

**CITY COUNCIL STUDY SESSION
MINUTES**

June 14, 2012

Mayor Vierra called the June 14, 2012 Study Session to order with the following in attendance:

ROLL CALL Council Members Durossette, Ingwerson, Kline, Lane, Mayor Vierra

DISCUSSION ITEMS

1. Fiscal year 2012-13 Budget.

City Manager Art de Werk presented an overview of the City's FY 2012/13 Budget Summary:

Revenues: \$+15.187 million less Expenditures: \$- 16.987 million = Deficit of \$1.8 million

FACTORS THAT HAVE LED TO THIS BUDGETARY CRISIS:

- A. RDA causes loss of funding for CEU and other General Fund positions that are partially funded by RDA funds.
- B. State imposes exchange of property tax for VLF.
- C. Retirement increase of \$726,000.
- D. Fuel and maintenance increase of \$170,000.
- E. Building Maintenance increase of \$33,000.
- F. Various insurance costs have increased.
- G. General increase in materials, supplies, & energy costs.

PROPOSED SOLUTIONS:

	Adjustment	Balance
Initial Out of Balance		-\$1,800,000
CM Reviews	\$653,000	-\$1,147,000
Ad Hoc Committee Reviews	\$240,000	-\$ 907,000
Proposed Use of Measure H Funds	\$606,000	-\$ 301,000
Freeze Police Officer Position	\$179,000	-\$ 179,000
Reduction of Police Overtime	\$ 75,000	-\$ 104,000
Use of General Fund Reserves	\$105,000	\$ 0

COUNCIL DIRECTION:

Council concurred with Staff's proposed solutions (as listed above).

PERSONNEL REDUCTIONS/CHANGES:

- Shift funding for Code Enforcement Supervisor from RDA to General Fund.
- Eliminate one Code Enforcement Officer.
- Eliminate three CSO positions that no longer have grant funding.
- Reduce hours for City Attorney to 32 hours per week.
- Freeze one Police Officer position (This will make a total of 3 frozen police officer positions).

COUNCIL DIRECTION:

Council concurred with Staff’s proposed personnel reductions/changes.

OUTSTANDING ISSUES REQUIRING COUNCIL DIRECTION:

1. SCBAs - Self-contained breathing apparatuses for fire service: Approximate Cost \$200,000-\$300,000

COUNCIL DIRECTION: Yes, move forward. OK to use General Fund Reserves. Bring back to Council with analysis of SCBAs and other critical equipment that will be requiring replacement in the next few years. Include quantities and expiration dates and well as costs to replace.

2. iPads for City Council and associated staff: Approximate Cost \$26,000 - \$30,000.

COUNCIL DIRECTION: No. Do not move forward with project.

3. Computer failures: \$172,000 in Police Division; \$28,000 in other City Departments.

COUNCIL DIRECTION: Bring back to Council with analysis. Include what is most critical and time frames for replacement. Explore other options such as leasing equipment. Make recommendation.

MATTERS REQUIRING FURTHER ACTION/DECISION-MAKING:

<u>ITEM</u>	COUNCIL DIRECTION
A. Implement new fines for code and parking violations.	YES
B. Conduct a study of fire service consolidation or enhanced resource sharing with neighboring agencies. <i>Consider All Options.</i>	YES (don’t want to lose our identity)
C. Conduct a formal study of the City’s financial future, its related challenges and opportunities to position it for the long-term future.	YES (don’t want to spend much \$\$)
D. Continue with an aggressive Economic Development plan and associated activities.	YES

MATTERS REQUIRING FURTHER ACTION/DECISION-MAKING (cont.):

<u>ITEM</u>	COUNCIL DIRECTION
E. There are several positions that are presently misclassified and should receive new titles and possibly different reporting relationships.	YES
F. Council should consider the creation of a revenue generating/capturing position w/in the Utilities Division. <i>This option will be advanced if staff determines that the position will actually generate more revenues than the position itself costs. Staff to also examine current processes.</i>	YES
G. Pursuant to the June 11, 2012 Meeting, Council will consider creating the CSI position that would be paid for out of the Police Division’s Measure H funding allocation (in association with the position sharing agreement with the Sheriff’s Office)	YES – (Need more info bring back in July)
H. The Interim Human Resource Manager should be transformed into a regular HR Manager Position.	YES
I. There is one firefighter that has occupied a Fire Division position for the last three years but has been unable to work. We will be examining the efficacy of replacing that position in the event that sufficient overtime is saved.	YES

CITIZENS COMMENTS

- Len Shepherd, resident recommended that the Council and Staff explore the option of forming a JPA between the Fire Agencies in the County for the purpose of purchasing equipment. It will allow for greater purchasing power and ultimately price reductions.
- John Silveria, resident and Measure H Committee Member, concurred with the City Manager’s recommendations to Council; encouraged Council to focus on Economic Development and requested that Council reimburse the Measure H Fund as soon as it is feasibly possible.

After some further discussion Council directed staff to bring the FY 2012/13 Budget as discussed back to the next meeting for approval.

6:44 p.m. There being no further business Mayor Vierra adjourned the Study Session.

/s/ Chris Vierra, Mayor

/s/ Cindy Heidorn, CMC City Clerk