



MINUTES

June 6, 2017

CITY COUNCIL SPECIAL BUDGET WORKSHOP

4:00 p.m.

City Council Chambers

311 Vernon Street

Roseville, California

1. CALL TO ORDER

Mayor Susan Rohan opened the June 6, 2017 City Council Special Budget Workshop at 4:00 p.m.

2. ROLL CALL

Present: Herman, Allard, Rohan

Absent: Gore, Alvord

Vice Mayor: Bonnie Gore
Councilmember: Scott Alvord
Councilmember: Tim Herman
Councilmember: John Allard
Mayor: Susan Rohan

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Drew Morrison.

4. MEETING PROCEDURES

Mayor Rohan announced the procedures for the workshop.

5. PUBLIC COMMENTS

No public comment received.

6. SPECIAL REQUESTS/REPORTS/PRESENTATION

6.1. BUDGET WORKSHOP

- A. Introduction - Rob Jensen, City Manager
- B. Fiscal Overview - Jay Panzica, Chief Financial Officer
- C.
 - 1. Development Services
 - 2. Public Works
 - 3. Parks and Recreation
 - 4. Police
 - 5. Fire
 - 6. Electric
 - 7. Environmental Utilities

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Introduction - Rob Jensen, City Manager

City Manager Rob Jensen made the introductory presentation and outlined budget schedule as follows:

October 11, 2016 - Council Goals Workshop #1

- Maintain core services
- Identified new goal - Enhance Core Neighborhoods
- Direction to adopt policy to fund Other Post Employee Benefits (OPEB)
- Direction to engage community in service level discussion

February 2, 2017 - Council Goals Workshop #2

- Confirm actions from Workshop #1
- Direction to form Community Priorities Advisory Committee

April 17, 2017 - Budget Workshop #1

- Identified \$2.0 million in general fund budget shortfall
- Received Council direction to balance budget

June 6-7 - Budget Workshop #2

- City-wide budget presentation
- Current fiscal position and trends
- Department operating budgets
- Capital Improvement Projects

June 21, 2017 - Budget Adoption

The June 6, 2017 meeting is to define the City's overall fiscal position

- General Fund
- Utilities
- Enterprise Funds

Define the City's general fund fiscal position

- Revenue

- Expenses
- Trends Challenges

Requesting Council confirmation/direction on:

- Allocation of discretionary general fund revenues
- Appropriate Service levels
- Utility Operations
- Capital Improvement Projects

City Manager Rob Jensen outlined Council Priorities as follows:

- Public Safety
- Fiscal Soundness
- Economic Development
- Sound and Stable Utilities
- Great Downtown
- Infrastructure
- Legislative Advocacy
- Civic Engagement
- Core Neighborhoods

Budget Principles

Principles:

- Fiscally Sustainable
- Maintain Core Services
- Civic Engagement

Fiscal Sustainability:

Balanced Budget:

- Match revenues with expenses
- No use of reserve funds
- Establish Appropriate Emergency Reserve Funds

Council Adopted Internal Service Fund Policies:

- General Liability
- Workers Compensation
- Automotive Replacement
- OPEB

New CIP Rehabilitation Internal Service Funds:

- IT Rehab
- Building Maintenance Rehab
- Equipment Replacement
- Parks, Recreation and Libraries Rehab

Reviewed: General Fund Budget Revenue and Expenses, Operating Expenses, Department Expenses, Internal Service Funds, OPEB, CIP Rehab Service Funds, budget challenges, staff reductions, and actions to address budget issues:

- Live within our means = match expenses to revenues
- Established policies to fund obligations first
- Partnered with labor groups to reduce long term pension costs and other post retirement benefits

- Moved labor costs to median in market
- Performed performance audits of all departments to maximize efficiencies
- Contracted out for services where cost saving would be realized
- Engaged in State and Federal legislation to protect interests

Next Steps - Engage Roseville

- Council direction to initiate community process to evaluate General Fund operations and revenues
- Balance fiscal stability, long-term obligations, and valued services
- Gather feedback about quality of life services important to the broader community
- Inform residents about City's fiscal situation, including revenue, expenses and challenges
- Highlight tradeoffs associated with allocating limited resources
- Align resources with community's priorities
- Support continued transparency of decision making process
- Extensive community participation essential
- Inform Council about the type of community residents want and services they value

Fiscal Overview - Jay Panzica, Chief Financial Officer

Chief Financial Officer Jay Panzica made the Fiscal Summary presentation to Council including citywide budget, impact of new Internal Service Funds, staffing levels, General Fund Budget, 5-year General Fund forecast, support department overviews, and enterprise funds.

Topics included: FY2018 Citywide Revenue and Expenditures by resource categories and additional budget add-ins including:

- Add \$250k in appropriations for Litigation Reserve fund
 - Funds are available
 - Funds, however were not included in the budget document
- Add \$400k appropriations for the Citizen's Benefit Trust
 - Funds are available but were not included in the budget document

Both will be included in the final adopted budget that will be distributed in July

Bruce Hodgman, spoke in support of public safety funding and staffing and on general duty violations.

General Fund - Jay Panzica, Chief Financial Officer

Chief Financial Officer Jay Panzica made the General Fund Support budget presentation to Council. Presentation included the following:

- City Council
- City Manager
- City Clerk
- City Attorney
- Finance
- Information Technology
- Human Resources
- Central Services
 - Building Maintenance

- Purchasing
- Fleet
- Public Affairs & Communications

Chief Financial Officer Panzica outlined departmental budgets and citywide technology and capital improvement projects.

Council questions included contracting services, internet sales tax, PERS costs.

Kirk Uhler, Placer County Supervisor - Spoke to sales tax collection, on-going costs for personnel and PERS obligations.

Pete Constant - CEO-Retirement Security Initiative, spoke to CalPers calculations and retirement costs.

April Marciel, spoke on employee and consultant travel costs, safety of community and the Citizen Benefit Trust Fund.

Richard Tepolt, spoke on concentrating on necessities.

Development Services - Kevin Payne, Development Services Director
Development Services Director Kevin Payne made the Development Services budget presentation to Council.

No public comment received.

Mayor Rohan recessed the meeting at 5:50 p.m.

Mayor Rohan reconvened the meeting at 6:00 p.m.

Public Works - Rhon Herndon, Public Works Director
Public Works Director Rhon Herndon made the Public Works budget presentation to Council.

No public comment received.

Parks and Recreation - Dion Louthan, Parks, Recreation & Libraries Director
Parks, Recreation & Libraries Director Dion Louthan made the Parks and Recreation budget presentation.

Council questions included dollar savings and attendance numbers for reducing one concert in the Vernon Street Town Square, attendance numbers at the Maidu Museum, and reduction and service level impacts for reduced tree pruning. Staff to report back with data regarding questions prior to budget adoption on June 21, 2017.

No public comment received.

Police Department - Daniel Hahn, Police Chief
Police Chief Daniel Hahn made the Police budget presentation to Council.

Council questions included moving school officer to patrol.

No public comment received.

Fire Department - Rick Bartee, Fire Chief

Fire Chief Rick Bartee made the Fire budget presentation to Council.

Council questions included new truck and equipment and what occurred with old truck.

John Morrison - addressed information from fire union regarding claims of service level reductions.

Greg Barnes - requested Council delay fire department budget reduction of \$800,000 in overtime until Community Priority Advisory Committee is formed and provides information to Council and inquired if staffing levels are down nine positions.

Ronald Sidhu - requested Council consider not reducing officers from four to three on ladder trucks and requested information on department functions and apparatus.

Ethan Fritch - spoke on concerns regarding safety of officers and requested information from Chief Bartee on safety of firefighters.

Michael Daw - Executive Director of the Firefighters Burn Institute, spoke on appropriate safety levels, the human element of firefighting, on allocation of funds on hiring more officers verses overtime with existing officers.

Dave Lauchner - Captain, Sacramento Fire Department, provided information on staffing levels on fire trucks, on firefighting tactics and safety concerns and urged Council to not make a decision until the Community Priority Advisory Committee.

Richard Tepolt - spoke on protection class, on overtime and stated city has a policy which is unacceptable regarding hiring vacancies in the Fire Department and inquired on Emergency Preparedness.

Pete Constant - retired public safety officer, spoke on difficulty of closing structural problems with current and future budgets and on disappointment on tactics of fear spread in the community, and encouraged Council to make choices that best serves the whole community.

Mike Fuller - spoke on support of public safety and requested complete staffing and inquired on fire department staffing vacancy percentage.

Jason Jasmine - representative attorney for fire union, speaking on his own behalf, commented that response times will suffer if the Council reduces staffing on ladder trucks and feels that decisions will harm the public.

Mayor Rohan stated that a large amount of technical information and questions were asked and requested staff report back with written feedback on the technical

information. Requested information be a high level overview. Mayor Rohan requested Council concur that information be provided in written format. The public would be able to obtain information as a matter of public record.

Councilmember Allard inquired when data would be provided. Councilmember Allard stated concerns that public attending meeting and watching the meeting would not get the information.

Fire Chief Bartee spoke to the meet and confer process occurring and inquired that City Attorney Bob Schmitt provide information on process to provide information.

City Attorney Bob Schmitt stated details of some of the concerns are in the meet and confer process and informed Council only a general high level general response would be appropriate at this stage.

City Manager Rob Jensen responded information will be provided in a timely manner and that adoption of the budget does not implement any staffing changes on ladder trucks. Any changes to staffing levels for the fire fighters and ladder trucks will occur at a future meeting.

Fire Chief Bartee responded to the families of the fire fighters that any changes implemented would occur with their safety mind, and held at the highest standards we can provide, and with the safety of the community in mind.

Fire Chief Bartee spoke to the hiring process for nine new fire fighters and spoke on general timeline.

Meeting was temporarily closed. The remaining budget presentations for the Electric Department and the Environmental Utilities Department would be held over to Wednesday, June 7th at 5:00 p.m.

7. COUNCIL / STAFF / REPORTS/ COMMENTS

No reports or comments provided.

8. ADJOURNMENT

Motion by John Allard, seconded by Tim Herman, to adjourn the meeting to June 7, 2017 at 5:00 p.m.. The Motion Passed.

Roll call vote: Ayes: Allard, Herman, Rohan