Council Chambers 300 First Street Woodland, California

August 24, 1993

Vice Mayor Sandy opened the adjourned session at 7:00 p.m. in the City Hall Council Chambers.

ROLL CALL:

COUNCIL MEMBERS PRESENT: Rominger, Crescione, Flory, Sandy, Slaven

COUNCIL MEMBERS ABSENT: None

STAFF PRESENT: Kristensen, O'Toole, Woodruff, Wegener, Bryan, Smith,

Buchanan, Ostebo, Wickstrom, Ruggiero

OVERVIEW OF GENERAL FUND BUDGET SITUATION:

City Manager Kris Kristensen gave the Council and audience an overview of the Fiscal Year 1993-94 General Fund account. He reported that before any General Fund adjustments for FY 1993-94 the City had a beginning reserve of \$2,000,000. With estimated revenues at \$15,015,000 and estimated expenses of \$16,260,000 there will be a deficit of \$1,245,000 for FY 1993-94 and an estimated ending reserve balance as of June 30, 1994 of \$755,000. He said on August 4 Council approved the recommendation to proceed with expense cuts or revenue increases totaling \$1,000,000 annually. If these adjustments are made effective October 1, 1993 the estimated deficit will be reduced to \$495,000 and will result in an estimated ending reserve balance of \$1,505,000. He said that over the past three years the following revenues have been taken by the State affecting the City's General Fund: \$808,000 in FY 1993-94 property tax, \$492,000 in FY 1992-93 property tax, \$85,000 in FY 1992-93 cigarette tax, and \$55,000 in FY 1992-93 vehicle fines revenue reduction. In addition State actions have added \$170,000 to the City's General Fund expenses for FY 1990-91 in jail booking fees and \$100,000 for FY 1990-91 in property tax administration fees. He then reported on the percentage of the total General Fund budget that each department represents and what amount a 7% cut would represent for each department. He said 70% of the budget is personnel related The first overall budget reduction recommendation he said is to lower equipment rental charges to General Fund operations by \$200,000 which represents 20% of the budget solution the City needs. This will reduce the number of vehicle replacements which can be made this and in future years. The City Manager then reported on the cuts (\$76,100) recommended for the General Administration portion of the General Fund budget including the City Council, City Clerk, City Attorney, City Manager, and Human Resources budgets.

Community Development Director Janet Ruggiero reported the recommended cuts (\$52,712) for her department, which included the early retirement of a Building Inspector II position and the staff working with the Fire Department to develop a joint inspection/code enforcement program. Also included was the recommended transfer of

50% of salary and benefits of a Planning Technician to the Redevelopment Agency Budget, as well as a transfer of 5% of the Community Development Director's salary to the Redevelopment Budget.

Finance Director Peter Woodruff itemized the cuts (\$38,671) to the Finance Department which involved primarily cuts in part time help. Mayor Rominger then inquired about any savings by changing four part time positions to two full time positions. Council Member Crescione inquired about more automation in the Finance Department to allow each department to access financial records.

Library Services Director Marie Bryan reported on the 7% (\$45,748) reductions recommended for her department. She pointed out, however, that last years's 29% reduction in the library materials budget has caused circulation to be reduced by 11.5% in one year. She said the Library Board decided to make no further reductions in the materials budget. Instead, they will transfer another 16% of the original \$80,000 budgeted in 1991-92 for materials to Fund 70. The Board also decided to reduce hours opened to the public should there be any reductions in library staff.

Acting Police Chief Russ Smith reported on the 7% (\$413,000) in cuts for the Police Department, including the elimination of seven positions. Council then discussed the potential for reducing overtime in the Police Department with court appearances. Mayor Rominger inquired about the Human Resources Department performing background investigation for Police Department new hirings. The Acting Police Chief said he would explore the possibilities.

Fire Chief John Buchanan itemized the proposed reductions for the Fire Department which included \$5,100 in conferences and training expenses, \$11,450 in machinery and equipment, and \$213,200 with the elimination of four full time firefighter positions with benefits. He then responded to questions from Council Member Crescione regarding the use of volunteers for the Fire Department.

Parks and Recreation Director Tim Barry reported on the recommended adjustments for the Parks and Recreation Department which included \$30,070 in increased fees and \$173,443 in proposed cuts.

Lastly, Public Works Director Gary Wegener reported on proposed adjustments recommended for his department, including the suggestion for implementation of a storm drain enterprise fund and a City-wide lighting and landscaping district.

Assistant City Manager Kristine O'Toole then reported on possible budget revenue alternatives. She said the following City services and associated costs could be financed through the landscaping and lighting district process: street lights \$216,000; traffic signals \$159,000; street trees \$414,000; concrete damage due to street trees \$72,000; and park maintenance \$1,337,300. She said a conservative estimate is that each \$100,000 funded through this process will cost the average home owner approximately \$10 per year. A second revenue alternative is a utilities user's tax which can be applied to

gas, electricity, telephone and/or cable television bills. A tax rate of .5 of 1% would result in \$235,000 in revenue at a cost of \$.50 per \$100 on the utility bill; with a tax rate of 1% the revenue would be \$470,000 with a cost of \$1.00 per \$100 on the utility bill; and a tax rate of 2% would result in \$940,000 in revenue with a cost of \$2.00 per \$100 on the utility bill. A third alternative revenue source is billing for first response on medical aid. Based on the number of medical aid calls the Fire Department responded to last year, the Fire Chief estimates the fee would generate approximately \$236,000 in new revenue. Also, she said, a Mello Roos district can be formed to levy a special tax to fund qualified public facilities. This special tax requires a two-thirds majority vote of the qualified electors of the district. A fifth alternative would be the process of establishing a parking district. The estimated cost to the benefiting property owners is \$250 annually which represents \$60,000 which the General Fund subsidizes for the parking program divided by 250 property owners. Lastly, a storm drain enterprise fund could be established. Currently the General Fund pays for the operation and maintenance of the storm drain system for the City in the sum of \$121,000 annually. The City does not currently charge property owners for storm drain service. An engineer's report would be needed to determine the method for assessing the cost to property owners. The cost would be approximately \$12 annual or \$1 per month; the estimated cost is arrived at by dividing \$121,000 by 10,000 property owners.

Council took a recess from 9:17 p.m. until 9:22 p.m.

Vice Mayor Sandy invited comments from the public.

Pat McGuire, Executive Vice President of the Woodland Chamber of Commerce, said in a survey conducted by the Chamber in May 1993 the participants placed a high priority on financing public safety services. He said the survey results have already been reported to Council.

Bob Phibbs, attorney representing the Woodland City Employees' Association and the Woodland Firefighters Association, urged the Council to look at services versus people before making cuts. He said the City needs to use existing personnel rather than spreading people thinner. He said that the employees he represents are not opposed to looking at different options.

Vice Mayor Sandy said there will be two public hearings, on September 7 and 21, to receive input regarding proposed General Fund Budget adjustments, and no Council action is required at this time. He said that he was supportive of exploring the utility user tax and the medical aid response fee.

Council Member Flory and Mayor Rominger said they were supportive of the emergency medical aid fee. Mayor Rominger indicated she would also be interested in looking into the formation of a parking district and establishing a storm drain enterprise fund.

Vice Mayor Sandy suggested that the City explore getting out of some services entirely instead of just reducing programs.

Mayor Rominger said she was also interested in looking at property the City is not fully utilizing.

ADJOURNMENT:

	At 9:40 p.m. the meeting was adjourned.
-	City Clerk of the City of Woodland