A G E N D A

CITY OF SEASIDE
CITY COUNCIL

SPECIAL MEETING
Council Chamber
440 Harcourt Avenue
Thursday, May 14, 2015
4:00 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. **CALL TO ORDER**

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**

Ralph Rubio	Mayor
Ian N. Oglesby	Mayor Pro Tem
Dennis J. Alexander	Council Member
Jason Campbell	Council Member
David R. Pacheco	Council Member

3. **ORAL COMMUNICATIONS**
Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

4. **BUSINESS ITEMS**

A. **BUDGET STUDY SESSION #1 2015-2016 PRELIMINARY BUDGET**

PURPOSE: The purpose of this item is to conduct Budget Study Session #1 to provide an opportunity for the City Council and the public to receive and consider a more detailed presentation on the 2015-2016 Preliminary Budget.

RECOMMENDATION: It is recommended that the City Council conduct Budget Study Session #1 on the 2015-2016 Preliminary Budget for the City of Seaside.

5. **ADJOURNMENT**

Next Budget Study Session:
May 19, 2015 – 5:00 PM

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Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

CITY OF SEASIDE
STAFF REPORT

Item No.: 4.A.

TO: City Council

FROM: John Dunn, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: May 14, 2015

SUBJECT: **BUDGET STUDY SESSION #1 2015-2016 PRELIMINARY BUDGET**

PURPOSE

The purpose of this item is to conduct Budget Study Session #1 to provide an opportunity for the City Council and the public to receive and consider a more detailed presentation on the 2015-2016 Preliminary Budget.

RECOMMENDATION

It is recommended that the City Council conduct Budget Study Session #1 on the 2015-2016 Preliminary Budget for the City of Seaside.

BACKGROUND

The 2015-2016 Preliminary Budget was presented to the City Council and the public at the City Council meeting of May 7, 2015. Three Budget Study Sessions had previously been scheduled:

Thursday, May 14, 2015 at 4:00 p.m.
Tuesday, May 19, 2015 at 5:00 p.m.
Thursday, May 28, 2015 at 5:00 p.m., if needed

This is the first of the three study sessions.

The 2015-2016 Preliminary Budget is available on the City's website
http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=10674.

In addition, the PowerPoint presentation from the May 7th meeting is available on the website
http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=10678.

The staff report from the May 7, 2015 Preliminary Budget Presentation is attached to this report for a more detailed discussion of the Preliminary Budget. Each of the departments will present a detailed discussion of their department budget as part of this Study Session. This Study Session will provide the opportunity for a more in-depth review of the 2015-2016 Preliminary Budget.

ATTACHMENTS

1. Staff Report from the May 7, 2015 Preliminary Budget Presentation

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Reviewed for Submission to the
City Council by:

John Dunn, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 10.B.

TO:	City Council
FROM:	John Dunn, City Manager
BY:	Daphne Hodgson, Deputy City Manager Administrative Services
DATE:	May 7, 2015
SUBJECT:	**PRESENTATION OF THE FISCAL YEAR 2015-2016 PRELIMINARY BUDGET**

PURPOSE

The purpose of this item is to give the City Council the opportunity to receive a presentation on the proposed Fiscal Year 2015-2016 Preliminary Budget.

RECOMMENDATION

It is recommended that:

1. The City Council receive a brief presentation on the 2015-2016 Preliminary Budget for the City of Seaside.
2. The City Council conduct an in-depth review and discussion of the 2015-2016 Preliminary Budget at the study sessions approved for Thursday, May 14, 2015 at 4:00 p.m., Tuesday, May 19, 2015 at 5:00 p.m. and Thursday, May 28, 2015 at 5:00 p.m., if necessary.

CITY MANAGER'S BUDGET MESSAGE

This is not the usual budget message, which would detail proposed increased expenditures.

The Department Heads, because of the City's difficult financial condition at this point, have been asked to cut their budgets as much as they can consistent with sustaining City services and operations. All have done so. The Department Heads were also asked to carefully watch their Department's expenditures for the balance of the current fiscal year to try to create a surplus which would increase the City's reserve balance as of June 30, 2015.

In this budget preparation process we have gone from an initial "deficit" of about $1.6 million, to one now projected at $402,613.

The City has made great progress since the depth of the "great recession/slow recovery/dissolution of Redevelopment," culminating in the budget of 2012-13. Since then we have been able to build up our City reserves. However, for the past two years, we have slight budget deficits; despite this, we have made decisions regarding increasing staffing that we believe to be in the best long term interests of the City.

However, the basic truth is that we have never truly "caught up," that is, our actual and proposed expenditures are greater than our projected revenues, and that situation continues.

Again, at this point the City budget is $402,613 out-of-balance.

The classic way to cut budget expenditures is to cut positions, as personnel costs are 75% of the General Fund expenditure. At this point I have chosen not to do that for three basic reasons:

1. In a reexamination of our City's personnel, all of our positions are needed in order to carry out the City's basic service functions.

2. In 2008-09 through 2012-13, we engaged in several budget/personnel cuts which took the organization from 172 to 116 employees (now 122), which severely reduced our capacity for providing City services. Yet the City Council and citizen expectation, correctly so, is that we will continue to do our best to maintain quality service levels.

3. These earlier personnel/service cuts, together with concession bargaining over salaries and benefits, have had a severe negative impact on the morale of the organization from which the organization still suffers.

I have asked the Department Heads to carefully watch their expenditures for the balance of the year, in the hopes that we could use those budget savings to reduce the prospective deficit. However, as the Deputy City Manager-Administrative Services Director made clear at the April 16, 2015, City Council meeting, we do not and will not know the extent of these savings until at least August. In any event "budget savings" go into the City's General Fund Reserve account at the end of the fiscal year. These reserves are to be available to the City for the specified purposes.

The City Council has previously established the following Reserves levels: Special Reserve for extraordinary items at 10% of expenditures, Emergency/Contingency Reserve at 15% of expenditures, and a Capital Reserve at 5% of expenditures.

In accordance with Section 3.12 of the City of Seaside Municipal Code, the minimum General Fund reserves based on the 2015-2016 Preliminary Budget operating expenditures would be as follows:

Capital Reserve (3.12.010)	5%	$1,347,626
Special Reserve (3.12.020)	10%	$2,695,253
Emergency Reserve (3.12.030)	15%	$4,042,879
Total reserves at 2015-2016 year end	30%	$8,085,758

based on the Preliminary Budget

Estimated Reserves as of June 30, 2015:

Capital Reserve (3.12.010)	$ 669,705
Special Reserve (3.12.020)	$1,339,425
Emergency Reserve (3.12.030)	$2,009,133
Total estimated reserves at June 30, 2015	$4,018,263

So where does all this leave us? It leaves us with four fundamental choices, none of them desirable.

1. **The City could use the City reserves to absorb the projected operational deficit.**

   This has been done in the past for a valid reason - to maintain City services. We suspect, but do not definitively know, that the "deficit" situation will be less than projected due to unfilled positions and cost savings efforts.

2. **The City could take three presently authorized but unfilled/currently vacant positions, and not fund them for the 2015-16 budget year, or not fund them until it becomes clear that the funding for them is available.**

   This action, as drastic as it is, would correct the deficit situation:

Positions	Total Compensation
2 Police Officers	$280,000
1 Police Sergeant	$160,000
Total potential savings	$440,000
Preliminary projected deficit	$402,613
Potential personnel savings	$440,000
Budget surplus	$ 37,387

Because of the gang violence situation in the City for the past two-and-a-half years, and the need to forthrightly address this major community issue, this is not recommended. A memo from the Police Chief on this subject is attached to this staff report. It speaks directly to this issue.

The above I believe are the real choices before us. However, there are two other potential budget balancing mechanisms, though they are not recommended to you for the reasons stated.

3. **We could withhold funding for the two positions that we added to the budget last year from one-time funding, the Administrative Analyst (for the Economic Development function) and the Violence Prevention Manager.**

A. The Administrative Analyst is a critical position for the Economic Development function and provides vital assistance to the Community and Economic Development Manager. This latter position directs two of the most critical functions of the City, and these functions are understaffed. Economic Development activities of today will provide the additional and necessary revenue of tomorrow. I know that both the Department Head and the Division Head strongly support the necessity for the position, and the assistance it provides to the Economic Development function.

B. The Violence Prevention Manager was discussed at great length at last year's budget discussions, was approved and subsequently hired. After that the City, through the effort of the Blue Ribbon Task Force, was granted the Cal GRIP grant of $1.4 million over 3 years, which is under the auspices of the Office of Juvenile Justice and Delinquency Prevention (OJJDP). The grant, which is of potentially great benefit to the City in dealing with its gang and youth violence situation, has very stringent achievement and reporting requirements. If the City is to achieve success in both addressing and abating the gang violence situation in the City and in meeting the requirements of the Cal GRIP grant, it is necessary to have a person in this position, and not having such a person would be tantamount to "throwing in the towel" on both programs.

4. **The staff could be directed to "go through this budget with a fine tooth comb" and to develop the budget/personnel cuts necessary to produce a balance budget, with expenditures not exceeding revenues.**

   Though this is easy to say, the reality of making cuts beyond the over $1,000,000 in cuts already made from the original budget submission is difficult and painful and, for the reasons set forth above, is not recommended.

The question could be asked, if the City were to adopt Option 1, to support presently authorized personnel from reserves, how will this impact the budget for the following fiscal year, 2016-17? The answer has to consider built-in future cost increases such as salaries, health, retirement, utilities, etc. If car sales continue to be strong (nationally, March was a good month), when there is a full year of revenues from In and Out, Tesla, Gusto's, and other new businesses, expansions, and increased sales, then we should be ok. This is said with the knowledge that no one can provide an exact answer to this question at this time. This response assumes tightly controlling City expenses, particularly unbudgeted items from the City's reserves, and that there will be little room for personnel increases beyond current levels.

<u>Other Recommended Personnel Actions</u>

There are other personnel implications in the proposed budget, none of which involve the City's General Fund.

There is one building maintenance specialist position recommended to fulfill the contractual obligations with the Presidio of Monterey (POMA) Department of the Army. This position is completely paid for by POMA. This restores some of the staffing that was lost during sequestration.

There are three utility/field positions recommended for authorization, but no funding, at this time: two for the Seaside County Sanitation District and one for the Seaside Municipal Water operation. Why should we add allocated but unfunded positions to the City's budget? These positions are strongly recommended by the Resource Management Services Department for service and workload reasons at the same time as they are recommending an every-five-year review of sanitary sewer and water service fees. In order to more accurately determine the true cost of providing service, it is necessary to include the full labor cost to maintain the services. The inclusion of these positions will allow an analysis of the full labor cost. These positions would not be hired until fees have subsequently been adopted which would support these positions. These three positions are under two Enterprise funds, which are designed to be self-supporting, and have no impact on the General Fund.

Conclusion:

What then is before you a preliminary budget which, at this time, carries an operating deficit of $402,613. The preliminary budget does not propose the addition of any new personnel which would be supported from the City's General Fund.

Four different approaches are outlined above on how the City could deal with the situation.

At this point the City Manager is recommending either option 1 or 2, with the clear recognition that these are not desired options.

Under the City's Municipal Code the City Manager is to deliver a presumably-balanced budget for the City Council's consideration. I have failed to do that at this point, and I am truly sorry for that. However, I felt that this financial issue is so critically important to the City that I needed the advice and counsel and the policy direction of the City Council before I put the final budget together for review and adoption.

BACKGROUND

THE 2015-2016 PRELIMINARY BUDGET FOR THE CITY OF SEASIDE IS BASED ON THE CITY COUNCIL'S DIRECTION TO FOCUS THE CITY'S RESOURCES ON THE CITY'S VISION STATEMENT THROUGH THE ACCOMPLISHMENT OF THE CURRENT THREE-YEAR STRATEGIC GOALS.

The City Council held two strategic planning sessions during the 2014-2015 year, the most recent session on February 3, 2015. The City Council's engagement in the strategic planning process provides the forum to identify opportunities to strengthen the City's short-term and long-term financial positions, consider the fiscal constraints that impact the City, and take steps to reduce ongoing costs. In recognition of the need to focus on the City's priority services and invest resources on areas that will help advance long-term economic development, the City Council has established the following goals for 2014-2017:

- *Provide an increasingly safe community*
- *Create vibrant, sustainable economic development*
- *Provide leadership to obtain a sufficient water supply for desired development and quality of life*
- *Develop and implement a Quality Infrastructure Improvement Program*
- *Achieve and sustain fiscal health and wellness*

The goal of fiscal health was established to adjust the budgeting process to more effectively align resources with the City's goals. In order to achieve fiscal health, an organization must:

- Spend within its means
- Establish and maintain reserves
- Understand variances (budget vs. actual)
- Know the true cost of doing business
- Include economic analysis and long-term planning in decision-making

The 2015-2016 Preliminary Budget reflects the recovery of the economy from the challenging recession that impacted the City of Seaside, the State of California, the nation and the world over the past several years. The budget also continues to reflect the significant impact of the dissolution of the Redevelopment Agency. The 2015-2016 Preliminary Budget demonstrates the City's continued commitment, within its somewhat limited funding, to maintain service levels in the important areas of public safety, recreation, senior services, street maintenance and park improvements for the residents and businesses of the City of Seaside. Consistent with the City's mission and vision, this Budget reflects the City Council's direction to continue to pursue economic development projects that will strengthen the City's future fiscal position.

GENERAL OVERVIEW

The 2015-2016 Preliminary General Fund Budget is not balanced. There is an operating deficit of $402,613. It is projected that there will be $25.8 million in General Fund revenues in 2015-2016. The preliminary estimated General Fund expenditures for 2015-2016 are almost $27 million at this time.

2015-2016 Preliminary General Fund Budget	
Estimated Revenues	$25,749,915
Projected Expenditures	($26,952,528)

One-time funding for General Plan Update – previously authorized	$ 800,000
Operating Deficit	$ 402,613

Revenues:
The key revenue sources in the General Fund are Sales Tax, Property Tax, Transaction Tax, Transient Occupancy Tax (TOT), and Utility User Tax (UUT). We anticipate a continued improvement in the economy for this Preliminary Budget and therefore have estimated some revenue increases during the 2015-2016 Budget Year.

The largest revenue source in the General Fund is the **Sales tax** derived from the 1% sales tax. The majority of taxable goods continues to be motor vehicles sold within the City's Auto Center. There continue to be increases, although slowing, in auto sales and our sales tax collections during the current year reflected this. It appears that the pent up demand for new cars has leveled off. In the 2015-2016 fiscal year, we anticipate some continued growth in auto sales and the related sales tax. An estimate has been included in the sales tax calculation of partial year sales tax collections from In N Out Burger and Tesla auto sales. Both of these businesses are anticipated to be doing business in Seaside for half the 2015-2016 fiscal year. The estimate of sales tax is $6,500,000, a 6% increase from the 2014-2015 adjusted estimate of sales tax revenues.

Transactions tax is 1% transactions tax applied to taxable goods sold within the City. The transactions tax estimate is $3,800,000 for 2015-2016, an increase of $157,000, or 4%.

Property tax revenues are also a significant source of revenue to the City of Seaside. The assessed valuation of properties in the City, although increased by the County Tax Assessor this year, the assessed values continues to remain below the pre-recession valuation, therefore the estimate for property tax collections continues to be conservative. It is estimated to be $4,580,000.

Additional property tax collections due to the dissolution of the Redevelopment Agency caused a significant one-time adjustment to these revenues with the Mid-Year Report. However, with the information the City now has regarding these collections, with assistance from our property tax consultants and the County Auditor, we have been able to estimate $1,000,000 of residual property tax increment that is expected to come to the City in 2015-2016. We anticipate that this revenue stream will continue for approximately four years. Staff will continue to monitor these revenues and any legislation that might modify this revenue stream in the future.

Residual property tax increment comes from tax increment collected from the former redevelopment areas throughout the City. This increment is used to pay the amounts approved by the Successor Agency, the Oversight Board and the State Department of Finance for each six month period through the ROPS (Recognized Obligation Payment Schedule) process. After these payments are made the remaining tax increment (the residual) is divided among the various taxing entities, including the City of Seaside. The City receives approximately 20% of the residual.

Another key General Fund revenue is the **Transient Occupancy Tax (TOT)**, which is a 12% tax applied to all hotel/motel room rentals in the City. This revenue is subject to the fluctuations of the economy, and we saw a significant increase in collections this year reflecting the improving economy, however, the increases are expected to level off and be closer to the increases in the cost of living, as in the past. The 2015-2016 TOT estimate is $2.8 million, an increase of $80,000, or 3%.

The **Utility User Tax (UUT)**, a 6% tax on Electric, Gas, Telephone, Water and Cable bills, is another important General Fund revenue. The UUT is one of the City's more stable revenues; it does not fluctuate dramatically from year-to-year. The UUT continues to be a very important source of funds, and its collection is essential to maintaining service levels. In the upcoming budget year, we anticipate a leveling of this revenue source. The estimate is $2.419 million.

Fees for development applications and new construction and fees for services, such as recreation, are important sources of revenue for the City. In 2012-2013 the City hired NBS, a consulting firm to examine our fees and charges. In June 2013, for the 2013-2014 budget year, the City Council adopted most of the consultant's recommended fees and charges. A few of these fees and charges were later modified by the City Council; however, we continue to collect fees and charges in accordance with the revised fee structure.

In summary, the General Fund revenues for the 2015-2016 fiscal year are projected to be higher than last year's. As always, the anticipated revenues and the actual collections will need to be closely watched over the fiscal year to be certain that the estimates are accurate. The budget will need to be adjusted if revenues do not meet expectations or if they exceed expectations.

Expenditures:
The 2015-2016 Preliminary Budget includes the across the board 3% pay increases that were negotiated with the various employee groups. In addition, there are increases due to PERS rate increases, health insurance cost increases, increase in the minimum wage and modifications to certain employee contracts. These personnel cost increases have been partially offset by new employees hired under the new PERS plans. These additional costs have also been offset by the continuation of other spending cuts across all departments.

Reserves:
In accordance with Section 3.12 of the City of Seaside Municipal Code, the minimum General Fund reserves would be as follows:

Capital Reserve (3.12.010)	5%	$1,347,626
Special Reserve (3.12.020)	10%	$2,695,253
Emergency Reserve (3.12.030)	15%	$4,042,879
Total reserves at 2015-2016 year end based on the Preliminary Budget	30%	$8,085,758

% = percentage of 2015-2016 Preliminary Budget operating expenditures

During the difficult budget years of the Great Recession, with greatly reduced revenues, the City had no choice but to utilize previously accumulated reserves to continue to deliver necessary and critical services to our citizens.

Historical Reserve Balances

June 30, 2001	$5,588,560
June 30, 2002	$7,090,003
June 30, 2003	$8,280,130
June 30, 2004	$6,319,526
June 30, 2005	$7,466,963
June 30, 2006	$7,001,333
June 30, 2007	$5,150,756
June 30, 2008	$1,607,393
June 30, 2009	$1,355,301
June 30, 2010	$1,267,675
June 30, 2011	$3,829,273
June 30, 2012	$1,508,869
June 30, 2013	$4,121,112
June 30, 2014	$5,243,069

Since that time we have made progress on rebuilding the City's reserves, but have not as yet obtained City Council established reserve levels.

Estimated Reserves as of June 30, 2015:

Capital Reserve (3.12.010)	$ 669,705
Special Reserve (3.12.020)	$1,339,425
Emergency Reserve (3.12.030)	$2,009,133
Total estimated reserves at June 30, 2015	$4,018,263

As the City Council is well-aware, there is the need to set aside as much money as possible to meet the City's infrastructure and facility needs, in part accomplished by building up the City's reserves.

Appropriations Limit Calculation:
In accordance with Proposition 13, each year the City is required to make a calculation to determine that it is not expending funds on certain items in excess of the taxes that are collected, adjusted for population changes and cost of living changes. Each prior year's Appropriations Limit is carried forward and adjusted for the adjustment factors. This calculation will be presented with the final draft of the budget prior to adoption.

<u>OTHER FUNDS</u>

In addition to the General Fund, the budget includes funds from a range of restricted sources that are used to provide specific services, including funds from the Federal Community Development Act (CDBG); Gas Tax; Storm Water Maintenance Fund; and the Seaside Municipal Water System (Water Fund).

Community Development Block Grant (CDBG) Fund:

The revenues in this fund come from grants from the Federal Community Development Act. CDGB funds are restricted to the revitalization of low and moderate-income areas of the City. In addition, the City of Seaside CDBG Fund receives income from the Embassy Suites rental and principal and interest income from several loan programs. Estimated revenues for 2015-2016 are $477,915.

CDBG expenditures for 2015-2016 are budgeted to be $477,915. The funds are budgeted for public service programs, commercial and housing rehabilitation programs, City Parks and Streets and continuation of the West Broadway Urban Village project, which is one of the City's strategic economic development priorities.

Street Fund:
Gas tax funds are collected by the State from gas sales. They are then distributed by the State to cities and counties based on population. Gas Tax revenues are estimated to be $760,496 during the 2015-2016 budget year. These funds are deposited into a legally required Gas Tax/Street Fund. The expenditures are spent from this fund as is required by the State of California. Street Fund expenditures are projected to be $1,335,867 for the 2015-2016 year. Although Public Works tries to control the costs of street maintenance, gas tax collections do not cover the costs of street expenditures. Therefore, the cost of street maintenance will require the General Fund to transfer approximately $575,271 in 2015-2016 to cover the difference between funding received from the State and the costs of street maintenance. These expenditures are subject to audit by the State. The City has been audited a couple of times and all audits have reflected the appropriate accounting for these funds.

Storm Water Maintenance Fund:
This fund was established to account for revenues and expenditures related to the operation and maintenance of the City's storm drain and storm water management system. In order to comply

with Federal and State Clean Water Standards, the City will be required to improve and manage the Storm water system, including complying with NPDES Phase II permit. The Storm Water Maintenance fund needs to establish a fee structure to cover the costs of the mandated storm water management; otherwise the City's General Fund will have to continue to pay these costs. Approximately $687,715 has been budgeted from the General Fund to cover Storm Water costs in 2015-2016.

Water Fund:
The Water Fund receives revenues from user charges based on water usage. All expenditures for the operation of the water system including maintenance, capital outlay, debt service, and depreciation are charged to this fund. The Water Fund budgeted expenditures are $1,178,627. The water receipts are estimated to be $845,000 for the 2015-2016 budget year. A new water rate study needs to be completed in order to establish new water rates to meet the needs of appropriately maintaining the Water Fund.

FEE SCHEDULE AND THE CAPITAL IMPROVEMENT PROGRAM

Presentation and consideration of the Fee Schedule and the related cost-of-living increases is scheduled for discussion and consideration during the Budget Study Sessions.

In addition, the Capital Improvement Program and its related funding sources will be considered during the Budget Study Sessions.

ATTACHMENT

April 28, 2015 Memo from Vicki Myers, Police Chief regarding the Allocation and Funding of One Sergeant and Two Police Officers

DISTRIBUTED UNDER SEPARATE COVER

- Preliminary Budget for 2015-2016

Reviewed for Submission to the
City Council by:

John Dunn, City Manager

MEMORANDUM

SEASIDE POLICE DEPARTMENT

Vicki L.H. Myers, Chief of Police
Louis Lumpkin, Deputy Chief

Date: April 28, 2015

To: J. Dunn, City Manager

From: V. Myers, Chief of Police

Subject: Allocation/Funding of One Sergeant and Two Police Officers

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On January 15, 2015 the Seaside City Council adjusted the Fiscal Year 2014-2015 adopted budget to fund one additional police sergeant and two additional police officers, at an estimated cost of $430,285. This increased our sworn allocated and funded positions to forty: one police chief, one deputy police chief, three commanders, six sergeants, four patrol corporals (performing triple duties as responding police officers, field training officers, and supervisors as needed), one detective corporal, four detectives, eighteen officers, one school resource officer, and one canine officer.

However, the authorized numbers do not accurately reflect the Seaside Police Department's staffing and operational levels. We are currently operating ten sworn positions short due to: six vacancies (with candidates in various phases of the hiring process); one sergeant and two officers off on long term disability; and one officer just beginning the Field Training Program with a projected completion date of mid-September.

Since 2008, the police department's sworn staff has been reduced by 27% (from 55 sworn officers to forty (including the three new positions)), resulting in a ratio of 1.1 police officers per 1,000 population, which is currently the lowest ratio of officers per thousand of any of the five municipal police departments on the Monterey Peninsula.

CITY	POP (FY 13/14)	OFFICERS	OFFICERS/1,000	DOJ AVERAGE
Seaside	34,957	40	1.1	1.4
Monterey	27,619	51	1.9	1.4
Marina	19,721	30	1.5	1.6
P. Grove	14,537	21	1.5	1.6
Carmel	3,859	14	3.6	3.7

This staffing crisis has occurred when the City of Seaside experienced a rise in gang activity, shootings, and homicides. In 2014 there were six homicides with four of them gang related.

Understaffing in the Seaside Police Department has hindered community-policing and problem-solving efforts. Increased duties arising from fiscal constraints have reduced our first line supervision capabilities; reduced our officers time spent in the community; and reduced our officers' available time for pro-active work or discretionary activities of crime prevention. Understaffing has also resulted in deploying too few officers when workload was high. Staffing has decreased to the extent to which we can no longer be nimble and flexibly deploy officers based on changing workload demands.

Patrol staffing issues, coupled with crime trends, forced the Department to modify the Patrol Division's 2010 Police Officers Association (POA) negotiated hybrid schedule (a combination of ten hour and twelve hour scheduled work days) to a straight twelve hour scheduled work day. Despite a demonstrated need to adjust staffing, the Seaside POA would only agree to this modification if there was a signed agreement that would allow them the ability to return to the hybrid shift or another schedule of their liking. "*In the event that patrol becomes fully staffed and/or the increase in serious crime during weekends significantly decreases…*" at which time further discussions will ensue regarding "*…a return to the hybrid schedule and/or other scheduling options.*" This agreement is formally documented in a Memorandum of Understanding Side Letter.

To meet the demands for service with officers unable to work due to long term disabilities and vacancies, some officers have been denied leave requests. Other officers have been required to extend their work days from twelve hours to sixteen hours, and some officers have been required to work on their normal days off. The below table charts overtime worked for sworn personnel within the police department by fiscal year 2011 through 2014, with 2015 (5,999 hours YTD) forecasted based upon overtime worked through the April 24, 2015 pay period.

FISCAL YEAR	Sworn OT Hours Worked	Forecasted Sworn OT Hours to Year End
FY 10/11	5,702	N/A
FY 11/12	5,457	N/A
FY 12/13	6,771	N/A
FY 13/14	6,906	N/A
FY 14/15	N/A	7,347

The cumulative effect is that our personnel are fatigued and demoralized. Overtime has increased. The demand (statewide) for qualified law enforcement officers has increased, negatively impacting our ability to keep/fill our sworn officers/vacancies. Emergency and Priority 1, 2 and 3 calls for service have increased by 3% which also impact the ancillary functions the officers must perform. The nature and complexity of the crime that is occurring, coupled with the in depth, time laden responses and investigations that these crimes require, raises grave concerns about the continued safety of our community and our personnel if we are forced to continue to operate with reduced police officers.

For the safety of our officers, citizens and community, the additional sergeant and two officers are needed. Keeping and filling the sergeant and two officer positions will only "cover" the sworn positions off on long term disability. They do not address the other issues as noted above.

Please let me know if you have any questions or would like to discuss further. Thank you.