

**MINUTES
SPECIAL MEETING OF THE SAN MARINO CITY COUNCIL
MAY 12, 2017 –8:00 A.M.**

CALL TO ORDER Mayor Richard Sun called the meeting to order at 8:01 a.m.

PLEDGE OF ALLEGIANCE

ROLL CALL **PRESENT:** Councilman Huang, Councilman Talt, Councilman Yung, Vice Mayor Ward, and Mayor Sun

PUBLIC COMMENTS

There were no public comments at this time.

DISCUSSION

1. FISCAL YEAR 2017-18 BUDGET REVIEW

Interim City Manager Cindy Collins presented the staff report and provided an overview of the zero-based budgeting approach which was used in the preparation of the proposed budget. The new approach resulted in a \$268,711 reduction in the area of services and supplies. She reported that the proposed \$29.3 million of expenses included \$24.4 million in operating costs, \$3.9 million in capital improvement projects (CIP), and \$1 million capital equipment purchases. Ms. Collins noted that the two major challenges facing the City are the unfunded pension liability costs and the City's aging infrastructure.

Contract Finance Director Misty Cheng presented the proposed 2017-18 budget appropriations and revenues. Ms. Cheng noted that 62% of revenue received by the City is from property taxes, which is the main tax base for San Marino.

Parks and Public Works Director/City Engineer Dan Wall presented the proposed fiscal year 2017-18 Capital Improvement Plan. He stated that of the \$3.94 million for capital improvements, \$2 million would be used for street improvements, including segments of California Boulevard, San Marino Avenue, Canterbury Road, Euston Road, Oakwood Drive, Palmas Drive, and Somerset Place. Mr. Wall also stated that \$250,000 is proposed for sidewalk replacement. Mr. Wall noted that the City's sewer and storm drain system is nearing the end of its useful life, and \$265,000 has been proposed in this year's budget to fund on-going replacement projects and develop a sewer master plan. Other facility improvement projects include renovations of the Lacy Park restrooms, exterior painting of Crowell Library, refurbishment of the fire department restroom and pedestrian lights at the Old Mill.

The following person(s) spoke:

Al Boegh, San Marino, commented on Lacy Park irrigation, the proposed vehicle and equipment purchases, and reducing staff costs.

Susan Jakubowski, San Marino, commented on the establishment of infrastructure investment and building maintenance programs, earthquake preparedness reserves, and employee cross-training and employee fill-in costs.

Dennis Kneier, San Marino, commented on the pedestrian lighting at the Old Mill and stated that the Rotary Club would be making a donation to the City for the project.

Interim City Manager Cindy Collins presented the Administrative Services Department's fiscal year 2017-18 proposed budget. She stated that the Administrative Services Department will centralize the City's finance, human resources, and information technology (IT) functions, which will result in an increase in personnel costs, but a decrease in contract costs. For the next fiscal year, the department will experience an overall operating cost increase of approximately \$240,000, which will result in a total department expenditure of \$2.75 million.

The City Council inquired about a variety of issues, including the costs for IT services, cost of service fee survey, the city's investments, and banking service fees.

Mayor Richard Sun requested the staff inquire about a new bank with which the city could bank, and consider postponing the cost of fee survey for the city's fees and fines.

Councilman Talt left the meeting at 9:44 a.m., and returned at 9:45 a.m.

The following person(s) spoke:

Dennis Kneier, San Marino, commented on the organizational changes and City Manager recruitment.

Al Boegh, San Marino, commented on the 710 Freeway Coalition as well as the training fees for Council Members under the City Council budget.

Saul Roe, San Marino, commented on banking and credit card fees, as well as the City's investments of the reserve fund balance. He also commented on the City's organization and that the City Clerk should report directly to the City Council.

Stef Dietrich, San Marino, commented on the telephone system and consider leasing the telephone equipment. He also commented on making hard copies of the budget available to the public free of charge.

Susan Jakubowski, San Marino, commented on contract legal services and attorney functions. She also commented on the new Administrative Services Director taking over banking services to save the City money.

Hai Sou Chen, San Marino, commented on the return on investment reserves.

City Treasurer Marina Wang provided a background on the City's investment policy.

Planning and Building Director Aldo Cervantes presented the Planning and Building Department's fiscal year 2017-18 proposed budget totaling \$1,172,786. He noted that 75 percent of the department's costs are recovered. He also informed the Council that an upgrade to the business license software, known as HDL Prime, will allow businesses to renew licenses and pay online and allow more efficient communication between the City and businesses.

The City Council inquired about the revenue trend for the department, specifically the fines and forfeitures.

The following person(s) spoke:

Susan Jakubowski, San Marino, commented on the paid intern in the budget and suggested piloting unpaid internships for college students. She also commented on performing a cost recovery analysis for the new code compliance officer.

Police Chief John Incontro presented the Police Department's fiscal year 2017-18 proposed budget, and stated it is projected to spend an additional \$115,000 compared to the current year for a total budget of \$6,857,898. Chief Incontro attributed the increased expense to an increase in uniform costs, contract services for maintenance of equipment, non-capital equipment purchases and a decrease in reimbursements from the state. He reported that the Police Department has set the following goal in 2017-18: filling the remaining four police officer vacancies, reducing part 1 crimes by five percent, increasing community meetings by 10 percent, and developing and implementing a volunteer program.

The City Council inquired about the current vacancies in the Police Department, cost recovery compared to other cities, department revenue, and employee law conferences.

Mayor Sun called for a recess at 11:00 a.m.

Mayor Sun reconvened the meeting at 11:10 a.m.

Fire Chief Mario Rueda presented the Fire Department's fiscal year 2017-18 proposed budget, which is expected to increase by \$96,000 compared to the current year's budget. The proposed total budget for the department is projected to be \$6,222,669. Chief Rueda stated that the proposed budget includes \$710,000 for a new fire engine, noting that the Department's reserve engine is nearing the end of its useful life. He also requested a new defibrillator for its frontline engine.

Interim City Manager Cindy Collins reported on the 5 categories of overtime: general benefit accruals, injury on duty (IOD), vacancy, shared command, and strike team.

The City Council inquired about a variety of issues, including the trade-in value for used equipment, the overtime costs by category, the cost of a temporary "suitcase" firefighter, the downtime for the City's fire engines, and the City's contribution to PERS.

Fire Chief Mario Rueda presented the fiscal year 2017-18 proposed budget for the Emergency Management Program. The proposed total budget for the program is projected to be \$76,826. Notable changes include purchasing radios for the City's Emergency Operations Center (EOC) as well as upgrades to the EOC.

The following person(s) spoke:

Al Boegh, San Marino, commented on the debt service fund for Fire and Police.

Mayor Richard Sun requested that data on the original amount of the debt service and the remaining balance fund be provided to the Council.

Parks and Public Works Director/City Engineer Dan Wall presented the Parks and Public Works Department's fiscal year 2017-18 proposed budget, and reported that expenses are projected to decrease by approximately \$60,000 for a total of \$3,405,470. He noted that the City has started using its own resources whenever possible to reduce overall costs such as in the repair of the outer loop in advance of the slurry seal project, and in using in the demolition of the Rose Arbor.

The City Council inquired about alternative service delivery models.

Recreation Manager Rosa Pinuelas presented the Recreation Department's fiscal year 2017-18 proposed budget, and stated that the Recreation Department budget is projected to decrease by \$36,000 compared to fiscal year 2016-17 for a total budget of \$2,223,898. She also noted that department is expected to recover 77 percent of its general fund costs. Ms. Pinuelas stated that, in the 2017-18 fiscal year, the department will to continue to expand senior citizen programming, increase the number of Recreation Commission meetings, and continue to analyze special events for cost recovery and sponsorship opportunities and age diversification.

The City Council inquired about the aquatics program and how the cost recovery rate compares to that of other cities.

Councilman Talt left the meeting at 12:10 p.m., and returned at 12:11 p.m.

City Librarian Irene McDermott presented the Library Department's fiscal year 2017-18 proposed budget, and stated that the Library budget is projected to decrease by \$65,000 for a total budget of \$1,583,100. She also noted that the library has grossed over \$150,000 in passport acceptance fees. Ms. McDermott reported that capital outlay in the upcoming fiscal year includes exterior painting, a server upgrade and a radio frequency identification inventory tracking system.

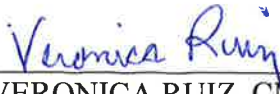
The following person(s) spoke:

Susan Jakubowski, San Marino commented on the cost of paper towels.

No action was taken at this time.

ADJOURNMENT

The San Marino City Council adjourned at 12:21 p.m. the next adjourned regular meeting to be held on **FRIDAY, MAY 26, 2017, at 8:00 A.M.** in the City Hall Council Chamber, 2200 Huntington Drive, San Marino, California.


VERONICA RUIZ, CMC
CITY CLERK