February 17, 2009

BUDGET/FINANCE/ECONOMIC DEVELOPMENT COUNCIL COMMITTEE MEETING OF
January 26, 2009 – Page 1

PLACE: City Hall, Second Floor, Council Chambers, 3:00 p.m.

ATTENDANCE:

COMMITTEE MEMBERS:
Councilmember Dale Fritchken, Chair
Vice Mayor Katherine Miller, Vice-Chair
Councilmember Elbert Holman, Member

STAFF:

Gordon Palmer, City Manager
Johnny Ford, Deputy City Manager
Christine Tien, Deputy City Manager
Mark Moses, Deputy City Manager/Chief Financial Officer
Laurie Montes, Deputy City Manager
Mike Taylor, City Auditor
Katherine Meissner, City Clerk
Mike Niblock, Director Community Development
Ron Hittle, Fire Chief
Kevin Grumbling, Director Information Technology
Dianna Garcia, Director Human Resources
Pam Sloan, Director Community Services
Steve Carrigan, Director Economic Development
Mark Madison, Director Municipal Utilities
Blair Ulring, Assistant Chief of Police
Mark Helms, Deputy Chief of Police
Dave Hafey, Deputy Fire Chief
Barbara Berlin, Deputy Director Planning
Patti Johnson, Deputy Director IT
Joe Maestretti, Budget Officer
Janet Salvetti, Acting Director of Financial Management
Bonnie Paige, Assistant City Clerk
Paul Willette, Battalion Chief
Connie Cochran, Public Information Officer
Tom Hennig, Program Manager III, Police Department
Carol Marshall, Program Manager III, Budget Staff
Rick Butterworth, Program Manager III
Jim Henthorn, Assistant City Auditor
Kimberly Trammel, Senior Administrative Analyst
Mahin Shah, Senior Administrative Analyst
Mary Morley, Senior Systems Analyst
Omar Al-Hindi, Associate Engineer, Public Works
Clifton Gayotin, Associate Engineer, Public Works

AGENDA ITEM 10.01

250
February 17, 2009

BUDGET/FINANCE/ECONOMIC DEVELOPMENT COUNCIL COMMITTEE MEETING OF
January 26, 2009 – Page 2

Darrell Raimer, Information Technology
Patty Vasquez, Administrative Aide (Recorder)

OTHERS:
David Siders, The Record
Mark Anderson, Stockton Police Officer’s Association
Steve Leonesio, Stockton Police Officer's Association
Matthew Baker, Stockton Professional Firefighters Local 456
Greg Biddle, Stockton Professional Firefighters Local 456
Dave Macedo, Stockton Professional Firefighters Local 456
John Boisa, John Boisa Consulting
Art Gomez
Ena Aguirre

ISSUES/COMMITTEE RECOMMENDATION:

The items discussed by the Budget/Finance/Economic Development Council Committee were as follows:

ISSUE NUMBER 1: OFFICE OF THE CITY CLERK BUDGET
RECOMMENDATION: NONE. INFORMATIONAL ONLY

ISSUE NUMBER 2: OFFICE OF THE CITY AUDITOR BUDGET
RECOMMENDATION: NONE. INFORMATIONAL ONLY

ISSUE NUMBER 3: FIRE DEPARTMENT BUDGET
RECOMMENDATION: NONE. INFORMATIONAL ONLY

COMMITTEE REPORT TO THE CITY COUNCIL

Background

The issues being discussed were referred to the Council Budget/Finance/Economic Development Committee by the City Manager.

Discussion

Committee Deliberations

Chair Dale Fritchen opened the Council Budget/Finance/Economic Development Committee meeting of January 26, 2009 at 3:05 p.m. with Vice Chair Katherine Miller and Committee Member Elbert Holman, and others in attendance.
City Manager Gordon Palmer stated to the Committee there are no new numbers to report, Departments have been instructed to provide information to the City Manager on how they will meet their budget by the end of next week. No news to report yet regarding Moody’s visit to the City to review the City's financial status. Copies of any financial documents provided by Moodys’ will be distributed to the Committee.

Issue One: Office of the City Clerks Budget

Chair Fritchén presented to the Committee a PowerPoint (Attachment #1) he prepared for the meeting. Budget information within the presentation was gathered from information previously given to the City Council. Graphs within this presentation showed expenses slowly going up and overtime down to zero, currently the City Clerk's revised budget is overspent by $23,000.

City Clerk Katherine Meissner presented to the Committee a PowerPoint (Attachment #2) regarding the City Clerk’s Budget. She stated to the Committee that per the City Manager’s Budget Staff savings from laying off one and a-half employees will not be realized for approximately six months; at that time, the department will be at the revised budget target. Current functions of City Clerk’s Office include Elections Administration; Records Management Administration; City Council and Other Support Services; Operations; Passports and Airport Corridor Action Team. The City Clerk’s Office is proposing to provide ‘streaming’ and action minutes for all Board and Commission and Council Committee meetings once all departments have been moved to the Washington Mutual building. This process would make all meeting minutes standard.

Vice Chair Katherine Miller asked if the Clerk’s Office would be able to manage recording all the meetings without overtime.

Ms. Meissner stated that once all the departments are located at the Washington Mutual Buidling, the City Clerk’s Office would have input to when meetings are scheduled. Staff work flex schedules, if needed, to accommodate the meetings.

Chair Fritchén asked for comments from the public.

Ena Aguirre suggested that handouts be provided to the public prior to the meeting regarding the topics to be discussed. Instead of cutting jobs, she suggested using volunteers or reducing hours in each department to meet the budget.

Art Gomez suggested some type of intern program using University of the Pacific students to record meetings and prepare minutes.
Issue Two: Office of the City Auditor Budget

Chair Fritchen presented to the Committee a PowerPoint (Attachment #1) he prepared for the meeting. Budget information within the presentation was gathered from information previously given to the City Council. Graphs within this presentation showed expenses going up. Currently, the City Auditor’s revised budget is under budget by $22,000.

City Auditor Mike Taylor reported to the Committee that expenses for fiscal years 04/05 and 05/06 were very high due to the audit expense of the Stockton Arena and having to negotiate a new contract for outside auditing. Overtime is due to the Stockton City Employees Association reports, which have external deadlines that have to be met. Currently the department consists of five staff members. Due to the budget, auditors have not been able to attend training to maintain their certification. The department is on target to meet their revised budget and is trying to conserve more funds than agreed to.

Chair Fritchen inquired if the Stockton Arena contract is still out of compliance, or if the findings were fixed.

Mr. Taylor stated out of the nine findings one has been fixed. There has been progress made on the other eight findings; however, they are tied into the contract, and the contract is not being renegotiated.

Chair Fritchen for comments from the public.

John Boisa suggested that the City of Stockton auditors provide the required training for outside agencies.

Mr. Taylor stated this is being taken into consideration. Some of his staff has experience in training.

Issue Three: Fire Department Budget

Chair Fritchen presented to the Committee a PowerPoint (Attachment #1) he prepared for the meeting. Budget information within the presentation was gathered from information previously given to the City Council. Graphs within this presentation showed expenses and overtime going up. Currently the Fire Department’s revised budget is overspent by $2,247,500.

Fire Chief Ron Hittle presented to the Committee a PowerPoint (Attachment #3) regarding the Fire Department’s Budget. Chief Hittle is very proud of Fire Department personnel who came to the City and negotiated a mid-contract reduction in order to help with the budget, which resulted in a total reduction of $14.2 million of over two-and-one-half years. Overtime expenses are due to having 31 vacant firefighter positions; Stockton Arena contract; California wildfires and the hurricanes in Texas and Louisiana. Per the City
Manager’s budget staff, it cost less to keep the vacancies and pay overtime, than to pay salaries and benefits. Expenses related to the Office of Emergency Services Aid Contract, which include the California wildfires, Texas and Louisiana hurricanes have been invoiced and will be reimbursed. Currently Fire Department personnel include 278 sworn firefighters and 31 civilian personnel. In 2008, staff responded to a total of 37,468 incidents - fire, medical, vehicle accidents and hazmat. The Stockton Fire Department is one of the busiest fire departments nationwide. A 2007 study showed that Engine 9 was in the top nine stations in the nation.

Chair Fritchén inquired as to the reason overtime expense is so high.

Chief Hittle responded that compared to past years, overtime has not spiked. In comparison the 1999/2000 budget overtime was 7.23%. The current budget overtime is 7.58%. Overtime has grown along with the cost of employee services. Historically, overtime happens during the months of June through November, a downward side of overtime and the reductions in pay will start to be realized.

The department has undergone an administrative reorganization. The majority of the budget, 91%, is employee services which are MOU driven. The department runs very lean; monies that can be controlled are being controlled very well. Chief Hittle stated that he anticipates reaching the revised budget and looking into cost recovery.

Chair Fritchén inquired if the City Manager has given the Fire Department a figure of what to expect to cut for the next fiscal year?

Chief Hittle responded the department has been asked to cut $6.5 million, approximately 14% of the department’s budget. This can not be done without dealing with the Stockton Professional Firefighters Local 456. If the Council wants to make the policy decision to close a fire station or brown out, similar to what other cities have done, all those types of items will need to be negotiated with the union.

Chair Fritchén referenced an article in the Manteca Bulletin “Less Means More with 2-Man Engine Plan.” The article suggested reducing the majority of fire department medical emergency calls that do not require their 3-man crews to 2-man crews to save money.

Chief Hittle stated he was not aware of the Manteca Bulletin article.

Vice Chair Miller asked if 9-1-1 dispatchers can triage calls for service. Crews would still be fully staffed for fires and emergencies, but reduce the need for extra staff on routine medical calls.

Chief Hittle responded that 9-1-1 operators do use an EMD process, asking questions to determine level of service needed for each call. He informed the Committee about 15-years ago the Fire Department had 2-person paramedic squads for medical emergencies
throughout the city. These 2-person flying squads were basically out of the station from when their shift started until the next day when their shift ended. Stockton is a much busier and needier community than Manteca. In most cases the engine in the area was also going out on the call, in order to resolve this, the department put the paramedics on the engine. For some incidents, you do not know how many people are needed until the engine is at the scene, we try to put as many people on scene as possible then cancel if not needed. Staff is looking at different run models, in order to save money and not reduce the services provided. The department runs bare bones. Looking at where the stations are located, closing one station would have a huge impact on all the engines in the City.

Chair Fritchén asked if the Fire Department could run 3-person crews as opposed to 4-person crews.

Chief Hittle responded running 3-person crews would not be practical in Stockton due to the size and business of the city. Cities that run 3-person crews have more fire stations, personnel do not change, more stations to maintain. There is a set amount of people who have to be on scene depending on the call - fire or medical emergency. Some cities that run 3-person crews are completely surrounded by other cities and can call them into help if is needed, Stockton does not have a metropolitan city around to call if needed in our response time. Years ago the standard was set due to our geographical location; the amount of calls received; safety of our citizens; staffing and location of stations that 4-person crews are the most efficient and effective way to run. The 4-person crew is also an MOU issue.

Chair Fritchén inquired as to the reason fire engines need to follow the ambulance to the incident.

Chief Hittle responded there are only a limited amount of ambulances within the City, while fire engines with paramedics on board stay in their district. If the engine arrives before the ambulance, the paramedics stabilize the patients and depending on the condition of the patients will ride along in the ambulance. Often trucks are called off the run once enough information has been gathered by the 911 dispatcher.

Chair Fritchén inquired at night you can get from point A to point B quicker due to less traffic, could some fire stations be closed during the night?

Chief Hittle responded that historically the most life threatening fires occur in the middle of the night, due to people sleeping and less people aware of fire to call it in. Fire stations need to be fully staffed for these types of incidents and there are still medical emergencies during the night. Fire stations are slower during the night because people are asleep - the fact is, people create business. Due to the spacing between stations we are stretched to the maximum based on the nighttime need, set by a national standard. We have gone to the 3M Light Changers, to make the traffic lights green, these have been very helpful,
making it safer for our citizens and our fire engines. We will be looking at how to keep the people safe and do it cheaper if possible.

Chair Fritchen asked for comments from the public.

Art Gomez congratulated the Fire Department on their good job. Mr. Gomez asked the following questions: Regarding the OES payments, are they done in installments or one lump sum? Is the $1.4 million for one Los Angeles fire? How many 911 calls are false? False alarm calls are an expense, is there a fee for these? Will fire departments in new developments be subsidized by the developer and home owners? Will the City Council be updated by the Fire Department if they are meeting their budget goals? Cost saving is important as well as creating revenue – will the Fire Department be considering reducing staff at night, this would be a cost savings.

Chief Hittle replied regarding the OES payments they are done in installments per incident. The $1.4 million is the total for all the fires we responded to, there was a total of 18 different incidents we responded to. Approximately 10% of 911 calls are false. There are costs associated with starting the engine, also if we are out on a false alarm call we can not respond to something else. There is a False Alarm Ordinance for fire alarms which does have a fee for false alarms. Fire Department staff will take into consideration reducing night time staffing.

City Manager Gordon Palmer stated under the General Plan new development has to pay for itself. If that development needs a new fire station not only will they pay for the fire station they will also pay for the staffing of that station. If the staffing covers an existing area then each area will pay their share of that staffing. This would be through the sales tax, property tax; special assessments for that area, the City can only charge the cost to provide the service. Monthly budget reports will be provided to the City Council regarding the budget status of each department.

Ena Aguirre asked the following questions: Requested confirmation of a slide in the presentation stating the Fire Department has 27% of the City’s total budget and the Police Department has 52% of the City’s total budget? What is the percentage of civilians to sworn personnel in the Fire Department? Does the Arena contract actually give money to the Fire Department or is it part of the money the City has to pay the Arena? Redevelopment reimbursement, is that dollar per dollar or a smaller amount from redevelopment to the City.

Chair Fritchen clarified those percentages are of the General Fund personnel costs. There are currently 31 civilians and 278 sworn personnel in the Fire Department, which will be about ten or eleven percent.

City Manager Gordon Palmer stated an RFQ was done and the Stockton Fire Department came in the lowest bid, it is cheaper for us to hire the Fire Department than another
company to do that service. Stated it was shown last week there is about $18 million owed
to the City from Redevelopment particularly Downtown, currently there is no revenue to pay
that back. Redevelopment is not paying for fire services, nor can it pay, redevelopment
dollars can only pay for 'things', such as buildings, roads etc.

Chair Fritchsen stated he is very appreciative to the firefighters who voluntarily came to the
City to renegotiate budget issues. Next week's meeting will have presentations by
Community Services and the Police Department.

Next meeting scheduled for Monday, February 2, 2009 at 3:00 p.m., in the Council
Chambers.

This concluded the formal presentation.

There being no further discussion, Chair Fritchsen adjourned the meeting at 5:05 p.m.

COUNCIL BUDGET/FINANCE/ECONOMIC DEVELOPMENT COMMITTEE

________________________________________________________
Councilmember Dale Fritchsen, Chair

________________________________________________________
Vice Mayor Katherine Miller, Vice Chair

________________________________________________________
Councilmember Elbert Holman, Committee Member

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CITY COUNCIL COMMITTEE

NOTICE

BUDGET/FINANCE/ECONOMIC DEVELOPMENT

DATE: January 26, 2009
TIME: 3:00 p.m.

PLACE: City Hall, Second Floor, Council Chambers

COMMITTEE MEMBERS:
Dale Fritchen, Chair
Elbert Holman, Member
Katherine Miller, Vice Chair
Susan Talamantes Eggman, Alternate Member

STAFF NOTICED:
J. Gordon Palmer, Jr., City Manager
Ren Nosky, City Attorney
Deputy City Managers
Connie Cochran, Public Information Officer
Carol Marshall, Program Manager III
Florence Low, Program Manager III
Janet Salvetti, Acting Director of Financial Management
Joe Maestretti, Budget Officer
Mahin Shah, Senior Administrative Analyst
Kimberly Trammel, Senior Administrative Analyst
Denise Gray, Administrative Analyst II
Kindelberg Morales, Administrative Aide I
Patty Vasquez, Administrative Aide II (Recorder)

RESPONSIBLE DEPARTMENT

AND STAFF FOR ITEMS ON THE

AGENDA:
Katherine Meissner, City Clerk
Mike Taylor, City Auditor
Ron Hittle, Fire Chief

OTHERS INVITED:
The Record

ISSUE(S) TO BE DISCUSSED:
1. Office of the City Clerk Budget (Clerk)
2. Office of the City Auditor Budget (Auditor)
3. Fire Department Budget (FD)

cc: City Council
For information contact Carolina Luces at 209-937-8215.
# PLEASE SIGN IN

Budget/Finance/Economic Development Committee
City Hall – Council Chambers

January 26, 2009 – 3:00 p.m.

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<th>COMPANY/ORGANIZATION</th>
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<tr>
<td>Bonnie Bajie</td>
<td>Clark</td>
<td>7121</td>
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<tr>
<td>Kat Meissner</td>
<td>Clark</td>
<td>8459</td>
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<td>Mike Taylor</td>
<td>Auditor</td>
<td>8913</td>
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<td>Jim Heather</td>
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<td>9420</td>
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<tr>
<td>Kevin Grumblin</td>
<td>INF. TECH.</td>
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<tr>
<td>Tom Hennings</td>
<td>P.O.</td>
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<td>Bruce Harris</td>
<td>PA</td>
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<td>Pamela Sloan</td>
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<td>David Harvey</td>
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<tr>
<td>John Boisa</td>
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<td>Jim Money</td>
<td>SCENET</td>
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</tr>
<tr>
<td>Art Gomez</td>
<td>Self</td>
<td>(209) 423-7883</td>
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<tr>
<td>Omar Al-Hindi</td>
<td>COS PW</td>
<td>8370</td>
</tr>
<tr>
<td>CLIFTON GRIFFIN</td>
<td>COS, PW</td>
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BUDGET/FINANCE

January 26, 2009
City Clerk

2008-09 Revised Budget: 884,000
Spent Through 12/31/08: 465,000
Budget Under/(Over): (23,000)

Percentage Spent of Revised Budget

53%

Auditor

Expenses

Axis Title

Auditor

2008-09 Revised Budget  556,000
Spent Through 12/31/08  256,000
Budget Under/(Over)  22,000

Percentage Spent of Revised Budget  46%
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<td>2008-09 Revised Budget</td>
<td>44,481,000</td>
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<tr>
<td>Spent Through 12/31/08</td>
<td>24,488,000</td>
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<td>Budget Under/Over</td>
<td>(2,247,500)</td>
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Percentage Spent of Revised Budget

55%
Attachment #2

Office of the City Clerk

Presentation to Budget & Finance Committee

Overview of Current Function

- Elections Administration
- Records Management Administration
- City Council and Other Support Services
- Operations
Elections Administration

- City Charter
- State Elections Code
- Fair Political Practices Commission Regulations
  - Campaign Statements
  - Statements of Economic Interests
  - Ethics Training

Records Management Administration

- Charter
- California Government Code
- Citywide Tickler
- Records Retention Schedule
- Records Research
- Electronic Document Management System
Support Services

- City Council/Redevelopment Agency/Public Finance Authority
- Civil Service Commission/Equal Employment Commission
- Salary Setting Commission
- Stockton Center Site Authority

Support Services (cont’d)

- Proposed Meeting Services Division
  - Preparing Agendas,
  - Meeting Brown Act/legal notice requirements,
  - Assembling staff reports,
  - Streaming meetings,
  - Preparing action minutes, and
  - Filing of all associated documents
Support Services (cont’d)

- Cultural Heritage Board
- Mayor’s Climate Action Advisory Committee
- Budget and Finance Committee

Operations

- Brown Act and legal noticing
- Bids: Receive and Conduct Openings
- Passport Acceptance Agency
Operations (cont’d)

Passport Revenue

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<td>Total</td>
<td>$26,100</td>
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<td>$33,850</td>
<td>$47,873</td>
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Operations (cont’d)

- City Charter
- Resolutions and Ordinances
- Civil Service Rules and Regulations
Operations (cont’d)

- Stockton Municipal Code
- Boards and Commissions Roster and Recruitment

Miscellaneous

- Airport Corridor Action Team (ACT)
  - Dorothy Jones Community and Health Center
  - Airport Way Beautification Project
  - Annual Job Fair
Expenses

- General Fund
  - Elections Administration
  - Records Management Administration
  - City Council Support
  - Operations

Questions?
Fire Department

General Fund Budget Overview

Fire Department Budget
Revised October 2008

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<tr>
<th>Fund</th>
<th>Amount</th>
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<td>General Fund (010)</td>
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<td>Measure W (081)</td>
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<td>Fire Prevention (048)</td>
<td>$2,173,207</td>
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<td>Emergency Comm (042)</td>
<td>$1,882,019</td>
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<td>Overall Fire Budget</td>
<td>$53,023,723</td>
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Fire Contract Revenue

Based on assessed property value and determined by ratio of City of Stockton to each contract district as percentage of GF.

City of Stockton 89.4%
Contract Districts 10.6%

Lincoln
Eastside
Country Club
Boggs Tract

Personnel

Sworn Firefighters 278
  General Fund (010) 245
  Emergency Communications Fund (042) 1
  Fire Prevention (048) 4
  Measure W (081) 28

Civilian personnel 31
  Support Staff 15
  Telecommunicators 15
  Telecomm Specialist 1
2008 Incidents

<table>
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<th>Category</th>
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<td>Fire</td>
<td>9,339</td>
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<tr>
<td>Structure Fires</td>
<td>529</td>
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<td>Grass Fires</td>
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<td>Vehicle Fires</td>
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<tr>
<td>Fire Alarms/Other</td>
<td>5,766</td>
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<td>Medical</td>
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<td>Vehicle Accidents</td>
<td>2,133</td>
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<td>Hazmat</td>
<td>522</td>
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<td>TOTAL 2008 INCIDENTS</td>
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General Fund Overtime

Year to Date (1/16/09) $2,265,128

OES Mutual Aid Contract

Invoiced / Pending $1,117,726

31 Firefighter Vacant Positions
Administrative Reorganization

- 5 Deputy Chiefs > 3 Deputy Chiefs
  2 Deputy Chief positions reduced to Division Chiefs
- 2 Fire Prevention Captains > Suppression
- 1 Fire Prevention Firefighter > Civilian
- 2 Secretary positions frozen/vacant
- 2 Firefighters (Training Division) > Suppression
$ 3,745,218 in Grants

Metropolitan Medical Response System $ 2,080,130
(after September 11th 2001 thru FY 08/09)

Assistance to Firefighters Grants $ 892,333
   Wellness/Fitness Grant FY 03/04
   Fire Prevention Trailer
   Hazardous Materials Equipment
   Rescue Vehicle

Office of Traffic Safety $ 298,975
Public Safety Interoperable Communications $ 268,500
Homeland Security $ 205,280
Fire

2008-09 Revised Budget
44,481,000

Spent Through 12/31/08
24,488,000

Budget Under/(Over)
(2,247,500)

Percentage Spent of Revised Budget

55%
MINUTES
BUDGET/FINANCE/ECONOMIC
DEVELOPMENT COMMITTEE
JANUARY 26, 2009

COMMITTEE MEMBERS:

Dale Fritchen, Chair
Katherine Miller, Vice Chair
Elbert Holman, Member
Susan Talamantes Eggman, Alternate Member

Call to Order: 3:00 PM

Roll Call 3:01 PM
Present:
Councilmember Holman
Vice Chair Miller
Chair Fritchen

The following City staff and members of the Public were in attendance:

Mary Morley, IT
Deputy Director Patti Johnson, IT
Dessa Chang, Community Services
Patty Vasquez, City Manager Office
Director Kevin Grumbling, IT
Interim Finance Director Janet Salvetti
Deputy Director Barbara Berlin, Community Development - Planning
Director Mike Niblock, Community Development
Director Dianna Garcia, Human Resources
Mahin Shaw, Budget
Deputy City Manager Mark Moses
Kimberly Trammel, Budget
Rick Butterworth, Fire
Deputy City Manager Laurie Montes
Budget Manager Joe Maestretti
Carol Marshall, Budget
City Attorney Ren Nosky
Community Services Director Pam Sloan
Dave Hafey, Fire
Assistant City Auditor Jim Henthorn
Deputy Chief Mark Helms, Police
Assistant Police Chief Blair Ulring
Tom Henning, Police
Art Gomez, Public
City Auditor Mike Talyor
City PIO Connie Cochran
Deputy City Manager Johnny Ford
Ena Aguirre—Public
John Boisa—Public
Darrell Ralmer, IT
Fire Chief Ron Hittle
Paul Willette, Fire
Deputy City Manager Christine Tien
City Manager J. Gordon Palmer, Jr.
City Clerk Katherine Gong Meissner
Assistant City Clerk Bonnie Paige
David Siders, The Record
Director Steve Carrington, Economic Development
Director Mark Madison, Municipal Utilities
Matt Baker, Fire
Dave Macedo, Fire
Greg Biddle, Fire
Mark Anderson, Police
Stephen Leonesio, Police

ISSUE(S) TO BE DISCUSSED: 3:02 PM

Chair Fritchen asked City Manager J. Gordon Palmer, Jr. for a financial update for today’s meeting. City Manager Palmer indicated Moody is making their review of the City’s financial status.

Chair Fritchen provided a report on the General Fund expenditures regarding personnel expenses with the aid of a PowerPoint presentation (filed) for the following departments:

City Clerk’s Office
City Auditor’s Office
Fire Department

1. Office of the City Clerk Budget (Clerk) 3:04 PM

City Clerk Katherine Gong Meissner 3:06 PM

City Clerk Katherine Gong Meissner presented a department budget report to the Committee with the aid of a PowerPoint presentation (filed). City Clerk Meissner responded to questions from the Committee members.
Public Comment

Ena Aguirre 3:38 PM

Ena Aguirre from the Public, suggested hand outs of the presentations would be helpful for the audience to understand what issues are being discussed. She suggested that no one lose their jobs, but reduce hours to save dollars.

Art Gomez 3:44 PM

Art Gomez suggested developing an intern program, perhaps with students from the University of the Pacific.

2. Office of the City Auditor (Auditor) 3:46 PM

City Auditor Mike Taylor 3:47 PM

City Auditor Mike Taylor, using the PowerPoint slides provided by Chair Fritchen, presented a budget report for the Auditor’s Department and answered questions of the Committee.

City Manager Palmer, Jr. responded to questions posed by Chair Fritchen regarding the audit of the Arena.

Public Comment

John Boisa, Auditor 4:08 PM

John Boisa asked what is involved in the City becoming a provider of Auditor training, to which City Auditor Mike Taylor responded.

3. Fire Department Budget (FD) 4:10 PM

Fire Chief Ron Hittle 4:11 PM

Fire Chief Ron Hittle provided a department budget report with the aid of a PowerPoint presentation (filed) to the Committee and answered questions of the Committee.

Public Comment

Art Gomez 4:46 PM

Art Gomez commended the Fire Department for their good work.
He asked questions regarding the OES reimbursement, to which Fire Chief Hittle responded.

**Ena Aguirre 4:53 PM**

Ena Aguirre asked questions regarding the 27% General Fund allotment to the Fire Department. She also asked questions regarding the Arena contract, to which City Manager Palmer, Jr. responded.

No one else from the Public wished to comment.

**Chair Fitchen 4:57 PM**

Chair Fitchen mentioned before closing how appreciative he was toward the Firefighters who stepped forward and suggested renegotiating financial issues, voluntarily on their own and he commended those groups.

**RECOMMENDATIONS**

The Committee recommends approval of the following:

- Accept the Committee Report for filing.
- Department budget discussions to continue with the Community Services Department and the Police Department will be reporting next Monday, February 2, 2009 at 3 p.m.

Adjournment

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COUNCILMEMBER DALE FRITCHEN, CHAIR

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VICE MAYOR KATHY MILLER, VICE CHAIR

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COUNCILMEMBER ELBERT HOLMAN, JR.

PREPARED BY: CITY CLERK KATHERINE GONG MEISSNER
PLACE: City Hall, Second Floor, Council Chambers, 3:00 p.m.

ATTENDANCE:

COMMITTEE MEMBERS:
Councilmember Dale Fritchen, Chair
Vice Mayor Katherine Miller, Vice-Chair
Councilmember Elbert Holman, Member

STAFF:
Gordon Palmer, City Manager
Johnny Ford, Deputy City Manager
Christine Tien, Deputy City Manager
Mark Moses, Deputy City Manager/Chief Financial Officer
Laurie Montes, Deputy City Manager
Ren Nosky, City Attorney
Katherine Meissner, City Clerk
Kevin Grumbling, Director Information Technology
Dianna Garcia, Director Human Resources
Pam Sloan, Director Community Services
Steve Carrigan, Director Economic Development
Blair Ulring, Assistant Chief of Police
Joe Maestretti, Budget Officer
DeAnna Solina, Deputy City Attorney
Di Smith, Assistant Director Human Resources
Ethel Francios, Deputy Director Human Resources
Janet Salvetti, Acting Director of Financial Management
Bonnie Paige, Assistant City Clerk
Troy Broddrick, Captain Police Department
Trevor Womack, Captain Police Department
Connie Cochran, Public Information Officer
Tom Hennig, Program Manager III, Police Department
Bob Marconi, Program Manager III, Police Department
Carol Marshall, Program Manager III, Budget Staff
Jim Henthorn, Assistant City Auditor
Dino Leonardi, Community and Cultural Services Superintendent
Adolfo Cruz, Recreation Superintendent
Kimberly Trammel, Senior Administrative Analyst
Mahin Shah, Senior Administrative Analyst
Dessa Chang, Senior Administrative Analyst
Janice Machado, Supervising Office Assistant Community Services
Almarosa Vargas CHAT Coordinator
BUDGET/FINANCE/ECONOMIC DEVELOPMENT COUNCIL COMMITTEE MEETING OF
February 2, 2009 – Page 2

Debra Froshaug, Office Specialist
Darrell Raimer, Information Technology
Patty Vasquez, Administrative Aide (Recorder)

OTHERS:
David Siders, The Record
Mary Morley, Stockton City Employees Association
John Beckman, Building Industry Association of the Delta
Matt Baker, Stockton Professional Firefighters Local 456
Greg Biddle, Stockton Professional Firefighters Local 456
Dave Macedo, Stockton Professional Firefighters Local 456
Mark Anderson, Stockton Police Officer’s Association
Steve Leonesio, Stockton Police Officer’s Association
Jim Pickens, SPMA
Stephanie Morales
Tim Daly, Channel 10
Doug Wilhoit, Greater Stockton Chamber of Commerce

ISSUES/COMMITTEE RECOMMENDATION:

The items discussed by the Budget/Finance/Economic Development Council Committee were as follows:

ISSUE NUMBER 1: COMMUNITY SERVICES BUDGET
RECOMMENDATION: NONE. INFORMATIONAL ONLY
ISSUE NUMBER 2: POLICE DEPARTMENT BUDGET
RECOMMENDATION: NONE. INFORMATIONAL ONLY

COMMITTEE REPORT TO THE CITY COUNCIL

Background

The issues being discussed were referred to the Council Budget/Finance/Economic Development Committee by the City Manager.

Discussion

Committee Deliberations

Chair Dale Fritchén opened the Council Budget/Finance/Economic Development Committee meeting of February 2, 2009 at 3:01 p.m. with Vice Chair Katherine Miller and Committee Member Elbert Holman, and others in attendance.
Chair Fritchen stated that the Budget/Finance/Economic Development Committee meetings are now being streamed live on the City's website and shown live on Channel 97. There is an e-mail address for the public to ask questions or make comments live during the meeting directly to the Committee. This budget we are discussing is not the Council's budget; it is the City's budget as a community. He would like to thank the employees who have provided information and suggestions; everything is appreciated. Last week's meeting included a very good presentation of the Fire Department's budget by Chief Hittle. Since then Chair Fritchen has received a copy of the Letter of Agreement between the City of Stockton and Stockton Professional Firefighters Local 456, which was agreed in December 2008. The letter spells out the deferring of raises, but it also states there will be no lay offs and no altering daily staffing or company closures. At last week's presentation Chief Hittle stated they have been asked to reduce their 2009/2010 budget by $5–6 million. In light of this agreement, how will the Fire Chief be able to cut that amount out without any staffing changes?

City Manager Gordon Palmer informed the Committee that the Union also agreed that they are open to coming back to the City for negotiating the agreement, which they have done in the past. The City will be working with the Fire Union as well as the other units in various forms to make cuts in the budget. Depending on the issue, bargaining staff would have to vote on the changes.

Chair Fritchen asked that if the budget cut is not met by the Fire Department, or an agreement is not reached, will that amount be passed onto other departments.

City Manager Palmer replied that the reduction amounts could potentially be passed onto other departments. Currently, there are some issues on the table, he is not sure how they will work out yet.

Chair Fritchen stated he just found out that the City has binding arbitrations on Police and Fire, and asked if other units have binding arbitrations.

Human Resources Director Dianna Garcia informed the Committee that the City Charter provides for binding arbitration in the impasse procedure. Miscellaneous units would go through MMBA. The distinction is that the MMBA provides for the employer to issue a last, best, and final offer and impose. For Safety units, the Charter states that the City's last, best, and final offer would have to go through an arbitrator. Currently, 75% of the General Fund costs are tied up in salaries. There is not much for management to do, without meeting with the unions. For mid-year agreements, there is nothing contractual that would obligate unions to come to the table. The arbitration that Chair Fritchen is referring to would be for a successor MOU; we are currently not there mid-year. Mid-year agreements rely on the good will of the labor unions to cooperate with management. The obligation on the management side is to make sure you are transparent throughout the budgeting process to show why we are having budgeting difficulties. The union would not like to balance the budget on the backs of their members.
Chair Fritchén stated that he is optimistic that unions will come to the table to help out the City; otherwise, we will have to resort to layoffs, but we cannot layoff from the Fire Department. Human Resources Director Garcia stated due to the current MOU with the Fire Department that is correct.

Chair Fritchén asked if there would have to be more layoffs in other departments.

Human Resources Director Garcia stated that would be correct, or make other changes. Ms. Garcia has had conversations with the Union president and their chief negotiator, who is an attorney and represents both fire and police organizations throughout the state. Stockton is not the only city in this situation. What the City is asking of our sworn labor organizations is not unique; they have come up with some ideas also.

Chair Fritchén stated that the Fire Department has shown commendable behavior to help the City. He feels optimistic with all the unions that we will be able to work this out without resorting to layoffs, if possible. He wanted to pass this information on to the Committee and the public to ensure everyone has the same information.

Issue One: Community Services Budget

Community Services Director Pam Sloan presented to the Committee a PowerPoint (Attachment #1) regarding the Community Services Budget. Informing the Committee that Community Services is relatively new department, as a result of the City reorganization on July 1, 2008. As a result of the reorganization, parks, trees and marina staff was moved to Public Works as a maintenance function. In terms of operations, the department is very community based – overseeing recreation centers; senior centers; swimming pools; golf courses; tennis complex; Children’s Museum; Pixie Woods; Silver Lake Camp; Sport Facilities involving Youth and Adult Sports; Special Events; Arts Commission; Sports Commission and Public Art. As part of the budget, the department has the IFG Management contract; however, they do not oversee the contract. IFG is in charge of managing the Stockton Arena; Stockton Ballpark, Bob Hope Theatre and the Oak Park Ice Arena. Even though we do not oversee this, it is important that the Committee be aware they are part of our recreation fund at this time.

Chair Fritchén inquired the IFG Management contract is part of the budget, but is not managed by Community Services? Community Services pays out for the contract or receives transfers from the City of Stockton for the contract?

Ms. Sloan stated that her presentation is focused on Community Services since they do not manage the IFG contract. However, she will be able to answer some questions. The department oversees the Neighborhood Renaissance Program, which currently has no funding, but it is a concept the department is working towards. The department is working closely with Sue Marks, in the Housing and Redevelopment Department to establish a foundation and direction, since they are very community based. Currently, the department consists of 48 full time staff members, which includes 12 vacancies, 73% of the budget goes toward salaries. Funding sources are the Golf Enterprise Fund; Recreation
Programs; very few Capital Improvements, General Fund Transfers is 40% of that 16% is IFG Management and 24% Recreation Programs; IFG Facility Revenues. As of December 3, 2008 Community Services was under budget by $238,968. Breaking this down, Recreation is over by 2.8% expenses due to not having received all the funds from the After School Program Grants. At this time of year, the department starts invoicing out those twelve schools. IFG is under budget by 5.26%, which results in net year-to-date expense that are under budget by 1.6%. This savings amount will increase once the expenses from the After School Programs have been reimbursed. Expenses have increased due to ISF Charges, and the minimum wage going up. Overtime expenses are due to special events, which occur on weekends or holidays. If needed, community centers become warming centers during the winter or cooling centers during the summer, resulting in overtime. Community Services assist throughout the City if there is a state of emergency, such as floods or extreme weather conditions. For the 2009/2010 fiscal year, the department’s proposed budget reduction is $628,689 or 15%. To reach this goal, the department, among other things, will we be modifying hours of operations, possible closure of some facilities, partnering with community organizations, and contracting out for facility operations, such as the tennis center or the soccer facility off Highway 99. The department is taking into consideration how these changes will affect the surrounding community or other departments and looking into how to subsidize some review.

Chair Fritchen stated that a 15% reduction in the budget is a lot of money to cut by just modifying hours, closing community centers, and partnering with community organizations.

Ms. Sloan stated along with modified hours and closed centers that would impact personnel there will be some personnel cuts, some of which would be part-time staff. Full-time staff might find themselves doing part-time worker’s jobs. The department is still working on the plan for the 2009/2020 budget as requested by Council by March.

Vice-Chair Katherine Miller commented the idea of partnering with community organizations is a great idea to use and staff those community centers. Even if it is not City staff, they could be staffed by community organizations.

Ms. Sloan stated she has already met with Tony Amato, Superintendent of Stockton Unified School District. He is very open to the idea to partnering on certain community services.

Issue Two: Police Department Budget

Assistant Police Chief Blair Ulring presented to the Committee a PowerPoint (Attachment #2) regarding the Police Department Budget. Stating challenging times will take some extraordinary leadership to get us through this. An overview of services provided include — public safety primary dispatch center, including cellular 9-1-1 calls; crime prevention; law enforcement; traffic enforcement; investigative services; neighborhood services; animal services; parking enforcement services. Currently, there are 409 sworn personnel (32 positions vacant), including the four Police Officer Trainees laid off on February 1, 2009 and 204 non-sworn personnel (28 positions vacant). Employee service costs equal 86.6%
of the department’s budget. Sources of funding include the General Fund; Measure W Tax; grants and contracts. The department’s revised 2008/2009 budget is $89,623,250, which is currently over budget by $3,836,362. The department’s best estimate of anticipated budget overrun will be $1.7 million dollars. Reductions in staff costs will start to be seen due to the officer hiring freeze; reduction in overtime, furloughs, Voluntary Separation Program, and increased parking fees and collections. In the past the Police Department has been on or below budget in overtime until this year when we had the mid-year budget reduction, overtime dollars were reduced by 31% about $2 million, due to officer hire-back, report writing and officers called to court and having to standby. In the past, overtime spikes were due to the Asparagus Festival; County Fair; crime rises in warmer months; unusual events like the Louis Park homicide; very aggressive narcotics and prison gang enforcement - Nuesta Familia; Nortenos and Asian street gangs resulting in 56 search warrants. Partnerships with California Highway Patrol, San Joaquin County Sheriff’s Office, and many other local agencies helped with these events. The 2009/2010 proposed budget reduction will be 11.4% or $9,194,023. Our plan for fiscal year 2009/2010 will be department reorganization – downsizing; continued hiring freeze; staff reduction due to early retirements; anticipating by December 2009 to have 67 to 71 sworn officers and 20 to 25 civilian staff working a year ago in this department will not be working for us. These are unprecedented budget cuts, we will be forced to reduce services to the citizens we are employed to protect and serve. Crime rates will probably rise in some of the major categories like property and violent crimes. We will deploy administrative staff and less essential staff to respond to some of these increases. We are going to have to maximize our efficiencies during these trying times. We will continue to try to control overtime; spending/purchases, ISF adjustments due to less personnel less equipment needed; program reductions and layoffs, hope not to have but may very well happen. We will need to focus on how to best protect this community; how to provide a level of service in the law enforcement capacity to make sure this community is as safe as it can be.

Chair Fritchen inquired if there are any plans to increase revenue.

Assistant Police Chief Ulring stated there will be some increased revenue due to increased fees - parking fees; collections; alarm fees, and code enforcement fees. The department is looking into a cost recovery program when PD has to respond to something in the community requiring us to put a lot of resources. There may be a cost recovery component for emergency services.

Chair Fritchen stated that he received quite a bit of information from officers in the department, and other departments throughout the state, regarding changing some of the codes or laws to Municipal Ordinances so that the City would keep a larger percentage of the ticket fees.

City Manager Palmer stated that he has spoken to the City Attorney regarding the possibility of modifying the Municipal Code.

Chair Fritchen stated the end of the year the Police Department anticipates being over budget by $1.7 million, and asked if there is a plan on how to come in, under, or at budget.
Assistant Police Chief Ulring stated that the Police Department does not have a plan to meet the budget reductions, that to meet these reductions you would need a drastic reduction to sworn personnel. To realize that amount of reduction in that short period of time, the department would have to layoff twice the amount of people you would have to layoff in a year. In our first go-round, the department cut out about $10,400,000 in discretionary issues; there is not much left except for personnel costs. There are going to have to be some policy decisions that will have to be made as to how far down in the police department, how many people will have to be let go in order to meet that reduction.

Committee Member Elbert Holman inquired if the Police Department had a game plan on how they will be deploying personnel in order to meet their core mission if services have to be reduced.

Assistant Police Chief Ulring stated they will have some very difficult choices once personnel is reduced; there will be people from other services - task forces, bike patrol, community service - moved to our core mission, which is responding to service calls. If officers only respond to 'hot calls' or emergency calls, the crime prevention side is very difficult. Other parts of the department will have to be staffed to some level, such as traffic enforcement which generates revenue, may have staff reduced so that there are enough officers available to respond to service calls. The policy decisions will determine what types of services will be eliminated.

Committee Member Elbert asked if there would be feasibility to upgrading the reserve program.

Assistant Police Chief Ulring stated the reserve program tends to ebb and flow depending on the economy. Right now there are a lot of applicants in the workforce, who do not have the job yet, since there are not a lot of police jobs available this will cause a rise in reserves. Hopefully, when we do start hiring again, there will be a large reserve; however, the officers laid off will have the first shot to come back.

Vice Chair Miller inquired if some of the duties for code violations and parking violations could be done by civilian personnel.

Assistant Police Chief Ulring stated those duties are done by civilian personnel in the Code Enforcement Division. Police is 51% - 52% of the overall General Fund. That is not just officers, it also includes Code Enforcement and Animal Services, Parking Services. If all those are removed, police officers would be down in the 46% or 47% of the General Fund.

Chair Fritchhen stated that Assistant Police Chief had mentioned to the Committee they would not be able to be under $1.7 million this year without drastic cuts to staff. Next year the police will need to cut $9.1 million, police is currently in negotiations, is this amount anticipating an increase in wages? Or is that amount using the current salary.
City Manager Palmer stated this year there has already been a 9.5% salary increase to the police officers. The City is disputing the survey and the calculation what this amount should be. This amount is already built into the budget number, depending on the outcome, this amount may go up.

Chair Fritchen asked if there needs to be drastic reductions in personnel to meet the $1.7 million, what does this mean to meet the $9.1 million next year.

Assistant Police Chief Ulring stated this would mean extraordinary cuts, beyond anything what we could imagine. The Police Department put out a document reminding personnel that if we were to meet the reduction this year, it would take about 27 police officers; wage comparisons two Community Service Officers would equal one officer trainee and the majority of our part timers to equal one officer trainee, this was given out to show what types of cuts this would involve. This would have been a only a reduction of $2 million it is going to take some extraordinary policy decisions to see how far into the police department the cuts are going to go.

Chair Fritchen inquired if it would take about a reduction of 90 personnel to meet these cuts. This reduction will not happen just by the hiring freeze of not filling vacancies.

Assistant Police Chief stated it would take about 90 additional cuts to what has already been made. This will not just happen with the hiring freeze, we could probably realize about 67-71 vacancies by the end of this calendar year. Even with these vacancies we are still going to be millions of dollars short to reach those kinds of numbers.

Chair Fritchen stated he had the 2008 California DOJ Crime Rates, asking Assistant Police Chief Ulring if he knows where Stockton stood on the crime rates.

Assistant Police Chief Ulring stated Stockton is number two in violent crime and number one in crimes per capita.

Chair Fritchen informed the Committee, per the Department of Justice Crime Rates, Stockton is number one per capita; number one on burglary; number two on aggravated assault, number three on robbery and number two on property crime. What would happen with 100 less police officers?

Assistant Police Chief Ulring stated this is when the really hard decisions come up, what part of public safety and how do you prioritize public safety. What are the needs of the City, how do we best spend the City’s money. The department you see now could not function as it does now, if 100 more officers were lost, we would be down to just be doing emergency calls. We have civilians as much as the department as we can. It’s an extraordinary time and will take some extraordinary policy decisions. The community is very concerned about the crime rate; people do not feel as safe as they could in the city.

Chair Fritchen stated if people of the community do not feel safe, we do not have a community. To put this in perspective, we are taking about 100 police officers; from what
we have heard, that would be the equivalent of closing down the City Clerk's Office, the City Auditor's Office, the Community Services Office and we are about half way there.

Assistant Police Chief Ulring stated to put in perspective, if we remove the 71 officers we spoke about earlier; that is equivalent to closing down the entire Manteca or Lodi Police Department. Significant cuts will be required; we will have to partner with other organizations to do the police efforts we have. We recently sent a letter to the California Highway Patrol asking them to come back to Stockton to help us patrol the “hot spots.” We will not be able to spread our resources over 70 square miles like we do now.

Vice Chair Miller stated she agreed with Assistant Police Chief Ulring, this will require drastic cuts. However twenty-five years ago Public Safety was about 52% of the General Fund now it is about 73%, how much of our General Fund can we and should we be devoting to this? I’ve seen the breakdown and 86.6% of the police budget is salaries and benefits. We are going to have to work together. We would need to shut down every other service this city provides to continue doing business the way we have been doing business. These are extraordinary times and we need everybody to be part of the solution in figuring out how we are going to do this.

Assistant Police Chief Ulring stated he agreed.

Committee Member Holman commented with whatever personnel the police department has, the public needs to know they are working as efficiently as possible. For the general public, even though they what to be safe, they also want to eat and if he can not get a job because we are paying the General Fund monies to the Police Department, they want to make sure the police department is doing the best they can. He commented it is a good idea to partner with other agencies, the task force issues that could free up staff. Currently cold burglary cases could be a phone call; there could be other things to look into, such as deploying the bike patrol at peak hours.

Vice Chair Miller stated citizens want to make sure when they come to an intersection the lights work; the streets are passable; and, when trees are down, there is someone available to respond.

Assistant Police Chief Ulring stated they currently have committees looking into best practices, looking statewide and nationwide. We have a Call for Service Committee that is looking at what types of calls we might have or should back up on. The personality in Stockton is that it is a wonderful place and we do have some difficult time, we do have crime. Currently on MySpace the best place to fight on the weekend is at the Downtown Cinema. Whatever resources we put there we need to draw from another area. We got a nice note from the Community of All Nations, on 8th Street, saying now the kids are playing outside. We are going to take a step back a decade or more. Ultimately the policy makers are going to make the hard call and decide how we prioritize those tax dollars. Ultimately we are tasked to make the community of Stockton safe and do the best that we can. We are going to have to ask the community to take a bigger part. If we cut police services, then other services will have to step up in the community, because the Police Department
will be out chasing those people who are keeping us in the number one and number two slot per capta.

Chair Fritchlen reminded the Committee the comment made at the beginning of the meeting regarding not being able to lay off personnel from the Fire Department. That $6.5 million from the Fire Department might be tacked onto the Police Department, if Fire can not make their budget without affecting staff.

Assistant Police Chief Ulring stated it will take some extraordinary leadership, we can not manage this problem, we are going to have to lead our way out of this problem, and we have managed things for a long time. Exactly what those answers are, are going take the kinds of meeting the executive staff has been having. We are going to have to ask for input from the public, from our academics at UOP, Stanislaus State and Delta College. There are going to be ideas that come up that will save us millions of dollars that we have not even thought of. The kinds of cuts you are talking about are extraordinary cuts and will no longer be able to provide the level of public safety service we are going to have to provide.

Chair Fritchlen inquired if the Police Department will have a plan in March on how you are going to find this $9.5 million or more for the 2009-2010 Budget as requested by Council.

Assistant Police Chief Ulring informed the Committee staff is working on the budget, and I am working closely with the City Manager. From the position I am in, it is very difficult, for me to reorganize the department; restructure the department; lay people off or recommend laying people off. I think we will come up with some tangible ideas and thoughts about restructuring and reorganization and then policy makers are going to have to decide if they are prepared to cut that much from the Police Department.

Vice Chair Miller stated it is important to be said to all the bargaining units this is our reality. This is what is going to happen. The cuts are going to happen. When you are out of money, you are out of money. Everybody had to make their own decision how many cuts they are willing to take as a community across the board. For every person who gets a City of Stockton paycheck, there is only a finite amount of money to backup those paychecks. We all have to make the decision on what is best for our community. I want to encourage all the bargaining units to step up to the table and have open and honest conversations and make the decisions based on what is really best for the community, we all have to live here.

Chair Fritchlen stated that in the future the Committee will be discussing the IFG contract, in which we are losing over $2 million per year, which I equate to police officers on the street. We have an arena but will we have police to make sure we have an arena. We have to weigh what the people of the City of Stockton needs the most. It is a hard decision. Council is prepared to make cuts needed when the budget comes to us. We need to make sure that budget will stand the test of time. The more I look into this the more discouraged I am, hopefully God willing, we will find a way to do it.
Assistant Chief of Police Ulring stated Stockton has faced some big challenges and when our backs are against the wall; we have done some of our best work. Our backs are now against the wall, the Police Department, the Fire Department and all the other departments have always met that challenge and we will meet this challenge. I believe at the end every department will stand side-by-side with the citizens of the City to provide the safest community possible.

Committee Member Holman stated people are looking at things that could have been done differently, but we have to deal with what we have to deal with right now – the budget. When the budget is done we will look into other things as a Council.

Chair Fritchlen stated in this Committee we do not make decisions other than what to propose to the City Council, as a Committee we are going to propose what we think will balance a budget for the City of Stockton. We rely on department heads and others to give us all the information.

Vice Chair Miller stated we have already seen ideas from staff on combining services and how to streamline processes and do things more efficiently.

Committee Member Holman stated if this economic crisis did nothing else it caused us to look at how we do business and how we can change things to do better.

Citizen Gary Malloy inquired if their retirement is part of the $89 million. If retirement is in the General Fund, that may be someplace to look. All the business laying people off, not contributing to 401Ks, you are going to have to look at retirement money and make some tough cuts. I don’t want 100 officers off the streets, and I know people don’t want to take a pay cut. I live on a fixed income you affected me by taking the tree service away, the two in front of my house cost me $5,000 to cut them down. Police and Fire Departments are going to have to understand that retirement monies are going to have to be looked at. You can’t close the libraries completely or shut down the pound, there is no one in the private sector getting 80% of their salary for their retirement. Years ago the former City Manager started the paramedic service, can those units be sold?

City Manager Palmer responded yes, there is a built in cost per officer for retirement.

Vice Chair Miller stated the City Council cannot just cut benefits, which are something that will need to be negotiated with the bargaining units. Balancing our budget as a community goes to a core value of our organization - respect - taxpayers who pay our salaries, employees who work here, and citizens that need our services to live in this community. Need to stoop battling for turf and playing a dangerous game of chicken.

Chair Fritchlen inquired to the City Attorney regarding retirement, is there anyway to save on monies on people who have already retired?
City Attorney Ren Nosky responded no, pensions are a vested benefit and cannot be touched. If the City became insolvent they would have more options, but right now no, and there would be expensive litigation if we attempted that.

Director of Human Resources Garcia stated retirement is a vested benefit to current employees; it would have to be negotiated for current or incoming personnel. Pension can not be touched; it is very guarded by the law.

Citizen John Boisa stated it has been a grim afternoon; and does not want to have police or fire layoffs. He stated he approves of what he has heard about a call for leadership, this is a community problem and needs to involve the community. It’s a time to our community to stop the type of thinking that ‘it’s not our problem;’ we need to think differently on our interaction with other levels of government.

Committee Member Holman stated years ago he came home to a burglary, after a struggle the suspect was handcuffed to the bumper and he waited half-an-hour before the police showed up. I was a cop at the time and it didn’t bother me, but I can understand it would bother an ordinary citizen to have to wait 30 minutes for the police.

Chair Fritchen stated there were no comments from the internet. He asked if the Committee could take a field trip to the Washington Mutual Building in the future, having the meeting open to the public.

City Manager Palmer stated he would work in this with the Committee; it will be a noticed meeting.

Due to the holiday on Monday, next meeting scheduled for Tuesday, February 10, 2009 at 5:30 p.m. in the Council Chambers.

Dave Macedo, Local 456 stated, so that the general public is aware, that the City of Stockton’s financial obligation for Public Employees Retirement System ceases upon retirement age. Once City of Stockton employee retires, the City is no longer paying into the retirement system.

This concluded the formal presentation.

There being no further discussion, Chair Fritchen adjourned the meeting at 4:25 p.m.
COUNCIL BUDGET/FINANCE/ECONOMIC DEVELOPMENT COMMITTEE

Councilmember Dale Fritch, Chair

Vice Mayor Katherine Miller, Vice Chair

Councilmember Elbert Holman, Committee Member
CITY COUNCIL COMMITTEE
NOTICE

BUDGET/FINANCE/ECONOMIC DEVELOPMENT

DATE:  February 2, 2009  TIME:  3:00 p.m.

PLACE:  City Hall, Second Floor, Council Chambers

COMMITTEE MEMBERS:
Dale Fritchen, Chair
Elbert Holman, Member

Katherine Miller, Vice Chair
Susan Talamantes Eggman, Alternate Member

STAFF NOTICED:
J. Gordon Palmer, Jr., City Manager
Ren Nosky, City Attorney
Deputy City Managers
Connie Cochrane, Public Information Officer
Carol Marshall, Program Manager III
Florence Low, Program Manager III
Janet Salvetti, Acting Director of Financial Management
Joe Maestretti, Budget Officer
Mahin Shah, Senior Administrative Analyst
Kimberly Trammel, Senior Administrative Analyst
Denise Gray, Administrative Analyst II
Kindelberg Morales, Administrative Aide I
Patty Vasquez, Administrative Aide II (Recorder)

RESPONSIBLE DEPARTMENT
AND STAFF FOR ITEMS ON THE
AGENDA:
Pam Sloan, Director Community Services
Blair Ulring, Assistant Chief of Police

OTHERS INVITED:
The Record

ISSUE(S) TO BE DISCUSSED:
1. Community Services Budget
2. Police Department Budget

cc: City Council
For information contact Carolina Luces at 209-937-8215.
# PLEASE SIGN IN

Budget/Finance/Economic Development Committee  
City Hall – Council Chambers  

February 2, 2009 – 3:00 p.m.

<table>
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<th>NAME (PLEASE PRINT)</th>
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<tr>
<td>Debra Frushaug</td>
<td>City of Stockton PSE</td>
<td>937-8941</td>
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<tr>
<td>Mary Morey</td>
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<tr>
<td>Janice Machado</td>
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<td>Bob Marconi</td>
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<td>Bruce Weaver</td>
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<td>Dessa Chang</td>
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<td>Gary Mallay</td>
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<tr>
<td>John Beckman</td>
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<tr>
<td>Matt Baker</td>
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<td>Amee Biddle</td>
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<td>Dave Maleno</td>
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<td>Steve Leonese</td>
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<td>Almarosa Vargas</td>
<td>PD-NESS</td>
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<tr>
<td>Ethel Francois</td>
<td>ITR</td>
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Community Services Department
Budget Overview

Presented to Budget, Finance &
Economic Development Committee
February 2, 2009

Oversee Operations and Programming of:

Recreation Centers (7)
Senior Citizens Center
After School Program Sites (24)
Swimming Pools (5)
Golf Courses (2)
Oak Park Tennis Complex
Children’s Museum
Sports Facilities
Special Events
Arts Commission
Sports Commission
Pixie Woods
Silver Lake Camp
Youth Sports
Adult Sports
Public Art
Community Services Personnel

**Authorized Positions** - 48

- General Fund (010) 1
- Recreation Fund (044) 43
- Golf Enterprise Fund (481) 3
- Public Art CIP Fund (306) 1

**Number of Vacancies** - 12 or 25%

Community Services Funding Sources

- General Fund Transfer 30%
- IG Facility Revenues 15%
- Golf Enterprise Fund 6%
- Arts Commission 10%
- Recreation Programs 4%
- Capital Improvements 6%

Total: $16,878,029
FY2008-09 Recreation Fund Budget

Total Revised 08-09 Budget = $14,951,327

Total YTD expenses = $7,236,697

Under Budget (As of Dec 31) = $238,968

Percent of Budget Spent 48.4%

Why Over/Under

Recreation Services - over by $192,680 or 2.8%
  - Due to After School Program Grant Costs
  - Pending cost re-allocations from the revised budget of 11/6/2008

IFG - under by $431,647 or 5.26%

Net YTD % Expenses = Under by 1.6%
Plan for Fiscal Year 2009-10

FY 2009-10 Proposed GF Reduction

$628,689 or 15%

- Modify hours of operations
- Possible closure of some facilities
- Partnering with organizations in the community
- Contracting out facility operations
Police Department
Budget Overview

Presented to Budget, Finance &
Economic Development Committee
Monday, February 2, 2009

Department Overview

● Services Provided:
  ○ Public Safety Primary Dispatch Center
  ○ Crime Prevention
  ○ Law Enforcement
  ○ Traffic Enforcement
  ○ Investigative Services
  ○ Neighborhood Services
  ○ Animal Services
  ○ Parking Enforcement Services
# Department Staffing

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<td>409</td>
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<tr>
<td>Non-Sworn</td>
<td>232</td>
<td>204</td>
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**TOTAL:** 673 613 60

Employee Services = 86.6% of Budget

---

# Department Funding Sources

- General Fund - $89,623,250
- Measure W - $5,654,112
- Grants / Contracts - $2,780,000

---
2008-09 Budget Update

Total Revised 08-09 Budget = $89,623,250

Total YTD expenses = $48,648,362

Over Budget (As of Dec 31) = $ 3,836,362

Percent of Budget Spent 54.28%

Why Over/Under

- Sworn Officer hiring freeze started in July 2008. Reductions in staff costs due to freeze takes many months to realize.

- Reductions in overtime and programs have just started to produce measurable savings.

- Furloughs by over 200 employees will provide measurable results as the fiscal year progresses.

- Voluntary Separation Program became effective January 2009.

- Layoffs – four Police Officer Trainees were laid off on February 1, 2009.
Expense Trends

Overtime by Dollars Spent
Overtime Hours by Type

Plan for Fiscal Year 2009-10

2009-10 Proposed reduction = 11.4% or $9,194,023

Illustration of Potential Savings Opportunities:
1. Department reorganization – downsizing.
2. Continue hiring freeze.
3. Further reduce staffing through early retirements.
Plan for Fiscal Year 2009-10

Illustration of Potential Savings Opportunities:
4. Continue to control overtime.
5. Continue to control spending/purchases.
6. ISF Adjustments.
7. Program reductions and layoffs.

Police Department
Budget Overview

Presented to Budget, Finance &
Economic Development Committee
Monday, February 2, 2009
MINUTES
BUDGET/FINANCE/ECONOMIC
DEVELOPMENT COMMITTEE
FEBRUARY 2, 2009

CALL TO ORDER 3:00 PM

Roll Call 3:01 PM
Present:
Councilmember Holman
Vice Chair Miller
Chair Fritchen

The following staff and members of the Public were in attendance:
Bob Marconi, Police Department
Tom Henning, Police Department
Assistant Police Chief Blair Ulring
Deputy Police Chief Mark Helms
Deputy Police Chief Eric Jones
Deputy Police Chief Tammy Murrell
Deputy City Manager Laurie Montes
Deputy City Manager Mark Moses
Deputy City Manager Johnny Ford
Deputy City Manager Christine Tien
Carol Marshall, Budget Staff
Joe Maestretti, Budget Manager
Di Smith, Assistant Human Resources Director
Dessa Chang, Community Services Department
Adolfo Cruz, Community Services Department
Dino Leonardi, Community Services
Mahin Shah, Budget Staff
Human Resources Director Dianna Garcia
City Clerk Katherine Meissner
Assistant City Clerk Bonnie Paige, Recorder
City Manager J. Gordon Palmer, Jr.
City Attorney Ren Nosky
Darrell Raimer, IT
Kimberly Trammel, Budget Staff
Ethel Francois, Human Resources
Patty Vasquez, City Manager's Office
Mary Morley, IT
Stephanie Morales, Public
Interim Director of Financial Management Janet Salvetti
Community Services Director Pamela Sloan
IT Director Kevin Grumbling
Janice Machado, Community Services Department
Dave Macedo, Fire  
Matt Baker, Fire  
Steve Leonesio, Police  
Jim Henthorn, Assistant City Auditor  
Doug Wilhoit, Public  
Troy Brodderick, Police  
Jim Pickens, Police  
Connie Cochran, Public Information Officer  
David Siders, The Record  
Debra Froshaug, City of Stockton  
Gary Malloy, Public  
John Beckman, BIA  
Greg Biddle, Fire  
Mark Anderson, Police  
Almarosa Vargas, Police-Neighborhood Services

**Chair Fritchen 3:00 PM**

Chair Fritchen announced that the Budget Finance Committee can be viewed on Channel 97 and an e-mail address has been provided to allow the Public viewers to e-mail the Committee with comments or questions during the session.

**Chair Fritchen 3:03 PM**

Chair Fritchen asked questions regarding the Fire Department’s budget to which City Manager J. Gordon Palmer, Jr. and Director of Human Resources Dianna Garcia responded.

**ISSUE(S) TO BE DISCUSSED 3:11 PM**

1. **Community Services Budget 3:12 PM**

   **Pamela Sloan, Director of the Community Services Department 3:12 PM**

   Director Sloan provided a budget report to the Committee with the aid of a PowerPoint presentation (filed) and answered questions from the Committee.

2. **Police Department Budget 3:29 PM**

   **Assistant Police Chief Blair Ulring 3:29 PM**

   Assistant Police Chief Blair Ulring provided a department budget overview to the Committee with the aid of a PowerPoint presentation (filed) and answered questions from the Committee.
RECOMMENDATIONS 4:19 PM

The Committee recommends approval of the following:
- Change the date for the next meeting to Tuesday, February 10, 2009 at 5:30 p.m.
- Schedule a field trip to the Washington Mutual Building for the Budget Committee.

PUBLIC COMMENT 4:06 PM

Gary Malloy, Public Member 4:06 PM

Mr. Malloy addressed the significance in reviewing retirement funds.

Chair Fritchen 4:14 PM

Chair Fritchen asked questions regarding City retirement funds to which City Attorney Nosky and Human Resources Director Dianna Garcia responded.

John Boisa, Public Member 4:14 PM

Mr. Boisa spoke to the issue of leadership and the talent within the City and suggested that everyone offer creative ideas regarding the interaction with other levels of government.

Dave Macedo, Fire 4:24 PM

Mr Macedo spoke regarding the City's Pension system.

ADJOURNMENT 4:25 PM

COUNCILMEMBER DALE FRITCHEN, CHAIR

VICE MAYOR KATHY MILLER, VICE CHAIR

COUNCILMEMBER ELBERT HOLMAN, JR.
PREPARED BY: THE OFFICE OF THE CITY CLERK