BUDGET ADVISORY COMMITTEE
RIVERBANK CITY HALL NORTH
COUNCIL CHAMBER
6707 THIRD STREET
RIVERBANK CA 95367-2305

AGENDA

WEDNESDAY, JUNE 5, 2013 – 6:00-7:30PM

CALL TO ORDER: CHAIR DONNA KING

ROLL CALL:
Committee Member Suzanne Dean
Committee Member Arlene Figueroa
Committee Member Evelyn Halbert
Committee Member Joan Stewart
Committee Member Erick Winchester
Council Liaison Mayor Richard O'Brien
Vice Chair Dan Roman
Chair Donna King

CONFLICT OF INTEREST

Declaration by Committee Members who would have a direct Conflict of Interest on any scheduled item to be considered should be stated at this time.

1. PUBLIC BUSINESS FROM THE FLOOR (No action can be taken.)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the Committee.

2. ACTION & DISCUSSION ITEMS

(These items will be individually discussed prior to Committee action)

Item 2.1: Approval of the May 22, 2013 Meeting Minutes.

Recommendation: Motion & Approval by roll call vote.

Item 2.2: General Fund Status Update.

Recommendation: Discussion Item.

Item 2.3: Formulation of City Council Recommendations.

Recommendation: Discussion Item continued from the May 22, 2013 Meeting. Committee to Formulate Recommendations for the City Council.

3. INFORMATIONAL ITEMS

Item 3.1 Articulation Loader Maintenance Information

4. COMMENTS (Informational Only – No action to be taken)

Item 4.1: Staff Comments.
Item 4.2: Council Liaison Comments.
Item 4.3: Committee Member Comments.

ADJOURNMENT

AFFIDAVIT OF POSTING			
DATE:	May 31, 2013	**TIME:**	9:00 AM
NAME:	Marisela Hernandez	**TITLE:**	Director of Finance

Notice Regarding Americans with Disabilities Act:
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (209) 863-7122. Notification 48-hours before the meeting will enable the Board to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102.35.104 ADA Title II].

Notice Regarding Non-English Speakers:
Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the Budget Advisory Committee shall be in English and anyone wishing to address the Board is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

Return to Agenda Page

AGENDA ITEM 2.1

BUDGET ADVISORY COMMITTEE
RIVERBANK CITY HALL NORTH
COUNCIL CHAMBER
6707 THIRD STREET
RIVERBANK CA 95367-2305

MINUTES
WEDNESDAY, MAY 22, 2013 – 6:00-7:30PM

CALL TO ORDER: ***CHAIR DONNA KING CALLED THE MEETING TO ORDER AT 6:00 PM.***

ROLL CALL: ***Present: Committee Members Suzanne Dean, Arlene Figueroa, Joan Stewart, Council Liaison Mayor Richard O'Brien, and Chair Donna King.***

Absent: Committee Members Evelyn Halbert, Erick Winchester, and Vice Chair Dan Roman.

Chair Donna King introduced the newest Committee Member, Arlene Figueroa.

CONFLICT OF INTEREST

No Conflicts Declared.

1. PUBLIC BUSINESS FROM THE FLOOR

No public business was presented.

2. ACTION & DISCUSSION ITEMS

Item 2.1: Report of Posting. The agenda for the regular May 22, 2013 Budget Advisory Committee meeting was posted on the City bulletin board on May 16, 2013.

Motion to Approve Report of Posting was made by Committee Member Stewart and 2nd by Committee Member Dean.

Vote: Ayes: 4 Nays: 0 Abstentions: 0

Item 2.2: Approval of the April 17, 2013 Meeting Minutes.

Motion to Approve the April 17, 2013 Meeting Minutes as presented was made by Committee Member Stewart and 2nd by Committee Member Dean.

Return to Agenda Page

Vote: Ayes: 4 Nays: 0 Abstentions: 0

Item 2.3: General Fund Status Update.

Director of Finance, Marisela Hernandez, presented an update on the status of the General Fund. The structural deficit projected is $490,253. Revenue revisions were made based on new sales tax information received. Sales tax increases were lower than anticipated based on the 4th quarter 2012 activity.

Item 2.4: FY 2013-2014 Development Services Budget Overview

Director of Finance, Marisela Hernandez, presented the projected status of the Sewer, Water, Neighborhood Improvement, and Equipment Pool Funds. Director of Development Services, JD Hightower, and Deputy Director of Development Services, Michael Riddell, were available to answer questions.

Audience Member, John Gasper, expressed his concern over the Worker's Compensation costs and how they compared with other agencies. He also questioned why bad debt expenses are not recognized (budgeted) during the fiscal year.

Mayor O'Brien requested maintenance cost information regarding the old Articulation Loader for the next five years for comparison to the amount requested as a new appropriation.

Item 2.5: FY 2013-2014 Police Services Department Budget Overview

Director of Finance, Marisela Hernandez, introduced Interim Chief of Police Erin Kiely who was available to answer questions regarding the Police Services budget.

Item 2.6: Formulation of City Council Recommendations.

Audience Member, John Gasper, presented the following recommendations to the Committee:

1. ***Moving from a bi-monthly billing to a monthly billing.***
2. ***Increasing the Water Deposit required to start services.***

A copy of the recommendations is incorporated to the minutes as Exhibit A.

Committee Member Dean recommended that Internal Service Fund Transfers be made quarterly rather than annually.

Committee Member Dean recommended that any General Fund expenditure that is not absolutely necessary be put off until a future fiscal year.

Committee Member Stewart made a motion to hold a special meeting on June 5, 2013 to formulate the Committee's recommendations to the City Council, 2nd by Committee Member Dean.

Vote: Ayes: 4 Nays: 0 Abstentions: 0

3. INFORMATIONAL ITEMS (Informational Only – No action to be taken)

Item 3.1: Museum Annex Demolition Information

Director of Finance, Marisela Hernandez, presented a follow-up on the potential costs of the demolition of the museum annex.

4. COMMENTS (Informational Only – No action to be taken)

Item 4.1: Staff Comments. ***No Comments.***
Item 4.2: Council Liaison Comments. ***No Comments.***
Item 4.3: Committee Member Comments. ***No Comments.***

Chair King Adjourned the meeting at 7:48 pm.

Return to Agenda Page

Riverbank Budget Advisory Committee Recommendations
Submitted By John Gasper
May 22, 2013

Recommendation

1. Direct Riverbank Department of Finance to study recommendation to modify current water, sewer and garbage billing from bi-monthly (once every two months) to monthly resulting in one time sewer and water revenues and cash of approximately $295,000 and ongoing annual expense of approximately $8,000. These one time revenues and expenses need to be confirmed by the Department of Finance. The billing modification to a monthly basis will reduce current sewer and water bad debt expense. The amount is yet to be determined.

2. Increase the utility deposit for new residents who sign up for water and sewer from the current $60 deposit to $150 deposit. This modification will reduce sewer and water bad debt. The amount is yet to be determined.

Background

The City of Riverbank currently bills sewer, water and garbage on a bi-monthly basis. My last billing cycle was for the period of 2/5/2013 to 4/1/ 2013. The billing date was 4/29/2013. Payment is due by 5/30/2013. According to the Riverbank Department of Finance these revenues are recorded on the date in which they are billed. In the above case, services provided in February and March are then recorded in April. By converting to a monthly billing cycle, the City of Riverbank would be able to recognize an additional month of sewer and water revenues.
The 2013/14 budget has sewer revenues budgeted at $1,909,435 and sewer revenues at $1,630,022 for a total amount of $3, 539,457. The amount per month for both of these revenues is $294,954.

Sewer and water bad debt expense was not available for the 2012/13 nor 2013/14 fiscal year. The 2011/12 actual sewer bad debt expense was $24,708 and water bad debt was $12,781. Billing on a monthly basis would reduce these expenses. The amount is yet to be determined.

Sewer and garbage rates are a set fee therefore converting to a monthly basis would not be problematic. Water fees are based on actual client useage. If the conversion to a monthly basis requiring manual meter reading on a monthly basis is too costly then it is recommended that the first month be a estimate while the second would be based on actuals plus adjustments made for the first month.

A survey of utility billing cycles of 11 local cities including of Ceres, Escalon, Lodi, Los Banos, Merced, Modesto, Oakdale, Patterson, Turlock and Waterford indicate that they all bill on a monthly basis, except Escalon.

The above cities require utility deposits for new residential applicants in the range of $100 to $150. Pursuant to California Public utility code Section 10009.6 the decision of a city to require a new residential applicant to deposit a sum of money with the city prior to establishing an account and furnishing services shall be based solely upon the credit worthiness of the appicant as determined by the City. The deposit will be equal to the charges for services likely to be incurred during a period of three (3) months or two(2) billing periods, whichever is greater.

The implementation of the monthly billing cycle and the increase in new applicant residential deposit would reduce sewer and water bad debt to a level that may offset the additional expense to maintain a monthly billing cycle.

Return to Agenda Page

City of Riverbank

Annual Operating Budget -- Fiscal Year 2013-2014

Fund 101: General Fund

Projected Reserve @ July 1, 2013 **$968,045**

Add:

Projected FY 2013-2014 Revenues **$7,830,514**

Less:

Requested Appropriations by Department

		FY 2012-13	FY 2013-14	% Change
CITY COUNCIL	401	129,230	$137,052	6.05%
CITY MANAGER	402	207,522	214,596	3.41%
FINANCE	403	602,671	601,716	-0.16%
LEGAL	404	217,250	217,250	0.00%
PLANNING	405	300,119	307,822	2.57%
BUILDING	406	223,949	233,273	4.16%
BUILDING MAINTENANCE	407	149,932	154,619	3.13%
ADMINISTRATIVE SERVICES	408	638,140	585,690	-8.22%
POLICE	409	3,583,959	3,848,428	7.38%
CODE COMPLIANCE	411	211,076	221,540	4.96%
DEVELOP. SERVICES ADMIN	412	552,800	645,624	16.79%
STREET MAINTENANCE	413	146,771	54,000	-63.21%
PARKS	414	604,832	621,131	2.69%
ECONOMIC DEVELOPMENT	439	79,000	103,250	30.70%
CONTRACT ENGINEERING	457	70,000	0	-100.00%
RECREATION	459	296,307	331,209	11.78%

Total Appropriations **$8,277,200**

Projected Reserve @ June 30, 2014 **$521,359**

% of Reserve To Budget **6.66%**

10% Reserve **$783,051**

Budget Deficit to Reserve **-$261,692**

Structural Deficit (Rev vs. Exp) **-$446,686**

Return to Agenda Page

BUDGET ADVISORY COMMITTEE
AGENDA ITEM NO. 2.3

Meeting Date:	June 5, 2013
Subject/ Title:	Formulation of City Council Recommendations
Submitted by:	Marisela Hernandez, Director of Finance

SUMMARY:

Over the course of the past several months, the Budget Advisory Committee has had the opportunity to gauge the status of the General Fund, including revenue projections as well as recommended expenditures from all major funds, including enterprise funds such as Water & Sewer.

A vital component to the duties of the Budget Advisory Committee is the formulation of recommendations that are made directly to the City Council. These recommendations should serve to provide the Council information on potential revenue sources that are currently not being taken advantage of or methods in which expenditures could be decreased.

In the past, the Committees have focused on expenditure reductions that could provide both short-term and long-term savings to the City. These expenditure-savings recommendations ranged from personnel savings to utility savings to specific line item reductions in individual budgets.

This 2013 Budget Advisory Committee has reached a point where recommendations can now be formulated. A consensus should be reached on these recommendations and the results will be presented to the City Council at the Annual Budget Workshop to be held on June 13, 2013 by Committee Chair Donna King.

Included as attachments are the Committee Recommendations prepared in 2011 and 2012.

ATTACHMENTS: **(List attachments in order of placement)**

1. 2011 Budget Advisory Committee Recommendations
2. 2012 Budget Advisory Committee Recommendations

Return to Agenda Page

CITY OF RIVERBANK
MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: RIVERBANK BUDGET ADVISORY COMMITTEE
SUBJECT: BUDGET ADVISORY COMMITTEE RECOMMENDATIONS
DATE: JUNE 27, 2011
CC:

Honorable Mayor and Members of the City Council,

In December 2010 the Budget Advisory Committee, after many months of reviewing and learning about the City's budget, presented to the City Council recommendations that would allow the City to move towards a more balanced budget. The recommendations presented hoped to achieve the following:

1. Create a long-term impact on the City's budget, thereby allowing the City to balance its budget and not use reserves to cover expenses. This will allow the City to bring its expenditures down to be more in line with current revenues.

2. The creation of leave policies that will simplify tracking and will create the most benefit to the City without compromising the services provided to our citizens.

3. Create a budget document that is more transparent and easier to understand for the City Council, City Staff, and the residents of Riverbank.

With this in mind, the Committee presented recommendations under the following topics:

(A) Personnel Salaries

(B) Personnel Benefits

(C) Line Item Reductions

(D) Transparency in the Budget Document

Return to Agenda Page

Personnel Salaries

Recommendation 1: Review of Current Staff Salaries

Rationale: It is the belief of the Committee that the City should review current salaries to make sure that they are in line with what is occurring throughout comparable cities based on demographics.

Recommendation 2: The City should negotiate with the Bargaining Units for a 0% Cost Of Living Adjustment (COLA) for the 2011-12 Fiscal Year.

Rationale: The current economic climate in the City (reduced revenues, increases in unemployment rates) should be reflected in the COLA increases negotiated with the bargaining units. With the downturn in the economy, City negotiators should negotiate for no COLA increase.

Personnel Benefits

Recommendation 1: All City staff should pay a portion of their Health Insurance costs. A method to do so may be through the establishment of a cap amount.

Rationale: With the downturn in the economy, the City can no longer afford to pay 100% of the Health Insurance Benefits for city staff. This would provide a long-term impact on the Cities' budget and would significantly reduce costs. Neighboring cities have also adopted this policy. The City should negotiate this benefit with their bargaining units.

Recommendation 2: Employee's should pay their share of the PERS Contribution.

Rationale: Currently the City pays both the employee and employer share of the PERS Contribution. With the downturn in the economy, the City should forgo paying the employee share of 7%. This would provide the City with a long-term financial impact to the budget.

Recommendation 3: If the City should negotiate Furlough's for the 2011-2012 Fiscal Year, the City should negotiate for the following:

(1) Furloughs should be taken as days and not allowed to be taken as hours.

i. Rationale: This would lessen the amount of time staff spends tracking the hours to be taken. It also allows the departments to better organize their staff.

(2) The City should negotiate for specific days off during the month.

i. Rationale: By providing specific days to be taken off during the month, the City would be able to benefit from additional cost savings such as water, electricity, etc.

(3) The City should close down during the week between Christmas and New Year's and have staff take furlough days.

i. Rationale: The Committee believes that during this time frame, the City's workload is probably lessened by the fact that citizens have gone on vacation, etc. The City would also take advantage of the energy cost savings that would be experienced due to the closure.

Line Item Reductions

Recommendation 1: City Departments should present 3%, 5%, and 7% budget reductions to evaluate the impact on the overall budget. Departments should prepare these reductions as part of the annual budget process and the mid-year budget review.

Rationale: By providing this information, the City will be able to see what the impact of across the board reductions would have to each department, thus aiding the City in making the proper reductions.

Recommendation 2: The City should evaluate the possibility of outsourcing certain City functions.

Rationale: By evaluating the possibility of outsourcing certain functions, the City may benefit from a cost savings.

Recommendation 3: The City should evaluate the potential of selling any real estate property that is being held.

Rationale: In exploring this option, the City may discover that the sale of the property would be more beneficial to the City than to hold it for future use.

Transparency in the Budget Document

Recommendation 1: Consolidation of Certain Funds

Rationale: The current city budget document lists a numerous amount of funds and accounts that may often confuse citizens. For example, the Storm Drain Fund (103) currently has four other funds that are associated with it, the N.E. Storm Drain Fund (120), the Sterling Ridge Storm Drain Fund (171), the Heartlands Storm Drain Fund (172), and the System Development Fees Storm Drain Fund (208). By consolidating the funds within the budget document, the citizens would be able to see the full impact of the Storm Drain budget as a total on the City's finances.

Recommendation 2: Removal of Obsolete Accounts

Rationale: In order to avoid confusion, the City should remove any accounts no longer active from the account listing. For example, the account listing shows an account named "Y2K Expenses" that has not been active since the year 2000. This account should be removed to avoid any confusion and lessen the amount of accounts that require monitoring.

Recommendation 3: Personnel costs for each employee should be budgeted within their main department in order to be able to see the total salary and benefit for that employee.

Rationale: Currently, the City allocates salaries to the various departments in which an employee may work with. For example, the City Manager's salary and benefits are allocated amongst the General Fund, the Water Fund, and the Sewer Fund. A person who looks at the City Manager's budget within the General Fund is not be able to see what the total cost for that position is. By budgeting 100% of the City Manager's salary and benefits within the City Manager's account, the public would be able to see that total amount and would prove to be a more transparent way of budgeting salaries and benefits. The City should make a note on the budget when such changes are made so that the citizen is fully informed as to the reasons why the allocations have changed.

With these initial recommendations, the Committee hoped to be able to provide the City Council with ideas that would help to formulate a more balanced budget. In addition, the City will benefit greatly from being able to implement policies that will allow the City to be more transparent with the citizens of Riverbank.

Since the presentation of the original recommendations, City Council has taken the recommendations under Personnel Salaries and Personnel Benefits as a basis for the concessions that are being asked of the employees as the Interim City Manager negotiates for a new contract for the 2011-12 Fiscal Year. In addition, the Finance Director has incorporated the recommendations presented under the Transparency in the Budget Document by consolidating funds, removing obsolete accounts, and budgeting for 100% of each employee's salary within their main department. Also, during the preparation of the budget, City departments were asked to present 3%, 5%, and 7% cuts to their department budgets. These were reviewed by the Budget Advisory Committee but were not acted upon as we await the results of the negotiations.

Through the review of the proposed Fiscal Year 2011-12 budget, the Committee formulated several revisions to those original recommendations as well as several new recommendations. These recommendations include the following:

Recommendation 1: Council to Review and Recommend a Decrease to their Monthly Stipend

> Rationale: Just as all city staff is being asked to agree to concessions that will decrease expenditures and provide for a balanced budget, the City Council should review their current stipends and recommend a decrease similar to that being asked of the city employees.

Recommendation 2: If negotiating future Cost of Living Adjustments after the 2011-12 Fiscal Year, City Council should use a benchmark (such as the West B/C CPI Increase used for water & sewer rate adjustments) in recommending or negotiating the COLA increase. The increase should be capped to a certain percentage of the recorded CPI increase.

> Rationale: By using a benchmark, the City Council will have documentation of what actual CPI's have increased by. This will avoid negotiating COLA's that are over and above recorded increases. The Committee understands that as the cost of living increases overall for the State that increases in salaries can be negotiated to allow for an employee's standard of living to remain the same, but these increases should be capped to a certain percentage so as not to allow increases that are not justified.

Recommendation 3: City Council should re-negotiate the City's vacation leave accrual policy with the bargaining units so as to not allow employees to roll over excessive amounts of vacation from year to year.

Rationale: Vacation leave is typically used during the year so that an employee may de-stress and return refreshed to work. The City currently has negotiated to allow employees to accrue up to 400 hours (10 weeks) of vacation leave. By not allowing the employee to accrue and roll their vacation leave over from year to year, the employee will be encouraged to take their vacation leave so as to return refreshed to the work environment. This will also avoid a liability on the city's behalf by having to cash-out large amounts of vacation upon an employee leaving.

Recommendation 4: Review Cash Out of Sick Leave by Department Heads

Rationale: The cash out of sick leave by department heads can create a large liability on the city when an employee is terminated. Council should review all opportunities to reduce the city's liability.

Recommendation 5: City should review all current professional contracts such as the Gilton Solid Waste Street Sweeping contract and the Grover Landscaping contract.

Rationale: All city contracts should be reviewed on an annual basis to ensure that the City is receiving the necessary services as well as to review whether cost savings can be achieved by either re-negotiating the contract or by seeking services from another vendor.

The last recommendation is an amendment to a previous recommendation regarding the negotiating of furlough days for specific days off during the month or to close down during certain holidays (i.e. Christmas/New Year).

Recommendation 6: If the City is negotiating for specific days or specific time frames to be closed down for furlough days, these should be carefully evaluated to make sure that essential services are not being affected by the closure.

Rationale: The Committee understands that there may be certain times during the year when certain city functions (i.e. water meter reading, oversight of the Waste Water Treatment Plant, etc.) cannot be delayed due to the closure of city offices. The City Council should take into consideration that these essential functions should not be delayed or affected by the closure of city offices.

With these additional recommendations the Committee hopes to create a long-term impact on the City's budget, thereby allowing the City to balance its budget and not use reserves to cover expenses. This will allow the City to bring its expenditures down to be more in line with current revenues as well as to create leave policies that will simplify tracking and will create the most benefit to the City without compromising the services provided to our citizens.

Sincerely,

The Budget Advisory Commitee

BUDGET ADVISORY COMMITTEE
MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: RIVERBANK BUDGET ADVISORY COMMITTEE
SUBJECT: COMMITTEE RECOMMENDATIONS
DATE: JUNE 2012
CC:

Honorable Mayor and Members of the City Council,

The Budget Advisory Committee has been meeting on a monthly (and sometimes bi-monthly) basis with the goal of formulating recommendations for Council that should be taken into consideration and that will provide the City with short and long-term solutions to closing anticipated and future budget deficits.

Having reviewed all of the department budgets over the past several months, the Committee could now begin to formulate recommendations that will allow the City to move towards a more balanced budget. The recommendations that are being presented to you hope to create a long-term impact on the City's budget, thereby allowing the City to balance its budget and not use reserves to cover expenses. This will allow the City to bring its expenditures down to be more in line with current revenues. The recommendations are being presented as those that may provide short-term versus long-term cost savings solutions to the City.

Short – Term Solutions

Recommendation 1: Increase the promotion of the Jacob Myer seasonal parking pass.

Rationale: This will increase awareness regarding the parking pass with the hopes of motivating park users to obtain one.

Recommendation 2: Evaluate the potential of accepting credit cards at Jacob Myer Park for the parking fee.

Rationale: This will provide payment options to park attendees.

Recommendation 3: Send notices to residents regarding parking off the street on their street sweeping days.

Rationale: This will increase the efficiency of the street sweeper thus assuring that streets are properly cleaned and storm drain inlets are clear of debris.

Recommendation 4: Evaluate the potential of using STARS Volunteers to aid the Neighborhood Improvement Division.

Rationale: With only one Neighborhood Improvement Officer the City is not able to be as proactive as possible to decrease the number of code violations that may occur throughout the City. Partnering with the Sheriff's Office via the STARS Volunteers could provide the City with additional staffing, at no cost, to be proactive.

Recommendation 5: Increase the promotion/marketing of the Sports Complex.

Rationale: Increasing the promotion/marketing of the Sports Complex would bring greater awareness to local sports teams and could lead to increased rentals.

Recommendation 6: Seek sponsorships for the Sports Complex and promote the sponsors through banners placed around the fencing.

Rationale: This would provide additional revenue that can be used to maintain the park.

Long – Term Solutions

Recommendation 1: Research the potential of applying for grant funds to install solar panels on all city facilities.

Rationale: Installing solar panels in City facilities would decrease electrical utility expenses throughout the City. The Committee recognizes that there would be a significant up front cost so we recommend that City evaluate grant opportunities.

Recommendation 2: Evaluate the potential to partner with neighboring cities for contract or supply services.

Rationale: Partnering with other cities could increase the purchasing power of the agencies and could result in reduced costs for services and supplies.

Recommendation 3: Evaluate sharing of positions for landscape maintenance and IT Services with the local school district.

Rationale: Sharing positions would result in cost savings for services that do not require a full-time employee on staff.

Recommendation 4: Decrease utility and chemical/maintenance expenses associated with the Highway 108 Waterfall feature. The Committee provides the following suggestions that could prove to be viable options towards reducing costs:

1. Evaluate potential for installation of solar panels to reduce utility expenses.
2. Run waterfall only on certain days such as weekends, holidays, wine & cheese, etc.
3. Remove pumps to maximize utility savings and set aside funds for future re-installation when the City has more funds available to pay for utility expenses.

Recommendation 5: City should adopt an ordinance making homeowners responsible for maintaining the sewer lateral from the property line to their home. City should develop a cost-sharing or similar program.

Rationale: Developing such an ordinance would significantly reduce the amount of staff time spent on maintaining sewer lateral lines that are located on private property and that increase overtime costs.

Recommendation 6: City should review contracts on a regular basis consistent with the type of service in order to ensure that the City is receiving the best service at the lowest cost possible.

Rationale: Reviewing contracts or issuing requests for proposals will assure that the city is receiving quality service at the lowest expense possible. This will also aid in reducing contracts that are open-ended and have no expiration date so that those contracts are periodically reviewed as well.

Recommendation 7: City should design an incentive program for employees who provide cost-savings or revenue-generating initiatives to the city.

Rationale: An incentive program motivates employees to come up with creative cost saving ideas that will help the City achieve long-term expenditure reductions.

With these recommendations, the Committee hopes to be able to provide the City Council with ideas that will help formulate a more balanced budget and will help with the long-term financial stability of the City.

Sincerely,

The Budget Advisory Committee

Chair Cindy Fosi	Committee Member Chip Langman
Vice-Chair Carlos Verduzco	Committee Member Joan Stewart
Committee Member Evelyn Halbert	Committee Member Donna King
Committee Member Dan Roman	Vice Mayor Dotty Nygard

Return to Agenda Page

AGENDA ITEM NO. 3.1
INFORMATIONAL ITEMS

Meeting Date:	June 5, 2013
Subject/ Title:	Articulation Loader Maintenance Information
Submitted by:	Marisela Hernandez, Director of Finance

SUMMARY:

At the May 22, 2013 Budget Advisory Committee Meeting, the Development Services Department discussed the new appropriations being requested by the Sewer Fund Waste Water Treatment Plant Division. One of these items was an Articulation Loader at a total cost of $150,000. This cost was to be shared with the Water Division and the Gas Tax Division, with each budget putting forth 1/3rd of the cost ($50,000 each).

The Deputy Development Services Director, Michael Riddell, explained the condition of the current loader. The City has owned this equipment since the 1970's. It does not meet current air quality control regulations. The City is able to continue operating this machinery due to the length that the City has held it and therefore, we are grandfathered in under the old regulations.

Due to the requested appropriation for the new equipment, the Council Liaison Mayor O'Brien, requested additional information regarding the maintenance costs associated with the current loader. These costs are being provided to the Committee as an informational item.

Prior Year Maintenance Costs: $1,035
Projected Future Maintenance Costs (5 years): $7,000-$10,000

Other concerns regarding the current loader include the availability of replacement parts given the age of the equipment.

ATTACHMENTS: **(List attachments in order of placement)**

1. None.