



## Legislation Details (With Text)

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### TITLE

Staff report to the City Council Finance Committee summarizing the analysis and research conducted by an ad hoc internal committee of City managers, otherwise known as the Cost and Revenue Efficiency (CARE) Team

### SUMMARY AND RECOMMENDATIONS

Staff submits the below summary of its analysis to the City Council Finance Committee for its review and consideration.

### BACKGROUND AND ANALYSIS

In order to help address the structural budget issues facing the City in advance of the FY 2019-20 and 2020-21 biennial budget process, in May 2018, the City Manager created an ad hoc committee charged with exploring potential long-term cost savings options and revenue opportunities. This Committee was made up of a staff team that included management staff from each of the City's departments. Over the course of approximately six months, the team researched and discussed a variety of potential budget savings and revenue scenarios that touched on nearly all facets of City operations. Each scenario was vetted independently to analyze the potential impact, and later prioritized for implementation based on feasibility. Several of the ideas that were generated by the committee have already been incorporated into the budget process that is now underway. The team's efforts were carried out in tandem with the long term financial forecast model that was developed in collaboration with Management Partners, and which was presented for City Council discussion at the January 28, 2019 City Council work session and February 2, 2019 City Council Retreat.

The team's initial meetings were focused on an in-depth exploration of the City's budget and financial operations so as to deepen knowledge across all departments. The initial meetings also included focused research assignments on the city's major sources of revenue, as well as research into other public agencies' budgets. Later meetings included brainstorming and in-depth exploration of potential cost reduction and revenue generation scenarios.

The team ultimately grouped the scenarios into three distinct categories - Efficiency Savings (ES), Quantifiable Savings (QS), and Enhanced Revenues (ER). Within these three categories, options were developed, vetted and prioritized both by immediate timing and benefit level. Priorities ranged from 1 (highest priority) as recommended; 2 (medium priority) as potentially feasible, but with considerations, and 3 (lowest priority) as least likely to be implemented, or in some cases, might be worthy of consideration at a later date in the future.

Most of the scenarios are feasible from a technical sense, and several of them have been implemented in other public agencies. Nevertheless, as outlined above, they are distinguished by differing levels of complexity, and their corresponding rankings were also informed by foreseeable timing for implementation, potential disruption to the organization, as well as potential impact to local residents who rely on, or otherwise benefit from, the related City services.

In some cases, implementation of the scenario would also require negotiation with employee bargaining units. Major changes in service delivery or employee benefit programs would also need to be weighed against the reality that such changes could result in employee relations issues, which can impair more incremental change. To the maximum extent possible, the financial impacts of the strategies have been quantified, although in many cases such estimates vary widely or rely on a host of assumptions and variables that could be subject to change or would require more thorough analysis.

The following summarizes in priority order the concepts and scenarios that were explored. A matrix summarizing these scenarios is also provided as an attachment to this report.

## **Highest Priority**

### **ES - 1 Explore Centralizing Supplies Purchases**

The City budget uses a discretionary approach to supplies expenditures, which are programmed at the “6000 series” budget level in the City’s financial software system. This budget level includes miscellaneous charges such as: various office supplies, furniture, printer costs, guns and ammunition, and fuel and oil supplies. An analysis of this series showed that over a three-year cycle, there was a surplus of funds of several hundred thousand dollars at the end of each fiscal year. This analysis appears to demonstrate that significant budgetary baseline savings may be realized with adjustments to the 6000 budget series. It was also estimated that due to the discretionary nature of this series, the City could further explore a 5% to 10% across-the-board reduction to supplies budgets.

Potential Savings: \$140,000 - \$200,000

*The following scenario arose from the above analysis:*

### **Roll-Back Non-salary Budget Allocations to FY 2017-18 actuals**

As part of the FY 2019-21 budget development process, all departments were directed to prepare non-salary budgets starting with FY2017-18 actuals as the default level of funding. In recognition that it may not be feasible for certain expenditure categories to be constrained at levels from over two years ago, budget managers were also provided an opportunity to provide a justification for increased funding, subject to Finance Department and City Manager evaluation in advance of incorporation into the FY 2019-21 recommended budget.

Potential Savings: In process; potentially in the order of several hundred thousand dollars

### **ES - 4 Explore More Paperless Processes, In-House Printing Cost Savings**

Under such a scenario, the City could explore further reductions in processes that require the use of paper forms or printing, and instead utilize online tools or electronic documents. City staff are already actively exploring and implementing these types of processes each year. There are countless examples of processes that have already been transitioned to an online or electronic format. Nevertheless, more work can always be done, and it’s conceivable departments could be further incentivized to reduce paper waste by reducing

corresponding supplies budgets.  
Potential Savings: will require further analysis.

### **QS - 5 Consider Increased PERS Employee Contribution as a Percentage of Employer Share**

This strategy would ask all employees to share in the cost of the City's employer retirement contribution. An increased employee contribution could generate savings anywhere from \$525,976 (at a 1% cost-share) to \$2.7 million (at a 5% cost-share) annually. These impacts factor into both the City Manager's employment agreement as well as the SLPOA's 2% employer contribution that is already built into their adopted MOU with the City, which will increase to 3% of the City's employer share by July 1, 2019. Such a cost sharing formula would require negotiations with the other employee bargaining groups as part of the upcoming labor contracts development process.

Potential Savings: \$525,000 - \$2.7M

### **QS - 6 Explore Alternative Compensation Packages; Lump Sum Payments In Lieu of COLA's**

This scenario explored alternative compensation options that are not reportable as "pensionable" under Public Employee's Retirement Law. The benefit of offering such packages in lieu of traditional cost of living adjustments (COLAs) is that they would serve to constrain the growth of the City's unfunded pension liabilities. Non-pensionable options could include employer contributions to deferred compensation plans or a retiree medical trust, one-time miscellaneous lump sum payments, increased contributions to health insurance, additional paid time off, or enhanced tuition or student loan reimbursements. Performance bonuses and off-salary schedule payments were also examined, although such payments are considered pensionable. Any such compensation options would need to be negotiated with labor bargaining groups.

Potential Savings: Varies widely; potential savings would need to be evaluated in comparison to traditional COLAs or other salary enhancements that might otherwise be negotiated as part of future labor agreements.

### **QS - 9 Implement "Soft" Hiring Freeze or Future Staffing Analysis**

A "soft hiring freeze" would mean delaying or indefinitely postponing the filling of positions that become vacant due to voluntary employee separations from City service. The City would analyze each vacant position to determine whether the position was critical to fill, or if it could be delayed indefinitely or for a specific period of time. The City already maintains a Position Review Committee that is charged with reviewing the filling of any positions. Under such a scenario, the criteria for filling positions could be further restricted. Such a change in policy could generate annual salary savings anywhere from \$402,172 to \$1,340,575 on average, based on typical rates of natural staff attrition. Related decisions would also need to be balanced against related service level impacts.

Potential Savings: \$400,000 - \$1.3M

### **QS - 11A Contract Out Parking Enforcement**

Under such a scenario, enforcement of the city's parking meters and other parking restrictions would be carried out by contracted workers, rather than city employees, which is a common practice in many jurisdictions. The primary benefit of such a scenario is that it would enable the City to retain more direct control over the associated costs and levels of service, while minimizing the growth of pension liabilities that would otherwise be associated with in-house employees. The City has also struggled over the years to maintain full staffing of this function, which strains Human Resources capacity and results in a lack of parking compliance and reduced parking revenues. An analysis of this proposal is being developed by city staff and will be presented to the City Council for consideration in 2019.

Potential Savings: \$230,000

### **QS - 13 Explore Deferment of CIP Projects**

As budgeted CIP funds typically have a 3-5 year life cycle in which obligation, design, entitlements/right of way/permits and then construction occur, a simple year over year comparison does not produce data that is

accurate to identify areas for cost savings. Nevertheless, a delay in implementation or otherwise deferring execution of certain previously approved capital projects could generate significant annual savings to the City budget. However, these savings should be considered concurrently with any increased costs arising from deferred maintenance. Deferring projects could result in escalation of costs or potential failure of the asset. A related method to assess deferment would be to employ a "fix it first" methodology, which prioritizes maintenance of current assets and infrastructure before expending funds to construct new assets. Potential Savings: Varies widely, potentially up to \$24M

#### **ER - 20                      Increase Property Transfer Tax**

Adjusting the City's current Real Property Transfer Tax (RPTT) from \$6 to slightly below the regional average (per the Alameda Co. Assessor's Office) of \$11 would generate approximately \$3,013,657 in new, general fund revenue. The RPTT revenue stream is directly correlated to the real estate market and thus can fluctuate significantly during recessions. Such a change would also require voter authorization. Per the City Council's direction at their November 19, 2018 regular meeting, staff has entered in contract with a pollster and expects to survey potential voter support in Spring, 2019. Survey results will be reported back to the City Council. Potential Revenue: at least \$3M annually, depending on the transfer tax rate

#### **ER - 22                      Increase Scope & Volume of Cannabis Businesses to Increase Measure NN Revenue**

Under such a scenario, the City Council could consider expanding the types or volume of cannabis businesses that are allowed to operate in the City. Current regulations establish limits of up to three retail dispensaries, up to five manufacturing businesses, and cannabis laboratory testing facilities. There also remain opportunities for other classes, including: distribution, deliveries, and cultivation permits, among others. Such a program would also provide an opportunity to potentially legalize and bring into compliance illicit cultivation sites that already exist within the City. The City has been contacted by multiple parties seeking permits to conduct distribution services. Any such businesses would be subject to Measure NN, San Leandro's local gross receipts tax that was previously authorized by voters, which is currently set at 6% of gross receipts.

Potential Revenue: Varies widely. Additional business categories could likely generate several hundred thousand dollars in annual General Fund revenue.

#### **ER - 23                      Convenience Charge for Use of Credit Cards/Leverage Cash Back Incentives**

The City has several revenue accounts that can be paid for using a credit/debit card. These include: permit fees in Accela (Building, Planning, Engineering); Business License fees in HDL; and Recreation fees in ActiveNet. Cities have the authority to charge fees related to their credit card processing that cover fees they are charged by banks. An analysis previously showed the average fee paid by the City to be 2.5%. Building and Planning permits already collect this fee; applying it to Encroachment permit, business license, and Recreation payments could generate another \$73,496 per year.

In addition, the City has a 6% "Technology Automation Fee" on its Fee Schedule for Community Development programs. This fee is currently applied to Building and Planning permits. An analysis shows that the Technology Fee, if applied to Engineering Encroachment Permits, Business Licenses, and Recreation programs could generate \$273,496 per year.

Any such fees would need to be balanced with the willingness of customers to absorb the related costs.

Potential Revenue: up to \$346,000 annually if applied to all services for which credit cards are accepted.

#### **ER - 26                      Explore Nexus Study for Stormwater Fee**

The City's stormwater fee is currently set at: \$26.33/single-family dwelling, \$210.64/acre for commercial and industrial properties, and \$157.98/acre for apartments and condos. The fee funds compliance administration, street sweeping, illegal dumping, and graffiti abatement operations. In comparison to the cities studied, the City's current single-family fee is lower than most, with the exception of Alameda County (\$7.10/SF). Existing fees do not support maintenance and infrastructure needs. San Leandro's fee has remained unchanged since its inception in 1993 and therefore, the fund is running at a deficit. The Public Works Department is presently

conducting a fee study to identify storm water service charges that are eligible to recover the annual cost of providing storm water service. Restructuring the fee would provide an opportunity to appropriately charge certain salary costs to the Stormwater Fund rather than the General Fund, thereby further reducing the impact of new regulatory mandates from impacting the General Fund.

Potential Revenue: TBD following completion of nexus study; likely in the order of six figures.

#### **ER - 25                      Explore Nexus Study for Library Facilities Development Impact Fee**

Library Development Impact Fees are not common. However, research indicates that there are two different potential models for implementing this type of fee. In September 2016, the City of Oakland implemented a Capital Improvement Impact Fee, which is applied to new residential and non-residential development as well as non-residential projects that involve modifying existing buildings. All funds generated by the fee are "used to pay for projects that are required for fire, police, library, parks and recreation, or storm drain services". The residential impact fees vary by housing type and by zones within the City of Oakland. Nonresidential impact fees vary by use type. Total Capital Improvement Impact fees assessed in FY16-17 were \$1,331,128. Manatee County, Florida applies a "Libraries" impact fee on new residential construction completed within the unincorporated area of the County. The Libraries impact fee is based on square footage and ranges from a low of \$107 per square foot to a high of \$359 per square foot. The fees are the same across all housing types. Funds generated by this fee are restricted to funding-growth related capital improvements. Such a fee would require development of a nexus study, which would require a significant investment in staff time and resources to develop.

Potential Revenue: TBD

### **Medium Priority**

#### **ES - 2                      Explore Use of Health Incentive Devices to Reduce Healthcare Costs**

There are several public agencies in California, including the Sacramento Public Utility District, that offer health incentive programs through use of a health assessment. This assessment involves a biometric exam, a health-risk questionnaire and a commitment to physical and nutritional activities. Participants are issued body-worn "fit bit" devices and progress is tracked. Employees who complete 80% of the program receive \$100 bonuses, the costs of which are off-set by reduced health care premiums by the provider. While news articles have reported that health care premium reductions have resulted in significant net general fund savings that more than offset the costs of the program, the agencies involved were unable to provide quantifiable General Fund savings estimates.

Potential Savings: Requires further analysis

#### **ES - 3                      Regional Multi-Agency and Multi-Vendor RFPs or Purchase Orders**

As a best practice, the City can look to partner with neighboring agencies on large procurements, such as through joint RFPs and bids, to realize more favorable pricing. The City can also look to make available its services and resources for other agencies to procure in a shared services model. For example, the City could consider leasing out equipment to neighboring jurisdictions. However, discussions with relevant staff revealed concerns about how to ensure the borrowing jurisdiction's staff are sufficiently trained to properly operate complex equipment, and how to ensure that the equipment is returned without any damage. Related risk liabilities would also need to be evaluated.

Potential Savings: TBD

#### **QS - 10                    Contract Out for Various services Presently Handled In-house**

There are a number of services currently provided in-house using full time city employees, which could potentially be handled via third-party contract. Such changes could potentially be phased in over time through natural attrition, so as to avoid impacts to existing staffing. For example, staff has identified several cities that have outsourced certain in-house functions, such as maintenance of motor pool fleets, or animal control services, so as to reduce the City's overall General Fund obligations or internal service fund charges. A more

thorough analysis of the level of service that could be offered by the third party contractor would need to be carried out in advance of exploring such a scenario further.

Potential Savings: Varies.

#### **QS - 12      Reduce all Staff to 9.5 hrs/day with 4 day/weeks (~5%) Savings**

This strategy would involve closing down city hall on Fridays and reducing employees' workweek from 40 hours to 38 hours per week. City staff would work 9.5 hours in 4-day weeks, with a typical workday schedule of 8 am to 6 pm. This change would not be applied to sworn public safety officers, or other essential service personnel. Based on available data, the City would save close to 7% in payroll and PERS costs (from \$1.57 million in FY18-19 to \$2.07 million in FY24-25). Conceivably, the city would also generate nominal savings on utility and maintenance costs by shuttering city facilities an additional day each week. Also assessed was the cost savings at 50% voluntary employee participation rate (4% savings) and 30% participation rate (2% savings), given that 100% participation could be challenging to implement due to notably longer daily work days and staffing reduction impacts. Such a change would require negotiations with impacted labor groups.

Potential Savings: \$1 - \$2 million annually

#### **QS - 13A & 13B      Scale Back Various Capital Improvement program projects, such as Casa Peralta Renovations or Marina Decommissioning**

Under such a scenario, the City Council could consider further scaling back the scope of renovations to the Casa Peralta House or the decommissioning of the San Leandro marina.

Such efforts would need to be balanced against associated trade-offs. For example, there is a minimum level of maintenance necessary to ensure that the condition of the Casa Peralta does not degrade to such an extent as to generate increased future costs (e.g. maintaining the structure's roof). Postponement of the marina decommissioning project could also create implications for the shoreline redevelopment project.

Potential Savings: varies; up to several million dollars

#### **QS - 16      Non-Safety Employee Furloughs**

Under this scenario, all non-sworn employees would take unpaid furlough days with no change in base salary. Such furloughs were implemented for several years during the Great Recession. By their very nature, furloughs only generate "one-time" savings during the fiscal year in which they are implemented, but do not create long-term, ongoing cost reductions unless permanently implemented. Three scenarios were developed outlining 100% of non-safety employees absorbing mandatory 6, 10, or 12 furlough days per year in FY19 through FY25. In FY19, the 6 days per year option results in a savings in payroll & PERS of \$722,014. The 10-day option results in a savings in FY19 of \$1,192,892. The 12-day option results in a savings in FY19 of \$1,444,027. See the 3 Furlough Scenarios tab for more details. Such scenarios would also require discussions and negotiations with labor groups.

Potential Savings: See above.

#### **ER - 17      Explore Public Safety Parcel Tax**

Explore creation of parcel tax to fund public safety services. Such a proposal would require voter authorization by greater than two-thirds of the electorate. Assuming a rate of between \$65 to \$140 per parcel, such a tax could generate anywhere between \$3M to \$6M annually. Corresponding general fund savings would be impacted depending on how the new revenues were allocated, e.g. whether used to off-set existing costs, or to expand services. The City Council would also need to evaluate how to expend the funds, e.g. for public safety equipment, technology or facilities, or for hiring additional public safety personnel. Per City Council direction, such a measure will be explored as part of the community polling that will take place in 2019.

Potential Revenue: \$3M to \$6M.

#### **ER - 19      Multi-Agency Shared Use of IT Support**

Under such a scenario, the City could explore offering its IT support services to other public agencies who may need IT support. Such a scenario would require further analysis and would need to balance staff impacts in comparison to any new revenue that could be generated by the services. Additionally it remains unclear if there is sufficient demand within the region.

Potential Revenue: would require further analysis

**ER - 21 Explore Corporate Sponsorships of Parks or Other Public Assets**

Exploring the potential opportunities to raise revenue via park sponsorships. Examples could include offering corporate naming rights to the San Leandro Ball Park, the City's Dog Park, or other city owned facilities.

Potential Revenue: Varies widely.

**ER - 28 Explore Vacant Property Tax**

Oakland is first city in California to adopt such a tax (Measure W). Such a measure requires local voter authorization. As structured in Oakland, it applies to properties in use <50 days/year at a rate of \$6,000 per single family residential parcels, or \$3,000 for condominiums, townhouses & duplexes. Implementation could prove challenging when making determinations about what constitutes a vacant parcel, and whether exceptions can be authorized. Per City Council direction, such a measure will be explored as part of the community polling that will take place in 2019.

Potential Revenue: Requires additional analysis

**ER - 29 Sell Advertising Space on Digital Assets**

The City maintains several digital platforms, including its website, Wi-Fi network, and cable TV Channel. There is no law against advertising on these platforms. With Google Ads enabled on it, the City website could generate up to \$44,475/year, although such a proposal could be controversial. The City's public Wi-Fi system with a basic splash page advertisement could generate \$4,615/year. Lastly, the City TV Channel could support advertising from local businesses, although demand is unknown at this time.

Potential Revenue: up to \$85,000/ year

**ER - 30 Monetize Dark Fiber Assets**

The City maintains dozens of strands of dark fiber running through some 21 miles of City-owned conduit. A recommendation in the Fiber Optic Master Plan is to develop a fiber leasing program to license fiber to businesses and firm interested in using it for private services. A previous negotiation determined a market rate of \$150 per mile per strand per month. The City could promote this program on its website to attract licensees from the private sector and could also make available empty conduit for licensing purposes. City staff are currently in discussions to potentially license dark fiber and other city infrastructure to private broadband service providers.

Potential Revenue: Agreements could potentially generate between \$50,000 to \$100,000 per year.

**Lowest Priority**

**QS - 7 Explore New Pension Tier for "Classic" Public Safety Hires**

This strategy explores offering a lower retirement formula to incoming "classic" public safety staff who are hired from other public agencies. Currently, incoming Miscellaneous Classic employees are enrolled in 2% @ 55. Per the requirements of the Public Employees Pension Reform Act (PEPRA), cities are prohibited from adopting new pension formulas for miscellaneous (non-public safety) employees. Police Classic employees are enrolled in 3% @ 50. Alternative public safety formulas include 2% @ 50, 2% @ 55, 3% @ 55.

Miscellaneous PEPRA employees are enrolled in 2% @ 62, and there are no alternative formulas. Safety PEPRA employees are enrolled in 2.7% @ 57. Alternative formulas include 2% @ 57 or 2.5% @ 57. These lower formulas would likely be detrimental to the City's ability to recruit candidates from other agencies and to be competitive for qualified candidates. In addition, the City hires a relatively few number of "classic" status public safety employees each year, so the savings generated would be minimal. More detailed estimated savings would require an actuarial valuation.

Potential Savings: Varies

**QS - 8 Explore Changes to Insurance Premiums**

This strategy would explore alternative insurance plans/options, instead of contracting with CalPERS for employee health benefits. This scenario would require negotiations with bargaining groups, exiting the CalPERS Health Program, and migrating all employees and retirees to alternative plan(s). Options might include contracting directly with insurance carriers (i.e. Kaiser, Blue Shield, Blue Cross, etc.) or obtain coverage through a JPA, pool, or marketplace exchange (i.e. CSAC-EIA, League Health Benefits Marketplace). Estimated cost savings would require obtaining quotes. It also remains unclear whether the City could achieve significant savings on its own, vs. benefitting from the economies of scale associated with current CalPERS health benefits programs that are currently in place.

Potential Savings: Depends on quotes

#### **QS - 14 Explore Creation of New Parks District or Parks Maintenance District**

Creation of infrastructure maintenance district at the Shoreline similar to nearby lighting and landscape districts is actively being explored as part of the shoreline redevelopment project. Creation of such a district would conceivably reduce the maintenance costs funded by the City by nearly 60%. The City of Richmond, CA presently has such a district (known as the Marina Bay Lighting and Landscape Maintenance District). Using their structure as an example, the City could conceivably assess 375 units under apportionment of 42% City/58% District. As the Shoreline is still in development, actual maintenance costs are unknown so costs associated with Marina Bay have been used as an example.

In addition, the City could also explore creation of a much larger parks maintenance district, which would take over the ongoing maintenance responsibility for various other city parks, thereby relieving the General Fund of significant ongoing costs. However, per state law, there are a number of procedural steps that would need to be completed, including completion of a special study, preparation of an engineer's report, and the development of draft assessments. A public hearing would also need to be held, and a majority vote of affected property owners through an assessment balloting procedure is required. If approved, assessments would then be placed on property tax bills each year to pay for the improvements and services. Moving forward with such a proposal would therefore require significant community engagement and dialogue in order to determine if sufficient community support existed.

Potential Savings: varies. Potentially in the order of \$600,000 per year for the shoreline area; a broader district could generate significantly more savings, although specific estimates would depend on the district boundaries. For context, the Parks Division within the Public Works Department is supported entirely by the General Fund. The FY 2018-19 budget for this core program includes approximately \$2.5 million in annual costs.

#### **QS - 15 Close the City Jail**

Closing the City jail and reducing five full-time positions through natural attrition could save up to approximately \$640,600 annually. Booking fees would increase, but closing the jail would also change how many people are booked (based on efficiency and discretion), so calculating any additional fees is difficult. Such a process would also impact public safety staffing capacity due to time spent transporting arrestees to Santa Rita jail, along with various other ancillary operational issues. There are also a wide array of operational and efficiency benefits associated with maintaining a local jail facility.

Potential Savings: up to \$640,000

#### **ER - 18 Multi-Agency Shared Use of Paving Equipment**

Under such a scenario, the Public Works Department's paving equipment could be rented out to other public agencies in the region. However, in researching the concept, it was determined that sharing paving equipment with other cities is not recommended for a variety of reasons. For example, paving has an active season during dry months, during which time most equipment is in active use. During the rainy/wet season, other agencies would be similarly unable to make use of the equipment. Such a scenario could also lead to a risk of damaged equipment, along with impacts to Public Works staff who would need to train and/or actively monitor

usage by the borrowing agency to ensure equipment is returned in good condition. Sufficient insurance and liability waivers would also need to be established. While paving equipment sharing is understandable after an emergency such as a natural disaster, it could have limited long term revenue impact.

Potential Savings: needs further evaluation

#### **ER - 24      Explore Ride Sharing/Bike/E-Scooter Tax or Franchise Agreements**

The California State Legislature recently granted the City & County of San Francisco the authority to apply a pass-through tax on ride shares (e.g., Uber and Lyft) originating within the city limits. This is the first step for a revenue measure requiring voter approval to establish and implement the tax, which would be in the 2% - 3% range, with incentives for electric and multi-passenger rides. If successful, this could be a model for other cities to follow. An internal analysis shows the tax would generate up to \$30 million in the first year for San Francisco.

Potential Revenue: unknown; would require authorizing legislation from the State

#### **ER - 27      Explore Nexus Study for Enhanced Parks Development Impact Fee**

The City's existing Parks Development Fee is comprised of park land acquisition and park improvement fees. The total fee is \$18,769/single-family, \$16,405/multi-family, and \$8,203/special unit. The City's fee is higher or comparable to the ones studied. Therefore, it may not be prudent to raise the existing fee beyond CPI given that this fee is one of several notable development impact fees that can inhibit future residential development.