

City Council, Special Meeting
 Council Chambers
 777 Cypress Avenue
 Redding, California
 May 5, 2009 9:00 a.m.

The special meeting was called to order by Mayor Bosetti with the following Council Members present: Dickerson, Jones, McArthur and Stegall.

Also present were City Manager Starman, City Attorney Duvernay, Assistant City Manager Tippin, City Clerk Strohmayer, and Assistant City Clerk Mize.

PROPOSED BUDGET REDUCTIONS

(B-130-070)

City Manager Starman related that the severe global economic downturn continues to adversely impacting City revenue, however, because the current and past City Councils have always placed great emphasis on fiscal responsibility and long-range financial planning, Redding is in a stronger financial position than most cities and counties. He noted that in order to maintain the City's sound financial position the General Fund must be reduced by \$4.6 million (or approximately 6 %).

Mr. Starman recalled that in response to declining sales tax revenue and building related fees, the City imposed a selective hiring freeze in October 2007. Subsequently, in February 2008, he said the General Fund expenditure budget was reduced by ½ % and in August 2008, it was reduced by an additional 1%. In December 2008 declining revenue necessitated an additional \$3.1 million reduction in General Fund expenditures which resulted in, among other cuts, the elimination of 21 positions. He advised that revenue continues to decline and fourth quarter 2008 sales tax revenue was down 11.4% from the fourth quarter of 2007. Without General Fund spending reductions, he said the reserve will slip to 4.7% by the end of this fiscal year.

According to Mr. Starman, numerous suggestions have been received from citizens and the unions to reduce the City's reserve below five percent. He equated the reserve to a savings account noting that using it would be a one-time temporary fix which would be depleted quickly unless spending is brought in line with revenue.

Mr. Starman recalled that at its November 18, 2008 meeting, City Council adopted a set of "budget reduction guidelines" and directed staff to utilize those guidelines in developing a list of proposed budget reductions for Council's consideration. He added that those guideline were used to formulate budget reductions proposed today.

Pursuant to Council's direction, Mr. Starman reported that he, the Mayor and Personnel Director met with each of the labor unions that represent City employees to discuss possible wage and benefits concessions in order to mitigate potential layoffs. He explained that they asked the unions to agree to postpone the next cost-of-living adjustment (COLA) and extend the terms of the contract for 12 months which would result in a \$1.1 million savings. He advised the unions that the City would identify the savings by bargaining unit and use those savings to retain or restore positions within those bargaining units. He noted that other possible concessions include furloughs (one or two days per month), reverse last year's COLA, eliminate step-increases, and increased employee contribution to health insurance premium and CalPERS.

Mr. Starman summarized the following results of those meetings:

International Association of Firefighters (IAFF): No formal response has been received from the union.

International Brotherhood of Electrical Workers – Electric (IBEW): Contract negotiations have been at impasse for many months. These workers are not part of the General Fund, therefore, the current budget reduction proposals are not impacted.

IBEW- Maintenance: The contract expired in November 2008 and has been in negotiations since then. There is a tentative agreement to extend the contract until May 2010 without a COLA. Mr. Starman commended the IBEW-Maintenance for their willingness to work

toward an agreement but noted that very few of their members are paid through the General Fund so the resulting savings will be approximately \$43,000.

Redding Police Officers Association (RPOA) and RPOA – Miscellaneous: A letter was received indicating their willingness to accept the City’s proposal to delay the next COLA and extend the contract for 12 months on the condition that no one within the bargaining units would be laid off for the term of contract. Mr. Starman noted that the potential cost would be more than double the value of the proposed concession, therefore, would not be feasible.

Redding Police Management Association (RPMA) - A proposal letter from RPMA was received indicating their willingness to make a one-time concession which would result in a savings to the City of approximately \$125,000 on the condition that there would be no layoffs in the entire Police Department during the term of the contract. Mr. Starman observed that the cost to the City for such a guarantee would be \$1.6 million; and, in light of the current economic conditions, it would be impractical to agree to this condition.

Service Employees International Union (SEIU) - Clerical, Technical & Professional and Supervisory/Confidential: Although he has not received an official notification from SEIU, Mr. Starman related that he was informed SEIU voted to offer a one-day per month unpaid furlough with conditions. He noted that a meeting is scheduled to discuss the terms.

Mr. Starman stressed that even if all unions agreed to the City’s proposal to eliminate COLA’s for one year, the savings would be approximately \$1.1 million of the \$4.6 million reduction currently needed. He remarked that concessions on the part of the unions would mitigate but not eliminate the need for layoffs.

City Manager Starman presented the department-by-department recommended budget reductions as outlined in the staff report dated April 21, 2009, incorporated herein by reference. He indicated that most of the recommended layoffs would become effective on June 12, 2009, and that these reductions would be incorporated into the next biennial budget.

Mr. Starman recommended that City Council consider the proposed budget reduction, modify the list, if necessary, and direct the City Manager to implement the reductions as soon as practical. He asked for the ability to use his discretion should opportunities arise which would result in an equal amount of savings while avoiding staff reductions. City Council concurred that he should have discretion in these matters.

All Departments

MOTION: Made by Council Member Stegall, seconded by Council Member Jones to furlough all Directors one day per month during fiscal year ending (FYE) 2010 resulting in a General Fund savings of \$121,500 and eliminate the planned three percent COLA for FYE 2011 for all Unrepresented employees with savings to begin on July 1, 2010 resulting in an annualized General Fund savings of \$120,000.

The Vote: Unanimous Ayes

City Attorney

MOTION: Made by Council Member Dickerson, seconded by Council Member Stegall to furlough the City Attorney an additional two days per month for FYE 2010 and FYE 2011 resulting in a savings of \$25,000 to the General Fund.

The Vote: Unanimous Ayes

City Clerk

MOTION: Made by Council Member Stegall, seconded by Council Member McArthur to reduce to half time an Executive Assistant I position in the City Clerk’s office resulting in a savings of \$40,300 to the General Fund and reduce to half time a Clerk III position in the Records Division resulting in a savings of \$19,500 to the General Fund.

The Vote: Unanimous Ayes

City Manager Starman advised that if Item Three on the agenda is approved by the City Council, the resulting savings would make it possible to restore both positions to full-time.

City Manager

MOTION: Made by Council Member Jones, seconded by Council Member McArthur to layoff/eliminate the Economic Development Director position resulting in a \$30,000 savings to the General Fund, reduce various O&M costs by \$11,440, and increase cross-charging for the Assistant City Manager resulting in \$65,000 in savings to the General Fund.

The Vote: Unanimous Ayes

City Treasurer

MOTION: Made by Council Member Stegall, seconded by Council Member Dickerson to reduce the Account Clerk II position in the City Treasurer's office to half time resulting in a \$35,000 savings to the General Fund.

The Vote: Unanimous Ayes

Community Services

MOTION: Made by Council Member Stegall, seconded by Council Member Jones to make the following reductions in the Community Services Department which will result in savings to the General Fund: 1) layoff/eliminate a Senior Planner position in the Community Services Department, saving \$126,600; 2) lay off/eliminate a Part-Time Clerk I position in the Recreation Division, saving \$6,000; 3) eliminate coaches' uniforms for volunteer coaches, saving \$2,500; 4) eliminate consulting services, saving \$5,000; and 5) reduce the Youth Action Committee funding resulting in a \$12,500 savings.

The Vote: Unanimous Ayes

Development Services

MOTION: Made by Council Member Dickerson, seconded by Council Member Jones to make the following reductions in the Development Services Department which will result in savings to the General Fund: 1) layoff/eliminate an Executive Assistant II position (effective 12/31/09), saving \$41,700; 2) layoff/eliminate an Assistant Planner position, saving \$98,100; 3) layoff/eliminate a Building Inspector position, saving \$91,500; 4) layoff/eliminate an Engineering Technician II (effective 12/31/09), saving \$48,200; 5) layoff/eliminate a GIS I position, saving \$49,000; 6) eliminate vacant Plans Examiner position, saving \$36,500; 7) layoff/eliminate a Part-Time Plans Examiner position, saving \$36,500; and 8) reduce various O&M costs by \$37,700.

The Vote: Unanimous Ayes

Finance

MOTION: Made by Council Member Jones, seconded by Council Member Stegall to make the following reductions in the Finance Department which will result in savings to the General Fund: 1) reduce an Administrative Assistant position to half time, saving \$34,700; 2) reduce an Account Clerk I position to three quarter time, saving \$15,800; 3) reduce various O&M costs by \$7,900; and 4) appropriate cross-charging to Redding Redevelopment Agency, saving \$36,300.

The Vote: Unanimous Ayes

Fire

Council Member Jones expressed concern that 15 seasonal firefighter positions would be eliminated at the beginning of the fire season, and he hoped progress will be made with concessions from the union so that positions can be restored.

MOTION: Made by Council Member Jones, seconded by Council Member Stegall to make the following reductions in the Fire Department which will result in savings to the General Fund: 1) eliminate seasonal/on-call positions (15 part-time positions), saving \$241,400; 2) layoff/eliminate a Fire Prevention Specialist position, saving \$89,800; and 3) layoff/eliminate a Senior Fire Protection Plans Examiner position, saving \$127,900.

The Vote: Unanimous Ayes

Non-Departmental - Economic Development Corporation

(B-080-150)

MOTION: Made by Council Member Stegall, seconded by Council Member Dickerson to transfer funding to the Economic Development Corporation to the Redding Redevelopment Agency resulting in a savings of \$126,000 to the General Fund.

The Vote: Unanimous Ayes

Non-Departmental - Turtle Bay Exploration Park
(C-070-250-250)

With regard to Turtle Bay Exploration Park funding, City Manager Starman recalled that during the December 2008 budget reduction workshop, staff recommended a 30% cut in the City's contribution to Turtle Bay Exploration Park (Turtle Bay). The majority of the City Council felt it was too large of an amount, voting instead for a 10% reduction. With that in mind, Mr. Starman recommended an additional 10% reduction, noting that the City's contribution amounts to one-half of one percent of Turtle Bay's operating budget.

Buck Lang, volunteer at Turtle Bay, opposed additional cuts to Turtle Bay's budget, contending that it would cause a negative impact on the economy of community, decrease the quality of life, and reduce the amount of revenue visitors bring to the City.

Maggie Redmon, Chief Operating Officer for Turtle Bay, emphasized that the City reduced its contribution to Turtle Bay twice during the past year adding that Turtle Bay already reduced staff and other spending. She related that another 10% reduction in the City's contribution would result in additional layoffs and reduced hours of operation.

Council Member McArthur urged Council's continued support of Turtle Bay and suggested a \$20,000 funding cut in lieu of the recommended \$31,500 reduction.

Council Members Stegall and Dickerson expressed strong support for Turtle Bay, but, in light of the current economic down turn, they felt the City's financial contribution to Turtle Bay should be reduced by the recommended amount.

Council Member Jones and Mayor Bosetti expressed appreciation for the work Turtle Bay does but recommended additional cuts in the contribution to Turtle Bay to save positions in the Police and Fire Departments.

MOTION: Made by Council Member Stegall, seconded by Council Member Dickerson to reduce the contribution to Turtle Bay by \$31,500.

The Vote:

AYES: Council Members - Dickerson and Stegall
NOES: Council Members - Jones, McArthur, and Bosetti
ABSTAIN: Council Members - None
ABSENT: Council Members - None

MOTION FAILED

MOTION: Made by Council Member Jones, seconded by Mayor Bosetti to reduce the contribution to Turtle Bay by \$100,000.

The Vote:

AYES: Council Members - Jones and Bosetti
NOES: Council Members - Dickerson, McArthur, and Stegall
ABSTAIN: Council Members - None
ABSENT: Council Members - None

MOTION FAILED

MOTION: Made by Council Member Stegall, seconded by Council Member Dickerson to reduce the contribution to Turtle Bay by \$31,500.

The Vote:

AYES: Council Members - Dickerson, McArthur, and Stegall
NOES: Council Members - Jones and Bosetti
ABSTAIN: Council Members - None
ABSENT: Council Members - None

Personnel

MOTION: Made by Council Member Stegall, seconded by Council Member Jones to modify the volunteer appreciation event resulting in a \$1,250 savings to the General Fund, modify the employee appreciation lunch and reduce Service Awards resulting in a \$5,000 savings to the General Fund and reduce liability claims, insurance premiums and professional services resulting in a \$160,000 savings to the General Fund.

The Vote: Unanimous Ayes

Police

Bob Brandon, Redding Police Department (RPD) employee, requested that should layoffs become necessary, Council amend City policy to insure that employees' earned benefits are not forfeited. He stated that with the current policy, employees will lose PARS benefits unless they retire and suggested that this benefit be frozen, similar to PERS. He asserted that since employees are not voluntarily retiring or being terminated for cause, the same consideration should be applied to retirement medical benefits.

Council Member Dickerson asked staff to research the options regarding loss of previously earned PARS and retiree insurance benefits as a result of layoffs and report back to Council.

Mike Quinn, Redding Police Officer's Association (RPOA), opposed elimination of Community Service Officer (CSO) positions and suggested Council consider the following possible cost savings measures: reduce the rolling stock set-aside, proper allotment of overhead reductions, use Redding Electric Utility reserve fund, reduce electric rate, and reduce the City's reserve fund below 5%.

Will Williams, RPD employee, opposed CSO layoffs and maintained the quality of life in the City would be diminished and sworn officer's ability to effectively do their work would be negatively impacted.

Cameron Mooney, Chairperson for Mother's Against Drunk Driving (MADD), opposed police department layoffs, contending that it is inefficient to pay sworn officers to write reports rather than work on crime prevention. He stated that RPD made over 1,000 Driving Under the Influence (DUI) arrests last year, and in order to maintain an effective level of policing, RPD should be fully funded.

Council Member Jones supported staff's recommendation noting that the cost to retain the 13 Community Service Officers (CSO) and the four Records Technicians would exceed \$1,000,000 and no off-setting budget reductions have been identified.

Council Member Dickerson stated that Council must balance the budget and at this point there are no alternatives other than layoffs. He urged the police unions to meet with the City Manager and Personnel Director and continue to work toward an agreement to forego future COLA's in lieu of layoffs. He acknowledged that the City would not be able to guarantee that there would be no layoffs if concessions were made; however, without union concessions, layoffs would be inevitable.

Mayor Bosetti asked union members to consider the value of the quality of life they enjoy in Redding and agree to COLA concessions to save jobs. In response to Mayor Bosetti, City Manager Starman advised that most cities with similar populations utilize CSOs to perform routine, low priority duties freeing sworn officers for higher level duties. He acknowledged that elimination of the CSO positions would result in a less efficient department but after discussions with Police Chief Hansen, it was determined that eliminating CSOs was preferred over eliminating sworn officers.

Council Member Dickerson recalled his years as a police officer in the City of Riverside which did not utilize CSOs. He advised that without the support of CSOs, sworn officers went from call-to-call and was not able to actually patrol or be proactive in the community. He emphasized that utilizing CSOs is a superior staffing model. However, he stated that the reality of the extreme decline in the economy necessitates major budget reductions and the Police Department, as the largest General Fund expense, is not exempt from those cuts. He noted that the budget cuts are city-wide and not focused solely on the Police Department and called upon the unions to work toward concessions.

Council Member Jones requested Police Chief Hansen to elaborate on his memo regarding potential budget reduction options. Chief Hansen outlined three suggested areas of concessions and reductions that would mitigate the impact of the budget shortfall on the Police Department as follows: 1) the unions could work with the City Manager to reach agreement regarding postponement of COLA increases; 2) Department Directors could forego COLA increases, which he noted has already been agreed to; and 3) City Council could reduce the contribution to Turtle Bay, re-amortize PARS; and reduce the 5% reserve

by ½ %. According to Chief Hansen, if all of the above actions were taken, the 13 CSO positions could be restored.

In response to Council Member Dickerson's statement that Council made a mistake by declining the offer from PARS to re-amortize, City Manager Starman stated that although PARS has already been notified of the prior Council decision, the window of opportunity may still be open. Mr. Starman explained that while the City originally elected to use a 20-year amortization schedule, if PARS was re-amortized using a 30-year schedule, the City's General Fund would save \$300,000 per year for the next two years.

Council Member Dickerson asked if Council favored directing staff to explore PARS re-amortization. While Council Member Stegall expressed interest, Council Members Jones and McArthur and Mayor Bosetti opposed revisiting the issue maintaining that it would cost more in the long run.

Council Member Stegall addressed Chief Hansen's suggested concessions and reductions, noting that there is not sufficient support to pursue PARS re-amortization and she did not favor eliminating additional funding to Turtle Bay or reducing the reserve below the 5% level. She expressed regret that positions would be eliminated but stressed the importance of reducing spending rather than depleting savings.

MOTION: Made by Council Member Jones, seconded by Council Member Stegall to make the following reductions in the Police Department which will result in savings to the General Fund: 1) layoff/eliminate a Custodian position, savings \$62,500; 2) layoff/eliminate a Car Washer position (part time), saving \$9,600; 3) 66% hourly reduction for Cadets, saving \$100,000; 4) layoff/eliminate 13 Community Service Officer positions, saving \$975,000; 5) reduce a Crime Statistician position to half time, saving \$38,700; 6) layoff/eliminate a Network Technician II position, saving \$75,900; 7) layoff/eliminate four Police Records Technician positions, saving \$290,000; 8) reduce an Administrative Assistant I position to half time, saving \$32,100; 9) reduce various O&M costs, saving \$25,000; 10) reduce training funds, saving \$25,000; 11) reduce Rolling Stock funds, saving \$50,000.

The Vote: Unanimous Ayes

Support Services

MOTION: Made by Council Member Dickerson, seconded by Council Member Jones to make the following reductions in the Support Services Department which will result in savings to the General Fund: 1) layoff/eliminate a Public Works Maintenance Worker position, saving \$78,000; 2) eliminate three Temporary Public Works Maintenance Worker positions, saving \$45,000; 3) reduce an Account Clerk position to half time (Purchasing), saving \$37,800; 4) layoff/eliminate an Account Clerk position (Fleet Maintenance), saving \$23,400; 5) layoff/eliminate a Systems Analyst Programmer III position (Information Technology – effective 8/31/09), saving \$56,000; 6) layoff/eliminate a Computer Support Specialist II position (Information Technology), saving \$49,000; 7) layoff/eliminate a Clerk III position (Reprographics), saving \$38,640; 8) reduce various O&M costs, saving \$19,600; 9) reduce Rolling Stock funds, saving \$6,000; 10) reduce security contract at City facilities, savings \$13,500; 11) reduce Turtle Bay/Sundial Bridge security contract, saving \$40,000.

The Vote: Unanimous Ayes

Transportation & Engineering

MOTION: Made by Council Member Dickerson, seconded by Council Member McArthur to make the following reductions in the Transportation & Engineering Department which will result in savings to the General Fund: 1) layoff/eliminate a Public Works Maintenance Worker position (Street Maintenance), saving \$78,000; 2) eliminate four Temporary Public Works Maintenance Worker positions, saving \$65,000; 3) reduce specialized services, saving \$13,000; reduce street maintenance, saving \$400,000.

The Vote: Unanimous Ayes

Impending City Clerk Vacancy

(A-050-055)

City Manager Starman recalled that City Clerk Strohmayr announced her retirement effective June 30, 2009; and, because she is vacating her elected office mid-term, Council is required by law to either call a special election or appoint someone to fill the unexpired term within 30 days of the vacancy. At its meeting of April 7, 2009, he said Council discussed the options available including placing a measure on the ballot to convert the elected position to an appointed position. He further recalled that an Ad Hoc Subcommittee comprised of Council Members McArthur and Stegall along with the City Manager was selected and asked to report back with a recommendation as to how to proceed.

On behalf of the Subcommittee, Mr. Starman recommended that the Council submit the question to the voters to decide whether the office should be converted from an elected office to an appointed office; and, due to the significant cost of a special election, the measure should be placed on the next consolidated local election, most likely in the spring of 2010. In the meantime, he said the subcommittee recommends that Council appoint the City Attorney in an interim capacity to serve as the office holder and that the City Manager appoint Assistant City Clerk Mize as the interim Administrator of the Office of the City Clerk, responsible for the day-to-day operations of the Department. He noted that this strategy would result in some salary savings by leaving the Assistant City Clerk position vacant and those savings would be used to retain two full-time positions in the City Clerk's Office that would otherwise be converted to part-time.

Council Member Stegall noted that approximately 70% of cities in state have converted to an appointed rather than elected City Clerk due, in part, to the very technical and difficult duties assigned to the position. She expressed concern that someone might be elected without the skills necessary to meet the legal requirements of the position and voter representation would be achieved by having Council appoint the City Clerk.

Council Member McArthur related that it was timely to let the voters decide and believed an appointed city clerk would protect the City from having an unqualified person elected.

Gary Cadd, Redding resident, supported transparency and open government, therefore, he believed the citizens should continue to elect the City Clerk.

Council Member Jones supported the current structure indicating that it has worked well for many years. In addition, he expressed confidence in the citizens' ability to elect a competent person to serve as City Clerk.

Council Member Dickerson and Mayor Bosetti expressed support for a ballot measure to let the electorate decide.

MOTION: Made by Council Member Stegall, seconded by Council Member McArthur to appoint City Attorney Duvernay to serve as Interim City Clerk, direct the City Manager to appoint Assistant City Clerk Mize as the interim Administrator of the Office of the City Clerk, and direct the City Manager and City Attorney to prepare ballot language for submission to the voters at the June 8, 2010, statewide primary election, to consider converting the Office of the City Clerk from an elected to a City Council appointed office.

The Vote:

AYES: Council Members - Dickerson, McArthur, Stegall, and Bosetti

NOES: Council Members - Jones

ABSTAIN: Council Members - None

ABSENT: Council Members - None

ADJOURNMENT

There being no further business, at the hour of 11:45 a.m., Mayor Bosetti declared the Special Meeting adjourned.

APPROVED:

Mayor

ATTEST:

City Clerk