

City of Pacifica
Financing City Services Taskforce
Minutes – February 1, 2012

1. Call to Order: 6:30 by Chair Bruce Banco. Attending: Mary Ellen Carroll, Pete Shoemaker, Bill Bent, Karen Ervin, Sue Vaterlaus, Greg Cochran, Joe Kell, Councilmember Len Stone and Councilmember Mary Ann Nihart.
Staff: Steve Rhodes, Ann Ritzma
Excused: Omar Saleh

Chair Banco started the meeting with an apology regarding a comment he made at the January 25th meeting regarding small expenditure reductions. He reiterated that no reduction was small when it comes to personal impact a cut or reduction in positions has on an individual, department or community.

2. Minutes: January 25, 2012 minutes were approved with a correction to add “City Manager was asked to provide more concrete numbers from the Sherriff and he responded that it would take several weeks but would be available.”

Staff handed out information that had been requested at the last meeting. The handouts included:

- a. A survey of seven positions in the City with other similar positions in San Mateo County cities (total compensation).
 - b. The public records request of total compensation information for all positions in the City of Pacifica based on 2011 calendar data. The same information presented in the Pacifica Tribune but includes detail and all positions. A comparison of the 2010 and 2011 data shows a drop of \$1.092 million in personnel costs (salary and benefits).
 - c. Redistribution of summary on results of survey (for discussion purposes)
 - d. Presentation of several ways the Task Force could start formulating a plan based on the parameters of the survey and the Task Force goal of creating a reserve over time.
 - e. Email from Joe Kell to Task Force – shared with public at the meeting.
3. Discussion on Development of New Five Year Plan

The group discussed the handouts for three Options A, B and C.

There were several suggestions regarding communicating/educating the public:

- Simplify personnel costs with a power point slide show that details information about each salary and all benefits included in the “gross column” (cafeteria cash, vacation sellback)
- Explain the \$3.7 million of personnel costs/savings “already included” in the necessary savings for the plan. The city negotiated two year contracts with each labor unit. The police and fire units expire on June 30, 2012. Additional savings, as well as current changes in the labor contracts, will be necessary to meet the targeted \$3.7 million in personnel costs/savings.

- Show population for each city listed in the total compensation survey.
- Make one of the slides a graphic presentation on the option of reducing salaries 5% across the board over time.

Public comments included:

What is the impact of Redevelopment dissolution on Five Year Plan?

Can the San Mateo County Sherriff total compensation be included in the survey data?

In Option A – what positions are being “eliminated”?

In considering contracting out police services, shouldn't the taskforce know the costs 5, 10 and 15 years out?

What is the trend for sales tax over the past 10 years for the City – is it stable and are the sales tax numbers solid?

Will people cancel their Comcast service if Pacifica Community Television is no longer broadcasting meetings? If they do leave Comcast, could the city lose franchise?

What is the Economic Development Committee doing for long term financial solutions?

Can the Taskforce get data that would benchmark Pacifica with other cities in San Mateo County – i.e. amount spent per citizen? Size of General Fund?

Can all job classifications be included in total compensation survey?

Chamber of Commerce shared that it will start a “Shop Pacifica” program and that may generate more revenue.

The Taskforce discussed the items raised in public:

Redevelopment has no impact on the Five Year Financial Plan – although there remains a discussion regarding about 1980 and 1990 loans the General Fund made to the Redevelopment Agency that have yet to be repaid.

Positions being eliminated are in Public Works and are currently vacant due to retirements.

There is a process in place for getting data from the County Sherriff that includes numbers, boots on the ground, options and more detail.

Sales tax has been consistent over the past five years – depending on gasoline prices and the addition of new medium size businesses (Walgreens). Transaction tax was discussed as it is often used interchangeably with sales tax.

Economic Development Committee is a long-term financial planning group. For example if Beach Blvd progresses it will be 2016 before the City sees revenue from this project. If something was happening at the Quarry today (starts) it would be 2018 before any revenue would be generated. The EDC is laying foundations for longer term economic development.

Continued Discussion on the Plan Options:

Option A: Should there be a timeframe for the Sales Tax item – a sunset clause?

Several members felt that a 5 or 7 year sunset would be appropriate. The Task Force in general thought that moving forward on the sales tax

continued to be a feasible option. Difficult options either way. Mary Ann Nihart expressed her concerns about the sales tax measure and the associated effort and risks in a campaign. Mary Ellen expressed her concern that she did not have enough information to make an informed decision. Sue V. thought that the sales tax was equitable across the board. Bruce B. reminded the group of the November state ballot issues and thought that proceeding with a June ballot measure was more likely.

There was a motion by Greg and a second by Joe for a five year sunset on the sales tax measure. There was considerable discussion regarding the possible scenario of a campaign that stated the sales tax would keep police services and then further down the line a shift in the budget shift (State takeaway) could result in more cuts that force contracting out the police department. The group decided to continue the sunset discussion and options discussion to the next meeting. The motion was withdrawn by Greg and Joe.

The next meeting was set for February 7, 2012 at 6:30 pm with another meeting scheduled for February 15, 2012. The City Council would need a recommendation from the Task Force regarding a sales tax measure for a June ballot by February 16, 2012 (for the Council meeting of February 27th).

4. Public comment:

Look to other cities that have contracted out police and successfully insured that current employees were absorbed into the County. Also, does the contracting provide the same services?

Looking for assurance that sales tax equals no contracting out of police.

Support sales tax and look to survey as gauge.

Think primary is a good time to go to ballot as conservative vote supports police.

Request that each option show reserve in a graph format.

5. Meeting Adjourned at 8:45pm. Next meeting – Tuesday, Feb 7 at 6:30 pm