

**CITY OF MILPITAS
CITIZENS BUDGET TASK FORCE
MILPITAS CITY HALL COMMITTEE MEETING ROOM
APPROVED MINUTES
September 20, 2010**

- I. Call to Order / Roll Call** Task Force Chair Joseph Weinstein called the meeting to order at 2:10 PM
- Present: Task Force Chair Joseph Weinstein; Task Force Vice Chair Anjula Nigam; Task Force Members Deepka Lalwani, Dan Manassau, and Ami Shah; City Attorney Mike Ogaz; Human Resources Director Carmen Valdez; Finance Director Emma Karlen and Recording Secretary Veronica Bejines
Absent: Task Force Member Alan David
- II. Approval of Agenda** Motion: to approve the agenda, as submitted
- Motion/Second: Task Force Member Lalwani/Task Force Member Nigam
- Motion carried by a vote of: Ayes: 6
Noes: 0
- III. Approval of Unapproved Minutes** Motion: to approve the unapproved Minutes, as submitted
- Motion/Second: Task Force Member Manassau/Task Force Member Shah
- Motion carried by a vote of: Ayes: 6
Noes: 0
- IV. Public Forum** None.
- V. Chairperson's Remarks** Chair Weinstein announced that six community members showed up to the Thursday, September 16, 2010 City Budget Meeting at City Hall. Unfortunately, no community members showed up to the Saturday, September 18, 2010 City Budget Meeting at the Senior Center. The next meeting will be held on Thursday, September 30, 2010 at the City Hall Committee Conference Room.
- Task Force Member Lalwani is concerned that there is not a lot of community input and Chair Weinstein felt that the Task Force is doing the best they can to get the information out to the public.
- Chair Weinstein mentioned that for LIUNA pension funds, there is a supplemental above PERS in FY 10-11 with a \$19,000 shortfall. Under the MOU, employees have to make up the shortfall. Under federal law, LIUNA is stating that the Cities and Counties need to make it up.
- Ms. Karlen stated that when MOU contracts are up for negotiations, the City will negotiate with unions to have them pick up the extra charge. Ms. Valdez added that right now, the City is paying on behalf of three unions and the City is responsible for the additional surcharge.
- Chair Weinstein noted that he will be giving a formal update to the City Council on Tuesday night.
- VI. Discussion** Chair Weinstein said the City provided a breakdown of general recreation class under the discretionary budget and wanted to make sure all of the members received the handout. Ms. Karlen added that she provided a vendor payment report over \$50,000, outsourcing versus park maintenance (\$1.2 million) report, and a couple of other reports. Chair Weinstein also discussed some information

the City Manager had given him.

VII. Task Force Subcommittee Reports

- a. Departments
- b. Programs
- c. Benefits and Salaries
- d. Income or Revenue

- a. Chair Weinstein said he would like to add any discussion with the School District under Departments as well as combining of job functions and resources.
- b. Task Force Member Manassau asked what mobile home inspections are. City Attorney Ogaz stated that the state regulates mobile homes and he would be happy to provide a report.

Task Force Member Manassau asked if the Stay and Play Program and After the Bell Program are the same thing and Ms. Karlen said that it used to be called Stay and Play and they renamed the program to After the Bell. Task Force Member Manassau is concerned that the program is not being fully utilized because the website states that the program charges \$1,080 per kid and there are 219 kids enrolled which comes out to \$236,520 however half that much revenue is recorded. Chair Weinstein suggested that maybe kids from lower income are paying a different fee. Ms. Karlen stated that everyone should pay the same fee. The City does have a Recreation Assistance Program which is a grant that they give to the parents of the kids and the parents use the grant to pay for tuition. City Attorney Ogaz suggested that Bonnie Greiner attend the next meeting and give an update. Task Force Member Manassau also asked if Ms. Greiner could talk about Sports Center revenue and Adult Sports. He is concerned that three quarters of the people who are signed up for Adult Sports are not residents and are paying \$600.00 each.

Task Force Member Lalwani stated that City programs have an emotional impact and she needs to do more research. Chair Weinstein agreed and said the City has a moral and ethical compass and it is not just about dollars and felt that the City needs to get revenue from residents outside from the City. The Task Force needs to be objective and present ideas and opportunities to the City Council. Task Force Member Manassau asked how many people utilize the programs.

- c. Task Force Member Manassau said next time they will make recommendations on additional pay. He asked if staff has put together any information on the two-tiered system. Ms. Karlen stated that nothing formal has been put together yet. There will be a discussion about how much it would save in the long run at the Finance Subcommittee on September 29th.

Chair Weinstein asked staff to explain 2.7% at 55 and if it is policy or mandated. Ms. Karlen said it is negotiated and mandated for current employees. Task Force Member Manassau asked if it is possible to change the age for future employees and Ms. Karlen said yes. There are approximately four or five formulas under Calpers that you can choose from and Ms. Valdez said she would provide the information at the next meeting. Chair Weinstein said he would like a summary sheet that breaks down each of the element from the retirement. Ms. Valdez said Calpers has a spreadsheet already and she will provide the information.

Chair Weinstein asked if it is against the law to make changes to MOU's. City Attorney Ogaz said yes and that he had provided a memo regarding legal authority awhile back regarding this topic and he would e-mail the memorandum again.

Task Force Member Lalwani said she spoke to Bob Brownstein, San Jose's former Budget Manager, who does not like the two tier system because it

does not boost employ morale. In the future, she will be providing a memo to the Task Force on behalf of Mr. Brownstein.

In response to a question from Task Force Member Lalwani, Ms. Valdez stated that vacation is capped. Employees hired before 1999 are allowed to cash out their sick leave and after 1999, you cannot cash out sick leave. The City can send the unused sick leave to Calpers and add to years of service. 2,000 hours of sick leave is one year of service to Calpers.

Chair Weinstein asked what the limit of sick leave per year is. Ms. Valdez said it is based on a formula. Chair Weinstein asked if sick pay is a negotiable item and City Attorney Ogaz said yes. Chair Weinstein asked Task Force Member Manassau if he could look at adding sick pay as a percent to service years and ask the City for a cost.

Task Force Member Manassau asked why police and fire get seven weeks of vacation a year. Ms. Valdez said that police and other employees work forty hours a week and fire work 2,912 hours a year in 24 hour shifts. Ms. Karlen added that they are on paid status and are entitled to their vacation.

Chair Weinstein stated that the City is paying over 60 percent medical and are looking at an outdated public safety model. He called the ex mayor of Sunnyvale and they combine their police and fire departments. He said that the City Manager would bring new ideas and felt that the City could be looking at a different public safety structure in the future.

Task Force members Lalwani asked why fire and the paramedics come at the same time. Chair Weinstein stated that they come at the same time because of public safety. For example, if there is an accident, the paramedics respond to the citizens and police and fire control traffic or hazardous materials on site. He also suggested that police and fire could come to the meeting and explain to the group.

The Task Force took a five minute break at 3:10 p.m.

Task Force member Manassau distributed a memorandum from the subcommittee re: employee salary reduction. Task Force member Shah asked where did the 15% reduction come from. Task Force member Manassau said he received it from the Grand Jury Report which stated that the City's salaries are at the higher end of the pay scale and he is estimating that the City's salaries are approximately 15% above other cities. Chair Weinstein said the subcommittee's recommendation will be brought up for discussion with the task force when making the final recommendation to the City Council. Task Force member Manassau said next time they will bring up additional pay.

- d. Task Force Member Shah said that the subcommittee suggested that the City hold a public forum for small businesses to see how the City could help them and to bring more small businesses to the City to generate revenue. Chair Weinstein said that the subcommittee would like to meet with Ms. Barnhart so that they are not duplicating what she is doing.

Vice Chair Nigam said the subcommittee also discussed creating open bidding for concessions for public events at parks and opening the Sal Cracolice building for outside rentals.

Chair Weinstein asked what is the timeline for the Conference Center and Ms. Karlen said that Ms. Barnhart is the project manager and would have

more information. Chair Weinstein asked which facilities are available for rent and Ms. Karlen said all City facilities are available for rent. Chair Weinstein suggested that Ms. Barnhart give the Task Force an update on the Conference Center and give the task force an update on revenue generation ideas.

**VIII. Future Agenda
Items / Next
Meeting**

Chair Weinstein would like the task force to bring specific recommendations/ideas about how to cut the budget and then he will ask City staff to check the figures. He also said the Mayor and Council would like the final report by the end of October/early November.

Task Force Member Shah needed clarification on the vendor report and questioned the high amount of liability insurance and Ms. Karlen said she would double check the figures.

IX. Adjournment

Meeting was adjourned at 4:01 PM to the next meeting on Monday, October 4, 2010 at 2:00 PM.

Respectfully submitted,

Veronica Bejines, Recording Secretary