

**Blue Ribbon Commission – Phase II (BRC II)**  
**Meeting Summary**  
**August 11, 2009**

---

Members Present: Suzanne Jones, Beth Pommer, Dorothy Rupert, Jeff Wingert, Rich Wobbekind

Members Absent: Susan Graf, Tom Hagerty, Dan King, Michelle Krezek, Michael Leccese

Staff Present: Peggy Bunzli, Kathy McGuire, Maureen Rait, Jim Reasor, Patrick Von Keyserling

---

Public Participation

- none

Welcome by Executive Director, Public Works, Maureen Rait

- Maureen introduced the evening's agenda
  - July 28 Meeting Follow-up: 1994 Comprehensive Fee Study, General Fund Transfer Information, Prioritization/adjustment of follow-up list
  - Consortium of Cities Revenue Sharing Report – postponed until next meeting
  - Group Review and Continued Identification of Key Findings

July 28 Meeting Follow-up

- 1994 Comprehensive Fee Study
  - Purpose of study was to look at what services are provided by city, what they cost, what services should be fee based and what appropriate fees would be; goal was to come up with fee setting policy
  - Outcome: implement user fee guidelines for departments to follow in establishing fees; primary areas where fees are set is P & DS and Parks & Recreation
  - The exercise was based on certain principles/rationale: some services benefit individual only – should be full cost recovery based; some services benefit individual and community – should be partial cost recovery based; if admin costs of fee collection burdensome – doesn't make sense to charge fees.
  - Could P&DS methodology be used for fees setting in other departments? Yes.
  - Would be helpful to know what going rate of city overhead is.
  - Should city review costs of services for the whole city annually (bi-annually, periodically)?
  - Should BRC II look at this and determine whether appropriate services/programs are charging fees and whether appropriate fees are being charged for services/programs?
  - Discussion: look department by department – list of services, costs and where fees are charged; services/programs to be subsidized by city, services/programs to subsidize the city, revenue generating opportunities from

fees; BRCI looked at revenue, taxes, etc. – BRC II should not be looking at what additional fees to charge, without looking at ways to control costs, understanding expenses that would be recovered, potential ways to reduce expenses

- Reiterated need for cost accounting; understanding costs; understanding of offsets/tradeoffs.
  - Discussion: what do we really mean by a full cost accounting system; hard to get accurate information without expending too much on the process; looking for averages in overhead analysis, ways to make good assumptions; this would be a big shift in the way that the city approaches financial management – currently budget is based on direct costs at higher level of service; general assumptions about overhead are ok, employee timekeeping more difficult; hard to account accurately for depreciation, infrequent capital costs; importance of understanding true cost of services and programs to a reasonable point
  - Is there a way to cut periodically, based on available funds? For example, cut library hours by  $x$  amount in lean years, but increase them again with increased revenue or defer transfers for a year or two (e.g. for affordable housing program or Downtown Commercial District Fund) during financially constrained times
- GF Transfer Information
    - Transfers basis is different for each receiving department
    - Spreadsheet provided as an example was clear and helpful. Would be useful to have breakdown of essential/desirable/discretionary services covered, percent covered by transfer, other sources of funds that support services/programs, amount covered by fees
  - Prioritization
    - BRC II members will look at spreadsheet of follow up information needed and will give staff input on level of importance of each item

#### Group Review and Continued Identification of Key Findings

- Reiterated need to track cost/benefit of contracting out and out sourcing
- Additional Info needed
  - E-mail status of Education Excise Tax (EET) to BRC II
  - E-mail items on November ballot to BRCII
  - Compile list of what each department would cut if reduction needed, all in one place – analyze based on essential, desirable, discretionary and other funding sources
  - Provide impact of economic/financial situation on other sources of funds (other than GF)

Plan for next meeting: 8/27 – staff will come back with information on General Fund transfers. Meetings to be on Thursdays again starting with September 10 meeting.