

City of Murrieta City Council Workshop

January 11, 2024

8:00 a.m. to 2:30 p.m.

Courtyard by Marriott, Ballroom Meeting Room

Carol Jacobs | Facilitator

Steve Mermell | Facilitator



Opening Comments from the City Manager



City Manager
Kim Summers



Welcome



**Mayor
Lori Stone
District 4**



**Council Member
Jon Levell
District 1**



**Council Member
Ron Holliday
District 2**



**Council Member
Lisa DeForest
District 3**



**Mayor Pro Tem
Cindy Warren
District 5**

Opening Comments from Mayor Stone



**Mayor
Lori Stone**

- **Planning Today for a Successful Tomorrow**
 - Vision for the year
 - Council Relations
 - Strategic Planning

Today's Objectives



Review best governance practices and roles



Understand Council Members' priorities and establish a set of Council priorities



Strengthen teamwork

Agenda

Icebreaker exercise

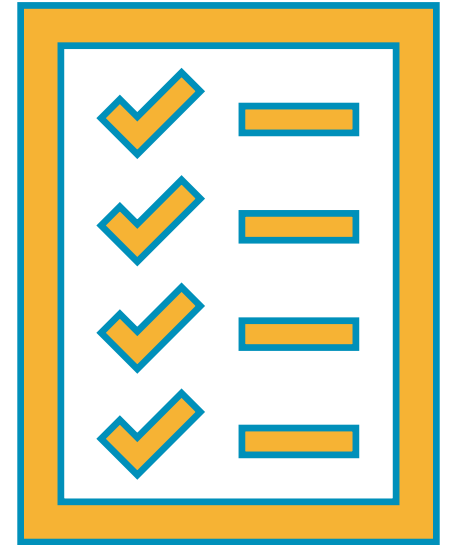
Attributes of exceptional Councils

Introduction to and context for priority setting

Financial outlook

Discussion of Council goals

Review proposed strategies to further Council goals



Workshop Ground Rules



**Listen to
understand
each other's
point of view**



**Seek
consensus**



**Assume
good
intent**

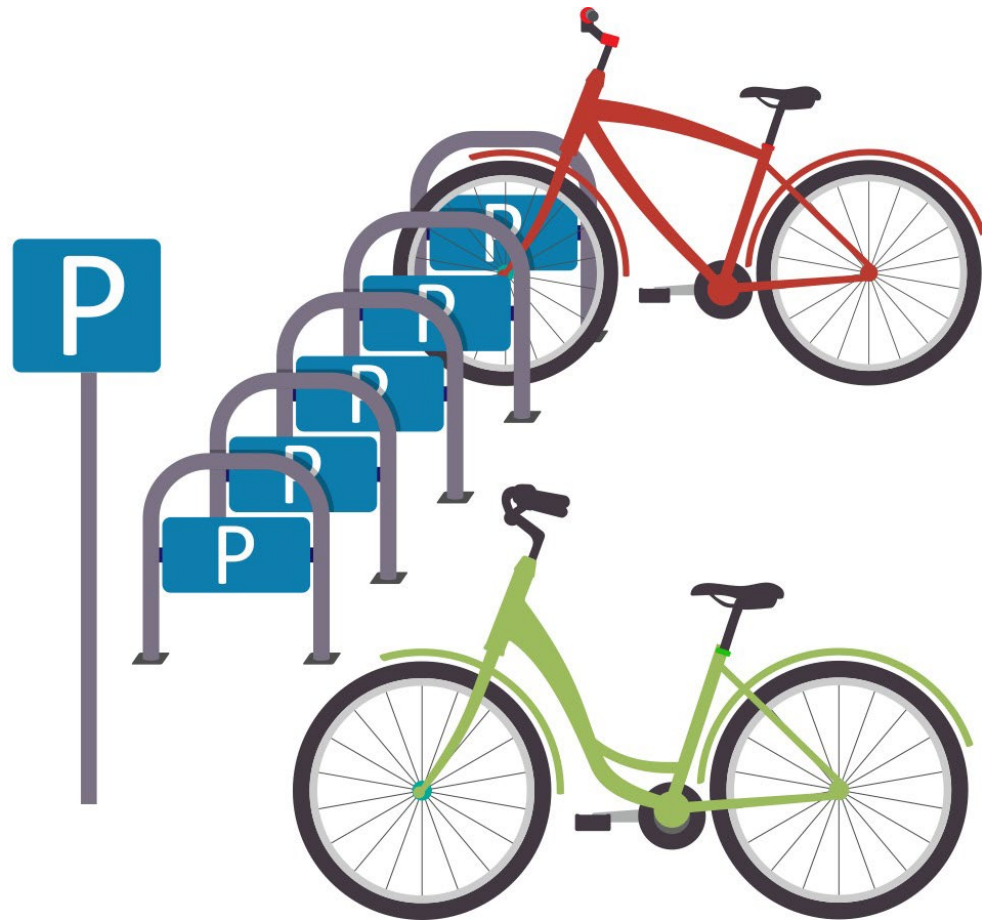


**Speak up if we
need course
correction**



**Stay
focused**

Bike Rack



Time
Management Tool

Items to discuss at a
later time

Icebreaker Exercise: Exploring the Commons

Spend 10 minutes
talking with as many
colleagues as you can



Write down a
commonality you
share



Report out to the
group – **share a fun**
or unusual
commonalty you
found

What Makes a Council Work Well

Effective Councils

Unity of
Purpose

Clear Roles and
Responsibilities

Positive
Governance
Culture

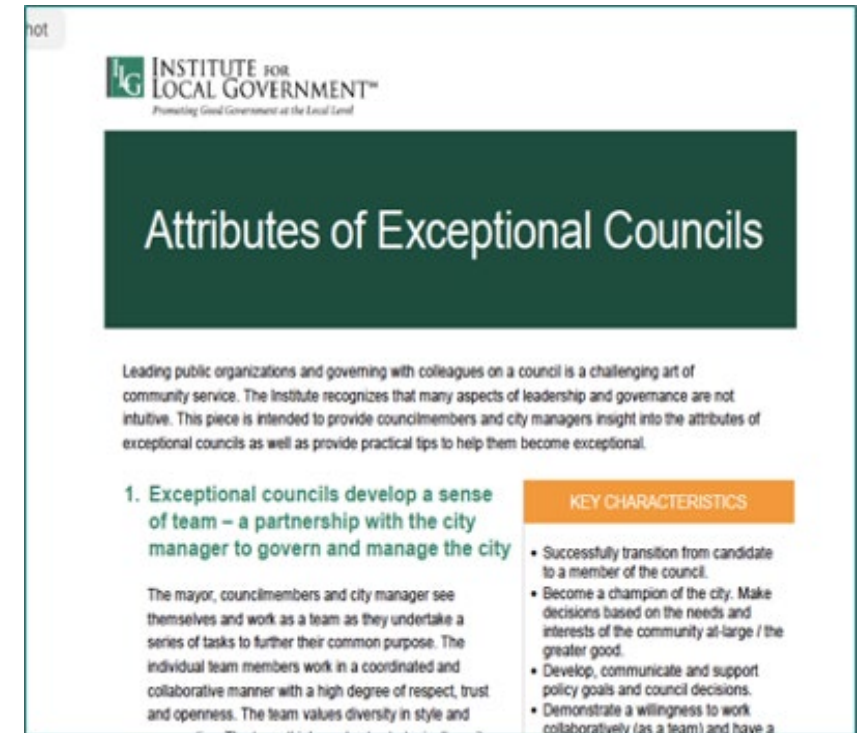
Norms,
Protocols and
Policies

Institute for Local Government



Exceptional City Councils

1. Have a **sense of team**; a partnership with the City Manager to govern and manage the city
2. Have **clear roles** and responsibilities that are understood and adhered to
3. **Honor the relationship between staff and each other**
4. Routinely conduct **effective meetings**
5. Hold themselves and the city **accountable**
6. Have members who practice **continuous improvement**



Institute for Local Government

Discussion



*What resonated
with you
from the article?*



*What practices should
the City Council consider
incorporating into its
governance approach?*

Refresher on Roles



There is a lane for everyone!



“Exceptional Councils have clear roles and responsibilities that are understood and adhered to.” – Attributes of Exceptional Councils by Institute for Local Government

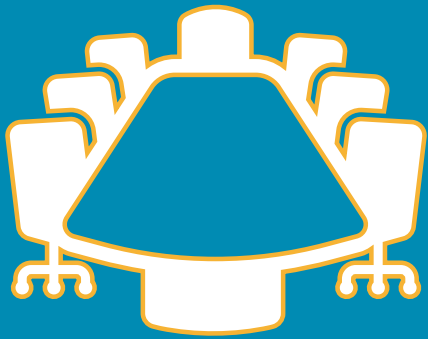
City Council – City Manager Relationships

- **Council**
 - ✓ Sets policy and overall direction
 - ✓ Keeps in touch with community concerns
- **City Manager**
 - ✓ Implements Council policy
 - ✓ Handles day-to-day operations
 - ✓ Offers policy advice
 - ✓ Manages staff

City Council – City Manager Relationships

- Important to find the line and stay within your area of responsibility
- It can be complicated, but...
 - ✓ Best if the Council is not involved in staff and administrative matters; and
 - ✓ Best for the City Manager to not dominate public discussions.

Council Member Role



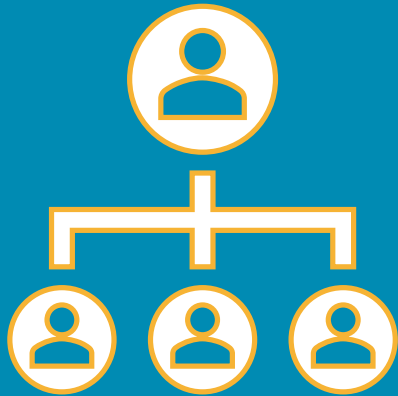
- Do what is in the best long-term interest of the community
- Respect the Chain of Command
- Work through the City Manager
- Meet with the City Manager on a regular basis

Mayor's Role



- Run City Council meetings
- Serve as Chief Representative of the City
- Meet with the City Manager regularly to discuss issues collaboratively
- Work with the City Manager to anticipate future issues and plan city's response
- Carry out all roles listed for Council Members

City Manager's Role



- Serve as Chief Executive Officer of the municipal organization
- Hire, guide and develop staff and create a productive organizational culture
- Provide policy advice to the City Council
- Help make the City Council productive and successful and help each member of Council succeed
- Help staff achieve the City Council's goals

City Attorney's Role



- Represent the whole organization, not individual Council Members or members of the public
- Provide clear and accurate legal advice on a myriad of complex laws
- Be fair and impartial
- Provide full disclosure
- Use candor and diplomacy

Nurture a Strong Council-Manager Partnership

- **Be attentive to the “care and feeding” of the partnership**
 - ✓ Schedule time for teambuilding, feedback and relationship building
 - ✓ Learn something new daily
 - ✓ Understand/respect each position’s role



The Ralph M. Brown Act

California Government Code Section 54952

- Protects **public's right to know** city's business
- Who, what, when, where, and how communications must **take place and be public**
- **Legislative body** includes council, commission, committees



Who must abide by Brown Act

- Council, Commissions, Committees
- Less than quorum standing committees
 - Ad Hoc Committees excepted
- City employees
- Public (certain circumstances)
- City Clerk is responsible for enforcement

Brown Act: Restrictions on Meetings

- What is a meeting?
- Serial communications (GC 54952.2(b))
 - Exchanging information through one or more persons by any means
 - Emails
 - Voicemails
 - Telephone
 - Texts
- Hub and spoke
- Daisy chain
- Exceptions include seminars, public events, conferences, other legislative bodies



Code of Conduct

- The City Council has an established Code of Conduct
 - Is this code working well?
 - What if any changes should be considered?



Code of Conduct

Preamble

The Murrieta City Council wants to ensure our residents, employees and those conducting business with us a city government that emphasizes values in public service, leadership and decision-making.

Accordingly, the Murrieta City Council has adopted this Code of Conduct to:

1. Describe the highest standards of behavior expected by its leaders and staff.
2. Promote and maintain an environment which fosters the public's trust and confidence in the city.
3. Provide an ongoing source of guidance to its leaders and staff in their day-to-day service.

Council Pledge

1. Make no assumptions about each Council Member's motives; rather communicate directly with each other and/or City Manager to clarify our goals.
2. Keep our disagreements "agreeable" and to the extent possible, private. Praise in public, criticize in private.
3. Respect each other's differences while supporting each other's common goal; the best for Murrieta.
4. Once Council approves a position, despite individual votes, all Council respects final decision.



Priority Setting

*PRIORITY #1

PRIORITY #2

PRIORITY #3

PRIORITY #4



Today's Process: Council Discussion and Consensus on Top Priorities

Review accomplishments and
context for setting priorities

Discuss items of interest to Council

Review strategies that further the
Council's goals

Council dot voting to determine top
priorities

Staff will incorporate into budget
and work plans

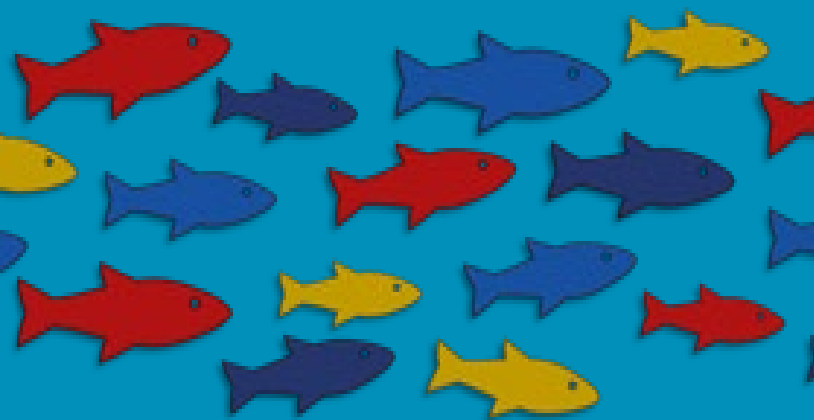
Some Key Accomplishments Cited by Council Members



- Murrieta is a safe community
- Managing growth and development within the limits of state law
- Expansion of area hospitals, medical and research facilities
- Achieving agreements with LAFCO and local water agencies to provide water services for new development
- Diversifying the local economy
- City Manager's department Director hires
- Addressing homelessness
- Completing construction of and identifying operator for the City's Amphitheater

Any other accomplishments to add?

Priority Setting



We can't
do
everything



But we can do
some things very
well if we are
focused

Successful City Governments

- Respect the **ongoing work** of City departments as the **day-to-day operations** must be well managed; that takes time
- Have a **collaborative, trusting relationship** between the City Council and staff
- Set a **few priorities**, with a staff work plan to achieve them

“Big Rocks”

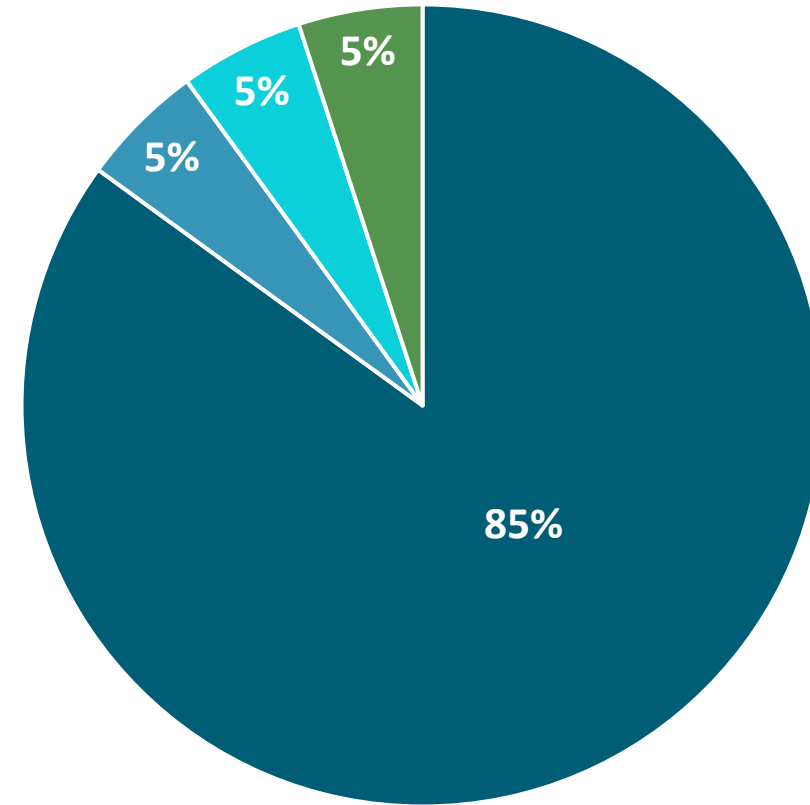
Don't fill up the bucket
with so many small
rocks that there isn't
room for the big ones

Put the **big
rocks** in first

Then add the small
ones where there is
room

How Management's Time is Spent

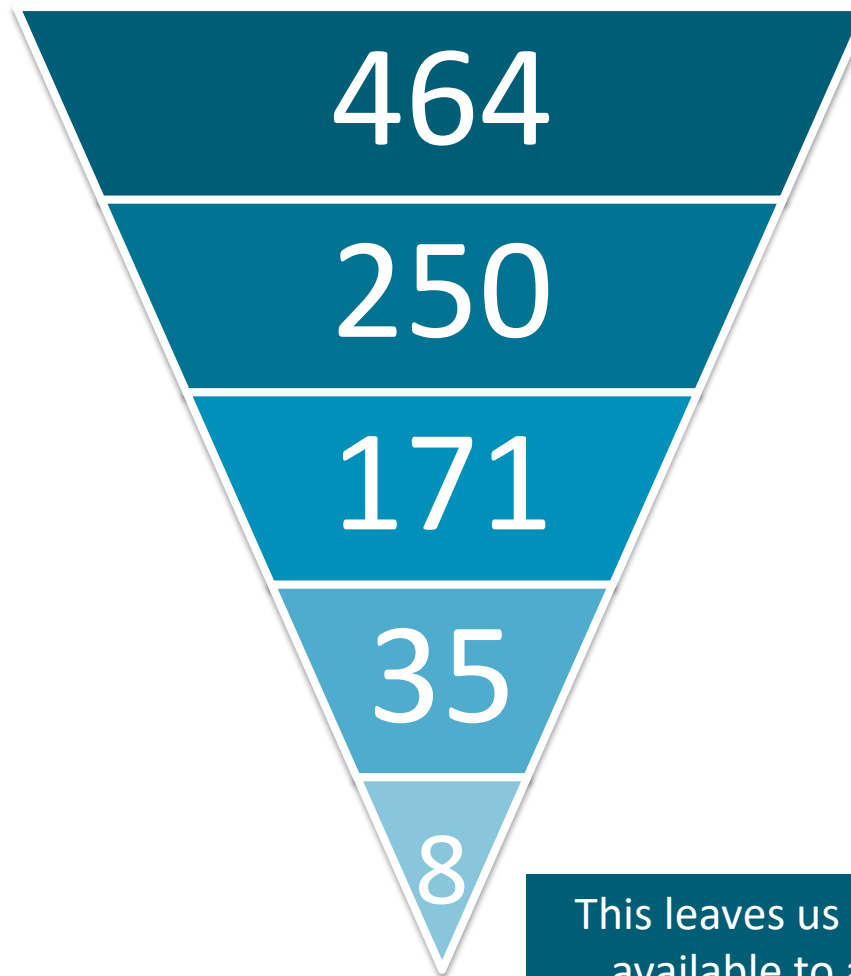
Management's Time



- Day-to-day management of municipal services
- Unforeseen challenges
- New initiatives
- Strategic improvements and training

Staff Numbers at a Glance

Staff available to work on special projects or Council initiatives include the Executive Team and some Managers and Management Analysts. All have ongoing responsibilities in their roles and assignments.



Total Staff

- The City has 464 authorized positions for FY 2023/24

Operations Staff

- 250 of these position are filled by specialty trained operations staff

Public Safety

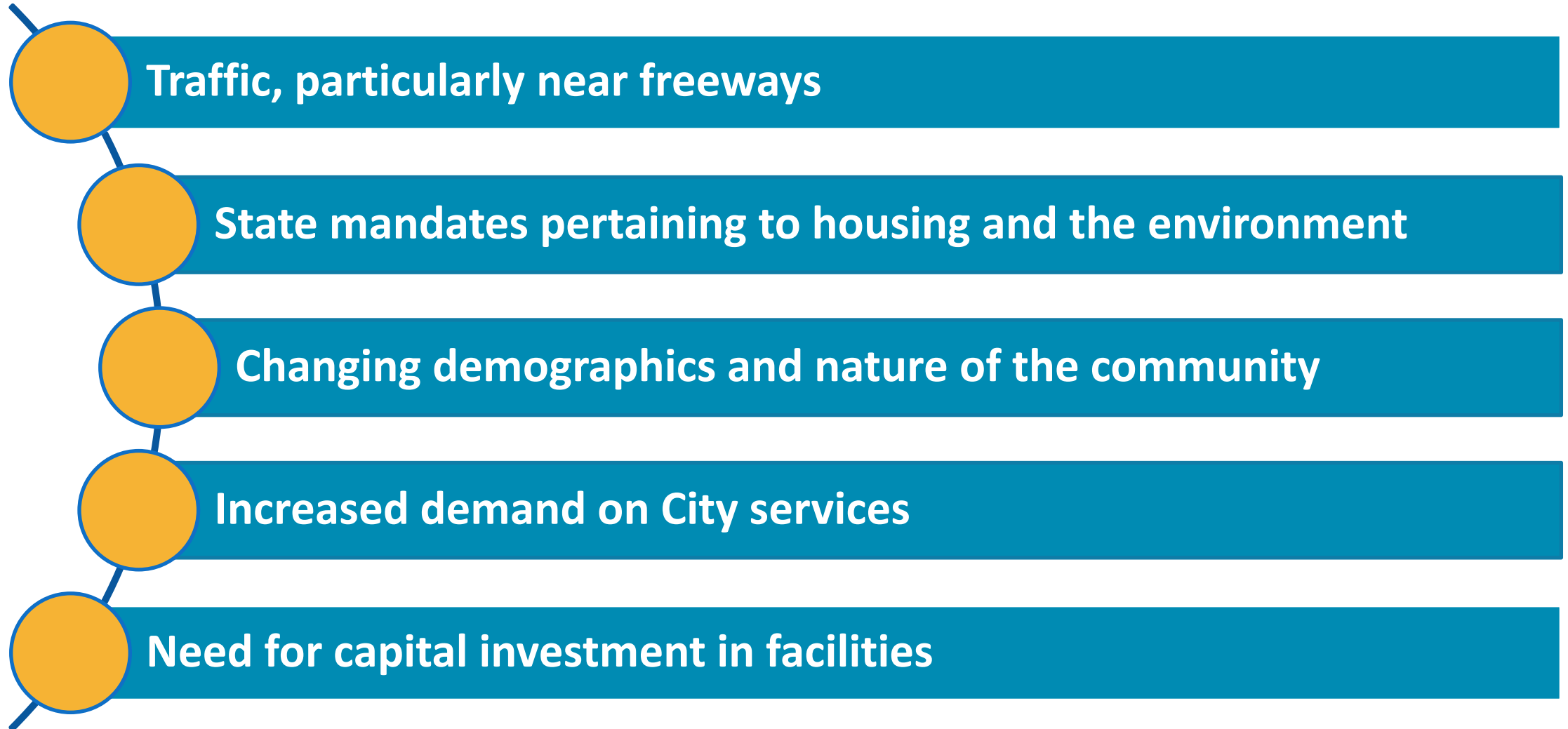
- 171 of these positions is filled by sworn public safety personnel

Vacancies

- 35 of these positions are vacant

This leaves us with just 8 staffing positions available to assist with special projects

Key Challenges



Financial Outlook





FY 2023/24 Budget Overview

Citywide Staffing Level

Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
2020/21	2021/22	2022/23	2023/24	2024/25
427	437	447	464	476

	Fiscal Year 2023/24
General Fund	
Revenues	\$ 69,542,037
Expenditures	\$ 73,336,997
Measure T	
Revenues	\$ 30,524,800
Expenditures	\$ 27,448,498
Citywide (all funds)	
Revenues	\$ 188,757,570
Expenditures	\$ 184,013,276



Status of Operating & Sustainability Reserves

Policy:

Operating Reserve: 25%

Current Status: 30%

Operating & Sustainability Reserves

Reserve Balances

Operating Reserve	\$ 35,138,477
Sustainability	\$ 38,682,202
Total Reserve Balances	\$ 73,820,679

Sustainability (All Funds)

Economic Contingency	\$ 7,100,000
Fleet Replacement	\$ 8,284,352
Facility Repair	\$ 10,990,850
Information Technology Replacement	\$ 1,282,000
Pension ¹	\$ 7,000,000
OPEB	\$ 2,000,000
Continuing Operations	\$ 2,025,000
Total Sustainability Reserves	\$ 38,682,202

¹ Including §115 Trust

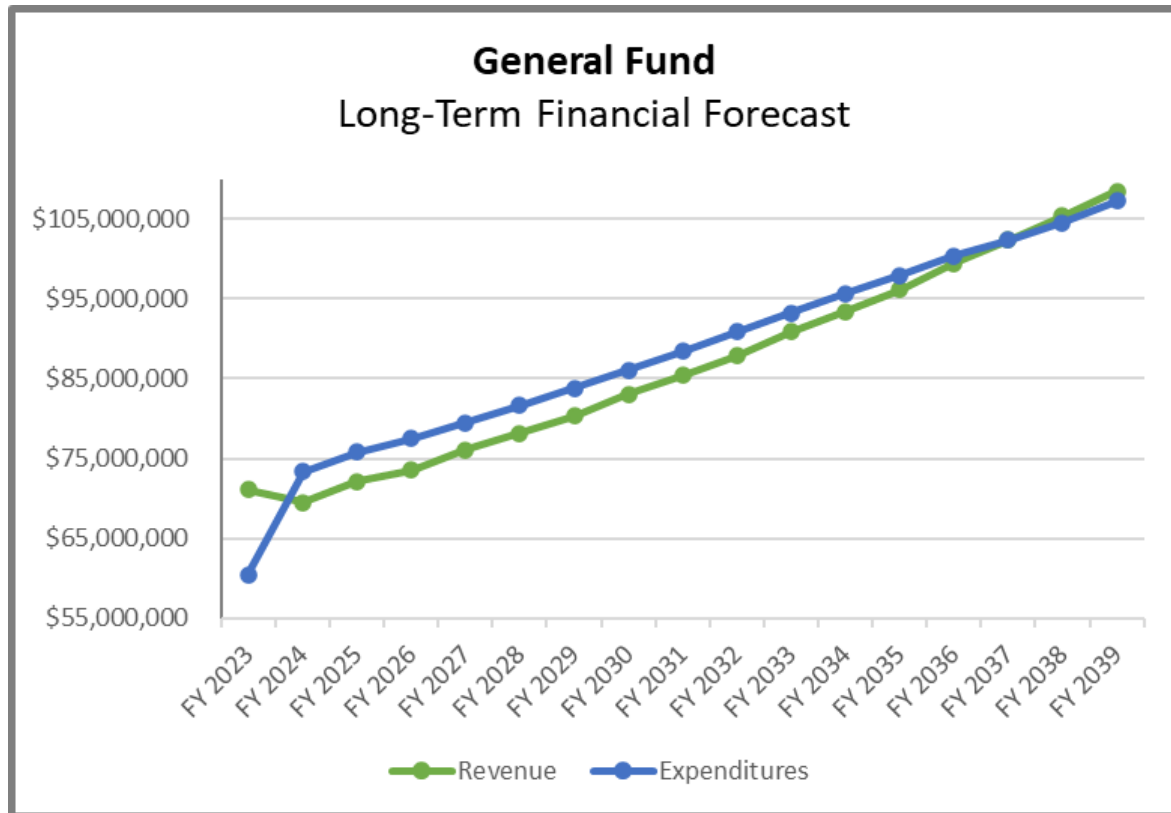


General Fund & Measure T Long-Term Financial Forecast

General Fund Long-Term Forecast

	Budget FY 2023	Budget FY 2024	Budget FY 2025	Projected FY 2030	Projected FY 2035	Projected FY 2039
Revenue	\$71,118,325	\$69,542,037	\$72,168,029	\$83,093,418	\$96,155,431	\$108,436,278
Expenditures	\$60,506,584	\$73,336,997	\$75,851,028	\$86,099,480	\$97,940,702	\$107,223,276
Addition/(Use) of Fund Balance	\$10,611,742	(\$3,794,960)	(\$3,682,999)	(\$3,006,063)	(\$1,785,271)	\$1,213,003

General Fund & Measure T Long-Term Financial Forecast

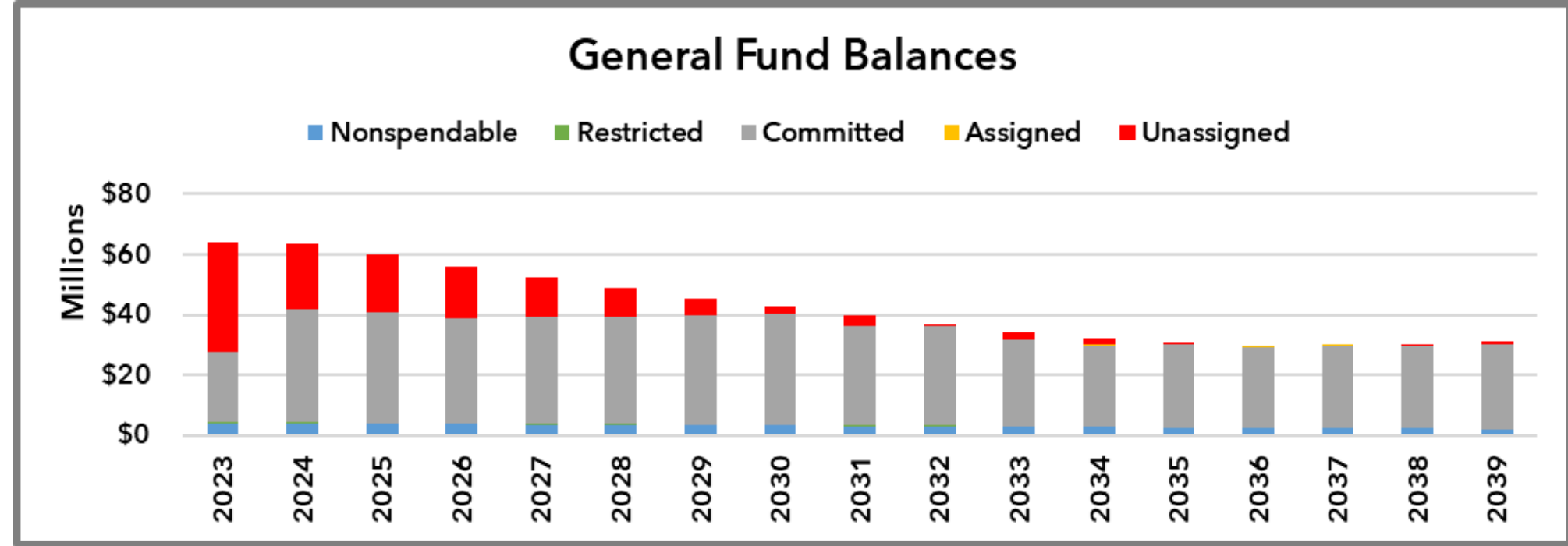


Objective

- Stimulating “big-picture thinking”
- Tool used to evaluate compliance with financial policies
- Allows for pre-emptive actions

Major Assumptions

- Sales Tax revenue 2.95% increase/year
- Prop Tax revenue 4.0%
- Transient Tax (4 new hotels)
- Salary Expenses 4.0% increase/year
- Pension cost fluctuates based on actuarial report
- Healthcare Expenses 3.45%



General Fund & Measure T Long-Term Financial Forecast

Potential Impact

- Expenditures > Revenues
- No bond debt service capacity
- Planned Use of Fund Balance
 - Balance budget
 - Operating Reserves ≈ 20%



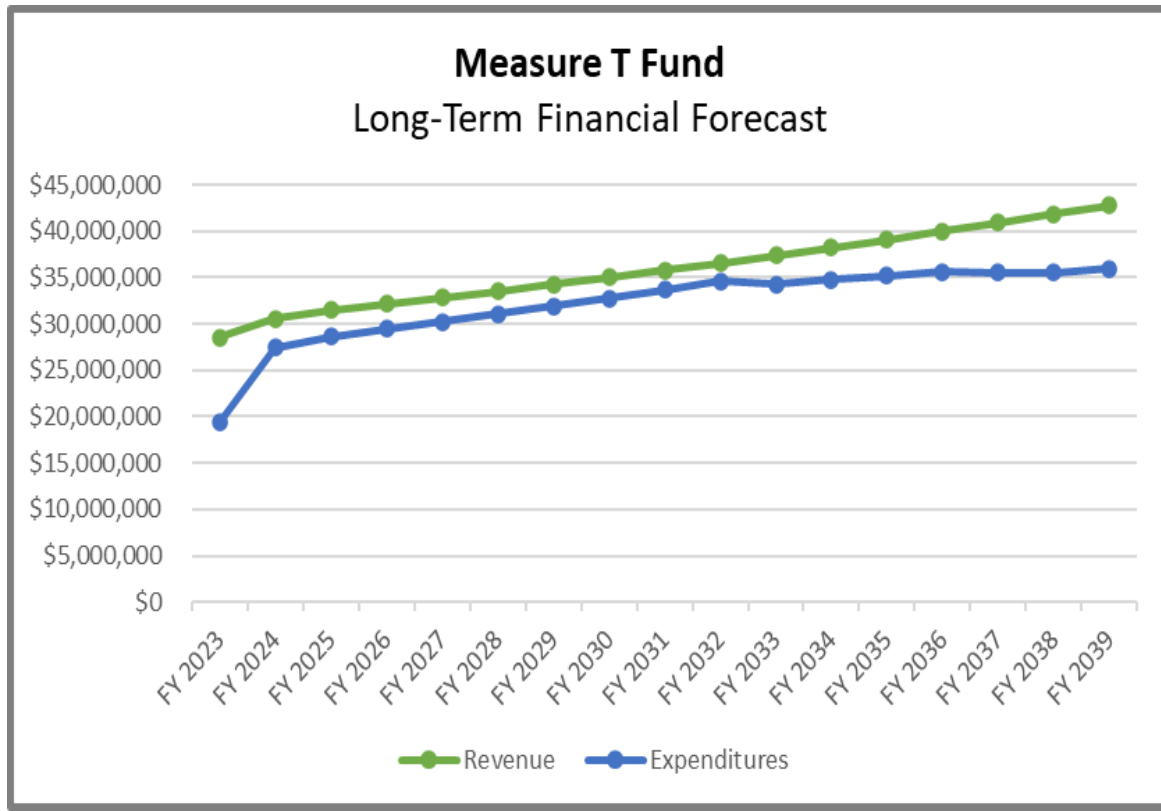


General Fund & Measure T Long-Term Financial Forecast

Measure T Fund Long-Term Forecast

	Budget FY 2023	Budget FY 2024	Budget FY 2025	Projected FY 2030	Projected FY 2035	Projected FY 2039
Revenue	\$28,538,253	\$30,524,800	\$31,449,800	\$35,000,195	\$39,080,726	\$42,788,311
Expenditures	\$19,392,036	\$27,448,498	\$28,597,090	\$32,765,985	\$35,192,555	\$35,992,780
Addition/(Use) of Fund Balance	\$9,146,216	\$3,076,302	\$2,852,710	\$2,234,211	\$3,888,170	\$6,795,531

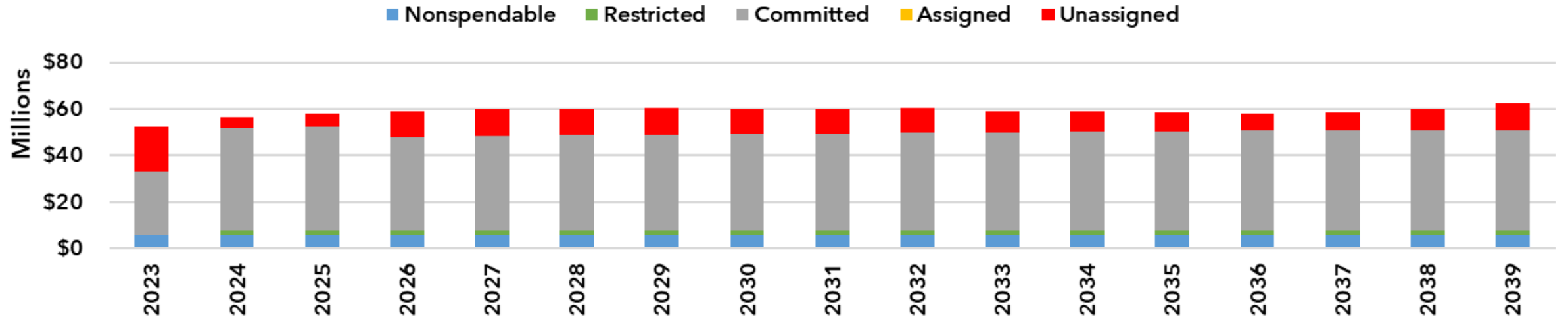
General Fund & Measure T Long-Term Financial Forecast



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Measure T Fund Balances



General Fund & Measure T Long-Term Financial Forecast

Potential Impact

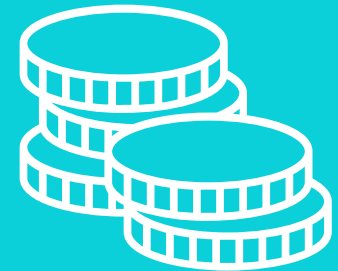
- Revenue > Expenditures \$2mm
- Planned contribution to Fund Balance
- Maintain Operating Reserves at 25%





Debt Affordability Analysis

- City engaged Fieldman Rolapp & Associates, City's Financial Advisor
- Assist City in planning long-term capital projects
- Source of Information
 - Debt Policy
 - General Fund and Measure T funds Long-Term Financial Forecast
 - Development Impact Fees annual revenues and fund balance
- Key Assumptions
 - Total Capital Project Costs
 - Project Priority
 - Tentative bond issuance year





Debt Affordability Analysis

Projects		Total Cost			Debt Scenario		
	Tier	Total Cost	Less DIF Funds	Bond Target	Issuance Year	Net Bond Proceeds	Add'l Funds
Library Expansion	1	\$5.00	(\$0.41)	\$4.59	2024	\$4.59	\$0.00
Fire Station 6	1	\$10.00	(\$2.08)	\$7.92	2024	\$7.92	\$0.00
Community Pool	1	\$10.00	\$0.00	\$10.00	2025	\$10.00	\$0.00
Los Alamos Hills Sport Park Soccer Project	1	<u>\$10.00</u>	<u>(\$3.89)</u>	<u>\$6.11</u>	2025	<u>\$6.11</u>	<u>\$0.00</u>
		\$35.00	(\$6.38)	\$28.62		\$28.62	\$0.00
Public Safety Regional Training Center	2	\$30.00	\$0.00	\$30.00	2027	\$10.44	\$19.56
Public Works Yard Operations Center	2	\$5.00	\$0.00	\$5.00	2029	\$5.00	\$0.00
City Hall - Facility expansions	2	\$20.00	(\$0.12)	\$19.88	2031	\$19.88	\$0.00
Police Station - Facility expansions	2	\$10.00	(\$1.44)	\$8.56	2034	\$8.56	\$0.00
Fire Station 5 - Permanent Structure Project	2	<u>\$5.00</u>	<u>\$0.00</u>	<u>\$5.00</u>	2036	<u>\$5.00</u>	<u>\$0.00</u>
		\$70.00	(\$1.56)	\$68.44		\$48.88	\$19.56
Total		\$105.00	(\$7.94)	\$97.06		\$77.50	\$19.56

Debt Affordability Analysis

Conclusion

- Multiple Long-Term Capital Projects
- Public Safety Regional Training Center dependent on outside funding and built in stages
- Limited debt capacity ≈ \$30 mm
- \$2 mm debt service payment capacity

Available Revenue Sources

- Measure T Fund
- Development Impact Fee Funds

Bond Assumptions

- Lease Revenue Bond Financing
- S&P rating of 'AA-'
- 30-year term
- Level annual debt service
- Interest rate of 5.50%
- Customary issuance expenses
- Capitalized interest applied to a portion of the bond interest payments
- Revenue sources available through the life of the financing

Council Goals Discussion

Current Council Goals

- Provide a high level of innovative **public safety**
- Aggressively pursue **economic development**
- Maintain a **high performing organization** that values fiscal sustainability, transparency, accountability and organizational efficiency
- Plan, program and create **infrastructure** development
- Coordinate and deliver responsive, effective **community services**
- Foster and promote an engaged, connected and caring **community**



Council Feedback on Current Goals

Infrastructure is a
top priority

Goals are broad;
desire specificity

Develop key
strategies for each
goal

Need to prioritize
goals and
strategies due to
limited resources

City Departments – Top Projects List

In addition to day-to-day
operations, City
Departments have an
extensive list of current
projects



Proposed Strategies

- Provide a high level of innovative **public safety**
 - Construct new Fire Station 6 (estimated cost/range: \$15-18 million)
 - Expand current Police Station (estimated cost/range: \$10 million)
 - Construct Public Safety Training Facility (estimated cost/range: \$25-30 million)
- Aggressively pursue **economic development**
 - Develop properties around City Hall (parking structure or surface lot on adjacent properties)
 - Amphitheater Parking Lot (estimated cost/range: \$1.8-2.1 million)
 - Downtown Parking Structure (estimated cost/range: \$16-20 million)
 - Assist the Triangle to Ribbon Cutting
 - Continue recruitment of medical and research facilities and jobs (Innovation Center)
 - Continue to attract new hotels and revenue drivers

Proposed Strategies

- Maintain a **high performing organization** that values fiscal sustainability, transparency, accountability and organizational efficiency
 - City Hall Expansion (estimated cost/range: \$15-20 million)
 - Expand existing City Public Works Yard office/operations (estimated cost/range: \$5 million)
- Plan, program and create **infrastructure** development
 - 215/Keller Interchange (estimated cost/range: \$47 million)
 - Current funding available of \$18 million, leaving a shortfall of \$29 million
 - Federal grant applications submitted annually since 2019, for \$25 million but denied each year
 - ADA Transition program
 - Assist water districts when feasible

Proposed Strategies

- Coordinate and deliver responsive, effective **community services**
 - Complete Library Expansion (estimated cost/range: \$6-6.5 million)
 - Construct new Cal Oaks Sports Park Pool (estimated cost/range: \$10-13 million)
 - Soccer Complex (estimated cost/range: \$10 million)
 - Develop new public amenities e.g.,
 - Pickleball Courts (estimated cost/range: \$50-75k, per court, depending on existing site conditions (grading/drainage))
 - Pump Track (estimated cost/range: \$250-500k, depending on features and materials)
 - Determine future of Equestrian Park and what that requires
 - (estimated cost/range: \$10 million, based on 2017 proposed design, current cost will vary)
- Foster and promote an engaged, connected and caring **community**
 - Continue programs and complete initiatives already under way while improving communications

Dot Voting on Priorities



Commitments from Staff

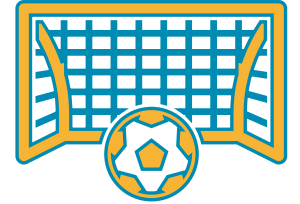
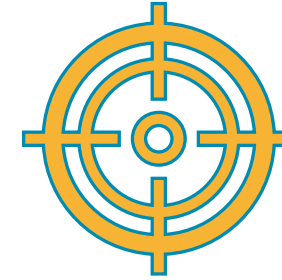


Align **programs, projects and activities** to advance Council priorities consistent with budget, staffing, and workloads



Build Council direction into **budget**

Staying on Track with Priorities



Regular
progress
reporting

Hold off on new
Council initiatives until
next goal setting cycle
or mid-cycle in the
two-year budget

Best Practice Criteria for Adding Initiatives and Projects Mid Cycle

Emergency (natural disaster, pandemic, civil unrest)

New outside funding
opportunity that is time sensitive

New multi-agency opportunity that cannot be delayed

Community safety
issue that must be addressed in near term

Changes in **laws or mandates**

What **comes off** the plate if something goes on?

What are the **consequences** of shifting direction mid way?

Wrap-Up and Next Steps

Baker Tilly will prepare a summary workshop report

Closing comments from Council Members and the City Manager

Workshop evaluation form

Please share **one comment** about what was useful in today's discussions

Closing Comments





Thank you!
Carol Jacobs and Steve Mermell

carol.jacobs@bakertilly.com
steve.mermell@bakertilly.com



Workshop Evaluation



Scan the QR Code above or enter
surveymonkey.com/r/MurrietaWorkshop
in your browser.

Stretch Break



Lunch Break

