

Blue Ribbon Commission – Phase II (BRC II)
Meeting Summary
October 8, 2009

Members Present: Suzanne Jones, Dan King, Dorothy Rupert and Rich Wobbekind

Members Absent: Susan Graf, Tom Hagerty, Michelle Krezak, Beth Pommer and Jeff Wingert

Staff Present: Paul Fetherston, Kathy McGuire and Jim Reasor

Public Participation

- There was none.

Welcome by Deputy Manager, Paul Fetherston

- Paul give an overview of the agenda for the evening's meeting which includes:
 - o Discussion of information on General Fund transfers from the Sept. 24 meeting
 - o Review listing of funding earmarks for specific programs/services
 - o Review listing of programs/services mandated by City Charter or federal/state law
 - o Review outline for Chapters 1, 2 & 3

Discussion of Information on General Fund Transfers

A summary from the Sept. 24 discussion of General Fund transfers was distributed to the group to begin the discussion. Jim walked the group through the summary, for example:
- each transfer is reviewed annually as part of the annual budget process, e.g., in 2010, approximately, \$1 million in transfers from the General Fund to other funds were reduced as part of the city's stabilization plan.

- the departments provided an overview of which services/programs would be impacted if the transfer was further reduced to their area, e.g., if the transfer for the parking meter revenue was further reduced, staff noted that some aspects of economic vitality may need to be reduced or fees would need to be charged to downtown employees for the EcoPass.

Questions:

- 1.) Is there a general principal to make certain services in the P & DS area are 100% cost recovered? Staff responded that P & DS works with a stakeholders group and, based on the user fee guidelines, develops cost recovery policies for each service.
- 2.) How does each department measure whether its goals have been met? It does currently vary by department but overall there is a movement, especially given the evolution of the business plan to ICMA's "Fiscal Health & Wellness Program"

(now referred to as “Priorities Based Budgeting”), to make performance measurement more consistent across departments.

- 3.) Is the idea of increasing the cost recovery rate for the rental program to 100% being pursued? This will be passed on to P & DS staff. Although ideas such as this may be small in monetary terms, they do add up & should be pursued.

Review Listing of Funding Earmarks for Specific Services/Programs

The summary of major earmarked funds was distributed to the group. Staff clarified that the term “managerially” restricted really refers to direction set by council, e.g., designation of the 1992 .15 cent sales tax by council, and should be referred to as “council designated”.

The group asked whether the amount of earmarking reflected in the City of Boulder is common. Staff responded that the level of earmarking in Boulder is unusual. Jane did indicate that earmarking for capital is a good idea while earmarking for operating can be much more problematic in the long-term. For example, if you have earmarked for an operating area, you may decrease the incentive to operate as efficiently as possible. Even earmarking for capital funding has to be done strategically since earmarking reduces flexibility to move resources to meet changing needs.

In terms of BRC I recommendations, principle #8 and #22-24 refer to earmarking and the group discussed whether these would be supported in the final BRC II report. Discussion: the commission indicated that the city may need to consider “user-based earmarks” (e.g., climate action plan tax) since these may be more palatable than earmarking sales/use taxes (especially since sales/use tax is the city’s main source of funding for general municipal services). The group did discuss the need to be concerned about the total tax burden on community members. Any earmarks that are set should be sunset relatively quickly.

Review Listing of Programs/Services Mandated by City Charter and/or Federal/State Law

At this point, the commission reviewed a listing of programs/services mandated by City Charter and/or federal/state law. The commission suggested this type of information may be included in an appendix to the final BRC II report.

Review Outline for Chapters 1, 2 & 3

The most current version of the report outline with notations from the report subcommittee was distributed and reviewed. In terms of the outline, the following was discussed:

- Really need to discuss what is the role of local government
- Need to evaluate the “hidden benefits” of services as well as the “hidden costs”
- In terms of centralization vs. decentralization, BRC II may emphasize that the city needs to move toward centralization since, based on current technology innovations, it is frequently the most cost effective way to go

- Need to explain context and provide framework within Chapter 1

Next Meeting: October 22, 2009

At the October 22 meeting, the group will discuss compensation theory and how it is applied at the City of Boulder. The consultant hired to complete an assessment of the city's current compensation system will provide an overview of the city's current program and what are the opportunities to bring the system up to current best practices.