

CITY OF PASADENA
City Council Minutes
November 28, 2011 – 8:30 A.M.
Pasadena Conference Center
Conference Room 211
300 East Green Street

SPECIAL MEETING

OPENING: Mayor Bogaard called the special meeting to order at 8:39 a.m.

ROLL CALL:

Councilmembers:

Mayor Bill Bogaard
Vice Mayor Margaret McAustin (Absent)
Councilmember Victor Gordo (Arrived at 8:57 a.m.)
Councilmember Chris Holden
Councilmember Steve Madison
Councilmember Gene Masuda
Councilmember Jacque Robinson
Councilmember Terry Tornek

Staff:

City Manager Michael J. Beck
City Attorney Michele Beal Bagneris
City Clerk Mark Jomsky

PUBLIC COMMENT

Egerton Forster, resident, expressed concerns regarding various budget issues, and spoke in opposition to the proposal to eliminate 8 full-time employees as part of the recommended and potential budget reductions.

**RECOMMENDED AND POTENTIAL BUDGET REDUCTIONS
TO ADDRESS THE ADDITIONAL \$3.5 MILLION
SHORTFALL PROJECTED IN THE GENERAL FUND FOR
FISCAL YEAR 2012**

RECOMMENDATION:

In order to address a projected \$3.5 million shortfall in the General Fund, in addition to the \$4.7 million budgeted shortfall, it is recommended that the City Council take the following actions as further detailed within the body of the agenda report:

- (1) Reduce appropriated expenditures and full-time equivalents in the various General Fund departments and programs;
- (2) Adopt a resolution increasing the amount to be transferred from the Light and Power Fund to the General Fund for Fiscal Year 2012 from 8% of gross revenues to 10%, and direct staff to prepare future General Fund projections utilizing a 9% transfer rate; and
- (3) Adjust estimated revenues in the General Fund to reflect revised estimates based on the revenue decreases experienced in FY 2011 and the increased revenues anticipated from the recommendations outlined in the agenda report. (Resolution No. 9163)

The Mayor introduced the agenda item, and commented on the City Council's ongoing efforts to address Operating Budget shortfall issues involving Fiscal Years (FY) 2012 and 2013.

Councilmember Gordo arrived at 8:57 a.m.

The City Manager reviewed the agenda report as part of a PowerPoint presentation, outlined the rationale for the proposed staff recommendations in terms of service impacts and reorganization/realignments, discussed the proposed administrative and policy decisions involving staff reductions and the delivery of core services, and responded to questions.

Andy Green, Director of Finance Department, indicated that the City Council will be provided with an analysis/comparison of the FY 2009-2012 annual revenues/expenses/Consumer Price Index (CPI) data, and responded to questions.

Shari Thomas, Assistant General Manager of Water and Power Department, clarified the impacts of the Light and Power Fund transfers to the General Fund on the Department's capital improvement program/projects and possible customer rate increases, and responded to questions.

Councilmember Madison suggested that possible reductions in City Council personnel costs be explored.

Councilmember Holden suggested that Part 2, Item No. 23 – Solicit advertising on ARTS buses and/or website, be placed on the Part 3 listing for additional study. He also suggested consideration be given for placing future ballot measure(s) before the voters regarding: a possible increase in the Utility Users Tax (UUT), with monies used to create a reserve designed to protect the quality of life in neighborhoods; and/or possible use of the Stranded Investment Reserve to provide flexibility for the City Council/City Manager in addressing General Fund budget issues.

The Mayor noted that one of the aspects of the various pension reform proposals is that cost savings will be slow in being realized by the City, and will not solve the current budget shortages; and that the Part 3 items for additional study will only pay off in future budget years.

Councilmember Tornek expressed support for accelerating Part 3, Item No. 29 – Relocate staff from non-City owned facilities to a reconfigured City Hall; and for giving additional study to combining Part 2, Item No. 20 – Increase parking fines/penalties by \$20 with Item No. 22 – Return to stricter enforcement of parking regulations, in order to arrive at modified parking regulations based on a policy that first-time violators would pay a nominal fine, with repeat violators more heavily penalized. He also suggested that Part 2, Item No. 25 – Elimination of After School Program Sites (12 sites), be given

additional study as part of a more encompassing effort for the City to collaborate with the Pasadena Unified School District (PUSD) in consolidating their after school programs, as well as to develop a linkage for the City to provide contracted operational services to PUSD.

Councilmember Robinson asked that Part 1, Item No. 16 – Restructure of Local Hire Program, be moved to Part 2, in order to preserve this program and its outreach efforts, with the Project Manager position retained (rather than reduced).

Councilmember Gordo asked staff to provide information on the additional revenue numbers that will be generated by the items on Attachment A, and a listing of vacant positions that reflect possible cost savings; expressed opposition to the elimination of filled positions during this fiscal year, with any reductions in filled positions to be considered as a part of the FY 2013 budget cycle process; and suggested that staff be given the opportunity to explore revenue enhancements and further reductions during the FY 2013 budget process that could remove the need for cutting filled positions in the future.

Councilmember Tornek commented on the need to seek structural solutions in dealing with the budget shortage issues now, rather than waiting until the FY 2013 budget process.

In response to a general discussion by Council of a layoff policy proposal, the City Attorney clarified the duties of the City Manager and City Council as provided in the City Charter.

The City Clerk reported that a revised version of the resolution cited in staff Recommendation No. 2 had been submitted and distributed by staff.

Following discussion, it was moved by Councilmember Holden, seconded by Councilmember Gordo, to approve the Part 1 items listed in Attachment A of the agenda report, excluding the 8 filled position reductions shown in Item Nos. 5, 8, 9, 15, and 16, with these 8 positions to be reviewed during the Fiscal Year 2013 budget process, and with the understanding that staff will pursue all opportunities to achieve cost savings as they arise:

AYES: Councilmembers Gordo, Holden, Madison, Masuda, Robinson, Mayor Bogaard

NOES: Councilmember Tornek

ABSENT: Vice Mayor McAustin

By consensus, Part 2, Item No. 23 – Solicit advertising on ARTS buses and/or website and Item No. 25 – Eliminate After School Programs at 12 sites, were moved to Part 3 for additional study by staff.

Councilmember Holden asked that the viability of placing future ballot measures before the voters regarding a possible increase in the UUT, and possible use of the Stranded Investment Reserve to address General Fund budget issues, be referred to the Finance Committee for review.

The City Manager indicated that staff will provide a report to the Finance Committee in early 2012 regarding Part 3, Item Nos. 29-34, M-3, 23, and 25, plus the two additional ballot measures suggested above by Councilmember Holden.

Following additional discussion, it was moved by Councilmember Holden, seconded by Councilmember Gordo, to approve staff Recommendation Nos. 2 and 3. (Motion unanimously carried) (Absent: Vice Mayor McAustin)

In response to Councilmember Madison's request, the City Manager indicated that staff will work with the City's operating companies (Pasadena Center Operating Company, Pasadena Community Access Corporation, and Rose Bowl Operating Company) to ensure that efficiencies and collaborations are explored during the FY 2013 budget process.

In response to Councilmember Madison's request, the Mayor indicated that the Legislative Policy Committee will explore possible reductions in the City Council's budget.

ADJOURNMENT

On order of the Mayor, the special meeting of the City Council adjourned at 11:19 a.m.



Bill Bogaard, Mayor
City of Pasadena

ATTEST:



City Clerk