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Attachments: 1. Exhibit 1 - CIP Deferred Infrastructure and Maintenance Needs, 2. Exhibit (2) Non Capitalized Equipment Needs, 3. Exhibit (3) Special Events, 4. Exhibit 4 - Funded 5-Year CIP FY2022-26

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, May 18, 2021

Discussion

SUBJECT:

FISCAL YEAR 2021-2022 BUDGET WORKSHOP NO. 3 (CITY COUNCIL)

I. SUMMARY

This is the third planned Budget Workshops being presented to the City Council before its considering adoption of the Fiscal Year 2021-2022 budget on June 15, 2021. The first Budget Workshop took place on March 16, 2021 where staff presented detailed information on the City General funds revenues including forecast and 5-year forecast. The second budget workshop took place May 4, 2021 and included updated information regarding the General Fund Reserve, projections for the Fiscal Year 2021-2022 General Fund personnel expenditures, departments' operating expenditures and a preliminary estimate of the Los Angeles County Sheriff contract. This report includes updated information on departments' General Fund operating expenditures, the Los Angeles Sheriff contract, the City Attorney's Office proposed rate increase (which is before you for approval in a Consent Item 2021-409) on the Agenda, Special Events fund, Capital Improvement Projects, and Public Works request for funding to address street maintenance equipment. The City is required to adopt the operating budget before the first date of the fiscal year by a resolution (June 15, 2021 targeted Public Hearing date). However, The Capital Improvement Projects plan may be adopted later and staff will continue to update the financial projections, funding sources and publish a CIP report.

On May 10, 2021, The U.S. Treasury announced guidance for the Coronavirus State and Local Fiscal Recovery Funds. The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. The U.S. Treasury provided guidance on how to request funding through the Treasury Submission Portal.

Staff is in the process of completing the submission and we anticipate that we will receive the funds in two tranches, with 50% provided beginning potentially as early as this month and the balance delivered approximately 12 months later. Staff will return at a later date to propose to the City Council a framework for the use of the American rescue Plan Act funds along with portion of the City's General Fund reserve to address the following two items:

- 1) Deferred Maintenance (Exhibit 1), and
- 2) Non-capitalized Equipment needs

Below are the General Fund revenue line items discussed in detail at the first Budget Workshop, including the three-year forecast.

Revenues	FY 2021-22	FY 2022-23	FY 2023-24
Sales Tax	\$27,355,883	\$30,049,000	\$31,551,450
Property Tax	\$16,972,574	\$17,295,053	\$17,640,954
Transient Occupancy Tax (TOT)	\$1,935,000	\$1,958,384	\$1,997,385
Utility Users Tax (UUT)	\$7,450,000	\$7,450,000	SUNSET
Transaction and Use Tax (Measure K)	\$13,900,000	\$14,348,136	\$14,706,839
Oil Industry Business Tax (Measure C)	\$4,700,000	\$4,700,000	\$4,700,000
License and Permits	\$2,900,000	\$2,900,000	\$2,900,000
Franchise Tax	\$9,500,000	\$9,500,000	\$9,500,000
Fines and Forfeitures	\$2,400,000	\$2,400,000	\$2,400,000
Charges for Services	\$5,800,000	\$5,800,000	\$5,800,000
Total	\$92,913,457	\$96,400,573	\$91,196,628

The following table shows the proposed Fiscal Year 2021-2022 in City departments' General Fund operating budget.

Departments	FY 2021-22	FY 2022-23	FY 2023-24
City Council	\$962,481	\$979,806	\$997,442
City Clerk's Office	\$1,419,926	\$1,445,485	\$1,471,503
City Manager's Office	\$5,870,712	\$5,976,385	\$6,083,960
City Treasurer's Office	\$770,678	\$784,550	\$798,672
Community Development Department	\$6,177,720	\$6,288,919	\$6,402,120
Community Services Department	\$14,577,057	\$14,839,444	\$15,106,554
Finance	\$4,630,954	\$4,714,311	\$4,479,168
Human Resources	\$3,444,877	\$3,506,885	\$3,570,009

Information Technology	\$1,684,682	\$1,715,006	\$1,745,876
Public Information	\$346,827	\$353,070	\$359,425
City Attorney	\$2,900,000	\$2,900,000	\$2,900,000
Public Safety	\$23,761,984	\$24,189,700	\$24,625,114
Public Works	\$19,925,575	\$20,284,235	\$20,649,351
Non-Departmental	\$6,874,984	\$8,874,984	\$10,874,984
Total	\$93,348,457	\$96,852,780	\$100,384,180

Based upon the following changes requested by the City Council at Budget Workshop #2, the draft Fiscal Year 2021-2022 General Fund expenditures totals \$93.3 million and shows a \$435,000 budget deficit. The Deficit is mainly due to the following items:

- Asphalt and Concrete program (Public Works department) additional \$400,000
- Interns (Information Technology division) additional \$35,000

At this workshop, we will provide the City Council with additional information on a full-time Risk Manager as well as Youth Sports program, LA County Sheriff contract, Special Events fund, Capital Improvement Projects, City Attorney's Office proposed rate increase and Public Works request for funding to address street maintenance equipment.

The nine City Council priorities identified at the Workshop on Mission, Vision and Priorities will serve as the foundation for financial planning in formulating the Fiscal Year 2021-2022 budget. Departments proposed expenditures will be prioritized in alignment with the newly defined City Council priorities highlighted below:

- 1) Quality of life improvements (infrastructure, maintenance, beautification)
- 2) Economic development
- 3) Governance policies and procedures pertaining to districts
- 4) Housing
- 5) Increase public safety
- 6) Make progress on development that provides community benefits in the long term
- 7) Maintain quality City programs and services
- 8) Advocacy for funds from county, state and federal government
- 9) Increased outreach and information to the community

Of these nine priorities, the City Council concluded that Economic Development, Increased Public Safety, Maintaining Quality City Programs and Services and Quality of Life Improvements are its top four priorities.

II. RECOMMENDATION

PROVIDE direction to staff on any expenditure line item that will be used to build the proposed draft Fiscal year 2021-2022 Budget.

III. ALTERNATIVES

TAKE another action deemed appropriate by City Council.

IV. BACKGROUND

On March 16, 2021, the City Council conducted its first Budget Workshop for Fiscal Year 2021-2022 that included a detailed analysis of the City's major General Fund revenues:

- Sales Tax
- Property Tax
- Transaction and Use Tax (Measure K)
- Utility Users Tax
- Transient Occupancy Tax

On May 4, 2021, the City Council held the second Budget Workshops that included updated information regarding the General Fund Reserve, projections for the Fiscal Year 2021-2022 General Fund personnel expenditures, departments' operating expenditures and a preliminary estimate of the Los Angeles County Sheriff contract.

The purpose of the third workshop is to provide additional information that the City Council requested as well as information on Special Events and the Capital Improvement Program. Staff will return with a financial plan that includes the use of the American Rescue Plan and General Fund reserve to address the first two items: (1) Deferred Maintenance and (2) Non-capitalized Equipment needs.

1) Deferred Maintenance

The City of Carson has a large deferred maintenance backlog. Staff has identified total infrastructure deferred maintenance of about \$165.5 million. Of this amount, about \$12.2 million is related to Building projects, \$11.7 million to roadways, \$126.9 million infrastructure and \$8.3 million Parks projects. The remaining \$6 million is related energy, transportation and landscape projects as shown in the table below.

Project Type	Number of Identified Projects	Estimated Cost (funding needs)
Buildings	17	\$12,200,000
Energy	5	\$250,000
Information Technology	1	\$2,000,000
Infrastructure	18	\$126,878,000
Parks	22	\$8,290,095
Roadways	11	\$11,722,500
Transportation	3	\$934,000
Landscape	3	\$2,250,000
Total	79	\$165,524,595

The Deferred Maintenance, Reopening and Resilience Plan will emphasize these critical areas of infrastructure, building maintenance, and technology. Staff were able to gather the detailed

project list (Exhibit 1) and will work with the City Council to prioritize the projects and return at a later date with a proposed funding structure that includes the use of the American Rescue Plan, General Fund Reserve and other state and federal grant opportunities.

2) Non-capitalized Equipment:

During the May 4th budget workshop, City Council also requested that staff return with a list of non-capitalized equipment needs for various parks and programs managed by the Community Services Department. Staff has completed a cursory assessment and has identified a total of \$757,294 in possible equipment items that may serve to improve service delivery and enhance programs offered by the Department. Exhibit (2) provides a detail of all the items, however the following summary represents staff's priority assessment and associated categorical cost for each:

Priority (1-5)	Program or Facility	Budget Need
Priority no. 1	Aquatics	\$22,037
	Community Center	\$56,263
	Parks	\$120,631
	Permits	\$47,592
	Veterans Sports complex	\$14,481
Total Priority no. 1		\$261,004
Priority no. 2	Aquatics	\$5,667
	Community Center	\$1,727
	Fabela Boxing Center	\$52,889
	Parks	\$17,504
	Veterans Sports complex	\$118,999
Total Priority no. 2		\$196,785
Priority no. 3	Aquatics	\$6,296
	Community Center	\$99,288
	Parks	\$38,405
	Permits	\$9,724
	Veterans Sports complex	\$25,185
Total Priority no. 3		\$178,898
Priority no. 4	Aquatics	\$7,556
	Community Center	\$5,729
	Parks	\$46,505
Total Priority no. 4		\$54,413
Priority no. 5	Aquatics	\$2,519
	Parks	\$46,517
	Permits	\$9,263
	Veterans Sports complex	\$2,519
Total Priority no. 5		\$60,817
Total Budget Need		\$757,294

3) 1.0 FTE Risk Manager add in Human Resources department; \$203,987

Staff is proposing the addition of the following 1.0 FTE “Risk Manager” in the Human Resources/Risk Management Department. The total fully loaded cost including benefits for the position is estimated at \$203,987. The City Council requested staff to confirm the role of the Emergency Services Manager compared to the proposed Risk Manager in disaster preparedness. Disaster preparedness refers to measures taken to prepare for and reduce the effects of disasters. That is, to predict and, where possible, prevent disasters, mitigate their impact on vulnerable populations, and respond to and effectively cope with their consequences. While complementary, these two Managers focus on different elements.

❖ *Emergency Services Manager:*

- Coordinate emergency planning efforts
- Maintain disaster inventory/supplies
- Coordinate staff during emergency/supports Emergency Operations Center activation
- Organize city resources to prepare for, mitigate, respond to and recover from disaster
- Facilitate inter-agency operations
- Coordinates and conducts emergency training and exercises for staff
- Conduct public preparedness outreach
- Coordinate media and communications
- Protect safety of residents/citizens

❖ *Risk Manager:*

- Mgmt. and compliance with worker’s comp and TPA self-insured claims (property/GL)
- ADA Assessment and Compliance; Internal Coordinator for ADA Self-Evaluation and Transition Plan
- Safety program compliance, response and training (IIPP, Cal OSHA, LADPH)
- Regulatory and accreditation reporting (self-insurers; actuarial reserve analysis)
- Recovery efforts for damage to city property/assets
- Manage return to work programs
- Contract and city events review for appropriate indemnity, risk and loss transfer and safety requirements
- Implement cost effective insurance/self-insurance program

Also, the budgeted amount for the Risk Manager role will be based upon the recruitment completion:

- Full Year - \$ \$203,987
- 9 months - \$152,989 (if filled in 3 months)
- 6 months - \$101,993 (if filled in 6 months)
- 3 months - \$50,996 (if filled in 9 months)

The former employee in the Senior Risk Management Analyst role retired in 2018.

Thereafter, the City utilized the services of an external consultant while conducting the search. The incumbent Senior Risk Management Analyst is the only staff assigned 100% to risk management. Currently, the Human Resources & Risk Management Department does not have any staff at the Manager level and does not have a dedicated Division within Human Resources & Risk Management. The Department previously had five (5) staff in Risk Management to properly address the City's risk needs. The last staff retired in 2018 and the others transitioned to other departments/divisions and/or left. None of the positions were backfilled after being vacated. The Department Director should have staff at the Manager level to whom they may appropriately delegate based upon Department needs.

The Risk Manager role will provide critical functions in the Human Resources & Risk Management Department, including implementation of key City-wide programs such as safety, return-to-work, workers compensation, liability and first-party property claims, City's insurance policies and vendor insurance at a management level.

The City has made decentralized efforts to address ADA concerns based upon each Department's need. The City will be issuing an RFP to create a City-Wide ADA Self-Evaluation and Transition Plan and the Risk Manager will serve as the internal coordinator for the ADA Plan. This Manager would be the City's point person for health and safety compliance including interactions with external agencies such as the LA County Department of Public Health (LADPH), emergency/pandemic response protocols and CAL/OSHA regulations. In conjunction with the Director of HR & Risk Management, the incumbent Senior Risk Management Analyst conducted contact tracing and required follow-up with employees impacted by COVID-19. Under direction from the Director of Human Resources & Risk Management, the Sr. Risk Management Analyst led the City's response efforts during the COVID-19 outbreak at City Hall including environmental health inspections, implementing Health Officer Orders and interviews with the County Health staff. A Manager is the appropriate level to manage the City-wide response to emergency concerns.

The Manager will coordinate the Americans with Disabilities Act (ADA) employee requirements including reasonable accommodation/interactive meetings with employees and/or applicants; and investigate/process ADA complaints regarding City facilities. The role will manage division staff and external vendors for specialized needs - worker's compensation law firm, brokers, actuarial and claims consultants, and third-party administrative services. The role interacts with residents, other departments, the Executive team, City Attorney and Risk Managers in neighboring cities. The role represents the City in mediations, settlement conferences and risk management organizations/forums.

Short and Long-Term Measurable Goals include the following:

- Significant reduction in Worker's Compensation legacy claims - success on settling and closing as our litigated claims inventory has been reduced from 50+ cases in 2018 to 28 cases currently.
- Reduction in Property/General Liability legacy claims - success on settling and closing as our open claims inventory has been reduced from 40+ cases to 16 cases currently.

- Proper management, oversight and accountability of our 3rd party vendors and consultants.
- Contract management: consistent review of City-wide contracts for indemnity/insurance requirements to ensure compliance.
- Safety: administer City's Injury/Illness Prevention Program, conduct periodic inspections to ensure compliance with CAL/OSHA and LA County requirements.
- Respond to emergencies and special situations to ensure the health and safety of employees and to protect City's assets.
- Gather underwriting data and manage the annual insurance renewal process to provide comprehensive and cost-effective coverage.
- Manage the first party claims process for loss recovery of damages to City property.
- Events: ensure appropriate risk management for City sponsored events, including safety and insurance/indemnity review.

4) Youth Sports program

City Council requested staff to analyze the fiscal impact of a facilitated fee waiver on participation in Youth Sports program. While registration fees can be an economic barrier to participation in the City's youth sports program, the various park volunteer associations can play an active role in raising funds to scholarship lower income youth. Based upon the 2019 Youth Sports registration numbers, staff can expect to generate registration revenue ranging \$110,600-\$147,702, inclusive of resident and non-resident participants. Staff believes a waiver of registration fees will yield increased sign-ups and ultimately higher costs in equipment and sports official fees, without a corresponding revenue offset. Increased program participation will require additional staffing and increased allocation of resources. Staff also predicts that if there is no financial commitment from participants, there is the possibility of inconsistent attendance and fragmented team formation. A fee waiver for all players may eliminate a "stake" for participants in the program, who could leave or quit at any time, jeopardizing entire teams and league operations.

Sport	2019 Registrants	Reg Fee (Res/Non-Res)	Carson Residency		
			100%	90%	80%
Basketball	1,235	\$25/\$68	\$30,875	\$36,275	\$41,496
Baseball	1,732	\$25/\$68	\$43,300	\$50,739	\$60,178
Soccer	1,157	\$25/\$58	\$28,925	\$32,753	\$36,548
Football	300	\$25/\$58	\$7,500	\$8,490	\$9,480
Total	4,424		\$110,600	\$128,257	\$147,702

It should also be noted that if the park volunteer associations continue to manage the uniform, picture, and trophy program for each sport season, City staff will not be able to assist with any payment collection or purchasing/ordering responsibilities for these functions, to ensure compliance with the City's cash handling and procurement policies.

5) LA County Sheriff contract

The Sheriff's contract is approximately 24% of the General Fund budget. On June 18, 2019, the City Council approved a five-year contract renewal agreement with the Los Angeles Sheriff's Department for the period of July 1, 2019 through June 30, 2024. The billing rates of the Contract City Law Enforcement Services is adjusted by the County Auditor-Controller annually effective July 1 of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the County Board of Supervisors. The Sheriff's Department has provided preliminary rate increases for Fiscal Year 2021-2022. Services will increase by \$301,185 or 1.4%, which includes an increase in overhead costs and assumes a status-quo to the number of units.

	Fiscal Year 2020-2021	Fiscal Year 2020-2021	Increase
Sheriff Contract	\$22,073,228	\$22,374,413	\$301,185

Based on the contract structure, the Los Angeles County Sheriff department has sufficient budget appropriation and the flexibility to allocate resources where needed and as City Council recommended at the May 5th budget workshop no. 2.

6) Special Events fund

The City of Carson has a long history of supporting signature special events for its residents. These events have become staple experiences for the community as they create a sense of place and assist in making Carson a regional destination, as well as a desirable place to live and work.

On April 6, 2021, during discussion of agenda item no. 2021-208, the City Council adopted Resolution No. 21-012 approving policies and procedures to improve internal controls relating to the City's Special Events fund based on recommendations of financial advisory firm. The resolution contains detailed information and procedures that are required or recommended by the financial advisory firm:

- Individual budgets are to be created for each event so that expenses can be charged against the budgeted accounts and that they account for straight time in addition to overtime that employees spend on special events.
- The City is to improve its budgeting process by submitting detailed budgets for each event (including personnel and non-personnel expenditures), which would be approved by Council and entered into the general ledger.
- Budget controls should be focused on the event costs and the General Fund transfer must provide funding for an amount up to the actual costs incurred.
- All indirect costs of each special event are to be tracked each year to capture the

true cost of putting on a specific event. This practice will help determine if the “cost benefit” of the event justifies City continuing to subsidize a particular event. This budgeting tool can also be used as a marketing resource to the community to illuminate the cost in which the City is subsidizing events that benefit the community.

- All event fees and financial contributions to special events must be used before any transfer of General Fund monies to the Special Events Fund are made for subsidizing events.
- The Special Events Fund should not accumulate fund balance through the General Fund subsidy.
- Special Events must be treated as a project where all revenues and expenditures can be recorded, which will allow City Council and management the ability to evaluate the cost benefit of each special event.
- All City sponsored events must follow the City’s purchasing regulations, inclusive of approved City employees authorizing purchases on behalf of the City.

The resolution is intended to provide a policy structure so that the City’s Special Events finances are managed in a manner that will continue to provide for the delivery of quality services, maintain sound financial practices, and direct financial resources towards meeting the City Council’s priorities. In preparation for the upcoming fiscal year, staff analyzed historical data for both direct and indirect expenditures related to each event traditionally budgeted by the City in prior years. As a result, staff has identified \$462,488 in potential special event budget needs for Fiscal Year 2021-2022.

Current Special Event Name	FY 2021-2022 Budget Need (direct + indirect costs)
Hispanic Heritage Month Celebration	\$21,079
Filipino-American History Month	\$13,539
Jazz Festival	\$38,352
Women's Health Conference	\$59,171
Red Ribbon Week	\$12,633
Larry Itliong Day	\$17,395
Halloween Carnival	\$22,603
Veterans Day	\$20,404
Holiday Tree Lighting	\$2,301
Winterfest	\$19,560
Martin Luther King, Jr.	\$11,003
Black History Month Celebration	\$10,354
Cesar Chavez Tribute	\$11,296
Volunteer Recognition Award	\$53,216
Earth Day	\$14,429
Cinco de Mayo	\$23,211
Youth Conference	\$32,595

Memorial Day Tribute	\$7,850
Philippine Independence Day	\$30,364
Juneteenth	\$41,095
Total	\$462,448

Exhibit (3) shows the detailed direct and indirect costs appropriation for The City Special Events fund. The projected total direct Special Events costs for Fiscal Year 2021-2022 is \$284,303. This is about \$39,000 higher than last fiscal year budget, which is due to the actual expenditures being higher than budget.

Staff is requesting direction from City Council on the following events. Some of these events were funded previously but have not taken place in the past 1-3 years (pandemic closure excluded). The budgeted amounts below do not include direct and indirect costs.

Inactive Special Event Name	FY 20-21 Budget
4th Of July Community Friendship Day	\$5,000
Day of Unity	\$20,000
Samoa Heritage Day	\$5,000
Samoa Flag Day	\$5,000
White Linen	\$5,000

The City co-sponsored Special Events provide residents with a sense of community. They are an effective way to bring community partners together to promote worthy charitable campaigns and enhance local non-profit services. Staff is seeking City Council direction on budgeting the following historically co-sponsored events:

Co-sponsored Events
Relay for Life
Autism/5K Run / Special Needs

Staff has completed a review of the City's special events conducted in prior years and is prepared to present recommendations to City leadership on cost savings measures and event efficiencies for the future, if desired. This might be facilitated through the creation of an Ad Hoc Subcommittee for this purpose.

7) Capital Improvement Projects

The Capital Improvement Plan (CIP) is the City's financial plan to efficiently and effectively provide for public infrastructure and facilities. The City owns these assets and is responsible for maintenance to ensure safe public access and service. Programming capital improvements over time can promote better use of the City's limited financial resources. The City can be flexible and responsive to funding opportunities as they arise. The Fiscal Year 2021-2022 proposed CIP is a five-year plan that will serve as a planning instrument, in conformance with the City's General Plan, to coordinate funding and timing of improvements in a way that maximizes the return to the public.

The CIP is reviewed and revised annually in conjunction with the annual budget process. Priorities may change due to funding opportunities or circumstances that propel a project to a higher level of importance. Project cost estimates are updated as new information

becomes available.

CIP projects included:

Per definition, a Capital Project constructs new infrastructure or extends the life of an existing asset by rehabilitation. Infrastructure assets costing \$200,000 or more are capitalized and depreciated in the City's financial statements. Estimated project costs include acquisition if necessary, design, and construction of buildings, park facilities, roadways, utility systems or major landscaping projects.

Exhibit (4) shows the City's CIP **funded projects** for Fiscal Year 2021-2022 with a total of \$33,358,364; and \$24,926,944 of projects for which **outside special funding** has been identified in years 2 through 5 of the plan. Projects are identified by staff, condition assessments and planning efforts. In 2017, the City completed an update of the Pavement Management Program and a Citywide Sidewalk Assessment. In addition, the City Council approved \$605,000 general funding for project 1656 for Community Center Bathroom upgrades. The City expects to conduct a facility condition assessment during Fiscal Year 2021-2022, which will include buildings and playgrounds. The City is currently in the process of updating its Pavement Management Program and undertaking a Citywide Parks Master Plan study, which will continue to inform the CIP.

Funding Sources:

The City's revenue streams are insufficient to fund infrastructure rehabilitation on a timely basis. In past years, the Redevelopment Agency's tax increment revenue provided funding for public infrastructure within the redevelopment project areas. In 2011, the state dissolved all redevelopment agencies and the community was left without this vital funding source. Staff recommends the use of General Fund reserve as a funding source to fund a portion of the continued backlog in the City's infrastructure.

The nature and cost of the project generally determines the funding source. The City receives the following limited revenue sources that may be used for CIP projects in the following order of preference.

- Outside funding that does not require repayment; including shared revenue and grants from other governmental agencies, as well as donations. Outside funding is typically restricted to specific uses.
- Developer fees through Development Impact Fees (one-time funds) and Community Facilities District fees (ongoing revenue).

8) City Attorney Proposed Rate Adjustment

The City Attorney's Office serves as the chief legal counsel to the City, the Carson Successor Agency to the former redevelopment agency, and the Carson Housing Authority. The City Attorney advises the City's elected officials and staff. Duties include attendance at all City Council meetings and Planning Commission meetings, review of all proposed ordinance, resolutions, contracts and agreements, labor negotiations and

prosecutorial services.

On June 17, 2008, the City Council and Aleshire & Wynder, LLP entered into a contract for the City Attorney services. In the last 13 years, the City Attorney has only had one rate increase and 1 voluntary rate reduction. Sunny Soltani, Partner, serves as the City Attorney for Carson. In 2010, Aleshire & Wynder took a billing rate reduction of \$10 to assist the City during a significant year of budget deficits. The City Attorney's only rate increase in all the years serving the City was on December 1, 2014. The City Attorney has kept the same rate at status-quo with no CPI adjustment for the last 7 years. Had there been a CPI adjustment during the last 7 years, the cumulative CPI adjustment would have been 7.7%. The City Attorney's proposed new rate structure annualized over the next 4 years will represent less than a cumulative 2.5% increase.

The table below summarizes the City's Attorney's rates since 2008.

Rate Adjustments	Effective Dates	70 Hrs (Gen Svcs)	>70 Hrs (Gen Svcs)	Litigation/ Spec Svcs
6/17/08 Fee Agreement (Pt. 1 of 2)	6/17/08 - 6/30/09	\$135	\$150	\$195
6/17/08 Fee Agreement (Pt. 2 of 2)	7/1/09 - 3/31/10	\$150	\$160	\$205
4/21/10 Letter re Voluntary Reduction of A&W Hourly Billing Rates (Rollback \$10/hr)	4/1/10 - 7/31/11	\$140	\$150	\$195
12/1/14 Amendment No. 1 (Pt. 1 of 2)	1/1/15 - 6/30/15	\$165	\$175	\$220
12/1/14 Amendment No. 1 (Pt. 2 of 2)	7/1/15 - at least 6/30/17	\$170	\$180	\$225

The City Attorney is asking for a 2-year, 2 step rate increases but is keeping the same discounted rate structure for General Services. The City attorney requests the City Council approval of rate adjustments as follow:

Service Category	Current rate	Proposed rate (2021-2022) (1 of 2)	Proposed rate (2022-2023) (2 of 2)
General Services	\$170 <70 hrs. \$180 after first 70 hours	\$205 <70 hrs. \$210 after first 70 hours	\$215 <70 hrs. \$220 after first 70 hours

Litigation/Specialty Services	\$225	\$270 Partner \$245 Associate	\$285 Partner \$255 Associate
Reimbursable	\$245 to \$400 depending on the complexity	\$300 to \$425 depending on the complexity	\$300 to \$425 depending on the complexity

The rate adjustment will result in approximately \$204,000 increase to the City Attorney budget. The City Attorney has not gone over budget in the years serving the City, so the estimated budget increase might end up being less than actual expenditure.

9) Public Works request for funding to address street maintenance equipment

The street maintenance crew has recently been doing more concrete related work in efforts to mitigate sidewalk trip and fall issues. The crew has the knowledge and willingness to take on these tasks to improve the sidewalks in the city of Carson and improve the sidewalks throughout the City. In order to complete the sidewalk work, staff is requesting City Council approval of \$158,000 budget appropriation to purchase required equipment that is in need of replacement due to being at the end-of-life as well as new specialized additional items:

- Cat Skid Steer Loader Model: 272D2
- Cat CONCRETE SLAB BUCKETS Model 1150 mm
- Cat Multi-purpose bucket W/SPILL GUARD, BOLT-ON CUTTING EDGE Model: 1883 MM (74 IN)
- Cat Breaker/Hammer model: H65S
- Husqvarna concrete saw model: FS 524
- 2 ROW Message Board

10) FISCAL IMPACT

The projected budget deficit will be approximately \$798,000 if the City Council approves all items proposed in Budget Workshop 2 & 3.

11) EXHIBITS

1. Exhibit (1): Deferred CIP Infrastructure and Maintenance Projects
2. Exhibit (2): Non-Capitalized Equipment Needs

3. Exhibit (3): Special Events
4. Exhibit (4): Capital Improvement Plan

- 1.

Prepared by: Tarik Rahmani, Finance Director