



CITY COUNCIL STAFF REPORT



May 21, 2024

ITEM TITLE

Annual Budget: Consideration of Adopting the Fiscal Year 2024-25 Operating and Capital Improvement Budgets and Revised Fiscal Year 2024-25 Compensation Schedule

Report Number: 24-0087

Location: No specific geographic location

Department: Finance

G.C. § 84308: No.

Environmental Notice: The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Conduct the public hearing and take the following actions:

- A) Adopt a resolution adopting the operating and capital improvement budgets for the City of Chula Vista for fiscal year 2024-25 and appropriating funds for the fiscal year ending June 30, 2025 excluding Open Space Districts: #01, #02, #20 Zone 5, #20 Zone 7; Community Facilities Districts: 07-M, 13-M, 97-2; and Capital Improvement Project STM0407
- B) Adopt a resolution adopting the operating budget for Open Space District #01 and Capital Improvement Project STM0407 for fiscal year 2024-25 and appropriating funds for the fiscal year Ending June 30, 2025
- C) Adopt a resolution adopting the operating budget for Open Space District #02 for fiscal year 2024-25 and appropriating funds for the fiscal year Ending June 30, 2025
- D) Adopt a resolution adopting the operating budget for Open Space District #20 Zone 5 for fiscal year 2024-25 and appropriating funds for the fiscal year ending June 30, 2025
- E) Adopt a resolution adopting the operating budget for Open Space District #20 Zone 7 and Community Facilities District 07-M for fiscal year 2024-25 and appropriating funds for the fiscal year Ending June 30, 2025

F) Adopt a resolution adopting the operating budget for Community Facilities District 13-M and 97-2 for fiscal year 2024-25 and appropriating funds for the Fiscal year Ending June 30, 2025

G) (Housing Authority) Adopt a resolution adopting the operating budget for the Housing Authority for Fiscal year 2024-25 and Appropriating Funds for the fiscal year ending June 30, 2025

H) (Successor Agency) Adopt a resolution adopting the operating budgets for the Successor Agency to the Redevelopment Agency for fiscal year 2024-25 and appropriating funds for the fiscal year ending June 30, 2025

I) Adopt a resolution amending the Compensation Schedule and Classification Plan to reflect the addition of various position titles and changes in salary as reflected in the fiscal year 2024-25 operating budget

J) Adopt a resolution approving the Amended Compensation Summary for All Unrepresented Employees and Elected Officials, including authorization for the Mayor to execute any necessary contract amendments to implement said Amended Compensation Summary

K) Adopt a resolution approving the revised fiscal year 2023-24 Compensation Schedule effective June 14, 2024, as required by California Code of Regulations, Title 2, Section 570.5

L) Adopt a resolution approving the fiscal year 2024-25 Compensation Schedule effective July 12, 2024, as required by California Code of Regulations, Title 2, Section 570.5

M) Place an ordinance on first reading amending Chula Vista Municipal Code Section 2.05.010 to delete certain unclassified position titles that are specifically delineated in the City Charter and to delete certain position titles that are no longer active **(First Reading) (4/5 Vote Required)**

SUMMARY

On May 7, 2024, the City Council was presented the City Manager's proposed operating and capital improvement budgets for the City, and the operating budgets for the Housing Authority and for the Successor Agency to the Redevelopment Agency for fiscal year 2024-25 (ending June 30, 2025). During the City Council meeting, the City Manager's Proposed Operating and Capital Improvement Budgets were amended to include \$400,000 in the General Fund that would be offset with additional personnel savings (refer to Attachment 2). The budgets submitted at this time for formal adoption and appropriation represent the City Council's amended fiscal year 2024-25 Proposed Budget.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the proposed activity consists of a governmental fiscal/administrative activity which does not result in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

On April 22, 2024 the Measure A Citizens' Oversight Committee (COC) affirmed that the proposed budget for Measure A was in compliance with the City's approved Intended Public Safety Expenditure Plan.

On April 25, 2024 the Citizens' Oversight Committee (COC) for Measure P affirmed that the proposed budget for Measure P was in compliance with the City's approved infrastructure, facilities and equipment expenditure plan.

DISCUSSION

Staff presented the fiscal year 2024-25 Proposed Budget document to the City Council at the May 7, 2024 meeting. As required by the City Charter, the City Manager's proposed budget was submitted to the City Council at least thirty-five (35) days before the beginning of the fiscal year. The City Council requested changes to the City Manager's proposed budget and set May 21, 2024 as the date for the adoption of the Fiscal year 2024-25 budget.

The budget presented for final adoption in this staff report and Attachment 1 is the original City Manager's fiscal year 2024-25 Proposed Budget accepted by the City Council on May 7, 2024, and the memorandum reflects the changes requested by City Council as summarized in Attachment 2.

In accordance with the City Charter, a copy of the City Council's proposed budget was made available on May 2, 2024, for public review by making a hard copy of the budget available at the City Clerk's Office and at the City's Libraries, as well as posting a copy of the budget on the City's website. On May 7, 2024, the City Council was presented the City Manager's Proposed Operating and Capital Improvement Budgets for the City, and the operating budgets for the Housing Authority and for the Successor Agency to the Redevelopment Agency for fiscal year 2024-25 (ending June 30, 2025). During the City Council meeting, the City Manager's Proposed Operating and Capital Improvement Budgets were amended to include a \$400,000 increase in Supplies and Services and a salary savings reduction of \$400,000 resulting in no fiscal impact in the General Fund (refer to Attachment 2).

Attachment 3, Recommended Expenditures by Department and Category, summarizes the City Council's proposed amended budget for fiscal year 2024-25. The All Funds expenditure budget submitted for fiscal year 2024-25 totals \$595.3 million. The General Fund budget totals \$274.1 million. The All Funds budget for fiscal year 2024-25 includes allocations for capital improvement projects totaling \$81.2 million. The remaining \$238.0 million represents the operating budgets for various funds including the Successor Agency to the Redevelopment Agency, Housing, Sewer, Development Services, Fleet, Debt Service, and other funds.

Estimated All Funds revenues total \$608.5 million, the Schedule of Revenues is included as Attachment 4.

CITY COUNCIL FISCAL YEAR 2024-25 PROPOSED BUDGET

(IN MILLIONS)

Category	FY 2025 ALL FUNDS	FY2025 GENERAL FUND
Revenues	\$ 608.5	\$ 274.1
Expenditures	595.3	274.1
Prior Year Fund Balance	-	-
Surplus/(Deficit)	\$ 13.2	\$ -

Compensation Summary for Unrepresented Employees

The current Compensation Summary for all unrepresented employees and elected officials expires on June 30, 2024. Approval of Resolution J would approve the Amended Compensation Summary for fiscal years 2024-25, 2025-26 and 2026-27.

Compensation Schedules

California Code of Regulations (CCR), Title 2, Section 570.5 (CCR Section 570.5) requires that, for purposes of determining a retiring employee's pension allowance, the pay rate be limited to the amount listed on a pay schedule that meets all of the following requirements:

1. Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
2. Identifies the position title for every employee position;
3. Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the pay rate.

This regulation applies to all employers reporting compensation to California Employees' Retirement System (CalPERS).

Staff is submitting the revised fiscal year 2023-2024 Compensation Schedule (Attachment 7) and Fiscal Year 2024-2025 Compensation Schedule (Attachment 7) that complies with these requirements to City Council for approval. If approved, the duly approved and adopted Compensation Schedules will be immediately accessible and available for public review on the City's internet website in accordance with CCR Section 570.5. Failure to comply with this State-mandated approval requirement would delay computation of a retiring employee's pension allowance by CalPERS. Adoption of the 2023-2024 Compensation Schedule pertains to Resolution K; the 2024-2025 Compensation Schedule pertains to Resolution L.

The Compensation Schedule consists of step salary pay for all established positions at the City of Chula Vista, including hourly and bi-weekly time base. This schedule defines the payment to employees for services performed during normal working hours or for time during which the employee is excused from work because of holidays, sick leave, industrial disability, payments under Labor Code Section 4850, vacation, compensatory time-off or leave of absence. It is designed and administered to provide and maintain an equitable wage and salary system at the City that compensates all employees for their work efforts performed within specific job classifications and corresponding salary ranges, in order to attract and retain the most highly skilled employees possible.

The Compensation Schedule attached to Resolution K reflects a previously approved 5% salary adjustment for the City Manager effective June 14, 2024, increasing the authorized salary to \$330,752.50.

The Compensation Schedule attached to Resolution L reflects the pay rate of all job titles effective July 12, 2024. Once approved, any changes to the adopted Compensation Schedule including, but not limited to, across-the-board increases, classification changes and salary adjustments approved subsequent to this date will be reflected in a revised Compensation Schedule which will be submitted to Council for approval.

Unclassified Ordinance

Chula Vista Municipal Code Section 2.05.010 requires updates to reflect the position changes impacting the unclassified positions. Chula Vista City Charter Section 500(a) requires that all unclassified positions not mentioned specifically in Charter Section 500(a) be adopted by ordinance. Adoption of the Ordinance will delete unclassified position titles that are specifically delineated in City Charter sections 500(a), (b) and (c) and those position titles that are no longer active per Municipal Code section 2.05.010 as outlined in Ordinance A.

Position Summary

The City Council Proposed Budget for fiscal year 2024-25 includes 1,301.75 positions for all funds. This is a net increase of 38.00 positions when compared to the fiscal year 2023-24 adopted budget that included 1,263.75 authorized positions. During fiscal year 2023-24, the City Council approved a net increase of 21.00 positions. These changes are reflected in the fiscal year 2024-25 proposed budget.

Fiscal year 2024-25 changes in the General Fund resulted in a net increase of 14.00 FTEs and changes to other funds resulted in a net increase of 3.00 FTE. In addition to these net changes, several reclassification studies were completed citywide to reflect changes of duties performed by City personnel.

The staffing changes are summarized in the following tables and the Proposed Staffing by Department/ Fund for fiscal year 2024-25 is included as Attachment 5.

Summary of Fiscal Year 2023-24 Mid-Year Staffing Changes

Department/Fund	Program	Position	FTE
Animal Care Facility (2.00)	Animal Care Services	Animal Care Facility Manager	(1.00)
		Deputy Director of Animal Services	1.00
		Animal Control Officer	1.00
		Animal Services Specialist	1.00
Administration (0.00)	Communications	Marketing and Communications Manager	(1.00)
		Communications Manager	1.00
City Clerk (1.00)	Operations	Deputy City Clerk II	1.00
Development Services Fund (0.00)	Current Planning	Sr Project Coordinator	(1.00)
		Sr Planner	1.00
		Secretary	(1.00)
	Facilities Financing	Associate Planner	(1.00)

Department/Fund	Program	Position	FTE
	Land Development	Associate Engineer	1.00
	Development Services Counter	Development Services Tech I	(1.00)
		Development Services Tech II	1.00
		Sr Engineering Tech	(1.00)
		Development Services Tech III	2.00
Development Services GF (0.00)	Dev Services Admin	Development Services Tech II	(1.00)
		Development Services Tech I	1.00
		Deputy Director of Development Services	1.00
	Long-Range Planning	Sr Planning Tech	(1.00)
Engineering and Capital Projects (-1.00)	Construction Inspection	Sr Engineering Tech	(1.00)
	Survey	Associate Land Surveyor	1.00
	Fiscal Sustainability	Admin Services Manager	(1.00)
		Principal Management Analyst	1.00
		Sr Management Analyst	(1.00)
Environmental Services Fund (0.00)	Environmental Services	Conservation Specialist II	(2.00)
		Recycling Specialist II	2.00
Finance (1.00)	Revenue and Recovery	Accounting Assistant	(1.00)
		Accounting Technician	1.00
	Budget and Analysis	Sr Management Analyst	1.00
Fleet Fund (1.00)	Central Garage Operations	Equipment Mechanic	1.00
Human Resources (0.00)	Admin	Assistant Director of HR	1.00
	Operations	Human Resources Manager	(1.00)
		Sr HR Analyst	(1.00)
		Principal HR Analyst	1.00
Library (-0.50)	Admin	City Librarian	(1.00)
		Director of Community Services	(0.50)
		Director of Library Services	1.00
Measure A (6.00)	Fire	Firefighter/Paramedic	6.00
	Police	Police Agent	(2.00)
		Police Sergeant	2.00
Parks and Recreation (0.50)	Admin	Parks and Recreation Administrator	(1.00)
		Director of Community Services	(0.50)
		Director of Parks and Recreation	1.00
		Assistant Director of Parks and Recreation	1.00
Police Grant Funds (0.00)	HIDTA CBAG	FA Graphic Designer/Webmaster	(1.00)
	ORT Prevention	Police Agent	1.00
Public Works (2.00)	Park Maintenance	Parks Maintenance Worker II	1.00
	Project Management	Real Property Manager	1.00
Sewer Fund (1.00)	Sewer Billing	Fiscal Office Specialist	1.00
Transport Fund (8.00)	Transport CV	Paramedic (non-safety)	3.00

Department/Fund	Program	Position	FTE
		EMT (non-safety)	5.00
CITYWIDE TOTAL			21.00

Fiscal Year 2024-25 Staffing Changes

Department/Fund	Program	Position	FTE
Admin (2.00)	Communications	Community Engagement Spec	1.00
	Admin	Deputy City Manager/PW Director	1.00
CV Housing Authority Fund (1.00)	Housing and Homeless Services	Homeless Services Specialist II	1.00
Development Services GF (1.00)	Code Enforcement	Building Official	1.00
Development Services Fund (-2.00)	Code Enforcement	Building Official/Code Enforcement Manager	(1.00)
	Admin	Development Project Manager	(1.00)
Economic Development (-1.00)	Admin	Chief Sustainability Officer	(1.00)
Economic Development - Environmental Services Fund(-9.00)	Environmental Services	Environmental Services Manager	(1.00)
		Recycling Specialist II	(7.00)
		Sr Recycling Specialist	(1.00)
Engineering Cap Proj (2.00)	Infrastructure projects	Principal Civil Engineer	1.00
	Admin	Assistant Director of Eng	1.00
Fleet Fund (0.00)	Central Garage	Fire Apparatus Mechanic	(1.00)
		Equipment Mechanic	1.00
Fire (9.00)	Bayfront	Fire Captain	3.00
		Fire Engineer	3.00
		Firefighter/Paramedic A	3.00
Human Resources (0.00)	Disability Management	Sr Risk Management Specialist	(1.00)
		Principal Risk Management Spec	1.00
Information Technology Services (0.00)	Micro-Computers	Sr Info tech Support Spec II/Sr Police Tech Spec	(2.00)
		Sr Info tech Support Spec II	2.00
Measure A (3.00)	Fire	Firefighter A	3.00
Parks & Recreation (0.00)	Admin	Admin Tech	(1.00)
		Management Analyst II	1.00
Police (-1.00)	Jail	Detention Facility Manager	(1.00)
		Detentions Officer	(1.00)
		Detentions Supervisor	1.00
Public Works (2.00)	Park Operations Admin	Sr Management Analyst	(1.00)
	Admin	Public Works Specialist	1.00
		Sr Fiscal Office Specialist	1.00
		Director of Public Works	(1.00)
	Park Rangers	Maintenance. Worker II	1.00

Department/Fund	Program	Position	FTE
		Public Works Supervisor	1.00
Public Works - Environmental Services Fund (9.00)	Environmental Services	Environmental Services Manager	1.00
		Recycling Specialist II	7.00
		Sr Recycling Specialist	1.00
Sewer Fund (1.00)	Engineering	Associate Engineer	1.00
CITYWIDE TOTAL			17.00

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found that conflicts exists; in that members have real property holdings within 500 feet of the boundaries of the Open Space Districts listed below by City Council. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(a)(7), this item presents a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.) for the member identified below:

Mayor McCann and Council Member Chavez: For Open Space District 1 and Capital Improvement Project STM0407, which is the subject of Resolution B of this action.

Council Member Morineau: For Open Space District 2, which is the subject of Resolution C of this action.

Council Member Chavez: For Open Space District 20 Zone 5, which is the subject of Resolution D of this action.

Mayor McCann: For Open Space District 20 Zone 7, and CFD 07-M, which are the subject of Resolution E of this action.

Council Member Gonzalez: For CFD 13-M and CFD 97-2, which are the subject of Resolution F of this action.

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

Staff has reviewed the property holdings of the City Council and has found that, Council Member Preciado and Council Member Gonzalez have real property holdings within 1,000 feet, but beyond 500 feet, of the boundaries of Open Space District 11 (Preciado) and CFD 12-M (Gonzalez) which are the subject of this action. However, to the extent that any decision would have a reasonably foreseeable financial effect on the member's real property, the effect would be nominal, inconsequential, or insignificant. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702(b), this item does not present a real property-related conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

There is no current-year fiscal impact as a result of the adoption of the budget.

ONGOING FISCAL IMPACT

Approval of the proposed budgets will result in the appropriation of \$595.3 million in funding for the fiscal year ending June 30, 2025. This amount includes a General Fund budget of \$274.1 million.

Category	FY 2025 Revenues	FY 2025 Expenditure	Net Impact
General Fund	\$ 274,124	\$ 274,124	-
Capital Funds	866	868	(1)
Debt Funds	33,766	33,766	-
Development Funds	55,280	44,708	10,572
Enterprise Funds	34,741	35,394	(653)
Gas Tax Funds	14,647	14,596	51
Grant Funds	11,860	12,151	(291)
Internal Service Funds	15,800	15,253	548
Measure A Sales Tax Fund	29,115	43,468	(14,353)
Measure P Sales Tax Fund	28,979	18,807	10,172
Open Space Funds	23,249	23,463	(214)
Other Funds	14,689	18,460	(3,771)
Section 115 Trust Fund	8,946	0	8,946
Sewer Funds	55,969	52,187	3,782
Successor Agency Funds	6,493	8,053	(1,561)
Total All Funds	\$ 608,525	\$ 595,299	\$ 13,226

ATTACHMENTS

1. Fiscal year 2024-25 Proposed Budget
2. Fiscal year 2024-25 City Manager Amended Proposed Budget Memo
3. Fund Appropriations by Department and Expenditure Category
4. Schedule of Revenues
5. Authorized Positions by Department
6. Compensation Summary for Unrepresented Employees and Elected Officials
7. Fiscal year 2023-24 Compensation Schedule – Effective June 14, 2024
8. Fiscal year 2024-25 Compensation Schedule – Effective July 12, 2024

*Staff Contacts: Sarah Schoen, Director of Finance/Treasurer
Ed Prendell, Budget & Analysis Manager*