



## DISCUSSION

### City of San Bernardino Request for Council Action

**Date:** September 6, 2023

**To:** Honorable Mayor and City Council Members

**From:** Charles E. McNeely, Interim City Manager

**Department:** City Manager's Office

**Subject:** **Strategic Initiatives (All Wards)**

**Recommendation:**

It is recommended that the Mayor and City Council of the City of San Bernardino, California:

1. Adopt Resolution No. 2023-144:
  - a. Approving and authorizing the Agency Director of Administrative Services to amend the City of San Bernardino's FY 2023/24 Operating Budget totaling \$5,705,188 with \$3,435,188 in General Fund Strategic Reserve appropriations, \$1,700,000 in General Fund Capital Contingency Reserve appropriations, and \$570,000 in Cultural Development Fund appropriations; and
  - b. Approving the creation of the Economic Development Department; and
  - c. Directing staff to prepare and bring back a revised City salary schedule to include any new positions that are budgeted.
2. Approve the Proposed Strategic Initiatives for Future Years to be considered as part of the FY 2024/25 & FY 2025/26 Biennial Budget process and prioritize the Strategic Initiatives for funding.
3. Direct staff to bring back Strategic Initiatives that require further Council review and approval.

**Executive Summary**

This follow-up to the June 30 Workshop addresses the City's economic forecast, the viability of closing vacant positions, and the specific funding sources for the Strategic Initiatives.

## **Background**

The Mayor and City Council held a Retreat Workshop (“Retreat”) from May 11, 2023, through May 13, 2023, where they defined their goals and priorities for the City of San Bernardino. At the Retreat, economic development opportunities and city staffing priorities, among other topics, were discussed.

On June 21, 2023, the Mayor and City Council approved the FY 2023/24 Operating Budget and Capital Improvement Plan. The FY 2023/24 Operating Budget included a surplus of over \$7 million and there is an anticipated increase of \$5.4 million to Fund Balance for year-end FY 2022/23.

On June 30, 2023, a Special Workshop (“Workshop”) was held to address the Council’s goals and priorities. The Workshop was informational only and allowed staff to present a series of Strategic Initiatives and other programs/proposals for the Council’s future consideration.

## **Discussion**

During the June 30 Workshop, Council expressed concern regarding the reoccurring costs of the Strategic Initiatives and the impact that a drop in consumer spending may have on the City’s ability to fund these costs in the future. Additionally, Council inquired about the viability of closing vacant positions and re-allocating their budgets to fund the Strategic Initiatives. This follow-up to the June 30 Workshop addresses those concerns as staff will provide a presentation and analysis of the City’s economic forecast, position control, and a comparative analysis of other cities.

Funding for the Strategic Initiatives comes from three sources: 1) the Strategic Reserve, 2) the Capital Contingency Reserve, and 3) the Cultural Development Fund. The Strategic Reserve is a \$3,539,363 set-aside from ongoing General Fund revenue and is at the discretion of the City Council to allocate towards the Strategic Initiatives. The Capital Contingency Reserve includes \$6,000,000 and is designed to address funding gaps for CIP projects. The Cultural Development Fund, which currently has a fund balance of \$4,374,552, is a revenue stream comprised of a development impact fee on new construction or improvement projects. This fund is intended to support cultural enhancements and developments that are deemed to be a public benefit, which may include renovations to community centers, enhancing and cleaning City parks, etc.

The specific funding sources for each item, their estimated cost for FY 2023/24, and their future costs (if applicable) are outlined in the tables on the following pages. For costs related to new staffing positions, the FY 2023/24 costs are based on the positions being filled as of January 1, 2024, which is in line with the typical recruitment and onboarding timelines for the City.

**SR=Strategic Reserve; CC=Capital Contingency; CD = Cultural Development Fund**

1. Quality of Life			
FY 2023/24 Recommendations	FY 2023/24	Source	Future (Based on FY24)
a. Turf-friendly mini loader	\$170,000	CD	One Time
b. Maintenance Services Agreement: Comprehensive bio-hazard cleanup	\$250,000	CD	\$250,000
c. Maintenance Services Agreement Weed abatement and brush clearing	\$150,000	CD	\$150,000
d. Hazard Pay	\$93,600*	SR	\$124,800
e. Private Security City-Wide	\$1,256,000	SR	\$1,256,000

\* Cost for FY 2023/24 assumes implementation on 9/1/2023

2. One Stop Shop			
FY 2023/24 Recommendations	FY 2023/24	Source	Future (Based on FY24)
a. One Stop Shop Construction	\$400,000	CC	One Time
b. One (1) Community & Developer Ombudsman	\$69,061	SR	\$138,122
c. One (1) Senior Customer Service Representative	\$47,994	SR	\$95,987

3. Infrastructure Master Plans			
FY 2023/24 Recommendations	FY 2023/24	Source	Future (Based on FY24)
a. City Hall preliminary engineering and space study	\$300,000	CC	One Time
b. Bridge Management Plan	\$500,000	CC	One Time
c. ADA Master Plan – Phase I	\$500,000	CC	One Time

4. Legislative Advocacy			
FY 2023/24 Recommendations	FY 2023/24	Source	Future (Based on FY24)
a. Legislative and Government Affairs Manager	\$86,937	SR	\$173,873
b. Federal Advocacy Contract	\$125,000	SR	\$125,000
c. State Advocacy Contract	\$125,000	SR	\$125,000

5. Strategic Staffing Initiatives			
Recommendations	FY 2023/24	Source	Future (Based on FY24)
<b>Animal Services</b>			
a. One (1) Deputy Director of Animal Services	\$102,001	SR	\$204,001
b. One (1) Registered Veterinary Technician	\$40,630	SR	\$81,259
c. One (1) Veterinary Assistant	\$33,277	SR	\$66,554
<b>City Manager's Office</b>			
d. One (1) Assistant City Manager	\$148,588	SR	\$297,175
<b>Economic Development Department</b>			
e. One (1) Economic Development Director	\$140,188	SR	\$280,376
f. Three (3) Economic Development Managers	\$279,327	SR	\$558,654
g. One (1) Administrative Assistant – Economic Development	\$40,275	SR	\$80,549
<b>Housing &amp; Homelessness Division</b>			
h. One (1) Housing Division Manager	\$93,511	SR	\$187,022
i. One (1) Principal Accountant	\$73,534	SR	\$147,067
j. One (1) Management Analyst II	\$59,974	SR	\$119,948

<b>Parks, Recreation, and Community Services</b>			
k. One (1) Deputy Director of Parks, Recreation, and Community Services	\$102,001	SR	\$204,001
<b>Planning Division</b>			
l. Reclassify - Deputy Director to City Planner/Planning Manager	(\$51,758)	SR	(\$103,516)
m. One (1) Senior Planner	\$73,221	SR	\$146,441
n. One (1) Associate Planner	\$63,412	SR	\$126,823
o. One (1) Planning Aide	\$49,913	SR	\$99,826
p. One (1) Administrative Assistant	\$40,275	SR	\$80,549
<b>Public Works</b>			
q. Three (3) Engineering Project Managers for the Public Works Department	\$257,420	SR	\$514,839
r. One (1) Land Development Engineer	\$85,807	SR	\$171,613

<b>6. Proposed Strategic Initiatives for Future Years – FY 2024-25 and beyond</b>			
<b>Recommendations</b>	<b>Amount</b>	<b>Source</b>	<b>Type</b>
Quality of Life PD Team	\$1,575,486	General Fund	Ongoing
Park Ranger Program	\$505,900	General Fund	Ongoing
Annual allocation of \$2,000,000 beginning in Fiscal Year 2026/27 to help sustain homeless-related activities	\$2,000,000	General Fund	Ongoing
ADA Master Plan – Future Phases	\$1,500,000	General Fund	One Time
Storm Drain Master Plan	\$1,000,000	General Fund	One Time
Facility/Building Management Plan	\$1,000,000	General Fund	One Time

<b>Projects Funding Summary</b>		
<b>Source</b>	<b>FY 2023/24</b>	<b>Ongoing Costs</b>
Strategic Reserve*	\$3,435,188 <sup>1</sup>	\$5,301,963 <sup>2</sup>
Capital Contingency	\$1,700,000	None
Cultural Development Fund	\$570,000	\$400,000 <sup>3</sup>

<sup>1</sup> Includes savings from reclassifications.

<sup>2</sup> Based on Fiscal Year 2023/24 costs. Does not include the proposed strategic initiatives for future consideration (table 6).

<sup>3</sup> Assumes another source of funding for bio-hazard cleanup and weed abatement clearing is not found.

## **2021-2025 Strategic Targets and Goals**

The approval of the Strategic Initiatives aligns with Key Target No. 1: Improved Operational & Financial Capacity by establishing clear policy direction and predictable organization structures; Key Target No. 2: Focused, Aligned Leadership and Unified Community by building a culture that attracts, retains, and motivates the highest quality talent, as well as investing in tools that continually improve organizational efficiency and effectiveness; Key Target No. 3: Improved Quality of Life by improving the City's appearance, cleanliness, and attractiveness, as well as enhancing customer-service into all City operations; and Key Target No 4: Economic Growth & Development by establishing a strategy to create a 21<sup>st</sup> century urban core.

### **Fiscal Impact**

The impact to the General Fund is \$3,435,188 in Strategic Reserve appropriations and \$1,700,000 in Capital Contingency Reserve appropriations. The impact to the Cultural Development Fund is \$570,000.

### **Conclusion**

It is recommended that the Mayor and City Council of the City of San Bernardino, California:

1. Adopt Resolution No. 2023-144 approving and authorizing:
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### **Attachments**

Attachment 1 – Strategic Initiatives Presentation

Attachment 2 – Resolution No. 2023-144

Attachment 3 – Position Control

Attachment 4 – Organizational Chart

Attachment 5 – June 30 Workshop Presentation

### **Ward:**

All Wards

### **Synopsis of Previous Council Actions:**

May 11-13, 2023                      Mayor and City Council held a Retreat Workshop where they defined their goals and priorities.

June 21, 2023                        Mayor and City Council approved the FY 2023/24 Operating Budget and Capital Improvement Plan.

June 30, 2023

Mayor and City Council held a Special Workshop where they were presented with a series of Strategic Initiatives that addressed their goals and priorities