

I. Call to Order

The meeting was called to order at 5:10 p.m. by Mr. Kunicki.

II. Roll Call

Present: Darryl Nind, Richard Rogero, Greg Stratton, Lee Kennedy, Dean Kunicki

Absent: None

Staff: Eric Levitt, City Manager; Jody Kershberg, Administrative Services Director; Matthew Cuevas, Management Analyst

III. Public Statements

Mr. Don Otto expressed concern about the number of completed surveys and questioned the outreach efforts to the community. Mr. Otto was also concerned that the survey did not mention salary and benefits cuts and felt questions addressing those topics should have been included.

Mr. Greg Litster stated he was concerned about spending on employees and claimed the City has been running deficits for 10 years. Mr. Litster also stated the City is facing unfunded pension liability of \$36 million dollars over the next five years and presented a spreadsheet provided to him by Jim Purtee, former Assistant City Manager, and explained how he revised the document to show that continual deficits are not addressed. Mr. Litster also spoke about his previous objections to pay raises, especially to the management group whose salaries are double those of SEIU employees.

Each Committee member introduced themselves and provided a brief background on their work experience and which City Council member appointed them to the Committee. Each Committee member also stated what outreach they conducted in regards to the community to create awareness of the survey. The Committee members also reiterated that the survey was undertaken as another tool to provide information to the City Council, and is intended to be a snapshot of all the budgetary information to help provide City Council with an overall picture. The Committee also indicated their purview was not to address the salary and benefits issues; that responsibility lies with City Council.

Mr. Levitt stated that the \$36 million unfunded pension liability is cumulative over the next several years to provide further context to the Committee. He also said that the amount may go lower because the new labor contracts will affect the rates. The contracts contain no increases in salary and therefore no increases to PERS pension liability. However, PERS' actuarial projections assume a 3% increase each year.

Ms. Kershberg also spoke about PERS and increases and stated that employees are now required to pay their entire share into the PERS system, and that even though there were salary increases, most of the increase went towards PERS contributions from employees and not necessarily a straight salary increase. Salaries increases were in part offset by decreases to pension costs.

IV. Review and Approval of Revised Minutes from Previous Meetings

The Committee reviewed and approved the following prior meeting minutes.

Mr. Nind made a motion to approve the revised minutes from the September 26, 2017 meeting. Mr. Kennedy seconded the motion. The motion passed 5-0.

Mr. Nind made a motion to approve the revised minutes from the October 10, 2017 meeting. Mr. Kunicki seconded the motion. The motion passed 3-0. Mr. Rogero abstained and Mr. Stratton was absent.

Mr. Nind made a motion to approve the revised minutes from the October 17, 2017 meeting. Mr. Kunicki seconded the motion. The motion passed 3-0. Mr. Rogero and Mr. Kennedy abstained.

Mr. Nind made a motion to approve the revised minutes from the October 24, 2017 meeting. Mr. Kennedy seconded the motion. The motion passed 4-0. Mr. Rogero abstained.

Mr. Nind made a motion to approve the revised minutes from the November 2, 2017 meeting. Mr. Rogero seconded the motion. The motion passed 4-0. Mr. Kunicki abstained.

Mr. Nind made a motion to approve the revised minutes from the November 7, 2017 meeting. Mr. Rogero seconded the motion. The motion passed 4-0. Mr. Kennedy abstained.

Mr. Nind made a motion to approve the revised minutes from the November 28, 2017 meeting. Mr. Kennedy seconded the motion. The motion passed 4-0. Mr. Kunicki abstained.

V. Review Survey Data

Mr. Cuevas stated that upon the close of the survey on Friday, December 8, the City received 741 responses, the average time to complete the survey was 15 minutes and that the average completion rate was 89%. He also indicated that the responses were still being reviewed to find any duplicate IP addresses.

Mr. Levitt provided some perspective on the weighted averages of the responses for the first several questions and the bar graphs. He noted that the tables which

follow the bar graphs breakdown each person rated the individual program areas. Mr. Levitt also stated that each subsequent department question is weighted averages within that individual department. He also spoke on Landscape Maintenance Districts and indicated any change in current practice would require a Proposition 218 process.

The Committee had a discussion on the Proposition 218 process and Mr. Levitt answered the Committee's questions about the process.

There was also brief discussion on the Committee's role moving forward and its directive.

Mr. Levitt reiterated that the Committee has the opportunity to look at the budget in more detail, and he anticipates the Committee will continue its role into March or April. He urged the Committee to use the survey as one of a number of elements in forming their recommendations.

Ms. Kershberg said this was an opportunity for the Committee to use the survey as a launching point in order to provide meaningful input into the budget process going into next year, and its potential to affect future budget allocations.

Mr. Kunicki said he would see some value in appearing before the City Council and providing a general rundown of the survey results and presenting the Committee's point of view.

Mr. Levitt indicated he would see if this could be accommodated at a City Council meeting in January.

The Committee was in agreement they needed more time to analyze the survey results in more detail. The Committee decided that at the next meeting they would continue to discuss the survey results, comments provided in the survey, Police Department overtime and Landscape Maintenance Districts.

VI. Adjourn

The Committee adjourned the meeting at 6:34 p.m.

The Committee then reopened the meeting to establish the next meeting date. The Committee indicated the next meetings would be on January 4, 2018, and January 16, 2018.