

MINUTES
SPECIAL CITY COUNCIL MEETING
March 31, 2009
6:00 P.M.

CALL TO ORDER

At 6:00 p.m. Mayor Davies called the special meeting of the Council to order.

PLEDGE OF ALLEGIANCE

Mayor Davies invited all in attendance to join in the Pledge of Allegiance.

ROLL CALL

COUNCIL MEMBERS PRESENT: Marlin Davies, Martie Dote, William Marble, Jeff Monroe, Artemio Pimentel

COUNCIL MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Mark Deven, Sue Vannucci, Andrew Morris, Barry Munowitch, Greg Meyer, Dan Gentry, Tod Reddish, Manuel Soto, Cynthia Shallit, Christine Engel, Sandra Briggs, Amy Buck, Paul Siegel, Wendy Ross, Rex Greenbaum

REPORT OF THE CITY MANAGER

FISCAL YEAR 2009-10 GENERAL FUND BUDGET OPTIONS

Mayor Davies said the General Fund has been reduced significantly over the last three years, totaling thus far approximately \$12 million. Funds other than the General Funds cannot be mingled by law. Capital Funds cannot be used for General Fund purposes.



City Manager Deven advised the Council of the reasons for the deficit in our budget. Some of those issues are the collapse of the housing market, international and national financial conditions and a 12% unemployment in Yolo County. Council reduced the General Fund budget by \$2.2 million in December of 2007, reduced expenditures in the 2008-09 budget by \$3 million, approved mid-year adjustments in February of 2009 by another \$2.7 million. Projected revenues for the 2009-10 budget are at \$38.7 million and expenditures at \$45.2 million, which equates to a \$6.2 million projected deficit.

To restore fiscal balance, the City has focused on expenditures, structural changes and programs and levels of service with alignment of revenues. Departments have developed priorities, and reduction criteria has been discussed. Reduction options proposed include: reduction of \$5.4 million in expenditures, use of General Fund reserves in the amount of \$838,000, reduction of \$6.3 million with no additional use of General Fund reserves; or reduction of \$7 million in expenditures and repayment to the General Fund reserve in the amount of \$700,000.

The proposals are broken down into tiers or levels of reductions. The first tier breakdown is:

Employee related costs, salary freeze, furloughs and elimination of non-safety meetings and conferences	\$	765,203
Community Development reductions in Administration, part-time Code Enforcement and Engineering	\$	473,137
Finance reassignments	\$	150,000
Park and Recreation reductions including levels of service, vacant positions, Administration, Youth and Senior programs	\$	1,496,394
Police reductions including DARE, Youth Diversion, Strategic Operations, Crime Prevention	\$	690,765
Fire reductions including nine vacant Firefighter positions, Weed Abatement, Heavy Rescue, Public Education and recovery of service call costs	\$	1,247,195



Library modifications	\$	450,000
Public Works reductions including redirecting Franchise fee revenues, delaying facility repairs and discontinuing the concrete program	\$	145,752
TOTAL FIRST TIER REDUCTIONS	\$	5,418,466
Impact on the General Fund Reserves	\$	-838,000
Potential Layoffs		17



The second tier options would include that above and add:

Employee related costs including a 1.5% salary reduction	\$	310,103
Community Development reductions, loss of Building Inspector	\$	102,000
Police reductions, including three vacant Police Officer positions and facility costs	\$	282,103
Fire reductions, Fire Inspector or additional revenue	\$	100,000
Public Works reductions, custodial services at City Hall, MSC, and Library	\$	55,000
TOTAL SECOND TIER REDUCTIONS	\$	849,206
CUMULATIVE TOTAL	\$	6,267,652
CUMULATIVE IMPACT ON THE GENERAL FUND	\$	+11,465
TOTAL POTENTIAL LAYOFFS		19





The third tier options would be:

Employee related costs, reduction in salaries of an additional 3%	\$	620,207
Discontinuance of Code Enforcement	\$	100,000
TOTAL THIRD YEAR REDUCTIONS	\$	720,207
CUMULATIVE TOTAL	\$	6,987,859
CUMULATIVE IMPACT ON THE GENERAL FUND	\$	+731,671
TOTAL POTENTIAL LAYOFFS		20



Other options Council may wish to consider are: reduction in the remaining Planning staff, summer day camps, youth sports, additional reductions in the levels of service in Parks maintenance and Cemetery maintenance, reduction in animal control services (would need a political solution), reduction in Police records staff which could delay warrants to Police Officers, reductions in Police investigations which would have an impact on clearance of criminal cases. There could be additional reductions to Fire Prevention staff, elimination of all downtown maintenance service, reduce maintenance of medians and parkways, reduction of tree maintenance, elimination of curb/gutter/ sidewalk repair, and/or reduce the schedule at the Senior Center.

Additional tasks before us are the review of opportunities for job sharing, part-time employment, creative scheduling, exploration of the "Golden Handshake" as a means to encourage retirements.

As a word of caution on our General Fund Reserve, these funds are a protection for the City should a catastrophic event take place leaving the City without funds. An adequate fund protects the City from natural or man-made disasters, is a buffer for economic contingencies, maintains our cash flow, allows continued service when raids on local revenues by the State are implemented and is a method of projecting financial stability. It is considered risky to allow the reserve for the General Fund to fall below 10% and the preferred level is 15%. The proposed first and second tier options maintain reserves at the \$5 million level, which is 13% of our operating budget.

Employees have been involved in the suggested options for reduction. The City has received over 250 suggestions for reductions and revenue



enhancements. Some of those suggestions have been incorporated into the recommendations in the three tiers. Further refinement and study of these recommendations is necessary. It is proposed that a Task Force be formed comprised of employees at all levels of the organization to look at these and further options to reduce expenditures and/or define additional revenue sources for the City.

The next steps before staff are to receive comments and direction from the Council, to conduct public meetings and discussion with Boards, Commissions and the Chamber of Commerce, and to hold further discussions with the Council at the proposed special Council meeting on May 12th.

Vice Mayor Pimentel stated that he would like the City to do everything possible to avoid layoffs of staff. He also would like the cost of the furlough to non-safety employees be carried to the safety employees so that their reductions are equitable to others in the City.

Council Member Monroe asked why the Public Safety employees were not included in the furlough recommendation. City Manager Deven indicated the furlough of Safety employees puts a strain on the minimum staffing levels for safety of citizens. Council Member Monroe indicated time could be added to their vacation time and then they could take time off whenever they could fit it in. Reserve Officers could be brought in during these times as this is considered a catastrophic event. He asked about liability to the City without a SWAT team. Chief Sullivan indicated the Team was called out seven times during the last year. City Attorney Morris said the State law gives the Cities a lot of discretion and even with very low staffing we do not have a large liability. If the Council desires a more in-depth opinion could be rendered.

Council Member Dote asked if the "cash back" option had been discussed with the employees. City Manager Deven indicated that many options have been mentioned to the employees but all of the employee-related issues must be negotiated. The cash back is the difference between the medical cost and the plan the employee selects. Council Member Dote asked if those employed in the Enterprise program would be furloughed. City Manager Deven said they would be included as it would be a shared pain issue and there would be some residual benefit.

Council Member Marble said Council should determine the level of reserves and keep that reserve at the current level in place. Sworn employees should be reduced at an equivalent percentage as the rest of the City employees. The Library should not be disseminated to the level proposed and we should look at the possibility of retirees and volunteers to help out the City.



Mayor Davies said we need a healthy reserve balance. We need to have some agreement with the Associations to avoid layoffs and work with the Library Board to on ways to save money.

Council Member Monroe asked if there are any plans to utilize contract services and City Manager Deven said we plan to eliminate as many contracts as we can so that fewer employees will need to face layoff.

The Council then heard from twenty-five individuals requesting that their particular program or interest not be reduced or eliminated. Those speaking were Bud Goding, Library Board Member; Ken Maddsen, Building Inspector; Chris Fong, Engineer and President of the Mid-Management Association; Karen Shepard, citizen for the Library; Erin Murphy, citizen for the Library; Maudie Stephensen, citizen for the Library; Cecilia Delevati, Administrative Clerk in Community Development; Jair Camacho, Engineer in Community Development; Kay Hodges, Member of the Library Board.

Angel Barajas, Member of the Parks and Recreation Commission, mentioned other possible considerations, such as a 4/10 work week, a 5% cut to the budget across the entire City, POP programs up-front savings, employee cost sharing for retirement costs, utilization of Volunteer Firefighters to reduce overtime, and Golden Handshake.

Others who spoke, Mark Dennis, Code Enforcement Officer in Community Development; Sue Bigelow, Literacy Coordinator in the Library.

Lamar Heysteck, citizen for the Library who offered the Yolo Family Resource Center and the Woodland Coalition for Youth Program that wants to work with the City on program cuts, especially at the Library as they have many coalition members who could backfill with volunteers.

Eric Zane, President of the Woodland Professional Firefighters' Association; Esther Guardado, Library Technician, Library; Lori Becker, citizen for the Library; Doris Price, citizen who holds her church meetings in the Library; Tim Sharp, Building Inspector in Community Development; Isabel Ponce, citizen for the Library; Sarah Brown, citizen for the Library; Joel Luevano, Senior Building Inspector in Community Development; Seth Wurzel, Member of the Planning Commission; Jorel Difuntorum, Member of the Library Board of Trustees; San Crawford, Member of the Parks and Recreation Commission (provided handouts); Bernadette Murray, business owner in the downtown; John Roman, citizen supportive of the Building staff.



Mayor Davies said he feels that layoffs should be the very last option but Council should consider all options.

Council Member Monroe said the first tier options are the only ones he would support. Furloughs should be spread throughout the entire staff. The three vacant Police Officer positions should be frozen and there should be no layoffs. The Reserves would be adequate at 10% as this is a catastrophic event for the City. The City is already lean in their staffing as we are the lowest staffed in our region. Layoffs would create a very big impact on the functionality of the City. The fields in the City should be maintained as they are utilized extensively. Youth diversion helps 700 kids and the graffiti crime abatement, fire prevention services, SWAT, CNT and Canine programs are vital. The national average for Fire staffing is 17 per shift and we are now at 12. Response time is vital to the safety of our citizens. Weed abatement is a fire hazard elimination. The fire prevention program serves 6200 children and is important for their safety. Cutting the Library services by 25% is not going to work without massive layoffs of their staff. The young people will have nothing to do without many of these programs.

Council Member Dote said layoffs are the last resort and we need to work with the associations on furloughs. There are no available jobs in the area at this time. We have 2006-07 revenue levels with 2008-09 levels of service. We have cut the low hanging fruit already. We need to look at Library services very closely and not cut back there as drastically. It is a vulnerable area that is not the same as Fire and Police. They need to be open to customers. The Library should be the first to be reinstated when the economics turn around.

Council Member Pimentel said we have a lot of work to do. He supports most of the first tier reductions. He would also like to avoid layoffs and the association needs to work closely with management to help prevent layoffs as a option. A 1.5% cut in salaries across the board would avoid layoffs. We have not looked at revenue generation. If the community is willing to step forward and pay for the services they use, our revenues would increase dramatically. Volunteers are a good method of keeping the level of service higher. In years past the program CUPUFUPU (clean up, pick up, fix up, paint up) was in place and very effective.

Mayor Davies said the reality is this financial situation is dire and everything we add back in makes the situation worse. Bottom line is that we have 17 more people than we can afford. If we use all of our reserves the problem will just transfer to next year.



City Manager Deven indicated he feels the Council has provided him with adequate direction to move ahead.

ADJOURNMENT

At 8:35 p.m., Mayor Davies special meeting of the Council.

Respectfully submitted,

SS: Sue Vannucci, Director of
Administrative Services

Approved by Council: August 24, 2010