

Measure P Oversight Committee Meeting Minutes

April 13, 2011

The Measure P Oversight Committee Meeting was called to order by Fire Chief Guintini at the hour of 6:00 p.m. at Los Banos Fire Station No. 1, 333 7th Street, Los Banos, CA.

Committee Members and staff present: Hoang (Ichabod) Nguyen; Mark Bodley; Andrea Brandt; Tom Neeb; Gerry Giesel; Arlene Cardoza; Chet Guintini, Fire Chief; Gary Brizzee, Police Chief; Tim Marrison, Asst. Fire Chief; Kim Tomas, Staff Accountant; Martha Brazil, Staff Accountant; Rosemarie Souto, Staff Accountant; Sonia Silva, Finance Department; and Brent Kuhn, City of Los Banos Finance Staff.

Committee Members Absent: Alvin Marques

Agenda Item I

As updated information was being handed out to the committee, Chief Brizzee explained to the committee that the original power point presentation that was e-mailed to them had a very high assumption of a 20% increase. After having discussion with Chief Guintini and Committee Member Brandt, we have re-adjusted those numbers to a more reasonable figure. The 20% increase would be worst case scenario. That was a very high number so thank you to Andrea for bringing up that question. The committee is doing its job and we thank you.

Chief Brizzee advised that we would go through the new power point presentation. A quick overview of Measure P indicating approved on November 2, 2004 which included the following:

- Creation of a seven member oversight committee.
- Yearly presentation and accounting of revenue and expenditures.
- Provision that Measure P funding could not be used to replace or supplant general fund expenditures.
- Twenty year spending plan.
- Establishment of additional funding account for sales tax revenue in excess of spending plan.
- Additional required verbiage for sales tax.

On November 3, 2009, due to the economic conditions, the City went back to the citizens to amend Measure P with Measure A so that funding received from the Measure for building facilities could be used for salaries and benefits for existing personnel for no more than five years.

Measure A took effect 30 days after the measure was passed on November 3, 2009. We didn't come to the committee until February 2010 to request that police officers be

covered by Measure A funds – originally 7 were requested then that number was cut back to 4 officers.

Ichabod had a question in regard to the time frame that Measure A is actually in effect. Ichabod wants to know when the last day of the five-year window. The Ordinance was adopted on November 18, 2009. So the effective date would be from November 18, 2009 through November 18, 2014

The next slides cover the staffing levels for the various budgets, to include what staffing levels came from what funds. Chief Brizzee explained that the slides in the presentation show police and fire expenditures. Ichabod commented on the breakdown and indicated it was very clear to read.

When Budget for 2009/10 was passed, there were no expenditures for Measure A. In mid to late February, we moved the 4 positions into Measure A. For that fiscal year, we spent about \$294,000 for salaries and benefits. Ichabod thought that the positions put into Fiscal Year 2009/10 were just put there to complete that year. Chief Guintini advised that it was for that year, but then we came back and made those 4 positions permanent in the Measure A fund. Now, staff is requesting two more positions be added.

Chief Brizzee gave an explanation of the Budget funds, including SLESF. Supplemental Law Enforcement Services Fund (SLESF) based off of the vehicle license fees. This funding is set to expire June 30, 2012. CHRP is the Cops Hiring for Recovery Program. That is for two police officers that is a federal grant – 4 year life cycle. Funding is provided for first three years, last 12 months have to be funded by the City. CHRP expires June 30, 2013. July 1, 2013 we will have to fund the two officers for that fiscal year. Our CFDs are not covering the expenses that we have. Brent Kuhn explained that we currently have a shortfall in the CFDs of about \$40,000. Gerry Giesel inquired as to what the CFD exactly was. Staff advised that it's a additional tax on properties located in certain subdivisions. Not all subdivisions pay into the CFDs, only the later subdivisions that were approved.

Asst. Chief Marrison mentioned that in the far right column of the power point presentation, it shows the actual percentages that each department used from the General Fund. In reviewing the slides, Neeb inquired as to why the percentages for Police in 08/09 were higher than 07/08 even though number of employees was more in 07/08. Staff advised that in 08/09 employees from public works were shifted from General Fund to Enterprise funds, therefore increasing the percentage taken by Police. Mark Bodley still had questions in regard to the Measure P Expenditures in 07/08 of \$1,792,836 vs 08/09 at \$634,040. Brizzee explained why there was such a large difference and besides personnel, the purchases of the MDCs for the vehicles took place in 07/08.

Chief Guintini explained how the Fire Department utilizes Measure P for staff. He also stated that we haven't used any Measure A funding for Fire Department employees at this time. He explained how staff has entered into the Measure P funding.

Chief Brizzee reviewed the numbers if we were able to add the two additional officers into Measure A as staff is requesting. Brent Kuhn talked about PERS contributions. There was discussion regarding the numbers for the different years. Staff explained how they arrived at those numbers. Projections can change depending on increases in cost for health care, etc.

Ichabod was happy to see that the 2014-15 numbers were not a negative number. With only a 10% increase, it appears that there might be enough money in the fund to cover the additional officers. Staff mentioned that last year alone, the health care benefits increased by 17%. Health Care and PERS has the biggest fluctuation every year.

Mr. Bodley commented on the concessions the employees have given. Chief Guintini advised him that Public Safety gave an 11½% concession while all other employees did 10½%. Finance staff explained that the employee concessions were for the employee's portion of retirement plus 2½% for medical benefits. It was also mentioned that salaries have been frozen and step increases have also been frozen. The portion of PERS that increases is the employers' portion. The City has made big strides by having a tiered system for benefits and retirement.

When Measure A expires, any money available will remain in the facilities fund for buildings.

Chief Brizzee reviewed the numbers for four officers thru six officers for the next four years (til the sunset of Measure A). These numbers show a 10% increase for benefits over the next four years.

Andrea Brandt asked about the revenues for the 11/12 fiscal year. Finance advised that projections are roughly down \$700,000. What are the factors? Finance advised that there is another 3% decline for property tax (across the board). Also, Planning projects have pretty much come to a halt. However, we are seeing a 1% increase in sales tax. Sales tax is approximately 22%. Sales tax is currently our biggest portion of our revenues.

Ichabod inquired as to when the City starts to see the revenue from the property taxes. Finance advised that it's almost about a year behind. If there is an increase in January 2012, we won't see that til Fiscal Year 2013/14.

Chief Brizzee was reviewing the slides of the presentation. He stated that, once again, we are only asking the committee to approve the two positions for one year. The Expenditures by Department Percentages were reviewed by Chief Brizzee with the committee. Slide 22 indicates the percentage of general fund that each department uses.

Mark Bodley inquired as to the Community Center's 2% - if that was from RDA. Staff advised him that 2% was from the General Fund. Once the facility is built, it's the general fund obligation to maintain it. Chief Guintini added that the idea behind the facility is that the Community Center should generate enough money to cover the cost of operating it.

Staff continued to mention that 11/12 numbers are still preliminary.

Chief Guintini advised our projections with Measure P/Measure A. As you can see from the particular numbers, we are not using any funds from Measure A at this time. Depending on how the economy and sales tax dollars come in, we may have to come back to the committee for the 12/13 year asking for another employee to be moved into Measure A funding. Currently we have 3 ½ people in the CFDs today. We may have to move a person from CFDs to Measure P/A in the 12/13 year.

Andrea Brandt – what is Police plan if we put two officers in Measure A when your grant funding ends. Chief Brizzee is monitoring the SLEF issue as closely as he can. Chief's Association is working with Governor. He advised that we are going to have to find that money somewhere. It would be nice if sales and property tax turned around suddenly. To Finance – What are the expected expenditures for 11/12? Kim advised we are at 9.8 million, which leaves us with a deficit \$627,190. We are still making changes from the meetings that we have had with the different departments. Andrea Brandt inquired that when we run short (deficit years), have we been pulling from City's reserves? Finance indicated yes and no. We've done a balanced budget. We've done transfers from other funds back into the general fund.

Mark Bodley, the request for the two police officers being moved out of the general fund into the Measure P/Measure A fund is to maintain service, correct? Chief Brizzee indicated yes. Mark Bodley stated that the voters passed Measure A to maintain police and fire service the same as it was in 2009. He also stated with that, he thought we might have a dilemma in a few years if things don't change; Mr. Bodley made a motion that the Oversight Committee approves the transfer of two officers from the General Fund to Measure A. Jerry Giesel seconded the motion and commented that he felt a lot more comfortable after going through the material to get a grasp on this. Mr. Bodley wanted to amend his motion to state that the Committee approves the transfer of two officers from the General Fund to Measure A for the 11/12 year (one year only) and it would have to be reviewed next year. Andrea Brandt seconded that motion. Gerry Giesel seconded that motion. Motion passed unanimously. The Committee thanked staff for a very good presentation. Staff apologized for sending out wrong information and having to send out new power point presentation.

Ichabod inquired as to why Fire didn't have to use Measure A funding yet. Chief Guintini stated that he believed the concessions given back by employees helped get us back where we needed to be. Fire will probably have to come back before committee to

ask for Firefighter unless CFDs turn around. Chief Guintini explained about the expenditure plan and how it was put together.

Chief Brizzee wanted to touch on a comment that Mark Bodley made on staffing. We were at 48 sworn officers in 06/07 – we were there for a short period of time. Now we are down to 39 sworn officers. We took a reduction in dispatchers from 12 to 10. We were at 7 CSOs – today we have 5. We had two animal control officers – we have one. We had two custodians – today we have one. We are getting by. We haven't stopped going to calls. Chief Brizzee appreciated the committee being here tonight for this matter.

There being no further business, the meeting was adjourned at 7:05 p.m.

Respectfully submitted,



Chet Guintini
Fire Chief

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