



City of San Leandro

Meeting Date: April 18, 2016

Staff Report

File Number: 16-067 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.F.

TO: City Council

FROM: Chris Zapata
City Manager

BY: City Council

FINANCE REVIEW: Not Applicable

TITLE: Staff Report Summarizing City Council's Annual Planning Session of January 30, 2016

SUMMARY AND RECOMMENDATIONS

It is recommended that the City Council review and accept the attached report summarizing the Council's annual planning retreat that took place on January 30, 2016.

BACKGROUND

The City Council held their annual planning retreat on Saturday, January 30th, 2016 to assist in developing the City's 2016 policy priorities and work plan. The session was organized into three sections:

1. Financial, policy, and project updates;
2. City Council discussion of priorities and goals;
3. Team communication exercise.

The planning retreat was publicly noticed as a special meeting of the City Council, in accordance with the Brown Act. Additional outreach for the meeting included social media announcements, as well as publication on the City's website under the "City Calendar" and "Latest News" web pages. The City Manager, City department heads, and other City staff attended the event to provide updates on policy and project commitments for 2016. Members of the public also attended the meeting and provided comments on a range of issues.

Subsequent to the retreat, the City Council was provided an opportunity to individually rank their top priorities and goals.

The attached report prepared by K. Iwata Associates, Inc. summarizes the discussion and outcomes of the session.

After reviewing its content, staff recommends that the City Council accept the report prepared by K. Iwata Associates, Inc.

Fiscal Impacts

Funds for the facilitation services provided by K. Iwata Associates were previously appropriated as part of the adopted FY 2015-16 budget.

ATTACHMENT

- Report by K. Iwata Associates, Inc.

PREPARED BY: Sbeydeh Viveros-Walton, Administrative Analyst, City Manager's Office

City of San Leandro City Council Planning Retreat Summary Report

Overview

The San Leandro City Council held their annual planning retreat on Saturday, January 30th, 2016. The session was organized in three sections:

1. Financial, policy and project updates;
2. City Council discussion of priorities and goals;
3. Team communication exercise

The public meeting was noticed as a special meeting of the City Council and was publicly noticed according to the Brown Act. Additional outreach for the meeting included social media announcements and was published in the City website under the “City Calendar” and “Latest News” web pages. Members of the public attended the meeting and provided public comment on a number of concerns.

Subsequent to the retreat, the City Council reflected on their discussion and ranked their top ten priorities and goals that were deliberated during the retreat.

Planning Retreat Summary

1. Financial, Policy and Project Updates

The City Manager and Finance Director provided financial, policy and project updates that served as the foundation for City Council discussion.

The Finance Director presented a financial review that included a general fund forecast as well as budget assumptions and considerations. To view the complete presentation, see Attachment 1.

The City Manager then presented accomplishments for the prior year along with policy and project commitments for 2016. For a list of 2015 City accomplishments as well as Council committee and commission approved initiatives, please see Attachment 2.

2. City Council Discussion of Priorities and Goals

Phase 1: Idea Generation

The Mayor and Council used the Open Space Technology process to identify priorities and goals for the coming year. The process began with the development of a “community bulletin board” which was created by members of the Council posting their ideas of important action items for a 2016 action agenda. In total, the Council identified 62 tentative priorities, goals and projects. To view the “Community Bulletin Board” items, please see Attachment 3.

Phase 2: Categorizing & Grouping

Next, these ideas were grouped into the following 8 categories:

1. Quality of Life/Social Services
2. Economic Development
3. Communication
4. Revenue & Fiscal Sustainability
5. Capital Projects
6. Public Safety
7. Policy
8. Miscellaneous

The Council exchanged views and deliberated the ideas in each of the categories. City staff was present to answer questions from the Council as needed.

3. Team Communication Exercise

The last activity of the planning retreat included an interactive exercise using the four quadrant Herrmann Brain Dominance model. The four quadrant Herrmann Brain Dominance model provided the context to learn how these different thinking styles impact the 4C's of high performance teams: communication, collaboration, conflict resolution and change management. Through this exercise, City staff and Council members identified their preferred thinking styles and learned strategies for improved collaboration.

Conclusion

The annual City Council planning session provides the Council an opportunity to develop and discuss the City's goals and priorities for the upcoming year. Subsequent to the retreat, the Council reflected on their discussion and ranked the goals and priorities identified at the retreat.

City staff will consolidate the feedback from the Council along with public input gathered from the budget outreach process and incorporate it into the annual budget recommendations to City Council.

Attachments

- | | |
|---------------|---|
| Attachment 1: | Finance Presentation |
| Attachment 2: | City Accomplishments and Approved Initiatives |
| Attachment 3: | Community Bulletin Board Items |

City of San Leandro City Council Planning Session



San Leandro Main Library
January 30, 2016



Overview

- Acknowledgements – Community, Council, Employees – Past and Present
- City Council Goals
- Local economic conditions
- General Fund focus
 - Forecast
 - Measure HH
- Budget considerations
- Budget calendar

City Council Goals 2015-16

- Place San Leandro on a firm foundation for long-term fiscal sustainability
- Advance projects and programs promoting sustainable economic development, including transforming San Leandro into a center for innovation
- Provide quality public safety service and grow our partnership with the community to keep San Leandro safe
- Maintain and enhance San Leandro's infrastructure
- Support and implement programs and activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride
- Maintain and support a strong positive relationship between the City, schools and the educational community

Local Economic Conditions on San Leandro's Budget

- Property tax
 - 2015-16 budget reflects the 7% increase; assume 2% increase for subsequent years
- Sales tax
 - Increased 13% in 2014-15 (10% growth without HH)
 - Revenues increasing due to low interest rates and full employment
 - Measure HH sales tax through March 2045
- Utility Users tax
 - Increased by 2% in 2014-15, expected to increase in future
- RDA dissolution ongoing

Economic Conditions (cont.)

- Housing prices improving - inventories low
- Median price \$505,000 per Trulia.com
- Unemployment rates for November 2015 (EDD):
 - San Leandro = 4.8% (a year ago 4.9%)
 - Alameda County = 4.4% (a year ago 5.0%)

General Fund Forecast 2009-10 thru 2021-22



	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
■ Revenues	71,180	72,548	76,079	79,988	84,942	91,707	96,820	97,783	100,234	102,330	104,462	106,968	109,551
▲ Expenditures	74,466	73,271	77,289	79,159	80,618	86,517	93,547	97,285	95,891	99,432	103,284	106,697	110,417
✕ Income/(Loss)	(3,286)	(723)	(1,210)	829	4,324	5,190	3,272	498	4,342	2,897	1,179	271	(866)

General Fund Forecast Assumptions 2015-16 to 2021-22

REVENUES

Description	PROJECTIONS <i>(Dollars in thousands)</i>						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Sales Tax	29,944	29,960	31,184	31,993	32,802	33,951	35,140
Transaction tax	10,335	10,582	11,032	11,530	12,052	12,593	13,158
Total sales tax	40,279	40,542	42,216	43,523	44,854	46,544	48,298
Total sales tax %		1%	4%	3%	3%	4%	4%
Property tax	20,239	20,642	21,055	21,476	21,906	22,344	22,791
Property tax %		2%	2%	2%	2%	2%	2%
UUT	10,215	10,318	10,421	10,525	10,630	10,737	10,844
UUT %		1%	1%	1%	1%	1%	1%
Business license	5,150	5,253	5,358	5,465	5,574	5,686	5,800
Business license %		2%	2%	2%	2%	2%	2%
All Other revenues	20,937	21,029	21,184	21,341	21,499	21,658	21,819
All Other revenues %		0%	1%	1%	1%	1%	1%

General Fund Forecast Assumptions 2015-16 to 2021-22

EXPENDITURES

Description	PROJECTIONS						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Salary adjustments	4.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Medical rates	10%	10%	10%	10%	10%	10%	10%
CalPERS rates:							
Safety	42.5%	48.4%	50.8%	53.2%	55.6%	58.0%	60.4%
Miscellaneous	27.0%	29.4%	31.5%	33.6%	35.7%	35.8%	36.5%
Retiree medical *	\$ 1M	\$ 1M	\$ 1M	\$ 1M	\$ 1M	\$ 1M	\$ 1M
Services & supplies	1%	1%	1%	1%	1%	1%	1%
Consulting	2%	2%	2%	2%	2%	2%	2%
Legal fees	3%	3%	3%	2%	2%	2%	2%
Fire service fees	2.5%	3%	3%	3%	3%	3%	3%
OPEB trust account *	\$ 750k	\$ 750k	\$ 750k	\$ 750k	\$ 750k	\$ 750k	\$ 750k

** The ARC is \$1,377,000 per year and is fully funded in the Retiree Medical and OPEB trust accounts.*

Budget Considerations

- Continuing increases in the following:
 - Negotiating labor contracts
 - Service level demands
 - Facility and maintenance needs
 - Health benefits and CalPERS
 - Streets and roads deterioration
 - Unfunded liabilities
 - Fire contract services and equipment
- 16.67% reserve threshold and PULL Program
- Goals and priorities alignment
- Implement projects and priorities established for:
 - Measure BB
 - Measure HH

General Fund Focus

(Dollars in thousands)

Ideas for use of Measure HH funding:

1.	Streets and Road improvements (\$2M per year for 5 years)	Ongoing	\$ 10,000
2.	Public Safety building improvements (South Office)	One-time	6,800
	Total		\$16,800

General Fund Focus

(Dollars in thousands)

Potential requests for funding:

	Description	Estimated cost	
1.	Child Care at Marea Alta	\$800	1 year
2.	Pull Program funding OPEB Trust	5,000	PULL
3.	Traffic Calming	TBD	Ongoing
4.	Multilingual Outreach	TBD	Ongoing
5.	Social Services/Art and Culture	TBD	Ongoing
6.	Sustainable Environment/Disaster Preparedness	TBD	Ongoing
7.	Public Safety Enhancements	TBD	Ongoing
8.	Quality of Life	TBD	One-Time

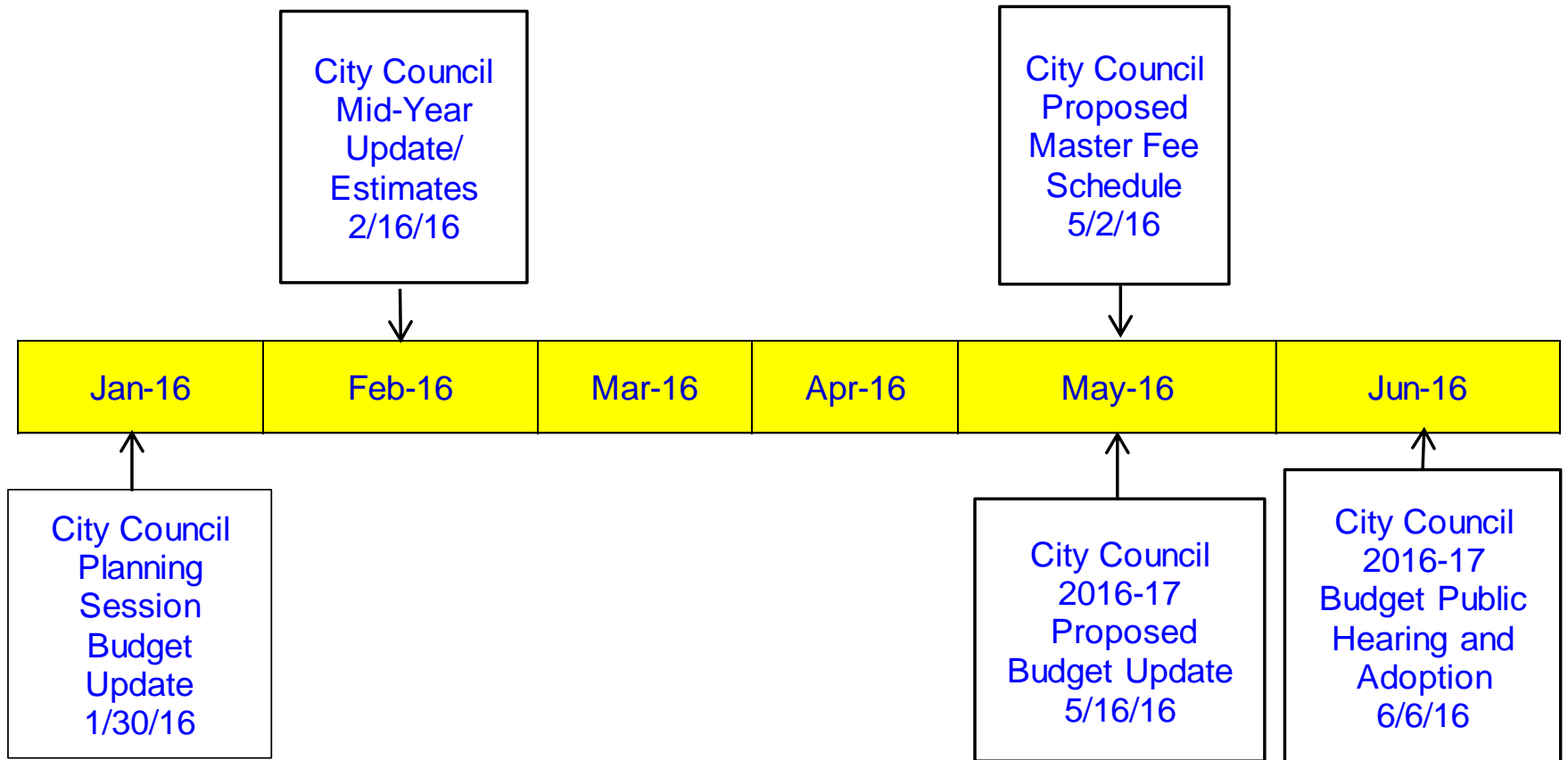
“PULL” - Prioritizing Unfunded Liability Liquidation

General Fund Focus

Estimated Long-term unfunded liabilities at 6/30/15:

1.	Miscellaneous/Safety unfunded OPEB (ARC is \$1,377,000)	\$14,576,000
2.	Miscellaneous unfunded CalPERS (ARC is \$6,121,991)	67,781,576
3.	Safety unfunded CalPERS (ARC is \$4,854,750)	48,381,880
4.	Fire Department unfunded OPEB (ARC is \$1,814,000)	19,796,000
	Total	\$150,535,456

2016-17 Budget Calendar



City Accomplishments Snapshot of 2015

City Manager's Office

- Downtown WiFi
- Digital signage at City Hall
- Barbara Lee Wellness Center Completion
- Labor Negotiations nearing completion
- Medical Cannabis Initial Dispensary awarded to Harborside San Leandro
- Community Workforce Agreement Implemented

Community Development

- New Businesses – 21st Amendment, Peet's Coffee & Tea, Chipotle, Ulta Beauty, DSW Shoes, Nothing Bundt Cakes, Ecopia, Sculpteo, Eat Club
- Progress on Major Projects – Tech Campus, Marea Alta, Shoreline
- Resolution of RDA Issues - \$9 million for Eden Rd, Doolittle Dr, MacArthur Blvd and Hays St Streetscape Improvements, \$2 million General Fund loan repayment, Award of Finding of Completion and Approval of Long Range Property Management Plan
- Advanced Planning Initiatives Advanced - Housing Element Adopted and General Plan draft released
- Expansion of Services – LINKS Shuttle service doubled and SLUSD connected to Lit San Leandro

Engineering and Transportation

- Completed street sealing and street overlay and rehabilitation projects to maintain our roadways
- Expanded the Fiber Conduit System to the Shoreline in anticipation of future development and School District collaboration and improved system redundancy with a new loop connection between City Hall and the Main Library

- Rehabilitated City buildings with the repair and update of the Police Department HVAC and repair of the window storefront at the Marina Community Center
- Enhanced City's Downtown with the addition of new garage signage and West Juana Streetscape Improvements
- Improved active transportation environment with the installation of Rectangular Rapidly Flashing Beacon pedestrian signage for the Marina Community Center pedestrian crosswalk and completion of the Bicycle Striping and Signing for the San Leandro Bicycle Network East

Finance

- Paid CalPERS City's pension obligation in July to save \$90k in interest charges which accrue at a 7.5% rate
- Launched the PULL Program (Prioritizing Unfunded Liability Liquidation)
- Received GFOA awards for financial reporting excellence for our CAFR and Budget
- Completed audits conducted by the Department of Justice and CalPERS without needing to pay additional funds to the federal or State government
- Implemented Measure HH, expected to generate \$300 million over next 30 years

Public Works

- Maintained operational regulatory compliance during the Water Pollution Control Plant's \$54 million rehabilitation project
- Began citywide audit for identification of future energy and water efficiency projects
- Implemented mandatory recycling for all commercial businesses
- Held first Household Hazardous Waste event with participation by over 400 households
- Reconstruction and ADA upgrades at the San Leandro Ball Park locker rooms and restrooms

ACFD

- Insurance service office (ISO) - department rating = 2 (1 is the highest)

- 2015 CY San Leandro total emergency responses = 9,845
- Mud boat - paid for by Port of Oakland. Can operate in one inch of water. In service by March 2016. Housed at FS 10 - 2194 Williams Street. A second Mud boat (received from Dept. of Homeland Security grant) should be in service by summer. Will be housed at FS 11 - 14903 Catalina
- Promotions/hiring:
 - 1 deputy chief
 - 4 division Chiefs
 - 6 battalion Chiefs
 - 23 captains
 - 10 engineers
 - 28 entry level firefighters

Police

- Provide quality public safety service and grow our partnership with the community to keep San Leandro safe
- Overall crime is down
- Council approved rescue vehicle in partnership with other local agencies
- Awarded an ABC (Alcohol Beverage Control) grant for education and enforcement on sales/ distribution of alcohol
- Maintain and enhance San Leandro's infrastructure
 1. Completing Local Hazardous Mitigation Plan
 2. Enhanced disaster preparedness and animal shelters during disaster
 3. Implemented virtual EOC
 4. South-Office building project
- Support and implement programs, activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride
 1. CIT program (Crisis Intervention Training) dealing with mental health completed 40 hours of training for 20% of department

2. Enhanced services downtown with adding 2 part-time PST's and one additional officer- partnership with Business Improvement District
- Maintain and support a strong positive relationship between the City, schools and the educational community
 1. Implementing GREAT (Gang resistance education) Programming
 2. Implemented recess with the COPS
 3. Liaison officer assigned to each school
 - Additional Community communications efforts by police
 - Obtained a Weibo social media grant for Chinese Community from COPS office 75,000
 - Hosted a Youth Summit in partnership with REACH in Nov 2015

Library

- Awarded 6th Big Read Grant
- Early Literacy and Kindergarten Readiness Programs

The Main Library offers an average of 20 storytimes per month, serving an average of 1245 community members. Storytimes are held in English and Spanish, with offerings for babies, toddlers, preschoolers and families.

The Library is in year three of a neighborhood partnership grant funding Spanish language storytimes & preschool play & learn programs for the community. The 2016 grant component adds parent education, as well as kindergarten readiness toys and prompts at library branches.

- Family Entertainment Programs

The San Leandro Main Library and Manor Branch Library continue to offer monthly educational and entertainment programs for families, exposing 1500+ kids and families annually to a wide array of performances, including music shows, puppet shows, cultural history, live theater, science, live animals, and more.

Highlights from 2015 included the History of Hambone Body Music, a family science program from the American Chemical Society that allowed kids to make

liquid nitrogen ice cream, a Star Wars themed storytime featuring a storm trooper from 501st legion, and live animal show with a kangaroo and an alligator!

- **Teen Programs**

Our weekly Dub Club for grades 5 to 12 is offered every Wednesday when school is in session. We have 40-80 teens attend each week for studying, snacks, gaming, and fun.

Together with the Recreation Department's Youth Advisory Council (YAC), the Library's Teen Advisory Group (TAG) organized and runs San Leandro's Got Talent, a talent show showcasing San Leandro teens. The February 2015 event raised more than \$3,000 for teen services in San Leandro.

The year-round teen volunteer program offers work experience to 230+ teens annually, including volunteer throughout the school year and summer.

In addition, teen services offered monthly programs for teens, including DIY crafts, a Teen Amazing Race, an SAT workshop, and a book-to-movie marathon in honor of Teen Read Week.

Recreation and Human Services

- Completing the stakeholder engagement process and initiating the Siempre Verde Park rehabilitation .
- Kicked-off the City's Domestic Violence Task Force to identify and curb domestic violence issues in San Leandro.
- Cherry Festival (106th annual). A record 25,000 attendees participated in the 2015 Festival.
- Funding for San Leandro warming shelter (for homeless) and outreach is supplemented with an additional \$100,000 by Alameda County.
- Arts Commission kicks-off its first meeting and a San Leandro Public Arts Master Plan RFP is issued in 2015.

City Attorney

- Successfully negotiated settlement of a potential claim by the City against Siemens Building Industries, Inc. for \$4,000,000 paid back to the City's sewer enterprise fund related to the construction and maintenance of an energy co-generation system at the City's water pollution control plant.

- Assisted staff and the City Council with advice and counsel and the successful vetting, interview, and selection of the City's first medical cannabis dispensary permittee, Harborside San Leandro.
- Provided advice and counsel to staff, and drafted the City's first Community Workforce Agreement with the Alameda Building and Construction Trades Council, to ensure that City projects over \$1,000,000 would employ tradespeople and City residents.
- Provided litigation defense, advice and counsel to staff on eventual settlement and dismissal of the City's lawsuit against the Department of Finance to preserve over \$2,000,000 in loan funds, and over \$9,000,000 in enforceable obligations to fund streets, roads and other infrastructure throughout the City.
- Provided effective legal advice and counsel to the City Council, the Planning Commission, the Board of Zoning Adjustments, other citizen legislative and advisory bodies, and staff on major City projects, including the General Plan Update, the General Plan Update EIR, updates to the massage regulations ordinance, the Zoning Code, and the Shoreline Development Project EIR

City Council Planning Session 2016

City Manager Update/Part 3

Council Committee/Board & Commission Topics: Smart Grid/Olidata, Parklets, Bike Network, Leafblowers, Rent Review/Just Cause, Chinese Name, Heritage Tree Ordinance, Drone Restrictions, Community Choice Aggregation, Gap Analysis of Human Service Needs, Art & Culture Master Plan, Re-use of wastewater

Redevelopment Settlement/Restart (Eden Road, McArthur/Superior, Downtown sites)

Shoreline Project

Medical Marijuana Dispensary Implementation and 2nd Selection

Housing Development and Rent Discussion

Minimum Wage

Major Planning Initiatives: General Plan, Bayfair TOD, Parking Strategy, West San Leandro Creek, 21st Century Workplace

Two Year Budget

November Election preparation - Community and Candidates

Projects – Finishability (Tech Campus, Marea Alta, Siempre Verde, Comstock Development, Community Workforce Agreement, Fiber to Schools/City Hall, Davis West/Durant, Grants, Capital Improvement Program)

Attachment 3

City Council Discussion of Priorities and Goals

Quality of Life & Social Services

1. Expansion of bike paths, open space, public Wi-Fi
2. More restaurants (not fast food)
3. Enhanced services for Seniors, needy families and homeless
4. Making Council meeting more accessible and convenient for the public
5. Hold City Council meetings & work sessions in each one of the districts
6. Develop even better synergy between Library and Parks & Human Svcs.
7. More accessible transportation services and filling public transportation gap
8. City fitness walks by neighborhoods
9. Opportunities to engage special populations, i.e. LGBT
10. Neighborhood parklets
11. Business clean-up days
12. Restore and utilize historic buildings
13. Provide larger venues to accommodate large meetings
14. Find new venues to hold community meetings
15. Leverage other community events to reach larger groups
16. Connect seniors to technology and services
17. Explore public-private partnerships

Economic Development

18. Encourage more upscale businesses and private investments
19. Create and promote small business ecosystem for growth, jobs and revenue
20. Container pad in industrial area
21. Bay Fair Center: rebrand and change the perception of area so it is seen as attractive, safe and a hub of community activities
22. Kraft land development
23. Analyze staffing levels to support work assigned by looking at contract/consultant staff to deal with work load spikes and not do it with full time staff

Communications

24. Dedicate resources to providing and servicing multi-lingual populations
25. Expand social media presence and outreach
26. Develop partnership with SLIA to enhance and grow downtown, stronger PR on downtown improvements
27. Create evening availability for staff so that they can work with constituents after business hours.
28. Improve internal communications so that City Council can stay informed on current events
29. Communication assessment survey & inventory

30. Create a volunteer data base so that neighbors are connected with each other
31. Ability to brainstorm informally with department heads in advance of formal meetings
32. Nixle-type communications about city events & news
33. Expand interactive social media presence

Revenue & Fiscal Sustainability

34. Medical Marijuana Tax
35. OPEB payment acceleration
36. Pay more than ARC on unfunded liabilities
37. Revenue generation MMJ tax and hotel tax

Capital Projects

38. Traffic Calming
39. Bike Lanes, bike sharing
40. Expand multi-jurisdictional projects
41. Secure funding for Eden Road rehab
42. Infrastructure risk, management and investment
43. Washington Manor pool: go to facilities committee?
44. Add parklets to downtown after BART is restored
45. Research and pursue creative financing for projects

Public Safety

46. Continue to enhance public safety
47. Increase LED lighting
48. More community/city involvement with SLPD
49. More funds towards police and community relations
50. Review red light camera policy
51. Discussion about resources and components that make a city safe. Research and implement technology and other tools

Policy

52. Minimum Wage, CPI included
53. More affordable housing
54. Relief and support for renters
55. Support historical buildings
56. Work with Caltrans to pave E. 14th
57. Stronger landscape ordinances for homeowners
58. Partner with agencies to get additional funding for utility boxes

Miscellaneous

59. Scalable tools & technology for city services
60. Improve recycling facility
61. Pursue funding for public education around zero waste and recycling
62. Partner with school districts around zero waste and recycling education.



City of San Leandro

Meeting Date: April 18, 2016

Minute Order - Council

File Number: 16-110

Agenda Section: CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: Lianne Marshall
Assistant City Manager

FINANCE REVIEW: Not Applicable

TITLE: MOTION Accepting Report Prepared by K. Iwata Associates, Inc. on Annual Planning Session of January 30, 2016
