



**AGENDA - REVISED**  
**CITY COUNCIL OF THE CITY OF MORENO VALLEY**  
**MORENO VALLEY COMMUNITY SERVICES DISTRICT**  
**CITY AS SUCCESSOR AGENCY FOR THE**  
**COMMUNITY REDEVELOPMENT AGENCY OF**  
**THE CITY OF MORENO VALLEY**  
**MORENO VALLEY HOUSING AUTHORITY**

**May 19, 2015**

**STUDY SESSION – 6:00 PM**

**City Council Study Sessions**

First & Third Tuesdays of each month – 6:00 p.m.

**City Council Meetings**

Special Presentations – 5:30 P.M.

Second & Fourth Tuesdays of each month – 6:00 p.m.

**City Council Closed Session**

*Will be scheduled as needed at 4:30 p.m.*

City Hall Council Chamber - 14177 Frederick Street

*Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Mark Sambito, ADA Coordinator, at 951.413.3120 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.*

Dr. Yxstian A. Gutierrez, Mayor Pro Tem  
Jeffrey J. Giba, Council Member

Jesse L. Molina, Mayor

George E. Price, Council Member  
D. LaDonna Jempson, Council Member

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**\*THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD  
MEETINGS\***

**STUDY SESSION – 6:00 PM  
MAY 19, 2015**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**INVOCATION - BISHOP LACY SYKES**

**ROLL CALL**

**INTRODUCTIONS**

**PUBLIC COMMENTS ON MATTERS UNDER THE JURISDICTION OF THE CITY  
COUNCIL**

There is a three-minute time limit per person. Please complete and submit a BLUE speaker slip to the City Clerk. All remarks and questions shall be addressed to the presiding officer or to the City Council.

**A. SPECIAL ORDER OF BUSINESS**

- A.1. SOUTHWEST VETERANS (POWERPOINT PRESENTATION GIVEN BY ALBERT RENTERIA) (Report of: City Clerk) **Add-On**
  
- A.2. U.S. VETS CAR SHOW (ORAL PRESENTATION BY EDDIE ESTRADA)
  
- A.3. PROPOSED TWO-YEAR BUDGET FOR FISCAL YEARS 2015/16 AND 2016/17 (Report of: Financial & Management Services) **Continued from a previous meeting**
  
- A.4. CITY COUNCIL REQUESTS AND COMMUNICATIONS

**(TIMES SHOWN ARE ONLY ESTIMATES FOR STAFF PRESENTATION. ITEMS MAY BE DEFERRED BY COUNCIL IF TIME DOES NOT PERMIT FULL REVIEW.)**

❖ Oral Presentation only - No written material provided

**\*Materials related to an item on this Agenda submitted to the City Council/Community Services District/City as Successor Agency for the Community Redevelopment Agency/Housing Authority after distribution of the agenda packet are available for public inspection in the City Clerk's office at 14177 Frederick Street during normal business hours.**

**ADJOURNMENT**

**CERTIFICATION**

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, certify that the City Council Agenda was posted in the following places pursuant to City of Moreno Valley Resolution No. 2007-40:

City Hall, City of Moreno Valley  
14177 Frederick Street

Moreno Valley Library  
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center  
25075 Fir Avenue

Jane Halstead, CMC,  
City Clerk

Date Posted: May 14, 2015



PROPOSED TWO YEAR BUDGET FISCAL YEARS 2015/16 – 2016/17

PRESENTATION BY: Michelle Dawson, City Manager  
Richard Teichert, Chief Financial Officer  
Marshall Eyerman, Financial Resources Division Manager



Attachment: Proposed Two Year Budget FY 2015-16 2016-17 v1 (1478 : PROPOSED BUDGET)

## Proposed Budget Introduction

- Budget Instructions
  - Maintain a balanced budget
  - Maintain existing service levels
  - Maintain rollover budget amounts
- Create a foundation for the future growth of the City through essential investments in operations (Econ. Dev.)
- City positioned to address ongoing challenges
  - Council may amend the budget throughout the FYs
  - Continue to bring back items for Council Study Sessions
  - Make timely adjustments to the budget through quarterly reviews



# Long Range Business Projections

- Set the foundation for the development of the proposed budget
- Study presented to City Council on Feb. 3, 2015

	FY 15-16 Estimated	FY 16-17 Estimated	FY 17-18 Estimated
Total General Revenues	\$ 87,138,796	\$ 91,222,463	\$ 93,945,315
Total General Government Exp.	86,994,201	91,147,515	96,541,650
<b>Variance</b>	<b>\$ 144,595</b>	<b>\$ 74,948</b>	<b>\$ (2,596,335)</b>

- Identified a need to develop new revenues for the future
  - Creation of the Economic Dev. Department
  - Additional items will continue to be examined



PROPOSED BUDGET (P.529-578)

Attachment: Proposed Two Year Budget FY 2015-16 2016-17 v1 (1478 : PROPOSED BUDGET)

# General Fund Budget Summary

- Maintains a balanced budget
- Begins to replenish reserve funds

General Fund	FY 2013/14	FY 2014/15 Amended Budget	FY 2015/16 Proposed	FY 2016/17 Proposed
Total Revenues & Transfers In	82,042,808	85,067,797	91,885,401	95,429,178
Total Expenditures & Transfers Out	(75,861,257)	(84,728,454)	(91,734,635)	(95,252,854)
<b>Change of Fund Balance</b>	<b>\$ 6,181,551</b>	<b>\$ 339,343</b>	<b>\$ 150,766</b>	<b>\$ 176,324</b>
<b>Unrestricted Fund Balance</b>	<b>27,536,445</b>	<b>27,875,788</b>	<b>28,026,554</b>	<b>28,202,878</b>

PROPOSED BUDGET (P.60)





# Citywide Budget Summary FY 2015-16

	General Fund	Community Services District	Successor Agency	Housing
<b>Revenues:</b>				
Total Revenues	91,885,401	19,095,815	5,398,467	72,000
<b>Expenditures:</b>				
Personnel Services	\$ 18,439,850	\$ 5,750,010	\$ 88,954	\$ -
Contractual Services	61,622,944	9,137,953	180,763	72,000
Material & Supplies	3,706,032	1,119,450	2,800	-
Debt Service	-	-	3,645,000	-
Fixed Charges	3,782,723	3,391,806	7,000	-
Fixed Assets	125,000	-	-	-
Transfers Out	4,058,086	-	1,470,000	-
Total Expenditures	91,734,635	19,399,219	5,394,517	72,000
<b>Net change in Fund Balance</b>	<b>\$ 150,766</b>	<b>\$ (303,404)</b>	<b>\$ 3,950</b>	<b>\$ -</b>

PROPOSED BUDGET (P. 67-69)

Attachment: Proposed Two Year Budget FY 2015-16 2016-17 v1 (1478 : PROPOSED BUDGET)



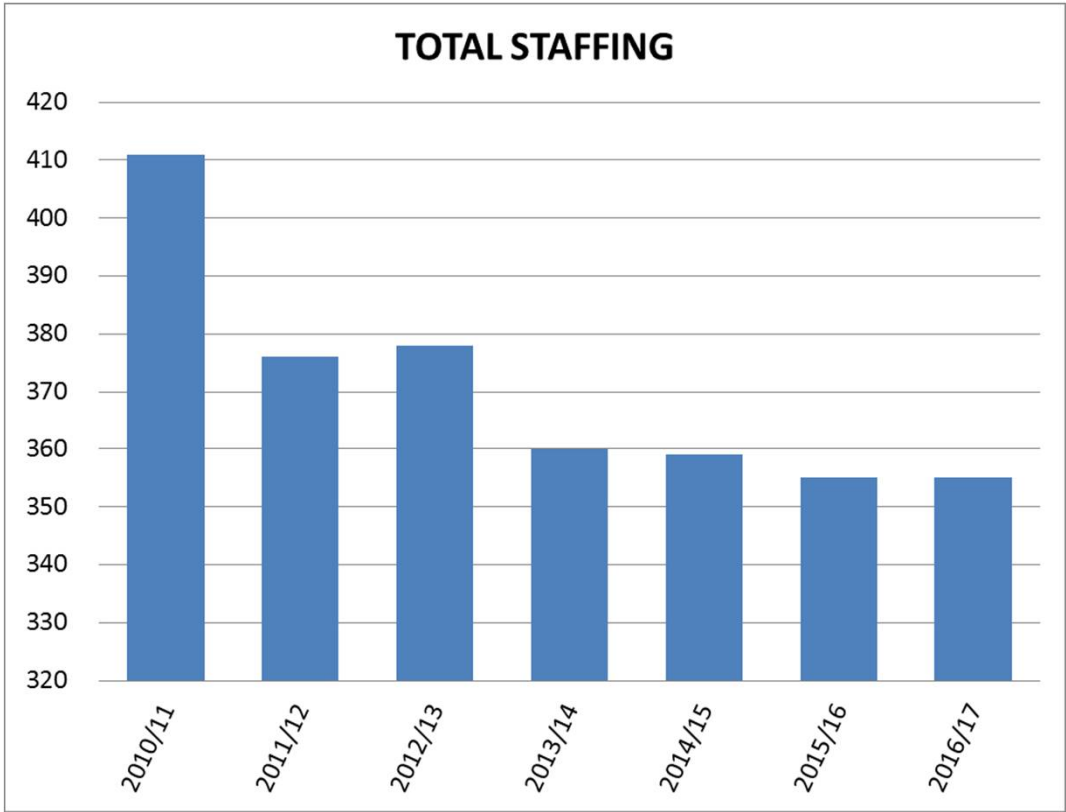
# Citywide Budget Summary FY 2015-16

	Special Revenue Funds	Capital Projects	Enterprise Funds	Internal Service Funds	Debt Service
<b>Revenues:</b>					
Total Revenues	30,331,540	6,609,420	27,315,619	18,134,523	6,274,900
<b>Expenditures:</b>					
Personnel Services	\$ 7,627,986	\$ -	\$ 1,196,852	\$ 1,370,383	\$ -
Contractual Services	9,160,839	4,200	477,218	2,523,042	13,600
Material & Supplies	843,394	-	167,496	2,852,369	-
Debt Service	363,200	-	2,149,656	-	6,043,200
Fixed Charges	1,699,252	176,300	1,658,015	1,752,266	-
Fixed Assets	2,452,000	1,877,054	18,233,013	127,643	-
Transfers Out	4,447,223	-	-	11,480,842	180,500
Total Expenditures	26,593,894	2,057,554	23,882,250	20,106,545	6,237,300
<b>Net change in Fund Balance</b>	<b>\$ 3,737,646</b>	<b>\$ 4,551,866</b>	<b>\$ 3,433,369</b>	<b>\$ (1,972,022)</b>	<b>\$ 37,600</b>



PROPOSED BUDGET (P. 67-69)

# Position Control



PROPOSED BUDGET (P. 48-54)

## Position Control – Key Changes

### Transfers

- Special Districts Div. to Public Works
- Moreno Valley Utility to Finance & Management Services
- Exec. Asst. and Management Analyst from Police

### New positions

- Business License Liaison
- Sr. Accountant (MVU)
- Facilities Maintenance Worker (PT)

### Position Reductions

- Gas Tax - Management Asst., Accounting Technician, Sr. Engineer
- Fire Prevention – Fire Inspectors, Fire Safety Specialist
- Special Districts – Program Manager

Net results = reduction of 5 positions



# Fire Department

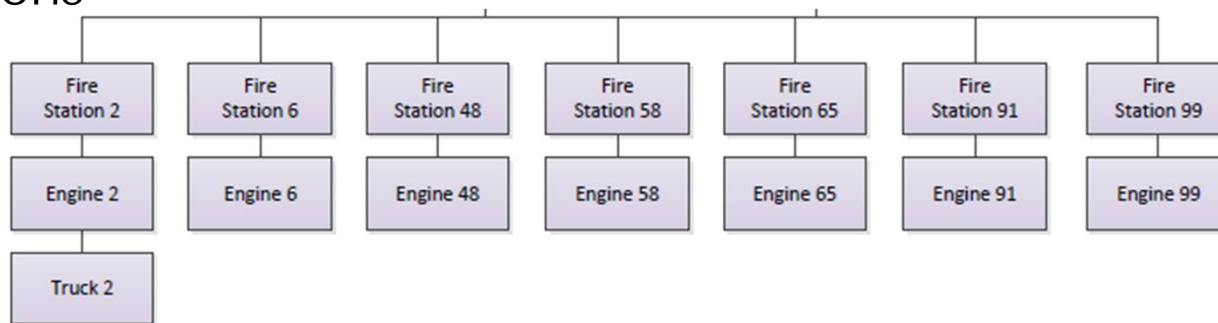
## Contract Summary

- Operations \$15M / Prevention \$1M

## Positions

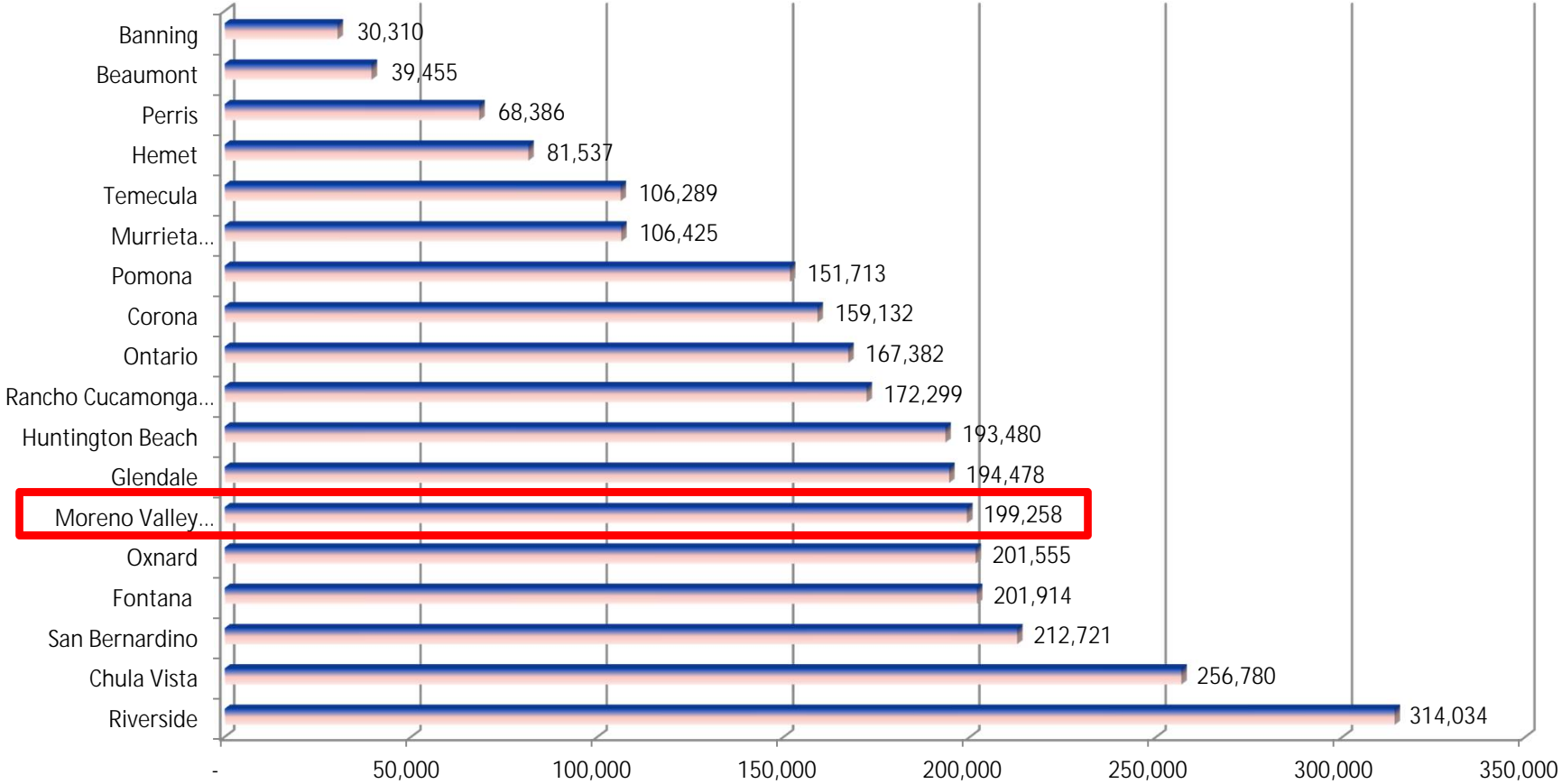
- Operations: 2 City / 69 contract positions
- Prevention: 3 City / 8 contract positions
- Emergency Management: 3 City positions

## Fire Stations

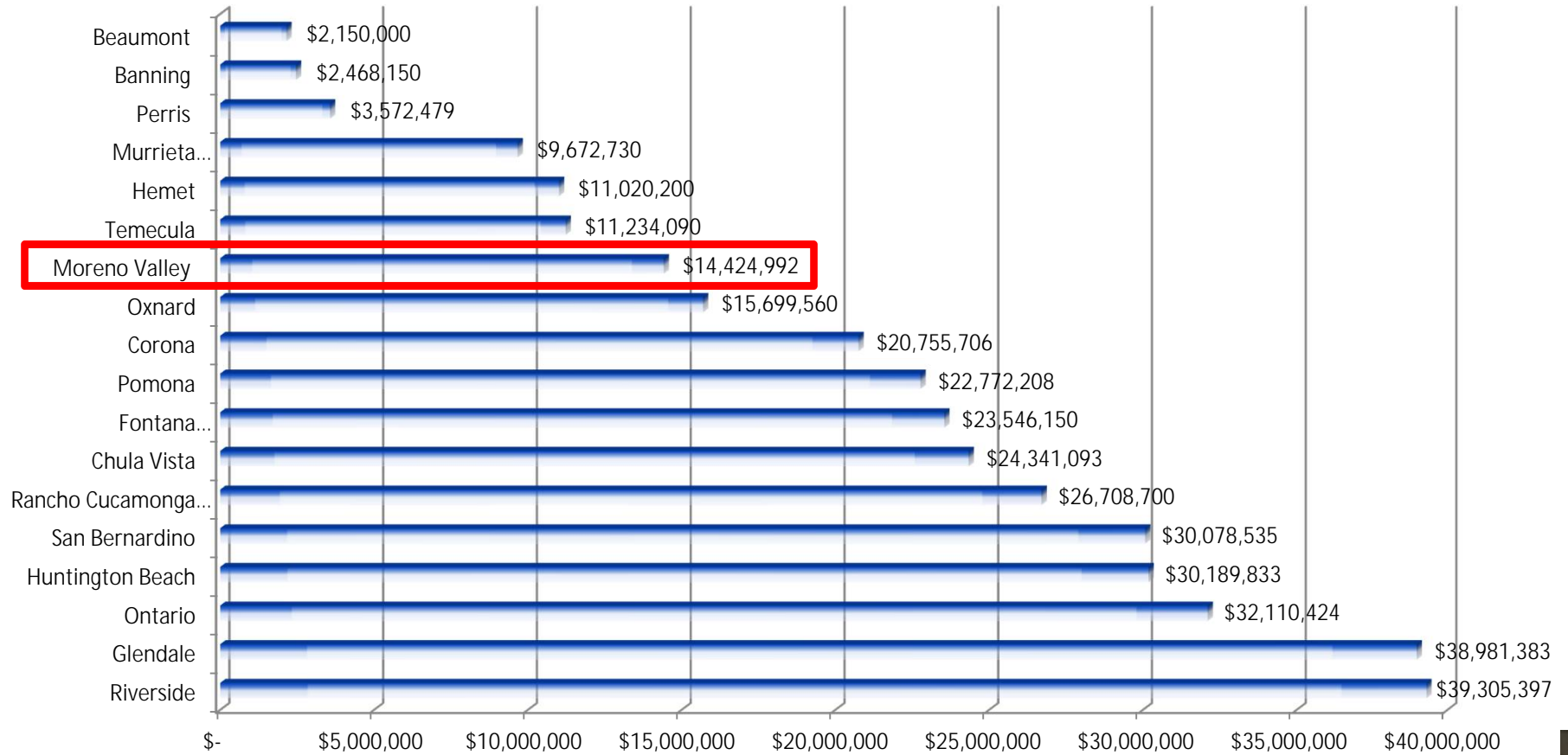


PROPOSED BUDGET (P. 120-124)

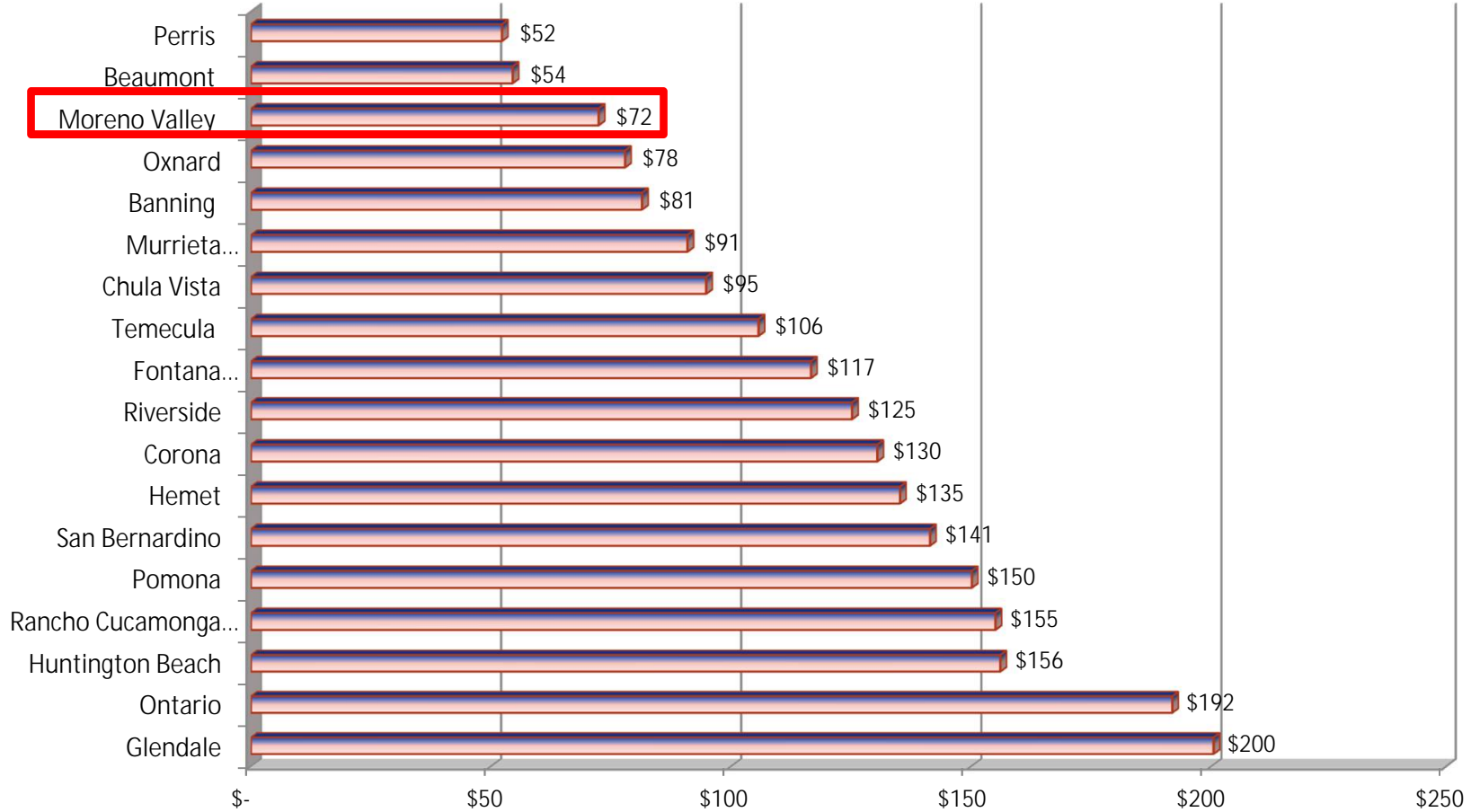
# Population



### Fire Operations Budget

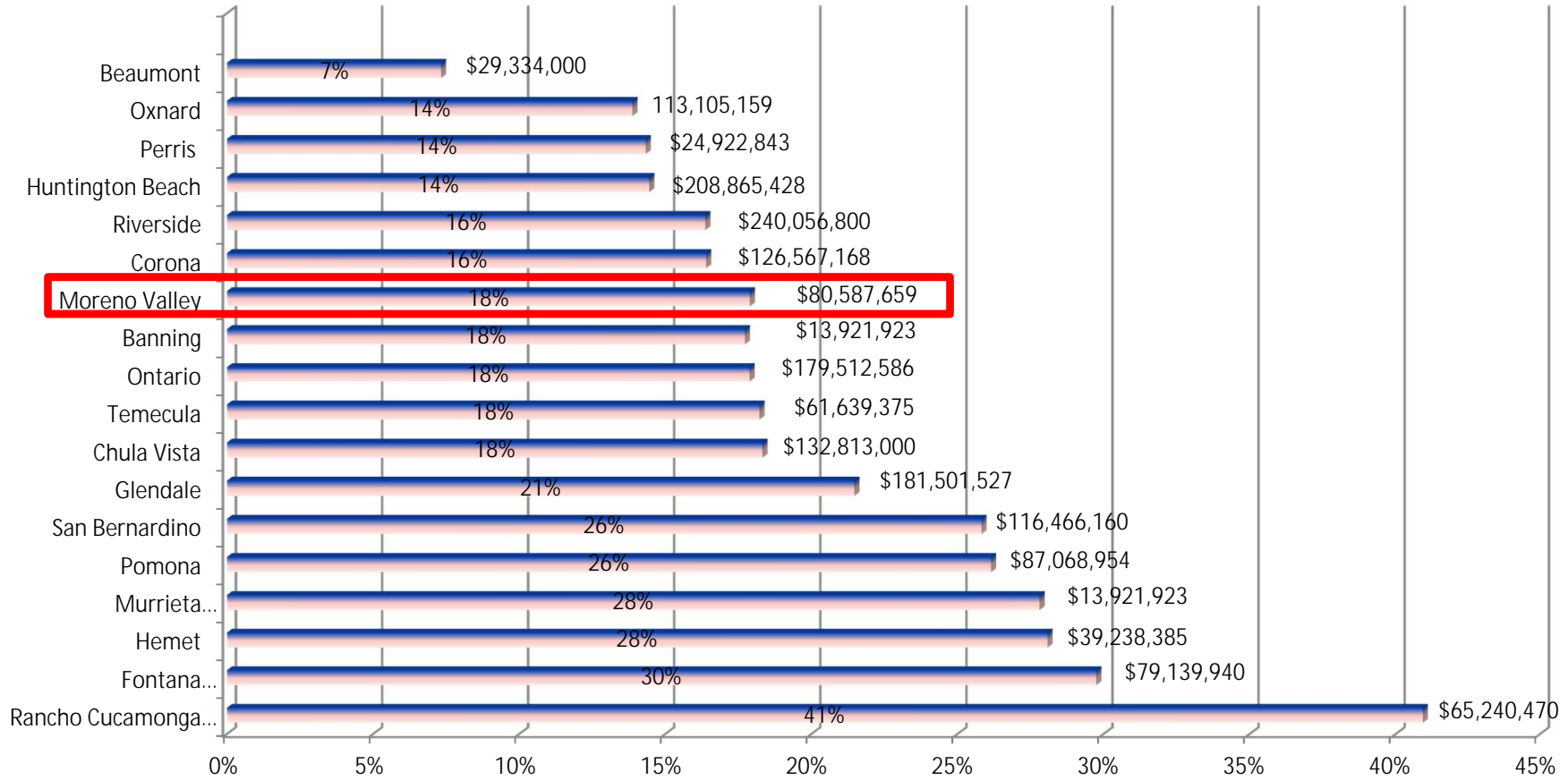


### Fire Operations Budget Per Capita



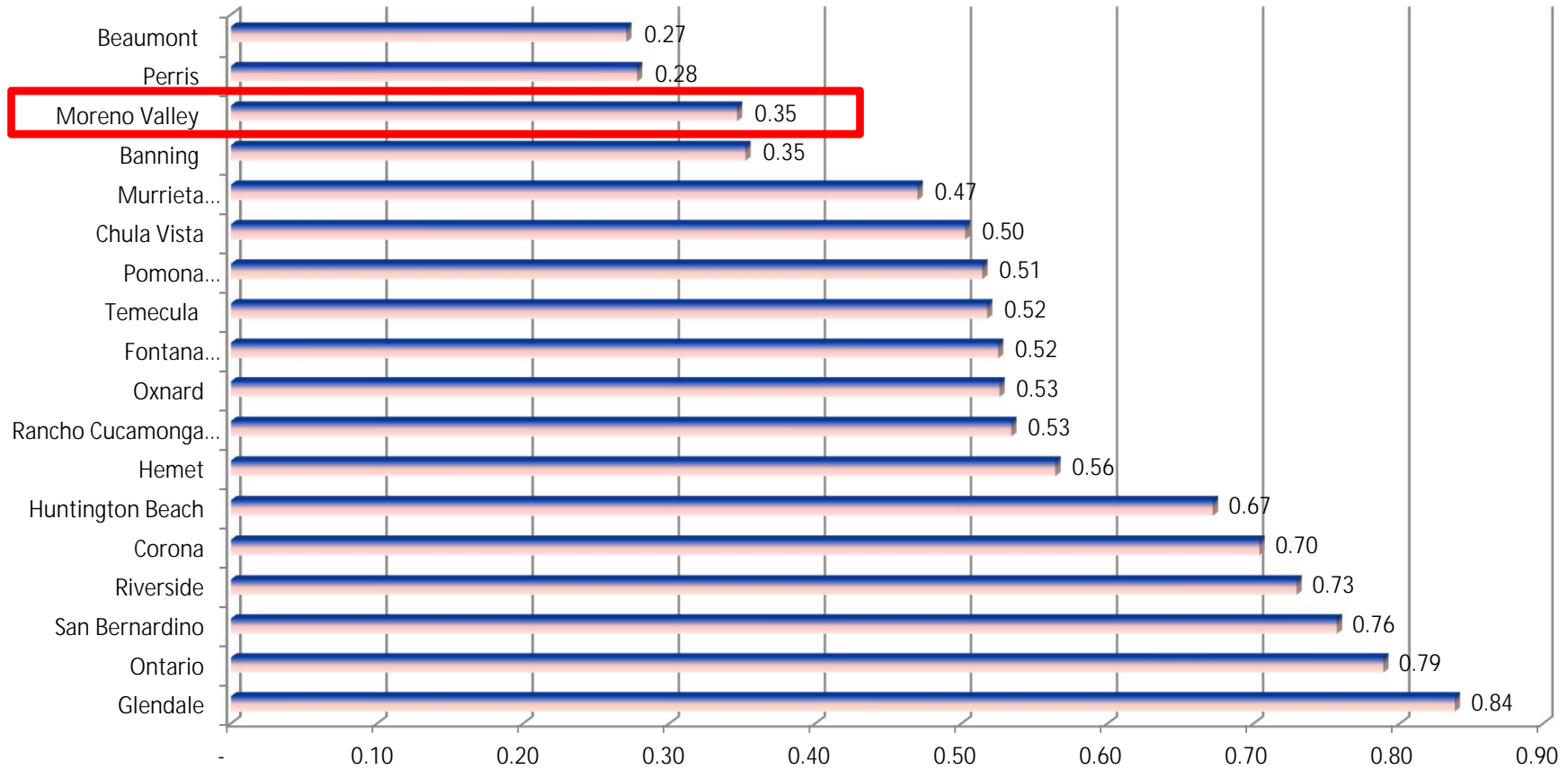


### Fire Operations Budget as a Percent of General Fund



Attachment: Proposed Two Year Budget FY 2015-16 2016-17 v1 (1478 : PROPOSED BUDGET)

### Fire Personnel per 1000



## Fire Department

Summary of presentation to Public Safety Sub-Committee:

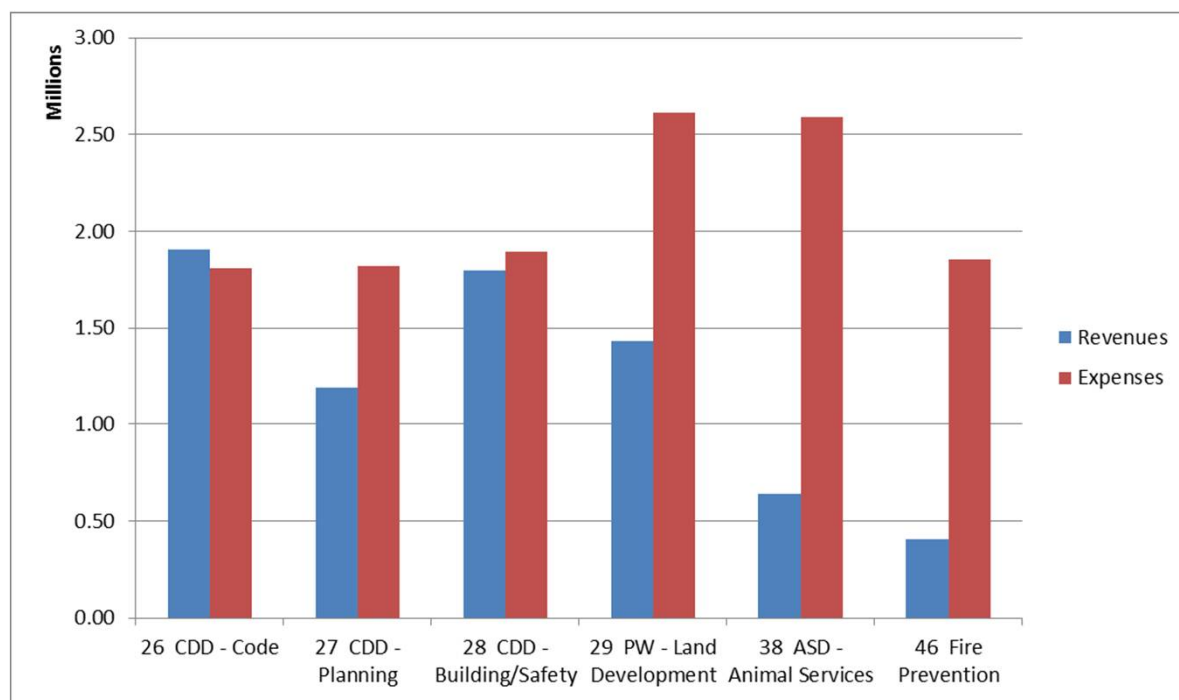
- Per capita spending in Moreno Valley ranked as the 3<sup>rd</sup> lowest amongst the 18 cities surveyed
- Moreno Valley tied for 3<sup>rd</sup> lowest in the number of firefighters per 1000
- Moreno Valley is the lowest on spending when compared to other cities of similar population



# Department/Division Funding – General Fund

Certain programs generate fee revenues to offset costs

- User Fees set annually by City Council

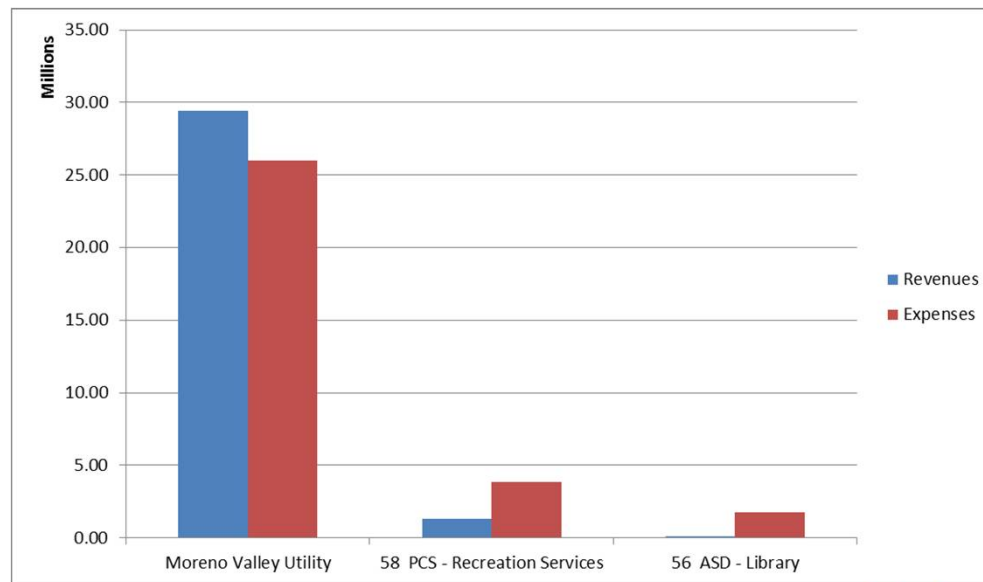


PROPOSED BUDGET (P. 85-158)

## Department/Division Funding – Non General Fund

Certain programs may be sustained through dedicated taxes, fees, and charges

- User Fees set annually by City Council
- Special taxes approved by Voters
- Parcel taxes limited by Prop. 13



PROPOSED BUDGET (P. 85-158)

## Library

### Existing Facility

- 14,000 sq. ft. facility.
- Library building is 28 years old
  - No reserves for building replacement
- Average annual operations/maintenance/facility expenses of \$76,600
  - \$383,000 spent over the last five years
- Planned Repairs
  - \$8,155 Termite Fumigation (5/30/15)
- Future Replacements
  - \$179,000 for new HVAC system
    - Will be presented as part of 3<sup>rd</sup> Quarter proposed budget amendments
    - Library is designated cooling center



## Library

### Existing operations

- 14,000 sq. ft. facility. \$1.75M budget

### Proposed operating costs for an additional location

- Estimated 5,000-7,000 sq. ft. store front facility
- Start-up costs \$700,000
- Annual operations \$500,000. Excludes facility lease

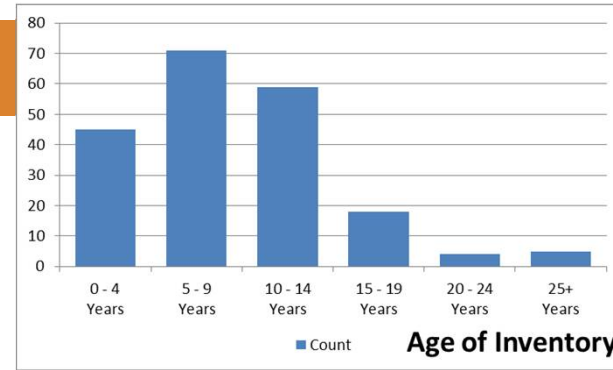
### Financing alternatives

- Zone L parcel fee previously proposed to voters in 2001
  - 9.5% voted, 43% voted "Yes"
  - Required 2/3 approval of registered voters
  - Additional \$20 per parcel could generate \$1M



# Fleet Operations

- Current vehicle Inventory
  - Cars/trucks (80)
  - Working trucks (60)
  - Specialty (28)
  - Equipment (33)
  - Approx. 50% 10 years or older after current replacements
- Replacement plan
  - 20% of fleet for two years to catch up from last seven years
  - Oldest vehicles/highest needs replaced first
  - Lengthen replacement plan/schedule for most vehicles going forward
  - Supports program service levels, reliability, emergency preparedness
- Financials
  - Total fleet replacement value \$12M
  - Reserve \$900,000 for replacement annually
  - Fund balance of \$8M



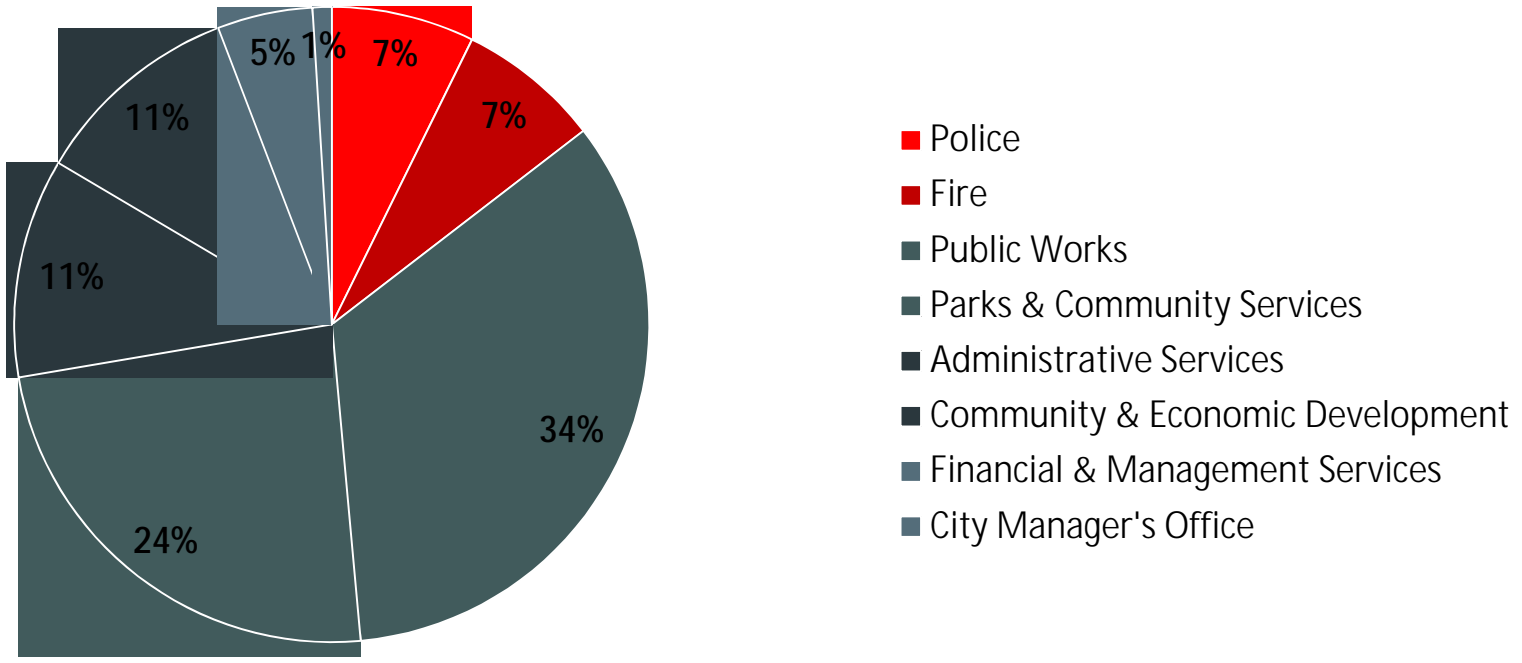
PROPOSED BUDGET





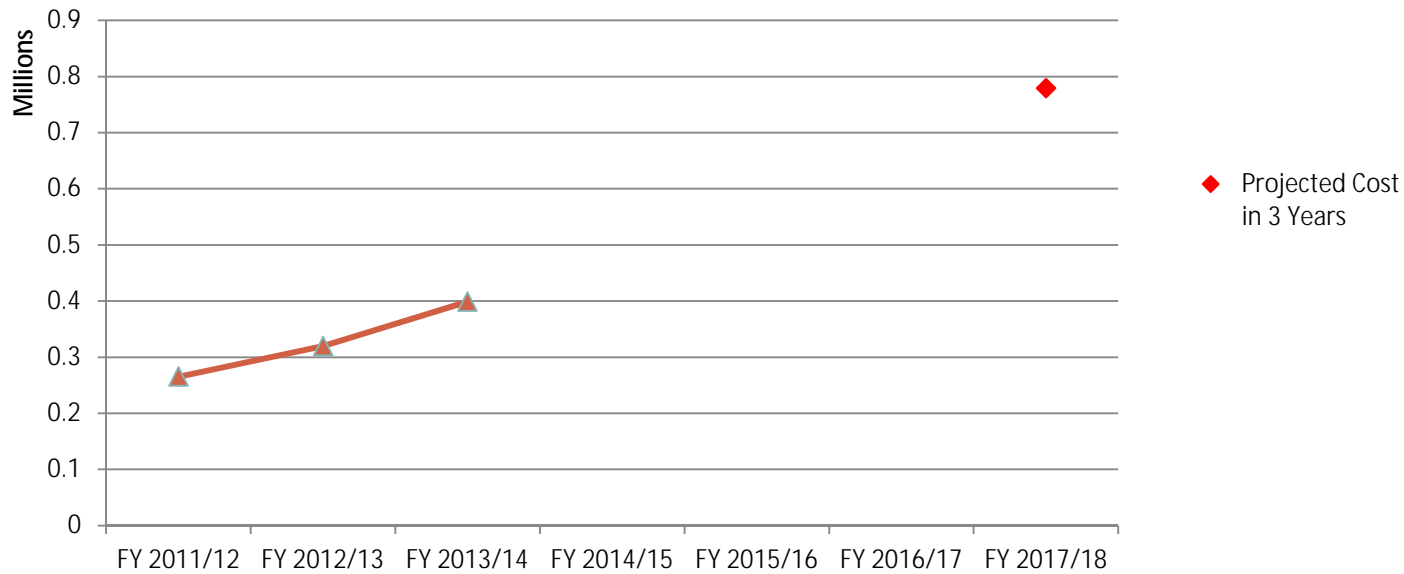
# Fleet Operations

## VEHICLE/EQUIPMENT COUNT & PERCENTAGE BY DEPARTMENT



FLEET OPERATIONS

### Vehicle/Equipment Maintenance/Repair Parts - 3-Year Cost History & Projection



#### Projected Cost if Vehicle Replacements are Delayed for 3 Years

- \$2.5M current cost plus 3-year cumulative CPI (1%/yr) \$2.58M
- 25% annual, cumulative projected cost increase (repair parts) .70M
- TOTAL \$3.28M**

Additional Consideration: Increase in vehicle "down-time" each year



## VEHICLE/EQUIPMENT REPLACEMENT PLAN CRITERIA

- Replacement Thresholds
  - 10 Years or 100K miles – All vehicles/equipment except street sweepers
    - Anticipated repair requirements
    - Repair parts availability
  - 7 Years – Street sweepers
  - Note: Current Average Age of Fleet is 13 Years
- Comparison of Replacement Criteria (U.S. Government General Services Administration)
  - Passenger Vehicles: 3 – 5 Years
  - Light Trucks: 7 – 8 Years
  - Medium Trucks: 10 Years
  - Heavy Trucks: 12 Years
- Future Purchase of “Good Quality” Used Vehicles
  - All non-specialty vehicles, when possible
  - Good Quality = Max 2 yrs old, Max 35K miles



## VEHICLE/EQUIPMENT REPLACEMENT PLAN CONSIDERATIONS

- Cost Savings: 780K (current costs vs. 3-year delay)
  - Cumulative CPI savings
  - Cumulative repair parts cost escalation
- Safety
  - Commercial vehicle safety requirements
  - Special certifications (boom trucks)
  - Employee safety
  - Public safety
- Reliability
  - Decreased "down-time" = Decreased program service level impacts
  - Working conditions (off-road, construction site, storm/weather events)
  - Emergency response
- Regulatory Requirements
  - Current and potential future air quality mandates



## Discretionary/Backfill Funding

### Citywide discretionary accounts

- Each Council Member receives \$3,000 annually
- City Manager oversees \$125,000
  - Typically used for various one-time, unanticipated study costs

### Community Development Software Upgrade

- Accela contract awarded in March by City Council
- Standard 10% (\$200,000) project contingency
- \$400,000 for new position and temporary staff "backfill"

### Capital Improvement Projects typically require 5-10% contingency

- Restricted for project use



## Police Department "Add-Ons"

### Patrol services

- 448 supported hours per day or approx. 92 Deputy Sheriff positions

Dedicated positions (50 add-ons. Excludes mileage, overtime, training, operating costs)

- 1 Captain - \$255,500 (90% funded)
- 1 Lieutenant - \$251,500
- 2 Sergeants - \$223,500 each
- 18 Deputy Sheriffs - \$160,000 - \$292,000 each
  - motorcycle team, K9, crime prevention, regional gang task force, graffiti prevention, AB 109 task force
- 1 Forensic Technician - \$118,500
- 22 Community Service Officers - \$109,000 each
- 2 Office Assistants - \$67,500 each
- 1 Supervising Office Assistant - \$78,500

Total Add-Ons: estimated at \$8.1M out of a base contract of \$36.5M

PROPOSED BUDGET (P. 138-145)

Attachment: Proposed Two Year Budget FY 2015-16 2016-17 v1 (1478 : PROPOSED BUDGET)



## Crossing Guards

### Crossing Guard Program:

- CA Manual of Uniform Traffic Control Devices (CA MUTCD) identifies locations which warrant the use of crossing guards
  - 19 warranted locations
  - 8 unwarranted locations
- Currently provided for Moreno Valley Unified School District

### Program currently employs 47 positions:

- Full Time staff – 1 Supervisor
- Part Time staff – 1 Asst. Supervisor
- Temporary staff – 35 Crossing Guards and 10 Alternate Crossing Guards



## Crossing Guards

### Annual Expenditures

- Historically averages \$550,000 annually
- Funded out of Gas Tax revenues

### Options/Alternatives to Examine

- Reduce 8 unwarranted locations est. savings of \$80,000
- Contract Program (27 locations)
  - Maintain service levels
  - Potentially save \$50,000-\$100,000
  - Reduces liability and impact on City resources (Technology, Payroll, Workers Comp., Human Resources)





## Schedule and Future Actions

- February: Long Range Business Projections reviewed
- April: Council Member 1:1 meetings to review budget
- May 5: Study Session
- May 12: Council Meeting
- May: Proposed budget reviewed by public and City Council
- May: Council Member 1:1 meetings to review budget
- May 19: Study Session
- May 26: Employee Memorandum of Understanding and Capital Improvement Plan
- June 9: Budget Adopted (effective July 1)
- Future: User fees/Development Impact Fees/Quimby study
- Future: Quarterly budget reviews and study sessions

PROPOSED BUDGET

