

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

AGENDA

WEDNESDAY, JUNE 19, 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 June 5, 2013 Meeting Minutes.

Recommendation: Motion & Approval by roll call vote.

Item 2.2: Introduction to the Local Redevelopment Authority Budget.

Recommendation: Discussion Item Only. Presentation by LRA Staff.

Item 2.3: Budget Advisory Committee Recommendations to the City Council.

Recommendation: Review & Discuss Rationale. Approve Memorandum by Consensus.

Item 2.4: Recognition of Committee Member Joan Stewart for her Three Years of Service to the Budget Advisory Committee

Recommendation: Presentation of Certificate of Appreciation.

3. INFORMATIONAL ITEMS

None.

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

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AFFIDAVIT OF POSTING

DATE:	June 14, 2013	TIME:	4:30 PM
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.

AGENDA ITEM 2.1

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

MINUTES

WEDNESDAY, JUNE 5, 2013 – 6:00-7:30PM

CALL TO ORDER: *VICE CHAIR DAN ROMAN CALLED THE MEETING TO ORDER
AT 6:03 PM*

ROLL CALL: *Present: Committee Members Suzanne Dean,
Arlene Figueroa (6:06 pm), Evelyn Halbert, Joan
Stewart, Erick Winchester, Vice Chair Dan Roman,
Chair Donna King (6:08 pm), and Council Liaison
Mayor Richard O'Brien.*

CONFLICT OF INTEREST

No conflicts declared.

1. PUBLIC BUSINESS FROM THE FLOOR

No public business was presented.

2. ACTION & DISCUSSION ITEMS

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

*Motion to Approve the May 22, 2013 Meeting Minutes as presented
was made by Committee Member Dean and 2nd by Committee
Member Stewart.*

Vote: **Ayes: 5 Nays: 0 Abstentions: 1 (Halbert)**

*Subsequent to the vote, Committee Member Arlene Figueroa joined
the meeting at 6:06 pm.*

Item 2.2: General Fund Status Update.

*Marisela Hernandez, Director of Finance, presented the current
status of the General Fund.*

Chair Donna King joined the meeting at 6:08 pm.

AGENDA ITEM 2.1

Staff informed the Committee that the departments have been asked to provide a 10% budget reduction scenario.

Item 2.3: Formulation of City Council Recommendations.

Committee Member Stewart made the following comments on potential recommendations: Review current process for disposal/sale of surplus material, looking at the potential sale of the Museum Annex, and transition the utility billing to a monthly basis.

Committee Member Dean recommended that the City perform both Water and Sewer rate studies to reduce the structural deficits in each of the funds.

Mr. Scott McRitchie commented that it would be easier for needy people to handle a monthly bill rather than a bi-monthly bill.

A vote of six in favor (Committee Members Dean, Figueroa, Stewart, Winchester, Vice Chair Roman and Chair King) and one opposed (Committee Member Halbert) of recommending that the City Council investigate the possibility of transitioning to a monthly billing.

A vote of five in favor (Committee Member Dean, Figueroa, Stewart, Winchester, and Chair King), one opposed (Committee Member Halbert) and one abstention (Vice Chair Roman) of recommending that the City Council begin the process of conducting a study of Water and Sewer Rate Study.

Chair King recommended that the City should perform an asset assessment to maximize the potential or public disposal of city assets.

Discussion ensued regarding the Museum Annex and the removal of the eyesore. Mr. Scott McRitchie recommended that the Historical Society should write a grant to obtain funds to rehabilitate the Museum Annex.

Chair King recommended that the City Council should work with the Historical Society to formulate specific plans for the museum annex by then end of the calendar year.

Chair King requested consensus on her recommendation to review city assets and prepare a disposition plan/policy to dispose of unused assets by the end of the 3rd quarter of the 2013-14 Fiscal Year. Disposals should be made through an open, advertised surplus sale. Consensus was granted.

AGENDA ITEM 2.1

Chair King recommended that the City review the National Retirement Pension. Committee Member Winchester recommended that this pension not be offered to new employees.

Chair King finalized the recommendation with as the following: Recommend the City investigate the discontinuation of funding the National Retirement System and as part of the negotiations for new hires and Executive Management. The City should also look to a defined contribution program for all new hires in-lieu of CalPERS that will be sustainable in the future. A vote of seven in favor and 0 against approving this recommendation.

3. INFORMATIONAL ITEMS

Item 3.1 Articulation Loader Maintenance Information

Comments:

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

Item 4.1: Staff Comments.

- 1. Budget Workshop: Thursday, June 13 @ 5:30 pm***
- 2. Next Committee Meeting: June 19th – LRA Budget Intro***

Item 4.2: Council Liaison Comments.

Item 4.3: Committee Member Comments.

Chair Donna King adjourned the meeting at 8:07pm.

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AGENDA ITEM 2.2

Statement of Revenue and Expenses					
Riverbank Local Redevelopment Authority					
2013-14 Proposed Budget					
Revenue	FY 2011-12 Actual	2012-13 Budget	2012-13 Year to Date	2013-14 Budget	% Change
Beginning Balance		296,538		647,678	
<i>OEA Grants</i>	474,628	637,027	222,416	495,505	-22.2
<i>Rents</i>	1,000,166	1,040,000	926,768	1,050,000	1.0
<i>Sale of Real Property</i>					
<i>Sale of Personal Property</i>					
<i>DOD Caretaker Revenue</i>	388,149	282,240	262,700	85,500	-69.7
<i>CDBG PTA</i>	14,920				
<i>EECBG Grant</i>	204,370				
<i>ED Bank - Specific Plan</i>	98,050	68,000	535	50,000	-26.5
<i>Utility Revenue from Tenants</i>	194,447	200,000	149,886	211,500	5.8
<i>Miscellaneous Revenue</i>	33,494	24,000	34,233	20,000	-16.7
<i>Other Revenue</i>		75,000		0	-100.0
Total Revenue	2,408,224	2,622,805	1,596,538	2,560,183	-2.4
Expenditures					
<i>Salaries/Benefits</i>	292,676	443,361	303,331	455,131	2.7
<i>Administrative Expenses</i>	46,178				
<i>Travel</i>		12,360	5,741	8,000	-35.3
<i>Equipment</i>		11,350	6,097	2,400	-78.9
<i>Office Supplies/Legal Ads</i>		13,000	4,829	10,000	-23.1
<i>Phones</i>		4,800	3,249	4,800	0.0
<i>Copier</i>		6,060	4,302	6,060	0.0
<i>Postage</i>		3,000	183	3,000	0.0
<i>Janitorial</i>		1,680	1,149	1,740	3.6
<i>Professional Services</i>	298,155				
<i>Legal</i>		236,954	48,233	100,000	-57.8
<i>Other Services</i>		43,198	13,898	10,000	-76.9
<i>Insurance Premiums</i>	116,517	120,000	56,244	130,000	8.3
<i>Facility Operations & Maintenance</i>	148,547				
<i>Well maintenance</i>		1,500	113	1,500	0.0
<i>Permits</i>		4,000	2,944	4,000	0.0
<i>Water Testing</i>		5,000	3,790	5,000	0.0
<i>Electrical PM</i>		100,000	82,518	140,000	40.0
<i>Fire Supression Maintenance</i>		8,000	3,736	7,000	-12.5
<i>Landscaping</i>		7,000	6,460	8,000	14.3
<i>Propane</i>		3,000	2,528	3,000	0.0
<i>Repairs</i>		51,500	88,585	50,000	-2.9
<i>Common Area Costs</i>	351,090	350,000	282,152	363,000	3.7
<i>Infrastructure Improvements</i>	19,484	26,000	24,570	25,000	-3.8
<i>Future Grant Match</i>	5,077	368,721		145,000	-60.7
<i>Tenant Improvements</i>	147,166		24,570		
<i>Facility Mgmt/Security Services Contracts</i>	568,943				
<i>Security</i>		175,000	113,709	145,000	-17.1
<i>Facility Management</i>		450,000	337,583	475,000	5.6
<i>Marketing/Branding</i>	2,790	5,000	2,222	15,000	200.0
<i>CDBG PTA Expenditures</i>	3,685				
<i>EECBG Grant</i>	204,370				
<i>DCE Contract</i>	98,050	78,000	12,213	50,000	-35.9
Total Expenditures	2,302,728	2,528,484	1,434,949	2,167,631	-14.3
Net Revenues Less Expenditures	105,496	94,321	161,589	392,552	316.2

AGENDA ITEM 2.3



BUDGET ADVISORY COMMITTEE MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: RIVERBANK BUDGET ADVISORY COMMITTEE
SUBJECT: COMMITTEE RECOMMENDATIONS
DATE: JUNE 2013
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 may provide the City with solutions to closing current and future budget deficits.

Having reviewed all of the department budgets over the past several months, the Committee has now formulated 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.

Recommendations

1. The City of Riverbank should review the potential of transitioning the bi-monthly utility billing to a monthly billing.

2. A utility rate study should be performed on the Water and Sewer rates to ensure that revenues are sufficient to cover current operating expenditures and future capital needs.
3. The City should conduct an asset assessment of all city-owned property & equipment for potential sale of property and equipment that is not being utilized. Any sale should be via an open, advertised sale to the public. The City should endeavor to complete this task by the 3rd Quarter of the 2013-14 Fiscal Year.
4. The City Council and the Riverbank Historical Society should formulate a plan for the use of the Museum Annex by the end of the 2013 calendar year.
5. The City of Riverbank should investigate opting-out of the National Industrial Pension Fund for new employees hired and for Executive Managers. The City should also investigate eliminating this benefit for all employees in the future.
6. The City should investigate transitioning to a Defined Contribution Retirement System that will be sustainable in the future.

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

Sincerely,

The Budget Advisory Committee

Chair Donna King

Committee Member Suzanne Dean

Vice-Chair Dan Roman

Committee Member Joan Stewart

Committee Member Evelyn Halbert

Committee Member Erick Winchester

Committee Member Arlene Figueroa