

**CITY OF MILPITAS
CITIZENS BUDGET TASK FORCE
MILPITAS CITY HALL COMMITTEE MEETING ROOM
APPROVED MINUTES
October 18, 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 Alan David, Deepka Lalwani, and Ami Shah; City Manager Tom Williams, City Attorney Mike Ogaz; Human Resources Director Carmen Valdez; Finance Director Emma Karlen, and Recording Secretary Veronica Bejines
Absent: Task Force Member Dan Manassau
- II. Approval of Agenda** Motion: to approve the agenda, as submitted
- Motion/Second: Task Force Member Lalwani/Task Force Member David
- Motion carried by a vote of: Ayes: 5
Noes: 0
- III. Approval of Unapproved Minutes** Motion: to approve the unapproved Minutes, as submitted
- Motion/Second: Task Force Member Lalwani/Task Force Member David
- Motion carried by a vote of: Ayes: 5
Noes: 0
- IV. Public Forum** None.
- V. Chairperson's Remarks** None.
- VI. Discussion** Chair Weinstein asked how much it would cost to run the City without employees and salary and City Manager Williams said \$11 million dollars.
- Chair Weinstein said he would like to see a breakdown of the \$11 million dollars.
- VII. Task Force Subcommittee Reports**
- a. Task Force Member Lalwani passed out a sheet on the City's recreational programs and asked for clarification on the fees for residents and non residents.
- a. Programs Chair Weinstein asked if the Task Force wanted to cut a program from the City, would there be overhead costs associated with it. City Manager Williams said it depends on the program. For example, if you wanted to cut the preschool program, jobs would be eliminated. However if you wanted to cut the swim team, half a position would go with that.
- b. Income or Revenue
- c. Benefits and Salary
- d. Departments Chair Weinstein asked if the City could go to vendors and tell them to reduce their price by 10% or the City will take them out to bid and City Manager Williams said it depends on the term of the contract.
- Chair Weinstein asked if the City has a contract with the copy machines and City Manager Williams said the City piggybacks with the City of San Jose and was able to get a bulk sale price.
- Task Force Member Lalwani asked what would be the number to get the

After the Bell Program and Preschool Program 100% cost recoverable based on last year.

After a question regarding school crossing guards, City Manager Williams said it is the school district's responsibility to provide safety to the children however the City goes above and beyond, providing service to the school children.

Task Force Member Shah suggested using parents as volunteers for the crossing guards. Chair Weinstein asked if it is a liability using parents as volunteers and City Attorney Ogaz said they would have to be trained and fingerprinted.

Ms. Valdez added that the crossing guards are part time employees and work other jobs.

There was some more discussion regarding the Tidal Waves Program, Adult Sports, and Neighborhood Beautification Program.

Task Force Member David suggested canceling the Adult Sports Program or increasing the fees.

- b. Regarding the Fourth of July Event, Chair Weinstein suggested charging \$5.00 per family, \$3 per individual, and donating \$1 to the School District. Ms. Karlen recommended charging each individual rather per family.

Chair Weinstein suggested that the Task Force make a policy that the City cannot approve the budget if costs exceed revenue.

City Attorney Ogaz said it is a question of using reserves however the Task Force can make a policy statement.

Chair Weinstein said he would like to make it a City Ordinance and asked the City Attorney if he could look into it and City Attorney Ogaz said he would be happy to.

- c. Vice Chair Nigam and Task Force Member Shah passed out a memo on their policy recommendations and Task Force Member David passed out his compensation and benefits recommendations.

Vice Chair Nigam suggested that the City should hire a management consultant firm to look at the budget deficit and make some recommendations to balance the budget.

Task Force Member David asked what the largest contributor to the deficit is and Ms. Karlen said pension and benefits.

Chair Weinstein asked Ms. Karlen if she could provide the additional sales tax for Wal-Mart from the Planning Document and Ms. Karlen said she would provide it if it is available.

In regards to Chair Weinstein's questions, Ms. Valdez pointed out that the salary table is on the website.

Chair Weinstein said he has lived through numerous ten percent pay cuts and agrees that something needs to be done across the board.

Chair Weinstein asked about the compensation survey that was done

comparing City salaries and Ms. Valdez said the City hired a consultant to do a compensation survey. In the past negotiations, the unions used to ask for salary comparisons but that has not been done for the last three years.

Chair Weinstein reiterated that the City of Milpitas is in the 90th percentile in regards to salary in the County of Santa Clara and felt the City should be in the 75th to 80th percentile range. He felt that employees do not like it when they are told their pay is being cut and wants the City to hold salary and benefits until they can balance the budget and to completely freeze all City positions. He pointed out that three years ago, education stopped salary increases and stopped benefits for dependents.

Task Force Member Shah said a 7% cut is unfair to lower level employees.

Ms. Karlen said that every employee including management received a 7% cut except fire and the City was able to save \$2.1 million.

Chair Weinstein asked if you can have different policies with different unions and City Attorney Ogaz said yes.

Ms. Karlen went over RDA charges.

In regards to Chair Weinstein's questions, Ms. Valdez said the City can institute a hiring a freeze and not fill positions.

Chair Weinstein asked what happened to the MOU's in Vallejo and City Attorney Ogaz said they are in the courts hands.

Vice Chair Nigam asked if Calpers can be vested into a 401k and City Attorney Ogaz said no.

In regards to Chair Weinstein's questions, City Manager Williams said the City saved over \$3 million in the adopted budgets and has a soft hiring freeze.

Chair Weinstein asked the City Manager what he would do if he could not spend more than revenue. City Manager Williams said he would hire one public works Manager and look at contracting park maintenance. He would also look at the different recreation programs and say they would have to be 100% cost recovery.

d. None

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

Chair Weinstein proposed that the Task Force e-mail him specific questions and he will forward the e-mails to City staff. He also suggested that the Task Force will need to have an extra meeting in the second and third week of November.

IX. Adjournment

Meeting was adjourned at 5:00 PM to the next meeting on Monday, November 1, 2010 at 2:00 PM.

Respectfully submitted,

Veronica Bejines, Recording Secretary