



Memorandum

TO: CITY COUNCIL**FROM:** Mayor Sam Liccardo**SUBJECT:** MAYOR'S JUNE BUDGET
MESSAGE FY 2018-19**DATE:** June 11, 2018**APPROVED:****DATE:**

6/11/18

RECOMMENDATION

I recommend City Council approve the budget message dated Friday, June 1, 2018 with the following additions and clarifications:

- Census 2020 (Item 3c):** The important work related to the upcoming census will require resources beyond 2018-2019. The City Manager is directed to allocate sufficient resources during the 2019-2020 budget development process—as identified by the \$250,000 in my June message—and to continue any limit dated staff that may be necessary to ensure the City's commitment to an accurate count for the 2020 Census. (BD# 56 Peralez and BD# 65 Jimenez)
- Block Party Permits:** Neighborhood gatherings build community, inspire positive interactions among neighbors, and contribute to neighborhood safety. The 2018-2019 Proposed Fees and Charges document assumed a block party permit cost of \$250, which was expected to generate revenue of \$23,000. The benefits of community building and neighborhood safety, however, far outweigh the nominal revenue received. I recommend direction to the City Manager to waive this fee for one year, and to report back to Council through the FY 2019-20 process whether to make such waivers permanent. To account for the lost revenue, \$23,000 of the cost for the Accessible Pedestrian Signal (Item 2c) shall be allocated from the Construction Excise Tax Fund ending fund balance, which allows for the estimated revenue loss of \$23,000 to be covered by the Essential Services Reserve. (BD #6 Davis)
- Office of Retirement Services:** Approve the Office of Retirement Services' proposed personnel and staffing budget as displayed in the 2018-2019 Proposed Operating Budget on p. VIII-321-330, as well as the budget for City-Wide expenses on page IX-22, on the condition that the Office of Retirement Services commits to return to Council by October 1, 2018 with its comprehensive budget document covering the entire aggregate expense of administering each plan. This comprehensive budget document must include a

disclosure of the investment expenses that were paid by the plans in the most recently available full year reporting period, with a level of detail as required by California Government Code Section 7514.7 and disclose the anticipated investment expenses with a level of detail as required by California Government Code Section 7514.7 for each plan's FY 2018-19 budget.

4. **Allocation of Retirement Costs:** As the City and its employees continue to benefit from the stability and cost savings provided by the passage of the Alternative Pension Reform Ballot Measure (Measure F) in 2016, large pre-existing unfunded retirement liabilities will be allocated to a decreasingly small number of Tier 1 employees. We will need to update the budgetary approach the City takes to account for the cost difference between a Tier 1 and Tier 2 employee to avoid distortions in departmental budgetary allocations. The City Manager is directed to investigate options to provide a more predictable method for allocating retirement costs between Tier 1 and Tier 2 employees as part of the 2019-2020 budget development process. In allocating budgets among City Council offices, the City Clerk shall adopt the budgetary approach chosen by the City Manager.

5. **Domestic Violence:** The County has recently allocated \$5 million in its budget to support domestic violence prevention and victim support programs. I recommend that the City Manager report back to the Public Safety and Strategic Support Committee with a description of that funding allocation, to enable the Council and staff to assess how best to align City resources to maximize benefit to domestic violence survivors and prevent violence.