



**CITY OF MARTINEZ**

**CITY COUNCIL AGENDA  
July 15, 2009**

**TO:** City Council

**FROM:** Mayor Rob Schroder

**PREPARED BY:** Philip Vince, City Manager

**SUBJECT:** Consider Martinez Unified School District's Request for Financial Support in Fiscal Year 2009/10

**DATE:** July 15, 2009

**RECOMMENDATION:**

Adopt resolution amending the fiscal year 2009-2010 operating budget appropriating \$500,000 from the City's General Fund balance to the Martinez Unified School District (MUSD) as an in-kind loan with repayment consisting of: (1) using a number of the school district's facilities at no cost for a specified time period; (2) the City rectifying past water bills and hook up fees pursuant to a reciprocal use agreement dating back to 1992 between MUSD and the City; (3) MUSD agreeing to locate a number of large trucks normally located at the City's corporation yard to Las Juntas Elementary School in a fenced off area once the City builds a new corporation yard at the Water Treatment Plant (WTP); and, (4) MUSD contributing a minimum of \$100,000 from their capital facilities fund to offset the cost of constructing a new City Corporation Yard.

**BACKGROUND:**

The general consensus among City Council at the previous meeting held on June 24, directed staff from both the School District and the City to formulate an in-kind loan plan that would facilitate a collaborative working relationship and would insure a more efficient use of taxpayer dollars in Martinez. This included MUSD exploring moving their Corporation Yard currently located adjacent to the School District administrative building to the WTP once the City builds a new Corporation Yard (Corp Yard) in the next two years.

The Council directed staff at the preliminary budget meeting in May 2009, to move forward with relocating the Corp Yard to encourage a better use of one of the "opportunity sites" identified in the Downtown Specific Plan. Staff has explored various building sites since then to relocate the Corp Yard, including building a new Corp Yard at the WTP.

To meet the space needs for both MUSD and the City corporation yards, the City is looking to acquire a strip of land from Shell abutting the WTP rear property line. If the City is unable to acquire this land from Shell, it is unlikely that the MUSD would relocate their corporation yard to the WTP.

In the spirit of collaboration, the MUSD has agreed in principal to construct a perimeter fence on an unused portion at Las Juntas Elementary School to house large pieces of equipment such as a boom truck and vactor which will not fit at the proposed Corp Yard at the WTP without acquiring additional land from Shell.

### **OTHER JOINT BENEFITS FOR THE CITY AND MARTINEZ SCHOOL DISTRICT**

Also in the spirit of cooperation the MUSD and the City propose to use this forum as an opportunity to share other resources which would create more efficiency for both agencies. A number of cost saving ideas were discussed, including (see attachment 2):

- Use of Alhambra High School swimming pool based on availability, while the City closes down the Rankin Park pool site for nine months during construction in 2010;
- Reduction in the costs associated with renting the Performing Arts Theater located at Alhambra High School by local theater groups;
- Savings from leasing and purchasing vehicles and equipment together; and
- Use agreement to share use of ball fields while the City is rebuilding a number of parks around the City.

### **FISCAL IMPACT:**

Given the current time constraints both the City and the MUSD are facing, the primary objective of this staff report is to attain a tentative conceptual agreement between both parties. Financial accounting and future lease agreement details will be developed by staff and approved by the City Council and the School Board at a future date. The itemized spreadsheet devised by MUSD (Attachment 2) specifies the in-kind services which will be granted to the City of Martinez over a period of time amounting to \$500,000.

The loan to MUSD will not; (1) impact the current status of any employee working for the City of Martinez; (2) alter any MOU agreements currently in place between the City's bargaining units, including any proposed raises; or, (3) contribute to projected operating budget deficits beginning in FY 11/12, which were forecasted in the current two year operating budget before this specific loan proposal from MUDS was introduced to the Council in late April 2009.

To be sure, this one time impact to the General Fund Reserve in the amount of \$500,000 will be a major hit, even though the City will receive in-kind benefits over the next five years from MUSD. The City has built up a 25% General Fund Reserve over the past 14 years, which is very laudable and well above the industry average.

**ACTION:**

Motion adopting a resolution amending the Fiscal Year 2009-2010 operating budget appropriating \$500,000 from the City's General Fund balance to the Martinez Unified School District as an in-kind loan.

**ATTACHMENTS:**

- #1A MUSD PowerPoint from May 6th;
- #1B MUSD Final Reduction Budget List
- #2 MUSD in-kind spreadsheet to offset \$500,000 loan
- #3 Resolution



## Martinez Unified School District Final Budget Reduction List

	Item	Note: FTE = Full Time Equivalent	Amount
1.	<b>K-3 Class Size Reduction target 30:1 based on school configuration (Loss of 24.6 FTE)</b>		<b>\$650,975</b>
2.	<b>Eliminate Department Chair stipends</b>		<b>\$86,650</b>
3.	<b>Integrate Health into 9<sup>th</sup> grade Physical Education</b>		<b>\$51,561</b>
4.	<b>Reduce Computer Applications @ AHS</b>		<b>\$50,000</b>
5.	<b>Eliminate 9<sup>th</sup> grade CSR (class size reduction)</b>		<b>\$106,058</b>
6.	<b>Eliminate 1 certificated librarian – 1 librarian equally shared between Alhambra High School and Martinez Junior High School (1 FTE)</b>		<b>\$61,080</b>
7.	<b>Eliminate Assistant Athletic Director</b>		<b>\$2,376</b>
8.	<b>Primary use of online Data Director to reduce copies and paper</b>		<b>\$2,500</b>
9.	<b>Eliminate purchase of new library books</b>		<b>\$6,000</b>
10.	<b>Eliminate administrative substitutes</b>		<b>\$5,000</b>
11.	<b>GATE</b>		<b>\$25,000</b>
12.	<b>Reduce district vehicle usage</b>		<b>\$1,000</b>
13.	<b>Martinez Junior High School Para Educator C</b>		<b>\$26,525</b>
14.	<b>Reduce Curriculum and Instruction Director to .5 Coordinator</b>		<b>\$91,440</b>
15.	<b>Eliminate paid retreats</b>		<b>\$2,000</b>
16.	<b>Eliminate all catered luncheons for interview panels, negotiations, workshops, etc.</b>		<b>\$5,000</b>
17.	<b>Reduce professional development, travel and conferences</b>		<b>\$27,281</b>
18.	<b>Reduce .4 Counselor - align resources between Martinez Junior High School, Vicente and Alhambra High School (.4 FTE)</b>		<b>\$24,621</b>
19.	<b>Reduce copy leases and current copy charges</b>		<b>\$11,000</b>
20.	<b>Eliminate custodial overtime for non-emergency situations</b>		<b>\$7,851</b>
21.	<b>Reduce Bilingual Para Educator – 1 person at 3.5 hours</b>		<b>\$15,032</b>
22.	<b>Eliminate District-paid finger printing for substitutes and new employees</b>		<b>\$5,000</b>
23.	<b>Eliminate 3-hour Martinez Junior High School custodial position</b>		<b>\$6,900</b>
24.	<b>Eliminate Vicente Briones Para Educator C @ 3 hours and Para Educator B @ 3 hours</b>		<b>\$23,153</b>
25.	<b>Reduce Martinez Junior High school secretary position from 5 hours to 3 hours per day</b>		<b>\$13,379</b>
26.	<b>Reduce progress report mailings</b>		<b>\$6,000</b>
27.	<b>Eliminate guest speaker for Institute Day</b>		<b>\$3,750</b>
28.	<b>Eliminate Electrician @ 1 FTE</b>		<b>\$79,958</b>
29.	<b>Eliminate Indian Education secretary position @ .8 FTE</b>		<b>\$49,094</b>
30.	<b>Eliminate Computer Technician @ MAE @ 5 hours</b>		<b>\$57,583</b>
31.	<b>Supplemental hourly programs (categorical flexibility)</b>		<b>\$100,000</b>
32.	<b>Instructional materials (categorical flexibility)</b>		<b>\$40,000</b>
33.	<b>Reduction of 4 FTE at secondary level</b>		<b>\$240,000</b>
34.	<b>Reduce BTSA/PAR services for new teachers</b>		<b>\$23,298</b>
35.	<b>Routine repair and maintenance (categorical flexibility)</b>		<b>\$50,000</b>
36.	<b>Deferred maintenance (reduction of required match)</b>		<b>\$77,000</b>
37.	<b>Eliminate Painter @ 1 FTE</b>		<b>\$76,048</b>
	<b>Total</b>		<b>\$2,110,113.00</b>

REVISED JULY 2, 2009

City of Martinez and MUSD IN-KIND Loan Repayment Plan				
Final Revised Plan				
Shared Facility Usage*		Estimated Annual Savings	# of yrs/ mos/hre	TOTAL
Pool usage	\$300 per week includes locker rooms	\$ 28,800	2	\$ 28,800
Disaster Preparedness facility usage	\$45 per hour	as needed	6	\$ -
Training facility usage - MJHS	\$45 per hour	as needed	5	\$ -
School site ball fields- est 200 hrs per yr	\$10 per hour	\$ 2,000	5	\$ 10,000
Performing Arts Building @ AHS & MJHS auditoriums	\$100 per hour (4 hr min)	Estimated 3 yrs 2009-2012		\$ 86,400
Martinez Opera o/s rental due to MUSD	previous rental still paying			\$ 6,024
Lease space for City to park vehicles at MUSD Corp Yard			5	\$ 100,000
MUSD to contribute to development of City Corp yard. MUSD will share use of facility.				\$ 100,000
<b>Other in-kind expenses</b>				
Water meter @ Morello Park since 1992	Contra Costa Water			\$ 116,449
CC Sewer Tax since Year 2000 @ 50%	MPE only		\$ 23,551	\$ 23,551
Continue to pay water bill at Morello Park	2 years & includes sewer tax			\$ 25,000
Woodchips @ Morello Park - annual refill for 10 years 2004-2013	\$645 per year	\$ 645	10	\$ 6,450
		<b>TOTAL IN-KIND</b>		<b>\$ 502,674</b>
<b>Other in-kind expenses to be considered</b>				
Crossing guards-@ 50%	\$ 40,000.00	\$ 20,000.00	5	\$ 100,000
Solar panels				TBD
*(Assumptions for facility usage is based on availability and must be scheduled in advance.)				

RESOLUTION NO. -09

RESOLUTION AMENDING THE FISCAL YEAR 2009-10 OPERATING BUDGET  
APPROPRIATING \$500,000 FROM THE CITY'S GENERAL FUND BALANCE TO  
THE MARTINEZ UNIFIED SCHOOL DISTRICT (MUSD) AS AN IN-KIND LOAN

**WHEREAS**, it is in the best interest for the City and the Martinez Unified School District to formulate an in-kind loan plan that would facilitate a collaborative working relationship that would insure a more efficient use of taxpayer dollars in Martinez; and

**WHEREAS**, the City Council amended the Fiscal Year 2009-10 Operating Budget appropriating \$500,000 from the City's General Fund Balance to be used as a loan to the MUSD, and directed the City Manager to develop an In-Kind Loan Repayment Plan. This Plan includes the following general provisions below and the specifics outlined in Attachment 2 attached hereto:

1. Using a number of the school district's facilities at no cost for a specified time period.
2. The City rectifying past water bills and hook up fees pursuant to a reciprocal use agreement dating back to 1992 between MUSD and the City.
3. The MUSD agrees to locate a number of large trucks normally located at the City's Corporation Yard to Las Juntas Elementary School in a fenced off area once the City builds a new Corporation Yard at the Water Treatment Plant.
4. The MUSD will contribute a minimum of \$100,000 from their capital facilities fund to offset the cost of constructing a new City Corporation Yard.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Martinez approves the In-Kind Loan Repayment Plan; and

**BE IT FURTHER RESOLVED** that the City Manager is hereby authorized to prepare a formal agreement and authorizes the Mayor to execute said agreement.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 15th day of July, 2009 by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ

REVISED JULY 2, 2009

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