

Responses to Council Questions and Comments

6/3/2024

Item #17: Preliminary Fiscal Year 2024-2025 City of Petaluma Budget, Adoption of City Budget Resolutions and Introduction (First Reading) of Fiscal Year 2024-2025 City Appropriations Ordinance

- Question: On page CIP-70, \$423,000 is proposed for each of the next fiscal years for Safe Streets Quick Builds. About how many projects per year does staff anticipate being able to take on with this budget? Relatedly, how many streets have been nominated by citizens in the current round?
 - Response: The proposed budget for this project has been increased to \$873k. (See Agenda Item 17. Staff Report, pg. 2) Staff prepared preliminary cost estimates for the top 10 scoring streets, which came out to an average of \$275k per mile and 0.5 miles per street. Based on this, \$873k would deliver approximately three miles of improvements across six streets. We will also be looking to deliver intersection improvements near schools audited through the Safe Routes to School Task Force, which are estimated at \$15k per intersection.
Staff is also looking to leverage these funds as a 20 percent local match in its application to the US Department of Transportation's Safe Streets and Roads for All grant program. A successful application could bring in up to \$4.37 million, which would deliver approximately 16 miles of improvements across 32 streets.
We have received 659 nominations since October 2023, although most streets have received multiple nominations. In our first round of scoring (those received through mid-February), we received 537 nominations across approximately 160 streets.
- Question: Regarding the trestle, do we have enough money to start some more pre-demolition work besides the pilings study already done? Can we find money to increase its safety? Can we increase budget for this project just in case we can start doing something with SMART agreement?
 - Response: Staff recently executed a design agreement with Foth for the design phase work with kick-off planned for June. The updated proposed FY 24/25 budget for this effort has been increased for this contract and is addressed in tonight's budget update (see Agenda Item 17, pg. 2 of Staff Report). Note, this was not included in the original budget request due to the timing: during consultant negotiations, staff received updated cost proposals too late to include in the original proposed FY24/25 budget document. The professional services agreement includes planning, limited additional studies (geotechnical investigation), alternatives analysis, community meetings, and final design of a rehabilitated trestle. This design is scheduled to be complete by June 2025, with a complete "shovel-ready" set of construction plans and requisite agency permits applications submitted.
There are several precedents required before staff can begin negotiating ownership with SMART, including a complete updated environmental analysis (amended EIR) so that the City understands the environmental liability and cleanup requirements associated with trestle rehabilitation. The design work must be complete to the point that a comprehensive project description can be used for the environmental analysis, which must also be comprehensive of all proposed work to avoid "piecemealing".
Piecemealing refers to examining the impacts of individual actions of a project, which on their own may be less than significant, as opposed to the collective impact of an entire project where the aggregate impacts may be significant. Informed by a more comprehensive understanding of the environmental risk, liability, and a complete design

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package, staff will be able to enter into negotiations with SMART regarding future ownership.

At this time, interim measures to improve safety are not being considered because of the potential for additional damage to the trestle, assumed risk and liability to the City, and any additional cost of incremental work that might not be a part of the final rehabilitation design (sunk costs) that would be fiscally irresponsible. Finally, until the City comes to an agreement with SMART and obtains rights to the trestle structure, we do not have authority to perform alterations or assume the risk of doing so.

- Question: What is staff's response to a suggestion to eliminate all unfilled, funded positions and limit overtime allowed for the funded positions?
 - Response: Eliminating all current unfilled, funded positions would result in a decrease of over 25 positions and disproportionately impact Public Works and Utilities. It would have a profound negative impact on operations City-wide, and any cost savings would be offset by reductions in quality and quantity of service provided to our community. These positions were put into the budget because they are critical for service delivery and are often only vacant due to intermittent resignations / and / or while we recruit a replacement. Additionally, it's important to note that budgeted-but-unfilled positions do not impact the actual financial condition of the General Fund or any fund. Rather, those unspent dollars stay in the fund and can be used for other services or purposes down the road – or can add to reserves if needed to meet reserve targets.

As for overtime costs, these expenses are generally low for non-public safety staff, and currently are managed by individual department directors. Overtime can be a valuable tool to manage fulfillment of high-priority demands, and if we move towards limiting its use we will again want to be strategic in how we determine and apply those limits. The vast majority of overtime is utilized by our Police and Fire Departments, who have minimum staffing requirements to meet service demands. Much of their overtime is driven by staff absence, whether due to sick/vacation leaves, family leave, employees out on workers compensation, etc. Much of this is beyond the City's control, and we utilize overtime to backfill shifts. Additionally, especially in the Fire Department, some overtime is generated by mutual aid response to other jurisdictions when we respond to larger wildfires in – these cases, the City is fully reimbursed for the expenses.