

**MINUTES
OF THE
SPECIAL MEETING
CLAYTON CITY COUNCIL**

TUESDAY, March 10, 2009

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 4:00 p.m. by Mayor Pierce in the Library Community Meeting Room, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Pierce, Vice Mayor Stratford, Councilmembers Geller and Medrano. Absent: Councilmember Shuey. Staff present: City Manager Gary Napper, City Attorney Dan Adams, Finance Manager Merry Pelletier, Assistant to the City Manager Laura Hoffmeister, and City Clerk Laci Jackson.

2. **CLOSED SESSION-** None.

3. **PLEDGE OF ALLEGIANCE** – led by Mayor Pierce.

4. **PUBLIC COMMENT ON NON-AGENDA ITEMS-** None.

5. **STUDY SESSION**

- (a) Discussion of the FY 2008/2009 City Budget's financial status, including the Mid-Year Budget Review, trend analysis of revenue and expense projections, and consideration of options to address revenue shortfalls.

The City Manager stated the Study Session was an opportunity for the entire Council to discuss the General Fund budget and have staff answer questions regarding different line items. He noted the mid-year status report is approximately 2 ½ months behind usual schedule and then outlined the status of the non-General Fund budgets. He stated that at mid-year the General Fund Budget was in the black by \$310,000 but by the end of February 2009 the budget was only in the black by \$19,000. He stated the projected revenue gap by fiscal year end would be \$127,835, a 3.6% gap. He reminded the Council that most other agencies were experiencing huge revenue shortfalls but that Clayton's shortfall was much smaller than other agencies because of fiscal prudence.

The City Manager stated he has heard at times there are too many employees in City Hall. He outlined information showing that Clayton's staffing levels are low in comparison to the failed Alamo incorporation staffing requests. He also reminded the Council that Clayton staff act in many dual capacities. Mayor Pierce stated there is a minimum number of people required to run a city and Clayton's staffing is lean. The City Manager stated since he was hired the administrative clerk/code enforcement position went from a .75 position to full-time and no other staffing levels have changed. Mayor Pierce also stated with all of the State and Federal unfunded mandates staff is working harder for the same amount of pay and are becoming more skilled at finding ways to cut costs and time to get the job done.

The City Manager then outlined possible ways at filling the approximately \$150,000 gap. Some of these included staff and benefit cuts, public service reductions, and one time sources such as deferred maintenance, reserves, or pulling money from the Longs property sale. Any reduction or changes in employee salaries or benefits require good-

faith negotiations with the bargaining units, per state law. He stated the General Fund reserve was at 125% and that Council policy only required it to be at 50%. He stated the Deferred Maintenance Fund had been set up to work on delayed repair projects. He stated he does not like filling gaps with one time money but this certainly is an unusual financial time.

The City Council held a lengthy discussion about how to fill the General Fund revenue gap.

Councilmember Medrano stated additional revenue streams needed to be considered in the future.

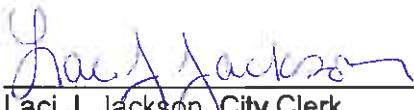
The City Manager recommended the City Council use Deferred Maintenance money to fill the gap and concluded by outlining 2009/2010 General Fund Budget expenses being passed down from the County and other agencies which would impact the next budget.

By consensus the Council directed the City Manager to take money out of the Deferred Maintenance Fund to fill any gaps until the fiscal end of the year and to look at revenue enhancements.

6. **COUNCIL ITEMS** –None.

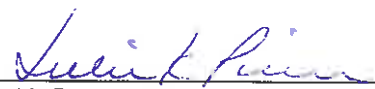
7. **ADJOURNMENT**– On call by Mayor Pierce the meeting adjourned at 6:00 p.m.

Respectfully submitted,



Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL



Julie K. Pierce, Mayor

Attachments: Budget charts

General Fund

Total Expenses Projected: \$3,761,526

Prior Year Encumbrances spent: -\$71,579

Net Expenses \$3,689,947

Total Revenue Projected: \$3,562,112

Fiscal Year Gap: \$127,835

CITY STAFFING LEVELS

DEPARTMENTS	Clayton	Alamo (Proposed)	Moraga	Orinda	Lafayette
Population (2008 CA DOF estimates)	10,784	16,165	16,138	17,542	23,962
City Management	2	3	1	2	1
City Clerk	1	2	1	1	1.5
Finance/ Administrative Services	2	2	4	5.25	5.25
Planning/Building & Safety/Code Enforcement/Eng.	2.5	3	7.5	8	15
City Hall Totals	7.5	10	13.5	16.25	22.75
City Hall Employees per 1,000 pop.	0.7	0.62	0.84	0.93	0.95
Park/Facilities/Public Works/ Recreation/ Maintenance	5	Contract	8	17.88	7.75 FTE plus contract for maint.
Police Sworn	11	County Sheriff	13	County Sheriff	County Sheriff
Police Non-Sworn	2	County Sheriff	3	2	County Sheriff
Police Totals	13		16		
EMPLOYEE TOTALS	25.5	10	37.5	34.13	30.5

GF SERVICE EQUIVALENTS

\$150,000

A. Elimination of Employee Positions

- Associate Planner and Admin/Code Enforcement Clerk
- Public Works Superintendent and Community Services Officer, and Accounting Technician and Admin/Code Enforcement Clerk
- Assistant to the City Manager and Accounting Technician
- Police Sergeant (1)
- Police Officers (2.25)
- City Clerk and Public Works Maintenance Worker
- City Manager

Note: Action within City Council Authority

GF SERVICE EQUIVALENTS

\$150,000

B. Reduction in Employee Compensation and/or Benefits*

- 24 Work Furlough Days (civilian only) 9.2% pay cut
- 6% Salary Reduction (all employees)
- Employees pay CalPERS share (7%-Misc.; 9% Safety)

* Must be negotiated; savings over 12-month period

GF SERVICE EQUIVALENTS

\$150,000

C. Public Services

- Close Clayton Community Library (branch library)
- Close Clayton Community Park
- Halt Landscape/Turf Irrigation and No Custodial Services

GAP FUND OPTIONS

One-Time Monies

A. Transfer Deferred Maintenance Account monies

-Current Balance: \$ 189,355

B. Transfer General Fund Reserves

-Current Balance: \$4,696,527 (125% of annual GF Budget)
-Council Policy: minimum 50% Reserve (Reso. 54-2002)
-Emergency Reserve floor: \$ 250,000

C. Transfer Reserves from Capital Improvement Budget (CIP)

-Current Balance: \$1.67 Million

D. Transfer City Land Sale Proceeds

-Clayton Financing Authority (CFA) sale of Longs Drug Store site: \$ 703,521

OPERATIONAL COST INCREASES

FOR FY 2009-2010

	<u>General Fund</u>	<u>% Incr.</u>
A. General Fund Liability Insurance Premium (MPA)	\$ 37,961	50%
B. Animal Control (Contract) Services (County)	\$ 5,392	10.5%
C. Property Tax Administration Fees (County)	\$ 2,953	19%
D. Contra Costa Water District Water Rates	unknown	19%
E. Jail Detention Services (Concord)	\$ 9,267	new
F. Police Dispatch Services (Concord)	\$174,231	376%
G. CAL-ID Net Services (County)	\$ 380	4%
H. Crossing Guard Services (Contract)	n/a	3%