

City of Pacifica  
Financing City Services Taskforce  
Minutes – February 15, 2012

1. Call to Order: 6:30 by Chair Bruce Banco. Attending: Mary Ellen Carroll, Pete Shoemaker, Karen Ervin, Sue Vaterlaus, Bill Bent, Greg Cochran, Joe Kell, Councilmember Len Stone and Councilmember Mary Ann Nihart.  
Staff: Steve Rhodes, Ann Ritzma  
Excused: Omar Saleh
2. Minutes: Feb 7, 2012 minutes were approved.

City Manager Rhodes and Chair Banco noted that they met with the Chamber of Commerce last week to update the business community on the Financing City Services Task Force process.

Chair Banco informed the group that he would be speaking Financing City Services Task Force information to the Pacifica Democrats on Saturday morning.

3. Discussion on Development of New Five Year Plan

Staff redistributed the handouts for Options A through G from the prior meeting with corrections that did not change the amount saved but provided corrections in the notes for sales tax generated (ie only one quarter would be collected in year one) in Option A and D as well as the notes regarding Teen program (if a teen program is eliminated then there can't be corresponding increase in revenue collected).

The Task Force asked if there was additional information from the San Mateo County Sheriff's Office on projected savings should the City contract police services. City Manager Rhodes explained that there was no definitive "number" from the Sheriff's Office as that type of "number" is dependent on negotiations – both with the Sheriff and with a meet and confer process (per the Meyers-Milias-Brown Act) with all the labor groups that would be impacted if the City decided to pursue contracting out. The outcome of the negotiations could be more or less than any projected preliminary savings number. City Manager Rhodes stated that there was a preliminary range of savings of \$1-\$2 million.

Chair Banco then summarized where the Task Force was to date. He stated that the Task Force had at the January 25, 2012 meeting recommended a "1/2 cent sales tax measure be placed on the June 2012 election ballot". Chair Banco wanted to get feedback from the group as to whether that motion needed to be revisited and if the group was ready to discuss the issue of a sunset timeframe for the sales tax measure.

Several members stated that they wanted to discuss the matter. Mary Ellen wanted to state that she was not present when the recommendation was made for the sales tax measure. Karen stated that she had reconsidered the sales tax measure and without "cold hard facts" was no longer in favor of a sales tax measure. She moved

to rescind the prior motion on the ½ cent sales tax for the June ballot”. Mary Ellen seconded. The Task Force then discussed the motion. Pete S. stated that a delay would slow the momentum that currently exists for a sales tax measure. Suzan GW felt that a sales tax measure would give the City a necessary ongoing viable source of revenue. Joe K. wanted to understand the timeline for getting a final “number” from the negotiating process and wanted to make sure that negotiations could take as long as 6 months. Mary Ellen stated that she agreed that the City needed a viable source of revenue and personally she supported a sales tax concept but she was concerned that the measure would not pass and that the impact would be significant – so she is not recommending this at this time. The Task Force asked what it would take to place the measure on the ballot – staff responded that the Council would need to 1) Declare a fiscal emergency (unanimous present) 2) Adopt a resolution calling for election (majority) 3) Read the ½ cent sales tax ordinance. Joe K. wanted to know what the cost of negotiations with labor units would be – staff responded several thousand dollars depending on the time and complexity. Bruce B. commented that he supported the sales tax and felt the community needed the opportunity to make the decision whether it was in June or November. Sue V. felt that June was too short a time period for outreach and education on a tax measure and that even with a positive percentage of support from professional survey on the last tax measure – it failed. Karen reminded the Task Force that the Jefferson Unified HS District had a \$47 per parcel measure on the ballot. Pete S. said he felt that a sales tax measure should go to the community before dismantling the police department.

The vote was called for – “Rescind the prior recommendation for a June ½ cent sales tax” Favor: 3, Opposed 5, Abstain 1 – Motion failed.

The prior motion from January 24<sup>th</sup> remains: “Recommend a ½ cent sales tax for the June ballot”. A discussion began on adding a sunset clause.

Greg C. said the ½ cent sales tax should never go away because we don’t have the economic development other communities have. I like it as a revenue source but would be willing to look at a five year sunset. Greg C. made the motion and Suzan GW seconded to “have the ½ cent sales tax sunset in five years”. Pete S. commented that five years was doable and felt that the community would pass it with a five year sunset. Bruce B. called for vote on a five year sunset – Favor 6, Opposed 1 and Abstain 1 – Motion passed.

Joe K. commented that he still wanted to explore the November ballot option. He wants the public to decide but wants to have final numbers regarding contracting out vs wage reductions. He feels that if the ballot measure fails in June then there will be no chance for another vote. Bill B. cautioned that the November ballot would be more crowded and could be highly political. He thought June was the right “ballgame”.

The group then discussed Option B and Option E. There was discussion on the range of savings in Option B (contracting out police services) and how that could be

between \$1-2 million depending on the negotiations and how services were provided. The group also discussed Option E and Joe K. explained how he had developed the revenue projections for this option (he noted that they were small but still met the goal).

On Option B, the group touched on several questions – 1) would the County buy the City's equipment (police cars, capital outlay, 2) What would happen to the existing police building and was the City still paying for the building. Staff said those details have yet to be determined and that the City was still paying for the building. Pete S. reminded the Task Force that they were recommending concepts and that Council would be implementing after they discussed the options. Bruce B. thought it would be helpful for the Council to have the Task Force prioritize the recommendations. Mary Ellen summarized that the Task Force was recommending the sales tax option but was also recommending that if there is no sales tax measure that the City Council enter negotiations for contracting out. She then added that even with the sales tax measure, negotiations would need to be concurrent to the ballot measure. Mary Ann N. asked if the recommendation would be "if the Council decision on Feb 27<sup>th</sup> is not to go to the ballot, would it be the recommendation for the Council to consider November?"

Greg C. made the motion to recommend Option C as #2 priority and Option B as #3 priority. The motion was seconded by Bill B. Mary Ellen made a friendly amendment to Option B "Explore the potential for contracting out police services". Discussion on the motion. Joe K. felt that Option C should be the last option and Karen E. concurred. Mary Ellen preferred Option B as #2 because it forced the Council to look at police services instead of community service reductions and Option C doesn't solve the longer term financial problem and is just a stop gap measure. Greg C. offered to rescind his motion but there was no second. A vote was taken on the motion "Option C #2 and Option B #3" – Favor 1 and Opposed 8 – Motion failed. The Task Force noted that should the Council not place the ½ cent sales tax on the ballot at the February 27<sup>th</sup> Council meeting, that the Task Force could have another meeting to discuss options on Tuesday, February 28<sup>th</sup>.

Greg C. made another motion which was seconded by Mary Ellen "to recommend Option B as #2 priority (with the wording "Explore the potential for contracting out police services") and Option C as #3 priority. Discussion on the motion. Joe K. pointed out that there still was no discussion about considering November. Pete S. emphasized that the Task Force needed to focus on June. Suzan GW reiterated that the City needs viable revenue. Greg C. commented that if the business community was supportive of the ½ cent sales tax then now was the time. There was a call for the question. Motion passed 9-0 (Joe K. changed his vote so that the decision was unanimous "ranking the options A #1, B#2 (with amended wording) and C #3").

#### 4. Public comment:

Susan Vellone: She is working to collect signatures in every business area to garner support of a ½ cent sales tax. She is involved with the labor council to educate, fund and "have your back" in the sales tax measure.

Jim Tasa: Reminded the group that there have been a series of public meetings and that everyone has had the opportunity to educate themselves about the issues. People have put a lot of time into this process and he believes the outcome will show that there is a need to keep vital services. June is good timing for the sales tax measure.

Peter Olinger – Support the ½ cent sales tax. Don't decrease the essential core services of Pacifica (police, fire and public works). Need more information on contracting out.

Richard Johnson: Look to the Fire Assessment and the loss of \$1 million annually. Learn from that process.

Task Force:

The Task Force recommendation for the ½ cent sales tax measure will be considered at the City Council Meeting on Monday, February 27<sup>th</sup> at 7:00 pm. The Task Force is scheduled to meet the night after the City Council to continue to refine the Five Year Financial Plan (in light of whatever decision is made on February 27<sup>th</sup> by the City Council).

Suzan GW asked about the status of the Beach Blvd Property (Old Treatment Plant Site). City Manager Rhodes said this project continues to move forward – the City is doing all the necessary work to make sure that the property has the necessary entitlements that make it attractive for development. The soils analysis is complete so that there are questions regarding toxics on the site and the City is in the process of completing the necessary environmental review to move the project forward. It is a different approach than prior attempts for this site. The City is taking the necessary steps to assure a developer that the site is development ready.

Sue V. cautioned that the “business area” petitions being circulated had wording that stated “protect vital services” and she objected to it – could be misleading.

Mary Ellen wanted to communicate to the group that because of personal reasons (family impact and commitments) she was resigning from the Task Force. She thanked the group and the group thanked her for a job well done.

5. The group adjourned at 8:00 pm. The next meeting is February 28, 2012 at 6:30 pm.