



Council Agenda Correspondence

DATE: February 14, 2022

TO: Mayor and Council

FROM: Brigitte Elke, Finance Director

VIA: Derek Johnson, City Manager [DJ](#)

SUBJECT: Item 6a – FY 2021-22 Mid-Year Budget Review

Staff has received several questions regarding the mid-year report that the City Council is reviewing under agenda Item 6a – FY 2021-22 Mid-Year Budget Review. This correspondence aims to provide additional information accordingly.

1. Reimbursement to 600 Tank Farm
This action item will reimburse the developer of 600 Tank Farm for the construction of crucial infrastructure on Tank Farm and Santa Fe beyond the developer's fair share toward the improvements.
2. Maintenance Position Vehicles (Budget Request ID #2)
The Mid-year budget request for Public Works includes \$210,000 to purchase and outfit vehicles for new maintenance positions. Please see the below table for additional details on this request. Approximately \$50,000 per vehicle and \$10,000 for decals and safety flashers.

Position	Vehicle Type
Beautification Gardener	Electric Ford F-150
Maintenance Contract Coordinator	Electric Ford F-150
Downtown Maintenance Worker	Electric Ford F-150
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3. General Fund – non-spendable fund balance
Non-spendable fund balance pertains to pre-paid items at year-end. For FY2020-21, it contains the maintenance contract for the City's cashier software and an insurance premium for volunteer insurance since both policies begin July 1st.
4. Challenge Grant for SLO Rep Theater
Should the City Council choose to move forward with a challenge grant for the SLO Rep Theater, staff will return to the Council this spring for approval of a funding agreement. It is envisioned the agreement would be similar to previous grants including the financial contribution provided by the City to CAPSLO for 40 Prado.

Details to be contained in the funding agreement include fundraising, permitting and construction milestones which will be contingent on the release of City funding. This will ensure that steady and substantial progress on the project is being made and that private dollars are maximized first.

With respect to the lease agreement, the details are still to be finalized, but the City will continue to own the land and building with a long-term lease agreement for use of the building for the sole purposes of the public benefit of arts and culture. The final terms would include provisions if the building were not used as intended. Staff will return to the City Council in closed session regarding the lease agreement as it involves negotiations for real property.

5. Staffing Categories

There are three different categories we use for “type” of employee: regular, supplemental (which includes contract employees), and Outside Agency “leased” employees. Of course, we have policies which guide when to use each category. Below is a high-level definition of each:

Regular Employees. Regular employees are the core work force and preferred means of staffing ongoing, year-round program activities that should be performed by full-time City employee rather than other types of employee.

Supplemental Employees. Supplemental employees include all employees other than regular employees, elected officials, and volunteers. Supplemental employees are intended to be “seasonal” or for positions that are varied in staffing needs based on activity levels; traditionally these are the majority of our Parks and Recreation staff who work as lifeguards, or childcare or summer camp workers for basketball as a referee, etc. Supplemental contract employees are used for medium term (generally between six months and two years) projects, programs, or activities requiring specialized or augmented levels of staffing for a specific period. The City has historically used contract employees to fill key vacancies that need to be backfilled or when a department or program is trying to determine how to best resource programs that are new “pilot” programs or ones that are being evaluated for efficiency and enhancement opportunities. There have been times in the past where this may have been used “longer” than was planned as evaluations lagged or the new staffing needs were evolving. Many of the positions proposed at mid-year reflect that time lag impact. With the Council question about the Homelessness Response Manager position, it is the future of our response to this complex issue. Because the position is currently filled at a contract level staff sees that as “at risk”. The thought behind this was to acknowledge this will be an ongoing need and to ensure we retain this key employee while we are doing foundational work. The same could be said of the Mobile Crisis Unit Emergency Medical Technician.

Outside Agency “Leased” Employees. These are employees are employed during short-term, peak workload assignments to be accomplished using personnel contracted through an outside employment agency.

6. Diversity, Equity and Inclusion Major City Goal

The follow tasks listed under the Diversity, Equity and Inclusion Major City Goal on packet pages 167-168 should be categorized as green as those activities have been ongoing despite the delay in hiring the Diversity, Equity and Inclusion Manager.

- Line 87, 2.1 l. Support DEI efforts throughout each department
- Line 88, 2.1 m. Coordinate activities of the DEI Employee Committee
- Line 112, 2.4 b. Assisting departments in infusing DEI into their programs, policies and practices in relevant and practical ways
- Line 115, 2.4 e. DEI-related staff development/training

The remaining tasks categorized as yellow will be initiated and/or continued by the new Diversity, Equity and Inclusion Manager starting on February 17th.

7. Virtual Inspections

A Council Member asked for more information about Virtual Inspections available from the City's Building and Safety team. Community Development offers two programs that were developed as tools to help complete inspections in a safe and timely manner, as follows:

Virtual Inspections: Community Development uses Google Duo to conduct remote inspections. This program was developed as a safety measure during the pandemic and has continued to be utilized from time to time as a workload management tool. Virtual inspections allow for a building inspector to "walk" a project remotely with the general contractor. These are offered as necessary to avoid a potential exposure to Covid-19, to allow a supervisor to join an inspection, or as a time-management tool for the inspector. A limited number of virtual inspections have been conducted this fiscal year (less than 25).

Self-Certifications: Another tool that building inspectors have available to enhance customer service and manage the workload is Self-Certification. During Summer 2020, building inspection workload exceeded staff's ability to maintain next-day inspections. A number of steps were taken to address this concern, including the launch of a pilot self-certification program. The program has been used for less than a dozen inspections total, and other changes made to the City's scheduling system for building inspections have eliminated the back log for inspections. In summary, a self-certification program is available to allow licensed contractors to self-certify some of the most basic types of inspections, however, it is only promoted for use during times of high workload.