

Blue Ribbon Commission – Phase II (BRC II)
Meeting Summary
August 27, 2009

Members Present: Suzanne Jones, Dan King, Michelle Krezek, Beth Pommer and Rich Wobbekind

Members Absent: Susan Graf, Tom Hagerty, Michael Lecesse, Dorothy Rupert and Jeff Wingert

Staff Present: Jane Brautigam, Bob Eichen, Paul Fetherston, Kathy McGuire, Mike Orosel, Mike Patton, Jim Reasor, Patrick Von Keyserling and Delani Wheeler

Public Participation

- There was none.

Welcome by Deputy Manager, Paul Fetherston

- Paul reviewed the agenda for the meeting which includes:
 - o Highlights of the 2010 recommended budget, presented to city council at a study session on August 25, 2009,
 - o Follow-up/additional information requested by the group:
 - Follow-up from the Open Space presentation on July 14, 2009
 - Consortium of Cities Revenue Sharing Report
 - General Fund Transfers
 - Prioritization of Follow-up/Additional Information Items

Highlights of the 2010 Recommended Budget

- City Manager Jane Brautigam began by reviewing Attachment B-1 to the 2010 budget message which lists all the reductions/revenue enhancements to the 2010 budget by fund; she also reviewed the “pro forma” spreadsheet which lists department budgets before and after the reductions are approved.
- Jane explained that the city has been challenged to:
 - o re-examine government services,
 - o find more efficient ways to deliver services,
 - o maintain public safety and other core services, and
 - o minimize service reductions for those residents who most need assistance.
- 26.44 positions were eliminated; of these, approx. 16 were vacant and 10 were filled (affected 15 employees since some of the reductions reduced hours and did not completely eliminate a position)
- Budget Stabilization Plan for the General Fund:
 - o HHS remains a high priority
 - Safety net svcs remain funded

- Reduction in GF transfer for affordable housing; this has been more than offset by the increase in “de-Bruced” property tax for affordable housing in the CHAP Fund.
 - Core public safety svcs have been maintained:
 - Civilian positions will be eliminated at the Uni Hill Community Police Annex but both annexes will remain open
 - All library facilities remain open:
 - Branch libraries will be closed one additional day per week (will be open 5 days a week rather than 6)
 - Parks maintenance remains a high priority and all recreation facilities remain open
 - Other efficiencies:
 - Excess on-street parking revenue will remain in the General Fund with no impact to services funded through the Downtown Commercial District Fund
- Budget Stabilization Plan for the Transportation Fund:
 - Reductions began in 2009 and are based on the budget guiding principles from the Transportation Master Plan (TMP)
- Budget Stabilization Plan for the Open Space Fund:
 - Reduction strategies were developed in order to maintain core programs, including the \$3.4 million annual real estate acquisition program
- Economic Vitality:
 - The program has been continued and the Business Liaison position is now an ongoing position
 - The Business Incentive program is being continued
- Allocation of “De-Bruced” Property Tax:
 - Additional funding due to approval in November 2008 by voters of eliminating the remaining restrictions on property tax
 - \$6.7 million over 4 funds when mill levy credit is completely phased out (General, Library, Permanent Parks & Recreation and Community Housing Assistance Program Funds)
 - As highlighted in the ballot language, more of the incremental funding in the General Fund will go to fund critical deficiencies, such as fire apparatus, facility maintenance and technology improvements
- Utility Rates:
 - In June, Water Resource Advisory Board (WRAB) approved rate increases of 3% for water, 2% for wastewater and 1% for stormwater.
 - At the July 28 study session, these increases were reviewed with council and they were concerned with the rate increase due to current economic conditions and other rate increases for 2010.
 - The 2010 recommended budget includes no rate increases for 2010 which reflects:
 - Elimination of capital projects reserve
 - Operational efficiencies
 - Shutdown water treatment facility during low demand.

- Wastewater Treatment Facility energy audit and savings
 - Reduce and/or defer equipment and vehicle replacements
- Next steps:
 - September 8 study session cancelled
 - 1st reading on October 6; 2nd reading on October 27
- Bob Eiche also reiterated how beneficial the passage of both the extension of the .38% sales/use tax and the “de-Brucing” of property tax; these were based on BRC I recommendations; if the .38% hadn’t been approved, the organization would also have had to begin reducing an additional \$10 million in the General Fund budget.

Follow-up from the Open Space presentation on July 14, 2009

- Mike Patton, Director of Open Space & Mountain Parks, returned to provide additional information to BRC II and answer any further questions. Mike also introduced two other OSMP staff attending the meeting, Delani Wheeler, Central Services Division Manager, and Mike Orosel, Financial Manager for OSMP
- Mike discussed whether OSMP would be able to maintain services based on the sunseting of the .33% and the .15% in 2018 & 2019, respectively; if the actual sales/use tax collections and expenditures match those projected by OSMP staff through 2020, Mike explained that the services could be maintained with the .40% sales/use tax which is a permanent tax but there would be no acquisition program.
- Questions:
 - Isn’t now the time to purchase Open Space properties, based on the downturn in the economy? Yes, it is the time but it depends on what’s available and when the sellers are ready to sell.
 - What services would need to be cut if the General Fund transfer of \$1 million were eliminated? Mike explained what services have already been reduced and that further reductions would have an impact on programs & services. The “Legacy Plan” (what will leave the system in place for future generations) is based on two items:
 - \$3.4 million acquisition plan
 - 9.50 positions that are critical to implement the VMP and maintain the system
 - Mike provided an overview of the merger of Mountain Parks with Open Space in 2001; total expenditures for Mountain Parks in 2008 were \$2.7 million and, of this, \$1.4 million is for essential services;

Adjournment; Next meeting 9/10