

City of San Clemente

Long Term Financial Plan



2017

City of San Clemente

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City of San Clemente

City Council

Kathy Ward, Mayor
Tim Brown, Mayor Pro Tem
Lori Donchak, Councilmember
Chris Hamm, Councilmember
Steven Swartz, Councilmember

City Manager

James Makshanoff

Executive Team

Erik Sund	Assistant City Manager
William E. Cameron	City Engineer / Public Works Director
Cecilia Gallardo-Daly	Community Development Director
David Moodie	Police Services Chief
John Abel	Fire Services Division Chief
Joanne Baade	City Clerk

Project Director

Erik Sund	Assistant City Manager
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Project Team

Adam Atamian	Associate Planner
Tom Bonigut	Deputy Public Works Director
Brian Brower	Information Technology Manager
Bill Cameron	City Engineer / Public Works Director
Sandee Chiswick	Senior Accountant
Amber Gregg	Interim City Planner
Bill King	Deputy Community Development Director
Ken Knatz	Principal Civil Engineer / Asset Manager
Jake Rahn	Financial Services Officer
Dave Rebensdorf	Deputy Public Works Director
Tom Rendina	Business Services Officer
Judi Vincent	Deputy Administrative Services Director

Mission Statement



The City of San Clemente, in partnership with the community we serve,
will foster a tradition dedicated to:

- ◆ Maintaining a safe, healthy atmosphere in which to live, work and play;
- ◆ Guiding development to ensure responsible growth while preserving and enhancing our village character, unique environment and natural amenities;
- ◆ Providing for the City's long term stability through promotion of economic vitality and diversity....
- ◆ Resulting in a balanced community committed to protection of what is valued today while meeting tomorrow's needs.

Project Team

Project Director

Erik Sund, Assistant City Manager

Financial Trend Analysis

Sandee Chiswick, Senior Accountant

Financial Forecast

Judi Vincent, Deputy Administrative Services Director

Reserve Analysis

Jake Rahn, Financial Services Officer

Fiscal Policy

Judi Vincent, Deputy Administrative Services Director

Capital Projects Analysis

Tom Bonigut, Deputy Public Works Director

William E. Cameron, Public Works Director

William King, Deputy Community Development Director

Ken Knatz, Principal Civil Engineer / Asset Manager

Dave Rebensdorf, Deputy Public Works Director

Tom Rendina, Business Services Officer

Erik Sund, Assistant City Manager

Information Technologies Strategic Plan

Brian Brower, Information Technology Manager

Centennial General Plan Strategic Implementation Plan (SIP)

Adam Atamian, Associate Planner

Cecilia Gallardo-Daly, Community Development Director

Amber Gregg, Interim City Planner

Police Services Study

Erik Sund, Assistant City Manager

City Clerk Department Strategic Plan

Joanne Baade, City Clerk

Issues & Objectives

Financial Trend Analysis

Objective

A number of financial indicators are analyzed utilizing the International City Management Association's (ICMA) guidelines contained in "Evaluating Financial Condition". The analysis of these indicators is designed to present information on the fiscal health of the City of San Clemente as part of the Long Term Financial Plan. This annual financial trend analysis focuses on the City's General Fund.

Financial Forecast

Objective

To update the comprehensive five-year financial forecast for the General Fund, incorporating adopted City fiscal policies, expenditure patterns, revenue trends, fund balances and other known financial impacts.

Reserve Analysis

Objective

To analyze and recommend appropriate levels of reserves to (a) ensure that they are adequate to provide for the needs of each fund program, (b) meet program needs without unnecessarily obligating scarce dollar resources and (c) to ensure compliance with City fiscal policies and legal requirements by State, County or Local Ordinances.

Fiscal Policy

Objective

To review the City's adopted Fiscal Policy on an annual basis in order to determine appropriate changes, additions or deletions.

Capital Projects Analysis

Objective

To provide a summary of significant projects and programs within the Public Works Department Capital Improvement Program. This analysis will review funding challenges facing the City in implementing capital projects in both the near and long-term.

Information Technology Strategic Plan

Objective

The Information Technology Strategic Plan (ITSP) has been updated to maintain a comprehensive plan to guide Information Technology decision making, budgeting, and implementations across all City functions and operations over the next five years.

Centennial General Plan Strategic Implementation Plan (SIP)

Objective

To provide the City Council an update of the General Plan Strategic Implementation Program (SIP) that includes the status of the General Plan's implementation and makes recommendations and seeks direction on which new General Plan Implementation Measures (IMs) should be implemented in the coming fiscal year.

Police Services Study

Objective

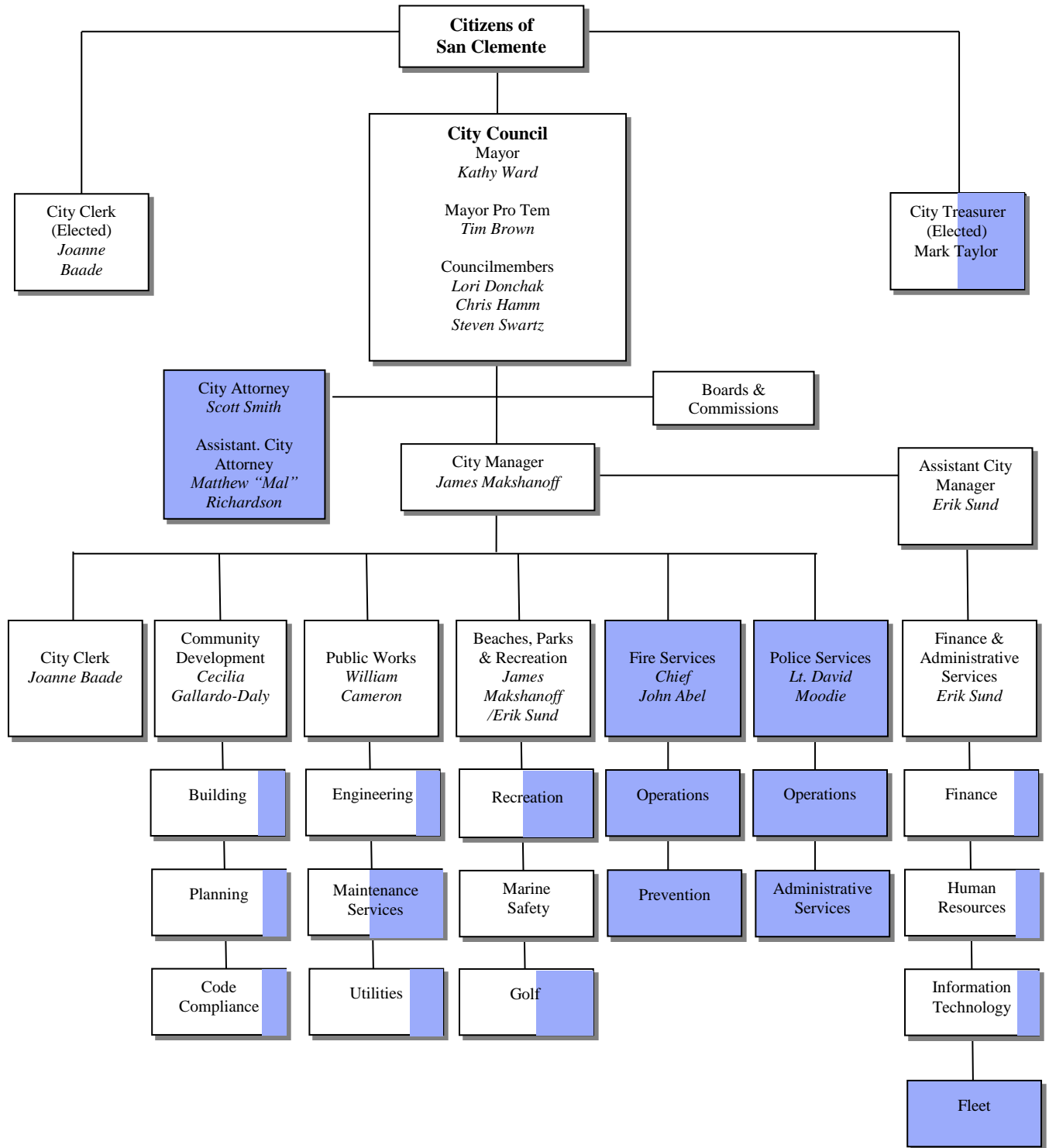
To have Matrix Consulting present a final report of the Police Services Assessment, which will include strategic choices for the City Council and an implementation plan for Police Services.


City Clerk Department Strategic Plan

Objective

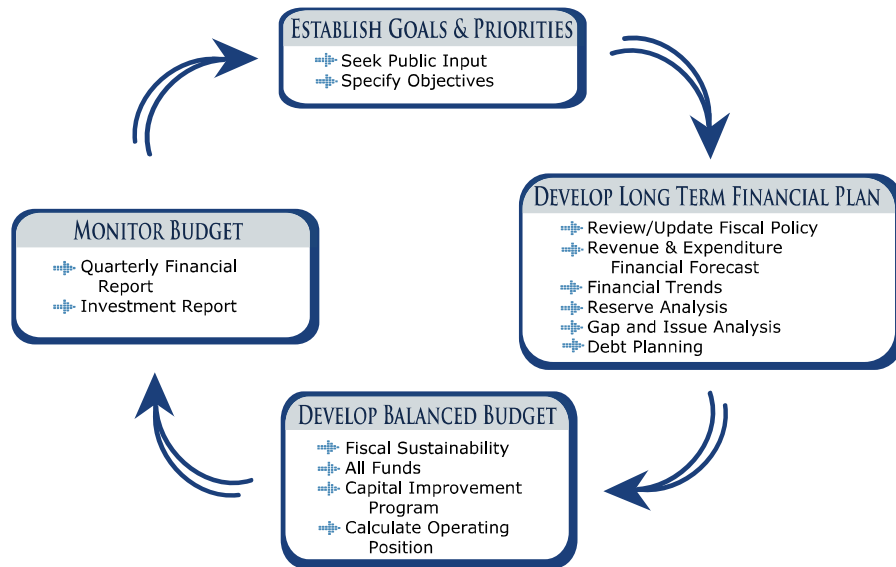
To provide an overview of the City Clerk Department Strategic Plan.

City Organizational Chart



 Shading indicates contracted services

Long Term Financial Plan



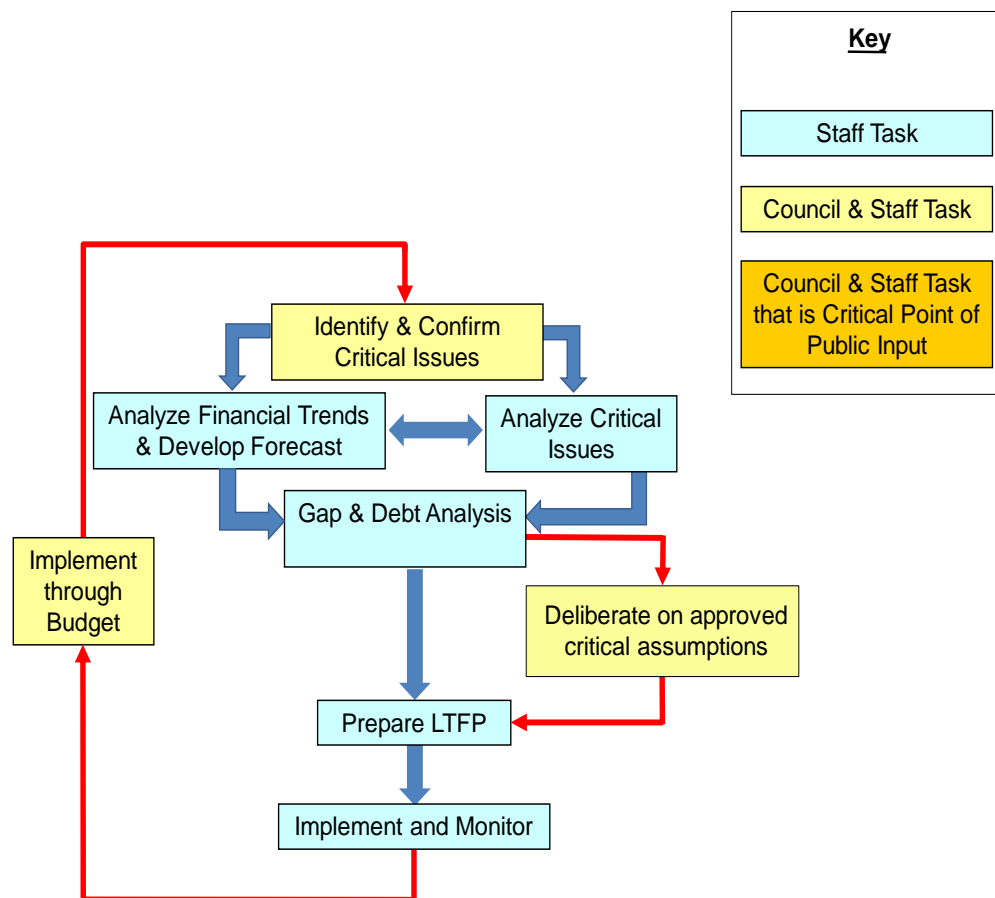
The City of San Clemente, at Council direction, annually prepares a comprehensive Long Term Financial Plan (LTFP). The LTFP is intended to serve as a tool, providing Council and the public with the insight required to address issues impacting the City's financial condition. The LTFP consists of a complete financial plan and an Issue Paper section which provides supporting documents used in developing a strategic plan after a thorough analysis of all issues that impact the City's financial condition.

The 2017 Long Term Financial Plan consists of the following sections:

- Introduction
- City Manager Transmittal Letter
- Executive Summary
- Financial Trend Analysis
- Financial Forecast
- Reserve Analysis
- Fiscal Policy
- Capital Projects Analysis
- Information Technology Strategic Plan
- Centennial General Plan Strategic Implementation Plan
- Police Services Study
- City Clerk Department Strategic Plan

Long Term Financial Plan Process

The flow chart below graphically describes the **process** that went into developing the City's Long Term Financial Plan. This project was conducted by City staff. In fact, 12 City staff members contributed directly to the Plan, while countless other employees also assisted in the gathering of information, research, word processing, scheduling meetings, etc. Including the Project Director, there were 7 project leaders each assigned to teams addressing a specific critical issue.



Long Term Financial Plan

Annually, City Council identifies which projects and programs are of the highest priorities for the coming years. Once priorities have been identified, Council and staff will identify the critical phases which have, or are expected to have, an impact on the financial condition of the City over the next five years. For each of the critical areas, specific goals and objectives are developed for each project which is designed to meet the overall goal of the project:

- ***To provide a clear and concise Long Term Financial Plan, identifying the City's current and projected financial condition, and proposing specific alternatives to address identified problems.***

Project teams and team leaders were then selected based on individual talents and expertise in given critical issue areas. A steering committee was formed in order to keep the project on track and on schedule. Each team was then asked to prepare option papers that meet the goals and objectives already defined. The key message expressed to each team was that the report had to be clear and concise while providing very specific and practical recommendations that addressed the issue at hand. After several months of intensive effort and time by all staff involved, the option papers were completed and incorporated into the Long Term Financial Plan.

Once the issue papers were completed, the actual Long Term Financial Plan was developed by using the Financial Trend Analysis and Financial Forecast as the foundation of the plan. Funding gaps for major one-time capital and maintenance projects are identified in the Capital Projects paper. Applying the Trend Analysis and the Financial Forecast, based on the Capital Projects paper, will help with the decision and prioritization of projects as we move into the budget process.

Schedule

March 2, 2017	Long Term Financial Plan Workshop
May 22, 2017	Budget Workshop/Budget Public Hearing
June 6, 2017	Budget Adoption

Long Term Financial Plan Review

Long Term Financial Plan Review

The City has prepared an updated table for all 2016 Long Term Financial Plan issues. This table provides an up to date report on the progress that has been made for all issues.

Financial Trend Analysis	Status
A number of financial indicators are analyzed utilizing the International City Management Association's (ICMA) guidelines contained in "Evaluating Financial Condition". The analysis of these indicators is designed to present information on the fiscal health of the City of San Clemente as part of the Long Term Financial Plan. This annual financial trend analysis focuses on the City's General Fund.	Done.
Financial Forecast	Status
To update the comprehensive five-year financial forecast for the General and operating funds incorporating adopted City fiscal policies, expenditure patterns, revenue trends and other known financial impacts.	Done.
Reserve Analysis	Status
To analyze and recommend appropriate levels of reserves to (a) ensure that they are adequate to provide for the needs of each fund program, (b) meet program needs without unnecessarily obligating scarce dollar resources and (c) to insure compliance with City fiscal policies and legal requirements by State, County or Local Ordinances.	All 2016 LTFP reserve transfer and funding recommendations were included in the FY 2017 Budget and are currently being implemented per Council direction at the 2016 LTFP Workshop.
Fiscal Policy	Status
Review the City's adopted Fiscal Policy on an annual basis in order to determine appropriate changes, additions or deletions.	Done.

Capital Projects Analysis	Status
<p>To provide a summary of capital projects with funding challenges and funding obligations for significant projects. This analysis will review the funding status of the existing reserves as well as future projected funding sources, and attempt to determine the timing of the projects in connection with the City’s current and future financial resources.</p>	<p>Based on Council feedback, projects discussed in the 2016 LTFP paper were addressed during the FY 2016-17 CIP budget process where applicable, with updates made as needed, based on funding availability and staff resources. Staff will continue to identify and make recommendations to fund major unfunded projects through the CIP program.</p>

Information Technology Strategic Plan	Status
<p>The Information Technology Strategic Plan (ITSP) has been updated to maintain a comprehensive plan to guide Information Technology decision making, budgeting, and implementations across all City functions and operations over the next five years</p>	<p>Done.</p>

Centennial General Plan	Status
<p>To review the General Plan Strategic Implementation Priorities (SIP’s) and, through the SIP evaluation process, make recommendations to the City Council on which projects/programs to implement in the coming fiscal year.</p>	<p>To date, the City Council directed staff to implement 183 of the 315 General Plan Implementation Measures (IM). Of these, staff is actively implementing 170 of the Council-directed IMs. In the next fiscal year, staff proposes: 1) to continue work on high priority IMs, and not initiate new projects, 2) to direct staff to evaluate the priority level of IMs and propose changes in the next SIP update necessary to reflect resources and workload for IMs in process, and 3) to amend or delete 16 IMs to reduce redundancy and reflect prior Council direction.</p>

Transient Occupancy Tax Analysis	Status
To provide the City Council with an overview of San Clemente's Transient Occupancy Tax (TOT); and explore the options of increasing the TOT rate via a ballot initiative through a rate increase or by creating a Business Improvement District.	Done.



Council Action for the 2016 Long Term Financial Plan (LTFP) February 25, 2016

APPROVED 5-0, to receive and file:

Financial Trend Analysis

1. None

Financial Forecast

1. None.

Reserve Analysis

APPROVED 5-0, to:

1. Modify the Fiscal Policy to set the Emergency Reserve at a level of 20% of operating expenditures and direct Staff to return to Council if the proposed Emergency Reserve and Sustainability Reserve Policy changes would compromise the City's AAA bond rating status. Further, that Staff communicate with the California Joint Powers Insurance Authority to ensure that it does not have concerns with the subject action.
2. Reallocate the Sustainability Reserve to fund \$6,161,000 to the General Fund Emergency Reserve, \$794,000 to the Accrued Leave Reserve, and \$1.7 million to the Facilities Maintenance Reserve and to provide funds of \$1,345,000 for the payment of the Negocio Certificates of Participation.
3. Direct staff to analyze capital asset categories and identify assets funded for replacement in the Facilities Maintenance Reserve, the Capital Equipment Reserve, and the Park Asset Reserves.
4. Transfer \$380,000 from the General Fund to the Facilities Maintenance Reserve for FY 2017, and receive \$1.7 million of reserves from the Sustainability Reserve.
5. Transfer \$60,000 from the General Fund to the Park Asset Reserve for FY 2017.
6. Direct staff to pursue an additional one-time transfer of up to \$2.7 million from Water operating funds, if the City is not part of joint agency Baker Treatment Plant capital project.
7. Dissolve the Vista Hermosa Sports Park M & O Reserve.
8. Direct staff to eliminate the Pension Reserve by using existing funds to offset future pension costs for the CalPERS Marine Safety Lifeguard pension plan by making a one-time payment of \$500,000 to CalPERS to pay down a portion of the current unfunded liability.
9. Transfer \$180,000 from the General Fund to the Accrued Leave Reserve for FY 2017 and receive \$794,000 of reserves from the Sustainability Reserve.
10. Retain land sale proceeds to comply with the General Liability reserve policy and to pay the retrospective liability, and refund any excess proceeds to the General Fund.

Long Term Financial Plan

Fiscal Policy

APPROVED 5-0, to:

Direct Staff to either confirm that the Emergency Reserve Policy changes will not affect the City's AAA bond rating, or recommend alternate Policy language that would not compromise the City's AAA bond rating.

Capital Projects Analysis

Rail Corridor Pedestrian Beach Trail Extension

FAILED 2-3, to:

Defer the construction phase for the Rail Corridor Pedestrian Beach Trail Extension until a grant is secured. *(Note: By virtue of the failure of this motion, Staff is to no longer pursue the Beach Trail southern extension project.)*

USACE Sand Project

APPROVED 4-0-1 (MAYOR BAKER ABSTAINED BECAUSE HE LIVES IN CLOSE PROXIMITY TO THE PORTION OF THE SAND REPLENISHMENT PROJECT AT T STREET), to:

Fund the USACE Sand Replenishment design phase in FY 2017 in an amount to be determined in future budget meetings.

Civic Center Relocation

Council directed Staff to agendaize the Civic Center Relocation project for future consideration and to provide additional information as requested during the course of this meeting.

Municipal Pier Rehabilitation

APPROVED 5-0, to:

Fund the Pier Rehabilitation construction in FY 2017 in the amount of \$1.2 million from the General Fund.

City Facilities Rehabilitations

APPROVED 5-0, to:

Develop an overall analysis and funding strategy for the Facilities Maintenance Reserve to identify facility assets and a funding strategy for maintaining and replacing those assets, including a five-year rehabilitation cycle for future pier maintenance and rehabilitation.

City Infrastructure

APPROVED 5-0, to:

Identify infrastructure assets and the reserve resources needed to maintain and/or replace those assets based on a comprehensive asset management plan that will be developed through the use and optimization of the CMMS.

Information Technology Strategic Plan Update

APPROVED 4-0 (COUNCILMEMBER BROWN ABSENT), to:

Accept the Information Technology Strategic Plan Update and direct staff to bring the recommended Fiscal Year 2017 projects and initiatives forward through the budget process.

Centennial General Plan – Strategic Implementation Program

APPROVED 4-0 (COUNCILMEMBER BROWN ABSENT), to:

1. Direct the Beaches, Parks and Recreation Department to initiate the development of the Beaches Parks and Recreation Master Plan related IMs 6, 7, 10, and 51 from the Beaches, Parks and Recreation Element.
2. Direct the City Manager Department to continue implementation of IMs 5, 5b, 16, 33, and 39, and to evaluate the feasibility of implementing IMs 7 and 8.
3. Direct the Community Development Department to continue the Zoning Ordinance and Specific Plan updates (Land Use Element IMs 1, 6-8, 13, and 17, Mobility and Complete Streets Element 7 and 20, and Urban Design Element IMs 17, 21 and 22), certification of the Housing Element (Housing Element Action Plan), and certification of the Local Coastal Program (Coastal Element IMs 1 and 14). Also direct this department to provide grants for affordable health services, drug prevention, and enhanced educational opportunities for the City's residents through Housing and Social Services and various partner organizations. Further, direct this department to initiate IMs related to Dark Skies (Natural Resources Element 20 and 21), and the wayfinding program (Coastal Element 6). Lastly, direct that Land Use Implementation Measure 15 (which relates to possibly establishing an historic district to ensure new and remodeled buildings are architecturally compatible with the area's Spanish Colonial Revival character, provide historic preservation incentives, and enforce historic preservation measures in the Zoning Ordinance) be redesignated from Low Priority to Medium Priority.
4. Direct the Public Works Department to:
 - Continue work to implement the Mobility and Complete Streets Element IMs 3-5, 15-17, 36, and 39-41);
 - Continue work to complete the tree inventory (Urban Design Element IM 26);

- Review City Engineering standards for possible changes to public street lighting design (Natural Resources Element IM 26) when the Community Development Department establishes outdoor lighting standards noted above;
- Study the feasibility of obtaining generators for City facilities that do not have them (Safety Element IM 17); and
- Improve the efficiency of public facilities by completing water efficiency use surveys and continuing recycling for commercial customers and achieving at least 75% diversion of construction and demolition waste (Public Services, Facilities, and Utilities Element IMs 27, 35, and 38).

Transient Occupancy Tax

APPROVED 4-0 (COUNCILMEMBER BROWN ABSENT), to:

1. Direct staff to work with the City Attorney to draft a ballot question and text for a measure to increase TOT by 3% or 4%.
2. Direct staff to include a new limited-term position to oversee revenue enforcement and collections, to be brought forward through the budget process for FY 2017.



City of San Clemente

James Makshanoff, City Manager

100 Avenida Presidio, San Clemente, CA 92672

Honorable Mayor and Council Members:

I am pleased to present the 2017 edition of the City's *Long Term Financial Plan (LTFP)* to the City Council and our San Clemente residents. The City has been presenting a strategic fiscal plan on an annual basis since 1993. The City of San Clemente has always been fiscally strong and acted fiscally conservative. These characteristics have allowed the City to maintain our AAA bond rating, as well as weather financial downturns, be it the recession in early 2000, increased public safety costs, a rise in pension obligations, or funding deferred maintenance and/or capital improvement projects.

Over the past three years the City has reinforced its conservative approach towards expenditures and begun a process of building an on-going funding mechanism to address years of deferred maintenance for many of the City's key facilities and amenities. This approach has placed the City in a better position as we address forecasted negative operating positions and projected surplus deficits in FY 2018-19 and subsequent fiscal years. As always, adjustments will be made to ensure the City's budget maintains a positive operating position. As this LTFP and past LTFP's have shown, the next few years we will be limited in our ability to fund new services or Capital Improvement Projects.

The City's Long Term Financial Plan (LTFP) is a long-range planning tool that provides City Council with a variety of fiscal indicators to make strategic decisions regarding the City's fiscal sustainability, both in the short and long term. The foundation of the LTFP is built from a *Financial Forecast, Financial Trend Analysis* and the City's underlying *Fiscal Policies*. The plan includes an *Executive Summary* which describes the City's current and projected financial condition and includes a financial overview which outlines specific recommendations to address outstanding fiscal issues. The LTFP also contains *critical issue papers*, which analyze topics that have, or may have, a substantial impact on City finances.

As we prepare to enter Fiscal Year 2017-18 and look out over the next five years, we see a continued theme of rising public safety costs, an increase in pension rates, a growing list of deferred maintenance needs, and the always present demand of City resources and services. These themes are managed through the LTFP process and confirmed through the budget process.

One of the 2017 LTFP critical issue papers will present findings and recommendations regarding the City of San Clemente's Police Services contract with the Orange County Sheriff's Department (OCSD). This critical issue paper includes a thorough review of the efficiency and effectiveness of service delivery, while taking into consideration the City's crime trends, public safety workloads and the community's input and expectations. This is the first time the City has assessed these services since it contracted with OCSD in the early 1990's. And we also see the return of previous years critical issue papers: Information Technology Strategic Plan and the Centennial General Plan-Strategic Implementation Program. These have now be

become an ongoing staple to the City's LTFP and will be revisited and updated annually to confirm that priorities are in sync with the City's needs.

General Fund Operating position (operating revenues less operating expenditures, excluding one-time revenues or capital expenditures) is projected to be positive for the next fiscal year, and then negative for the remaining four years of the forecast mainly due to projected increases in police, fire and other contractual costs, as well as projected increases to pension costs, which outpace projected revenue trends in the future. As always, adjustments will be made during the budget process in order to ensure a positive operating position each year.

General Fund Emergency Reserve is currently funded at \$11.4 million, or 20% of the City's Operating Expenditures. This reserve is a major contributor to the City maintaining its AAA bond rating. The City's fiscal policy governs the City's reserves.

General Fund Unassigned fund balance (fund balance available for appropriation) is projected at \$6.1 million at the end FY 2016-17. City staff are diligently reviewing a number of capital and maintenance projects for the next several years that significantly exceed this projected unassigned fund balance. It is staff's intent to provide project recommendations that compliment available funding.

The City of San Clemente has so much to offer to its residents, businesses and visitors. The City is in a position to continue providing the many benefits it offers, as we navigate through the future years with fiscally prudent behavior and cost effective solutions.



James Makshanoff
City Manager

Executive Summary

Executive Summary

The *Executive Summary* portion of the 2017 Long Term Financial Plan (LTFP) includes a financial summary section, which provides a profile of the City's financial condition, and a summary of this year's LTFP recommendations.

The 2017 Long Term Financial Plan Summary

Included within the *Executive Summary* section:

- *Introduction*
- *2017 LTFP Summary*
- *Current Financial Condition*
- *Reserve Funding*
- *General Fund Transfers*
- *General Fund Loan*
- *Financial Trend Analysis*
- *Capital Projects*
- *Five Year Financial Forecast*
- *Fund Balances*
- *Conclusion & Projected Financial Condition*
- *Summary of LTFP Recommendations*

The LTFP produces a financial plan and provides solutions

Introduction

The LTFP provides an objective look at the current financial issues facing the City of San Clemente and outlines a plan to meet the needs of the community without sacrificing the City's financial future.

Utilizing the financial tools already in place, the LTFP looks at the Fiscal Policy, Financial Trends, Financial Forecast, and Reserve Analysis to diagnose the "fiscal health" of the City of San Clemente in order to chart a sound financial course.

The financial trend analysis acts as an early warning system

A comprehensive analysis of the City's **Financial Trends and a Reserve Analysis** is conducted annually for the Long Term Financial Plan. The Financial Trends and Reserve Analysis papers document the progress that has been made in implementing long-term solutions to improve the financial condition of the City. The trend analysis also acts as an early warning system to alert Council and the Administration of trend changes that will have an impact on the financial condition.

The five-year financial forecast shows the potential impact of current decisions on future budgets

The *five-year financial forecast* identifies the City's current and projected financial condition to determine if funding levels are adequate and if projected expenditures can be sustained. The forecast provides a basis for decision making and shows the potential future impact of current decisions.

2017 Long Term Financial Plan Summary

Five-year forecast projects average growth of 3.1% for operating revenues and 4.0% for operating expenditures

The five-year **Financial Forecast** was last updated after adoption of the FY 2017-18 budget. At that time, the General Fund operating position was projected to be negative in the last three years of the forecast.

The updated 2017 LTFP five-year financial forecast reflects a positive operating position in the first year of the forecast, and a negative operating position for the remaining four years, beginning in FY 2018-19. Operating revenues are projected to increase by an average of 3.1% per year over the five year forecast period. Operating expenditures are expected to grow 4.0%, on average, over the same period. Based on these expected growth rates, operating deficits are projected in the last four forecast years.

2017 LTFP Forecast (In mil.)	2017-18	2018-19	2019-20	2020-21	2021-22
Projected surplus/deficit	\$ 0.6	\$(0.2)	\$(0.7)	\$(1.4)	\$(2.0)

Property Tax revenue projected to increase by 4.9% in the coming fiscal year

Forecasted average increases of 3.1% for operating revenues is largely driven by expected gains in property tax revenue over the next several years. Property tax revenues are expected to increase by 4.9% in the first year and by 3.8% for the remaining four years of the forecast. General sales tax is expected to grow by an average of 1.9% annually over the five year forecast period.

Projected annual increases for operating expenditures average 4.0% over the next five-years, excluding one-time costs, and are mainly the result of anticipated police and fire services contract cost increases, personnel salary and related benefit increases, pension cost increases, and the continuance of the provision for ongoing facility maintenance.

Police Services contract projected to increase by 6.1% For FY 2017-18

The police services contract increases by 6.1%, or \$840,000, based on the Orange County Sheriff Department’s first estimate of FY 2017-18 contract costs. Projected increases for the police services contract average 4.3% over the remaining four years of the forecast. The fire services base contract with the Orange County Fire Authority (OCFA) is projected to increase by 4.5%, averaging \$386,000 annually, which is the maximum amount the contract allows. Also, the addition of a 4th firefighter on full rotation for the City of San Clemente is expected to be implemented by OCFA before the end of FY 2016-17, with the first two years of costs fully paid by OCFA. The City will begin to pick up a share of the costs beginning in FY 2019-20, with full pickup of the cost by FY 2024-25. The City’s phased-in share of these costs have been included in the forecast.

Fire Services contract projected to increase by 4.5% for FY 2017-18, the maximum allowed

Construction rehabilitation of the Ole Hanson Beach Club was completed in the fall of 2016, with a partial year of revenue and expenses realized in the current fiscal year. The full cost of maintenance and operations and associated revenue projections are included in the forecast for a full year in FY 2017-18.

Fiscal policies provide guidance for planning a sustainable financial future.

Fiscal Policies established by City Council provide guidance and long-range direction for planning a sustainable financial future. Policies are reviewed through the LTFP each year to determine if additions or revisions are needed. Several fiscal policies adopted in the past relate to the funding of various reserve funds, including funding of workers' compensation, general liability, capital equipment, accrued leave, facilities' maintenance, park asset, contingency and emergency reserves. Based on this year's review, one fiscal policy change is being recommended in order to include a requirement that the City maintain a City Council approved formal salary schedule.

A **Reserve Analysis** is conducted annually through the LTFP process to recommend appropriate levels of reserves to ensure compliance with fiscal policies.

The 2017 LTFP also identifies financial and implementation challenges of capital projects, provides an updated Information Technology Strategic Plan, updates the Centennial General Plan Strategic Implementation process, provides an overview of the City Clerk's Strategic Plan, and presents the results of a recently completed independent Police Services study.

Financial challenges include funding of capital and maintenance projects

- The **Capital Projects Analysis** provides a summary of significant capital projects and programs within the Public Works Department's Capital Improvement Program. The analysis reviews funding challenges facing the City in implementing capital projects both in the near and long-term and also makes recommendations for addressing those challenges.

I.T. Strategic Plan provides a roadmap for the next several years.

- Originally adopted as part of the 2015 Long Term Financial Plan, the Information Technology Strategic Plan (ITSP) serves as a roadmap for strategic technology projects that are anticipated over the next five years. The plan is updated annually to reflect new technology initiatives and technological advancements, while adapting to changing business needs or financial conditions. The 2017 LTFP **Information Technology Strategic Plan Update** includes an updated listing of strategic projects, generated through a collaborative process that involved both the IT Division and members of the IT Steering Committee. The aim is to satisfy current and future technology-related needs for all Departments/Divisions of the City.

Centennial General Plan Implementation Measures are recommended

- The **Centennial General Plan Strategic Implementation Program** paper provides the City Council an update of the General Plan Strategic Implementation Program (SIP) that includes the status of the General Plan’s implementation and makes recommendations and seeks direction on which new General Plan Implementation Measures (IMs) that should be implemented in the coming fiscal year.
- The **Police Services Study** paper provides the City Council with an overview of the recently completed study of Police Services in San Clemente, prepared by the Matrix Consulting group.
- The **City Clerk Department Strategic Plan** paper provides an overview of the strategic plan which provides comprehensive guidance for developing and upgrading City Clerk related projects and programs over the next five years.

The LTFP focuses on the financial condition of the General Fund

Current Financial Condition – Overview

The City’s Long Term Financial Plan focuses on the financial condition of the General Fund, the City’s key operating fund. The City’s General Fund is anticipated to end FY 2016-17 with a total fund balance of \$17.5 million, which includes \$11.4 million in emergency reserves, and \$6.1 million in unassigned fund balance.

Per the FY 2016-17 Adopted Budget, for the current fiscal year, General Fund operating revenues, excluding one-time items, are expected to total \$57.8 million, while General Fund operating expenditures, excluding one-time program costs, projects and transfers, are estimated to total \$57.0 million.

Most General Fund reserves are funded

Reserve Funding

All General Fund reserve funds (except for the Facilities Maintenance Reserve) are funded and will meet fiscal policy requirements if transfer recommendations made in the Reserve Analysis paper are incorporated into the FY 2017-18 budget.

Several long-term facility projects will require additional funding

The City’s Capital activity in the near future includes several long-term facility projects (e.g. City Hall Rehabilitation). The current Facilities Maintenance Reserve is insufficient to fund these projects, and a recommendation is being made to transfer a lump sum to this reserve to fund these long-term projects.

The Reserve Analysis paper makes recommendations to improve the economic stability of the City by emphasizing long-term maintenance and replacement for the City's infrastructure. Reserve Analysis recommendations include:

- Direct staff to analyze capital asset categories and identify assets funded for replacement in the Facilities Maintenance Reserve, the Capital Equipment Reserve, and the Park Asset Reserves after Lucity's implementation.
- Transfer an annual amount of \$380,000 from the General Fund to the Facilities Maintenance Reserve for FY 2017-18.
- Transfer an amount between \$1.0 to \$2.5 million in FY 2017-18 to the Facilities Maintenance Reserve from the General Fund's unassigned fund balance.
- Transfer \$200,000 from the General Fund to the Park Asset Reserve for FY 2017-18.
- Remove the Pension Reserve from future Long-Term Financial Plans.
- Retain Bellota land sale proceeds in the General Liability Fund to pay the retrospective liability, and to fund legal costs for land use and other claims not covered through CJPIA coverage.

General Fund Transfers

For FY 2017-18, forecasted transfers out of the General Fund total \$1.4 million and include \$756,290 for the Street Improvement Program, \$580,000 in reserve contributions, and \$15,000 for the Senior Mobility subsidy.

**Transfers total
\$1.4 million**

General Fund Loan

The General Fund has an outstanding loan originally made from the General Fund to the Redevelopment Agency (RDA). The interagency loan to the RDA consolidated and repaid \$3.4 million from two prior interfund loans to purchase the Casa Romantica and fund other activities in the RDA.

**RDA debt to the
General Fund is
\$2.5 million at
June 30, 2017**

Due to the dissolution of all RDA's in the State of California, this loan, which was originally made in FY 2002-03, is still currently outstanding. The General Fund loan was authorized for repayment by the State as part of the RDA dissolution; however, payments towards the liability are subject to limitations under State law. To date, the City has received \$529,000 towards the balance of the loan. Future repayment amounts of approximately \$300,000 are expected annually. The estimated amount outstanding at June 30, 2017 is 2.5 million, including accrued interest. As payments on the loan are received, the receipts could provide additional unassigned fund balance in the General Fund.

18 out of 21 indicators are favorable as of June 30, 2016

Financial Trend Analysis

The City's financial condition is also quantitatively measured using a financial trend monitoring system. The 2017 Long Term Financial Plan includes the analysis of twenty-one trends:

- Three trend indicators received a Favorable/Caution rating
- Eighteen trend indicators received a Favorable rating

In total, these current year results are the same as in the prior year. The City is continuing to see some positive changes due to development and an improved economy and is showing some stability over the previous year.

The annual Financial Trend Analysis report for the year ending June 30, 2016 indicates eighteen of the twenty-one indicators are Favorable, an increase of two balanced with a decrease of two indicators from the prior year. These changes show that there is stability over the previous year.

The positive changes to a Favorable rating were:

- *Property Tax Revenues: increase to Favorable (from Favorable/Caution).*
- *Operating Surplus (Deficit): increase to Favorable (from Favorable/Caution).*

The negative changes to Favorable/Caution were:

- *Community Development Charges: decrease to Favorable/Caution (from Favorable)*
- *Capital Outlay: decrease to Favorable/Caution (from Favorable)*

A detailed review of the indicators is contained in the Financial Trend section of the 2017 LTFP.

Capital projects face funding challenges

Capital Projects Analysis

The Capital Projects Analysis summarizes significant projects within the Capital Improvement Program and reviews funding challenges facing the City in implementing capital projects in both the near and long-term. A detailed review of several projects, including project history, status and funding obligations of each project, can be found in the 2017 LTFP Capital Projects Analysis paper. Projects reviewed in the paper are *USACE Sand Replenishment*, *Opportunistic Sand Replenishment*, *Marine Safety Building Rehabilitation*, *Municipal Pier Rehabilitation*, *T-Street Restroom and Concession Building*, *City Hall Feasibility Study*, and *Temporary City Hall Relocation*.

The Capital Projects Analysis paper also discusses the City's efforts to date in developing and implementing the City's Infrastructure management program. The implementation of *Lucity*, the City's Computerized

Maintenance Management System (CMMS), allows for the compiling of data needed to forecast the financial obligations required to maintain assets at an adequate level of service for the community. It is expected that CMMS will ultimately drive and self generate part of the 6-year capital outlay, as well as predict replacement and rehabilitation cycles through the next generation. The system is still in its infancy; therefore, the process of catching up with deferred maintenance will continue for some time as optimization of the CMMS is undertaken over next few years as can be seen in the CIP focus on deferred facility maintenance.

Five Year Financial Forecast

The 2017 forecast has been updated with revised revenue and expenditure assumptions. The forecast shows a positive operating position in the first year followed by four years of a negative operating position, beginning in FY 2018-19. The forecast assumptions reflect maintenance of current level of services.

Beyond the economic and growth/trend assumptions used in the forecast, information specific to San Clemente is also included. The major forecast assumptions are noted below. A full list of assumptions can be found in the Financial Forecast 2017 LTFP paper.

Revenues:

- Property taxes are projected to increase, in total, by 4.9% for FY 2017-18. Increases averaging 3.8% are included for the next four years, beginning in FY 2018-19. Property tax projections are based on information provided by HdL Coren and Cone, the City's property tax advisor.
- Sales tax for the City is projected to increase 1.5% in FY 2017-18 due to anticipated growth in consumer spending. The San Clemente Outlet Mall and the Estrella shopping center each operated for a full year in FY 2016-17, resulting in a significant sales tax increase in the current fiscal year. Additional stores and restaurants are anticipated at these locations in the future, but no additional revenue is included in the forecast due to the uncertainty as to type and timing of the additions. Beginning in FY 2018-19, sales tax increases averaging 2.0% are projected based on CPI increases. Sales tax projections are provided by HdL Companies, the City's sales tax advisors.

Expenditures:

- No new city positions have been projected to be added.
- Police contract - Contract costs are increased by 6.1%, or about \$840,000, for FY 2017-18 based on the 1st estimate from the Orange County Sheriff's Department (OCSD). Contract increases are projected at 4.3% over the remaining four years of the forecast, per OCSD's initial estimates. Police positions remain at the FY 2016-17 level for forecasting purposes.

**Updated 2017
LTFP five-year
Financial Forecast**

- Fire Services costs - The 20 year fire services contract allows for a cap of 4.5% per year to the base service charge, annual contributions to station maintenance and fleet replacement reserves. Base contract costs are increased in the forecast by 4.5% annually based upon OCFA's maximum base contract increase allowed; if actual contract costs are less, the changes will be reflected when the budget is presented. The addition of a 4th firefighter is expected to be implemented by OCFA before the end of FY 2016-17, with the first two years of costs fully paid by OCFA. It is proposed that the City begins to pick up a share of the costs beginning year three, with full cost pick-up by the City by the fifth year. The City's phased-in share of these costs have been included in the last three years of the forecast, based on projections provided by OCFA in 2016.
- Ambulance Services - The forecast assumes the City will continue to operate with the two full-time ambulances currently in place. In January 2017 the City Council directed staff to pursue an RFP for ambulance services for FY 2017-18. Any service and/or cost changes that may occur as a result of the RFP process will be reflected in the FY 2017-18 budget.
- Salaries and Wages - Increases based on a 3 year MOU agreement with the City's employee association (SCCEA) adopted 2/7/2017 for FY 2017-18, FY 2018-19, and FY 2019-20. Assumed that step increases would amount to 0.5% for the MOU term, and are somewhat offset by lower wages from employee turnover each year. Future year's increases are projected at the CPI increase (for forecast purposes only).
- Benefits - For FY 2017-18 through FY 2019-20, benefit cost increases are projected due to wage growth and due to the City paying a slightly larger share of employee medical costs, as per the 3 year MOU agreement recently approved by the City Council. To offset these increases, the MOU agreement provides that employees fund a larger share of their pension costs each year, reducing the City's costs for this expense.
- Retirement - Increased contributions for all City pension plans for FY 2017-18 are based on the most recent actuarial reports received. For future year projections, increases have been incorporated to address the discount rate reduction CalPERS will be implementing over a three year period (From 7.5% to 7%). No assumptions are made for any additional contributions to pay down unfunded liabilities or for any changes to the amortization schedules currently in place.
- Reserves - For forecast purposes, \$580,000 is included for reserve transfers, based on the 2017 LTFP reserve paper. Reserve transfers of \$580,000 have been included in the remaining four years of the forecast; however, these amounts are expected to be revisited as the City makes determinations on appropriate reserve funding over the next few years.
- CalPERS Safety Plan Unfunded liability - The City's unfunded liability (past service cost) for former fire and police personnel in the CalPERS retirement system was paid in FY 2011-12. However, a total of \$1,023,000 is included in the forecast for FY 2017-18 to pay additional unfunded liability costs per CalPERS most recent actuarial report for this

inactive Safety plan. For future years, CalPERS will be reducing the discount rate and provided projections for future increases, which have been included here in the forecast.

- Ongoing Maintenance - The forecast includes ongoing maintenance funding for major street maintenance, slurry seal, sidewalk repair, and facility maintenance programs (\$1,200,000 for FY 2017-18 through FY 2019-20, and \$1,250,000 for the remaining years). This ongoing amount assumes funding of \$250,000 in FY 2017-18 through FY 2019-20 and \$300,000 in the remaining forecast years to fund ongoing facility maintenance costs.

Factors Not Included in the Forecast

- The forecast is based on the General Fund only.
- No new or enhanced programs or positions have been included.
- The forecast does not include any spending for capital or one-time major maintenance projects.
- Additional sales tax associated with additional stores and restaurants or future phases of the San Clemente retail outlets or the Estrella shopping center have not been included.
- The forecast does not include potential proceeds from Bellota or other land sales.
- No provision has been included for one-time legal costs for special projects or initiatives.
- No assumptions have been made for revenue and expense changes related to vacation rental or other TOT policies, ordinances or process changes.

Forecasted Operating Position

Based on revised expenditure and revenue trends, the financial forecast reflects a positive operating position in the first year, and a negative operating position beginning in FY 2018-19. Results of the forecast with respect to operating position (operating receipts less operating disbursements, excluding one-time revenues and expenditures) are shown in the following table:

2017 LTFP Forecast (In millions)	2017-18	2018-19	2019-20	2020-21	2021-22
Operating receipts	\$60.7	\$62.4	\$64.2	\$65.9	\$67.8
Operating disbursements	<u>60.1</u>	<u>62.6</u>	<u>64.9</u>	<u>67.3</u>	<u>69.8</u>
Projected surplus/deficit	\$ 0.6	\$(0.2)	\$(0.7)	\$(1.4)	\$(2.0)

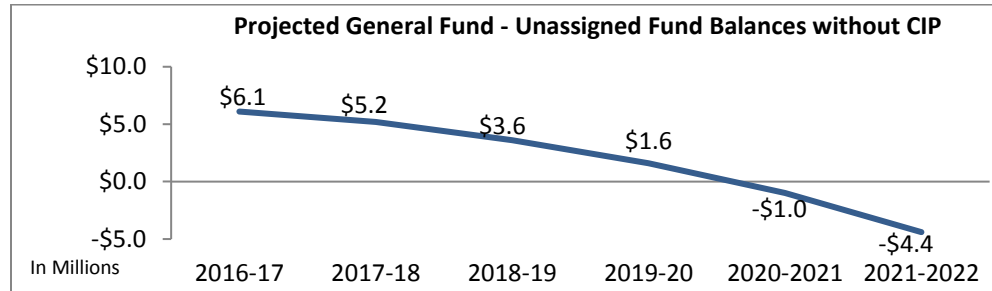
*One-time revenues and expenditures have been excluded. One-time expenditures include transfers to reserves and one-time major maintenance or capital projects.

General Fund - Fund Balances

Fund balance is the excess of revenues (assets and resources) over the amount of expenditures (liabilities). The *unassigned* fund balance is the portion that is available for appropriation by the City Council. A positive fund balance represents a financial resource available to finance capital or other one-time expenditures. Fund balance should be used for one-time expenditures only.

One-time revenues, expenditures and transfers, along with a projected negative operating position beginning in FY 2018-19, reduce unassigned fund balance from \$6.1 million at the end of FY 2016-17 to a negative \$4.4 million by the end of FY 2021-22, excluding any one-time capital and major maintenance expenses. The forecast does include an annual total of \$1,200,000 to \$1,250,000 for ongoing maintenance projects (major street maintenance, slurry seal, sidewalk repair, and facility maintenance program).

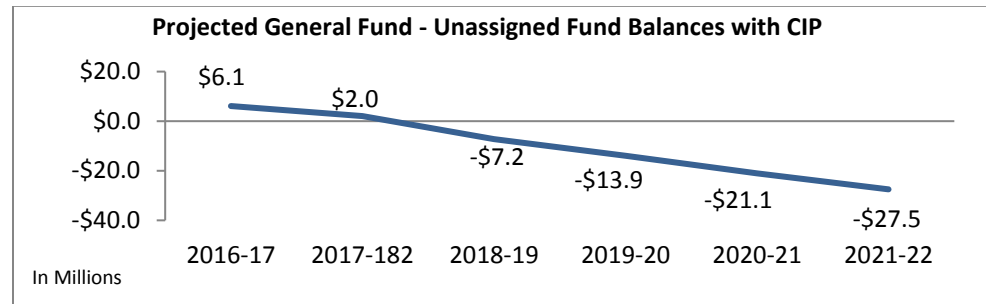
The following chart illustrates projected unassigned fund balances in the General Fund per the 2017 Long Term Financial Plan forecast, not including any capital and one-time major maintenance costs:



If projected capital and one-time major maintenance projects are added to the 2017 forecast, the projected unassigned fund balance would decrease substantially. The following table shows costs for General Fund capital and one-time major maintenance projects proposed for the next five years, (excluding expenses expected to be paid through grant receipts), as presented in the CIP section of the FY 2016-17 budget:

Proposed Projects (In millions)	2017-18	2018-19	2019-20	2020-21	2021-22
Capital Projects	\$2.6	\$6.9	\$4.4	\$3.7	\$2.9
Major Maintenance Projects	<u>0.6</u>	<u>0.8</u>	<u>0.3</u>	<u>0.9</u>	<u>0.1</u>
Totals	\$3.2	\$7.7	\$4.7	\$4.6	\$3.0

The chart below modifies the General Fund unassigned fund balance to show the impact of these proposed capital and one-time maintenance projects on fund balances:



As noted, this projection is based on the CIP program as presented in the City’s FY 2016-17 budget. Funding of capital projects is determined annually during the budget process and is dependent upon available funds. A revised CIP program for the next five years will be presented to Council as part of the FY 2017-18 budget process.

Fund Balance Issues - Several events are anticipated over the next several years which may enable the City to shore up infrastructure and maintenance reserve funds and/or add to unassigned fund balance, somewhat offsetting the negative balances shown above. The actual amounts and timing for these receipts is not assured; therefore, they are not included in the long-term projections.

Marblehead Development: Phase I of the commercial project, mainly consisting of a retail outlet mall, was completed in November 2015. Revenues from this first phase were needed to replace approximately \$1.0 million of annual operating revenue previously funded by the Vista Hermosa Park reserve. A full year of sales tax revenue from Phase I of the San Clemente Outlet Mall was included in the budget beginning in FY 2016-17. No revenue has been included in the forecast for potential sales tax associated with additional stores and restaurants or with future phases of the retail project, nor has any revenue been included for a potential hotel development, as the type of hotel development and the timing of its construction is yet to be determined. Additional revenue may be realized from these additions in the future and could be used to increase the General Fund’s Unassigned Fund Balance if not needed for ongoing operations.

Conservative estimates for property tax revenue for the residential component of the Marblehead development are included beginning in FY 2017-18, although the timing and final sales prices of all of the homes is still uncertain.

A portion of the ongoing Marblehead revenues will be required to continue to fund the ongoing operation and maintenance costs associated with the development's parks and trails, as ownership passes to the City as those projects are completed. Projected operation and maintenance expenditures for the parks and trails have been included in the FY 2016-17 budget.

Bellota Land Sales: The City began to realize proceeds from the Bellota Land sales in FY 2015-16. By the end of calendar year 2016, the City has realized \$5.4 million in net proceeds from the sale of three single family lots and from 16 of the 24 mobile home lots that were available for sale. The remaining eight mobile home lots are actively being marketed. It is estimated that additional proceeds of approximately \$2 million will become available once the remaining eight lots are sold. Proceeds from selling the Bellota land sales have been used to meet the General Liability Fund's reserve requirements (as per the City's fiscal policy), to pay retrospective payment balances in the General Liability Fund, and to fund legal costs for various land use issues not covered by the City's CJPIA coverage. Once realized, the remaining proceeds are recommended to remain in the General Liability Fund for future unfunded legal costs, but could be added to the General Fund's Unassigned Fund Balance for future allocation by the City Council, if not needed for future legal costs.

La Pata/Vista Hermosa Land: Potential receipt of proceeds from the sale or lease of 2.3 acres of land at the corner of La Pata and Vista Hermosa could occur in the coming fiscal years. The property was appraised in February of 2015, with the market value of the land placed at \$3.3 million. Final determination of the disposition of the land has yet to be determined, and City Council may consider other land use options. If the disposition of the land results in revenue to the City, staff will provide City Council with recommendations to possibly use the proceeds as part of the funding strategy to provide sufficient infrastructure maintenance reserves.

Infrastructure Maintenance Reserves: The 2017 LTFP identifies the need to clearly identify infrastructure assets and the reserve resources needed to maintain and/or replace those assets, including an overall analysis and funding strategy for the City's Facilities Maintenance Reserve in order to provide resources for maintaining aging infrastructure, including future pier maintenance. Pier rehabilitation is recommended to be performed every five years, having a significant impact on the General Fund's unassigned fund balance. The 2017 LTFP Reserve Analysis paper recommends a total transfer of \$380,000 into the Facilities

Maintenance Reserve for FY 2017-18. In addition, the 2017 LTFP Reserve Analysis paper recommends transferring an amount between \$1.0 to \$2.5 million in FY 2017-18 to the Facilities Maintenance Reserve from the General Fund’s unassigned fund balance.

Future recommendations to make appropriate transfers to the various reserve accounts by using some of the General Fund’s Unassigned Fund Balance will be brought forward to the City Council to address funding gaps identified in this process.

Fund Balance Reserves

The City’s fund balances include the General Fund Emergency Reserves. The General Fund’s Emergency Reserve, currently funded at 20% of operating expenditures. Contributions to the reserve are included in the forecast to maintain the 20% funding level. Council approval is required before expending the Emergency Reserve.

General Fund – Committed Reserves (in millions)

Emergency Reserves	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$12.0	\$12.5	\$13.0	\$13.5	\$14.0

Conclusion & Projected Financial Condition

The Financial Summary provides an overview of the City’s current financial condition and presented a five year financial forecast if fiscal trends and forecast assumptions were to continue. Projected operating position is shown below:

2017 LTFP Forecast (In millions)	2017-18	2018-19	2019-20	2020-21	2021-22
Projected surplus/deficit	\$ 0.6	\$(0.2)	\$(0.7)	\$(1.4)	\$(2.0)

Other recommendations to improve the General Fund operating position are noted below and will be discussed in more detail during the budget process:

- Conduct a Request for Proposal process for the selection of a medical transport ambulance provider, which provides a high level of service with a cost effective model.
- Initiate business license and transient occupancy tax audit process via Limited Term employee services.

- Begin the implementation of a multi-year city wide fee study to ensure appropriate cost recovery is obtained and to minimize the subsidizing of City fees.
- Utilize Lucity and the results of the Parks Master Plan to apply planning and prioritization to facility maintenance improvements and replacement programs to provide a sustainable funding model.
- Conduct a strategic planning process on Citywide initiatives and projects.

Summary of Long Term Financial Plan Recommendations

Summary of Long Term Financial Plan Recommendations

This section summarizes the recommendations contained in the 2017 Long Term Financial Plan. It is recommended that the City Council endorse all recommendations as put forth by City Administration.

A narrative description and rationale for each recommendation is contained in the individual issue papers under separate tabs in this document. Council Actions are included under the Recommendation section of each paper.

Financial Trend Analysis

1. None

Financial Forecast

1. None.

Reserve Analysis

1. Direct staff to analyze capital asset categories and identify assets funded for replacement in the purpose section of the Facilities Maintenance Reserve, the Capital Equipment Reserve, and the Park Asset Reserves after Lucity's Implementation.
2. Transfer an annual amount of \$380,000 from the General Fund to the Facilities Maintenance Reserve for FY 2017-18.
3. Transfer an amount between \$1.0 to \$2.5 million in FY 2017-18 to the Facilities Maintenance Reserve from the General Fund's unassigned fund balance.
4. Transfer \$200,000 from the General Fund to the Park Asset Reserve for FY 2017-18.
5. Remove the Pension Reserve from future Long-term Financial Plans.
6. Retain Bellota land sale proceeds in the General Liability Fund to pay the retrospective liability and to fund legal costs for land use and other claims not covered through CJPIA coverage.

Fiscal Policy

1. Modify the City's fiscal policy to include the requirement that a formal salary schedule for every approved position title showing the

current pay rate for each identified position be approved and adopted by the City Council and that the salary schedule will be made publicly available.

Capital Projects Analysis

1. **USACE Sand Project** - Plan to fund the USACE Sand Replenishment construction phase in FY 2018-19 in the matching funds amount of \$600,000 from the General Fund.
2. **Opportunistic Sand Replenishment** - Consider the option of pursuing the Opportunistic Sand Replenishment for \$250,000 in FY 2017-18 based on the available funding in the unassigned General Fund balance.
3. **Marine Safety Rehabilitation** – Fund the Marine Safety Rehabilitation construction in FY 2017-18 in the amount of \$375,000 from the General Fund and \$375,000 from the Public Safety Reserve Fund.
4. **Municipal Pier Rehabilitation** - Fund the Pier Rehabilitation construction in FY 2017-18 in the amount of \$600,000 from the General Fund.
5. **City Hall Feasibility Study** - Proceed with a City Hall Feasibility Study which includes a Geotechnical evaluation and reviews 2 options: 1) Consolidation of City Hall operations or 2) Rehabilitation for existing services, and fund the project in FY 2017-18 in the amount of \$150,000 from the General Fund and \$150,000 from the Civic Center Reserve Fund.
6. **Temporary City Hall Project** - Proceed with the Temporary City Hall project as presented in the issue paper and draft a work phasing schedule, and fund the project in FY 2017-18 in the amount of \$250,000 from the General Fund and \$250,000 from the Civic Center Reserve Fund.
7. **City Infrastructure** – Continue efforts to identify infrastructure assets and the reserve resources needed to maintain and/or replace those assets based on a comprehensive asset management plan that will be developed through the use and optimization of the CMMS.

Information Technology Strategic Plan Update

1. Accept the Information Technology Strategic Plan Update and direct staff to bring the recommended Fiscal Year 2017-18 projects and initiatives forward through the budget process.

Centennial General Plan-Strategic Implementation Program

1. Identify several IM's as "initiated" that the Council directed since the last update of the SIP and LTFP in FY 2016-17.
2. Direct staff in the Beaches, Parks, and Recreation, City Manager, Community Development, and Public Works departments to continue work on current high priority IMs and not initiate new

projects in the next fiscal year.

3. Direct the Community Development Department to evaluate priorities for assigned IMs and propose changes necessary to reflect resources and workload for IMs in process.
4. Change the priority of Natural Resources Element IM # 21 from “Low” to “Medium”.
5. Change the priority of several one-time projects from “High, Medium, or Low” to “Ongoing” because they are occurring programs or activities with no end date.
6. Remove Natural Resources Element IM #3 because it is very similar (almost identical) to IM #19 for the Beaches, Parks, and Recreation Element.

Police Services Study

1. Accept the report from Matrix Consulting Group and direct staff to implement recommendations set forth in the report.

City Clerk Strategic Plan

1. Accept the City Clerk Department’s Strategic Plan and direct staff to bring the recommended Fiscal Year 2017-18 projects and initiatives forward through the budget process.





Financial Trend Analysis

Objective

A number of financial indicators are analyzed utilizing the International City Management Association's (ICMA) guidelines contained in "Evaluating Financial Condition". The analysis of these indicators is designed to present information on the fiscal health of the City of San Clemente as part of the Long Term Financial Plan. This annual Financial Trend Analysis focuses on the City's General Fund.

Background

The City's financial trends are analyzed annually with many factors utilized in order to understand the financial condition of the City of San Clemente. These factors include:

- The economic condition of the City and the surrounding region;
- Types and amounts of revenues and whether they are sufficient, and the right mix, to support the population as it continues to grow;
- Expenditure levels and whether these expenditures are sufficient to provide the desired level of services currently and as the City continues to grow;
- Fund balances and debt levels and their impact upon current City financial resources.

This report examines these issues and others in determining the current financial condition of the City of San Clemente. The City's adopted fiscal policies have been considered in connection with this analysis.

Data used in developing this financial trend report was drawn from the City's Comprehensive Annual Financial Reports for FY 2011-12 through FY 2015-16. Consequently, all trends are based on data available as of June 30, 2016, and do not incorporate any changes that have occurred since that time.

Executive Summary

The financial trends that follow provide City Council and Administration with insight into the overall financial position of the City by analyzing the City's General Fund. This analysis makes it possible to identify specific areas where new policies should be implemented or existing ones revised. The 21 trends have been categorized into 5 basic categories:

- 1) Revenues
- 2) Expenditures
- 3) Operating Position
- 4) Debt/Unfunded Liability
- 5) Community Indicators

Financial Trend Analysis

One of the following ratings has been assigned to each of the twenty-one indicators:

Favorable (F):	This trend is positive with respect to the City's goals, policies, and national criteria.
Favorable (Caution) (C):	This rating indicates that a trend is in compliance with adopted fiscal policies or anticipated results. This indicator may change from a positive rating in the near future.
Warning (W):	This rating indicates that a trend has changed from a positive direction and is going in a direction that may have an adverse effect on the City's financial condition. This rating is also used to indicate that, although a trend may appear to be Favorable, it is not yet in conformance with the City's adopted fiscal policies.
Unfavorable (U):	This trend is negative, and there is an immediate need for the City to take corrective action.

A summary of the indicators analyzed and the rating assigned to each is listed below. The past five trend reports are presented and identify strengths and weaknesses of the City's financial condition and to illustrate any positive or negative changes.

INDICATORS	FY 17	FY 16	FY 15	FY 14	FY 13
REVENUE:					
Revenues Per Capita	F	F	F/C	F/C	W
Property Tax Revenues	F	F/C	F/C	F/C	U
Elastic Revenues	F	F	F	F/C	F/C
Sales Tax Revenues	F	F	F	F	F
Permits & Business License Revenues	F	F	F	F/C	F/C
Comm. Develop. Charges	F/C	F	F	F/C	F/C
Intergovernmental Revenues	F	F	F	F	F
One-Time Revenues	F	F	F	F	F
Revenue Overage	F	F	F/C	F/C	F/C
EXPENDITURE:					
Expenditures Per Capita	F	F	F	F	F
Expenditures By Function	F	F	F	F	F
Employees Per Capita	F	F	F	F	F
Fringe Benefits	F/C	F/C	W	W	W
Capital Outlay	F/C	F	F	F	F
OPERATING POSITION:					
Operating Surplus (Deficit)	F	F/C	F/C	F/C	F/C
Unrestricted Fund Balance	F	F	F	F	F
Liquidity Ratio	F	F	F	F	F
DEBT/UNFUNDED LIABILITY:					
Debt Service	F	F	F	F	F
Accumulated Comp. Absences	F	F	F	F	F
COMMUNITY:					
Population	F	F	F	F	F
Property Values	F	F	F/C	F/C	U

Overview of the City's Financial Condition

The 2017 Long Term Financial Plan includes the analysis of twenty-one trends. Of these 21 trends, 9 are revenue trends, 5 are expenditure trends, 3 relate to operating position, 2 relate to debt service/unfunded liability and 2 relate to the community's needs and resources. This year three indicators received a Favorable/Caution rating, and eighteen received a Favorable rating. In total, these current year results are the same as in the prior year. However, the City, over the last year, continues to see increases in its major revenue sources, as the economy continues to rebound with a slow, but stable growth.

Rating changes

There were 4 trend changes from the last fiscal year.

The positive changes were:

- *Property Tax Revenues* – increase to Favorable (from Favorable/Caution)
- *Operating Surplus (Deficit)* - increase to Favorable (from Favorable/Caution)

The negative changes were:

- *Community Development Charges* – decrease to Favorable/Caution (from Favorable)
- *Capital Outlay* - decrease to Favorable/Caution (from Favorable)

Rating discussion

Although there are two positive changes, they are balanced out by two negative changes. This shows that there is stability over the previous year.

Property Tax Revenues changed from a Favorable/Caution to a Favorable rating due to an increase in revenues of \$1.7 million or 6% over the prior year and the past two years have shown a more stable growth rate when compared to the prior years.

Operating Surplus (Deficit) changed from a Favorable/Caution to a Favorable rating due to improvements in the surplus over the last three years.

Community Development Service Charges Revenues decreased from Favorable to a Favorable/Caution rating due to a decrease of \$0.5 million or 27% from the prior year. Although the City does expect to see some new construction projects and to complete a fee study in the near future, these revenues should be monitored a little more closely due to their elastic nature.

Capital Outlay changed from a Favorable to a Favorable/Caution rating due to a large increase over the prior year; that could indicate a need for reallocation of yearly maintenance.

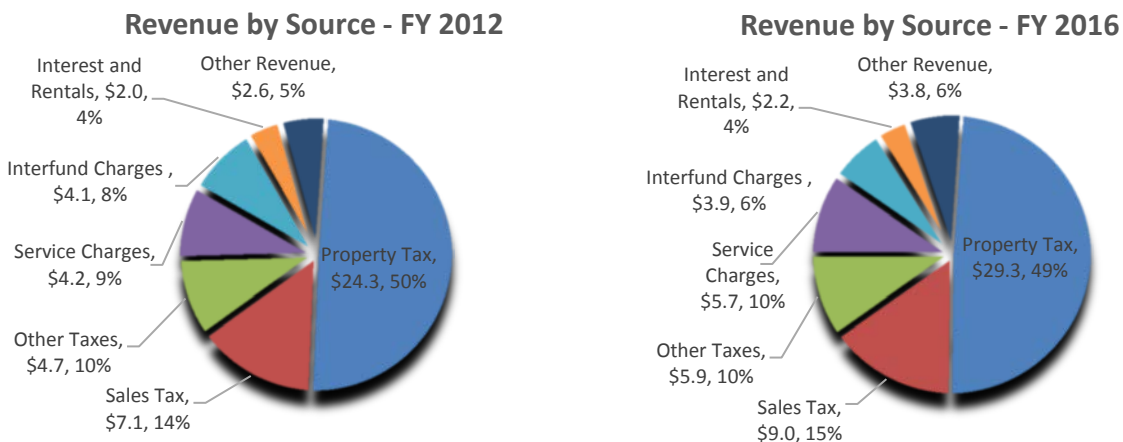
The City continues to see some positive changes over the past year due to development and an improving local economy. The City continues to be selective in filling positions and conservative in budgeting. Although the economy is looking brighter, the City continues to review the budget annually at the department level, focusing on opportunities to improve the financial condition and to prepare the City for future challenges.

Revenue Trend Analysis

Overview of Revenues by Source:

The following is an overview of City revenue by source for FY 2011-12 and FY 2015-16. The following pages provide an analysis of the actual nine revenue trend indicators in detail.

Comparison of Revenues by Source FY 2012 vs. FY 2016 (in millions)



The above pie charts compare the current revenue sources amounts to those five years ago. Analysis of these changes are presented below:

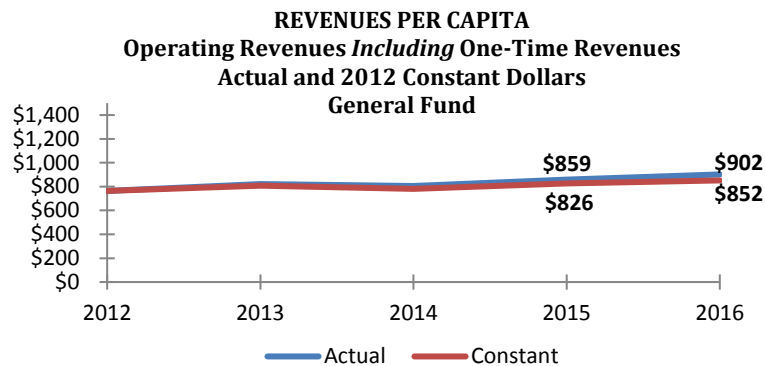
- Property taxes, during the five year period, increased due to assessed valuation growth and a revenue shift from the Redevelopment agency (RDA) fund in FY 2012-13 as part of the RDA dissolution process, which moved a portion of property tax back to the General Fund.
- Sales taxes increased during the period as a result of the development of the Target complex during FY 2011-12 and the outlets in FY 2015-16. Also, a one-time receipt of \$500,000 from the elimination of the triple flip program was received in FY 2015-16.
- Other taxes increased from \$4.7 million to \$5.9 million mainly due to reclassifying business license revenue from licenses and permits in FY 2012-13.
- Service Charges increased from \$4.2 million in FY 2012 to \$5.7 million in FY 2015-16 due to increased construction inspection fees from new development and increases in recreation service charges, plan check fees, and fee revenues from an additional full-time ambulance in FY 2015-16.
- Other revenue increases were based on Licenses and Permits revenues which increased from \$0.9 million in FY 2011-12 to \$1.9 million in FY 2015-16 based on construction fees primarily for the San Clemente outlets, Sea Summit Residential development and the Estrella Shopping Center.
- Decreases were noted in Fines and Forfeitures, and Interfund Charges. Fines and Forfeitures decreased due to vehicle code fines. Interfund charges decreased from \$4.1 million in FY 2011-12 to \$3.8 million in FY 2015-16 due to a lower recovery of costs in FY 2015-16.

Revenue Trend Analysis

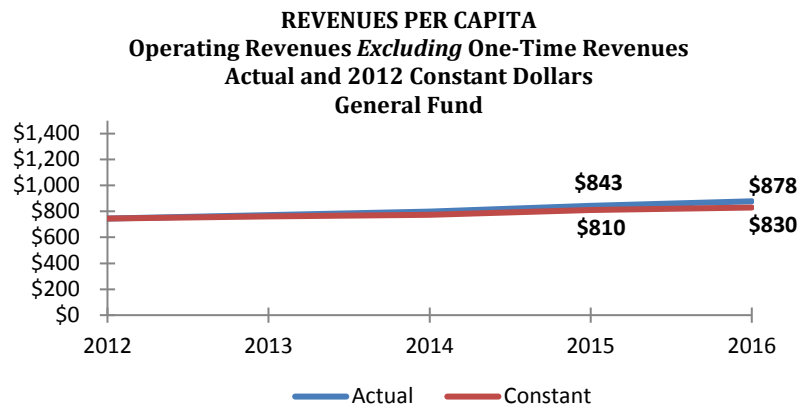
Indicator: Revenues Per Capita

Comments:

The first chart (which includes one-time revenues) shows an increase from \$859 to \$902 in actual dollars and a corresponding increase from \$826 to \$852 in constant dollars. Total revenues for F 2015-16 increased by \$3.5 million from the prior year, mainly due to increases in property tax, sales tax, Intergovernmental, other taxes, and Interest and rentals. The revenue categories with the most significant increases include Property Taxes (6%), Sales Tax (12%), Intergovernmental (107%), Other Taxes (6%), and Interest and Rentals (14%); while decreases are in Interfund Charges, Service Charges, and Fines and Forfeitures.



The second chart (which excludes one-time revenues) shows an increase in actual dollars from \$843 to \$878 and an increase in constant dollars from \$810 to \$830. The approach of excluding one-time revenues is a realistic approach to analyzing revenues since the City only applies one-time revenues against one-time expenditures in accordance with the City’s Fiscal Policy.



Status: FAVORABLE

This trend remains a favorable rating due to the increase in revenue over the last year and the stable increases over the five year period when excluding one-time revenues.

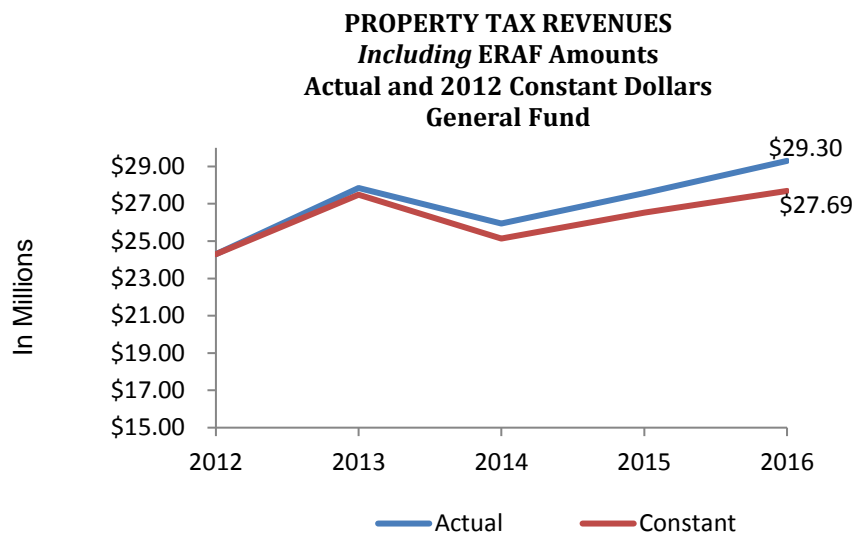
Revenue Trend Analysis

Indicator: Property Tax Revenues

Comments:

The chart below shows property tax revenues increasing from \$27.6 million to \$29.3 or 6% in actual dollars, and from \$26.5 million to \$27.7 million or 4% in constant dollars.

Property taxes have increased over the past year due mainly to the continued growth in assessed values. The graph below shows a fluctuation between FY 2012-13 and FY 2013-14, due to a one-time Prop 1A reimbursement from the State and an administration fee collection in FY 2012-13. When considering the effect of this one-time repayment, property taxes show a stable growth over the five year trend period.



Status: FAVORABLE

This indicator has changed from a Favorable/Caution rating to a Favorable rating due to a stable growth rate over the past two years.

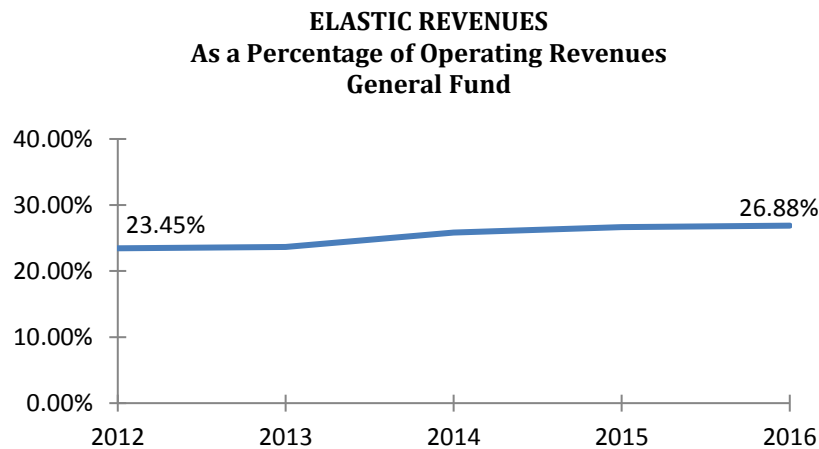
Revenue Trend Analysis

Indicator: *Elastic Revenues (Sales Tax, Transient Occupancy Tax, Permits and Business License Taxes, and Community Development Service Charges)*

Comments:

Elastic revenues are revenues that are highly responsive to changes in the economy and inflation. The City has classified Sales Tax, Transient Occupancy Tax, Permits and Business License Tax, and Community Development Service Charges as Elastic revenue, because these revenues are the most sensitive to economic factors.

Elastic revenues, as a percentage of total revenues, increased from 26.66% in FY 2014-15 to 26.88% in FY 2015-16. The increase in elastic revenues is due to increases in Sales Taxes, Transient Occupancy Taxes, and Permits and business license tax; while there was a decrease in Community Development service charges. These indicators are examined further on the following pages.



Status: *FAVORABLE*

This indicator remains favorable since it has been stable over the past 5 years represented above, with slight increases in the past three years.

Revenue Trend Analysis

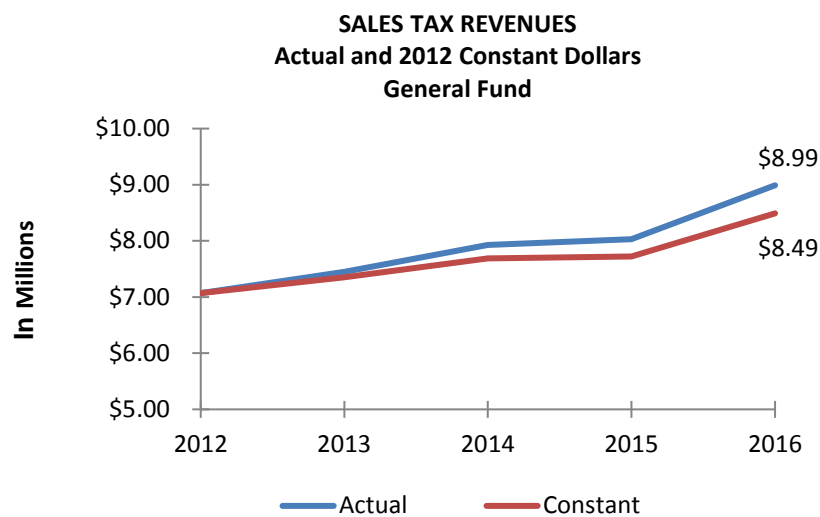
Indicator: Sales Tax Revenues

Comments:

As summarized in the chart below, sales tax revenues show an increase of \$0.9 million, or 12% in actual dollars over the prior fiscal year. In constant dollars, there was an increase of \$0.8 million, or 10% for FY 2015-16.

Sales tax revenues have increased for the fourth time since FY 2011-12 in actual dollars. The economic recovery and increased consumer spending have contributed to this increase, a one-time receipt of \$500,000 as a result of the elimination of the triple flip program, and the sales tax revenue originating from the San Clemente stores.

The City receives 1% of the current 7.75% (January 1, 2017) Sales Tax charged in San Clemente.



Status: FAVORABLE

This indicator remains a Favorable rating because sales taxes have improved for the sixth consecutive year.

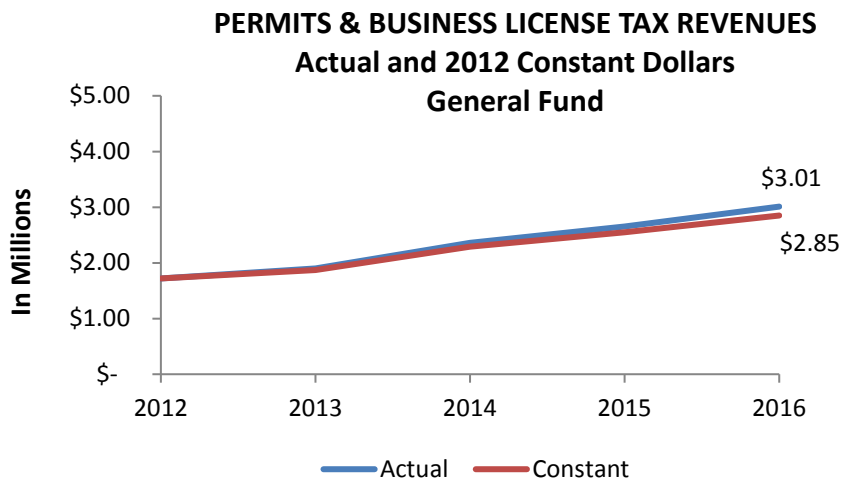
Revenue Trend Analysis

Indicator: Permits & Business License Revenues

Comments:

Permits and Business License Tax revenues increase in actual dollars in the amount of \$357,074 or 14% from the prior fiscal year. The constant dollar increase was \$293,279 or 12% from FY 2014-15.

Construction permit revenue increased \$199,952, or 12% over the past year, which coincides with the increase in construction activity in the current year, due to the renovation of the Ole Hanson Beach Club and the start of new construction, including San Clemente retail outlets, Sea Summit residential development, and Estrella shopping center. Business license tax revenue increased by \$199,000 or 23% from FY 2014-15 due to an increase in business license activity over the prior year.



Status: FAVORABLE

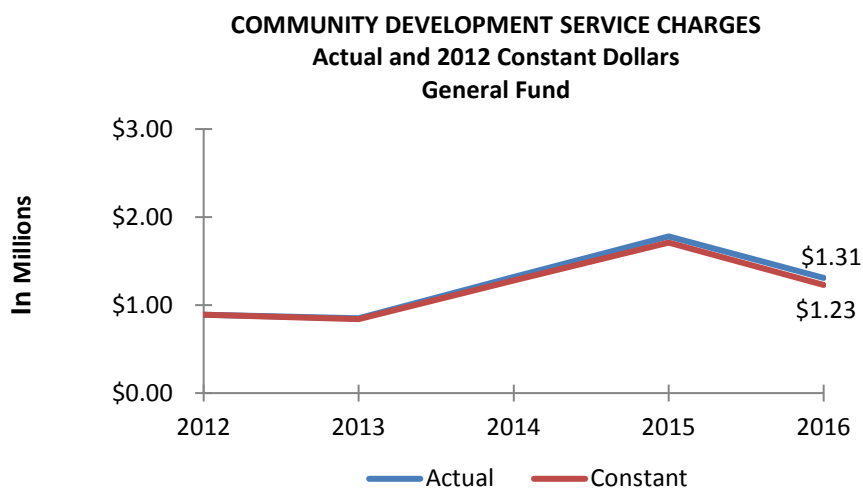
Permits and Business License Tax revenues remains a favorable rating, due to the start of the new development projects including the Sea Summit residential development and the Estrella shopping center, which should bring in more business license taxes and related permit revenues in the near future.

Revenue Trend Analysis

Indicator: Community Development Service Charges Revenues

Comments:

Total community development service charges decreased by 27%, or \$475,807 from the prior year. This decrease is due to lower construction inspection, (\$497,000) and public works inspection fees, (\$20,000) in FY 2015-16 due to new development, which was driven by Sea Summit, occurred in the prior year.



Status: FAVORABLE/CAUTION

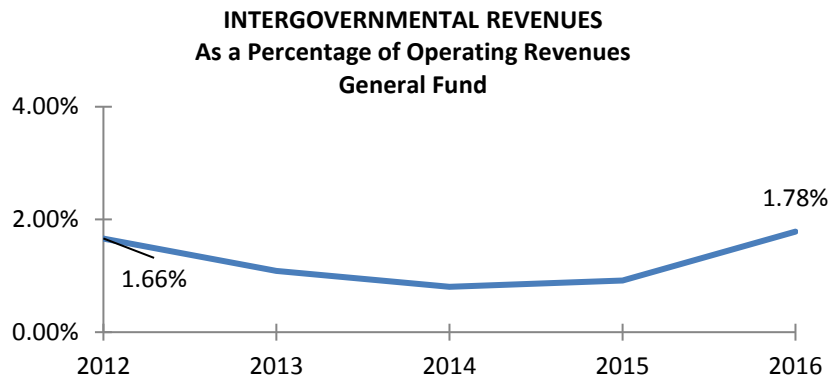
This trend has changed from a favorable rating to a favorable/caution rating due to the decrease in revenues relating to construction that occurred in the prior year. This decrease was anticipated, however, these revenues will need to be monitored into the future.

Revenue Trend Analysis

Indicator: Intergovernmental Revenues

Comments:

General Fund Intergovernmental revenues, as a percentage of operating revenues increased slightly to 1.78% in FY 2015-16. By analyzing intergovernmental revenues as a percentage of operating revenues, the City can determine the extent of its dependence upon resources from other governments. Excessive dependence on this type of revenue can be detrimental to the financial health of the City, as the factors controlling their distribution are beyond the City’s control.



Status: FAVORABLE

The City’s second largest intergovernmental revenue is Motor Vehicle tax at 30%. Motor vehicle tax declined in 2004 due to legislative action that transferred motor vehicle fees to the state. The City started to receive property tax dollars in-lieu of the motor vehicle fees in FY 2004-05. Once this change is adjusted for, it shows that motor vehicle fees received as in-lieu property taxes totaled \$5.9 million and the intergovernmental percentages were 10.8% in FY 2014-15 and 11.7% in FY 2015-16, which still supports the Favorable rating.

Revenue Trend Analysis

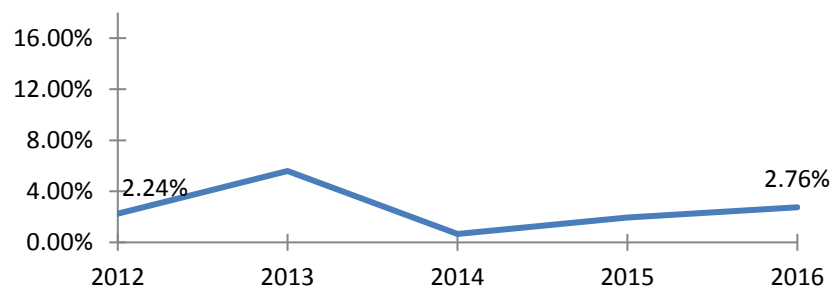
Indicator: One-Time Revenues

Comments:

One-time revenues, as a percentage of total General Fund revenues, equaled 2.76% in FY 2015-16, an increase over the prior year.

One-time revenues increased by \$0.5 million from the prior fiscal year. FY 2015-16 one-time revenues of \$1,650,136 include, \$908,914 of grant funds, and \$158,698 from miscellaneous reimbursements and a one-time transfer of \$582,524 from Developers Improvement fund to support the Ole Hanson Beach Club project. In accordance with the City's Fiscal Policy, one-time revenues are not utilized to fund ongoing operating expenditure.

ONE-TIME REVENUES
As a Percentage of Operating Revenues
General Fund



Status: FAVORABLE

This indicator continues with a Favorable rating, due to the City policy of not utilizing one-time revenues to fund ongoing operating expenditures. The City is not dependent on one-time revenues which can be seen by them representing a low percentage of revenues throughout the past five years.

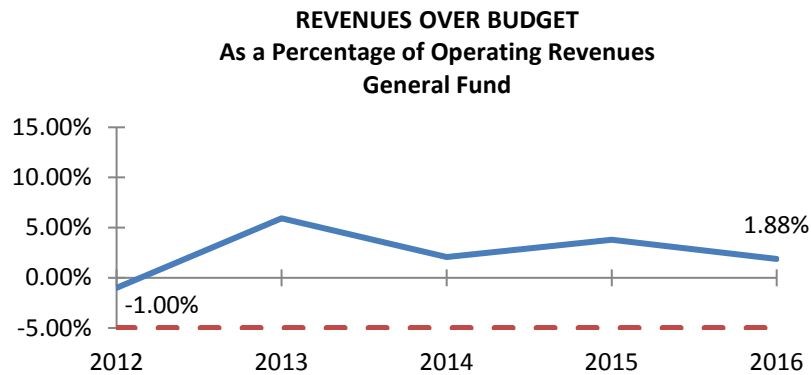
Revenue Trend Analysis

Indicator: Revenues over Budget

Comments:

Actual revenues were greater than the adjusted budget by \$1.1 million for FY 2015-16 and ends with a positive revenue position of 1.88%. The City experienced revenues over budget in taxes by \$1.4 million (due mainly to a conservative approach to budgeting), charges for services in the amount of \$767,768 (due to increased parking meter and permit revenues, recreation service charges and planning and building fees), investment and rentals in the amount of \$312,932, and Intergovernmental by \$138,500. The City also experienced budget shortages in licenses and permits (\$75,912), fines and forfeits (\$109,754), developer contributions (\$14,400).

This trend began the five-year analysis with a negative revenue position of -1.0% and ended FY 2015-16 at a positive 1.88%. The City continues to monitor its revenues through the annual budget and long term financial planning processes in order to more accurately forecast its revenues.



Status: FAVORABLE

This trend remains a favorable rating due to the fourth consecutive year of positive percentages and non-excessive budget variances.

Expenditures Trend Analysis

Overview of Expenditures by Function and Category:

The following is an overview of the expenditures by function and category for fiscal years 2011-12 and 2015-16. This paints the picture of how the City has improved over the 5 year trend period. Following this overview are the actual five trend expenditure indicators.

This table below compares the FY 2011-12 General Fund expenditures by function to FY 2015-16. Increases are seen in all categories, with the largest changes in General Government, Community Development, and Public Works.

**Comparison of Expenditures by Function
FY 2012 vs FY 2016**

Expenditure Function	FY 2012	FY 2016	Difference	% Change
General Government	\$ 8,957,532	\$ 12,621,660	\$ 3,664,128	41%
Public Safety	19,290,484	20,866,678	1,576,194	8%
Community Dev.	4,103,672	4,974,398	870,725	21%
Public Works	7,614,924	12,463,542	4,848,618	64%
Beaches, Parks & Rec	9,496,530	9,951,050	454,520	5%
Total Expenditures	\$ 49,463,142	\$ 60,877,328	\$ 11,414,186	23%

- General Government increased 3.7 million or 41% over the five year period due to increases in legal and other professional services of approximately \$1.0 million; increases in capital outlay of \$208,000; and an increase in transfers of \$900,000 due to support the General Liability fund in FY 2015-16.
- Community Development increased by \$0.9 or 21% due to increases in salaries and benefits of \$379,514 from FY 2011-12 to FY 2015-16 from increases in wages and medical and retirement premiums; and increases in other contractual and legal services.
- Public Works increased by \$4.8 million or 64% due to a change in categorization of Beaches, Parks, and Recreation maintenance from Beaches, Parks, and Recreation department to the Public Works department in FY 2015-16.
- Public Safety increased by 1.6 million or 8% due to increases in the contract costs for both police and fire services over the 5 year period.
- Beaches, Parks, and Recreation increased by \$454,520 or 5%, because although Beaches, Parks, and Recreation maintenance was recategorized to Public Works, the Ole Hanson Beach Club was renovated in FY 2014-15 and 2015-16 from capital expenditures in these programs and there was the addition of the Vista Hermosa Sports Park.

The following table compares expenditures by category and shows increases in personnel, supplies, contractual services, capital, and interfund payments expenditure categories and a decrease in other charges between FY 2011-12 and FY 2015-16.

**Comparison of Expenditures by Category
FY 2012 vs FY 2016**

Expenditure Category	FY 2012	FY 2016	Difference	% Change
Personnel	\$ 15,860,247	\$ 16,757,365	\$ 897,118	6%
Supplies	917,917	989,389	71,472	8%
Contractual Services	23,962,223	28,441,187	4,478,964	19%
Other Charges	1,376,248	1,028,027	(348,221)	-25%
Capital Outlay	1,537,828	5,561,236	4,023,408	262%
Interfund Payments	5,808,679	8,100,125	2,291,446	39%
Total Expenditures	\$ 49,463,142	\$ 60,877,328	\$ 11,414,186	23%

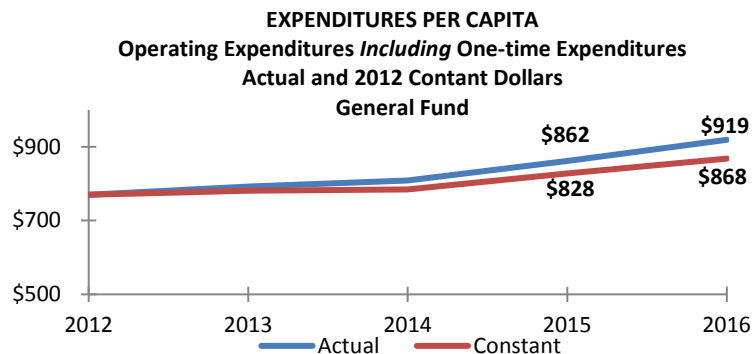
- The personnel (salary and benefits) category increased by 6% over the five year period; which reflects the increases in salary, medical, and pension costs from FY 2011-12 to FY 2015-16. The City was able to control personnel costs more than the other operating costs, such as contractual services and supplies.
- Capital increased by 262% or \$4.0 million from FY 2011-12 to FY 2015-16, reflecting major capital improvements during the five year period. Capital expenditures in FY 2015-16 included Ole Hanson Beach Club renovation of \$3.7 million and El Portal Beach Access rehabilitation in the amount of \$0.6 million.
- Contractual Services increased by 19% or \$4.5 million from FY 2012 to FY 2016 reflecting increases in contractual services for Police (\$299,600), Fire (\$965,000), ambulance services (\$407,000), other contractual services (\$609,000), and other legal services (\$869,000) from FY 2011-12 to FY 2015-16.
- Interfund payments increased by 39% or \$2.3 million mainly due to a one-time transfer to the Negocio debt service fund of \$1.3 million for the defeasance of debt in FY 2015-16.
- Other Charges decreased by 25% or \$0.3 million mainly due to a one-time cost in FY 2011-12.

Expenditures Trend Analysis

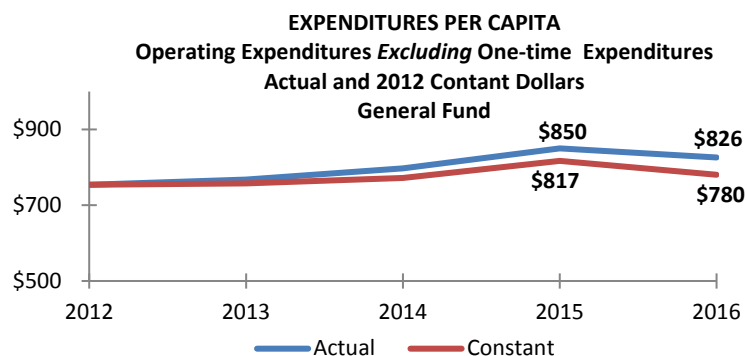
Indicator: Expenditures Per Capita

Comments:

The first chart which includes one-time expenditures shows an increase from \$862 to \$919 in per capita actual dollars and an increase from \$828 to \$868 in per capita constant dollars. This reflects the increase in actual dollars of \$4.5 million and the increase in constant dollars of \$3.3 million when compared to FY 2014-15. The increase in actual dollars was mainly in Maintenance Services (\$5.9 million), and General Government (\$2.9 million). The increase in Maintenance Services is due to reallocating Beaches, Parks, and Recreation Maintenance services from Beaches, Parks, and Recreation to Public Works in the current year. The increase in General Government is a result of increases in legal, professional services, interfund charges and debt service payments.



The second chart (which excludes one-time expenditures) shows a decrease in actual dollars from \$850 to \$826, and a decrease in constant dollars from \$817 to \$780. One-time expenditures include a one-time transfer to debt service fund of \$1.3 million to pay off the Negocio COP debt and one-time funds of \$3.7 million for the Ole Hanson Beach Club project.



Status: FAVORABLE

Expenditures per capita (including one-time expenditures) reflect an increase when analyzing actual and constant dollars for the past fiscal year when compared to the prior year. Changes in per capita expenditures reflect the changes in expenditures relative to changes in the population.

This trend remains favorable because expenditures per capita have remained fairly stable over the five year period.

Expenditures Trend Analysis

Indicator: Expenditures by Function

Comments:

Expenditures by function, as a percentage of the total General Fund expenditures (excluding debt service, interfund transfers, and capital outlay) show changes in the allocation of resources from FY 2011-12 to FY 2015-16. The chart below indicates that the largest fluctuations of expenditures are in Public Works, and Beaches, Parks, and Recreation with an increase of 7%, and a decrease of 9% respectively.

When looking at the table, Public Works increased from 15% in FY 2011-12 to 22% in FY 2015-16. In actual dollars Public Works increased by \$4.4 million, or 67%. The Beaches, Parks, and Recreation category decreased from 21% to 12% in FY 2015-16 reflecting actual decreases in the recreation program during the period. Both of these changes are due to a restructuring that occurred in FY 2015-16, moving the Beaches, Parks and Recreation maintenance from Beaches, Parks and Recreation to Public Works.

Comparison of Expenditures by Function
(Excluding debt service, interfund transfers, and capital outlay)
FY 2012 vs. FY 2016

Expenditure Function	FY 2012	% of Total 2012	FY 2016	% of Total 2016	Total Change
General Government	\$ 6,427,638	14%	\$ 8,198,510	16%	2%
Public Safety	19,256,592	42%	20,866,678	41%	-1%
Public Works	6,627,459	15%	11,060,980	22%	7%
Community Dev.	3,960,821	9%	4,954,293	10%	1%
Beaches, Parks & Rec	9,353,012	21%	6,250,382	12%	-9%
Total Expenditures	\$ 45,625,522	100%	\$ 51,330,842	100%	

Based on this analysis, significantly more resources are not being requested by any one department causing a growth rate which is not sustainable or document a department under financial pressure from a functional perspective.

Status: FAVORABLE

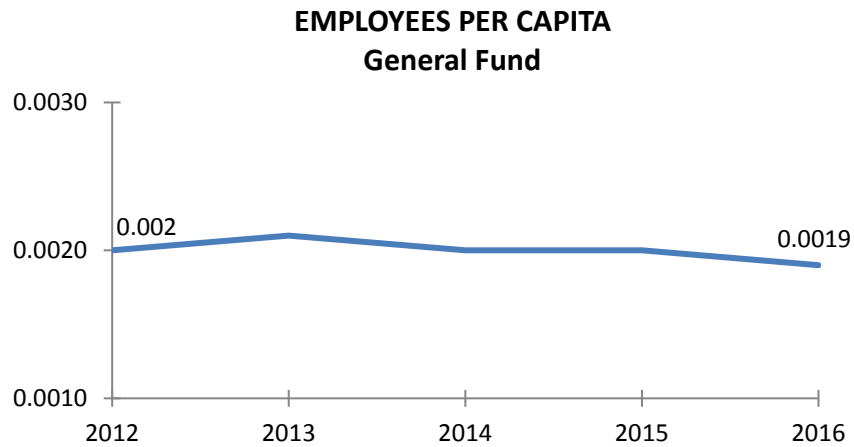
This trend remains favorable because the major increases and decreases in both categories are due to a re-evaluation of City functions and not due to changes in the actual services themselves.

Expenditures Trend Analysis

Indicator: *Employees per Capita*

Comments:

Employees per capita have remained relatively stable over the last five years. This trend provides a perspective of how the City's workforce is in relation to population changes.



Status: *FAVORABLE*

This indicator is awarded a favorable rating as growth in Full Time Equivalent's (FTE's) keep up with service level demands. This trend will be closely monitored to insure the City's ability to support current and future service levels.

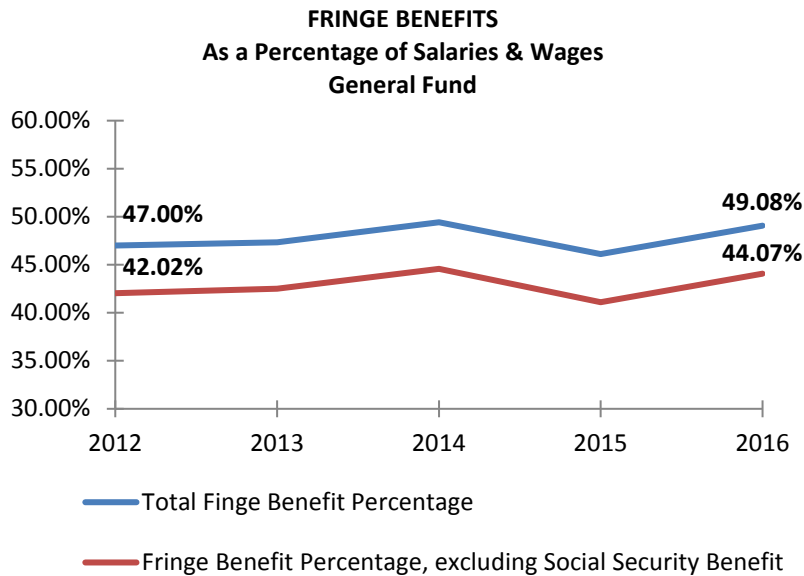
Expenditures Trend Analysis

Indicator: Fringe Benefits

Comments:

Fringe benefits (including social security benefits), as a percentage of General Fund salaries and wages, increased from 46.1% to 49.1%. Fringe benefits (excluding social security benefits) show a corresponding increase when compared to FY 2014-15. The actual amounts of General Fund benefits increased from \$5.20 million in FY 2015 to \$5.52 million in FY 2015-16, a 6.1% increase from the prior year. General Fund salary and wages were \$11.3 million in FY 2014-15 and \$11.2 million in FY 2015-16, which is essentially flat.

Two factors together caused the increase in the fringe benefits as a percentage of General Fund salaries and wages to increase over the prior year. 1) Higher health insurance, and 2) retirement costs. Health costs were higher due to factors such as coverage levels and increases approved as part of the MOU. Retirement costs increased as a result of the City paying \$500,000 for the Marine Safety unfunded liability, which should decrease rates in the future.



Status: FAVORABLE /CAUTION

This trend remains a favorable/caution rating, because although the percentage has increased for the current year, this indicator needs to be monitored to ensure the actions taken to improve these percentages in the future.

Expenditures Trend Analysis

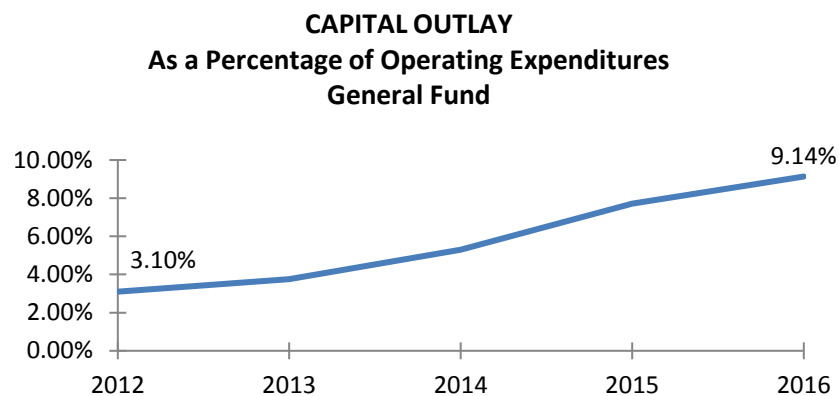
Indicator: *Capital Outlay*

Comments:

The Capital Equipment Replacement Reserve was established in FY 1995-96. This reserve fund ensures that obsolete and worn equipment is replaced in accordance with the City's preventive maintenance program.

Capital outlay expenditures increased by \$1.2 million, or 28%, from the 2015 fiscal year. Capital outlay expenditures totaled \$5.6 million.

Spending on capital outlay has increased due to an increase in improvements including major street maintenance, the sidewalk construction program, other major maintenance, and the Ole Hanson Beach Club renovations. The City has started to address this through the allocation of amounts to the Facilities Maintenance Reserve.



Status: *FAVORABLE/CAUTION*

This trend has changed from a Favorable to a Favorable/Caution rating due to the large increase from the prior fiscal year due to due mainly to bringing the Olen Hanson Beach Club facility up to acceptable standards and major street maintenance. This increase could be an indicator that maintenance is being deferred or delayed and major work is needed to bring the infrastructure up to standard.

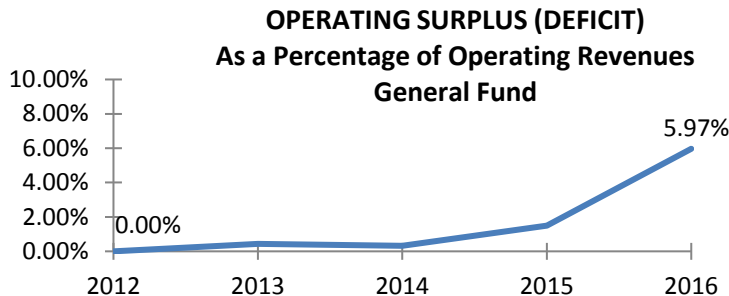
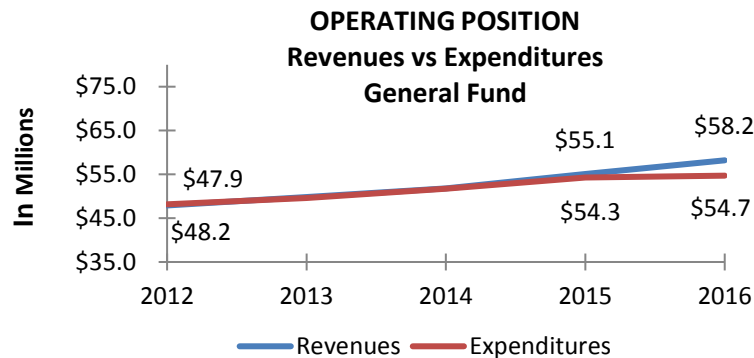
Operating Position Trend Analysis

Indicator: Operating Surplus (Deficit)

Comments:

Fiscal year 2015-16 ended with a positive operating position (surplus). An operating surplus is when revenues exceed expenditures, conversely when expenditures exceed revenues there is an operating deficit.

Revenues used to calculate the operating position do not include one-time transfers and revenues of \$1.7 million, which includes \$908,914 of grant revenue, \$158,698 in miscellaneous one-time revenues; and a \$582,524 one-time transfer from the Developer Improvement fund. Expenditures used to calculate this surplus do not include a one-time capital costs of \$3.6 million for the Ole Hanson Beach Club Renovation project; transfer from the General Fund to the General Liability Fund of \$900,000; transfer to Negocio Debt Service Fund of \$1.3 million; other transfers of \$125,016; and one-time studies and costs of \$139,227. This calculation of operating expenditures does not exclude \$3.0 million of capital costs for yearly maintenance and improvements. The total operating position was \$3.5 million in FY 2015-16, compared to \$0.8 million in FY 2014-15



Status: FAVORABLE

This trend has changed from Favorable/Caution to Favorable due to the improvement over the last three years.

Operating Position Trend Analysis

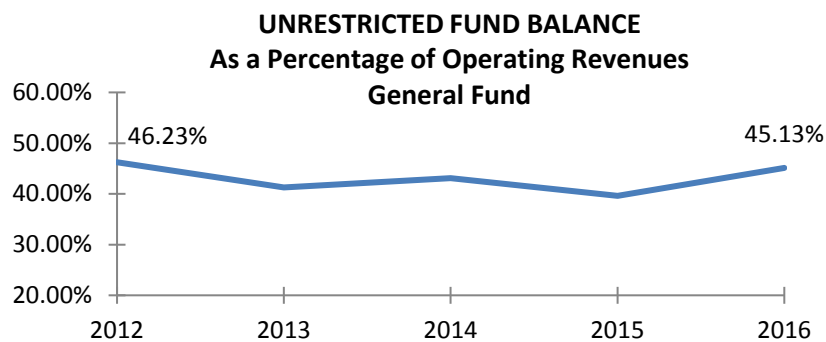
Indicator: *Unrestricted Fund Balance*

Comments:

Unrestricted fund balance refers to those dollars available for use in the event of a financial emergency, short-term revenue fluctuations or an economic downturn. The City attempts to operate each year at a surplus to ensure the maintenance of adequate reserve levels.

Unrestricted fund balance excluding long term receivable reserves increased by 21% in FY 2015-16 from \$22.3 million to \$27.0 million. The stable position of the City's General Fund is displayed by years of large unreserved fund balances as a percentage of operating revenues.

Included within the total FY 2015-16 unrestricted fund balances of \$27.0 million are committed funds of \$16.3, which includes \$10.0 million of sustainability funding, \$4.9 million of emergency funding, and \$1.4 million committed for other purposes. Also included is assigned to other purposes \$9.0 and unassigned fund balance comprises the remaining balance. The reserves are discussed in detail in the Reserve Analysis section of the LTFP.



Status: *FAVORABLE*

This trend remains a Favorable rating due to the stability of the unrestricted fund balance over the past five year period analyzed above.

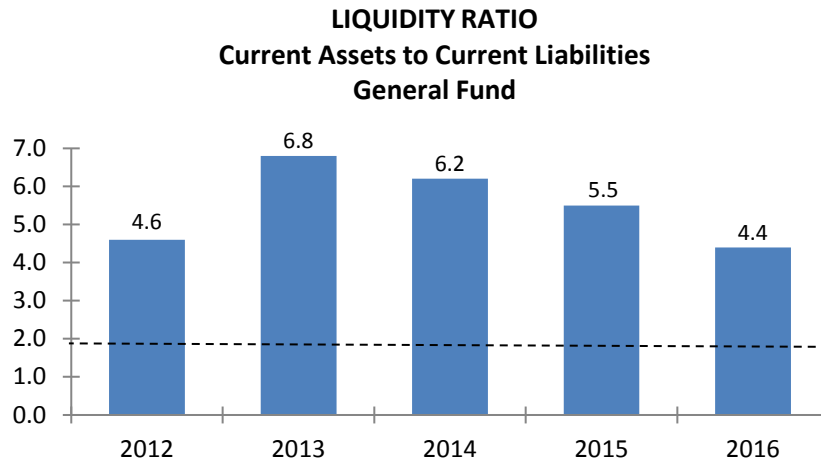
Operating Position Trend Analysis

Indicator: Liquidity Ratio

Comments:

In FY 2015-16, the City’s liquidity ratio remains positive at 4.4:1. Credit rating firms consider a ratio of 1:1 Favorable. The City’s 4.4:1 current asset to current liability ratio is considered excellent.

Liquidity measures the City’s ability to meet short term obligations. Liquidity is measured by comparing current assets to current liabilities. Current assets include cash, short-term investments, accounts receivable and other assets that can be readily converted to cash. Current liabilities include accounts payable, accrued wages, accrued expenses and all obligations that can be immediately demanded for payment.



Status: FAVORABLE

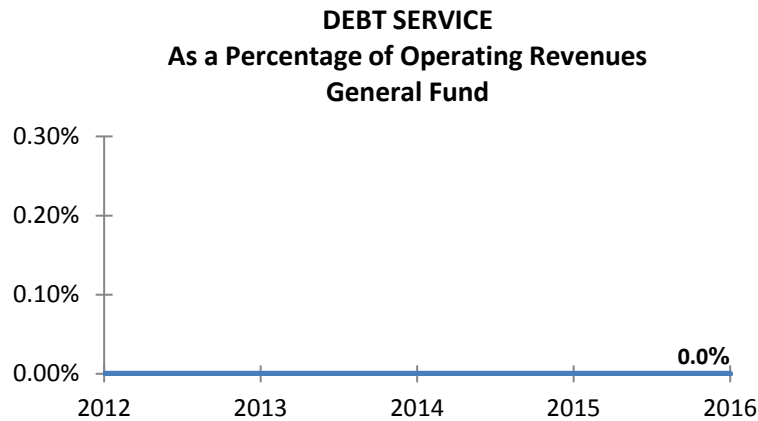
This trend is favorable due to a ratio of over 1:1 throughout the past five year period analyzed above.

Debt Service/Unfunded Liability Trend Analysis

Indicator: *Debt Service*

Comments:

The City does not include debt service payments in the General fund. Debt service for the Negocio Building bonds, the City’s street assessment bonds, and capital equipment leases are accounted for in separate funds, and are not part of this analysis.



Status: *FAVORABLE*

General Fund debt service receives a Favorable rating as it has remained immaterial (less than 1%) in comparison to total revenues over the last fifteen years. Credit rating firms generally view debt service as Unfavorable if debt service payments exceed 20% of net operating revenues. Standard & Poor’s, an independent firm that issues ratings, increased the City of San Clemente’s credit rating to AAA in 2009 from AA in 2005, and the AAA rating is still in effect today.

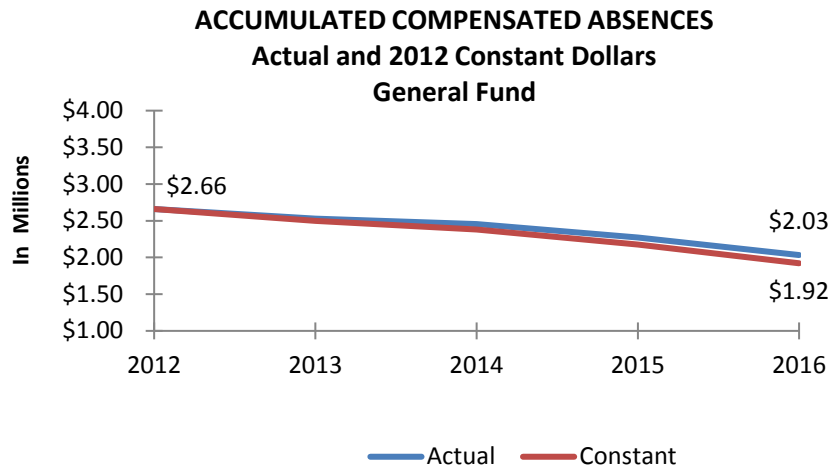
Debt Service/Unfunded Liability Trend Analysis

Indicator: Accumulated Compensated Absences

Comments:

At June 30, 2016, the balance of the liability for compensated absences was \$2.03 million consisting of \$1.2 million for vacation, \$1.0 million for sick leave, and \$75,123 for compensatory time. This is a decrease of \$227,925 or 10% from the prior year’s liability of \$2.26 million. The decrease is due to long term employees with hire dates before January 1, 2000 retiring during FY 2015-16. These employees were eligible to receive a percentage of their sick leave upon their years of retirement, because of their employment before January 1, 2000.

The Accrued Leave Reserve was established to pay accrued employee benefits for General Fund employees who terminate during the year. In FY 2015-16, the General Fund continued its annual contribution to the Accrued Leave Reserve Fund with an amount of \$160,000 for the payment of accrued leave for terminated employees. As of June 30, 2016 the Accrued Leave Reserve balance was \$386,503.



Status: FAVORABLE

This indicator receives a Favorable rating, consistent with the prior year. The City’s average annual payments for terminated employees accumulated compensated absences amount to one-half of the accrued leave reserve balance. The reserve policy was modified in FY 2016-17 to fund General Fund compensated absences.

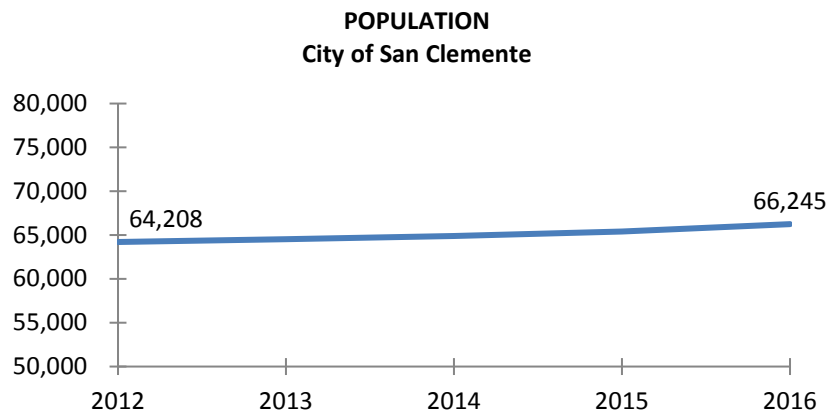
Community Trend Analysis

Indicator: Population

Comments:

The City's population has increased by 1.29% over the prior fiscal year. The exact relationship between population change and other economic and demographic factors is uncertain. However, a sudden increase in population can create immediate pressures for new capital expenditures and higher levels of service. Increased population generates increased expenditures over time such as public safety (i.e. additional fire stations, increased police, etc.). Conversely, a rapid decline in population allows for a smaller tax base for spreading City costs that cannot be reduced in the short run.

The Census is completed every ten years. In the years following 2010 Census, the numbers used by the City are based on numbers from the California Department of Finance and estimates of growth from the Planning department. The fiscal years 2011-12 through 2015-16 show a steady increase in the population rate following the 2010 Census.



Status: FAVORABLE

This indicator remains a Favorable rating due to the stabilized increase in population.

Community Trend Analysis

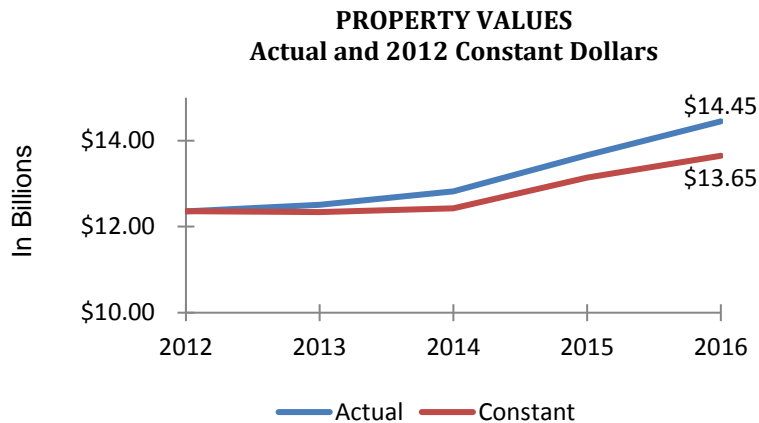
Indicator: Property Values

Comments:

The growth rate in property values as a percentage rate from the previous year in actual dollars was positive 5.7% or \$780 million. This is a 3.9% or \$510 million change in constant dollars, as seen in the chart below. The City is seeing two years of fairly large increases in property tax values after several years of a declining economy.

Property values exhibited a positive growth rate in FY 2015-16. Personal property in California is subject to a basic levy equal to one percent of the assessed value. The property tax share can fluctuate between cities within a county. The City of San Clemente receives \$0.154 of each property tax dollar collected within the City.

Please see attachment "A" graph that shows the distribution of the total property tax levy for each property tax dollar paid for the City and the ten year assessed value history.

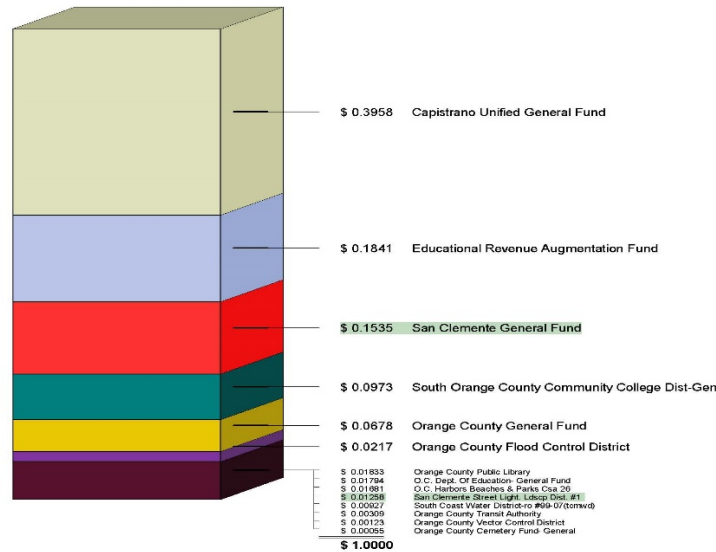


Status: FAVORABLE

This indicator remains a favorable rating due to the stable and increasing trend over the last five years.

Attachment "A"

THE CITY OF SAN CLEMENTE PROPERTY TAX DOLLAR BREAKDOWN

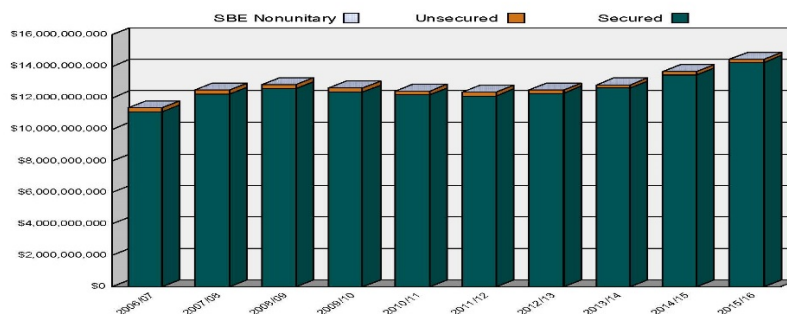


ATI (Annual Tax Increment) Ratios for Tax Rate Area 10000, Excluding Redevelopment Factors & Additional Debt Service
 Data Source: Orange County Assessor 2015/16 Annual Tax Increment Tables Prepared On 8/12/2016 By MV
 This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Core.

The chart above shows the portion each respective government agency receives of the typical Orange County property tax dollar.

THE CITY OF SAN CLEMENTE NET TAXABLE ASSESSED VALUE HISTORY 2006/07 - 2015/16 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2006/07	\$11,108,184,006	\$256,253,754	\$3,141,283	11,365,579,043	
2007/08	\$12,248,077,941	\$237,177,678	\$140,000	12,485,395,619	9.85%
2008/09	\$12,582,838,817	\$269,248,362	\$240,000	12,852,326,179	2.94%
2009/10	\$12,379,601,820	\$242,960,738	\$5,175,881	12,627,738,439	-1.75%
2010/11	\$12,203,096,799	\$226,867,241	\$240,000	12,430,204,040	-1.56%
2011/12	\$12,126,854,115	\$229,815,391	\$240,000	12,355,909,506	-0.60%
2012/13	\$12,299,490,266	\$206,380,508	\$0	12,505,870,774	1.21%
2013/14	\$12,626,733,738	\$200,734,461	\$0	12,826,468,199	2.56%
2014/15	\$13,482,062,054	\$211,221,901	\$0	13,693,283,955	6.52%
2015/16	\$14,249,172,795	\$198,928,327	\$0	14,448,101,122	5.74%



Data Source: Orange County Assessor 07 - 2015/16 Combined Tax Rolls Prepared On 8/12/2016 By MV
 This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Core.

Financial Forecast

Objective

To update the comprehensive five-year financial forecast for the General Fund, incorporating adopted City fiscal policies, expenditure patterns, revenue trends, fund balances and other known financial impacts.

Executive Summary

The five-year financial forecast was last updated after adoption of the FY 2016-17 budget. The prior forecast identified a small operating surplus in the first two years of the forecast, followed by operating deficits in the remaining years, as follows:

FY 2016-17 Budget Forecast (millions)	2016-17	2017-18	2018-19	2019-20	2020-21
Projected surplus/deficit	\$ 0.8	\$ 0.2	\$(0.2)	\$(0.7)	\$(1.3)

The updated 2017 LTFP **five-year financial forecast reflects a positive operating position in the first year, and a negative operating position beginning in FY 2018-19.** This is mainly due to projected revenue increases for the forecast period being insufficient to offset larger projected increases in police, fire and other contractual costs:

2017 LTFP Forecast (In millions)	2017-18	2018-19	2019-20	2020-21	2021-22
Operating receipts	\$ 60.7	\$ 62.4	\$ 64.2	\$ 65.9	\$ 67.8
Operating disbursements	<u>60.1</u>	<u>62.6</u>	<u>64.9</u>	<u>67.3</u>	<u>69.8</u>
Projected surplus/deficit	\$ 0.6	\$(0.2)	\$(0.7)	\$(1.4)	\$(2.0)

The 2017 Long Term Financial Plan forecast shows an improved operating position in Year 1, and a similar operating position for the remaining years, as compared to the forecast presented at budget adoption.

Revenues increases for operations are projected at an average of 3.1 % over the forecast period. Property taxes continue to rise from increased number of sales, property values that continue to appreciate, final recaptures of Proposition 8 reassessments that occurred during the recession, and the additional residential properties at the Sea Summit development. The median single family residential home price in San Clemente averaged \$845,500 in 2016, as compared to \$780,000 in 2015. Sales taxes included in the forecast are projected only slightly higher than the current year. A full year of sales tax revenue was included in the budget in FY 2016-17 from the San Clemente Outlet Mall and the Estrella shopping center development. Opening of additional stores and restaurants at those locations is still anticipated but is not included in the forecast, as the timing and type of facilities is uncertain at this time.

Expenditures for operations increase an average of 4.0% per year over the forecast period, excluding the impact of one-time costs, including one-time capital and major maintenance. The projected increases are primarily due to growth in the police and fire services contracts, proposed increases in personnel costs and related benefits, pension cost increases, and continuing the provision for ongoing facility maintenance. Based on the first estimate prepared by the County

of Orange, the police services contract will increase by 6.1%, or about \$840,000, in FY 2017-18, mainly due to salary and benefit growth. Over the remainder of the forecast period, average annual increases of 4.3%, or \$663,000, have been assumed for the police services contract, based on information from OCSO. The fire services contract includes an average increase of 4.5%, or \$386,000, per year, the maximum allowed by contract. The addition of a 4th firefighter on full rotation for the City of San Clemente is expected to be implemented by OCFA before the end of FY 2016-17. The new addition is anticipated to be filled through overtime initially, with the first two years of costs fully paid by OCFA. It is proposed that the City begins to pick up a share of the costs beginning in the third year, with full cost pick-up by the City by the eighth year. Based on initial projections by OCFA in 2016, the City's phased-in share of these costs have been included in the last three years of the forecast.

The renovation of the Ole Hanson Beach Club was completed in the fall of 2016, with a partial year of revenue and expenses realized in FY 2016-17. The full cost of maintenance and operations and a projection for associated revenues is included in the forecast for a full year in FY 2017-18.

Background and Discussion

Annually, the City prepares a five-year financial forecast as a part of the Long Term Financial Plan. The forecast identifies the City's current and projected financial condition to determine whether funding levels are adequate and if projected expenditures can be sustained. The financial forecast, along with the Financial Trend Analysis, provides the foundation of the Long Term Financial Plan process.

The forecast is developed based upon guidelines provided by the Government Finance Officer's Association (GFOA). The financial forecast allows the City to determine how current spending plans will impact future budgets, but the forecast presented during the Long Term Financial Plan is *not* the budget that will be presented to City Council for the 2018 fiscal year. Projects prioritized by the Council, along with Administration's recommendation for changes or enhancements to the current service levels, will determine the funding requests that will be brought forth in the FY 2018 budget.

The base forecast is developed using the City's *present level of services*. Inflation or historical growth rates are used to predict expenditure patterns. Revenues are projected by inflation, current trends, or by specific circumstances that are certain to occur during the forecast period.

Information regarding economic indicators and the performance of the economy as a whole over the forecast period was taken from Cal State Fullerton's College of Business and Economics 2017 Economic Forecast for Southern California and Orange County, presented in November 2016.

Per the Cal State Fullerton forecast, the U.S. economic outlook over the next two years is the same as it has been in the recent past: uneven, below trend, continued expansion. Some of the gloom comes from the fact that despite obvious gains, the economic recovery has been very slow and demonstrably lopsided, benefiting some while leaving others behind. On the positive side, the current recovery is in its eighth year, 15 million new jobs have been added since the recession, unemployment is below 5%, business investment has grown, vehicle sales have skyrocketed,

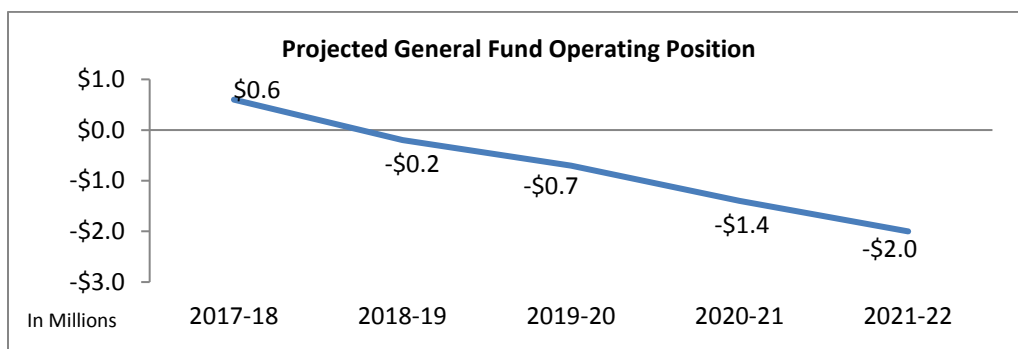
corporate profits are at historically high levels and the stock market has risen by 220% since March of 2009. In addition, housing starts are up, household wealth is up, and home equity wealth has rebounded and is close to an all time peak. However, counteracting those gains is the slow rate of growth and type of growth seen during the recovery. Job growth has been primarily in either low-paying sectors or high-paying sectors, while employment in middle income jobs has been hard to come by. Labor Force participation has dropped and productivity growth has been dismal for several years, and real GDP growth has averaged less than 2% from 2001-2016.

While continued slow and uneven growth is anticipated in the short-term, it continues to be restrained by a number of risks. Global risks have dissipated a bit compared to the start of 2016, though they still remain elevated. Uncertainty over the Federal Monetary policy also adds to financial instability. However, the biggest risk to the outlook relates to qualms arising from the recent U.S. Presidential election. Uncertainty regarding the new administration’s policies and priorities persist, and the impact on the economic outlook is difficult to quantify.

Orange County and Southern California continue the trend of steady growth seen in the last several years, and employment has grown faster here than in the rest of the country. Housing prices have recovered nearly all of the losses incurred during the Great Recession and are now almost at their previous peaks. Construction activity continues to ramp up in Orange County surpassing that of the neighboring counties.

In order to strategically address future needs and to ensure the City maintains a positive operating position in the long-term, the City’s five year forecast focuses on two critical elements, **operating position and fund balances**, to determine the fiscal health of the City.

Operating position – Based on revised expenditure and revenue trends, the financial forecast indicates a negative operating position beginning in the second year of the forecast period. Results of the forecast with respect to operating position (operating receipts less operating disbursements, excluding one-time revenues and expenditures) are shown in the following chart:



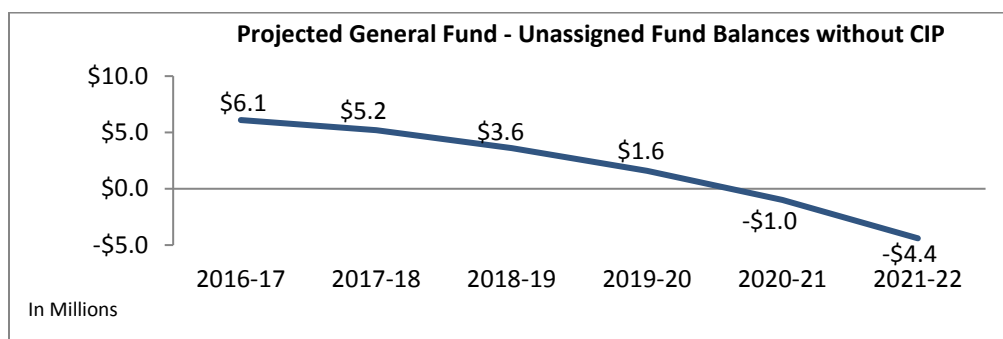
The projected operating position is negative beginning in FY 2018-19, mainly due to projected increases in police, fire and other contractual costs, as well as projected increases to pension costs, which outpace projected revenue trends in the future. It should be noted that these are *projections* only and negative operating position will not actually occur, as adjustments will be made to ensure the City remains in a positive operating position.

Financial Forecast

Fund Balances – Fund balance is the excess of revenues (assets and resources) over the amount of expenditures (liabilities). The *unassigned* fund balance is the portion that is available for appropriation by the City Council, based on current policies. A positive unassigned fund balance represents a financial resource available to finance one-time expenditures of a future fiscal year.

The City's *committed* fund balances currently include the *Emergency Reserve*, which is funded at 20% of operating expenditures. Annual contributions are included in the forecast to maintain the Emergency Reserve's 20% funding level.

The General Fund's unassigned fund balance (which does not include the Emergency Reserve) is projected to be \$6.1 million at the end of FY 2016-17. The chart below illustrates projected unassigned fund balance in the General Fund for the next several years based on the 2017 LTFP forecast. One-time revenues, expenditures and transfers, along with projected negative operating positions beginning in FY 2018-19, reduce unassigned fund balance to a negative \$4.4 million at the end of FY 2021-22:

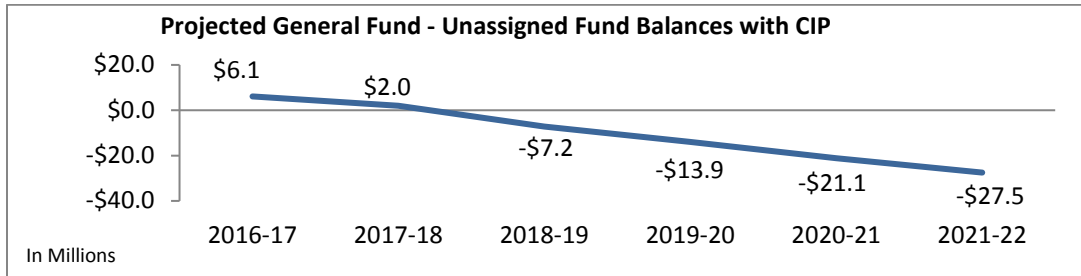


Note that the 2017 LTFP forecast includes between \$1,200,000 to \$1,250,000 each year for ongoing maintenance projects (major street maintenance, slurry seal, sidewalk repair programs, and facility maintenance), but does not assume any spending for capital projects (including infrastructure and I.T. projects), or any one-time major maintenance projects.

If projected capital and one-time major maintenance projects are added to the 2017 forecast, the City's projected unassigned fund balance would decrease substantially. The table below shows costs projected for General Fund capital and one-time major maintenance projects over the next five years based on what was presented in the CIP section of the FY 2016-17 budget, excluding the projects to be funded by grant revenue:

Proposed Projects (In millions)	2017-18	2018-19	2019-20	2020-21	2021-22
Capital Projects	\$2.6	\$6.9	\$4.4	\$3.7	\$2.9
Major Maintenance (not ongoing)	<u>0.6</u>	<u>0.8</u>	<u>0.3</u>	<u>0.9</u>	<u>0.1</u>
Totals	\$3.2	\$7.7	\$4.7	\$4.6	\$3.0

The chart below modifies the General Fund unassigned fund balance to indicate the impact of these proposed capital and one-time major maintenance projects on fund balances:



As noted, this projection is based on the CIP program presented in the FY 2016-17 budget. Funding of capital projects is determined annually during the budget process and is dependent upon available funds. A revised CIP program for the next five years will be presented to the City Council as part of the FY 2017-18 budget process.

Other Fund Balance Impacts - Several events are anticipated over the next several years which may enable the City to shore up infrastructure and maintenance reserve funds and/or add to unassigned fund balance, somewhat offsetting the negative balances shown above. The actual amounts and timing for these receipts is not assured; therefore, they are not included in the long-term projections.

Marblehead Development: Phase I of the commercial project, mainly consisting of a retail outlet mall, was completed in November 2015. Revenues from this first phase were needed to replace approximately \$1.0 million of annual operating revenue previously funded by the Vista Hermosa Sports Park reserve. A full year of sales tax revenue from Phase I of the San Clemente Outlet Mall was included in the budget beginning in FY 2016-17. No revenue has been included in the forecast for potential sales tax associated with additional stores and restaurants or with future phases of the retail project, nor has any revenue been included for a potential hotel development, as the type of hotel development and the timing of its construction is yet to be determined. Additional revenue may be realized from these additions in the future and could be used to increase the General Fund’s Unassigned Fund Balance if not needed for ongoing operations.

Conservative estimates for property tax revenue for the residential component of the Marblehead development are included beginning in FY 2017-18, although the timing and final sales prices of all of the homes is still uncertain.

A portion of the ongoing Marblehead revenues will be required to continue to fund the ongoing operation and maintenance costs associated with the development’s parks and trails, as ownership passes to the City as those projects are completed.

Bellota Land Sales: The City began to realize proceeds from the Bellota Land sales in FY 2015-16. By the end of calendar year 2016, the City has realized \$5.4 million in net proceeds from the sale of three single family lots and from 16 of the 24 mobile home lots that were available for sale. The remaining eight mobile home lots are actively being

marketed. It is estimated that additional proceeds of approximately \$2 million will become available once the remaining eight lots are sold. Proceeds from selling the Bellota land sales have been used to meet the General Liability Fund’s reserve requirements (as per the City’s fiscal policy), to pay retrospective payment balances in the General Liability Fund, and to fund legal costs for various land use issues not covered by the City’s CJPIA coverage. Once realized, the remaining proceeds are recommended to remain in the General Liability Fund for future unfunded legal costs, but could be added to the General Fund’s Unassigned Fund Balance for future allocation by the City Council, if not needed for legal costs.

LaPata/Vista Hermosa Land: Potential receipt of proceeds from the sale or lease of 2.3 acres of land at the corner of La Pata and Vista Hermosa could occur in the coming fiscal years. The property was appraised in February of 2015, with the market value of the land placed at \$3.3 million. Final determination of the disposition of the land has yet to be determined, and City Council may consider other land use options. If the disposition of the land results in revenue to the City, staff will provide City Council with recommendations to possibly use the proceeds as part of the funding strategy to provide sufficient infrastructure maintenance reserves.

Infrastructure Maintenance Reserves: The 2016 LTFP identified the need to clearly identify infrastructure assets and the reserve resources needed to maintain and/or replace those assets, including an overall analysis and funding strategy for the City’s Facilities Maintenance Reserve in order to provide resources for maintaining aging infrastructure, including future pier maintenance. Pier rehabilitation is recommended to be performed every five years, having a significant impact on the General Fund’s unassigned fund balance. The 2017 LTFP Reserve Analysis paper recommends a total transfer of \$380,000 into the Facilities Maintenance Reserve for FY 2017-18. In addition, the 2017 Reserve Analysis Paper recommends transferring an amount between \$1.0 to \$2.5 million in FY 2017-18 to the Facilities Maintenance Reserve from the General Fund’s unassigned fund balance.

Future recommendations to make appropriate transfers to the various reserve accounts by using some of the General Fund’s unassigned fund balance will be brought forward to the City Council to address funding gaps identified in this process.

Committed Fund Balances

Emergency Reserve – One of the main financial goals of the City, as defined in the City’s Fiscal Policy, is to ensure that adequate resources will be available to fund emergency reserves. Emergency reserve levels are maintained at the required level of 20% of operating Expenditures, based on current fiscal policies.

General Fund – Committed Reserves (in millions)

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Emergency (20% of Oper. Expenditures)	\$12.0	\$12.5	\$13.0	\$13.5	\$14.0

Forecast Assumptions

Beyond the economic and growth/trend assumptions used in the five-year forecast, information specific to San Clemente is also included in the forecast:

Revenues:

- Property taxes are projected to increase, in total, by 4.9% for FY 2017-18. Increases averaging 3.8% are included for the next four years, beginning in FY 2018-19. Property tax projections are based on information provided by HdL Coren and Cone, the City’s property tax advisors.
- Sales tax for the City is projected to increase 1.5% in FY 2017-18 due to anticipated growth in consumer spending. The San Clemente Outlet Mall and the Estrella shopping center each operated for a full year in FY 2016-17, resulting in a significant sales tax increase in the current fiscal year. Additional stores and restaurants are anticipated at these locations in the future, but no additional revenue is included in the forecast due to the uncertainty as to type and timing of the additions. Beginning in FY 2018-19, sales tax increases averaging 2.0% are projected based on CPI increases. Sales tax projections are provided by HdL Companies, the City’s sales tax advisors.
- Revenues from Ole Hanson Beach Club rentals and operating expenditures are included in the forecast for a full year of operations assumed for FY 2017-18, as the rehabilitation of the Ole Hanson Beach Club was completed and the facility opened in the fall of 2016.
- TOT revenue is projected to increase by inflation throughout the forecast period.

Expenditures:

- New positions – No new city positions have been projected to be added.
- Frozen positions – Two positions in the General Fund are currently frozen and are not reflected as funded in the forecast.
- Police contract – Contract costs are increased by 6.1%, or about \$840,000, for FY 2017-18 based on the 1st estimate from the Orange County Sheriff’s Department (OCSD). Contract increases are projected at 4.3% over the remaining four years of the forecast, per OCSD’s initial estimates. Police positions remain at the FY 2016-17 level for forecasting purposes.
- Fire Services costs –The 20 year fire services contract allows for a cap of 4.5% per year to the base service charge, annual contributions to station maintenance and fleet replacement reserves. In the forecast base contract costs are increased by 4.5% each year based upon OCFA’s maximum base contract increase allowed; if actual contract costs are less, the changes will be reflected when the budget is presented. The addition of a 4th firefighter is expected to be implemented by OCFA before the end of FY 2016-17, with the first two years of costs fully paid by OCFA. It is proposed that the City begins to pick up a share of the costs beginning year three, with full cost pick-up by the City by the fifth year. The City’s phased-in share of these costs have been included in the last three years of the forecast, based on projections provided by OCFA in 2016.
- Ambulance Services-The forecast assumes the City will continue to operate with the two full-time ambulances currently in place. In January 2017the City Council directed staff to pursue an RFP for ambulance services for FY 2017-18. Any service and/or cost changes that may occur as a result of the RFP process will be reflected in the FY 2017-18 budget.

- Salaries and Wages - Increases based on a 3 year MOU agreement with the City's employee association (SCCEA) adopted 2/7/2017 for FY 2017-18, FY 2018-19, and FY 2019-20. Assumed that step increases would amount to 0.5% for the MOU term, and are somewhat offset by lower wages from employee turnover each year. Future year's increases are projected at the CPI increase (for forecast purposes only).
- Benefits – For FY 2017-18 through FY 2019-20, benefit cost increases are projected due to wage growth and due to the City paying a slightly larger share of employee medical costs, as per the 3 year MOU agreement recently approved by the City Council. To offset these increases, the MOU agreement provides that employees fund a larger share of their pension costs each year, reducing the City's costs for this expense.
- Retirement – Increased contributions for all City pension plans for FY 2017-18 are based on the most recent actuarial reports received. For future year projections, increases have been incorporated to address the discount rate reduction CalPERS will be implementing over a three year period (From 7.5% to 7%). No assumptions are made for any additional contributions to pay down unfunded liabilities or for any changes to the amortization schedules currently in place.
- Reserves - For forecast purposes, \$580,000 is included for reserve transfers, based on the 2017 LTFP reserve paper. Reserve transfers of \$580,000 have been included in the remaining four years of the forecast; however, these amounts are expected to be revisited as the City makes determinations on appropriate reserve funding over the next few years.
- CalPERS Safety Plan Unfunded liability - The City's unfunded liability (past service cost) for former fire and police personnel in the CalPERS retirement system was paid in FY 2011. However, a total of \$1,023,000 is included in the forecast for FY 2017-18 to pay additional unfunded liability costs per CalPERS most recent actuarial report for this inactive Safety plan. For future years, CalPERS will be reducing the discount rate and provided projections for future increases, which have been included here in the forecast.
- Street Improvement Program - The General Fund transfer to the Street Improvement Fund amounts to \$756,290 per year.
- Ongoing Maintenance - The forecast includes ongoing maintenance funding for major street maintenance, slurry seal, sidewalk repair, and facility maintenance programs (\$1,200,000 for FY 2017-18 through FY 2019-20, and \$1,250,000 for the remaining years). This ongoing amount assumes funding of \$250,000 in FY 2017-18 through FY 2019-20 and \$300,000 in the remaining forecast years to fund ongoing facility maintenance costs.

Factors Not Included in the Forecast:

- The forecast is based on the General Fund only.
- No new or enhanced programs or positions have been included.
- The forecast does not include spending for capital or one-time major maintenance projects.
- Additional sales tax associated with additional stores and restaurants or future phases of the San Clemente retail outlets or the Estrella shopping center have not been included.
- The forecast does not include potential proceeds from Bellota or other land sales.
- No provision has been included for one-time legal costs for special projects or initiatives.

- No assumptions have been made for revenue and expense changes related to vacation rental or other TOT policies, ordinances or process changes.
- The forecast does not include the potential cost of recommendations from other Long Term Financial Plan papers, except as noted.

Forecast Results

The following table provides a review of beginning unassigned fund balances, operating and one-time receipts and disbursements, and ending unassigned fund balances projected over the five-year forecast period. Calculations for the table below assume \$1,200,000 to \$1,250,000 for ongoing maintenance projects (major street maintenance, slurry seal, sidewalk repair programs, and facility maintenance), but does not assume any additional spending for capital projects or one-time major maintenance projects.

	<u>FY</u> <u>2017-18</u>	<u>FY</u> <u>2018-19</u>	<u>FY</u> <u>2019-20</u>	<u>FY</u> <u>2020-21</u>	<u>FY</u> <u>2021-22</u>
BEGINNING UNASSIGNED FUND BALANCE	\$6,083	\$5,182	\$3,628	\$1,645	\$(1,046)
<u>RECEIPTS</u>					
Property Tax	30,458	31,615	32,816	34,063	35,358
Sales Tax	9,760	9,955	10,154	10,357	10,564
Other Revenue	21,320	21,714	22,117	22,395	22,815
TOTAL RECEIPTS	61,538	63,284	65,087	66,815	68,737
<u>DISBURSEMENTS</u>					
Salaries & Benefits	18,689	19,376	20,067	20,722	21,375
Police Contract Services	14,698	15,727	16,356	16,846	17,352
Fire Contract Services	8,072	8,435	8,964	9,667	10,551
Other Contractual Services	10,016	10,217	10,421	10,629	10,842
Ongoing Maintenance	1,200	1,200	1,200	1,250	1,250
Other Expenses	9,147	9,380	9,606	9,910	10,175
TOTAL DISBURSEMENTS	61,822	64,335	66,614	69,024	71,545
<u>OTHER FUND BALANCE CHANGES</u>					
Funding 20% Emergency Reserve	(617)	(503)	(456)	(482)	(504)
ENDING UNASSIGNED FUND BALANCE	\$5,182	\$3,628	\$1,645	\$(1,046)	\$(4,358)
<i>*displayed in thousands</i>					

The following pages will provide additional background and information on some of the city’s major revenue and expenditure line items.

REVENUES

Property Tax

Property Tax is the City's single largest revenue source and represents approximately 50% of total General Fund operating revenues. Total property tax revenues for the City of San Clemente are projected to increase by 4.9% for FY 2017-18, and by 3.8% for FY 2018-19. Projected increases averaging 3.8% are included for the following three years, beginning in FY 2019-20. In FY 2017-18, valuation increases are anticipated due to a 2.0% CPI adjustment, increased values from property resales, new development, and the recapture of temporary assessment reductions from prior years. Property tax projections are based on information provided by HdL Coren and Cone, the City's property tax advisors.

There are four major factors that contribute to year over year assessed valuation changes. First, Proposition 13 allows the County Assessor to increase property valuation by the net change in CPI growth, with a cap of 2% growth per year. Second, property valuation is increased or decreased annually by transfer of ownership transactions. Third, when property values decline, Proposition 8 allows properties to be temporarily reassessed at a lower value by the County Assessor through individual appeals, or through mass appeals if warranted by market conditions. Once the property's value begins to rise again, the County Assessor may "recapture" the value through valuation increases of more than 2% per year, until reaching the Proposition 13 cap of no more than 2% annual growth over time. Finally, assessed valuation grows when new development is completed in the City.

The City saw 3% growth in assessed valuation in 2008/09, but assessed valuation then decreased for three subsequent years due to lower sales prices, foreclosure activity, and negative property reassessments rendered by the County Assessor's office. As recovery in the housing sector took hold, total assessed valuation in San Clemente reflected an increase in 2012/13 for the first time in four years, and continues to show increases each year, resulting in steady increases in property tax revenue for the last several years.

Substantial increases have been seen over the last several years in property tax assessed valuations due to increased sales, increased sales prices, new development, and continued recapture of Proposition 8 reassessments. Assessed valuation is largely impacted by changes in sales prices. Historically, the City's median sales prices for single family residences peaked in 2006, at \$940,000, and then decreased for five straight years, to a low of \$570,500 in 2011. The housing market began to rebound during 2012, as home buying increased due to low interest rates and more affordable pricing. In 2012, the median sales price for single family residences in San Clemente increased 10.43%, to \$630,000, the first increase seen in 6 years. Over the last four years, the housing market has continued to improve, with increases in median sales price seen every year. San Clemente's median sales price rose 2.5% in 2015, to \$780,000, while 2016 reflected an 8.4% increase, to \$845,500. Also, the City is beginning to realize additional property tax revenue from recent new development, including the San Clemente Retail Outlets and the Sea Summit residential development.

In addition, a large portion of Proposition 8 reassessments were addressed by the County Assessor's office in the 2014 assessment, with those properties being brought back to full value. A small portion of these reassessments are still pending, with those assessed values expected to rise, positively impacting property tax revenues into FY 2017-18. Property values are expected to continue to rebound, but may be at a slower pace than seen in the past several years due to inventory and affordability constraints.

Sales Tax

Ongoing sales tax revenues for the City has seen steady, moderate growth over the last several years, boosted by the opening of Target in the City in late 2011, the opening of the San Clemente Outlet Mall in November of 2015, the revitalization and opening of stores at the Estrella Shopping development in the spring of 2016, and increased consumer demand after several years of economic recession.

For the City of San Clemente, FY 2015-16 marked a new era, with the opening of Phase I of the San Clemente Outlet mall in November 2015. Beginning in FY 2016-17, a full year of revenue for this initial phase was projected in the budget, although at lower levels than had originally been forecast, due to fewer stores operating and a lag in commitments for potential restaurants at the site. Additional stores and restaurants are still anticipated to open as part of Phase I; however, the 2017 forecast does not assume potential revenue from any new openings due to timing uncertainties. No additional sales tax revenue has been assumed in the 2017 forecast for future phases of the San Clemente Outlet mall, again due to the uncertainty as to the timing and nature of any future phases of the project. Sales tax projections are provided by HdL Companies, the City's sales tax advisors.

Outside of the revenue gains anticipated from the San Clemente Outlet mall, the FY 2016-17 budget also projected a full year of operations for the Estrella shopping center, where stores began opening in the spring of 2016. An additional store is anticipated to open at the center, but no assumptions for this have been included in the 2017 forecast.

Overall, Sales tax revenue for the City is projected to increase 1.5% in FY 2017-18. Consumer demand is expected to continue its steady and moderate growth, and continued increases are expected from State and County pools due to sustained growth in online purchases. Beginning in FY 2018-19, sales tax increases averaging 2.0% are projected based on CPI increases as presented in Fullerton's Economic Forecast data for Orange County.

EXPENDITURES

Salaries and Benefits

The City Council voted to adopt a three year MOU agreement with the City's employee association (SCCEA) on February 7, 2017, which will become effective in July 2017, providing contractual wage and benefit growth for City employees over a three year period. The three year

MOU agreement is in effect for FY 2017-18 through FY 2019-20. The forecast assumes growth in wages and benefits in FY 2017-18 based on the growth provided in the MOU agreement. After FY 2019-20, future year's wage and benefit increases are projected at the projected CPI increase, for forecast purposes only. Actual increases will be determined through future negotiations with the City's employee association.

The forecast also assumes a small increase for step increases for eligible employees, also assuming that step increases are somewhat offset by lower wage and vacancies from employee turnover each year.

For FY 2017, benefit costs are projected to increase by 4.9% due to several factors. The three year MOU agreement discussed above includes wage increases which also result in cost increases for pension and other benefits that are tied to growth in salaries and wages. The MOU also requires employees to fund a larger share of retirement costs each year. In the past the City had paid all of the "employee share" of pension costs. Over the last several years labor negotiations have resulted in employees paying a larger portion of that cost each year. By the last year of the recently approved three year MOU agreement employees will be paying the entire "employee share" of pension costs. Overall the MOU will provide a net savings in the City's benefit costs.

These savings are offset by projected increases in retirement rates and costs in FY 2017-18 for all of the City's pension plans, based on the most recent actuarial reports. Increased costs are mainly due to lower than expected investment returns for the various plans, changes in actuarial assumptions, and the "phased-in" approach CalPERS uses to fund pension liabilities. In addition, increases in the required contributions for the City's CalPERS Safety Plan (for the City's retired or inactive past Police and Fire employees) have occurred due to a change in the amortization period from 30 years to 20 years, which was required by CalPERS. For future years, CalPERS has notified agencies that they will be reducing the discount rate from 7.5% to 7.0%, using a phased-in approach over a three year period, with related cost increases beginning in FY 2018-19. Projections for these future year increases have been included in the forecast.

Police Contract Services

Police contract costs are increased in the forecast for FY 2017-18 based on initial estimates from the Orange County Sheriff's Department (OCSD). For FY 2017-18, OCSD projects an increase of 6.1%, with positions and service level remaining at the FY 2016-17 level. The increase is largely tied to wage and benefit growth.

Increases of 4.3% annually are projected over the remaining four year period, although this is only an estimate as OCSD has not yet provided an updated long-term forecast model for those years. In addition, actual results and impacts from future labor negotiations can't be projected at this time and could result in increased costs above what the forecast projects. Police positions remain at the FY 2016-17 level for the term of the forecast.

Fire Contract Services

Fire Services costs are projected in the forecast to increase by 4.5% over the prior year, the highest increase allowed by the City's contract with the Orange County Fire Authority (OCFA). The 20 year fire services contract with OCFA allows for a cap of 4.5% per year to the base service charge, as well as annual contributions to station maintenance and fleet replacement reserves. OCFA's actual contract increase for FY 2017-18 will be determined over the next several months, through the budget process, and may be less than the 4.5% cap.

The addition of a 4th firefighter on full rotation for the City of San Clemente is expected to be implemented by OCFA before the end of FY 2016-17. The new addition is anticipated to be filled through overtime initially, with the first two years of costs fully paid by OCFA. It is proposed that the City begins to pick up a share of the costs beginning in the third year, with full cost pick-up by the City by the eight year. Based on initial projections by OCFA in 2016, the City's phased-in share of these costs have been included in the last three years of the forecast.

Ambulance Contract Services

The City's contract with OCFA also provides for actual costs to be reimbursed for ambulance transport services for one full-time ambulance. The City has historically operated one ambulance through the OCFA contract. In May of 2014, the City contracted with OCFA for the addition of a seasonal ambulance, to be operated six months of each year, from May through October, for twelve hours each day. In November of 2015, the City discontinued the seasonal ambulance service with OCFA, and contracted with a private ambulance service to provide a second, full-time, year-round ambulance for the City, as a pilot program. In January 2017, the City Council reviewed the pilot program, and directed staff to prepare an RFP to seek alternatives for operating the City's two full-time ambulances on an ongoing basis. Projections for the five-year forecast assume continuation of the two full-time ambulance model currently in place (one from OCFA and one through CARE ambulance services). Any changes to service level or costs that may occur as a result of the RFP process will be reflected in the FY 2017-18 budget.

Forecast Summary

Over the five year forecast period, the City's operating revenues are anticipated to grow by an annual average increase of 3.1% a year. Property taxes are projected to increase by an average of 4.0% over the five year forecast period. Sales taxes are projected to increase over the forecast period by an average of 1.9%. More subdued revenue increases are projected for the last three years of the forecast.

Operating expenditures are projected to increase at an average rate of 4.0% per year over the forecast period mainly due to anticipated police and fire services contract cost increases, personnel salary and related benefit increases, pension cost increases, and the continuance of the provision for ongoing facility maintenance.

No projections have been included for any one-time costs, including proposed capital or one-time major maintenance projects.

The five year financial forecast indicates a positive operating position in the first year, followed by a projected negative operating position in the final four years of the forecast period. These are projections only and negative operating position will not actually occur, as adjustments will be made to ensure the city remains in a positive operating position.

Conclusion

The 2017 LTFP Financial Forecast shows deficits beginning in FY 2018-19. The Executive Summary section of the LTFP includes options to improve the operating position and fund balances to maintain a positive operating position in all years of the forecast.

Reserve Analysis

Objective

To analyze and recommend appropriate levels of reserves to (a) ensure that reserves are adequate to provide for the needs of each fund's program, (b) meet program needs without unnecessarily obligating scarce dollar resources and (c) to ensure compliance with City fiscal policies and legal requirements by State, County or Local Ordinances.

Background

Sound accounting and budgeting practices require each fund maintain a positive fund balance and an appropriate level of reserve. The City's reserves are dictated by the City's fiscal policy and the annual LTFP review process. The City's Fiscal Policy defines the types and criteria for funding levels for each of the City's reserves based on industry practice, Government Finance Officers Association (GFOA) best practices, and other external consideration.

The General Fund, the primary governmental fund of the City, maintains the Emergency Reserve and a Sustainability Reserve to protect essential service programs during periods of economic downturn. An Accrued Leave Reserve exists for the payment of vested leave. The Park Asset, Capital Equipment Replacement and Facilities Maintenance Capital Asset Reserves comprise amounts for asset maintenance in the Reserve Capital Projects Fund. These reserves are supported by charges and transfers from the General Fund. The General Liability Self-Insurance Fund, Workers' Compensation Fund, and Fleet Fund are classified as Internal Service Funds. These funds charge other City departments for services they provide and are designed to fully recover the costs of providing the services. Additionally, these internal service funds should not have excessive fund balances beyond the reserves required and to pay for operating costs.

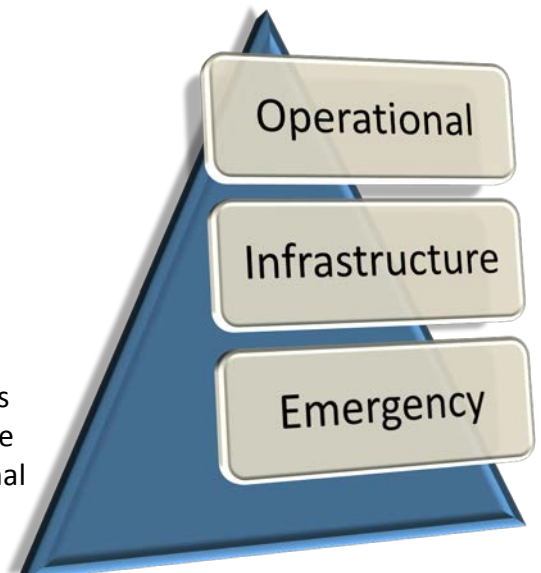
The Water, Sewer, Golf, Storm Drain and Solid Waste Funds maintain an emergency reserve per Fiscal Policy similar to the General Fund to protect essential service programs during periods of economic downturn. In addition, the Water, Sewer, Storm Drain and Golf funds maintain Depreciation Reserves for the maintenance and replacement of assets.

Executive Summary

This year staff has analyzed the reserves and categorized the reserves into three basic categories. The three basic categories are:

- Operational Reserves
 - ❖ Insurance Reserves
 - ❖ Miscellaneous Reserves
- Capital/Infrastructure Reserves
 - ❖ Depreciation and Replacement Reserves
- Emergency Reserves

The emergency reserves are the foundation of City finances and make sure operations and other capital projects are not affected by unforeseen events. Capital/Infrastructure reserves ensure that facilities are properly maintained to provide the best service delivery and facilities to the citizens. Operational reserves allow for the smoothing of costs so city operations are not effected by a significant cost or loss.



Reserve Analysis

The City, as part of its annual assessment, reviews reserve amounts, future reserve needs, established fiscal policy, best practices (including GFOA), and other financial factors. The reserves presentation includes the following aspects for each reserve:

- Purpose – provides information on the general use and purpose of the reserve
- Funding – discussion on whether the fund receives amounts through charges, contributions, or transfers
- Fiscal Policy – this is the City Council adopted fiscal policy currently in place
- Discussion/Analysis and Assessment – provides a general discussion on funds required amounts available, and a history of the reserve and related funding
- Recommendation – this is staff’s recommendation based on an analysis of the reserve, its funding, and future requirements.

As part of this year’s assessment, staff’s recommendations strengthen City reserves providing a strong financial foundation for the future. Summary of the review/analysis of the reserves is below by area: *Emergency Reserves, Capital/Infrastructure Reserves, and Operational Reserves.*

Emergency Reserves for the General Fund in FY 2016-17 consolidated the General Fund Sustainability Reserve with the General Fund Emergency Reserve. The City in connection with this action increased the 9% Emergency Reserve funding level to 20% of operating expenditures. This action will ultimately increase the funding requirement in the future after providing funds for capital reserves and payoff of the Negocio Certificates of Participation. No changes are recommended in FY 2017-18. However, for Enterprise Reserves the Golf Fund will delay repayment to Golf Capital Reserves until the Golf Operating Fund Emergency Reserve is funded.

Capital/Infrastructure Reserves provide funds for replacement of capital assets. The City has multiple reserves properly funded, but several lack proper funding. The shorter term assets, such as equipment and vehicles, are properly funded as can be seen from the Fleet and Capital Equipment Reserves. The City is working to fund the replacement of long-term capital assets, such as City facilities, park assets, water, sewer, and storm drain capital assets. These assets have longer lives and are substantially more in cost. This funding will not be fixed in one year.

Proper funding of future replacement costs for assets which the City has made a commitment to replace and renovate must be done over time. Lucity has started the process to make sure the assets are properly maintained, but reserve funds must be set aside for their replacement. A recent example where the City utilized alternative funding options (Developer Impact fees, CDBG, and donations) was the Ole Hanson Beach Club renovation. Capital/Infrastructure reserves must be built in order to mitigate the funding impacts; especially as the City considers City Hall, the Marine Safety Building, and other buildings.

Operational Reserves are improving. The Pension Reserve was utilized to pay down the unfunded Marine Safety Pension liability, lowering future operating costs. The Accrued Leave Reserve and the State Revolving Loan Reserve are funded in accordance with fiscal policy and the State loan agreement. Liability reserves are building to deal with claims or issues that may arise in the future. These reserves, if funded properly, should reduce short term impacts on City operations.

The future financial health of the City is solid. This analysis aims to improve Emergency Reserves, address capital assets citizens use, and strengthen the operating position of the City.

Reserve Analysis Summary:

Reserves by category, funding source, estimated balances, and status as of June 30, 2017 follows:

Reserves	Fund	Estimated Reserve Balances at June 30, 2017	FY 2017 Status
Emergency Reserves:			
General Fund Emergency Reserve	General Fund	\$ 11,401,000	Properly Funded
Sustainability Reserve	General Fund	\$ -0-	Emergency reserve consolidation
Water Operating	Water Fund	\$ 1,111,000	Properly Funded
Sewer Operating	Sewer Fund	\$ 1,100,000	Properly Funded
Golf Course Operating	Golf Course Fund	\$ -0-	<i>Not Funded¹</i>
Storm Drain Operating	Storm Drain Fund	\$ 197,000	Properly Funded
Solid Waste	Solid Waste Fund	\$ 25,300	Properly Funded
Capital/Infrastructure Reserves:			
Fleet Replacement	All Funds	\$ 4,260,000	Properly Funded
Capital Equipment Replacement	General Fund	\$ 1,547,000	Properly Funded
Facilities Maintenance	General Fund	\$ 2,437,000	<i>Partially Funded³</i>
Park Asset Replacement	General Fund	\$ 1,192,000	<i>Partially Funded²</i>
Water Fund Depreciation	Water Fund	\$ 4,540,000	<i>Partially Funded³</i>
Sewer Fund Depreciation	Sewer Fund	\$ 3,885,000	<i>Partially Funded³</i>
Storm Drain Fund Depreciation	Storm Drain Fund	\$ 2,472,000	<i>Partially Funded³</i>
Golf Course Fund Depreciation	Golf Course Fund	\$ 961,000	Properly Funded
Golf Capital Improvement Reserve	Golf Course Fund	\$ 696,000	Properly Funded
Operational Reserves:			
Accrued Leave	General Fund	\$ 1,111,000	Properly Funded
Pension Reserve	General Fund	\$ -0-	Utilized to pay liability
State Revolving Loan Reserve	Water Fund	\$ 900,600	Properly Funded
General Liability Self-Insurance	All Funds	\$ 2,000,000	Properly Funded ⁴
Workers' Compensation Insurance	All Funds	\$ 609,000	<i>Partially Funded³</i>
¹ This reserve amount is not funded, the Golf operating fund is currently a deficit. Upon the Workers Compensation loan repayment, funds will be retained to fund this reserve, before paying Golf Infrastructure.			
² These reserves are below the funding required at June 30, 2017, one-time transfers are recommended to fund the reserves at the required level.			
³ These reserves are below the funding required at June 30, 2017. Actions, such as funding increases or transfers, to narrow the funding gap are recommended to improve the funding level to achieve future compliance.			
⁴ Full funding of the reserve has been achieved, payment of the retrospective deposit will be pursued.			

Further information as to the balances and the funding status is addressed on each individual Reserve analysis sheet.

A summary of the recommendations for FY 2017-18 by reserve category follow:

Emergency Reserves – No changes are recommended.

Capital/Infrastructure Reserves

- Direct staff to analyze capital asset categories and identify assets funded for replacement in the purpose section of the Facilities Maintenance Reserve, the Capital Equipment Reserve, and the Park Asset Reserves after Lucity's implementation.
- Transfer an annual amount of \$380,000 from the General Fund to the Facilities Maintenance Reserve in FY 2017-18.
- Transfer an amount between \$1.0 to \$2.5 million in FY 2017-18 to the Facilities Maintenance Reserve from the General Fund's unassigned fund balance.
- Transfer \$200,000 from the General Fund to the Park Asset Reserve for FY 2017-18.

Operational Reserves

- Remove the Pension Reserve from future Long Term Financial Plans.
- Retain Bellota land sale proceeds in the General Liability Fund to pay the retrospective liability and to fund legal costs for land use and other claims not covered through CJPIA coverage.

Fleet Replacement Reserve

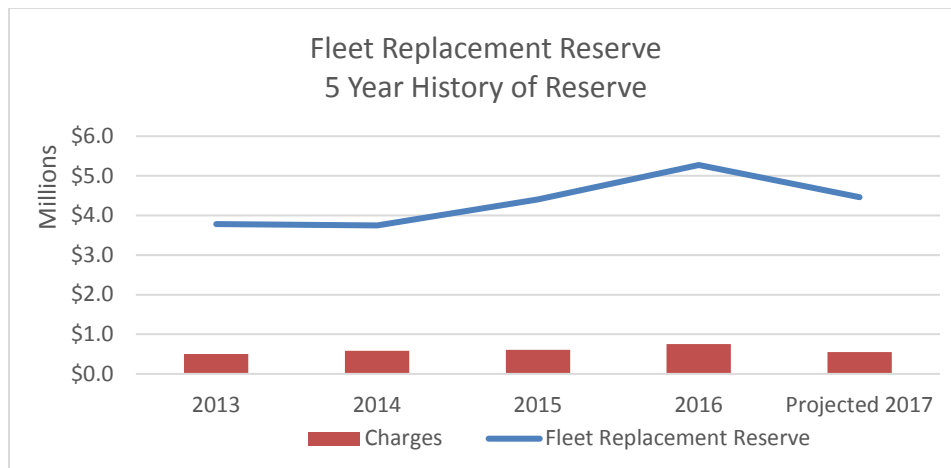
Capital/Infrastructure Reserve Category

Purpose: Maintain a reserve for costs associated with the replacement of vehicles and other rolling stock (such as trailers, compressors or other equipment on wheels) as they become unserviceable, obsolete or reach a predetermined service life. The reserve will be maintained at a level at least equal to the projected five-year fleet replacement costs

Funding: The Fleet Replacement Reserve is funded through annual replacement charges to funds which have fleet vehicles and equipment.

Fiscal Policy: Maintain a reserve for costs associated with the replacement of vehicles and other rolling stock (such as trailers, compressors or other equipment on wheels) as they become unserviceable, obsolete or reach a predetermined service life. The reserve will be maintained at a level at least equal to the projected five-year fleet replacement costs.

Discussion/Analysis and Assessment: The reserve is reviewed annually to verify funding is adequate to cover projected replacement costs for the next five years. Currently, the City's fleet is valued at \$7.2 million. The estimated schedule for replacements are \$3.9 million during the next five years, \$2.3 million during the next six to ten years and \$1.0 million after ten years. This reserve is fully funded with a projected balance of \$4.3 million at June 30, 2017.



Recommendation: No changes recommended.

Capital Equipment Replacement Reserve

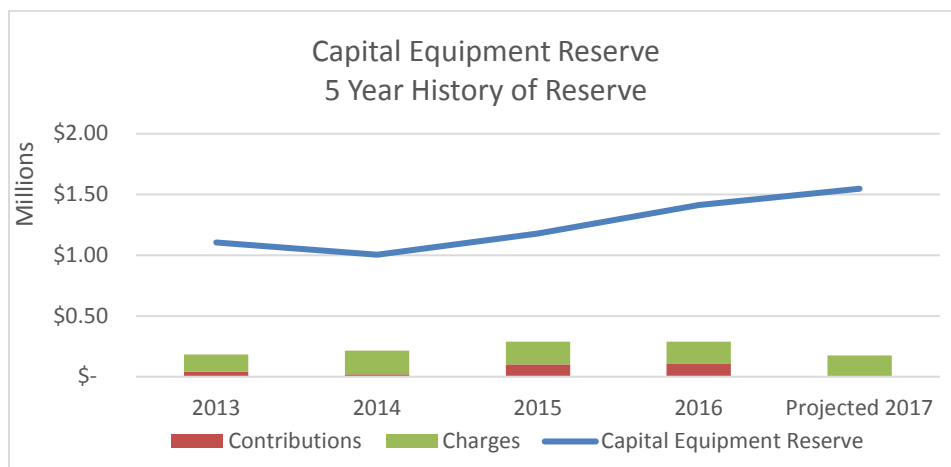
Capital/Infrastructure Reserve Category

Purpose: The City sets aside funds for the replacement of existing General Fund fixed assets as equipment or machinery becomes unserviceable or obsolete.

Funding: The Capital Equipment Replacement Reserve is funded by capital replacement charges to the City General Fund. These replacement costs are charged over the estimated service life of the asset to the General Fund program which benefits. Funds are also transferred on a one-time contribution basis based on the estimated future activity identified.

Fiscal Policy: Maintain a Capital Equipment Replacement Reserve for the accumulation of funds for the replacement of worn and obsolete equipment other than vehicles. These reserves will be maintained at a level at least equal to the projected five-year capital asset replacement costs.

Discussion/Analysis and Assessment: As General Fund capital equipment is replaced, the capital costs are paid from this reserve. The replacement costs for these assets are charged to the benefiting General Fund program and transferred back to the Capital Equipment Replacement Reserve, thus accumulating funds to pay for future replacement of these assets. The projected fund balance at June 30, 2017 is \$1.5 million and the anticipated five-year costs is fully funded.



Recommendation: Direct staff to analyze capital asset categories and identify assets funded for replacement in the purpose section of the Capital Equipment Reserve after the Lucity implementation.

Facilities Maintenance Reserve

Capital/Infrastructure Reserve Category

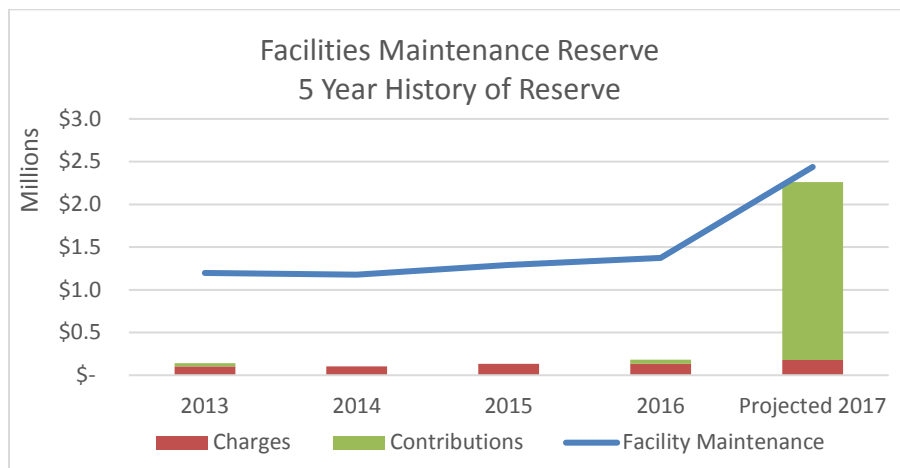
Purpose: The City established this reserve to provide funds for the maintenance of City facilities.

Funding: The Facilities Maintenance Reserve is funded by facility charges to the General Fund based on past facilities replaced, repaired or rehabilitated. These costs are charged over the estimated service life of the asset to the General Fund program which benefits. Funds are also transferred on a one-time basis based on the Capital Improvement Program activity anticipated.

Fiscal Policy: Maintain an account to cover the costs associated with the maintenance of all General Fund City facilities. The reserve should be maintained at a level at least equal to the projected five-year facilities maintenance costs.

Discussion/Analysis and Assessment: General Fund facilities are replaced through capital expenditures made from this fund. The City's capital activity in the near future includes long term projects - City Hall, Marine Safety building, Maintenance building, and other buildings and facilities. The projected fund balance at June 30, 2017 of \$2.4 million is insufficient to fund these projects. The City Hall repair and upgrades is estimated at least \$5 million. Staff is recommending transferring from the General Fund between \$1.0-\$2.5 million in both FY 2017-18 and FY 2018-19 to fund these long term projects. This funding can be provided from the La Pata/Vista Hermosa land sale proceeds, or unassigned fund balance of the General Fund.

The General fund will also contribute a recurring annual amount of \$380,000 with \$200,000 for pier related projects and \$180,000 for basic costs which exclude the larger projects. Staff, after the implementation of Lucy, will analyze capital asset categories and identify assets funded for replacement in this reserve.



Recommendations: 1) Direct staff to analyze capital asset categories and identify assets funded for replacement in the purpose section of the Facilities Maintenance Reserve after the Lucy implementation. 2) Transfer an annual amount of \$380,000 from the General Fund to the Facilities Maintenance Reserve in FY 2017-18. 3) Transfer an amount between \$1.0-\$2.5 million in FY 2017-18 to the Facilities Maintenance Reserve from the General Fund's unassigned fund balance.

Park Asset Reserve

Capital/Infrastructure Reserve Category

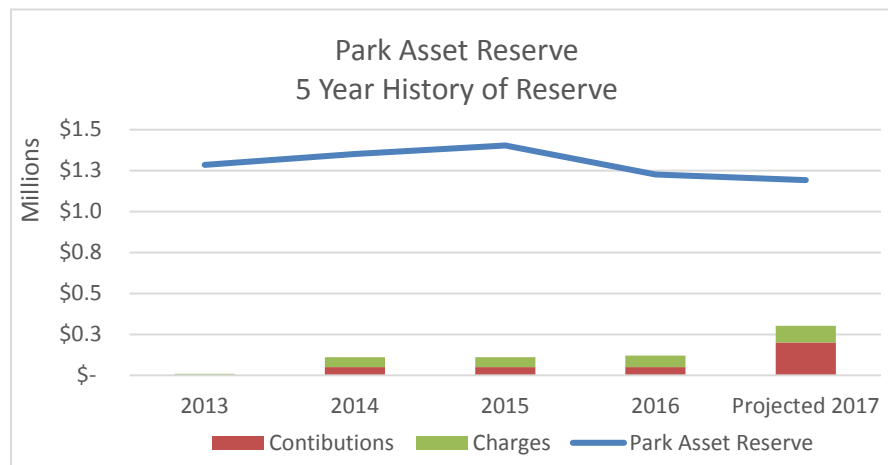
Purpose: The Park Asset Reserve is used for replacement of park capital assets valued over \$50,000 within city parks. This reserve is funding playground equipment replacements and setting aside funds for artificial turf replacement at the Vista Hermosa Sports Park.

Funding: In FY 2010, the City started funding this reserve through one-time transfers and reached the \$1.2 million minimum reserve level in FY 2012. The City provides funding through contributions and charges to the General Fund, which are reviewed annually as part of the LTFP.

Fiscal Policy: The City will establish a Park Asset Replacement Reserve with a target balance of \$1.2 million for the replacement of park assets. The reserve balance will be reviewed annually and funded through one-time revenues, or unassigned General Fund balance transfers, when available.

Discussion/Analysis and Assessment: The City currently pays for most park asset replacements on a “pay as you go” basis. Park assets total more than \$60 million. Significant annual contributions would be required to set aside funds for all park system assets. The City, realizing the need for maintaining high use park assets, identified artificial turf replacement and playground equipment for funding.

Currently, the projected balance at June 30, 2017 is \$1.2 million. However, the City has implemented a playground replacement schedule to utilize the reserve. As replacement projects are completed, replacement charges to the benefiting program replenish the Park Asset Reserve based on an estimated asset life. These charges during FY 2017-18 will be \$105,000. Park equipment has been upgraded as part of the annual program increasing costs, so an additional General Fund transfer of \$200,000 will be done in FY 2017-18. Also, after the Lucy implementation, staff will seek to provide further funds and better identify which assets (lights, restrooms, fields, courts, etc.) should and can be funded through the Park Asset Reserve.



Recommendation: Transfer \$200,000 from the General Fund to the Park Asset Reserve for FY 2017-18. Direct staff to analyze capital asset categories and identify assets funded for replacement in the purpose section of the Park Asset Reserve after the implementation of Lucy.

Water Fund Depreciation Reserve

Capital/Infrastructure Reserve Category

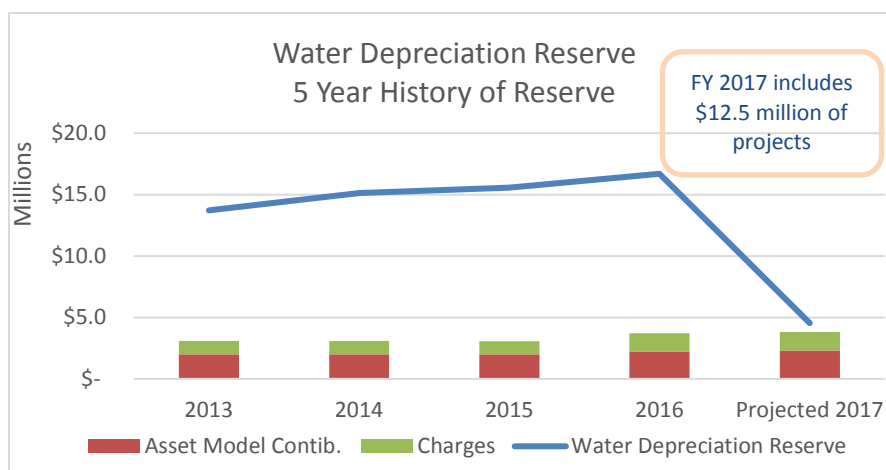
Purpose: The Water Depreciation reserve sets aside replacement funds for water capital assets and equipment that reach the end of their useful life and for major repairs to the water system infrastructure. This reserve includes Other Agency infrastructure assets that are owned, operated and maintained by Joint Regional Water Supply System and Santa Margarita Water District.

Funding: The Water Depreciation Reserve is funded through depreciation charges based on the useful life of the assets and additional transfers from the operating fund based on an Asset Model amount. Additional one-time contributions are considered from available operating equity.

Fiscal Policy: The City will establish a Water, Sewer, Storm Drain and Golf Depreciation Reserve for costs associated with the major maintenance and capital improvement costs included in the Enterprise Fund budgets. The minimum reserve level shall be at a level equal to the projected three-year costs.

Discussion/Analysis and Assessment: Water infrastructure reserves have been underfunded for a long period of time. Council has taken action to increase contributions based on an asset model to narrow this significant funding gap. The projected ending depreciation reserve balance at June 30, 2017 is \$4.5 million if all projects are completed. The three-year capital costs total \$11.0 million. Therefore, the Depreciation Reserves are underfunded by \$6.5 million. The City has not made significant progress toward funding three years of capital project activity based on depreciation contributions, asset model contributions, and the interest earned on funds held.

The Water Operating Fund contributed depreciation amounts of \$1.5 million based on the estimated useful life of the water capital assets. Asset model contributions of \$2.3 million address past underfunding, major maintenance costs and joint agency assets. The underfunding of this reserve has fluctuated and the underfunding level has not improved. Funding of the contributions should be maintained and if significant one-time resources are received staff will consider additional contributions to the depreciation reserves.



Recommendation: No changes recommended.

Storm Drain Depreciation Reserve

Capital/Infrastructure Reserve Category

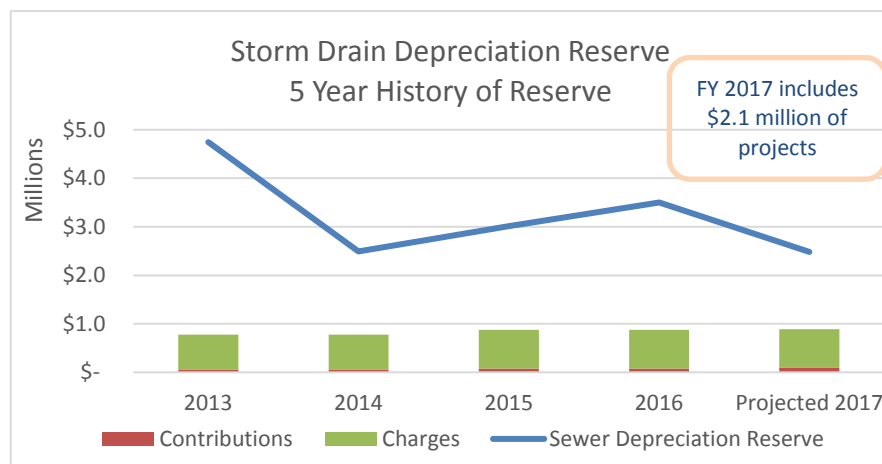
Purpose: The Storm Drain Depreciation reserves set aside replacement funds for storm drain capital assets and equipment that reach the end of their useful life and for major repairs to the storm drain system infrastructure.

Funding: The Storm Drain Depreciation Reserve is funded through depreciation charges based on the useful life of the assets and additional transfers from the operating fund. Additional one-time contributions are considered from available operating equity.

Fiscal Policy: The City will establish a Water, Sewer, Storm Drain and Golf Depreciation Reserve for costs associated with the major maintenance and capital improvement costs included in the Enterprise Fund budgets. The minimum reserve level shall be at a level equal to the projected three-year costs.

Discussion/Analysis and Assessment: The projected ending balance at June 30, 2017 is \$2.5 million and the three-year capital costs total \$3.9 million. Therefore, the Depreciation Reserve is underfunded by \$1.4 million.

The Storm Drain Depreciation Fund contributes \$830,000 based on depreciation funding and an additional reserve contribution of \$90,000 for a total contribution of \$920,000 in FY 2017-18. The depreciation funding amount is based on the estimated useful life of the capital assets. The additional contribution is estimated to fund past costs of the reserve.



Recommendation: No changes recommended.

Golf Depreciation Reserve

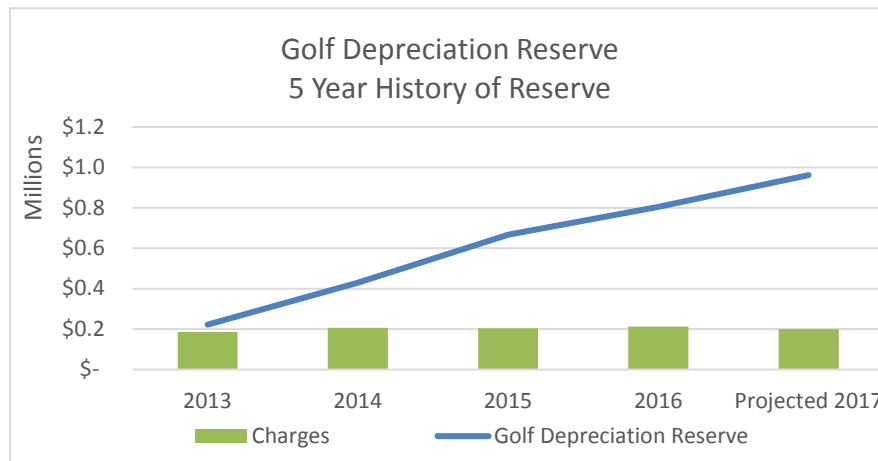
Capital/Infrastructure Reserve Category

Purpose: The Golf Depreciation reserve sets aside replacement funds for equipment, machinery, and buildings that reach the end of their useful lives. The Golf Depreciation Reserve is utilized for buildings, machinery, and equipment replacements, which can have lives between 5-50 years.

Funding: The Golf Depreciation Reserve is funded through depreciation charges based on the useful life of the assets and from contributions made under the lease arrangement with Wedgewood, the restaurant concessionaire.

Fiscal Policy: The City will establish a Water, Sewer, Storm Drain and Golf Depreciation Reserve for costs associated with the major maintenance and capital improvement costs included in the Enterprise Fund budgets. The minimum reserve level shall be at a level equal to the projected three-year costs.

Discussion/Analysis and Assessment: The available ending balance projected at June 30, 2017 is \$961,000. This amount does not include the receivable from an internal loan to Golf Operating, which is not considered available. Projected capital expenses for the next three years total \$283,000. Therefore, the Depreciation Reserve is currently funded. Annual amounts placed into this reserve are based on the depreciation of the assets.



Recommendation: No changes recommended.

Golf Improvement Reserve

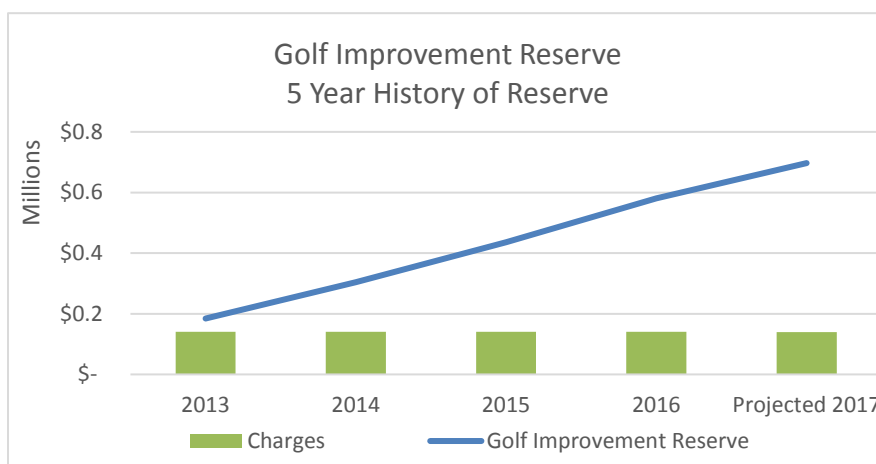
Capital/Infrastructure Reserve Category

Purpose: The Golf Capital Improvement Reserve was established to set aside funds for capital improvements in the Golf Course Fund. The Improvement Reserve is to provide funds for green and tee reconstruction, fencing and other miscellaneous golf improvements based on depreciation of these improvement assets.

Funding: The Golf Improvement Reserve is funded through depreciation charges based on the useful life of the assets.

Fiscal Policy: The City will maintain a Golf Capital Improvement Reserve for costs associated with capital improvements budgeted in the Golf Course Fund. The reserve will be maintained at a level at least equal to the projected three-year costs.

Discussion/Analysis and Assessment: The Golf Capital Improvement Reserve at June 30, 2017 is projected to have an ending balance of \$696,000. Projected expenses for the next three years total \$335,000. Therefore, the Improvement Reserve is currently funded. Annual amounts placed into this reserve are based on the depreciation of the golf improvements.



Recommendation: No changes recommended.

General Fund Emergency Reserve

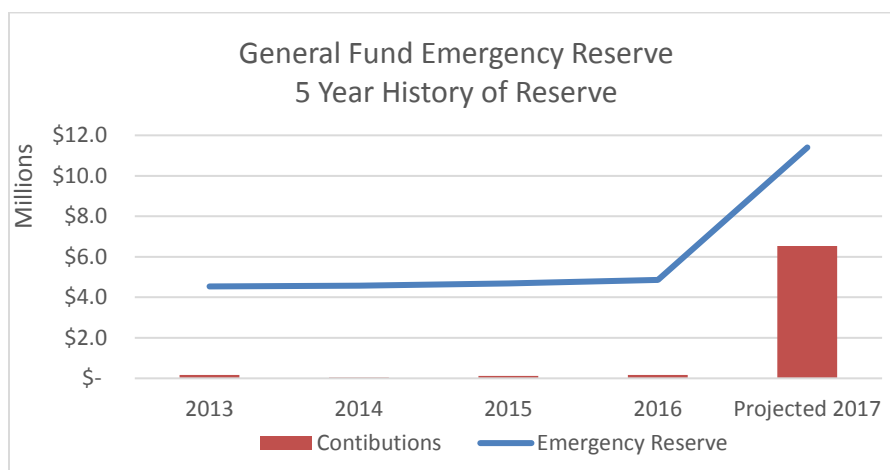
Emergency Reserve Category

Purpose: The City emergency reserves are to fund unanticipated costs from unforeseen disasters (fire, flood, earthquake, landslides or other disasters), to provide stability during a significant economic downturn where operating revenues decrease more than 10% and expenditure reductions cannot be achieved, or to offset a one-time loss of a state subvention.

Funding: The General Fund Emergency Reserve is funded through one-time transfers of unassigned fund balance. When this reserve is used, the Finance division will develop a plan as part of the Long Term Financial Plan to replenish the emergency reserve. This replenishment will be done through budgetary action and allocations of one-time resources.

Fiscal Policy: “Maintain an emergency reserve equal to 20% of operating expenditures of the General Fund. The primary purpose of this reserve is to provide stability during a significant economic downturn, or to offset a significant one-time loss of revenue. The reserve exists in order to provide short-term funds to protect the City’s essential service programs and funding requirements or to provide unanticipated or emergency expenditures that could not be reasonably foreseen during the preparation of the budget.”

Discussion/Analysis and Assessment: The Emergency Reserve provides resources to allow the City to continue operations in the occurrence of any serious conditions. In FY 2016-17, the Emergency Reserve and Sustainability Reserve were combined and the Emergency Reserve funding level was modified from 9% to 20%. The General Fund emergency reserve is a minimum of 20% of operating expenditures. This funding level is based on GFOA best practices which recommends emergency reserves equivalent to *at least* two month’s operating expenditures, or 17%. Funding the reserve at 20% provides for cost fluctuations during a particular month and conservatively exceeds the minimum recommendation (17%). In FY 2017-18, the reserve will increase to approximately \$12.0 million based on the forecast.



Recommendation: No recommendation.

Enterprise Emergency Reserve

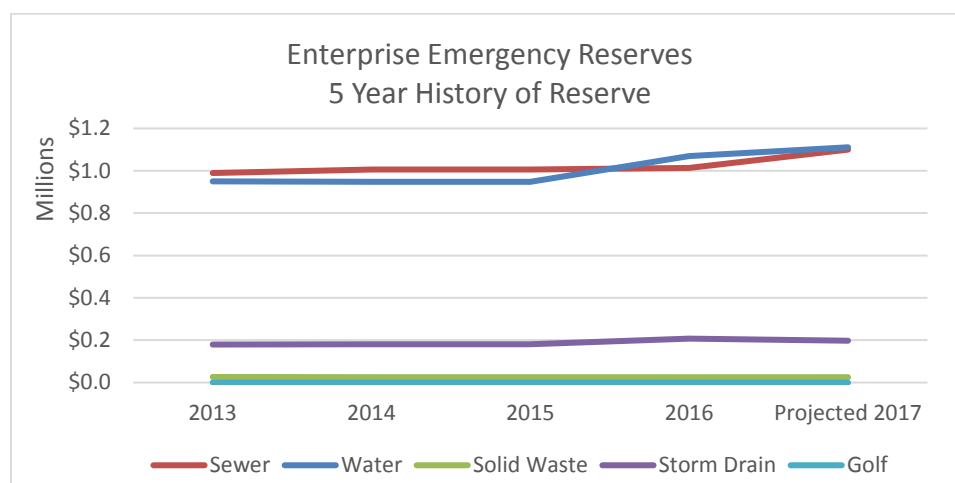
Emergency Reserve Category

Purpose: The City’s enterprise fund emergency reserves are to fund unanticipated costs from unforeseen disasters and to provide a financial buffer to prevent a need to dramatically change rates based on these unforeseen disasters.

Funding: The Enterprise Emergency Reserves are funded through one-time transfers of unassigned equity. After the use of this reserve, the Finance division will develop a plan as part of the Long Term Financial Plan to replenish the emergency reserve through rate changes or through cost savings over a set timeframe.

Fiscal Policy: “The City’s Enterprise Funds will maintain at a minimum reserve level at least equal to 12% of operating expenses. The primary purpose of these reserves is to set aside funds to provide for unanticipated or emergency expenses that could not be reasonably foreseen during the preparation of the budget.”

Discussion/Analysis and Assessment: Enterprise operating fund emergency reserves are funded at 12% of operating costs base on GFOA’s best practices. Operating costs exclude capital, transfers, debt, and purchased water costs. The 12% emergency reserve is fully funded for Water, Sewer, Storm Drain and Solid Waste Funds. The Golf emergency reserve is not fully funded, so the principal loan repayment to Golf capital reserves will be delayed and other funding opportunities, as they develop, will be considered to fully fund the emergency reserve.



The chart above summarizes reserve balances for each Enterprise Fund emergency reserve and the targeted reserve balance to maintain the 12% of operating costs level for the emergency reserve. Reserves based on the 12% emergency reserve level are as follows:

	Reserves at June 30, 2017	Reserves at June 30, 2018	Percentage
Water Fund	\$ 1,111,000	\$ 1,180,000	12%
Sewer Fund	1,100,000	1,133,000	12%
Golf Course Fund	-	251,000	Not funded
Storm Drain Fund	197,000	205,000	12%
Solid Waste Fund	25,300	27,000	12%

Recommendation: No changes recommended.

Accrued Leave Reserve

Miscellaneous Reserve Category

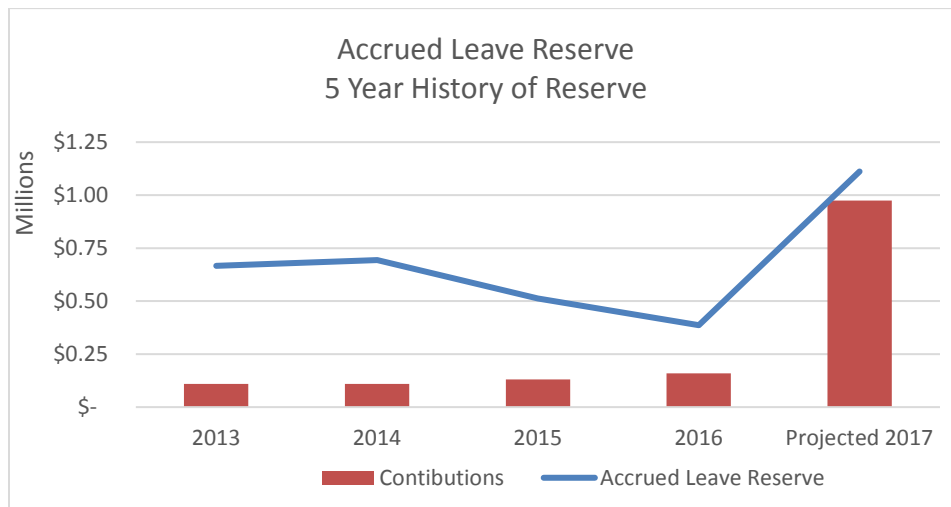
Purpose: The City reserves amounts for the payment of vacation and sick payoffs for General Fund eligible employees. Amounts are set aside in a separate reserve for this purpose. An annual amount is budgeted from this reserve to payoff General Fund employee's vacation and sick leave balances for employees eligible to retire based on the personnel policies of the City. These payments are due upon separating from the City.

Funding: The Accrued Leave Reserve is funded through transfers of unassigned General Fund balance. The reserve contribution is determined annually based on the reserve balance, funding requirements, and leave balances.

Fiscal Policy: Maintain an account to accumulate funds for the payment of accrued employee benefits to terminated employees. This reserve will be maintained at a level at least equal to projected costs for employees who are eligible for retirement.

Discussion/Analysis and Assessment: When a General Fund employee leaves employment, their accrued leave is paid from this reserve. The reserve requirement (accrued leave dollar value) fluctuates annually based upon the eligible employees, length of service, pay rates and hours accrued. At June 30, 2016, the total General Fund accrued leave liability was \$1.3 million, with \$0.4 million funded to provide funds for retirement eligible employees. In FY 2016-17, Council authorized the funding of the entire liability rather than just retirement age employees. Transfers totaling \$974,000 are budgeted in FY 2016-17 to fully fund this liability. The projected ending balance for the Accrued Leave Reserve as of June 30, 2017 is \$1.1 million and the projected ending liability is \$1.1 million.

The Accrued Leave Reserve is projected to be fully funded at June 30, 2017. General Fund unassigned fund balance contributions may be required in future years if the effect of salary/pay increases exceed returns on funds held in the Reserve or there are changes in City benefits.



Recommendation: No recommendation.

Pension Reserve

Miscellaneous Reserve Category

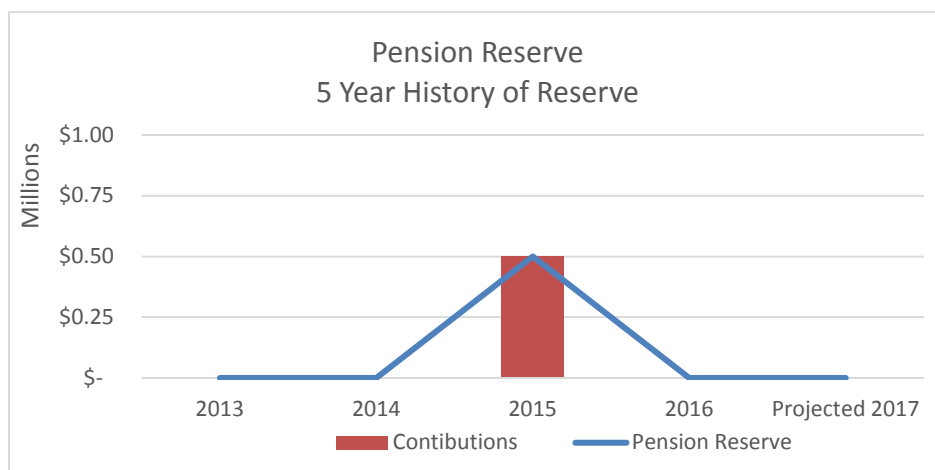
Purpose: The City created a pension reserve to offset any substantial modification to the pension rate increases resulting from changing of the retirement plan provider from Great West to CalPERS. This reserve is to be utilized to offset any pension rate changes once a new actuarial study was completed by CalPERS.

Funding: The Pension Reserve was funded in the amount of \$500,000 based on a FY 2014-15 one-time transfer of unassigned General Fund balance. There is no on-going funding mechanism.

Fiscal Policy: No formal policy exists.

Discussion/Analysis and Assessment: The conversion of the pension plan administration for General Employees to the California Public Employees Retirement System (CalPERS) fixed the pension rate for FY 2016 based on the transition actuarial plan determined rate. Based on the most recent actuarial valuation pension rates for the Miscellaneous employees are not increasing. The employer contribution rate decreased from 12% to just under 9% for FY 2016-17. However, the City has pension liabilities that cannot be fixed on a short term basis or overnight.

In order to address these pension liabilities on a long term basis, staff recommended utilizing the reserve to pay down the unfunded liability during FY 2015-16. This paydown action was done on the Marine Safety pension liability and the action was accomplished in June 2016 which will lower future contributions. The reserve balance at June 30, 2017 is \$-0-.



Recommendation: Remove the Pension Reserve from future Long Term Financial Plans.

State Revolving Loan Reserve

Miscellaneous Reserve Category

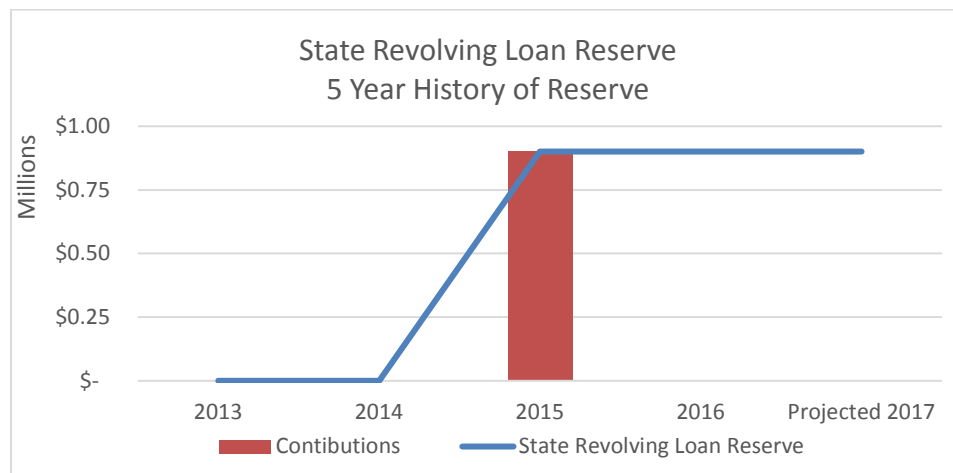
Purpose: The City of San Clemente entered into a loan agreement with the California State Water Resources Control Board under the Clean Water State Revolving Fund (CWSRF) loan program for financing construction of the Recycled Water System Expansion Project. As required under the State Revolving Loan, one year's annual debt service payment is to be maintained in a reserve.

Funding: The reserve was funded through a one-time contribution from the Operating Fund in the amount of \$900,600. This is equal to one year's debt service.

Fiscal Policy: The City will establish a restricted reserve in the Water Operating Fund equal to one year's debt service on the State Revolving Loan. The purpose of this reserve will be to provide a debt reserve as required under the State Revolving Loan financing agreement.

Discussion/Analysis and Assessment: The City loan amount outstanding as of June 30, 2017 is projected to be \$13.3 million. This loan is being amortized over a period of 20 years and the loan is anticipated to be paid in full in FY 2034-35.

The repayment of this loan is secured by the net revenues of the Water Fund with a revenue coverage level of 110% of the annual debt service. There is no change in the reserve level.



Recommendation: No recommendation.

General Liability Reserve

Miscellaneous Reserve Category

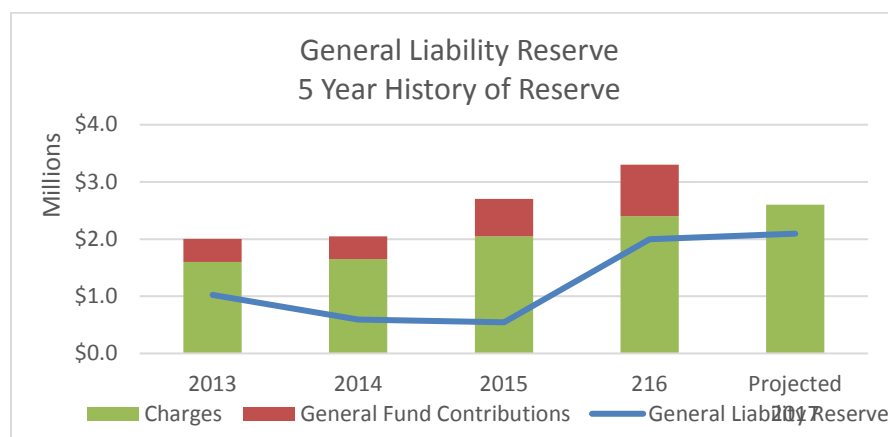
Purpose: The City is a member of California Joint Powers Insurance Authority (CJPIA). CJPIA administers programs for the pooling of self-insured losses, and the purchase of excess insurance or reinsurance. Losses excluded from the CJPIA coverage include 1) breach of contract, 2) land use entitlement, 3) eminent domain, 4) hazardous materials release, and 5) punitive damages. This reserve fund provides stabilization of the other fund charges and for losses not covered.

Funding: The General Liability Reserve is funded through charges to other funds. Charges are based on two key factors: 1) Five-year average of historical claims for risk by fund which accounts for 25% of the basis for the charge (limited to the claims coverage level). 2) A fund's budgeted expenditures as a percentage of total budgeted expenditures which accounts for 75% of the basis for the charge.

Fiscal Policy: Maintain a reserve in the City's self-insurance fund which, together with purchased insurance policies, adequately protects the City. The City will maintain a reserve of one times its annual insurance authority premium. In addition, the City will perform an annual analysis to document claims which are not covered by the insurance pool to which the City belongs, and reserve an additional appropriate amount to pay for such uncovered claims.

Discussion/Analysis and Assessment: The reserve requirement is at least one times the annual risk financing premium (contribution) to absorb contribution fluctuations based on claims activity. The City's CJPIA premium for FY 2017-18 is \$1.94 million, which would be the FY 2017-18 reserve requirement. The projected General Liability balance at June 30, 2017 is \$2.0 million.

The City owes a retrospective liability to CJPIA of \$1.2 million to be paid proceeds from land sales related to a subsidence claim which has entered the recovery stage. Land sale proceeds remaining after December 31, 2016 are estimated at approximately \$2 million. These will be used to pay the retrospective liability payment with excess land proceeds maintained in the General Liability fund to pay legal costs and claims not covered through CJPIA coverage. These claims include land use decisions and the expenses related to the administrative application of ordinances, resolutions or regulations.



Recommendations: Retain Bellota land sale proceeds in the General Liability Fund to pay the retrospective liability and to fund legal costs for land use and other claims not covered through CJPIA coverage.

Workers Compensation Reserve

Miscellaneous Reserve Category

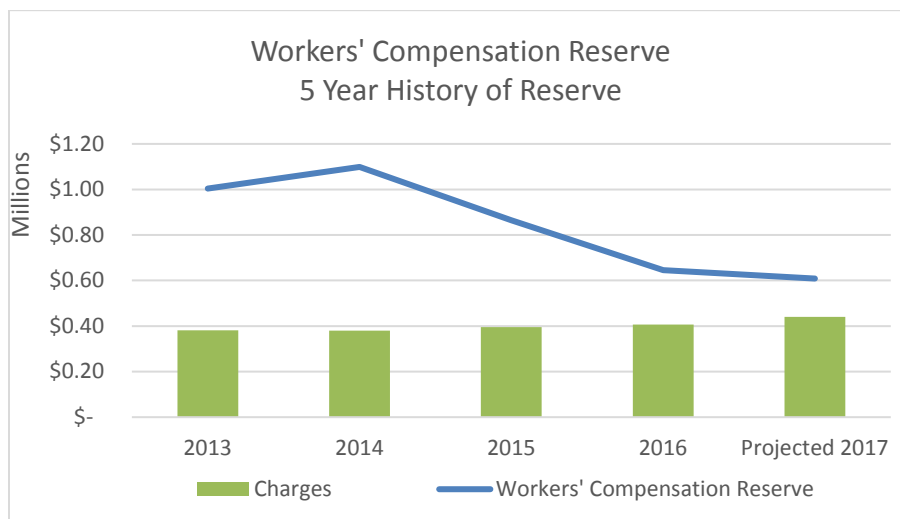
Purpose: The City is self-insured for Workers' Compensation coverage and purchases. The CSAC Excess Insurance Authority provides coverage for Workers' Compensation claims in excess of \$300,000, which is the City's Self-Insurance Retention (SIR) amount.

Funding: The Workers Compensation Reserve is funded through internal service charges to all City funds based on payroll costs. These charges are based on employee classifications and the type of work performed (e.g. manual labor, non-manual and clerical, etc.). These internal charges are placed into the Workers' Compensation Fund to pay workers compensation claims and administrative costs.

Fiscal Policy: Maintain a reserve at a level which, together with purchased insurance policies, adequately protects the City. The City will maintain a reserve of three times its self insurance retention for those claims covered by the insurance pool. In addition, the City will perform an annual analysis of past claims not covered by the insurance pool and reserve an appropriate amount to pay for uncovered claims.

Discussion/Analysis and Assessment: The City's fiscal policy requires a reserve equal to \$900,000 (three times the SIR). Staff modified the reporting of the reserve so claims reduce the asset amount to arrive at the reserve balance. At June 30, 2017, projected assets of \$1.5 million are reduced by the claims payable of \$0.9 million leaving a projected reserve balance at \$609,000. The City is under the reserve level by \$291,000, which is partially the result of a delay in excess insurance reimbursements and the reopening of claims which reduce the reserve.

Based on cash amounts available, current claims and anticipated recoveries, staff is recommending a 10% increase to future rates to fund the reserve costs. This will increase costs to funds by approximately \$44,000. Rate increases are anticipated in the future if costs and claims activity continue to increase.



Recommendation: No changes recommended.

Sewer Depreciation Reserve

Capital/Infrastructure Reserve Category

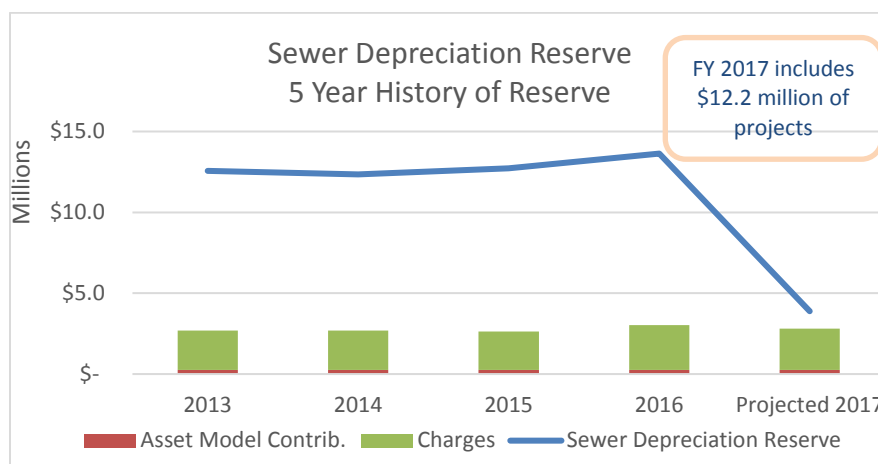
Purpose: The Sewer Depreciation reserve set aside replacement funds for sewer capital assets and equipment that reach the end of their useful life and for major repairs to the sewer system infrastructure. This reserve includes Other Agency infrastructure assets that are owned, operated and maintained by the South Orange County Wastewater Authority.

Funding: The Sewer Depreciation Reserve is funded through depreciation charges based on the useful life of the assets and additional transfers from the operating fund based on an Asset Model amount. Additional one-time contributions are considered from available operating equity.

Fiscal Policy: The City will establish a Water, Sewer, Storm Drain and Golf Depreciation Reserve for costs associated with the major maintenance and capital improvement costs included in the Enterprise Fund budgets. The minimum reserve level shall be at a level equal to the projected three-year costs.

Discussion/Analysis and Assessment: Sewer infrastructure reserves have been under funded for a long period of time. Council has taken action to increase contributions based on an asset model to narrow this funding gap. The projected ending depreciation reserve balance at June 30, 2017 is \$3.9 million if all projects are completed. The three-year capital costs total \$7.2 million. Therefore, the Depreciation Reserve is \$3.3 million under funded.

The Sewer Operating Fund contributes \$2.6 million based on depreciation and \$0.3 million to set aside funds for assets that are not owned by the City. The depreciation funding amount is based on the estimated useful life of the capital assets. The reserves underfunding level has improved over time. Funding of the contributions should be maintained and if significant one-time resources are received staff will consider additional contributions to the depreciation reserves.



Recommendation: No changes recommended.

ATTACHMENT A – Insurance Charges

General Liability charges

The following table shows the calculations for charges to other funds for FY 2018:

	% of Past Claims (25%)	% of Budgeted Expenditures (75%)	Total % of General Liability Charges (weighted average)	Total Charge for General Liability FY 2018	Total Charge for General Liability FY 2017
General Fund	75.3%	65.7%	62.9%	\$ 2,041,760	\$ 1,571,150
Water Fund	2.7%	17.8%	16.8%	419,680	419,920
Sewer Fund	19.5%	7.5%	12.6%	314,320	314,410
Solid Waste Fund	0.0%	0.2%	0.2%	5,330	4,120
Storm Drain Fund	2.5%	1.0%	2.1%	41,850	53,770
Golf Course Fund	0.0%	1.8%	1.7%	41,880	42,760
Clean Ocean Fund	0.0%	2.3%	1.0%	50,980	26,200
Central Services Fund	0.0%	0.5%	0.4%	11,590	10,300
Information Services Fund	0.0%	2.1%	1.4%	47,460	35,270
Fleet Maintenance Fund	0.0%	1.1%	0.9%	25,150	22,100
Total	100.0%	100.0%	100.0%	\$3,000,000	\$2,500,000

Workers Compensation charges

The following rates are in effect for FY 2017:

8810	Clerical	\$0.54/\$100 of payroll
9410	Non-Manual	\$1.55/\$100 of payroll
9420	Manual Labor	\$5.11/\$100 of payroll

The proposed rates for FY 2018 are:

8810	Clerical	\$0.59/\$100 of payroll
9410	Non-Manual	\$1.70/\$100 of payroll
9420	Manual Labor	\$5.60/\$100 of payroll



Fiscal Policy

Objective

Review the City's adopted Fiscal Policy on an annual basis in order to determine appropriate changes, additions or deletions.

Background

A review of the City Council adopted Fiscal Policy is conducted on an annual basis in conjunction with the preparation of the Long Term Financial Plan. This review is performed in order to document proposed new policies identified through the preparation of the Long Term Financial Plan. Additionally, as circumstances change, there is sometimes a need to modify existing fiscal policy statements.

The Fiscal Policy statements are presented by major categories, which include:

- Core Values of Financial Sustainability
- Operating Budget
- Revenue
- Expenditure
- Utility Rates and Fees
- Capital Improvements
- Short Term Debt
- Long Term Debt
- Fund Balance and Reserves
- Investment Policies
- Accounting, Auditing, and Financial Reporting
- Long Term Financial
- Risk Financing

A **Status** for each Policy Statement is presented, with a ✓ for "in compliance", or ✗ if the policy is "not in compliance" with the current Policy statement.

Comments are provided next to many of the policy statements to provide additional relevant information to the reader. Unless otherwise noted, reserve balances provided in the comment sections are based on projected numbers as of June 30, 2017, presented within the Reserve Analysis Paper in this year's Long Term Financial Plan.

Executive Summary

One change is being proposed to the City's Fiscal Policies. It is recommended that the City's policy regarding establishing and maintaining a formal compensation plan for all employee salary or wage ranges be amended to include that a formal salary schedule is approved and adopted by the City Council and that the adopted schedule is made publicly available.

It is considered a best practice to ensure that salary and wage information is formally approved by the City Council and is transparent to the public. In addition, the California Code of Regulations, Section 570.5 addresses the requirement for a Publicly Available Pay Schedule, pursuant to California Government Code Section 20636 regarding public employee retirement systems. Section 570.5 states, in part, that "*pay rate shall be limited to the amount listed on a pay schedule...*" and that such schedule "*...has been duly approved and adopted by the*

employer’s governing body...” and is “...available for public review from the employer during normal business hours or posted on the employer’s website.”

Although no formal City policy currently exists, for many years the City has maintained a salary schedule for every approved position title, showing the City Council approved pay rate for each identified position. The City currently posts the salary schedule on the City’s website. It is staff’s desire to formalize that practice by amending the current Fiscal Policy.

Based on the above, following is a proposed change to the current Fiscal Policy:

1. Accounting, Auditing & Financial Reporting Policies:

Current Policy Statement	Proposed Policy Statement
<p>Policy #42 Establish and maintain a formal compensation plan for all employee salary or wage ranges.</p>	<p>Policy #42 Establish and maintain a formal compensation plan for all employee salary or wage ranges and maintain a formal salary schedule for every approved position title showing the current pay rate for each identified position. The salary schedule will be approved and adopted by the City Council and will be made publicly available.</p>

Recommendation

1. Modify the current Fiscal Policy to include the requirement that a formal salary schedule for every approved position title showing the current pay rate for each identified position be approved and adopted by the City Council and that the salary schedule will be made publicly available.

Core Values of Financial Sustainability

Financial stability – The City will create financial stability to provide the community with a consistent and adequate level of public services. The City will take a long-term approach to its finances by developing and maintaining long-term plans, carefully weighing the cost and benefits of development opportunities and adhering to sound debt, reserve and investment policies.

Quality of life and local economic vitality – The City will provide effective and efficient services to ensure a safe and healthy atmosphere for its residents, businesses and visitors, while preserving and enhancing its unique cultural and environmental attributes.

Accountability and Financial Planning – The City will institute financial planning that ensures City services are provided at the best value, and that the services are in alignment with the needs and wants of the community.

Environmental and economic sustainability – The City’s financial strategy will support continued investment in the renovation and maintenance of physical infrastructure/facilities and in policies and programs that support a clean and healthy natural environment.

Transparency and engagement – The City will be accountable for producing value for the community by producing planning and report mechanisms that make it clear how the City plans to use its resources to achieve the community vision. The City is committed to engaging the public as a partner in formulating plans and delivering services.

Fiscal Policy Statement	Status	Comments
Operating Budget Policies		
1 The City will adopt a balanced budget by June 30 of each year. A balanced budget is defined as one in which total expenditures equal total revenue. An entity has a budget surplus if expenditures are less than revenues. It has a budget deficit if expenditures are greater than revenues.	✓	
2 An annual base operating budget will be developed by verifying or conservatively projecting revenues and expenditures for the current and forthcoming fiscal year.	✓	

Fiscal Policy Statement	Status	Comments
3 Current revenues will be sufficient to support current operating expenditures and a budgeted positive operating position will be maintained.	✓	
4 The City will annually review the General Fund operating position to determine if funds are available to operate and maintain future capital facilities. If funding is not available for operations and maintenance costs, the City will delay construction of the new facilities.	✓	
Revenue Policies		
5 The City will try to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source.	✓	
6 The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis, as appropriate.	✓	
7 All City Council-established General Fund User fees will be reviewed and adjusted annually as part of the budget process by each City department and the analysis with recommended changes will be provided to the City Council. The basis for adjustment will be the cost of providing services, inflationary impacts, or other budgetary factors as appropriate. User fees will be established to recover the full cost of services provided, except when the City Council determines that a subsidy from the General Fund is in the public interest.	✓	Annual review is presented in the Fee Schedule section of the Operating Budget.
8 One-time operating, capital, and reserve revenues will be used for one-time expenditures. Exceptions must be formally adopted by Council Action and may only offset operating expenditures for a limited time period of less than five fiscal years.	✓	
9 The City will annually identify developer fees and permit charges received from “non-recurring” services performed in the processing of new development and use those funds to meet peak workload requirements.	✓	

Fiscal Policy Statement	Status	Comments
10 General fund revenue categories (sales tax revenue by example) may not be committed directly to fund a specific expenditure line item or program.	✓	
Expenditure Policies		
11 The purchase of new or replacement capital equipment with a value of \$5,000 or more and with a minimum useful life of two years will require budget approval.	✓	
12 The City will annually project its equipment replacement and maintenance needs for the next five years and will update this projection each year. A maintenance and replacement schedule will be developed and followed.	✓	
Utility Rates and Fees Policies		
13 The City will set fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity. Indirect costs include the cost of annual depreciation of capital assets and overhead charges.	✓	Annual review completed. Water rates increased 4.0% and Sewer rates increased 2%, effective August 1, 2016.
14 Utility rates will be established for each of the next five years and this rate projection will be updated annually.	✓	
Capital Improvement Budget Policies		
15 The City will make all capital improvements in accordance with an adopted capital improvement program and will include an annual six-year plan for capital improvements (CIP design, development, implementation, and operating and maintenance costs). The first year of the six-year plan must be fully funded in the adopted budget. Projects that are not fully funded must be removed or delayed until adequate funding exists for design, construction, operating and maintenance.	✓	47 new Capital projects totaling \$20.1 million were included in the FY 2016-17 CIP Budget

	Fiscal Policy Statement	Status	Comments
16	Capital improvement projects must project operating and maintenance costs for the five-year forecast period to ensure that future year budgets maintain a positive operating position.	✓	
17	The Park Acquisition & Development Fund and other special development impact funds may only be used to fund facilities included in the Master Plan for City Facilities.	✓	
Short-Term Debt Policies			
18	The City may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Council approval by ordinance or resolution.	✓	
19	The City may issue interfund loans to meet short-term cash flow needs. Short-term is defined as a period of one year or less. Interfund loans will be permitted only if a specific source of repayment is identified within the “borrowing” fund. Excess funds must be available and the use of these funds will not impact the “lending” fund’s current operations. The prevailing interest rate, as established by the City Treasurer, will be paid to the lending fund. Short-term interfund loans require Council approval.	✓	
Long-Term Debt Policies			
20	The City will confine long-term borrowing to capital improvements that cannot be funded from current revenues.	✓	

Fiscal Policy Statement	Status	Comments
21 The City may issue long-term interfund loans to fund capital improvements. Interfund loans will be permitted only if a specific source of repayment is identified within the “borrowing” fund. Excess funds must be available and the use of these funds will not impact the “lending” fund’s long-term operations. Long-term interfund loans will be fully amortized (principal and interest included in payment). The prevailing interest rate and duration of the loan will be established by the City Treasurer. Principal and interest will be paid to the lending fund. Long-term interfund loans require Council approval. Long-term interfund loans will be disclosed in the City’s annual Operating Budget.	✓	The Golf Fund borrowed \$750,000 from the Workers’ Compensation Self-insurance reserve on July 1, 2012. The loan will be paid in full by June 30, 2017.
22 The City will establish and maintain a Debt Policy.	✓	
23 The City will establish a restricted reserve in the Water Operating Fund equal to one year’s debt service on the State Revolving Loan. The purpose of this reserve will be to provide a debt reserve as required under the State Revolving Fund loan financing agreement.	✓	

Fund Balance and Reserve Policies

24 The City will maintain emergency reserves equal to 20% of operating expenditures of the General Fund. The primary purpose of this reserve is to provide stability during a significant economic downturn, or to offset a significant one-time loss of revenue. The reserve exists in order to provide short-term funding to protect the City’s essential service programs and funding requirements or to provide for unanticipated or emergency expenditures that could not be reasonably foreseen during preparation of the budget.	✓	Emergency Reserve = \$11.4 million, or 20%, of General Fund operating expenditures.
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	Fiscal Policy Statement	Status	Comments
25	The City will maintain emergency reserves equal to 12% of the operating expenses for Enterprise Funds. The primary purpose of these reserves is to protect the Funds during periods of economic downturn, other unanticipated expenses, or emergency expenses that could not be reasonably foreseen during preparation of the budget.	--	Emergency Reserves for: Water = \$1,111,000; Sewer = \$1,100,000; Storm Drain = \$197,000; Solid Waste = \$25,300; and Golf = not funded
26	The City will establish an account to accumulate funds to be used for payment of accrued employee benefits for terminated employees. The level of this reserve will be maintained at a level at least equal to projected costs for employees who are eligible for retirement.	✓	Accrued Leave Reserve = \$1,111,0000
27	The City will establish a Capital Equipment Replacement Reserve and a Facilities Maintenance Capital Asset Reserve for the accumulation of funds for the replacement of worn and obsolete equipment other than vehicles and for costs associated with the maintenance of all City facilities. These reserves will be maintained at a level at least equal to the projected five-year capital asset replacement and maintenance costs.	--	Capital Equipment Reserve = \$1,547,000; Facilities Maintenance Reserve = \$2,437,000
28	The City will establish Water, Sewer, Storm Drain and Golf depreciation reserves for costs associated with the major maintenance and capital improvement costs included in the Enterprise Funds. The minimum reserve level shall be at a level equal to the projected three-year capital and major maintenance costs.	--	Sewer Depreciation Reserve = \$3.9 million; Golf Depreciation Reserve = \$961,000; Water Depreciation Reserve = \$4.5 million; and Storm Drain Depreciation Reserve = \$2.5 million

	Fiscal Policy Statement	Status	Comments
29	The City will establish a Golf Course Improvement reserve for costs associated with capital improvements budgeted in the Golf Course Fund. The reserve will be maintained at a level at least equal to the projected three year costs.	✓	Golf Course Improvement reserve = \$696,000
30	The City will establish a Park Asset Replacement Reserve with a target of \$1.2 million for the replacement of park assets in the future. The reserve balance will be reviewed annually and funded through one-time revenues or undesignated General Fund balance transfers, when available.	--	Park Asset Replacement Reserve = \$1,192,000
31	The General Liability self-insurance reserve will be maintained at a level which, together with purchased insurance policies, adequately protects the City. The City will maintain a reserve of one times its annual insurance authority premium. In addition, the City will perform an annual analysis to document those claims which are not covered by the insurance pool to which the City belongs, and reserve an additional appropriate amount to pay for such uncovered claims.	✓	General Liability Reserve = \$2,000,000
32	The Workers' compensation self-insurance reserve will be maintained at a level which, together with purchased insurance policies, adequately protects the City. The City will maintain a reserve of three times its self insurance retention for those claims covered by the insurance pool (of which the City is a member). In addition, the City will perform an annual analysis of past claims not covered by the insurance pool, and reserve an appropriate amount to pay for uncovered claims.	--	Workers Compensation Reserve = \$609,000
33	The City will establish a Fleet Replacement Reserve for costs associated with the replacement of vehicles and other rolling stock (such as trailers, compressors or other equipment on wheels) as they become unserviceable, obsolete or reach a predetermined service life. The reserve will be maintained at a level at least equal to the projected five-year fleet replacement costs.	✓	Fleet Replacement Reserve = \$4.3 million

Fiscal Policy Statement	Status	Comments
Investment Policies		
34 The City Treasurer will annually submit an investment policy to the City Council for review and adoption.	✓	
Accounting, Auditing & Financial Reporting Policies		
35 The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles and standards of the Government Accounting Standards Board.	✓	
36 An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report, including an audit opinion.	✓	
37 A fixed asset system will be maintained to identify all City assets, their condition, historical cost, replacement value, and useful life.	✓	A Fixed Asset inventory is maintained as part of GASB34
38 Quarterly financial, capital improvement program and investment reports will be submitted to the City Council and will be made available to the public.	✓	
39 An annual revenue manual will be prepared after the close of the fiscal year. The manual will provide information on the revenue source, legal authorization, timing of receipts and historical collection over the last five year period. Fee schedules or calculations will also be provided.	✓	
40 Full and continuing disclosure will be provided in the general financial statements and bond representations.	✓	
41 A good credit rating in the financial community will be maintained.	✓	Standard & Poor's = AAA
42 Establish and maintain a formal compensation plan for all employee salary or wage ranges.	✓	

	Fiscal Policy Statement	Status	Comments
43	Establish a position control system to ensure that staffing levels are maintained at the levels approved by City Council.	✓	
Long Term Financial Policies			
44	Annually prepare a five year forecast that maintains the current level of services, including known changes that will occur during the forecast period. If the forecast does not depict a positive operating position in all five-years of the forecast, the City will strive to balance the operating budget for all years included in the five-year financial forecast.	✓	
45	Annually evaluate trends from a budget-to-actual perspective and from a historical year-to-year perspective to identify areas where resources have been over allocated. This would improve the accuracy of revenue and expenditure forecast by eliminating the impact of recurring historical variances.	✓	Reviewed during the budget process
Risk Financing Policies			
46	The City will maintain adequate insurance coverage, pooled coverage, or self-insurance for general liability, property, errors and omissions, subsidence, automobile liability, workers' compensation, and other identified loss exposures.	✓	
47	The City will maintain a risk financing strategy, which shall include an annual review of insurance policy limits, types of coverage, reserve requirements, and self-insurance limits, if applicable.	✓	

Legend:

✓ Budget Complies with Fiscal Policy Standard

-- Fiscal Policy Standard is not met in Budget



Capital Projects Analysis

Objective

To provide a summary of significant projects and programs within the Public Works Department Capital Improvement Program. This analysis will review funding challenges facing the City in implementing capital projects in both the near and long-term.

Executive Summary

Addressing deferred maintenance will continue to be the theme for the foreseeable future in the City's General Fund capital outlay. Finding a balance to sustain all assets at an adequate level of service while balancing the City's other financial needs will become more burdensome in future years as a result of aging infrastructure that has performed beyond its useful life. The General Fund unassigned balance funding utilized to implement replacement and rehabilitation capital projects can only sustain a portion of the planned 6-year capital outlay, and is becoming more difficult to prioritize due to new projects and opportunities competing with the needs of projects that can no longer be deferred. Deferral of maintenance has been a factor over the past decade as it was used to mitigate short-term capital project financial needs in implementing City priorities and projects through the unassigned General Fund balance. However, continuing to defer maintenance of some assets is not sustainable, and if continued will compound funding needs to create even larger financial obligations that ultimately cannot be avoided. With the implementation of the Computerized Maintenance Management System (CMMS), the Public Works Department is taking a proactive approach towards the stewardship of the City's limited resources. The insight gained in the next few years through optimization and use of the CMMS will assist in the baseline data required to develop an infrastructure policy in future years. This policy is envisioned to identify and to obligate funding amounts based on rehabilitation and replacement costs of all City asset classes to maintain City infrastructure at an adequate service level for the community.

Background

There are many current and future capital improvement project obligations that will need to be balanced in conjunction with the City's future financial resources. Maintaining a positive operating position in the General Fund while balancing the needs of increasing costs for maintenance and replacement of assets is becoming more difficult, and is expected to continue as a long-term trend in future year budgets as more and more assets reach the end of their useful life and funding obligations increase.

This paper is subdivided into three sections and will address:

1. An update on significant capital projects being pursued by the City,
2. An overview of the status of the Capital Improvement Program, and
3. An update on the status of the Asset Management Program.

Significant Projects

Major projects identified in 6-year capital outlay that will be funded from the General Fund are listed in the table below. A significant project is defined as a project that is estimated to cost a total of \$1M or more. The table provides a summary of these projects and the funding obligations associated with completing them.

General Fund Projects

Activity Project Name	Funding Source	Estimated Project Cost	Required Funding
USACE Sand Project	General Fund	\$12,300,000 ¹	\$600,000 ²
Marine Safety Rehabilitation	General Fund	\$850,000	\$750,000 ³
Municipal Pier Rehabilitation	General Fund	\$2,000,000	\$600,000 ⁴
T-Street Restrooms / Concession Building	General Fund	\$310K - \$1.6M	TBD ⁵
City Hall Study / Temporary Civic Center	General Fund	TBD	\$800,000 ⁶

¹Project cost includes \$1.1M for design and \$11.3M for initial construction. City's cost share with Federal Government at 25% for design and 35% for initial construction with addition of CA grants. The City has contributed a total of \$252,000 from the General Fund for the design phase of the project.

²The City has been approved for a construction grant from the California Department of Boating and Waterways which will fund 85% of the projects initial construction. Initial project construction is estimated at \$4M and projected in FY 2019.

³Construction funding is being recommended to be shared equally between the General Fund (50%) and the Public Safety Reserve (50%).

⁴\$1.4M is currently budgeted in the Capital Improvement Program for the project. Construction funding in the amount of \$500,000 is needed for the construction phase.

⁵Project costs are contingent on the selected minor or major improvement options; \$850,000 is currently budgeted.

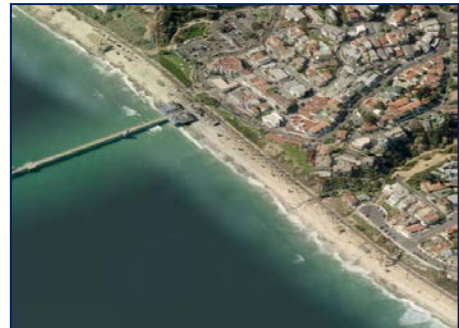
⁶A study is being recommended as part of the 2018 Capital Improvement Program budget. Funding is being recommended to be shared equally between the General Fund (50%) and Civic Center Fund (50%).

A detailed review including project history, status and funding obligations of each project can be found below. Refer to the **Appendix** sections as referenced in selected issue papers for further background information.

U.S. Army Corps of Engineers Sand Project

Project Background:

The beach sand replenishment project approved by the Corps of Engineers for San Clemente involves placing 251,000 cubic yards of sand to widen the beach about 50 feet from Linda Lane to south T-Street, a distance of about 3,400 feet. The sand would come from an offshore borrow site near Oceanside and be transported by barge to San Clemente, where it would be pumped via a floating pipe for placement on the beach. It is estimated that the beach would need to be replenished every six years on average over a 50-year project life, although the City wouldn't be committed to the project for this entire timeframe and could opt to not pursue future sand replenishment cycles.



The project was authorized in the 2014 Water Resources Reform and Development Act (WRRDA) which makes it eligible for inclusion in a future Federal budget for construction funding. Before

that can occur the design phase must be completed, which includes two years of pre-construction monitoring required by environmental approvals for the project. In August 2016 the City executed a design phase cost sharing agreement with the Corps, and subsequently provided the entire City share of the design phase cost to the Corps. The Corps is now proceeding with design phase work which will last into late 2018. The City will soon receive a grant reimbursement from the State Division of Boating and Waterways (DBW) for most of the City’s design phase cost. If the construction phase is approved in a future Federal budget and the City provides its required construction phase cost sharing contribution (see below), sand placement could occur as soon as early 2019.

Expenditures:

The cost for the approved project is estimated at \$11.3 million for the initial sand placement, with the Corps providing 65% of the cost (\$7.3 million) and the City providing 35% of the cost (\$4 million). The City applied for and received approval of a \$3.4 million grant from DBW (the maximum allowed) for the construction phase, and a grant funding agreement will be presented to the City Council this spring for approval. With this grant and based on the current project construction estimate, the City would only need to provide \$600,000 in local matching funds, which would be needed in FY 2018-19. This funding would need to come from the General Fund or some other potential funding source. The following table summarizes the cost obligations of initial design and construction phases:

Phase	Cost Share	Federal Share (millions)	City Share (millions)	Total (millions)
Design	65% Federal 35% City	\$0.71	\$0.39 <i>PAID Sept. 2016</i>	\$1.1
Initial Construction	65% Federal 35% City	\$7.3	\$4.0 <i>DBW Grant \$3.4</i> <i>Net City Share \$0.6</i>	\$11.3

Potential Cash Flow Issues:

Grant funding approval for the USACE Sand Project offsets the impact to the General Fund by \$3.4M. An appropriation of \$600,000 could be needed as soon as FY 2018-19 (depending on timing of Federal construction approval) to fund the remaining portion of the City’s cost-sharing obligation for the construction phase of the project.

Opportunistic Sand Replenishment Project

Project Background:

In late 2016 the County of Orange dredged material from the lower Santa Ana River, and 12,000 cubic yards of beach quality sand from that project was placed on the City’s beach at North Beach. Sometime during FY 2017-18 there may be another potential opportunistic project related to the County’s plans to dredge a portion of San Diego Creek. In anticipation of a possible additional opportunistic project, staff will recommend an FY 2017-18 allocation of \$250,000 for more sand at North Beach, and/or Linda Lane Beach depending on sand availability, costs and permit requirements.

Potential Cash Flow Issues:

Few details are available at this time about the possible County project, including available sand quantity and possible County cost-sharing participation. Therefore the cost to the City is unknown at this time and the proposed funding request above should be considered a placeholder if the City Council wishes to consider pursuing another sand replenishment project if the opportunity arises. Once more details become available, staff would provide the City Council with a detailed report and recommendation for consideration.

Marine Safety Building Rehabilitation

Project Background:

The City's Marine Safety Building is a one story building located on the beach just north of the San Clemente Pier and houses the lifeguard services. The building was constructed in 1968 and is subject to severe marine exposure and direct wave splash during elevated surf. The rectangular building is approximately 5,500 square feet with a 30 feet tall clock tower above the building roof line. The structure was built with wood, has composite asphalt shingles, wood and stone veneer siding along with a slab on grade and conventional spread footings and grade beams. There is an existing sheet pile wall between the building and the surf intended to protect the building from waves. However, in large surf conditions the sheet pile is overtopped by waves and some wave energy is dissipated directly by the suspended portion of the structure.



Due to the harsh marine environment and impact from waves throughout the years, the structure and sheet pile are in need of rehabilitation to extend the life of the structure for approximately another 10 years before additional rehabilitation or replacement may be needed. There was a rehabilitation of the building in 1986 for the concrete pile caps and structural slabs on the south side. Another rehabilitation was designed in 2003 to repair the sheetpile bulkhead and to make slope protection improvements under the building, but the work was deferred due to the potential for sand replenishment. Unfortunately, the deferred project has now left the building with improvements that are necessary to protect the building from wave action.

Transystems was hired to evaluate the building condition and prepared a condition assessment report that was completed on November 14, 2016. The report recommended rehabilitation of the roof framing, wood deck, timber guardrails, catwalk, concrete repairs to the foundation and beams, slope protection, sheetpile replacement and building siding improvements.

Expenditures:

The current Marine Safety Building Rehabilitation is estimated to cost a total of \$850,000. In FY 2015-16, \$100,000 was budgeted from the Facility Maintenance Reserve for assessment of the structure and design of the rehabilitation. Construction funding in the amount of \$750,000 is recommended to be cost shared equally between the Public Facilities Construction Fee Fund and will be proposed as part of the FY 2017-18 Capital Improvement Program budget.

Potential Cash Flow Issues:

Marine Safety Building is in need of immediate rehabilitation to extend its useful life for approximately another 10 years. In future years, another assessment should be conducted to determine the extent of additional rehabilitation or replacement needs.

Municipal Pier Rehabilitation

Project Background:

The municipal pier is considered one of the City's most treasured public assets by residents and visitors alike. The pier was originally constructed by the San Clemente's founder, Ole Hanson, in the late 1920's. Since that time, the 1,250 foot long structure has been a prominent landmark of southern Orange County and clearly identifies San Clemente from coastal waters.



Due to the harsh marine environment and storms throughout the years, the pier has undergone numerous repairs and reconstruction on a cyclical basis over the past 20 years. In the mid-1980's, 440 feet of the pier was destroyed and reconstructed due to high surf produced by a severe winter storm. Every few years, pilings were replaced until more recent major repairs and rehabilitation work completed in 2005 and 2011 was performed to address deterioration and maintain the overall integrity and safety of the pier structure. Work performed in 2011 included partial replacement of piles, bracing and decking, electrical upgrades, installation of new lights, new sewer line, corrosion protection for the steel piles and related incidental improvements. The project totaled \$2.8M and was funded from the City's Redevelopment Agency. More recently In the Spring of 2016, a Pier Plank Replacement project was completed for the most deteriorated planks which extended from the base of the pier to just beyond the Fisherman Restaurant.

Significant pier capital improvements are grouped into two separate projects in the 6-year capital outlay proposed to take place within 6 years of each other. A rehabilitation is currently under design and is expect to be in construction in the Fall of 2018. Since the last major rehabilitation in 2011 the pier has lost 4 piles. A pre-design condition assessment has been completed to evaluate structural, electrical, mechanical systems and included a dive inspection of the timber

and steel piles. The dive inspection revealed that some of the steel piles were more severely corroded than expected and would necessitate further analysis to evaluate pile replacement and corrosion protection needs. An amendment to the contract was approved by the City Council to incorporate the additional design services required to address the steel piles on June 13, 2016. Construction of the pier rehabilitation was originally planned for the Fall of 2016, but was delayed due to periods of extended high surf during planned inspection dives, and to incorporate contract design changes. Major improvements include replacement of timber piles, deteriorated timber decking and bracing, guard railing replacement, mechanical piping, cathodic protection and amenity improvements. The work will be anticipated to commence in the Fall of 2017 and be completed by Spring of 2018.

A future comprehensive repair project is projected in FY 2022-23 and 2023-24. Similar to the rehabilitation project currently being pursued, future work will include systematic replacement of timber piles, decking, bracing and railing to maintain the integrity of the pier. Additionally, it is anticipated that recoating of all the steel pile caps, recoating of the steel beams and replacement of the cathodic protection system will be needed. The full scope and budget of these improvements will not be known until a future assessment is conducted to determine the extent of deterioration. A total project cost of \$2,800,000 is estimated as a projection for improvements anticipated for design in FY 2022-23.

Expenditures:

The current Municipal Pier Rehabilitation is estimated to total \$2M. A total of \$1.4M was budgeted in previous years from the General Fund for the design and construction of the project. An additional \$600,000 will be proposed in the FY 2017-18 Capital Improvement Program budget to allocate sufficient funds anticipated to construct the project.

Potential Cash Flow Issues:

Pier improvements were once funded from the City's Redevelopment Agency, which was dissolved by the state in 2011. Given the dissolution of the Redevelopment Agency, the funding must now come from the General Fund. Pier rehabilitation is funded through the Facilities Maintenance Reserve in order to set aside funding for cyclical rehabilitation and replacement.

T-Street Restroom and Concession Buildings



Project Background:

Per City Council direction, staff embarked on a program to rehabilitate the beach restrooms. The Base of Pier Restroom was the most recent beach restroom to be rehabilitated, and it was

finished in a Spanish Colonial style because it is located in an architectural overlay zone. For the prior South T-Street Restroom rehabilitation, the City Council approved a “functional repair” which involved installing new roof shingles, replacing rotted wood, sealing the concrete floor and interior and exterior painting. The existing architectural style was not changed since that restroom is not within an architectural overlay zone and since the level of repair did not trigger General Plan requirements for Spanish Colonial architecture.

Staff developed alternatives to rehabilitate the T-Street Concession and T-Street Restroom buildings, including evaluation of using pre-fabricated buildings and constructing a new combined concession/restroom building. In 2016 the Beaches Parks & Recreation Commission recommended that the City Council approve moving forward with a functional repair of these buildings in their existing locations and current architectural styles. For the T-Street restroom, the functional repair involves fixing a leaking roof, painting, floor sealing and replacing any broken fixtures. For the T-Street Concession, the functional repair involves repairing architectural woodwork to floors, walls & front counters, installing insulation, repairing the roof, painting the interior and exterior, fixing mechanical, electrical and plumbing deficiencies, making miscellaneous site work and structural repairs around the Concession and Patio Area, installing interior required public health improvements, and providing visual ADA improvements such as painting and signage and create an ADA path of travel on the side of the structure.

Expenditures:

The estimated construction costs for the functional repairs of the concession and restroom buildings are \$250,000 and \$60,000, respectively. More extensive rehabilitation approaches for these buildings to fully meet current ADA and Building Code requirements would increase the estimated construction costs to about \$500,000 for the restroom building and \$580,000 for the concession building. Since then, staff also confirmed that the sheet pile walls installed in front of these buildings have completely corroded and are essentially non-existent. New sheet pile walls for the concession and restroom buildings are roughly estimated at \$350,000 and \$175,000, respectively. There is about \$850,000 available in the approved budget for this project. While the budget appears to have sufficient funding to accomplish functional repairs with new sheet pile walls (subject to obtaining actual construction bids), staff recommends pursuing the functional repair without new sheet pile walls. This is due to the relatively high costs for new sheet pile walls compared to the relatively lower costs for functional repairs. Also, City Policy No. 702-2, *Management of Beach Facilities*, states that if protective measures are considered for beach facilities, the feasibility of sand nourishment for protection must first be evaluated. Generally, the City’s sand pushing has been helpful in providing a protective buffer for the concession and restroom buildings, and the Corps sand replenishment project is in design with a potential to be realized as early as FY 2018-19 as discussed earlier in this report. The City’s Draft Local Coastal Plan, approved by the City Council and pending Coastal Commission review and approval, also cites the need to avoid shoreline protection measures to the extent feasible. Finally, staff did not recommend pre-fabricated structures since these didn’t appear to be cost-effective for this situation, and a combined new building would cost about double the current budget amount. Appendix A provides additional details.

Potential Cash Flow Issues:

The functional repair provides for an additional 10 year asset life provided beach erosion does not undermine facilities during that time period. This approach minimizes the fiscal impact to the General Fund allowing funding to be directed to other projects. The more extensive rehabilitation would encumber more budget funding and cause deferral of other projects in the General Fund CIP 6-year outlay.

City Hall Feasibility Study / Temporary City Hall Relocation

Project Background:



On April 19, 2016, the City Council deliberated alternatives to address years of deferred maintenance at the City Hall site that had been analyzed going back over ten years. In 2005, the City commissioned a study to consolidate all services to 910 Calle Negocio. The project was to be partially funded from the proposed sale of the City Hall site. Market conditions during the recession

coupled with other City priorities halted this effort, as no other alternative funding source was identified to offset the sale proceeds of the City Hall property. See **Appendix B** for Council Meeting Agenda Report with alternative costs and project options considered.

City Hall is aging and will continue to need improvements to its major mechanical, structural and electrical systems in order to sustain an adequate level of service for employees and the public. It is necessary to make a facility fully ADA and Building Code Compliant with a rehabilitation project that has a valuation in excess of \$156,162, as governed by California Building Code and enforced by the City Building Department on permits. Deferred maintenance and ADA upgrades at City Hall have been previously studied and estimated to cost approximately \$5M to upgrade the facility. The City has set aside \$2.39M for the Civic Center in the Public Facilities Reserve Fund. However, a substantial gap in the tens of millions in funding is needed to construct a new Civic Center at the City Hall site. Without issuance of Certificates of Participation or other funding mechanisms, a new City Hall facility will be financially difficult to realize.

In consideration of Council sentiments from the April 2019 meeting, staff is recommending a City Hall Concepts Feasibility Study and a Temporary City Hall Relocation project be funded for a total of \$800,000 in FY 2017-18 (50% from the General Fund and 50% from the Civic Center Reserve Fund). The City Manager's office is also interested in temporarily 'testing' consolidated operations at 910 Calle Negocio based on the direction of Council's discussion. See **Appendix B** for Council meeting minutes. The temporary consolidation is proposed to coincide with the lease expiration of the third floor in February 2018. The project would entail procurement of

professional architectural services to design both concepts for City Hall and space planning/construction drawings for public bidding to implement improvements at 910 Calle Negocio. The study would include other components related to City Hall such as detailed geotechnical investigations, exploring modern construction techniques such as tilt-up construction, alternative site plan configurations and cost estimates. Through this process, the City Council will be able to best evaluate the cost of opportunities for a City Hall based on factual geotechnical and other pertinent information. This would also allow for the trial period of consolidation of services at significantly lower cost than expanding City Hall. Through the parallel development of both these efforts, the City will be taking a proactive approach to saving on long-term maintenance costs and realize organizational benefits by the most economical means possible.

Leasing opportunities of 910 Calle Negocio have been taken into consideration as part of this recommendation. There are important elements of the existing lease agreements at 910 Negocio and details to consider to renew existing leases or advertise the leasable areas at the Negocio building in the future. These details include: 1- The existing third floor lease expires Feb 2018, 2- The third floor is configured for a single tenant use. The existing tenant uses 50% of the floor space. To sublease the remaining 50%, capital improvements at a cost \$250,000 are required, 3- Attracting new tenants with five-year (or less) terms will be difficult, 4- City will ultimately need to lease office space if it is to undertake major rehabilitation work at City Hall site, and 5- Leasing another facility for temporarily location of City Hall staff in a few years is more costly than consolidating to 910 Negocio for a trial period.

Based on the project history and findings described above, staff is proposing two recommendations for Council consideration and direction:

1. Proceed with a City Hall Feasibility Study which includes a Geotechnical evaluation and reviews 2 options: 1) Consolidation of City Hall operations; 2) Rehabilitation for existing services, and fund the project in FY 2017-18 in the amount of \$150,000 from the General Fund and \$150,000 from the Civic Center Reserve Fund;
2. Proceed with Temporary City Hall Relocation project as presented in the issue paper and draft work phasing schedule below, and fund the project in FY 2017-18 in the amount of \$250,000 from the General Fund and \$250,000 from the Civic Center Reserve Fund.

A preliminary schedule showing the work phasing of the City Hall Feasibility Study and Temporary City Hall Relocation projects is below:

Estimated Date	Task	City Hall	910 Negocio	Council Review
March 2017	LTFP Presentation – confirm approach	X	X	X
April 2017	Prepare and issue design services RFP for City Hall Feasibility Study / Temporary City Hall	X	X	
Aug. 2017		X	X	X

Capital Projects Analysis

	Award design services including: 1. City Hall concepts w/geotechnical 2. 910 Negocio space planning/phasing/design			
Dec. 2017	Review/approve Negocio layouts/phasing and cost estimates		X	X
Feb. 2018	Issue public bid docs for Negocio improvements		X	
March 2018	Presentation of City Hall concepts and geotechnical findings public hearing	X		X
May 2018	Award construction of Negocio 1 st and 3 rd floor		X	X
Sep. 2018	Presentation of City Hall revised concepts and estimates with public comments incorporated	X		X
Oct. 2018	Complete 1 st floor improvements 910 Negocio		X	
Dec. 2018	Complete 3 rd floor improvements 910 Negocio City Hall staff transition		X	
March 2019	Presentation of City Hall final concepts and estimates. <i>*Continue to use City Hall Council Chambers for Council Meetings and Police services through 2020; consider Negocio Council Chambers option.</i>	X		X
April 2019 – Feb. 2020	Consider presented alternatives and funding gap options	X		X
March 2020	Council recommendation on how to proceed with City Hall; <i>*Negocio Council Chambers option consideration</i>	X		X

Expenditures:

The options for this project will have to be well defined to control the accuracy of cost estimates. Funding appropriations totaling \$800,000 will be recommended as part of the FY 2017-18 Capital Improvement Program budget to fund design work alternatives. Transfers totaling \$400,000 from the Civic Center Reserve is proposed to offset impact to the General Fund. Funding contributions in the amount 50% from the Civic Center Reserve Fund are also proposed to fund future year phases of the City Hall Feasibility Study / Temporary City Hall Relocation project.

Potential Cash Flow Issues:

A funding appropriation of \$800,000 will be requested in the FY 2017-18 Capital Improvement Program budget to kick-off the project. The project has been in capital outlay since FY 2000-01 and is within the discretionary General Fund Unassigned Balance typical yearly spending for capital projects. Future funding needs will be identified part of the completed studies and incorporated into project updates and budgets.

Current Capital Improvement Program Status

Staff is currently working on numerous projects to improve City amenities throughout the community. There are many projects budgeted in previous fiscal years progressing towards completion, and many new projects that were budgeted in FY 2016-17 that are being initiated. The FY 2016-17 Capital Improvement Program (CIP) consists of 133 projects for a total budget of \$55.4 million. A total of 71 projects started in the prior fiscal years for completion in FY 2016-17. A total of 62 new projects were budgeted in FY 2016-17. There are a total of 91 CIP projects and 42 Maintenance and Study projects. The Capital Improvement Program statistics and a project is included for reference as **Appendix C** at the end of the Capital Analysis.

City project managers continue to juggle numerous complex projects from inception through closeout. With the organizational changes related to Parks and Maintenance, many projects that were being implemented by staff in these divisions have been transferred to the Engineering project managers to be initiated, managed and completed. Contractual services and on-call contracts are being used to assist in completing the large number of projects in the CIP.

City Infrastructure Asset Management

Institutional knowledge regarding the condition of assets has driven the Capital Improvement Program since its inception and left many 'stones unturned' over the past few generations. This resulted from the impracticality of managing maintenance and replacement of a continually growing array of thousands of assets without technology. The implementation of the Computerized Maintenance Management (CMMS) is compiling the data needed to forecast the financial obligations required to maintain assets at an adequate level of service for the community. It is expected that CMMS will ultimately drive and self generate part of the 6-year capital outlay, as well as predict replacement and rehabilitation cycles through the next generation. The system is still in its infancy; therefore, the process of catching up with deferred maintenance will continue for some time as optimization of the CMMS is undertaken over next few years as can be seen in the CIP focus on deferred facility maintenance.

The CMMS has been in production department-wide in Public Works for over one year, tracking asset and related maintenance costs on work orders tagged to an individual assets within the City's multi-disciplinary asset inventory. Refer to **Appendix D** for tables of the City Asset Inventory by major asset class. The CMMS is now being used on day-to-day basis by approximately 75 users to assign, track and manage work orders related to asset maintenance, rehabilitation and replacement. The implementation has been successful and the foundational components crucial to realizing the goal of a long-term asset management plan are in place and include: Training, help desk support, asset inventory, workflows for most workgroups in both

Utilities and Maintenance operations, scheduled preventive maintenance activities for both Utilities and Maintenance operations, linked reference as-built record information, mobile office/tablet technology. **Appendix E** includes a listing of major CMMS accomplishments to date.

The work on the CMMS continues to be focused on the elements needed to achieve the long-term goal of developing a comprehensive asset management plan. This will enable the City to predict the replacement and rehabilitation costs of all assets based on the established life cycle of each specific asset type. Efforts on closing asset inventory gaps, developing and linking library of maintenance and operating manuals, and continued development of scheduled preventive maintenance activities are planned to continue through calendar year 2017.

Life cycle analysis estimations based on condition, maintenance frequency and replacement will be the next phase of the optimization effort for 2018. Other related work will include assigning criticality and risk scale values to the asset inventory. These data elements will ultimately be used in assisting managers to make more informed decisions by analyzing probability of failure and consequence of failure of major asset types to better direct limited funding to most needing assets. By planning today for a better tomorrow, the long-term goal of utilizing the CMMS to identify and obligate the required rehabilitation and replacement funding for each of the City's major asset classes that are funded through the General Fund is being realized.

Capital Recommendations

1. Plan to fund the USACE Sand Replenishment construction phase in FY 2018-19 in the matching funds amount of \$600,000 from the General Fund.
2. Consider the option of pursuing the Opportunistic Sand Replenishment for \$250,000 in FY 2017-18 based on the available funding in the unassigned General Fund balance.
3. Fund the Marine Safety Rehabilitation construction in FY 2017-18 in the amount of \$375,000 from the General Fund and \$375,000 from the Public Safety Reserve Fund.
4. Fund the Pier Rehabilitation construction in FY 2017-18 in the amount of \$600,000 from the General Fund.
5. Proceed with a City Hall Feasibility Study which includes a Geotechnical evaluation and reviews 2 options: 1) Consolidation of City Hall operations or 2) Rehabilitation for existing services, and fund the project in FY 2017-18 in the amount of \$250,000 from the General Fund and \$250,000 from the Civic Center Reserve Fund.
6. Proceed with the Temporary City Hall Relocation project as presented in the issue paper and draft a work phasing schedule, and fund the project in FY 2017-18 in the amount of \$150,000 from the General Fund and \$150,000 from the Civic Center Reserve Fund.
7. Continue efforts to identify infrastructure assets and the reserve resources needed to maintain and/or replace those asset based on a comprehensive asset management plan that will be developed through the use and optimization of the CMMS.

Appendix A - Capital Projects Analysis

T-Street Restroom and Concession Buildings

Background

Per City Council direction, in addition to developing rehabilitation alternatives for the separate T-Street Concession and Restroom buildings, staff explored the possibility of combining these into a single building, and also investigated the potential to use prefabricated structures. Conceptual designs and preliminary cost estimates were prepared for the various alternatives in both Spanish Colonial Revival architectural style as well as the existing architectural style.

Spanish Colonial Architectural Style

When considering rehabilitation alternatives for the T-Street Concession and Restroom buildings it is important to understand under what circumstances Spanish Colonial Architecture would be required. The City's General Plan Policy No. UD-5.09 requires Spanish Colonial Revival architecture for the development and major remodels of public buildings. The General Plan defines a "major remodel" as changes that significantly alter a building's design (e.g., additions that significantly change the footprint of the building, the addition of new stories, new roof design, etc.). "Minor remodels" are defined as changes that leave the existing building footprint and structure essentially intact, with primarily cosmetic exterior and interior changes (e.g., paint, re-stucco, enlarged windows, small additions of less than 100 square feet). For the Boca del Canon restroom repair, the repairs were primarily cosmetic and didn't meet the threshold for a major remodel, therefore the City Council opted not to change the existing architectural style. Conversely, the Base of Pier Restroom was required to be re-constructed in a Spanish Colonial architectural style because significant changes were made to that building's design and because it was located within an architectural overlay area. For the T-Street Concession and Restroom buildings, the only rehabilitation approach that would require Spanish Colonial Architecture is if the two buildings were reconstructed into a combined concession/restroom building. The other rehabilitation alternatives did not involve changes to the basic footprint of the buildings, however estimated costs to include Spanish Colonial Architecture were developed in case there was a desire to pursue this style when rehabilitating these buildings.

T-Street Restroom

For the T-Street restroom, the functional level of repair involves fixing a leaking roof, painting, floor sealing and replacing any broken fixtures. The estimated total cost for this level of repair is \$60,000, which includes estimates for contingency and staff administration. This level of repair includes some ADA improvements to the extent required by ADA based on the cost of the repair. A more extensive rehabilitation approach would make further improvements to fully meet current ADA requirements and current Building Code requirements, and would increase the estimated cost to \$675,000. As noted above, both the functional and more extensive rehabilitation approaches would not trigger a requirement for Spanish Colonial Revival architecture. However, if desired, addition of Spanish Colonial Revival elements to the exterior of this building (i.e. stucco walls and tile roof) would add increase the cost to \$725,000. Estimated costs for the more comprehensive rehabilitation include the cost for a new sheet pile wall since it is assumed that shoreline erosion/protection should be included if the City's makes a significant investment to significantly rehabilitate the existing restroom building.

T-Street Concession

For the T-Street Concession, the functional repair involves repairing architectural woodwork to floors, walls & front counters, installing insulation, repairing the roof, painting the interior and exterior, fixing mechanical, electrical and plumbing deficiencies, making miscellaneous site work and structural repairs around the Concession and Patio Area, installing interior required public health improvements, and providing visual ADA improvements such as painting and signage and create an ADA path of travel on the side of the structure. The estimated cost for this level of repair is \$250,000. A more extensive rehabilitation approach would make further improvements to fully meet current ADA requirements and current Building Code requirements, and would increase the estimated cost to \$930,000. As noted above, both the functional and more extensive rehabilitation approaches would not trigger a requirement for Spanish Colonial Revival architecture. However, if desired, addition of Spanish Colonial Revival elements to the exterior of this building (i.e. stucco walls, tile roof, stucco shade structure columns) would increase the cost to \$1,135,000. Estimated costs for the more comprehensive rehabilitation include the cost for a new sheet pile wall since it is assumed that shoreline erosion/protection should be included if the City’s makes a significant investment to significantly rehabilitate the existing concession building.

Combination Concession/Restroom Building

This approach involves demolishing the existing separate restroom and concession buildings and constructing a new combined restroom/concession building. This approach would require Spanish Colonial Revival architecture per the General Plan. The estimated cost is \$1.6 million, which includes the cost for a new sheet pile wall since it is assumed that shoreline erosion/protection should be included if the City’s makes a significant investment of a new building on the beach.

The table below summarizes costs for the rehabilitation approaches discussed above, as well as the amounts of additional funding required for options that exceed the available budget.

Building	Repair Approach Cost Estimates		
	Functional Repair	Comprehensive Rehabilitation	Spanish Architecture
T-Street Restroom	\$ 60,000	\$ 675,000	\$ 725,000
T-Street Concession	\$ 250,000	\$ 930,000	\$ 1,135,000
<i>Total</i>	<i>\$ 310,000</i>	<i>\$ 1,605,000</i>	<i>\$ 1,800,000</i>
Additional Budget Required	0	\$ 755,000	\$ 950,000
Combined Restroom and Concession			\$ 1,600,000
Additional Budget Required			\$ 750,000

Prefabricated Restrooms vs. Design Build Restrooms

Staff researched the possibility of installing prefabricated restrooms to see if there was any cost benefit over building new structures in the current restroom location. Both approaches would be

considered a “Major Remodel” per the City’s General Plan, which would require the new construction to be Spanish Colonial Architecture. Prefabricated restrooms were sourced in a Spanish Colonial Architecture motif, however additional architectural elements would be needed to meet the City’s Spanish Colonial architectural requirements. This, along with the logistics of disassembling, transporting and then re-assembling the prefabricated structures at the beach locations, would not result in any substantial savings. Therefore staff recommended against using prefabricated structures to replace the concession and restroom buildings.



Appendix B - Capital Projects Analysis

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* attachments not included
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AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: April 19, 2016

Agenda Item 01A

Approvals:

City Manager

Dept. Head

Attorney

Finance

Department: Finance & Administrative Services
Prepared By: Erik Sund, Assistant City Manager
Mike Jorgensen, Building Official (Retired)

Subject: ***PROPOSED 910 CALLE NEGOCIO RENOVATION AND CITY HALL RELOCATION***

Fiscal Impact: Yes, based on City Council direction City staff would finalize the approximate cost and recommended funding source(s) and bring back to the City Council for review and approval.

Summary: This staff report provides the background and history of the Civic Center relocation and 910 Calle Negocio renovation project.

As part of the City Council's Vital Few Priorities process for the Fiscal Year 2005-2006, the City Council identified Civic Center Feasibility Analysis as one of its top Vital Few Priorities.

Based on a feasibility study, space needs analysis and cost estimates prepared at the time, the City Council made the decision to proceed with a design to renovate and repurpose 910 Calle Negocio into a Civic Center. Although construction drawings were authorized and prepared, Council decided in 2010 to delay any construction associated with the Negocio Civic Center project and lease out vacant space in 910 Calle Negocio.

Some long-term maintenance of the existing City Hall site and 910 Calle Negocio has been deferred in anticipation of the possible future sale of the City Hall site and remodel of the Negocio building. If the remodel and reuse of the Negocio building is further delayed significant repairs and maintenance must occur at both of these facilities to accommodate continued occupancy.

Staff is requesting City Council direction as to whether to continue to pursue this project. Additionally, staff is requesting the City Council provide guidance as to the preferred approach to a potential relocation and the funding of the improvements by either the sale of the current City Hall or by financing through the sale of Certificates of Participation.

Background: **Civic Center Feasibility & Space Needs Study**

In 2005/2006 a Civic Center Feasibility and Space Needs study was undertaken. The study evaluated the following elements:

1. Assess current allocation of space for City government operations;
2. Assess future trends and projections for City staffing to determine staffing needs

- for each department extended out for a period of ten (10) years through 2015;
- 3. Space standards utilized for study – Provide a detailed analysis of office space allocation standards as they apply to work activities, functions and ease of use;
- 4. Prepare an analysis of the estimated total costs to construct the space required for a new Civic Center facility;
- 5. Estimated costs for relocation and consolidation of City offices to 910 Calle Negocio

The space needs study prepared by the architectural firm of Gensler (Newport Beach) concluded that the total square footage used by the City Hall and Orange County Sheriff's Department (100 Avenida Presidio), Community Development/Public Works (910 Calle Negocio), and Community Center administrative personnel, including public spaces, is 31,300 square feet.

It was Gensler's opinion that the current operation of these three separate facilities impedes communications, collaboration and the creation of a shared work culture for all City employees. Additionally, within these facilities, both individual and support workspaces are inconsistent and ineffective and the work space allocations do not fully support the work needs of City departments.

Civic Center Alternatives Evaluated

A total of six Civic Center alternatives were evaluated:

- 1. **Build-to-Suit Downtown Civic Center -**
65,000 total sf (52,000 usable sf) Civic Center / 11,400 sf below grade parking / 126,800 sf above grade parking facility

	2006 Cost Analysis	2016 Estimate
Estimated Construction Cost =	\$47,328,852	\$62,710,730 (+32.5%)
Land Acquisition Costs =	\$14,900,000	\$14,900,000
Construction Financing =	\$ 752,000	\$ 752,000
	\$62,980,000	\$78,362,730

- 2. **Build-to-Suit Civic Center at Existing City Hall Site -**
65,000 total sf (52,000 usable sf) Civic Center / 82,100 sf below grade parking / 16,100 sf above grade parking facility

	2006 Cost Analysis	2016 Estimate
Estimated Construction Cost =	\$53,049,680	\$70,290,826 (+32.5%)
Relocation & Interim Operating Costs =	\$ 860,000	\$ 860,000
Construction Financing =	\$ 422,910	\$ 422,910
	\$54,332,590	\$71,573,736

- 3. **Consolidated Adaptive Reuse of 910 Negocio Facility -**
44,000 usable sf Civic Center
Note: The overall amount of usable square footage for Negocio is approximately 8,000 square feet less than the square footage for the Build-to-Suit options. No inference can be made that the usable square footage for Negocio should be the standard or guide for Build-to-Suit space allocation. The adaptive reuse of the

Negocio facility simply means that a projected 177 employees are being placed in a smaller pre-existing building area.

2006 Cost Analysis
 Estimated Project Cost = \$ 9,607,701

2008 Project Cost Update
 Estimated Project Cost = \$12,884,271

2016 Project Estimated Cost = \$15,615,735 (+21.2%)

4. **Civic Center on 2.27 acres at Southwest corner of Avenida La Pata and Avenida Vista Hermosa (adjacent to Fire Station #59 on La Pata)**
 65,004 total sf (52,000 usable sf) Civic Center / 54,250 sf below grade parking / 24,400 sf surface parking

	2006 Cost Analysis	2016 Estimate
Estimated Construction Cost =	\$40,818,028	\$54,083,890 (+32.5%)
Construction Financing =	\$ 752,000	\$ 752,000
	<u>\$41,570,028</u>	<u>\$54,835,890</u>

5. **Civic Center on 2.7 acres of 9-acre site at Northwest corner of Avenida Vista Hermosa and Avenida La Pata (current location of Target store)**
 70,604 total sf (56,000 usable sf) Civic Center / 58,240 sf above grade 3-level parking structure / 20,500 sf surface parking

2006 Cost Analysis
 Estimated Construction Cost = \$40,529,530

6. **Civic Center on 3.1 acres of 9-acre site at Northwest corner of Avenida Vista Hermosa and Avenida La Pata (current location of Target store)**
 65,004 total sf (52,000 usable sf) Civic Center / 71,500 sf surface parking

2006 Cost Analysis
 Estimated Construction Cost = \$31,856,808

Summary of Civic Center Alternatives (Most Costly –to Least Costly)			
Civic Center Alternatives	2006 Estimated Construction Cost	2008 Revised Project Estimate	2016 Updated Estimated (CCI) Costs ²
New Downtown Civic Center	\$62,980,000	-	\$78,362,730
New Civic Center – City Hall Site	\$54,332,590	-	\$71,573,736
New Civic Center – La Pata Site (Version I)	\$41,570,028	-	\$54,835,890
New Civic Center – Vista Hermosa (Version II) ¹	\$40,529,530	-	-

New Civic Center – Vista Hermosa (Version III) ¹	\$31,856,800	-	-
910 Calle Negocio – Remodel Adaptive Reuse	\$9,607,701	\$12,884,271	\$15,615,735

Footnote 1 - Version II and III alternatives were located on the property at the north side of Avenida Vista Hermosa. These two alternatives are no longer an option as this property was sold and is now the location of the Target retail store.

Footnote 2 - Probable construction costs have been updated to 2016 values using "construction cost index" factors published by Engineering News Record.

In 2007, after reviewing all the costs and financing alternatives; considering other important community project priorities, the City Council determined there was insufficient funding (current and future) to give any serious consideration to the Build-to-Suit Civic Center options. Staff and Gensler were directed to move forward with preparation of a "test fit space plan" for approximately 55,000 square feet (910 Calle Negocio) and 8,000 square feet (1030 Calle Negocio).

Although construction drawings were authorized and prepared, Council decided in 2010 to delay any construction associated with the Negocio Civic Center project and lease out vacant space in 910 Calle Negocio.

Discussion:

After a thorough review of a variety of possibilities, staff is presenting three options and recommends selling 100 Avenida Presidio, relocate all City staff to 910 Calle Negocio and relocate Sherriff's substation to 1030 Calle Negocio and 380 Avenida Pico, using the sale proceeds to fund the total project costs.

In the event City Council provided direction to an option/alternative that needed funding, the most appropriate avenue to pursue would be to issue Certificates of Participation (COPs) obligation. When financing larger capital projects, agencies generally can lower their borrowing costs by marketing lease obligations through the retail securities market and attracting multiple investors. Most COP transactions also require a trustee to collect and disburse lease (or installment sale) payments to multiple investors. For all intents and purposes, COPs function like municipal bonds. To satisfy legal requirements, COP transactions involving tax-exempt leases require both a lessor and a lessee. A government agency may establish a nonprofit corporation to serve as the nominal lessor in tax-exempt lease financings, if no other agency or joint powers authority is available for this purpose.

Industry standards for this debt instrument dictate the financed amount exceed the capital project by 25%. An example being a \$16 million project results in a \$20 million bond issue payable over 20 years, with an annual payment of \$1 million.

Alternative #1 – Continue to maintain separate office facilities at both 100 Avenida Presidio and 910 Calle Negocio.

Estimated Cost to complete needed upgrades and repairs over \$7.0 million

Funding Sources:

Civic Center Construction Fund - \$2.1 million

Public Safety Construction Fund - \$1.8 million (based on 38% of gross City Hall floor area)

General Fund – \$3.1 million needed funding

If the City Council does not choose to move forward with the remodeled Civic Center at 910 Calle Negocio then the City needs to plan and budget for required short-term and long-term repairs and improvements at the existing City Hall site.

100 Avenida Presidio – repairs and improvements needed

Estimated Cost to complete \$4.8 million (2014)

Adjusted 2016 Probable Cost [+5%] \$5.04 million

1. Repairs identified in a 2014 facility condition assessment report:

A building evaluation and assessment was recently undertaken by Lawson-Burke Structural Engineers, 30th Street Architects, and Linwood Engineers. The report identifies numerous deficiencies related to structural, architectural, mechanical, electrical and plumbing elements in both the existing City Hall and Police Services. Estimated Cost \$1.3 million

The costs associated with geotechnical stabilization and structural strengthening of the building have not been included in this estimate. (If significant geotechnical problems are found the costs to improve, strengthen and stabilize the structure could double the estimate to \$2.5 million.)

2. Disabled access improvements (identified in 2010 DAC report):

City Hall \$750,000 / Police Services \$1,200,000 / Fire Station \$375,000

910 Calle Negocio – repairs and improvements needed

Estimated Costs to complete \$2.2 million (2014)

Adjusted 2016 Probable Cost [+5%] \$2.31 million

- a) Disabled access improvements (identified in 2010 DAC report): Estimated \$725,000
- b) Required Building Maintenance (HVAC, Fire System, Roof, etc.): Estimated \$1.14 million
- c) Facility Upgrades (Security, Server Room Protection, Water Damage, etc.) Estimated \$305,000

Alternative #2 – Sell 100 Avenida Presidio, relocate all City staff to 910 Calle Negocio and relocate Sherriff's substation to 1030 Calle Negocio and 380 Avenida Pico. In 2005, the 100 Avenida Presidio was appraised at \$16.5 million, the City is currently revisiting and updating this appraisal. The proceeds from the sale of 100 Avenida Presidio and additional funding sources are expected to cover all project costs. Total project cost range approximately \$15.5 million to \$15.9 million, which includes an estimate for temporary relocation costs and improvements to 1030 Calle Negocio. Based on current funding sources and revenue from the sale of 100 Avenida Presido, the City anticipates there would be sufficient funding, with the possibility of a potential surplus.

Alternative #3 – Sell Certificate of Participation (COPs) to finance the cost of required renovations and relocate all City staff to 910 Calle Negocio and relocate Sherriff's substation to 1030 Calle Negocio and 380 Avenida Pico. Based on the estimates in Alternative #2 the debt issuance would be \$16-\$20 million.

The timing of any decision moving forward with any of the options must be coordinated with the current tenant leases in the 910 Calle Negocio building. Current leases expire between August 2017 and February 2018.

If the decision is made not to move forward with the sale of City Hall and relocation to 910 Calle Negocio, then the costs of required repairs to both facilities must be budgeted in the general fund and will likely impact future projected capital projects.

Recommended

Action: STAFF RECOMMENDS THAT the City Council provide direction, guidance or approval of any of the alternatives provided.

Attachments:

1. Civic Center Space Needs Assessment – Volume 1 (Gensler Architecture, Design & Planning) – December 2005
2. Civic Center Space Needs Assessment – Volume 2 (Gensler Architecture, Design & Planning) – December 2005
3. Civic Center Feasibility Analysis – Memorandum dated 12/13/2005
4. Civic Center Feasibility Study – Agenda Report – 03/21/2006
5. Civic Center Space Needs Assessment – Supplement (Gensler Architecture, Design & Planning) – April 2006
6. Civic Center Feasibility Study – Follow-up Agenda Report – 05/16/2006
7. Civic Center Feasibility Study – Design Development Agenda Report – 01/09/2007
8. Updated Probable Cost Spreadsheet – August 2008
9. 2008 Proposed Floor Configuration – 910 Calle Negocio
10. 100 Avenida Presidio – Building Evaluation & Structural Assessment Report (2014 - Lawson-Burke Structural Engineers, LLC)
11. 100 Avenida Presidio – City Hall - disabled access assessment (Disabled Access Consultants)
12. 100 Avenida Presidio – Police Services - disabled access assessment (Disabled Access)
13. 910 Calle Negocio – Community Development - disabled access assessment (Disabled Access Consultants)

Notification:

2. Adopt Resolution No. 16-24 entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, ADJUSTING THE FEE FOR PARTICIPATION IN THE JUNIOR LIFEGUARD PROGRAM AND RESCINDING RESOLUTION NO. 11-67.

8. **UNFINISHED BUSINESS**

None.

MEETING RECESSED

Council recessed at 8:06 p.m. and reconvened at 8:17 p.m., with all members present.

9. **NEW BUSINESS**

A. **Proposed 910 Calle Negocio Renovation and City Hall Relocation**

Report from the Assistant City Manager and Building Official (Retired) concerning proposed renovations for the 910 Calle Negocio building and City Hall relocation.

Assistant City Manager Sund and Retired Building Official Jorgensen reviewed the contents of the Administrative Report and responded to Council inquiries.

Council determined that the following civic center alternatives are not practical, or no longer viable, and consequently eliminated them from further consideration:

- Build-to-Suit Downtown Civic Center
- Civic Center on 2.7 acres of the 9-acre site at the northwest corner of Avenida Vista Hermosa and Avenida La Pata (current location of the Target store)
- Civic Center on 3.1 acres of the 9-acre site at the northwest corner of Avenida Vista Hermosa and Avenida La Pata (current location of the Target store)

Deliberations ensued relative to the following alternatives: 1) a consolidated adaptive reuse of the 910 Negocio facility, 2) an upgraded civic center at the existing City Hall site, and 3) a civic center on 2.27 acres at the southwest corner of Avenida La Pata and Avenida Vista Hermosa. During the course of discussion, individual Councilmember(s) voiced opinions as

follows. The below sentiments were expressed by at least one Councilmember and do not necessarily reflect Council consensus:

- There is significant value to locating all staff at the same location.
- Relocating City and Police personnel to 910 Calle Negocio is workable and cost-effective. Additionally, the Negocio site is located close to the geographic center of the City and the City would be able to sell the existing City Hall property during a seller's market.
- The City has been successful in its real estate transactions and the City should retain its real estate assets.
- The price that the City could receive for selling the City Hall site should not be based on an increase in allowable density and should realistically reflect the geotechnical issues associated with the site.
- Locating all staff in one location is not necessary because department heads are located in the same buildings as their staffs and strategies for a stratified work environment are feasible.
- Utilizing a concrete tilt-up building at the current City Hall site represents a cost-effective alternative to traditional construction.
- It is important for the new City Hall to serve as an iconic development. Desirable features include the ability to serve as a community meeting place and to be future-focused. Emphasis should be placed on technology, community engagement and transportation.
- It would be more prudent to re-build City Hall than to attempt to remedy structural deficiencies and retrofit the existing building.

Council ultimately expressed a preference to pursue an adaptive re-use of the current City Hall structure, or construct a new City Hall, on the existing City Hall property, and directed Staff to report back at a future meeting with a more in-depth analysis that includes possible concepts. Additionally, Council authorized Staff to pursue leases of Floors 2 and 3 of the 910 Calle Negocio building through the Year 2023.

B. Installation of Donated Pet Waste Bag Stations on Public Property

Report from the Assistant City Manager concerning the possibility of installing donated pet waste bag stations on public property.

Assistant Beaches, Parks and Recreation Director Passow reviewed the contents of the Administrative Report and responded to Council inquiries.



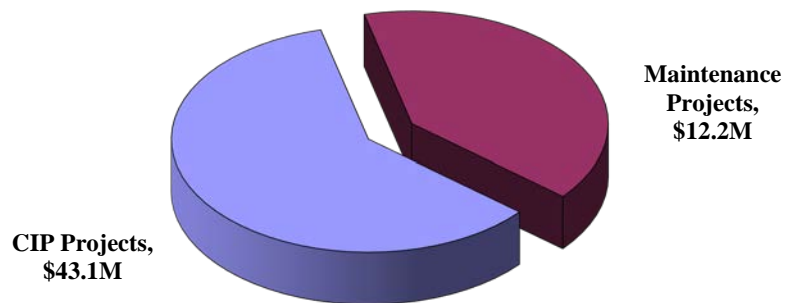
Appendix C - Capital Projects Analysis

Capital Improvement Program Status

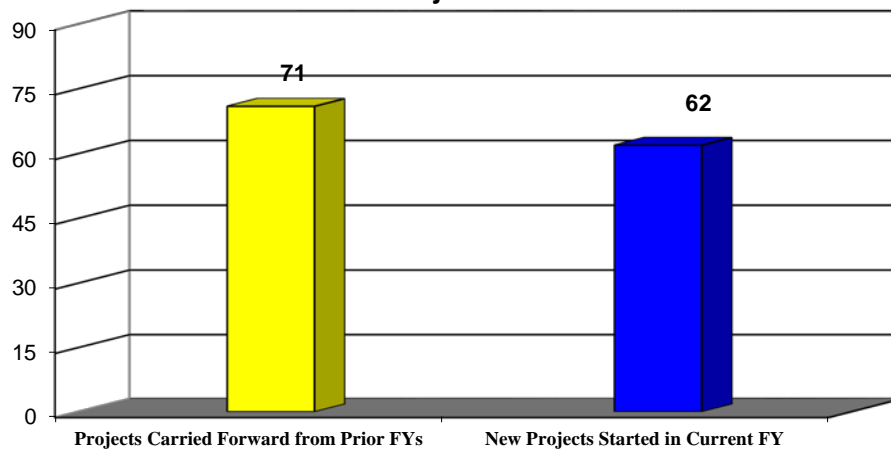
The City's Capital Improvement Program remains strong and active. Most areas in the City continue to see improvements to their community facilities in the form of parks, streets, water, sewer, storm drain and other infrastructure improvement projects.

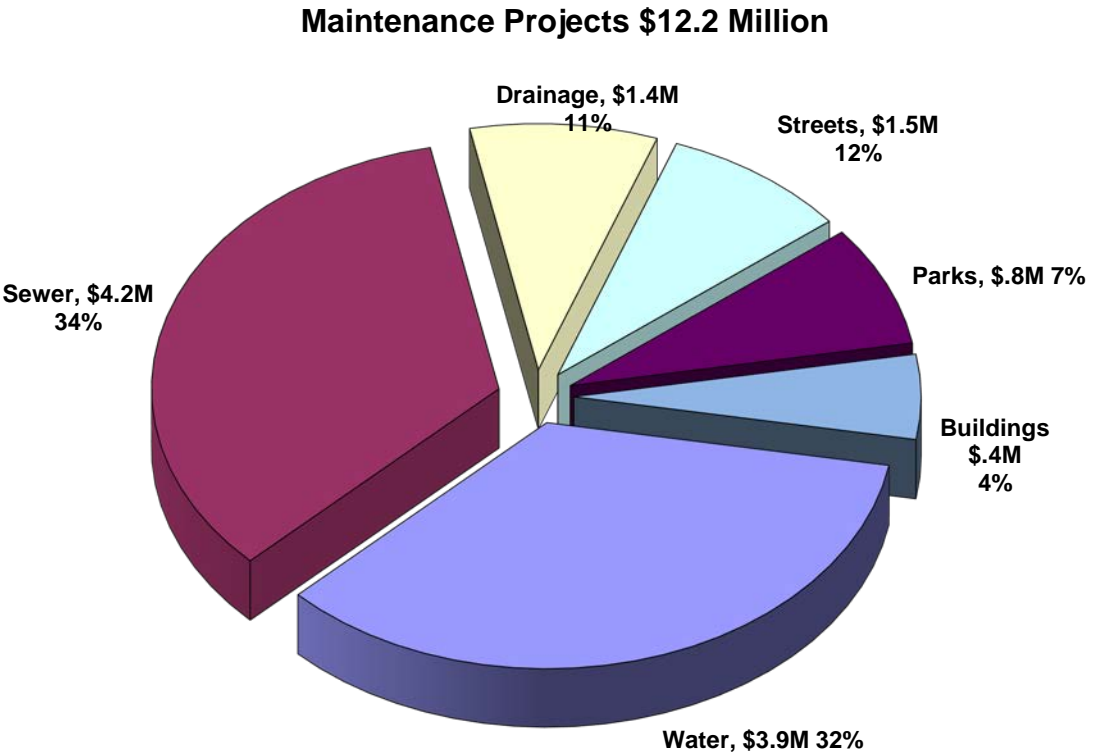
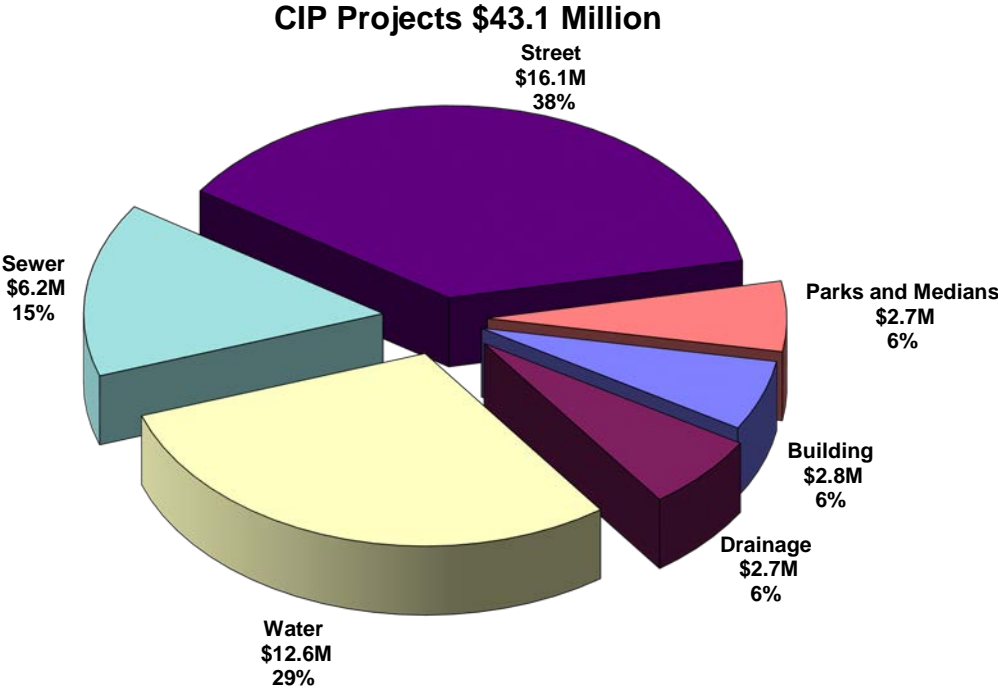
The FY 2017 Capital Improvement Program consists of 133 projects for a total budget of \$55.4 million. A total of 71 projects were started in the prior fiscal years. There are a total of 91 CIP projects and 42 Maintenance and Study projects. The information presented below reflects program status as of December 31, 2016.

FY 2017 CIP and Maintenance Projects: \$55.4 Million



**Total CIP and Maintenance Projects:
Carried Forward vs. Projects Started in Current FY**





Appendix C - Capital Projects Analysis

A complete listing of all Capital and Maintenance Projects is shown below:

<u>Name</u>	<u>Total Budget</u>
American with Disabilities Act (ADA)	120,550.00
Playground Equipment Replacements (CIP)	175,000.00
City Master Plan of Drainage- Other Areas (CIP)	234,020.00
Reservoir 10 & 6 Water Line (Land Acquisition) (CIP)	270,860.00
Via Montego/Storm Drain M01 (CIP)	747,350.00
Avenida Presidio Phase II	378,750.00
City Hall Parking Lot Rehab (CIP)	63,300.00
Community Dvlpmnt Prkng Lot Rehab (CIP)	137,980.00
ECR - Camino Cap To Ave Estacion (CIP)	713,690.00
Sewer System Replacement (CIP)	100,000.00
South ECR - Valencia to Mendocino (CIP)	1,017,960.00
Street Improvement Design (CIP)	75,000.00
Via Pico Plaza Rehabilitation (CIP)	114,040.00
Water System Replacement (CIP)	100,000.00
Ocean Outfall Junction Repairs (CIP)	58,440.00
Recycled Wtr Conversion Prog (CIP)	298,530.00
Sewer SCADA System Development (CIP)	1,074,950.00
Well Wtr Aquifier Monitoring Improv (CIP)	296,580.00
Solids Handling Sludge Strg Tank (CIP)	191,730.00
Progressive Cavity Pump Replacement (CIP)	585,370.00
Reeves Pump Station (CIP)	1,751,050.00
Reservoir No. 1 Expansion (CIP)	179,350.00
Water System Rehabilitation (CIP)	308,630.00
Highland Lght Ductile Iron Pipeln RPLC (CIP)	3,528,020.00
Sewer Line Support at Trafalgar Canyon (CIP)	135,560.00
Trafalgar Canyon Outlet Wtr Quality Impr (CIP)	248,360.00
Operational Continuity Data Center (CIP)	400,370.00
Poche Watershed Activities (CIP)	883,230.00
Camino Del Rio & La Pata Extension (CIP)	427,880.00
N. El Camino Real Bike Lane (CIP)	1,157,340.00
PCH- Avenida Pico Bicycle Path Study (CIP)	34,960.00
T-Street Restroom Rehab	848,640.00
T-Street Beach Concession Building Renovation	22,130.00
T-Street Overpass Maintenance	49,330.00
Interstate 5/Pico Interchange Water Improvement	147,450.00
Reata Pump Station Rehabilitation	1,961,300.00

Appendix C - Capital Projects Analysis

Reservoir No 8 Interior Coating	492,300.00
Digester #1 Structural & Mechanical Rehab	185,390.00
WRP Building K. Rehabilitation	752,560.00
WRP Structural Concrete Repair	1,034,850.00
Calle Los Molinos/Calle Redondel SD Rehab	150,080.00
M01/Ave Vaquero Culvert Structural Rehab	100,000.00
Sewer System Rehabilitation FY 2015	400,000.00
Storm Drain Rehabilitation (CIP)	264,390.00
Pier Structural Construction	1,334,510.00
W. Ave Palizada Sidewalk (100 Block)	18,910.00
Sidewalk Repairs & Improvements	122,190.00
Camino Del Rio- Los Mares to End	1,023,580.00
Camino Del Rio Intersection Improvements	815,290.00
Ave. Navarro- Pico to Los Molinos	310,000.00
Calle Los Molinos- Pico to Navarro	504,330.00
Marblehead Coastal Sidewalk	260,000.00
Beach Trail Bridges Maintenance	143,000.00
City Wide Tree Inventory	66,700.00
Concordia Elementary Safe Routes to School	32,270.00
Aquatic Center (LPVH0 Swamp Cooler Replacem.	135,000.00
Corporate Yard Bldgs/Structures Painting	440,000.00
Station NO. 59 Diesel Fuel Tank	141,480.00
Ave. Del Presidente Wtr Line Replacement	872,870.00
Tesoro PRS Rehab	324,890.00
Cascadita Canyon Waterline Abandonment	61,800.00
Riviera Waterline Removal	187,937.00
Alessandro Sewer Bridge Assessment	47,540.00
La Pata Lift Station Electrical Conduit Replacement	16,350.00
Well Filter Plant Rehab	250,000.00
Pico Booster Pressure Station Pump Replacement	200,000.00
Primary Clarifier 4 & 5 Rehabilitation	841,940.00
Blanco Pump Station Rehab	238,480.00
WRP Electrical System Replacements	1,000,000.00
WRP Sluice Gate Replacement	67,390.00
WRP Laboratory Rehabilitation	100,000.00
Marine Safety Building SR&U	100,000.00
MOOSO5 Montalvo Canyon Outlet/Study	462,530.00
Linda Lane Lift Station Stabilization	35,880.00
LED Street Light Conversion	250,000.00

Appendix C - Capital Projects Analysis

WRP Emergency Generator Replacement	360,520.00
Boca De La Playa Sidewalk	80,000.00
Major Street Maintenance Program 2017	550,000.00
Sidewalk Repairs & Improvements FY 2017	150,000.00
Slurry Seal FY 2017	250,000.00
Avenida Pico- Amanacer to Courtyards	1,215,000.00
Avenida Pico- Los Molinos to Pico Plaza	450,000.00
Camino Capistrano- ECR to Del Gado Rd.	136,000.00
Camino De La Estrella- I-5 to City Limit	150,000.00
Camino De Los Mares- Vaquero to I-5	100,000.00
Camino De Los Mares- Vera Cruz to N. City Limit	210,000.00
Camino Mira Costa - Estrella to City Limit	170,000.00
FY Sidewalk (Calle Puente)	129,310.00
Pacific Coast Bicycle Rte Sgng & Pkg Prj	164,800.00
Traffic Signals Protected/Permissive Conversion	100,000.00
Custom Bicycle Racks	40,000.00
Pavement Management System Update FY 2017	150,000.00
Bonita Canyon Restroom	400,000.00
Concordia Elementary Safe Routes to School	997,000.00
Shorecliffs Safe Rouths to School	101,400.00
Vista Bahia Park Restroom Rehab	400,000.00
Recycled Water Expansion Phase II	100,000.00
Reservoir #3 Drainage Improvements	200,000.00
Calle Toledo Storm Drain Improvements	450,000.00
Avenida Palizada	156,000.00
Avenida Presidio	800,000.00
Avenida Vaquero- Under I-5	750,000.00
South La Esperanza	460,000.00
Via Cascadita	358,000.00
As Needed Pavement Repairs	100,000.00
Avenida Pico- Class 1 Bike/Ped Path Phase 1	300,000.00
Avenida Pico- Camino Vera Cruz Intersection	375,000.00
Avenida Vista Hermosa/Target Intersection	425,000.00
Camino Vera Cruz/Costa Intersection	600,000.00
Aquatic Center (VH) Pump Removal Gantry	100,000.00
Recycled Water Line Replacement- Calafia to GC	200,000.00
PRS Vault Lid Replacements	100,000.00
Schegel Reservoir Isolation Valve Replacement	100,000.00
Vaquero Lift Station Removal	125,000.00

Appendix C - Capital Projects Analysis

Maintenance Yard Covers	500,000.00
Water Distribution Insert Valve Program	75,000.00
WRP Gravity Belt Thickener Piping Replacement	200,000.00
WRP Odor Control Systems Replacemete	1,538,400.00
WRP Gas Flare Rehabilitation	600,000.00
WRP Land Outfall Cathodic Protection	350,000.00
Los Molinos Lift Station Generator Replacement	260,000.00
Land Outfall Recoating at Prima Deschecha Canada	100,000.00
Maintenance Services Rehab FY 2017	250,000.00
JRWSS Agency Projects	2,636,890.00
Community Dev. 910 Calle Negocio HVAC	200,000.00
Reservoirs 5A, 10, 12 and 14 Improvements	1,663,450.00
CDBG Sidewalk (Ave. Palizada)	200,000.00
CDBG Improvements- San Luis Rey Park	175,000.00

Appendix D – Capital Projects Analysis

Asset Inventory

Maintenance Right-Of-Way Asset Type	Asset Subset	Count
Sign	Guide	2778
	Other	112
	Recreation	5
	Regulatory	6079
	School	19
	Unknown	9
	Warning	1267
	Total Signs	10285
Signal	Mast-Arm	356
	No Mast-Arm	334
	Total Signals	690
Signal Cabinet	Traffic Controller	93
	Traffic Electric Service	86
	Total Signal Cabinets	179
Street Light	Acorn	519
	Cobra Head	2450
	Other	13
	Pendant	89
	Unknown	9
	Total Street Lights	3085
Total Maintenance Right-Of-Way Assets		14239

Appendix D – Capital Projects Analysis

Urban Forest Assets	Tree Condition	Count
Beaches	Fair	98
Golf Facilities	Good	5
	Fair	689
	Poor	74
	Critical	13
	Dead	6
	Total	787
Parks	Good	9
	Fair	2562
	Poor	313
	Critical	38
	Dead	20
	Total	2942
Right of Way	Good	17
	Fair	4074
	Poor	305
	Critical	42
	Dead	18
	Total	4456
Streetscapes	Fair	1250
	Poor	106
	Critical	6
	Total	1369
Utilities Facilities	Fair	419
	Poor	37
	Critical	7
	Dead	5
	Total	468
Total Urban Forest Trees		10120

Appendix D – Capital Projects Analysis

Maintenance Asset Non-Right-Of-Way Type	Item Type	Location	Count
Non-Right-Of-Way Sign	Guide	Beaches	13
		Facilities	18
		Parking Lots	17
		Trails	37
		Total Guide Signs	
	Informational	Beaches	21
		Facilities	13
		Parking Lots	4
		Parks	66
		Trails	37
	Total Informational		141
	Total Other		7
	Total Park ID		32
	Total Recreation		3
	Regulatory	Beaches	85
		Facilities	149
		Parking Lot	157
		Parks	346
		Trails	186
	Total Regulatory		923
	Warning	Beaches	22
Facilities		6	
Parking Lots		16	
Parks		19	
Trails		36	
Total Warning		99	
Total Non-ROW Signs		1301	

Appendix D – Capital Projects Analysis

Maintenance Asset Non-Right-Of-Way Type	Item Type	Location	Count
Courts	Basketball		8
	Tennis		7
	Volleyball		7
	Total Courts		23
Fields	Baseball		17
	Batting Cage		8
	Multipurpose		6
	Warm-Up Cage		6
	Total Fields		42
Park Irrigation	Fire Backflow		15
	Gas Backflow		8
	Irrigation Potable		6
	Irrigation Recycled		44
	Potable Irrigation Valve		661
	Potable Water Backflow		49
	Recycled Irrigation Valve		1,205
	Recycled Water Backflow		8
	Total Park Irrigation		2,000
Lighting	Accent Light		2
	Acorn		343
	Bollard		2
	Cobra Head		129
	Pendant		186
	Rectilinear		4
	Sign Light		14
	Sports		121
	Up Light		105
	Other		4
	Total Lighting		915

Appendix D – Capital Projects Analysis

Maintenance Asset Non-Right-Of-Way Type	Item Type	Location	Count
Playgrounds	PAR Course		25
	Playground Equipment		74
	Swing Set		19
	Total Playgrounds		128
Total Pools			5

Appendix D – Capital Projects Analysis

Maintenance Asset Non-Right-Of-Way Type	Item Type	Location	Count
Amenities	BBQ Grill		46
	Bench		189
	Bike Racks		24
	Bleachers		58
	Bollard		360
	CARE Bench		82
	Dog Station		29
	Dog Waste Station		17
	Drinking Fountain		48
	Fish Cleaning Sink		10
	Flag Poles		17
	Hand Rails		16
	Kiosk		6
	Other		6
	Palapa		8
	Pedestrian Gate		88
	Picnic Table		167
	Plaque		26
	Pool Handrails		7
	Pool Ladders		11
	Raised Planter		32
	Scoreboard		10
	Scoreboard Outlet		13
	Scorekeeper Bench		12
	Sculpture		16
	Train Siren		19
	Trash Can		338
	Vehicle Gate		30
	Water Feature		7
	Total Amenities		1715

Appendix D – Capital Projects Analysis

Facilities/ Parks	Facility Type	Count	Courts or Fields	Restrooms	Picnic Tables	Playground Equipment
Parks	Total Community Park	11	35 (2 Pool)	12	70 (+any in shade structures)	68
	Total Neighborhood Parks	8	9	4	66	51
	Total Sports Parks	4	5	3	4	2
	Total Parks	25	49	19	140	121
Facility	Total Public Attractions and Landmarks	6				
	Total Government and Military	4				
	Total Facilities	13				
Parking Lots	Total Parking Lots	52				

Appendix D – Capital Projects Analysis

Water System Assets	Type	Size	Count
Network Structures	PR Station		55
	Pump Station		16
	Reservoir		15
	Treatment Plant		1
	Turn Out		14
	Well		7
	Total Network Structures		108
Service Connections	Commercial		890
	Irrigation		758
	Multi-Family		3523
	Other		72
	Single Family		12022
	Total Service Connections		17287
Total Hydrants		2303	
System Valves	Butterfly	14"	37
		16"	151
		18"	36
		20"	24
		Total Butterfly	248
	Gate	4"	65
		6"	3448
8"		1490	
10"		281	
12"		328	
Total Gate	5621		
Total System Valves		5881	
Total Sampling Stations		23	

Appendix D – Capital Projects Analysis

Water System Assets	Type	Size	Count
Control Valves	Air Release		51
	Blowoff		86
Total Control Valves			143

Appendix D – Capital Projects Analysis

Water Main Material Type	Pipe Diameter (Inches)	Total Length (Feet)	Total Length (Miles)
Asbestos Cement	4"	22,710 Feet	4.3 Miles
	6"	289,857 Feet	54.9 Miles
	8"	363,311 Feet	68.8 Miles
	10"	52,074 Feet	9.9 Miles
	12"	100,771 Feet	19.1 Miles
	14"	18,590 Feet	3.5 Miles
	16"	56,000 Feet	10.6 Miles
	18"	16,518 Feet	3.1 Miles
	20"	5,648 Feet	1.1 Miles
Total Asbestos Cement		925,970 Feet	175.4 Miles
Cast Iron	4"	187 Feet	0.04 Miles
	6"	455 Feet	0.09 Miles
	10"	349 Feet	0.07 Miles
Total Cast Iron		991 Feet	0.19 Miles
Ductile Iron	4"	585 Feet	0.11 Miles
	6"	606 Feet	0.11 Miles
	8"	44,084 Feet	8.3 Miles
	10"	6,066 Feet	1.2 Miles
	12"	8,417 Feet	1.6 Miles
	14"	1,082 Feet	0.21 Miles
	16"	9,154 Feet	1.7 Miles
	18"	2,067 Feet	0.39 Miles
	20"	10,971 Feet	2.1 Miles
Total Ductile Iron		83,189 Feet	15.76 Miles
Total Galvanized Pipe	10"	30 Feet	0.006 Miles
Total HDPE	12"	727 Feet	0.14 Miles
PVC	6"	2,430 Feet	0.46 Miles
	8"	48,410 Feet	9.2 Miles
	10"	22,961 Feet	4.4 Miles
	12"	23,262 Feet	4.4 Miles
	14"	893 Feet	0.17 Miles
Total PVC		99,234 Feet	18.8 Miles
Total Water Mains		1,114,163 Feet	211 Miles

Appendix D – Capital Projects Analysis

Reclaimed Water System Assets	Type	Size (Inches)	Count
Control Valves	Total Air Release		23
	Total Blow Off	<Null>	18
	Total Control Valves		41
Total Network Structures	Pump Station		1
Total Service Connections	Non-Potable Irrigation Meter		235
System Valve	Gate	6"	46
		8"	20
		12"	20
		16"	31
	Total System Valves		127

Appendix D – Capital Projects Analysis

Reclaimed Water Main Material Type	Diameter (Inches)	Total Length (Feet)	Total Length (Miles)
Total Asbestos Cement	12"	2,532 Feet	0.48 Miles
Ductile Iron	6"	3,193 Feet	0.6 Miles
	8"	1,292 Feet	0.25 Miles
	12"	17,941 Feet	3.4 Miles
	16"	33,216 Feet	6.3 miles
	20"	4,071 Feet	0.77 Miles
Total Ductile Iron		59,713 Feet	11.31 Miles
PVC	6"	22,427 Feet	4.25 Miles
	8"	13,297 Feet	2.52 Miles
	12"	4,734 Feet	0.9 Miles
	16"	1,863 Feet	0.35 Miles
Total PVC		42,320 Feet	8.01 Miles
Total Reclaimed Water Main		104,565 Feet	19.8 Miles

Appendix D – Capital Projects Analysis

Sewer System Assets			Count
Total Lift Stations			13
Total Manholes			4355

Appendix D – Capital Projects Analysis

Sewer Gravity Main Material Type	Diameter (Inches)	Total Length (Feet)	Total Length (Miles)
Total Ductile Iron Pipe	8"	321 Feet	0.061 Miles
PVC	6"	812 Feet	0.15 Miles
	8"	269,380 Feet	51.02 Miles
	10"	1,755 Feet	0.33 Miles
	12"	202 Feet	0.038 Miles
	18"	288 Feet	0.055 Miles
Total PVC		272,437 Feet	51.6 Miles
Vitrified Clay Pipe	6"	1,993 Feet	0.38 Miles
	8"	500,018 Feet	94.7 Miles
	10"	16,223 Feet	3.1 Miles
	12"	3,678 Feet	0.7 Miles
	15"	10,236 Feet	1.94 Miles
	18"	26,447 Feet	5.01 Miles
	21"	8,611 Feet	1.63 Miles
	24"	7,627 Feet	1.44 Miles
	30"	5,160 Feet	0.98 Miles
	<Null>	76 Feet	0.014 Miles
Total Vitrified Clay Pipe		580,069 Feet	109.9 Miles
Total Sewer Gravity Main		852,827 Feet	161.52 Miles

Appendix D – Capital Projects Analysis

Sewer Force Main Material Type	Diameter (Inches)	Total Length (Feet)	Total Length (Miles)
Total Asbestos Cement	4"	694 Feet	0.13 Miles
Ductile Iron	4"	1,522 Feet	0.29 Miles
	6"	600 Feet	0.11 Miles
	12"	1,430 Feet	0.27 Miles
	24"	2,075 Feet	0.39 Miles
	30"	20,704 Feet	3.92 Miles
Total Ductile Iron		26,330 Feet	4.99 Miles
Total HDPE	8"	6,552 Feet	1.24 Miles
Polyvinyl Chloride (PVC)	4"	755 Feet	0.14 Miles
	6"	5,554 Feet	1.05 Miles
	12"	1,231 Feet	0.23 Miles
Total Polyvinyl Chloride (PVC)		7,541 Feet	1.43 Miles
Total Force Main		41,117 Feet	7.79 Miles

Appendix D – Capital Projects Analysis

Stormwater System Assets	Type	Size (Inches)	Count
Total Energy Dissipator			24
Inlets	Headwall		47
	Standard Inlet		1,333
	Riser		10
	<Null>		106
	Total Inlets		1,496
Total Junction Structures			298
Total Manholes			1,087
MO2 Pump Station			1

Appendix D – Capital Projects Analysis

Stormwater Main Material Type	Pipe Diameter (Inches)	Total Length (Feet)	Total Length (Miles)
Asbestos Cement Pipe	6"	83 Feet	0.016 Miles
	8"	223 Feet	0.042 Miles
	12"	57 Feet	0.011 Miles
	15"	2329 Feet	0.44 Miles
	18"	538 Feet	0.1 Miles
	21"	1,173 Feet	0.22 Miles
	24"	2,542 Feet	0.48 Miles
	27"	1063 Feet	0.2 Miles
	30"	469 Feet	0.089 Miles
	33"	100 Feet	0.019 Miles
	39"	184 Feet	0.035 Miles
	Total Asbestos Cement Pipe		8,761 Feet
Aluminum Pipe	15"	121 Feet	0.023 Miles
	18"	136 Feet	0.026 Miles
	21"	122 Feet	0.023 Miles
Total Aluminum Pipe		379 Feet	0.072 Miles
Total Cement Open Channel		903 Feet	0.17 Miles
Concrete Box	<Null>	59 Feet	0.011 Miles
Concrete (Non-Reinforced)	6"	188 Feet	0.036 Miles
	8"	372 Feet	0.07 Miles
	10"	303 Feet	0.057 Miles
	30"	119 Feet	0.004 Miles
	36"	254 Feet	0.048 Miles
	<Null>	300 Feet	0.057 Miles
Total Concrete (Non-Reinforced)		1,236 Feet	0.23 Miles
Corrugated Metal	10"	794 Feet	0.15 Miles
	12"	1,117 Feet	0.21 Miles
	15"	507 Feet	0.096 Miles
	18"	6,928 Feet	1.3 Miles
	20"	95 Feet	0.018 Miles
	21"	1,299 Feet	0.25 Miles
	24"	1,013 Feet	0.19 Miles
	30"	382 Feet	0.072 Miles
	36"	838 Feet	0.159 Miles
	40"	220 Feet	0.042 Miles
	42"	105 Feet	0.02 Miles
	48"	241 Feet	0.046 Miles

Appendix D – Capital Projects Analysis

Stormwater Main Material Type	Pipe Diameter (Inches)	Total Length (Feet)	Total Length (Miles)
Corrugated Metal	66"	184 Feet	0.035 Miles
Total Corrugated Metal		13,723 Feet	2.6 Miles
Total Corrugated Steel Pipe	18"	2,191 Feet	0.42 Miles
HDPE	10"	114 Feet	0.022 Miles
	12"	80 Feet	0.015 Miles
	15"	405 Feet	0.077 Miles
	18"	373 Feet	0.071 Miles
	24"	411 Feet	0.078 Miles
	30"	278 Feet	0.053 Miles
	<Null>	1,487 Feet	0.28 Miles
Total HDPE		2,836 Feet	0.54 Miles
PVC	3"	38 Feet	0.007 Miles
	6"	642 Feet	0.12 Miles
	8"	584 Feet	0.11 Miles
	10"	101 Feet	0.019 Miles
	12"	1,193 Feet	0.23 Miles
	15"	467 Feet	0.088 Miles
	16"	51 Feet	0.01 Miles
	18"	560 Feet	0.11 Miles
	24"	62 Feet	0.012 Miles
Total PVC		3,699 Feet	0.7 Miles
Reinforced Concrete Box	15"	43 Feet	0.008 Miles
	18"	103 Feet	0.02 Miles
	27"	223 Feet	0.042 Miles
	<Null>	853 Feet	0.162 Miles
Total Reinforced Concrete Box		1,179 Feet	0.22 Miles
Reinforced Concrete Pipe	8"	310 Feet	0.059 Miles
	12"	2,753 Feet	0.52 Miles
	14"	659 Feet	0.13 Miles
	15"	16,148 Feet	3.1 Miles
	16"	1,049 Feet	0.2 Miles
	18"	88,638 Feet	16.8 Miles
	20"	139 Feet	0.026 Miles
	21"	10,610 Feet	2 Miles
	24"	65,135 Feet	12.3 Miles
	25"	41 Feet	0.008 Miles

Appendix D – Capital Projects Analysis

Stormwater Main Material Type	Pipe Diameter (Inches)	Total Length (Feet)	Total Length (Miles)
Reinforced Concrete Pipe	27"	8,505 Feet	1.6 Miles
	28"	821 Feet	0.16 Miles
	30"	42,062 Feet	8 Miles
	33"	9,895 Feet	1.9 Miles
	36"	22,536 Feet	4.3 Miles
	39"	3,865 Feet	0.73 Miles
	42"	16,557 Feet	3.1 Miles
	45"	528 Feet	0.1 Miles
	48"	14,537 Feet	2.8 Miles
	49"	451 Feet	0.09 Miles
	51"	688 Feet	0.13 Miles
	54"	16,118 Feet	3.1 Miles
	60"	5,971 Feet	1.1 Miles
	64"	60 Feet	0.011 Miles
	66"	3,028 Feet	0.57 Miles
	67"	243 Feet	0.046 Miles
	69"	222 Feet	0.042 Miles
	72"	5,810 Feet	1.1 Miles
	78"	2,882 Feet	0.55 Miles
	81"	1,261 Feet	0.24 Miles
84"	89 Feet	0.017 Miles	
	<Null>	11,942 Feet	2.3 Miles
Total Reinforced Concrete Pipe		355,711 Feet	67.4 Miles
Vitrified Clay	8"	508 Feet	
	12"	403 Feet	
	21"	187 Feet	
Total Vitrified Clay		1,098 Feet	0.21 Miles
<Null> Material		99,428 Feet	18.3 Miles
Total Stormwater Mains		419,169 Feet	79.4 Miles



Appendix E - Capital Projects Analysis

Lucity CMMS Achievements

Division or WorkGroup	Accomplishment
Utilities Maintenance Services	GO-LIVE Lucity CMMS in Production July 2015 Utilities, January 2016 Maintenance Services
Engineering	GIS mapping development /integration; As-built plan and tract map linking; Geocoding water meter database; Data collection management and implementation; Database management and synchronization; Interdisciplinary request portal; Workflow piloting, development and implementation
Utilities FAS	Payroll Integration Lucity CMMS / Eden Financials
Information Technology	Network Architecture / Security for Tablets
Collections Engineering	Wincan / GIS / Lucity CCTV Van Integration CCTV Repair Workflow Development
Utilities Maintenance Services Engineering	Reclamation Plant Asset Inventory Development; Migration of all legacy Preventive Maintenance Activities for Plant Operations; Parks, Streets, Facilities Asset Inventory Collection; Asset Naming Convention Development / Assignment for all asset classes.
Water Operations Engineering	Complete migration of all Tooltime Preventive Maintenance Activities for Water Operations to Lucity. Development of Preventive Maintenance Activities for Pump Stations, Reservoirs, Well Filter Plant, Pressure Regulating Stations, Turnouts, Regulatory Sampling, Regulatory Training, Mobile Office, Asset inventory collection and refinement
Collections Engineering	Development of Preventive Maintenance Activities for Grease Run & Root Run with GIS; Vortex Unit Work Order Templates, Manhole and Catch Basin Inspections, Mobile Office, Performance measure custom reports
Water Maintenance Engineering	Water Meter Workflow Development, Development of Preventive Maintenance Activities for Leak Detection, Grid Routing for Valves and FH Maintenance & Inspection, Dead End Flushing Inspection, Mobile Office
Utilities Maintenance Services	Corrective Work Orders – Most PW Employees capturing large portions of work activities with Lucity CMMS



Information Technology Strategic Plan Update

Objective

The Information Technology Strategic Plan (ITSP) has been updated to maintain a comprehensive plan to guide Information Technology decision making, budgeting, and implementations across all City functions and operations over the next five years.

Background

Originally adopted as part of the 2015 Long Term Financial Plan, the ITSP has been developed to serve as a roadmap for strategic technology projects that are anticipated over the next five years, similar to the City's Capital Improvement Program (CIP). The plan is updated annually to reflect new technology initiatives and technological advancements, while adapting to changing business needs and financial conditions. As recommended in the Information Technology Assessment prepared by Nexlevel Information Technology, Inc. and presented to City Council on May 6, 2014, the ITSP and the Long Term Financial Plan are developed in concert, such that the ITSP is aligned with the City's business priorities. Details of the plan are developed by the Information Technology Division with input from each of the City's departments through the IT Steering Committee. The ITSP outlines how the IT Division will align with City Departments to help achieve City goals and deliver services for the community.

Executive Summary

The 2017 Information Technology Strategic Plan Update includes an updated listing of strategic projects, generated through a collaborative process that involved both the IT Division and Department representatives that aims to satisfy current and future technology-related needs for all Departments/Divisions of the City.

The plan charts a course for future City technology investments that are appropriately aligned with Departmental goals and priorities. The plan includes a series of achievable projects and initiatives recommended for implementation over the next one to five year time span and beyond. Similar to the City's annual Capital Improvement Program, estimated expenditures for strategic technology projects have been scheduled over the 5 year period.

The ITSP Update includes a status report for IT projects that are scheduled and underway in the current fiscal year, as well as cost and scheduling refinements for projects that are planned over the 5-year time horizon. In addition to a comprehensive listing of projects and initiatives that are planned in coming fiscal year, '**Attachment A**' provides greater detail about these items.

Adjustments to the ITSP for the 2017 ITSP Update can be categorized in 4 areas:

- General Scheduling/Cost Adjustments
- IT Division New Initiatives
- City Clerk Strategic Plan Initiatives
- Recommendations from the Operational Assessment of the Code Compliance, Development Engineering, Planning Division, and Business License Functional Areas

The ITSP Update concludes with a comprehensive 5 Year Summary of strategic technology projects, which incorporates the revisions outlined within this document.

Information Technology Strategic Plan Update

FY 2016-17 Strategic Technology Project Status / Update

Since the ITSP was first adopted in 2015, a number of projects have been successfully planned, budgeted, and completed. The following table outlines these projects as of February, 2017:

Completed Strategic Technology Projects	Dept/Div	Status
EOC Laptop Replacements	IT	Completed FY 2015-16
Mobile Device Management Solution	IT	Completed FY 2016-17
Network Monitoring Software	IT	Completed FY 2016-17
Secondary Malware Prevention System	IT	Completed FY 2015-16
Server Replacements / VMWare Upgrade	IT	Completed FY 2016-17
Technology Training Initiative – Cyber Security Training	IT	Completed FY 2016-17
Unalterable Electronic Data Storage Appliance	IT	Completed FY 2015-16
Electronic Submittal/Tracking/Delivery of PRA requests.	Clerk	Completed FY 2016-17
Vendor and Bid Management Software	Clerk	Completed FY 2016-17
Enhanced GIS Workstations	CD	Completed FY 2015-16
Expansion of Esri Enterprise License Agreement	CD	Completed FY 2016-17
Replace Tele-Works IVR for Building Inspection Requests	CD	Completed FY 2015-16
Replace/Upgrade Customer Queuing System	CD	Completed FY 2016-17
Upgrade from TRAKiT.net to TRAKiT 9 (Assessment only in FY 2016-17)	CD	Completed FY 2016-17
OHBC Staffing/Re-opening IT Needs	Recreation	Completed FY 2016-17

In the current Fiscal Year there are many Information Technology projects that are in varying stages of completion. The table below identifies projects that are scheduled in the current year, based upon the status of each project as of February, 2017. The majority of these projects were identified in the 2015 ITSP and the 2016 ITSP Update, while some of the smaller items were approved directly through the budget process:

Current Strategic Technology Projects	Dept/Div	Status
City-wide Cashiering (Study in FY 2016-17)	FAS	Project on hold, pending Payment Processing System Replacement
Online Business License Renewal	FAS	Expansion of Online Business License Renewals to be completed FY 2016-17
Payment Processing System and Utility Billing IVR	FAS	Vendor selection underway. Planned for completion in FY 2016-17
Citywide Customer Relationship Management (CRM); Integration with Trakit and CMMS	IT	RFP planned in FY 2016-17
DataCenter Improvements (CIP)	IT	Construction Underway. Scheduled for Completion FY 2016-17
Disaster Recovery as a Service (DRaaS)	IT	RFP planned in FY 2016-17
Network Infrastructure Updates	IT	Assessment and Design underway. Network equipment upgrade planned for Spring 2017
Security Audit	IT	RFP planned in FY 2016-17

Information Technology Strategic Plan Update

Current Strategic Technology Projects - Continued	Dept/Div	Status
Security Information and Event Management (SIEM) Services	IT	RFP planned in FY 2016-17
Telephone System Replacement (\$35K for Study & Procurement)	IT	Study completed Winter 2017. Procurement planned for Summer 2017
Web Enhancement/GIS Development – AGOL	IT	Planned for completion in FY 2016-17
Cable TV Equipment Replacement	City Clerk	RFP for Design & Implementation planned by the end of FY 2016-17. Implementation to follow in FY 2017-18.
Electronic Agenda / Legislative Management System – (City Clerk Strategic Plan)	City Clerk	RFP planned in FY 2016-17
EDMS Search Enhancement/Public Interface	City Clerk	Contingent upon Legislative Management Project
Recreation Management Software Upgrade/Replacement	BPR	Contract Award Feb 2017. Implementation planned for Fall 2017.
Integration of GIS with TrakIT	CD	Data preparation underway. Implementation to be completed by June 30, 2017
Water Quality Code Enforcement Mobile Offices	PW	Deferred, pending upgrade to TRAKIT 9

FY 2017-18 Strategic Projects

A number of Information Technology-related projects and initiatives are planned for FY 2017-18. The table below summarizes the projects being recommended and requested for the coming year. This list includes the strategic projects and initiatives that were originally included in the 2015 ITSP, as well as adjustments to the listing which can be attributed to general scheduling/cost refinements, new IT Division initiatives, the City Clerk Strategic Plan, and the Operational Assessment of the Code Compliance, Development Engineering, Planning Division, and Business License Functional Areas. Funding for these items will be requested through the budget process in the coming months. Details regarding each project and initiative listed below are provided in **Attachment A**.

Projects Scheduled for FY 2017-18	Dept	Div
City-wide Cashiering (Study in FY 2016-17)	FAS	IT/Business Services
Online Business License Application Submittal and Processing System	FAS	Business Services
VOIP Telephone System Replacement	FAS	IT
Upgrade of Critical Data Storage Infrastructure (SAN)	FAS	IT
Web Application Enhancements	FAS	IT
Secondary Internet Service Provider	FAS	IT
Budget for GIS Data Development and Engineer Time	FAS	IT
Budget for Employee Computer Training - ongoing	FAS	IT
Contract / Insurance Management System (Ties to Agenda/Leg Mgmt OR other provider)	FAS	IT/City Clerk
Paperless Agendas / Tablets for City Council (Ties to Agenda/Leg Mgmt)	FAS	IT/City Clerk
Upgrade from TRAKIT.net to TRAKIT 9	Com Dev/PW	Building/Plng/Code/Eng
Electronic Plan Review – Phase I	Com Dev	Building

Information Technology Strategic Plan Update

Projects Scheduled for FY 2017-18 - <i>Continued</i>	Dept	Div
Mobile Building Inspector / Code Compliance / Water Quality Officers (dependent upon TRAKIT 9 upgrade)	Com Dev	Building
Online Permit Applications (dependent upon TRAKIT 9 upgrade)	Com Dev	Building

General Scheduling/Cost Adjustments

This strategic plan update includes a number of refinements that have been made to the scheduling and projected cost of projects. These changes can be attributed to many factors including the rapid and continuous evolution of the technology industry and realignment of operational practices and priorities. The most significant adjustments to the 5-year plan are summarized below:

- **Finance Division**

- ✓ The Study of Eden Financial Software Replacement has been deferred to FY 2019-20, as there has been no indication from the vendor that support for the current product will be discontinued.
- ✓ The Public Interface for City Financials has been moved from FY 2017-18 to FY 2018-19. This project may have significant overlap with the upcoming implementation of a Public Interface to the City Electronic Document Management System (EDMS) as well as the Electronic Agenda/Legislative Management system. In the meantime, staff will continue to maintain transparency information on the City website.

- **Information Technology Division**

- ✓ Telephone System Replacement – This project includes replacement of the City’s phone system at all major City offices, replacing equipment that is beyond the expected lifespan and improving communications. A needs assessment and system design is currently under development. Implementation of the system, previously scheduled in FY 2016-17, is now projected in FY 2017-18.

- **Building & Planning Divisions**

- ✓ Public Outreach System – Originally requested by the Planning Division in FY 2016-17, this project has been moved to FY 2018-19. This functionality will be listed as an optional feature in the RFP for an Electronic Agenda / Legislative Management System (Budgeted in FY 2016-17), since many companies that produce this type of software also have modules that address this functionality. This item will remain on the schedule for FY 2018-19 if not incorporated into Agenda Management solution.

Information Technology Division New Initiatives and Projects

This ITSP has been updated to include the following new projects for the IT Division:

- **Data Storage Equipment (SAN) Upgrade** – The majority of City computing resources reside on an HP Storage Cluster that is due for replacement. The equipment is 5-7 years old, nearing the end of the expected lifespan. The older modules will no longer be supported by the vendor after 12/31/2018. Replacement of the system is recommended before that time in order to maintain system reliability. Furthermore, the current system is at 80% capacity, allowing for little future expansion. The upgraded system will allow for future growth and improved performance.
- **Secondary Internet Service Provider (ISP)** – The City’s relies heavily upon internet connectivity to conduct business, deliver services and communicate effectively. Internet service is currently provided by a single provider. An additional internet service provider, along with the appropriate equipment that can leverage multiple connections, would provide redundancy in the event of a service outage.

City Clerk Strategic Plan

As recommended in the Operational Assessment of the City Clerk Department conducted by the Matrix Consulting Group, the City Clerk has developed the “City Clerk Strategic Plan”, included within the 2017 LTFP. Many of the City Clerk’s strategic initiatives are technology-based, will require future investment, and therefore have been incorporated into the ITSP. These items include the following:

- **Electronic Agenda/Legislative Management System** - This system will provide an automated workflow for the development of meeting agendas, agenda packets, minutes, legislative history, and other functions of the Office of the City Clerk. RFP will be issued by June 30, 2017. Vendor selection and implementation is scheduled and budgeted in FY 2016-17.
- **Electronic Agenda Packet Distribution** - Provide Councilmembers and staff the option to receive their agenda packets electronically via tablet or other portable electronic device. This functionality shall be identified as a requirement in the RFP for Electronic Agenda Management System. Funding for equipment and training will be requested in FY 2017-18 after the preliminary implementation of Electronic Agenda Management System.
- **Electronic Document Management System (EDMS)** - Evaluate the upgrade or replacement opportunities of the current EDMS system in the latter portion of 5-Year Strategic Plan. However, there may be a compelling reason to expedite this item if the vendor selected for the Electronic Agenda/Legislative Management System offers an integrated EDMS solution.

Information Technology Strategic Plan Update

- **New software solution for contract and insurance/securities certificate management** - Replace the custom in-house tracking solution with commercial-off-the-shelf solution. This functionality will be listed as an optional feature in the RFP for an Electronic Agenda Management System, since many companies that produce this type of software also have software modules to address this functionality. Implementation is scheduled for FY 2017-18 (or sooner if incorporated into Agenda Management solution).
- **Citywide Vendor/Bid Management System** - Implementation completed in FY 2016-17.
- **Electronic Submittal and Tracking of PRA Requests** - Implementation completed in FY 2016-17.
- **On-line portal to provide access to legislative records** - Staff is seeking an enhanced web-based system for the publication of City records such as agendas, minutes, resolutions, ordinances, and staff reports. This item is tied to the Electronic Agenda/Legislative Management System project (Budgeted in FY 2016-17), since many companies that produce this type of software also have modules that address this functionality. This item will remain on the schedule for FY 2018-19 if not incorporated into Agenda Management solution.
- **Electronic Filing of FPPC Campaign Statements** - Monitor availability of technology to allow electronic filing of FPPC campaign statements and seek budget approval to implement system when technology and price become acceptable.

Operational Assessment of the Code Compliance, Development Engineering, Planning Division, and Business License Functional Areas

The Operational Assessment of the Code Compliance, Development Engineering, Planning Division, and Business License Functional Areas was conducted by the Matrix Consulting Group and presented to the City council on January 17, 2017. Included in this assessment was an in-depth evaluation of the technology systems that are being utilized in these functional areas, resulting in several technology-related recommendations which have been incorporated into the ITSP Update.

The 2016 ITSP Update included an assessment to determine the feasibility of upgrading the City's permitting system, to either a new version provided by the same vendor or potentially a new vendor. The consultant has recommended keeping with the same vendor for the City's permitting and licensing system, TRAKiT, and upgrading to the latest version (TRAKiT 9). Additional recommendations include the use of tablet computers for greater mobility of field staff, online business license application submittal, online permit application processing, and electronic plan submittal and review. The TRAKiT 9 upgrade has been scheduled for FY 2017-18. Implementation of the other items is scheduled to begin in FY 2017-18 and carry on through FY 2018-19, with the timing of these projects being dependent upon the TRAKiT 9 upgrade and staffing demands. Electronic Plan Submittal and Review will be phased over two years, with the

initial phase in FY 2017-18 for a trial group to develop and refine the process, followed by Department-wide adoption in FY 2018-19. Online Permit Application Processing is planned for FY 2018-19, unless it is deemed practical to implement this feature in conjunction with the initial upgrade to TRAKiT 9. Improved Mobile solutions for field personnel in Code Compliance, Water Quality Code Compliance, and Building Inspection are dependent upon the TRAKiT 9 upgrade, although the interim solution currently being utilized by Code Compliance will be expanded in FY 2017-18.

Recommendation

Staff recommends that the City Council accept the Information Technology Strategic Plan Update and direct staff to bring the recommended Fiscal Year 2017-18 projects and initiatives forward through the budget process.



FY 2017-18 Recommended Projects and Initiatives – Detail

Business License Online Application Submittal	
Description	Expand eTRAKiT to accept certain types of Business License Applications online.
Benefit / Justification	As a recommendation of the Matrix Operational Assessment, make the business license application process more efficient for staff and convenient for the public.
Estimated Cost	\$15,000
Funding	General fund
Estimate Timeframe	FY 2017-18
Staffing Impact	Significant impact during implementation
Priority	Moderate
Service Level Impact	Increase
Department/Division	Finance and Administrative Services / Business Services

City-wide Cashiering (Study in FY 2016-17 / Implementation in FY 2017-18)	
Description	Study the need for a new city-wide cashiering system to replace or upgrade Active Networks, and issue an RFP for a new system if deemed necessary.
Benefit / Justification	Maintenance and support for the current system may be discontinued by the vendor at some point in the near future. System upgrade/replacement is dependent upon the implementation of a new payment processing system that is underway in the current fiscal year.
Estimated Cost	\$40,000
Funding	Shared between General Fund and Utilities Enterprise Funds
Estimate Timeframe	FY 2017-18
Staffing Impact	Significant impact during implementation
Priority	High
Service Level Impact	Maintain current level
Department/Division	Finance and Administrative Services / Business Services

Telephone System Replacement (Implementation in FY 2017-18)	
Description	Replacement of the existing Partner / Centrex telephone system with a modern Voice-over-Internet-Protocol (VoIP) unified communication system.
Benefit / Justification	A modern VoIP system can utilize the City's computer network infrastructure, rather than traditional telephony equipment, for voice communications, video conferencing and instant messaging. Aging equipment and infrastructure would be replaced with a contemporary solution that can be maintained in-house with current staffing. The solution will improve upon the City's existing phone service, functionality and usability, and will allow staff to better communicate with each other as well as the public. The initial cost of upgrading would be offset over time by an anticipated reduction in the City's phone bill.
Estimated Cost	\$35,000 for Study and RFP in FY 2016-17 / \$200,000 for Implementation
Funding	Shared; Primarily General Fund
Estimate Timeframe	Study in FY 2016-17 / Implementation in FY 2017-18
Staffing Impact	Significant
Priority	High
Service Level Impact	Increase
Department/Division	Finance and Administrative Services / Information Technology

SAN Data Storage Replacement	
Description	Replacement of the existing Data Storage System
Benefit / Justification	The data storage system is a critical element of our IT infrastructure. The majority of City computing resources reside on a Data Storage Cluster that is due for replacement. The equipment is 5-7 years old, nearing the end of the expected lifespan. The older modules will no longer be supported by the vendor after 12/31/2018. Replacement of the system is recommended before that time in order to maintain system reliability. Further, the current system is at 80% capacity, allowing for little future expansion. The upgraded system will allow for future growth and improved performance.
Estimated Cost	\$150,000
Funding	Shared; Primarily General Fund
Estimate Timeframe	FY 2017-18
Staffing Impact	Low
Priority	High
Service Level Impact	Increase
Department/Division	Finance and Administrative Services / Information Technology

Web Application Enhancements	
Description	Funding for commercial, off-the-shelf, web-based applications that improve internal efficiency and/or enhance service to the public.
Benefit / Justification	Ongoing funding for web-based applications that improve internal efficiency and enhance service to the public. To include improvements and new features on the existing website, and new applications that provide a particular service. Past examples include Online Public Records Request portal and Online Vendor / Bid Management system.
Estimated Cost	Improve delivery of information and services to the public.
Funding	\$10,000 per year
Estimate Timeframe	Begin in FY 2015-16
Staffing Impact	Moderate
Priority	Low / Moderate
Service Level Impact	Increase
Department/Division	Finance and Administrative Services / Information Technology

Secondary Internet Service Provider	
Description	Addition of a secondary ISP to ensure continuous connectivity
Benefit / Justification	The City's relies heavily upon internet connectivity to conduct business, deliver services and communicate effectively. Internet service is currently provided by Cox Communications. An additional internet service provider, along with the appropriate equipment that can leverage multiple connections, would provide redundancy in the event of a service outage.
Estimated Cost	\$15,000
Funding	Shared; Primarily General Fund
Estimate Timeframe	FY 2017-18
Staffing Impact	Low
Priority	Medium
Service Level Impact	Increase
Department/Division	Finance and Administrative Services / Information Technology

Electronic Agenda Packet Distribution for Councilmembers	
Description	Implementation of a system by which meeting agenda packets would be delivered electronically to City Councilmembers on tablet devices.
Benefit / Justification	Electronic Agenda Packet Distribution was recommended in the City Clerk Operational Assessment conducted by Matrix Consulting. This functionality shall be identified as a requirement in the RFP for Electronic Agenda Management System. Funding for equipment and training will be requested in FY 2017-18 after the preliminary implementation of Electronic Agenda Management System.
Estimated Cost	\$10,000 in FY 2017-18 for Implementation. \$5,000/year ongoing service cost.
Funding	General Fund
Estimate Timeframe	Completed in FY 2017-18
Staffing Impact	Moderate impact during implementation; Potential reduction in staff time after implementation.
Priority	Moderate
Service Level Impact	Increase
Department/Division	IT / City Clerk

Contract and Insurance/Securities Certificate Management	
Description	Replace the custom in-house tracking solution with commercial-off-the-shelf solution for management of contracts and insurance certificates.
Benefit / Justification	This item was recommended in the City Clerk Operational Assessment conducted by Matrix Consulting. This functionality will be listed as an optional feature in the RFP for an Electronic Agenda Management System, since many companies that produce this type of software also have software to address this functionality. Implementation is scheduled for FY 2017-18 (or sooner if incorporated into Agenda Management solution).
Estimated Cost	\$13,000 in FY 2017-18 for Implementation. \$10,000/year ongoing service cost.
Funding	General Fund
Estimate Timeframe	Completed in FY 2017-18
Staffing Impact	Moderate impact during implementation
Priority	Moderate
Service Level Impact	Maintain
Department/Division	IT / City Clerk

Information Technology Strategic Plan Update - Attachment A

Upgrade from TRAKiT.net to TRAKiT 9	
Description	Upgrade the current permitting and licensing system to the latest version of the current vendor's software
Benefit / Justification	The City currently uses TRAKiT.net by CRW Systems for processing and tracking development projects as well as issuing permits and tracking plan reviews, inspections, and code enforcement cases. The system is also used for management of Business Licenses. The City has successfully used this software since 2004/2005 to satisfy our Building, Planning, Engineering, Business License, and Code Enforcement needs. However, these are several feature enhancements that have been identified by staff that can improve service levels and/or productivity. These include online business license application submittal, online building permit applications, electronic plan review, and Building Inspector Mobile Office setups. Further, the latest version of Trakit includes an option of a hosted solution which reduces the effort of maintaining the related back-end hardware and software.
Estimated Cost	\$175,000
Funding	General Fund
Estimate Timeframe	Complete Implementation in FY 2017-18
Staffing Impact	Significant for Implementation Phase
Priority	High
Service Level Impact	Increase
Department/Division	Community Development

Mobile Access to TRAKiT (Code Compliance, Water Quality Code Compliance, and Building)	
Description	Mobile access to the TRAKiT system using laptops or tablet computers.
Benefit / Justification	Providing field staff with "anytime, anywhere" access to the key business applications that they use to perform their job functions will improve the efficiency and effectiveness of these functional areas.
Estimated Cost	\$5,000 in FY 2017-18. \$30,000 in FY 2018-19.
Funding	General Fund
Estimate Timeframe	Interim Solution in FY 2017-18 / Full Implementation in FY 2018-19
Staffing Impact	Moderate during implementation.
Priority	High
Service Level Impact	Increase
Department/Division	Community Development

Electronic Plan Review	
Description	Electronic Submittal and Review of Plan Documents for Permitting
Benefit / Justification	The City currently reviews plans by requiring multiple sets of documents be submitted in person that are then routed to various departments for review and approval. After approval these documents are eventually scanned and stored electronically. This proposal will be the first step towards converting this process to one where the documents are submitted, reviewed and approved electronically, resulting in a significant reduction in the time and expense associated with plan submission for the applicant. The first phase will consist of an initial trial group to verify hardware and create processes prior to the implementation of TRAKiT 9, which will allow for full electronic submission and review.
Estimated Cost	\$15,000 in FY 2017-18 for Phase I. \$25,000 in FY 2018-19 for Phase II.
Funding	General Fund
Estimate Timeframe	Preliminary Implementation in FY 2017-18
Staffing Impact	Significant for Implementation Phase
Priority	High
Service Level Impact	Increase
Department/Division	Community Development

GIS Initiative - GIS Data Development, Maintenance and Support	
Description	The GIS initiative has involved implementation of a Citywide ESRI Enterprise GIS platform, integration of GIS (ArcGIS) with critical City business systems such as TRAKiT (Permitting) and Lucity (CMMS), improved PC hardware and licensing for GIS work, and development of improved data and applications.
Benefit / Justification	With the ESRI platform in place and major business system integrations complete, in the coming years it will be important to maintain and improve existing data sets, as well as develop new GIS data resources. This will enable the best and most efficient access and use of City Building, Code Enforcement, Land Use, Utility and Maintenance data. In addition, there are support requirements that can be efficiently delivered directly from outside vendors.
Estimated Cost	\$20,000
Funding	Shared
Estimate Timeframe	Ongoing
Staffing Impact	None
Priority	Moderate
Service Level Impact	Increase
Department/Division	IT

Information Technology Strategic Plan Update - Attachment A

Training Initiative	
Description	Citywide training initiative to equip City staff to better utilize the many software applications that are available to them. This initiative will include the offering of specialized instructor-led courses and online video training, which will be geared for both new and current employees. Funding may be allocated for the hiring of instructors, development of training videos, training software, and the assembly of a number of computers in a dedicated "training center".
Benefit / Justification	Increased productivity and efficiency
Estimated Cost	\$10,000 per year
Funding	Shared
Estimate Timeframe	Began in FY 2015-16 > Ongoing
Staffing Impact	Minor
Priority	Low / Moderate
Service Level Impact	Improve
Department/Division	Finance and Administrative Services / IT



Information Technology Strategic Plan - 5 Year Summary

Title	Fund	Current Year							Ongoing
		6 Yr. Total	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	
Finance and Administrative Services									
Automated Water Meter Reading capabilities	Ent	\$6,000,000						\$6,000,000	
City-wide Cashiering (Study in FY 2016-17)	Shared	75,000	15,000	40,000	5,000	5,000	5,000	5,000	5,000
Eden Financial Software Replacement (Study/RFP/Implementation)	Shared	1,075,000				50,000	25,000	1,000,000	50,000
Online Business License Application / Renewal	GF	25,000	10,000	15,000					
Payment Processing and Utility Billing IVR System	Shared	105,000	55,000	10,000	10,000	10,000	10,000	10,000	10,000
Transparency Portal - Public Interface to Financials	GF	42,000			10,500	10,500	10,500	10,500	10,500
		7,322,000	80,000	65,000	25,500	75,500	50,500	7,025,500	75,500
Information Technology									
Citywide CRM / Notification (Integration with Trakit and CMMS)	Shared	80,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Storage Upgrade	Shared	150,000		150,000					
Disaster Recovery as a Service (DRaaS)	Shared	120,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Network Infrastructure Updates – Switch Replacement/Cabling	Shared	250,000	150,000		100,000				
Secondary Internet Service Provider	Shared	35,000		15,000	5,000	5,000	5,000	5,000	5,000
Security Audit	Ent	75,000	25,000		25,000		25,000		
Security Information and Event Management (SIEM) Services	Shared	300,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
VOIP Telephone System Replacement (Study/RFP in FY 2016-17)	Shared	235,000	35,000	200,000					
Web Application Enhancements	Shared	60,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
		1,305,000	320,000	455,000	220,000	95,000	120,000	95,000	95,000
City Manager/City Clerk/Council									
Cable TV Equipment Replacement	GF	225,000	225,000						
Contract and Insurance/Securities Certificate Management - (CCSP)	GF	53,000		13,000	10,000	10,000	10,000	10,000	10,000
Electronic Agenda Management - City Clerk Strategic Plan (CCSP)	GF	216,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Electronic Agenda Packet Distribution for Councilmembers - (CCSP)	GF	30,000		10,000	5,000	5,000	5,000	5,000	5,000
Electronic Document Management System (Study in FY 2019-20) - (CCSP)	GF	50,000				50,000			
Electronic Document Search Enhancement with Public Interface (CCSP)	GF	20,000			20,000				
Electronic Filing of FPPC Campaign Statements - (CCSP)	GF	20,000			5,000	5,000	5,000	5,000	5,000
		614,000	261,000	59,000	76,000	106,000	56,000	56,000	56,000
Community Development									
Electronic Plan Review	GF	47,500		15,000	25,000	2,500	2,500	2,500	2,500
“On-Line” Building Permit Applications	GF	23,000			20,000	1,000	1,000	1,000	1,000
Public outreach technologies	GF	40,000			10,000	10,000	10,000	10,000	10,000
Upgrade from TRAKIT.net to TRAKIT 9 (Assessment in FY 2016-17)	GF	200,000	25,000	175,000					
		310,500	25,000	190,000	55,000	13,500	13,500	13,500	13,500
Beaches, Parks & Recreation									
CLASS Software Replacement (Study & RFP in FY 2015-16)	GF	205,000	55,000	30,000	30,000	30,000	30,000	30,000	30,000
Electronic Patient Care Reporting	GF	30,000				10,000	10,000	10,000	10,000
		235,000	55,000	30,000	30,000	40,000	40,000	40,000	40,000
Citywide Initiative - Mobility									
Building Inspector iPads / Mobile Office	GF	30,000			24,000	2,000	2,000	2,000	2,000
Code Enforcement Officer Field Desktop Replacement	GF	14,000	1,000	5,000	2,000	2,000	2,000	2,000	2,000
Tablets for Park Monitors & Facilities Staff	GF	6,000		2,000	1,000	1,000	1,000	1,000	1,000
Water Quality Code Enforcement Mobile Office (Tablet with VPN)	Ent	7,000			4,000	1,000	1,000	1,000	1,000
WiFi tablets for Marine Safety Health Care Reporting	GF	4,000				2,000	1,000	1,000	1,000
		61,000	1,000	7,000	31,000	8,000	7,000	7,000	7,000
Citywide Initiative - GIS									
Budget for GIS data development and maintenance	GF	120,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Integration of GIS (ArcGIS) with TRAKIT	GF	20,000	20,000						
		140,000	40,000	20,000	20,000	20,000	20,000	20,000	20,000
Citywide Initiative - Training									
Budget for computer training new and current employees.	GF	60,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total		\$10,047,500	\$792,000	\$836,000	\$467,500	\$368,000	\$317,000	\$7,267,000	\$317,000



Centennial General Plan Strategic Implementation Program

Objective

To provide the City Council an update of the General Plan Strategic Implementation Program (SIP). The SIP identifies the status of General Plan Implementation and provides recommendations to seek Council direction on which General Plan Implementation Measures (IMs) to prioritize and initiate in the coming fiscal year.

Executive Summary

The General Plan five-year Strategic Implementation Program (SIP) sets priorities for more than 300 General Plan IMs. The SIP is integrated with the Long Term Financial Plan (LTFP) process to ensure the Centennial General Plan is implemented continually. Since the General Plan's adoption in February 2014, City departments started the first phases of implementation including Beaches Parks and Recreation, City Manager, Community Development, and Public Works. In the process of updating the SIP each year, City departments review IMs they are responsible for, provide a status update and summary of accomplishments, and provide recommendations on which IMs to address in the upcoming fiscal year. Each department has the following recommendations to be addressed during FY 2017-18:

- **Beaches Parks and Recreation:** IMs related to the Beaches, Parks and Recreation Master Plan.
- **City Manager:** IMs related to continuing to improve and protect hospital related services and consider adopting a business retention and expansion program.
- **Community Development:** Continuation of the Zoning Ordinance update and Specific Plan updates, and certifications of the Local Coastal Plan and Housing Element.
- **Public Works:** Multiple IMs related to the Bicycle and Pedestrian Master Plan, developing a tree inventory, and various IMs related to the accessibility and efficiency of public facilities.

Background and Discussion

The annual SIP review process updates and sets the IM priorities. Each year, the departments review the status of their current IMs and make recommendations. This process aligns the efforts undertaken in many yearly processes, such as the annual budget, Capital Improvement Plan (CIP), and Information Technology Strategic Plan (ITSP). Typically, the Council then sets high-priority IMs to be considered as part of the LTFP/budget process for the following year. This process ensures the effective implementation of the Centennial General Plan by aligning General Plan Strategic Priorities through the LTFP and the annual budget review process. This coordination ensures that the General Plan remains a dynamic, up to date, responsive guide to public decision making and expenditures.

Status of the General Plan Implementation Measures

The City Council has prioritized the 300-plus General Plan IMs in the SIP as shown in Table 1 below. The IMs are either a one time project that ends with a specific goal, or an ongoing project that requires routine activity with no specified end date. Staff is working on IMs in both of these categories.

Status Summary

Priority	# of IMs	Initiated	Active/ Inactive	Completed
High IM s undertaken within 3 years of General Plan adoption	52	50	26/26	4
Medium IM s undertaken within 5 years	67	7	14/53	1
Low IM s undertaken within 5+ years	71	1	5/66	0
Ongoing Projects or activities that are routine with no specified end date	125	125	125/0	N/A
Total	315	183	170/145	5

The major activities that demonstrate how the General Plan is being implemented are summarized below.

- ***Beaches, Parks and Recreation Department:***
 - Updating the Beaches, Parks, and Recreation Master Plan,
 - Providing a variety of programs and explore new opportunities to meet the needs of the public and maximize use of City facilities,
 - Providing affordable recreational and healthy opportunities for the City’s residents,
 - Promoting public safety, health and wellness; and
 - Increasing the sustainability of the City’s public facilities.

- ***City Manager Department:***
 - Supporting initiatives and alternatives that help better medical services in San Clemente,
 - Providing ongoing support to the local business community and focusing on improved ambulance transport services to the residents,
 - Information Technology staff will periodically review and update an emergency preparedness and response plan,
 - Maintaining best practices to provide public information,
 - Ensuring Police Services continues to work with neighborhoods to promote safety and the Neighborhood Watch Program,

- Promoting and supporting a City employee wellness program, and
 - Evaluating the feasibility of establishing and operating a City business visitation program to improve communication and understanding of business needs, opportunities, and issues; and
 - Updating development fee costs along with financing mechanisms to ensure new development covers costs to future City services.
- **Community Development Department:**
 - Updating the Zoning Ordinance, Zoning Map, and Specific Plans for consistency with the General Plan. The first phase of this work program was completed that updated commercial and mixed-use Zoning districts and the Zoning Map to reflect land use changes in the General Plan. The second phase in process will implement several General Plan policies and update remaining Zoning districts. The third phase involves updating the Specific Plans;
 - Obtaining certification of the updated Coastal Land Use Plan (LUP) and process Coastal Commission recommended changes, as directed by the City Council;
 - Working on and obtaining certification of a Coastal Implementation Plan, or Local Coastal Program (LCP), as directed by the City Council, which includes a sea water level rise analysis and mapping efforts;
 - Obtaining certification of the Housing Element,
 - Reviewing development proposals for consistency with General Plan policies to ensure projects are compatible with neighborhoods, preserving historical resources, scenic corridors, and natural resources; maintaining or enhancing quality of life; and providing high quality architecture and site design consistent with the Urban Design Element and City's Design Guidelines;
 - Monitoring and enforcing environmental mitigation measures for the Centennial General Plan Environmental Impact Report (EIR) according to the Mitigation Monitoring Program the Council adopted and certified,
 - Supporting economic development through the continuation of the liaison program,
 - Providing grants for affordable health services, drug prevention, and enhanced educational opportunities for the City's residents through Housing and Social Services and various partner organizations;
 - Initiated and made progress towards adopting a Dark Skies Ordinance,
 - Completed a Downtown Paseo Plan, and
 - Completed parking demand surveys of the Downtown and North Beach.
 - **Public Works Department:**
 - Implementing the Bicycle and Pedestrian Master Plan,
 - Identifying and install roadway and intersection features to provide more bicycling opportunities, maintaining and adding to the City's pedestrian network for all users,
 - Maintaining many of the City's beach and park facilities,

- Protecting the city's natural resources by promoting energy conservation and reduced greenhouse gas emissions,
- Ensuring the safety of the community through the review and dissemination of information related to local hazards,
- Maintaining and updating public services and facilities,
- Updating the City's Urban Water Management Plan,
- Upgrading City facilities with more energy efficient features,
- Working to complete tree inventory,
- Evaluating water efficiency of City facilities and activities,
- Recycling waste for commercial customers, achieving at least 75% diversion of construction and demolition waste;
- Worked with County of Orange and Orange County Transportation Authority (OCTA) to complete Del Rio roadway extension in January 2017,
- Worked with County of Orange and OCTA to complete La Pata gap closure in August 2016, and
- Working to implement trolley service in 2017 with grant funding.

For details on the City's progress on IMs, refer to the IM Matrix (Attachment A).

Recommendations

In the annual SIP process, City departments evaluate their assigned IMs based on budget, need, legal requirements, resources, community demand, opportunities for efficiencies, and other criteria. Depending on staff's findings, each department typically makes recommendations to the Council that may include the following:

1. Continuing work on current priority IMs and not initiate new projects in the next fiscal year.
2. Initiating and/or adding IMs in the next fiscal year that further General Plan implementation, dependent on anticipated funding and resources.
3. Changing the phasing or prioritization of IMs to reflect need, legal requirements, community demand, Council direction, etc.
4. Changing the wording, replacing, or deleting IMs in the SIP. This type of recommendation may be made to reflect City Council direction or policy, budgeting, or other changes affecting the relevance, feasibility, or likelihood of success of IMs.

Proposed Actions

Recommendations for Fiscal Year 2017-18 are summarized below. For details on proposed changes, refer to Attachment B. Attachment C lists IMs the Council removed through prior annual SIP updates. The IMs identified in the attachments were directed by Council on September 2, 2014 through the initial SIP review.

- **Initiation of new IMs/Projects:**
 - Identify several IMs as “initiated” that the Council directed since the last update of the SIP and LTFP in Fiscal Year 2016-17.
 - Direct staff in the Beaches, Parks, and Recreation, City Manager, Community Development, and Public Works departments to continue work on current high priority IMs, and not initiate new projects in the next fiscal year. No initiation of new IMs are recommended.

- **Priorities:**
 1. Direct the Community Development Department to evaluate priorities for assigned IMs and propose changes necessary to reflect resources and workload for IMs in process.
 2. Change the priority of Natural Resources Element IM #21 from “Low” to “Medium”.
 3. Change the priority of several one-time projects from “High, Medium, or Low” to “Ongoing” because they are occurring programs or activities with no end date.

- **IM Description/Scope Changes - None.**

- **IM Removals:**
 - Remove Natural Resources Element IM #3 because it is very similar (almost identical) to IM #19 for the Beaches, Parks, and Recreation Element.

Next steps

If the Council decides to amend the SIP, an update must be reviewed through a public review process. This is typically processed early in the fiscal year following adoption of the LTFP and budget.

Planning Commission reviewed the SIP at their February 22, 2017 meeting. The minutes from this meeting will be forwarded for City Council review prior to the LTFP workshop on March 2, 2017.

Fiscal Impact of Recommendations

Many of the IMs are continuing efforts that are already included in current operating or CIP budgets. Costs related to IMs not previously approved will either be presented as a Decision Package or incorporated into the FY budget and clearly delineated with all relevant costs.







BPR Responsible IMs

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ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
BEACHES, PARKS and RECREATION	BPR-2.04-05	7	HIGH PRIORITY	Create a Beaches, Parks and Recreation Master Plan within two years of General Plan adoption and update it at least every ten years.	In progress	None	To be completed in 2017.	BPR
BEACHES, PARKS and RECREATION	BPR-2.01	10	HIGH PRIORITY	Prepare a plan which identifies underserved areas in terms of parks and recreational facilities and seek grants or other funding sources to help implement the plan.	In progress	None	Staff secured grant funding through Kaiser Permanente to fund one year of activities through Fun on the Run; Additional opportunities will be reviewed through the BPR Master Plan 2017.	BPR
BEACHES, PARKS and RECREATION	BPR-4.07	51	HIGH PRIORITY	Regularly review and update the Beaches, Parks and Recreation Master Plan, Bike and Pedestrian Master Plan and the City Facilities Master Plan to provide adequate guidance for the provision of parks, trails, and other recreational facilities.	In progress	None	Data will be included in the BPR Master Plan to be completed in 2017.	BPR
BEACHES, PARKS and RECREATION	BPR-7.04	52	HIGH PRIORITY	Investigate the possibility of establishing a volunteer staffing program to assist with recreational programs and reduce staffing costs at City public parks and recreational facilities.	In progress	None	Staff is currently working on establishing a Youth Advisory Council with active members of San Clemente High School community.	BPR
BEACHES, PARKS and RECREATION		2	MEDIUM PRIORITY	Work with community groups to help promote and establish projects that help celebrate the City's surf heritage.	Not started	None		BPR
BEACHES, PARKS and RECREATION	BPR-2.09	8	MEDIUM PRIORITY	Establish or improve joint-use agreements to maximize public recreation opportunities.	In progress	None	Staff are working to secure a joint-use agreement with Capistrano Unified School District; Additional opportunities will be reviewed through the BPR Master Plan 2017.	BPR
NATURAL RESOURCES	NR-1.01	3	MEDIUM PRIORITY	Create minimal and appropriate signage along the Coastal Beach Trail and in the Vista Hermosa Sports Park for educational outreach about critical habitats and native plant and animal species.	Not started	None		BPR
BEACHES, PARKS and RECREATION	BPR-4.04	17	LOW PRIORITY	Work with private land owners to help expand the community trails network by making privately-owned trails available for public use.	Not started	None		BPR
NATURAL RESOURCES	NR-1.06	5	LOW PRIORITY	Working with community volunteers, conservation clubs, youth groups and non-profit agencies, help plan and support conservation activities such as habitat restoration, interpretive signage and tours, trail building, erosion control and litter removal.	Not started	None	Will be considered in the BPR Master Plan 2017.	BPR
BEACHES, PARKS and RECREATION	BPR-1.01-03	1	ON-GOING	Explore new opportunities for all City recreational facilities to improve programming and maximize facility use.	In progress	None	Staff initiated new contracts.	BPR

SHADED CELLS INDICATE AN IM COUNCIL HAS NOT YET DIRECTED STAFF TO IMPLEMENT

-  **High Priority:** Start within 3 years of General Plan adoption
-  **Medium Priority:** Start within 5 years of General Plan adoption
-  **Low Priority:** Start within 5+ years of General Plan adoption
-  **On-going Priority:** On-going or reoccurring program or activity

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
BEACHES, PARKS and RECREATION	BPR-1.01-03	3	ON-GOING	Continue to provide a variety of programs to meet a range of needs and maximize facility use.	In progress	None	Currently offer programming for infants to seniors, including physical fitness, arts, aquatics, education, and more.	BPR
BEACHES, PARKS and RECREATION	BPR-1.03	4	ON-GOING	Monitor program participation to identify demand, including populations with special needs.	In progress	None	Data will be included in the BPR Master Plan to be completed in 2017.	BPR
BEACHES, PARKS and RECREATION	BPR-1.03 BPR-2.02-03	5	ON-GOING	Monitor facility (including beaches) use, population and development projections to plan for future program, facility, and staffing needs.	In progress	None	Data will be included in the BPR Master Plan to be completed in 2017.	BPR
BEACHES, PARKS and RECREATION	BPR-6.14	12	ON-GOING	The City will continue to support a dog park and access for dogs in neighborhood parks.	In progress	None	Staff promote the dog park and dog policies.	BPR
BEACHES, PARKS and RECREATION	BPR-6.02	26	ON-GOING	Encourage that healthy foods be served at City-sponsored events, meetings, and community-wide forums.	In progress	None	Staff encourages other departments and community groups to serve healthy food.	BPR
BEACHES, PARKS and RECREATION	BPR-7.01, 7.05	28	ON-GOING	Encourage private contributions to provide, improve or maintain public improvements that promote health and wellness, such as fitness stations, benches, bike racks and play equipment.	In progress	None	Staff encourages private organizations to include public improvements in new developments.	BPR
BEACHES, PARKS and RECREATION	BPR-7.01	29	ON-GOING	Seek grant funding and innovative public-private partnerships, where feasible, to increase residents' access to healthy foods and opportunities for physical activity, especially in underserved areas.	In progress	None	Staff is working with the Friends Foundation for opportunities to promote health and wellness in underserved areas.	BPR
BEACHES, PARKS and RECREATION	BPR-6.02, 6.12	34	ON-GOING	Continue collaboration with local health providers to provide public health programs and services in City parks with an emphasis on target areas.	In progress	None	Staff secured grant funding through Kaiser Permanente Foundation and continues to work with the OC Health Department on initiatives.	BPR
BEACHES, PARKS and RECREATION	BPR-6.11	35	ON-GOING	Staff shall continue participation in healthy living programs sponsored by collaborative partners and active youth.	In progress	None	Staff works with several collaborative partners, including the G.R.I.P. Initiative and NuPAC.	BPR
BEACHES, PARKS and RECREATION	BPR-7.01	50	ON-GOING	Pursue grants and other funding opportunities for beaches, trails, parks and other recreational facilities in San Clemente.	In progress	None	Staff complete and submit grants as opportunities arise.	BPR
SAFETY	S-7.02 BPR-3.07	19b	ON-GOING	Pursue emergency services grants and other funding opportunities for marine safety staffing, facilities, training, and programs.	In progress	None	In 2016 staff successfully solicited and received over \$10,000 in funding to assist with lifeguard and junior lifeguard operations. Staff will continue to pursue funding via grant opportunities.	BPR

CM Responsible IMs

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
LAND USE	LU-7.02, 7.03	5	HIGH PRIORITY	Meet with medical office professionals and hospital administration to better understand their needs and use of City resources, and provide leadership to help them better accomplish the City's goals and objectives.	In progress	None	On-going, through the hospital review process, staff are seeking a number of options to better address medical services in San Clemente.	City Manager
ECONOMIC DEVELOPMENT	ED-1.01	2	HIGH PRIORITY	Consider adopting a Business Retention and Expansion (BRE) Program.	In progress	None	Reviewing methods and practices that encourage business retention and expansion.	City Manager
ECONOMIC DEVELOPMENT		8	HIGH PRIORITY	Establish and operate a City business visitation program to improve communication and understanding of business needs, opportunities and issues.	In progress	None	Evaluating. Implemented through the Community Liaison program.	City Manager
ECONOMIC DEVELOPMENT	ED-5.07	16	HIGH PRIORITY	Maintain best practices in local government for providing public information and in e-government.	In progress	None	On-going, as part of the IT Strategic Plan, staff are being diligent to continue to maintain best practices.	City Manager
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-2.06	7	HIGH PRIORITY	Work with the County of Orange to expedite the expansion of San Clemente's Public Library into the former Senior Citizen's Center and to include state-of-the-art technology and facilities.	Completed	None	Completed in 2015.	City Manager
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU Goal 2	8	HIGH PRIORITY	Explore opportunities to expand library services through creative public/private/non-profit partnerships, either as a supplement or alternative to the County operation.	Not started	None	Will be reviewing options in FY 2017.	City Manager
LAND USE	LU-6.02	10	MEDIUM PRIORITY	Meet with higher education administrators, trade school organizations and local businesses to better understand the opportunities to attract an educational or occupational training anchor in the Professional Business Overlay area.	Not started	None		City Manager
ECONOMIC DEVELOPMENT	ED-1.01	4	MEDIUM PRIORITY	Adopt and implement an Economic Development Strategy. The Strategy shall emphasize the mid- and long-term development of the local economy rather than focusing on individual projects. It will incorporate the long-term goals of the General Plan, but may also include additional goals with shorter time horizons. The Economic Development Strategy shall establish measurable objectives and a performance evaluation mechanism.	Not started	None		City Manager

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
ECONOMIC DEVELOPMENT		5	MEDIUM PRIORITY	Adopt and implement a Branding and Public Relations Program. The Economic Development Strategy shall include a branding and public relations program to establish a unified identity for San Clemente based on its Spanish Village by the Sea history. The Strategy shall also include implementation measures to ensure consistent quality of the "brand experience" and create a communications program to publicize the San Clemente brand for residents, visitors and potential visitors.	Not started	None		City Manager
ECONOMIC DEVELOPMENT	ED-2.02, 2.04	9	MEDIUM PRIORITY	Partner with regional business support agencies, such as the Orange County Workforce Investment Board and the Orange County Small Business Development Center, to ensure businesses in San Clemente are aware of and have access to workforce recruitment and training services, and to ensure residents are aware of and have access to job search and business start-up training.	Not started	None		City Manager
SAFETY	S-7.04	20	MEDIUM PRIORITY	Information Technology staff will periodically review and update an emergency preparedness and response plan into overall City Emergency Response Plan.	Not started	None		City Manager
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-2.01	6	MEDIUM PRIORITY	Work closely with the County of Orange Library System and Friends of the San Clemente Library to understand their local services and facilities needs.	Not started	None		City Manager
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-3.01	16	MEDIUM PRIORITY	Establish a dedicated source of funding for preservation, enhancement and promotion of arts and cultural and historical resources and programs.	Not started	None		City Manager
ECONOMIC DEVELOPMENT	ED-1.03	1	MEDIUM PRIORITY	Consider establishing an Economic Development Manager Position. The Economic Development Manager may be a full-time or part-time position, funded by the business community, or through a mix of public and private funding sources.	Not started	None		City Manager
GROWTH MANAGEMENT	GM-1.02	3	MEDIUM PRIORITY	Maintain City participation in the Richard and Donna O'Neill Conservancy, located on the Reserve at Rancho Mission Viejo.	Not started	None		City Manager
ECONOMIC DEVELOPMENT		11	LOW PRIORITY	Attract higher education facilities to San Clemente.	Not started	None		City Manager
ECONOMIC DEVELOPMENT	ED-5 (esp 5.06)	15	LOW PRIORITY	Establish and maintain a method to track communications and information technology demands of residents and employees, both current and future.	Not started	None		City Manager
ECONOMIC DEVELOPMENT	ED-5.03, 5.06	17	LOW PRIORITY	Establish a Technology Advisory Task Force to serve as a liaison between community stakeholders, staff and elected officials and to make recommendations to the City Council on technology matters.	Not started	None		City Manager
ECONOMIC DEVELOPMENT		18	LOW PRIORITY	Review and consider incorporating the Wireless Communications Master Plan, or portions thereof, into a broader Technology Master Plan that incorporates aspects of the preceding implementation ideas and other technologies.	Not started	None		City Manager

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
MOBILITY AND COMPLETE STREETS	M-2.11	29	LOW PRIORITY	Develop City-wide navigational tools such as maps, digital map, GPS, or other emerging technologies.	Not started	None		City Manager
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-1.06	1	LOW PRIORITY	Publicize and promote the successes of the schools on an ongoing basis. While this is a typical responsibility of the local school district, we recognize that an educated workforce and quality educational opportunities are important considerations for investment by residents, businesses and property owners, and as such, we seek to recognize local educational excellence.	Not started	None		City Manager
PUBLIC SERVICES, FACILITIES AND UTILITIES	Goal 1	5	LOW PRIORITY	Explore opportunities to establish a new San Clemente School District.	Not started	None		City Manager
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-3.02	9	LOW PRIORITY	Work with the local arts community to contribute to future economic development through tourism, branding and retail spinoffs, and community events or activities.	Not started	None		City Manager
ECONOMIC DEVELOPMENT	ED-2.03	12	ON-GOING	Continue to support and promote an annual business awards program to recognize San Clemente's outstanding business citizens.	In progress	None	On-going with San Clemente Chamber of Commerce and City Manager.	City Manager
MOBILITY AND COMPLETE STREETS	M-1.22	32	ON-GOING	Encourage City officials and employees, as well as other employers, to participate in "Bike to Work Month" and "Bike to Work Week."	In progress	None	To be reviewed in fiscal year 2017.	City Manager
BEACHES, PARKS and RECREATION	BPR-2.10	11	ON-GOING	Work with other public agencies and non-profit organizations to help ensure all community-serving facilities, such as libraries, health centers, wellness centers, recreation facilities and parks are universally accessible.	In progress	None	On-going, it is collaborative effort between Risk Management & Community Development Building Services	City Manager
BEACHES, PARKS and RECREATION	BPR-6.08	32	ON-GOING	Continue City-sponsored Mayor's Walks and similar activities to encourage residents' participation in community events and encourage healthy neighborhoods.	In progress	None	On-going effort with BPR and City Manager.	City Manager
BEACHES, PARKS and RECREATION		33	ON-GOING	Ensure that Police Services continues to work with neighborhoods to promote safety and the "Neighborhood Watch Program."	In progress	None	On-going effort with OCSD and City Manager.	City Manager
BEACHES, PARKS and RECREATION		39	ON-GOING	Promote and support a City Employee Wellness Program.	In progress	None	Implemented and on-going program administered by BPR	City Manager
SAFETY	S-7.01	24	ON-GOING	Support and maintain an Active Ambulance Subscription Service.	In progress	None	Implemented and on-going.	City Manager

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-3.02-03	15	ON-GOING	Foster collaboration between City, art associations, non-profits, businesses, educational institutions and the private sector to provide more opportunities and venues for cultural arts programs, including the establishment of a performing arts venue in San Clemente.	In progress	None		City Manager
GROWTH MANAGEMENT	GM-2.01	5b	ON-GOING	City shall periodically update its standards for the provision of public services and facilities to reflect current needs and costs, including: fire/emergency medical, library, and police.	In progress	None	On-going, the review of these standards will be considered during the City's Long Term Financial Plan and the annual budget process.	City Manager
GROWTH MANAGEMENT		6	ON-GOING	If annexation to the City is considered, the potential annexation shall require preparation of an economic impact analysis.	In progress	None	In the event of an annexation, this requirement will be met.	City Manager
GROWTH MANAGEMENT	GM-1.03	7	ON-GOING	The City will adopt a development-fee program and other appropriate financing measures, so that new in-City development pays its share of the costs of new services and facilities needed to serve it.	In progress	None	Staff periodically updates development fee costs, along with financing mechanisms to ensure that new development covers costs of future City services.	City Manager

CDD Responsible IMs

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
LAND USE		1	HIGH PRIORITY	Update the Zoning Ordinance, Zoning Map, Local Coastal Program and specific plans to ensure consistency with the Centennial General Plan. Key land use related areas to be revised include, but are not limited to: a. Zoning district changes to reflect General Plan land use changes. b. Mixed use districts development standards to reflect land use changes in the Focus Areas. c. Consideration of form-based standards for Avenida del Mar and El Camino Real, with emphasis on the commercial core in the T-Zone. d. New development standards for Professional Business and Medical Office Overlays. e. New standards to reflect the increases in Floor Area Ratios (FARs) in commercial areas along El Camino Real. f. Amending the Forster Ranch Specific Plan to change the former hotel site from CRC2 to RH and to require the property be used for senior housing.	In progress	None	The "General Plan consistency updates" involves updating Zoning, Specific Plans, and Coastal Land Use Plan (LUP) for consistency with the General Plan. Second is the LCP. Phase 1 was completed in 2015 that updated commercial and mixed-use Zoning districts and the Zoning Map to reflect General Plan land use changes. Phase 2, in process, includes Zoning changes to implement several General Plan policies, updates to remaining Zoning districts, and certifying the LUP. The third phase involves updating the Specific Plans and certifying a LCP. Phase 3 is planned to start actively in FY 2018.	Community Development
LAND USE	LU-8.01	6	HIGH PRIORITY	Update the Rancho San Clemente Business Park Specific Plan to strengthen policies to encourage light manufacturing and business-oriented uses, and to protect employment-oriented businesses.	Started but inactive	None	This may be done with the Specific Plan update or be phased as part of separate work program depending on the complexity of issues and work involved.	Community Development
LAND USE	LU-8.02	7	HIGH PRIORITY	Amend the Zoning Ordinance, Design Guidelines and Rancho San Clemente Specific Plan to accommodate automobile, truck, motorcycle, watercraft, and RV sales and services.	Started but inactive	None	Specific Plan updates will follow Zoning changes needed for General Plan consistency. See Land Use IM#1 for details.	Community Development
LAND USE	LU-9	8	HIGH PRIORITY	Update the West Pico Specific Plan to reflect the vision, land uses and policies for the Los Molinos Focus Area.	Started but inactive	None	Specific Plan updates will follow Zoning changes needed for General Plan consistency. See Land Use IM#1 for details.	Community Development
LAND USE	LU-6.02	13	HIGH PRIORITY	Develop new flexible use standards in the Zoning Ordinance to accommodate changing market demands. Consideration should be given, however, to preserving "experiential retail uses" in key shopping areas along Avenida Del Mar and El Camino Real, from the Downtown/T-zone to North Beach. Future changes in use must be sensitive to adjacent residential uses. [Experiential retail uses are those that enhance consumer interaction, drive repeat visits and purchases, and create distinction. This experience can only be achieved in "brick and mortar" retail establishments—not online.]	Not started	None	This will follow Zoning and Specific Plan updates and LCP	Community Development
LAND USE	LU-10.10 LU-13.01	16	HIGH PRIORITY	Consider improvements to our alleyways and paseos to provide alternative pedestrian and bicycle routes.	Completed	None	Paseo and alley master plan adopted in 2016. Plan implementation/Capital Improvement Projects considered in annual CIP and budget process.	Community Development

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
LAND USE	LU-12	17	HIGH PRIORITY	Update the Pier Bowl Specific Plan for consistency with the new General Plan or retire the Plan by relocating its unique development standards to the Zoning Ordinance, including residential building heights.	Started but inactive	None	Public outreach in 2016. Specific Plan updates will follow Zoning changes needed for General Plan consistency. See Land Use IM#1 for details.	Community Development
LAND USE	11.02-03 LU-12.02, 12.07 LU-14.07	21	HIGH PRIORITY	Create new development standards for mixed use, including stand-alone corridor residential uses.	Completed	None	Completed in 2015 with Phase 1 of Zoning update.	Community Development
URBAN DESIGN		11	HIGH PRIORITY	Conduct public meetings or design charrettes, including community stakeholders, to discuss ways to identify, protect and enhance Downtown Village Character. Based on meeting findings, consider updating and refining a Downtown Mission Statement which new projects must follow, and consider adopting new development regulations such as form-based codes or revised design guidelines to improve the effectiveness and predictability of the design review process, including how to accommodate commercial development on small MU-zoned lots.	Not started	None	Work to follow updates to Zoning and Specific Plans and LCP.	Community Development
URBAN DESIGN	UD-5.05-5.07	13	HIGH PRIORITY	Update the Design Guidelines and incorporate the Henry Lenny Spanish Colonial Revival Architectural Design Guidelines for Spanish Colonial Revival Architecture.	Not started	None	Work to follow updates to Zoning and Specific Plans and LCP.	Community Development
URBAN DESIGN	UD-1.09	14	HIGH PRIORITY	Prepare Sign Design Guidelines and incorporate them into the Design Guidelines. Preparation of the Guidelines will involve business, sign designers and manufacturers in their preparation and provide follow-up education.	Not started	None	Work to follow updates to Zoning and Specific Plans and LCP.	Community Development
URBAN DESIGN	UD-5.13	17	HIGH PRIORITY	Update Zoning Code to avoid penalizing commercial developments that include exterior patios, paseos and other similar outdoor use areas by allowing usable outdoor spaces to meet minimum Floor Area Ratio requirements.	Not started	None	Work to follow updates to Zoning and Specific Plans and LCP.	Community Development
URBAN DESIGN	UD-5.08	19	HIGH PRIORITY	Update the West Pico Corridor Specific Plan (future Los Molinos Specific Plan) to provide new design guidance for architecture and landscape character.	Started but inactive	None	Public outreach in 2016. This may be done with the Specific Plan update or be phased as part of separate work program depending on the complexity of issues and work involved.	Community Development
URBAN DESIGN	UD-5.13	21	HIGH PRIORITY	Review and update the Zoning Ordinance and Design Guidelines to streamline the development review process and to include the possibility of parking waivers and other incentives that encourage the rehabilitation and facade upgrades to one- and two-story buildings in the Downtown Core.	Started but inactive	None	Zoning streamline ordinance in 2015. Procedural changes will follow update of Zoning, Specific Plans, and Design Guidelines	Community Development

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
URBAN DESIGN	UD-5.02 (UD5.11)	22	HIGH PRIORITY	Review and update the Zoning Ordinance and Design Guidelines to require three-story buildings in the Downtown to reflect high-quality design and materials and to reinforce San Clemente's Spanish Village by the Sea architectural character. Three-story buildings shall require City Council approval.	In progress	None	Included in Zoning updates in process	Community Development
URBAN DESIGN		23A	HIGH PRIORITY	Review the standards established by the International Society of Arboriculture and incorporate appropriate standards into a Tree Ordinance. The Ordinance shall consider standards and procedures for private property tree selection and removal, preservation and maintenance and the establishment of a tree canopy percentage target, based on standards encouraged by the International Society of Arboriculture. The tree ordinance shall include criteria for evaluating potential conflicts which may arise when trees uplift sidewalks or where new sidewalks are being constructed. Potential mitigation may include root pruning, modification of frontage improvements, root barriers, relocation, and removal and replacement.	Not started	None	This will be a collaboration with Public Works (along with NR IM #7 and UD IM #25)	Community Development
URBAN DESIGN	UD-6.04	25	HIGH PRIORITY	Identify incentives for tree maintenance on private property.	Not started	None	This will be a collaboration with Public Works (along with NR IM #7 and UD IM #23)	Community Development
HISTORIC PRESERVATION	HP-1.01-02	22	HIGH PRIORITY	Amend the Zoning Ordinance to require an assessment of potential impacts to onsite and nearby historic resources as part of applications for changes in zoning.	In progress	None	Included in Zoning updates in process	Community Development
HISTORIC PRESERVATION		23A	HIGH PRIORITY	Work with the property owner, citizens, San Clemente Historical Society, schools, performing arts, business and other community groups to assist in the rehabilitation of the Miramar Theatre.	In progress	None	Application submitted and in process for Miramar rehabilitation. Staff facilitating review.	Community Development
HISTORIC PRESERVATION		23B	HIGH PRIORITY	Adopt a CIP program to assist in the rehabilitation of the Miramar Theatre.	Not started	None	Application submitted and in process for Miramar rehabilitation. Staff facilitating review.	Community Development
MOBILITY AND COMPLETE STREETS	M-1.21-22 M-2.12, 2.19, etc	7	HIGH PRIORITY	Update the Municipal Code to require end of trip bicycle facilities, as appropriate to the scale and use of the project, such as parking, lockers, and showers in new or major remodels of non-residential sites.	Not started	None	Work to follow updates to Zoning and Specific Plans and LCP.	Community Development
MOBILITY AND COMPLETE STREETS	M-4.06	14	HIGH PRIORITY	Prepare comprehensive parking and circulation strategies for key commercial areas, including: North Beach, Pier Bowl, Del Mar/T-Zone and Plaza San Clemente.	Not started	None	This will be a collaboration with Public works. Work to follow updates to Zoning and Specific Plans and LCP.	Community Development

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BEACHES, PARKS and RECREATION	BPR-6.01	30	HIGH PRIORITY	Amend the Zoning Ordinance to allow small, neighborhood-serving markets within easy walking and biking distance from most residential areas and encourage such markets to include fruits, vegetables and other healthy foods.	Not started	None	Work to follow updates to Zoning and Specific Plans and LCP.	Community Development
NATURAL RESOURCES	NR-4.04	11	HIGH PRIORITY	Revise City ordinances to require that all proposals for mineral extraction and reclamation be reviewed by the Planning Commission and City Council.	Not started	None	Work to follow updates to Zoning and Specific Plans and LCP.	Community Development
NATURAL RESOURCES	Goal 7	20	HIGH PRIORITY	Use the International Dark-Sky Association's (IDA's) Model Lighting Ordinance to aid in developing outdoor lighting standards for residential and non-residential uses.	Started but inactive	None	Started but currently inactive. Dark Skies Task Force established to create zoning standards.	Community Development
NATURAL RESOURCES	NR-7.02	26	HIGH PRIORITY	Review Engineering standards for possible changes to public street lighting design/spacing to reduce light pollution, improve energy efficiency and maintain safety.	Started but inactive	None	Started but currently inactive. Per Council direction, Planning Division and Planning Commission have started effort to develop outdoor lighting standards. Engineering will provide support. Work to resume after Zoning updates	Community Development
COASTAL	C-2.05	1	HIGH PRIORITY	Prepare a Local Coastal Program and secure California Coastal Commission certification.	In progress	None	Work in progress with grant funding.	Community Development
COASTAL	C-2.10	14	HIGH PRIORITY	Evaluate Environmentally Sensitive Habitat Areas (ESHAs) to determine their viability, restore degraded ESHAs, remove ESHA designation from areas that no longer contain environmentally sensitive habitat, and develop standards to protect ESHAs as open space.	In progress	None	Included in Local Coastal Program in process	Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-3.04	12	HIGH PRIORITY	Consider establishing an Art in Public Places Ordinance, including a funding mechanism that might include incentives to encourage private development to provide public art.	Not started	None	Consider after Zoning and Specific Plan updates and other high priority items	Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-5.12	26	HIGH PRIORITY	Review City landscaping and irrigation requirements for public and private development to ensure regulations promote drought-tolerant landscaping and systems best practices.	In progress	None	In progress. Draft ordinance is prepared and will be folded into phased Zoning updates. Additional support from Public Works will be required.	Community Development
GROWTH MANAGEMENT	GM-1.06, 2.06	4	HIGH PRIORITY	Working with LAFCO, initiate an update of the City's Sphere of Influence and Municipal Services Review to address potential development in unincorporated areas adjacent to the City.	Not started	None	Work actively on IM after Zoning and Specific Plan updates and other high priority items. This is about 2-3 years out.	Community Development
LAND USE	Goal 9	9	MEDIUM PRIORITY	Foster and support local efforts to attract arts and design businesses to the Los Molinos district.	Not started	None		Community Development

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LAND USE	LU-6.05	11	MEDIUM PRIORITY	Work with U.S. Postal Service to explore opportunities to re-design the post office located on Avenida Pico, or relocate to a more appropriate location, to provide opportunities for improved circulation and new development opportunities with a master plan for the Pico Plaza area.	Not started	None		Community Development
LAND USE	LU-11.06	12	MEDIUM PRIORITY	Identify opportunities (e.g., sites and programming) for new or improved public spaces along or near Avenida Del Mar to provide areas for socializing or relaxing.	Not started	None		Community Development
LAND USE	LU-10	14	MEDIUM PRIORITY	Prepare a specific plan, zoning overlay or similar planning mechanism for North Beach to reflect the changes in the North Beach/North El Camino Real Focus Area.	Not started	None		Community Development
LAND USE	LU-11.09	22	MEDIUM PRIORITY	Develop a Downtown Improvement Plan to improve sidewalk quality and consistency and to encourage the construction and expansion of public spaces such as courtyards, plazas and paseos.	Not started	None		Community Development
LAND USE	LU-13.04	24	MEDIUM PRIORITY	Staff will prepare and implement a public view corridor plan that will be used to help maintain and restore ocean views from the I-5 Freeway, by reviewing development for its visual effects, including, but not limited to new buildings, signs and noise walls	Started but inactive	None	In Phase 1 of Zoning update, I-5 freeway ocean views were analyzed and interim design guidelines were adopted for mixed-use zone (MU 3.2) on S. El Camino Real. With Council direction, issue will be reviewed and addressed further after Zoning and Specific Plan updates.	Community Development
URBAN DESIGN	UD-2.01-2.12	5	MEDIUM PRIORITY	Create a Citywide gateway program to identify and implement gateway improvements.	Not started	None		Community Development
URBAN DESIGN LAND USE	LU-11.03	7	MEDIUM PRIORITY	Review and where appropriate, amend Zoning Ordinance, Design Guidelines and other City standards to allow added flexibility in land uses to respond to changing economic market forces over time.	Not started	None		Community Development
URBAN DESIGN	UD-5.04	8	MEDIUM PRIORITY	Consider amending the Design Guidelines to address compatibility between buildings that back onto alleys adjacent to South El Camino Real, specifically addressing transition areas and the interface between commercial or mixed-use and residential uses.	Started but inactive	None	Started but currently inactive. Interim Design Guidelines adopted in 2015 for S. El Camino Real MU 3.2 Zone. Design Guideline updates will be prioritized and scheduled after Zoning consistency updates.	Community Development
URBAN DESIGN		15	MEDIUM PRIORITY	Prepare and adopt Historic Preservation Guidelines describing design methods and standards for development on or adjacent to sites with historic resources.	Not started	None		Community Development

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
URBAN DESIGN	UD-5.07-5.08	16	MEDIUM PRIORITY	We will prepare and adopt urban design guidelines for the portion of the South El Camino Real corridor, west of Interstate 5, to direct building mass and scale and to allow new three-story buildings or building elements that meet specific standards and that protect designated public view corridors. Design Guidelines for the entire South El Camino Real Corridor will allow "Other Spanish" architectural styles in addition to Spanish Colonial Revival, such as Mission, Monterey, Italianate, Tuscan, and include a "Surf Zone" architectural style in the South El Camino Real area east of Interstate 5, to allow additional design flexibility.	Not started	None	Update of design guidelines document has not been started. This work is to follow Zoning and Specific Plan updates. Interim design guidelines adopted for S. El Camino Real MU 3.2 Zone in 2015 with Phase 1 Zoning updates.	Community Development
URBAN DESIGN	UD-2.05 UD-6.06	24	MEDIUM PRIORITY	Update the Master Landscape Plan for Scenic Corridors to identify public view corridors and views and establish a process for doing so, including public outreach., and formulate a comprehensive master plan which lists permitted trees in the public right-of-way for all areas in San Clemente. It will specify species, minimum size, spacing, and irrigation requirements and address considerations for topographical context and public view considerations in hillside neighborhoods. The Master Landscape Plan shall identify consistent tree species for blocks, streets, neighborhood, or districts to provide distinctive identities for these areas.	Not started	None		Community Development
HISTORIC PRESERVATION		5	MEDIUM PRIORITY	Consider adding historic features and sites to the Landmarks and Historic Resources lists and expanding the City's inventory of historic resources to include historic districts.	Not started	None		Community Development
HISTORIC PRESERVATION	HP-1.01	12	MEDIUM PRIORITY	Develop, and consider adopting, separate criteria and procedures for designating historic districts and thematic (noncontiguous) historic districts.	Not started	None		Community Development
HISTORIC PRESERVATION	HP-1.01	13	MEDIUM PRIORITY	Develop new eligibility criteria for the designation of potential district-contributing properties.	Not started	None		Community Development
HISTORIC PRESERVATION		19	MEDIUM PRIORITY	Develop Historic Preservation Guidelines for historic resources that include sustainability measures.	Not started	None		Community Development
HISTORIC PRESERVATION	HP-1.01	26	MEDIUM PRIORITY	Consider establishing a historic district in North Beach.	Not started	None		Community Development
ECONOMIC DEVELOPMENT	ED-4.02	7	MEDIUM PRIORITY	Adopt a specific plan for North Beach.	Not Started	None		Community Development
BEACHES, PARKS and RECREATION	BPR-3.05 BPR-4.004	18	MEDIUM PRIORITY	Evaluate the feasibility of and work towards extending the Beach Trail north and south.	On hold	None	Project put on hold by Council in review of LTFP and CIP in 2016 due to lack of funding and maintenance concerns.	Community Development
BEACHES, PARKS and RECREATION	BPR-6.12-13	45	MEDIUM PRIORITY	Establish a Community Living Gardens program, identify viable community garden sites and consider the feasibility of planting fruit trees in parks and on City-owned property and parkways.	Not started	None		Community Development

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NATURAL RESOURCES	NR-1.02-.06	4	MEDIUM PRIORITY	Amend the Zoning Ordinance to regulate the establishment or encroachment of non-compatible land uses or activities in habitat areas and passive open space, such as commercial uses, off-road motorized vehicle use, off-trail, non-motorized vehicle use, hang gliding, grading or other activities that conflict with biological conservation goals or policies.	Not started	None		Community Development
NATURAL RESOURCES	NR-2.01	6	MEDIUM PRIORITY	Review the Zoning Ordinance, Hillside Development Ordinance and other City standards to ensure regulations and guidelines adequately address ridgeline preservation, access roads, driveway and site design, and architectural and sign design to protect hillsides, coastal canyons and bluffs, and beaches.	Not started	None		Community Development
NATURAL RESOURCES	NR-6.02	19	MEDIUM PRIORITY	Ensure that energy conservation improvements for historic buildings preserve original historic features, materials, and details, consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties.	Not started	None		Community Development
COASTAL	C-4.03-4.06	17	MEDIUM PRIORITY	Prepare and implement a shoreline management strategy which includes, but is not limited to, the following: a. An examination of local and regional long-term erosion rates and trends to identify and plan for shoreline changes. b. An examination of mean sea level elevation trends and future sea level rise projections to help determine future erosion rates and plan for potential shoreline changes.	Not started	None		Community Development
SAFETY	S-1.02	2	MEDIUM PRIORITY	Review and update building, zoning, and grading codes to ensure adopted standards are appropriate to mitigate potential geologic, seismic, soils, flooding, and noise hazards, and would comply with the Alquist-Priolo Act if an active fault were identified in the City.	Not started	None		Community Development
SAFETY	S-1.03	3	MEDIUM PRIORITY	Encourage public and private entities to ensure that buildings housing critical public facilities, such as schools, hospitals and emergency services, are seismically strengthened to meet applicable building codes.	Not started	None		Community Development
SAFETY	S-4.08	13	MEDIUM PRIORITY	Adopt and maintain a City policy of best management practices for live entertainment uses to mitigate noise impacts on residential or other sensitive uses.	Not started	None		Community Development
SAFETY	S-7.07	21	MEDIUM PRIORITY	Update the City's Design Guidelines to address crime prevention features in the orientation and design of new buildings and public facilities.	Not started	None		Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-3.04	14	MEDIUM PRIORITY	Incorporate unique public art in public improvements such as street lighting, sidewalks, walls, bridges and public buildings.	Not started	None		Community Development

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PUBLIC SERVICES, FACILITIES AND UTILITIES		19	MEDIUM PRIORITY	Establish a dedicated source of funding for preservation, enhancement and promotion of arts and cultural and historical resources and programs.	Not started	None		Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-4.05	20	MEDIUM PRIORITY	Amend the Zoning Ordinance to encourage child care facilities to be established, especially where such facilities are appropriate to serve working parents.	Not started	None		Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-6.03-04	32	MEDIUM PRIORITY	Review structures intended for human occupancy located in the 100-year flood plain for conformance with local, State and Federal (FEMA) requirements.	Not started	None		Community Development
GOVERNANCE	G-1.07	6	MEDIUM PRIORITY	Community Development Department staff will develop a Public Engagement Manual that includes specific strategies and guidelines for enhanced community notice and participation to promote informed and comprehensive decision-making. Strategies could include, but are not limited to, an interactive website, public opinion surveys, automatic public notifications through various media, etc.	Started but inactive	None	Research and attendance in trainings and seminars. Work on manual was started but is inactive based on resources and higher priorities	Community Development
LAND USE	LU-2.01, 2.03	2	LOW PRIORITY	Establish design standards for automobile repair, fueling stations, outdoor storage, and similar uses which provide for their physical and visual compatibility with the district in which they are located; including standards for building character and design, materials, colors, landscape, signage, lighting, and other pertinent elements.	Not started	None		Community Development
LAND USE	LU-1.02	4	LOW PRIORITY	Evaluate the locations of fast food outlets and drive-through restaurants and where applicable, establish standards for the spatial distribution of such uses.	Not started	None		Community Development
LAND USE	LU-10.01. 10.02	15	LOW PRIORITY	Consider establishing a historic district to ensure new and remodeled buildings are architecturally compatible with the area's Spanish Colonial Revival character, provide historic preservation incentives, and enforce historic preservation measures in the Zoning Ordinance.	Not started	None		Community Development
URBAN DESIGN	UD-1.11	4	LOW PRIORITY	Re-examine public space/outdoor area requirements in the Zoning Ordinance and specific plans to identify opportunities to create new public spaces or expand existing ones and to remove barriers to their implementation, per Implementation Measure #1.	Not started	None		Community Development
HISTORIC PRESERVATION	HP-1.04	2	LOW PRIORITY	Consider a City program to nominate properties for inclusion on the National Register of Historic Places.	Not started	None		Community Development
HISTORIC PRESERVATION		4	LOW PRIORITY	Participate in the National Trust for Historic Preservation Main Street Program [http://www.preservationnation.org/main-street/].	Not started	None		Community Development
HISTORIC PRESERVATION		6	LOW PRIORITY	Explore strategies for relocating threatened historic resources when other means of preservation are infeasible.	Not started	None		Community Development

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HISTORIC PRESERVATION		11	LOW PRIORITY	Pursue a public-private partnership with financial institutions to establish a financing program for preservation of historic resources.	Not started	None		Community Development
HISTORIC PRESERVATION	HP-1.04	18	LOW PRIORITY	Establish and regularly update a list of qualified architectural historians to use for project consultation.	Not started	None		Community Development
HISTORIC PRESERVATION		20	LOW PRIORITY	Establish a rehabilitation loan program, as funding is available, and explore building-permit-fee waivers, redevelopment assistance, local financing programs, and	Not started	None		Community Development
HISTORIC PRESERVATION	HP-1.04	24	LOW PRIORITY	Help establish historic archives and/or library to protect, organize, preserve and make accessible the City's written and graphic archival records.	Not started	None		Community Development
HISTORIC PRESERVATION		27	LOW PRIORITY	Implement a historic plaque program for all historic resources. Plaque designs shall be consistent with the adopted wayfinding sign program.	Not started	None		Community Development
HISTORIC PRESERVATION		28	LOW PRIORITY	Develop a digital wayfinding program, including electronic or web-based interpretive information.	Not started	None		Community Development
ECONOMIC DEVELOPMENT	ED-2.04	10	LOW PRIORITY	Explore opportunities to partner with a business "incubator" in San Clemente.	Not started	None		Community Development
BEACHES, PARKS and RECREATION	BPR-6.01?	41	LOW PRIORITY	Consider amending the Zoning Ordinance to allow keeping chickens in low-density residential zones for home-based egg production and non-chemical pest control. City will establish guidelines and specific zoning standards for poultry raising in low-density residential zones.	Not started	None		Community Development
BEACHES, PARKS and RECREATION	BPR-6.12-13	46	LOW PRIORITY	Amend the Zoning Ordinance to allow compatible agriculture uses in Residential, Commercial and Public zones.	Not started	None		Community Development
BEACHES, PARKS and RECREATION	BPR-6.12-13	48	LOW PRIORITY	Introduce and promote organic gardening and encourage pursuit of local community organic gardens through education and local grants or programs.	Not started	None		Community Development
NATURAL RESOURCES	NR-2.09	9	LOW PRIORITY	Conduct a Visual Resource Assessment to identify Public View Corridors and specific sections of the Corridors meriting designation and consider expanding the list of the designated View Corridors as a result of the Assessment's finding.	Not started	None		Community Development
NATURAL RESOURCES	NR-5.03	14	LOW PRIORITY	Consider adopting an ordinance to establish an anti-idling zone (e.g. cars waiting to pick up students at schools).	Not started	None		Community Development
NATURAL RESOURCES	NR-6.03	17	LOW PRIORITY	Promote the retrofitting of buildings to help achieve energy conservation goals.	Not started	None		Community Development
NATURAL RESOURCES	NR-7.04	24	LOW PRIORITY	Develop a dark sky public awareness campaign (e.g., April is Dark Sky Month, dark sky page on city's website, City Council proclamation, etc.).	Not started	None		Community Development
NATURAL RESOURCES	Goal 7	25	LOW PRIORITY	Collaborate with neighboring jurisdictions to identify the appropriate location and night lighting standards for a dark sky park.	Not Started	None		Community Development

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NATURAL RESOURCES	Goal 6	29	LOW PRIORITY	Consider point-of-sale efficiency retrofit requirements.	Not started	None		Community Development
COASTAL	C-3.02	10	LOW PRIORITY	Develop a GIS-based map of significant designated scenic view corridors and significant public views.	Not started	None		Community Development
SAFETY	S-4.04	10	LOW PRIORITY	Working with other agencies and property owners, the City will seek to re-establish ocean views blocked by noise barriers, where feasible.	Not started	None		Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-3.03	13	LOW PRIORITY	Establish cultural or historic themes for different areas of the City that provides cohesion City-wide, without compromising their distinctiveness.	Not started	None		Community Development
LAND USE	LU-12.07	19	ON-GOING	Working with the Chamber of Commerce, Downtown Business Association, Pier Bowl Merchants' Association, property owners, businesses and other groups, support efforts to develop economic development tools to aid in the area's continued revitalization.	In progress	None	Continue liaison programs for Downtown, Pier Bowl, and North Beach with current funding. Liasons for other areas will continue but are limited by current staffing.	Community Development
LAND USE	LU-12.02, 12.07	20	ON-GOING	Meet with developers who specialize in mixed use and residential infill development to better understand changing opportunities and constraints (physical, regulatory and financial).	In progress	None	Monitor and research issue as needed to address issues and inform decision makers. Study Session held in 2015 to review current trends (with Phase 1 Zoning updates).	Community Development
URBAN DESIGN	UD-1.08-09 UD-2.07	6	ON-GOING	Maintain and expand the Wayfinding Sign Program and City website to facilitate regional access from Interstate 5 to popular destinations (e.g., Del Mar, Pier Bowl, North Beach), primary beach access points, parks, public parking areas, prominent natural features and City entry points.	In progress	None	Ongoing effort. Continue to monitor issue, identify opportunities for improved wayfinding, and assess maintenance. Consider improvements in annual budget process.	Community Development
URBAN DESIGN	UD, Goals 3-5	20	ON-GOING	Review and update specific plans and Zoning Ordinance as necessary to reflect best practices in architectural design, landscaping and maintenance.	In progress	None	Zoning and Specific Plan updates are in progress.	Community Development
HISTORIC PRESERVATION		3	ON-GOING	Pursue financial resources from state, federal and private sources that assist in the identification and designation of cultural resources.	In progress	None	Monitor and seek fundings as opportunities become available, needs occur, and as directed by Council.	Community Development
HISTORIC PRESERVATION		7	ON-GOING	Continue to support and explore preservation incentives such as rehabilitation tax credits, facade easements, preservation grants, transfer of development rights, zoning incentives, and state, federal, non-profit assistance and private donations.	In progress	None	Continue to monitor and support opportunities to incentivize historic preservation programs and improvements (e.g. HPPA), as directed by Council.	Community Development

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HISTORIC PRESERVATION	HP-1.04-05	8	ON-GOING	Provide the public with technical assistance and information on preservation methods and promote the use of California's Historic Building Code for preservation of historic resources. This information may consist of historic preservation materials and media for homeowners, realtors, contactors and developers to educate the public on requirements, guidelines and processes. Outreach should be provided through workshops for homeowners, developers, real estate professionals and others describing the benefits and obligations of owning historic property and the incentives available for rehabilitation.	In progress	None	HPPA program and development review process.	Community Development
HISTORIC PRESERVATION	HP-1.05	10	ON-GOING	Pursue a comprehensive strategy in partnership with other organizations to promote community awareness and appreciation of San Clemente's historic resources.	In progress	None	Liaison collaborates with historic society, Casa and other organizations.	Community Development
HISTORIC PRESERVATION	HP-1.01	15	ON-GOING	Develop and provide training for Cultural Heritage Board and City staff on the Secretary of the Interior's Standards for the Treatment of Historic Properties, the San Clemente preservation ordinance, the California Historical Building Code, and other preservation information.	In progress	None	Training is provided annually	Community Development
HISTORIC PRESERVATION	HP1.03	16	ON-GOING	Maintain Certified Local Government (CLG) status and apply for CLG grants to help update the historic inventory and accomplish other important preservation objectives.	In progress	None	Maintain CLG programs and apply for grants as opportunities and needs arise and as directed by Council.	Community Development
HISTORIC PRESERVATION		21	ON-GOING	Utilize guidelines for discretionary design review to address exterior alterations proposed to historic buildings in accordance with the Historic Preservation Ordinance.	In progress	None	This year the City reviewed 7 planning applications for exterior changes for compatibility	Community Development
ECONOMIC DEVELOPMENT	ED-1.03	3	ON-GOING	Continue to assign City urban planners with specialized knowledge and experience in specific business districts to serve as liaisons in the City's award-winning Business Liaison Program. The liaisons provide services to business owners. Services include on-site meetings to learn business owner needs and explain how to access City resources, where possible, to help businesses accomplish their goals and objectives.	In progress	None	Liaison program	Community Development
ECONOMIC DEVELOPMENT	ED-2.04 ED-4	6	ON-GOING	Support Business Improvement Districts or similar measures for Del Mar/T-zone, Los Molinos, El Camino Real, Pier Bowl, North Beach and other commercial districts. The districts should generate revenue to maintain each area, to support special events, and to publicize each area. The districts may also be empowered (or a separate financing vehicle established) to provide physical improvements, such as parking facilities, landscaping, lighting, and pedestrian and bicycle facilities.	In progress	None	Liaison program	Community Development

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ECONOMIC DEVELOPMENT		13	ON-GOING	Assess parking needs in Del Mar/T-Zone, Pier Bowl, and North Beach every five years, or as needed, and implement solutions to identified parking deficiencies to achieve the City's Vision and Strategic Plan.	In progress	None	In 2016, City completed an update to Walker parking study supply analysis of downtown and completed a similar review of North Beach	Community Development
BEACHES, PARKS and RECREATION	BPR-3.06	14b	ON-GOING	Continue to enhance the beaches and beach support facilities at the North Beach train station, recognizing their importance as City gateways. and	In progress	None	Part of review process when opportunities for enhancement arise.	Community Development
BEACHES, PARKS and RECREATION		22	ON-GOING	Work with the State, Federal and County agencies to advocate strict enforcement of laws against the sale to or use of alcoholic beverages and tobacco products by minors.	In progress	None	Code Compliance Division, OCSD, Human Affairs Committee, SC Collaborative, SCHS PTA, Wellness & Prevention Center @ SCHS	Community Development
BEACHES, PARKS and RECREATION		23	ON-GOING	Work with governmental and non-governmental agencies to stem the availability of illegal drugs and to prevent substance abuse.	In progress	None	Code Compliance Division, OCSD, Human Affairs Committee, SC Collaborative, SCHS PTA, Wellness & Prevention Center @ SCHS, Janet D. at Sheriff's Crime Prevention Unit	Community Development
BEACHES, PARKS and RECREATION	BPR-6.01	24	ON-GOING	Encourage the development of healthy food outlets, farmers markets and food cooperatives and amend the Zoning Ordinance to establish standards allowing such uses where appropriate.	In progress	None	Will be included in Zoning updates in process	Community Development
BEACHES, PARKS and RECREATION		25	ON-GOING	Encourage restaurants to provide nutritional information to help customers make healthy dining choices and recognize those that do.	In progress	None	Human Affairs Committee, SC Collaborative Wellness Committee	Community Development
BEACHES, PARKS and RECREATION	BPR Goal 3 of Health and Wellness	31	ON-GOING	Support farmers' markets and similar types of events at various locations, times, and days of the week throughout the community and amend the Zoning Ordinance to broaden the range of temporary uses to allow the sale of agricultural products in commercial areas.	In progress	None	Support the DBA farmer's market and address farmers markets in Zoning updates in process.	Community Development
BEACHES, PARKS and RECREATION		36	ON-GOING	Continue to promote local health service providers participation in community-wide health fairs and similar events.	In progress	None	BP&R collaborates with Human Affairs Committee on community events that encourage local service participation	Community Development
BEACHES, PARKS and RECREATION		37	ON-GOING	Continue to cooperate with nonprofit health organizations to provide no- or low-cost health services on a regular basis.	In progress	None	CDBG Funding Camino Health Center & Mobile Vans	Community Development
BEACHES, PARKS and RECREATION		43	ON-GOING	Where feasible, the City will implement the Vista Los Mares Revitalization recommendations in the University of California at Irvine's Healthy Community Guide (March 2012), as grant funding is available.	In progress	None	Implementation occurs as funding and resources are available	Community Development

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BEACHES, PARKS and RECREATION	BPR-7.07	49	ON-GOING	Continue to require open space dedication or appropriate park in-lieu fees as part of the development review process.	In progress	None	Reviewed by public works in discretionary review process through DMT	Community Development
NATURAL RESOURCES	NR-1.01-03	1	ON-GOING	Identify and protect riparian corridors through zoning, easements or other measures that ensure effective, long-term conservation.	In progress	None	Will be included in Zoning updates and Local Coastal Program process	Community Development
NATURAL RESOURCES	NR-1.01	2	ON-GOING	Continue to provide public education materials regarding the City's sensitive habitats, the values of watershed, biological resources and sensitive habitats and how to protect them.	In progress	None	Resources made available when needed or requested.	Community Development
NATURAL RESOURCES	NR-5.01	12	ON-GOING	Require development projects to utilize appropriate AQMD air quality mitigation measures.	In progress	None	Reviewed and required through discretionary project reviews through DMT, CEQA, and conditions of approval.	Community Development
COASTAL	C-1.01-04	3	ON-GOING	Protect the public's right of coastal access where established through public ownership, legislative authorization prescriptive rights, as adjudicated by a court of law. Where appropriate and legally permissible, new development shall be designed to provide public access or be required to provide public access or irrevocable offer to provide public access, as a condition of development.	In progress	None	Monitor and protect coastal access through discretionary process (conditions of approval and design review) and plan checks with Coastal Commission	Community Development
COASTAL	C-1.04	4	ON-GOING	Identify and require property owners to remove all non-permitted structures, including signs and fencing, which inhibit legal public access.	In progress	None	Part of Code Enforcement duties, along with collaboration with the Coastal Commission's enforcement division.	Community Development
COASTAL	C-1.14	7	ON-GOING	Preserve existing and identify opportunities for and encourage new low cost overnight accommodations in the Coastal Zone.	In progress	None	Included in Local Coastal Program in process	Community Development

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COASTAL	C-1.01-02	8	ON-GOING	<p>Access management programs for Capistrano Shores and the private beach area north of Capistrano Shores, La Ladera, Cypress Shores and Cotton's Point private communities shall be prepared when development is proposed in one of these private communities and a property owner is required to dedicate public coastal access. The purpose of such programs shall be to provide maximum public access consistent with the Coastal Act of 1976. The access management programs shall be implemented by the City of San Clemente, other public agencies or by private homeowner associations that accept the offers of dedication. The access management program shall include the following:</p> <ol style="list-style-type: none"> Establishment of hours of public access which shall include, at a minimum, the hours between sunrise and sunset, and The provision of aesthetically pleasing bicycle racks for the appropriate number of bicycles based on use and site conditions, and The provision of signage at the entrance to the private communities in order to make the public aware of the existence of the accessway and its hours of operation, and The provision of a public restroom facility, and The provision of signage relating to proper animal management and animal waste disposal on the beach trail. 	In progress	None	Included in Local Coastal Program in process	Community Development
COASTAL	C-2.06	13	ON-GOING	<p>Provide public information on residential landscape plantings in coastal canyon and bluff areas. The information should address recommended plant types and their care, invasive plants removal, and landscaping for fire safety.</p>	In progress	None	Included in Local Coastal Program in process	Community Development
COASTAL	Goal 4	16	ON-GOING	<p>Update hazard maps (e.g., sea level rise, flood zones, etc.) as new information becomes available and make these publicly available.</p>	In progress	None	Included in Local Coastal Program in process	Community Development
SAFETY	S-3.02	6	ON-GOING	<p>Obtain and maintain information on fire and wildfire hazards and home, business, and open space fire mitigation measures. Make the information publicly</p>	In progress	None	Available at the Planning and Building Counters	Community Development
SAFETY	S-4.01	8	ON-GOING	<p>Review the Existing and Future Noise Contour Maps and Noise Ordinance for applicability to each development project to identify potential impacts to sensitive uses.</p>	In progress	None	Reviewed during DMT process, when applicable	Community Development
SAFETY		12	ON-GOING	<p>As part of a larger regional effort, improve safety in the Quiet Zone by using targeted and directed measures to reduce noise to within acceptable General Plan levels.</p>	In progress	None	Quiet Zone safety measures and permitting pursued with public works and other agencies as directed by Council	Community Development

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PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-1.04	2	ON-GOING	Continue communication and cooperation efforts between City officials and CUSD, especially in the areas of population projections, safety and security, circulation and pedestrian elements, development of schools and funding sources, and monitoring of development activities to prevent overcrowding of schools and help meet future educational needs.	In progress	None	Human Affairs Committee, and Public Works – Safe Routes 2 School program	Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-1.05	3	ON-GOING	Through the development review process, solicit CUSD input to help assess the cumulative impacts of recent and new development on educational services and facilities.	In progress	None	Human Affairs Committee	Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-3.01	10	ON-GOING	Encourage San Clemente arts and cultural groups and organizations to grow and contribute to the community's cultural richness and diversity.	In progress	None	Projects and programs considered and pursued as resources arise and directed by Council	Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-3.03, 3.05	11	ON-GOING	Promote the City's rich cultural history by partnering with private and non-profit organizations to promote and support local arts, history and culture.	In progress	None	Projects and programs considered and pursued as resources arise and directed by Council	Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-3.01	17	ON-GOING	Recreational and cultural activities should be promoted in the Pier Bowl and North Beach since these are tourist and recreational hubs. Promote the City's historic resources in visitor and tourist-oriented media and publications.	In progress	None	Business Liaisons	Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-4.01	18	ON-GOING	Continue coordination among the City and other human services-related agencies and institutions, both locally and regionally.	In progress	None	Human Affairs Committee	Community Development
GROWTH MANAGEMENT	GM-1.07	2	ON-GOING	Maintain a formal communication process with Camp Pendleton to stay informed of land use, noise, and other issues relating to military sites adjacent to the City.	In progress	None	Staff has established lines of communication related to issues affected by base operations.	Community Development
GOVERNANCE	G-1.01-02	1	ON-GOING	Community Development Department staff will annually evaluate progress in achieving the Strategic Implementation Program and other General Plan milestones. Staff will report its findings to the Planning Commission, City Council, and State agencies as necessary.	In progress	None	In coordination with the LTFP	Community Development
GOVERNANCE	G-1.04, 1.08	2	ON-GOING	Community Development Department staff will develop annual Centennial General Plan and Housing status reports. Reports will include a system of indicators or other feedback mechanisms to track the General Plan's progress toward achieving its goals and community vision. The reports will be used to inform the Planning Commission, City Council, and the Long Term Financial Plan and annual budget process.	In progress	None	In coordination with the LTFP	Community Development
GOVERNANCE	G-1.02	3	ON-GOING	Community Development Department staff will annually review the General Plan to ensure internal consistency and consistency with other Federal, State and local regulations and policies.	In progress	None	In coordination with the LTFP	Community Development

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GOVERNANCE	G-1.06	4	ON-GOING	Community Development Department staff will review each new Capital Improvement Plan and Long Term Financial Plan for consistency with the General Plan and report its findings to the Planning Commission and City Council.	In progress	None	In coordination with the LTFP	Community Development
GOVERNANCE	G-1.09, 1.11	5	ON-GOING	The City will collect an impact fee as part of development applications or permits to offset costs of maintaining the Centennial General Plan, including updating web based text and graphics.	In progress	None	Impact fee is established	Community Development

PW Responsible IMs

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
URBAN DESIGN		23b	HIGH PRIORITY	Review the standards established by the International Society of Arboriculture and incorporate appropriate standards into City policies that address tree maintenance on City-owned properties, such as water tanks and other City-owned utility sites, and examine opportunities for public-private partnerships aimed at expanding the City's tree canopy.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.25-29	5a	HIGH PRIORITY	Implement the La Pata roadway extension improvements based on the Mobility Element and Complete Streets Roadways Map and subject to design/environmental studies:	Completed	None	Completed with Council direction separate from SIP. La Pata Gap Closure completed and opened to traffic in August 2016.	Public Works
MOBILITY AND COMPLETE STREETS	M-3.01	39	HIGH PRIORITY	Prepare and maintain an inventory of sidewalk facilities to determine where pedestrian improvements are most needed to provide a continuous safe route for pedestrians throughout San Clemente.	In progress	None	Inventory is updated via ongoing inspections. A more comprehensive inventory will be developed in conjunction with full implementation of the Lucity system in FY2018.	Public Works
MOBILITY AND COMPLETE STREETS	M-3.01-02	41	HIGH PRIORITY	Work towards closing gaps in San Clemente's pedestrian network.	In progress	None	Addressed via annual CIP budget process and with ongoing private development.	Public Works
NATURAL RESOURCES	NR-5.07	7	HIGH PRIORITY	Develop a Tree Ordinance (refer to Urban Forest Implementation Measures for Urban Design Element).	Not started	None	This will involve collaboration with Community Development. Relates to Urban Design Element IMs #23 and 25.	Public Works
SAFETY		15	HIGH PRIORITY	Study the feasibility and practicality of obtaining adequate generators for critical City facilities that do not currently have them.	In progress	None	Planned activity for FY2017.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-5.09	27	HIGH PRIORITY	Complete water efficiency use surveys of all City facilities.	In progress	None	Planned activity for FY2017.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-6.02	29	HIGH PRIORITY	Review and if necessary, update the existing City Drainage Master Plan in order to identify deficiencies and needed improvements in the drainage system.	In progress	None	Study underway.	Public Works

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URBAN DESIGN	UD-4.04	9	MEDIUM PRIORITY	Work with neighborhood volunteers to establish a Zero Trash chapter, or similar organization devoted to keeping San Clemente litter free. [Link to ZeroTrash.org]	Not started	None		Public Works
URBAN DESIGN	UD-4.01, UD-4.06	10	MEDIUM PRIORITY	Establish standards and programs to maintain clean, attractive sidewalks in commercial areas.	Not started	None		Public Works
URBAN DESIGN	UD-6.01	28	MEDIUM PRIORITY	New residential, commercial, and industrial development shall be required to install and maintain trees in accordance with the Tree Ordinance, as implemented through the City's Municipal Code.	Not started	None		Public Works
URBAN DESIGN	UD-6.03	29	MEDIUM PRIORITY	Adopt a citywide street tree maintenance plan, including trimming and pruning procedures, which cultivates the full potential of street trees as providers of shade and designers of key design corridors. Consider folding plan into one of the master plans or ordinances identified above.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.01, M-1.11-13	1	MEDIUM PRIORITY	Adopt a Street Design Manual based on the Model Design Manual of Living Streets.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.25-29	5b	MEDIUM PRIORITY	Implement the Camino Del Rio roadway extension improvements based on the Mobility Element and Complete Streets Roadways Map and subject to design/environmental studies.	Completed	None	Completed with Council direction separate from SIP. Del Rio connection opened to traffic in January 2017.	Public Works
MOBILITY AND COMPLETE STREETS	M-2.24	19	MEDIUM PRIORITY	Periodically review (for example, when the Bicycle and Pedestrian Master Plan is updated and as part of the Long Term Financial Plan process) official databases of bicycle and pedestrian accidents, analyze their causes and locations, and strive to reduce accidents through infrastructure improvements, community outreach and education and law enforcement efforts.	Not started	None		Public Works
NATURAL RESOURCES	NR-5.03	13	MEDIUM PRIORITY	Implement greenhouse gas emission reduction measures of the City's Climate Action Plan.	Not started	None		Public Works
NATURAL RESOURCES	Goal 5	15	MEDIUM PRIORITY	Review and update the San Clemente Municipal Code to further the goals, policies and measures of the Climate Action Plan and Sustainability Action Plan. Enforce provisions and establish additional energy performance requirements in the building code as information becomes available.	Not started	None		Public Works
NATURAL RESOURCES	Goal 6	28	MEDIUM PRIORITY	Consider programs that benchmark and sub-meter all City facilities.	Not started	None		Public Works
NATURAL RESOURCES	NR-6.07	30	MEDIUM PRIORITY	Research opportunities for Power Purchase Agreements (PPAs) and Sustainable Communities Program (SDG&E) for renewable power on City facilities.	Not started	None		Public Works

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PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-9.04	39	MEDIUM PRIORITY	Establish a schedule for energy efficiency and demand response program audits of City facilities.	Not started	None		Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-Goal 9	47	MEDIUM PRIORITY	Implement the Climate Action Plan and Sustainability Action Plan.	Not started	None	Specific actions considered in annual budget process	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES		48	MEDIUM PRIORITY	Update priorities for the undergrounding of overhead utility lines, including implementation plan and funding strategies.	Not started	None		Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-9.06	49	MEDIUM PRIORITY	Educate the community on and promote the benefits of energy efficiency and solar power generation and related utility-sponsored programs.	Not started	None		Public Works
URBAN DESIGN	Goals 7-14	1	LOW PRIORITY	Expand and upgrade the City's important public places, giving high priority to urban design and streetscape improvements in the following areas, in no particular order: a. North Beach b. South El Camino Real, between T-Zone and Interstate c. Los Molinos d. South El Camino Real, south of Avenida Magdalena e. Del Mar/T-Zone f. Pier Bowl g. South El Camino Real, between Interstate 5 and Avenida Magdalena h. Camino de Estrella/Camino de Los Mares i. North El Camino Real	Not started	None		Public Works
URBAN DESIGN	UD-1.05	2	LOW PRIORITY	Update landscape and streetscape plans for the public realm along for the entire length of El Camino Real within City Limits. The purpose is to ensure a cohesive and consistent design theme, while building on the unique character of different segments of El Camino Real and to strengthen the City's identity as the Spanish Village by the Sea.	Not started	None		Public Works
URBAN DESIGN	(LU-11.06,09)	3	LOW PRIORITY	Develop a streetscape and public spaces plan and standards for the Del Mar/T-Zone Focus Area (beyond Avenida Del Mar and El Camino Real). The plan should address sidewalk paving and locations, pedestrian access to Avenida Del Mar (refer to Figure LU-4, Del Mar/T-Zone Mixed Use Guide), signage, lighting, paseos, bike racks, landscaping, street furniture, news racks and other design features within the public realm.	Not started	None		Public Works

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MOBILITY AND COMPLETE STREETS	M1.08	2	LOW PRIORITY	Conduct regular surveys of City residents to identify preferences and behavior and report on the survey results to the City Council to benchmark travel behavior.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS		6	LOW PRIORITY	If necessary to mitigate potential impacts, the City will implement improvements identified as mitigation measures in the Final Environmental Impact Report for the Centennial General Plan.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-2.10	9	LOW PRIORITY	Work with OCTA to identify shelter options to ensure adequate safety and comfort for transit users and encourage OCTA to provide bus shelters at all bus stops on El Camino Real, Camino De Los Mares, and Avenida Pico.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.04	11	LOW PRIORITY	Validate and incorporate a Multi-Modal Level of Service (LOS) or other metric to evaluate multi-modal facilities performance into future traffic studies.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.11	13	LOW PRIORITY	Consider preparing detailed concept plans to evaluate alternate visions for major MPAH corridors, and address types of multi-modal improvements that can be included within the constrained rights-of-way (unless it is decided to acquire more right-of-way) for various alternatives.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-2.24	18	LOW PRIORITY	Adopt a Pedestrian and Bicycle Facilities Management Plan.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-2.21-22	21	LOW PRIORITY	Integrate walking routes into new greenways and open space areas, where appropriate, and encourage them in existing greenways and open space areas.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.22-24 M-2.29	23	LOW PRIORITY	Assist employers in implementing a comprehensive bicycle awareness program for their employees.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.09	25	LOW PRIORITY	Consider designating a law enforcement liaison officer for the bicycle and pedestrian community.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-2.12?	30	LOW PRIORITY	Consider establishing a Bicycling Advisory Committee to assist the City with grant writing and implementation of the Bicycle and Pedestrian Master Plan.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-2.29	31	LOW PRIORITY	Collaborate with local businesses, bicycle shops, non-profits, schools, and government agencies to produce and distribute bicycle and pedestrian safety materials.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-2.21-22, 2.46	33	LOW PRIORITY	Collaborate with the local off-road advocacy groups, conservation non-profits, State Parks, adjacent jurisdictions and the Donna O'Neil Land Conservancy to develop a plan for off-road trail facilities.	Not started	None		Public Works

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MOBILITY AND COMPLETE STREETS	M-1.22, 2.48-49	34	LOW PRIORITY	Establish a bicycle-friendly business program to encourage and facilitate use of alternative modes of transportation by employees and customers.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.09	35	LOW PRIORITY	Consider establishing an Active Transportation Coordinator position to work with City departments and advocacy groups to support and coordinate efforts to improve alternative transportation modes and to implement the Bicycle and Pedestrian Master Plan.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.21-22 M-2.31	37	LOW PRIORITY	Establish mode shift/share goals.	Not started	None		Public Works
MOBILITY AND COMPLETE STREETS	M-1.21-22 M-2.31	38	LOW PRIORITY	Track mode shift to quantify greenhouse gas reductions.	Not started	None		Public Works
NATURAL RESOURCES	NR-6.08	16	LOW PRIORITY	Promote private utility programs for energy audits of existing structures and public education programs to promote energy conservation. The programs should define the current levels of use, compare these to current standards for similar types of structures and prescribe corrective methods to improve conservation.	Not started	None		Public Works
NATURAL RESOURCES	NR-7.02	22	LOW PRIORITY	Establish a retrofitting plan for outdoor lighting at City buildings, streets and parks.	Not started	None		Public Works
NATURAL RESOURCES	NR-6.04	27	LOW PRIORITY	Consider potential for achieving LEED Operations and Maintenance certification, or the equivalent, for appropriate City facilities.	Not started	None		Public Works
SAFETY	S-2.06	5	LOW PRIORITY	Obtain and maintain information on flooding, tsunami, and sea level rise hazards and make the information publicly available.	Not started	None		Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU- Goal 5	21	LOW PRIORITY	Study feasibility and effectiveness of new technologies to reduce the use of chemicals at the water treatment plant.	Not started	None		Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-8.02	36	LOW PRIORITY	Establish a strategic plan and public outreach campaign to exceed solid waste diversion requirements of AB 939, including waste created by construction and demolition activities.	Not started	None	Implemented an organics collection program in 2016.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-9.03	42	LOW PRIORITY	Where appropriate and feasible, install solar-powered street radar signs.	Not started	None		Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-9.09	43	LOW PRIORITY	Explore the feasibility of establishing a City grant program to provide funding support for local energy retrofitting projects.	Not started	None		Public Works

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PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-9.03	44	LOW PRIORITY	Consider requiring future City facilities to meet LEED Certification standards or equivalent standards.	Not started	None		Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-9.07-08	46	LOW PRIORITY	Update our codes to encourage the private development of alternative energy infrastructure where appropriate.	Not started	None		Public Works
LAND USE	LU-12.09	23	ON-GOING	Consider traffic calming strategies in the area.	In progress	None	Do as request/petitions are received and in conjunction with street improvement projects plus annual CIP planning.	Public Works
URBAN DESIGN	UD-5.18	18	ON-GOING	Develop incentives for the use of drought-tolerant and California native species in landscape design.	In progress	None	Periodically updating standards for the provision of incentives.	Public Works
MOBILITY AND COMPLETE STREETS	M-1.19-24 M-2.11-54	3	ON-GOING	Implement the Bicycle and Pedestrian Master Plan.	In progress	None	Ongoing. Considered as part of annual budget process.	Public Works
MOBILITY AND COMPLETE STREETS	M-1.19-24 M-2.11-54	4	ON-GOING	Implement the Candidate Projects in the Bicycle and Pedestrian Master Plan, subject to more detailed engineering studies.	In progress	None	Ongoing. Implemented as part of annual CIP process.	Public Works
MOBILITY AND COMPLETE STREETS	M-2.39-41	15	ON-GOING	Identify and designate Class 2 bike lanes where considered appropriate and there is sufficient curb-to-curb street pavement width.	In progress	None	Addressed in annual CIP process.	Public Works
MOBILITY AND COMPLETE STREETS	M-2.17, 2.25-26	16	ON-GOING	Install vehicle actuation to detect bicycles (CVC 21450.5) and install bicycle detector pavement markings at traffic signals using best practices and adopted State or Federal standards when intersections with signals are rehabilitated.	In progress	None	Addressed in annual CIP process when we have signal rehabilitation projects.	Public Works
MOBILITY AND COMPLETE STREETS	M-2.21, 2.25-26, 2.28	26	ON-GOING	Provide training opportunities for engineering and planning staff on ways to integrate bicyclists and pedestrians with the transportation network.	In progress	None	Ongoing as training opportunities/ courses arise.	Public Works
MOBILITY AND COMPLETE STREETS	M-3.05	27	ON-GOING	Provide training and public outreach opportunities about bicyclists' and pedestrians' legal rights and duties for City engineering and planning staff, as well as for law enforcement officials.	In progress	None	Ongoing as training opportunities/ courses arise.	Public Works
MOBILITY AND COMPLETE STREETS	M-2.30, 2.36 M-3.03	36	ON-GOING	Provide assistance to school districts in facility planning and transportation operations to ensure safety for users of all modes during school pick-up, drop-off and other special events.	In progress	None	Ongoing on an as-requested basis.	Public Works

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MOBILITY AND COMPLETE STREETS	M-3.02	40	ON-GOING	Retrofit streets and require developments to install public improvements that provide disabled access and mobility on public streets, as required by State or Federal law.	In progress	None	ADA ramps are installed or upgraded when implementing street rehabilitation projects.	Public Works
BEACHES, PARKS and RECREATION	BPR-3.06	14a	ON-GOING	Continue to enhance the beaches and beach support facilities at the Municipal Pier, recognizing their importance as City gateways. and North Beach train stations	In progress	None	This is an ongoing effort with regular maintenance.	Public Works
BEACHES, PARKS and RECREATION	BPR-3.10-11	15	ON-GOING	Seek sand nourishment and replacement funding opportunities to ensure beachgoers have a high quality beach experience and to maintain ongoing monitoring activities.	In progress	None	Ongoing effort. Completed North Beach opportunistic project in late 2016.	Public Works
BEACHES, PARKS and RECREATION	BPR-3.02?	16	ON-GOING	Continue to provide and maintain beach fire pits in designated public beach locations.	In progress	None	No new fire rings are planned, maintenance of existing rings is ongoing.	Public Works
BEACHES, PARKS and RECREATION		27	ON-GOING	Implement the Bicycle and Pedestrian Master Plan by allocating a portion of the annual City budget to complete sidewalk projects that infill public sidewalk gaps and provide connectivity.	In progress	None	Ongoing effort.	Public Works
BEACHES, PARKS and RECREATION	BPR-3.02?	47	ON-GOING	Implement the City's Quiet Zone/Railroad Safety Program.	In progress	None	Completed installation of AWS system in 2016.	Public Works
NATURAL RESOURCES	Goal 4	10	ON-GOING	Maintain up-to-date information regarding the location of mineral resource zones in the City.	In progress	None	Information is made available upon request.	Public Works
NATURAL RESOURCES	Goal 6	18	ON-GOING	Solicit state and federal grants to implement the City's energy conservation programs as such funding becomes available.	In progress	None	On-going as opportunities become available.	Public Works
NATURAL RESOURCES	Goal 7	23	ON-GOING	Seek grant funding for City lighting upgrades, incentive programs, and new fixtures.	In progress	None	Ongoing as opportunities arise.	Public Works
NATURAL RESOURCES	NR-6.08	31	ON-GOING	Continue to promote energy conservation and educate residents on benefits of energy efficiency and solar power generation.	In progress	None	Ongoing – participate in local forums. Provided additional outreach in Fall 2015.	Public Works
NATURAL RESOURCES	NR-6.07	32	ON-GOING	Continue to promote utility sponsored programs and training for City staff, local businesses and residents.	In progress	None	Ongoing – participate in local forums. Same as above.	Public Works
NATURAL RESOURCES	NR-6.07	33	ON-GOING	Approach SDG&E about forming a local government partnership to develop, operate and maintain energy resources using sustainable practices and materials.	In progress	None	Met with SDG&E and started coordination on this.	Public Works

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COASTAL	C-1.07	2	ON-GOING	Maintain the San Clemente Beach Trails as part of the California Coastal Trail siting and design standard contained here. [http://san-clemente.org/sc/Standard.aspx?PageID=356]	In progress	None	Ongoing maintenance is provided.	Public Works
COASTAL	C-1.06, 1.11	5	ON-GOING	Periodically inventory beach access facilities to identify access needs. Based on the inventory, prepare capital improvements projects and/or establish schedule for renovating access facilities, and update the City's way-finding program to facilitate regional access from Interstate 5 to coastal destinations (e.g., Del Mar, Pier Bowl, North Beach), primary beach access points, parks, public parking areas, prominent natural features and City entry points.	In progress	None	Staff continues to seek funding opportunities to approved and potential projects.	Public Works
COASTAL	C-1.06	11	ON-GOING	Seek funding to maintain and improve access ways, implement complete streets projects as identified in the Mobility and Complete Streets Element, and to enhance public coastal access, including: a. Improved pedestrian railroad crossings through the construction of at-grade, above-grade, or below-grade crossings at existing accessways. b. Additional off-street public parking spaces at or near public coastal access ways through improvements of existing beach parking lots and creation of parking lots, where feasible.	In progress	None	Staff continues to seek funding opportunities to approved and potential projects.	Public Works
COASTAL	C-2.05, 2.08, 2.10, 2.11	12	ON-GOING	Advocate and support the preservation and creation of coastal terrestrial wildlife or plant sanctuaries.	In progress	None	Information is made available upon request.	Public Works
COASTAL	C-1.01	15	ON-GOING	Implement City Policies and Procedures (effective date September 5, 2001) regarding Management of Beach Facilities in terms of their maintenance, replacement, protection, or relocation.	In progress	None	Part of current review process.	Public Works
SAFETY	S-1.01	1	ON-GOING	When feasible, make information on fault locations, soil hazards and areas of landslide or liquefaction publicly available, on request.	In progress	None	Information is made available upon request.	Public Works
SAFETY	S-2.04-06	4	ON-GOING	Review and update drainage and water retention studies and improvement plans to incorporate appropriate best practices and Federal, State, and County flood control regulations.	In progress	None	Reviewing and updating drainage and water retention studies and improvement plans	Public Works
SAFETY	S-4.02-03	9	ON-GOING	Work with local, State and Federal agencies to reduce highway-generated noise levels to within acceptable General Plan levels.	In progress	None	Engineering works with Cal-Trans	Public Works
SAFETY	S-4.06	11	ON-GOING	Continue to use a program of truck prohibitions, including appropriate signage, to minimize truck traffic noise impacts to sensitive land uses.	In progress	None	Part of current operations.	Public Works
SAFETY	S-5.01	14	ON-GOING	Continue to collect and disseminate information relating to all hazards, as well as to radiological hazards preparedness, response, and recovery for SONGS.	In progress	None	Part of current operations.	Public Works

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SAFETY		16	ON-GOING	Regularly review and update, exercise and revise the San Clemente Multi-Hazard Emergency Plan with appropriate best practices related to the community's natural and human-made hazards.	In progress	None	Part of current review process.	Public Works
SAFETY	S-7.01	17	ON-GOING	Explore the siting and structural integrity of the City's critical facilities to identify and plan to mitigate any potential defects related to natural or human-made hazards.	In progress	None	Part of current operations.	Public Works
SAFETY	S-7.08-09	18	ON-GOING	Continue to maintain and update emergency services, preparedness, response and recovery plans and training programs that meet Federal and State requirements.	In progress	None	Part of current operations.	Public Works
SAFETY	S-7.02	19a	ON-GOING	Pursue emergency services grants and other funding opportunities for emergency planning, and public safety.	In progress	None	Pursuing emergency services grants and other funding opportunities	Public Works
SAFETY	S-7.03	22	ON-GOING	Provide educational materials and outreach efforts to inform the public about emergency preparation and response, and about the availability of emergency services.	In progress	None	Information is made available upon request, outreach made when possible.	Public Works
SAFETY	S-7.10	23	ON-GOING	Support and maintain active programs to enhance community safety, emergency preparedness and disaster response through volunteer programs such as the Community Emergency Response Team Program (CERT), Retired Senior Volunteer Program (RSVP), Explorer Scouts, Neighborhood Watch and Radio Amateur Citizen Emergency Services (RACES).	In progress	None	Being done.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-5.02	22	ON-GOING	Continue implementation of a tiered water rate structure to incentivize water conservation.	In progress	None	Ongoing, rate structure still in place.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-5.08	23	ON-GOING	Expand local water recycling capabilities.	In progress	None	Ongoing. Expansion project recently completed, now converting target sites.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-5.05	24	ON-GOING	Explore the feasibility of desalination and other regional projects as an alternative resource to reduce the City's dependency on imported water.	In progress	None	Ongoing, participating in regional study.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-5.06	25	ON-GOING	Maintain and update the City's Urban Water Management Plan, as needed, and implement and enforce the water conservation ordinance.	In progress	None	Ongoing, plan is updated.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-5.07	28	ON-GOING	Continue providing education and community outreach on water conservation options and methods.	In progress	None	Information is made available upon request, outreach made when possible.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-6.01	30	ON-GOING	Continue to prepare 5-year Capital Improvement Programs for the City's storm drainage system.	In progress	None	Ongoing in annual CIP process.	Public Works

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PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-6.07	31	ON-GOING	Review and amend as necessary and appropriate, drainage impact fees collected from new development for the construction of new drainage facilities necessitated by the new development.	In progress	None	Ongoing, fee schedule periodically reviewed.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-7.01	33	ON-GOING	Continue to implement the Clean Ocean Program and Stormwater Local Implementation Plan to protect local surface water quality and meet or exceed applicable regional, state and federal requirements.	In progress	None	On-going.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-Goal 7	34	ON-GOING	Include specific measure to address the need for sidewalk cleaning while protecting water quality and preventing runoff.	In progress	None	Staff enforcing water quality run-off standards.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-8.01	35	ON-GOING	Expand mandatory recycling for commercial customers consistent with State requirements.	In progress	None	Ongoing. State has implemented some mandates and City will update Muni Code by end of FY16.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-8.05	37	ON-GOING	Continue using rubberized asphalt and recycled aggregate for City street projects, as appropriate.	In progress	None	Ongoing. Where appropriate we use rubberized asphalt for street rehabilitation projects	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-8.10	38	ON-GOING	Continue to achieve at least the minimum construction and demolition waste diversion requirement of 75 percent.	In progress	None	Updated Municipal Code. Schedule is Council approval by end of 2017	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-9.03	40	ON-GOING	Upgrade City facilities by installing energy-efficient lighting where feasible, upgrading City facilities with EnergyStar or equivalent facilities, updating HVAC systems and establishing shut-off times, occupancy-sensing lighting controls, programmable thermostats and variable speed drive motors in City water and sewer pumping stations.	In progress	None	Upgrades completed in 2016 and on an ongoing basis. Specific upgrades determined through budget and CIP process as needed	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-9.03	41	ON-GOING	Transition to light emitting diode traffic signal light bulbs and pedestrian crossing signals.	In progress	None	Ongoing. LED traffic signals completed, and almost all LED pedestrian signals completed.	Public Works
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-9.09	45	ON-GOING	Pursue grant funding and other financial resources to offset the public cost of energy retrofits to existing City facilities.	In progress	None	Ongoing, continue to seek grant funds.	Public Works
GROWTH MANAGEMENT	GM-2.03, 2.05	1	ON-GOING	Continue to regularly update development impact fees and/or other financing mechanisms so that development outside City Limits that request use of City services or facilities pays the full costs needed to serve it and does not decrease levels of service to San Clemente residents.	In progress	None	Reviewed by Public Works, Sewer, and Water Departments	Public Works

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
GROWTH MANAGEMENT	GM-2.01	5a	ON-GOING	City shall periodically update its standards for the provision of public services and facilities to reflect current needs and costs, including: drainage/flood control, parks, water and wastewater, and traffic.	In progress	None	Ongoing. Standards periodically reviewed.	Public Works

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
MOBILITY AND COMPLETE STREETS	M-3.03	24	HIGH PRIORITY	Expand the Safe Routes to School program, including International Walk/Bike to School events, and encourage all schools to get involved.	Recommend to initiate IM	Initiate IM	Some Walk to School events occur in October; this will be a joint effort from planning and recreation.	BPR
MOBILITY AND COMPLETE STREETS	M-3.05 M-2.29	22	MEDIUM PRIORITY	Include Bicycle and Walking Safety lessons in City recreation programs and collaborate with local schools and law enforcement to offer bicycle and pedestrian skills and safety education programs.	Recommend to initiate and change IM	Change priority to "ongoing"	This should be considered an ongoing project. Many after school programs include information and discussion about bike safety.	BPR
BEACHES, PARKS and RECREATION	BPR-2.07	9	MEDIUM PRIORITY	Consider reconfiguring Bonita Park to meet changing park user needs and provide additional parking for the Los Molinos area.	Recommend to initiate IM	Initiate IM	In progress per Council direction. Will be considered in the BPR Master Plan 2017.	BPR
BEACHES, PARKS and RECREATION	BPR-4.05-06	19	LOW PRIORITY	Create signage on the Coastal Trail and at Vista Hermosa Park for educational outreach about critical habitats and native plant and animal species.	Recommend to delete IM	Delete IM	This is very similar to Natural resources IM# 3. Recommend deleting one or the other.	BPR
BEACHES, PARKS and RECREATION	BPR-5	21	LOW PRIORITY	Incorporate golf course management and design improvements in future Beaches, Parks and Recreation master planning.	Recommend to initiate IM	Initiate IM	In progress per Council direction. BPR Master Plan is currently underway.	BPR
SAFETY	S-3.03	7	HIGH PRIORITY	Partner with Orange County Fire Authority to pursue grant and other funding opportunities for appropriate Fire and Emergency Medical Services measures, staffing, and facilities, and to support wildfire mitigation efforts in the City and in surrounding open space areas such as the Richard and Donna O'Neill Conservancy and San Onofre State Beach.	In progress. IM changes recommended	Change priority to "ongoing"	Reviewed during budget process. On-going with City staff and OCFA.	City Manager
COASTAL	C-1.11	6	MEDIUM PRIORITY	Update the City's website to facilitate regional access from Interstate 5 to coastal destinations (e.g., Del Mar, Pier Bowl, North Beach), primary beach access points, parks, public parking areas, prominent natural features and City entry points.	In progress. IM changes recommended	Change priority to "ongoing"	In process. Website improvements made as opportunities arise. Information added to City community maps (on website) including beach access and amenities, trails, parks, etc.	Community Development
NATURAL RESOURCES	NR-7.01-03	21	LOW PRIORITY	Establish lighting zones that provide different guidelines and standards for different areas, recognizing their various safety, aesthetic and environmental constraints and functions.	In progress. IM changes recommended	Change priority to "medium"	Started but currently inactive. At Council direction (after FY 2016-17 SIP update), work initiated and partially completed on a draft ordinance with a dark Skies task force. Work to resume after Zoning consistency updates.	Community Development
BEACHES, PARKS and RECREATION	BPR-3.01-03	13	HIGH PRIORITY	Continue to maintain and enhance the City's beaches and Municipal Pier and seek outside funding sources to help support these efforts.	In progress. IM changes recommended	Change priority to "ongoing"	This is an ongoing effort with regular maintenance.	Public Works

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
LAND USE	LU-1.02	3	MEDIUM PRIORITY	Consider a community-serving shuttle or trolley type transit system that connects San Clemente's key destination areas (e.g., North Beach, Del Mar/T-Zone, Marblehead, Pier Bowl and Pier) and residential areas with public transit and bicycle routes.	Recommend to initiate IM	Initiate IM	In process per City Council direction. Received OCTA grant and City Council approved trolley vehicle order. Start of trolley service planned for Memorial Day 2017	Public Works
LAND USE	LU-14.05	25	MEDIUM PRIORITY	Develop a new streetscape and landscaping plan and Safe Routes to School program to implement the Mobility and Complete Streets Element and Bicycle and Pedestrian Master Plan.	Recommend to initiate IM	Initiate IM	In process per City Council direction. Grants received and will construct Condordia Safe Routes to School Project in 2017 and Shorecliffs Safe Routes to school Project in 2018.	Public Works
MOBILITY AND COMPLETE STREETS	M-1.08-09 M-2.08-2.10	10	MEDIUM PRIORITY	When and where appropriate, prepare a feasibility study for a community-serving trolley type transit system that connects San Clemente's key destination areas (e.g., North Beach, Del Mar/T-Zone, Marblehead Coastal, Pier Bowl) and residential areas with public transit and bicycle routes.	Recommend to initiate IM	Initiate IM	In process per City Council direction. Will implement trolley service in 2017. Continuing to improve and/or add bicycle facilities in conjunction with approved street rehabilitation projects. Also started innovative rideshare program in partnership with Lyft.	Public Works
NATURAL RESOURCES	NR-2.07	8	MEDIUM PRIORITY	The City will develop and implement a utilities undergrounding plan to avoid the adverse impacts to aesthetic resources of public utilities and unmanned telecommunications facilities, where feasible and where costs of such undergrounding do not pose economic hardship. Where undergrounding is determined by the City to not be physically possible, such features shall be located and designed to reduce their visibility and in developed areas, consistent with prevailing architectural character and scale. In beaches, parks and open spaces areas, such facilities shall be designed and located to blend in with natural colors, textures and landforms.	Recommend to initiate IM	Initiate IM	In process per City Council direction. Report to City Council in Spring 2017.	Public Works
LAND USE	LU-8.06 LU-9.05 LU-10.09 LU-12.09 LU-13.02 LU-14.05	18	LOW PRIORITY	Develop strategies to improve transit, pedestrian and bicycle access and reduce congestion, possibly including shuttle services and bicycle facilities.	Recommend to initiate IM	Initiate IM	In process per City Council direction. Will implement trolley service in 2017. Continuing to improve and/or add bicycle facilities in conjunction with approved street rehabilitation projects. Also started innovative rideshare program in partnership with Lyft.	Public Works
MOBILITY AND COMPLETE STREETS	M-2.22, 2.46	8	LOW PRIORITY	Working with other agencies, the City will seek grants to help develop, operate and maintain a comprehensive trail system through San Clemente's open spaces.	Recommend to initiate and change IM	Change priority to "ongoing"	Ongoing effort with regular maintenance and improvements.	Public Works

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
MOBILITY AND COMPLETE STREETS	M-2.29	28	LOW PRIORITY	Provide an outreach and education component to coincide with the first installation of any new type of bicycle facility as part of the implementation of the associated capital improvement project.	Recommend to initiate and change IM	Change priority to "ongoing"	Ongoing. Conduct outreach when opening new major bike facilities.	Public Works

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
URBAN DESIGN	UD-6.03	27	HIGH PRIORITY	In addition to utilizing the existing Master Landscape Plan for Scenic Corridors (which provides policy for specific arterials), the City shall formulate a comprehensive master plan which lists permitted trees in the public right-of-way for all areas in San Clemente. It will specify species, minimum	Deleted in FY 2017	None		BPR
BEACHES, PARKS and RECREATION		6	HIGH PRIORITY	Incorporate strategies for neighborhood and commercial area enhancement in the Master Plan for Parks and Recreation.	Deleted in FY 2017	None		BPR
URBAN DESIGN	UD-6.05	26	LOW PRIORITY	Update the Tree Inventory and include trees and public landscapes of historic significance.	Deleted in FY 2017	None		BPR
URBAN DESIGN	UD-6.05	30	LOW PRIORITY	Examine opportunities for public-private partnerships aimed at expanding the City's tree canopy and preservation of historic trees.	Deleted in FY 2017	None		BPR
BEACHES, PARKS and RECREATION	BPR-6.08?	20	LOW PRIORITY	Look for opportunities to create small neighborhood green/open spaces.	Deleted in FY 2017	None		BPR
MOBILITY AND COMPLETE STREETS	M-2.19	20	HIGH PRIORITY	Develop standards that require bicycle accommodations (such as parking, lockers and showers) in new or significantly rehabilitated nonresidential developments, consistent with Policy M-2.19.	Deleted in FY 2017	None		Community Development
BEACHES, PARKS and RECREATION		38	HIGH PRIORITY	In collaboration with local hospitals and health service providers, the City will support measures that improve the availability of and access to primary care and other physicians' services and emergency care facilities in San Clemente, such as public access to mobile health services.	Deleted in FY 2017	None		Community Development
BEACHES, PARKS and RECREATION	BPR-6.12-13	44	HIGH PRIORITY	Amend the Zoning Ordinance to allow the development of community gardens throughout the City.	Deleted in FY 2017	None		Community Development
HISTORIC PRESERVATION	HP-1.01	14	MEDIUM PRIORITY	Consider adopting procedures for establishing historic districts.	Deleted in FY 2017	None		Community Development
COASTAL	C-3.02	9	MEDIUM PRIORITY	Update the Master Landscape Plan for Scenic Corridors to identify public view corridors and views and establish a process for doing so, including public outreach.	Deleted in FY 2017	None		Community Development

ELEMENT	GENERAL PLAN POLICY	IM #	PRIORITY LEVEL	IMPLEMENTATION MEASURE DESCRIPTION	CURRENT STATUS	RECOMMENDED CHANGES	STATUS/RECOMMENDATION NOTES	LEAD DEPT.
URBAN DESIGN	UD-5.06	12	LOW PRIORITY	Update our Historic Building Survey to include architecturally significant buildings with styles different from Spanish Colonial Revival architecture, including "Post- Modern" and "Mid-Century Modern" architectural designs.	Deleted in FY 2017	None		Community Development
HISTORIC PRESERVATION	HP-1.01-02	1	LOW PRIORITY	Update our Historic Building Survey to include architecturally significant buildings with styles different from Spanish Colonial Revival architecture, including "Post-Modern" and "Mid-Century Modern" architectural designs.	Deleted in FY 2017	None		Community Development
HISTORIC PRESERVATION	HP-1.04	25	LOW PRIORITY	Develop historic preservation materials and media for homeowners, realtors, contractors and developers to educate the public on requirements, guidelines and	Deleted in FY 2017	None		Community Development
ECONOMIC DEVELOPMENT	ED-2.05	14	LOW PRIORITY	Explore ways to attract and promote opportunities for "flexexecutives" to live and work in San Clemente.	Deleted in FY 2017	None		Community Development
MOBILITY AND COMPLETE STREETS	M-1.18, 1.26, 1.32	12	LOW PRIORITY	Update the Master Landscape Plan for Scenic Corridors.	Deleted in FY 2017	None		Community Development
BEACHES, PARKS and RECREATION		40	LOW PRIORITY	Encourage San Clemente businesses to have employee wellness programs.	Deleted in FY 2017	None		Community Development
BEACHES, PARKS and RECREATION		42	LOW PRIORITY	City staff will cooperate with various community organizations and local agencies to provide free or low cost health information, nutrition classes, community-wide health fairs and other health and wellness – oriented events.	Deleted in FY 2017	None		Community Development
PUBLIC SERVICES, FACILITIES AND UTILITIES	PSFU-1.01	4	LOW PRIORITY	Promote the idea of attracting a higher educational facility or other educational/vocational training institution in the Los Molinos Focus Area.	Deleted in FY 2017	None		Community Development
HISTORIC PRESERVATION	HP-1.04	9	ON-GOING	Continue to provide technical assistance to property owners for the preservation of historic resources.	Deleted in FY 2017	None		Community Development
HISTORIC PRESERVATION	HP-1.04	17	ON-GOING	Conduct workshops for homeowners, developers, real estate professionals and others describing the benefits and obligations of owning historic property and the incentives available for rehabilitation.	Deleted in FY 2017	None		Community Development
MOBILITY AND COMPLETE STREETS	M-2.17, 2.25-26	17	ON-GOING	Install bicycle detector pavement markings at traffic signals using best practices and adopted State or Federal standards when intersections with signals are rehabilitated.	Deleted in FY 2017	None		Public Works

Police Services Study

Objective

To have Matrix Consulting present a final draft report (Attachment I) of the Police Services Assessment, which will include strategic choices for the City Council and an implementation plan for Police Services.

Executive Summary

Over the past several years, cities that contract with the Orange County Sheriff's Department (OCSD) have seen a significant increase in the cost of local police services. For fiscal year 2016-17 the City's contract for police services with OCSD was initially \$13,697,263. The contract amount was increased mid-year by an additional \$260,627 due to finalization of labor negotiations, for a total FY 2016-17 contract amount of \$13,957,890, which reflects a total increase of \$1,005,327, or 7.8%, over the prior year. For fiscal year 2017-18, OCSD's first estimates indicate the contract cost will be \$14,804,112, an increase of \$846,222, or 6.1%, from the current year. Based on City Council direction at the Budget Workshop on May 24, 2016 and again during the Budget adoption at the meeting of June 13, 2016, staff was directed to engage a consultant to conduct an assessment of the City's Police Services.

Background and Discussion

Police Services represents 24.9% of the City's total Operating Budget for FY 2016-17. The following represents initial proposed increases from the last several years to the police services contract with OCSD:

- FY 2017-18 6.06% \$ 846,222
- FY 2016-17 8.91% \$1,137,841
- FY 2015-16 9.48% \$1,180,029
- FY 2014-15 5.89% \$ 714,221

When the City of San Clemente began this assessment process with Matrix Consulting, there were six tasks that the report set out to accomplish:

1. Initiate the Project and Document Law Enforcement Trends and Issues Which Led to This Study,
2. Document Law Enforcement Services, Staffing, Workloads and Service Levels in the City of San Clemente,
3. Understand Community Views About Law Enforcement Services,
4. Compare Services to Best Practices in Law Enforcement Services,
5. Evaluate Opportunities to Improve the Services Delivered by the Orange County Sheriff;
6. Develop a Final Report and Strategic Choices for the City and Implementation Plan.

The Police Services Assessment was developed through a comprehensive assessment of service

Police Services Study

delivery and costs, public input, and City Council input.

Conclusion

The Matrix Consulting Group team will present detailed findings, conclusions and recommendations for each law enforcement function at OCSD based upon a variety of best practice approaches in law enforcement. This will include a thorough review of the efficiency and effectiveness of service delivery in San Clemente in the context of the City's crime trends, public safety workloads, and community law enforcement expectations.

Recommendations

Staff recommends that the City Council accept the report from Matrix Consulting Group and direct staff to implement recommendations set forth in the report.

Police Services Study

SAN CLEMENTE, CALIFORNIA

DRAFT

matrix 
consulting group

February 22, 2017

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1 Introduction

The firm was retained by the City of San Clemente to conduct a Police Services Operations and Staffing study for the OCSD. The intention of the study was largely three-fold:

- Documents and evaluates current law enforcement services in the City.
- Elicits views from the community relating on these services as well as opportunities for improvement.
- Documents and evaluates the efficiency and effectiveness of law enforcement strategies received from the Orange County Sheriff's Office under contract.

Like most police departments serving safer communities, it faces a variety of unique operational challenges to be discussed in this report.

This report presents the results of the study, providing an overview of current workloads and service levels, in addition to identifying a number of operational strengths and potential opportunities for service and staffing level changes.

The following introduction and executive summary provide a synopsis of the scope of work and overall context for the study, the methodologies used in evaluating the services of the department, and a summary of the recommendations made. The scope of work for the study included the following elements:

- A thorough review of police business practices conducted by OCSD, particularly in patrol operations.
- An evaluation of staffing needs consistent with both analytical outcomes and framed by community desires.
- Analytical determination of the most appropriate levels of service and service delivery in the City for key operations within Police Services.
- Identification of key efficiency opportunities through changes in current practice.

In order to conduct this Study, the Matrix Consulting Group project team engaged in the following activities:

- Developed and analyzed a community survey and conducted a focus group meeting to solicit opinions regarding OCSD operations.
- Interviewed senior executive City staff and Council to understand financial and human resources issues facing the City and Patrol Services operations.
- Interviewed Police Services and OCSD management and supervision of all functional units within the department, as well as most other personnel with unique responsibilities in the organization. Consequently, a number of line staff were interviewed.
- Collected detailed data describing operations, workload, deployment, scheduling, use of leave, etc.
- Developed a descriptive profile of Police Services describing current operations, service levels, staffing, deployment, etc. This was reviewed by OCSD management and supervision to ensure its accuracy and is included in the appendix.
- Developed a detailed analysis of the fiscal-related terms and conditions of the existing City and OCSD agreement.

Collectively, these steps were intended to provide the project team with a full understanding of the current methods of service delivery by OCSD, its operations and the environment within which San Clemente services are provided.

2 Executive Summary

The analysis presented in this report is extensive, encompassing the number of OCSD staff resource requirements and how these OCSD resources are managed in providing police services to the San Clemente community. The report concludes with a detailed vetting of the existing service level agreement with OCSD and opportunities for improvement relative to future contractual agreements.

1. Key Findings and Conclusions

The data are clear – San Clemente is a relatively safe community with limited serious crime problems, especially violent crimes. Moreover, while the OCSD responds to a wide variety of calls in service the community, the vast majority of which are calls of a less serious nature and the most common calls are ‘quality of life’ not crime related. However, while the crime environment in San Clemente shows it to be comparatively ‘safe’, the community clearly believes that safety is a key concern. Moreover, perceptions of safety are getting worse for a significant portion of the community.

Clearly, there is a disconnect between the services provided and the perception of the effectiveness of those services in the City. The difference between the analytical findings and the perception of those facts underscore the support for an examination of police services in San Clemente. These are issues that are shared with countless communities in Orange County, elsewhere in California and throughout the country today. Increasingly, these issues point to a need for law enforcement to be more engaging with the community and partnering with them to identify and resolve community problems.

This report makes several recommendations to address perceptions of safety in the community and to engage the community in these solutions. These steps include:

- OCSD has not effectively communicated or engaged the community in public safety efforts. This includes steps such as:
 - Planning with and engaging the community fully.
 - OCSD communicating effectively with City and the community.
 - Resolving actual and perceived public safety issues.
 - Working with the community on problem-oriented policing, while embracing a service philosophy of flexibility to meet community needs.
 - Consistently and continuously reporting results back to the public.
- The community also wants emphasis on non-critical but “high profile” services such as homelessness management, ridge trail enforcement, etc. While patrol staff have sufficient uncommitted time to respond well to calls for service and dedicate time to some proactive efforts, focused problem-oriented policing requires a philosophical shift in the way police services are provided.
- Fundamentally, OCSD and the City must fully adopt the philosophy of problem-oriented policing to address community problems in the most fiscally prudent manner possible. As such, OCSD must dedicate efforts to a formal problem-oriented policing approach for effective use of patrol proactive time, engaging the community, and developing plans and reporting results as detailed in this report.

These recommendations are described more fully in Chapter 5 of this report.

There are also a number of changes in the management and the delivery of police services that can contribute and support these objectives. The following summarizes key findings and conclusions noted in this report. These are further detailed in Chapters 6 through 7 in the report’s body.

- Overall, OCSD patrol proactivity at actual patrol staffing levels results in proactive time of 44.0%. At 26 patrol deputies (authorized levels) proactivity of 50.2%, providing ample time to be engaged in the community in problem solving.
- To meet seasonal community expectations, San Clemente can re-organize how they deploy staff resources in the summer. This includes some re-deployment of

specialized personnel during summer months as detailed in this report.

- While clearly dedicated and occupied, San Clemente detectives can significantly benefit from a completely revised investigative case management approach.
- The City should authorize one (1) additional administrative Community Service Officer to help facilitate various administrative and new / existing programmatic efforts.

There are a number of fiscally-related terms and conditions that can be better explained, revised and/or re-negotiated in future City / OCSD service agreements. These are analyzed in the final chapter of the report.

2. Summary of Recommendations

Throughout this report the project team provides evaluation and analysis of the organization, operations and services provided by the OCSD and, where appropriate, makes suggestions for improvements. The table below provides a summary list of all the recommendations, appearing in sequential order, in this report.

Recommendations
ADDRESSING COMMUNITY SAFETY NEEDS
The OCSD Chief should initiate a community law enforcement strategic planning process to identify problems and prioritize potential solutions to these problems.
The OCSD Chief should be tasked with developing a process and the supporting mechanisms that regularly inform the City and community regarding existing public safety issues, efforts undertaken to resolve issues, positive public safety outcomes, and other crime and quality of life interests with which OCSD is involved. This can include town halls, regular progress reports, and other approaches discussed in this report.
The Chief of Police should be tasked with establishing a process to regularly engage the community as a partner of the Department. The initial community process can involve the development of San Clemente's public safety strategic goals, objectives and performance metrics consistent with OCSD's vision, mission and core values.
The Chief and supervisory staff should meet in planning sessions as it relates to directly developing Department goals and objectives. After the initial meeting, recurring meetings should be held annually to tie accountability to performance.
The Chief and supervisory staff must develop a system of data collection so that the response to meeting goals and objectives can be measured.

Recommendations

The Chief should devise internal processes by which performance-based information is shared equally among line, supervisory and management staff to ensure uniformity in work direction.

The Chief should develop a semi-annual report to the community which reports back on the progress toward meeting established objectives and obtain their feedback on meeting performance.

Adopt a formal problem-oriented policing approach for effective use of patrol proactive time, engaging the community regularly and developing plans and reporting as outlined by the Department of Justice's Office of Justice Programs abstract and described in this report.

The Chief should ensure effective community messaging is undertaken with regard to problem-oriented policing results. A summary of POP processes and metrics have been provided as an illustration of possible opportunities to pursue.

OCSD and San Clemente should devise efforts, to include various web-based postings, to keep San Clemente citizens better informed of OCSD public safety and patrol service activities. This should extend to the City Council which should have formal performance briefings by OCSD at least annually and preferably every six months.

PATROL OPERATIONS

Maintain existing authorized patrol staffing deputies of 26 personnel. Develop alternative contract language with OCSD to ensure San Clemente patrol staffing does not fall below 25 patrol deputies or a maximum of one (1) vacant position.

Maintain existing authorized patrol staffing of four (4) sergeants

Establish a patrol minimum staffing level requirement in the OCSD agreement. This is currently not formalized in OCSD policy. The minimum staffing level for San Clemente should be four (4) patrol deputies on Day Shift and Night Shift.

Maintain the existing balance of civilian and sworn personnel deployed to Patrol

Temporarily transfer the two (2) Motor Deputies in the summer to patrol cruisers acting as a primary call for service responder. Traffic enforcement can be re-emphasized and occur among all patrol deputies during proactive time in the summer.

Temporarily transfer the one (1) School Resource Officer in the summer to a patrol cruiser to act as a primary call for service responder.

Re-organize the TRIP program in the summer, temporarily suspending one (1) patrol deputy rotation from Patrol and temporarily assigning the Directed Enforcement Deputy to TRIP during summer months. This will retain three (3) deputies and one (1) detective personnel in TRIP throughout the year.

Better formalize the Beach Patrol Program including dedicated assignment, hours/days of operation, overtime budget, monthly reporting requirements and other programmatic efforts described in this report.

Maintain existing staffing levels of three (3) Community Service Officers until parking and nuisance abatement circumstances warrant change.

Continue the best-in-class RSVP volunteer program and advertise the program and expand participation, as practical.

Recommendations

INVESTIGATIVE AND SUPPORT SERVICES

Consistent with the problem-oriented policing philosophy, the City/community should help establish some framework for the level of traffic enforcement and accident reduction they wish in the community. This will help dictate patrol focus and dedicated Motor Deputy staffing levels.

The OCSD should establish quarterly performance objectives for citation and warning production for the patrol contingent and Motor Deputies. Performance expectations would be dictated by the level of enforcement directed by the City.

Until additional performance-based direction is developed regarding City traffic enforcement, maintain existing staffing levels of two (2) Motor Deputies in San Clemente.

Maintain existing staffing level of one (1) position for the School Resource Officer (SRO).

Continue the progressive TRIP program composed of three (3) deputies and one (1) detective part-time/overtime.

Fully integrate the problem-oriented policing philosophy represented by TRIP into the entire San Clemente police services operation, coordinating all resources including patrol, investigations, traffic and other supporting services.

The problem-oriented policing philosophy dictates that efforts such as parking and nuisance abatement efforts should be partially driven by the City/community that help establish some framework and expectations for these enforcement efforts. This will help dictate the desired focus and ultimately staffing levels for the Community Service Officer position.

Given excessive but largely unscreened detective workloads, consult with the City in regard to investigative expectations to include retaining or eliminating non-criminal incident follow-up, vandalism follow-up, low-value theft follow-up and other “minor event” case assignments to detectives. This will help lay the foundation for a progressive detective case management approach.

Formalize the case screening process using a documented solvability factor methodology that includes a 12-point criteria checklist on all assigned detective cases.

Formalize a detective caseload prioritization system as part of the case screening process using a 7-priority system as a framework.

Ensure a formal supplemental report is written every 45-days for each case investigated for increased case management accountability.

Upon revision to the case management and case assignment approaches, revisit detective staffing level needs based on the tools provided in this report. In the interim, retain the four (4) detectives currently assigned to San Clemente.

Assign the Administrative Sergeant to directly oversee the detective unit. To accomplish this, off-load some administrative workloads to non-sworn administrative support newly assigned to San Clemente.

To enhance overall internal administrative police service operations and related programmatic efforts, authorize one (1) additional Administrative Community Service Officer position in the contractual agreement.

Recommendations

POLICE SERVICE CONTRACT REVIEW

During the negotiation process the City of San Clemente should require OCSD staff to reevaluate the methodology, the costs (staff positions included as overhead), as well as the allocation bases (all staff – regional / shared + direct personnel) utilized for divisional overhead to ensure that it is fair and equitable.

The City should re-evaluate the regional / shared staff personnel costs for not only the personnel costs being assessed, but also for the level of support that is being provided by the regional / shared staff. For example, if there is no additional support provided by the Regional Traffic unit, the City of San Clemente should not be assessed a cost for unrealized support.

The majority of services included in the Additional Costs / Revenue section of the Contract are fairly typical and direct-charged based. These costs should not be re-evaluated.

The Sheriff’s office should quality control the timesheets to ensure that there is appropriate overtime tracking being conducted. This will not only help the Sheriff’s office to ensure that all overtime costs are being captured, but also help the City of San Clemente in determining where and how overtime is being used.

The City of San Clemente should re-evaluate the services and supplies surcharge and apply it as a direct charge rather than as overhead to positions, the only exception should be regional / shared staff.

The Orange County Sheriff’s Department should not assess helicopter services based on the number of Deputy Sheriff IIs, but rather actual hours of helicopter services utilized or proportion of incidents that required helicopter services.

Additionally, these costs should be removed from the City of San Clemente’s contract as the City does not receive helicopter services from the County.

The Field Training Bureau cost should be reallocated as part of the training overhead costs, rather than having two different training charges being assessed on the contract.

Further detail should be provided regarding the specific training costs being allocated to sworn and Deputy Sheriff II employees including the allocation basis for these charges. This information should be provided prior to renegotiation of contracts to ensure that San Clemente is paying their fair share of services.

The Orange County Sheriff’s Department should update the resolution of services that are provided free of charge or “pro-bono” to contract agencies. This list should be reflective of all current services and remove / add any services that are being charged or not charged for, respectively.

The City of San Clemente should review the resolution to ensure that they are not being charged either through overhead or a direct line item for services that should be provided pro-bono such as helicopter services.

A more detailed description for each recommendation can be found in the body of the report.

3 Perspectives on Police Services in San Clemente

This chapter presents an organizational overview of San Clemente Police Services operated by the Orange County Sheriff's Department (hereafter OCSD). This chapter also provides an overview of the law enforcement and crime environment in the City. A more detailed descriptive profile of the Department is provided in Appendix A of this report. Analysis of law enforcement functions provided to the City is contained in subsequent chapters of this report.

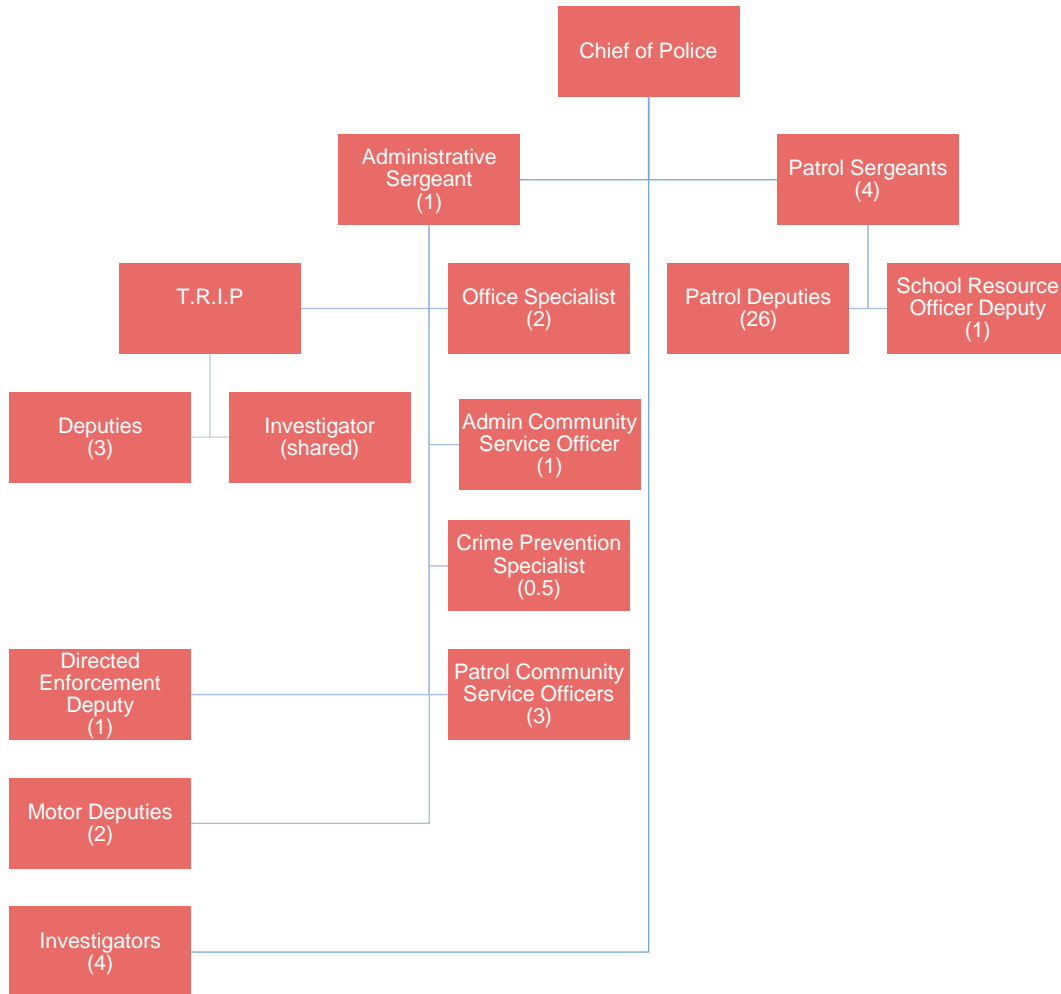
This overview is intended to provide a baseline description of the OCSD that provides a framework for findings, conclusions and recommendations in subsequent chapters.

1. Law Enforcement Staffing Levels Contracted for by the City

The organizational structure and staffing levels of the OCSD are shown in the following organizational chart of employees. The organization chart shows authorized staffing, positions contracted for by the City:

- One (1) Chief of Police (a Sheriff's Office Lieutenant).
- Five (5) Sergeants and four (4) investigators.
- Thirty-two (32) deputies allocated among the following functions:
 - Twenty-six (26) patrol deputies
 - Two (2) Motor Deputies
 - One (1) School Resource Officer Deputy
 - One (1) Directed Enforcement Team Deputy
 - Three (3) TRIP deputies (Targeting, Reduction, Investigation, Prevention Program).
- Three (3) Patrol Community Service Officers
- One (1) Part time Crime Prevention Specialist.

- Two (2) Office Specialists, One (1) Administrative CSO.



Patrol deployments generally result in about five (5) deputies in the field on most shifts, in addition to deputies field for special enforcement functions (traffic, TRIP, Directed Enforcement, etc.).

In summary, the City of San Clemente contracts for a full service “Police Department” from the Orange County Sheriff’s Department to include field response, follow-up investigations and a variety of operational support and proactive enforcement capabilities.

2. Police Service Environment

The project team examined law enforcement workloads handled by OCSD contracted patrol deputies and detectives in the City. Selected data are shown in this introductory chapter of the report to help set the context for the service environment in the City.

(1) Community Requests for Service

One of the key workloads for patrol staff is community-generated calls for service (CFS). These reflect unique incidents whether one reporting party or ten different reporting parties are calling for service (e.g. traffic accident). One CFS may have multiple reporting parties. This CFS workload is a key (though not only) driver of staff resource needs in a police department.

The project team examined the most recent one-year period for CFS workload available from October 2015 through September 2016 based on Computer-aided Dispatch (CAD) records. The following tables and graphs denote various facts surrounding these CFS for the OCSD.

Calls for Service by Priority Level

Priority Level	# of CFS	Avg. Handling Time (HT) in Minutes
1	359	47.9
2	7,458	32.1
3	8,976	41.7
4	1,284	24.5
Total	18,077	36.4

The table above shows that:

- Approximately 50 community generated calls for service occur, on average, per

day (49.5). This is approximately two (2) per hour.

- Priority 1 calls for service are minimal in San Clemente, representing less than 2% of the total originating calls, or about once per day. Priority 1 calls for service represent the need for the most rapid police response whereas lower priority calls are less urgent. Priority 1 calls reflect such events as a traffic accident with injuries and burglary-in-progress whereas lower priority calls represent a police response to suspicious person or circumstances, burglary alarms, abandoned vehicles, citizen assists, and a variety of other call types.

As shown in the table above, the highest priority calls take the most significant time for deputies to handle, with an average call handling time irrespective of priority of 36.4 minutes for the primary deputy responding

With respect to the types of CFS the OCSD handles, the following table reflects the top 10 most common call types over a 12-month period.

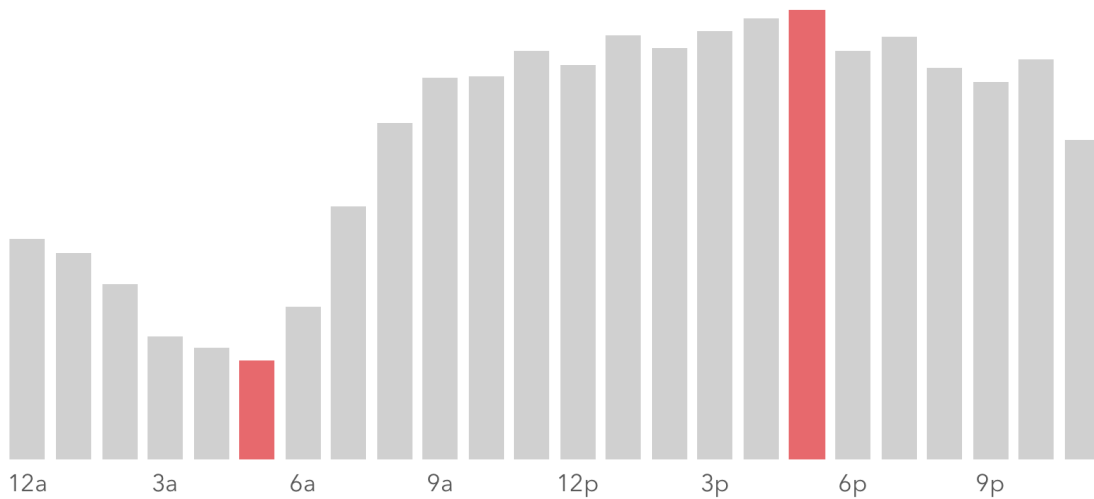
10 Most Common Call for Service Types

Incident Type	Priority	# of CFS	Avg. HT
DISTURBANCE	2	2,749	30.0
SUSPICIOUS PERSON/CIRCS	2	1,968	26.7
BURGLARY ALARM-AUDIBLE	3	1,551	20.4
CITIZEN ASSIST	3	859	39.7
WELFARE CHECK	3	805	31.0
DISTURBANCE-MUSIC OR PARTY	2	728	21.5
ASSIST OUTSIDE AGENCY	3	702	33.7
ILLEGAL PARKED VEHICLE	3	674	23.6
ABANDONED VEHICLE	4	616	25.8
SUSPICIOUS PERSON IN VEH	2	569	25.0
All Other Types		11,221	31.0
Total		18,077	36.4

Interestingly, the 10 most common CFS represent over 6-in-10 of the call types received by OCSD. As shown, virtually all of these requests for police service are in the Priority 3-4 range. None of the Top 10 calls for service are crimes in themselves.

When these calls for service occur is relatively common compared to other law enforcement counterparts throughout the nation. As shown in the CFS by time of day graphic below, calls are particularly infrequent in the early morning hours (with less than one per hour, by example, in the 5 am timeframe) with calls for service peaks taking place in the mid-to-late afternoon.

OCSD – Calls for Service by Hour





(2) Crime Statistics

Crime statistics reflect another important factor in determining the necessity for staffing levels within a law enforcement agency. While there are a multitude of crime and community problems a police department can address, one of the key responsibilities is preventing the occurrence of, and enforcing the laws surrounding, the most serious criminal offenses typically known as Part I Crimes.

The following tables show the frequency of “Part I” person crimes and property crimes in San Clemente. Person crimes, which are the most serious offenses, are such incidents as homicide, robbery, aggravated and sexual assaults, and similarly egregious crimes against another. Property crimes are incidents such as burglaries, auto thefts,

arson, and other similar events.

San Clemente Part I Crimes, 2011-2015¹

	2011	2012	2013	2014	2015	
Violent Crime	55	75	56	69	79	
Criminal homicide	0	0	0	0	1	
Rape	5	6	3	12	19	
Robbery	15	24	21	17	16	
Aggravated Assault	35	45	32	40	43	
Property crime	879	839	844	689	771	
Burglary	206	175	209	129	163	
Larceny-theft	631	603	582	486	534	
Motor vehicle theft	42	61	53	73	74	
Arson	11	3	2	1	7	
Part I Crimes Per 1,000 Pop.	12.9					
5YR Violent Crime Change						▲ 44%
5YR Property Crime Change						▼ -12%

Examining major crime in San Clemente leads to several conclusions pertinent to this study:

- First of all, while major crime levels vary year to year, the overall frequency and rate is largely unchanged over the past first years.
 - While violent crime is ‘up’ 44% from the level in 2011, it vacillates and was at the current level in 2012.
 - Major property crimes are down by 12% since 2011, however, these too have varied and ticked up by 12% in 2015.
- Major violent crime is infrequent in San Clemente – a major violent crime occurs about 1.5 times per week. Most of the violent crime in the City are aggravated assaults. Other violent crimes are unusual – occurring about once every other week.
- Major property crimes occur more frequently, about twice per week, however, 69% of these are thefts as opposed to burglaries or auto thefts.

¹ Note that the uptick in the number of rapes from 2014 to 2014 is as a result of changes to the definition of the offense, and does not necessarily represent an increase in the number of occurrences.

The project team also examined Part 1 crimes in San Clemente in a comparative context in other contract law enforcement communities in Orange County. This comparison is shown in the Table, below:

Community	Property / 1,000 Population	Person / 1,000 Population	Crime Rate / 1,000 Population
Rancho Santa Margarita	6.11	0.88	6.99
Aliso Viejo	7.17	0.63	7.80
Laguna Niguel	10.48	0.74	11.22
Mission Viejo	11.17	0.88	12.05
<i>Average</i>	<i>11.50</i>	<i>1.09</i>	<i>12.59</i>
Lake Forest	11.26	1.35	12.61
San Clemente	11.83	1.20	13.03
Laguna Hills	16.80	1.38	18.18
Dana Point	17.20	1.66	18.86

As the table shows, major crime rates in San Clemente are just above the average for contract cities in Orange County.

For California communities with populations in the 60,000 range, San Clemente’s Part I crime rate per 1,000 population ranks second overall for the eleven cities in this range, with Laguna Niguel ranked at the top.

(3) Key Conclusions

The data indicate that, overall, San Clemente is a relatively safe community with limited serious crime problems, especially violent crimes. Moreover, while the OCSD responds to a wide variety of calls in service the community, the vast majority of which are calls of a less serious nature and the most common calls are ‘quality of life’ not crime related. This backdrop lays the foundation for further information surrounding operational and staffing analysis in the contracted services.

4 Community Perspectives

As part of the study for the City of San Clemente, the Matrix Consulting Group sought the views and opinions of the community about its police services. This was accomplished through an open “Town Hall Meeting” conducted by the project team. A summary of the Town Hall Meeting is provided in Appendix B of this report. The consultants also utilized an online survey of the community regarding the police services provided to the City by the Orange County Sheriff’s Department (OCSD). Because a survey provides an opportunity to quantify views, this chapter provides a summary of the community survey.

1. Introduction to the Structure of the Survey.

The survey was divided into four sections to include a demographics section; forced-choice questions soliciting level of agreement and disagreement; a section ranking key public safety issues in order of importance; and a concluding section asking for narrative feedback regarding any public safety areas of interest.

The City’s website and social media channels linked to the survey on SurveyMonkey.com where citizens were able to access the survey for one-month throughout November 2016. A total of 460 complete responses were received.

2. Respondent Demographics

The following points summarize the demographics of the survey respondents:

- 98% majority of respondents are City residents, 45% of the respondents work in San Clemente, and 63% have had contact with a San Clemente Sheriff employee in the last two years.
- The Patrol and Investigations employees have had the most interactions with respondents (81% and 27%, respectively).

- Most contact was generated from service requests (68%), with one-fifth of the contacts generated through follow-up investigations.

In summary, the demographics of survey respondents represented a broad spectrum of the community.

3. Some Police Services Delivery Is Well Regarded While Overall Community Safety Is Perceived as an Issue.

The survey asked respondents to indicate their level of agreement the nine statements in the following table about San Clemente’s police services. The response options were “strongly agree” (SA), “agree” (A), “disagree” (D), “strongly disagree” (SD), or “no opinion.”

POLICE SERVICES FORCED-CHOICE RESPONSES					
Statement	SD	D	A	SA	No Opinion
I would feel safe walking alone in my neighborhood or business location at night.	24%	29%	28%	16%	2%
I would feel safe walking alone in my neighborhood or business location during the daytime.	5%	13%	46%	35%	1%
Police services are highly regarded in the community.	6%	20%	42%	21%	11%
I have a positive view of the police services in San Clemente.	8%	21%	44%	21%	6%
I frequently see police patrol vehicles in my community.	33%	37%	20%	7%	4%
The level of traffic enforcement conducted by the Sheriff’s Department is about right.	17%	26%	39%	6%	12%
The Sheriff’s Department is responsive to the law enforcement needs of the community.	13%	30%	35%	9%	12%
The Sheriff’s Department appears to be responsive to traffic safety concerns.	7%	20%	46%	9%	18%
Contract police services are cost effective for the city.	12%	18%	19%	10%	40%

The following points provide further detail regarding the sentiments of the community expressed through this survey:

- Approximately two-thirds of the survey respondents believed police services are viewed positively and highly regarded.
- While most respondents feel safe walking their neighborhood in the daytime, over one-half do not feel safe walking alone in their neighborhood at night. This may be exacerbated by the opinion that 7-in-10 do not frequently see patrol vehicles in their community.

- Views are divided on whether the Sheriff Department is responsive to the specific law enforcement needs of the community. Traffic enforcement, by example, had split opinions regarding its adequacy.

The survey also addressed specific law enforcement issues in the community.

These are discussed in the next section.

4. Various Key Quality of Life Issues Are of Significant Concern to San Clemente.

Respondents were asked to rank the most significant public safety issues in their community; the most important issue being ranked as one and the least ranked as seven. Based on this exercise, the categories were rated from most important to least important based on relative weightings. The outcomes are summarized in the table below.

WEIGHTED RANKING OF KEY PUBLIC SAFETY ISSUES								
Issue	Weighted Rank	Rank Order						
		1	2	3	4	5	6	7
Violent crimes	#5	13%	5%	10%	14%	26%	24%	8%
Property crimes	#2	23%	28%	23%	15%	8%	3%	1%
Drug-related offenses	#3	16%	22%	28%	19%	10%	3%	2%
Panhandling & illegal encampments	#1	37%	22%	13%	13%	6%	3%	5%
Public intoxication	#4	3%	11%	15%	26%	28%	14%	4%
Traffic	#6	7%	10%	9%	9%	17%	40%	8%
OTHER (not listed)	#7	7%	2%	3%	3%	3%	10%	72%

(1) Panhandling and Illegal Encampments are Rated as the Highest Public Safety Issue, with Property Crimes Following Closely.

The general ranking of key public safety issues for San Clemente responding residents and businesses is recapped in the following points:

- Panhandling and illegal encampments – 37% ranked as most significant, 72% ranked in top three.
- Property crimes – 23% ranked as most significant, 74% ranked in top three.

- Drug-related offenses – 16% ranked as most significant, 66% ranked in top three.

As shown, only one-of-three key public safety concerns are considered major (Part I) offenses. Most areas of concern surround important quality of life issues.

(2) Violent Crimes and Traffic Issues Were Seen as Less Significant Concerns.

The general ranking of less important public safety issues from survey respondents’ perspective is recapped in the following points:

- Public intoxication – 29% ranked in top three.
- Violent crimes – 28% ranked in top three.
- Traffic – 26% ranked in top three.

While one quarter of more of respondents indicating that these are issues is significant, they were less of a consensus than the issues described earlier.

5. Narrative Responses

Part of the survey gave respondents an opportunity to provide any additional thoughts, in narrative form, on any of the topics covered in the survey. Words and themes were counted in the narratives provided, and are summarized in the table below showing the most common narrative concerns.

ADDITIONAL INPUT THEMES	
Response	% Response
Drug-related offenses	40%
Panhandling and encampments	49%
Property crime	16%
Public Intoxication	12%
Staffing, presence, and visibility	21%
Traffic	22%

The responses in this narrative section provided additional insights based on our interpretations of the written explanations provided by survey participants.

- Issues usually related to poverty appear to be the focus of an overwhelming

amount of responses. Panhandling, encampments, and drug-related offenses were the dominant themes throughout narrative responses.

- Many residents think public intoxication, drug-related offenses, panhandling, and encampments are synonymous.
- Respondents often attribute property crime to the homeless and drug offending populations.
- Unlike the results of public safety issues ranking section, traffic was mentioned with relative frequency. Interestingly, the level of traffic enforcement was a priority for some, while others thought traffic enforcement resources should be redirected to higher priority issues.
- Most residents who mentioned police staffing, police presence and police visibility concerns regularly suggested an increase of law enforcement personnel as a way to reduce the occurrence of the other issues mentioned in responses.

In summary, these perceptions underpin the expectations of the community in the delivery of OCSD public safety services.

6. These Concerns Were Also Expressed in the Town Hall Meeting.

During the focus group meeting with residents, the project team asked participants to identify the “three most pressing concerns” by attaching dots to the various issue-areas raised during this “Town Hall Meeting.” The following table outlines the “weighted issues” in order of importance based on the dots placed by residents.

Perceived Law Enforcement Issues of Importance – Focus Group

RESIDENT ISSUES BY WEIGHTING	
Category	# of Dots
Insufficient Police Staffing	41
Transients	23
Ridge Trail Enforcement ²	15
Use of Code Enforcement	9
Dollars Spent on Policing	4
Burglaries	2

As shown above, residents believe that insufficient police staffing is a key issue.

² Beyond the first two categories, observation suggests that participants did not fully understand instructions, placing multiple dots under one category.

This was echoed in the customer survey narratives whereby most residents who mentioned police staffing, police presence, and police visibility suggested an increase in law enforcement overall as a way to resolve local public safety issues. These issues include panhandling, encampments, homelessness, property crimes, and drug-related offenses which survey respondents believe are the most significant public safety issues. Furthermore the residents provided a variety of concerns and perceptions of problems ranging from residential burglaries to shootings and gangs.

7. Most Survey Respondents Believe That Levels of Community Safety Are Getting Worse (or Much Worse).

Respondents were asked to provide their views on whether levels of safety in the community were getting better or worse. Responses to this questions are displayed in the following table.

OVERALL, THE SAFETY LEVEL OF MY COMMUNITY APPEARS TO BE:					
Getting much better	Getting somewhat better	Staying about the same	Getting somewhat worse	Getting much worse	No Opinion
2%	3%	23%	30%	41%	1%

A large majority (71%) of residents think the safety level in their communities appears to be getting somewhat worse or much worse. Only 28% of respondents think safety levels are staying the same or improving. This is a significant finding in this study.

8. Key Conclusions

While the previous chapter demonstrated that the crime environment in San Clemente is comparatively ‘safe’, the community clearly believes that safety is a key concern. Moreover, it is getting worse for a significant portion of the community. These views were also heard in the Town Hall Meeting.

Clearly, there is a disconnect between the services provided and the perception

of the effectiveness of those services in the City. The difference between the analytical findings and the perception of those facts underscore the support for an examination of police services in San Clemente. These are issues that are shared with countless communities in Orange County, elsewhere in California and throughout the country today. Increasingly, these issues point to a need for law enforcement to be more engaging with the community and partnering with them to identify and resolve community problems.

The following chapters of the report describe how the OCSD is providing services in San Clemente, analyses the effectiveness of these services and recommends opportunities for improvement.

5 Addressing Community Safety Concerns

Despite an assessment of crime and service trends in San Clemente which indicate that major crime is infrequent and comparatively low for any community, community feedback through a survey and ‘Town Hall Meeting’ indicates that there are significant concerns about safety and crime. Objective facts matter little when perceptions are contrary to those findings and conclusions. As such, a ‘positive public safety message’ is not getting through to the public. The messengers, both OCSD and the City, have an obligation to seriously address community perceptions and meet San Clemente’s unique needs without an over-reliance on costly additional resources to “throw at the problem.”

Later chapters of this report evaluate opportunities to deploy, direct and utilize contract police service staff in every function more effectively. However, addressing these perceptions needs to start with the management of police services and how Sheriff’s Department and City leadership works with the residents and businesses in the City to identify, address and resolve community problems.

This chapter begins that analytical process of identifying opportunities to improve the management of police services in San Clemente to address the significant concerns expressed.

1. Plan with the Community Through Problem-Oriented Policing Principles.

It has become clear during the course of this engagement that the community of San Clemente has high public safety expectations. There are a variety of community members passionate about their livability issues. These community observations are made despite the overall safety of San Clemente and the higher value residents

currently place on the OCSD's overall performance.

The San Clemente community expects more visible patrol resources as well as “better focused” patrol efforts. OCSD is pursuing various approaches to accommodate, to include the recent development of their TRIP program, but only some much can be accomplished with a smaller special enforcement unit. While OCSD deputies perform a variety of self-initiated activities as reflected in CAD and daily activity reporting, they do not consistently reflect a planned approach with respect to problem-oriented policing (POP). This should be somewhat expected, given the strategic frameworks and performance expectations for guiding such efforts are currently largely lacking.

In sum, OCSD is largely performing public safety in a vacuum, without sufficient public input to help resolve perceived problems in the community. To better address these community problems, OCSD should fully executive a problem-oriented policing (POP) approach designed to take full advantage of POP tools and community assistance. According to the Department of Justice's abstract on problem-oriented policing, “(POP) is a way of thinking about policing that stresses the importance of the end product rather than the means. ***It overlaps with Community-oriented Policing in that the community is often involved in defining the problems and identifying interventions (emphasis added).***” The problem-oriented programmatic philosophy is further summarized in the following abstract by the DOJ.³

³ Community and Problem-oriented Policing Abstract, USDOJ, October 2010, pg. 4-5.

Problem-oriented Policing – Department of Justice Office of Justice Programs Summary

Problem-oriented policing is a department-wide strategy aimed at solving persistent community problems. Police identify, analyze, and respond to the underlying circumstances that create incidents. The theory behind it is that underlying conditions create problems. Thus officers use the information gathered in their responses to incidents, together with information obtained from other sources, to get a clearer picture of the problem. The traditional conceptual model of problem solving, known as SARA, follows these four steps:

Scan. Identify problems and prioritize them incorporating community input.

Analyze. Study information about offenders, victims, and crime locations.

Respond. Implement strategies that address the chronic character of priority problems by thinking “outside the box” of traditional police enforcement tactics and using new resources that were developed by the city to support problem-solving efforts.

Assess. Evaluate the effectiveness of the strategy through self-assessments to determine how well the plan has been carried out and what good has been accomplished.

This process provides for a fresh uninhibited search for alternative responses. Some examples of alternative solutions include:

- Target hardening (i.e., reducing opportunities)
- Changes in government services
- Provision of reliable information to residents
- Specialized training for police officers
- Use of community resources
- Increased regulation
- Changes in city ordinances or zoning

In summary, the process represents a new way of looking at the police function. It is a way of thinking about policing that stresses the importance of the end product rather than the means. ***It overlaps with Community-oriented Policing in that the community is often involved in defining the problems and identifying interventions.***

In summary, proactive time efforts by patrol and specialized units should be guided by these POP principles and tools, should be more definitive, and directed activities consistently developed around key goals and objectives linked to desired outcomes. These can include directed patrol activities such as drug sales / use suppression, panhandling enforcement, property crime preventive patrol, school zone speed enforcement, or other problem-oriented policing initiatives.

POP efforts needs to focus more on the process of targeting problems in the community and making assigned staff accountable for results as discussed in the abstract above. It ideally involves the community in becoming part of the solution by

helping identify problems of local interest. In conclusion, problem-oriented policing initiatives require community engagement as well as close scrutiny by OCSD given unique POP objectives that can change as community needs and expectations fluctuate.

The community needs to be brought into the planning, identification and problem solving aspects of this process. Their involvement in a strategic planning or other process is essential.

2. Problem-Oriented Policing Requires Flexibility to Address Community Needs.

The POP philosophy requires OCSD staff to remain progressive and nimble with respect to serving the community. Such flexibility is illustrated in the prior chapter's methods for cost-effectively addressing summertime increases in workloads by changing assignments and moving personnel based on perceived (and actual) need. OCSD is taking some initial steps that are consistent with POP principles, the development of TRIP being one important initiative. A recent e-mail transaction between OCSD TRIP personnel reflects proactive work accomplished, but this was not widely publicized. An abstract is shown below illustrating some problem-oriented approaches taken by OCSD on behalf of community interests.

(Edited for brevity email to President representing an Association) I was patrolling the ridgeline trail today and I noticed there was no "No Trespassing" sign at the cul-de-sac area from the west Calle Del Cerro utility access. The sign is posted next to the trail further to the east. I attached a picture of this and you will see the sign in front of my unit. I would suggest posting a sign near the posts at the end of the cul-de-sac. Also, there are no signs posted at the top of knob hill. I'm not sure if this is a problem area and I'm sure a sign would hinder the view from up there (another photo attached). The only violation I observed today was a lady with 2 dogs off leash. I spoke with a few more folks who were walking the trail that also live in the area. The consensus was there are bikers in the area from time to time but that it was a fairly rare occurrence. I provided them with the number to dispatch and asked them to call in the future if any dirt bikes, etc. were seen in the area. I will try to return to the area again before the week is out.



In brief, this effort represents important flexibility in addressing community needs; this and many other efforts should be more widely publicized by San Clemente and OCSD to keep the involved citizenry informed.

3. The OCSD Must Enhance Communications with City Leadership and the Community.

While effective communication with the community is a partnership effort between City leadership and department-heads, management of each department must take the lead in ensuring their department's message is effectively shared with the City internally as well as with the community. To that end, OCSD San Clemente representatives must be at the forefront of effective and positive public safety messaging.

Our review of public safety communication by OCSD has found this effort lacking. While OCSD has specific personnel dedicated to communicating insights to

specific community groups (e.g. Crime Prevention), there is no overarching communication effort designed to keep the City and community well informed. This is illustrated by:

- **There is no real use of information to communicate public safety operations.** There are virtually no management reports for use internally or for reporting back to the City Manager, the City Council, or the community regarding meeting Department goals and objectives, addressing specific crime problems, reporting on significant performance metrics or resolving major initiatives or issues. Recently OCSD has provided some information to the City as to “counts of activities” such as an annual response time report, and intends to continue sharing information. But to date communication of important public safety information has been lacking. The most recent formal slide presentation on OCSD public safety to the Council was performed in 2013. This type of reporting should occur at least annually.
- **Publication of vision, mission and core values is lacking; formal goals and objectives to share with the City and community do not exist.** During interviews and data collection efforts the project team found that there are no formal long range departmental goals or intermediate and short-term objectives; nor are there a strategic planning processes designed to address community public safety needs. In effect, there are no clear guiding principles which connect an overarching strategic plan to goals, linked objectives, deployment methods and measurable performance objectives. This makes it difficult for the City to hold the Chief and other OCSD staff accountable for service, but as importantly there is no real framework for delivering public safety new to the City and community.
- **Management communications within the Department should be improved.** There are no formal mechanisms to regularly communicate issues, trends, and events within the Department. As a result, patrol briefings and word of mouth have been the primary method of communications. There is no formal process in place to communicate issues upward/downward and seek input from line and supervisory staff. Therefore, a viable source of information that could be shared with the community and city is handicapped as a result of informality.
- **Better use of technology-based tools can enhance public communications.** One of the notable areas of improvement for OCSD is effectively publicizing the public safety efforts undertaken. Regular publication of relevant and up-to-date outputs and outcomes is completely lacking in the City’s webpage, OCSD’s webpage, or Facebook site.⁴ Consequently the community is not able to be

⁴ <http://san-clemente.org/department-services/safety-services/police-services>
<http://www.ocsd.org/patrol/sclemente/>
<https://www.facebook.com/cityofsanclémentegovernment/>

effectively informed as to OCSD public safety efforts and thus cannot clearly judge the work or progressive programmatic efforts such as TRIP that are conducted by OCSD on San Clemente's behalf.

In summary, OCSD should address the above shortcomings, with the intention of more widely publicizing San Clemente and OCSD public safety efforts to keep the involved citizenry informed.

(1) Sharing Information with the Community is Important, Engaging the Community is Vital.

In many jurisdictions, community expectations have a significant influence on the operations of a police department and as such, effectively engaging the community is vital. Communicating information-based public safety results back to the community is important, ensuring that information that is reported is founded on data and readily accessible through a variety of channels. However, such communication is one-way. Community engagement is a two-way endeavor that best satisfies a community that wishes to stay informed and (rightly) involved. Community engagement approaches include the following.

(2) Resolve Public Safety Issues with the Community.

OCSD should embrace the community in a well-defined partnership that enhances the operations of the police without special interest or political influence. This process will require holding meetings with the community to discuss issues with service, service definition, and OCSD reporting back regularly about service issues and trends. There are many avenues for engaging the community, not the least of which is development of a public safety strategic plan that involves the participation of informed

community members. This strategic effort can openly address many of the following, with the intention of effectively resolving these issue-areas collectively with police personnel and community representatives.

- Despite sufficient proactive time availability at a full patrol staffing contingent, what key factors make the community believe there is insufficient police staffing? Why is there a perception that police vehicles are not seen in various neighborhoods? How can these perceptions be resolved through different patrolling and other techniques?
- As the community wants emphasis on non-critical but “high profile” services such as homelessness management, ridge trail enforcement, etc, what focused problem-oriented policing efforts can be devised to address these interests? Does the community have a willingness to further enhance volunteer services to perform safe but necessary activities?
- The OCSD has recently instituted their TRIP special team to address various community problems. Does the community believe TRIP is focused on the “right problems?” Based on (future) communications from TRIP regarding its progress, how should TRIP’s “mission” change from season to season, and year to year?
- Educate the community through engagement that an “appropriate officers-per-thousand” is not practical given San Clemente is a “safe city” with no serious Part I crime offenses. Officers-per-thousand is no longer a viable metric, and has too many inherent weaknesses to be used as a guideline for service delivery.
- Community feedback received during the course of this report indicated split opinions regarding the value of service received for the budget amounts expended. Various observations were offered to include increased budget, developing an in-house police department or regionalization of police services (e.g. Dana Point, San Juan Capistrano and San Clemente). Community engagement can further explore these perceptions, providing OCSD leadership with an opportunity to tout its approaches to law enforcement. Ultimately, is the community willing to pay more money, through a public safety surcharge or cost-reallocations, for potentially additional services?

These issues-areas demonstrate for OCSD and the City that there are important community perceptions related to public safety that need to be addressed, but that also need to be solicited to further engage the community and understand their needs, wants and desires within the context of fiscal realities.

(3) Report Results Regularly.

The community engagement process would not be effectively completed without reporting results of the various POP efforts undertaken. As previously stated, communication is critical, and providing feedback to the community on public safety efforts that have been devised in partnership with the community is crucial. The following table provides various processes to undertake and metrics for reporting results. These are not exhaustive; OCSD should develop their own reporting mechanisms, informed by the sample provided, that best meets the needs of the City and community with respect to POP and other public safety activities.

Illustrative Problem-Oriented Policing Processes and Metrics for Reporting Results

POP Area	Processes	Possible Metrics
Tracking Community Engagement Time	<ul style="list-style-type: none"> • Track the amount of proactive time spent by patrol officers in aggregate and by shift. • Track 'hot spots' in areas. • Track relevant individual measures of proactive policing in aggregate and in beats. • Supervisors should develop 'tactical action plans' to address problems. • Develop quality of life / code enforcement indicators. • Track the efforts of patrol supervisors and managers in supporting and interacting with the citizens. 	<ul style="list-style-type: none"> • 40-50% proactive time on average in aggregate • Develop real time hot spot policing in 1 day; track results. • Develop metrics for each assignment – # of citizen interactions / month, % of time in officer initiated activities. • Meeting x% the targets spelled out in the plans. • Quality of Life issues addressed by next week. • Conduct quarterly Town Halls; meet with identified community groups in x period; respond to requests in x days.

POP Area	Processes	Possible Metrics
<p>Evaluating the Effectiveness of POP</p>	<ul style="list-style-type: none"> • Develop and work with Staff and Citizen ‘Strategic Planning Groups’ to define and evaluate specific policing targets. • In support of the ‘tactical action plans’ described in this report, develop comprehensive approaches to formally structure them. • Develop long term targets for addressing quality of life issues in each beat. • Develop annual surveys of community perceptions of safety and the OCSD’s effectiveness in shaping those perceptions. • Identify appropriate community groups in City and work with them to address community problems which OCSD can address. • Conduct periodic independent and objective assessments of the OCSD’s performance in critical problem-oriented policing efforts and interactions. 	<ul style="list-style-type: none"> • Internal and external groups created in 2017; develop service targets in Q2 2017. • Develop planning process by Q2 2017 and implemented in Q3. • With community, identify output metrics demonstrating quality of life improvements. • x% overall survey satisfaction • Outreach to identify community groups to interact with; goal of quarterly (or other) meetings by OCSD leadership, as appropriate. • Develop assessments of POP performance. Report findings publicly and regularly.

Recommendations:

The OCSD Chief should initiate a community law enforcement strategic planning process to identify problems and prioritize potential solutions to these problems.

The OCSD Chief should be tasked with developing a process and the supporting mechanisms that regularly inform the city and Community regarding existing public safety issues, efforts undertaken to resolve issues, positive public safety outcomes, and other crime and quality of life interests with which OCSD is involved. This can include town halls, regular progress reports, and other approaches discussed in this report.

The OCSD Chief should be tasked with establishing a process to regularly engage the community as a partner of the Department. The initial community process can involve the development of San Clemente’s public safety strategic goals, objectives and performance metrics consistent with OCSD’s vision, mission and core values.

The OCSD Chief and supervisory staff should meet in planning sessions as it relates to directly developing Department goals and objectives. After the initial meeting, recurring meetings should be held annually to tie accountability to performance.

The OCSD Chief and supervisory staff must develop a system of data collection so that the response to meeting goals and objectives can be measured.

The OCSD Chief and supervisory staff must develop an internal and external performance reporting system based on these goals and objectives. These outcomes should be reported regularly to the City and community.

The OCSD Chief should devise internal processes by which performance-based information is shared equally among line, supervisory and management staff to ensure uniformity in work direction.

The OCSD Chief should develop a semi-annual report to the community which reports back on the progress toward meeting established objectives and obtain their feedback on meeting performance.

Adopt a formal problem-oriented policing approach for effective use of patrol proactive time, engaging the community regularly and developing plans and reporting as outlined by the Department of Justice's Office of Justice Programs abstract and described in this report.

The OCSD Chief should ensure effective community messaging is undertaken with regard to problem-oriented policing results. A summary of POP processes and metrics have been provided as an illustration of possible opportunities to pursue.

OCSD and San Clemente should devise efforts, to include various web-based postings, to keep San Clemente citizens better informed of OCSD public safety and patrol service activities. This should extend to the City Council which should have formal performance briefings by OCSD at least annually and preferably every six months

6 Analysis of Patrol Services

This chapter focuses on patrol-related services duties and responsibilities beginning with patrol operations that are provided by the OCSD. The workload information utilized in this section was obtained through interviews with Sheriff management and supervisory personnel, City staff discussions, data provided by OCSD HQ, and a review of documents and information from the Department's varied information systems (e.g. Computer-aided Dispatch).

1. Overview of the Patrol Staffing Analytical Model.

While it would be useful to identify a 'golden rule' of law enforcement staffing needs, there is no single right answer. The utilization of various comparative measures does not adequately provide for a comprehensive evaluation of field staffing needs, nor should it be used as the primary basis for a local government to measure the effectiveness of law enforcement services. While it is somewhat common practice to suggest law enforcement resource needs based upon the number of sworn staff per thousand population, the Matrix Consulting Group does not use a "per capita" or "per 1,000" ratio as an analytical tool in assessing field staffing needs, for the following important reasons:

- Ratios do not consider the seriousness of the workload levels of the jurisdictions being compared. For example, the crime rate is not considered in any comparative analysis of workloads, specifically, the number of serious crimes in a community (e.g. homicide, rape, robbery, aggravated assault, burglary, motor vehicle theft, and larceny).
- Ratios do not consider a jurisdiction's approach to alternative service delivery or "differential law enforcement response." The use of civilian personnel (or lack thereof) to handle community-generated calls for service and other workloads has great potential to impact the staffing levels of sworn personnel. The level / level / number of civilians (i.e. community service officers, telephone reporting,

online services, etc.) can be used to maximize the efficiency and effectiveness of sworn personnel.

- Ratios do not consider the differences in service levels provided or philosophies with which a jurisdiction may deliver law enforcement services (e.g. community-oriented or problem-oriented policing, a reactive versus proactive approach, the utilization of other regional law enforcement resources in solving problems or providing back-up to patrol, etc.). These variables result in an inability to accurately compare the necessary number of field patrol personnel through a ratio or per-capita analyses.
- Ratios do not consider other differences which have an impact on regular patrol staffing needs such as the existence of special enforcement / support units as well as operational approaches (e.g. the use of field citations versus transported arrests, manual versus automated field reporting systems, and whether patrol officers are expected to follow-up on certain investigations).
- Ratios do not take into account geographic, meteorological and topographical differences (e.g., square miles of a service area) and other response impediments which can impact patrol staffing needs.
- Ratios do not take into account changing population characteristics, such as jurisdictions with a significant exodus of commuters, college towns with large seasonal fluctuations in population, resort locales, or smaller communities adjoining large metropolitan areas with significant crime problems.

Although these ratios are interesting, they do not provide a comprehensive measure of staffing needs for a specific community, nor should policymakers use them as a basis to make decisions regarding patrol staffing. The project team's approach is supported by the *International Association of Chiefs of Police (IACP)* that views officer per thousand ratios as "totally inappropriate as a basis for staffing decisions"⁵.

For these numerous reasons, the project team does not use "per capita" or "per 1,000 residents" ratios as a way for our clients to measure effectiveness in providing law enforcement services, or as a determinant in developing staffing needs. While per capita staffing has some comparative value year-to-year over the short-term, it can also become misleading over mid and longer-term timeframes. As the complexion of a

⁵ International Association of Chiefs of Police, Patrol Staffing and Deployment Study, 2004, document 7218.

community shifts and the delivery of patrol and police services change, per capita data become erroneous. Given the shortcomings of per-capita analysis, the project team’s analysis of OCSD patrol staffing considered the need for a balance of community-generated workloads and the availability of proactive time to perform proactive policing.

The following subsections describe this analytical process.

(1) The Analysis of Patrol Resource Requirements Should Be Based on Actual Workloads Handled and Appropriate Targets of Proactive Patrol, as Well as Other Factors.

The Matrix Consulting Group utilizes methods in which the number of police field personnel required is based on an analysis of the unique workloads and service level requirements of a community. In order to evaluate these resources and staffing issues, the project team conducted a data collection and analytical effort focusing on the following:

- Determining community generated calls for service workloads to the level of detail necessary to understand the work volume and the time required to handle such work.
- The field resources used to handle calls for service and proactive workloads based on officer availability levels.
- Deployment and scheduling patterns utilized by the OCSD.
- Consideration for self-initiated police activities and targeting a sufficient amount of time beyond community generated calls for service, otherwise known as “reactive” workload. This time can then be utilized to perform proactive or community-oriented policing services (e.g. special enforcement of community-based problems, building checks, neighborhood patrol, etc.).
- Maintaining a deployment that would help reduce risk and maintain officer safety levels.

Field law enforcement services represent one of the areas of law enforcement operations in which staffing can be substantively quantified based on service levels desired. Several factors determine the level of patrol staffing required in a community,

including:

- The community generated call for service demand by time of day, and day of week.
- How officers are utilized in the field, how they are scheduled, and in what manner they are deployed (e.g. one-person versus two-person patrol cruisers).
- How calls for service are managed by a law enforcement agency. Many policing agencies throughout the United States “manage” lower priority calls for service in a number of ways. What these methods of handling calls for service have in common is that they free up the time of trained, professional sworn staff from handling lower priority routine calls so that more of their available time can be spent on calls requiring a higher level of expertise and training.
- The level of service desired by the community. This reflects the amount of “proactive” time, or “unobligated” time a community desires and how they wish it to be spent. This is a significant factor and primary driver impacting required patrol staffing levels. Unobligated time involves time not spent handling community generated calls for service and reflects proactive time for which an officer is available for community policing, directed or preventive patrol, self-initiated activity (i.e. observations, including suspicious pedestrians or vehicles, etc.), and other approaches for addressing crime problems, quality of life issues, etc.

The project team has employed a model based on these decision points in evaluating deputy field staffing for the OCSD in terms of workload, service levels, and overall operations. The following section identifies and discusses the various characteristics and elements of the field staffing model, and how reactive and proactive (unobligated) time is calculated.

(2) Key Workload and Data Elements Utilized in the Patrol Staffing Model.

One of the primary responsibilities of a patrol deputy is the responding to and handling community generated calls for service. Further, workload related to these calls for service, including reports, arrests / bookings, back-up assistance to another patrol deputy on a call, etc., as well as the associated times for these activities, are primary responsibilities of the deputy. These elements are foundational in developing the total

field staffing levels required based on desired services levels. These elements are further discussed in the following sub-sections.

(2.1) Patrol Workloads – Calls for Service.

The first critical data element required to analyze field resources is to document the primary workloads handled by patrol officers. As stated, one of the primary responsibilities of a deputy is to respond to community generated calls for service (CFS). These calls certainly do not represent all workload, however, such as deputy-initiated events, deputy observations in the field resulting in a contact, traffic stops, investigative follow-up, administrative time or other activities reflected in Computer-Aided Dispatch (CAD) or other records. CFS, as typically defined, *represent contacts from the community, generally via E 9-1-1 telephone and 7-digit telephone calls ultimately resulting in one dispatched incident regardless of the number of patrol units sent.* It is critical to understand this fundamental definition in order to comprehend how future analyses are performed in this report. Community generated calls for service **are not** intended to reflect all workload that patrol officers perform. In fact, many law enforcement agencies define “calls for service” as any relevant law enforcement incident, whether initiated by the community or an officer. Irrespective of how any law enforcement agency defines their CFS, the model discussed below relies exclusively on the definition provided and accepted by the IACP. In sum, it must be understood that CFS responses, as defined, are the primary driver for patrol staff evaluation. While self-initiated activities and similar work performed by officers as a consequence of community contact (e.g. e-mail) are all vitally important, community generated calls for service response is the primary core business of a law enforcement agency and should

serve as the basis for staffing levels of sworn deputy positions.

(2.2) Calls for Service Profile.

Our project team has calculated the community-generated workload of the Department by analyzing incidents records in the computer aided dispatch (CAD) database as described in a prior chapter. The following table displays the total number of calls for service handled by patrol units by hour of day and day of week. Note that this does not include thousands of CAD incidents which reflect officer-initiated activities (e.g. traffic stop). These are exclusively community-generated calls for service as defined herein.

Calls for Service by Hour and Weekday

Hour	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total
12am	118	77	44	50	50	70	106	515
1am	116	48	54	58	49	72	85	482
2am	93	47	41	46	45	49	88	409
3am	69	23	38	35	34	38	52	289
4am	38	35	34	41	33	35	44	260
5am	43	36	19	32	33	31	39	233
6am	46	49	45	53	54	69	41	357
7am	57	76	84	97	95	99	84	592
8am	94	113	118	120	127	96	120	788
9am	110	130	119	123	146	151	116	895
10am	133	125	108	147	143	138	102	896
11am	152	130	140	131	154	119	132	958
12pm	167	132	120	100	134	138	133	924
1pm	144	153	149	135	129	152	131	993
2pm	140	146	118	153	132	137	137	963
3pm	120	147	135	129	161	170	142	1,004
4pm	111	178	157	139	167	132	149	1,033
5pm	147	156	140	159	146	150	156	1,054
6pm	146	154	126	124	152	123	131	956
7pm	149	113	122	148	134	173	151	990
8pm	146	123	125	104	144	140	136	918
9pm	125	113	99	126	117	149	155	884
10pm	118	112	88	112	133	189	185	937
11pm	106	72	79	92	104	137	157	747
Total	2,688	2,488	2,302	2,454	2,616	2,757	2,772	18,077

As noted in an earlier chapter, calls for service vary significantly throughout the day, with the most active hour from 5 p.m. to 6 p.m. representing nearly five-times the number of calls as the quietest hour beginning at 5 a.m. As with most law enforcement agencies, the weekend period is the busiest time of the week, with Tuesday the least busy day. As shown in the table below, while there is some important variance in calls for service by season, it does not reflect dramatic changes that might be experienced in

some communities that, by example, are home to a college our university. Despite San Clemente being a “beach community destination site,” calls for service workload increases less than 11 calls per day in the summer compared to the other three seasons. This is an important distinction in community service level needs, but certainly not insurmountable.

Calls for Service by Month

Month	# of CFS	Seasonal +/-
Jan	1,427	
Feb	1,321	-7.1%
Mar	1,450	
Apr	1,481	
May	1,424	-1.5%
Jun	1,547	
Jul	1,863	
Aug	1,721	+15.2%
Sep	1,622	
Oct	1,560	
Nov	1,358	-6.6%
Dec	1,303	
Total	18,077	

These data suggest the following:

- Patrol staffing levels do need to consider summer seasonal fluctuations to some degree.
- Patrol staffing levels generally do not need to consider daily fluctuations in workload.
- Patrol staffing levels need to consider workload variations by time of day as there is a particularly significant CFS variance dependent upon the hour of day.

(2.3) Calls for Service Time Commitments.

Each call for service represents a certain amount of workload, much of which is

not captured within just the CFS handling time of the primary unit. The following table presents the various factors which also must be considered when determining the workload time investment associated with each CFS.

Factors Used to Calculate Total Patrol Workload

Community-Generated Calls for Service

Data obtained from an export of CAD data covering a period of an entire year that has been analyzed and filtered in order to determine the number and characteristics of all community-generated activity handled by patrol deputies.

The calculation process used to develop this number has been summarized in previous sections.

Calculated from OCSD data: 18,077 community-generated call for service

Primary Unit Handling Time

The time used by the primary unit to handle a community-generated call for service, including time spent traveling to the scene of the incident and the duration of on-scene time. For each incident, this number is calculated as the difference between 'call cleared' time stamp and the 'unit dispatched' time stamp.

In the experience of the project team, the average handling time is typically between 30 and 42 minutes in agencies where time spent writing reports and transporting/booking prisoners is *not* included within the recorded CAD data time stamps.

Calculated from OCSD data: 36.4 minutes of handling time per call for service

Number of Backup Unit Responses

The total number and rate of backup units responding to community-generated calls for service. This number often varies based on the severity of the call, as well as the geographical density of the area being served.

The resulting rate of backup responses can also be expressed as a ratio of the total number of backup unit responses to the number of calls. As such, the rate includes any additional backup units beyond the first.

Calculated from OCSD data: 0.59 backup units per call for service

Backup Unit Handling Time

The handling time for backup units responding to calls for service is calculated using the same process that was used for primary units. The time from when backup units are assigned to when they are cleared from a call is calculated for each individual responding unit, using the same process used to determine primary unit handling time. The results are then developed into averages for each hour and day of the week.

*Calculated from OCSD data: **31.4 minutes of handling time per backup unit***

Number of Reports Written

The total number of reports and other assignments relating to calls for service that have been completed by patrol units, estimated at one report written for every three calls for service. This includes any supporting work completed by backup units.

In this case, the number has been calculated from data, where it was possible to determine that a total of 3,944 reports were written in the year of data used, equating to a rate of 0.22 reports per call for service.

*Calculated from OCSD data: **0.22 reports written per call for service***

Time Per Written Report

Based on the number of community-generated calls for service, this number constitutes an important factor of the total workload handled by patrol units in responding to calls for service. It is often the case that units are cleared from a call in the CAD system before they complete any assignments or other tasks relating to a call. As a result, the workload involved in this process must be estimated based on the experience of the project team. We assume that 45 minutes are spent per written report, including the time spent by backup units on supporting work assignments.

*Estimated: **45 minutes per written report***

Number of Jail Transports/Bookings

The number of arrests made that involve transport to and booking at a jail, assuming that this time is not captured within the call handling time. At 638 total jail transports/bookings over an entire year of data, this represents a rate of about 0.04 bookings per call for service.

*Calculated from OCSD data: **0.04 jail transports/bookings per call for service***

Time Per Jail Transport and Booking (multiplied by the jail transport/booking rate)

Given that data systems do not always capture the time that deputies spend in the process of completing jail transports and bookings before they become available and in-service again, an estimate is used based on the experience of the project team. This number is adjusted the number as needed based on local factors, such as jail proximity and processing time.

In this case, based on local factors, it is estimated that each jail transport/booking requires 120 minutes, which is significantly higher than the typical value.

Estimated: 120 minutes per jail transport and booking

Total Workload Per Call for Service

By combining the factors that have been calculated for primary and backup unit handling time, reporting writing time, and jail transport/booking time, the resulting number represents the average number of minutes of workload each call for service generates.

The product of multiplying this value by the calls for service total at each hour and day of the week is the number of hours of community-generated workload handled by patrol units – equating to approximately 21,831 total hours over the entire year of data.

Calculated from previously listed factors: 72.5 total minutes of workload per call for service

The table above shows the various time commitments associated with the “average” call for service. The variety of call for service data described are used in patrol staff modeling based on proactive time availability as discussed below.

(3) Proactive Time Calculations Provide Guidance as to Patrol Staffing Requirements.

Proactive time is calculated through an analytical approach that examines the community-generated workload handled by patrol units, as well as the staffing levels of patrol in order to produce a realistic estimation of the Department’s staffing needs at targeted service levels. Proactive enforcement addresses all other workloads that are not in response to a community-generated call for service. These include such important services as deputy self-initiated activity: proactive or preventive patrol, investigative follow-up, traffic enforcement, pedestrian stops, foot patrols, etc. It is critical to recognize that all self-initiated activity falls within an “uncommitted time” category. All police departments should have clearly defined uses for uncommitted time. Officers should know what they are expected to do with time between calls for

service.

According to the *International Association of Chiefs of Police (IACP)*:

Police agencies should consciously choose a policing style, recognizing that modifications have direct effect on staffing requirements. Agencies coping with budget constraints can choose to reduce uncommitted, prevention-focused time, thus expanding the time committed to response to calls. This strategy reduces patrol staffing requirements, which may risk public safety. Alternatively, agencies can choose to be more proactive, allocating, for example, 40%, 45%, or 50% to of each officer's time to crime prevention, problem solving, community relations, and other proactive activities. This strategy intensifies (increases) manpower requirements. The IACP management survey staff prefers this more proactive approach to policing.⁶

Typically, less than 30% net proactive time available to patrol staff results in inefficient bundling of available time – i.e., uncommitted time comes in intervals too short to be effectively used by field personnel. Often field personnel will run from call-to-call and low proactive time can impact overall response time to the community. **Proactive time of more than 50% generally results in less than efficient use of community resources**, as it is difficult to effectively manage field patrol personnel with this level of uncommitted time. There are important exceptions, however, to these ratios that can be impacted by such issues as officer safety requirements, response time needs, etc. For example, small agencies with a small contingent of field staff and large service areas must have high levels of proactive time, often in the 60%+ range, to address response time, officer safety, and other performance-related issues. In sum, law enforcement agencies, unless of the smallest size, should typically have available from 40% to 50% proactive time to conduct efforts beyond CFS response; those agencies falling outside of this range may have opportunities for operational and/or staffing changes.

⁶ IACP Patrol Staffing and Deployment Study

Overall, the goal of the modeling and analysis is to accurately model patrol staffing needs based on proactive time targets, recognizing that other ancillary factors impacting patrol staffing levels do come into play. Reiterating from IACP, “Police agencies should consciously choose a policing style, recognizing that modifications have direct effect on staffing requirements.” In summary then, the following bullet points identify the key elements of effective provision of field patrol services and the linkage to proactive time:

- Effective municipal law enforcement requires a field patrol force which is designed and managed to be flexible in providing both reactive and proactive response to law enforcement issues in the community.
- This requires that the department balance personnel, resources and time to handle both of these types of law enforcement. Generally, between 50% and 60% of the time in a community should be spent handling all of the elements of reactive patrol. The remaining 40% to 50% should be spent on specific proactive patrol activities, other self-initiated tasks or community policing activities.
- When an Officer has a block of time available (e.g. during a slow day), the activities planned/conducted during this time should be part of a Patrol plan and not left unstructured and random. Effectively addressing issues in the community requires tasks be accomplished as part of a plan – addressing specific problems in pre-determined ways. The plans should be overseen by management but planned and accomplished at the Deputy/Sergeant or “squad” and shift level.
- Any effective proactive approach to patrol requires that information be managed formally and that a formal effort be put into evaluating that information. This evaluation should lead to specific actions to address issues/problems in a community. In addition, attempts to address problems should be evaluated formally to determine if the efforts made have been effective.

These basic elements represent the primary ingredients of effective and efficient municipal field law enforcement in the United States in the 21st century.

(3.1) Proactive Time is Impacted by Deputy Net Annual Availability. This is an Important Factor in Staffing Analysis.

A critical workload element to determine staffing requirements is the amount of

annual time available for field personnel to perform their work. A typical patrol deputy is scheduled for 2,080 regular hours per year; however, these employees perform core business duties well below this figure due to scheduled and unscheduled leave, administrative requirements, etc. The table, which follows, provides the calculation of the “net availability” of police officers in patrol based on data abstracted from source documents provided to the project team. Where data was not available, estimates are provided based on other national law enforcement agency averages. The project team defines net availability as the number of hours that a deputy (or any other employee) is available to perform their key roles and responsibilities after the impact of leaves and administrative responsibilities have been subtracted from their gross 2,080 scheduled hours of work.

Factors Used to Calculate Net Availability Per Deputy

Work Hours Per Year

Total number of scheduled work hours for patrol officers, without factoring in leave, training, or anything else that takes officers away from normal on-duty work. This forms the base number from which other availability factors are subtracted from.

Base number: **2,080 scheduled work hours per year per deputy**

Total Leave Hours (subtracted from total work hours per year)

Includes all types of scheduled and unscheduled leave to include vacation, sick, etc. – anything that would cause officers that are normally scheduled to work on a specific day to instead not be on duty. As a result, this category excludes on-duty training, administrative time, and on-duty court time.

Calculated **-196 hours of leave per year**

Overtime Add-back for Leave Hours (added back to total work hours per year)

In contracting situations, many terms and conditions require that all or the bulk of leave hours be covered to help ensure field coverage despite absenteeism. OCSD provide overtime coverage to help accommodate the large portion of leave hours

taken.

Calculated +142 hours of OT per year

On-Duty Court Time (subtracted from total work hours per year)

The total number of hours that each deputy spends per year while on-duty attending court, including transit time. While not specifically available, a review of the annual booking information discussed previously resulted in estimates that we believe are satisfactory for patrol deputy attendance at Court. This is an average for all personnel despite court time for many (given shift deployment) is accomplished on overtime as opposed to on-duty time.

Estimated - 4 hours of on-duty court time per year

On-Duty Training Time (subtracted from total work hours per year)

The total number of hours spent per year in training that are completed while on-duty and not on overtime. The OCSD covers this with overtime in the vast majority of instances and consequently time lost for in-service on-duty training is not subtracted.

Administrative Time (subtracted from total work hours per year)

The total number of hours per year spent completing administrative tasks while on-duty, including shift briefing, meal breaks, vehicle inspection and fueling, lavatory breaks, supervision interface, and various other activities that occur while on-shift. Administrative time often lengthens as shift length increases. OCSD are on the 12-hour shifts for most days.

The number is calculated as an estimate by multiplying 120 minutes of time per shift times the number of shifts actually worked by officers in a year – after factoring out the shifts that are not worked as a result of leave being taken.

Estimated: -337 hours of administrative time per year

Net Availability

After subtracting the previous factors from the total work hours per year, the remaining hours comprise the total *net available hours* for officers – the time in which they are available to work after accounting for all leave, on-duty training and court time, and administrative time. The resultant is compared to annual net availability seen in various law enforcement operations to ensure credibility and should typically fall with 1,550-1,750 hours per year per deputy. Practically, this number changes every year based on actual experience.

Calculated by incorporating the previously listed factors from the base number of work hours: 1,685 net available hours per deputy

(3.2) Proactivity by Key Time Periods and 26 Patrol Deputy Deployment.

Based on the data provided previously with regard to calls for service workloads, time required on calls, deputy net availability and shift schedules provided to the project team, the following tables show proactive time availability based on the modeling exercise based on 26 patrol deputies which reflect contracted and fully authorized patrol staffing levels being fielded on scheduled regular and overlap “cover” shifts. This will be compared to the actual patrol staffing levels deployed in the following pages:

Calculation of Patrol Proactivity – 26-Deputy Deployment Staffing Levels

Calculation Factor	Value
Total Patrol Net Available Hours	43,810
Total Patrol Workload Hours	– 21,831
Resulting # of Uncommitted Hours	= 21,979
<i>(Divided by total net available hours: 43,810)</i>	
Overall Proactivity Level	= 50.2%

Patrol Proactivity by Hour and Weekday – 26 Deputies

Time	# Units	S	M	T	W	Th	F	Sa	Overall
2am–6am	4 . 1	66%	80%	78%	77%	80%	79%	65%	75%
6am–10am	4 . 6	63%	59%	61%	53%	52%	48%	52%	55%
10am–2pm	5 . 4	41%	45%	40%	44%	43%	45%	41%	43%
2pm–6pm	6 . 0	54%	42%	47%	43%	42%	42%	42%	45%
6pm–10pm	5 . 4	39%	46%	42%	47%	41%	35%	37%	41%
10pm–2am	4 . 6	46%	58%	63%	58%	59%	38%	32%	51%
Overall	5 . 0	51%	53%	54%	53%	51%	47%	44%	50%

Proactive time calculations are based on a few basic assumptions that might not completely mirror reality. By example, based on the CFS time calculations, it assumes

reports and arrests/bookings are equally distributed throughout the 24/7 cycle. This, of course, is extremely unlikely, as arrests and reports ebb and flow dependent upon several variables. Also note that the proactive time calculation assumes that meals and administrative duties are equally distributed and provided throughout a shift. However, these activities are likely put on hold or eliminated in entirety until, by example, a CFS backlog can be handled.

In addition to the above caveats, certain concessions must be made in modeling to reveal the most relevant data. These include the following that ultimately result in a proactive time model that may be slightly different than experienced.

- Periodically the Motor (Traffic) Officer will be re-assigned to patrol services and be a direct CFS responder instead of performing traffic-centric functions. The model currently does not include the Motor Officer as a CFS responder. If the instances in which the Motor Officers were deployed as a call-for-service unit could be easily inserted in the model, this resource availability would increase the overall amount of proactive time available.
- Like the Motor Officer, other supporting officers will respond to calls for service when necessary (e.g. SRO). While infrequent, such time for these staff resources to respond would increase the overall amount of proactive time available if included in the model.

The blocks of proactive time shown above often coincide with important characteristics associated with calls for service events that occur in many, though not all, communities. By example, the 2 am – 6 am timeframe is typically the slowest and often when officers perform preventive patrol or crime prevention activities as is accomplished in San Clemente. The evening timeframes in several communities are related to a busy time where disturbances, parties, vehicle break-ins, and other nuisance-related activities occur—this is particular true for the weekend periods.

In sum, based on the proactive time modeling for a fully staffed OCSD patrol

force based on existing authorized staffing levels, the average proactive time is 50%, ranging from an average of 41% to 75% dependent upon the time blocks noted in the table above. Consequently, OCSD authorized patrol staffing levels are certainly adequate to address service levels needs in San Clemente given an average of 50% proactivity, which does not drop below 30% proactivity irrespective of time-block. The following information on actual patrol staffing levels at OCSD portrays a different picture.

(3.3) Proactivity by Key Time Periods at Actual Patrol Staffing Levels.

While building proactive time models based on authorized staffing is informative, law enforcement is typically not able to operate at full staffing levels due to vacancies. This has been a longer-term problem for San Clemente whereby maintaining an authorized staffing contingent in patrol has been problematic. Based on vacancy data provided for the latter-half of 2016, we calculated that the average vacancy in OCSD approaches 15% of the patrol contingent, or approximately **3.32** officers vacant at any time⁷. Furthermore, OCSD can only effectively cover approximately 15% of vacancies with overtime staff, as the bulk of overtime is going to other coverage areas such as leave, training, etc. This vacancy rate, reflected in the fewer patrol net available hours (after overtime add-back), has a notable impact on OCSD. This is shown in the following tables which demonstrate proactive time availability developed from the modeling exercise and based on actual patrol staffing levels and patrol units being fielded on scheduled shifts.

⁷ Importantly, at the time of this report OCSD is at full patrol staffing levels.

Calculation of Patrol Proactivity – Actual Staffing Levels

Calculation Factor		Value
Total Patrol Net Available Hours		39,050
Total Patrol Workload Hours	–	21,831
Resulting # of Uncommitted Hours	=	17,219
<i>(Divided by total net available hours: 39,050)</i>		
Overall Proactivity Level	=	44%

Patrol Proactivity by Hour and Weekday – Actual Staffing Levels

Time	# Units	S	M	T	W	Th	F	Sa	Overall
2am–6am	3 . 6	62%	77%	76%	75%	77%	77%	60%	72%
6am–10am	4 . 1	58%	53%	57%	48%	46%	41%	47%	50%
10am–2pm	4 . 8	34%	38%	33%	37%	36%	38%	34%	36%
2pm–6pm	5 . 3	48%	35%	41%	36%	35%	35%	35%	38%
6pm–10pm	4 . 8	32%	39%	35%	41%	34%	28%	29%	34%
10pm–2am	4 . 1	39%	53%	59%	53%	54%	31%	24%	45%
Overall	4 . 5	45%	48%	48%	47%	45%	40%	37%	44%

The same basic assumptions noted previously apply here. As shown above, despite the overall proactivity which is reasonable at 44%, there are a number of time blocks in which proactive time is in the lower 30-percentile and indeed falls below this minimum 30% proactive time benchmark. Problematically, given this table is a yearly average, there would be particular issues in the summer months.

(3.4) Patrol Staffing Outcomes from Proactive Time Modeling.

Proactive time modeling as one key tool for patrol staff modeling indicates there are no patrol deputy staffing issues at the OCSD at authorized staffing levels—50% overall proactive time is more than reasonable for a community like San Clemente.

Importantly, however, there are noteworthy staffing issues at the “actual” patrol staffing levels typically fielded. This becomes even more problematic in the summer.

- As noted previously, calls for service go up in the summer. The table shows the average proactivity over the course of the year—it would be lower during the summer months.
- In the summer, OCSD activates the Beach Patrol whereby staff patrol the beach area on quad-vehicles and foot. Whereas this is also done on an overtime assignment, there are times in which patrol staff are pulled from beats to staff the beach. The model does not reflect the impact of lost summer staff to Beach Patrol that is conducted during regular time (as opposed to overtime).

In effect, OCSD patrol staffing levels are overall adequate at the contracted 26-deputy authorized staffing levels though there will be some workload challenges in the summer. Generally speaking, however, typical OCSD actual patrol staffing levels are not adequate for a city of San Clemente’s topography, square mileage footprint, and community expectations, thereby creating real challenges particularly in the summer months. Addressing these patrol staffing issues is a key to patrol operational efficiency and effectiveness. And while this proactivity information reflects the key characteristic for the adequacy of patrol staffing levels, there are other considerations that should ultimately determine overall patrol staff resource needs.

2. Patrol Staffing Considerations Beyond Proactive Modeling.

The follow sections describe other considerations for patrol staffing levels beyond proactive time models.

(1) Consideration for Officer Safety Issues Can Have an Important Impact on Staffing Requirements.

As detailed previously, the availability of sufficient proactive time (50% overall) to perform typical patrol officer duties and responsibilities is a primary driver in developing staffing levels. Implied in these staffing levels are sufficient resources for officer safety.

(1.1) There is Sufficient Deputy Back-up in the San Clemente Area to Help Facilitate Officer Safety.

Police officer(s) back-up on various call types or incidents is particularly relevant to help address potential officer safety needs and determine staffing requirements. Of significant benefit to the OCSD is the best-practice regionalized patrol support system that has been put into place since the OCSD provides contracted law enforcement services to the surrounding communities. For high priority calls, dispatch will deploy varied OCSD patrol units, irrespective of contract agency assignment. This effort goes in both directions whereby OCSD will receive as well as provide back-up services. Additionally, the average community generated call for service has 1.59 San Clemente Police units responding, slightly above the benchmark practice of 1.50 police units per call. Additionally, these back-up units spend similar amounts of time on-scene compared to the primary unit responding.

In conclusion, based on the safety of the community, regional OCSD support, and very reasonable back-up rate, OCSD has at their disposal adequate authorized patrol resources given the community profile, thereby mitigating many officer safety issues in the field.

(2) Response Times are Appropriate in San Clemente.

Response time reflects an important service level metric, although its overall relevance to crime apprehension and suppression is in question. Law enforcement agencies throughout the nation report response times as they are perceived important.

Response time is generally considered from the caller's perspective; that is, the time from which the caller initiates the call to arrival of the unit on scene. In the absence of this information, travel time is also used, reflecting the time a patrol unit receives a

dispatch directive to arrival on-scene. The following table reflects this Travel Time (TT) by priority for the twelve-month period reviewed.

Calls for Service Responding Time by Priority Level

Priority Level	# of CFS	Avg. TT
1	359	5.6
2	7,458	9.9
3	8,976	12.8
4	1,284	15.6
Total	18,077	11.7

In general, the average responsiveness of OCSD patrol personnel is **11.7 minutes** regardless of priority. This should be considered an overall customer-oriented response characteristic for the community. A moderate issue is the responsiveness to Priority 1 calls which are infrequent but of the highest urgency. Travel time exceeds five minutes where ideal police responsiveness falls in the 4-5 minute range from actual telephone call receipt to deputy arrival. While deploying authorized staffing levels will increase the opportunity for enhanced response time, the geographic layout and size of San Clemente precludes much improvement. Consequently, response time performance is not a metric that should be driving additional or fewer patrol resources in OCSD.

(3) Deputy Net Availability is Good and Cannot Be Easily Adjusted to Enhance Patrol Services.

Increasing patrol work capacity through enhancing the overall annual available work hours for each staff member is one approach to augmenting patrol. OCSD, however, given their current operational protocols, does not have any real opportunity for improvement in this area. Deputies’ net availability is presently at 81% after various leave, other net hour subtractions, and overtime add-back, and is well within the

expected benchmark range of national law enforcement agencies.

(4) Given the Overall Sworn Contingent Size of OCSD, There Are Few Opportunities to Respond Differently That Could Benefit Patrol.

“Differential police response” generally focuses on civilian staff taking the place of sworn personnel and responding to lower priority incidents in a variety of fashions. This frees deputies up to perform additional duties and responsibilities that require sworn presence and capabilities. OCSD currently does differentially respond with their three (3) civilianized Community Service Officer positions. While differential police response is progressive, taking full advantage is typically limited to moderate-sized to larger police departments where sworn staff positions can be effectively replaced by civilian staff. OCSD has no such luxury to further replace sworn staff with civilians given the smaller sworn contingent in San Clemente. There are insufficient tasks of a low priority nature that can cost-effectively replace additional sworn staff with civilian personnel. Consequently, further civilianization is not an option for OCSD to enhance patrol or other field support functions.

3. Revisions to Existing Patrol Operations.

OCSD workload and many other quantitative data are clear with regard to patrol services: there is presently no need to expand staffing beyond existing authorized patrol staff resources based on a variety of metrics. This is substantiated by the following findings and conclusions:

- San Clemente is overall a very safe community that does not experience frequent major crime problems.
- Average patrol proactive time is very reasonable at authorized (contracted) staffing levels during all times of the day and day of week with only seasonal exception.

- While Priority 1 response time to the few hundred annual calls for service is marginally challenged (and cannot be effectively resolved in any fiscally prudent way), overall response time to calls for service is very good.
- Patrol back-up rate is more than reasonable, particularly when considering intra-agency responsiveness. Given this, officer safety cannot be objectively considered a serious issue for OCSD.
- The community has a favorable attitude toward the OCSD with 65% having a positive view of police services; however, survey respondents' attitudes are split with regard to the OCSD focusing on the specific law enforcement needs of the community.

The following sub-sections discuss key conclusions and recommendation for addressing San Clemente patrol services delivery.

(1) San Clemente Must Consistently Field a Patrol Contingent of 26 Deputies. This Should be Considered a Vital Few Objective and a Contractual Obligation of OCSD.

Throughout the analysis it has been made very clear that the existing authorized patrol staffing level of 26 deputies would provide quite satisfactory proactive time throughout much of the year to conduct effective call for service response and other law enforcement activities. At issue is that this level of patrol staffing is rarely fielded, with patrol vacancies becoming common practice.

As noted earlier, vacancy rates averaged 3.32 patrol staff over the latter six-months of 2016. This can vary widely throughout the year ranging from up to six (6) to no vacancies. While this vacancy rate might be reasonably absorbed in large policing agencies, it is extremely difficult to address these challenges in a smaller patrol force like San Clemente. Deputies work significant overtime providing coverage, but this is largely dedicated to providing back-fill for positions already deployed as vacations, sick leave, training, and other coverage. In effect, given the OCSD vacancy rate in San Clemente, only 15% of such “vacant positions” are covered by overtime deployment.

The OCSD has no formal “minimum staffing levels” for patrol. A minimum staffing level is best-practice for law enforcement agencies, and despite OCSD not developing one, San Clemente should include minimum staffing levels for patrol in their contractual agreement.

As further demonstrated by the proactivity tables shown previously, OCSD actual patrol staffing levels can be problematic. While overall proactive time of 44% is considered adequate in some law enforcement agencies, significant fluctuates by time and day of week are problematic. With actual staffing, the 10 a.m. to 10 p.m. proactive averages range from 34% to 38%, and are below 30% for much of the weekend nights; this is not tenable for a community of San Clemente’s profile. It can be particularly difficult to adequately address public safety issues for departments that have smaller patrol contingents serving a larger geographic area. San Clemente’s 19.5 square miles has topographical and road network challenges. Furthermore, given San Clemente must deploy resources differently during heavier summer workloads, accessibility to a full patrol staffing contingent is critical.

While San Clemente gets contractually “reimbursed” for these patrol vacancies, the financial compensations are outweighed by the potential service level issues created, particularly in summertime. To that end, San Clemente should negotiate specific contract language with OCSD whereby the authorized patrol staffing level never drops below one (1) vacancy. This will mandate OCSD to re-allocate personnel from other Sheriff’s Department locales to an OCSD patrol assignment. While the existing agreement appears to ensure contractual staffing levels are to be provided unless

formally amended⁸, that has obviously not been assured. As such, this specific contract language should be negotiated.

Recommendations:

Maintain existing authorized patrol staffing deputies of 26 personnel. Develop alternative contract language with OCSD to ensure San Clemente patrol staffing does not fall below 25 patrol deputies or a maximum of one (1) vacant position.

Maintain existing authorized patrol staffing of four (4) sergeants.

Establish a patrol minimum staffing level requirement in the OCSD agreement. This is currently not formalized in OCSD policy. The minimum staffing level for San Clemente should be four (4) patrol deputies on Day Shift and Night Shift.

Maintain the existing balance of civilian and sworn personnel deployed to Patrol.

(2) Re-deploy San Clemente Specialized Field Resources to Patrol During Summertime to Act in a Patrol-centric Capacity.

Given increased call-for-service workload in conjunction with a desire for dedicated beach patrol, San Clemente needs to identify methods to augment patrol staff in creative and cost-effective ways. The following staffing assignments are recommended for summertime months.

- **Temporarily Transfer Motor Deputies to Patrol** - OCSD deploys two (2) Motor Deputies. While additional information is provided later on this assignment, this effort should be suspended in the summertime. Motor Deputies should be re-deployed from Motorcycles to police cruisers, alter their schedule to the patrol 12-hour shift, and become primary call for service responders. With authorized staffing levels in patrol, there will be sufficient proactive time for the deputies to perform traffic enforcement and related-duties from their patrol cars. While this will partially de-emphasize directed traffic enforcement from these Motor Deputies in the summer, traffic enforcement is the responsibility of all patrol during proactive time; this traffic role should be emphasized for all patrol staff. Furthermore, and importantly, community expectation is split with respect to traffic enforcement in the community. Forced-choice, narrative and ranking responses indicated traffic enforcement is perceived as “too much or too little.” Regardless, Traffic was ranked 6th of 7 in importance for public safety issues that should be addressed (below pan-handling and public intoxication). Consequently, this temporary summer transfer should be able to successfully

⁸ Agreement executed May 2016, Paragraphs C3 & C7.

address several service issues during this time period.

- **Temporarily Transfer the School Resource Officer to Patrol** – The SRO position is dedicated to school programs while in session. However, school is generally out during summer months. Consequently, the SRO position should alter their schedule to the 12-hour shift and become a primary call for service responder during the summertime.
- **Reorganize TRIP in the Summer** - The TRIP program is currently composed of three (3) deputies—two positions which are on rotational assignment from Patrol, the Community Relations Officer position, and one detective assigned dual duties. During the summer, one (1) rotational patrol deputy should remain in patrol as a call for service responder. To compensate for this vacancy, San Clemente should coordinate with the OCSD to have the Directed Enforcement Deputy assigned to the Sheriff’s regional team (and paid for by San Clemente) be re-assigned to the TRIP in the summertime. Directed enforcement is a key mission of the TRIP and as such the temporary transfer should not be considered problematic.
- **Formalize a Beach Patrol Program and Budget** – OCSD deploys a dedicated beach patrol program in the summer at San Clemente. It operates from 0600 to 0230 hours with three deputies assigned from patrol and patrolling beach areas on quads. Data suggest beach patrol positions are also filled on overtime, yet based on information from OCSD, it is difficult to distinguish what efforts are full-time, what efforts are overtime, and what are the outcomes of this beach program effort.

In cooperation with San Clemente, OCSD should better develop a formal Beach Patrol Program that includes identification of required beach patrol deputies temporarily transferred from patrol, a weekly schedule and confirmation that operational hours should extend until 0230, a dedicated overtime budget that must be managed to, and program output and outcome reports showing, citations, warnings, arrests, field interview contacts, and other relevant daily activity report incidents. This Beach Patrol Program report should be developed monthly are reported to the City in the summertime.

In summary, these re-deployment and programmatic efforts in the summer should serve to mitigate the special community service needs occurring in San Clemente during this season.

Recommendations:

Temporarily transfer the two (2) Motor Deputies in the summer to patrol cruisers acting as a primary call for service responder. Traffic enforcement can be re-emphasized and occur among all patrol deputies during proactive time in the summer.

Temporarily transfer the one (1) School Resource Officer in the summer to a patrol cruiser to act as a primary call for service responder.

Re-organize the TRIP program in the summer, temporarily suspending one (1) patrol deputy rotation from Patrol and temporarily assigning the Directed Enforcement Deputy to TRIP during summer months. This will retain three (3) deputies and one (1) detective personnel in TRIP throughout the year.

Better formalize the Beach Patrol Program including dedicated assignment, hours/days of operation, overtime budget, monthly reporting requirements and other programmatic efforts described in this report.

4. Maintain Existing Patrol Civilian Support.

San Clemente has 3.5 civilian personnel dedicated specifically to patrol supporting efforts. This includes three (3) Patrol Community Service Officers (CSO) and one (1) part-time Crime Prevention Specialist. The former is dedicated to emphasis on vehicular-related activities such as processing traffic accidents to include injury accidents on private property and citing various parking violations to include zones, meters, permit violations, etc. The latter specialist is focused on various crime prevention activities such as attending neighborhood watch meetings and conducting training with them, development of crime prevention brochures and flyers, statistics tracking and related efforts.

Similar to dedicated Motor Deputies, the CSO positions can be augmented or reduced, in part, based on the desire for additional parking violation and nuisance support. Any reductions would result in off-load of traffic accident work to sworn personnel thereby impacting their workloads. Increase in staffing would result in

additional parking enforcement activities.

Crime prevention efforts are becoming less prominent in modern law enforcement not because it isn't important, but because it is an activity considered ancillary and often one that is de-funded in economic downturns. A part-time crime prevention specialist in the city the size/profile of San Clemente is appropriate, and no changes in staffing are warranted.

Recommendations:

The problem-oriented policing philosophy dictates that efforts such as parking and nuisance abatement efforts should be partially driven by the City/community that help establish some framework and expectations for these enforcement efforts. This will help dictate the desired focus and ultimately staffing levels for the Community Service Officer position.

Maintain existing staffing levels of three (3) Community Service Officers until parking and nuisance abatement circumstances warrant change.

Maintain a half-time Crime Prevention Specialist.

5. Continue Supporting the Progressive RSVP Volunteer Program.

The Retired Senior Volunteer Program (RSVP) is the second longest tenured program in the nation of its kind founded in 1985. Approximately three-dozen members participate in a variety of activities to include special event management, vacation checks, You-are-not-alone (YANA) visits, re-locating radar trailers, minimal citation production, and front office support. From April 2015 – March 2016 the RSVP program volunteered nearly 11,400 hours of service representing over five (5) full-time equivalents worth of supporting work.

The RSVP Program is an excellent example of OCSD and the City using volunteer efforts in a progressive and effective manner. As such, any opportunity to publicize and expand the program should be taken.

Recommendation:

Continue the best-in-class RSVP volunteer program and advertise the program and expand participation, as practical.

7 Analysis of Investigative and Support Services

This chapter focuses on what can be described as various supporting services functions provided within OCSD. These represent certain staff positions and particular programs performed by OCSD for San Clemente. The following section includes, but is not limited to, the following:

- Patrol supporting services.
- Investigative services.
- Administrative and related programs.

The chapter begins with an examination of patrol supporting services which encompass various approaches to solving crime and community problems.

1. The Department Is Deploying Patrol Staff Supportive Services Consistent with Appropriate Practice.

Patrol supporting services are defined as sworn and civilian staff dedicated to augmenting core patrol call for service responders. They include Motor Deputies, SRO, TRIP team, CSO personnel, crime prevention, task force personnel, and volunteer efforts. The following sub-sections provide findings, conclusions and recommendations related to these efforts.

(1) The City Needs to Make a Policy Decision That Impacts Staffing for Motor Deputies.

The overarching and primary mission of traffic enforcement is reducing the occurrence of death and injury related to vehicular accidents. To that end, minimizing both fatal and injury accidents should be a core business responsibility of any law enforcement agency intent on preserving life and property. Research by the

Northwestern University Traffic Safety Institute suggests that there is a correlation between accidents, driving under the influence of alcohol, and the ability to enforce traffic laws and generate citations. In brief, as hazardous citations and driving while intoxicated arrests go up, injury and fatal accidents generally go down. Consequently, a Traffic Enforcement Index (TEI) was developed by the Traffic Safety Institute.

While further research over the years has somewhat eroded the underpinnings of the TEI, weakening the correlation, it nevertheless provides a benchmark from which to start and thus is used as an analytical tool. The TEI is a performance indicator of traffic enforcement capabilities and potential issues, which suggests that the ratio of injury/fatal accidents to the number of moving citations plus the number of DUI arrests should be, at the lowest, in the 1:25 range and ideally 1:40 or better.

Based on calendar 2014 and 2015 data provided by OCSD, the following table is shown:

2014 & 2015 San Clemente Traffic Enforcement Index (TEI) Data

Activity	2014 Number of Activities	2015 Number of Activities
Hazardous Citations	2,537	1,632
Driving Under the Influence Arrests	167	118
TOTAL Citations/DUI	2,704	1,750
Fatal and Injury Accidents	168	133
TRAFFIC ENFORCEMENT INDEX:	1:16	1:13

The 1:16 and 1:13 TEI is well below the TEI minimum standard of 1:25 and best practices standard of 1:40. Nevertheless, the data show how the model is at times not particularly relevant—in 2015 total hazardous citations and DUI arrests fell, yet so did fatal and injury accidents.

The data does provide a framework for discussion of some key issues that should frame decision regarding dedicated traffic enforcement. These include:

- The Matrix Consulting Group has found that in many agencies a dedicated traffic unit's outputs can have a significant impact on the TEI. This is due to the fact that most traffic units are responsible for a good portion of the citations generated for the jurisdiction, often exceeding 50% of all citations written by a department. Expected performance of a Traffic Unit dedicated exclusively to directed enforcement and citation/warning development is approximately one per deployed hour.
- Traffic citations in 2015 totaled 2,315 hazardous and non-hazardous citations. No records are readily available to determine which deputies processed these (i.e., Motors versus other patrol), but it can be assumed based on the data that the two Motor Deputies collectively processed from 4-8 citations daily. This is in addition to the other accident and investigation services they are responsible for. As such, they can be considered minimally to modestly productive with respect to citation production given their other responsibilities.
- The community's interest in traffic enforcement is very diverse. Some residents rank it highly important; others find existing City traffic enforcement too oppressive. As noted previously, Traffic was ranked 6th of 7 in importance for public safety issues that should be addressed (below pan-handling and public intoxication).

In summary, traffic enforcement should become part of the problem-oriented policing philosophy framed by San Clemente's expectations for these kinds of services. Ultimately the degree to which the City wishes to enforce traffic laws thereby impacting accident frequency will help dictate the level of Motor Deputy staffing which should be deployed. This is both a fiscal and service-level decision. Irrespective of Motor Deputy staffing, based on the emphasis directed, OCSD should establish some reportable performance objectives surrounding traffic efforts for patrol deputies and dedicated Motor Deputies⁹.

Recommendations:

Consistent with the problem-oriented policing philosophy, the City/community should help establish some framework for the level of traffic enforcement and accident reduction they wish in the community. This will help dictate patrol focus and dedicated Motor Deputy staffing levels.

⁹ Individual citation/warning quotas are prohibited by California Law. However, this does not preclude group-wide performance objectives for citations and warnings intended to reduce injury accidents and fatalities.

The OCSD should establish quarterly performance objectives for citation and warning production for the patrol contingent and Motor Deputies. Performance expectations would be dictated by the level of enforcement directed by the City.

Until additional performance-based direction is developed regarding City traffic enforcement, maintain existing staffing levels of two (2) Motor Deputies in San Clemente.

(2) Maintain School Resource Officer Staffing.

The City of San Clemente currently has one (1) School Resource Officer who is conducting a wide variety of duties and responsibilities summarized as follows:

- Reports to the Patrol Sergeants.
- Works Tuesdays-Fridays.
- Serves as the liaison between the school system (Capital Unified School District) and the Sheriff's Office.
- Support 10 schools (6 elementary schools, 3 middle schools, and 1 high school).
- Attends high school games and dances to monitor alcohol and drug-related activities.
- Responds to all call for service at any of the schools.
- Conducts locker searches – randomly and upon request from school administrators.
- Administers the Text-A-Tip program for all schools.
- Reports to the high school every day and conducts weekly visits to Middle School and Elementary schools.
- Maintains a log of all activities / incidents at each of the schools for submission to the Sheriff's Department.
- Manages Explorer program. Assigns them to assist at special events when needed.

The vast majority of time is being expended at the single High School. Consequently, very limited time is spent at the middle and elementary school level. Information from the *National Crime Prevention Council* is clear with respect to the crime prevention benefits of an SRO position, “Security or police presence at schools helps to reduce (prevent) opportunities for unwitnessed crimes. The presence of school resource police or security officers reduces fear of crime and violence among students, faculty, and staff.”¹⁰ Furthermore, the *National Center for Mental Health Promotion and Youth Violence Prevention* see SROs in promoting crime prevention through, “Advising

¹⁰ <http://www.ncpc.org/topics/school-safety/strategies/strategy-school-resource-officers>

administrators on how to decrease risks and opportunities for problem behaviors.”¹¹ According the National Association of School Resource Officers (NASRO) survey, 81% of the officers surveyed indicated that there is no ratio or formula used by their agency for assigning a specific number of SRO’s to a school based upon the number of students at the school. Despite these benefits, deployment of SRO staff is largely a policy and fiscal decision and is largely based on the community’s perceived need and the ability to fund such positions.

Recommendation:

Maintain existing staffing level of one (1) position for the School Resource Officer (SRO).

(3) Continue the Progressive and Proactive Approach to the TRIP Program and Engage Fully in the Problem-oriented Policing Philosophy.

The Targeting, Reduction, Investigation, Prevention Program (TRIP) is illustrative of a proactive problem-oriented policing effort by OCSD in San Clemente. The Orange County area had seen a recent moderate increase in some major crime categories as described earlier in this report.

Importantly, with respect to San Clemente and other surrounding communities, public nuisances, and criminal issues related to homelessness and mental illness were notable. Several of the contributing factors are in direct correlation to Proposition 47 (Criminal Sentences, Misdemeanor Penalties) and Assembly Bill 109 (Public Safety Realignment). While investigative and patrol resources in San Clemente have been responding to these efforts, there simply has not been a lasting, coordinated effort to curb the root problems. The TRIP program was therefore devised. The team is

¹¹ <http://www.ncjfcj.org/sites/default/files/SRO%20Brief.pdf>

composed of three (3) deputies and (1) detective assigned part-time/overtime. They primarily will be utilized to eradicate crime within the city where normal patrol functions wouldn't be as effective. The initial goals will be to address the nuisance issues in the city with "zero tolerance" enforcement. The team takes a systematic approach to illegal encampments and trespassing in the beach areas as well as other problematic areas within the city.

The intention to the TRIP team is to establish working partnerships with San Clemente nonprofit organizations and other county resources that provide assistance for those who battle with homelessness and mental health issues. TRIP will work in conjunction with, and be in direct contact with, the city's Code Compliance/Enforcement Division. A collaborative effort will help ensure enforcement issues are addressed effectively and the most appropriate course(s) of action is chosen to safeguard the community.¹²

Since TRIP is a new program established in the mid-fall of 2016, it is premature to expect specific results and programmatic reporting. However, the program's intentions and design is consistent with effective problem-oriented policing. It is important, however, that TRIP be recognized as only one directed effort to address community problems. TRIP's mission should be weaved into a broader problem-oriented policing philosophy that entails the entire San Clemente police services operation to include patrol, investigations, traffic, and other supporting efforts. This is critical to ensure all resources are directed effectively to address various community issues of importance.

¹² Abstracted in large part from San Clemente City Council Agenda Report, 10/18/16.

Recommendations:

Continue the progressive TRIP program composed of three (3) deputies and one (1) detective part-time/overtime.

Fully integrate the problem-oriented policing philosophy represented by TRIP into the entire San Clemente police services operation, coordinating all resources including patrol, investigations, traffic and other supporting services.

2. OCSD's Investigative Case Management Philosophy and Approach Is Inconsistent With Best Practice and Complicates Detective Staffing Analysis.

The evaluation of staffing levels required by criminal investigations is more difficult than evaluating patrol staffing levels because, unlike these field services, subjective and qualitative determinants of workload and work practices are more important. Factors making analyses difficult include:

- Approaches used to screen, assign, and monitor cases vary among law enforcement agencies.
- What is actually investigated varies by agency. The extent to which agencies assign misdemeanor level property crime cases to detectives and other staff varies. Also, the extent to which patrol performs preliminary investigation varies widely and impacts detective caseloads.
- Work practices vary tremendously among agencies, relating to interviewing techniques, mix of telephone and in-person interviews, use of computer technologies, and the time devoted to clerical tasks.
- The nature of the caseload is also a critical factor to consider when examining quantitative factors relating to investigative activity. Each case is different in terms of leads, suspect description, and other available information. The way information in a single case combines with information on other cases also impacts investigative actions.
- Finally, the nature of the community itself is a factor in evaluating investigative workload and staffing needs. Citizen expectations translate into service levels impacting detectives in terms of what is investigated and how investigations are conducted.

Unlike patrol, investigative workload cannot be easily and convincingly converted

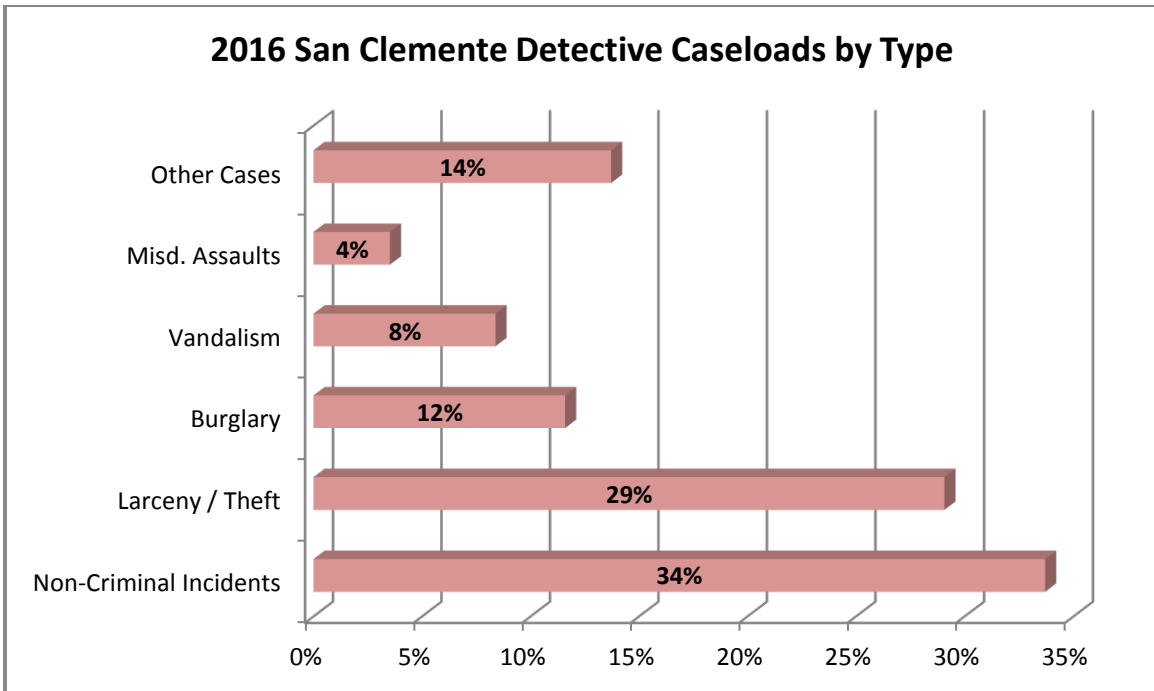
into quantitative methodologies to arrive at required staffing levels. Investigative staffing requirements need to be examined from a variety of perspectives in order to obtain an overall portrait of staffing issues, case handling issues, and philosophies that have an impact on staffing needs.

(1) OCSD San Clemente Detectives Appear to Investigate Nearly Every Incident Received, With Minimal Case Clearances and Case Closures Throughout the Year.

There are currently four (4) detectives assigned to San Clemente's police services operation which are supported by OCSD bureau detectives for particular more serious person-crime types. One of the four detectives was assigned in July 2016. The four detectives averaged the following number of cases assigned per month:

- Detective #1 – 50 cases per month.
- Detective #2 – 28 cases per month.
- Detective #3 – 20 cases per month.
- Detective #4 – 18 cases per month.

As shown above, over the course of 2016, hundreds of cases were assigned to these detectives composed of the following key case types:



In sum, 1,276 cases were assigned in 2016 to San Clemente detectives summarized in the graphic above. This case profile is very unusual as over one-third of the cases assigned are classified as Non-criminal incidents. Nearly another third are larceny and thefts and approximately 20% are obviously felonious in nature to include burglaries, and approximately half the “other cases” category (which include robbery, aggravated assault, possession of weapon, etc.).

Of the 1,276 cases assigned, only 11% of them have been closed, resulting in an unmanageable open caseload of 89% of all remaining cases. The combination of case types assigned, combined with the extremely low case clearance/closure rate, is reflective of a detective case management approach that has substantial opportunity for improvement to ensure the citizens of San Clemente receive the best investigative services. This problem is exacerbated by the fact that the San Clemente detectives have no direct supervision—supervision is allegedly provided at the Bureau level—thereby forcing the senior-most detective to perform this important case assignment

work in addition to other important duties.

(2) OCSD Must Adopt Formalized Investigative Case Management Practices to Improve Detective Caseload Management, Improve Clearance Rates and Better Serve the Community.

The current approach by which OCSD manages San Clemente cases is ineffective. There are presently no guidelines with respect to what should be investigated and what should be screened. Approximately one-third of the cases assigned to detectives are defined as non-criminal which are generally unheard of case assignments in law enforcement agencies throughout the nation. Furthermore, the largest proportion of cases fall in the misdemeanor (e.g. vandalism) as opposed to felony (e.g. burglary) category; and while San Clemente detectives should have time to investigate some of these to provide customer service, they are overwhelmed with cases that many law enforcement agencies would screen out given solvability probability, value of the property stolen, etc.

At an 11% case closure and clearance rate, OCSD is not serving well the investigative needs of the San Clemente community. This is not a staffing issue or likely a detective performance issue but rather a case management issue. There are numerous opportunities for operational case management changes that can better facilitate case management and ultimately impact staffing levels.

(2.1) As Part of the Problem-oriented Policing Philosophy, Consult with the City as to Investigative Expectations.

As noted previously, the investigation by detectives of “non-criminal incidents” is generally unheard of in law enforcement. The fact that only 3% of these cases were cleared/closed illustrates that these cases are generally not being worked, only cluttering detective desks and inflating caseloads. Some policing agencies do not

investigate petty thefts, vandalisms, misdemeanor assaults, etc. at the detective level, either forgoing such investigation entirely due to lack of solvability in many instances or instead assigning to patrol for follow-up.

The expectations of the City as to investigative desires should help drive what San Clemente detectives focus upon and ultimately the staffing levels required. Clearly all cities expect potentially solvable felonious events to be investigated, juvenile runaways to be tracked down, and misdemeanor crimes with known suspects to be pursued; however, there is a broad area of investigative expectations that can be addressed or foregone based upon community desires and fiscal realities. By example, some police agencies screen out thefts that do not reach a certain dollar level. In concert with the City, police services management should engage the City and help identify investigative expectations which will lay the foundation for case management processing.

(2.2) The Department Should Formalize the Case Screening Process Using Solvability Factor and Priority Status Methodologies.

The current method for case screening is basically minimalistic with the lead detective assigning two potential investigative categories to a case, both of which result in a case being assigned a detective. Present case screening practices have no formal way to help prioritize workloads. In order to ensure consistency and help prioritize work for investigative follow-up, a formal case screening checklist with relevant solvability factors should be adopted. This is consistent with progressive case management philosophies as well as with the Commission on Accreditation for Law Enforcement Agencies (CALEA) case-screening system criteria (Section 42.1.2).

Based on the project team's review of various case screening processes in use

in varied law enforcement settings, we believe that the following 12-point check-list, in conjunction with a Priority Status methodology, should be considered for adoption.

(2.3) The Solvability Factor Methodology

The use of solvability factors is consistent with CALEA's Section 42.1.2 which states, "The agency uses a case-screening system and specifies the criteria for continuing and/or suspending an investigative effort." This screening can take several forms. In the course of our research, the project team believes the following twelve-point process is most practical. If a crime report has any one of the solvability factors noted, it should be assigned for investigative follow-up. The twelve points are:

- Witnesses to the crime;
- Knowledge of the suspect's name;
- Knowledge of where the suspect can be located;
- Reasonable description of suspect;
- Identification of suspect possible;
- Property with traceable, identifiable characteristics, marks or numbers;
- Existence of a significant modus operandi;
- Presence of significant physical evidence;
- Reasonable description of the suspect's vehicle;
- Positive results from a crime scene evidence search;
- Belief that crime may be solved with publicity and/or reasonable additional investigative effort; and
- Strong possibility and/or opportunity for anyone, other than the suspect, to have committed the crime.

These solvability factors should be incorporated into a formal case screening

process whereby the above list, or some derivative, is used as a “cover sheet” on all cases to determine whether it is an assignable case to a Detective or Patrol Officer for investigative follow-up. For those cases requiring follow-up, the suggested prioritization, as discussed subsequently, should be noted on the cover sheet.

Effective case screening allows for the bulk of investigative resources to be dedicated to solvable cases, thereby allowing time to focus on solving and clearing major crime activities. Case screening based on formal solvability factors and the implementation of a formalized process is a best management practice that should be adopted by OCSD.

(2.4) The Prioritization Methodology

Once a case has been screened for solvability, based on those solvability factors checked, as well as a review of the qualitative case circumstances, the case should be prioritized for work based on the following seven-priority rating. Prioritization of workload has clearly been widely adopted in patrol services throughout the nation through call priority classifications, but is used in a lesser capacity in other law enforcement arenas. The project team believes case prioritization is an effective management tool to augment case screening. The seven-priority rating includes:

- **Priority 1** – Felony Crime with In-custody suspect or excellent chance of arrest.
- **Priority 2** – Misdemeanor Crime with In-custody suspect or excellent chance of arrest.
- **Priority 3** – Felony Crime with reasonable chance of arrest.
- **Priority 4** – Felony Crime with limited chance of arrest.
- **Priority 5** – Misdemeanor Crime with reasonable chance of arrest.
- **Priority 6** – Misdemeanor Crime with limited chance of arrest.

- **Priority 7** – Courtesy phone call based on no solvability factors.

This priority system can be modified to meet the unique needs of OCSD; however, the concept should be used as a framework for prioritizing workload, thereby focusing detective resources on the most important cases. A 1-7 Priority should be assigned on all case screening cover sheets as noted previously.

(2.5) The Department Should Require Formal 45-day Supplemental Reports.

Without a formalized feedback mechanism to determine case progress, it is nearly impossible to fully understand the workloads associated with each detective. Currently OCSD is not requiring detective staff to provide formal supplemental reports on a consistent basis. This should be resolved, with formal 45-day supplemental reports mandated for each case assigned, with 45-day follow-ups until the case is closed. This write-up does not necessarily need to be extensive, just summarizing investigative efforts conducted and why the case remains open (or is recommended for closure). These supplemental can be memorialized in the CMS and should be reviewed by supervision to determine case progress and potential case suspension.

In sum, OCSD should revisit exactly what kinds of cases are assigned to detectives in the context of a new case management approach and expected service delivery to the community. In conclusion, a revision to the case management and case assignment approach can have a dramatic impact on detective staffing levels. Once case management principles have been revised, OCSD should revisit detective staffing needs based on the tools provided in this report.

(3) Detective Staffing Levels May Change Dependent Upon New Case Management.

In the absence of effective case management there is no reasonable way to determine the level of San Clemente detective staffing that is warranted. Generalist detectives, such as those assigned to San Clemente, typically can manage an active caseload of 12-15 cases monthly with expectations of reasonable investigative effort, solvability, and case clearance and case closure. San Clemente's current monthly caseloads significantly exceed this benchmark, ranging from 18-50 cases assigned per month. This is not to suggest additional staff resources are now warranted; proper case screening could eliminate one-half or more of the cases. Indeed, based upon a review of the case types, one possibility shows 607 cases being assigned to the detectives that includes all (unscreened) burglary, all larceny/theft and all felonious crimes. This would result in a manageable 12.5 cases per detective per month for the existing staff contingent.

Until this case management process is formalized, however, changing staffing levels would be imprudent, particularly since detectives perform a variety of ancillary duties beyond direct investigative efforts as partially identified in the appendices' profile (e.g. TRIP participation). In order to finalize detective staffing levels in San Clemente, it is important to devise a comprehensive case management system founded on City and community investigative expectation.

(4) The Administrative Sergeant Should Directly Oversee San Clemente Detective Operations.

As noted, the San Clemente detectives have no direct on-site supervision. This is critical to ensure effective case management and accountability. To that end, the

Administrative Sergeant should be charged with direct supervision of the detectives. While this position has varied other responsibilities, additional administrative support (discussed in the following section) should help off-load some administrative duties, thereby freeing the Administrative Sergeant to perform in this role.

Recommendations:

Given excessive but largely unscreened detective workloads, consult with the City in regard to investigative expectations to include retaining or eliminating non-criminal incident follow-up, vandalism follow-up, low-value theft follow-up and other “minor event” case assignments to detectives. This will help lay the foundation for a progressive detective case management approach.

Formalize the case screening process using a documented solvability factor methodology that includes a 12-point criteria checklist on all assigned detective cases.

Formalize a detective caseload prioritization system as part of the case screening process using a 7-priority system as a framework.

Ensure a formal supplemental report is written every 45-days for each case investigated for increased case management accountability.

Upon revision to the case management and case assignment approaches, revisit detective staffing level needs based on the tools provided in this report. In the interim, retain the four (4) detectives currently assigned to San Clemente.

Assign the Administrative Sergeant to directly oversee the detective unit. To accomplish this, off-load some administrative workloads to non-sworn administrative support newly assigned to San Clemente.

3. POLICE SERVICES CAN BENEFIT FROM FURTHER ADMINISTRATIVE SUPPORT.

In addition to the support service areas previously described, there are a variety of important administrative-related services performed by personnel. These include an Administrative Community Service Officer, and two (2) Office Specialists. While the duties and responsibilities of these positions are summarized in the appendices, in sum the level of “office-support” staff to police services has declined over the years in San

Clemente. While a portion of duties have been transferred directly to City personnel (e.g. part of the RSVP program), police services is still struggling with maintaining effective administrative support services, falling behind in such key areas as UCR updating, statistical tracking, records management processing, etc. As such, and in order to facilitate additional oversight of detectives by the Administrative Sergeant, the City should authorize one (1) additional Administrative Community Service Officer to support the various existing and additional administrative functions identified in this report.

Recommendation:

To enhance overall internal administrative police service operations and related programmatic efforts, authorize one (1) additional Administrative Community Service Officer position in the contractual agreement.

8 Evaluation of the Police Services Contract

As part of the Police Services Study, the project team evaluated the current contract that is in place between the City and the Orange County Sheriff's Department (OCSD). This chapter explores several issues and options related to current contract services and describes potential areas for renegotiation.

1. **Indirect Costs Associated with Personnel Are High and Inconsistent. the Methodology Associated with These Costs Should Be Re-Evaluated on Contract Negotiation, Especially as It Relates to Divisional Overhead Costs.**

The largest source of costs in the contract with the OCSD is personnel costs (86% of total contracted costs); as such the project team decided to focus its initial efforts on analyzing the direct personnel costs. The following bullet points discuss each of the components that comprise the personnel costs (direct and indirect):

- **Regular Salary:** This cost is meant to capture the total base salary costs associated with each of the employees that are assigned directly to the San Clemente Substation.
- **Benefits:** This cost is meant to capture the total benefit costs associated with each position such as retirement, salary continuance, health & welfare, workers' compensation and Medicare.
- **Post Pay:** This cost is meant to capture the premium pay associated with POST certification.
- **Services & Supplies:** This cost is meant to capture the cost associated with liability insurance.
- **Department Overhead:** This cost is a flat rate of \$5,740 per position. It is meant to capture the costs associated with Finance, Admin, Professional Standards, Supply / Reproductions, and Community Programs / Services. This cost is applied to all positions.
- **Divisional Overhead + Captain Costs:** This cost is meant to capture the cost associated with divisional support and captain oversight. This cost varies depending upon the position and level of support (divisional overhead or

divisional overhead and captain support), and ranges between \$1,668 and \$18,339 per position. The support captured through this divisional overhead relates to Patrol Division (southwest for San Clemente), Investigations (southwest), Watch Commander, Emergency Communications Bureau, and the Captains.

- **Training Overhead:** This cost is meant to capture the cost associated with the training bureau staff in the OCSD and is a flat rate of \$2,555 per sworn position. This training overhead does not apply to civilian positions.
- **Countywide Overhead:** This cost is meant to capture the support received from the Sheriff's office from a variety of County offices such as Accounting, Budget, Admin, Human Resources, County Counsel, and Fixed Asset Depreciation. This is a fixed rate of 2.06% that is applied to the total salaries.

As the points above illustrate the direct cost components (Salary, Benefits, Post Pay, Services and Supplies) are fairly typical and consistent with other jurisdictions and best management practices. The project team analyzed each of the indirect cost areas to ensure that appropriate support was being accounted for, and that there was no double-counting of administrative overhead. The following sub-sections discuss each of the indirect overhead components in further detail:

(1) Departmental Overhead

As noted above, Departmental Overhead is meant to account for internal support received by the Sheriff's Department from its bureaus such as Financial / Administrative Services, Supply Detail, Professional Standards Division, Sheriff's Administration, and Community Programs. The following table shows departmental overhead by position in the contract:

POSITIONS	Dept OH Cost	Productive Hours ¹³	Dept Hrly Rate
Direct San Clemente Positions			
Lieutenant	\$5,740	1,545	\$3.72
Sergeant, Administrative	\$5,740	1,545	\$3.72
Sergeant, Patrol	\$22,960	6,180	\$3.72
Investigator	\$22,960	6,180	\$3.72
DS II (Patrol, DET and SRO)	\$177,940	47,895	\$3.72
DS II Motorcycle	\$11,480	3,090	\$3.72
Community Services Officer	\$22,960	6,800	\$3.38
Office Specialist	\$11,480	3,400	\$3.38
REGIONAL /SHARED STAFF & EXTRA HELP			
Traffic - Sergeant	\$385	104	\$3.71
Traffic - Deputy Sheriff II	\$2,569	691	\$3.72
Traffic - Investigative Assistant	\$1,284	346	\$3.71
Traffic - Office Specialist	\$642	173	\$3.71
Auto Theft - Sergeant	\$134	36	\$3.72
Auto Theft - Investigator	\$893	240	\$3.72
Auto Theft - Investigative Assistant	\$446	120	\$3.71
Auto Theft - Office Specialist	\$446	120	\$3.71
DET - Sergeant	\$526	141	\$3.72
DET - Investigator	\$526	141	\$3.72
Subpoena - Office Specialist	\$713	192	\$3.71
8Courts - Investigative Assistant	\$2,805	755	\$3.71
Motorcycle Sergeant	\$185	50	\$3.71
TOTAL	\$292,814	79,745	\$3.67

As the table above shows the department overhead rate varies from \$3.38 for civilian employees to \$3.72 for Sworn Employees, with an average rate of \$3.67. The total cost associated with department overhead is \$292,814 and only accounts for 2% of total contract costs. The \$5,740 flat rate is comprised of \$4,913 for Financial / Admin, Supply, Professional Standards and \$828 for the pro-rated share of Community Programs and Sheriff’s Administration staff.

OCSD staff was unable to provide further detail regarding which portion of the Community Programs were allocated internally within the Department and which programs were excluded. Greater detail should be provided as it relates to the breakout of the \$828 portion of personnel costs.

¹³ The productive hours refer to on-site or direct time spent by staff in the field, this is typically 1,545 (excludes overtime back-fill) for sworn and 1,700 hours for civilian officers.

(2) Divisional + Captain Overhead

The Divisional Overhead is meant to account for Patrol, Investigations, Watch Commander, and Emergency Control Bureau Overhead. The Captain portion of the overhead is related to Captain oversight of sworn positions, and is applied to all positions, while the Divisional Overhead is applied to all positions except for the Office Specialist. The following table shows the breakout of divisional overhead by position.

POSITIONS	Divisional + Captain OH Cost	Productive Hours	Divisional OH Hrlly Rate
Direct San Clemente Positions			
Lieutenant	\$15,820	1,545	\$10.24
Sergeant, Administrative	\$18,339	1,545	\$11.87
Sergeant, Patrol	\$73,356	6,180	\$11.87
Investigator	\$195,824	6,180	\$31.69
DS II (Patrol, DET and SRO)	\$568,509	47,895	\$11.87
DS II Motorcycle	\$36,678	3,090	\$11.87
Community Services Officer	\$73,356	6,800	\$10.79
Office Specialist	\$3,336	3,400	\$0.98
Regional / Shared Staff & Extra Help			
Traffic - Sergeant	\$825	104	\$7.93
Traffic - Deputy Sheriff II	\$5,500	691	\$7.96
Traffic - Investigative Assistant	\$2,154	346	\$6.23
Traffic - Office Specialist	\$1,077	173	\$6.23
Auto Theft - Sergeant	\$265	36	\$7.36
Auto Theft - Investigator	\$1,767	240	\$7.36
Auto Theft - Investigative Assistant	\$677	120	\$5.64
Auto Theft - Office Specialist	\$677	120	\$5.64
DET - Sergeant	\$3,170	141	\$22.48
DET - Investigator	\$3,170	141	\$22.48
Subpoena - Office Specialist	\$207	192	\$1.08
Courts - Investigative Assistant	\$815	755	\$1.08
Motorcycle Sergeant	\$760	50	\$15.20
TOTAL	\$1,006,282	79,745	\$12.62

As the table above shows the divisional overhead rate varies from low of \$0.98 and \$1.08 for the Office Specialist and Investigative Assistant to a high of \$22.48 and \$31.89 for the San Clemente Investigators and \$22.48 for Regional / Shared DET Sergeants and Investigators. When compared to the average divisional overhead rate of \$12.62, the overhead associated with the San Clemente Investigator position seems abnormally high.

The total cost of divisional overhead of \$1 million comprises approximately 56% of the total overhead costs and 7% of the total contract costs. As such, it is important to delve further into the variances for this overhead cost. The project team asked OCSD staff to provide a breakout of the divisional overhead costs and how they were calculated for each position type. The following table shows the divisional overhead cost associated with each overhead category, the number of positions the cost is allocated across, the resulting cost per position.

Overhead Category	Total Overhead Costs	FTE	Cost Per Position
Captain w / Secretary	\$438,979	263.17	\$1,668
Bullet Proof Vest			\$143
Investigation	\$743,916	16.67	\$44,626
Patrol	\$481,075	199.1	\$2,416
Dispatch	\$5,721,121	493.5	\$11,593
Watch Commanders	\$1,732,483	687.67	\$2,519

As the table above indicates, the largest cost per position relates to Investigations which has a per position cost of \$44,626. This per position cost is due in large part to the significant overhead cost which is being spread over a minimal amount of positions.

To further illustrate how Investigation Overhead cost impacts the total divisional overhead per position, the costs per position were translated based upon the different position types. The following table shows by overhead category the total divisional overhead allocated to each position.

Overhead Category	Lt.	Sgt	Inv.	Deputy	CSO	Inv. Asst	Other Prof. Staff (civilian)
Captain w / Secretary	\$1,668	\$1,668	\$1,668	\$1,668	\$1,668	\$1,668	\$1,668
Bullet Proof Vest	\$143	\$143	\$143	\$143	\$143	\$-	\$-
Investigation	\$-	\$-	\$44,626	\$-	\$-	\$44,626	\$-
Patrol	\$2,416	\$2,416	\$-	\$2,416	\$2,416	\$-	\$-
Dispatch	\$11,593	\$11,593	\$-	\$11,593	\$11,593	\$-	\$-
Watch Commanders	\$-	\$2,519	\$2,519	\$2,519	\$2,519	\$2,519	\$-
TOTAL	\$15,820	\$18,340	\$48,956	\$18,340	\$18,340	\$48,813	\$1,668

The highest divisional costs per position are associated with the Investigators and the Investigator Assistants, as they are more than 3-times the divisional overhead rates for the other positions. All Police costs should be allocated to all personnel as investigations staff does not only support investigators and investigator assistants but it also supports other police employees who benefit from those investigations being conducted.

Currently, the Investigations overhead accounts for 4.80 positions of support (0.5 Lieutenants, 1 Sergeant, 0.30 Admin Mgr., 0.30 Office Supervisor, 2 Office Specialists, 0.20 CSO, and 0.50 Utility Driver). These 4.80 positions support a unit of only 23.67 employees, suggesting that approximately 29% of the unit's costs / positions are only overhead. This is a significantly high level of support staff for such limited investigative staff. Additionally, the current methodology excludes regional / shared staff; however, it spreads this divisional overhead over these regional / shared staff. This is true for all of the other overhead calculations. As this overhead is applied to regional / shared staff they should not be excluded from the allocation basis. Therefore, at a minimum the divisional overhead should be reassessed to account for all the positions direct and regional / shared that those divisional units are supporting through the contract. Simply making this change could result in cost savings of approximately \$33,000.

Based upon the project team's experience and best management practices a more consistent, fair and equitable approach would be to take the total indirect costs and divide them by the total employees affected as it relates to those positions. An example of how this would alter the divisional overhead costs is identified in the table below:

Position	Total Indirect Costs	Allocation Basis	Total Cost Per Position	Current	Difference
Lt.	\$6,641,175	955.77	\$7,092	\$15,820	(\$8,729)
Sgt	\$8,373,658	1,643.44	\$5,238	\$18,340	(\$13,101)
Inv.	\$2,915,378	967.51	\$3,156	\$48,956	(\$45,800)
Deputy	\$8,373,658	1,643.44	\$5,238	\$18,340	(\$13,101)
CSO	\$8,373,658	1,643.44	\$5,238	\$18,340	(\$13,101)
Inv. Asst	\$2,915,378	967.51	\$3,013	\$48,813	(\$45,800)
Other Prof. Staff (civilian)	\$438,979	263.17	\$1,668	\$1,668	\$0

Utilizing this methodology significantly reduces the total overhead cost per position, with the exception of civilian staff. The reduction in costs ranges from a low of \$8,729 to a high of \$46,000. Applying this methodology to the direct and regional shared staff reduces the divisional overhead costs from \$1 million to a total cost of approximately \$250,209. This also brings the divisional overhead hourly rate to \$3.14, which is more in line with the departmental overhead calculated in the previous section of the chapter. This revision of methodology could generate a maximum of \$756,000 in cost savings for the City, which could equate to additional staff such as Deputies or Sergeants.

During the next round of negotiations, City staff should not only ask for a more detailed breakout of Divisional Overhead costs, including what costs comprise each cost category, such as the inclusion of 0.50 of a Utility Driver in investigations as part of the Investigation Overhead, but also for a re-evaluation of the methodology being used by the Department. This reevaluation of the methodology would ensure that costs are being allocated fairly and equitably, and could result in significant cost savings for the City.

Recommendation:

During the negotiation process the City of San Clemente should require OCSD staff to reevaluate the methodology, the costs (staff positions included as overhead), as well as the allocation bases (all staff – regional / shared + direct personnel) utilized for divisional overhead to ensure that it is fair and equitable.

(3) Training Overhead

The Training Overhead is meant to account for costs associated with the Training Bureau. It is comprised of three components: Advanced Officer Training, Recruit Salary & Benefits, and Training Officer Premium Pay. The Advanced Officer Training and the Training Office Premium are based on FY16-17 budgeted costs while the Recruit Salary & Benefits are based on a seven-year average to prevent any cost volatility. The training overhead cost is only allocated to sworn personnel. The following table shows the total training overhead by position.

POSITIONS	Training OH Cost	Productive Hours	Training OH Hrly Rate
Direct San Clemente Positions			
Lieutenant	\$2,555	1,545	\$1.65
Sergeant, Administrative	\$2,555	1,545	\$1.65
Sergeant, Patrol	\$10,220	6,180	\$1.65
Investigator	\$10,220	6,180	\$1.65
DS II (Patrol, DET and SRO)	\$79,205	47,895	\$1.65
DS II Motorcycle	\$5,110	3,090	\$1.65
Regional Shared Staff			
Traffic - Sergeant	\$172	104	\$1.66
Traffic - Deputy Sheriff II	\$1,143	691	\$1.65
Auto Theft - Sergeant	\$60	36	\$1.66
Auto Theft - Investigator	\$397	240	\$1.65
DET - Sergeant	\$234	141	\$1.65
DET - Investigator	\$234	141	\$1.65
Motorcycle Sergeant	\$82	50	\$1.65
TOTAL	\$112,187	69,545	\$1.61

As the above table shows, training overhead costs average out to \$1.61 per hour per position, and is consistent across all sworn positions included in the contract. Total costs of \$112,000 seem appropriate compared to other jurisdictions of similar size. However, it is important to note that there are additional training costs that are not being captured through this overhead calculation that show up as a separate line item charge. These training costs will be discussed further in the next section of this chapter in the Additional Costs / Revenue section of the contract costs.

(4) Countywide Overhead

The Countywide Overhead is a flat rate of 2.06% of the total salary costs. This Countywide Overhead is meant to account for services such as Accounting / Payroll, Budget, Administration, Human Resources, Employee Benefits, Internal Audit, Treasury, etc. The following table shows the hourly countywide overhead rate by position:

POSITIONS	Countywide OH Cost	Productive Hours	Countywide OH Hrly Rate
Direct San Clemente Positions			
Lieutenant	\$3,225	1,545	\$2.09
Sergeant, Administrative	\$2,780	1,545	\$1.80
Sergeant, Patrol	\$11,120	6,180	\$1.80
Investigator	\$9,716	6,180	\$1.57
DS II (Patrol, DET and SRO)	\$67,921	47,895	\$1.42
DS II Motorcycle	\$4,505	3,090	\$1.46
Community Services Officer	\$4,264	6,800	\$0.63
Office Specialist	\$1,980	3,400	\$0.58
Regional / Shared Staff & Extra Help			
Traffic - Sergeant	\$237	104	\$2.28
Traffic - Deputy Sheriff II	\$1,170	691	\$1.69
Traffic - Investigative Assistant	\$310	346	\$0.90
Traffic - Office Specialist	\$130	173	\$0.75
Auto Theft - Sergeant	\$82	36	\$2.28
Auto Theft - Investigator	\$444	240	\$1.85
Auto Theft - Investigative Assistant	\$108	120	\$0.90
Auto Theft - Office Specialist	\$91	120	\$0.76
DET - Sergeant	\$464	141	\$3.29
DET - Investigator	\$364	141	\$2.58
Subpoena - Office Specialist	\$145	192	\$0.76
Courts - Investigative Assistant	\$704	755	\$0.93
Motorcycle Sergeant	\$120	50	\$2.40
TOTAL	\$109,880	79,744	\$1.38

The overhead is a fixed rate of 2.06%, which is applied to the regular salaries of the employees paid for by the City of San Clemente. It is important to note that as San Clemente has its own facility, costs associates with Facility Operations and Fixed Assets are not included in the 2.06%, and is consistent with Best Management Practices.

(5) Regional / Shared Staff Allocation

In addition to the City of San Clemente paying the personnel costs for all staff directly allocated to the City of San Clemente, the City also pays for a share of regional or shared staff within the OCSD. The share that is paid for by the City of San Clemente is dependent upon proportionate share of total case load for the County. FY 16-17 ratios are based on FY14-15 stats. Additionally, the City also pays for a share of the Subpoena Clerk and the Motorcycle Sergeant that is not dependent upon caseload. The project team calculated the hourly rate for those positions.

POSITIONS	Total Proportional Personnel Costs	Productive Hours	Fully Burdened Hourly Rate
Traffic - Sergeant	\$20,737	104	\$199.96
Traffic - Deputy Sheriff II	\$107,829	691	\$155.97
Traffic - Investigative Assistant	\$27,299	346	\$78.97
Traffic - Office Specialist	\$11,155	190	\$58.66
Auto Theft - Sergeant	\$7,186	36	\$199.38
Auto Theft - Investigator	\$40,785	240	\$169.74
Auto Theft - Investigative Assistant	\$9,437	120	\$78.55
Auto Theft - Office Specialist	\$7,703	132	\$58.27
DET - Sergeant	\$36,400	141	\$257.26
DET - Investigator	\$30,495	141	\$215.53
Subpoena - Office Specialist	\$11,204	211	\$53.05
Courts - Investigative Assistant	\$57,832	755	\$76.59
Motorcycle Sergeant	\$10,484	50	\$210.35
TOTAL	\$378,546	3,159	\$119.84

As the table above shows, the total cost associated with Regional / Shared Staff is \$378,546, which comprises approximately 3% of the total contract costs. The hourly rates that stand out are \$257 and \$216 for the DET Sergeants and Investigators as they are significantly higher than the \$119 average. If we compare the above hourly rates to the fully burdened rates for the direct personnel charged to the City, the rates for the Regional / Shared Staff Sergeants at \$200 are about \$12 higher than the rates for the Direct Personnel Sergeants. While this does not seem like a significant discrepancy, the project team also calculated the total personnel costs for each of the regional / shared

staff positions shown in the table below:

POSITIONS	Shared / Regional Staff total Personnel Cost / Position	Direct Total Personnel Cost Per Position	Difference in cost
Traffic - Sergeant	\$308,945	\$286,069	\$22,876
Traffic - Deputy Sheriff II	\$240,969	\$238,133	\$2,836
Traffic - Investigative Assistant	\$122,012	\$88,136	\$33,876
Traffic - Office Specialist	\$99,714	\$88,136	\$11,578
Auto Theft - Sergeant	\$308,042	\$286,069	\$21,973
Auto Theft - Investigator	\$262,249	\$286,522	(\$24,273)
Auto Theft - Investigative Assistant	\$121,361	\$88,136	\$33,225
Auto Theft - Office Specialist	\$99,061	\$88,136	\$10,925
DET - Sergeant	\$397,467	\$286,069	\$111,398
DET - Investigator	\$332,988	\$286,522	\$46,466
Subpoena - Office Specialist	\$90,180	\$88,136	\$2,044
Courts - Investigative Assistant	\$118,329	\$88,136	\$30,193
Motorcycle Sergeant	\$324,985	\$286,069	\$38,916

The previous table indicates that the cost of a Regional / Shared Traffic Sergeant is \$308,945 compared to the \$286,069 that is charged for a Sergeant as part of the direct personnel costs. The difference in the costs is approximately \$23,000 annually, which seems steep. The other number that stands out in the table above is the costs of the DET (Detective) Sergeant and Investigators which vary from \$333,000 to almost \$400,000. These costs are significantly high, with the primary reasoning being the high divisional overhead charges. Recalculating those divisional overhead charges will help to bring the total personnel costs for regional / shared staff costs to be more closely aligned to the personnel charges being assessed as part of the direct allocation to the city of San Clemente. The purpose of utilizing regional / shared staff is to realize cost savings not to generate additional costs; as such all of these regional staff / shared staff personnel costs should be brought into consistency with the direct personnel costs assessed to the City of San Clemente, with only minor differences that should be attributable to transportation costs.

The other item of significance to consider when evaluating the regional / shared

staffing is to understand the services being provided through this regional / shared staff. If the City of San Clemente already has dedicated traffic deputies, there should be no need for additional support being provided by the OCSD for traffic related support. Additionally, even if that support is necessary it would be in the form of Sergeant or Deputy Sheriff II or Investigator not the entire unit. As such, those costs should be re-evaluated upon contract renegotiation to ensure that appropriate costs are being incurred for the services being received. Removal of these services could result in cost-savings of a maximum of \$167,020, which could translate into additional direct personnel support for the City of San Clemente. The regional / shared staff support should be evaluated on a case-by-case basis to ensure that any necessary support is not removed.

Recommendation:

The City should re-evaluate the regional / shared staff personnel costs for not only the personnel costs being assessed, but also for the level of support that is being provided by the regional / shared staff. For example, if there is no additional support provided by the Regional Traffic unit, the City of San Clemente should not be assessed a cost for unrealized support.

(6) Personnel Costs Summary

As discussed in the beginning of this chapter, personnel costs comprise 86% of the total contract costs. While the County seems to be assessing reasonable costs and support in alignment with best practices for Countywide and Departmental Overhead, there are some issues as it relates to the calculation of divisional overhead. At a minimum, the calculation for divisional overhead should be looked at more carefully at the County to ensure that it captures any changes that may have occurred and that distribution is fair and equitable to all contract cities. Additionally, the proportionate

share of regional / shared staff should be consistent with other personnel costs being charged to the City, as well as for direct and relevant support being provided to the City.

2. The Costs Associated with the Patrol Training Cost Allocation and Helicopter Services Should Be Re-Evaluated.

The second component of the contract with the Sheriff's office is additional costs / revenue category, which comprises the remaining 14% of the contract costs. The following points list the cost components included in additional costs / revenue:

- **Overtime:** This cost is meant to capture the costs associated with overtime. It is calculated based on 90% of the average of the last three fiscal years' actual overtime incurred. These costs will be reconciled at the end of the year.
- **Vacancy Credit:** The vacancy credit is meant to provide agencies with a "credit" for vacant positions and is based on 25% of the lowest prior 2 fiscal years of vacancy credits reports (FY13-14 and FY14-15 for FY16-17). These credits will be reconciled at the end of the year.
- **Annual Leave:** This cost consists of two components: Annual Leave Pay Down and Termination Pay. The Annual Leave pay down is based on the FY14-15 amounts paid out, while the termination pay is based on pooled methodology for FY14-15 termination costs for sworn and civilian staff.
- **Bilingual Pay:** This cost is meant to capture the total bilingual costs specific to San Clemente staff.
- **Contract Administration:** This cost is meant to account for the costs associated with administering the contract.
- **Data Line:** This cost is meant to account for the actual data line charges from AT&T for use of the wireless connection from San Clemente Police Services.
- **Direct Services & Supplies:** This cost captures the direct services and supplies (beyond what is coded as part of the overhead costs).
- **E-Citation:** This cost accounts for the number of E-citation devices utilized by the City at a rate based on the E-citation program recurring and replacement costs, which are updated every fiscal year.
- **Enhanced Helicopter Response Services:** This cost accounts for helicopter support provided to the City of San Clemente.

- **Holiday Pay: Comp & Straight Time:** This cost accounts for holiday pay that is compensated and any additional straight time costs.
- **Integrated Law and Justice Agency of Orange County:** This cost is meant to account for the share of operating costs associated with the ILJAOC and is based on a rate that is dictated by the ILJAOC.
- **Mobile Data Computer – Acquisition & Recurring Costs:** The costs components account for acquiring new mobile data computers as well as any maintenance costs for those computers.
- **On-Call Pay:** The cost accounts for any on-call pay that is paid to Sheriff department staff.
- **Patrol Training Cost Allocation (FTB):** The cost is meant to account for the Field Training Bureau Program.
- **Patrol Video System (PVS) – Acquisition & Recurring Costs:** The cost components account for acquiring patrol video systems, as well as any maintenance costs for those computers.
- **Retirement Rate Discount:** Agencies receive a credit for their retirement costs from the County as well as incurring expenses for retirees.
- **Revenue / Training Reimbursement:** Any credits associated with revenue collected or training is accounted for through this line item.
- **Transportation – Vehicle Maintenance:** The cost accounts for total miles driven and the billable rates of the vehicle classification assigned to the City. As the City pays for fuel costs, those costs are excluded from this calculation.

The points above illustrate fairly typical cost components and are consistent with other jurisdictions and best management practices and as such the majority of these cost components were not examined further (i.e. data lines, on-call pay, retirement rate discount, etc.). These cost components either due to being a minimal portion of contract costs or having a transparent methodology and cost basis are being calculated appropriately by the Orange County Sheriff's Department.

The project team did conduct further analysis regarding several of these cost components such as Overtime, Direct Services and Supplies, Enhanced Helicopter

Response Services, Revenue / Training Reimbursement, and the Patrol Training Cost Allocation Bureau. The following subsections discuss each of these areas.

Recommendation:

The majority of services included in the Additional Costs / Revenue section of the Contract are fairly typical and direct-charged based. These costs should not be re-evaluated.

(1) Overtime

Overtime costs increased by 57% between FY15-16 and FY16-17's contract. While the County reconciles the overhead costs at the end of the year, "truing up" the difference between what was paid and what was incurred, there is still some concern regarding the calculation of the overtime costs in general. The contract calculates overtime costs based on 90% of the average of actual overtime costs over the last three fiscal years. There is concern, however, that due to the timekeeping system and the different levels of detail, overtime is not being coded appropriately. Additionally, even though there are multiple overtime codes to help capture the different types of overtime, those codes are not being used. It is important for the City to track the different overtime codes to evaluate which services are requiring significant overtime support by staff, as such administrative staff and the Chief of Police should quality control timesheets to ensure that any and all overtime codes are being used appropriately by staff. This information could result in either a reduction or increase in overtime costs, but will also help the City make decisions regarding the services that are requiring significant overtime.

Recommendation:

The Sheriff's office should quality control the timesheets to ensure that there is appropriate overtime tracking being conducted. This will not only help the

Sheriff's office to ensure that all overtime costs are being captured, but also help the City of San Clemente in determining where and how overtime is being used.

(2) Direct Services & Supplies

In the FY16-17 contract, there is a total cost of direct services and supplies of \$49,492. This direct services and supplies is in addition to the services and supplies overhead included on a position basis in the personnel section. The total cost for services and supplies in the personnel section is \$213,510. If the direct services and supplies costs is added to that cost, the total services and supplies costs is \$263,452.

The County should apply the services and supplies as a consistent charge, either as overhead or as direct charges. The assumption, being that the services and supplies overhead for the direct personnel is the services and supplies that is necessary for those employees to serve as employees within the City of San Clemente. Based upon the information presented in this contract it is difficult to ascertain if the total cost for services and supplies is \$213,510 or \$263,452. The cost amounts associated with services and supplies should be re-evaluated and spread as a direct cost to the City of San Clemente to be more in line with best management practices for allocation of these types of costs. Applying this methodology mitigates the potential of double-charging clients for services and supplies charges. The only exception to this direct spread should be the regional / shared staff that should have indirect services and supplies associated with their support; however, at \$10,651 that accounts for less than 5% of the total services and supplies costs.

Recommendation:

The City of San Clemente should re-evaluate the services and supplies surcharge and apply it as a direct charge rather than as overhead to positions, the only exception should be regional / shared staff.

(3) Enhanced Helicopter Services

The City of San Clemente currently pays for \$36,027 for helicopter services. This charge is calculated based on the helicopter hourly rate of \$1,091.74 multiplied by the number of Deputy Sheriff II Positions (33) for San Clemente. This methodology of allocating helicopter services is inconsistent with typical practices. The helicopter hourly rate should be multiplied by the number of helicopter hours or based on a proportion of helicopter incidents. Additionally, the City of San Clemente does not receive any helicopter support and should not be paying for a share of these services. Instead the County should bill for these services on an incident or response-by-response basis rather than allocate a cost to the various jurisdictions. During the next round of negotiations these costs should be removed from the contract generating a cost savings of approximately \$36,000.

Recommendations:

The Orange County Sheriff's Department should not assess helicopter services based on the number of Deputy Sheriff IIs, but rather actual hours of helicopter services utilized or proportion of incidents that required helicopter services.

Additionally, these costs should be removed from the City of San Clemente's contract as the City does not receive helicopter services from the County.

(4) Revenue / Training Reimbursement

The revenue / training reimbursement line item in the contract for FY16-17 represents approximately \$9,630 in reimbursement, whereas in FY15-16, this cost was approximately \$100,000. While there can be fluctuation in revenue received, an 88% decline in revenue reimbursement seems highly atypical. The project team has asked the OCSD contract office to provide further information regarding the calculation of this revenue cost and the reason for the significant decline in FY16-17. The County

explained that FY15-16 was an anomalous year for revenue / training reimbursement as the revenue reimbursements account for 3 years of one-time overtime backfill or POST training. However, starting in January 2015, the POST program eliminated the overtime backfill reimbursements, as such there has been no revenue related to those reimbursements, explaining the significant decline in revenue. There is no need for the City of San Clemente to re-evaluate these costs.

(5) Patrol Training Cost Allocation (FTB)

In FY 16-17, the City of San Clemente was assessed \$262,373 for the Field Training Bureau. These charges relate to costs associated with re-training Deputy I's to achieve Deputy II status in patrol and only apply to patrol staff. While currently a training charge, this cost is separate from the training overhead costs included in the personnel costs section. The major cost components of the Field Training Bureau are overtime training backfill and program administrative costs. The rate that was calculated per Deputy Sheriff II was \$7,950.69. In FY14-15 there were approximately 698 Deputy Sheriff II's meaning that the approximate cost associated with the Field Training Bureau was \$5,549,582.

As the Field Training Bureau is part of the larger Training Bureau these should be allocated as part of the training overhead cost and not as a separate line item in the additional costs / revenue section of the contract. This will ensure greater consistency of representation of training costs throughout the contract. Additionally, as this is not direct training support, it should not be allocated as a direct charge to the contract cities, but rather as part of the indirect overhead for the positions that are assigned to those jurisdictions. Utilizing this assumption, all sworn positions would have a Training OH

cost of \$2,555 per position, while any Deputy Sheriff II position would have an overhead cost of \$10,506 per position.

Additionally, similar to calculating the total cost of the Field Training Bureau, the project team projected the total cost associated with training overhead (Training Overhead + Field Training Bureau). This total cost comes out to approximately \$11,173,137. This is a significant charge associated with training and there should be greater transparency provided by the Orange County Sheriff's office regarding the specific costs that are included for these training overhead charges and how those costs are being allocated to every employee within the agency. Further detail and breakout for these training charges should be provided to the City of San Clemente to ensure that appropriate benefit for those services are being received by all Deputy Sheriff II's throughout the sheriff's office.

Recommendations:

The Field Training Bureau cost should be reallocated as part of the training overhead costs, rather than having two different training charges being assessed on the contract.

Further detail should be provided regarding the specific training costs being allocated to sworn and Deputy Sheriff II employees including the allocation basis for these charges. This information should be provided prior to renegotiation of contracts to ensure that San Clemente is paying their fair share of services.

3. The Majority of Pro-Bono Services Provided by the Sheriff's Office Are Consistent with Other Agencies But Should Be Updated to Reflect Current Pro-Bono Services.

The Orange County Sheriff's Department charges the City of San Clemente not only for direct personnel assigned but also regional / shared staff. However, there are certain services that are provided by the Sheriff's office free of charge to the City of San Clemente. Per the 1989, County resolution, the following points identify these services:

- Career Criminal Apprehension Team
- Cliff Rescue Team
- Coroner
- Crime Prevention Detail
- Correctional Facilities
- Dive Team
- Explorers
- Forensic Science Services
- Fraud / Checks Detail
- Fugitive / Warrant Detail
- Hazardous Device Squad
- Helicopter Response
- Homicide Detail
- Hostage Negotiation
- Mounted Patrol
- Narcotics Detail
- Orange County Criminal Activity System
- Jail Inmate Transportation
- Central Records
- Reserve Forces
- Sex Crimes / Child Abuse Detail
- Tactical Support Team and Recruit Training

It is important to note that in the list above, Helicopter Response is identified as

pro-bono service, yet the County has a line item charge for Helicopter services in the San Clemente contract. The information in this list illustrates that there are several services that are on this list that the County might be charging for, and vice versa there might be additional services the County is providing but not charging the City. The OCSD contract office during this study is in the process of developing an updated resolution to be adopted by the County Board of Supervisors. This resolution should be reviewed by the City of San Clemente to ensure that any services that are on the resolution do not show up as a line item in their contract costs, such as Helicopter services. Other services that are typically provided pro-bono are things such as SWAT and Bomb Squad. These services should be added to the list of pro-bono services by the Sheriff's Department.

Recommendations:

The Orange County Sheriff's Department should update the resolution of services that are provided free of charge or "pro-bono" to contract agencies. This list should be reflective of all current services and remove / add any services that are being charged or not charged for, respectively.

The City of San Clemente should review the resolution to ensure that they are not being charged either through overhead or a direct line item for services that should be provided pro-bono such as helicopter services.

Appendix A – Descriptive Profile of Police Services in San Clemente

This document provides a descriptive profile of the San Clemente Police Department provides information regarding the current organization and police services provided to the City of San Clemente by the Orange County Sheriff’s Department (OCSD). The purpose of this profile is to document the project team’s understanding of the current organization. The data contained in the profile was developed based on the work conducted by the project team, including:

- Interviews conducted with staff;
- Collection of workload;
- Review of strategic reports, budget, organizational structure, and key practices.

The descriptive profile is not intended to include every organizational and operational facet of the organization, but rather to provide an overview and to serve as the “base line” or “status quo” against which any recommendations made at the conclusion of the study can be compared to demonstrate the change in roles, organizational structure, or operational practice.

The profile includes a summary of the organizational structure, budget, services provided and roles and responsibilities of staff of the San Clemente Police Department. As part of this review, the project team spoke directly with various members of the Department, and collected and reviewed various data describing the organization and work processes.

Information contained in this descriptive profile will be employed in the analysis of issues during subsequent stages of the project.

1. Overview and Staffing Levels

The City of San Clemente provides law enforcement services for approximately 65,040 (2013 Census) and covering 19.74 square miles through the Orange County Sheriff’s Department (OCSD). These law enforcement services include patrol, investigations, traffic enforcement, community support, drug education, parking control, and crime prevention. There is an OCSD substation in the San Clemente. It is located at San Clemente City Hall – 100 Ave. Presidio, San Clemente, CA 92672. The operating hours of the substation are 8:00 am – 2:00 pm Monday – Thursday (excluding holidays).

The top law enforcement officer for the City of San Clemente is an OCSD Lieutenant, who is appointed as the police chief. The Chief provides the day to day direction, oversight and management of police services for the City. The City of San Clemente contracts with OCSD for a total of 49 sworn and non-sworn positions. The authorized positions are listed in the table below.

	Lt. (Chief)	Sgt.	Inv	Deputy	CSO	CPS ¹⁴	Clerical Staff
Office of the Chief	1	1			1	1 P/T	2
Patrol		4		26	3		
T.R.I.P				3			
Traffic Units (Motorcycles)				2			
Directed Enforcement Team Deputy				1			
School Resources Deputy				1			
Beach Patrol (positions pulled from patrol positions during summer months)				(3)			
Investigations			4				
Total (49.5)	1	5	4	33	4	1 P/T	2

The following sections of this profile explore the San Clemente’s budget for police services, its staffing and organizational structure as well as staff roles and responsibilities in providing these services.

¹⁴ Crime Prevention Specialist (civilian position)

2. Budget

The following table outlines the annual expenditures presented in the City budget for the San Clemente Police services.

	FY14-15 Actual	FY15-16 Projected	FY 16-17 Budget	Percent Change
Supplies	\$15,034	\$17,370	\$18,000	
Contractual Services	\$12,555,731	\$12,952,563	\$13,697,263	
Other Charges	\$21,975	\$6,900	\$5,500	
Interdepartmental Charges	\$416,590	\$338,800	\$271,220	
TOTAL	\$13,009,330	\$13,315,663	\$13,991,983	9.2%

As the table above shows the Contractual Services for Police has increased by approximately \$745,000, or 5.7%, between FY 15-16 and FY 16-17. Other internal city budget line items allocated to law enforcement services reduce this increase overall to approximately \$676,000. In addition to presenting its budget as provided by the City, the Orange County Sheriff’s Department provides a more detailed budgeting spreadsheet for Police Services. The following table shows the components of this spreadsheet for FY15-16 and FY16-17. These equal the Contractual Services line item in the table shown previously.

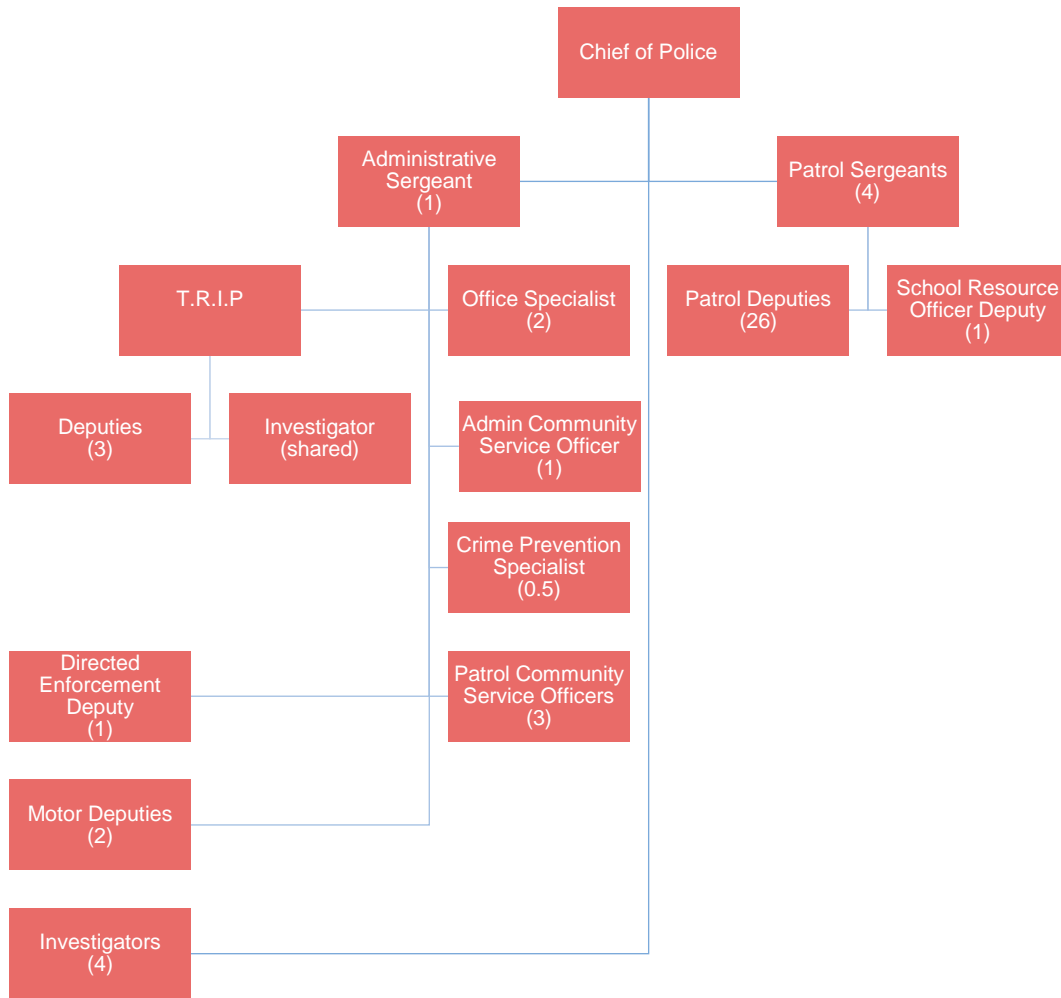
	FY15-16 Actual	FY16-17 Budget
Personnel Services		
Dedicated Safety Staff	\$10,054,389	\$10,687,073
Dedicated Professional Staff	\$712,652	\$690,156
Regional / Shared Staff & Extra Help	\$537,258	\$378,546
Total	\$11,304,299	\$11,755,775
Additional Costs		
Annual Leave (Pay Downs & Termination Pay)	\$76,702	\$57,380
Bilingual Pay	\$26,316	\$29,346
BSCC Local Assistance Funding	\$(78,833)	\$(11,326)
Contract Administration	\$40,914	\$46,788
Data Line	\$5,251	\$2,533
Direct S&S	\$109,733	\$49,942
E-Citation	\$6,237	\$7,492
Enhanced Helicopter Response Services	\$33,532	\$36,027
Holiday Pay: Comp & Straight Time	\$202,807	\$198,827

	FY15-16 Actual	FY16-17 Budget
Integrated Law & Justice Agency of Orange County	\$4,898	\$4,994
Mobile Data Computer – Acquisition		\$3,611
Mobile Data Computer – Recurring Costs	\$75,854	\$83,735
On-Call Pay	\$30,262	\$27,083
Overtime	\$753,084	\$1,044,288
Overtime Rate Adjustment	\$(96,860)	
Patrol Training Cost Allocation (FTB)	\$297,927	\$262,373
Patrol Video System (PVS) – Recurring Costs	\$45,097	\$39,005
Retirement Rate Discount, FY 2015-16 (Gross)	\$(139,991)	\$(142,040)
Retirement Rate Discount (Interest & Issuance)	\$22,292	\$17,093
Revenue / Training Reimbursement	\$(100,901)	\$(9,430)
Transportation – Vehicle Maintenance, Mileage Interest, etc. (no fuel)	\$333,943	\$361,343
Estimate Vacancy Credit FY 2016-17		\$(167,576)
Total	\$1,648,264	\$1,941,488
TOTAL	\$12,952,563	\$13,697,263

As the table above shows the difference between FY 15-16 and FY16-17 is primarily related to personnel costs.

3. Organizational Structure

The organizational structure and staffing levels of the San Clemente Police Department are shown in the following organizational chart of employees. The organization chart, which follows, shows authorized positions.



The following summarizes authorized staffing:

- One (1) Chief of Police (a Sheriff’s Office Lieutenant).
- Five (5) Sergeants and four (4) investigators.
- Thirty-two (32) deputies allocated among the following functions:
 - Twenty-six (26) patrol deputies
 - Two (2) Motor Deputies
 - One (1) School Resource Officer Deputy
 - One (1) Directed Enforcement Team Deputy
 - Three (3) TRIP deputies (Targeting, Reduction, Investigation, Prevention Program).
- Three (3) Patrol Community Service Officers
- One (1) Part time Crime Prevention Specialist.

- Two (2) Office Specialists, One (1) Administrative CSO.

4. Key Roles and Responsibilities

The following table shows the number of staff by position in the San Clemente Police Department and the key roles and responsibilities assigned to each position. While this table is not intended to provide the level of detail that would be found in a formal job description, it is designed to summarize the primary duties and functions associated with each position in the Police Department.

KEY ROLES AND RESPONSIBILITIES			
Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
Chief of Police (Lieutenant)	1	1	<ul style="list-style-type: none"> • Provides the overall leadership, guidance, management and administration of the Department personnel and the services for which it provides. • Directly supervises five (5) sergeants. • Interfaces regularly with San Clemente city management. • Assists with preparation and manages the Department budget. Oversees contract to ensure terms and conditions are met. • Develops and maintains good working relationships with local business leaders, community leaders and school officials. • Performs routine administrative functions in the day to day management of the Department, as appropriate. • Generally on call 24 hours a day. • Works dayshift hours Monday-Friday. • Use of force and pursuit reviews. • Decentralized discipline program. • Citizen Complaint/Commendation Review. • Write Sergeant evaluations and review and approve all staff evaluations. • Oversees FTO process / reviews trainee evaluations. • Attends City Council Meetings and Special Events.

KEY ROLES AND RESPONSIBILITIES			
Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
Administrative Sergeant	1	1	<ul style="list-style-type: none"> Oversees administrative and specialized staff in the Department to include T.R.I.P, front-counter support, community service officers, crime prevention, and Motors. Schedules and tracks all mandated and other training provided to sworn and civilian personnel. Oversees operations component of Retired Senior Volunteer Program (RSVP). Develops all original schedules for staff to include vacation selection, patrol staffing, etc. Reconciles overtime and vacancy credit coding to ensure proper credits / charges to City. Manages and plans law enforcement for city special events and special projects. Manages formal complaint / commendation system. Conducts 30-day tow hearings. Interacts with City Code Enforcement and other City Departments on various issues Manages evaluation system for all staff Interacts with OCSD HQ for personnel matters, policy distribution. Prepares documents/items for briefing use Provides daily assistance to the Lieutenant on all matters Assists patrol sergeant as required during Provides assistance to public/businesses on complaints and special requests. Works M-Thursday Dayshift.

KEY ROLES AND RESPONSIBILITIES			
Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
Patrol Sergeant	4	4	<ul style="list-style-type: none"> • Each Sergeant oversees operations on their respective shifts—Front and back-side Day/Night. • Implements Department policies, procedures, goals and objectives. • Directly supervises sworn personnel on their shift. Performs annual evaluations. • Conducts shift briefings • Oversees shift activities to include front counter assistance to public; works with field personnel, provide assistance as appropriate, and responds to major incidents and emergencies. • Performs final approval on time sheets and time off; investigates complaints including administrative, use of force, pursuit, etc. • Reads, reviews and approves field reports. Edits the Public Blotter (web-based info.). • Responsible for extensive number of administrative duties as well as field support duties on their assigned shift including supervising patrol staff, and various volunteers. • Perform field services including field supervision, response to citizen complaints, call for service response and back-up (as available/necessary) and coordinates field investigations, as necessary. • Respond to questions, concerns and requests from the general public and provides information and problem resolution as necessary. • FTO administrative role with training officers and trainees (1 Sergeant). • Works 12-hour shift schedule.

KEY ROLES AND RESPONSIBILITIES			
Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
Patrol Deputy Beach Patrol*	26 *(3)	26 *(3)	<ul style="list-style-type: none"> • Assigned beat and responds to all calls for service in the City, including crimes against persons, property crimes, domestic disputes, disturbances, deaths, etc. • Provide direct field enforcement of all applicable State and local laws within the City. • Engage in neighborhood patrols, preventive patrol, traffic enforcement, and other proactive efforts to reduce crime. • Perform initial investigation and follow-up investigation services on a variety of misdemeanor and felonious crimes upon which they originally reported. • Respond to questions, concerns and requests from the general public and provides information and problem resolution as necessary. • Senior staff will periodically serve as an Officer-in-Charge for Sergeant in their absence. • Designated deputies perform field training duties for new transfers into the city. • Transports and processes arrestee to county jail. • Perform other administrative duties as assigned. • Operates on varied shift schedule to include 12-hour shifts with 3-days week 1 and 4 days on week 2 (one 8-hr shift) composed as follows: <ul style="list-style-type: none"> - Day 0600-1800 - Night 1800-0600 - Day Cover Shift (1000-2200) - Night Cover Shift (1500-0300) Rotates every 4 months to other shift. <p>*During Summer Months 3 patrol deputies are pulled from beat assignments to cover beach patrol duties.</p>

KEY ROLES AND RESPONSIBILITIES			
Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
School Resource Officer	1	1	<ul style="list-style-type: none"> • Reports to the Patrol Sergeants. • Works Tuesdays-Fridays. • Serves as the liaison between the school system (Capital Unified School District) and the Sheriff's Office. • Support 10 schools (6 elementary schools, 3 middle schools, and 1 high school). • Attends high school games and dances to monitor alcohol and drug-related activities. • Responds to all call for service at any of the schools. • Conducts locker searches – randomly and upon request from school administrators. • Administers the Text-A-Tip program for all schools. • Reports to the high school every day and conducts weekly visits to Middle School and Elementary schools. • Maintains a log of all activities / incidents at each of the schools for submission to the Sheriff's Department. • Manages Explorer program. Assigns them to assist at special events when needed.
Motor Deputy	2	2	<ul style="list-style-type: none"> • Reports indirectly to the Administrative Sergeant but directly to Motors Sergeant at Southeast Division. • Enforces all moving violation and traffic codes – stop signs, speeding, collisions, etc. • Drafts collision reports especially as it relates to injury collisions, criminal investigations or DUIs. • Document all non-injury collisions through the citation process. • Processes many vehicle tows and impounds in the field. • Answers calls for service when needed • Generate quarterly reports regarding number and type of traffic incidents (stop signs, speeding, collisions). • Works 10-hour shift schedules.
Directed Enforcement Deputy	1	1	<ul style="list-style-type: none"> • Part of a task force of nine (9) deputies (each contract city contributes one deputy). • Interacts with Probation and Parole Officers. • Supports general investigations in more complex cases. Conducts interviews and surveillance to identify suspects. • Locates evidence and conducts search warrant activities. • Completes reports for filing with the DA. • Reports to regional D.E.T. sergeant.

KEY ROLES AND RESPONSIBILITIES			
Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
Patrol Community Service Officer	3	3	<ul style="list-style-type: none"> • Performs various field services for department with emphasis on vehicular-related activities. • Process all traffic accidents to include injury accidents on private property. Writes associated reports. • Cites various parking violations to include zones, meters, permit violations, etc. Can tow expired vehicle registration. • Processes / tows abandon vehicles in public ROW. • Responds to citizen parking complaints. • Two work Day Shift and one Evening Shift, on 12-hour shift schedules.
Investigator	4	4	<ul style="list-style-type: none"> • Report to sergeant in SW Orange County Investigations. • Manages and coordinates all investigative services to meet objectives set by Department. • Investigates felonious and misdemeanor person, property, missing juvenile and other crimes. These include high profile/complex burglaries, robberies, and assaults. • Assigns to HQ Details fraud, computer forensics, homicides, complex sex crimes, domestic violence, human trafficking auto theft and narcotics. • Assigns cases irrespective of solvability factors, but focuses on named suspect case files. • “Senior” detective reviews all cases and assigns to staff accordingly. Performs case data entry in computer. • Performs various ancillary duties to include license applications, Explorer program, extraditions, and special projects. • Assists with District Attorney follow-ups. • Investigators work 4/10 “split” schedule Monday-Friday and are on-call for major events.

KEY ROLES AND RESPONSIBILITIES			
Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
Crime Prevention Specialist	1	1	<ul style="list-style-type: none"> • Reports to the Administrative Sergeant. • Works every Tuesday / Thursday for 20 hours a week. • Attends Neighborhood Watch Meetings every other week. • Produces monthly crime statistic report – showing the number of crimes – by type of crime. • Develops brochures and flyers for safety programs – Operation Identification, Lock it Up Every time. • Conducts occasional tours or officer-friendly visit with the Deputy. • Generates letters of support to victims of crimes with tips for preventing future crimes. • Manages senior volunteers for distribution of flyers. • Maintains a presence on social media forums “Next Door” to monitor safety issues within neighborhoods. • Oversees “National Night Out” – national crime prevention event. • Conducts quarterly trainings for neighborhood watch captains regarding various safety topics.
Administrative Community Service Officer	1	1	<ul style="list-style-type: none"> • Performs a variety of administrative tasks in support of the Department. • Tracks budgets; performs supply ordering; helps with special event planning; performs citations review; develops various statistics. • Manages vehicle maintenance, station maintenance and radio inventory; ensures equipment process appropriately, oversee trustee (inmate) at sub-station. • Performs other duties and projects, as assigned. • Gather statistics for city use. • Maintains and orders necessary supplies.

KEY ROLES AND RESPONSIBILITIES			
Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
Office Specialist	2	2	<ul style="list-style-type: none"> • Report to the Administrative Sergeant. • Process timesheets and payroll for San Clemente Orange County staff. • Act as front desk / receptionist for the Substation. • Copy all criminal reports for records purposes and distributes to headquarters and specialty units. • Answer all phones and public enquiries. • Process criminal citations online. • Sign off on correctable ticket citations. • Process all incoming/outgoing mail. • Processes reports for insurance companies and walk in requests. • Maintain all reports locally and ensure retention requirements are met. • Data input of all reports into OCSD RMS system. • Work Monday –Friday: 8am-2pm.
T.R.I.P Deputy	3	3	<ul style="list-style-type: none"> • Specialized enforcement program very recently created to address various community problems. • Composed of three (3) deputies, and directly overseen in field by Investigator. Reports to Admin. Sergeant. • Team on 4-8 month patrol rotation designed to focus on quality of life issues such as transiency, narcotics, business-related problems, etc., with problem-oriented policing focus. • Flexing work hours dependent upon need.
T.R.I.P Investigator	Shared	Shared	<ul style="list-style-type: none"> • Investigator assigned to Investigative Unit performing oversight and field support to T.R.I.P. on as-available basis. • Reports directly to Admin. Sergeant.

Appendix B – Summary of the Community Focus Group Meeting

As part of the analysis of Police Services provided by the Orange County Sheriff's Department (OCSD) to the City of San Clemente, the project team held a Community Focus Group Meeting at City Hall on October 25, 2016. Approximately 37 people attended the meeting. Residents were provided a summary of the study and asked to provide their comments regarding the questions and any other related issues, concerns, perceptions, and suggestions for improvement.

1. INTRODUCTION & FOCUS GROUP QUESTIONS

The San Clemente Police Department provides law enforcement services through the Orange County Sheriff's Department. The focus group asked the following questions:

- Perceptions of Crime & Safety in the Community.
- Perceptions about services provided by the Sheriff's Department.
- Contact with members of the Sheriff's Department and the quality of services provided during that contact.
- Opportunities for improvement of the policing services provided.

The questions above were meant to capture the perceptions generally regarding police services within the community and the level of service provided to the residents. Additionally, the project team informed the residents regarding the online community survey for providing further feedback and input regarding police services.

2. RESIDENTS CONCERNS EXPRESSED

The residents provided a variety of concerns and issues that ranged from residential burglaries to shootings and gangs. Individuals also expressed concerns

regarding transients, homelessness, drug use, and patrol staffing. The project team asked residents to identify the three most pressing concerns by attaching dots to the various concerns. The following table outlines the issues in order of importance based on the dots placed by residents.

RESIDENT ISSUES / CO	
Category	# of Dots
Insufficient Police Staffing	41
Transients	23
Ridge Trail Enforcement	15
Use of Code Enforcement	9
Dollars Spent on Policing	4
Burglaries	2

As the table above shows the primary concern for residents is the lack of staffing that is dedicated to San Clemente Police Services. This lack of staffing is manifested through concerns such as insufficient ratio of police personnel to population, lack of patrol officer, inadequate foot patrol resources, and overall lack of proactive policing. Additionally, beyond lack of police resources, the residents also discussed the increased presence of transients and homelessness.

3. POTENTIAL SOLUTIONS

As part of the community focus group, once the concerns and issues were identified, the residents were divided into groups to identify potential solutions to the concerns raised earlier in the meeting. The following points summarize the key themes that emerged from this discussion

- Increasing Police Staffing to meet service level needs rather than addressing budgetary concerns.
- Making public safety a priority for the City.
- Converting police services back in-house either through a San Clemente Police Department or a shared service Police Department between Dana Point, San Clemente, and San Juan Capistrano.

- Increasing the number of volunteers at the Police Station and reducing the age of the volunteers to patrol the streets.
- Implementing neighborhood watch programs in all neighborhoods.
- Adding street and neighborhood cameras.
- Using technology to improve current service levels.

As the points on the previous page demonstrate residents feel that public safety should be a priority for the City and should be demonstrated by either increasing current police staffing needs to improve their presence and visibility in the community or by instituting a separate Police Department from the Orange County Sheriff's Department. The majority of residents seemed to be in favor of these solutions, including potentially increasing tax revenues related to Transient Occupancy Tax and Business License Tax to help fund the additional public safety needs.



City Clerk Department Strategic Plan

Objective

To provide an overview of the City Clerk Department Strategic Plan.

Executive Summary

The City Clerk Department Strategic Plan was developed in 2016 in response to a recommendation contained in the operational assessment of the City Clerk Department that was prepared by Matrix Consulting Group. This Plan, which is attached, provides a comprehensive action plan to improve operational processes and service delivery. The Plan identifies the City Clerk Department's vision and direction for the next five years, and establishes reasonable goals for funding and implementation. The City Clerk Department is dedicated to providing the highest level of service through efficient and effective methods and solutions. Modern legislative tools are continually being developed that streamline operations and enhance public access to records and legislative proceedings. The City Clerk's Department embraces the philosophy of enhancing public service through innovation and state-of-the-art technology. Consequently, many of the projects contained in the City Clerk Department Strategic Plan are technology related and, as such, have been developed in collaboration with the City's Information Technology Division. The result of this collaboration is a phased course of action which is logical in terms of priority sequence and feasible in terms of Staff's ability to implement the improvements without negatively impacting other responsibilities. It should be noted that most of the major projects are contingent upon Council approval of budget appropriations.

Background and Discussion

Since the Matrix Consulting Group assessment was completed and accepted by Council, the City Clerk Department, together with the Information Technology Division, developed realistic goals for the implementation of the recommendations. During the first year after the operational assessment was completed, Staff has made significant progress toward bringing the major recommendations to fruition. The below chart indicates the status of the major goals and initiatives for the City Clerk Department. Because the City Clerk Department's future projects necessitate significant involvement of the City's Information Technology staff, the projects are also included in the Information Technology Strategic Plan.

Status of Major Matrix Consulting Group Recommendations

Goal	Description	Status
Electronic Submittal and Tracking of PRA Requests	Implement software to provide for on-line submittal of public records requests and electronic workflow tracking of records requests.	JustFOIA was implemented in FY 2017-18. This software program provides for on-line submittal of public records requests and electronically tracks the status of the records requests through all City departments.

City Clerk Department Strategic Plan

<p>Citywide Vendor/Bid Management System</p>	<p>Utilize e-Procurement solutions to manage the City's bidding processes.</p>	<p>Planet Bids software was implemented in FY 2017-18 that consolidates City-wide bid management, bidder notification, purchasing and e-procurement.</p>
<p>Post Campaign Statement filings to the City's website</p>	<p>Post redacted campaign statements for City Political Action Committees on line.</p>	<p>In progress. Posting of existing filings is expected to be complete by March 2017. Future filings will be added to the City website within two weeks of filing.</p>
<p>Post Statements of Economic Interests (Form 700) to the City's website</p>	<p>Post redacted Form 700s to the City's website.</p>	<p>In progress. Posting of existing filings is expected to be complete by June 2017. Future filings will be added to the City website within two weeks of filing.</p>
<p>Electronic Agenda/Legislative Management System</p>	<p>Implement an automated workflow system for the development of meeting agendas, agenda packets, minutes, legislative history, and other City Clerk functions.</p>	<p>RFP to be issued by June 30, 2017, with vendor selection and project commencement scheduled shortly thereafter. Project is anticipated to become fully operational during FY 2018-19.</p>
<p>Electronic Agenda Packet Distribution</p>	<p>Provide Councilmembers and staff the option to receive their agenda packets electronically via iPad or other portable device.</p>	<p>This functionality will be identified as a requirement in the RFP for the Electronic Agenda/Legislative Management System. Funding for equipment and training will be requested in FY 2018-19 following the implementation of the Electronic Agenda/Legislative Management System.</p>

City Clerk Department Strategic Plan

<p>Electronic Document Management System (EDMS)</p>	<p>Evaluate upgrade or replacement opportunities for the current EDMS system.</p>	<p>Evaluation for upgrade or replacement of the current EDMS system is scheduled for the latter portion of the 5-Year Strategic Plan. However, there may be a compelling reason to expedite this item if the vendor selected for the Electronic Agenda/Legislative Management System offers an integrated EDMS solution.</p>
<p>New Software Solution for Contract and Insurance/Securities Certificate Management</p>	<p>Replace the custom in-house tracking program with commercial off-the-shelf solution.</p>	<p>This functionality will be listed as an optional feature in the RFP for an Electronic Agenda/Legislative Management System. Implementation is scheduled for FY 2018-19 (or sooner if incorporated into the Agenda/Legislative Management solution).</p>
<p>On-line Portal to Provide Access to Legislative Records</p>	<p>Seek an enhanced web-based system for the publication of City records such as agendas, minutes, resolutions, ordinances, and administrative reports.</p>	<p>This item is tied to the Electronic Agenda/Legislative Management System project (budgeted in FY 2017-18), since many companies that produce this type of software also have modules that address this functionality. This item will remain on the schedule for FY 2019-20 if not incorporated into the Agenda/Legislative Management solution.</p>

City Clerk Department Strategic Plan

Electronic Filing of FPPC Campaign Statements	Utilize software to enable FPPC filers to submit their statements on line.	Staff implemented Disclosure Docs in FY 2015-16, which enabled Form 700 filers to file on line. Staff is currently monitoring the availability of technology to also allow electronic filing of campaign statements and will seek budget approval to purchase a system when technology and price become acceptable.
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Recommendation

Staff recommends that the City Council accept the City Clerk Department Strategic Plan and direct Staff to bring the recommended FY 2017-18 projects and initiatives forward through the budget process.



City of San Clemente

City Clerk Department

5-Year Strategic Plan

2016 - 2021

City Clerk Department Mission Statement:

The City Clerk Department is dedicated to:

- Documenting, preserving and providing timely and accurate information to meet, or exceed, the mandates of municipal, state and federal laws and the needs of the public, elected and appointed officers, and City staff;
- Ensuring legal compliance with all applicable municipal, state and federal regulations pertaining to governmental operations;
- Conducting regular and special municipal elections focusing on legal compliance and integrity;
- Serving as liaison between the City Council, City staff and the public in a helpful, professional manner.

The City Clerk Department will continue to maintain a high level of service and to respond to present and future challenges of the community.

GUIDING PRINCIPLES AND VALUES

Service

Commitment to operational excellence and efficiency.

Integrity

Maintain the public trust through performance that reflects high ethical standards.

Transparency

Provide services in an open and transparent manner.

Fiscal Responsibility

Ensure benefit outweighs cost.

Civic Engagement

Promote civic involvement in elections, meetings, service opportunities, and Leadership San Clemente.

Legal Compliance

Comply with new and modified legal mandates at the local, state and federal levels.

Relationships

Build cooperative working relationships with Council, staff and the public.

GOALS AND OBJECTIVES

CORE DUTIES

Goal: To perform the statutory and core duties of the City Clerk's Department in an accurate, timely and cost-effective manner.

- A1. Provide support to City Council.
- A2. Conduct City elections.
- A3. Process City initiative, referenda and recall petitions.
- A4. Maintain an effective electronic records management system.
- A5. Facilitate compliance with the Brown Act, Government Code, Elections Code and Municipal Code.
- A6. Administer Fair Political Practices Commission regulations.
- A7. Conduct the City's Leadership San Clemente program.
- A8. Provide front-line City Hall reception and telephone service.
- A9. Administer the City's cable television channel.
- A10. Advertise public notices.
- A11. Prepare proclamations, commendations and certificates of recognition.
- A12. Provide City contract administration services.
- A13. Conduct bid openings.
- A14. Maintain Legislative History.
- A15. Supervise codification of City Ordinances into Municipal Code.
- A16. Respond to public records requests in compliance with California Public Records Act.
- A17. Train Staff in other Departments on Clerk-related functions (i.e. administrative report preparation, contract

RECORDS MANAGEMENT

Goal: To maintain and protect City records utilizing innovation and state-of-the-art technology.

- B1. Implement City-wide electronic document management system (EDMS).
- B2. Maintain legally-compliant records retention schedule and records management policies.
- B3. Train Department Records Coordinators on records management practices.
- B4. Manage on-site and off-site records inventory.
- B5. Respond to public records requests in compliance with California Public Records Act.
- B6. Administer records destruction in accordance with City Records Retention Schedule and adopted policies and procedures.
- B7. Image City documents and input into City EDMS system.
- B8. Maintain the City's Legislative History.
- B9. Supervise codification of City ordinances into the Municipal Code.
- B10. Implement an on-line public records request form.
- B11. Implement a portal that provides on-line access to public City records.
- B12. Provide City-wide training on public versus non-public information and appropriate document redactions.
- B13. Implement new City Electronic Document Management System to allow for greater integration and interface

TRANSPARENCY

Goal: To facilitate transparency in government through public noticing, training, and expedient accessibility to public meetings and information.

- C1. Post Council agendas, agenda packets and minutes to the City website in a timely fashion.
- C2. Maintain live and post-meeting accessibility to Council meetings via the City's website and cable channel.
- C3. Continue to co-produce Around Towns, Community Calendar and public service announcements for broadcast on the City's cable channel and City website.
- C4. Continue to administer the City's Leadership San Clemente program.
- C5. Train Council, Commission, Committee and Staff members on Brown Act, Conflict of Interest, and due process regulations.
- C6. Advertise opportunities for City service pursuant to Maddy Act requirements.
- C7. Advertise Public Hearings, ordinance introductions/adoptions, election materials, etc. according to State law and/or Federal Voting Rights Act requirements.
- C8. Post election data to the City's website.
- C9. Post Statements of Economic Interests (Form 700) to the City's website.
- C10. Implement a portal that provides on-line access to public City records.

SUSTAINABILITY

Goal: To protect natural resources by reducing paper consumption.

- D1. Encourage the transmittal of documents via e-platforms.
- D2. Provide on-line access to Council agendas, agenda packets, and minutes.
- D3. Offer free public participation in the City's electronic Council Agenda/Package subscription program.
- D4. Continue the City's electronic program for the submittal of Statements of Economic Interests (Form 700s).
- D5. Implement a portal that provides on-line access to public City records.
- D6. Implement an electronic agenda/legislative management system.
- D7. Offer Council members the option to receive their agenda packets electronically via iPad.
- D8. Monitor availability of technology to allow electronic filings of FPPC campaign

ELECTIONS AND ADMINISTRATION OF FAIR POLITICAL PRACTICES COMMISSION (FPPC) REQUIREMENTS

Goal: Conduct City elections, process initiatives/referenda/recalls, and administrate Fair Political Practices Commission filings in a timely, fair and impartial manner.

- E1. Conduct all elections pursuant to the California Elections Code.
- E2. Publish election materials that are submitted to the voters in English and Spanish as required by the Voting Rights Act.
- E3. Post information about upcoming elections, including the Council Candidate Handbook, on the City's website.
- E4. Post voter registration deadlines, in English and in Spanish, on the City's website and Community Calendar.
- E5. Fulfill Fair Political Practices Commission filing officer duties as required by the FPPC.
- E6. Post redacted Campaign Statement filings on the City's website.
- E7. Post Statements of Economic Interests (Form 700) on the City's website.

CUSTOMER SERVICE

Goal: Provide respectful, timely and accurate customer service to City officials, staff and the public.

- F1. Provide main City Hall reception and telephone services.
- F2. Process City mail in timely and accurate fashion.
- F3. Pursue training opportunities to enhance customer service.

GOALS AND OBJECTIVES

CORE DUTIES

Goal: To perform the statutory and core duties of the City Clerk's Department in an accurate, timely and cost-effective manner.

Objectives and Action Plan	Time Frame	Lead Responsibility	Funding Source(s)	Strategy
A1. Provide support to City Council.	On-Going	City Clerk/Deputy City Clerk/Records Management Coordinator	Internal Funding	Continue high-quality support to City Council.
A2. Conduct City elections.	On-Going	City Clerk	Budgetary appropriation needed	Continue accurate and impartial election management.
A3. Process City initiative, referenda and recall petitions.	As needed	City Clerk	Council appropriation needed	Continue accurate and impartial petition management.
A4. Maintain an effective electronic records management system.	On-Going <i>(potential system upgrade toward end of 5-Year Strategic Plan period)</i>	City Clerk/Records Management Coordinator/Information Technology	Internal Funding (Council appropriation needed for EDMS system upgrade)	Maintain existing electronic records management system in timely and accurate fashion. Evaluate upgrade or replacement opportunities in latter portion of 5-Year Strategic Plan period.
A5. Facilitate compliance with the Brown Act, Government Code, Elections Code and Municipal Code.	On-Going	City Clerk/City Attorney	Internal Funding	Remain current on legislative changes and facilitate compliance with all legal requirements.
A6. Administer Fair Political Practices Commission (FPPC) Regulations.	On-Going	City Clerk	Internal Funding/	Software program for electronic filing of Form 700s (Disclosure Docs) was implemented in FY 2015. Continue to monitor the availability of technology to also allow electronic filings of campaign statements.
A7. Conduct the City's Leadership San Clemente program.	Annually	City Clerk	Internal Funding	Continue to provide a quality program, providing upgrades as opportunities arise.
A8. Provide front-line City Hall Reception and Telephone Service.	On-Going	Senior Office Specialist	Internal Funding	Continue to provide courteous and accurate front-desk services to the public.

A9. Administer the City's cable television channel. <i>(Note: The cable television equipment is the responsibility of Information Technology.)</i>	On-Going	City Clerk/Public Information Officer	Internal Funding	Continue to provide quality cable television programming, including timely airing of City meetings, quality Around Towns and Public Service Announcements. Maintain an informative Community Calendar.
A10. Advertise public notices.	On-Going	Deputy City Clerk	Internal Funding	Continue to publish, mail and post public notices in timely and accurate fashion.
A11. Prepare Proclamations, Commendations and Certificates of Recognition.	On-Going	City Clerk/Senior Office Specialist	Internal Funding	Continue to provide timely and well-written Commendations, Proclamations, and Certificates of Recognition.
A12. Provide City Contract Administration Services.	On-Going	City Clerk/Deputy City Clerk/Information Technology	Internal Funding	Continue to provide accurate contract administration services and ensure receipt of appropriate insurance and securities. Exploring new software solution for contract and insurance/securities certificate management. Implementation scheduled for FY 2018.
A13. Conduct bid openings.	On-Going	Deputy City Clerk	Internal Funding	Continue to open and announce bids in professional and accurate manner. Planet Bids software was implemented in FY 2017 that consolidates City-wide purchasing, bidder notification, and e-procurement.
A14. Maintain Legislative History.	On-Going	Records Management Coordinator/Senior Office Specialist	Internal Funding	Continue to input Council actions into Legislative History. <i>(Note: The Legislative History program may be replaced when the new Agenda/Legislative Management system is implemented.)</i>
A15. Supervise codification of City Ordinances into Municipal Code.	Quarterly	Records Management Coordinator	Internal Funding	Continue to ensure accurate and timely codification of City ordinances into the Municipal Code. Continue to provide on-line access to the Municipal Code.
A16. Respond to public records requests in compliance with California Public Records Act.	On-Going	Records Management Coordinator	Internal Funding	Continue to provide public records in timely and accurate fashion. JustFOIA, which is an electronic workflow system for filing, tracking and managing PRA requests, was implemented in FY 2017.
A17. Train Staff in other Departments on Clerk-related functions (i.e., administrative report preparation, contract administration, minutes, and agendas.)	Annually	City Clerk	Internal Funding	Conduct annual City-wide Staff training to ensure consistency in administrative reports, contracts, minutes, agendas, etc.

GOALS AND OBJECTIVES

RECORDS MANAGEMENT

Goal: *To maintain and protect City records utilizing innovation and state-of-the-art technology.*

Objectives and Action Plan	Time Frame	Lead Responsibility	Funding Source(s)	Strategy
B1. Implement Citywide electronic document management system (EDMS).	On-Going <i>(potential system upgrade toward end of 5-Year Strategic Plan period)</i>	Records Management Coordinator	Internal Funding	Maintain existing electronic records management system in timely and accurate fashion. Evaluate upgrade or replacement opportunities in latter portion of 5-Year Strategic Plan. (See B13)
B2. Maintain legally-compliant records retention schedule and records management policies.	On-Going	City Clerk/Records Management Coordinator	Internal Funding	Update records retention schedule and records management policies and practices at least every three years. Next update is scheduled to occur in FY 2018.
B3. Train Department Records Coordinators on records management practices.	Annually	Records Management Coordinator	Internal Funding	Train all City Records Coordinators annually on EDMS system and records management and retention practices.
B4. Manage on-site and off-site records inventory.	On-Going	Records Management Coordinator	Internal Funding	Maintain hard copies of City records in safe and organized manner and purge City records at least semi-annually in accordance with City's records retention schedule.
B5. Respond to Public Records Act (PRA) requests in timely and accurate fashion.	On-Going	Records Management Coordinator	Internal Funding	Respond to all PRAs within 10 days and provide public documents as soon as practical, but in no event later than legal requirements. JustFOIA, which is an electronic workflow system for filing, tracking and managing PRA requests was implemented in FY 2017.
B6. Administer records destruction in accordance with City Records Retention Schedule and adopted Policies/Procedures.	On-Going	Records Management Coordinator	Internal Funding	Purge City records at least semi-annually in accordance with City's records retention schedule.
B7. Image City documents and input into City EDMS system.	On-Going	Records Management Coordinator (assisted by Maris Imaging Solutions)	Internal Funding	Image City documents and input into EDMS system within 21 days of document availability.

B8. Maintain the City's Legislative History.	On-Going	Records Management Coordinator/Senior Office Specialist	Internal Funding	Continue to input Council actions into Legislative History. <i>(Note: The Legislative History program may be replaced when new Agenda/Legislative Management system is implemented.)</i>
B9. Supervise codification of City ordinances into the Municipal Code.	Quarterly	Records Management Coordinator	Internal Funding	Continue to ensure accurate and timely codification of City ordinances into the Municipal Code. Continue to provide on-line access to the Municipal Code.
B10. Implement an on-line public records request form.	On-going	Records Management Coordinator/Information Technology	Internal Funding	JustFOIA was implemented in FY 2017. Software provides for on-line submittal of public records requests and electronic workflow tracking of records requests.
B11. Implement a portal that provides on-line access to public City records.	On-going	City Clerk/Records Management Coordinator/Information Technology	Internal Funding	Staff is currently evaluating a web-based system for the publication of public City records such as agendas, minutes, resolutions, ordinances, and administrative reports. Implementation planned for FY 2019.
B12. Provide City-wide training on public versus non-public information and appropriate document redactions.	On-going	City Clerk/Records Management Coordinator	Internal Funding	Train Departmental Records Coordinators on public versus non-public information and document redactions.
B13. Evaluate new City Electronic Document Management System to allow for greater integration and interface between modules.	FY 2021	City Clerk/Records Management Coordinator/Information Technology	Budgetary appropriation necessary	Commence evaluation of alternative Electronic Document Management Systems.

GOALS AND OBJECTIVES

TRANSPARENCY

Goal: *To facilitate transparency in government through public noticing, training, and expedient accessibility to public meetings and City records.*

Objectives and Action Plan	Time Frame	Lead Responsibility	Funding Source(s)	Strategy
C1. Post Council agendas, agenda packets and minutes to the City website in a timely fashion.	On-Going	Deputy City Clerk	Internal Funding	Post Council agendas and agenda packets to City website 7 days prior to meeting. Post Council minutes to website within 7 days of Council approval.
C2. Maintain real time and post-meeting accessibility to Council meetings via the City's website and cable channel.	On-Going	City Clerk/Information Technology/Cable Television Technician	Internal Funding	Provide access to live-streamed and recorded Council meetings from City website and live and recorded Council meetings via cable channel.
C3. Continue to co-produce Around Towns, Community Calendar and public service announcements for broadcast on the City's cable channel and City website.	On-Going	City Clerk/Public Information Officer/Cable Television Technician	Internal Funding	Update cable television programming weekly and produce Around Towns when events/opportunities for coverage arise.
C4. Continue to administer the City's Leadership San Clemente program.	Annually	City Clerk	Internal Funding	Continue to provide a quality citizens academy, providing upgrades as opportunities arise.
C5. Train Council, Commission, Committee and Staff members on Brown Act, Conflict of Interest, and due process regulations.	Annually	City Clerk/City Attorney	Internal Funding	Conduct annual staff training, train new Commission and Committee members upon appointment, and maintain updated Handbook concerning Brown Act, conflict of interest, due process, etc. Develop video on Brown Act to post to City intranet.
C6. Advertise opportunities for City service pursuant to Maddy Act requirements.	At least annually	City Clerk/Records Management Coordinator	Internal Funding	Post Maddy Act Appointments List by December 31 of each year and publish opportunities for City service in local newspapers, City website and City Facebook page at least 10 days prior to application deadline.
C7. Advertise Public Hearings, ordinance introductions/adoptions, election information, etc. according to State law and/or Federal Voting Rights Act requirements.	On-Going	City Clerk/Deputy City Clerk	Internal Funding	Advertise all public notices to meet or exceed legal requirements.
C8. Post election data to the City's website.	On-Going	City Clerk	Internal Funding	Post election materials to the City's website in prompt fashion.

C9. Post Statements of Economic Interests (Form 700) to the City's website.	FY 2017	City Clerk/Office Specialist I	Internal Funding	Post redacted Form 700s to the City's website. Existing forms to be available on-line by June 2017. Going forward, forms to be uploaded within two weeks of receipt.
C10. Implement a portal that provides on-line access to public City Records.	FY 2019	City Clerk/Records Management Coordinator/Information Technology	Internal Funding	Staff is currently evaluating a web-based system for the publication of public City records such as agendas, minutes, resolutions, ordinances, and administrative reports. Implementation planned for FY 2019.

GOALS AND OBJECTIVES

SUSTAINABILITY

Goal: To demonstrate environmental stewardship by protecting natural resources through a reduction in paper consumption.

Objectives and Action Plan	Time Frame	Lead Responsibility	Funding Source(s)	Strategy
D1. Encourage the transmittal of documents via e-platforms.	On-Going	All City Clerk Staff	Internal Funding	Continue to encourage the public and staff to transmit and receive documents electronically.
D2. Provide on-line access to Council agendas, agenda packets, and minutes.	On-Going	Deputy City Clerk	Internal Funding	Continue to post Council agendas and agenda packets to City website 7 days prior to meeting. Post approved minutes to City website within 7 days of Council approval.
D3. Offer free public participation in the City's electronic Council Agenda/Package subscription program.	On-Going	Deputy City Clerk	Internal Funding	Continue to provide free subscriptions to electronic copies of Council agendas and packets.
D4. Continue the City's electronic program for the submittal of Statements of Economic Interests (Form 700s).	On-Going	City Clerk/Office Specialist	Internal Funding	Continue to provide Form 700 filers the option to submit their Form 700s electronically via the DisclosureDocs software program.
D5. Implement a portal that provides on-line access to public City records.	On-Going	City Clerk/Records Management Coordinator/Information Technology	Internal Funding	Staff is currently evaluating a web-based system for the publication of public City records such as agendas, minutes, resolutions, ordinances, and staff reports. Implementation planned for FY 2019.
D6. Implement an electronic agenda/legislative management system.	FY 2017 and FY 2018	City Clerk/Deputy City Clerk/Information Technology	Budgetary appropriation required	Issue RFP by June 30, 2017. Select contractor, request Council budget appropriation, and begin to implement system during late FY 2017 or early FY 2018, with completion scheduled for FY 2018.
D7. Offer Council members the option to receive their agenda packets electronically via iPad or other portable device.	FY 2018	Deputy City Clerk	Budgetary appropriation required	Request funding in FY 2018 (after the electronic agenda management system is fully operational).
D8. Monitor availability of technology to allow electronic filings of FPPC campaign statements.	On-Going	City Clerk	Budgetary appropriation required	Monitor technology availability for filing of FPPC campaign statements and seek budget approval to implement system when technology and price become acceptable.

GOALS AND OBJECTIVES

ELECTIONS AND ADMINISTRATION OF FAIR POLITICAL PRACTICES COMMISSION (FPPC) REQUIREMENTS

Goal: Conduct City elections, process initiatives, referenda and recalls, and administrate Fair Political Practices Commission filings in a fair and impartial manner.

Objectives and Action Plan	Time Frame	Lead Responsibility	Funding Source(s)	Strategy
E1. Conduct all elections pursuant to the California Elections Code.	On-Going	City Clerk	Internal Funding	Continue to attend trainings to remain current on election laws and conduct all elections fairly, accurately, and without bias.
E2. Publish election materials that are submitted to the voters in English and Spanish as required by the Voting Rights Act.	On-Going	City Clerk	Internal Funding	Continue to post/publish election notices to the voters in English and in Spanish.
E3. Post information about upcoming elections, including the Council Candidate Handbook, on the City's website.	On-Going	City Clerk	Internal Funding	Continue to post election notices on the City's website. Post Candidate Handbooks online commencing with the 2016 General Municipal Election.
E4. Post voter registration deadlines, in English and in Spanish, on the City's website and Community Calendar.	On-Going	City Clerk	Internal Funding	Continue to post voter registration information in English and Spanish on the City website and Community Calendar.
E5. Fulfill Fair Political Practices Commission filing officer duties as required by the FPPC.	On-Going	City Clerk	Internal Funding	Continue to implement FPPC filing officer duties in timely and accurate fashion.
E7. Post Statements of Economic Interests (Form 700) on the City's website.	FY 2017	City Clerk/Senior Office Specialist	Internal Funding	Post redacted Form 700s to the City's website. Historical forms to be available on line by June 2017. Going forward, forms to be uploaded within two weeks of receipt.

E6. Post redacted Campaign Statement filings on the City's website.	FY 2017	Records Management Coordinator/Office Specialist I	Internal Funding	Post redacted campaign statements for Political Action Committees on line. Historical records to be posted by June 2017. New filings to be posted within two weeks of filing.
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GOALS AND OBJECTIVES

CUSTOMER SERVICE

Goal: Provide respectful, timely and accurate customer service to City officials, staff and the public.

Objectives and Action Plan	Time Frame	Lead Responsibility	Funding Source(s)	Strategy
F1. Provide main City Hall reception and telephone services.	On-Going	Senior Office Specialist	Internal Funding	Continue to provide outstanding front office reception duties and courteous and accurate City Hall phone service.
F2. Process City mail in timely and accurate fashion.	On-Going	Senior Office Specialist	Internal Funding	Continue to accurately sort and route City mail on a daily basis.
F3. Pursue training opportunities to enhance customer service.	On-Going	All City Clerk staff	Internal Funding	Continue to participate in training to enhance customer service skills.



Glossary

ADA (Americans with Disabilities Act of 1990):

Federal legislation requires State and local governments to make all public services, programs, and activities accessible to persons with disabilities.

Appropriation:

An authorization made by the City Council which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are typically granted for a one-year period.

Assessed Valuation:

The estimated value of real and personal property established by the Orange County Assessor as the basis for levying property taxes.

Assessment District (AD):

A defined area consisting of real property or businesses to pay for special assessments levied by a taxing authority.

Assessments:

The levy of a tax against real property.

Balanced Budget:

A balanced budget is one in which total expenditures equal total revenue. An entity has a budget surplus if expenditures are less than revenues. It has a budget deficit if expenditures are greater than revenues.

Bond (Debt Instrument):

A written promise to pay a specified sum of money at a specified future date, at a specified interest rate. Bonds are typically used to finance capital facilities.

Bond Rating:

The City has an "issuer bond rating" of AAA awarded by the rating firm of Standard & Poor's. An obligation rated "AAA" is the highest rating assigned by Standard & Poor's. This means that the City's capacity to meet its financial commitment on the debt obligation is extremely strong. An obligation rated "AA" differs from the highest-rated ("AAA") obligations only in small degree.

Budget:

A financial plan, including proposed expenditures and estimated revenues, for a period in the future.

CalPERS:

Public Employees Retirement System provided for Public Safety personnel by the State of California.

Capital Assets:

Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Improvements:

Buildings, structures, or attachments to land such as sidewalks, trees, drives, tunnels, drains and sewers.

Capital Improvement Program (CIP):

A plan over a period of six years setting forth each capital project, the amount to be expended in each year and the method of financing capital expenditures.

Capital Projects Fund:

In governmental accounting, a fund that accounts for financial resources to be used for the acquisition or construction of capital facilities. The total cost of a capital project is accumulated in a single expenditures account which accumulates until the project is completed, at which time the fund ceases to exist.

Capital Outlay:

Expenditures which result in the acquisition of or additions to fixed assets. Examples include land, buildings, machinery and equipment, and construction projects.

Capital Projects:

Projects typically included in the Capital Improvement Program (CIP) which result in the acquisition or addition of fixed assets.

CDBG (Community Development Block Grant):

Federal grant funds distributed from the U.S. Department of Housing and Urban Development that are passed through to the City from the Orange County Environmental Management Agency. The City primarily uses these funds for housing rehabilitation, public improvements, and local social programs.

Certificates of Participation (COP):

A method of financing capital facilities through a debt instrument, where a long term lease is entered into with the investors for constructed facilities. Lease payments are then used to service the debt instrument.

California Joint Powers Insurance Authority (CJPIA):

This is a public-entity risk pool comprised of a cooperative group of governmental agencies joined together to finance the exposure of liability and workers' compensation risks. The City is self-insured for both liability and workers' compensation insurance. CJPIA provides coverage for liability claims in excess of \$50,000.

COLA:

Cost of Living Allowance.

Community Facility District (CFD):

A method of financing capital facilities through a debt instrument through a defined area consisting of real property or businesses to pay for special assessments levied by a taxing authority.

Comprehensive Annual Financial Report (CAFR):

The official financial report of the City. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions.

Contingency:

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contract Services:

Services provided to the City from the private sector or other public agencies.

Cost of Service:

An analysis of the cost structure of a particular service or function. The costs of operations, maintenance and capital replacements are considered.

Debt Service:

Payment of interest and repayment of principal to holders of the City's debt instruments.

Defease:

To pay off an outstanding liability. To replace a higher interest rate with a lower rate.

Deficit:

The excess of liabilities over assets.

Depreciation:

Is the reduction in value of assets over a defined period of life of that asset. In accounting, depreciation represents a charge to expense the value of an asset over its useful life.

Elastic Revenues:

Revenues which can vary depending upon changing economic conditions. Revenue categories include; sales taxes, transient occupancy taxes, license and permits, and community development charges.

Emergency Reserve:

Restricted money set aside to appropriate under serious conditions which warrant emergency measures. Money can only be appropriated by Council action.

Enterprise Fund:

In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting. It basically follows GAAP as does a commercial enterprise.

ERAF:

Educational Revenue Augmentation Fund

ERAF Property Tax Shift:

Funding for California public school spending generated by shifting a portion of property taxes from cities, counties and special districts.

Expenditures:

Where accounts are kept on the accrual or modified accrual basis of accounting, expenditures are recognized when goods are received or services rendered.

Facilities Maintenance Reserve:

The Facilities Maintenance Reserve provides a funding source for maintenance of City facilities. Facilities maintenance expenditures include costs such as flooring replacement, roof replacement, interior and exterior painting, HVAC replacement and parking lot seal coat/stripping for all City facilities, plus the compressor, speed drive and boiler for the City pool.

Fiscal Policy:

A written set of policies adopted by City Council which establishes formal guidelines for financial activities of the City.

Fiscal Year:

A 12-month period to which the annual operating budget applies and at the end of which the City determines its financial position and results of its operations. San Clemente's fiscal year runs from July 1 - June 30.

Five-Year Financial Forecast:

Estimates of future revenues and expenditures to help predict the future financial condition of the community. The Five Year Financial Forecast is included in the City's annual Long Term Financial Plan.

Fixed Assets:

Assets which are intended to be held or used for a long term, such as land, buildings, improvements other than buildings, machinery and equipment.

Fleet Maintenance Fund:

The Fleet Maintenance Fund is used to account for the operation, maintenance and replacement of City owned vehicles and equipment.

Fleet Replacement Reserve:

The Fleet Replacement Reserve accounts for funds set aside for replacement of Fleet vehicles and equipment.

Full Time Equivalent (FTE):

The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is paid for 2,080 hours per year, while a .5 FTE would work 1,040 hours per year.

Fund Balance:

The excess of fund assets and resources over fund liabilities is defined as Fund Equity. A portion of Fund Equity may be reserved or designated; the remainder is available for appropriation, and is referred to as the Fund Balance.

Fund Equity:

The excess of fund assets and resources over fund liabilities. A portion of the equity of a governmental fund may be reserved or designated; the remainder is referred to as fund balance.

General Fund:

In governmental accounting, the fund used to account for all assets and liabilities of a nonprofit entity, except those particularly assigned for other purposes in another more specialized fund. It is the primary operating fund of the City of San Clemente.

General Liability Self-Insurance Fund:

The General Liability Self-Insurance Fund is used to provide the City with liability and property insurance. Coverage is provided through the City's participation in a joint powers agreement through the CJPIA.

General Obligation Bonds:

Bonds for which the full faith and credit of the City is pledged for payment.

Golf Course Capital Improvement Reserve:

The Golf Course Capital Improvement Reserve provides for capital improvements to the existing golf course.

Government Accounting Standards Board (GASB):

An organization created to provide comparability and consistency between different government agencies. GASB issues statements regarding various accounting issues and provides guidelines on how accounting transactions should be recorded.

Government Finance Officers Association (GFOA):

A national organization of governmental finance officers.

International City Management Association (ICMA):

Provides guidelines on the analysis of indicators presented in the trends.

Improvements:

Buildings, structures, or attachments to land such as sidewalks, trees, drives, tunnels, drains and sewers.

Infrastructure:

The term refers to the technical structures necessary to provide basic services, such as roads, water supplies, sewage treatment facilities, and so forth.

Inter-Agency Loans:

Loans made between related Agencies.

Interdepartmental/Interfund Transfers:

Flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment.

Interfund Loans:

Loans made between City Funds.

Internal Service Fund:

Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City.

Liquidity Ratio:

A calculation of the relationship between available assets (cash or near cash) and current liabilities (accounts payable, wages payable, etc.).

Long-Term External Debt:

Debt borrowed from a source outside the City with a maturity of more than one year after the date of issuance.

Long-Term Financial Plan (LTFP):

A plan which identifies fiscal issues and opportunities, establishes fiscal policies and goals, examines fiscal trends, produces a financial forecast, and provides for feasible solutions.

Maintenance:

Expenditures made to keep an asset in proper condition or to keep an asset in working order to operate within its original capacity.

Negocio Debt Service Fund:

The Negocio Debt Service Fund is used to account for the accumulation of funds for the payment of interest and principal on Certificates of Participation (COP). Proceeds from the COP were used for the purchase of the building located at 910 Negocio, San Clemente. Debt service is financed by revenues generated from the lease of the building.

One-time Expenditures:

Non-recurring expenditures, such as capital asset purchases, one-time studies, etc.

Operating and Maintenance Costs (O&M):

Refers to costs directly associated with the operation and maintenance of a program or activity.

Operating Budget:

The operating budget is the primary means by which most of the financing of acquisition, spending and service delivery activities of a government are controlled. The use of annual operating budgets is required by law.

Operating Position:

Refers to the difference between on-going revenues and expenditures. When revenues exceed expenditures, a “positive operating position” exists.

Operating Transfer:

Routine or recurring transfer of assets between funds.

Orange County Fire Authority (OCFA):

A joint powers agency (JPA) which provides fire protection services within Orange County.

Orange County Transportation Authority (OCTA):

A joint powers agency (JPA) which provides transportation services within Orange County.

Parks Acquisition and Development Fund:

The Parks Acquisition and Development Fund is used to account for the revenues received from developer fees and the expenditures for the acquisition, construction, improvement or renovation of City owned parks.

Personnel:

Salaries paid to City employees. Included are items such as regular full time, regular part time, premium overtime and special duty pay.

Personnel Benefits:

Those benefits paid by the City as conditions of employment. Examples include insurance and retirement benefits.

Projected Surplus/Deficit:

The projected surplus/deficit is the net of forecasted receipts and forecasted disbursements. A surplus is the result of receipts exceeding disbursements, and a deficit is the result of disbursements exceeding receipts.

Public Facilities Construction Fund:

The Public Facilities Construction Fund is used to account for developer fees collected at the time a building permit is issued to provide for future public facilities necessitated by new development and expenditures for construction of beach parking facilities, public safety buildings or equipment and public facilities.

Rates:

Refers to established fees for water, sewer, storm drain and clean ocean programs. Rates include fixed charges, such as water base fees, and variable charges, such as the sewer commodity fees.

RDA:

Redevelopment Agency.

Redevelopment Agency Capital Projects Fund:

The Redevelopment Agency Capital Projects Fund is used to account for the proceeds of notes, advances and other forms of indebtedness, and the expenditure of these funds for improvement, reconstruction and redevelopment projects within the specified boundaries of the San Clemente Redevelopment Agency.

Redevelopment Agency Debt Service Fund:

The Redevelopment Agency Debt Service Fund is used to account for the accumulation of funds for the payment of interest and principal on advances from the City of San Clemente and other long-term debt. Debt service is financed through property tax revenues.

Replacement Reserve:

An account used to accumulate funds for the replacement of specified capital assets or major maintenance of capital assets.

Reserve:

An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Reserve Fund:

The Reserve Fund is used to account for funds set aside for capital equipment replacement, facilities maintenance and accrued employee benefits for retired, terminated or former employees funded from the General Fund.

Revenue Bonds:

Bonds issued pledging future revenues, usually water or sewer charges to cover debt payments.

Self-Insurance Reserves:

Money set aside to pay insurance claims below the deductible limit of workers' compensation and general liability insurance policies.

Special Assessment Bonds:

Bonds payable from the proceeds of special assessments.

Street Improvement Fund:

The Street Improvement Fund is used to account for revenues and expenditures related to the rehabilitation of City streets.

Subsidence Claims:

Claims pending against the City's General Liability Self-insurance Fund for land movement.

Subventions:

Revenues collected by the State which are allocated to the City on a formula basis. For example, motor vehicle and gasoline taxes.

Supplemental Appropriation:

An appropriation approved by the Council after the initial budget is adopted.

Sustainability:

Is the capacity to maintain a certain process or state.

Sustainability fund balance:

\$10 million designation of the General Fund balance to provide for economic and financial stability. This fund balance can be used only by formal action of the City Council.

Taxes:

Compulsory charges levied by the City, County & State for the purpose of financing services performed for the common benefit.

Transient Occupancy Tax (TOT):

Commonly referred to as a “bed tax”, transient occupancy taxes are applied to all short-term rentals (less than 29 days of occupancy) within the City limits. The tax rate is 10% of the gross room rate.

Triple Flip:

The “triple flip” swaps one-quarter of the City’s local sales taxes to secure \$15 billion in deficit financing bonds approved through the passage of Proposition 57 (flip #1). The State intends to replace this revenue with Educational Revenue Augmentation Fund (ERAF) property tax money that was taken from cities and counties in the early ‘90’s (flip #2). Using ERAF money to backfill the sales tax taken from cities will increase the States obligation to fund schools from *other* general fund resources (flip #3). Another impact of the triple flip upon the City will be cash flow. Sales tax, which is received monthly, will be reduced by 25% and will be “backfilled” with property tax, which will be received bi-annually in January and May.

Unassigned Fund Balance:

Refers to fund balances available for spending, ie; funds not assigned for any other purposes.

Workers’ Compensation Fund:

The Workers’ Compensation Fund accounts for the cost to provide Workers’ Compensation insurance coverage to all City employees in compliance with State of California requirements.