

Report of the Community Advisory Budget Task Force

March 22, 2021

Rebecca Day-Rodriguez, Chair
Juan González III, Vice Chair

Presentation Agenda

1. Background
2. City Council's request
3. Understanding of the City's budget and fiscal issues
4. Development and selection of recommendations
5. Recommendations
6. Conclusion

1. Background

Background

- City Council established the Community Advisory Budget Task Force (“the Task Force”)
- Task Force membership

2. City Council's Request



City Council's Request

- Develop an understanding of the City's budget and fiscal issues
- Provide input on community priorities and develop recommendations on programs and fiscal strategies
- Make recommendations to enhance public understanding of the City budget and provide input into the budget development process
- Make recommendations to re-allocate the funding deducted from the Police budget
- Make recommendations to help achieve a long-term, sustainable budget through controlling expenditures and enhancing revenues

3. Understanding the City's Budget and Fiscal Issues

Understanding the City's budget/fiscal issues

To develop an understanding of the San Leandro's budgetary and fiscal issues, the Task Force members:

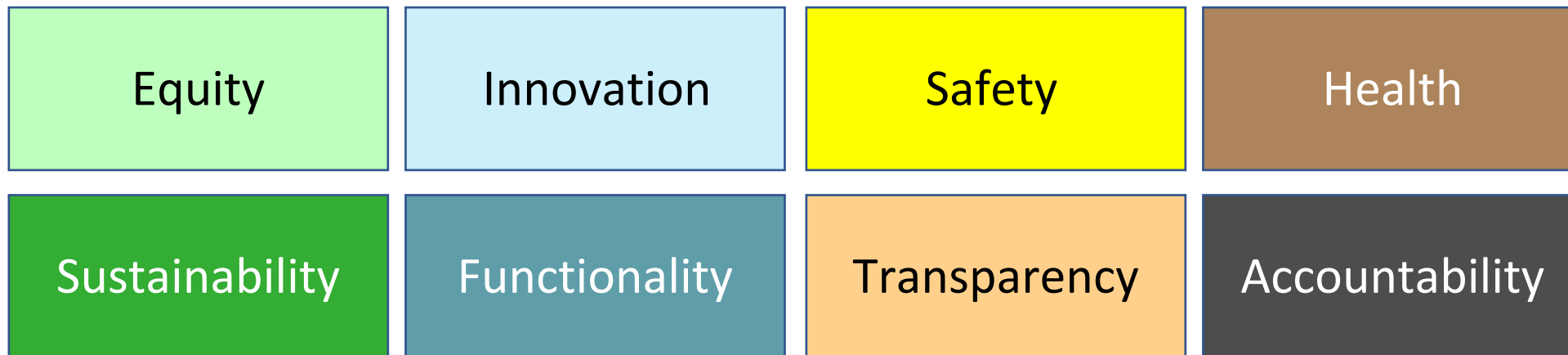
- Gathered as a group 13 times
- Welcomed and honored approximately 200 public comments
- Formed five subcommittees: Values, Engagement, Revenue, Town Hall, and Reporting
- Performed research and analysis, formulated questions for City staff, and studied the responses
- Met with approximately 40 residents during a 4 hour town hall

Conservatively estimated, Task Force members donated over 1,500 hours of time to this effort.

4. Development and Selection of Recommendations

Shared Values Guide

The Values ad hoc subcommittee developed, and the Task Force adopted, a guide for use by members when making budgetary decisions. The Guide notes that “our city budget should value...”



Development of Recommendations

The Task Force considered multiple inputs as it began the process of developing recommendations, such as:

- The Values Guide
- Staff presentations
- Public comments
- Research and analysis conducted by ad hoc subcommittees
- Research and analysis by Task Force members
- Member discussion during Task Force and subcommittee meetings

Development of Recommendations

- **Brainstorm** -- Based on the various inputs, the Task Force expended approximately 5 hours conducting multiple rounds of brainstorming to capture ideas, themes, and potential recommendations. This process generated approximately 100 distinct entries in a spreadsheet.
- **Consolidation** -- The Task Force empowered the ad hoc Reporting Subcommittee to consolidate the 100 entries. The Subcommittee synthesized the entries into 28 draft recommendations.

Development of Recommendations

- **Validation** – The Subcommittee presented the synthesized list to the Task Force. Members validated the thematic accuracy of the list.
- **Town Hall** – The public met with Task Force members on March 6, 2020 to provide input and recommendations tied to each of the City Council's objectives and the list of draft recommendations.
- **Final changes** -- Members were permitted to suggest additions and edits to the list. At the completion of the meeting, the Task Force had a list of 32 draft recommendations.

Selection of Final Recommendations

Many possible processes were available for selecting the final recommendations. As a Task Force we agreed to:

- Use a one-round voting method.
- Present the 10 recommendations garnering the most votes.
- Let each Task Force member select 10 recommendations from the list of 32 draft recommendations.
- Not use a ranking or weighting method – one vote per selection.

Based on the outcome of the voting, the Task Force unanimously agreed to present the 11 recommendations receiving the most votes.

5. Recommendations



Structure of Recommendations

The Task Force voted to provide recommendations in these categories:

- Allocation of the \$1.7 million
- Enhanced community engagement
- Budget balancing strategies
- Long term fiscal sustainability
- Community priorities
- Ad hoc Revenue Subcommittee
- Ad hoc Community Engagement Subcommittee

Allocation of the \$1.7 million

- Create a San Leandro Navigation Center for the unhoused with wrap around services, including services provided by other city departments to be overseen by Human Services with a trained clinician.
- Create, fund, and sustain an effective independent Police oversight mechanism which should be accompanied by a Civilian Police Review Board.
- Dedicate resources to researching, piloting, implementing, and sustaining mental health response to people in crisis such as MH-First, CAHOOTS, piloting AlCo Fire civilian crisis response team.
- Pilot a Public Safety Liaison and/or Ambassador program.

Enhanced Community Engagement

- Create a community engagement plan which includes budget creation and revisions through the participatory budget process. This could include adding dedicated resources to allow for focus groups, key informant interviews, town halls and public opinion polls from San Leandro residents to ensure maximum engagement. Available in languages other than English.

Budget Balancing Strategies

- Hire a Development Director or development consultants which can include grant writing.
- Reallocate activities handled by sworn officers where other experts or lower cost resources could deliver the service. This could include the role of sworn officer in homelessness, crime reports, etc.

Long Term Fiscal Sustainability

- Establish clear measurable performance measures that guide the evaluation of department performance. (Results based accountability.) This would also include analysis of budget utilization.
- Prioritize and increase funding for the maintenance for city buildings and roads.
- Study potential for increased revenue through various strategies including tax on vacant property, increase in housing in lieu fees, more effective collection of existing city fees (in an equitable manner). Bonds for capital projects.

Community Priorities

- Increased funding for community resiliency around natural disasters (fires, earthquakes, etc.) effects of climate change, disaster prep, public health, food pantries.

Community Engagement Subcommittee: Summary of Recommendations

Subcommittee Members: Committee Members: Robert Bailey, Angela Brown, Cynthia Chandler, Susan Erb, Juan González, Melissa Wong

The Goal

To increase dialogue, inclusion, and informed participation by the public in San Leandro's budget decision-making.

Summary

Based on public comments, townhall input, and the subcommittee's research and discussions, the subcommittee developed and the Task Force approved two recommendations:

- Launch a participatory budgeting pilot in 2021
- Upgrade the City's information systems ("IS") and ability to generate data on results-based service goals and outcomes.

Participatory budgeting pilot in 2021

The City should immediately adopt a pilot Participatory Budgeting program, starting with a discrete aspect of the budget, such that:

- decision-making with the community is truly shared and
- the community is given the opportunity, tools and ability to share responsibility for budgetary decisions and project design.

Participatory budgeting pilot in 2021

The pilot is modeled after a similar program in San Francisco Supervisorial District 7

- District 7 is of similar population to San Leandro.
- Former District 7 Supervisor Norman Yee (who launched the San Francisco model) is willing to provide ongoing advice to San Leandro City staff, leadership, and community members on Participatory Budgeting.

Pilot Design

- a. Appoint residents to a community participatory budget task force (“the CPB task force”).
- b. Allocate funds to the pilot: \$500K-\$1M from FY20 surplus of \$1.5M
- c. Scope: Allocation of project funds will be City-wide
 - CPB task force invites community proposals for project funding
 - Requestors must be residents
 - Project costs shall be between \$5k-\$250k per project.
 - Project costs shall include the cost of city-related resources.
 - Projects must NOT include those already budgeted by departments.

Pilot Design

- d. Design Workshop staffed by City staff to hone project design and budget.
- e. Proposals vetted by the CPB task force and City staff for viability/duplication.
- f. Open House Poster Session to inform the community at large of the vetted (i.e., eligible) proposals.

Pilot Design

- g. Decision making: City-wide electronic and drop-box voting at libraries, schools, and NGO's will select the top projects to be funded. This vote is a binding process. Selected projects will be implemented by City Staff.
- h. Timing: The entire process should not exceed 12 months.
- i. Evaluation: Task Force will evaluate the full cost and benefits of the pilot and recommend to Council whether and how to expand the following year.

Prerequisites

The success of the participatory budgeting is dependent on improvements in the accessibility of both budgeting data and city-wide communications.

This serves as motivation for the second set of recommendations, which follow below. This set may be considered as an independent set of recommendations.

Upgrade City's IS and ability to generate data

The City should upgrade its information systems and ability to generate data on results-based service goals and outcomes. Two categories comprise this recommendation:

- A. Increase accessibility of financial data and reports to facilitate review of budget variances and better capture and communicate costs at the program level to the community.
- B. Improve transparency and accessibility of budgeting information, and aid the public in connecting decisions on resource allocation to specific desired outcomes.

Upgrade City's IS and ability to generate data

A. Increase accessibility of financial data and reports to facilitate review of budget variances and better capture and communicate costs at the program level to the community.

- Determine any needs for financial system upgrades and performance data software, and fund as necessary.
- Ensure account codes and names are clear and commonsensical (e.g., all overtime should be clearly identified as overtime in account descriptions), and actual accounts are consistently recorded in the related budget accounts.

Upgrade City's IS and ability to generate data

- Ensure budget utilization by department is reported during the fiscal year (e.g., quarterly), department reviews are documented, and variances (determined by Finance) are addressed timely (e.g., requiring narrative justifications for variances over 10%).
- Publicly post budget utilization by department in the Finance page.
- Provide greater transparency about use of City reserves.

Upgrade City's IS and ability to generate data

B. Improve transparency and accessibility of budgeting information, and aid the public in connecting decisions on resource allocation to specific desired outcomes.

- Use results-based service goals and outcomes inside the budgeting process, tying performance measures to budgeted dollars.
- Invest in building communications capacity with attention to equity and community engagement, beginning with hiring an information officer trained in engaging diverse and vulnerable communities to develop expanded strategies for reaching, engaging, and listening to diverse communities throughout the city.

Revenue Subcommittee: Summary of Recommendations

Subcommittee Members: Donna Chamberlin, Moira Fry, Juan González,
Mike Katz-Lacabe, Garry Offenber, Jim Prola, Celina Reynes

Summary

Based on public comments, townhall input, and the subcommittee's own research & discussion, the subcommittee developed and the Task Force approved four recommended sources for revenue enhancement:

- Specific fees and taxes
- Public grants
- Municipal bonds
- Economic growth

Specific Fees and Taxes

While subcommittee members recognized a certain level of tax fatigue in the community, members agreed that some revenue enhancement opportunities exist. With respect to specific taxes and fees, the City should explore:

- Adoption of a vacant property tax
- Increase in amount and coverage of developer in lieu fees
- Collection of existing fees (dog license, construction permits, etc.)

Grant Funding

We repeatedly heard about the large number of grants available to address capital projects and operational programs. We also heard that grants can have significant unrecoverable reporting and managerial overhead.

With respects to grants, the City should more ardently pursue grants, attentive to the unrecoverable overhead associated with managing the grants to ensure net economic value. A distinct effort should be undertaken with respect to pursuing grants available under the America Rescue Plan Act.

Municipal Bonds

Municipalities use bonds to finance the construction or maintenance of assets whose life extends for a number of years, i.e., capital expenditures. As a general principal, the bond term (i.e., life of the bond) is less than or equal to the service life of the asset.

The city should explore the fiscally appropriate use of bonds to finance capital expenditures, such as returning roads to a materially higher PCI.

Economic Growth

The primary driver of City revenue is economic growth and well-being. CDD and EDD should more effectively support economic growth. They should:

- Actively recruit businesses into San Leandro and expand support for businesses seeking to grow San Leandro-based operations.
- Ardently support the development of housing in San Leandro, while clearly communicating the economics and viability of housing construction to San Leandro stakeholders.
- Strategically advocate for economic growth to City stakeholders.

Appendices

Summary of Appendices

For the benefit of City Council, City staff, and the community, the Task Force has included the following appendices:

- Shared Values Guide
- Task Force brainstorming list
- List of 32 draft recommendations
- Final recommendations

Appendix A

Shared Values Guide

Appendix B

Task Force Brainstorming List

Appendix C

List of 32 Draft Recommendations

Community Advisory Budget Task Force
List of Draft Recommendations
Sorted in the order presented to the Task Force

Item #	Draft Recommendation
1	Create a community engagement plan which includes budget creation and revisions through the participatory budget process. This could include adding dedicated resources to allow for focus groups, key informant interviews, town halls and public opinion polls from San Leandro residents to ensure maximum engagement. Available in languages other than English.
2	Increase accessibility to both financial information and department performance metrics to increase transparency and accountability. (See item 25 – maybe combine?)
3	Provide funding to small business impacted by COVID 19 using sustainable funding. Also to encourage new and existing businesses to grow.
4	Hire a Development Director or development consultants which can include grant writing.
5	Hire a Volunteer Coordinator to facilitate the engagement of various opportunities with San Leandro residents.
6	Assess whether it is cheaper contracting out fire services or having the city staff it and conduct an analysis of the components of the contract for cost savings.
7	Pilot a Public Safety Liaison and/or Ambassador program.
8	Create a San Leandro Navigation Center for the unhoused with wrap around services, including services provided by other city departments to be overseen by Human Services with a trained clinician.
9	Increase funding support for environmental sustainability efforts
10	Prioritize and increase funding for the maintenance for city buildings and roads.
11	Develop behavioral health infrastructure and services.
12	Providing funds to strengthen ongoing collaboration between school and library programming (GED, bookmobiles, job training etc.) to improve program delivery and access to students, families, seniors and unhoused at navigation center etc.
13	Increased collaboration with both School Districts to increase efficiencies and look to include student mental health with SLUSD & SLOrenzUSD.
14	Create, fund, and sustain an effective independent Police oversight mechanism which should be accompanied by a Civilian Police Review Board.
15	Dedicate resources to researching, piloting, implementing, and sustaining mental health response to people in crisis such as MH-First, CAHOOTS, piloting AICo Fire civilian crisis response team.
16	Reallocate activities handled by sworn officers where other experts or lower cost resources could deliver the service. This could include the role of sworn officer in homelessness, crime reports, etc.

Community Advisory Budget Task Force
List of Draft Recommendations
Sorted in the order presented to the Task Force

Item #	Draft Recommendation
17	Expand city-wide training on de-escalation, trauma-informed frameworks, implicit bias, and cultural humility and background checks. Also recommend evaluations to assess ongoing effectiveness of the training.
18	Ensure that reform and/or reallocation efforts affecting the police department recognize the need for public safety and are implemented with the intended effect of maintaining or increasing public safety levels and diversify our public safety portfolio beyond reliance on policing.
19	Increase partnering with NGOs and local businesses with expertise that can promote community engagement and assist city be more financially efficient (contracting with those with expertise which could be less expensive).
20	Reorganize current departments to possibly include a new Department of Race and Equity, and consolidation to improve cost efficiency where appropriate, (include separating Recreation and Human Services and combining Engineering & Transportation and Public Works.)
21	Review all technology utilization and the cost/benefits for any enhancements to improve safety and other services (e.g., fix-it-tickets, financial software upgrades).
22	Study potential for increased revenue through various strategies including tax on vacant property, increase in housing in lieu fees, more effective collection of existing city fees (in an equitable manner). Bonds for capital projects
23	Grow economy in San Leandro by expanding the Community Development Department and Economic Development Division to become more proactive in bringing more business and housing in SL., this may include an ombudsman or streamlining of city services to support new businesses or business expansion. Speed up the process and have another person that goes out and looks for new businesses.
24	Implement RFP process for all contracts over a certain dollar value. Extend RFP if City does not receive more than one bid. Establish protocols to address situations where only one party is qualified to deliver the service. Consider giving priority to small emerging businesses (SLEB), women and POC owned businesses with justification going outside.
25	Establish clear measureable performance measures that guide the evaluation of department performance. (Results based accountability.) This would also include analysis of budget utilization.
26	Evaluate overtime use more effectively, including root cause analysis, cost-effectiveness, budget-to-actual, on a quarterly basis.
27	Postpone "Nice to have" activities and CIP projects, such as the pools, Casa Peralta, etc.
28	Realize staff-based savings by maintaining soft hiring freeze, evaluating elimination of presently vacant positions, conducting desk audits, offering early retirement incentives, fiscally sustainable contracts with POA, and consider increased contributions from employees toward pension and health benefits etc. Also consider outsourcing functions when service levels can be maintained at reduced cost.
29	Utilize external resources for City Council to receive independent advice on budgeting and delivery of desk and performance audits (consider an independent budget analyst for the City Council).
30	Create an Equity Office/Department
31	Evaluate the level of Reserves, benchmark with other cities, and be transparent about its use
32	Increased funding for community resiliency around natural disasters (fires, earthquakes, etc.) effects of climate change, disaster prep, public health food pantries

Appendix D

Final Recommendations

Summary Recommendations

Community Advisory Budget Task Force

Sorted in Alphabetical Order by Council Objective

3/22/2021

Recommendation	Council Objective
Create a San Leandro Navigation Center for the unhoused with wrap around services, including services provided by other city departments to be overseen by Human Services with a trained clinician.	\$1.7 Million
Create, fund, and sustain an effective independent Police oversight mechanism which should be accompanied by a Civilian Police Review Board.	\$1.7 Million
Dedicate resources to researching, piloting, implementing, and sustaining mental health response to people in crisis such as MH-First, CAHOOTS, piloting AICo Fire civilian crisis response team.	\$1.7 Million
Pilot a Public Safety Liaison and/or Ambassador program.	\$1.7 Million
Create a community engagement plan which includes budget creation and revisions through the participatory budget process. This could include adding dedicated resources to allow for focus groups, key informant interviews, town halls and public opinion polls from San Leandro residents to ensure maximum engagement. Available in languages other than English.	Community Engagement
Hire a Development Director or development consultants which can include grant writing.	Budget Balancing
Reallocate activities handled by sworn officers where other experts or lower cost resources could deliver the service. This could include the role of sworn officer in homelessness, crime reports, etc.	Budget Balancing
Establish clear measurable performance measures that guide the evaluation of department performance. (Results based accountability.) This would also include analysis of budget utilization.	Long Term Sustainability
Prioritize and increase funding for the maintenance for city buildings and roads.	Long Term Sustainability
Study potential for increased revenue through various strategies including tax on vacant property, increase in housing in lieu fees, more effective collection of existing city fees (in an equitable manner). Bonds for capital projects	Long Term Sustainability
Increased funding for community resiliency around natural disasters (fires, earthquakes, etc.) effects of climate change, disaster prep, public health, food pantries	Community Priority