

MINUTES OF THE
SPECIAL MEETING – CITY COUNCIL
JANUARY 26, 2010

The special meeting of the City Council of the City of Benicia was called to order by Mayor Elizabeth Patterson at 6:00 p.m. on Tuesday, January 26, 2010 in the Commission Room, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

ROLL CALL:

Present: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor Patterson

Absent: None

PLEDGE OF ALLEGIANCE:

Mayor Patterson led the pledge to the flag.

FUNDAMENTAL RIGHTS:

A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to the Commission Room per Section 4.04.030 of City of Benicia Ordinance No. 05-6 (Open Government Ordinance).

OPPORTUNITY FOR PUBLIC COMMENT:

WRITTEN:

None

PUBLIC COMMENT:

None

Staff confirmed there were two handouts: 1) a review of current retirement trends, and 2) a hard copy of the PowerPoint presentation (copy on file).

INFORMATIONAL ITEMS:

Review of current economic conditions and the impact on the FY 2009-11 Municipal Budgets:

Jim Erickson, City Manager, and Rob Sousa, Finance Director, reviewed the staff report. They reviewed a PowerPoint presentation (copy on file).

Council and Staff discussed various ways to address the \$500,000 deficit. They discussed the Community Center, Library Basement Project, possibly financing the vehicle purchases, the City's debt to equity ratio, the City's hiring freeze, vehicle replacement, the City's maintenance costs (gas and electricity), the City's balanced budget operating policy, and the combined budget shortfall.

Mayor Patterson called for a 5-minute break.

Council and Staff discussed the City's health premium costs.

Public Comment:

1. Mr. Grossman - Mr. Grossman discussed property tax revenues.

Review of Long-Range budget Report and direct staff as necessary:

Jim Erickson, City Manager, reviewed the staff report.

Council and Staff discussed funding for capital improvements, replacement of various portable buildings at City Hall, scheduling a public workshop to discuss the City's long range budget, assessment districts, possibly borrowing from the City's reserve fund, gathering data to help decide when it is appropriate to use reserve funds, budgeting for repayment of reserve funds, and concern regarding the governor's current budget proposals.

Public Comment:

1. Citizen - The citizen discussed the need for clarification of the City's revenue streams and what the revenues are being spent on.

Review of current retirement trends:

Rob Sousa, Finance Director, reviewed the staff report.

Council discussed the issue of attrition, the possibility of having a two-tiered system, retirement projections, average gross retirement pay, looking at a defined contribution plan as another option, the need to come up with a sustainable rate, discussing retirement trends at an upcoming workshop, the need to know what effects changes to the retirement system would have on the City's budget, and the need for information on current health benefit co-pay for City employees.

Public Comment:

1. Citizen - The citizen discussed the need for staff to clarify the difference between civil service employee retirement benefits compared to the benefits of private sector employees.
2. Mr. Grossman - Mr. Grossman discussed the need for independent recommendations regarding the retirement plan.

Review of Endowment Fund Policy of the Human Services and Arts Board:

Mr. Erickson clarified that this item was a question and answer session for Council or the public, in the event they needed clarification on the Endowment Fund Policy.

Council and Staff discussed the money being under the Council's jurisdiction, how much discretion the board has to lend money, pinpointing a target amount for the Board, adding a sentence to the policy regarding an indexing process, the issue of changing the name back to the Human Services Fund and possibly tweaking the language when that is done.

ADJOURNMENT:

Mayor Patterson adjourned the meeting at 9:35 p.m.

Lisa Wolfe, City Clerk