



City of Rialto

Legislation Text

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For City Council Meeting [February 25, 2020]

REVISED 02/25/2020

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Manager

FROM: Jessica Brown, Finance Director

1. Request City Council Approve the Mid-Year Budget Report.
2. Request City Council to Adopt and Approve **Resolution No. 7597** Mid-Year Budget Adjustment.
3. Request City Council to Approve the **Resolution No. 7598** updating the citywide classification and compensation plan/table repealing and replacing resolution No. 7581 approved December 10, 2019.
4. Request City Council to Authorize a Purchase Order increase with Wallace and Associates for On-Call Construction Management, Inspection and Materials Testing Services in the amount of \$400,000.
5. Request City Council to Authorize a Purchase Order increase with Lockwood Engineering Company in the amount of \$450,000 for On-Call Civil Engineering Services Related to Land Development Plan Checking Services.
6. Request City Council to Authorize a Purchase Order increase with PPM Group, Inc for On-Call Construction Management, Inspection, Materials Testing and Engineering Services in the amount of \$650,000.

(ACTION)

BACKGROUND

Quarterly reports, including the Mid-Year Budget Report, are developed and presented to the Council to provide the most current information on the financial activities of the City from which to base decisions on. Additionally, these reports assist City departments in communicating their financial operations throughout the fiscal year including any program changes, significant impacts to their annual budgets, as well as gauging the City's budget plan as compared to actual revenue and expenditures. This report includes requested departmental budget adjustments, and preliminary year-to-date actuals through the second quarter of fiscal year 2019-20, covering the period through December 31, 2019.

ANALYSIS/DISCUSSION

General Fund: The Current 2019-20 General Fund Budget includes total expenditure appropriation of \$100.4 million and total revenue of \$100.2 million. The proposed budget adjustments in the 2019-

20 Mid-Year Budget Report includes an increase in revenue and expenditures of \$789,157 as detailed in the report.

**General Fund
Expenditure Budget Adjustment Summary
By Department**

Fund Description	Current Budget	Proposed Adjustments	Revised Budget	Actuals 12/31/2019
GENERAL FUND				
Non-Departmental	13,238,898	-	13,238,898	3,338,651
City Manager/City Council	4,469,539	-	4,469,539	1,197,420
Human Resources	992,360	-	992,360	535,389
Finance	2,138,996	-	2,138,996	955,817
City Clerk/City Management Svc	1,563,184	45,000	1,608,184	695,538
Community Development	4,829,038	-	4,829,038	1,803,345
Community Compliance	1,028,178	-	1,028,178	467,499
Fire	23,779,309	244,157	24,023,466	12,123,788
Police	37,055,241	-	37,055,241	18,647,485
Public Works	10,752,574	500,000	11,252,574	4,267,342
City Treasurer	562,903	-	562,903	260,465
Total General Fund	100,410,221	789,157	101,199,378	44,292,738

**General Fund
Revenue Budget Adjustment Summary
By Department**

Fund Description	Current Budget	Proposed Adjustments	Revised Budget	Actuals 12/31/2019
GENERAL FUND				
Non-Departmental	71,840,478	-	71,840,478	21,416,419
City Manager/City Council	-	-	-	-
Human Resources	-	-	-	-
Finance	61,092	-	61,092	3,346
City Clerk/City Management Svc	372,000	45,000	417,000	150,635
Community Development	16,122,300	-	16,122,300	3,496,728
Community Compliance	46,000	-	46,000	20,250
Fire	5,018,240	244,157	5,262,397	1,359,954
Police	1,990,972	-	1,990,972	582,011
Public Works	4,794,970	500,000	5,294,970	1,286,484
City Treasurer	600	-	600	375
Working Capital Fund	68,100	-	68,100	-
Total General Fund	100,314,751	789,157	101,103,908	28,316,201

Requests include:

- **City Clerk** - Increase in revenue and expenditures of \$45,000 as a result of a grant award for the 2020 Census outreach activities from the County of San Bernardino.
- **Fire** - Increase in revenue and expenditures of \$244,157 as a result of an increase in the City's annual Intergovernmental Transfer revenue. The increase in revenue will fund an increase in mandatory over-time expense which is projected to exceed budget.
- **Public Works** - Increase in revenue and expenditures of \$500,000 as a result of an increase in anticipated contract services for inspection, plan check, and engineering.
- **Code Compliance** - Also included in this request is an increase in part-time expenditures \$10,000 offset by a decrease in contract services to fund a part-time Code Compliance Officer.

Other Funds: The Current 2019-20 Budget for other funds includes total expenditure appropriation of \$203.7 million and total revenue of \$120.9 million. The proposed budget adjustments in the 2019-20 Mid-Year Budget Report includes an increase in expenditures of \$783,950, offset by an increase in revenues of \$1.8 million, resulting in an increase in fund balance of \$1.01 million as detailed in the report.

**Other Funds
Expenditure Budget Adjustment Summary
By Fund Type**

Fund Type	Current Budget	Proposed Adjustments	Revised Budget	Actuals 12/30/19
Special Revenue Funds	102,485,048	783,950	103,268,998	12,132,190
Capital Projects Funds	15,750,635	-	15,750,635	368,696
Successor Agency Funds	13,150,862	-	13,150,862	7,510,242
Enterprise Funds	5,676,466	-	5,676,466	2,519,957
Internal Service Funds	12,061,288	-	12,061,288	5,301,117
Rialto Utility Authority	52,274,205	-	52,274,205	14,110,318
Rialto Housing Authority	156,730	-	156,730	50,369
Debt Service Funds	2,182,947	-	2,182,947	546,725
Total Other Funds Exp	203,738,181	783,950	204,522,131	42,539,613

**Other Funds
Revenue Budget Adjustment Summary
By Fund Type**

Fund Type	Current Budget	Proposed Adjustments	Revised Budget	Actuals 12/31/19
Special Revenue Funds	40,334,190	1,800,021	42,192,211	15,282,873
Capital Projects Funds	5,574,709	-	5,574,709	667,815
Successor Agency Funds	13,426,780	-	13,426,780	4,060,948
Enterprise Funds	5,875,801	-	5,875,801	2,757,336
Internal Service Funds	10,169,733	-	10,169,733	4,468,180
Rialto Utility Authority	43,299,337	-	43,299,337	16,630,696
Rialto Housing Authority	23,100	-	23,100	95,070
Debt Service Funds	2,167,108	-	2,167,108	282,489
Total Other Funds Rev	120,870,759	1,800,021	122,728,780	44,245,405

Significant Special Revenue Fund requests include:

- **Community Development Block Grant (Fund 234)** - An increase in expenditures of \$33,950 for CDBG consultant services contract with LDM approved by the City Council on February 11, 2020. This increase is funded through HUD.
- **Asset Forfeitures (Fund 219)** - An increase in expenditures of \$750,000 for software for the Police Department. This increase is funded through the available fund balance in Fund 219.
- **Gas Tax (Fund 202)** - A net increase in Traffic Congestion Relief (a component of Gas Tax) revenue of \$820,567 as a result of an increase in the City's allocation.
- **Gas Tax SB821 (Fund 203)** - Increase in SB1 revenue (a component of Gas Tax) of \$176,264 as a result of a decrease in the City's allocation.
- **Grant Projects (Fund 223)** - Increase in revenue of \$803,190 due to an increase in SBCTA reimbursements for the Major Arterial Program.

Human Resources Mid-Year Actions: On December 10, 2019, the City Council approved the attached Resolution establishing an updated Citywide Classification and Compensation Plan, effective January 1, 2020. In order to comply with current law, the pay rates of certain part-time classifications were adjusted by way of an update to the City of Rialto Classification and Compensation Plan ("Classification/Compensation Plan"), and the adjustments were reflected in alignment with the pay period beginning December 22, 2019.

In terms of routine maintenance and in support of the Mid-Year Budget Review, a review and assessment across the organization and operational amendments to the budget have resulted in the need for additional updates to be included in the Classification/Compensation Plan.

Organizational Changes and Administrative Updates:

No cost clean-up and editing associated with specific classifications within the Classification/Compensation Plan include the following:

1. Correcting Pay grades associated with the Part-Time Administrative Aide from 22400 to 20880 and Technical Assistant from 20800 to 20840.
2. Correcting the Step 1 Pay associated with Part-Time Dispatcher from \$25.74 to \$25.84.
3. Addition of the Part-Time Police Reserve Officer classification (unpaid/volunteer) to the plan itself, currently without authorized FTE's.
4. Per Ordinance No. 1627 adopted on December 10, 2019, which amended Chapter 2.04 of the Rialto Municipal Code by amending the titles of certain departments and positions, the following titles need to be amended in the Classification/Compensation Plan:

Prior Classification/Title	New Classification/Title
City Administrator	City Manager
Deputy City Administrator	Deputy City Manager
Executive Assistant to the City Administrator	Executive Assistant to the City Manager

There is no fiscal impact associated with this update.

Organizational Changes and Mid-Year Budget Updates:

Organizational and Administrative updates associated with classifications within the Classification/Compensation Plan include the following:

1. Section 2.50.060 of the Rialto Municipal Code lists a number of classifications excluded from competitive service. Two of the classifications include the City Manager's Executive Assistant and the City Manager's Assistant. These two classifications, however, are not existing classifications included in the Classification/Compensation Plan. Thus, to establish proper alignment and consistency and pursuant to Section 2.50.060, the Administration Department has established the new classifications of City Manager's Executive Assistant and the City Manager's Assistant to be included in the Classification/Compensation Plan. These two classifications are separate and distinct from the existing classification of Executive Assistant to the City Manager. Both of the new classifications are at-will, exempt classifications.

To fund the filling of the new positions, the existing Executive Assistant to the City Manager classification will become an unauthorized (aka frozen) position, with a reduction from 2.0 to 0.0 of full-time equivalents (FTE). One 1.0 FTE will be used to fund one position for the City Manager's Executive Assistant, and the second 1.0 FTE will be used to fund one position for the City Manager's Assistant. The fiscal impact associated with these administrative changes to the Fiscal Year 2019-20 budget is **\$518.68**.

Classification Change / Addition			
Classification Title	FTE	Pay Grade	Proposed Salary Range
<i>City Manager's Executive Assistant</i> <i>(Management – At-will)</i>	<i>1.0</i>	<i>TBD</i>	<i>\$4,665 - \$6,251</i> <i>per month</i>
<i>City Manager's Assistant</i> <i>(Management – At-will)</i>	<i>1.0</i>	<i>3200</i>	<i>\$4,025 – 5,394</i> <i>per month</i>
Executive Assistant to the City Manager (RMMA)	2.0 0	3600	\$4,443 - \$5,954 per month

2. The Community Compliance Division of the City Manager's Administration Department will be adding a Code Enforcement Officer on a part-time basis (0.50 FTE). This part-time FTE will result in a fiscal impact to the Community Compliance Division in that the current contract services line item (010-500-4295-2011) will be reduced by \$10,000 to cover the part-time personnel cost. These line items will remain budgeted in this format for future budgets, and as a result, this is a cost neutral request. The anticipated part-time cost to the Community Compliance Budget to be absorbed in the current fiscal year will be **\$8,670.13**.

Job Classification Change / Addition			
Classification Title	FTE	Pay Grade	Proposed Salary Range
Code Enforcement Officer (RCEA)	4.0 4.5	3100	\$3,927 - \$5,262 per month

3. Within the Community Development Department, the existing vacant Planning Manager classification will be reclassified as the Community Development Manager, which is a new classification. The new classification will have 1.0 FTE position and will be placed within the Administrative Division of the Department. This new classification will be an exempt classification within the Management/Unrepresented at-will benefit group. The fiscal impact associated with this administrative move in the current year, Fiscal Year 2019-20 is **\$3,373.40**.

Job Classification Change / Addition			
Classification Title	FTE	Pay Grade	Proposed Salary Range
Community Development Manager (Management – At-will)	1.0	6100	\$8,236 - \$11,038 per month
Planning Manager (RMMA)	1.0 0	5500	\$7,102 - \$9,518 per month

4. Based on organizational need and current operational deficiency, the Community Development Department will reorganize the Planning Division by reducing the Assistant Planner classification from 2.0 FTE to 1.0 FTE, increasing the Senior Planner from 1.0 FTE to 2.0 FTE. This change will not affect any current employees within the Assistant Planner classification, as one of the FTE positions is currently vacant. There will be a fiscal impact associated with this

administrative reorganization within the current Fiscal Year (2019-20) in the amount of **\$9,322.52** due to the Senior Planner classification being compensated at a higher rate. This cost will be absorbed within the current year salary savings, resulting in a neutral fiscal impact.

Job Classification Change / Addition			
Classification Title	FTE	Pay Grade	Proposed Salary Range
Assistant Planner (RCEA)	2.0 1.0	3200	\$4,025 – 5,394 per month
Senior Planner (RMMA)	1.0 2.0	4800	\$5,975 - \$8,007 per month

5. Administrative updates to the Finance and Human Resources/Risk Management Departments include: a reduction of the Accounting Technician from 5.0 FTE to 4.0 FTE; adding the vacated FTE to the Human Resources/Risk Management Department staffing Budget; and creating a new classification of Human Resources Risk Manager, which will be an exempt, management, unrepresented, at-will position, with 1.0 FTE. This will result in a new cost to the Human Resources/Risk Management Department for the remainder of the current fiscal year in the amount of **\$18,451.04**, a cost to be absorbed through salary savings. This recommendation will be a reduction to the Finance Department in the amount of **(\$30,836)**.

Additionally, as a result of a Human Resources/Risk Management Operational Assessment conducted by a third-party consultant, the Human Resources/Risk Management Department during this mid-year budget exercise will reorganize the department as a whole, due to operational needs and direct deficiencies discovered during the assessment. This reorganization includes: (i) reclassifying the Human Resources Manager to the new classification of Senior Human Resources Analyst, an exempt confidential, at-will position, which will have a zero-result impact to the current operating budget **\$0.00**; (ii) reclassifying the current Administrative Analyst to the new classification of Human Resources/Risk Management Analyst, a zero-result impact to the current operating budget **\$0.00**; (iii) reclassifying the current Human Resources Assistant to the new classification of Human Resources/Risk Management Assistant, which will become unauthorized (frozen) at 0.00 FTE.

The current incumbent within the Human Resources Assistant classification will be reclassified as a Human Resources/Risk Management Specialist classification, which will increase from 1.0 to 2.0 FTE and have a current fiscal year impact of **\$2,636.76**. The currently authorized/budgeted part-time Administrative Aide classification will be updated to reflect a part-time Human Resources/Risk Management Assistant and will result in no fiscal impact. As a result of all changes and direct impacts; the total FTE count within the Human Resources/Risk Management

Department will increase from 5.50 to 6.50.

Prior Classification/Title	New Classification/Title
Administrative Analyst	Human Resources/Risk Management Analyst
Human Resources Assistant	Human Resources/Risk Management Assistant
Human Resources Manager	Senior Human Resources Analyst

Job Classification Change / Addition			
Classification Title	FTE	Pay Grade	Proposed Salary Range
Accounting Technician (RCEA)	5.0 4.0	3100	\$3,927 – \$5,262 Per month
Administrative Analyst (HR) (RMMA)	4.0 0	3900	\$4,784 – 6,411 per month
<i>Human Resources Risk Manager (Management – At-will)</i>	1.0	5600	<i>\$7,280 - \$9,756 Per month</i>
<i>Human Resources/Risk Management Analyst (RMMA)</i>	1.0	3900	<i>\$4,784 – 6,411 per month</i>
<i>Human Resources/Risk Management Assistant (RCEA)</i>	0	1900	<i>\$2,920 - \$3,913 per month</i>
Human Resources/Risk Management Specialist (RCEA)	4.0 2.0	2900	\$3,737 - \$5,009 per month
<i>Senior Human Resources Analyst (RMMA)</i>	1.0	5200	<i>\$6,595 – 8,838 per month</i>

Additionally, the Finance Department will be adding a Principal Budget and Financial Analyst position based on organizational need and current operational deficiency in specific areas related to projects, grants (including CDBG, etc.), and program management as well as the onboarding of new operational and administrative roles within the Finance Department.

Job Classification Change / Addition			
Principal Budget and Financial Analyst (Confidential – At-will)	1.0	6000	\$8,036 – \$10,768 per month

6. Due to the Police Chief's employment contract, the Classification/Compensation Plan must be updated to reflect the new salary range of \$172,645 to \$237,012, which has a current year fiscal impact of **\$1,881.66**.

Where applicable, the City has or is currently engaging in the meet and confer process with the representatives of the affected bargaining groups. Any changes approved by resolution will not be effective until the meet and confer process is completed.

Additional Mid-Year Actions: Also included in this item is the increase of three purchase orders with Lockwood Engineering Company, Wallace and Associates, and PPM Group, Inc. for the Public Works Department.

On June 11, 2019, the City Council awarded a Professional Service Agreement (PSA) with Wallace and Associates (Wallace) and PPM Group, Inc. (PPM) for "On-Call" Construction Management (CM), Materials Testing and Inspection services. The terms of the agreements was for one (1) year with two 1-year optional extensions (if granted). The amount of PO authorization for CM and Inspection Services was originally set at \$100,000 each. On October 22, 2019, City Council approved an increase to the Purchase Order (PO) with Wallace in the amount of \$275,000 for a combined total of \$375,000 to allow for continued uninterrupted services provided to the City. The City and Wallace are still within the first year of the original three-year term contract, as with PPM.

With ongoing development activity, the City requires Wallace and PPM to perform inspection services for land development projects subject to fluctuation due to factors controlling the pace of development within the City. The scope of services required by the Agreement vary dependent upon the number and type of development services items requiring the Consultant's plan check services. The annual level of "on-call" CM, Materials Testing and Inspection services required by the Agreement is unknown and may significantly increase or decrease from year to year. The requested purchase order increase in the amount of \$400,000 for Wallace and \$650,000 for PPM will allow for continued Construction Management and Inspection services related to land development projects and staff augmentation as necessary. Additionally, PPM will provide services related to the overall assessment of project management/construction management services for the department.

On May 14, 2019, the City Council approved a Purchase Order with Lockwood in the amount of \$839,100; \$615,400 for land development services and \$223,700 for capital project management services for services in 2019-20. Lockwood's scope of services also includes civil engineering plan-check services for various development related approvals and plan checking.

As developments steadily continue to progress, there is a continued need to have plan checking services from Lockwood. A request for proposal has been initiated for plan check services for the

next fiscal year with performance measures being developed and put in place for consultant contracts. The requested purchase order increase of \$450,000 will ensure plan check services continue in 2019-20 while the department conducts the request of proposal process for the next fiscal year.

Revenue and expenditure budget adjustments are included in the Mid-Year Budget Report to support these additional purchase order increases.

ENVIRONMENTAL IMPACT:

The action is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15378(b) (5) of the CEQA Guidelines because the preparation of a budget plan is a governmental administrative activity that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.

Policy 3-6.1: Coordinate all development proposals with other affected public entities to ensure the provision of adequate public facilities and infrastructure services.

Policy 3-6.1: Coordinate all development proposals with other affected public entities to ensure the provision of adequate public facilities and infrastructure services

Policy 3-6.3: Require an increasing level of public safety infrastructure and service capability tied to population increase and increasing service demand.

Policy 3-6.4: Complete infrastructure master plans for sewer, water, and drainage.

Policy 5-3.7: Add service level capability and infrastructure to meet increasing demand of new development.

LEGAL REVIEW

The City Attorney has reviewed and supports this staff report.

FINANCIAL IMPACT

Operating Budget Impact

General Fund: Approval of this item will authorize the total increase of General Fund revenue and expenditures by \$789,157. Additionally, approval of this item will authorize a \$450,000 increase to Purchase Order No. 2020-0672 with Lockwood Engineering for a total of \$1,065,400; a \$400,000 increase to Purchase Order No. 2020-0386 with Wallace for a total of \$775,000; and authorize a \$650,000 increase to Purchase Order No. 2020-0925 with PPM for a total of \$750,000. The costs associated with these increases are included in the 2019-20 budget in account 010-500-7262-2011 and 010-500-1148-2011 for assessment services associated with PPM.

Other Funds: Approval of this item will authorize the total increase of Special Revenue Funds expenditures by \$783,950, revenues by \$1,800,021, and the use of fund balance in the amount of \$750,000 in Asset Forfeitures (Fund 219) as detailed in the 2019-20 Mid-Year Budget Report.

Capital Improvement Budget Impact

Approval of this item not impact capital project funds.

Licensing

A business license is not required for this item.

RECOMMENDATION

Staff recommends that the City Council:

1. Approve the Mid-Year Budget Report.
2. Adopt and Approve **Resolution No. 7597** Mid-Year Budget Adjustment.
3. Approve the **Resolution No. 7598** updating the citywide classification and compensation plan/table repealing and replacing resolution No. 7581 approved December 10, 2019.
4. Authorize a Purchase Order increase to PO No. 2020-0386 with Wallace and Associates for On-Call Construction Management, Inspection and Materials Testing Services in the Amount of \$400,000.
5. Authorize a Purchase Order increase to PO No. 2020-0672 with Lockwood Engineering Company in the amount of \$450,000 for On-Call Civil Engineering Services Related to Land Development Plan Checking Services.
6. Authorize a Purchase Order (PO) increase to PO No. 2020-0925 with PPM Group, Inc for On-Call Construction Management, Inspection, Materials Testing and Engineering Services in the Amount of \$650,000.