

City of Pacifica
Financing City Services Taskforce
Minutes – February 11, 2010

1. Call to Order: 7:05 by Chair Pete Shoemaker
Attending: Mary Ellen Carroll, Bill Bent, Suzan Getchell-Wallace, Bruce Banco, Sue Vaterlaus, Karen Ervin, Mary Ann Nihart, Julie Lancelle and Greg Cochran
Staff: Steve Rhodes, Ann Ritzma
Excused: Julie Lancelle, Mary Ellen Carroll

Alternate: Sue Digre

2. Approval of Minutes of 1-28-10 – Moved and approved.
3. Questions from Last Meeting – No Handouts
4. Discussion: The group reviewed the Wastewater department budget and discussed the potential savings if the sludge produced at the plant could be used for fertilizer (there remain many approvals to have the sludge classified as “A”)

Steve presented the several options that the group had discussed in previous meetings.

- A. A layoff option was presented in very broad terms. If the City were to reduce services by 10% or 18 positions – it would result in \$1.5 million annual savings. This would be \$1.2 million of the \$2.8 million needed per year.
- B. A reduction option was presented that “charged” each department with a percentage reduction based on the department’s percent of General Fund expenditures less any revenue it generated.
- C. Revenue options were presented:
 1. Transient Occupancy Tax (TOT) Hotel tax - increase from 10% to 12%. A ballot measure on the November 2010 election. The increase would generate \$190,000 per year.
 2. Public Safety Assessment (police and fire). An assessment of approximately \$85 per residential parcel that would generate \$1,000,000 annually. Mail in ballot to property owners – Spring 2011.
 3. Increase the Utility User Tax (UUT) – restructure existing by lowering the gas and electricity rate and adding all telecommunications (phone, cell phone, etc) for an additional \$800,000 annually. On the ballot in November 2012 with revenue in 2013.

Next steps:

Look at the options and present cost savings and potential revenue.

Layout and prioritize the options (cuts, personnel, revenue)

Expenditures:

- a) First pass – detail cuts, reductions
- b) Salary & benefits freeze
- c) Mandated department % reductions
- d) Layoffs – prioritized

Revenues

- | | | |
|--|-------------|-------------|
| a) TOT | 2% increase | \$ 190,000 |
| b) Safety Assessment | \$85 parcel | \$1,000,000 |
| c) UUT – restructure and add telecommun. | | \$ 800,000 |

5. Next Meeting: February 25th @ 6:30 pm

6. Public comment: Van Ocampo (Public Works Director) commented that it was not his position to “outsource” public works functions. He emphasized that functions that were discussed by the group in a previous meeting were not easily “outsourced” as many members of his staff were “cross trained” and performed multiple roles.

Adjourned at 8:50 pm.