



CITY COUNCIL/REDEVELOPMENT/GVMID

MINUTES

**DRAFT**

CITY COUNCIL SPECIAL MEETING

May 3, 2009

*BRISBANE CITY HALL CONFERENCE ROOM, 50 PARK PLACE, BRISBANE*

**CALL TO ORDER**

Mayor Richardson called the meeting to order at 9:05 a.m.

**ROLL CALL**

Councilmembers present: Barnes, Bologoff, Waldo, and Mayor Richardson  
Councilmembers late: Conway (arrived at 9:30 a.m.)  
Staff present: City Manager Holstine, Deputy City Manager/ Administrative Services Director Schillinger, City Clerk Spediacci

**BUDGET WORKSHOP**

**A. Budget Overview - revenues and expenditures and long-term projections**

City Manager Holstine stated that the goal of the City's budget is to maintain basic functions while minimizing impacts on services. He invited Administrative Services Director Schillinger to provide an overview of the value-based approach to budget, future fiscal projects, and the proposed 2009/2011 budget.

Administrative Services Director Schillinger reviewed the City's mission statement. He said key community values include being informed, environmentally sensitive, safe, involved, interconnected, caring, and financially responsible.

Mr. Schillinger noted that the City can implement the value of being informed by continuing to communicate with the public through television broadcasts of meetings, Council reports, the City's Website, the blog, the quarter *Star* newspaper, and the monthly newsletter. He proposed adding live streaming of the televised meetings to the City's Website.

To implement the value of environmental sensitivity, Mr. Schillinger recommended adding a prescription drug disposal program, processing the Baylands specific plan and completing the

environmental review of that project, and maintaining free disposal of yard waste on the annual citywide clean-up day.

To ensure safety, Mr. Schillinger proposed re-establishing the Neighborhood Watch and police reserve programs, and continuing the emphasis on wildland interfaces, urban forest management, and fire inspection efforts.

Mr. Schillinger said ways of maintaining interconnectivity include offering the Citizen Academy every two years, continue working on the history of Brisbane book, and increasing volunteer opportunities.

Mr. Schillinger advised that the City can reflect caring by implementing town hall meetings between the Police Department and citizens, renovating Community Park play equipment, and having the staff become LEED-certified.

Mr. Schillinger noted that involvement can be reinforced by updating the City's informal bidding process and providing low-income housing opportunities.

Mr. Schillinger reviewed and discussed four-year budget projections. He displayed charts showing estimated revenues and expenditures for each of the next four years.

Mr. Schillinger characterized the 2009/2011 budget as an austerity budget. He advised that the primary emphasis will be on maintaining the status quo by freezing open positions and reducing expenditures on supplies and services. He projected a \$1.85 million deficit in the 2009/2010 general fund budget, and suggested offsetting the deficit by tapping \$600,000 from the fringe benefit fund and \$780,000 from general fund reserves, providing no cost-of-living increase for employees, and not filling positions vacated by retiring employees.

Mr. Schillinger reviewed the steps in the City's budgeting process. He said the City Council provides direction on budgeting values, objectives, and priorities, the Finance Department updates revenues and expenditures for the current year and the following year, and then the staff uses this information in developing departmental budgets, which are then reviewed and approved by the City Council.

Mr. Schillinger said the 2009/2011 budget is based on assumptions that sales tax revenues and property tax revenues will remain flat, revenues from transient occupancy taxes will decrease by about \$150,000 in 2009/2010 and then increase slightly in 2010/2011, open positions will not be filled, and expenditures on supplies and services will be reduced. He projected a 10 percent increase in health, liability, and workers' compensation insurance costs. He recommended that the City Council consider adopting a new two-year budget next year.

Mr. Schillinger discussed categories of revenues and expenses in more detail.

Mr. Schillinger reviewed highlights of the 2009/2010 budget and identified reductions and increases. For the City Council, he proposed eliminating refreshments at meetings and moving costs of publishing the *Star* and the City newsletter from the Parks and Recreation Department to the City Council. He said the City Clerk plans to forego having the Citizen Academy until the following year, and add more funds for storage of public records. For the City Manager's budget, he recommended expanding the annual yard waste clean-up, eliminating the cost of employee recognition, eliminating transcription services for Open Space and Ecology Committee meeting minutes, maintaining the 50th anniversary history project, and reducing the cost of the urban forest management program.

For Administrative Services, Mr. Schillinger proposed reducing the budget for the Washington consultant, not applying for accounting awards, and eliminating Web access to compensation and benefit information. He suggested adding funds for the 2009/2010 actuarial study required to meet accounting standards under GASB 45.

Mr. Schillinger said the proposed budget for the Police Department provides funding for a new prescription drug disposal program and reduced vehicle purchases. He noted that the Fire Department will maintain mandatory training but reduce the cost of JPA administration.

Mr. Schillinger stated that the Public Works Department plans to reduce the cost of supplies. He recommended converting the emergency operations center from a one-time project to an ongoing program.

Mr. Schillinger discussed several changes in the Parks and Recreation Department budget, including moving aquatics under the new Marina and Aquatics Department, eliminating resurfacing of the Community Center floor, and eliminating the costs of Star Awards, the Fitness Fair, new holiday decorations, and the Giants Community Night event. He said subsidies for school programs and senior programs would continue at their current levels. Mr. Schillinger recommended replacing the existing pool cover with an automatic cover.

For Central Services, Mr. Schillinger proposed continuing all current members, adding live streaming of televised meetings, and reducing costs of Web support, computer training, equipment replacement, and workstation replacement. He noted that the City's debt service costs will increase because of the City Hall completion bond and the pension obligation bond.

Mr. Schillinger welcomed comments and feedback from Council members.

Mayor Richardson asked how actual 2008/2009 revenues compared to the budget projections. Mr. Schillinger noted that the budget was reprojected in January 2009 to reflect changes since last June; he drew attention to the estimated fund balance for 2008/2009.

CM Conway expressed concern about eliminating transcribed minutes for the Open Space and Ecology Committee or any other City groups. Mayor Richardson noted that televising City Council meetings makes detailed written minutes less important. CM Conway suggested considering briefer action minutes for meetings that are televised. City Clerk Spediacci pointed out that written Planning Commission minutes are helpful when matters are appealed to the City Council. CM Conway commented that one alternative would be not to televise Planning Commission meetings. City Manager Holstine proposed that the City Council look at preparation of meeting minutes for each group. Councilmembers recommended asking the City Attorney about whether action minutes would fulfill legal requirements.

Mayor Richardson said she was very worried about the City's fiscal condition and expressed support for aggressive cost-cutting measures. CM Barnes noted that more severe cuts will be required in the future unless drastic changes are made. He recognized that shrinking the workforce will be difficult without impacting services and morale. He expressed his opinion that the City needs to either grow its revenue base or reduce expenditures permanently.

Mr. Holstine asked if the City Council wanted to consider staff layoffs or buying employees out. CM Conway suggested considering salary reductions instead of cutting positions. Mr. Holstine commented that reducing healthcare and retirement benefits would be another option.

Mr. Schillinger cautioned that the City's fiscal condition would be impacted if any major employers left town. He stated that VWR alone is responsible for about 10 percent of the City's overall General Fund revenues.

CM Waldo advocated making many small budget reductions to produce cumulative savings. Councilmembers proposed creating a list of possible cuts.

CM Barnes suggested considering eliminating the Open Space and Ecology Committee altogether. He noted the committee was not necessary to the operations of the City and eliminating it would help reduce costs.

CM Barnes remarked that expanding the Redevelopment Agency into downtown Brisbane might provide another source of funding. He recognized that this option would probably be controversial and would take some time.

CM Barnes proposed reducing costs of some recreational programs and cutting pool hours. Mayor

Richardson noted that closing the pool would reduce revenues.

CM Bologoff asked about the possibility of eliminating some staff engineers. Mayor Richardson suggested eliminating or consolidating positions in the Finance Department. Mr. Holstine noted that the City is already cutting certain positions. He cautioned that the City Council needs to look at the services provided by each employee before making cuts.

CM Barnes noted that grant funds were used to construct the bike lane along Bayshore, and he advocated looking for external funding sources for other items.

CM Barnes emphasized the importance of educating the public about the need to accept more responsibility to pay for the services they want. He remarked that Californians object to cuts in programs and services, but they are unwilling to pay higher taxes to support them. He said citizens constantly complain about too much government spending.

CM Conway suggested considering closing City Hall for certain hours and having employees work a four-day week. He advocated a general reduction in hours as a way of cutting costs without layoffs. Mr. Holstine noted that employees would much rather have furloughs than layoffs. He observed that not doing cost-of-living increases would result in greater savings than furloughs. Mr. Schillinger stated that employees have expressed a willingness to cooperate in negotiations. CM Conway proposed considering various scenarios in closed session.

Mayor Richardson asked about the costs of health insurance for employees. Mr. Schillinger said the costs depend on the number of family members covered; he clarified that the City does not offer a flexible "cafeteria" plan.

Mayor Richardson recommended scrutinizing every line item to identify possible reductions in staffing costs, City programs, and services.

CM Barnes commented that the state's fiscal problems will likely continue until Proposition 13 is revisited. He recommended trying to help the public understand the need for increasing revenues.

Mayor Richardson asked the staff to provide her with line-item details on the projected ending balance for 2008/2009.

CM Barnes suggested looking at revenue enhancement possibilities from the Baylands development. Mr. Holstine said the staff can prepare some estimates and timelines. He noted that Principal Planner Swiecki will be providing an update on the Baylands process at the May 18 City Council meeting. CM Barnes remarked that the Baylands development may be Brisbane's best chance of improving its financial situation. CM Conway questioned whether the Baylands will be

developed as planned, given the current economic downturn.

**NEW BUSINESS**

**A. Acknowledge receipt of City of Brisbane budgets for Fiscal Year 2009/2010 and Fiscal Year 2010/2011**

CM Barnes made a motion, seconded by CM Bologoff, to acknowledge receipt of the City of Brisbane budgets. The motion was carried unanimously by all present.

**B. Acknowledge receipt of Guadalupe Valley Municipal Improvement District budgets for Fiscal Year 2009/2010 and Fiscal Year 2010/2011**

CM Barnes made a motion, seconded by CM Waldo, to acknowledge receipt of the GVMID budgets. The motion was carried unanimously by all present.

**C. Acknowledge receipt of Brisbane Redevelopment Agency budgets for Fiscal Year 2009/2010 and Fiscal Year 2010/2011**

Agency Board Member Barnes made a motion, seconded by Agency Board Member Waldo, to acknowledge receipt of the Brisbane Redevelopment Agency budgets. The motion was carried unanimously by all present.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:31 a.m. with no announcements.

ATTEST:

Sheri Spediacci  
City Clerk