



ADMINISTRATIVE B

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 30, 2010

TO: Honorable Mayor and Members of the City Council

FROM: Phil Batchelor, City Manager *FB*
Robert V. Stout, Finance Director *RVS*

SUBJECT: CONSIDERATION OF A RESOLUTION AUTHORIZING APPROVAL OF THE GENERAL FUND 5-YEAR BUSINESS PLAN AND OF THE FILING OF A CHAPTER 9 PLAN OF ADJUSTMENT

RECOMMENDATION

1. Approve the General Fund Five-Year Business Plan with its financial strategies to maintain a balanced operating budget, address creditor and debt obligations, and rebuild fiscal stability.
2. Authorize the filing of a chapter 9 Plan of Adjustment with the United States Bankruptcy Court, within the context of the resources and financial goals enumerated in the Business Plan.

BACKGROUND AND DISCUSSION

The General Fund 5-Year Business Plan (Business Plan) is the next step in the City's "path forward" to emerge from bankruptcy. In May 2008, the City filed its chapter 9 bankruptcy petition after years of severe budgetary stress and deteriorating financial condition. With post-petition labor terms now near completion with all employee groups, the City looks ahead to filing a plan of adjustment in the bankruptcy court no later than mid-January 2011.

The Business Plan presents strategies to maintain a balanced operating budget, to address creditor and debt obligations, and to rebuild the fiscal stability necessary to emerge from bankruptcy. It presents a financial framework that identifies the resources available and earmarked for settlement of creditor claims, including restructured debt service on the City's bond/lease obligations.

City Council's consideration of the Business Plan follows a public workshop held on November 16, 2010. Key elements of the Business Plan were presented in the context of the current fiscal reality of sharply diminished staffing and service levels. City Council also received comments from the public.

City of Vallejo Current Fiscal Reality

The City of Vallejo has been subject to significant changing conditions since filing for chapter 9 bankruptcy protection. The City Council has also taken difficult steps to begin to create a sustainable balance between expenditures and revenues as it prepares to emerge from bankruptcy protection. The City has adopted and maintained General Fund balanced budgets since 2008. It is important that the City Council and community acknowledge the following fiscal and service reality as the City puts into place a General Fund five-year business plan that will allow it to emerge from bankruptcy and operate thereafter.

1. General Fund revenue has declined significantly since 2008

- a. Revenues have declined from \$83 million to \$65 million (or 22%) since FY 2007-08.
- b. Median residential sales prices in Vallejo have plummeted from a high of \$440,000 in 2006 to \$142,500 in 2009 for a devastating drop of 67% according to the respected financial advisors HDL.
- c. Property taxes have declined by 29% since 2007-08.
- d. The contraction of the economy has resulted in City of Vallejo sales taxes declining by 17% during the past three years.

2. Police services have been dramatically reduced

- a. Staffing in the police department has been slashed from 228 positions in 2003-04 to 121 in 2010-11 for an extraordinary reduction of 47%.
- b. Sworn staff has declined from 155 positions in 2003-04 to 90 positions in 2010-11, which has severally reduced the Vallejo Police Department's ability to provide law enforcement service to the City.
- c. Non-sworn staff has declined from 73 in 2003-04 to 31 in 2010-11 for a 58% reduction.
- d. Dispatch staff that handles emergency calls has declined from 27 positions in 2003-04 to 16 positions in 2010-11 for a 40% reduction.
- e. Staffing available for patrol has declined from 90 officers to 55 for a reduction of 39%.
- f. Traffic enforcement has been reduced from 13 officers to 6 for a 54% reduction.
- g. Most crime prevention activities and four out of five canine teams have been eliminated.
- h. The violent crimes per officer in Vallejo are significantly higher than similarly-sized Bay Area cities.

- 3. Fire protection services have been dramatically reduced**
 - a. Staffing in the fire department has been reduced from 122 in 2003 to 70 in 2010 for a devastating reduction of 42%.
 - b. The number of fire stations has been reduced from 8 in 2003 to 5 in 2010.
 - c. Service calls increased from 10,361 in 2003 to a projected 13,500 in 2010 for a 30% increase in calls to be handled by a staff that has been reduced by 42%.
 - d. The number of firefighters per 1,000 population in the City of Vallejo is one of the lowest in the Bay area at .54 compared to Palo Alto at 1.91 or Benicia at 1.25 or Alameda at 1.48.

- 4. The City's contribution to quality of life services has been eliminated**
 - a. Funding to support increased hours at Solano County-run libraries has been eliminated.
 - b. Funding to Greater Vallejo Recreation District to support park maintenance and recreation activities has been eliminated.
 - c. Grants to arts and cultural institutions such as the Vallejo Naval and Historical Museum, Vallejo Symphony, Vallejo Community Arts Foundation, Police Athletic League, Convention & Visitors Bureau, Youth & Family Services and Florence Douglas Senior Center have been eliminated.

- 5. Maintenance of the City's more than \$300 million of road, grounds and building assets has been reduced to a fraction of recommended levels**
 - a. Only \$760,000 has been budgeted in FY 2010-11 that provides only 10% of the maintenance level need.
 - b. The average pavement condition index (PCI) rating of the 681 lane miles of roadway is only 51, compared to the Bay Area average of 66 and a desirable level of 83.
 - c. Approximately 28% of City's lane miles are rated poor, with the local residential streets being in the worst condition with an average PCI of 42.
 - d. It would require an investment of \$268 million to bring the roads up to a desirable PCI level of 83.
 - e. Lack of maintenance on the City's street trees, sidewalks, stairs, etc., increases liability exposure.

- 6. Replacement and maintenance of the City's 254 vehicles is below industry standards**
 - a. The City's vehicle fleet is 87% depreciated.
 - b. Reduced funding for vehicle maintenance combined with the City's increasing backlog of vehicles needing replacement

reduces the reliability and availability for essential services (i.e. police and fire emergency response).

7. Debt obligations

- a. Current public safety and other service levels have been reduced so dramatically that there are very few dollars available to provide for repayment to creditors without further compromising the continued operation of City services or jeopardizing the safety of the citizens of Vallejo.

Business Plan – Principles and Assumptions

The Business Plan is consistent with the following principles:

1. Live within our means – 5 year projection
2. Look to the future – prioritize
3. Stop deferring expenses – maintenance, capital
4. Establish an emergency reserve fund to provide funding in the event of a natural disaster or in case of unforeseen emergency
5. Utilize one-time sources of revenue to fund one-time expenditure items.

This Business Plan updates revenue projections, quantifies service costs, confirms current service levels, and provides strategies to address legacy debt obligations, including claims filed in the bankruptcy case, while rebuilding fiscal stability. Assumptions are identified for each of the following financial elements:

1. Revenues
2. Labor costs and staffing levels
3. Vehicle and infrastructure capital investment
4. Long-term debt obligations, including pension, retiree health, bonds/leases, compensated absences, and creditor claims
5. Reserves, including self insurance, capital, and economic uncertainty

City Council has previously adopted five year financial projections in its Bankruptcy Workout Plan (December 2009), and also considered updates in March 2010. While revenue and service cost projections have fluctuated, many of the debt strategies in the current Business Plan remain unchanged from those adopted in December 2009. In these days of economic uncertainty, we are pleased that service levels have been able to be planned at current levels, without further erosion, during this projection window.

The Business Plan has been developed with assistance and input from the City's revenue, labor, benefit, pension, and debt experts. Two community outreach sessions, held on October 28 and 30, 2010, have also informed recommendations.

Plan of Adjustment

While the Business Plan identifies resources available for the payment of creditor claims, it is a separate and distinct document from the plan of adjustment to be filed with the bankruptcy court. The plan of adjustment will propose the adjustment of specific debt and creditor claims. Creditor negotiations continue within the context of the resources in this Business Plan. Filing in the bankruptcy court of the plan of adjustment is expected to kick off an estimated four to six months of hearings, objections, and balloting before ultimate approval by the court.

The proposed resolution authorizes the filing of a chapter 9 plan of adjustment within the context of the resources and financial goals enumerated in the Business Plan. Staff anticipates ongoing minor adjustments to the Business Plan to conform and rebalance as conditions change, such as pending approval of the IBEW labor contract under concurrent consideration by the City Council, updated pension and retiree cost projections, and the resolution of legal challenges now pending with the bankruptcy court.

Judge McManus has ordered the City to file a plan of adjustment by January 18, 2010. Filing of the plan of adjustment moves the City an important step forward on its path toward emerging from bankruptcy.

ENVIRONMENTAL REVIEW

The General Fund Five-Year Business Plan 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.

FISCAL IMPACT

The General Fund Five-Year Business Plan presents strategies to maintain a balanced operating budget, address debt obligations, rebuild fiscal stability, and emerge from bankruptcy.

PROPOSED ACTION

- Approve the General Fund Five-Year Business Plan with its financial strategies to maintain a balanced operating budget, address creditor and debt obligations, and rebuild fiscal stability
- Authorize the filing of a chapter 9 Plan of Adjustment with the United States Bankruptcy Court, within the context of the resources and financial goals enumerated in the Business Plan.

DOCUMENTS ATTACHED

Attachment A - Resolution

Attachment B - General Fund Five-Year Business Plan

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RESOLUTION NO. 10-___ N.C.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO APPROVING
THE GENERAL FUND 5-YEAR BUSINESS PLAN AND OF THE FILING OF A
CHAPTER 9 PLAN OF ADJUSTMENT

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

WHEREAS, the City Council has determined, after, among other things, taking into consideration the advice of City staff and of counsel, that the general fund 5-year business plan, a copy of which is attached hereto and incorporated herein by this reference ("Business Plan") contains reasonable assumptions and demonstrates a realistic and financially viable future for the City of Vallejo, enabling it to maintain a balanced operating budget, address creditor and debt obligations, and rebuild fiscal stability; and

WHEREAS it is in the best interests of the City, its creditors and other interested parties, that the Business Plan be approved.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Vallejo that the Business Plan is approved.

BE IT FURTHER RESOLVED by the City Council of the City of Vallejo that the City propose a chapter 9 plan of adjustment consistent with the resources and financial goals enumerated in the Business Plan, and that such plan of adjustment, or any plan of adjustment that is premised on the Business Plan, is approved and adopted in all respects, and the City Manager, or his designee, is hereby authorized and directed, on behalf of and in the name of the City, to execute and verify such plan of adjustment and to cause the same to be filed with the United States Bankruptcy Court, Eastern District of California, Sacramento Division.

BE IT FURTHER RESOLVED that the City Manager and all other appropriate officials and employees of the City are hereby authorized to execute and file all pleadings and other documents, and to take any and all actions which they shall deem necessary and proper in connection with the said chapter 9 plan of adjustment or any amendment or modification thereof.



General Fund

Five-Year Business Plan

Fiscal Years 2010-11 to 2014-15

November 30, 2010



General Fund 5-Year Business Plan 2010-11 to 2014-15

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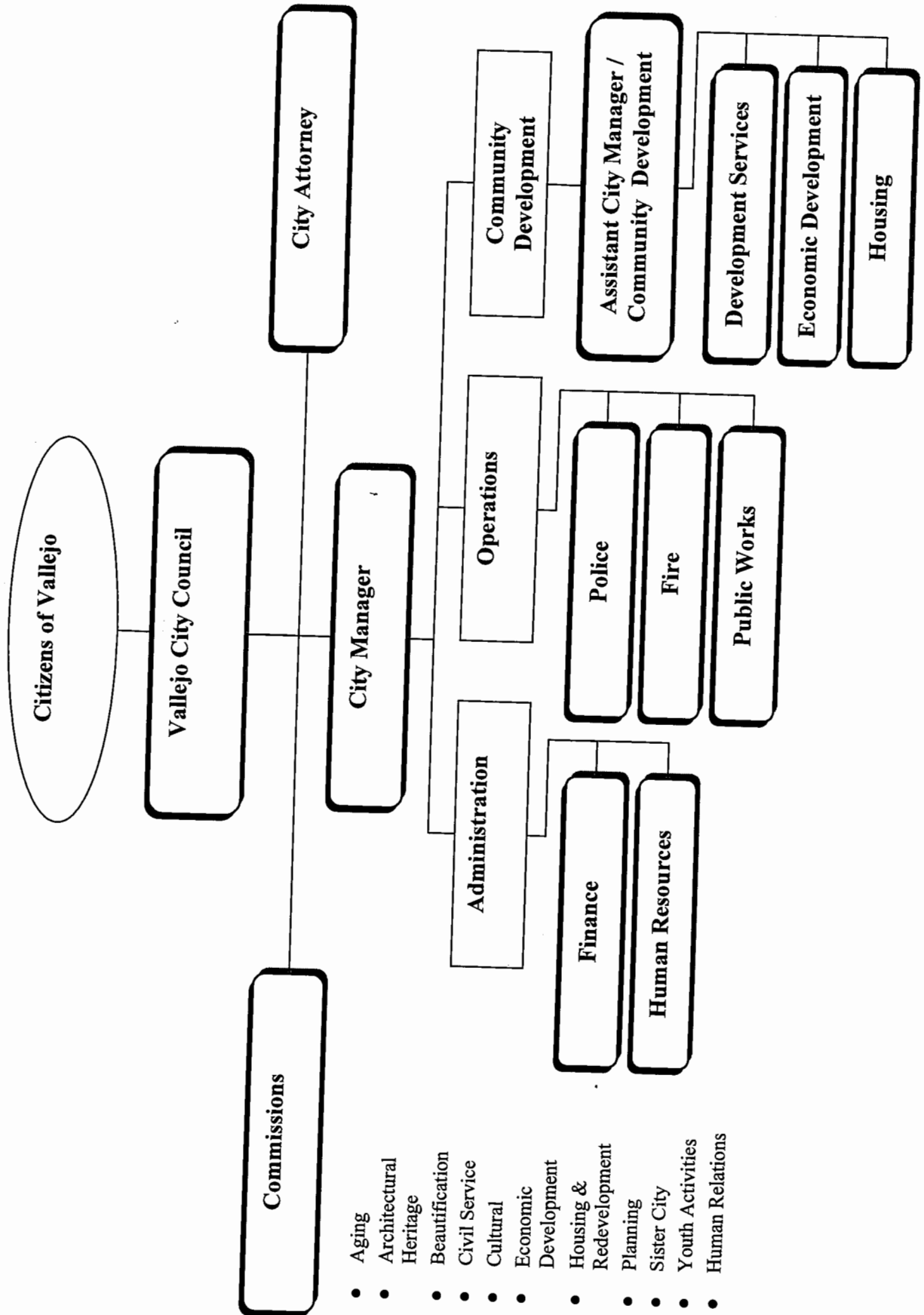
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**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Introductory Section

City of Vallejo Organization Chart





General Fund 5-Year Business Plan 2010-11 to 2014-15

EXECUTIVE SUMMARY

Current Fiscal Reality

The City of Vallejo has been subject to significant changing conditions since filing for chapter 9 bankruptcy protection in May 2008. The City Council has also taken difficult steps to begin to create a sustainable balance between expenditures and revenues as it prepares to emerge from bankruptcy protection. The City has adopted and maintained General Fund balanced budgets since 2008. It is important that the City Council and community acknowledge the following fiscal and service reality as the city puts into place a General Fund five-year business plan that will allow it to emerge from bankruptcy:

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- 7. Debt obligations**
 - a. The current public safety and other service levels have been reduced so dramatically that there are very few dollars available to provide for repayment to creditors without further compromising the continued operation of City services or jeopardizing the safety of the citizens of Vallejo.

Path Forward to Emerge From Bankruptcy

The Business Plan is the next step in the City's "Path Forward" to emerge from bankruptcy. In May 2008, the City filed its chapter 9 bankruptcy petition after years of severe budgetary stress and deteriorating financial condition. With post-petition labor terms now near completion with all employee groups, the City looks ahead to filing a plan of adjustment in the bankruptcy court no later than mid-January 2011.



EXECUTIVE SUMMARY, Continued

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The Business Plan has been developed with assistance and input from the City's revenue, labor, benefit, pension, and debt experts. Two community outreach sessions, held on October 28 and 30, 2010, have also informed recommendations. We look forward to additional stakeholder input through this workshop as the City prepares to take this important next step to emerge from bankruptcy and rebuild its financial future.

General Fund Focus

The focus of this Business Plan is the City's General Fund. The General Fund is the repository for unrestricted tax and other revenues available for general municipal services such as public safety. While the City structures its budget and operations through over 100 separate funds to provide accountability for special grant, tax, assessment, and fee revenues, these other programs are almost exclusively restricted in use and are unavailable to address unrelated general unsecured claims.

Balancing Competing Objectives

This Business Plan is designed to balance competing financial objectives. Available revenues have been allocated between the following three objectives:



General Fund 5-Year Business Plan 2010-11 to 2014-15

EXECUTIVE SUMMARY, Continued

- 1) Provide resources to sustain current municipal services, without further erosion of severely depleted service levels;
- 2) Address debt obligations, including unfunded pension and retiree health benefits, bond/lease debt service, compensated absences due to employees, and other claims; and
- 3) Restore fiscal stability through increasing economic contingency reserves.

We prepare this Business Plan as the national economy grasps a slow and fragile recovery. The risk of a “double dip” recession hovers along with continued high foreclosure and unemployment rates. Despite these risks, the ultimate goal is to balance these three competing objectives and achieves feasible, ongoing fiscal sustainability.

Summary of Plan Results

- The financial projections presented in this document first allocate slowly growing revenues to the preservation of current services. With public safety services at levels 40% below pre-bankruptcy levels, additional reductions would put the community at even greater risk.
- Additional labor unit cost reductions, through ongoing benefit reform as labor contracts renew, provide budget capacity for a gradual restoration of investment in the City’s street and infrastructure investment. At the minimal funding levels presented, however, the current below-par street conditions will continue to deteriorate during this five year period.
- Unsecured creditor claims will be addressed through a \$5 million claims pool.
- During the five years presented in the Business Plan, available reserves grow to 5% of annual operations. This is well below recommended levels. These reserves serve as an “Economic Contingency” reserve to help ensure the City’s continued fiscal stability.
- Longer-term plans to restore municipal services and to further build the economic contingency reserve to the City Council goal of 15% can be considered when economic growth, development, and the City’s tax base resume a solid upward trend.

Key Assumptions

The following is a summary of key assumptions used to develop financial projections. More information on each of these topics is presented later in this document.

Revenue

- During the next five years, General Fund revenues are projected to slowly increase from \$65 million to \$68 million. After three years of declines, including a 5% reduction still projected for 2010-11, revenues are expected to “flatten out” at a cumulative 22% decline from a high of \$83 million in FY 2007-08. Key Vallejo revenue sources appear to be leveling at this significantly reduced level. The City’s Sales Tax realized its first positive point-of-sale year-to-year growth in two years during the quarter ended June 30, 2010.



EXECUTIVE SUMMARY, Continued

- Each of the City’s major tax sources has been analyzed individually for potential growth rates during the five year projection period, including property, sales, and franchise/utility user tax. Composite growth rates improve to an anticipated flat 0% growth in 2011-12, to 1% and 2% in successive years through 2015.

Labor Costs

- Projections assume that the City will maintain its diminished but stabilized workforce at current levels throughout the 5-year term of the Business Plan. The following is a summary of cumulative General Fund workforce reductions by program:

	<u>Current</u> <u>Positions</u>	<u>% Reduction</u> <u>from 2003-04</u>
Police	121	(47)%
Fire	71	(42)%
Community Development	22	(33)%
Public Works	58	(14)%
Administration	32	(33)%
City Council	<u>8</u>	<u>(0)%</u>
Total	312	(37)%

- The City, along with its employee groups, continues to explore ways to address and reduce workforce unit costs. Each of the four labor contracts has been or continues to be renegotiated in the two plus years since the bankruptcy petition.
- Vallejo joins many other municipalities and the State of California in moving toward new public employee benefit structures. The following are examples of benefit reform already in progress in some form in each of the current contracts, with additional reform projected as contracts expire in 2012 (2013 for CAMP).
 - Pension – Reduced second benefit tier for new employees (such as 2% @ 50 for safety employees and 2% @ 60 for miscellaneous employees) and increased cost share for existing employees.
 - Retiree Health - Phase out of full payment of lifetime medical benefits; \$300 per month benefit, without annual cost inflator, implemented for all groups. This benefit level currently approximates the cost for a single Medicare Kaiser enrollment.
 - Active Health – Initially, 25% employee cost participation, moving to lower overall coverage and plan design in 2012-13.
 - Longevity pay – Continued phase out of longevity pay for long-term employees.
 - Vacation, sick, and holiday leave - Continued reduction in overall leave accrual rates, caps on leave accumulation, and limited non-vested sick leave cash-outs at retirement.

Capital Programs

- Vehicle and Equipment Replacement - The General Fund supports 254 vehicles in the City’s equipment replacement program with a total replacement cost of \$15 million. 106 items totaling \$4.7 million are scheduled for replacement in the next five years, for an average annual replacement cost of \$950,000.



General Fund 5-Year Business Plan 2010-11 to 2014-15

EXECUTIVE SUMMARY, Continued

- Infrastructure Maintenance (Streets, Grounds, and Buildings) - The General Fund's investment in infrastructure maintenance is projected to increase slowly over the next five years, from 10% to 50% of the \$7 million annual investment recommended to maintain the City's already depleted infrastructure system. This will result in continued deterioration of the system until full funding can be restored.

Pension

- Pension obligations represent the City's single largest debt. Unfunded General Fund obligations at June 2009 (most current information available) are estimated at \$195 million. Pension benefits are protected by California law, and no change in benefit levels or payments is contemplated for existing employees or current retirees. Lower tier benefit structures for future new employees, however, are in the process of negotiation and implementation.
- The City is challenged with significant and growing unfunded pension obligations due to California Public Employees Retirement System (CalPERS) pension trust investment losses, demographic changes as employees live longer, and a 7.75% discount assumption that appears unsustainable. As the City workforce is downsized, these obligations are amortized over a smaller payroll base.
- To address these challenges, the Business Plan begins to amortize 80% of the City's unfunded pension obligations as a level percentage of payroll, using the CalPERS 3.25% long-term salary growth assumption. This assumption departs significantly from CalPERS smoothing mechanisms that currently defer employer contributions and are expected to ramp up contribution rates by over 20% of salary over the next 3-5 years.
- The City is departing from the CalPERS funding formula in order to "right size" its organization and financial plan upfront, rather than to continue annual service and staff reductions each year as CalPERS implements a series of steep annual rate increases.

Retiree Health Benefits

- Retiree health cost projections assume that the City will continue to negotiate and implement a \$300 per month city-paid retiree health benefit for current and future retirees as each employee association contract is renewed. This benefit reduction eliminates approximately \$100 million in General Fund debt obligations.

Bond/Lease Obligations

- The Business Plan assumes restructured future lease payments. The proposal maintains the COPS lease structure, reduces and waives interest, and defers but maintains principal repayment. The Business Plan includes no baseline General Fund payments for the initial three years of the plan, stepping up to \$1 million per year thereafter. Specific terms remain under discussion with creditors.

Compensated Absences

- The General Fund cost for compensated absence payouts to separating and retiring employees is expected to drop by half during the next few years as new payout provisions are negotiated with employee groups.



EXECUTIVE SUMMARY, Continued

Bankruptcy Claims Pool

- The 5-year financial projection provides additional contributions to a “Claims Pool” from which to satisfy the General Fund’s obligations to its unsecured creditors pursuant to the plan of adjustment. Such claims include those held by employees and retirees. The General Fund share of the Claims Pool is funded at \$5 million over a period of several years.

Self Insurance Reserve

- The City is self-insured for losses up to \$500,000 per claim. Claim liabilities are accrued at the minimum 50% confidence level permitted by Generally Accepted Accounting Principles, which is significantly below the 70% level considered “marginally acceptable” by the City’s actuary. City programs are charged annual contributions through rates based upon five years of historical losses. At June 2010, self insurance program liabilities exceeded assets by \$2.9 million. Relief from this deficit is anticipated as liability program claims are subject to the plan of adjustment.

Capital Reserve

- The City has dedicated a Capital Reserve to begin to support its estimated \$300 million book value investment in General Fund infrastructure and other capital assets.
- This reserve has been initiated during 2009-10 using the proceeds of three surplus property sales. The reserve balance at June 30, 2010 of \$380,000 is held in the City’s Capital Outlay Capital Projects Fund. Additional parcels have been designated as surplus property and continue to be marketed as a source to further augment this reserve.
- Funds are held as a strategic reserve that could be available to support and leverage future development opportunities with infrastructure improvements.
- Capital Reserves will be especially important for the City going forward because of the likelihood that the City will have difficulty re-entering the bond market to raise funds for futures capital expenditures allocable to the General Fund for at least several years.

Economic Contingency Reserve

- 5-year financial projections provide for a gradual restoration of unrestricted and undesignated (“available”) fund balance over the next five years to 5% of expenditures.
- This Business Plan proposes dedication of the available 5% balance targeted as of 2014-15 as an “Economic Contingency Reserve.”

Business Plan Contents

This document provides readers with additional supporting details about City projections and service delivery through the following sections:

- Summary Financial Projections
- Assumptions
- Programs



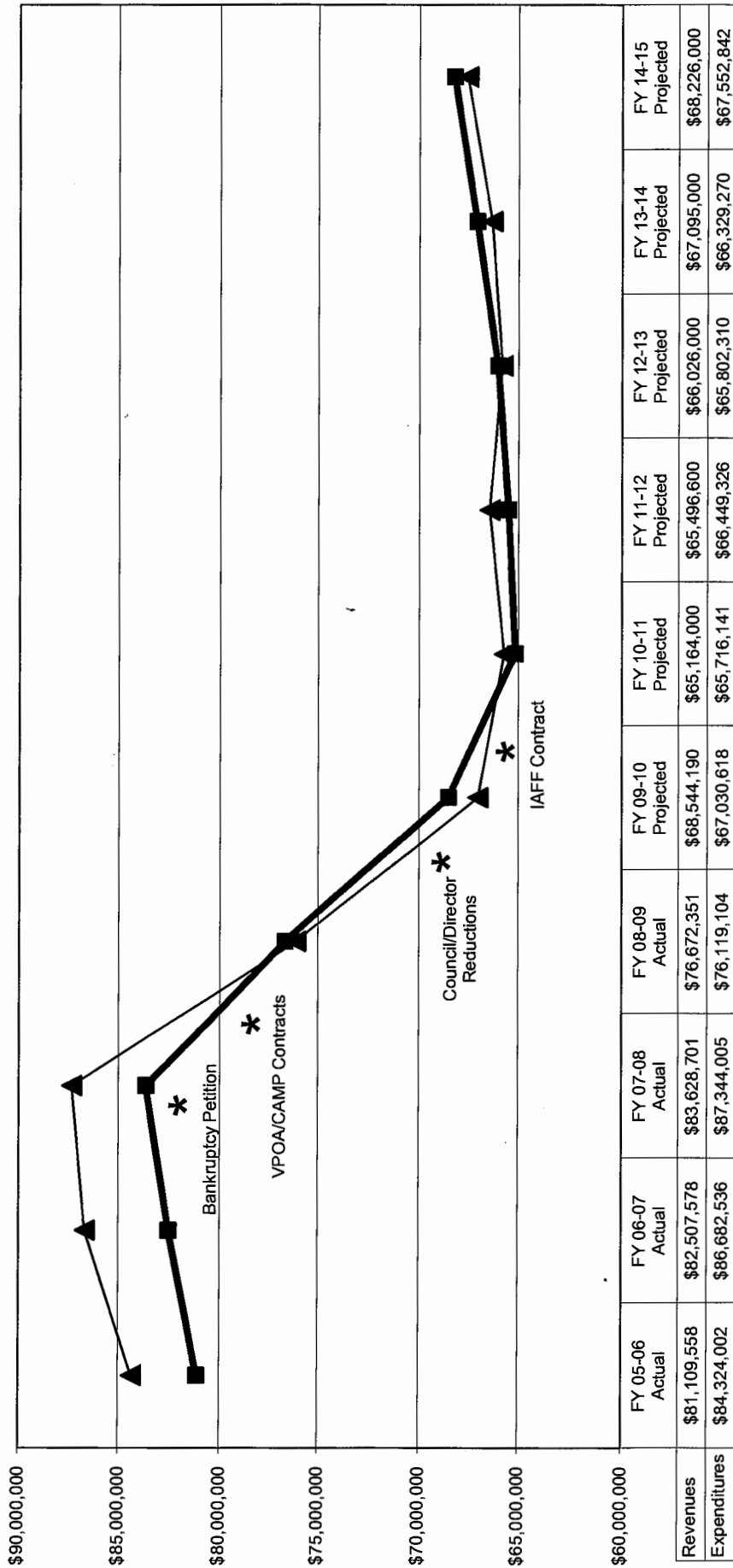
**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Summary Projections



**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Revenue and Expenditure Trends



11-7-10



Five-Year Business Plan - Gross Cost Basis

Fiscal Years 2010-11 to 2014-15

	FY 09-10 Unaudited A	FY 10-11 Projected B	FY 11-12 Projected C	FY 12-13 Projected D	FY 13-14 Projected E	FY 14-15 Projected F
Beginning Available Balance % annual expenditures	\$ 1,533,477 2.3%	\$ 2,570,256	\$ 2,670,115	\$ 1,717,389	\$ 1,941,079	\$ 2,706,809
Revenues						
Tax and other unrestricted revenues	57,388,642	55,145,000	55,431,000	56,328,000	57,378,000	58,466,000
Program revenues	11,155,548	10,019,000	10,065,600	9,698,000	9,717,000	9,760,000
Subtotal, unrestricted revenues	68,544,190	65,164,000	65,496,600	66,026,000	67,095,000	68,226,000
Expenditures						
Program Costs, before revenue/reimbursements						
Police 90 Sworn Officers	26,928,524	24,825,358	25,436,185	24,259,518	24,330,935	24,419,737
Fire 5 Companies	16,597,150	14,818,487	14,493,507	14,135,056	14,181,018	14,230,178
Community Development	3,374,418	3,830,480	3,824,069	3,778,813	3,769,344	3,782,431
Public Works	7,389,982	7,681,431	7,578,889	7,422,243	7,405,303	7,442,643
Administration	6,957,600	6,829,892	6,750,404	6,731,586	6,621,952	6,646,261
Non-department	5,069,021	3,816,284	2,769,039	2,169,039	2,269,039	2,169,039
	66,316,695	61,801,932	60,852,093	58,496,255	58,577,591	58,690,289
Interfund Reimbursements	(9,409,397)	(9,663,539)	(8,958,539)	(8,808,539)	(8,683,539)	(8,683,539)
Infrastructure/capital maintenance, including streets % of balance to maintain current condition	-	766,000 10%	768,274 10%	1,541,147 20%	3,091,601 40%	3,867,383 50%
Debt						
Liability						
Pension (unfunded liability) 80% amortized over 30 years, 3.25% growth factor	3,140,291	8,926,746	9,685,000	10,000,000	10,325,000	10,660,000
Retiree health (unfunded liability)	2,953,730	2,385,002	2,402,498	1,473,447	1,218,617	1,218,709
Bonds/leases	1,564,576	200,000	-	-	1,000,000	1,000,000
Compensated absences	1,464,723	1,300,000	1,700,000	800,000	800,000	800,000
Bankruptcy claims pool	1,000,000			2,300,000		
	10,123,320	12,811,748	13,787,498	14,573,447	13,343,617	13,678,709
Subtotal, expenditures	67,030,618	65,716,141	66,449,326	65,802,310	66,329,270	67,552,842
Decrease (increase) program reserves	(476,793)	652,000	-	-	-	-
Annual Operating Results	1,036,779	99,859	(952,726)	223,690	765,730	673,158
Ending Available Balance % annual gross expenditures	\$ 2,570,256 3.8%	\$ 2,670,115 4.1%	\$ 1,717,389 2.6%	\$ 1,941,079 2.9%	\$ 2,706,809 4.1%	\$ 3,379,967 5.0%



Five-Year Business Plan - Net Cost Basis

Fiscal Years 2010-11 to 2014-15

	FY 09-10 Unaudited A	FY 10-11 Budget B	FY 11-12 Projected C	FY 12-13 Projected D	FY 13-14 Projected E	FY 14-15 Projected F
Beginning Available Balance	\$ 1,533,477	\$ 2,570,256	\$ 2,670,115	\$ 1,717,389	\$ 1,941,079	\$ 2,706,809
Unrestricted Revenues						
Tax and other unrestricted revenues	57,388,642	55,145,000	55,431,000	56,328,000	57,378,000	58,466,000
Subtotal, unrestricted revenues	<u>57,388,642</u>	<u>55,145,000</u>	<u>55,431,000</u>	<u>56,328,000</u>	<u>57,378,000</u>	<u>58,466,000</u>
Expenditures						
Program Costs, net of revenues/reimbursements						
Police 90 Sworn Officers	22,749,417	20,943,358	22,229,585	21,425,518	21,481,935	21,548,737
Fire 5 Companies	14,181,069	12,126,787	11,801,807	11,443,356	11,489,318	11,538,478
Community Development	(828,341)	129,316	127,905	77,649	64,180	72,267
Public Works	992,455	1,544,932	1,420,390	1,263,744	1,246,804	1,268,144
Administration	3,709,180	3,679,767	3,600,279	3,581,461	3,471,827	3,496,136
Non-department	4,947,970	3,695,233	2,647,988	2,197,988	2,422,988	2,322,988
	<u>45,751,750</u>	<u>42,119,393</u>	<u>41,827,954</u>	<u>39,989,716</u>	<u>40,177,052</u>	<u>40,246,750</u>
Infrastructure/capital maintenance, including streets % of balance to maintain current condition	-	766,000	768,274	1,541,147	3,091,601	3,867,383
		10%	10%	20%	40%	50%
Debt						
Pension (unfunded liability)	3,140,291	8,926,746	9,685,000	10,000,000	10,325,000	10,660,000
80% amortized over 30 years, 3.25% growth factor				3.25%	3.25%	3.25%
Retiree health (unfunded liability)	2,953,730	2,385,002	2,402,498	1,473,447	1,218,617	1,218,709
Bonds/leases	1,564,576	200,000	-	-	1,000,000	1,000,000
Compensated absences	1,464,723	1,300,000	1,700,000	800,000	800,000	800,000
Bankruptcy claims pool	1,000,000	-	-	2,300,000	-	-
	<u>10,123,320</u>	<u>12,811,748</u>	<u>13,787,498</u>	<u>14,573,447</u>	<u>13,343,617</u>	<u>13,678,709</u>
Expenditures, net of revenues/reimbursements	55,875,070	55,697,141	56,383,726	56,104,310	56,612,270	57,792,842
Decrease (increase) program reserves	(476,793)	652,000	-	-	-	-
Annual Operating Results						
Ending Available Balance	<u>1,036,779</u>	<u>99,859</u>	<u>(952,726)</u>	<u>223,690</u>	<u>765,730</u>	<u>673,158</u>
% annual gross expenditures	3.8%	4.1%	2.6%	2.9%	4.1%	5.0%
	\$ 2,570,256	\$ 2,670,115	\$ 1,717,389	\$ 1,941,079	\$ 2,706,809	\$ 3,379,967



Five-Year Business Plan - Functional Cost Basis

Fiscal Years 2010-11 to 2014-15

	FY 09-10 Unaudited A	FY 10-11 Projected B	FY 11-12 Projected C	FY 12-13 Projected D	FY 13-14 Projected E	FY 14-15 Projected F
Beginning Available Balance	\$ 1,533,477	\$ 2,570,256	\$ 2,670,115	\$ 1,717,389	\$ 1,941,079	\$ 2,706,809
% annual expenditures	2.3%					
Revenues						
Tax and other unrestricted revenues	57,388,642	55,145,000	55,431,000	56,328,000	57,378,000	58,466,000
Program revenues	11,155,548	10,019,000	10,065,600	9,698,000	9,717,000	9,760,000
Subtotal, unrestricted revenues	68,544,190	65,164,000	65,496,600	66,026,000	67,095,000	68,226,000
% annual growth			1%	1%	2%	2%
Expenditures						
Salaries and Benefits						
Salaries	36,683,480	33,675,404	33,609,246	33,428,277	33,391,080	33,391,831
Pension (normal cost and unfunded liability)	7,942,377	13,096,402	13,903,600	14,112,615	14,434,784	14,770,113
Workers compensation	4,837,413	4,145,005	4,122,020	4,085,172	4,101,951	4,118,646
Health benefits	3,967,217	3,560,603	3,686,210	2,442,287	2,451,489	2,616,033
Retiree health benefits (normal cost and unfunded liability)	2,953,730	2,951,533	2,975,143	2,043,611	1,788,266	1,788,395
Social security/other benefits	2,206,930	1,969,080	2,011,964	1,826,332	1,822,231	1,851,572
Compensated absences	1,464,723	1,300,000	1,700,000	800,000	800,000	800,000
Subtotal, salaries and benefits	60,055,870	60,698,027	62,008,183	58,738,294	58,789,801	59,336,590
			100%	82%	82%	78%
Vehicle maintenance/replacement	1,967,265	2,661,066	2,661,066	2,661,066	2,661,066	2,661,066
Utilities	1,441,272	1,501,422	1,501,422	1,501,422	1,501,422	1,501,422
Service and supplies	8,256,534	8,253,165	7,968,920	7,868,920	7,968,920	7,869,920
Bonds/leases	1,564,576	200,000	-	-	1,000,000	1,000,000
Bankruptcy costs	2,154,498	1,300,000	500,000	-	-	-
Bankruptcy claims pool	1,000,000	-	-	-	-	-
Infrastructure/capital maintenance, including street	-	766,000	768,274	1,541,147	3,091,601	3,867,383
Subtotal, before reimbursements	76,440,015	75,379,680	75,407,865	74,610,849	75,012,810	76,236,381
			100%	100%	100%	100%
Interfund reimbursements	(9,409,397)	(9,663,539)	(8,958,539)	(8,808,539)	(8,683,539)	(8,683,539)
Subtotal, expenditures	67,030,618	65,716,141	66,449,326	65,802,310	66,329,271	67,552,842
Decrease (increase) program reserves	(476,793)	652,000	-	-	-	-
Annual Operating Results	1,036,779	99,859	(952,726)	223,690	765,729	673,158
Ending Available Balance	\$ 2,570,256	\$ 2,670,115	\$ 1,717,389	\$ 1,941,079	\$ 2,706,809	\$ 3,379,967
% annual expenditures	3.8%	4.1%	2.6%	2.9%	4.1%	5.0%



**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Revenue Assumptions

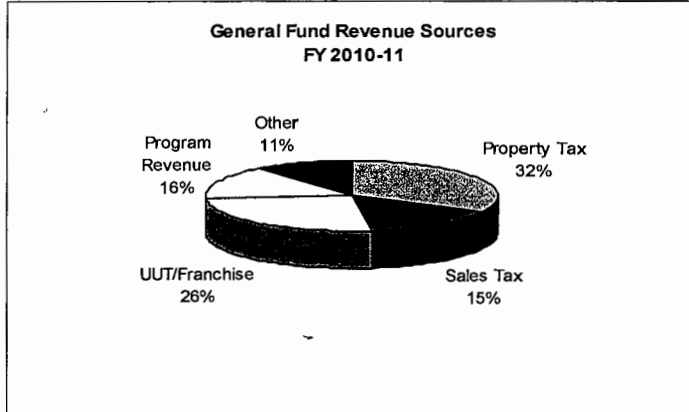


**General Fund 5-Year Business Plan
2010-11 to 2014-15**

REVENUE

SOURCES

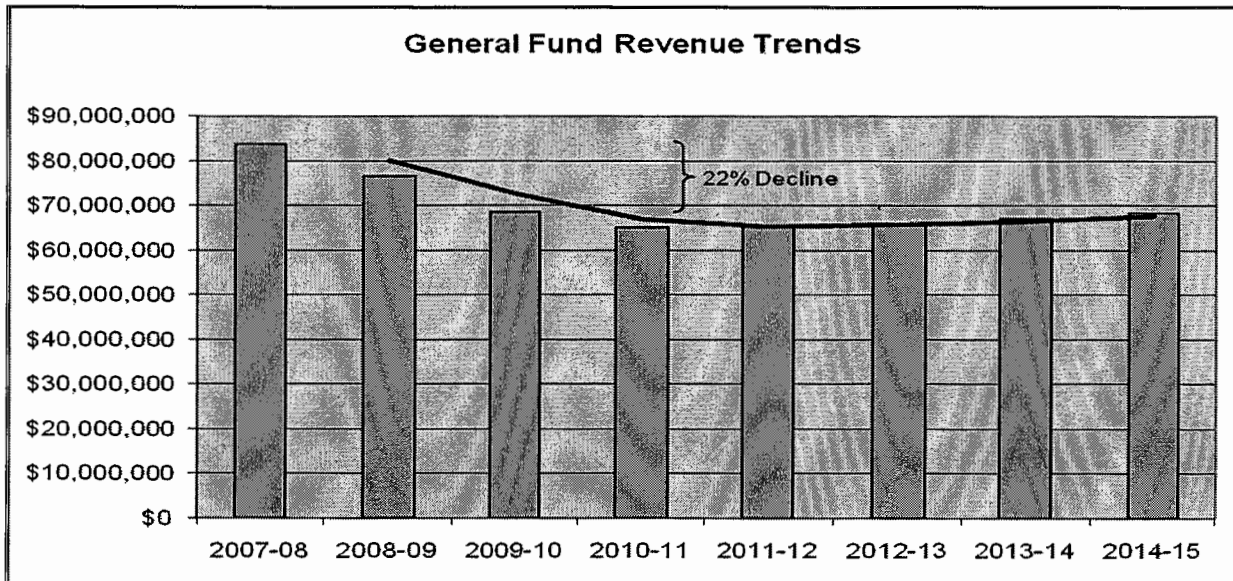
General tax and other unrestricted revenues pay for core municipal services, such as police and fire, that are not funded by special revenues or other restricted fees. Unrestricted revenues comprise approximately 84% of General Fund revenues. Program departments generate an additional 16% in program-specific grants and fees.



ASSUMPTIONS

During the next five years, General Fund revenues are projected to slowly increase from \$65 million to \$68 million. After three years of declines, including a 5% loss still projected for 2010-11, revenues are expected to “flatten out” at a cumulative 22% decline from a high of \$83 million in FY 2007-08. Key Vallejo revenue sources appear to be leveling at this significantly reduced level. The City’s Sales Tax realized its first positive point-of-sale year-to-year growth in two years during the quarter ended June 30, 2010.

Each of the City’s major tax sources has been analyzed individually for potential growth rates during the five year projection period, including property, sales, and franchise/utility user tax. Composite growth rates improve to an anticipated flat 0% growth in 2011-12, to 1% and 2% in successive years through 2015.





General Fund 5-Year Business Plan 2010-11 to 2014-15

REVENUE

DISCUSSION OF INDIVIDUAL REVENUE SOURCES

(% of General Unrestricted Tax Revenues)

- **Property Tax (32%):** Housing prices in Vallejo have leveled out, after median residential sales prices dropped from a high of \$440,000 in 2006 to \$142,500 in 2009, a decline of 67%. Given current economic conditions, limited prospects for new development, and a lackluster residential real estate market, property tax revenues are projected with very modest growth over the next five years. After a property sale, assessed valuation growth is limited to 2% by the State constitution (Proposition 13).
- **Sales Tax (15%):** Continued high unemployment and a consumer shift to lower ticket vehicles are expected to slow the recovery in this sector through 2011-12 and potentially beyond if efforts to significantly increase the number of available regional jobs fail. The recovery in construction is expected to be slower than in the other parts of the retail economy until residential and commercial vacancies begin to approach pre-recession levels. These trends and a rare drop in California personal income will keep pressure on retailers in the local area and elsewhere. Projections anticipate a gradual acceleration in consumer activity and spending, but not a return to pre-recession sales levels during the 5-year forecast period.
- **UUT/Franchise Tax (26%):** Many factors impact the City's UUT/Franchise Tax revenue projections over the next five years. These factors range from a high unemployment rate, number of home foreclosures which relate to the loss of subscribers, a shift toward voice-over-internet communications systems, and to new legislation and legal issues. Based on analysis and assumptions, the City's UUT and franchise revenues are projected at a low but consistent 1% annual growth rate.
- **Transient Occupancy Tax (2%):** Occupants of motel, hotel and bed and breakfast rooms pay 11% of the room rate for stays of 30 days or less. Revenue growth depends on the number of rooms, occupancy rate, and average room rates. The City expects gradual revenue growth over the next five years, dependent somewhat upon the attendance at Six Flags Discovery Kingdom theme park.
- **Business License (2%):** Local businesses pay an annual tax, based upon either gross receipts (under progressive tax rates) or flat fees, depending on the type of business. Generally, retail businesses pay based upon gross receipts and service providers are under a flat fee. The City expects these revenues to remain at current levels over the next five years.
- **Contingency:** Tax revenue projections include an annual \$600,000 contingency factor. The City's tax revenues have seen dramatic changes in the last few years, with successive (8)%, (12)%, and (4)% annual declines. The best of the nation's economists cannot predict with certainty the timing and strength of the current economic recovery. Further, the City receives only annual (property tax) or quarterly (sales tax) data from the County and State through which to monitor actual revenue results and to make adjustments as needed. This revenue contingency is included as additional assurance that the City will have the anticipated resources needed to deliver services and to make payments as structured on its legacy pension, retiree health, and other obligations to creditors.



General Fund 5-Year Business Plan 2010-11 to 2014-15

REVENUE

PROGRAM REVENUES

- Charges for police and fire municipal services to the Mare Island Community Facilities District are projected flat over the next five years. Actual charges will fluctuate with the cost of Police and Fire labor contracts.
- The Police Department has leveraged a number of Federal and State grant sources to augment its reliance on tax revenues. A three-year Federal ARRA grant expires after 2011-12. Anticipated labor cost savings upon renewal of the police labor contract in July 2012 are expected to help sustain six ARRA grant-funded police officer positions.
- The Fire Department is currently meeting the Paramedic response times needed to maintain participation in the County-wide medical service program, even in its reduced five-company environment. Projections assume continued funding of the paramedic program. The Department has identified and applied for Federal grants as a source to augment future operations.
- Development-related fees, including Building, Planning, and Engineering, are tied to the level of residential and commercial construction taking place in the community. Building activity has decreased from its peak several years ago. The level of building fees and permits is projected to maintain at approximately flat levels in this recessionary environment over the projection period.
- Code Enforcement revenues have reached \$800,000 per year and are projected to continue with the assistance of volunteer teams.

POTENTIAL FOR NEW TAX REVENUE

The potential for new tax sources to restore lost services and to increase the amount payable to creditors has been discussed extensively by the City Council during the last several years. California law allows for different types of locally-enacted revenue measures, but each carries its own risks. The City has authorized several polls during this time to assess the potential for voter approval for a variety of revenue measures. The City Council has not reached consensus on the type of tax measure or the amount of a new levy that would be most likely to result in voter approval. Accordingly, while this 5-Year Business Plan does not include any new revenues from voter approved taxes, it is expected that in early 2011, City Council will assess the feasibility of a tax measure.

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

	2007-08	2008-09	2009-10	2010-11		2011-12		2012-13		2013-14		2014-15		
	Actual	Actual	Unaudited at 11-5-10	Adopted Budget	Projected at 11-5-10	% vs PY	Projected at 11-5-10	% vs PY	Projected at 11-5-10	% vs PY	Projected at 11-5-10	% vs PY	Projected at 11-5-10	% vs PY
General Revenues														
Property Taxes														
CURRENT SECURED TAXES	17,562,788	16,502,812	13,230,048	11,930,000	12,528,000	-20%	12,590,000	0%	12,841,500	3%	13,098,000	4%	13,359,500	4%
CURRENT UNSECURED TAXES	578,241	511,486	678,355	616,500	643,000	33%	646,000	0%	659,000	0%	672,000	0%	686,000	0%
SUPPLEMENTAL TAXES	823,854	87	(2,546)	9,000	-		-		-		-		-	
HOMEOWNERS EXEMPTN TAX	196,686	182,113	169,035	75,500	160,000	-7%	160,000	0%	163,000	1%	166,000	0%	169,000	0%
UNITARY TAXES	366,739	391,016	433,462	387,000	411,000	11%	413,000	0%	421,000	0%	429,000	0%	438,000	0%
TAX INCREMENT PASS-THROUGH	(54,775)	83,096	25,166	40,000	24,000		24,000	0%	24,500	0%	25,000	0%	25,500	0%
VEHICLE LICENSE FEE (INCL. IN LIEU)	19,473,533	17,670,610	14,533,520	13,058,000	13,766,000	-18%	13,833,000	0%	14,109,000	0%	14,390,000	0%	14,678,000	0%
	9,850,561	9,492,807	7,956,888	7,161,000	7,543,000	-16%	7,580,000	0%	7,732,000	0%	7,887,000	0%	8,045,000	0%
	29,324,094	27,163,417	22,490,408	20,219,000	21,309,000	-17%	21,413,000	-5%	21,841,000	2%	22,277,000	2%	22,723,000	2%
Sales Tax	12,021,086	10,467,821	9,992,252	9,900,000	9,946,000	-5%	9,953,000	0%	10,236,000	3%	10,636,000	4%	11,077,000	4%
Transient Occupancy Tax	1,497,237	1,328,673	1,019,206	971,000	1,020,000	-23%	1,020,000	0%	1,020,000	0%	1,020,000	0%	1,020,000	0%
Real Property Excise Tax	91,039	44,770	254,415	100,000	36,000	468%	36,000	-86%	36,000	0%	36,000	0%	36,000	0%
Franchise	3,992,171	4,866,294	4,057,052	4,290,000	4,313,000	-17%	4,376,000	6%	4,402,000	1%	4,424,000	0%	4,446,000	0%
UUT	13,208,564	12,766,945	12,578,124	12,592,000	12,575,000	-1%	12,654,000	0%	12,777,000	1%	12,916,000	1%	13,059,000	1%
Property Transfer Tax	1,696,396	1,973,068	1,743,248	1,743,000	1,743,000	-12%	1,743,000	0%	1,743,000	0%	1,743,000	0%	1,743,000	0%
Business License	1,364,571	1,533,454	1,224,453	1,220,000	1,225,000	-20%	1,225,000	0%	1,225,000	0%	1,225,000	0%	1,225,000	0%
Subtotal, Taxes	63,195,158	60,144,442	53,359,158	51,035,000	52,167,000	-11%	52,420,000	-2%	53,280,000	2%	54,277,000	2%	55,329,000	2%
Revenue From Use of Money														
RENTALS	707,620	776,732	759,988	785,000	785,000	-2%	785,000	3%	788,000	0%	806,000	0%	806,000	0%
INVESTMENT INCOME (EXPENSE)	(234,269)	(177,080)	(54,410)	(50,000)	(50,000)	-69%	(50,000)	-8%	(50,000)	0%	(50,000)	0%	(50,000)	0%
	473,351	599,652	705,578	735,000	735,000	18%	735,000	4%	736,000	0%	756,000	0%	756,000	0%
Misc														
WATER RIGHTS	1,013,332	1,043,732	1,075,044	1,107,000	1,107,000	3%	1,140,000	3%	1,174,000	0%	1,209,000	0%	1,245,000	0%
DISCOVERY KINGDOM/Park Fee	264,718	830,767	858,927	859,000	859,000	3%	859,000	0%	859,000	0%	859,000	0%	859,000	0%
SALE OF SURPLUS PROPERTY			381,327			-100%								
MOTOR VEHICLE FEES	538,179	412,620	356,145	355,000	355,000	-14%	355,000	0%	355,000	0%	355,000	0%	355,000	0%
OTHER	223,691	203,331	268,884	132,000	132,000	32%	132,000	-51%	132,000	0%	132,000	0%	132,000	0%
	2,039,920	2,490,450	2,940,327	2,453,000	2,453,000	18%	2,486,000	-17%	2,520,000	0%	2,555,000	0%	2,591,000	0%
Transfers														
RISK FUND	400,000	415,000	365,000	365,000	365,000	-12%	365,000	0%	365,000	0%	365,000	0%	365,000	0%
REDEVELOPMENT/Loan Repayment	4,554,266	207,168	18,579	25,000	25,000	35%	25,000	3%	25,000	0%	25,000	0%	25,000	0%
OTHER FUNDS	4,954,266	1,622,168	383,579	390,000	390,000	-76%	390,000	2%	390,000	0%	390,000	0%	390,000	0%
Economic Risk														
				(600,000)	(600,000)		(600,000)		(600,000)		(600,000)		(600,000)	
Subtotal, General Unrestricted Tax Revenues	70,662,695	64,856,712	57,388,642	54,013,000	55,145,000	-12%	55,431,000	-4%	56,328,000	2%	57,378,000	2%	58,466,000	2%

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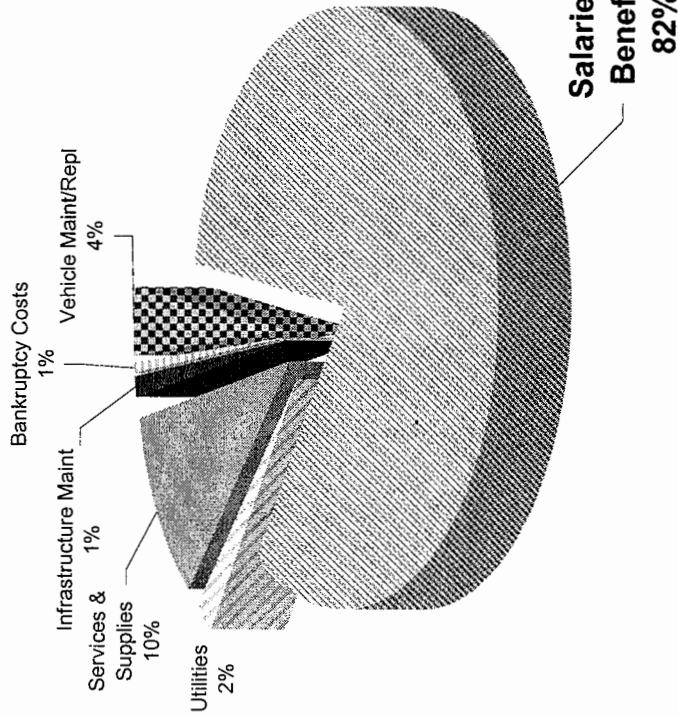
**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Expenditure Assumptions

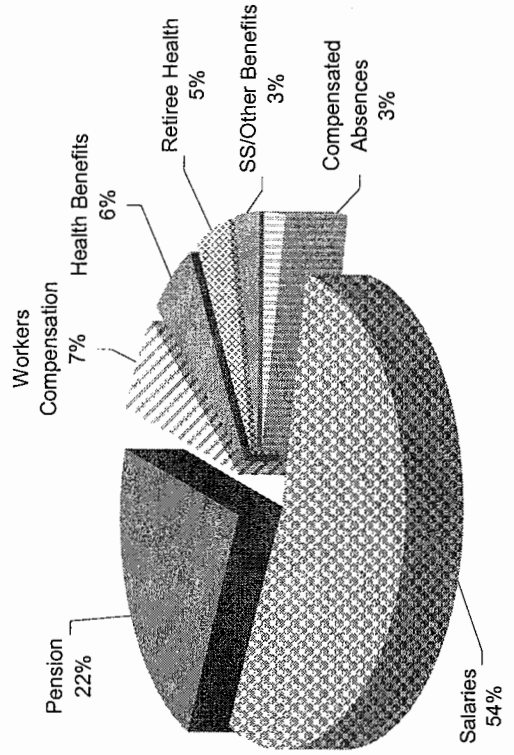


Expenditures by Function FY2011/12

Total Expenditures
(before interfund reimbursements)
\$75,407,865



Salaries & Benefits
\$62,008,182





**General Fund 5-Year Business Plan
2010-11 to 2014-15**

LABOR COSTS

ASSUMPTIONS

Workforce

Projections assume that the City will maintain its diminished but stabilized workforce at current levels throughout the 5-year plan. A summary of citywide positions follows this narrative. The following is a summary of cumulative General Fund workforce reductions by program:

	Current % Reduction	
	<u>Positions</u>	<u>from 2003-04</u>
Police	121	(47)%
Fire	71	(42)%
Community Development	22	(33)%
Public Works	58	(14)%
Administration	32	(33)%
City Council	<u>8</u>	<u>(0)%</u>
Total	312	(37)%

Employee Organizations

The City workforce is organized through four employee associations:

	<u>Contract Term</u>
VPOA - Vallejo Police Officers Association	June 2012
IAFF - International Association of Fire Fighters-Local 1186	June 2012
CAMP - Confidential, Administrative, Managerial, and Professional Association	June 2013
IBEW - International Brotherhood of Electrical Workers-Local 2376	Expired

Unit Costs

The City, along with its employee groups, continues to explore ways to address and reduce workforce unit costs. Each of the four labor contracts has or continues to be renegotiated in the two plus years since the filing of the bankruptcy petition. As economic conditions have deteriorated, feasible salary and benefit levels have also been re-benchmarked. An important policy assumption underlying this Business Plan is continued progress in offering benefit reform as each contract is renewed. Formal negotiation with each group may ultimately result in a unique mix of particular salary and benefit elements, with an ultimate overall goal of reduced labor unit costs.

Vallejo joins many other municipalities and the State of California in moving toward new public employee benefit structures. The following are examples of benefit reform already in progress in some form in each of the current contracts, with additional reform projected as contracts expire in 2012 (2013 for CAMP).

- Pension – Reduced second benefit tier for new employees (such as 2% @ 50 for safety employees and 2% @ 60 for miscellaneous employees), and increased cost share for existing employees.
- Retiree Health - Phase out of lifetime medical benefits; \$300 per month benefit, without annual cost inflator, implemented for all groups. This benefit level currently approximates cost for a single Medicare Kaiser enrollment.
- Active Health – Initially, 25% employee cost participation, moving to lower overall coverage and plan design in 2012-13.
- Longevity pay – Continued phase out of longevity pay for long-term employees.
- Vacation, sick, and holiday leave - Continued reduction in overall leave accrual rates, caps on leave accumulation, and limited non-vested sick leave cash-outs at retirement.

**CITY OF VALLEJO
AUTHORIZED STAFF POSITIONS - CITYWIDE SUMMARY**

	<u>FY 03-04</u>	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>		<u>% change from FY 03-04</u>
	<u>Approved</u>	<u>Approved</u>	<u>Approved</u>	<u>Approved</u>	<u>Amended</u>	<u>Amended</u>	<u>Amended</u>	<u>Adopted Authorized Staffing</u>	<u>November 2010 Updates</u>	<u>Adjusted Authorized Staffing</u>
General Fund										
Legislative Administration	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-	8.00
Community Development	46.00	42.00	39.50	41.00	37.00	33.00	33.00	32.00	-	32.00
Police	23.00	20.00	21.00	23.05	26.40	21.50	21.50	22.25	-	22.25
Fire	228.00	205.50	214.50	218.50	177.00	152.00	137.00	124.00	(3.00)	121.00
Public Works	122.00	114.00	110.00	110.00	101.00	83.00	83.00	71.00	-	71.00
	67.84	58.64	58.88	62.88	58.20	58.30	58.30	58.30	-	58.30
	494.84	448.14	451.88	463.43	407.60	355.80	340.80	315.55	(3.00)	312.55
Enterprise Funds										
Water	94.45	86.44	89.95	95.09	98.90	101.00	101.00	103.00	-	103.00
Transportation	3.73	5.73	5.98	5.98	5.00	5.00	5.00	5.00	-	5.00
Marina	3.80	3.80	2.80	2.80	2.60	2.60	2.60	4.00	-	4.00
	101.98	95.97	98.73	103.87	106.50	108.60	108.60	112.00	-	112.00
Community Development										
Housing	15.70	16.05	15.65	15.37	17.62	16.62	16.62	16.80	-	16.80
Mare Island CFDs	3.70	2.70	2.45	2.30	2.30	2.10	2.10	2.10	-	2.10
Other (moved to Gen Fund)	10.30	7.95	8.85	10.20	-	-	-	-	-	-
	29.70	26.70	26.95	27.87	19.92	18.72	18.72	18.90	-	18.90
Public Works Funds										
Corp Yard	17.25	16.25	16.00	10.90	10.90	10.00	10.00	8.00	-	8.00
Solid Waste/Recycling	1.15	1.30	1.20	1.20	-	-	-	-	-	-
Landscape Districts	2.90	4.90	4.90	5.70	8.45	7.35	7.35	4.35	-	4.35
	21.30	22.45	22.10	17.80	19.35	17.35	17.35	12.35	-	12.35
Other Programs										
Risk Management	2.00	2.50	2.50	2.50	2.00	2.00	2.00	2.00	-	2.00
TOTAL	<u>649.82</u>	<u>595.76</u>	<u>602.16</u>	<u>615.47</u>	<u>555.37</u>	<u>502.47</u>	<u>487.47</u>	<u>460.80</u>	<u>(3.00)</u>	<u>457.80</u>

a) Community Development: % change from FY 03-04 includes 10.3 positions consolidated into General Fund from other funds



CAPITAL PROGRAM

Vehicle and Equipment Replacement

ASSUMPTIONS

- The General Fund supports 254 vehicles in the City's equipment replacement program with a total replacement cost of \$15 million. 106 units totaling \$4.7 million are scheduled for replacement in the next five years, for an average annual replacement cost of \$950,000.

STRUCTURE AND SERVICES:

- The Fleet Branch of the Public Works Maintenance Division is responsible for the management of the City's Fleet Programs, which is comprised of the maintenance and replacement of the vehicles and equipment covered under this program. The program, when in full force, is designed to maximize the cost-effective utilization of the City's fleet while insuring that sufficient funds are available for their scheduled replacements. This Branch maintains in excess of 400 vehicles and pieces of equipment for city-wide programs.
- After years of deferred or non-existent funding, the City's fleet is now 87% depreciated.
- Approximately 77% of the funding for the maintenance and replacement of the fleet is typically derived from the General Fund. Most vehicles, with the exception of specialized units, have an expected life of between seven (7) to fifteen (15) years. Unfortunately, in an effort to balance budgets over the years, the life of a significant number of the General Fund funded vehicles and equipment has been extended, in some cases, far beyond their recommended life cycle. A plan to address this issue has been developed. This Business Plan contributes \$950,000 per year, for five years, to fund units selected for replacement in the next five years.
- Failure to fund the replacement of the General Fund funded vehicles and equipment at the level noted above will result in maintenance costs continuing to increase at accelerated rates. Downtime of critical vehicles and pieces of equipment will occur more frequently as time passes. Until this program is fully restored, the availability of critical vehicles and pieces of equipment will be adversely affected.



Proposed Vehicle and Equipment Replacement Summary

Fiscal Years 2010-11 to 2014-15

	Total Replacement Cost	Projected Replacements					Total	5-Year Annual Average
		FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15		
Police Department								
Replacement Cost	3,628,500	548,600	614,800	660,800	425,800	416,100	533,220	
Total Fleet	102							
Vehicles to be Replaced:								
Patrol		6	14	7	12	7		
Unmarked		11	4	6	1	7		
Other		1	2	1	-	-		
Total Vehicles to be Replaced		18	20	14	13	14	16	
Fire Department								
Replacement Cost	8,208,000	54,500	504,500	273,000	480,500	17,000	265,900	
Total Fleet	51							
Vehicles to be Replaced:								
Fire Fighting Equipment		-	1	2	1	-		
Other		2	2	5	1	1		
Total Vehicles to be Replaced		2	3	7	2	1	3	
Public Works								
Replacement Cost	2,992,500	-	140,000	-	273,000	28,000	88,200	
Total Fleet	84							
Total Vehicles to be Replaced		-	1	-	7	1	2	
Other								
Replacement Cost	390,500	40,000	27,000	-	40,000	-	21,400	
Total Fleet	17							
Total Vehicles to be Replaced		1	1	-	1	-	1	
Contingency								
Replacement Cost		41,280	41,280	41,280	41,280	41,280	41,280	
Summary								
Grand Total	15,219,500	684,380	1,327,580	975,080	1,260,580	502,380	950,000	
Total Fleet	254						Recommended Annual Contribution	
							21	
Total Vehicles to be Replaced		21	25	21	23	16	106	
Five Year Average		950,000	950,000	950,000	950,000	950,000		
Shortfall/Overage		265,620	(377,580)	(25,080)	(310,580)	447,620		



INFRASTRUCTURE MAINTENANCE

Streets, Grounds, and Buildings

ASSUMPTIONS

The General Fund's investment in Infrastructure Maintenance is projected to increase slowly over the next five years, from 10% to 50% of the \$7 million annual investment recommended to maintain the City's already depleted infrastructure system. This will result in continued deterioration of the system until full funding can be restored.

STREETS

The City of Vallejo Streets System is comprised of 681.16 lane miles (58,101,464 sq. ft.) of roadway broken down into 1941 segments in the following categories:

Arterial	138.32 mi
Rural Minor Arterial	0.80 mi
Urban Principal Arterial-Freeway	1.97 mi
Collector	101.69 mi
Urban Collector	7.99 mi
Urban Local	11.53 mi
Residential/Local	418.86 mi

Pavement Condition Index

- The primary tool used to manage the maintenance and repair of this roadway network is the Pavement Management System. This system provides a Pavement Condition Index (PCI) rating of each street segment based on the annual inspection and analysis of their condition. The PCI is reflected in a numeric format which rates the condition of the streets as being Excellent (80 – 100), Good (70 – 79), Satisfactory (50 – 69), Fair (26 – 49), or Poor (0 – 25).
- The overall PCI rating for the City of Vallejo Streets as of November 4, 2010 is 51. Based on the Metropolitan Transportation Commission Pavement Management System and current maintenance, repair and reconstruction rates, it would require funding in the amount of \$268,833,452 in overlay/reconstruction costs coupled with \$5,955,725 in maintenance costs (crack sealing and slurry sealing) during Fiscal Year (FY) 10/11 to increase the overall streets PCI rating to 83. This funding requirement increases to \$397,238,511 by FY 14/15 if work is not performed as recommended over this time period.
- Failure to provide funding at the previously noted level will ultimately allow the overall PCI rating to degrade to 47, and it could progress even lower given varying weather and traffic conditions that may occur over this period of time.
- While Proposition 1B and Proposition 42 funding were used to perform maintenance and reconstruction work on select City streets during FY 09/10, the current PCI rating of 51 has still fallen by four (4) points below the FY 08/09 PCI rating of 55. During FY 08/09 18.2% of the City streets were rated at or below 25 (poor condition). Given the continued lack of funding available to perform the required maintenance overlay and reconstruction work, 27.56% of the City streets are now being rated in poor condition.

Funding to Sustain Current Condition

Overall funding in the amount of \$5,700,000 per year is required to maintain the City of Vallejo streets at the current PCI rating of 51 over a five year period, while it would take



INFRASTRUCTURE MAINTENANCE

Streets, Grounds, and Buildings

Continued

approximately \$10,500,000 per year to increase the PCI to 54 over a five year period. A 3.13% inflationary factor, which is based on the 2009 Engineering News Records (ERN) Construction Cost Index (CCI), has been used in the treatment calculations. The proposed 5-year General Fund Infrastructure Maintenance allocation is significantly less than this \$5.7 million level. The PCI will continue to erode until the City is able to reinvest in its street program.

GROUNDS

The Grounds Branch of the Maintenance Division is responsible for grounds maintenance activities for the following:

Alleys	22	Buildings	15
Parks and Open Spaces	9	Median Strips	25
Parking Lots	23	Right of ways	92
City Lots	5	Overpasses	5
Cemetery	1	Fountains	3
Walkways/Stairways	16	Trees (approximately)	53,000

- Increased annual average funding in the amount of \$1,449,000.00 would be required to properly maintain the previously noted areas. This figure includes an amount of \$753,155 each year for the development and management of a Tree Management Plan and funding for the pruning or replacement of hazardous trees throughout the City. Many of the trees of concern have unsafe low hanging limbs, are experiencing trunk, branch or root failures or have reached their intended life and require replacement to eliminate potential safety hazards.
- This figure also includes an additional \$245,633 to perform needed right-of-way maintenance activities.

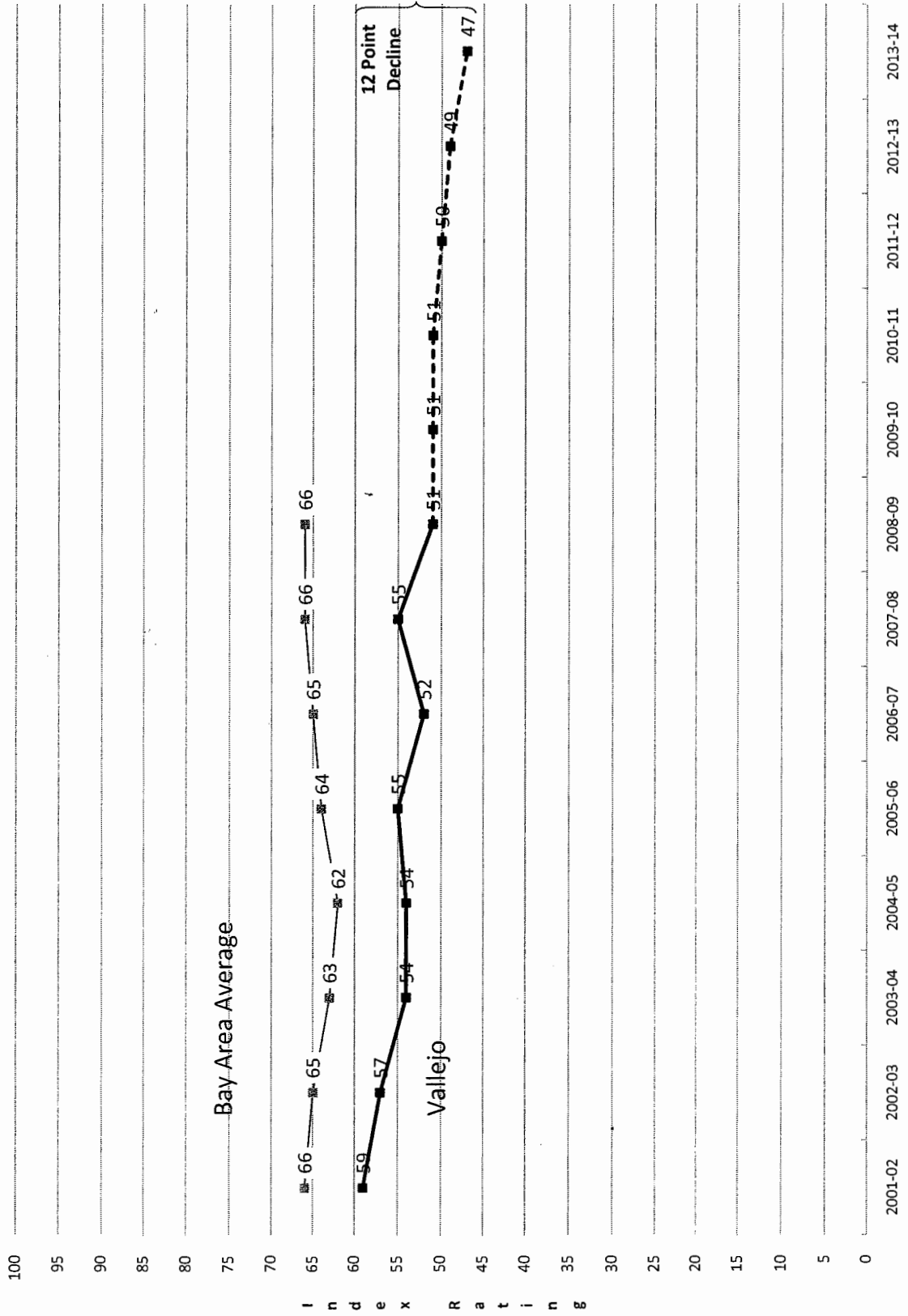
Failure to provide recommended funding will result in tree failures and potential claims against the City and will also create increased fire hazards in the right-of-way areas that the City is responsible for.

PUBLIC BUILDINGS

- The Public Buildings Branch of the Maintenance Division performs the maintenance and repair activities on 57 buildings throughout the City of Vallejo. Of these 57 buildings, fifteen (15) are fully funded and ten (10) are partially funded (exterior maintenance and preservation) by the General Fund.
- Lack of funding, over time, has resulted in compromised roofing systems, aged and inefficient boilers, deteriorating cooling tower systems and outdated leaking Heating, Ventilation and Air Conditioning (HVAC) Systems to include their associated Control Systems.
- Lack of a Long Term Maintenance Plan and inadequate staffing to perform the required maintenance has resulted in deterioration of some of the essential systems in these buildings and an inability to properly plan and project their needs.
- A 5-year average contribution of \$491,266 would provide appropriate funding.

Vallejo Infrastructure Maintenance Pavement Condition Index Rating

November 2010





City of Vallejo General Fund
Infrastructure/Capital Maintenance
 Fiscal Years 2010-11 to 2014-15

	FY 10-11 Budget	FY 11-12 Projected	FY 12-13 Projected	FY 13-14 Projected	FY 14-15 Projected
	\$ 5,700,000	\$ 5,700,000	\$ 5,700,000	\$ 5,700,000	\$ 5,700,000
	1,480,000	1,497,168	1,514,535	1,532,104	1,549,876
	480,000	485,568	491,201	496,899	502,663
Total	\$ 7,660,000	\$ 7,682,736	\$ 7,705,736	\$ 7,729,002	\$ 7,752,539

**Infrastructure Maintenance Funding Requirements
 To Sustain Current Condition**

Streets
 681 Lane Miles
 Fiscal Year 2009-10 Pavement Condition Index: 51
 "Poor" condition (<25 Index): 28% of City
 Average 5 year cost to sustain current condition
 Includes embedded ENR growth factor of 3.13%

Grounds (General Fund)
 23 parking lots, 22 alleys, 25 medians,
 92 rights of way, 15 buildings, 9 open spaces,
 5 overpasses, 3 fountains, 1 cemetery,
 53,000 trees
 To properly maintain grounds (Growth factor of 1.16%, CPI-U April 2009)

Buildings (General Fund)
 15 public buildings (City Hall, library, fire stations)
 10 Other (shared or leased properties)
 Roofs, elevators, HVAC, exteriors, etc
 To properly maintain buildings (Growth factor of 1.16%, CPI-U April 2009)

Total
 Baseline program funding required

Funding Sources

Proposed General Fund Contribution - 5-Year Business Plan	10%	20%	30%	40%	50%
General Fund contribution to infrastructure funding requirement	\$ 766,000	\$ 1,541,147	\$ 2,311,720	\$ 3,091,601	\$ 3,867,383
Additional grant and third party sources (variable from year-to-year)	2,788,940	2,930,194	2,930,194	1,500,194	1,400,194
State Prop 1B bond funds	3,348,699				
Includes periodic federal/state grants, redevelopment and CDBG sources	80%	20%	38%	19%	18%
Total anticipated city-wide funding	\$ 6,903,639	\$ 4,471,341	\$ 4,591,795	\$ 4,591,795	\$ 5,267,577
	90%	30%	58%	59%	68%



General Fund 5-Year Business Plan 2010-11 to 2014-15

PENSION

ASSUMPTIONS

- Pension obligations represent the City's single largest debt. Unfunded General Fund obligations at June 2009 (most current information available) are estimated at \$195 million.
- Pension benefits are protected by California law, and no change in benefit levels or payments is contemplated for existing employees or current retirees. Lower tier benefit structures for future new employees, however, are in the process of negotiation and implementation.
- The City is challenged with significant and growing unfunded pension obligations due to California Public Employees Retirement System (CalPERS) pension trust investment losses, demographic changes as employees live longer, and a 7.75% discount assumption that appears unsustainable. As the City workforce is downsized, these obligations are amortized over a smaller payroll base.
- To address these challenges, the five-year projection begins to amortize 80% of the City's unfunded pension obligations as a level percentage of payroll, using the CalPERS 3.25% long-term salary growth assumption. This assumption departs significantly from CalPERS smoothing mechanisms that currently defer employer contributions and are expected to ramp up contribution rates by over 20% of salary over the next 3-5 years.
- The City is departing from the CalPERS funding formula in order to "right size" its organization and financial plan upfront, rather than to continue annual service and staff reductions as CalPERS implements a series of steep annual rate increases.

BACKGROUND

The City participates in CalPERS, an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement, disability benefits, annual cost of living adjustments, and death benefits to plan member and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. The City maintains two independent plans with CalPERS for its Safety and Miscellaneous (non-safety) employees, and does not pool risk with other agencies.

- The City faces significant pension cost increases in the next two to three years from economic, demographic, and City service level impacts.
- City payroll has declined dramatically from the base used by CalPERS in its last valuation as of June 2008. City contributions at rates prescribed in that valuation would result in an actuarial loss as fixed amortizations are allocated to a shrinking payroll base. Public Safety payroll has already declined by one third during this two year period.
- 2009 CalPERS investment losses of 24%, or 32% below actuarial assumption of 7.75%, are not yet reflected in rates CalPERS has calculated for use in 2010-11. CalPERS estimates the rates impact at +10% for Safety, and +6% for Misc plans, to be phased in through 2014, at a net estimated increase of 5% cost for this smoothing mechanism, at



General Fund 5-Year Business Plan 2010-11 to 2014-15

PENSION

7.75% interest cost (negative amortization).

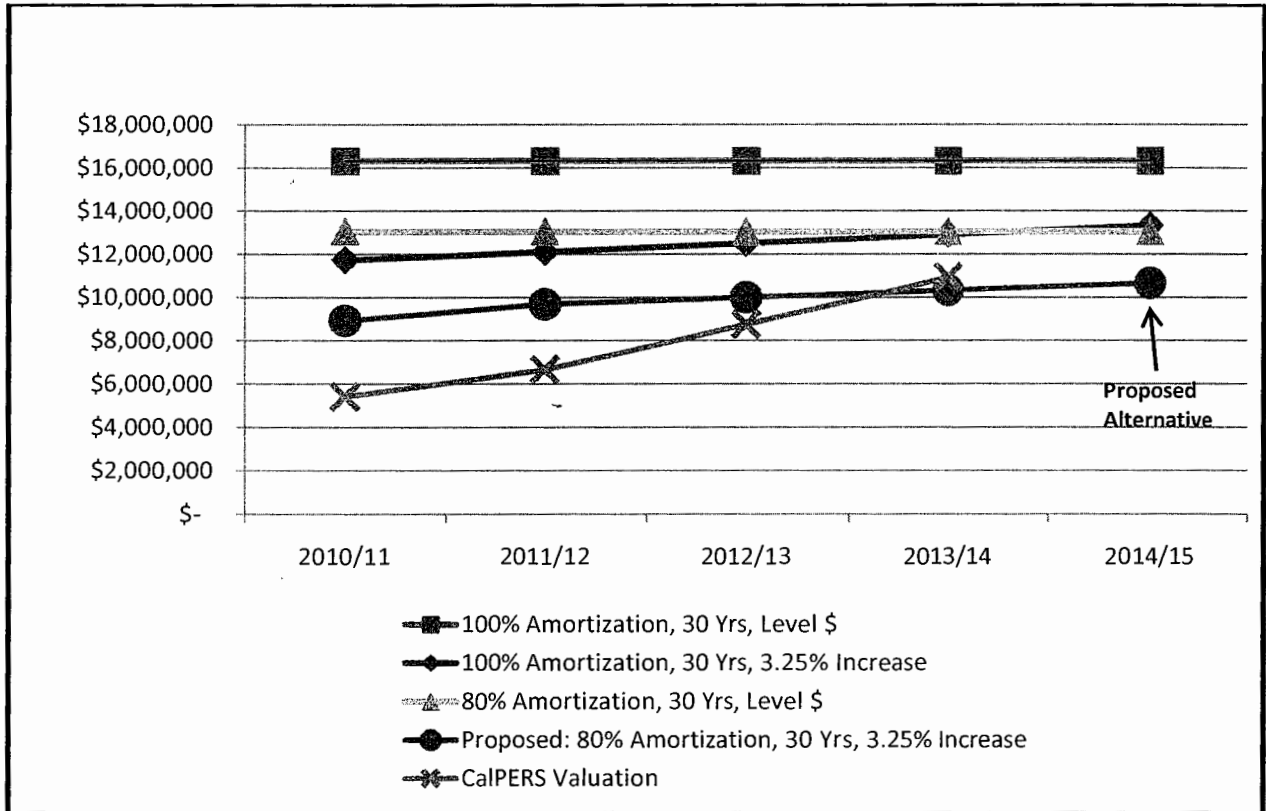
- CalPERS has released a new demographic study that indicates longer lives and higher pension costs; Rate impacts are expected at +1.5%/year and are expected in the June 30, 2009 valuation (2011-12 rates).
- CalPERS has also announced analysis of its discount rate assumption and is expecting board policy review and anticipated action in February 2011. Employer rates would increase again for decreases in the discount rate.
- Revenue: City's property tax revenue base is expected to erode further in 2010-11, and police officer ARRA grants will roll-off after 2011-12, creating additional fiscal pressure at same time CalPERS rates would increase.
- Payment deferrals cost 7.75% annual interest. Payment deferrals, such as the recent "smoothing" methods implemented by CalPERS, ultimately increase annual pension costs.
- Bankruptcy: The City must demonstrate long-term fiscal stability to emerge from bankruptcy and to confirm a plan of adjustment. CalPERS cost deferrals make it very difficult for the City to identify and adjusting its debt now to a sustainable level.
- The proposed budget includes a pension funding policy that would contribute a level percent of payroll to amortize 80% of the City's unfunded pension liability over 30 years, similar to a bond payment. The remaining 20% funding would be addressed through investment recovery or other gains/losses over time.
- Cost projections have been based upon the June 30, 2008 actuarial valuation. CalPERS expects to release its June 30, 2009 valuation, for use in setting 2011-12 employer contribution rates, by December 2010. Cost projections and recommendations will be updated as information becomes available.



Pension Funding Alternatives Unfunded Actuarial Accrued Liability

General Fund, in Millions

Projections Based Upon June 30, 2008, PERS Actuarial Valuation (Most Recent Available)



This chart shows the dollar contribution impact of various pension funding alternatives.

	2010/11	2011/12	2012/13	2013/14	2014/15
100% Amortization, 30 Yrs, Level \$	\$16,316,520	\$16,316,520	\$16,316,520	\$16,316,520	\$16,316,520
100% Amortization, 30 Yrs, 3.25% Increase	\$11,725,554	\$12,106,634	\$12,500,100	\$12,906,353	\$13,325,810
80% Amortization, 30 Yrs, Level \$	\$13,053,216	\$13,053,216	\$13,053,216	\$13,053,216	\$13,053,216
Proposed: 80% Amortization, 30 Yrs, 3.25% Increase	\$8,926,746	\$9,685,307	\$10,000,080	\$10,325,082	\$10,660,648
CalPERS Valuation	\$5,405,000	\$6,656,000	\$8,745,000	\$10,931,000	
CalPERS, Val. Appl. To Est Pay	\$4,537,000				



RETIREE HEALTH

ASSUMPTIONS

- Retiree Health cost projections assume that the City will continue to negotiate and implement a \$300 per month City-paid retiree health benefit for current and future retirees as each employee association contract is renewed. This benefit reduction eliminates approximately \$100 million in General Fund debt obligations.
- Further, this plan allows the City to identify and negotiate a benefit level that it can afford, and then provides the resources to amortize the cost of the benefit over the working life of the employee (“normal cost”), while amortizing the unfunded past service cost (“UAAL – unfunded actuarial accrued liability”).

BACKGROUND

- The City provides eligible retired City employees with a retiree health insurance benefit through health plans administered by CalPERS.
- Through 2009-10, the City has funded retiree health benefits on a “pay-as-go” basis. Annual General Fund costs had grown to \$3 million per year, and were expected to double within ten years. This payment structure was unsustainable and would continue to consume the expenditure budget and further drive down service levels.
- At June 30, 2008, the actuarial liability for retiree health benefits had reached \$135 million city-wide (\$110 million General Fund). At the proposed benefit level, this liability is reduced to \$34 million (\$27 million General Fund).
- Benefits for all current retirees were reduced by some margin in January 2010. The \$300 per month benefit has been fully implemented for Directors and City Council members, and negotiated with IAFF. Similar benefits are under discussion with IBEW. Conforming VPOA and CAMP benefits are anticipated upon renewal of their contracts in 2012 and 2013, respectively.
- Cost projections are based on a June 2009 actuarial valuation. The June 2010 report is anticipated in December 2010. Cost projections and recommendations will be updated as information becomes available.

COST PROJECTIONS

The projected annual cost for both current service and amortization of prior service is as follows. Sufficient cash has been added to cover VPOA and CAMP on a pay-as-go basis until reduced benefits are negotiated and implemented.

	<u>Normal Cost</u>	<u>UAAL</u>	<u>Total</u>
2010-11	\$566,530	\$2,385,002	\$2,951,532
2011-12	\$572,645	\$2,402,498	\$2,975,143
2012-13	\$570,164	\$1,473,447	\$2,043,611
2013-14	\$569,649	\$1,218,617	\$1,788,266
2014-15	\$569,686	\$1,218,709	\$1,788,395



BOND/LEASE OBLIGATIONS

ASSUMPTIONS

The 5-year Business Plan assumes restructured future lease payments. The proposal maintains the COPS lease structure, reduces and waives interest, and defers but maintains principal repayment. The plan includes no baseline General Fund payments for the initial three years of the Business Plan, stepping up to \$1 million per year thereafter. Specific terms remain under discussion with creditors.

BACKGROUND

The General Fund secures \$50 million in long-term lease obligations called "Certificates of Participation," or "COPS". Approximately \$23 million of this balance is serviced directly by the General Fund. The remaining obligations are paid by the Marina Fund, Golf Fund, and Redevelopment Agency. The Water Fund has retired its portion of these balances.

COPS obligations are secured by leases of City assets, including City Hall, a 36-hole golf course, the downtown library, police and fire stations, and other property.

One of the city's credit providers has filed an adversary action on this issue. At risk is the intercept, on behalf of bondholders, of General Fund Motor Vehicle License revenues directly from the State. The City is actively defending these revenues and has held settlement discussions with the creditor.

PROJECTED PAYMENTS

	<u>General Fund Lease Payments</u>	<u>Legal Costs, Including Creditors</u>	<u>Total</u>
2010-11	\$-	\$200,000	\$ 200,000
2011-12	\$-	\$-	\$-
2012-13	\$-	\$-	\$-
2013-14	\$1,000,000	\$-	\$1,000,000
2014-15	\$1,000,000	\$-	\$1,000,000



11/10/2010

Lease Obligations Backed by General Fund
 (Includes Marina, Golf, and Redevelopment Balances)

Fiscal Years 2010-11 to 2014-15

		Certificates of Participation					Lease		Total		
		Trustee - Wells			Trustee - Union Bank		2001 Facilities Lease		MPA Leasing		
		COPS		COPS		COPS					
		2000		2001		2002		2003		Subtotal, Union Bank	
		COPS		COPS		COPS		COPS			
		1999 COPS		2000 COPS		2001 COPS		2002 COPS		2003 COPS	
		National		Union Bank Letter of Credit							
Net Obligations at June 2010		3,900,000	22,445,000	9,490,000	8,645,000	6,295,000	46,875,000	829,000	51,604,000		
Principal Advances by National		141,000	-	-	-	-	-	-	141,000		
Trustee cash/unspent proceeds		4,041,000	(617,400)	(844,000)	(5,526,000)	(6,987,400)	(6,987,400)	-	(6,987,400)		
Net obligation		-	21,827,600	8,646,000	3,119,000	6,295,000	39,887,600	829,000	44,757,600		
Projected 2010-11 Activity		(115,000)	(395,000)	(175,000)	(455,000)	(162,000)	(1,187,000)	-	(1,302,000)		
Principal Advances by National		163,000	-	-	-	-	-	-	163,000		
Draw on Trustee cash		-	395,000	-	455,000	-	850,000	-	850,000		
Net activity		48,000	-	(175,000)	(455,000)	(162,000)	(337,000)	-	(289,000)		
				(Golf)		(Marina/RDA)					
Net Obligations, Projected at June 2011		3,785,000	22,050,000	9,315,000	8,190,000	6,133,000	45,688,000	829,000	50,302,000		
Principal Advances by National		304,000	-	-	-	-	-	-	304,000		
Trustee cash/unspent proceeds		4,089,000	(222,400)	(844,000)	(5,071,000)	(6,137,400)	(6,137,400)	-	(6,137,400)		
Net obligation		-	21,827,600	8,471,000	3,119,000	6,133,000	39,550,600	829,000	44,468,600		



COMPENSATED ABSENCES

ASSUMPTIONS

- The General Fund cost for compensated absence payouts to separating and retiring employees is expected to drop in half during the next few years as new payout provisions are negotiated with employee groups.
- A number of police officers with high value balances will be eligible for retirement in FY 2011-12. The projected costs for this particular year have been increased accordingly.

GENERAL FUND PAYMENT HISTORY AND PROJECTIONS BY YEAR

2006-07	\$1.3 million
2007-08	\$3.3 million *
2008-09	\$1.7 million *
2009-10	\$1.5 million *
2010-11	\$1.3 million *
2011-12	\$1.7 million <i>(projected)</i>
2012-13	\$0.8 million <i>(projected)</i>
2013-14	\$0.8 million <i>(projected)</i>
2014-15	\$0.8 million <i>(projected)</i>

* Employee payouts in these years have been limited during the pendency of the City's bankruptcy case for employees in groups without post-petition labor contracts. Additional balances of \$2.7 million are due to employees and will be proposed for settlement in the plan of adjustment.

BACKGROUND

- City employees accumulate vacation, compensatory, holiday, and sick leave balances that are payable upon separation or retirement. These obligations are collectively referred to as compensated absences. Specific accrual rates, caps, vesting schedules, and payment options vary by employee organization.
- The City has started to reduce current and future liabilities with new labor contract provisions that include:
 1. Reduced annual vacation, sick and holiday leave accruals
 2. Caps on accumulation of unused balances
 3. Limited payout provisions for non-vested sick leave

OBLIGATIONS

- General Fund balances have already realized a significant liability decrease in the last year, \$18 to \$13 million, due to an overall workforce reduction and due to implementation of new IAFF contract provisions.

	<u>June 30, 2009</u>	<u>June 20, 2010</u>
Police Department	\$8 million	\$7 million
Fire Department	\$7 million	\$3 million
Other Departments	<u>\$3 million</u>	<u>\$3 million</u>
Total General Fund	\$18 million	\$13 million



**General Fund 5-Year Business Plan
2010-11 to 2014-15**

BANKRUPTCY CLAIMS POOL

ASSUMPTIONS

The 5-year General Fund financial projection includes additional contributions to a "Claims Pool" from which to satisfy the General Fund's obligations to its unsecured creditors pursuant to the plan of adjustment. Such claims include those held by employees and retirees. The General Fund share of the Claims Pool is targeted for \$5 million.

BACKGROUND

- Over 1,000 proofs of claim have been filed by creditors in the City's bankruptcy case. The final claims bar date was November 1, 2010, and the proofs of claim filed immediately prior to that deadline are currently under analysis and validation. Totals and estimated obligations are not yet available.
- The bulk of the creditors asserting claims include employees (reduced wages and benefits), retirees (reduced health benefits and deferred compensated absence leave payouts), indenture trustee, banks, bondholders and credit insurer.
- The City's upcoming plan of adjustment will sort creditors into classes of those holding secured and unsecured claims. Various bondholder claims, for example, are secured by special revenues of the Water Fund, Improvement Districts, and Redevelopment Agency. These particular bonds are not paid from General Fund sources and have been unimpaired during the pendency of the bankruptcy case. Lease obligations payable from the General Fund will also likely be separated into one or more classes based on the security afforded to them through assignment of the leasehold interests in various City real estate assets, as well as the Motor Vehicle License Fee guarantee for the 1999 and 2000 COPS. Almost all of the claims held by employees and retirees are general unsecured claims.
- The City anticipates that its plan of adjustment will include a \$5 million pool for General Fund unsecured creditors; such a bankruptcy plan is called a "Pot Plan" because all claims in the classes covered by the "pot" will be paid from the \$5 million pool regardless of the aggregate amount of the claims. Claim adjustments are anticipated to fit within the resources of the pool. Accordingly, the General Fund already has started to accumulate resources for settlement of these claims in its Bankruptcy Claims Internal Service Fund. The following are actual and projected contributions to the pool as presented in the accompanying financial projections.

<u>Year of Contribution</u>			
2008-09	General Fund contribution		\$ 900,000
2009-10	General Fund contribution	\$1,000,000	
	Water Fund debt retirement	710,000*	
	Investment income	<u>40,000</u>	
			\$1,750,000
2010-11			-
2011-12			-
2012-13			\$2,300,000 (projected)
Rounding			<u>\$50,000 (projected)</u>
Total			\$5,000,000

*The Water Fund has repaid the General Fund \$710,000 to retire its proportional share of the outstanding 2002 Certificates of Participation bond obligations. The cash is currently held in the 2002 COPS Debt Service Fund.



SELF INSURANCE RESERVES

PROGRAM OVERVIEW

- The City is self-insured for losses up to \$500,000 per claim. Self insurance activities are reported in the Risk Management Internal Service Fund. City programs are charged annual contributions through rates based upon five years of historical losses. The Fund pays for self insured losses and for excess insurance coverage purchased through various JPA insurance pools.

EXCESS INSURANCE COVERAGE

- The City is a member of the California Joint Powers Risk Management Authority ("CJPRMA"), which covers general liability claims in excess of \$500,000 up to \$40,000,000 per occurrence. The City has a self-insured retention or deductible of \$500,000 per claim. Once the self-insured retention is met CJPRMA becomes responsible for payment of all claims up to the limit.
- The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority ("LAWCX") which covers workers' compensation claims up to statutory limits. The City has self-insured retention of up to \$500,000 per claim up to \$4,500,000 covered by local agency workers' compensation excess insurance. Losses up to \$150,000,000 are insured with California Public Entity Insurance Authority.

FUNDING STATUS

- The Fund estimates and accrues actuarial determined claims reserves at the minimum 50% confidence level permitted by Generally Accepted Accounting Principles. This confidence level is significantly below the 70% level considered "marginally acceptable" by the City's actuary. The actuary's recommended confidence level is 75% - 85%, with a "conservative" level suggested at 90%. One consequence of a low confidence level is higher volatility in the program's gains and losses, and ending reserves, from year to year.
- The Fund has experienced many years of funding deficits. As part of the City's 2008-09 fiscal emergency efforts, cash was withdrawn from the fund to sustain interim operations during the pendency of the bankruptcy case.
- As of June 30, 2010, the Fund's assets covered only 77% of fund liabilities, even at the low 50% confidence accrual policy. Net assets (deficit) were (\$2.9) million. Program contribution revenues, which are set as a percentage of payroll, have been subject to ongoing fluctuations due to reductions in the City's workforce.
- Liability program claims are subject to the plan of adjustment. Accordingly, some relief in the Fund's deficit is anticipated.



SELF INSURANCE RESERVES

Continued

- The Fund's \$9 million in assets include \$4 million in short-term loans to other City funds. The Fund operates as the City's short-term loan pool for grant and other reimbursement programs that are must expend funds prior to grant revenue billing and collection. The remaining \$5 million in assets are held in cash. Approximately \$1.2 million in year-end liquidity is required to disburse the annual excess insurance premiums due in July.

STATEMENT OF NET ASSETS

The following is a condensed Statement of Net Assets for the City's Insurance Internal Service Fund as of June 30, 2010.

	<u>June 30, 2010</u>		
Assets			
Cash and investments	\$ 5,074,195	Cash as % of liabilities	40%
Accounts receivable	104		
Due from other funds	4,568,922	Interfund lending to grant programs pending third party reimbursement	
Total Assets	9,643,221	Assets as % of liabilities	77%
Liabilities			
Current liabilities:			
Accounts payable	78,468		
Claims payable	2,439,889		
	2,518,357		
Long-term liabilities		Losses are accrued at a 50% actuarial confidence level.	
Claims payable	10,076,111		
Total Liabilities	12,594,468		
Net Assets	\$ (2,951,247)	Program liabilities exceed assets	

CONTRIBUTION RATE ASSUMPTIONS

Contribution rates have been held generally constant during the past few years. The following rates are currently in place and are continued unchanged in the 5-Year Business Plan.

<u>% of Payroll</u>	
12%	City-wide Average
17.5%	Police
15.0%	Fire
8.7%	Public Works
2.4%	Community Development
2.4%	Administration



CAPITAL AND ECONOMIC CONTINGENCY RESERVES

CAPITAL RESERVE

ASSUMPTIONS

- The City has dedicated a Capital Reserve to begin to support its estimated \$300 million* investment in General Fund infrastructure and other capital assets.
- This reserve was initiated during 2009-10 using the proceeds of three surplus property sales. The reserve balance at June 30, 2010 of \$380,000 was held in the City's Capital Outlay Capital Projects Fund.
- Additional parcels have been designated as surplus property and continue to be marketed as a source to further augment this reserve.
- Funds are held as a strategic reserve that could be available to support and leverage future development opportunities with infrastructure improvements.
- Capital Reserves will be especially important for the City going forward because of the likelihood that the City will have a difficulty re-entering the bond market to raise funds for future capital expenditures allocable to the General Fund for at least several years.

*\$300 million is the depreciated historical cost value of capital assets as reported in the City's June 30, 2009 Statement of Net Assets

ECONOMIC CONTINGENCY RESERVE **"AVAILABLE FUND BALANCE"**

ASSUMPTIONS

- Current 5-year financial projections provide for a gradual restoration of unrestricted and undesignated ("available") fund balance over the next five years to 5% of expenditures.
- While 5% is a barely minimal threshold to weather the next economic cycle or even a continued current downturn, it affirms the first steps necessary to demonstrate fiscal viability and to rebuild the trust of the City's development, grant, and capital market partners.
- This Business Plan proposes dedication of the 5% balance targeted as of 2014-15 as an "Economic Contingency Reserve" to be maintained separately from funds available for operation.

BACKGROUND

- In March of 2000, City Council adopted a resolution and policy to develop and maintain a General Fund reserve target of 15% of expenditures. The City's Charter further provides for an "Unappropriated Reserve Fund." These targets have not been feasible in recent years.
- As of the date of the City's bankruptcy petition, unrestricted reserves were virtually exhausted. Available reserves at June 30, 2008 were \$797,000, or less than 1% of the year's \$87 million in General Fund expenditures. The Fund's cash balance was negative.
- In August, 2010, City Council reaffirmed its goal of restoring a 15% reserve by 2015. However, available revenues, depleted services, and creditor obligations collectively impair the General Fund from achieving this reserve goal in this time frame. The proposed 5% reserve target for 2015 demonstrates continued progress toward this goal.



**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Programs

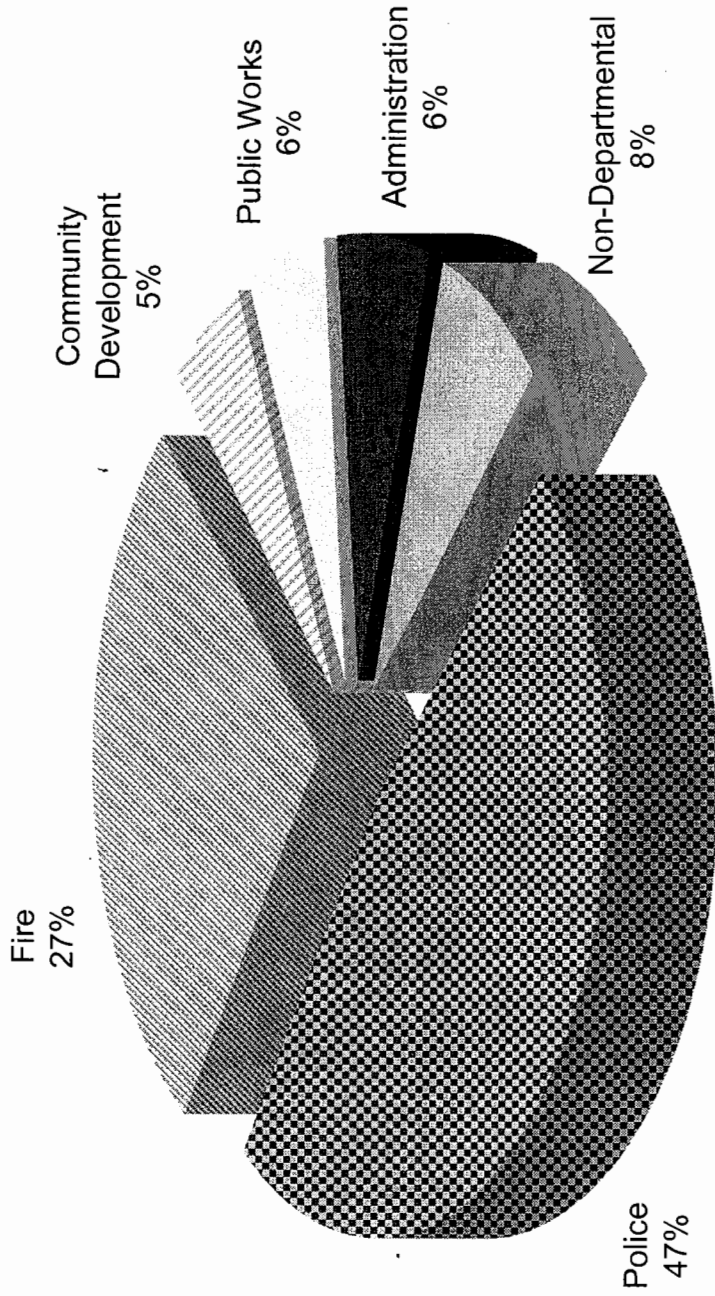


Expenditures by Program FY2011/12

Expenditures

(net of interfund reimbursements)

\$66,449,326





**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Programs
Police Department



General Fund 5-Year Business Plan 2010-11 to 2014-15

POLICE DEPARTMENT

GOALS

The Police Department's primary goals are to prevent crime, respond to and investigate violent criminal activity, traffic collisions and other emergency situations, apprehend violators and assist in the prosecution of persons charged with violating local, state and federal laws.

STRUCTURE AND SERVICES

The Police Department consists of the following organizational units: Office of Chief of Police, Bureau of Field Operations and Bureau of Investigations.

DEPARTMENT SERVICES

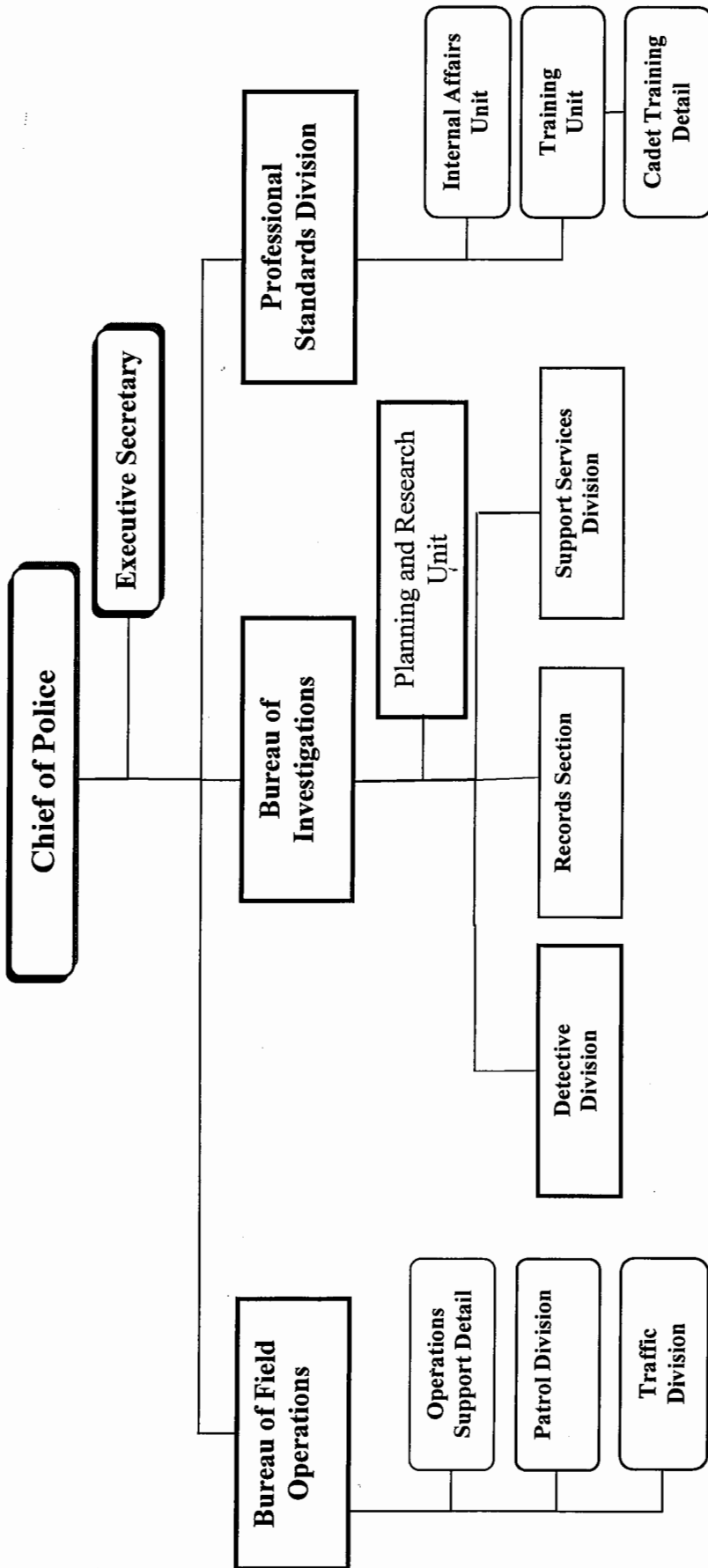
- The Chief of Police provides for the overall management of Police Department activities.
- The Bureau of Field Operations is responsible for the day-to-day management of the Patrol and Traffic Divisions, all Departmental training and public information activities and the Police Cadet Program. The Patrol Division responds to urgent citizen calls for service, enforces laws and regulations and maintains field police presence. The Traffic Division is responsible for City-wide enforcement activities, responds to and investigates vehicle collisions, conducts follow-up investigations of vehicle collisions and traffic arrests made by patrol officers. In addition, the division monitors traffic-related grants, staffs special events and enforces parking laws and regulations.
- The Bureau of Investigations is responsible for overall management of Bureau activities including fiscal and budget, criminal investigation, property control, records, technical services, communications, recruitment and personnel as well as the receipt and investigation of citizen complaints. The Detective Division handles all investigations involving violent criminal activity and, to the extent possible, serious property crime. All sex registrations and court liaison functions are assigned here. Several members assigned to task forces are managed within this Division and include affiliations with the FBI, DEA, Sol-Net, and the Northern California Computer Crimes Task Force. The Property Section maintains legal "chain of custody" for all evidence used in criminal prosecutions and controls and accounts for all Police Department property. The Records Section processes all police reports and provides telephone and walk-in customer service. The Technical Services Section monitors all Police Department information systems, including access to confidential Department of Justice Automated Systems, and maintains all fixed and mobile data processing equipment and mobile terminals. The Communications Section is responsible for receipt and dispatch of approximately 72,000 emergency (9-1-1) calls annually.



General Fund 5-Year Business Plan
Police Department
 Fiscal Years 2010-11 to 2014-15

	FY 09-10		FY 10-11		FY 11-12		FY 12-13		FY 13-14		FY 14-15	
	Unaudited	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	A	B	C	D	E	F						
Gross Expenditures												
Salaries and Benefits												
Salaries		13,410,523	13,626,809	13,370,144	13,371,622	13,373,110						
Overtime		1,702,326	1,724,456	1,724,456	1,724,456	1,724,456						
Benefits		6,740,209	6,912,620	5,992,618	6,062,557	6,149,871						
	24,234,710	21,853,058	22,263,885	21,087,218	21,158,635	21,247,437						
Service and Supplies												
Vehicles:												
Maintenance	1,132,893	941,580	941,580	941,580	941,580	941,580						941,580
Replacement	-	533,220	533,220	533,220	533,220	533,220						533,220
CAD/RMS - Lease and maintenance	296,969	300,000	300,000	300,000	300,000	300,000						300,000
Benicia dispatch merger costs	-	-	200,000	200,000	200,000	200,000						200,000
Other	1,263,952	1,197,500	1,197,500	1,197,500	1,197,500	1,197,500						1,197,500
	2,693,814	2,972,300	3,172,300	3,172,300	3,172,300	3,172,300						3,172,300
Subtotal, gross expenditures	26,928,524	24,825,358	25,436,185	24,259,518	24,330,935	24,419,737						
Less:												
Interfund reimbursements												
Veto Fund # 141 overtime reimbursements	(201,604)	(203,000)	(100,000)	(100,000)	(100,000)	(100,000)						(100,000)
OTS Fund #146 overtime reimbursements	(205,054)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)						(180,000)
JAG Fund #149 program payroll reimbursements	(282,353)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)						(112,000)
CAD Fund #151 Debt Service reimbursements	(148,168)	(249,000)	-	-	-	-						-
DEA Task Force Fund #139 Vehicle reimb	-	(253,000)	-	-	-	-						-
Traffic Offend Fund #440 OT reimbursements	-	(100,000)	-	-	-	-						-
Cadet Program Fund #152	-	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)						(20,000)
Other	(97,032)	-	-	-	-	-						-
	(934,211)	(1,117,000)	(412,000)	(412,000)	(412,000)	(412,000)						(412,000)
Program revenues												
Mare Island CFD	(524,407)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)						(600,000)
Federal Stimulus Grants	(651,842)	(365,000)	(385,400)	-	-	-						-
High Tech Task Force	(543,815)	(520,000)	(520,000)	(520,000)	(520,000)	(520,000)						(520,000)
1/2 % Sales Tax	(388,414)	(387,000)	(393,200)	(403,000)	(418,000)	(435,000)						(435,000)
Vehicle/Parking Fines	(574,089)	(720,000)	(720,000)	(720,000)	(720,000)	(720,000)						(720,000)
Post/Overtime Reimbursements	(255,281)	(132,000)	(132,000)	(135,000)	(135,000)	(140,000)						(140,000)
False Alarm Fees	(115,234)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)						(100,000)
Other	(191,814)	(141,000)	(144,000)	(144,000)	(144,000)	(144,000)						(144,000)
Program Reductions	-	200,000	200,000	200,000	200,000	200,000						200,000
	(3,244,896)	(2,765,000)	(2,794,600)	(2,422,000)	(2,437,000)	(2,459,000)						(2,459,000)
Net Police Budget	22,749,417	20,943,358	22,229,585	21,425,518	21,481,935	21,548,737						

Police Department



**POLICE DEPARTMENT
PERSONNEL SUMMARY**

	<u>FY 03-04</u>	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>			
	<u>Approved</u>	<u>Approved</u>	<u>Approved</u>	<u>Approved</u>	<u>Amended</u>	<u>Amended</u>	<u>Amended</u>	<u>Adopted Authorized Staffing</u>	<u>November 2010 Updates</u>	<u>Adjusted Authorized Staffing</u>	<u>% change from FY 03-04</u>
GENERAL FUND:											
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00	
Police Captain	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	2.00	
Police Lieutenant	11.00	11.00	11.00	11.00	8.00	7.00	5.00	5.00	1.00	6.00	
Police Sergeant	20.00	20.00	21.00	21.00	16.00	15.00	11.00	11.00	(1.00)	10.00	
Police Corporal	21.00	20.00	20.00	21.00	19.00	15.00	10.00	10.00	-	10.00	
Police Officer	100.00	91.00	94.00	97.00	88.00	77.00	75.00	63.00	(2.00)	61.00	
	155.00	145.00	149.00	153.00	134.00	117.00	104.00	92.00	(2.00)	90.00	-42%
Account Clerk II	2.00	2.00	2.00	2.00	-	-	-	-	-	-	
Admin. Analyst	1.00	1.00	1.00	1.00	-	-	-	-	-	-	
Admin. Clerk	4.00	0.00	0.00	-	-	-	-	-	-	-	
Communications Manager	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00	-	1.00	
Computer Information Tech	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00	
Computer Systems Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00	
Crime Analyst	1.00	1.00	1.00	1.00	-	-	-	-	-	-	
Communications Supervisor	4.00	4.00	4.00	4.00	4.00	1.00	1.00	3.00	-	3.00	
Communications Operator	24.00	23.00	23.00	23.00	19.00	16.00	16.00	14.00	-	14.00	
Executive Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00	
Police Assistant	11.00	8.50	10.50	10.50	2.00	-	-	-	-	-	
Police Clerk	14.00	11.00	14.00	14.00	13.00	12.00	11.00	10.00	(1.00)	9.00	
Police Clerk Supervisor	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-	
Secretary	0.00	0.00	0.00	-	-	-	-	-	-	-	
Records Supervisor	1.00	0.00	0.00	-	-	1.00	1.00	1.00	-	1.00	
Sr. Admin. Clerk	6.00	5.00	5.00	5.00	-	-	-	-	-	-	
	73.00	60.50	65.50	65.50	43.00	35.00	33.00	32.00	(1.00)	31.00	-58%
TOTAL DEPARTMENT	228.00	205.50	214.50	218.50	177.00	152.00	137.00	124.00	(3.00)	121.00	-47%



**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Programs
Fire Department



FIRE DEPARTMENT

GOALS

Provide for the efficient administration of fire services in the City of Vallejo.

STRUCTURE AND SERVICES

The Fire Department consists of the following divisions: Fire Administration, Fire Suppression, Fire Prevention, Fire Training, and Paramedic Program.

DEPARTMENT SERVICES

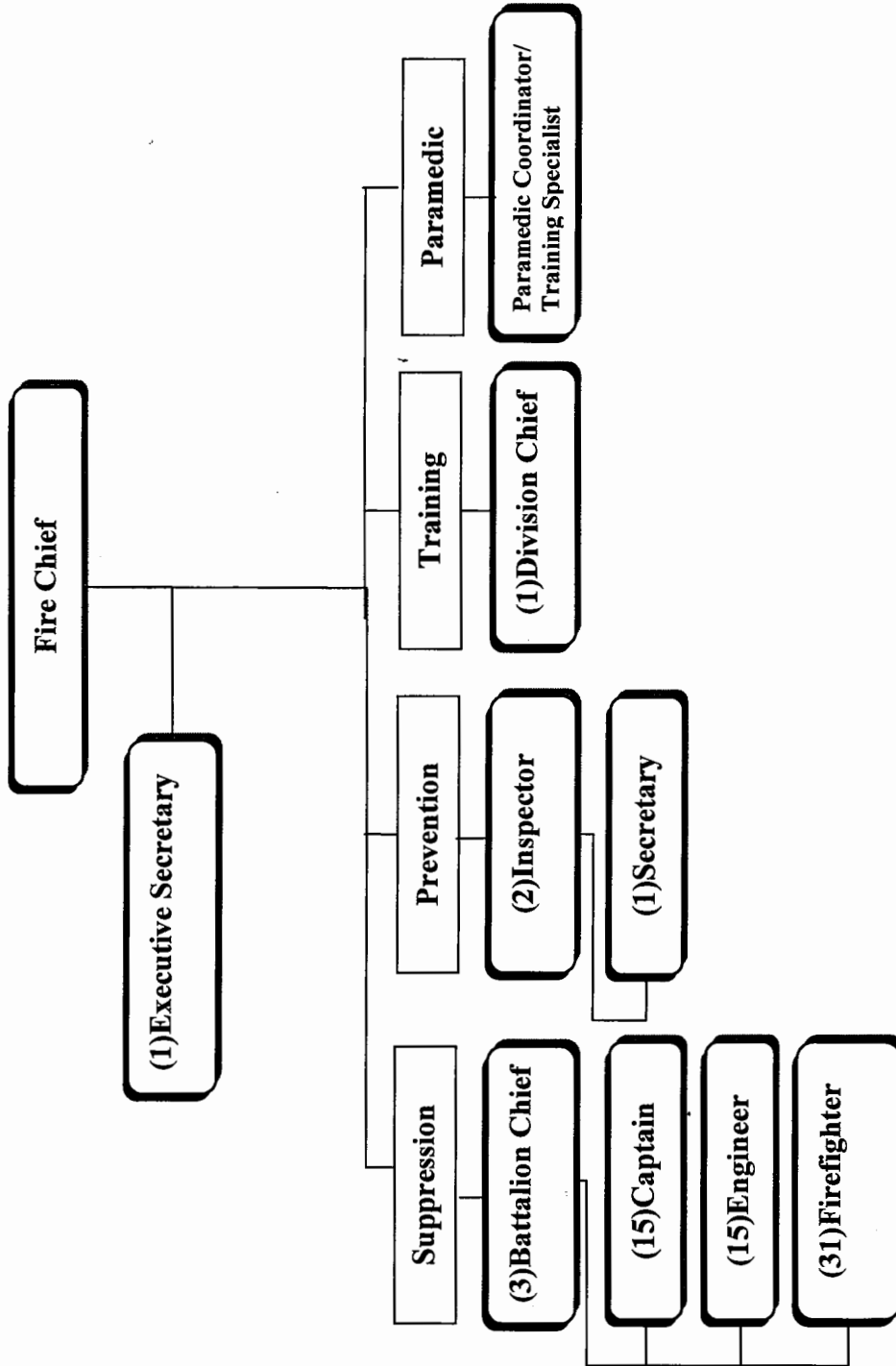
- The Fire Administration Division provides for the overall management of all Fire Department activities and to efficiently and effectively manage the resources of the Fire Department in order to meet its mission.
- The Fire Suppression Division is responsible for the day-to-day protection of lives and property from the effects of fire, hazardous materials, medical emergencies, natural and manmade disasters, helping to assure that community activities are performed in a safe environment, and to provide response to all emergency calls for service. Fire Suppression crews are also responsible for participating in state and federal mandated training, company inspections, fire safety education, police assistance and other types of service calls in the community.
- The Fire Prevention Division is responsible for providing fire prevention, investigation, enforcement and public education services to the community. Fire Prevention duties include investigation of all fires, plan review and inspection services, inspection of facilities for compliance with fire, building, and health and safety codes, public education, and emergency evacuation procedures.
- The Fire Training Division is responsible for preparing fire department personnel to safely and effectively respond to and mitigate any and all emergency situations that arise within the City and affect the citizens of Vallejo. Fire Training duties include meeting state and federal mandates, and disaster preparedness needs.
- The Paramedic Program is responsible for providing life support medical services in a timely manner to all citizens of Vallejo. The Paramedic Program duties include providing on-going education for paramedics and emergency medical technicians to maintain skills and certification.



General Fund 5-Year Business Plan
Fire Department
 Fiscal Years 2010-11 to 2014-15

	FY 09-10 Unaudited A	FY 10-11 Projected B	FY 11-12 Projected C	FY 12-13 Projected D	FY 13-14 Projected E	FY 14-15 Projected F
Gross Expenditures						
Salaries and Benefits		8,466,556	8,177,112	8,180,028	8,180,674	8,181,326
Salaries		900,000	900,000	900,000	900,000	900,000
Overtime		3,909,594	3,974,058	3,612,691	3,658,007	3,706,515
Benefits		13,276,150	13,051,170	12,692,719	12,738,681	12,787,841
Service and Supplies						
Vehicles:						
Maintenance	359,655	364,537	364,537	364,537	364,537	364,537
Replacement	-	265,900	265,900	265,900	265,900	265,900
Other	816,963	911,900	811,900	811,900	811,900	811,900
	1,176,618	1,542,337	1,442,337	1,442,337	1,442,337	1,442,337
Subtotal, gross expenditures	16,597,150	14,818,487	14,493,507	14,135,056	14,181,018	14,230,178
Less:						
Interfund reimbursements						
Hazmat Fund (Vallejo Garbage Service)	(49,303)	(83,700)	(83,700)	(83,700)	(83,700)	(83,700)
	(49,303)	(83,700)	(83,700)	(83,700)	(83,700)	(83,700)
Program revenues						
Mare Island CFD	(1,485,000)	(1,377,000)	(1,377,000)	(1,377,000)	(1,377,000)	(1,377,000)
East Vallejo Fire District	(431,094)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
Ambulance Contract-Solano County	(185,673)	(670,000)	(670,000)	(670,000)	(670,000)	(670,000)
Plan Review Fees	(58,163)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Inspection Fees	(36,402)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Other	(170,446)	(101,000)	(101,000)	(101,000)	(101,000)	(101,000)
	(2,366,778)	(2,608,000)	(2,608,000)	(2,608,000)	(2,608,000)	(2,608,000)
Net Fire Budget	14,181,069	12,126,787	11,801,807	11,443,356	11,489,318	11,538,478

Fire Department



**FIRE DEPARTMENT
PERSONNEL SUMMARY**

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	% change from FY 03-04		
	Approved	Approved	Approved	Approved	Amended	Amended	Amended	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing	% change from FY 03-04
GENERAL FUND:											
ADMINISTRATION											
Fire Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00	-
Deputy Fire Chief	2.00	2.00	2.00	2.00	1.00	1.00	1.00	-	-	-	-
Administrative Analyst II	1.00	1.00	1.00	1.00	-	-	-	-	-	-	-
Executive Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00	-
Administrative Clerk II	1.00	-	-	-	-	-	-	-	-	-	-
	6.00	5.00	5.00	5.00	3.00	3.00	3.00	2.00	-	2.00	-67%
SUPPRESSION											
Assistant Fire Chief	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-	-	-
Battalion Chief								3.00	-	3.00	3.00
Fire Captain	27.00	28.00	28.00	27.00	29.50	24.00	24.00	15.00	-	15.00	15.00
Fire Engineer	27.00	27.00	27.00	27.00	27.00	21.00	21.00	15.00	-	15.00	15.00
Firefighter	45.00	42.00	38.00	37.00	33.00	27.00	27.00	31.00	-	31.00	31.00
	102.00	100.00	96.00	94.00	92.50	75.00	75.00	64.00	-	64.00	-37%
PREVENTION											
Asst Fire Chief / (Fire Marshal)	1.00	1.00	1.00	1.00	-	-	-	-	-	-	-
Fire Prevention Inspector	3.00	2.00	2.00	3.00	2.00	2.00	2.00	2.00	-	2.00	2.00
Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00	1.00
Administrative Clerk II	1.00	-	-	-	-	-	-	-	-	-	-
	6.00	4.00	4.00	5.00	3.00	3.00	3.00	3.00	-	3.00	3.00
TRAINING											
Division/Battalion Chief	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Fire Captain	2.00	1.00	1.00	2.00	0.50	1.00	1.00	1.00	-	-	-
Secretary	1.00	-	-	-	-	-	-	-	-	-	-
	4.00	2.00	2.00	3.00	1.50	1.00	1.00	1.00	-	1.00	1.00
WEED ABATEMENT											
Senior Code Enforcement Officer	1.00	1.00	1.00	1.00	-	-	-	-	-	-	-
PARAMEDIC											
Emergency Medical Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Paramedic Coordinator	0.50	0.50	0.50	1.00	-	-	-	1.00	-	-	1.00
Administrative Clerk II	1.50	1.50	1.50	2.00	1.00	1.00	1.00	1.00	-	1.00	1.00
EMERGENCY SERVICES											
Emergency Preparedness Manager	1.00	-	-	-	-	-	-	-	-	-	-
Administrative Clerk II	0.50	0.50	0.50	-	-	-	-	-	-	-	-
	1.50	0.50	0.50	-	-	-	-	-	-	-	-
TOTAL DEPARTMENT	122.00	114.00	110.00	110.00	101.00	83.00	83.00	71.00	-	71.00	-42%

a) Deputy Chief - position was authorized but not funded in FY 09-10, eliminated in FY 10-11
 b) Administrative Analyst II - position transferred to Finance in FY 07-08
 c) EMS Coordinator - position authorized but only partially funded as part-time during FY 09-10
 d) Weed Abatement - Senior Code Enforcement Officer position moved to Code Enforcement Division



**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Programs

Community Development Department



COMMUNITY DEVELOPMENT DEPARTMENT DEVELOPMENT SERVICES GROUP

GOALS

The Development Services Group is comprised of the Building, Planning and Code Enforcement Divisions. The group seeks to support investment in Vallejo and ensure structures are compliant with building codes, new developments conform to City regulations and all properties are maintained in a manner consistent with City guidelines.

STRUCTURE AND SERVICES

Building Division – Provides inspection services to development projects in the City of Vallejo. These services include plan review and inspections for public safety compliance with the applicable California Building Codes. The Building Division Code Enforcement investigates complaints, habitable living conditions, lack of water service, and construction work without permits.

Planning Division – Reviews projects for compliance with the Vallejo General Plan (the land use policy document required for all California cities) and Zoning Ordinance which provides the procedures, standards, and regulations for land use decisions. The most common types of applications include use permits, site development permits, sign permits, parcel and tentative maps, home occupations, and lot line adjustments. The Division also provides staff support to the Planning Commission, a seven-member group appointed by the City Council to make decisions or recommendations on land use issues, the Architectural Heritage and Landmarks Commission, a seven-member group appointed by the City Council to guide the preservation of the City's three historic districts, and the Downtown/Waterfront Design Review Board, a seven-member group appointed by the City Council to ensure projects are compliant with the Downtown and Waterfront Design Guidelines.

Code Enforcement Division - Enforces the City's Property Maintenance Ordinances, Abandoned Shopping Cart Prevention Ordinance, Vacant Building Ordinance, Weed Abatement regulations and Zoning Ordinance. Coordinates the City-wide Illegal Dumping monitoring and enforcement activities and manages the City's Adopt-A-Street/Alley Program. The Division has developed a volunteer program that supports City staff identifying properties in the community that are not in compliance with City regulations.



COMMUNITY DEVELOPMENT DEPARTMENT DEVELOPMENT SERVICES GROUP

NOTEWORTHY FY 2010-11 ITEMS

- The Planning Division has added a part time Planning Technician/Permit Coordinator to assist customers at the counter and provide information concerning the City's overall development process. This position is funded from Planning Permit Coordination fee revenue. The Planning and Building web page will be enhanced and enhanced customer materials will be produced.
- A contract planner has been brought in to amend the Zoning Code to clarify the design and development standards for development projects.
- Proposed Code Text Amendments/Specific Plan Amendments to assist in supporting downtown development will be brought forward for consideration by the Planning Commission and City Council.
- The Building Division is moving toward providing Fire Code plan review and inspections for new construction projects, and business license compliance inspections. Inspectors are receiving training toward obtaining their fire inspector certifications. The transition date is anticipated in early 2011.
- Enforcement of building codes will continue to be a focus to prevent un-permitted construction work throughout the City. Temporary staff was successfully deployed during the Summer 2010 construction season as a pilot program to ensure enhanced compliance.
- Evaluation of the feasibility of proposing the addition of a plan check engineer to staff is ongoing. Currently, construction plan review is being sent out to contract firms that provide these services for 75% of the plan review fee collected from the applicant by the City. The current system provides flexibility in servicing customers during busy periods of construction.
- The Code Enforcement Division continues to focus on maintenance of foreclosed and vacant homes in the community.
- Collaboration is ongoing with the Fighting Back Partnership on neighborhood revitalization initiatives.
- The Code Enforcement Division continues to manage and enhance the volunteer program that has provided additional resources to identify code violations in the community.
- Collaboration is ongoing with Housing and Community Development Division and other departments in the humane management of homeless displacement issues on public and private property related to code enforcement projects.



COMMUNITY DEVELOPMENT DEPARTMENT ECONOMIC DEVELOPMENT DIVISION

GOALS

The primary goals of the Economic Development Division are to increase the tax base and employment opportunities in Vallejo. Initiatives in each of the redevelopment project areas strategically leverage the Agency's financial and land assets to support this goal. Asset management initiatives attempt to maximize the utility and revenue from City real property assets.

STRUCTURE AND SERVICES

The Economic Development Division is responsible for implementing the economic development and redevelopment policies of the City Council. The division performs and manages redevelopment projects in the Flosden and Merged Project Areas. Additionally, the division provides technical assistance for existing businesses; assistance in business recruitment, business retention; site selection assistance for new and existing businesses; asset management of the City's real property, including leased property and disposition of surplus property; and the conversion of the former Naval base, Mare Island, into a critical economic engine that generates new jobs and opportunities for Vallejo residents.

NOTEWORTHY FY 2010-11 ITEMS

- Staff will continue to use limited resources and collaborate with partners to pursue additional business investment in Vallejo. Examples include: Collaborating with Solano EDC to increase the business attraction (business tours, presence at trade shows); working with Vallejo Chamber of Commerce to reinstitute business retention program; partnering with downtown organizations to create a marketing plan to attract businesses to the downtown area.
- Maximizing revenue and economic activity from City-owned real property assets will continue to be a priority. City Council recently approved the third tranche of surplus property assets for disposition. Projected additional sales of surplus property for FY 2010-11. Key real property assets under preliminary assessment (not on surplus list) include Blue Rock Springs Golf Club (working with Vallejo Golf Club as agreements will reach expiration in 2012) and non-watershed water enterprise properties.
- Staff is in the process of enhancing City website with new information regarding private and public investment in Vallejo and updating Economic Development Division web site.
- Staff will continue to work with the Navy to move forward the environmental clean up of north Mare Island and is pursuing grant funds for demolition of obsolete structures. A preferred developer is being solicited for Mare Island Reuse Area 1A.

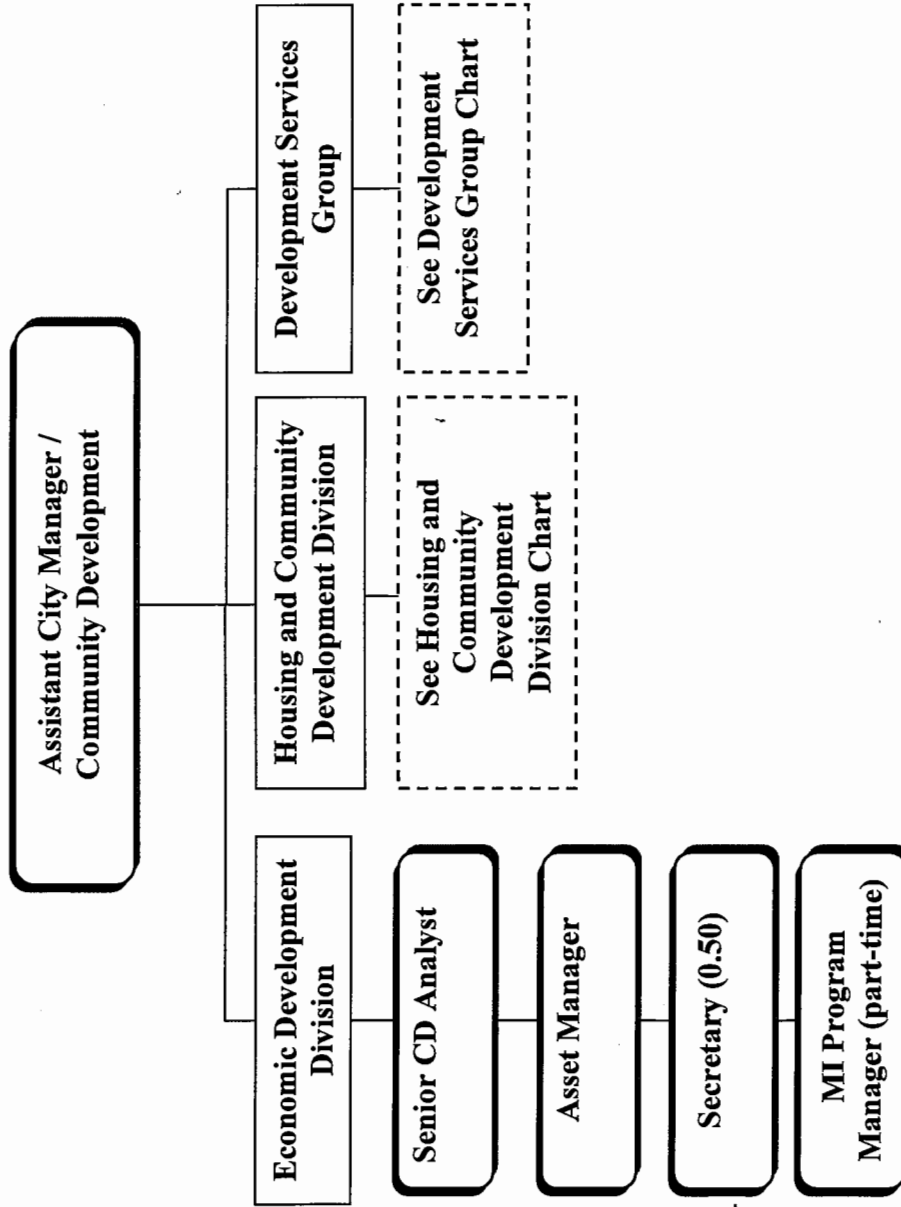


Community Development Department

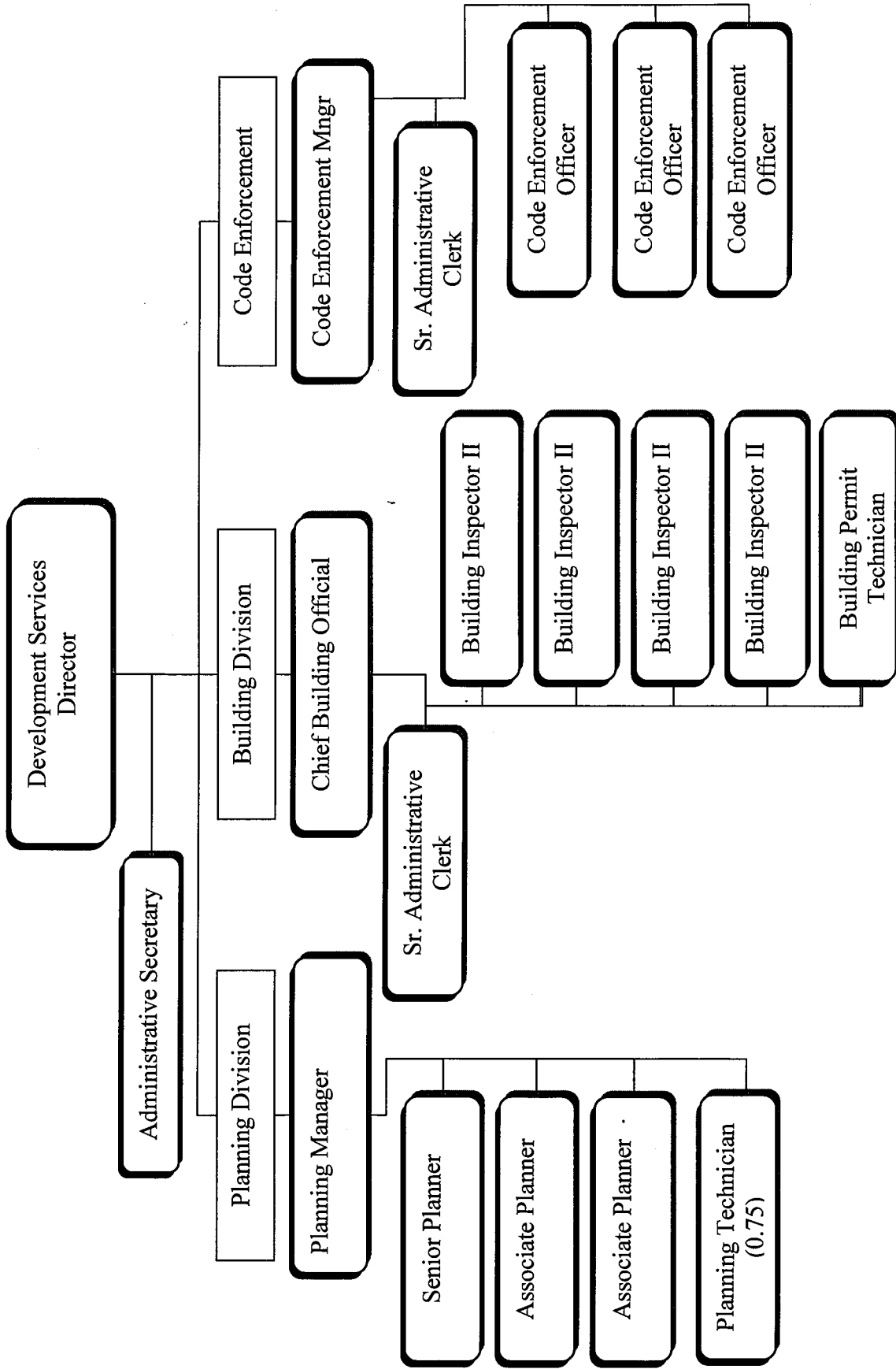
Fiscal Years 2010-11 to 2014-15

	FY 09-10 Unaudited A	FY 10-11 Projected B	FY 11-12 Projected C	FY 12-13 Projected D	FY 13-14 Projected E	FY 14-15 Projected F
Gross Expenditures						
Salaries and Benefits						
Salaries		1,938,832	1,937,406	1,951,702	1,951,707	1,951,713
Overtime		2,337	2,337	2,337	2,337	2,337
Benefits		675,225	670,240	610,688	601,214	614,295
	<u>2,308,334</u>	<u>2,616,394</u>	<u>2,609,983</u>	<u>2,564,727</u>	<u>2,555,258</u>	<u>2,568,345</u>
Service and Supplies						
Economic Development pass-through payments:						
Downtown Management District	204,214	205,000	205,000	205,000	205,000	205,000
Tourism Business Improvement District	313,846	306,000	306,000	306,000	306,000	306,000
Vehicles:						
Maintenance	61,860	54,801	54,801	54,801	54,801	54,801
Replacement	6,804	5,400	5,400	5,400	5,400	5,400
Other:						
Planning	78,813	84,410	84,410	84,410	84,410	84,410
Building	270,304	319,475	319,475	319,475	319,475	319,475
Code Enforcement	72,238	184,000	184,000	184,000	184,000	184,000
Economic Development	58,005	55,000	55,000	55,000	55,000	55,000
	<u>1,066,084</u>	<u>1,214,086</u>	<u>1,214,086</u>	<u>1,214,086</u>	<u>1,214,086</u>	<u>1,214,086</u>
Subtotal, gross expenditures	<u>3,374,418</u>	<u>3,830,480</u>	<u>3,824,069</u>	<u>3,778,813</u>	<u>3,769,344</u>	<u>3,782,431</u>
Less:						
Interfund reimbursements						
Redevelopment Agency	(215,231)	(215,231)	(215,231)	(215,231)	(215,231)	(215,231)
State Lands	(112,494)	(112,494)	(112,494)	(112,494)	(112,494)	(112,494)
Mare Island Conversion	(83,174)	(83,174)	(83,174)	(83,174)	(83,174)	(83,174)
Housing	(61,933)	(61,933)	(61,933)	(61,933)	(61,933)	(61,933)
Code Enforcement	(50,544)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Other	(110,332)	(110,332)	(110,332)	(110,332)	(110,332)	(110,332)
	<u>(633,708)</u>	<u>(633,164)</u>	<u>(633,164)</u>	<u>(633,164)</u>	<u>(633,164)</u>	<u>(633,164)</u>
Program revenues						
Planning	(397,947)	(236,000)	(241,000)	(246,000)	(250,000)	(255,000)
Building	(1,779,140)	(1,521,000)	(1,511,000)	(1,511,000)	(1,511,000)	(1,511,000)
Code Enforcement	(873,934)	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
Economic Development/pass-through payments	(518,030)	(511,000)	(511,000)	(511,000)	(511,000)	(511,000)
	<u>(3,569,051)</u>	<u>(3,068,000)</u>	<u>(3,063,000)</u>	<u>(3,068,000)</u>	<u>(3,072,000)</u>	<u>(3,077,000)</u>
Net Community Development Budget	<u>(828,341)</u>	<u>129,316</u>	<u>127,905</u>	<u>77,649</u>	<u>64,180</u>	<u>72,267</u>

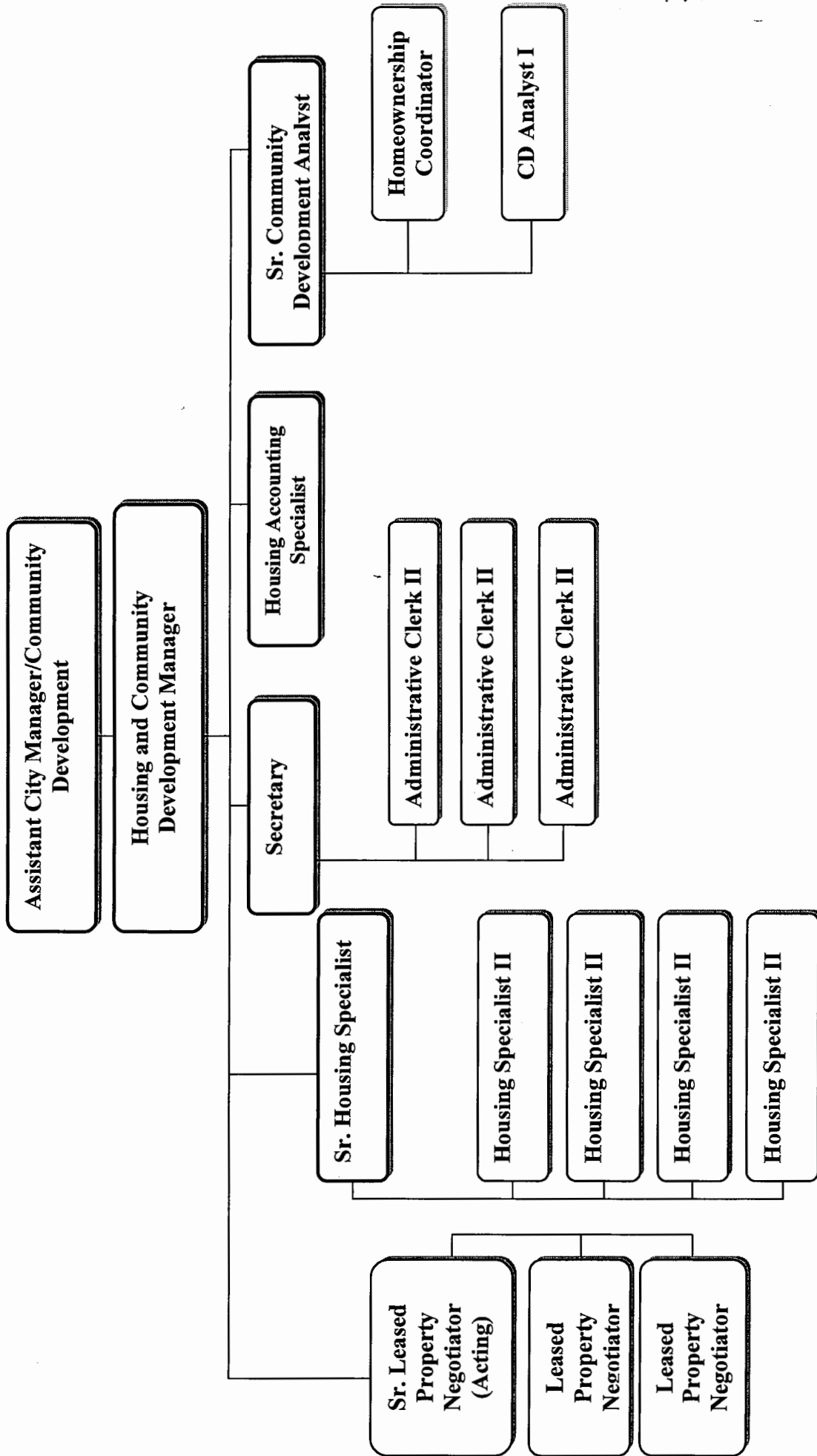
Community Development Department



Development Services Group



Housing and Community Development Division



COMMUNITY DEVELOPMENT DEPARTMENT
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
GENERAL FUND:										
COMMUNITY DEVELOPMENT ADMINISTRATION										
Assistant City Manager	0.00	-	-	0.35	1.00	1.00	1.00	1.00	-	1.00
Administrative Analyst II	0.00	-	-	0.70	1.00 a)	-	-	-	-	-
	0.00	-	-	1.05	2.00	1.00	1.00	1.00	-	1.00
ECONOMIC DEVELOPMENT										
Economic Development Manager	0.00	-	-	-	1.00	-	-	-	-	-
M.I. Conversion Program Manager	0.00	-	-	-	1.00 b)	-	-	-	-	-
Community Dev. Analyst/Sr. Comm. Analyst	0.00	-	-	-	1.00	1.00	1.00	1.00	-	1.00
Asset Manager	0.00	-	-	-	1.00	1.00	1.00	1.00	-	1.00
Secretary	0.00	-	-	-	1.00	0.50	0.50	0.50	-	0.50
	0.00	-	-	-	5.00	2.50	2.50	2.50	-	2.50
DEVELOPMENT SERVICES										
BUILDING										
Chief Building Official	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Building Inspector I/II	4.00	6.00	6.00	6.00	5.00	4.00	4.00	4.00	-	4.00
Building Plans Examiner	1.00	-	-	-	-	-	-	-	-	-
Building Permit Technician	1.00	-	-	-	1.00	1.00	1.00	1.00	-	1.00
Secretary	1.00	-	-	-	-	-	-	-	-	-
Senior Administrative Clerk	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
	8.00	7.00	8.00	8.00	8.00	7.00	7.00	7.00	-	7.00
PLANNING										
Development Services Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Planning Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Senior Planner	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Assistant/Associate Planner	4.00	4.00	4.00	4.00	2.00	2.00	2.00	2.00	-	2.00
Planning Tech/Permit Coordinator	1.00	-	-	-	-	-	-	0.75	-	0.75
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
	9.00	8.00	8.00	8.00	6.00	6.00	6.00	6.75	-	6.75
CODE ENFORCEMENT										
Code Enforcement Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Sr. Code Enforcement Officer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Code Enforcement Officer	3.00	2.00	2.00	2.00	1.40	2.00	2.00	3.00	-	3.00
Code Enforcement Technician	0.00	-	-	1.00	1.00	-	-	-	-	-
Sr. Administrative Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
	6.00	5.00	5.00	6.00	5.40	5.00	5.00	5.00	-	5.00
Subtotal, Development Services	23.00	20.00	21.00	22.00	19.40	18.00	18.00	18.75	-	18.75
Subtotal, General Fund	23.00	20.00	21.00	23.05	26.40	21.50	21.50	22.25	-	22.25

a) Administrative Analyst II - position transferred to City Manager's Office as of July 1, 2009
 b) MI Conversion Program Manager - position budgeted as part-time as of July 1, 2009

COMMUNITY DEVELOPMENT DEPARTMENT
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
HOUSING PROGRAMS										
COMMUNITY DEVELOPMENT										
Block Grant Fund 101 (a)										
Community Dev. Program Manager	0.05	0.10	0.05	-	-	-	-	-	-	-
Sr. Community Dev. Analyst	0.20	0.20	0.20	0.20	-	-	-	-	-	-
Housing Accounting Specialist	0.50	0.50	0.50	0.55	-	-	-	-	-	-
Administrative Clerk	0.00	0.25	0.25	0.25	-	-	-	-	-	-
Secretary	0.45	0.20	0.20	0.20	-	-	-	-	-	-
	1.70	1.45	1.50	1.40	-	-	-	-	-	-
HOME Fund 102 (a)										
Community Dev. Program Manager	0.10	0.10	0.05	0.05	-	-	-	-	-	-
Sr. Community Dev. Analyst	0.30	0.20	0.20	0.20	-	-	-	-	-	-
Administrative Clerk	0.20	-	-	-	-	-	-	-	-	-
Secretary	0.10	0.30	0.20	0.30	-	-	-	-	-	-
	0.70	0.60	0.45	0.55	-	-	-	-	-	-
HOUSING/SECTION 8 Fund 121 (a)										
Assistant City Manager	0.00	-	-	0.10	-	-	-	-	-	-
Community Development Director	0.05	-	0.05	-	-	-	-	-	-	-
Community Dev. Program Manager	0.70	0.70	0.75	0.55	1.00	1.00	1.00	1.00	-	1.00
Housing Operations Supervisor	1.00	1.00	1.00	-	-	-	-	-	-	-
Lease Property Negotiator	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	3.00
Housing Specialist I & II	6.00	6.00	5.00	5.00	5.00	4.00	4.00	4.00	-	4.00
Housing Accounting Specialist	1.00	0.75	0.75	0.75	1.00	1.00	1.00	1.00	-	1.00
Secretary	0.40	0.50	0.50	0.50	1.00	1.00	1.00	1.00	-	1.00
Sr. Community Dev. Analyst	0.20	0.30	0.30	1.05	2.00	2.00	2.00	2.00	-	2.00
Community Dev. Analyst	0.00	-	-	-	-	-	-	-	-	-
Administrative Clerk I & II	3.35	2.80	2.80	2.80	3.00	3.00	3.00	3.00	-	3.00
Senior Housing Specialist	0.00	-	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Homeowner Coordinator (part time)	0.00	-	0.50	0.62	0.62	0.62	0.62	0.62	-	0.80
Sr. Administrative Clerk	0.00	1.00	-	-	-	-	-	-	-	-
	15.70	16.05	15.65	15.37	17.62	16.62	16.62	16.80	-	16.80
Subtotal, Housing Programs	18.10	18.10	17.60	17.32	17.62	16.62	16.62	16.80	-	16.80

(a) Positions have been moved to Housing Fund 121 and are charged out through the Citywide cost allocation plan

COMMUNITY DEVELOPMENT DEPARTMENT
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
REDEVELOPMENT PROGRAMS										
ADMINISTRATION Fund 710 (a)										
Assistant City Manager	0.00	-	-	0.35	-	-	-	-	-	-
Administrative Analyst II	0.00	-	-	0.20	-	-	-	-	-	-
Economic Development Manager	0.00	-	-	0.50	-	-	-	-	-	-
Community Development Director	0.70	0.54	0.50	-	-	-	-	-	-	-
Community Dev. Program Manager	1.00	-	-	-	-	-	-	-	-	-
Community Dev Analyst/Sr. Comm. Analyst	3.00	3.00	3.00	2.00	-	-	-	-	-	-
Community Dev Analyst (Marketing & Dev)	0.00	-	-	1.00	-	-	-	-	-	-
Executive Secretary	1.00	-	-	-	-	-	-	-	-	-
Secretary	0.00	0.10	0.10	0.20	-	-	-	-	-	-
Asset Manager	0.00	-	0.70	0.30	-	-	-	-	-	-
	5.70	3.64	4.30	4.55	-	-	-	-	-	-
REDEVELOPMENT AGENCY/ AFFORDABLE HOUSING Fund 711 (a)										
Community Dev. Program Manager	0.00	-	-	0.20	-	-	-	-	-	-
Sr. Community Dev. Analyst	0.00	-	-	0.20	-	-	-	-	-	-
	0.00	-	-	0.40	-	-	-	-	-	-
	5.70	3.64	4.30	4.95	-	-	-	-	-	-
Subtotal, Redevelopment Agency										
	5.70	3.64	4.30	4.95	-	-	-	-	-	-
MARE ISLAND PROGRAMS										
MARE ISLAND CONVERSION Fund 106 (a)										
Assistant City Manager	0.00	-	-	0.10	-	-	-	-	-	-
Administrative Analyst II	0.00	-	-	0.05	-	-	-	-	-	-
Economic Development Manager	0.00	-	-	0.25	-	-	-	-	-	-
Community Development Director	0.10	0.18	0.20	-	-	-	-	-	-	-
M.I. Conversion Program Manager	0.50	0.50	0.50	0.50	-	-	-	-	-	-
Secretary	0.00	0.45	0.45	0.40	-	-	-	-	-	-
Administrative Clerk I	0.50	-	-	-	-	-	-	-	-	-
	1.10	1.13	1.15	1.30	-	-	-	-	-	-
MARE ISLAND LEASING Fund 107 (a)										
Assistant City Manager	0.00	-	-	0.10	-	-	-	-	-	-
Administrative Analyst II	0.00	-	-	0.05	-	-	-	-	-	-
Economic Development Manager	0.00	-	-	0.25	-	-	-	-	-	-
Community Development Director	0.10	0.18	0.20	-	-	-	-	-	-	-
M.I. Conversion Program Manager	0.50	0.50	0.50	0.50	-	-	-	-	-	-
Asset Manager	0.00	-	0.30	0.30	-	-	-	-	-	-
Secretary	0.00	0.45	0.45	0.40	-	-	-	-	-	-
Administrative Clerk	0.50	-	-	-	-	-	-	-	-	-
	1.10	1.13	1.45	1.60	-	-	-	-	-	-
Subtotal, Mare Island Programs										
	2.20	2.26	2.60	2.90	-	-	-	-	-	-
STATE LANDS COMMISSION Fund 134 (a)										
Asset Manager	0.00	-	-	0.40	-	-	-	-	-	-
	0.00	-	-	0.40	-	-	-	-	-	-
TOTAL DEPARTMENT										
	49.00	44.00	45.50	48.62	44.02	38.12	38.12	39.05	-	39.05

(a) Positions have been moved to General Fund and are charged out through the City cost plan



**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Programs

Public Works Department



General Fund 5-Year Business Plan
Public Works Department
 Fiscal Years 2010-11 to 2014-15

	FY 09-10 Unaudited A	FY 10-11 Projected B	FY 11-12 Projected C	FY 12-13 Projected D	FY 13-14 Projected E	FY 14-15 Projected F
Gross Expenditures						
Salaries and Benefits						
Salaries		4,311,445	4,310,097	4,362,387	4,346,831	4,345,437
Benefits - as paid		1,812,523	1,798,329	1,589,393	1,588,009	1,625,743
	5,969,284	6,123,968	6,108,426	5,951,780	5,934,840	5,971,180
Service and Supplies						
Vehicles:						
Maintenance	357,156	331,107	331,107	331,107	331,107	331,107
Replacement	38,700	88,200	88,200	88,200	88,200	88,200
Administration/Engineering/Recycling	176,361	227,068	187,068	187,068	187,068	187,068
Maintenance Divisions	848,482	911,088	864,088	864,088	864,088	865,088
	1,420,699	1,557,463	1,470,463	1,470,463	1,470,463	1,471,463
Subtotal, gross expenditures	7,389,983	7,681,431	7,578,889	7,422,243	7,405,303	7,442,643
Less:						
Interfund reimbursements						
Capital improvement projects	(1,281,367)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)
Other	(3,141,337)	(3,143,372)	(3,143,372)	(3,143,372)	(3,143,372)	(3,143,372)
	(4,422,704)	(4,558,499)	(4,558,499)	(4,558,499)	(4,558,499)	(4,558,499)
Program revenues						
Engineering	(1,624,827)	(1,235,000)	(1,265,000)	(1,265,000)	(1,265,000)	(1,281,000)
Recycling	(143,800)	(144,000)	(144,000)	(144,000)	(144,000)	(144,000)
Maintenance Divisions	(206,196)	(199,000)	(191,000)	(191,000)	(191,000)	(191,000)
	(1,974,823)	(1,578,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,616,000)
Net Public Works Budget						
Administration/Engineering/Recycling Divisions	(479,556)	(165,031)	(241,435)	(296,217)	(300,554)	(302,623)
Maintenance Divisions	1,472,012	1,709,963	1,661,825	1,559,961	1,547,358	1,570,767
	992,456	1,544,932	1,420,390	1,263,744	1,246,804	1,268,144



PUBLIC WORKS DEPARTMENT ADMINISTRATION AND ENGINEERING DIVISION

GOALS:

Public Works Administration goals are to plan, direct, manage and oversee operations, and provide general administrative direction for the four divisions of Public Works Department. Engineering Division goals are to provide efficient and effective engineering design and construction administration/inspection services for the City's Capital Improvement Program; to review maps to ensure compliance with the Subdivision Map Act and Vallejo Municipal Codes and to review plans and provide construction inspection for private development improvements to ensure compliance with Vallejo City Standards; and to monitor City streets, parking lots, and traffic control devices, make recommendations to upgrade traffic infrastructure, and coordinate with Solano County Transportation Authority (STA), and Metropolitan Transportation Commission (MTC) on regional traffic improvement programs.

STRUCTURE AND SERVICES:

In Administration, the Director manages development and implementation of Departmental goals, objectives, policies and priorities; determines appropriate service and staffing levels; and allocates resources for the best service and delivery methods and procedures. In Engineering, under the direction of the City Engineer, CIP Section provides engineering design, construction administration and inspection services for capital improvement projects in the City; Current Development Section provides private development plan review and inspection services; and Traffic Section maintains traffic records, evaluates traffic signal operation, administers traffic safety improvement projects and reviews private development projects for necessary street and traffic improvements.

SOURCE OF FUNDING:

Public Works Administration is funded by Public Works Funds outside of the General Fund through the Cost Allocation Plan. Engineering Division is funded through a combination of user fees associated with current development and billable capital projects. Capital projects receive funding through a wide variety of sources, including federal grants and other federally funded projects, state grants usually administered by the California Department of Transportation (Caltrans) and regional grants through MTC and STA. The General Fund is reimbursed for the full amount of Engineering salaries and benefits.

NOTEWORTHY ITEMS:

- Capital Improvement Projects currently under construction include the Downtown Streetscape Project (ARRA), the Vallejo Station Parking Garage, the Vallejo Transit Center, the Ferry Terminal and the Bus Maintenance Facility. Additionally, street rehabilitation projects this year included the Citywide Street Overlay (Proposition 1B), the Lemon Street Overlay, the Tennessee Sereno Pavement Rehabilitation Project (ARRA), the Benson Avenue Improvement Project (CDBG) and the Country Club Crest Overlay Project (CDBG).



General Fund 5-Year Business Plan
2010-11 to 2014-15

PUBLIC WORKS DEPARTMENT
ADMINISTRATION AND ENGINEERING DIVISION

- A financing agreement with Lennar Mare Island was approved whereby Lennar will provide the local match to an EPA grant for the Mare Island Sewer Improvement project. This project includes relocation of the main sewer line and upgrades to the domestic pumping stations.
- The City received \$746,310 in State of California Safe Routes to School (SR2S) grants this year for the Springstowne Middle School, the Steffan Manor Elementary School, and the Radar Speed Sign Project to install radar speed signs in the vicinity of schools in the City. The Springstowne Project was cancelled and the funding returned due to impending school closure as announced by the School Board earlier in the year.
- Department of Energy block grant in the amount of \$1,051,200 was used in part to develop the City of Vallejo Energy Efficiency and Conservation Strategy (EECS), which includes five projects that will begin this year: development of a Climate Action Plan, building energy audits (lighting and HVAC audits), upgrades to the IT server room and LED streetlights.



Public Works: Administration and Engineering

Fiscal Years 2010-11 to 2014-15

	FY 09-10		FY 10-11		FY 11-12		FY 12-13		FY 13-14		FY 14-15	
	Unaudited	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	A	B	C	D	E	F						
Gross Expenditures												
Salaries and Benefits		2,018,569	2,017,858	2,040,014	2,040,014	2,040,014	2,040,014	2,040,014	2,040,014	2,040,014	2,040,014	2,040,014
Salaries		729,504	723,811	646,873	642,536	642,536	642,536	642,536	642,536	642,536	642,536	642,536
Benefits		2,748,073	2,741,669	2,686,887	2,682,550	2,682,550	2,682,550	2,682,550	2,682,550	2,682,550	2,682,550	2,682,550
Service and Supplies												
Vehicles:												
Maintenance	59,508	55,699	55,699	55,699	55,699	55,699	55,699	55,699	55,699	55,699	55,699	55,699
Replacement	3,996	-	-	-	-	-	-	-	-	-	-	-
Other	176,361	227,068	187,068	187,068	187,068	187,068	187,068	187,068	187,068	187,068	187,068	187,068
	239,865	282,767	242,767	242,767	242,767	242,767	242,767	242,767	242,767	242,767	242,767	242,767
Subtotal, gross expenditures	2,972,182	3,030,840	2,984,436	2,929,654	2,925,317	2,925,317	2,925,317	2,925,317	2,925,317	2,925,317	2,925,317	2,925,317
Less:												
Interfund reimbursements												
Public Works Administration cost allocation plan	(401,744)	(401,744)	(401,744)	(401,744)	(401,744)	(401,744)	(401,744)	(401,744)	(401,744)	(401,744)	(401,744)	(401,744)
Capital improvement and development projects	(1,281,367)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)	(1,415,127)
	(1,683,111)	(1,816,871)	(1,816,871)	(1,816,871)	(1,816,871)	(1,816,871)	(1,816,871)	(1,816,871)	(1,816,871)	(1,816,871)	(1,816,871)	(1,816,871)
Program revenues												
Engineering	(1,624,827)	(1,235,000)	(1,265,000)	(1,265,000)	(1,265,000)	(1,265,000)	(1,265,000)	(1,265,000)	(1,265,000)	(1,265,000)	(1,265,000)	(1,265,000)
Recycling	(143,800)	(144,000)	(144,000)	(144,000)	(144,000)	(144,000)	(144,000)	(144,000)	(144,000)	(144,000)	(144,000)	(144,000)
	(1,768,627)	(1,379,000)	(1,409,000)	(1,409,000)	(1,409,000)	(1,409,000)	(1,409,000)	(1,409,000)	(1,409,000)	(1,409,000)	(1,409,000)	(1,425,000)
Net Public Works Administration/Engineering/Recycling	(479,556)	(165,031)	(241,435)	(296,217)	(300,554)	(300,554)	(300,554)	(300,554)	(300,554)	(300,554)	(300,554)	(302,623)



PUBLIC WORKS DEPARTMENT MAINTENANCE DIVISION

GOALS:

Public Works Maintenance Division goals are to plan, direct, manage and oversee operations, and provide general administrative direction for its division.

STRUCTURE AND SERVICES:

The Maintenance Division is comprised of a Public Buildings Branch, a Streets Branch, a Traffic Branch, a Grounds and Landscape Maintenance District Branch, a Water Distribution System Branch, a Fleet Branch and a Marina Branch. Funding is provided from the General Fund for the Public Buildings, Streets, Traffic and Grounds Branches. The Public Buildings Branch is responsible for maintaining City buildings and building systems in a safe, functional condition for use by City employees and the public. The Streets & Traffic Branches are responsible for maintaining the City streets, street lighting systems, traffic signals, signs and markings, and right of ways in a safe, usable condition. The Grounds Branch maintains non-residential City street trees and the various landscaped areas upon City properties in a healthy, safe manner.

DEPARTMENT SERVICES:

- The Public Buildings Branch maintains City-owned facilities in a safe, efficient, and cost-effective manner. Maintenance efforts are also extended to facilities funded by the Water Fund, the Transportation Fund, the Marina Fund, and the Redevelopment Agency. The Branch performs a wide variety of building maintenance activities including work on structural, plumbing, electrical, heating, ventilation, air conditioning, underground fueling systems and building systems throughout the City. This Branch is also responsible for managing several contracts associated with building maintenance activities, such as, janitorial service, Heating Ventilation and Air Conditioning service, generator maintenance service, and pest control service.

The Building Branch maintains 15 General Fund buildings (City Hall, Library, Police, Fire and Maintenance Facilities) and 10 other shared or leased buildings.

- The Streets Branch provides preservation and upkeep of streets and managing the City's roads condition and operation of street and road facilities to provide safe, convenient, and economical roadway transportation facilities. The Streets Branch provides street sweeping service, patch paving, crack sealing, and pothole repair on all City streets and water facility access roads. This Branch is also responsible for select aspects of maintenance and repair of sidewalks.

The Streets Branch maintains approximately 681 lane miles of roadway at a Fiscal Year (FY) 2009-10 Pavement Condition Index of 51. After years of limited funding, 28% of City streets are at a Pavement Condition Index of < 25 (Poor" condition).

- The Traffic Branch maintains over 8,000 street lights, 126 traffic Signals over 19,000 street/traffic signs and markings throughout the City as well as a limited amount of Graffiti removal on public areas.
- The Grounds Branch performs grounds maintenance and repair activities in all General Fund funded landscape maintenance areas, including tree maintenance, maintenance



**General Fund 5-Year Business Plan
2010-11 to 2014-15**

**PUBLIC WORKS DEPARTMENT
MAINTENANCE DIVISION**

of improved landscape areas, mowing of lawn areas and open spaces, maintenance of irrigation systems, applying approved chemicals, maintenance of City-owned ponds, and picking up illegally dumped material throughout the City. The Branch provides comprehensive landscape maintenance services to City properties, including public buildings, water pumping and tank sites, street median strips, and other public right of ways throughout the City.

The Grounds Branch maintains the following General Fund assets: 23 parking lots, 22 alleys, 25 medians, 92 rights of way, 15 buildings, 9 open spaces, 5 overpasses, 3 fountains, 1 cemetery, and 53,000 trees.

STREETS MAINTENANCE OF EFFORT:

In previous fiscal years the City of Vallejo received Traffic Congestion Relief Funds (TCRF) for the maintenance of streets throughout the City of Vallejo. In order to receive any allocation of these funds, a city was required to annually expend, from its General Fund for street or road purposes, an amount not less than the average of expenditures from its General Fund during three consecutive Fiscal Years (FY) beginning in FY 1996/1997 as reported to the State Controller in the Annual Street Report. This requirement is commonly referred to as the Maintenance of Effort.

While the state will no longer be providing TCRF allocations to cities, as of June 30, 2010, it will be providing what is currently known as Proposition 42 Replacement funds. The FY 2010-11 allotment of these funds to the City of Vallejo is projected to be \$1,209,194. Based on recent input from the State Controller's office the Maintenance of Effort requirement to retain these funds has not been eliminated.

The City of Vallejo's Maintenance of Effort minimum funding requirement is \$879,120 per year. Failure to comply with this established Maintenance of Effort minimum funding requirement can ultimately result in the City being required to return all Proposition 42 Replacement moneys received and related interest in the fiscal year of non-compliance to the State Controller.

The following five (5) primary General Fund components are used to calculate the City of Vallejo's compliance with the Maintenance of Effort:

VSFCD / VG	\$267,000
Streets Branch	\$297,912
Grounds Branch	\$154,085
Traffic Control Branch	\$203,405
GF LMD Branch	<u>\$ 76,500</u>
Total	\$998,902

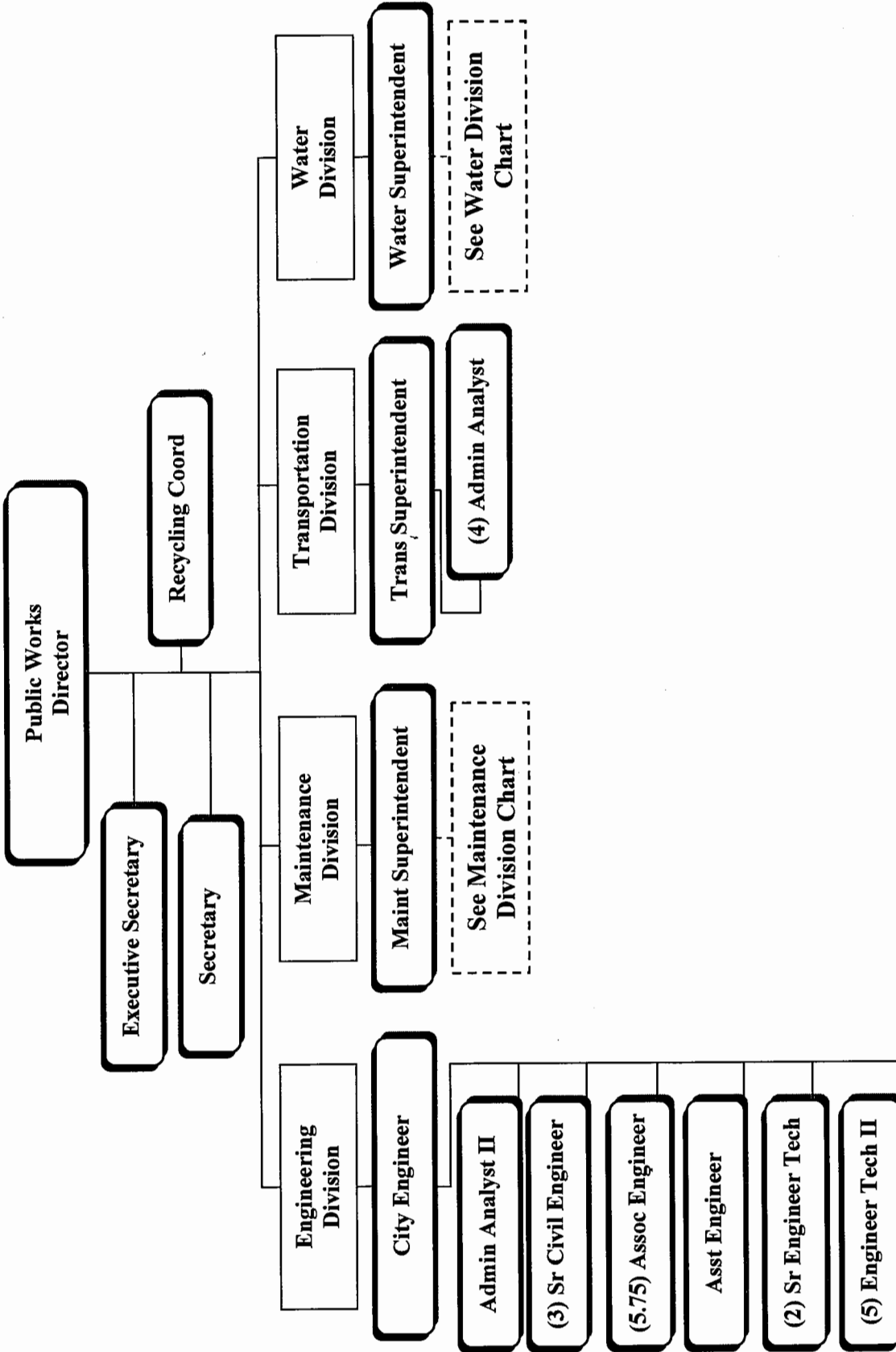
As reflected by the above information, the FY 2010-11 General Fund Budget allows the City to become very vulnerable as it relates to meeting its qualifying Maintenance of Effort. This budget of \$998,902 is within \$119,782 of this sensitive threshold. Failure to execute this budget or further reductions in any of the above categories could cause an additional financial stress on the City's budget if we fail to meet this funding requirement and repayment becomes necessary.



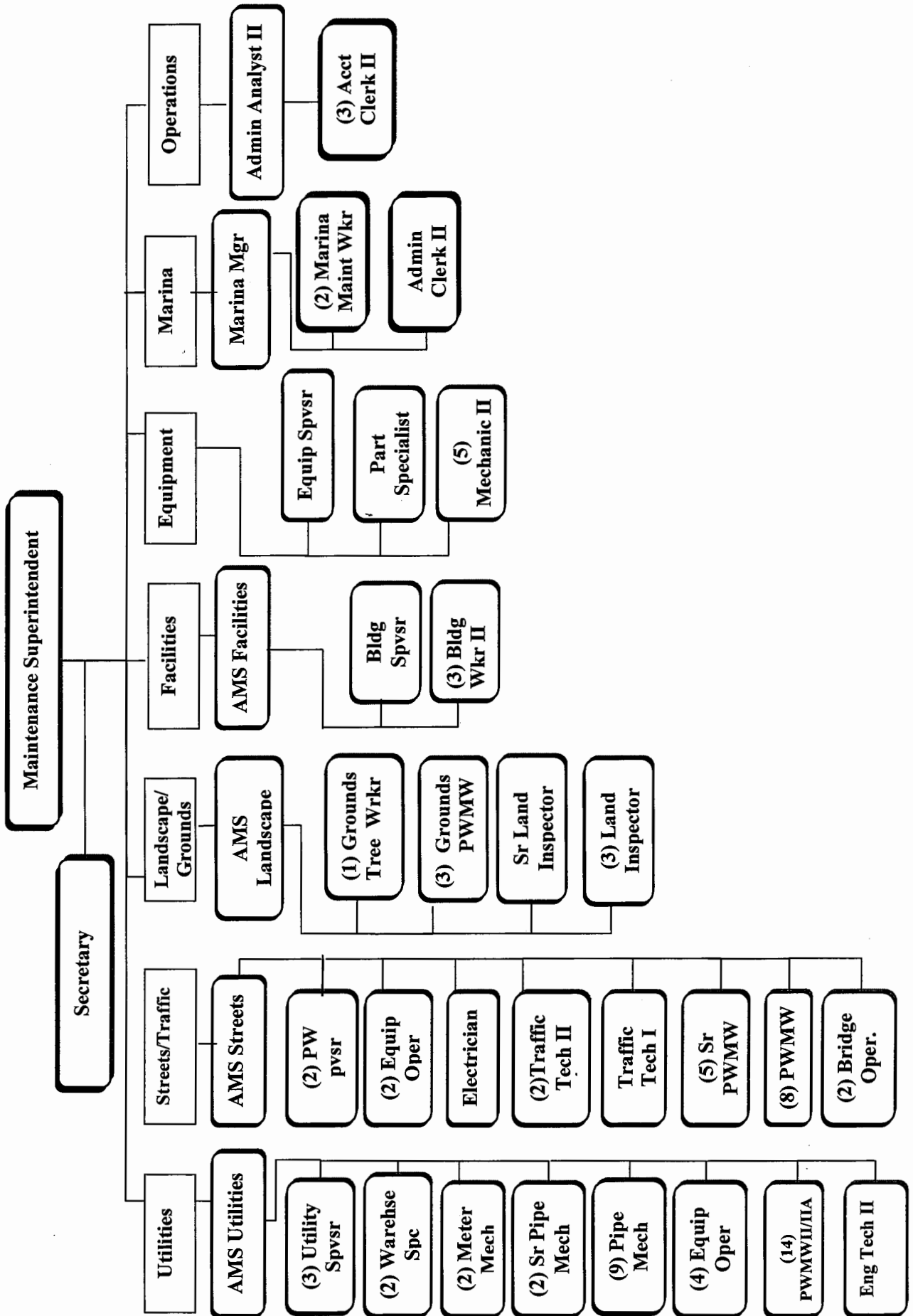
General Fund 5-Year Business Plan
Public Works: Maintenance Division
 Fiscal Years 2010-11 to 2014-15

	FY 09-10 Unaudited A	FY 10-11 Projected B	FY 11-12 Projected C	FY 12-13 Projected D	FY 13-14 Projected E	FY 14-15 Projected F
Gross Expenditures						
Salaries and Benefits		2,292,876	2,292,239	2,322,373	2,306,817	2,305,423
Salaries		1,083,019	1,074,518	942,520	945,473	969,276
Benefits		3,375,895	3,366,757	3,264,893	3,252,290	3,274,699
Service and Supplies						
Vehicles:						
Maintenance	297,648	275,408	275,408	275,408	275,408	275,408
Replacement	34,704	88,200	88,200	88,200	88,200	88,200
Admin/Building Maintenance	434,508	531,000	484,000	484,000	484,000	484,000
Streets	109,974	101,500	101,500	101,500	101,500	101,500
Grounds	145,695	94,400	94,400	94,400	94,400	94,400
Traffic signs/signals	21,845	44,500	44,500	44,500	44,500	44,500
Library	56,457	47,300	47,300	47,300	47,300	47,300
Landscape	80,003	92,388	92,388	92,388	92,388	92,388
	<u>1,180,834</u>	<u>1,274,696</u>	<u>1,227,696</u>	<u>1,227,696</u>	<u>1,227,696</u>	<u>1,228,696</u>
Subtotal, gross expenditures	4,417,801	4,650,591	4,594,453	4,492,589	4,479,986	4,503,395
Less:						
Interfund reimbursements						
Mare Island CFD Fund	(266,754)	(229,652)	(229,652)	(229,652)	(229,652)	(229,652)
Gas Tax Fund	(967,405)	(1,168,735)	(1,168,735)	(1,168,735)	(1,168,735)	(1,168,735)
LMD Funds	(22,698)	(15,855)	(15,855)	(15,855)	(15,855)	(15,855)
Water Fund	(988,264)	(936,692)	(936,692)	(936,692)	(936,692)	(936,692)
Corp Shop Fund	(38,136)	(36,742)	(36,742)	(36,742)	(36,742)	(36,742)
Marina Fund	(39,403)	(45,037)	(45,037)	(45,037)	(45,037)	(45,037)
Other	(416,933)	(308,915)	(308,915)	(308,915)	(308,915)	(308,915)
	<u>(2,739,593)</u>	<u>(2,741,628)</u>	<u>(2,741,628)</u>	<u>(2,741,628)</u>	<u>(2,741,628)</u>	<u>(2,741,628)</u>
Program revenues						
Vallejo Gargage - Illegal Dumping	(106,000)	(106,000)	(106,000)	(106,000)	(106,000)	(106,000)
Special events/other	(100,196)	(93,000)	(85,000)	(85,000)	(85,000)	(85,000)
	<u>(206,196)</u>	<u>(199,000)</u>	<u>(191,000)</u>	<u>(191,000)</u>	<u>(191,000)</u>	<u>(191,000)</u>
Net Public Works Maintenance Division Budget	<u>1,472,012</u>	<u>1,709,963</u>	<u>1,661,825</u>	<u>1,559,961</u>	<u>1,547,358</u>	<u>1,570,767</u>

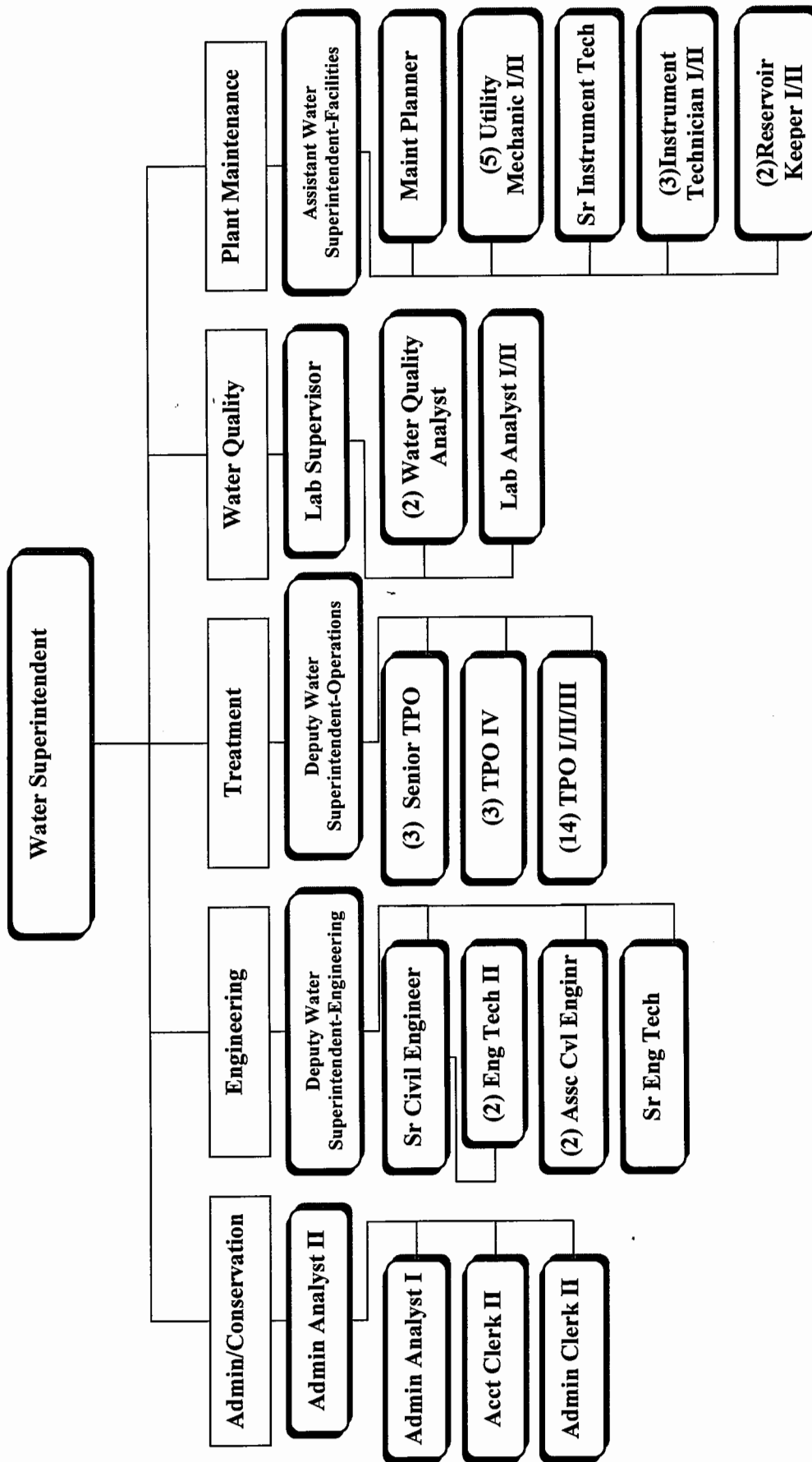
Public Works Department



Maintenance Division



Water Division



PUBLIC WORKS
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
GENERAL FUND:										
ADMINISTRATION & ENGINEERING										
Public Works Director	0.20	0.20	0.20	0.20	1.00	1.00	1.00	1.00	-	1.00
Executive Secretary	0.44	0.44	0.38	0.38	1.00	1.00	1.00	1.00	-	1.00
Assistant PW Director/City Engineer	0.95	0.95	0.95	0.95	1.00	1.00	1.00	1.00	-	1.00
Assistant City Engineer	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Administrative Analyst II	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	-	1.00
Senior Civil Engineer	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	3.00
Associate Eng/Associate Civil Engineer	6.00	4.75	4.75	6.75	5.75	5.75	5.75	5.75	-	5.75
Assistant Eng/Asst. Civil Eng/Sr. Eng Tech	5.00	4.00	5.00	3.00	3.00	3.00	3.00	3.00	-	3.00
Engineering Technician I (Traffic)	1.00	-	-	-	-	-	-	-	-	-
Engineering Technician I	1.00	-	-	-	-	-	-	-	-	-
Engineering Technician II	3.00	3.00	4.00	6.00	5.00	5.00	5.00	5.00	-	5.00
Senior Construction Inspector	1.00	-	-	-	-	-	-	-	-	-
Construction Inspector	0.00	-	-	-	-	-	-	-	-	-
Info Systems Support Technician	1.00	1.00	-	-	-	-	-	-	-	-
Senior Administrative Clerk	0.00	-	-	-	-	-	-	-	-	-
Secretary	0.00	-	0.25	0.25	1.00	1.00	1.00	1.00	-	1.00
Total, Administration & Engineering	24.49	19.24	20.43	22.43	21.75	21.75	21.75	21.75	-	21.75
MAINTENANCE DIVISION										
MAINTENANCE ADMINISTRATION										
Maintenance Superintendent	1.00	1.00	0.90	1.00	1.00	1.00	1.00	1.00	-	1.00
Assistant Maintenance Superintendent	0.25	0.25	-	-	-	-	-	-	-	-
Secretary	1.00	1.00	0.90	0.90	0.90	0.90	0.90	0.90	-	0.90
Account Clerk	1.75	1.75	-	-	-	-	-	-	-	-
Administrative Analyst II	0.00	-	-	-	-	-	0.40	0.40	-	0.40
Customer Service Rep.	0.00	-	-	1.00	1.00	-	-	-	-	-
Total, Maintenance Administration	4.00	4.00	1.80	2.90	2.90	2.30	2.30	2.30	-	2.30
PUBLIC BUILDINGS										
Assistant Maintenance Superintendent	0.50	0.50	0.75	0.40	0.40	1.00	1.00	1.00	-	1.00
Building Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Building Maintenance Worker	4.00	2.50	3.00	3.00	3.00	3.00	3.00	3.00	-	3.00
Accounting Clerk II	0.00	-	-	0.50	0.50	0.50	0.50	0.50	-	0.50
Total, Public Buildings	5.50	4.00	4.75	4.90	4.90	5.50	5.50	5.50	-	5.50
STREETS										
Deputy Maintenance Superintendent	0.50	-	-	0.40	0.45	0.50	0.50	0.50	-	0.50
Assistant Maintenance Superintendent	0.45	0.50	0.50	-	-	-	-	0.50	-	0.50
Public Works Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Senior Public Works Maintenance Worker	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	2.00
Heavy Equipment Operator	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	2.00
Public Works Maintenance Worker	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	-	7.00
Accounting Clerk II	0.00	-	-	0.75	0.75	0.25	0.25	0.25	-	0.25
Total, Streets	13.95	12.50	12.50	13.15	13.20	12.75	12.75	12.75	-	12.75

**PUBLIC WORKS
PERSONNEL SUMMARY**

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
TRAFFIC SIGNS & SIGNALS										
Deputy Maintenance Superintendent	0.00	-	-	0.40	0.45	0.50	0.50	-	-	-
Assistant Maintenance Superintendent	0.45	0.45	0.45	-	-	-	-	0.50	-	0.50
Public Works Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Electrician/Traffic & Lighting Tech II	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	3.00
Senior Public Works Maintenance Worker	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	-	3.00
Public Works Maintenance Worker	0.00	-	-	-	-	1.00	1.00	1.00	-	1.00
Traffic & Lighting Tech I	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Accounting Clerk II	0.00	-	-	-	-	0.25	0.25	0.25	-	0.25
	9.45	9.45	9.45	9.40	9.45	9.75	9.75	9.75	-	9.75
GROUPS										
Assistant Maintenance Superintendent	0.45	0.45	0.45	0.50	0.25	0.25	0.25	0.25	-	0.25
Deputy Maintenance Superintendent	0.00	-	-	0.10	-	-	-	-	-	-
Public Works Supervisor	1.00	1.00	1.00	1.00	0.50	-	-	-	-	-
Landscaping Maintenance Manager	0.00	-	0.50	0.50	0.25	-	-	-	-	-
Landscape Inspector	0.00	-	-	-	-	0.75	0.75	0.75	-	0.75
Tree Maintenance Workers	3.00	3.00	3.00	3.00	1.00	1.00	1.00	1.00	-	1.00
Public Works Maintenance Worker	6.00	5.00	5.00	5.00	3.00	3.00	3.00	3.00	-	3.00
Accounting Clerk II	0.00	-	-	-	-	0.25	0.25	0.25	-	0.25
	10.45	9.45	9.95	10.10	5.00	5.25	5.25	5.25	-	5.25
Total, Maintenance	43.35	39.40	38.45	40.45	35.45	35.55	35.55	35.55	-	35.55
RECYCLING PROGRAM										
Public Works Director	0.00	-	-	-	-	-	-	-	-	-
Administrative Analyst I/II	0.00	-	-	-	1.00 a)	1.00	1.00	1.00	-	1.00
Executive Secretary	0.00	-	-	-	-	-	-	-	-	-
Total Recycling Program	0.00	-	-	-	1.00	1.00	1.00	1.00	-	1.00
Total Public Works (General Fund)	67.84	58.64	58.88	62.88	58.20	58.30	58.30	58.30	-	58.30

a) Administrative Analyst I/II - Position transferred from Solid Waste Fund

**PUBLIC WORKS
PERSONNEL SUMMARY**

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
SOLID WASTE Fund 135 (a)										
Director	0.00	-	0.05	0.05	-	-	-	-	-	-
CAMP	0.10	0.25	0.10	0.10	-	-	-	-	-	-
Administrative Analyst II	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Administrative Analyst I	0.05	0.05	0.05	0.05	-	-	-	-	-	-
Executive Secretary										
Total Solid Waste	1.15	1.30	1.20	1.20	-	-	-	-	-	-
MARE ISLAND COMMUNITY FACILITIES DISTRICT Fund 112										
Assistant Maintenance Superintendent	0.45	0.45	0.45	0.30	0.30	-	-	-	-	-
CAMP	0.00	-	-	-	-	-	0.10	0.10	-	0.10
Administrative Analyst	0.25	0.25	-	-	-	-	-	-	-	-
Account Clerk	0.00	-	-	-	-	0.10	-	-	-	-
Customer Service Representative	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	2.00
Bridge Operator										
Total Mare Island	3.70	2.70	2.45	2.30	2.30	2.10	2.10	2.10	-	2.10
LANDSCAPE MAINT DISTRICTS Fund 161										
Public Works Director	0.05	0.05	0.10	0.10	-	-	-	-	-	-
CAMP	0.00	-	0.10	0.10	0.10	-	-	-	-	-
Deputy Maintenance Superintendent	0.25	0.25	-	-	-	-	-	-	-	-
Transportation Superintendent	0.00	-	0.50	0.50	0.75	0.75	0.75	0.75	-	0.75
Assistant Maintenance Superintendent	0.00	1.00	0.50	0.50	0.75	0.75	1.00	1.00	-	1.00
Landscapes Maintenance Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Sr. Landscape Inspector	1.00	2.00	2.50	3.00	2.50	2.50	2.25	2.25	-	2.25
Landscapes Inspector	0.10	0.10	0.10	0.15	-	-	-	-	-	-
Executive Secretary	0.50	0.50	0.10	0.10	0.10	0.10	0.10	0.10	-	0.10
Secretary	0.00	-	-	0.25	0.25	0.25	0.25	0.25	-	0.25
Accounting Clerk II	0.00	-	-	1.00	1.00	1.00	1.00	1.00	-	1.00
Tree Maintenance Workers	0.00	-	-	-	-	-	-	-	-	-
PW Maintenance Workers	0.00	-	-	2.00	2.00	2.00	2.00	2.00	-	2.00
Total Landscape Maint. Districts	2.90	4.90	4.90	5.70	8.45	7.35	7.35	4.35	-	4.35
MARINA MAINTENANCE Fund 415										
Public Works Director	0.10	0.10	0.10	0.10	-	-	-	-	-	-
CAMP	0.60	0.60	0.60	0.60	0.60	0.60	0.60	1.00	-	1.00
Marina Manager	1.00	1.00	-	-	-	-	-	-	-	-
Sr Marina Maint Attendant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	-	2.00
Marina Maint Attendant	0.10	0.10	0.10	0.10	-	-	-	-	-	-
Executive Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Administrative Clerk III										
Total Marina Maintenance	3.80	3.80	2.80	2.80	2.60	2.60	2.60	4.00	-	4.00

a) Solid Waste Fund positions have been moved to the General Fund and are charged out through the Citywide cost allocation plan

PUBLIC WORKS
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
CORPORATION SHOP Fund 501										
ADMINISTRATION										
Assistant Maintenance Superintendent	1.00	1.00	0.75	0.40	0.40	-	-	-	-	-
Equipment Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Equipment Mechanic I/II	8.00	8.00	8.00	8.00	8.00	7.00	7.00	5.00	-	5.00
Parts Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Administrative Analyst I/II	0.00	-	-	-	-	-	0.50	0.50	-	0.50
Customer Service Representative	0.00	-	-	-	-	0.50	0.50	-	-	0.50
Accounting Clerk II	0.00	-	-	0.50	0.50	0.50	0.50	0.50	-	0.50
	11.00	11.00	10.75	10.90	10.90	10.00	10.00	8.00	-	8.00
MAINTENANCE CUSTOMER SERVICE										
Assistant Maintenance Superintendent	0.25	0.25	0.25	-	-	-	-	-	-	-
Maintenance Planner	0.00	-	-	-	-	-	-	-	-	-
Customer Service Supervisor	1.00	-	1.00	-	-	-	-	-	-	-
Accounting Clerk	0.00	-	-	-	-	-	-	-	-	-
Customer Service Rep	1.00	1.00	1.00	-	-	-	-	-	-	-
Warehouse Specialist	0.00	-	3.00	-	-	-	-	-	-	-
Administrative Clerk	1.00	1.00	-	-	-	-	-	-	-	-
Public Works Maintenance Worker	3.00	3.00	-	-	-	-	-	-	-	-
	6.25	5.25	5.25	-	-	-	-	-	-	-
Total Corporation Shop Fund	17.25	16.25	16.00	10.90	10.90	10.00	10.00	8.00	-	8.00
TOTAL PUBLIC WORKS ADMINISTRATION AND MAINTENANCE										
	96.64	87.59	86.23	85.78	82.45	80.35	80.35	76.75	-	76.75

PUBLIC WORKS
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
WATER FUND:										
WATER ADMIN & ENGINEERING										
Director	0.50	0.50	0.50	0.40	-	-	-	-	-	-
Public Works Director	0.05	0.05	0.05	0.05	-	-	-	-	-	-
City Engineer	0.25	0.24	0.05	0.24	-	-	-	-	-	-
Executive Secretary	1.00	0.00	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Superintendent	1.00	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Water Supt./ Engineering	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Analyst II	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Analyst I	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sr. Civil Engineer	2.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Associate Civil Engineer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sr. Engineering Technician	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineering Technician II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Clerk II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Clerk II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	12.80	10.79	10.55	11.69	12.00	12.00	12.00	12.00	12.00	12.00
SOURCE OPERATIONS										
Reservoir Keeper I/II	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
PUMPING & TREATMENT MAINTENANCE										
Asst. Water Supt./ Facilities Maint.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mechanical Maint. Supervisor	1.00	0.00	-	-	-	-	-	-	-	-
Utility Mechanic I/II	5.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Sr. Instrument Technician	3.00	0.00	-	-	-	-	-	-	-	-
Instrument Technician I/II	1.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Warehouse Specialist	1.00	0.00	1.00	1.00	-	-	-	-	-	-
Maintenance Planner	0.00	0.00	-	-	1.00	1.00	1.00	1.00	1.00	1.00
	11.00	8.00	9.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00
TREATMENT OPERATIONS										
Deputy Water Supt./Operations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Laboratory Chemist	1.00	1.00	1.00	2.00	-	-	-	-	-	-
Water Quality Analyst	0.00	0.00	-	-	2.00	2.00	2.00	2.00	2.00	2.00
Sr. Laboratory Technician	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Laboratory Analyst I/II	0.00	0.00	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Laboratory Technician	1.00	1.00	1.00	-	-	-	-	-	-	-
Sr. Water Treatment Plant Operator	3.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water Treatment Plant Operator (I, II, III, IV)	16.00	16.00	16.00	16.00	16.00	17.00	17.00	17.00	17.00	17.00
Laboratory Supervisor	0.00	0.00	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	23.00	22.00	23.00	24.00	24.00	25.00	25.00	25.00	25.00	25.00

**PUBLIC WORKS
PERSONNEL SUMMARY**

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
WATER FUND:										
DISTRIBUTION MAINT										
Assistant Maintenance Superintendent	0.90	0.90	0.30	0.30	0.90	1.00	0.34	1.00	-	1.00
Utility Supervisor	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Sr. Pipe Mechanic	2.00	1.00	-	1.00	1.00	1.00	2.00	2.00	-	2.00
Pipe Mechanic I/II	13.00	11.00	8.00	6.00	6.00	6.00	5.00	5.00	-	5.00
Sr. Meter Mechanic	1.00	1.00	-	-	-	-	-	-	-	-
Meter Mechanic	2.00	2.00	-	-	-	-	-	-	-	-
Heavy Equipment Operator	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	-	4.00
Public Works Maintenance Worker	7.00	9.00	6.00	7.00	7.00	7.00	7.00	7.00	-	7.00
Warehouse Specialist	0.00	0.00	-	2.00	2.00	2.00	2.00	2.00	-	2.00
Accounting Clerk II	0.00	0.00	-	-	1.00	1.00	1.00	1.00	-	1.00
Engineering Technician II	0.00	0.00	-	-	-	1.00	1.00	1.00	-	1.00
	31.90	30.90	19.30	21.30	22.90	24.00	23.34	24.00	-	24.00
WAREHOUSE OPERATIONS										
Assistant Maintenance Superintendent	0.25	0.25	-	-	-	-	-	-	-	-
Warehouse Supervisor	1.00	0.00	-	-	-	-	-	-	-	-
Warehouse Specialist	1.00	1.00	-	-	-	-	-	-	-	-
(No longer in Water Fund as of FY05-06.)	2.25	1.25	-	-	-	-	-	-	-	-
PREVENTIVE MAINTENANCE										
Assistant Maintenance Superintendent	0.00	0.00	0.30	0.30	-	-	0.33	-	-	-
Utility Supervisor	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Sr. Pipe Mechanic	0.00	0.00	1.00	1.00	1.00	1.00	-	-	-	-
Pipe Mechanic I/II	0.00	0.00	3.00	3.00	3.00	3.00	4.00	4.00	-	4.00
Public Works Maintenance Worker	0.00	0.00	3.00	3.00	3.00	3.00	3.00	4.00	-	4.00
(Before FY05-06 included in Distribution Maint.)	0.00	0.00	8.30	8.30	8.00	8.00	8.33	9.00	-	9.00
METER MAINTENANCE										
Assistance Maintenance Superintendent	0.00	0.00	0.30	0.30	-	-	0.33	-	-	-
Utility Supervisor	0.00	0.00	-	1.00	1.00	1.00	1.00	1.00	-	1.00
Sr. Meter Mechanic	0.00	0.00	1.00	1.00	-	-	-	-	-	-
Meter Mechanic	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	-	2.00
Public Works Maintenance Worker	0.00	0.00	2.00	2.00	2.00	2.00	2.00	3.00	-	3.00
(Before FY05-06 included in Distribution Maint.)	0.00	0.00	5.30	5.30	5.00	5.00	5.33	6.00	-	6.00
Subtotal Water Fund	82.95	74.94	77.45	82.59	84.90	87.00	87.00	89.00	-	89.00
FOR METER READING & WATER BILLING										
See Finance Department										
TRANSPORTATION:										
Director	0.15	0.15	0.15	0.15	-	-	-	-	-	-
Transportation Program Superintendent	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Administrative Analyst I/II	1.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	-	4.00
Associate Trans Analyst	1.00	1.00	1.00	-	-	-	-	-	-	-
Executive Secretary	0.08	0.08	0.08	0.08	-	-	-	-	-	-
Secretary	0.75	0.75	0.75	0.75	-	-	-	-	-	-
Subtotal Transportation	3.73	5.73	5.98	5.98	5.00	5.00	5.00	5.00	-	5.00
TOTAL DEPARTMENT	183.32	168.26	169.66	174.35	172.35	172.35	172.35	170.75	-	170.75



General Fund 5-Year Business Plan
2010-11 to 2014-15

Programs

Administration Departments



General Fund 5-Year Business Plan 2010-11 to 2014-15

ADMINISTRATION

GOALS

Provide for the efficient administration of the City of Vallejo.

STRUCTURE AND SERVICES

The City Administration consists of the following departments: Legislative, Executive, City Attorney, Finance, and Human Resources.

DEPARTMENT SERVICES

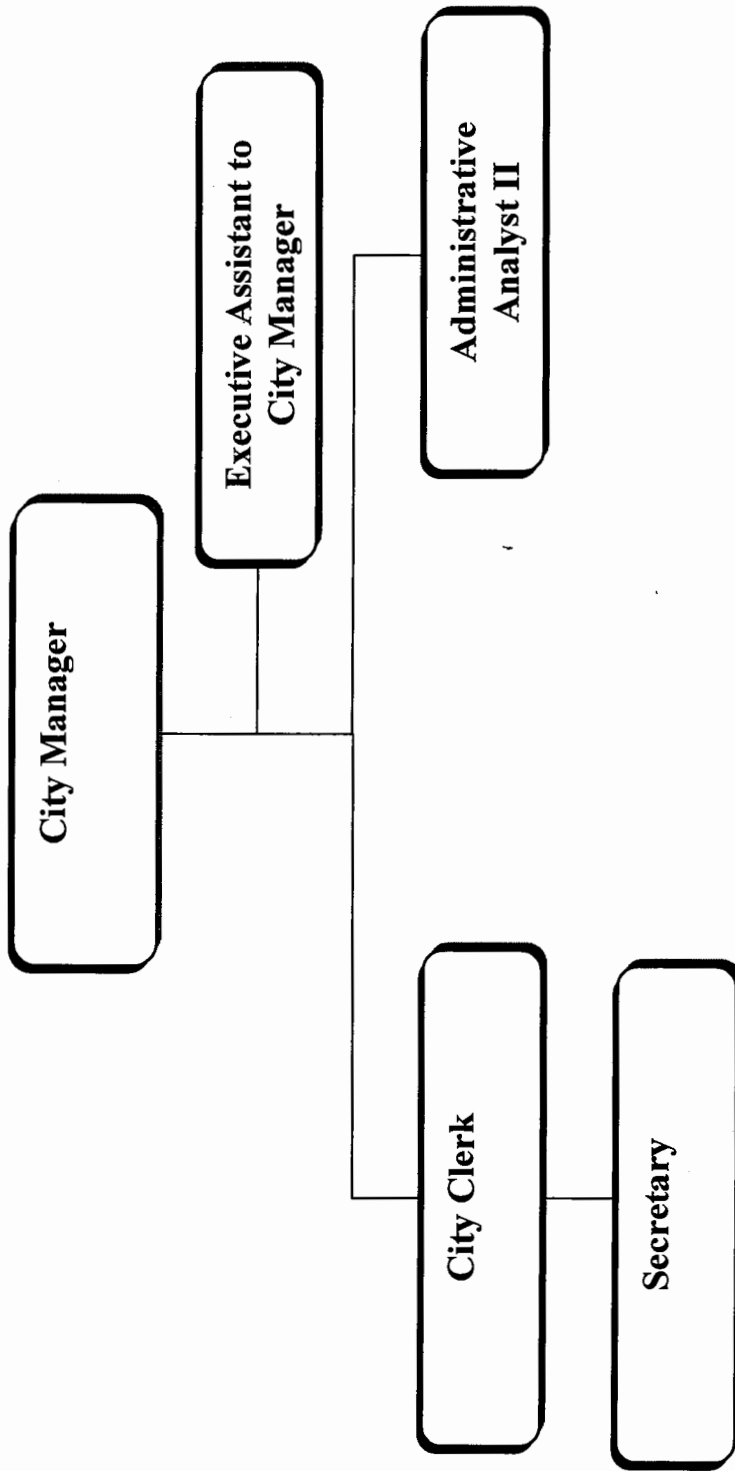
- **Legislative:** Develops legislation and policies to direct the City.
- **Executive:** Recommends policy, program and budget priorities to the City Council. The City Manager is appointed by the Council and serves as the chief administrative officer of the City and is responsible for implementation of Council policies, administration of City affairs, day-to-day operations, and for appointing the Assistant City Manager and the Directors of the City's departments and overseeing all City personnel and all municipal operations.
- **City Attorney:** Renders legal opinions on various issues. Coordinates Public Records Act and other documentary requests, as well as coordinates grand jury reports. Creates, drafts, negotiates, and/or reviews various agreements, memorandums of understanding, leases, deeds and other contract documents. Provides legal representation upon the filing of a claim or lawsuit. Makes court appearances, and handles settlement agreements. Advises the City Council during its weekly meetings. Staffs and advises the Planning Commission, the Civil Service Commission and Charter Review Committee. Provides legal advice to elected and appointed officials. Reviews agenda for weekly City Council meetings for statutory compliance. Reviews resolutions, amendments and staff reports and recommendations presented to the City Council, Commissions and Committees.
- **Finance:** Manages and coordinates various functions of the Finance Department including: Financial analysis, cash management and investment, debt administration, general accounting, financial reporting/audit, budgeting, accounts payable, payroll, cashier/utility billing, business license, information technology, risk management, and workers' compensation. Manages and participates in development and administration of the overall City budget. Develops revenue and expenditure projections and coordinates with other City departments on the development of operating and capital budgets. Develops and maintains a long-term banking, investment, and debt management structure. Participates in group projects and the administration of special projects and analysis. Purchases all insurance, and monitors third party liability and workers' compensation claims. Provides Citywide IT operations. Services include: desktop support, server support, applications support, telecommunications, network security, and public broadcasting.
- **Human Resources:** Coordinates training programs for employees, supervisors and managers. Processes personnel actions such as promotions, name changes, etc. Maintains personnel files. Provides assistance and guidance on addressing performance and conduct problems. Completes paperwork to process new hires, including providing information on benefit options. Manages Americans with Disabilities Act (ADA) program. Interprets and applies state and federal statutes. Conducts open enrollment and fields questions from employees about various benefit programs. Processes grievances and conducts meet and confers with labor organizations.



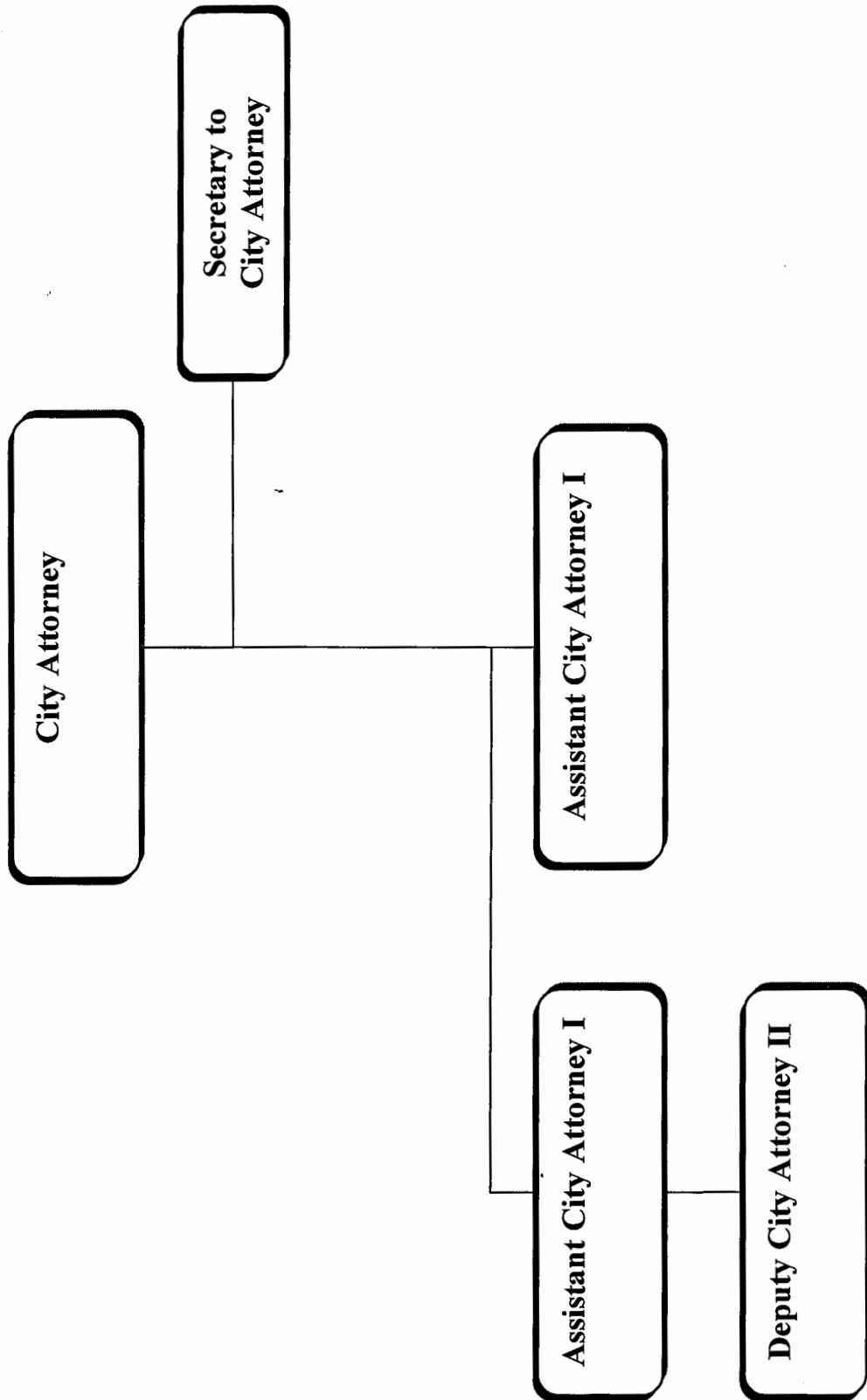
General Fund 5-Year Business Plan
Administration
 Fiscal Years 2010-11 to 2014-15

	FY 09-10 Unaudited A	FY 10-11 Projected B	FY 11-12 Projected C	FY 12-13 Projected D	FY 13-14 Projected E	FY 14-15 Projected F
Gross Expenditures						
Salaries and Benefits						
Salaries		3,438,286	3,425,929	3,432,122	3,408,353	3,408,352
Overtime		5,100	5,100	5,100	5,100	5,100
Benefits		1,273,323	1,256,192	1,231,181	1,145,316	1,169,626
	<u>4,556,150</u>	<u>4,716,709</u>	<u>4,687,221</u>	<u>4,668,403</u>	<u>4,558,769</u>	<u>4,583,078</u>
Service and Supplies						
City Council	5,652	8,261	8,261	8,261	8,261	8,261
Boards and Commissions	5,478	16,500	16,500	16,500	16,500	16,500
City Manager	472,945	173,000	173,000	173,000	173,000	173,000
City Clerk	129,923	59,000	59,000	59,000	59,000	59,000
City Attorney	295,735	332,300	332,300	332,300	332,300	332,300
Finance - Admin/Accounting	304,177	271,000	271,000	271,000	271,000	271,000
Finance - Commercial Services	23,987	27,450	27,450	27,450	27,450	27,450
Finance - Information Technology	656,174	743,136	693,136	693,136	693,136	693,136
Human Resources	507,379	482,536	482,536	482,536	482,536	482,536
	<u>2,401,450</u>	<u>2,113,183</u>	<u>2,063,183</u>	<u>2,063,183</u>	<u>2,063,183</u>	<u>2,063,183</u>
Subtotal, gross expenditures	<u>6,957,600</u>	<u>6,829,892</u>	<u>6,750,404</u>	<u>6,731,586</u>	<u>6,621,952</u>	<u>6,646,261</u>
Less:						
Interfund reimbursements						
Administrative cost allocation plan	(3,248,420)	(3,150,125)	(3,150,125)	(3,150,125)	(3,150,125)	(3,150,125)
	<u>(3,248,420)</u>	<u>(3,150,125)</u>	<u>(3,150,125)</u>	<u>(3,150,125)</u>	<u>(3,150,125)</u>	<u>(3,150,125)</u>
Program revenues						
None	-	-	-	-	-	-
	<u>3,709,180</u>	<u>3,679,767</u>	<u>3,600,279</u>	<u>3,581,461</u>	<u>3,471,827</u>	<u>3,496,136</u>
Net Administration Budget						

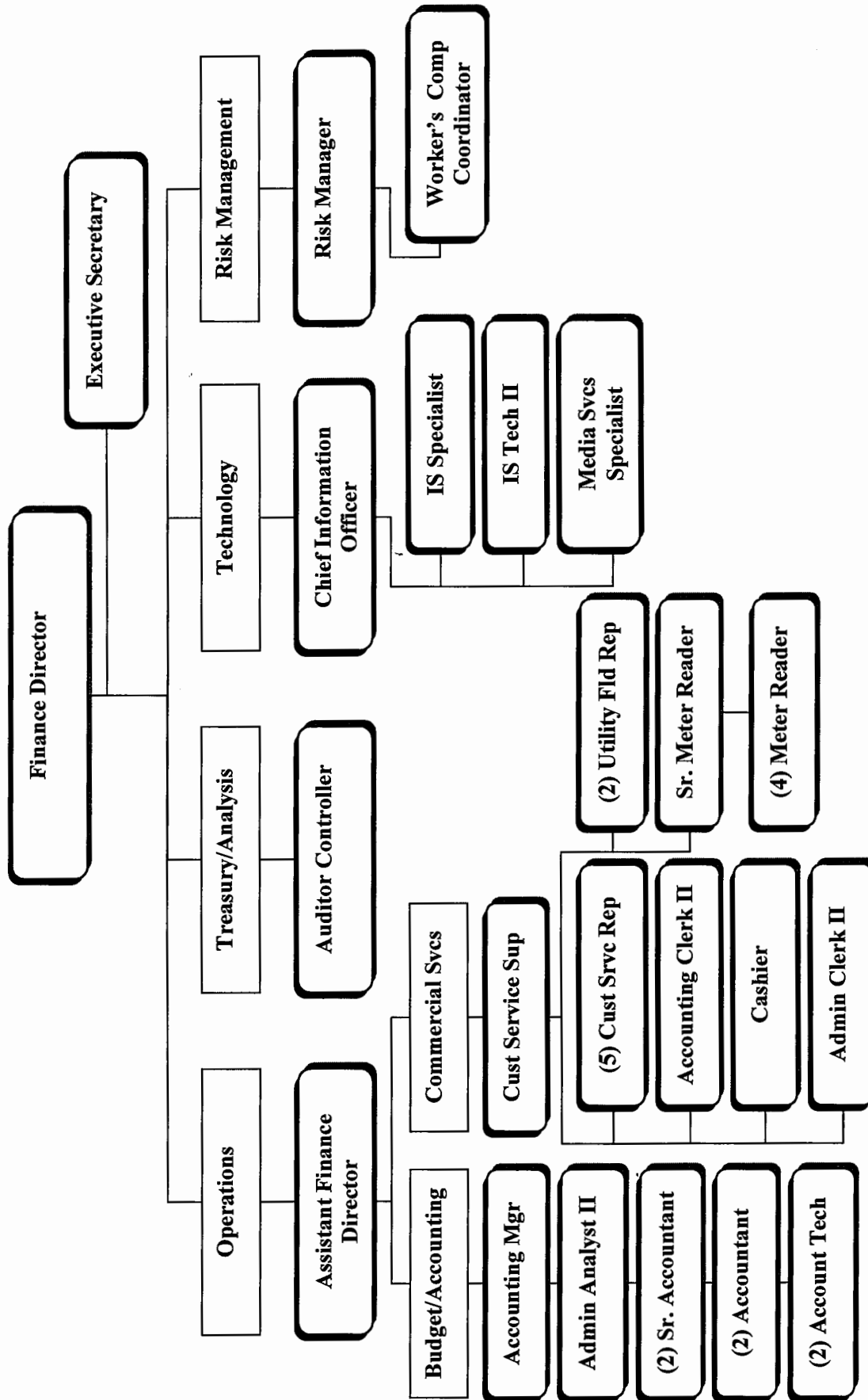
Executive Department



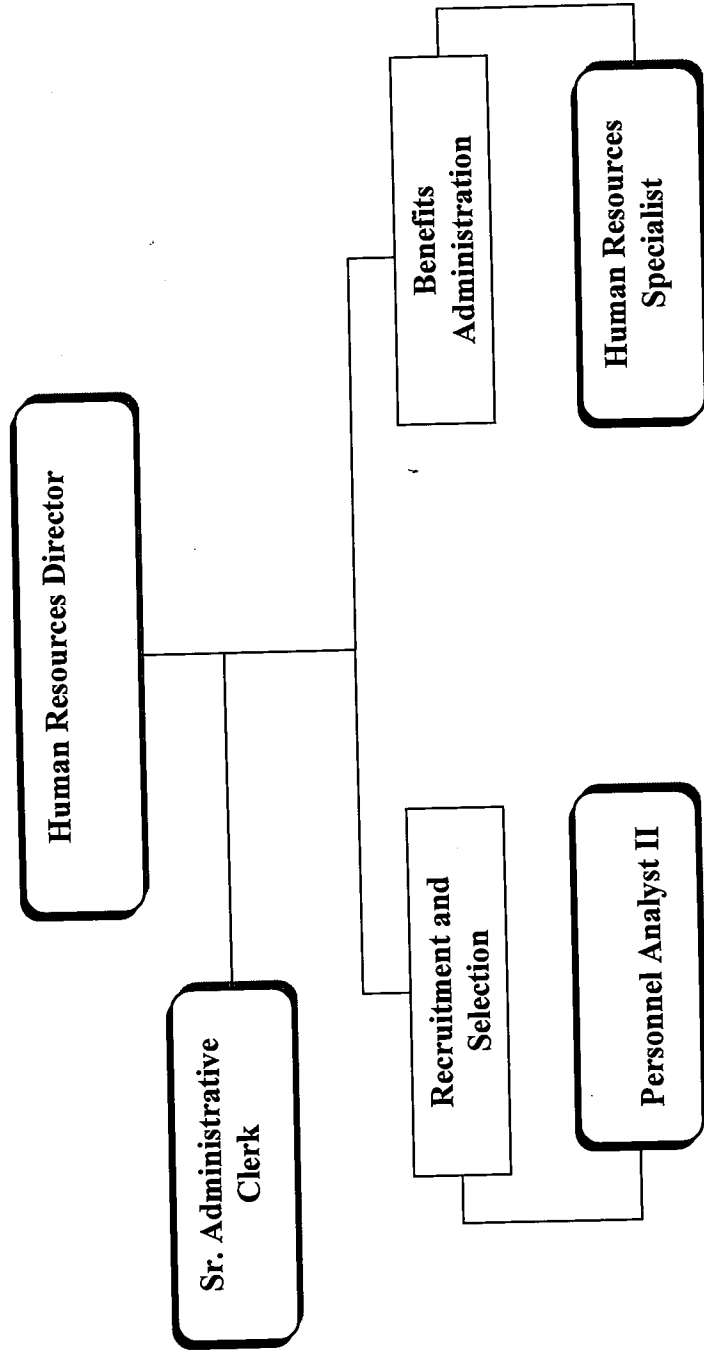
City Attorney's Office



Finance Department



Human Resources Department



LEGISLATIVE, EXECUTIVE AND LEGAL DEPARTMENTS
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
	Approved	Approved	Approved	Approved	Amended	Amended	Amended			
GENERAL FUND:										
LEGISLATIVE										
MAYOR & COUNCIL										
Mayor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Council	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	-	6.00
Executive Assistant to Mayor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Total Legislative	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-	8.00
EXECUTIVE										
CITY MANAGER										
City Mgr	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Assistant City Manager	1.00	1.00	-	-	-	-	-	-	-	-
Executive Assistant to City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Administrative Analyst (PIO)	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Administrative Analyst	0.00	-	-	-	-	-	-	-	-	-
Administrative Clerk II	1.00	1.00	1.00	1.00	-	-	-	-	-	1.00
Tech. Services Media Coordinator	1.00	1.00 b)	-	-	-	-	-	-	-	-
	6.00	6.00	4.00	4.00	2.00	2.00	3.00	3.00	-	3.00
CITY CLERK										
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Deputy City Clerk	0.00	-	-	-	-	-	-	-	-	-
Administrative Clerk II	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Records Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
	4.00	4.00	4.00	4.00	3.00	3.00	2.00	2.00	-	2.00
Total Executive	10.00	10.00	8.00	8.00	5.00	5.00	5.00	5.00	-	5.00
LEGAL										
CITY ATTORNEY										
City Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Asst. City Attorney I / II	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	-	2.00
Deputy City Attorney I / II	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Secretary to City Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Legal Secretary	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	-	5.00
Total Legal	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	-	5.00
TOTAL LEGISLATIVE, EXECUTIVE AND LEGAL	24.00	24.00	22.00	22.00	19.00	18.00	18.00	18.00	-	18.00

a) Administrative Analyst - position transferred from Community Development
b) Tech Services Media Coordinator position transferred to Finance

FINANCE DEPARTMENT
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
GENERAL FUND:										
ACCOUNTING										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Assistant Finance Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Auditor Controller	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Accounting Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Administrative Analyst II	-	-	-	-	1.00 a)	1.00	1.00	1.00	-	1.00
Senior Accountant/Budget Analyst	2.00	2.00	3.00	3.00	3.00	3.00	2.00	2.00	-	2.00
Accountant	1.50	1.50	1.50	1.50	2.00 b)	2.00	3.00	2.00	-	2.00
Executive Secretary	1.00	1.00	-	-	-	1.00	1.00	1.00	-	1.00
Secretary	-	-	-	-	-	-	-	-	-	-
Accounting Technician	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	-	2.00
Administrative Clerk II	1.00	0.50	0.50	0.50	-	-	-	-	-	-
Accounting Clerk II	1.00	1.00	-	-	-	-	-	-	-	-
	12.50	11.00	11.00	11.00	13.00	13.00	13.00	12.00	-	12.00
COMMERCIAL SERVICES										
Customer Service Supervisor	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Accounting Clerk II	-	-	-	-	1.00	1.00	1.00	1.00	-	1.00
Revenue Collection Technician	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Administrative Clerk II	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
	2.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	-	2.00
INFORMATION TECHNOLOGY										
Chief Information Officer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Information Services Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Information Support Technician II	1.00	1.00	1.00	2.00	2.00	1.00	1.00	1.00	-	1.00
Technical Services Media Coordinator	-	-	1.00 c)	1.00	1.00	1.00	1.00	1.00	-	1.00
	3.00	3.00	4.00	5.00	5.00	4.00	4.00	4.00	-	4.00
CENTRALIZED PURCHASING										
Purchasing Manager	1.00	-	-	-	-	-	-	-	-	-
Buyer	1.00	-	-	-	-	-	-	-	-	-
Administrative Clerk II	0.50	-	-	-	-	-	-	-	-	-
	2.50	-	-	-	-	-	-	-	-	-
Subtotal, General Fund	20.00	17.00	18.00	19.00	20.00	19.00	19.00	18.00	-	18.00

a) Administrative Analyst II - position transferred from Fire
 b) Accountant - 0.5 position transferred from Water Fund
 c) Technical Services Media Coordinator - position transferred from City Manager's Office

FINANCE DEPARTMENT
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
WATER Fund 401:										
WATER BILLING & COLLECTION										
Customer Service Supervisor					1.00	1.00	1.00	1.00	-	1.00
Customer Service Representative	3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00	-	5.00
Accountant	0.50	0.50	0.50	0.50	-	-	-	-	-	-
Accounting Clerk II	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Cashier	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
	5.50	5.50	6.50	6.50	7.00	7.00	7.00	7.00	-	7.00
WATER METER READING										
Meter Reader	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	-	4.00
Sr.Meter Reader	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Utility Field Representative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	2.00
	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	-	7.00
	11.50	11.50	12.50	12.50	14.00	14.00	14.00	14.00	-	14.00
RISK MANAGEMENT Fund 505										
Risk Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Worker's Compensation Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Administrative Clerk II	-	0.50	0.50	0.50	-	-	-	-	-	-
	2.00	2.50	2.50	2.50	2.00	2.00	2.00	2.00	-	2.00
	33.50	31.00	33.00	34.00	36.00	35.00	35.00	34.00	-	34.00
TOTAL DEPARTMENT										

HUMAN RESOURCES
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Amended 11-17-09	Adopted Authorized Staffing	November 2010 Updates	Adjusted Authorized Staffing
GENERAL FUND:											
HUMAN RESOURCES											
Director	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
HR Operations Manager	-	1.00	1.00	1.00	1.00	-	-	-	-	-	-
HR Program Manager	2.00	-	-	-	-	-	-	-	-	-	-
Senior Personnel Analyst	-	1.00	1.00	1.00	-	-	-	-	-	-	-
Personnel Analyst I/II	3.00	3.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Executive Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
Personnel Technician	2.00	2.00	0.50	1.00	1.00	1.00	1.00	1.00	-	-	-
HR Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00
	10.00	9.00	7.50	8.00	6.00	4.00	4.00	4.00	4.00	-	4.00
TOTAL DEPARTMENT											



**General Fund 5-Year Business Plan
2010-11 to 2014-15**

Programs

Non-Departmental



General Fund 5-Year Business Plan
Non-Department
 Fiscal Years 2010-11 to 2014-15

	FY 09-10 Unaudited A	FY 10-11 Projected B	FY 11-12 Projected C	FY 12-13 Projected D	FY 13-14 Projected E	FY 14-15 Projected F
Gross Expenditures						
Salaries and Benefits	-	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Cross-department vacancy assumption	-	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Service and Supplies						
Animal control/sheltering	800,965	825,000	875,000	875,000	875,000	875,000
Utilities and water	473,012	492,000	492,000	492,000	492,000	492,000
Property tax administration (County)	433,755	425,000	450,000	450,000	450,000	450,000
PC replacement & licensing	126,936	225,000	100,000	100,000	100,000	100,000
Bank fees	117,857	120,000	120,000	120,000	120,000	120,000
Dues/publications	25,288	74,000	106,000	106,000	106,000	106,000
Elections and tax measure consultants	362,883	200,000	100,000	-	100,000	-
Other	573,827	655,284	526,039	526,039	526,039	526,039
Bankruptcy consultants	2,154,498	1,300,000	500,000	-	-	-
	<u>5,069,021</u>	<u>4,316,284</u>	<u>3,269,039</u>	<u>2,669,039</u>	<u>2,769,039</u>	<u>2,669,039</u>
Subtotal, gross expenditures	5,069,021	3,816,284	2,769,039	2,169,039	2,269,039	2,169,039
Less:						
Interfund reimbursements	(121,051)	(121,051)	(121,051)	28,949	153,949	153,949
Administrative cost allocation plan	(121,051)	(121,051)	(121,051)	28,949	153,949	153,949
Program revenues	-	-	-	-	-	-
None	-	-	-	-	-	-
	<u>4,947,970</u>	<u>3,695,233</u>	<u>2,647,988</u>	<u>2,197,988</u>	<u>2,422,988</u>	<u>2,322,988</u>
Net Non-department Budget						



Service, Supplies, and Non-salary Expenditures by Department

Fiscal Year 2010-11

	Administration										Total	
	Police	Fire	Public Works	Community Development	Legislative/ Executive/ Legal	Finance	Human Resources	Non-Department				
Vehicles												
Maintenance	\$ 941,580	\$ 364,537	\$ 331,107	\$ 54,801		\$	936	\$	18,105	\$	1,711,066	
Replacement	533,220	285,900	88,200	5,400					57,280		950,000	
Subtotal, Vehicles	1,474,800	630,437	419,307	60,201	-	-	936	-	75,385	-	2,661,066	
Utilities (Gas, Electric, Water, Phone)	369,000	223,000	266,100	20,975	23,761	101,086	5,500		492,000		1,501,422	
Professional Services												
Crime Laboratory Analysis	234,800	3,000									237,800	
Paramedic Program		30,000									30,000	
Physical Fitness Program		48,000									48,000	
City Hall Security			25,000								25,000	
Asset Management Program				15,000							15,000	
Marketing Partner/ Small Business Assistance				40,000							40,000	
Plan Check				135,000							135,000	
Contract Services				20,000							20,000	
Contract Services- Cafeteria Plan				5,410			150,000				150,000	
City of Fairfield (Tri-City contribution)					133,000						133,000	
Consultants (Grants, Technical studies)					265,000						265,000	
Legal Fees, incl Labor Negotiations							20,000				20,000	
Software Maintenance and renewal fees			47,000			258,300				145,000	474,800	
IT support services						100,000					100,000	
Annual Financial Audit						90,000					90,000	
Revenue Consultants (Property, Sales Franchise, UUT)						100,320					100,320	
Cost Allocation Plan/ SB 90						36,000					36,000	
Actuary (GASB 45)						14,680					14,680	
Hardware Maintenance						51,000					51,000	
Network Integrators and VARS on-site						35,300					35,300	
Web-hosting Video Streaming for Council Meetings						13,000					13,000	
Web-Design services						15,000					15,000	
Physical Exams							9,800				9,800	
Recruitment Services							160,000				160,000	
Property Tax Admin Fee									425,000		425,000	
Subtotal, Professional Services	234,800	81,000	72,000	215,410	398,000	713,600	364,300		570,000		2,649,110	

Continued

Administration

	Police	Fire	Public Works	Community Development	Legislative/ Executive/ Legal	Finance	Human Resources	Non-Department	Total
Continued									
Supplies	164,500	206,400	245,640	95,500	35,000	23,750	14,000		784,790
Services	264,700	130,000	125,410	76,000	32,600	22,000	61,000	50,000	761,710
CAD system maintenance	172,000								172,000
Safety training supplies		126,200							126,200
Building maintenance			77,000						77,000
Grounds maintenance			93,500						93,500
Equipment Acquisition	41,000	92,500	4,300			55,800		80,000	273,600
Machinery and Equipment Rental	143,000	25,000	19,700		11,000				198,700
Debt Service - Leases								70,654	70,654
Training and Mileage Reimbursements	45,000	16,500	15,818	42,000	21,700	9,330	3,200		153,548
Pass-through - Vallejo Tourism BID				306,000					306,000
Pass-through - Central Core Restoration Election				205,000					205,000
Dues and Publications	7,000	4,000	5,200	5,500	40,300	3,200	5,000		200,000
Cleaning and Janitorial			107,400						107,400
Postage and Mailing	7,000	1,000	10,000	24,500	4,200	13,200	3,000		62,900
Printing and Binding	14,500	2,500	9,000	13,500	-	5,000	1,000		45,500
Software Programs			6,600	18,000	-	94,470			119,070
Publicity and Advertising		3,800		11,500	16,000		600		31,900
Bank Services Charges	30,000							120,000	120,000
Booking fees							24,000		24,000
CALPERS admin fee	5,000								5,000
Buy Money			3,988		6,500	150			159,245
Miscellaneous Expenses									825,000
Animal Control/Sheltering									1,300,000
Bankruptcy Costs									300,000
Litigation/Contingency									3,748,899
	1,128,500	688,900	795,556	1,012,910	565,300	940,500	476,100		9,356,665
Transfers									
Debt Service Funds								200,000	200,000
Capital Funds - Infrastructure								766,000	766,000
Capital Funds - Technology Fees			40,000	120,000					160,000
Other			36,500						36,500
Subtotal, Transfers			76,500	120,000				966,000	1,162,500
Total	\$ 2,972,300	\$ 1,542,337	\$ 1,557,463	\$ 1,214,086	\$ 589,061	\$ 1,041,586	\$ 482,536	\$ 5,282,284	\$ 14,681,653

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INTERFUND REIMBURSEMENTS

BACKGROUND

- The City uses a “full cost” methodology to allocate administrative and other General Fund costs to non-federal funds and programs of the City. Allocations to federal grant programs are alternatively prepared in compliance with federal OMB guidelines.
- A “Cost Allocation Plan” is updated annually after the adoption of the budget and close of the fiscal year. The plan looks at each administrative function and allocates costs based upon a relevant metric, such as number of employees or annual program expenditures.
- As the City’s unrestricted resources have declined, every effort has been made to ensure that all City funds and programs are fully charged for their cost of operation. In the five years since 2005-06, inter-fund allocations from the General Fund have increased from \$6 million to \$9 million.

Allocations By Department FY 10-11

<u>Programs</u>	Citywide Administrative Cost Plan	Maintenance Allocations to Water, Gas Tax, other Funds	Engineering Allocation To Capital Improvement Projects	Police Grants	Other	Projected
Public Safety						
Police	\$ -	\$ -	\$ -	\$(1,117,000)	\$ -	\$ (1,117,000)
Fire	-	-	-	-	(83,700)	(83,700)
	-	-	-	(1,117,000)	(83,700)	(1,200,700)
Community Development						
Development Services	-	-	-	-	(50,000)	(50,000)
Economic Development	(583,164)	-	-	-	-	(583,164)
	(583,164)	-	-	-	(50,000)	(633,164)
Public Works						
Admin	(401,744)	-	-	-	-	(401,744)
Engineering	-	-	(1,450,127)	-	35,000	(1,415,127)
Maintenance	(295,732)	(2,452,220)	-	-	6,324	(2,741,628)
	(697,476)	(2,452,220)	(1,450,127)	-	41,324	(4,558,499)
Non-Departmental	(121,051)	-	-	-	-	(121,051)
Subtotal, Programs	(1,401,691)	(2,452,220)	(1,450,127)	(1,117,000)	(92,376)	(6,513,414)
<u>Administration</u>						
Legislative	(178,507)	-	-	-	-	(178,507)
Executive	(397,382)	-	-	-	-	(397,382)
City Clerk	(134,934)	-	-	-	-	(134,934)
Legal	(387,321)	-	-	-	-	(387,321)
Finance	(1,606,380)	-	-	-	(100,000)	(1,706,380)
Human Resources	(305,601)	-	-	-	(40,000)	(345,601)
	(3,010,125)	-	-	-	(140,000)	(3,150,125)
Total	\$ (4,411,816)	\$ (2,452,220)	\$ (1,450,127)	\$ (1,117,000)	\$ (232,376)	\$ (9,663,539)