

MINUTES
BUDGET & CIP STUDY SESSION

APRIL 19, 2010

Mayor King called the Study Session meeting to order at 6:00PM.

ROLL CALL

PRESENT: Councilmembers:
Chuck Page, Howard Miller, Vice Mayor Jill Hunter,
Mayor Kathleen King,

ABSENT: Councilmember Susie Nagpal, Excused Absence

ALSO Dave Anderson, City Manager
PRESENT: Ann Sullivan, City Clerk
Barbara Powell, Assistant City Manager
Mary Furey, Administrative Services Director
John Livingstone, Community Development Director
John Cherbone, Public Works Director

REPORT OF CITY CLERK ON POSTING OF AGENDA FOR MARCH 19, 2008

City Clerk, Ann Sullivan, reported that pursuant to Government Code Section 54954.2, the agenda for the meeting of April 19, 2010, was properly posted on April 15, 2010.

ORAL COMMUNICATIONS ON NON-AGENDIZED ITEMS

None

AGENDA ITEMS:

1. OPERATING BUDGET REVIEW

Finance Director Mary Furey presented the staff report.

Ms. Furey noted there is a revenue shortfall of \$753,110 and expenditures continue to increase.

She provided handouts depicting budget shortfall corrections with additional one-time funding of \$140,000 from Grant CIP Funding Reimbursements for staff time and \$100,000 for Internal Service Fund transfers – for a total of \$240,000.

Additional expenditure reductions of \$515,110 were attained by voluntary salary reductions – \$211,360; operating expenditure reductions – \$230,250; and reduced ISF chargebacks – \$73,500.

Total impact to the General Fund budget is a savings of \$755,110 – leaving a positive budget balance of \$2,000.

DISCUSSION:

Councilmember Miller:

- Questioned which additional days City Hall would be closed due to the proposed 27 hour furlough (3 days) for full time employees.
- Asked about the procedure for receiving property taxes from foreclosures.

Ms. Furey noted it was her understanding that the property taxes for foreclosures are applied countywide in the first year and then applied to actual cities the following year. She added that this wouldn't have much of an impact on the City of Saratoga as we have very few foreclosures compared to other cities in the County.

Mayor King:

- Questioned whether or not the City would receive property tax dollars from foreclosures.

Councilmember Miller:

- Foreclosures in the City will have an additional impact on the General Fund from loss of property tax revenues.

Mayor King:

- Asked how much the City's revenue was down from previous years.

Ms. Furey noted the City's revenue is down about \$1 million from two years ago – 2008/09 actuals \$15.9 million and she expects an additional \$800,000 less for 2009/10, with an estimate of \$14.8 actuals.

Councilmember Miller:

- Continue to be cautious
- We are on the right path
- Surviving better than many other cities in the Valley
- Very pleased with staff's creativeness and thanked them for their efforts

Councilmember Page:

- Thanked staff for voluntary reductions, including the car allowance
- Encouraged staff to work out the furlough days
- Feels it is better to work with a reduced salary or reduction in hours than to have no job at all
- Commended everyone for their efforts

Vice Mayor Hunter:

- Was very impressed at how staff has stepped forward to help reduce expenditures
- Grateful for Administrative Department reductions
- Thanked staff for their efforts

Mayor King:

- Grateful for reductions from top down
- Appreciates the reductions in the Administrative Department
- Nice to see the volunteer effort by staff as opposed to Council having to make the cuts

COUNCIL PREFERENCE REGARDING IMPLEMENTATION OF 3 DAY FURLOUGH:

Vice Mayor Hunter: Stagger the 3 days for all full time employees and not close City Hall completely.

Councilmember Page: Close down City Hall completely and spread the 3 days out over the year.

Mayor King: Close City Hall completely on 3 additional Fridays spread out over the year.

Councilmember Miller: Close City Hall completely and Thanksgiving week would be most logical.

DIRECTION:

- Staff should research the foreclosure and property tax dollar issue that was discussed earlier.
- Staff should move forward with proposed salary reductions.
- Work with employee union groups regarding the 3 day furlough.
- *Saratogan* to be published in Recreation Guide 3 times a year, starting with the fall issue.
- Council approved staff's proposed FY2010/11 General Fund Budget balancing plan and directed staff to include these reductions in the proposed budget for Council's consideration at the May 19, 2010 public hearing.

2. CIP REVIEW

Finance Director Mary Furey presented the staff report.

Ms. Furey provided handouts depicting new proposed projects that require new funding and would require Council's approval, adding that a portion of the funding would come from the Capital Improvement Plan (CIP) and from other sources.

She noted the total cost for the proposed projects is \$495,000 and in addition to the \$600,000 that is available from the General Fund, there is another \$116,983 funding left over from the Comer Retaining Wall project. The total available funding for CIP projects is \$716,983. She added Public Works Director John Cherbone would be asking Council for \$560,000 – leaving a total of \$156,983 to cover other projects that may come up during the year.

Public Works Director John Cherbone addressed each of the proposed Capital Improvement Plan projects and received input from Council on the following projects:

COUNCIL DISCUSSION:

Ravenwood Playground Equipment and Playground Safety Improvements –

Director Cherbone noted that ABAG conducted a safety assessment on all of the City's playgrounds and determined that the playground equipment at Ravenwood Park needed to be replaced in order to meet current safety and American Disabilities Act (ADA) standards. He noted that the Parks and

Recreation Commission have been very instrumental in working with ABAG to assure the City's parks are ADA compliant.

Mayor King:

- Would like Council to look at the replacement playground equipment scheduled at Ravenwood Park.

Director Cherbone stated the Commission will continue to work on the selection of new playground equipment for Ravenwood Park and will bring their recommendations to Council for approval.

Village Creek Trail Design Project –

Vice Mayor Hunter:

- Would like public education provided regarding any changes that affect the Village and the Saratoga Creek trails.

Blaney Plaza Sound System & Lighting Improvements –

Director Cherbone noted they would be installing additional lighting to improve the safety aspect of Blaney Plaza as well as improvements to the wiring system to facilitate a larger sound/audio system.

Mayor King:

- Suggested the Blaney Plaza tree should have white lights all year round and colored lights on the tree only during the holidays.
- Suggested that the City provide a wi-fi hotspot to the improvements to Blaney Plaza.

City Manager Dave Anderson indicated that staff could accomplish it if Council so desired.

Key Pad Door Security – Phase I –

Recreation Director Michael Taylor provided a brief description of the proposed Key Pad Door Security project, noting that it has been at least 30 years since there have been any changes to building security. He stated Phase I would be the most costly, which would be an electronic locking system that would automatically lock and unlock doors based on the City's hours of operation. He noted the type of lock – a plastic card swipe or a scrambled key pad, etc, still needs to be decided.

Councilmember Miller:

- An ID badge could be issued to every employee with a computer system on the back of the card. There would be an on-going cost of programming new employees
- Director Taylor noted staff would like it to be a low-maintenance system and would probably go with a magnetic swipe cards. He added some of the doors at City Hall need to be re-done, will need to purchase magnets, etc., all adding to the initial expense.

Councilmember Miller:

- Questioned how this project would be presented to the Council since there are several key pad options.

City Manager Dave Anderson stated staff would start the process with a Request for Bids.

Director Taylor noted staff is also looking at the key pad security door that the Sheriff's Office has at the Westside Substation on DeAnza Boulevard.

Saratoga Prospect Center Site & Safety Improvements –

Director Cherbone noted many of the initial improvements at Saratoga Prospect Center were interim improvements – such as the lighting, signage, and paving. He added the next improvement phase would include a new monument sign for the facility, safety and parking lot lighting, repaving of the parking lot, and relocation of the entrance to the site.

Director Cherbone stated that as soon as the money is available they can start the design process; however, he didn't think any construction would begin until after the first of next year – early 2011.

Mayor King:

- Inquired about the primary use of the facility and when the picnic tables would be installed.

Director Taylor noted that there are a lot of recreational activities, including jazzercise that are held at the facility. He added there are also a lot of reservation requests for wakes and memorials as well.

Director Cherbone stated the projected cost for this project does include the installation of the picnic tables as well as an integrated sound system and a motorized projection screen to facilitate large group meetings in Friendship Hall.

Mayor King:

- Inquired if there was enough funding to include a sound system and projection screen in Grace Hall.

Director Taylor noted that both the Friendship Hall and Grace Building have bare windows and that may present problems with too much lighting for screen presentations.

Council felt the window lighting didn't present a significant concern.

City Manager Dave Anderson suggested adding an additional \$10,000 to the proposed Prospect Center – Site & Safety Improvements CIP project, which should be enough to cover the Audio Visual, screen projectors, and sound systems for both the Friendship Hall and Grace Building remodel.

Council concurred with this recommendation.

Director Cherbone noted that the bids for the Village Streetscape Project came in a little higher than anticipated; therefore, staff is proposing some deletions in the project at this time.

The proposed deletions are:

- ✓ The lighted portion of the crosswalks (this can be reinstated later on with grant funding)
- ✓ Fourth Street median (won't affect the bulb-out plan)

DIRECTION:

- Take an additional \$10,000 from the remaining General Fund Reserve of \$156,983 and add it to the Saratoga Prospect Center – Site & Safety Improvements in order to install audio/visual, screen projectors and sound system for both Friendship Hall and Grace Building.

- Amended total for the Saratoga Prospect Center – Site & Safety Improvements = \$175,000
- Amended General Fund Reserve Total for Future Projects = \$146,093
- Approved Village Streetscape Improvements for \$65,000
- Staff should move forward with all Proposed New CIP Projects

Mayor King noted that she feels Wildwood Park is under-utilized and suggested working with the upper wooden deck to make it look like a ship for kids by adding a steering wheel and a sail. She also recommended adding a hop-scotch diagram on the pathway.

Vice Mayor Hunter stated that it is very difficult to reserve Wildwood Park as it is always booked in advance for activities.

Director Cherbone noted that he would look into Mayor Kings suggestions and that these suggestions would be great projects for the Parks & Recreation Commission to research.

3. APPLICATION PROCESS FOR COMMUNITY EVENTS

Assistant City Manager Barbara Powell presented the staff report.

Ms. Powell provided a handout depicting the specific allocations approved by Council for Fiscal Year 2010/11 and noted that Council had set aside \$25,000 for community events in Fiscal Year 2010/11, of which \$5,000 would be for City-related expenses (banners, special event permits) and \$20,000 for other event-related expenses.

Ms. Powell stated Council had not made any specific allocations for the following traditional community events:

- Mustard Faire
- Memorial Day
- Fourth of July
- Saratoga Art & Wine Festival (previously a one-day event funded at \$5,000, and is now planned as a two-day event for FY 2010/11.

Ms. Powell concluded by noting that staff is requesting that Council provide direction regarding funding allocation procedures for community events and whether a separate process should be used for allocation of funding for the 2010/11 Saratoga Art & Wine Festival.

COUNCIL CONSENSUS:

The City will continue to fund the Saratoga Art & Wine Festival (*previously known as Taste of Saratoga*) for one day only.

Council Funding Preferences For The Following Community Events:

<u>EVENT:</u>	<u>KING</u>	<u>PAGE</u>	<u>MILLER</u>	<u>HUNTER</u>	<u>CONSENSUS:</u>
Annual Tree Lighting	\$3,600 (max)	\$3,600	\$3,600	\$3,600	<u>\$3,600</u>
Mustard Faire	\$4,000	\$4,000	\$4,000	\$4,000	<u>\$4,000</u>
Art & Wine Festival	\$5,000	\$5,000	\$5,000	\$5,000	<u>\$5,000</u>
Unspecified Events	\$2,500	\$2,500	\$2,500	\$2,500	<u>\$2,500</u>

SUB-TOTAL	\$15,100
PLUS:	
Arbor Day Celebration	\$ 100.
City-wide Garage Sale	\$5,000.
City Ceremonies (Joe's Trail)	<u>\$ 500.</u>
TOTAL ALLOCATED FOR COMMUNITY & UNSPECIFIED EVENTS:	\$20,700.
AMOUNT TO BE RETURNED TO THE GENERAL FUND:	\$ 4,300.

Community Event Funding Process for Unspecified Events:

Applicant can attend a council meeting and request funding; Council will determine allocated amount.

There being no additional business, Mayor King asked for a motion to adjourn.

MILLER/PAGE MOVED TO **ADJOURN THE BUDGET & CIP STUDY SESSION AT 8:00PM.** MOTION PASSED 4-0-1 WITH COUNCILMEMBER NAGPAL ABSENT.

Respectfully submitted,

Ann Sullivan, CMC
City Clerk