

I. ROLL CALL:

THE MEETING WAS CALLED TO ORDER at 5:20 p.m.

Present: Darryl Nind, Richard Rogero, Greg Stratton, Lee Kennedy (arrived at 5:30 p.m.)

Absent: Dean Kunicki

Staff: Eric Levitt, City Manager; Linda Swan, Deputy City Manager; Jody Kershberg, Administrative Services Director; Matt Cuevas, Management Analyst

II. PUBLIC STATEMENTS

Ms. Teresa Jordan read a letter she had written to the Committee that outlined some of her concerns. She also stated she was appreciative of the Committee and staff's efforts in reviewing the City's budget. Ms. Jordan pointed out that there were some inconsistencies regarding the prior meeting agendas and the approved minutes and requested the Committee address those issues. Copies of the letter were provided to Committee members.

III. REVIEW AND APPROVE THE MINUTES FROM THE 11/07/2017 MEETING

Mr. Rogero moved, and Mr. Stratton seconded, to defer the approval of the November 7, 2017 minutes based on the comments from Ms. Jordan and asked staff to review them for compliance. The motion passed 3-0. Mr. Nind asked staff to review the inconsistencies outlined in Ms. Jordan's letter and report back to the Committee at the next meeting.

IV. INITIAL SURVEY DATA

Mr. Cuevas shared the draft survey responses the City had received so far. He noted the number of responses received was 414, and the average completion rate was 90%. The Committee reviewed the initial responses and did not have any additional questions. The Committee briefly discussed the outreach that had been conducted with outside organizations regarding the survey, and the effectiveness of notifying the community about the survey.

V. REVIEW POSSIBLE EXPENSE/REVENUE AREAS IN BUDGET

Mr. Levitt shared a list of possible expense and potential revenue areas in the budget that the committee might want to explore. These included:

- Overtime usage
- Landscape Maintenance Districts
- Federal Lobbyist services
- Pensions

- Workers' Compensation Claims
- Transit
- Utility Users Tax

Mr. Nind inquired if staff was able to provide landscape district subsidies by zone, number of properties paying the property tax, and number of properties that belong to an HOA.

Mr. Rogero inquired about using pension obligation bonds to address the City's unfunded pension liabilities.

Mr. Levitt indicated that the Committee could explore that possibility and also provided a quick overview of the advantages and disadvantages of that approach.

Mr. Rogero inquired about data on overtime regarding the Police Department. Mr. Nind inquired further about the possibility of having overtime usage broken down by department as well as usage of sick time. Mr. Levitt indicated that employees utilize one PTO (personal time off) bank, and that sick time alone cannot be broken out.

Ms. Kershberg stated she could have staff research the use of overtime for different departments in the City and return to the Committee with the information.

The Committee engaged in a discussion regarding transit operations in regards to expense and revenue options available to the City.

Mr. Levitt explained that the City's transit services are currently being evaluated and a Short Range Transit Plan is being prepared for City Council review and consideration.

The Committee then began a discussion on marijuana and potentially taxing it as a source of revenue for the City. The noted the issues/challenges of implementing such a comprehensive set of laws to regulate marijuana at the local level.

Mr. Nind inquired about a Utility Users Tax and the benefits and disadvantages of such a tax.

Mr. Levitt explained to the Committee what a Utility User Tax is and the process for implementing such a tax in the City.

Ms. Swan also spoke about how not having a Utility User Tax is a draw for businesses to the City and is part of the City's Economic marketing plan.

Mr. Kennedy asked if the City has any assets or excess land it could dispose of as a potential source of revenue. Along the same line of inquiry, Mr. Stratton

inquired if the City still owned the parcel of land located adjacent to the Madera Road freeway off ramp.

Mr. Levitt indicated that staff could research those areas for the Committee and return with the information.

The Committee then inquired about liabilities and settlement fees and if those payments come out of the General Fund.

Mr. Levitt explained that the City has a liability fund that each department contributes towards, and that the City has actually reduced the number and amount of money the City has paid out of its liability fund over the past several years.

Mr. Stratton then inquired about smaller funds, such as the vehicle fund, that the Committee could consider and how much the City owes in unfunded liabilities.

Ms. Kershberg answered that the City has approximately \$106 million in unfunded liabilities based upon the GASB 68 calculations.

## VI. ADDITIONAL BUDGET/FINANCIAL DATA

Ms. Swan asked the Committee what other information they would like staff to bring back for further discussion and review.

Mr. Rogero said he would like more detailed information regarding overtime usage by the Police Department.

Mr. Nind stated he would like to see more detailed information regarding overtime usage from the City departments.

Ms. Kershberg asked for clarification on the time period the Committee would like to see the overtime data.

Mr. Nind stated that a 5 year period would be sufficient unless there were any deviations that would cause the usage to spike outside of that time period.

The Committee then asked for more detailed information regarding the landscape districts and having a map presented to them outlining each zone and how much is spent per zone.

Ms. Swan mentioned that this topic was researched by staff and there is a staff report that will be presented to City Council in the near future discussing this issue. Mr. Levitt suggested having a staff member present this information in person to the Committee prior to the item being considered by City Council.

Mr. Kennedy inquired about having a staff member from the Police Department attend the next Committee meeting to present information on the overtime

numbers and answer any questions.

Mr. Levitt stated he could have staff attend and present at the next meeting.

Ms. Swan asked the Committee if they still wanted to review the vehicle fund at the next meeting.

Mr. Stratton answered yes that the Committee would still like to review that fund.

VII. REVIEW PLANNED MEETINGS/PRESENTATIONS

The Committee stated there were no plans for future presentations at this time.

VIII. ADJOURNMENT

The meeting was adjourned at 6:30 p.m. The next meeting is scheduled for Tuesday, December 12, at 5:00 p.m. in the Community Room at City Hall.



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Matthew Cuevas, Management Analyst