

MINUTES

SPECIAL/STUDY SESSION

JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD

JUNE 22, 2010

5:00 P.M.

CALL TO ORDER

Mayor Davies called the special study session of the Council to order at 6:05 p.m.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Council Members Present: Marlin Davies, Martie Dote, William Marble, Jeff Monroe, Art Pimentel

Council Members Absent: None

Staff Members Present: Mark Deven, Andrew Morris, Sue Vannucci, Carey Sullivan, Tod Reddish, Greg Meyer, Roberta Boegel, Kim McKinney, Manuel Soto, Russ Cole, Jamie McLeod, Rick Sander, Mark Hierholzer, Dan Bellini, George Bierwirth, Lynn Gatie, Sarena Brumfield, Wendy Ross, Greg Robinson, Roberta Childers, Chris Fong,



Cynthia Shallit, Paul Siegel, Brent Meyer, Doug Baxter, Lynn Johnson

PUBLIC COMMENT

Alain Traig, President of the Library Board of Trustees, said earlier this year when Council said Measure V would pass he doubted the result would be positive. He thanked Council, staff and citizens for helping to get this item to pass and showing their support for the Library.

Marianne Ryan said for the past four years she has been working on the Big Bang Project and has completed a suite of 22 paintings at the Serne facility. She has been accepted to exhibit her paintings at the Commonwealth Club in San Francisco. She asked for a fee waiver so that she can set up and view her paintings on the floor at the Community and Senior Center to ready herself for the event. They charge \$50 per hour and she needs four hours. She requested Council to approve this. City Manager Deven will contact her to discuss this issue.

COUNCIL/STAFF COMMENTS

Council Member Dote thanked Pat Murray for arranging a tour of the Waste Water Treatment Facility.

REPORTS OF THE CITY MANAGER

TEN YEAR CAPITAL IMPROVEMENT PROJECTS

Senior Management Analyst Johnson presented points on the City ten year Capital Improvement Projects and a 3 year capital budget which include estimates of operating impacts. All Departments provide requests for new or revisions to various projects. A meeting is held so that all affected can receive the maximum exposure to all of the various Department requests and the proposed timing for those projects. Following extensive discussion,



recommendations are made to the City Manager who makes the final decisions. Development assumptions are reviewed and included in the projections for the programs requested.

We have been working toward fund integrity. In the past we have been borrowing from various funds but have been working toward repayment to these funds to try and make them whole. The internal loan balances as of the fiscal year ending June 30, 2009 are as follows:

Sewer Development	-\$9.1 million
Police Development	-\$4.7 million
Park Development	-\$1.3 million
Road Development	<u>-\$4.4 million</u>
Total Negative Balances	-\$19.6 million

The repayment is included in the ten year plan.

There are a number of unfunded projects. Due to insufficient cash flow and the economy we are unable to fund them at this time. They will require future consideration and as funds may become available. Some of the projects of note are the Library expansion, future phases of the Sports Park, Spring Lake Fire Station, and completion of the Surface Water project.

In the three year Capital Budget there are some projects that will move forward in fiscal year 2010-11, such as the Phase II Park Irrigation project, the ground level water tank, Gibson Ponds Storm Drain Detention, Water Well #1 replacement, Voice Over Internet Protocol, Integrated Video Publishing System, Zoning Code Update, and the East Kentucky Rehabilitation project. Some continuing and new projects for the same time period are the Surface Water, Water Meter Phase II implementation, repair and replacement of sewer lines, odor abatement, collectors in Spring Lake, and Wastewater Treatment asset replacement.

We continue to seek and receive grants which have helped with the LED street lights, Phase II of the park irrigation, East and Main Street storm deficiency repair/replacement, Phase I series street light replacement, ADA



improvements, 2010 ARRA road project, the East Kentucky rehabilitation, and the water meter installation.

Council Member Marble asked about the storm drain items addressed in the budget document and what plan do we have to decrease the negative balance. Analyst Johnson said in the next several years we will be going out to the community to try and increase the storm drain revenue.

Council Member Marble asked about the sports park. Analyst Johnson said there was a bond and part of that was to be repaid with the bond. The park development fee was to help. We are not seeing the number of permits we had anticipated. The revenue in park development is not sufficient to cover the debt service. The funds must come from other funding sources. Council Member Marble asked as that debt grows, funds will pay for the debt service. City Manager Deven said it would depend on the specific plan but the fund does need to be repaid. The long range strategy is in the process.

Council Member Marble asked about the Kentucky widening and reconstruction in 2013 through 2015. Analyst Johnson said some funds will come out of the development fees, but primarily out of Measure E funds. Right now the money is being put into maintenance of roads, which pushes Kentucky out a bit further.

Council Member Dote asked about the AB 32 CEQA and what happens to this in relation to the election. City Manager Deven said we need to update the zoning portion of the Code because it has not been done since 1983. Council Member Dote said there are solar panels on the Police Department building and asked if there has been an evaluation on the carbon footprint. Analyst Johnson said the solar panel did not have the return on investment we had anticipated. Council Member Dote asked about the outflow in the Yolo bypass. City Manager Deven said this is to help to mitigate the overall flood threat.

Vice Mayor Pimentel asked if Staff has looked into refinancing our bonds to get a cheaper rate. Analyst Johnson said our Financial Advisor, Ken Dieker, is constantly looking at our options and will advise us when the time is right.

On a motion by Council Member Monroe, seconded by Council Member Marble and carried unanimously, Council approved the Ten Year Capital



Improvement Programs, including capital projects, revenue assumptions and anticipated financing; authorized expenditures for the three year period beginning in Fiscal Year 2010-11 and ending in Fiscal Year 2012-13.

Vice Mayor asked that consideration be kept in mind for the Interstate 5/State Route 113 project. Discussions should be held with Council, Yolo Transportation District and Sacramento Area Council of Governments on whether we want to continue to move forward and if it is feasible to do so. He would like continued discussion on the need to expand our Redevelopment Area and funds should be allocated to conduct a study on that issue. The widening and upgrade of Kentucky Avenue has been a priority and we should move it up in the process if at all possible. Phases II and III of the Sports Park is another issue that should be kept in the forefront should funds become available.

FISCAL YEAR 2010-11 OPERATING BUDGET; LAYOFF NOTICES; CHAMBER OF COMMERCE BUDGET TASK FORCE REPORT; IMPLEMENTATION PROGRAM; BUDGET AND FISCAL POLICY

City Manager Deven said since May 25th he and Staff have continued refinement of revenue and expenditures estimates. We have continued to meet with bargaining units, conducted the June 8th election, passing the quarter cent sales tax measure and advisory measures. Continued revision of revenue estimates and expenditures estimates and impacts on restoring services have been conducted and four options are presented for Council consideration.

The revised estimates include the \$1.5 million from Measure V, but we believe our sales tax estimates will be higher as well based upon reports from our Consultant. That figure increases our revenue by approximately \$650,000. Other savings measures totaling \$175,000 bring our estimated recurring revenue to \$2,325,000 above our original estimates. Other potential revenue is the sale of City land for the Court project at \$535,000 and would be available for some one-time cost savings. However; additional potential expenditures are the cost of separation for retiring employees at \$300,000, discontinuation of furloughs for Woodland City Employees' Association and Woodland Mid-Management Professionals at \$180,000. There will be additional proposed layoffs to equal the difference. On expenditure allocation options, we reviewed the allocation



percentages, applied the recurring revenue of \$2.3 M and factored the possibility of one time revenue and expenditures to cover gaps. We should also see some savings from the Golden Handshake which will come on June 29th.

The four allocation options:

ALLOCATION OPTION A-SUMMARY

Library		\$946,000
Fire (add back 3 Firefighters with overtime)		480,000
Police		727,000
Add 3 back Police Officers	(\$325,000)	
Animal Services	(\$313,000)	
YONET	(\$31,000)	
K-9	(\$14,000)	
Graffiti	(\$44,000)	
Parks & Recreation		247,000
Senior Center Full Time Position	(\$100,000)	
Off Season Pool	(\$40,000)	
Administrative Secretary	(\$87,000)	
Youth Program Support	(\$20,000)	
Parks Maintenance Contract and Contract Management (Other General Fund Contribution)		
Total		\$2,400,000

Impacts of Option A

This Option adds back the Library at its current level of service based on the FY 2010-11 budget requests, as do all of the Options proposed.

Three of the six Firefighters slated for layoff would be added back at full costs, including overtime, as additional personnel to support operation of three Engine Companies although this action would still require reduction of the fourth Engine Company.



Three of six Police Officer positions slated for elimination would be added as funded with the balance of the Officer positions remaining authorized although unfunded for Fiscal Year 2010-11. There would be no sworn Police Officer layoffs. As well the following would be fully funded: Animal Services and provides the new Chief of Police the opportunity to reevaluate that program over the next year; Yolo Narcotics Enforcement Team; supplies, services and training costs for the K-9 program; and the Graffiti Eradication program.

In the Parks Department, funds to replace two part time positions at the Senior Center with a full time professional position at the Recreation Coordinator level; continuance of a full year operation of the Brooks Aquatic Center; Administrative Secretary position that supports the Community and Senior Center would remain in place and provision of funds to support youth programs, including the Boxing Club. It will require an additional allocation of \$75,000 in one time funds.

ALLOCATION OPTION B-SUMMARY

Library		\$946,000
Fire (add back 6 Firefighters at salary/benefits only)		712,000
Police		727,000
Add 3 Police Officers	(\$325,000)	
Animal Services	(\$313,000)	
YONET	(\$31,000)	
K-9	(\$14,000)	
Graffiti	(\$44,000)	
Parks & Recreation		247,000
Senior Center Part Time	(\$100,000)	
Off Season Pool	(\$40,000)	
Administrative Secretary	(\$87,000)	
Youth Program Support	(\$20,000)	
Parks Maintenance Contract and Contract Management (Other General Fund Contribution)		
Total		\$2,632,000

Impacts of Option B

All impacts are the same as Option A in the preceding section with the following exceptions:



Adding back all six Firefighters slated for layoff at full salary and benefits and without overtime which would be possible if management and the Firefighters are able to secure an agreement currently under discussion. This concept would enable the fourth Engine Company to remain operational although periodic brownouts would be required to reduce overtime costs

Will require an additional \$307,000 in one time funds which is the highest level staff believes is feasible without impacting the General Fund reserves.

ALLOCATION OPTION C-SUMMARY

Library		\$946,000
Fire (add back 6 Firefighters with overtime)		960,000
Police		638,000
Add back 3 Police Officers	(\$325,000)	
Animal Services	(\$313,000)	
Parks & Recreation		
Parks Maintenance Contract and Contract Management (Other General Fund Contribution)		
Total		\$2,544,000

Impacts of Option C

Library impacts are the same as in Options A and B.

This Option adds back all six Firefighters slated for layoff at full costs, including overtime to operate four Engine Companies based on the current Memorandum of Understanding. This assumes that Management and the Firefighters are unsuccessful in their current negotiations and continuation of four Engine Companies is desired.

The Police impacts are reduced to adding back three Police Officer positions and continuation of Animal Services.

There are no resources available for restoring any Parks and Recreation services beyond landscape maintenance.



Will require an additional \$219,000 in one time funds.

ALLOCATION OPTION D-SUMMARY

Library		\$946,000
Fire (add back 3 Firefighters)		480,000
Police		963,000
Add 6 Police Officers	(\$650,000)	
Animal Services	(\$313,000)	
Parks and Recreation		
Parks Maintenance Contract and Contract Management (Other General Fund Contribution)		
Total		\$2,389,000

Impacts of Option D

The Library impacts are the same as in Options A, B and C.

Fire impacts same as in Option A.

Adds back and fully funds all six Police Officer positions slated for elimination; fully funds the annual cost for Animal Services and provides the new Chief of Police the opportunity to reevaluate that program over the next year;

There are no resources available for restoring additional Parks and Recreation services beyond landscape maintenance.

As well, it will require an additional \$64,000 in one time funds.

In evaluating the options, the Option A percentage allocation is based upon \$1.5 million from quarter cent sales tax measure with the Library funded at \$946,000 versus the proposed allocation of \$460,000. Public Safety would be allocated at \$1,207,000 versus \$650,000 with Parks at \$460,518 versus \$450,000.

Option B provides Public Safety funding at \$1,439,000 versus \$650,000. Option A meets the ballot measure language and requires \$75,000 over recurring revenue. Option B meets ballot measure language and requires \$307,000.



Options C and D are not consistent with ballot measure language and would need more money.

Should Council approve Options A or B, 11.5 positions will be lost and 8.5 layoffs will need to take place. The positions include:

- 1) Economic Development Manager (1.0 FTE)
- 2) Associate Planner (1.0 FTE)
- 3) Building Inspector II (1.0 FTE)
- 4) Code Enforcement Officer I/II (0.5 FTE)
- 5) Facility Maintenance Worker III (1.0 FTE)
- 6) Facility Maintenance Worker II (1.0 FTE)
- 7) Aquatics Supervisor (1.0 FTE)
- 8) Community Services Officer (3.0 FTEs)
- 9) Police Records Specialist (2.0 FTEs)

Three Firefighters would be added to the list if the Council selected Option A for the allocation of the additional resources.

In regard to the Chamber of Commerce report, Council is asked to provide direction on implementing the actions summarized in the report. He suggested that Council direct the City Manager to return at a future date with an Implementation Program.

The Budget and fiscal policy additions are intended to discontinue the practice of internal borrowing and using uncertain revenue sources of debt issuance. The additions are in response to Council and Chamber Task Force suggestions. The two recommendations are:

- (1) Discontinue the practice of internal borrowing between Enterprise and Categorical funds; funding for Capital Projects must be determined based on the available resources within each fund to meet its cash payment or debt service requirements and strategies to balance each fund and implement fund integrity should be continued.
- (2) Discontinue the practice of issuing bonds for desired Capital Improvements based on projected development and the collection of impact fees associated with development. This source of revenue



is dependent on the level of economic activity within the region and is uncertain and unstable.

The recommendation is to adopt the budget based upon Option A or B. Option A is a more fiscally responsible option in the opinion of Staff. Three of the six Firefighters and loss of an Engine Company is of concern. Option B is more challenging, but keeps the Engine Company in place. There would be brown outs to control overtime.

Mayor Davies suggested and Council concurred that as Options C and D are inconsistent with the passage of the Measures, they be eliminated from consideration.

Council Member Dote asked is the \$650,000 in increased sales tax included Measure E funds and City Manager Deven indicated it did not.

Council Member Marble asked about the regionalization of services in an effort to share costs. City Manager Deven said the Chamber Task Force had a recommended strategy and he recommends pursuing that method. He is meeting with Davis on Fire Protection and some other areas of consideration for regionalization.

Council Member Marble said the Council Communication under recurring revenue of \$2.325 million, and he feels the \$1.5 million from the sales tax is not a structural change as it is only for 4 years. City Manager Deven said we have to revise our ten year projections as presented on May 25th because it was based on the worst case scenario. The ten year plan does not include the sales tax measure income. In year 5, we will have to show the reduction of the \$1.5 million to \$2 million from our revenue sources. It is not recurring revenue, thus we need to get busy with structural reductions.

Council Member Marble asked if the Chamber Task Force had looked at their report based on the passage of Measure V. City Manager Deven agreed that perhaps they should be given the opportunity to review their recommendations based upon the possible revenue to be realized from the Measure.

Bud Goding of the Library Board of Trustees, thanked the citizens for passing the measures. The community has always supported the library as is



shown in the passage of the measures. He urged Council to accept Option A as presented. While these funds will help the City in the short-term, Council needs to find long term funding source for the Library.

Pat Murray, representing the League of Women Voters is also concerned about funding sources for the Library. The League has done several studies regarding the Library. She went summarized the study and indicated the Library services should constantly be improved and expanded.

Sandy Briggs, former Library Services Director, thanked the Council and citizens for support of the Measures.

Rose Conroy, a Woodland resident and former Fire Chief in Davis, said in her opinion further cuts to the Fire Department would render the Department as unsafe. Current Fire resources are inadequate and we do not need further cuts. Fire has been unusually hit with cuts in the past several years.

Josh Hernandez, former Firefighter in Davis, is concerned about the reductions in Fire. The reductions that have already happened have decimated the Department. Reductions of four Firefighters down to three on an engine is not a good thing and there are rules that make this a safety issue. He wants Council to add it back to four.

Elizabeth Jacobsen, Crime Analyst at the Police Department said the unit has one Crime Analyst and one Community Service Officer. On July 1st it is recommended that the Community Services Officer position be eliminated. Their volume of work is huge. They are responsible for information sharing and provide the Officers with vital information. There should be no layoffs in the Police Department.

Officer Ted Ruiz, President of the Woodland Professional Police Officers' Association, aid the report recommends layoffs of 6 Police Officers and 5 non-sworn personnel. Layoffs will impact and directly affect the safety of citizens. Animal Control is entirely funded by the Police Department budget and the Department should not bear those entire costs. If the Department must be responsible for those costs, Animal Control should be brought in-house. These costs will rise dramatically over the next few years. Of the \$216,000 with \$105,000 remaining in Animal Control, the Department could provide the State's



minimum level for Animal Control and save \$184,000. Non-sworn personnel could complete some of the tasks involved and still provide front office services.

Council Member Dote asked about the two employees who have taken the Golden Handshake option and if that means there are still three who face layoffs. Officer Ruiz said that is correct. He has spoken to members of the Department who are willing to take the Animal Control duties. Restructuring could take place to accomplish the responsibilities, but he has no recommendations on that portion of the process. Chief Sullivan said some of the duties Officers and other personnel could handle are rabies control, bites, etc.

Council Member Monroe thinks it is unacceptable to layoff public safety employees as they are counted upon by citizens for safety. We cannot go below 4 Engine Companies. He will only support Option B.

Council Member Marble said we cannot avoid layoffs. None of the Council is pleased about the necessity to layoff staff. The community was very active in signature gathering petition to place a ballot measure on the November 2010 ballot to stop the State raiding of local funds. Citizens need to support and pass this measure. Gas tax at risk, Redevelopment funds have been raided. He is in favor of a revised Budget and Fiscal Policy. There can be exceptions to the second policy recommended to include a 4/5 vote. The Chamber report was good and was fiscally conservative. The Chamber should be given the opportunity to revise the report if they wish with the measure passage. He is hopeful the City Manager can be successful in his efforts to secure adequate concessions with bargaining units. The storm drain deficit is a huge concern as it continues to mount. The internal borrowing has seriously impacted our City. Staff should work quickly to adopt a reasonable storm drain increase. Regional efforts should continue. Regarding the sale of City land, we have a \$55 million liability in Other Public Employee Benefits (OPEB). The sale of City land should be applied only to the OPEB liability. It is not fiscally prudent for us to incur additional debt for the use of one time funds. It would be unfortunate to lose an Engine Company or Firefighters, but we need to face this budget shortfall now. Option A is the best option choice for our City at this time.

Council Member Dote agrees on comments about the Fiscal Policy. We may not be able to discontinue the practice of internal borrowing right away. We need to keep our options open on capital improvements. If the Police Department can find some method to keep the non-sworn personnel employed,



those suggestions would be welcome. The Chamber report was very helpful and a workshop should be scheduled with the Council and Chamber for a brainstorming session on regionalization and cooperation with local agencies. Options C and D do not meet the tenets of the advisory measures. She supports Option B as the primary recommendation and wants to keep the Library open. Firefighters need to come up with concessions in negotiations if they wish to avoid layoffs.

Vice Mayor Pimentel is not pleased with the way negotiations are going with our bargaining units. The impact to our employees with the layoffs should be minimized as best as possible. Safety is very important but it is not everything. We cannot have a viable community without the other services. We need to look at the long term. The best Option is A for the long term fiscal health of the City. It does bring in additional revenues and staff can continue to consider at taking control of Animal Services. We are looking at bringing back important positions for the Community and Senior Center. He thanked Chief Reddish for the information on the reserve program and would like to expand that opportunity.

Mayor Davies said the City cannot continue to support business as usual. All services, including Fire must be looked at and services reduced as necessary. We need to look at regional methods. Consideration and willingness of staff to support and control Animal Services is a good method of cost savings. Options to cover safety services need to be discussed. We will be able to consider enhancements as further revenue comes in to the City. Option A is the best choice for the City at this time. Bargaining units need to come up with some concessions. The first Policy recommendation is acceptable but the second needs further consideration and this Council should not handicap future Council options. This recommendation should return for further discussion.

On a motion by Council Member Pimentel, seconded by Council Member Davies and carried, Council adopted the Preliminary Fiscal year 2010-11 Operating Budget based upon Option A for the allocation of additional resources as described; authorized related actions, including the issuance of layoff notices to employees; approved the Chamber of Commerce Budget Task Force Report; directed the City Manager to return to the City Council with an implementation program for future consideration; approved revisions to the Budget and Fiscal Policy as described herein. Council Member Monroe voted to the negative. As a clarifier to the motion, Council would like the \$75,000 reduced and add the



option to bring back employees if concessions from the bargaining units are received with the caveat that we would not go into the entire \$75,000 but it would become zero.

Council Member Dote said the \$2.4 million requires reduction of the fourth Engine Company and where does the \$75,000 fit. City Manager Deven said the golden handshake would be tied to the \$75,000. We could then look at Departments to find the additional funds but it will be difficult. Council Member Dote asked if the items listed would remain and City Manager Deven acknowledged that they would do so.

Council Member Monroe said Option A puts his family at risk.

Council Member Marble asked about the policies as a separate motion. On a motion by Council Marble, seconded by Council Member Monroe and carried unanimously, Council approved the proposed policy recommendation number 1 as presented. Council Member Dote said this will happen as is feasible. Council Member Marble asked if the wording gives Council and staff adequate leeway because of our current position and City Manager Deven said he believes it does.

In regard to the second policy recommendation, Council Member Marble said the borrowing is coming out of Measure E for cash flow purposes. Bonds do have a place in City finance. Capital improvements that are part of development, should be discontinued and only done when there is a compelling reason, with a 4/5 vote only.

Vice Mayor Pimentel generally agrees with the policy but when issuing for the public good we need to separate when issuing bonds, but should use the policy with private development.

Council Member Dote said the revenue stream for the bonding is the impact fees which is steady. City Manager Deven said the development impact fees are unreliable. The 4/5 majority is a good method and a statement could be added. It does not tie the Council hands so that they could never do it again.

Mayor Davies said it is the Council job to make those types of decisions. He asked the City Manager to return with some options. This policy would



severely tie the Council's hands and he is not prepared to pass this without further options presented.

Council Member Marble would like the Council to concur to give the Chamber an opportunity to change their recommendations on the task force report. Council so agreed.

REDEVELOPMENT REPORTS

AGENCY RESOLUTION 10-3 - FISCAL YEAR 2010-11 REDEVELOPMENT AGENCY BUDGET

Council concurred to defer this report to the June 29, 2010 meeting due to a posting error.

ADJOURN

At 8:05 p.m., Mayor Davies adjourned the Special Study Session of the Council.

Respectfully submitted,

SS: Susan L. Vannucci, Director of
Administrative Services/City Clerk

Adopted by Council: December 7, 2010