



MINUTES
SPECIAL MEETING OF THE
DIXON CITY COUNCIL
DIXON REDEVELOPMENT AGENCY

MARCH 12, 2011

1. **CALL TO ORDER**

A Special Meeting of the Dixon City Council was called to order at 9:00 a.m. in the Council Chambers on March 12, 2011, by Mayor Jack Batchelor, Jr.

2. **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Jack Batchelor, Jr.

3. **ROLL CALL**

Present: Councilmembers Dane Besneatte, Thom Bogue, Rick Fuller and Mayor Jack Batchelor, Jr.

Absent: *Vice Mayor Michael Ceremello

*Councilmember Ceremello arrived at 9:15 a.m.

4. **AUDIENCE/PUBLIC COMMENT (NON-AGENDA ITEMS)**

4.1 There was no Public Comment.

5. **OVERVIEW OF CITY COUNCIL WORKSHOP AGENDA/COMMENTS FROM THE CITY MANAGER**

5.1 City Manager, Nancy Huston, reviewed the definition of a goal and reviewed the goals that had been adopted in Fiscal Year 2009-2010 by the City Council. The City Manager said that it was important to focus on goals and not tasks. A goal is a representative statement supported by at least three City Councilmembers and at the end of the meeting she will ask the City Council to prioritize the goals for the day.

6. **UPDATE ON CITY FINANCIAL OUTLOOK**

Jeremy Craig, Finance and Information Technology Director, provided an update on the City's financial outlook. He noted that the City's sales tax had dropped 4% over the past year, development fees have lagged due to a lack of development and property tax appeals with Solano County have tripled and personnel costs now make up 79% of the total General Fund. He presented three scenarios for a five year City General Fund Financial forecast, with varying outcomes based on the status quo, a reduction in the City's redevelopment funds based upon the Governor's budget and an increase in the City's PERS rates.

City Manager, Nancy Huston, said the Governor has proposed eliminating redevelopment, and if that occurred, the City would lose \$387,000 in General Fund revenues. She said there is another option that has been presented from Big City Mayors to shift some of the redevelopment monies to schools, but that this is still pending.

Mayor Batchelor indicated that the City does provide services with redevelopment funds, the majority of the City's costs are for personnel which is consistent with other Agencies throughout the State of California, and that the City is working with employee groups on how to deal with the projected revenue shortfall.

Councilmember Besneatte asked what the potential redevelopment reduction would mean to the City's workload. City Manager Nancy Huston said that developing the Pardi Market site is one project that would go away under the Governor's current proposed budget.

Councilmember Bogue asked if personnel costs were taking a larger percentage of the City's revenue "pie." Finance and Information Technology Director Jeremy Craig reported while this cost had fluctuated from 73 to 80 percent, it hadn't changed significantly over the years.

7. **DISCUSSION AND PRIORITIZATION OF GOALS FOR FISCAL YEAR 2011-2012**

Mayor Batchelor initiated the discussion by asking whether the eight goals that were adopted by the City Council for Fiscal Year 2009-2010 remain viable for the City today.

Vice Mayor Ceremello said that sustaining fiscal security is still a viable goal for the City of Dixon, past goals are too specific for the City of Dixon and he had yet to see a plan to implement sustainable growth. He added that without an implementation strategy, these goals are just words.

Councilmember Fuller said we need to focus on the City's financial situation and develop a plan to give staff direction, that Public Safety is the number one priority for the City of Dixon, the City may need to downsize the cost of programs and look at regionalizing safety programs or contracting out services, that it would be

difficult to cut personnel and still maintain services. and that his three top goals were: #1 fiscal sustainability; #2 public safety, and #3 marketing the City to future employers.

Councilmember Bogue said that without fiscal sustainability, other items wouldn't pan out and the City needs a strategy to balance our budget (such as alternative retirement systems).

Councilmember Besneatte said the existing City goals could be goals for every City. He preferred more direct goals such as "balance the budget." Other important goals are to reduce the cost of City employees, address the 79% cost to the General Fund for personnel, not lay-off staff as the City is in a bare bones staffing level now and maintain a 10% General Fund reserve in the future.

Mayor Batchelor agreed that the first three of the adopted goals, fiscal sustainability through a balanced budget, protection through public safety and public works and enhancing economic development, are important. Infrastructure improvements, senior services and political advocacy are already being accomplished. He would like to look at the possibility of cutting back in the Public Works Department and outsourcing. He added small cities, such as Dixon, are taking the brunt of the economic downturn and that larger cities, such as Vacaville, have a much broader tax base.

Mayor Batchelor noted the City made progress with economic development—the City Manager and Finance & Information Technology Director are working to fund the well project in the Southeast quadrant, and expects to see employers coming into Dixon once this well is completed. Close proximity to the University of California, Davis is also a plus for the City to assist with research and development, medical research, etc.

Vice Mayor Ceremello mentioned that the City was currently in negotiations with two bargaining units and that the San Francisco Fire Department recently took a 10% across the board pay cut. He intended to provide the City Manager with information from a recent workshop on Pension Reform, showing that some cities are looking at eliminating their participation in PERS retirement and establishing fixed payment pension systems. He would like to look at making salary cuts, consistent with the goal of maintaining fiscal sustainability.

Local resident Larry Simmons asked what the City's current budget deficit was. Ms. Huston said that the City is currently spending \$500,000 out of its General Fund reserve and that reserve will decrease to 9% effective July 1, 2011. Vice Mayor Ceremello said he thought that the General Fund deficit was \$1.1 million dollars. Ms. Huston said that the worst case General Fund deficit would be \$521,000 with the elimination of redevelopment and the PERS rate increases. Mr. Craig clarified that five City employees had taken early retirements last year and that the salary and benefits savings from these positions was approximately \$500,000 per year—without these savings, the deficit would be closer to \$1.1 million.

Mayor Batchelor outlined four broad goals for the City: Fiscal Sustainability, Public Safety, Economic Development and Policy Issues. Ms. Huston noted that at least three Councilmembers need to support an item for it to move forward.

Councilmember Bogue wants to look at contracting out services across the board.

Councilmember Besneatte said that he is not suggesting that we disband the Police Department, but he wants to know what options are available. He would also look at regionalizing services combined with the outsourcing of services.

Vice Mayor Ceremello said that regionalizing services, outsourcing services and reducing the cost of employees all reach the same goal. Several projects have been put off over the years, such as the South Almond drainage project and the Pardi Market site. Mayor Batchelor added that a separate line item for infrastructure costs is needed. Councilmember Besneatte said the core drainage area is taking major strides, and the City also owes it to the residents of the South Almond area to look at their services.

Mayor Batchelor said that the City has a Policy of keeping a General Fund reserve between 5-15% and the City is currently within this range, but would need to make changes if the reserve drops below 5%. Councilmember Besneatte prefers the idea of a 10% reserve. Ms. Huston confirmed the City will keep a General Fund reserve in the 5-15% range, with 10% being desirable, and there is a desire for an infrastructure reserve.

Vice Mayor Ceremello said that a 10% reserve is fine, but he would like to see the reserve build to \$3 million. He wants the community to benefit, and discussed other cities with more community buildings than Dixon.

Councilmember Fuller said that Fire, Police and Public Works all need to be included under the Public Safety heading and he considered contracting out Police Services with the Solano County Sheriff's Department when he was the Dixon Police Chief and the City had approximately 12,000 residents.

Councilmember Besneatte preferred to look at the whole City structure on contracting out, not just Public Safety.

Mayor Batchelor said he would use the title of "Public Services" for one of the goals.

Vice Mayor Ceremello would place a "slash" after "Contracting Out" and "Joining Forces." The City could join with Rio Vista or Vacaville to help them provide planning, public works, etc.

Councilmember Bogue said shared services could help reduce the City's overtime amount.

Mayor Batchelor noted the City is already contracting out services with STA on Dixon Redit-Ride, and the shared low income housing program with the City of Vacaville.

Mayor Batchelor asked for input on promoting economic development for Dixon. Ms. Huston noted staff was continuing to enhance the current infrastructure, developing a partnership with UC Davis and looking at developing the Northeast Quadrant area. Councilmember Bogue supported green technology which would decrease costs for the City.

Councilmember Fuller wants to make sure that the City continues to provide disabled accessibility, including curb cuts. Mayor Batchelor noted this should be under the Public Services goal. Local resident, Larry Simmons, felt a well defined response is needed when someone asks about accessibility. Ms. Huston said the City's Senior Managers would make this a priority.

Councilmember Bogue asked whether the City could look at generating its own electricity. Ms. Huston said that this would be very expensive for the City. Vice Mayor Ceremello noted the City has a subcommittee that could review this issue. Mayor Batchelor asked that this issue be brought back to the Energy Subcommittee.

Under the discussion of Policy, Vice Mayor Ceremello discussed Measure "B" and said that Council and the Community need to weigh in on whether a 3% growth rate is too high and that high rates of growth have been allowed in the past. Councilmember Fuller said that we should look at Measure "B" for a 3-10 year duration. Vice Mayor Ceremello said that there are development agreements currently in place which may create problems with Measure "B" Mayor Batchelor noted under Measure "B" certain allotments are available but can be lost and that the City has only exceeded the 3% growth limit once, even with carryovers. Councilmember Besneatte said that the Council needs to look at the language of the Measure that was voted on and that a discussion with the City Attorney would be needed to fix the law since it was passed by an Initiative. Mayor Batchelor said that in order to change any part of the Measure the whole Measure needs to come before the voters. Vice Mayor Ceremello said that the City had exceeded the allocation limit in the past. Mayor Batchelor concluded the discussion by indicating that the Council would need to review the Measure "B" issue in the future, but that the Council has a lot on its plate right now.

Mayor Batchelor noted the goals that had been discussed today by the Council would be viable for the next two years. Councilmember Besneatte felt these goals should not be cast in stone, as the Council may want to revisit them in the future.

Councilmember Fuller said he would like to develop technology and reduce paperwork. Mr. Craig reported he reviewed one year of City Council packets which constituted 55,000 pieces of double-sided paper. Overall, the City is paying \$2,600 per City Council Agenda and in his opinion he an I-PAD II, which would cost \$700 each, would be a good investment that would be recouped within one year. He noted that City Hall copiers are expensive, one could be eliminated with the use of I-PAD's and he would like to bring in a demonstration I-PAD for use by the City Council. Councilmember Besneatte preferred two I-PAD's for demonstration. Mr. Craig further noted an administrative application which costs \$2 to take notes for meetings. Vice Mayor Ceremello felt a hard copy of the Agenda was still needed and that digitized media can lose data. Dixon citizens are concerned about the destruction of old Council videotapes that should be placed in digital media. Mayor Batchelor requested staff return on either March or April to present a paperless pilot project.

Mayor Batchelor said that the City recently moved to PARS for temporary and part time employees in an Alternative Retirement System. Councilmember Besneatte noted this goal should be changed to "Retirement Options." Councilmember Fuller agreed that the term "redesign" should be removed.

Larry Simmons asked what items would be destroyed under the City's Records Retention Schedule. Ms. Huston said that the Records Retention Schedule was recently approved by the City Council by Resolution, that items that mentioned recently by a local resident will not be destroyed and may be digitized, and the City Council minutes are considered to be the official record of City meetings. Councilmember Besneatte agreed that the City should evaluate digitizing certain records. Mayor Batchelor said this job should be sent to a local Dixon business.

CITY COUNCIL GOALS

FISCAL

Protect and Maintain Fiscal Sustainability

Financial Plan for Declining Economy

Developing Budget Balance Plan

Retire Options

Reduce the Cost of Employees

Outsourcing or Contracting for Services

Regionalize Services

Consolidating Service Levels/Departments

PUBLIC SERVICES (Police/Fire/Public Works)

Provide Public Services at High Level

Contracting out/Shared Services with Other Agencies

Provide Shared Services to/or with Other Agencies

Continue to Work on Issues Related to Disabled Community and Seniors

ECONOMIC DEVELOPMENT

Promote Economic Development for Dixon

Enhance Economic Development

Enhance Infrastructure to Aid Economic Development

Plan to Put Infrastructure at Highway to Incorporate Milk Farm

Incorporating Green Technology Infrastructure

Developing Partnership with UC Davis

POLICY

Review Measure B

Two Year Goals Desirable

Maintain General Fund Reserves (10% Desirable)

Setup Infrastructure Reserve

8. **CLOSING COMMENTS**

8.1 Councilmember Besneatte felt today's process was a very valuable use of time. He liked the relaxed form and fashion of the meeting, and added that today's discussion gives a clear definition of what the City Council expects in the next few years.

8.2 Councilmember Bogue was satisfied in the direction the City is going now.

8.3 Councilmember Fuller felt that today was worthwhile.

8.4 Vice Mayor Ceremello felt today was a much better process than before.

8.5 Mayor Batchelor felt that the City Council worked well together today. He noted that the City has already established a formal subcommittee to further review today's goals and he would like these goals placed on a future Agenda for formal adoption.

9. **NEXT STEPS**

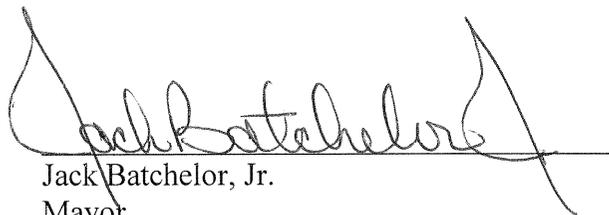
No additional discussion occurred.

10. **ADJOURNMENT**

The Special Meeting of the Dixon City Council was adjourned at 11:42 a.m.



Steve Johnson
Acting City Clerk



Jack Batchelor, Jr.
Mayor