City Manager Annual Report of Successes and Accomplishments

John F. Shirey, City Manager
Introduction

My tenure as City Manager began on September 1, 2011. My contract with the City required that not later than three months after my start date, I develop a list of goals to attain as City Manager. The performance goals, strategies and metrics were presented to the Mayor and Members of the City Council on November 29, 2011; they were unanimously endorsed.

The performance goals, strategies and metrics cover multiple years with focused priority areas, including:

- Budget and Financial Management
- Economic Development
- Public Safety

This annual report summarizes the first year’s successes and accomplishments in each priority area. Some of the performance goals were reached this year; others are still a work in progress. At the onset of developing these goals, I noted that success would require significant support and collaboration with the Mayor and Members of the City Council. This report is a reflection of our shared success. In addition, these successes and accomplishments could not have been met without the leadership and dedication of Department Directors and hard work by all City employees. I continue to be impressed and inspired by the enthusiasm and professionalism of our staff in delivering quality services to our community as well as their desire to help the City improve services and attain long-term financial stability.

Budget and Financial Management

Goal: Achieve financial stability in the General Fund

Budget Successes and Accomplishments:

- Added $3 million to the General Fund Economic Uncertainty Reserve which is 5.6% of total General Fund revenues, or $20 million, with a goal of reaching 10%.
- Developed a budget strategy which was largely successful in balancing the budget by closing a $15.7 million deficit.
- In November 2012, the public approved ballot Measures T and U which will save money and enable restoration of services, respectively.
- Implemented priority-based budgeting which will act as the framework for Fiscal Year 2013/14 budget development and ensure the City’s resources are aligned with the Council’s and community’s expected outcomes and priorities.
- Golf maintenance contract approved in October 2011 which eliminated one source of the General Fund deficit.

Labor Successes and Accomplishments:

- In January 2012, the Executive Management Unit set an example by agreeing to pay the employee share of PERS.
- Ended Voluntary Separation Program in October 2011 which was costly and unfair to persons who were laid off.
Negotiated new contract with Sacramento City Exempt Employees Association (SCXEA) which included paying 100% of employee share of PERS retirement in July 2012 and second tier benefit changes for new employees, reduction in floating holidays, freezing employer health insurance contributions, implementation of a high deductible health plan, and agreement to limit overtime pay only to that required by federal law.

Negotiated a new contract with Local 39 which included paying 100% of employee share of PERS retirement in July 2012 and agreed to second tier benefit changes for new employees.

Firefighters Local 522 agreed to pay 100% of employee share of PERS retirement by January 2013.

Unrepresented Employee Resolution approved with changes that included reduction in floating holidays, restrictions for out-of-town mileage reimbursements, freezing employer health insurance contributions.

Work in Progress:

- Will continue to work towards the 10% goal of total General Fund revenues for the General Fund Economic Uncertainty Reserve.
- Reduced the structural deficit by $15.7 million; however, we will still need to address the remaining $7-13 million deficit. In addition, we are anticipating that the deficit could grow as a result of increased CalPERS costs.
- Achieved significant retirement costs savings last year. However, we are still focused on aligning health care plans and retirement costs with City resources.
- Implement the retirement reforms included in the California Public Employees’ Pension Reform Act of 2013 which will continue to reduce pension costs to the City as a result of new and existing employees paying up to 50% of the normal cost of pensions and implementing significantly reduced benefit formulas for new employees.
- Expand the account based health plan options to all employee groups in order to reduce the rate of increase in health insurance cost to employees and the City.
- Continue to work towards savings through all employees contributing towards retirement as well as ongoing collaboration with employee organizations.
- Reduce overtime costs through negotiation of overtime reform measures with employee associations ensuring that the City does not pay more than required by federal law for overtime work.
- Address unfunded liabilities in post-employment health benefits program and SCERS.
- Performance Measurement tools have not been developed yet as this was to be the job of the Deputy City Manager and it is not expected to be complete by July 2013. However, the Department Heads have set performance goals for themselves and their respective departments.

Other Successes and Accomplishments:

- Installed approximately 14,000 solar panels at City facilities with no upfront cost to the City. The projects created nearly 250 jobs and will potentially save the city up to $50,000 annually (based on Net Present Value).
- Replaced more than 4,000 conventional High Intensity Discharge (HID) lights throughout all eight city-owned public parking garages with new light-emitting diodes known as LEDs. Within the first year, the project will save 2,887,923 kWh, resulting in a savings of $302,800 for the City.
- Settled lawsuit with Plumbers & Pipefitters Union that could have potentially been very costly to the General Fund.
• Approval of Solid Waste Business Plan which laid the ground work for Measure T and, if passed, will stabilize rates for three years while improving service.

**Goal:** Achieve financial stability and responsible capital replacement investment levels in water and sewer utilities funds.

**Successes and Accomplishments:**

• City Council approved three-year rate increases of 10% per year for water, and 16% in 2012, 15% in 2013 and 14% in 2014 for wastewater to address aging infrastructure and continued compliance with regulations.

• Through rate increases and bond financing, the City will begin a gradual transition to a 100-year replacement schedule by investing approximately $235 million in its water system and $25 million in its sewer system. A large component of the capital investment program is a $150 million rehabilitation of the historic Sacramento River Water Treatment Plant.

• As a result of operational efficiencies in FY2011-12 and Council adoption of rate increases for FY2012-13, the Water and Wastewater funds are expected to increase the operating reserves to a minimum of 120 days by the end of the current fiscal year.

**Work in Progress:**

• Established a Utility Rate Assistance Program that will provide assistance to the City's neediest residential customers to help offset the impacts of the utility rate increases. This will be implemented at the beginning of January 2013.

• By January 2013, we expect to sell bonds of approximately $300 million for water and sewer infrastructure improvements with construction to follow.

• Within the next two years, we will address the declining Stormwater Drainage Reserve Fund and capital investment needs.

**Goal:** Instill culture of excellence and continuous improvement in the City workforce. In our effort to become “The Best Managed City in California,” it is important to encourage employees to aspire to be the best and to be recognized amongst their peers. Their accomplishments help to establish a reputation of excellence.

**Successes and Accomplishments:**

• In May, the City’s parks system was ranked second best park system in the country by the Trust for Public Land among the top 40 cities.

• Cesar Chavez Park was designated as one of America’s Great Places by the American Planning Association.

• Ranked 7th nationally for the Greenest Fleet in the 100 Best Fleets award program, sponsored by Government Fleet magazine, which recognizes and rewards peak performing public sector fleet operations.

• 2011 American Planning Association California Chapter Award of Excellence for Comprehensive Planning for the River District Specific Plan.

• City was accepted into the Institute for Local Government’s Beacon Award program, which is specifically geared toward recognizing local government leadership in solving climate change and promoting sustainability.

• Retail retention video received top honors from the Sacramento Public Relations Association’s annual CAPPIE awards.

• City Express, the City’s external eNewsletter, received an award for excellence from the Sacramento Chapter of the International Association of Business Communicators.
• Chief Building Official (Ryan Devore) received the Manager of the Year award by the American Public Works Association Sacramento Chapter.
• The City received the American Planning Association Sacramento Chapter award for the Climate Action Plan.
• The League of American Bicyclists moved the City’s bicycle friendliness up from bronze designation in 2006 to silver in 2011.
• The Sacramento Streamline Program received the Innovation in Government Award from the Sacramento Chapter of the American Society for Public Administration.
• City’s Fleet Management and Solid Waste Divisions received a 2012 Sacramento Sustainable Business of the Year Award from the Business Environmental Resource Center.
• City received the SMUD Community Energy award for parking garage LED fixture replacement project.
• Employees received hand written, personal thank you notes from the City Manager recognizing outstanding work.

Work in Progress:

• Employee morale survey was conducted and results were tabulated. The management team reviewed results and set action items to address issues. An executive summary will be shared with all employees. Future surveys will help guide our approach to improving employee morale as well as track our improvements.
• To improve camaraderie and training opportunities, employee appreciation events are being planned for the year, including a Management Rally, Night at the River Cats, and possible re-launch of the employee annual picnic.
• Continue to preserve funds for employee training and development despite budget constraints and support a culture of continuous improvement.

Goal: Increase citizen and employee engagement in the budget-setting process.

Successes and Accomplishments:

• Budget questionnaire was distributed to employees in March 2012 and approximately 240 participated, or 6%, with 77 suggestions and ideas specific to solving budget challenges still being vetted for implementation.
• Online budget exercise was conducted with the public that asked, “What should the role of City Government be?” More than 100 community members participated.
• Community and business workshops were held that included “Budget 101” presentations and an overview of Priority Based Budgeting.
• Completed community polling on revenue-raising ballot measures which formed basis for Measure U on November ballot.
• Employee morale survey was developed and conducted. More than 1,100 employees participated, or 24% of total workforce. Results were analyzed and summarized for use by the management team.
• Held five budget briefings with City employees (approximately 625 total employees attended these briefings) at facilities throughout the City. The budget challenges were explained and questions were answered.
Work in Progress:

- Will launch an online citizen engagement tool in January 2013 days that will allow the conduct of community meetings, polling, surveys, and idea discussions online in addition to the more traditional tools of soliciting public input.

Economic Development

Goal: Improve ease of doing business with City government.

Successes and Accomplishments:

- Reduced solar project fees in October 2011, allowing customers to save up to 77% in permit costs
- In January 2012, entitlements were granted a three-year reprieve for projects that were already approved and set to expire, preserving customers’ financial investments.
- Electronic Plan Submittals (ePlan Check) was implemented in February 2012 which enables commercial customers to submit building plans electronically, thereby reducing the need to reproduce several sets of hard copy plans.
- In May 2012, the City implemented a local business preference for city contracting opportunities giving a 2% bidding preference to local companies. We also simplified the paper work for City contracts.
- 311 iPhone App and web based application was developed and launched to streamline 311 operations, increase efficiencies, and improve customer service.

Work in Progress:

- Project underway to update and modernize 50-year old zoning code to be consistent with the General Plan, consistent with smart growth and sustainability principles, easier to use, and more business-friendly. This includes changing parking requirements.
- A larger fee study is underway to conduct cost analysis and peer jurisdiction comparisons for building, planning and code-related fees.
- Plans are made to expand ePlan check to include planning applications in the upcoming year.
- Effort to provide electronic building permits is underway and will be available by the end of calendar year 2012.
- New E-permitting program with payment option will be complete by December 2012. This will allow applicants to purchase permits online and reduce the number of trips to the Community Development Department permit counter for developers, contractors, homeowners, and property owners.
- By June 2013, the Consistently Prepared Applicant program will be implemented and will allow frequent customers to prepare for projects in advance and reduce redundant paperwork and the number of visits to City offices.
- Minor Label program will be re-launched in early 2013. This program will allow the frequent customer to purchase permits for small projects in bundles thereby reducing costs and visits to the permit counter, and minimize inspections.
- The Community Development Department website will be updated to provide improved information, assistance, and online business options.
- Continue to meet with individuals to coordinate a group capable of raising money to form a venture capital fund. This is also a focus for the Next Economy project.
Goal: Retain and expand number of businesses and jobs in Sacramento.

Successes and Accomplishments:

- Met with more than 100 business leaders, business groups and community leaders to learn business needs and experience in dealing with the City.
- Toured and met with principals of companies looking to expand and/or relocate including Blue Diamond, Jackson Laboratories, Composite Engineering, Inc., General Produce Company, Recycling Industries, Siemens Industry, Inc., Hood Manufacturing, Center for Biophotonics Science and Technology at UC Davis Medical Center.
- Taking a leadership role in Next Economy project.
- Worked with Velocity Venture Capital to host their June 2012 Entrepreneurs Showcase at Convention Center.
- Added the jobs calculator to Council reports.
- The City signed a landmark Memorandum of Understanding with Chongqing, China to promote international economic development opportunities, to encourage trade, investment and job creation, as well as explore ways to collaborate and work for mutual economic development.

Work in Progress:

- An Economic Development Strategy is underway to lay out plans for continued job growth and reinvestment in the city.
- While the job market continues to improve slowly, the City’s continuing efforts to streamline processes, develop an Economic Development Strategy, outreach to current and future employers, and move forward with infrastructure improvement projects will positively affect local employment opportunities.

Goal: Improve Sacramento region as an attractive place for employers.

Along with the successes and accomplishments mentioned above as well as the initiatives currently underway, the accomplishments below will also improve Sacramento’s standing as an attractive place for employers.

Successes and Accomplishments:

- In November 2011, after a 42-year absence from K Street, cars once again rolled along the former pedestrian mall between 8th and 12th streets.
- The TIGER Grant, a $15 million federal transportation grant, was awarded to the City to modernize the Historic Rail Depot.
- Participated in Strong Cities|Strong State Campaign which marketed the City’s achievements as part of a broader, statewide campaign and was the most visited website of all the cities that participated.
- Railyards project continues to make significant progress, including opening the new train platforms, moving the rail tracks, completing the I-5, Jiboom Street and Bercut Drive improvements and the installation of the 4th and I Streets traffic signal.
- Met with the heads of all the organizations named in the City Manager Performance Goals, Strategies and Metrics report including Valley Vision, Sacramento Area Regional Technology Alliance, Sacramento Area Commerce & Trade Organization and the Sacramento Metro Chamber. Also met with the Asian Pacific, Black, Hispanic, LGBT Chambers and the Northern California World Trade Center.
• In October 2012, changes were approved to the city’s parking zoning requirements which will encourage economic development, help the City maximize the use of existing parking opportunities citywide, reduce impacts to neighborhoods, and promote alternative modes of transportation and sustainable building.

Work in Progress:

• Efforts will continue to streamline business processes, implement an Economic Development Strategy, participate in the Next Economy project, and improve major infrastructure to improve the Sacramento region as an attractive place to conduct business.

Public Safety and Neighborhood Support

Goal: Make Sacramento a safer place for residents, businesses and visitors.

Successes and Accomplishments:

• City, County, and private donors collaborated to provide winter shelter for the homeless. City Council also approved $100,000 for the motel voucher program.
• Comprehensive strategy implemented to address metal theft issue.
• Management of Occupy Sacramento without serious incidents and statewide/national press stories
• Successful Save Our Pools Campaign which funded 11 pools and five wading pools to remain open during the summer.
• Focused efforts on emergency preparedness and long-term viability of the City/County Office of Emergency Services. Held briefings and attended site tours of the Emergency Operations Center, 911 Center, joint City/County fire dispatch center, Folsom Dam, regional threat assessment team briefing for Executive Team, and visited the joint Federal/State Flood Center.
• Implemented the Gang Prevention and Literacy project, including tutoring, enrichment, parent involvement and internships.
• 2012 International Association of Chiefs of Police and Sprint Silver Award for Excellence in Law Enforcement Research through demonstrated excellence in initiating, collaborating on, and employing research to improve police operations and public safety.
• The False Fire Alarm fee ordinance was passed in 2012, which will work to reduce the frequency of preventable false fire alarms in commercial and residential properties and to ensure better fire and life safety coverage and response for actual emergencies.

Work in Progress:

• This year to date, crime is up across the board by 8.4% and gun related crime is up 54%. Public safety will continue to be a top priority as we strive to reduce the serious crime rates by focusing on hot spot policing and targeting repeat offenders.
• We are working on establishing a Memorandum of Understanding with California State University, Sacramento to research and analyze crime trends and issues around crime.
• Flood protection funding is ongoing but we will work towards receiving more funding for Natomas in the coming year. We will also continue to work closely with SAFCA and FEMA to assure adequate funding for flood prevention.
Moving Forward

As mentioned before, these efforts are multi-year and will continue to require the support and collaboration of the Mayor and Members of the City Council. Budget and Financial Management, Economic Development, and Public Safety will continue to be my priority areas of focus. As we look ahead, opportunities for future successes exist, including the following areas of emphasis:

1. Negotiating new contracts with nearly all bargaining units
2. Reducing long-term, unfunded liability in employee pension and post-employment healthcare programs
3. Recruiting new and retaining existing businesses; increasing number of jobs
4. Increasing community involvement to address crime problems using new technologies and traditional strategies such as Neighborhood Watch
5. Reduction of crime
6. Continuing to increase General Fund reserves
7. Improving planning and building permit approval process
8. Work with Corps of Engineers to resolve levee encroachment impacts to ensure appropriate flood protection