



City of Santa Rosa

City Hall, Council Chamber
100 Santa Rosa Avenue
Santa Rosa, CA 95404

City Council Special Meeting Minutes - Draft

Thursday, July 19, 2018

10:00 AM

**Legends of Bennett Valley
3328 Yulupa Avenue, Santa Rosa, CA 95405
10:00 AM - 4:30 PM
City Council - Executive Team Goal Setting Update Workshop**

SPECIAL MEETING

1. Welcome by Mayor Coursey

Mayor Coursey called the special meeting to order at 10:00 a.m. All Council Members are present with the exception of Council Member Tibbetts.

The workshop was facilitated by Jan Perkins, Senior Partner of Management Partners. Christine Butterfield of Management Partners provided flipchart recording.

2. Public Comments

Gregory Fearon, Santa Rosa Together, spoke in support of assisting the homeless.

Keith Woods, Northpoint Corporate Center Owners Associates, spoke in support of assisting Southwest Santa Rosa.

Jim Duncan spoke regarding the budget deficit.

Vincent Hoagland spoke in support of preserving Southeast Greenway.

Thea Hensel spoke in support of preserving Southeast Greenway.

Vickey Edmonds, Basin Street Properties, spoke in support of

assisting the homeless.

Patricia Kuta, Santa Rosa Together, spoke in support of assisting the homeless.

Brian Ling spoke regarding the budget deficit.

Karen Weeks spoke regarding the budget deficit.

3. Review Today's Agenda

- Check in on the status of priorities set in January - February 2018.
- Policy guidance from the Council regarding closing the budget gap.
- Council guidance on public meetings and input processes.
- Strengthen teamwork of Council and executive staff.

4. Comments from the City Manager

The City Manager opened the workshop with comments about the general fund budget gap that exists and the need for guidance from the Council now so that staff could bring back options to the Council for discussion in early fall. He thanked the Council and staff for all they have done over the past several months in response to the fire and the other major issues of importance to the community.

5. Review Status of the Priorities Set in January 2018

The Council and executive team started the day with comments about what had transpired since their priority setting workshop six months ago, what surprises they had experienced, and what they should keep in mind going forward. Some highlights noted include:

- Over 815 rebuild permits in process

- Six homeowners returned to their homes
- 86 new affordable housing units
- Switched to district elections
- New garbage contractor
- New budget process with additional input from Council
- Learned much in response to the fire

Comments about what the Council and staff should keep in mind going forward included:

- Be aware of demands on staff
- Be prepared for organizational transitions and retirements; do succession planning and prepare for more recruitments and strategies for retaining staff
- Be careful about commitments made
- Neighborhood recovery may require new and different services from the City
- City must serve as our own advocate
- Residents have some different interests depending on whether they are still in fire recovery mode or not, but for all residents, expectations are high regarding services
- FEMA's formula for reimbursement is not based on California costs and we will need to press for proper reimbursements

Staff provided brief status update on the priorities set in January/February 2018 and members of Council asked various questions.

6. Council Guidance on Closing the Budget Gap

Working first in small groups, the Council and staff discussed criteria that could be used for budget reductions, items that should not be considered for reduction and items that could be considered.

Each Councilmember reported out his or her suggestions and considerations. A summary is noted below.

- **Mayor Chris Coursey**
 - o Not laying off current employees
 - o Look at outsourcing

- o Alternate bill payment options
- o Building permit fees - 100% recovery
- o Recreation fees
- o Iron Man costs
- o Overtime policies
- o Public safety body worn cameras and auditor
- o Mobile devices, equipment
- o City properties

· **Vice Mayor Chris Rogers**

- o Defer CIP maintenance - 1 to 2 year timeframe; issue bonds; lease
- o Real Property Transfer Tax to County
- o Partner with volunteers for nuisance abatement and property maintenance, graffiti
- o Raise cannabis tax
- o Cost recovery - be clear with public about true cost of programs

· **Council Member Julie Combs**

- o Use mission statement review Tier 1 priorities and do not cut
- o Retain programs that are ongoing revenue neutral or 80% recurring
- o Fund something if it prevents significant expense in the future
- o Do not cut recovery work for emergencies (i.e., fire and homeless)
- o Could be considered for reduction:
 - Measure O: don't spend above the baseline
 - Review staffing levels
 - Reduce overtime
 - Backfill opportunities offset; one time or other
 - Partnerships/collaboration where we can share responsibilities
 - What are our opportunities for relief on

pension liabilities

- Can CIP projects be deferred in the short term; only if the reuse of dollars meets the criteria
- How can we modify service provision
- Outsource beyond “basic” service - need information from staff
- Where can we accept less quality
- What can we do regarding special pays

- **Council Member Ernesto Olivares**

- o Identify opportunities for private or non-profits to provide services
- o Evaluate events for return; new way of delivery
- o Consider special districts (i.e., parks district)
- o Consider full cost recovery for fee for services
- o Identify one-time expenditures to develop tools to reduce ongoing costs
- o Review service levels in conjunction with risk assessment
- o Identify regional partners to consolidate services

- **Council Member John Sawyer**

- o What can be reasonably outsourced - must have net savings - not nibbling around the edges
- o Outsource transit
- o Divest of golf course; possible housing development
- o Maintain public safety but look for operational efficiencies
- o New model for parks - acquisition, development, management, recreation programs

- **Council Member Tom Schwedhelm**

- o Use mission statement; review Tier 1 priorities - do not cut those

- o Could be considered for reduction:
 - Reduce overtime
 - Staffing levels
 - Outsourcing
 - Regionalization opportunities (consistent with mission) - consolidated police dispatch, transit, other
 - City Manager/City Council budgets

7. Discuss September Council Meeting on the Budget

The Deputy Finance Director provided an overview of the City's financial picture. He made the following points.

- ✓ The ten-year general fund forecast shows deficits each year.
- ✓ The City has used much of its reserves - by June 30, 2019, the City will be \$19M under the mandated 15% level.
- ✓ There are numerous cost unknowns: none are going down and some could be higher than expected.
- ✓ Variety of revenue unknowns: even if all options being contemplated now materialize, they are not enough to erase the deficit.

8. Discuss Public Meetings and Input Processes

The City Manager asked the Council for guidance as it pertains to scheduling meetings on important issues over the next few months. The consensus was to continue the existing process of letting the Council know about the meetings and the first three Councilmembers who express an interest in going will be those who go, or Councilmembers will go on a rotation schedule. Councilmembers said they will be mindful of each other's interest in attending these meetings so as to share the opportunity. Councilmembers also said that the most important public meetings will occur in City Hall with plenty of public notice. Additionally, Councilmembers expressed an interest in the City holding as many public meetings as possible, and that they be held as is currently the case on an "at large" basis.

9. Wrap Up and Next Steps

The follow up to this meeting will include several steps, including:

- Staff to prepare budget balancing options for discussion with the Council in September.
- Staff to continue working on City Council priorities established in January/February 2018.
- Staff to follow up on bike rack items, including updates on impacts of Roseland annexation, Roseland Village and housing.

10. Adjournment

Mayor Coursey adjourned the special meeting at 4:30 p.m.

Approved on:

Daisy Gomez
City Clerk