise Fee				
Franchise Fee Revenue	\$ 1,917,185	\$ 2,300,622	\$ 2,684,059	\$ 3,067,497
Additional Revenue		\$ 383,437	\$ 766,874	\$ 1,150,312

Impacts on Individual Rates	Base Rate	Current Franchise Fee 8%	Franchise Fee 10%	Franchise Fee 12%	Franchise Fee 14%
Residential Rates					
32- gallon cart	\$ 11.77	\$ 1.02	\$ 1.18	\$ 1.41	\$ 1.65
64- gallon cart	\$ 15.24	\$ 1.33	\$ 1.52	\$ 1.83	\$ 2.13
96-gallon cart	\$ 17.93	\$ 1.56	\$ 1.79	\$ 2.15	\$ 2.51
Commercial Rates					
3 yard bin 1wk	\$ 85.04	\$ 7.39	\$ 8.50	\$ 10.20	\$ 11.90
3 yard bin 3wk	\$ 256.25	\$ 22.28	\$ 25.62	\$ 30.75	\$ 35.87
Roll off box Rates					
Compactor	\$ 199.93	\$ 17.39	\$ 19.99	\$ 23.99	\$ 27.99
Open top	\$ 129.19	\$ 11.23	\$ 12.92	\$ 15.50	\$ 18.09

* Current franchise fee - 8% is collected by AWS and passed through to the City from the rate payers. 2% is paid by AWS directly per contractual agreement for a total of 10% Franchise Fee. Projected fee increases are calculated on the pass through portion of the fee only.



DRAFT FRANCHISE FEES-WASTE

City	Residential - Single Family Rate Per Month			= 2008-09 Adjusted Rates (City Fees Removed)
	2008-09 Rates	(-)Minus Franchise Fee	(-)Minus AB 939 Fee	
Carlsbad	\$13.95	7.5%	2.0%	\$ 13.95
Chula Vista	\$16.57 - 64 gal	8.0%	5.00%	\$ 14.42
Coronado	\$17.67	-	\$1.01	\$ 16.66
County	FF \$3.60	\$1.10 to HHW	\$0.02/ton	
Del Mar	\$18.36	10.0%	-	\$ 16.52
El Cajon	\$19.13	10.0%	-	\$ 16.77
Encinitas	\$18.44 - 95 gal	5.0%	R: \$0.21; C: varies	\$ 17.32
Escondido	\$17.27	\$1.24	21c per mo per res	\$ 15.30
Imperial Beach	\$23.32 - 64 gal	10.0%	-	\$ 16.32
La Mesa	\$17.95	4.0%	R: \$0.62; C: \$4.12	\$ 16.53
Lemon Grove	\$17.71 standard	9.0%	R: \$0.17; C: \$0.60	\$ 15.96
National City	\$16.64	9.0%	Not separately stated	\$ 15.14
Oceanside	\$23.21	5% IND	-	
Poway	14.24, 22.81	10.0%	\$1.20 residential	\$ 16.42
San Diego		\$11-12/ton	\$7/ton	
San Marcos	\$18.83	5.0%	\$0.46	\$ 15.46
Santee	\$18.32	10.8%	\$3,333/month	\$ 16.34
Solana Beach	\$21.43	7.5%	-	\$ 17.20
Vista	\$18.01	5.0%	R: \$0.07/mo; C: \$0.63/mo	\$ 17.04
Adjusted Mean Avg	Mean Average		Adjusted Mean Average	\$ 15.14



Storm Drain Fee

Current Fee

- \$0.70 per SFD per month
- Approximately \$500,000 is collected per year
- General Fund Cost – \$2.4 million annually

Proposed Fee

- A fee increase to \$3.00 per SFD per month
- Cover City's cost for the NPDES, Storm Drain Maint. & Street Sweeping Programs
- Proposition 218



Storm Drain Fee

Comparison to other City's NPDES fees (monthly SFD only)

• Imperial Beach	\$5.36
• Carlsbad	\$3.46
• Poway	\$3.37
• San Marcos	\$2.10
• Solana Beach	\$1.82
• San Diego	\$0.95
• Chula Vista	\$0.70



Master Fee Schedule

- Review and Update of Master Fee Schedule
- Includes following fees:
 - Business License Fees
 - Library Fees
 - Recreation Fees
 - Animal Control Fees
 - Police Fees
 - Fire Fees
 - Misc Administrative Fees (photocopies, etc.)
 - Development Services Fees



Development Services Fee Study

- Master Fee Schedule:
 - Chapter X – Building (2007)
 - Chapter XI – Engineering (2004)
 - Chapter XIV – Planning (2007)
- Planning & Building, Engineering, Public Works, and Fire Department staff included
- Status
 - Populating budget and staffing models
 - Collecting processing time estimates
 - Anticipate bringing to Council in February 2009



Potential Revenue Sources

- Sales Tax
- Utility Users Tax
- Transient Occupancy Tax
- Franchise Fees
- Storm Water Fee
- Master Fee Schedule
- Development Fees



Community Ideas

- Concessions from Bargaining Groups
- Eliminate car allowances and receive only reimbursement for mileage
- Sales Tax – consider 1%
- Keep passport application
- Increase program fees i.e. soccer, business license fee
- Council should forego raises



Community Ideas

- Employees should pick up portion of pension plan, Council should do same
- Eliminate car allowance
- Eliminate RAC and CVRC
- Collect debt from RDA
- City should take over ambulance service
- Increase transparency/establish oversight committee



Community Ideas

- Establish fee for STRETCH & DASH; \$12 per month. Give parents opportunity to make voluntary donation.
- Eliminate employee pay increases
- Need long term restructuring
- Increase sales tax for a temporary period of time
- Charge employees for parking, \$30 per month; establish an enterprise fund. Graduated scale – more for reserved space.



Community Ideas

- Eliminate jail operation
- Sales tax measure; need to make sure that City does not spend lots of money on marketing plan
- Establish assessment district for public safety – apply only to residential properties
- Establish assessment district for Eastlake Library
- Assessment districts to be considered as part of a General Election



Council Comments

- Look at underutilized City property for lease opportunities
- Add coffee cart at Civic Center and Public Works
- Put ATM machine in Civic Center lobby
- Provide employees with opportunity to bring forward ideas to generate savings or revenue



Process & Schedule

- December 16 Council Meeting
- January 6 Council Meeting, January 8 Council Workshop - Council approval of Budget Reduction Plan
- January 12 Issue Advance Layoff Notices to Employees affected by Budget Reduction Plan
- March 27 layoff notice issued to affected employees
- April 10 implement employee layoffs in order to close current year deficit