

Blue Ribbon Commission II Meeting Summary
04/23/09

Members Present: Susan Graf, Tom Hagerty, Suzanne Jones, Dan King, Beth Pommer, Dorothy Rupert, Rich Wobbekind

Members Absent: Michelle Krezek, Michael Leccese, Jeff Wingert

Staff Present: Jane Brautigam, Bob Eiche, Paul Fetherston, Kathy McGuire, Abbie Novak, Tracy Winfree

Public Participation

- Al Gunter reminded the BRC that longer-term trends are important in understanding the current economic climate; this economy is a ‘reset’ and not a minor adjustment. He suggested that the city’s cost accounting/recovery systems were not working well; they should treat all programs equally and make all subsidies visible.

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Welcome by Deputy City Manager, Paul Fetherston

- Paul introduced the evening’s agenda:
 - Parks and Recreation department presentation
 - Revenue ballot measures
 - Budget stabilization strategies and the BRC2 work product

Parks and Recreation (P&R) department presentation – Acting P&R Director, Tracy Winfree, and budget analyst, Abbie Novak.

- There were no Parks & Recreation-specific follow-up items.
- The group discussed the following topics:
 - The budget pressure in P&R stems from both an increase in costs and a decrease in revenues. An exception is Holiday Park, where the Holiday Neighborhood HOA provides for about half the park maintenance.
 - The Recreation Activity Fund portion of the department is about 80% funded from user fees.
 - In the current context of budget stabilization, P&R is examining the ways it can share costs, leverage resources, etc., with both the Open Space/Mountain Parks and Utilities departments in the areas of land ownership, land management and wildlife management. This includes the conservation/natural lands management program of P&R.
 - P&R is meeting performance standards at 3 acres of park per 1000 residents, though this takes no account of location. P&R will move to a data-driven GIS/cartography system approx. within a year. P&R will be able to support cost accounting/recovery systems once GIS is online and integrated with the work-order system. Success will still require training field staff on accurate/consistent data entry.
 - Cost allocation/recovery was a major topic and theme. Given the number and types of funds that fund P&R services, complete and accurate cost allocation/recovery will

be difficult. Recent steps to identify contributions by program and facility have led to progress in this area. There is important progress to be made in including more/all indirect costs, facilities costs, citywide overhead, etc., in order to understand what is really subsidized by the city.

- P&R is exploring the practicality of age-based vs. means-based program/facility subsidies for residents.

Overall themes of the discussion:

- How to appropriately share costs/programs citywide
- How to allocate all overhead costs and do it well
- Differing departmental definitions of 'essential, desirable and discretionary'
- The need to document subsidies across the city and examine them
- Need to keep clarifying core community values

Revenue ballot measures – Finance Director, Bob Eichen

- Bob described several potential ballot issues to be reviewed with City Council at the May 12th study session:
 - Staff will suggest renewal of 0.15% tax for this fall's ballot (also without sunset or earmarking).
 - Staff will probably not suggest 2009 renewal of the 0.25% sales tax at this time.
 - Other potential revenue measures include: special taxing districts (library, fire, etc.), transportation maintenance fees, parks maintenance fees, converting some development excise taxes to impact fees and increasing the accommodations tax.
 - Not a ballot issue per se, but some revenue bonds from Open Space could be converted to general obligation bonds, providing \$2 to \$4 million in savings over 20+ years.
 - The City Council study session on June 9th has time reserved for the BRC2 to provide an update to Council. General Commission member reactions to the revenue ballot measures included:
 - Strong caution against introducing new taxes and mild caution with renewals.
 - Caution on suggesting conversion of some DETs to impact fees—while probably revenue neutral, this can change both who pays the fees and how the money can be used.
 - Support for removing earmarks.
 - Revenue ballot measures carry a large educational component.

Budget stabilization strategies and the BRC2 work product

- The Commission viewed two charts prepared by staff for Council, regarding possible activities for revenue and expenditure stabilization, given unfavorable economic trends of varying lengths and/or severities.
- On the expenditure side:
 - Commission members felt that delaying/eliminating CIP and facilities maintenance would be more harmful in the long run (City Manager, Jane Brautigam, agreed and noted that Council understood).

- Commission members felt that inducing early retirement gave some pause, given the number and experience of the people eligible to retire within 5 years.
- Commission members also felt that outsourcing, privatization, partnering and the like could be revenue-side strategies as well.
- On the revenue side:
 - There was some support for considering special districts
- The schedule of public process meetings was presented, featuring 2, 2-hour public sessions (May 11 & 21) and a Web-based survey. Further details will be emailed as they become known.

The meeting adjourned at approximately 8:15 PM. The next meeting is scheduled for May 14, 2009, at 6pm, in the Twenty Ninth Street Mall's Community Meeting Room.