

FINANCIAL SOLUTIONS SUBCOMMITTEE

RECOMMENDATIONS

HIGH PRORITY – NEAR TERM IMPLEMENTATION

MARCH 26, 2009

| # | DEPT/ DIV | PROPOSED FINANCIAL SOLUTION | OVERVIEW | COUNCIL APPROVAL REQUIRED? | MEET AND CONSULT / CONFER? | VOTE BY PUBLIC REQUIRED? | EARLIEST IMPLEMENTATION DATE | SERVICE IMPACT | ANNUAL FISCAL IMPACT |
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| 1 | HR | Reverse the vacation cap policy | <p>Current: No payoff after max reached. "Use it or lose it" policy. Effective: 1/1/09 (CMPA), 9/1/09 (CMPMA), 9/30/07 (CMFA), 3/2/08 (all other employees).</p> <p>Under current policy, departments (with minimum staffing requirements) must back fill any additional leave hours with overtime hours.</p> <p>Proposed: Revert to prior policy. Allow cash out of vacation time in excess of max.</p> <p>Note: The parties (City and respective Employee Association(s)) to this MOU agreement/article considered a wide variety of issues in the context of good faith negotiations in accordance with Government Code Section 3500 et seq. (Meyers-Milias-Brown Act). This MOU agreement/article represents the successful conclusion of the legal good faith bargaining process.</p> | Yes | Yes | No | Once approved by City Council. | None | <p>Hours cashed out in 2008 (prior to policy in effect): CMPA = 8,212 CMPMA = 1,365 CMCEA = 514 Conf = 310 Exec = 1,048 Total = 11,449 <i>(Fire data not available)</i></p> <p>Total cashed out in 2008: \$568,116.55</p> <p>Will reduce overtime costs for departments with minimum staffing requirements.</p> |
| 2 | Finance | Waiver of Access to Accrued Leave Time | <p>A portion of the general fund's fund balance is reserved for the City's obligation for employees' leave benefits, if separation from the City occurs. In the past, 100% of the leave liability was reserved. It has been proposed that the City reserve a lesser amount. To reserve less than the full liability would mean that the City is not fully funding known liabilities.</p> <p>Proposed: Fund at 50% of vacation accrual obligation</p> | No | No | No | Immediate | None | <p>No cost savings to the City. However, more undesignated fund balance (\$3,366,058 to \$6,732,116) would be made available for City's use.</p> |

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| 3 | HR | CalPERS Retirement Options | <p>Proposed: CalPERS "Two Years Additional Service Credit": City may amend contract to provide two years of addl service credit for members who retire during a designated period because of impending layoffs, transfers, etc. Employees must have at least 5 years of service credit. City must meet the following requirements:</p> <p>1) Designated period must be subsequent to effective date of contract amendment and can not be less than 90 nor more than 180 days in length. 2) Must certify that there are mandatory transfers, layoffs, etc. that constitute at least one percent of the job class, department or unit. 3) Must disclose the additional employer contributions and funding of contributions at public meeting. 4) Added cost will be included in agency's employer rate for the fiscal year that begins two years after designated period. 5) Must certify that vacancies created by retirements under this option or at least one vacancy in any position in any department or unit shall remain permanently unfilled resulting in an overall reduction in work force.</p> | Yes | Yes | No | Once approved by City Council and upon CalPERS contract amendment approval. | Lower staffing levels | To be determined. City would have to request a valuation report. Providing the "TwoYears Additional Service Credit" benefit may result in an increase to employer rates. |
| 4 | Finance | Increase TOT Fees | <p>Transient Occupancy Tax is a general tax imposed on occupants for the privilege of occupying rooms in a hotel, motel, or inn. Currently, the City collects 6% in TOT fees from the local hotels and a 2% BIA fees that is collected and remitted to the Costa Mesa Conference and Visitors Bureau. Our fees are the lowest in the County.</p> <p>The cities of Huntington Beach, Newport Beach and Irvine have a 10%, 10% and 8% rate, respectively. The City of Anaheim has the highest rate of 15%. The County average is 9.5%.</p> | Yes | No | Yes | <p>(a.) Next general election in November 2010. If passed, implement on 12/1/10; or (b.) referendum process to put on ballot in November 2009. If passed, implement 12/1/09.</p> <p>The ballot initiative can be added to the November 2009 election ONLY IF there is a unanimous vote by the City Council declaring it an emergency.</p> | None | An approximate Increase in revenue of \$1,000,000 for every 1% TOT Fees collected. The revenue can vary depending on economic conditions. |

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| 5 | Finance | Restructure Business License Fees | Business License Tax (BLT) is a general tax on businesses for the privilege of conducting business within the City. Our maximum BLT is \$200 for the general business category. For fiscal year ended 6/30/08, we collected \$932,278 in business license taxes. To increase revenues, we can simply double our current rates or change our tax structure to fix a percentage of gross receipts (i.e. .4% or .8%) and not cap the BLT fee at \$200. | Yes | No | Yes | Same as above | None | A potential increase in business license taxes of \$1,000,000. , if the current BLT fees were simply doubled. If we calculated the fee based on a percentage of the business' gross receipts and not cap the fee at \$200, the potential revenue is unknown. |
| 6 | Finance | Utility User Tax (U.U.T) | The Utility User Tax is a fee imposed on consumption of utility services (i.e. gas, water, sewer, telephone, cable, etc.) The rate of tax is determined by the local agency. The tax is levied by the City and collected by the utility company as part of their billing process. City utility users tax rates range from 1% to 11% for commercial and residential customers. The most common rate is 5% for the County according to the State Controllers Report. Eleven cities in Orange County have a UUT. The revenue reported for FY 05/06 range from \$1.1 million to \$27.6 million per year. | Yes | No | Yes | | City will need to research steps need to impose fees and will need to conduct periodic audits of utility billings to ensure compliance with fees. | For every 1% UUT assessed on commercial and residential gas and electric, we can collect \$1.2 million/ yr. However, if we assess all commercial and residential utilities, we can collect approximately \$12 million/yr. The revenue generated from the UUT is directly related to percentage of UUT and the number of utilities assessed. |
| 7 | Fire | EMS Cost Recovery Fees | <p>3 Solution options that allow revenue generation to increase from the current EMS scenario.</p> <p>Option One would begin to bill residents for the ALS fees when transported to the hospital with paramedics.</p> <p>Option Two would bill all patients equally without regard to residency. That would mean both First Responder Fees and the ALS fee would be applied to the patient.</p> <p>Option Three would be to implement and EMS subscription program with a voluntary annual subscription fee of \$36.00 This would exempt the residents from paying the First Responder Fee but would still be responsible for the ambulance fees.</p> | Yes | No | No | 6 months? | Develop a marketing strategy to sell the subscription plan. Develop an in-house billing plan for the subscription component. | <p>Solution # 1 = \$123,876.00 increase</p> <p>Solution # 2 = \$543,900.00 increase</p> <p>Solution # 3= 955,377.00 increase</p> |

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| 8 | Fire | Fire Cost Recovery Fees | Cost recovery for vehicle accidents. Everyone that owns or operates an automobile in the United States is required, by law, to have at the very least liability coverage. This insurance covers the damages and costs caused by the driver in the case of an automobile accident where the party is responsible. It is possible to contract with vendors who specialize in recovery billing to generate significant revenue for the city. | Yes | No | No | 90 days | Requires more intensive report writing to include and necessary information for correct cost recovery. Also, increases length of calls before a unit is back in service and available for the next call | Increase of \$350,000 |
| 9 | Police | Cost recovery of police costs in fraud cases | Sections of the California Penal Code (CPC) allow for the application for forfeiture and distribution of property/proceeds, from cases involving criminal profiteering, as well as restitution/reimbursement to enforcement agencies for the reasonable costs of investigation of applicable cases upon conviction (CPC Sections 186.3, 186.5 and 186.11). Cases involving fraud, embezzlement and identity theft would be the most typical, with these types of cases frequently requiring a significant amount of time to investigate. Investigations of this type are handled by the Police Department's Economic Crimes Unit (ECU) in the Detective Bureau. | No | No | No | Potential for immediate implementation, pending further study and evaluation of legal requirements involved in forfeiture and reimbursement process. | | Any increase in revenue would be dependent upon cases worked resulting in conviction, application for forfeiture and/or reimbursement. For FY 08-09 to date, an average of approximately 20 active cases have been assigned to the ECU per month. <u>Example:</u> 30+ investigative hours expended on one case, before filing, at top-step officer salary is approximately \$1,400. Assets from forfeited property/proceeds would vary in each case. |

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| 10 | Recreation | Renegotiate golf contract | The contract is currently being re-stated to allow for one-half of the revenue received by the City for golf course CIP improvements (currently 5% of green & tournament fees) to be allocated to the General Fund. The percentages of golf course revenue in the existing contract (currently 6%-35% depending on revenue source) are comparable to other municipally-owned golf courses in Orange County. If the City were to enter into contract negotiations with the golf course operator, they may or may not accept a higher gross receipts percentage rate. According to the current contract, the City cannot require the golf course operator to pay the City a higher gross receipts rate. The City would need to find the operator in "default" of the contract in order to rebid the contract. The existing contract requires the operator to pay a minimum monthly rent payment or the sum of the monthly gross receipts, whichever is greater. The "minimum" rent payment is readjusted every 2 years. The adjusted monthly minimum shall be an amount equal to one-twelfth (1/12 th) of eighty percent (80%) of the percentage rental due over the preceding operational year. | Yes | No | No | January 2010 | None | Current golf course CIP allocation is approximately \$162,850 per year. The contract amendment will result in approximately \$82,000 annually to the City. |
| 11 | CMO | Leasing Parking Lot to OC Fairgrounds during City Hall Non-Operating hours | Throughout the course of the year, there are times when the OCF has insufficient parking for events. This solution suggests that the City enter into an agreement to make the Civic Center parking lot available for those events in exchange for a percentage of the parking revenue. Potentially, up to approximately 175 parking spaces might be made available for use by the Fairgrounds. | Yes | No | No | Depending on the need/interest of the OCF, this could be implemented short term. The OCF has extensive experience working with CMPD and other staff on parking and traffic control. This would require preparation of an agreement between the OCF and the City. | None. The parking lot would only be made available to the OCF for overflow parking when the Civic Center is closed for business. An allocation of parking in the lot on Fair Drive would be retained for those doing business with the Police Department. | Subject to negotiation with the OCF. This would involve identification of the number of dates the parking lot is needed and available along with negotiation of a percentage of the parking revenues. |

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| 12 | HR | DROP program (contract retire employees to continue in job without benefits) | Proposed: Allow employees who retire to return to their position for no more than 960 hours (PERS limitation). | Yes | Yes | No | July 1, 2009 | Lower staffing levels after completion of 960 hours | To be determined. Cost savings – retirees are not eligible for benefits. |
| 13 | | Do Nothing Use Fund Balance | | | | | | | |
| 14 | HR | Eliminate Retirement Health Savings Plan | Current: Employees contribute 1% of base salary to RHS plan, City also contributes 1% of base salary. Proposed: Eliminate or suspend plan. Note: The parties (City and respective Employee Association(s)) to this MOU agreement/article considered a wide variety of issues in the context of good faith negotiations in accordance with Government Code Section 3500 et seq. (Meyers-Milias-Brown Act). This MOU agreement/article represents the successful conclusion of the legal good faith bargaining process. | Yes | Yes | No | Once approved by City Council. | None | 1% RHS Contribution: \$497,348 (employee contribution) Employees will no longer be required to contribute 1% of salary. |
| 15 | Fire | Fire Prevention Inspection Fee | Costa Mesa Fire Prevention has no inspection fees. The average fee charged by seven other local agencies is \$133.50. Once builders pay for their building permit, many builders are creating numerous inspections, all without cost. Other departments in the county have fees and, once a permit is pulled they allow two inspections for free. However, each additional inspection would incur a fee. | Yes | No | No | Approximately 30 - 60 days after City Council Approval | The increase in fees would require the contractor to pay more fees to city staff | Other than knowing this occurs frequently, current record keeping does not provide an exact number of times this occurred in 2008. Based on the County average for those agencies that do apply this fee, Costa Mesa could expect to receive about \$24,030 |
| 16 | Fire | Late Fee for Businesses who are late in filing their Hazardous Material Disclosure Fee | Currently, Costa Mesa charges no fee. What we have found is that many people tend to delay payment for varying amounts of time due to their not being a consequence for a late payment. We found Orange City, Fullerton, Garden Grove, Fountain Valley, Santa Ana, and Anaheim fire departments charge either: a) 20% penalty after 30 days which increases in 30 day increments, or b) charge a \$100 penalty after 30 days, and then another \$100-\$200 late fee at 60 days late. | Yes | No | No | Approximately 30 - 60 days after City Council Approval | The contracted Hazardous Materials Specialist would forward billings to Finance. | We currently have about 270 businesses required to file annual Hazardous Material Disclosure fees. 15% to 20%, or between 40-54 of those businesses, file their Hazardous Material Disclosure fees late. Using a \$100 late fee, and assuming all fees were paid between 30-60 days, this would provide a <u>conservative</u> increase of \$4,000-\$5,400 |

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| 17 | Fire | Fee for Fire re-inspection Cancellations | This proposed fee currently exists in other agencies and is charged to the person scheduling the inspection when they fail to cancel a planned inspection. This would include not being prepared, the person we are supposed to meet is not available, or plans not on-site. This creates a loss of time available for other inspections AND causes the need for another inspection. (Nuisance fee) | Yes | No | No | Approximately 30 - 60 days after City Council Approval | None | There is currently no fee to the contractor. There is no hard data documenting how many times this occurred in 2008 but conservative estimates are at least 100 times. Charging the average fee charged by other departments this would create an increase of \$13,350 |
| 18 | Fire | Fee for each Fire permitted Item | Costa Mesa currently charges one permit fee per business, regardless of the number of permits needed. However, each of the other seven agencies we researched charges a fee for <u>each</u> permit. For example; Spray painting, flammable liquids, woodworking, motor vehicle repair, and compressed gas. Costa Mesa charges a new permit fee and then a less expensive renewable permit annually. The seven agencies reviewed charge for each permit every year and averaged \$500.42 for the permits. | Yes | No | No | Approximately 30 - 60 days after City Council Approval | None | Costa Mesa's two tiered billing and charging for only one permit brought in about \$20,202. However, Charging the average of what the other agencies charge every year would have brought in \$104,087.36 in 2008 for an increase of \$83,885.36 |
| 19 | Fire | Fee for Sprinkler System inspection | Increase the Sprinkler System inspection fees to the average of what other agencies are charging. The fee varies according to the number of sprinkler heads to be inspected. The average fee charged by other agencies for Sprinkler System Inspections of 113 heads is \$516.12. Costa Mesa's current fee is \$160.46 | Yes | No | No | Approximately 30 - 60 days after City Council Approval | None | Using the example of an inspection involving 113 heads we would see an increase of \$355.66 for that one inspection. Based on total inspections for 2008, it is evident the increase created would likely have been a minimum of \$20,000. This number was estimated by estimating an average increase of \$150 X 138 inspections. |
| 20 | Fire | Apartment of 4 or more unit inspection fee | State code allows us to charge for apartment inspections. Of the eight agencies we surveyed there are five that charge an inspection fee (Anaheim, Huntington Beach, Orange City Fire, OCFA, Santa Ana) which averages \$296.20 for greater than 20 units. Fountain Valley, Garden Grove, Costa Mesa, and Newport Beach currently do not charge a fee. | Yes | No | No | Approximately 30 - 60 days after City Council Approval | Suppression Companies would pick up this inspection | We have approximately 200 apartment complexes in Costa Mesa that have four or more units. We could tier the fee or charge on flat fee, depending on City Council direction. However, even if we charged a flat fee of \$135 for apartment inspections that would create an increase of \$27,000. An alternative suggestion to lessen the burden on small owners would be to only charge apartment owners of 12 or more units. |

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| 21 | Public Services | Review cost recovery on Fire training center (excessive water use) | The Fire Training Facility at FS#4 is utilized by outside agencies that frequently trade in-kind services for use of training facility. The maintenance of that facility: tower, water use, electricity for training room, could be recouped through diligent invoicing or a fee structure. Water use alone approaches \$25,000 per year according to records. | Yes | No | No | 30 to 60 days | None. Possible increase in Fire Dept. costs due to loss of in-kind materials or labor. | Unknown cost savings. CMFD would have to analyze use to determine how much water the City FD is using vs. outside agencies. |
| 22 | Finance | Review funds that are over funded (reserve policies and practices) | There are certain fund types (i.e. special revenue and debt service funds) that account for certain types of revenues and expenditures (i.e. gas tax, CDBG, etc.) that are legally restricted by parties outside the city (i.e. federal, state government), as well as, imposed by the City for specific purposes (i.e. park development fees, traffic impact fees, etc.) These funds are not available for to fund general operations of the city. They are restricted for a specific purpose. There are some capital project funds that are also restricted (i.e. Measure M, RDA project fund and the Parking district funds) However, some of the fund balance in the Capital Project fund, as well as some of the Equipment Replacement fund balance may be redirected to the general fund. | No | No | No | Immediate | None | No cost savings to the City. However, some undesignated fund balance in the equipment replacement fund and the capital projects funds could be made available for City's use. |
| 23 | Fire | Review of Equipment Replacement Fund Balance | Over the past seven-years the fire department has contributed \$5,694,390.00 into the internal rent-replacement costs fund. Over those same seven-years the department has utilized these funds for the replacement of 2 vehicles at a total cost of \$3,194,438.00 and re-deposited \$170,131.00 into the fund from the sale of 3 surplus vehicles. This indicates a net gain to the internal rent-replacement costs fund of \$2,670,083.00. Place a one year moratorium on fund contributions and expenditures. Defer the contributions to assist with FD budget shortages. | No | No | No | Immediately | Fund expenditures would continue to grow for a period of two years Replacement fund can merge with the general fund to assist with balancing the FD budget. | Use the \$398,054.00 of the fire department contributions to offset the FD budget shortages and place in the general fund. The moratorium on fund expenditures by deferring the cost of the tiller truck would be \$2,670,083.00. This would be allowed to grow at a rate of 2.5% compound interest for two years to the amount of \$67,522.00 in the first year. |
| 24 | Fire | Annual fire station deep cleaning | Currently City/Department currently contracts for these services for \$6,685.00. A one time purchase for \$1,800.00 for equipment the firefighters will do the cleaning. | No | Yes | No | Immediately | None | First year savings of \$4,885.00 and ongoing savings of \$6,685.00 per year |

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| 25 | Fire | Annual fire hose testing | The City/Department currently contracts for hose testing for \$12,186.00. The department recently purchased a hose testing pump and this testing will be conducted in-house. | No | No | No | 60-90 days | May require apparatus to become unavailable for periods of time to do the testing | First year saving of \$8,883.00 and ongoing savings of \$12,186.00 |

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| 1 | HR | Review sick leave payout/ excess sick leave put into secondary bank vs. pay off | <p>Current: If primary bank is at max (480 hrs/672 for Fire), additional accrual is ½ pay or vacation time, other ½ is put into secondary leave bank. Employees use up secondary bank first (up to 40 hours). At retirement or separation (with 20 years), employee gets ½ of primary bank or service credit for full primary and secondary leave bank. Exception: CMPMA also gets paid ½ of secondary bank.</p> <p>Proposed: Do not pay excess sick leave or convert to vacation time. Put all additional accruals in secondary sick leave bank.</p> <p>Note: The parties (City and respective Employee Association(s)) to this MOU agreement/article considered a wide variety of issues in the context of good faith negotiations in accordance with Government Code Section 3500 et seq. (Meyers-Milias-Brown Act). This MOU agreement/article represents the successful conclusion of the legal good faith bargaining process.</p> | Yes | Yes | No | Once approved by City Council. | None | <p>Amount budgeted for sick leave payout in FY 09-10: \$263,219</p> <p>Note: If proposing to put additional accruals into secondary sick leave bank, CMPMA employees will get a larger cash out (at separation) in the future.</p> |

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| 2 | HR | Re-examine bilingual pay policy (is the skill being used) | <p>Current: 2.5% over assigned rate for Level 1 or 5% over assigned rate for Level 2. Languages eligible: Spanish, Vietnamese, ASL. # of employees by Dept: (All Spanish unless noted)</p> <p>City Mgr: 4 @ 5% (1 Vietnamese) Dev Svcs: 5@ 5% (1 Vietnamese) 2 @ 2.5% Finance: 1 @ 5% Adm Svcs: 4 @ 5% (1 Vietnamese) 3 @ 2.5% Police: 33 @ 5% (1 Vietnamese) 10 @ 2.5% (1 Vietnamese) Fire: 17 @ 5% Pub Svcs: 18 @ 5% (1 Vietnamese)</p> <p>Proposal: No specific proposal at this time. Suggestions from Departments/Committee: City Mgr: Recommend continue same # of employees due to public contact in HCD and City Clerk Divisions. Finance: Recommend no change due to public contact in Finance. Pub Svcs: Possibly reduce # of employees to 3 at City Hall and 5 at Corp Yard (includes 1 Vietnamese certified employee each) PD – Would require review. Committee: Have employees who are certified receive additional pay on a rotation basis.</p> <p>Note: The parties (City and respective Employee Association(s)) to this MOU agreement/article considered a wide variety of issues in the context of good faith negotiations in accordance with Government Code Section 3500 et seq. (Meyers-Millas-Brown Act). This MOU agreement/article represents the successful conclusion of the legal good faith bargaining process.</p> | Yes | Yes | No | Once approved by City Council. | If number of staff receiveing bilingual pay were reduced, there would be less employees available to assist the public with translation. | Amount budgeted for FY 09-10: \$373,238 |

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| 3 | Recreation | Regular increases in green fees | The City has a contractual agreement with Mesa Verde Partners for the operation of the City-owned Golf Course. The most recent fee increase occurred in June 2008, and the increase averaged 13%. At that time, the green fees were comparable to other municipally-owned golf courses in Orange County. An amendment to the existing agreement will provide for a review, and if warranted, an increase of green fees every two years based on CPI or other economic factor. The contract amendment will be placed on a City Council Agenda in April 2009. | Yes | No | No | June 2010 | None | Revenue increase, amount unknown. Amount undetermined as the fee is dependent on the number of golfers willing to pay the higher fees. Higher fees could result in fewer golfers and no increased revenue to the City. |
| 4 | Recreation | Field lighting fees | Light fees are already assessed for adult groups that use lit fields or light use fees are built into league fees. Adults don't get much lighted field time except at TeWinkle Park. The Farm, Lions Park and TeWinkle School are predominantly used by youth groups (almost 98% of lit field time!). While fees are established for fields with lights, these fees are waived for resident youth groups by City Council. Cost recoveries for the lights at these sites vary. The oldest ones at TeWinkle School cost the most to operate, and the new ones at the Farm cost the least. Current fee for residents is \$10 per hour, for non-residents \$15/hr. If City were to charge youth sports organizations for the use of the lights, the amount of use, approximately 2,700 total hours on the City owned fields, at \$10 per hour would be \$27,000. The City additionally has portable lights used on 5 fields, fee set at \$10 per unit per night, which, if collected, could bring in another \$25,000. | Yes | No | No | Meetings are required with the user groups. Fee increases are brought to the Parks and Recreation Commission for recommendation to City Council. Earliest implementation would be July 2009. | None | Revenue increase approximately, \$52,000 annually. |
| 5 | Public Services | Installation of parking meters | Installation of approx. 400 parking meters at high intensity commercial/retail area to generate space turn over, and revenue | Yes | No | No | Within 8 months to 1 year after approval | Will require PD enforcement, and DPS maintenance | \$90,000 initial year revenue after the initial investment, and then approx. \$230,000 per year revenue after all costs. |
| 6 | Finance | Obtain more Operating Type Grants | It is a current practice of the City to aggressively pursue all operating and capital grant opportunities that we are eligible for and have a funding need. | Yes | No | No | Directly related to the Federal or State agency funding availability. Some funding is more immediate than others. | None | Possible funding could range from \$5,000 to \$5,000,000. Varies on the availability of Federal, State or Private funds and the needs of the City. However, the City may need to come up with matching funds which can be up to 20% of the cost. |

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| 7 | CMO | Contract Services – Unincorporated Areas | There are currently multiple Unincorporated County Islands which receive services from the County but are within the Costa Mesa Sphere of Influence for future annexation. This solution suggests that the City enter into a contract to provide City services to these areas until such time as they incorporate into the City. This has been discussed extensively but under the current City/County Property Tax Sharing Agreement and other restrictions, it is very unclear as to whether the City would experience a financial loss in serving these areas? | Yes | No | No | The County has expressed an interest in contracting for municipal services. Staff has completed a draft agreement and is prepared to enter into negotiations with the County. It is anticipated that an agreement can be reached if the County is flexible in reconsidering its traditional Cost Sharing agreement should the cost of services exceed the revenue allocated under this agreement. | This solution would add to existing service demands for basic services. Under a negotiated agreement with the County, the City should expect to receive full cost recovery for the cost of the additional services. | Optimally, the City could provide services at a cost less than the revenue derived from the standard City/County Property Tax Sharing agreement. There is no guarantee of this happening and the true cost will not be known until some baseline experience is derived in serving the Unincorporated Islands. |