

ANTIOCH CITY COUNCIL

Study Session
7:00 P.M.

February 18, 2003
Council Chambers

Mayor Freitas called the meeting to order at 7:00 P.M., and City Clerk Martin called the roll.

Present: Council Members Kalinowski, Davis, Conley, Simonsen and Mayor Freitas.

PLEDGE OF ALLEGIANCE

Mayor Pro Tem Davis led the Council and audience in the Pledge of Allegiance.

1. FINANCIAL STRATEGIES REPORT AND MID-YEAR UPDATE ON FISCAL YEAR 2002/03 BUDGET #410-02

Acting City Manager Pappas Diaz presented the staff report dated February 14, 2003 recommending the City Council: 1) receive and file the financial strategies report and adopt the suggested policies and procedures; 2) review and file the mid-year update on fiscal year 2002/03 budget, and; 3) direct staff to bring forward at a future meeting a recommendation for an alarm ordinance with related fees, an overall review of the current fee structure with proposed revisions, and a proposal to phase the increase of certain assessments to their maximum amounts.

Councilmember Simonsen expressed concern regarding the report from Mundie and Associates as he did not feel the thirteen cities Mundie and Associates chose were appropriate comparisons.

Councilmember Conley stated he did not feel the City would ever achieve or be able to afford 1.43 police officers per thousand residents and urged the City to adopt a more realistic standard.

Councilmember Simonsen agreed that 1.43 officers per thousand is an arbitrary number and did not necessarily make the community safer. He stated he felt the City should find ways to be proactive in diverting those activities requiring calls for police service.

Councilmember Kalinowski reminded the Council the POST study was done using a state standard to run an effective police department. He discussed the importance of the City meeting the state standard and provide an acceptable level of service for the community.

While referring to the Financial Strategies Report "The Long-term Strategy", Councilmember Conley requested for Council's review and prioritization, a list of backlogged projects, including projected costs, return on costs and the financial impact should the City choose to not follow through with a project.

Mayor Freitas requested staff provide input to define "core services", and "maintenance of effort" as well as clarification of the first bullet item. He stated the legal mandates do not fall

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proportionally among the various departments and therefore there needs to be a discussion with regards to what are legally mandated items and what are discretionary.

In response to Councilmember Conley, Acting City Manager Pappas Diaz clarified when a vacancy occurs she requests the department have an internal review to determine the viability of position. She noted if a position being considered for elimination was deemed a position whose elimination would impact the City, the position would be brought to Council for consideration prior to elimination.

Mayor Freitas requested the City review the job classification system and provide cross training with a policy targeting more general class positions.

Councilmember Simonsen voiced his support for a policy targeting more general class positions.

Director of Finances Tasker clarified the "maintenance of effort" refers to Measure "C" funds.

Mayor Freitas requested the Council review all contributions to outside agencies. Councilmember Simonsen requested a full listing of organizations to whom the City pays dues to as well as a list of employees by position and cost for memberships.

Councilmember Conley requested a list of unfunded mandates from the state and/or county. He stated he felt future joint venture parks with the school district should not be discontinued. He noted putting the City's future first should always be the main priority. While taking on new obligations needs to be carefully weighed, project with no financial impact should be considered.

Councilmember Kalinowski voiced his agreement with Mayor Freitas on general class positions where appropriate, he also felt the City should consider contracting services. He requested a list of benefits and costs plus additional information regarding capital outlay purchases and projects. He voiced his desire for the "reasonable balance" in the reserve be a percentage. He stated the City should not consider venturing into any other tax sharing or economic development projects in the short term, until it becomes known what the impact of the state budget cuts would be. He stated parks should be looked at on a case-by-case basis noting projects capable of paying for themselves could move forward.

Mayor Freitas stated he was interested in exploring the possibility of determining a set dollar amount for the reserve. He requested City Council be provided with details of the City's legal obligations for park dedication fees. Regarding the policy of putting the existing needs first before taking on new obligations, he stated he felt FUA#1 and the library should be considered due to the community benefit. He noted the Council should review existing City programs and determine what could be modified or eliminated as well as the legal and mandatory expenditures relating to those programs.

Councilmember Simonsen voiced his support to maximize existing revenues and assessments wherever feasible prior to the City seeking new revenues.

Councilmember Kalinowski voiced his support of an alarm fee in the Master Fee schedule and a motel tax, noting if the motel tax were to be increased, he would suggest 100% of the increase go into the general fund. He stated the City should have a worse case scenario contingency plan for department budget cuts with numbers immediately available and voiced his support for protecting the existing employees and programs.

Councilmember Conley stated if needed he would support going to the maximum on the lighting and landscaping districts to make the parks functional. He noted if new taxes were needed he would support going to a 55% vote rather than 2/3. He expressed concern for compiling a list of non-essential programs noting it would be detrimental to the moral of the employees. He voiced his support of a hotel tax with any increase not being proportional with the arts.

Councilmember Simonsen stated he felt the City should consider all other avenues before considering a utility or parcel tax. He stated he would support a motel tax with the increase going to the general fund. He further noted without overwhelming support from the community he would not support placing a tax on the November 2004 ballot. He voiced his support of general job classifications, which will provide the City with the ability to protect and retain current employees.

Mayor Freitas stated, at this time, he felt going to a 2004 ballot with tax increases and assessments would not be a prudent course of action. He noted economic development was the only viable course available to the City at this time. He further stated the City should make investments to increase sales tax revenue to the City. He stated he felt it was important for the City to have a worse case contingency plan in order to be prepared in the event of a crisis.

In response to Councilmember Kalinowski, City Attorney Galstan stated the proposed changes in salary and compensation/fringe benefits could be legitimate closed session items. Councilmember Kalinowski discussed the importance of having a contingency plan in the event of a worse case scenario with the state budget cuts.

Mayor Freitas stated he felt discussion should continue regarding the contingency plan. Mayor Freitas reported there was Council consensus in support of the proposed alarm ordinance. He cautioned overhead costs could be subjective and stated regarding Parks and Recreation the City has gone beyond reasonableness regarding the fee structure for the residents. He noted the City may be costing themselves out of the market and it may be a detriment in generating revenue.

APPENDIX A

Councilmember Kalinowski voiced his support to move forward with the transient occupancy tax locking the civic arts portion at their existing rate with the increase going to the City.

Councilmember Simonsen stated he felt the City Council should consider a business license fee for rentals as there was a direct cost from calls for services. Councilmember Kalinowski agreed with Councilmember Simonsen. Mayor Freitas agreed there was an implementation problem regarding the collection of fees and he would oppose it being applied to low-income seniors or mobile home parks. Director of Finances Tasker stated calculations did not include agencies for low income. Councilmember Simonsen suggested looking at other jurisdictions and ordinances to see how they implement similar business license fees on rental units. Mayor Freitas requested staff provide the City's cost to collect the fees. Councilmember Conley voiced his support of looking at the business license fee on rental units further, noting his support of charging landlords for multiple calls for services from neighborhood improvements. Mayor Freitas requested a report regarding Neighborhood Improvement service calls and the citations issued.

Councilmember Simonsen stated the City should insure the landscape and lighting assessments in the City were at their full equitable amounts. He noted he would not support the elimination of local landscape maintenance not funded by assessment districts due to the fact there were areas where park maintenance was being paid through property taxes.

Mayor Freitas declared a recess at 8:35 P.M., the meeting reconvened at 8:45 P.M. with all Councilmembers present.

Director of Finance Tasker presented the Fiscal Year 2002-03 Mid-Year Budget Review.

In response to Councilmember Simonsen, Director of Finances Tasker stated he would review the counties trend with regards to the decrease in the amount of money the City is receiving in service station revenues.

Mayor Freitas requested a listing of when the franchise agreements would expire as well as consideration of an option to raise business license fees.

Councilmember Simonsen requested the City Council be provided with a complete copy of the overhead presentation as well as data on the any assumptions used. In response to Councilmember Kalinowski, Finance Director Tasker clarified three additional police officers were included in the budget. He stated due to the unknowns regarding the state budget, he supports more aggressive revenue enhancements and or ways to reduce the budget.

Mayor Freitas stated the City needs to make more conservative assumptions during the May/June budget review.

Acting City Manager Pappas Diaz stated she would be meeting with staff and developing a timeframe for budget review. Mayor Freitas stated he would work with the City Manager to set a schedule; he would support beginning study sessions within the next month or two if the numbers provided are accurate.

Councilmember Conley suggested a review of the Master Fee schedule prior to the budget so any new numbers could be included in the budget projections.

Mayor Freitas stated the Council consensus was to review as much of the budget as possible early and noted that as a result of the RDA discussions some money may be available to offset expenditures out of the general fund or restricted dollars.

PUBLIC COMMENTS - None

With no further business, Mayor Freitas adjourned the meeting at 9:30 P.M., to the next regular scheduled meeting on February 25, 2003.

RESPECTFULLY SUBMITTED

L. Jolene Martin, Antioch City Clerk