
Council recessed at 8:20 p.m. for a ten minute break.
The meeting reconvened and all members were present.

4. **REGULAR AGENDA**

4.1. **CONSIDERATION OF APPOINTMENT OF THREE ADDITIONAL MEMBERS TO THE GENERAL PLAN ADVISORY COMMITTEE (GPAC)**

At its meeting of 11/27/07, the City Council voted to add three additional members to the GPAC. Staff surveyed the applicants from the recruitment who met the criteria for appointment and Council was provided with a list of those applicants. *(Report - Deborah Presson, City Clerk)*

The Council was provided with a copy of e-mails received from Richard Elsom and Darlene Baxman.

The City Council appointed Sara Adams, Kristin McHenry, and Michael Worley to serve on the General Plan Advisory Committee.

4.2. **CONSIDERATION OF FINANCE COMMITTEE RECOMMENDATIONS REGARDING BUDGET DEFICIT ALTERNATIVES**

The Finance Committee held a series of meetings to discuss alternatives to balance the General and Park Funds' Ten Year Financial Plan and to address its structural deficit. At its last two meetings, held 11/27/07 and 12/05/07, the Committee considered recommendations from the Interim City Manager related to a strategy to balance the Plan. *(Report - Dave Burkland, Interim City Manager)*

The City Council was provided with letters and e-mails from the following:

Macy Kelly, President - Chico Friends of the Library, Hazel Larsen, Mildred Kiown, Seymour Egert, Chris Jennings, Brooks Thorlaksson, Maria Phillips, Dolores Mitchell, and Giovanna Jackson - Avenue 9 Gallery, Phil Ruttenburg, Executive Artistic Director - Chico Cabaret, Lois Ardell, Gerald Davis, Stephan R. Wattenberg, Esq., Janice Porter, Earl Jessee, Art Director - Learning Change, Celina Paul, Carl R. Ochsner, M.S., Executive Director - Work Training Center, and a memo from the Chico Firefighters.

Addressing the Council were Juanita Sumner, Frank Zebley, Terry Moore - representing the Chico Police Officer's Association and Bill Hack - representing the International Association of Firefighters.

Speaking in opposition to possible library funding cuts were John Few, David Wilson, Hannah Moravec, Macy Kelly, Anna Guiles, Joan Olmstead, and Margaret Bomberg.

Addressing the Council in opposition to any proposed cuts to Community Organization funding were Maria Phillips, Ty Gorton, Weston Thomson, Debra Lucero, Dolores Mitchell, Emily Alma, Paul Friedlander, Deborah Jorritsma, Janice Porter, Louisiana Knox, Louise Philippi-Derr, Pat Kemeny Macias, Jeff Lindsay, Paula Busch, Evan LeVang, Diane Cooper, Norma Wilcox, David Sutherland, and Debra Abbott.

The Council voted 7-0 to extend the meeting to 10:30 p.m.

1. Strategy to Balance the City's Ten Year Financial Plan.

A motion was made by Vice Mayor Schwab and seconded by Councilmember Bertagna to adopt the Strategy to Balance the City's Ten Year Financial Plan as listed in the staff report.

The motion carried by the following vote:

AYES: Bertagna, Flynn, Gruendl, Nickell, Schwab, Wahl, Holcombe
NOES: None

2. Resolution to Adopt Annual Budgets

A motion was made by Councilmember Bertagna and seconded by Councilmember Wahl to adopt the following resolution authorizing the preparation of an annual budget for 2008-09 Fiscal Year.

RESOLUTION NO. 143-07 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO ELECTING TO ADOPT ANNUAL BUDGETS FOR THE CITY OF CHICO, THE CHICO PUBLIC FINANCING AUTHORITY AND THE CITY OF CHICO PARKING AUTHORITY COMMENCING WITH THE 2008-09 FISCAL YEAR

The motion carried by the following vote:

AYES: Bertagna, Flynn, Gruendl, Nickell, Schwab, Wahl, Holcombe
NOES: None

3. Measures with \$0 Reduction or Forwarded Without Recommendations by the Finance Committee

A. Library Funding

A motion was made by Councilmember Wahl and seconded by Vice Mayor Schwab to leave the funding in place for the Chico branch of the Butte County Library for the Fiscal Year 08/09, with a friendly amendment requested by Councilmember Gruendl (and accepted by Councilmember Wahl) to request the discussion of a long-term strategy for library funding be included in the Finance Committee's consideration of the Phase I and Phase II planning and implementation.

Mayor Holcombe noted that while he was supporting the motion to not reduce the funding for the 2008/2009 fiscal year, that both the library and Community Organization funding were not off the table and should be included in the on-going discussion of weighing one service to another.

The motion carried by the following vote:

AYES: Bertagna, Flynn, Gruendl, Nickell, Schwab, Wahl, Holcombe
NOES: None

B. Community Organization Funding

A motion was made by Vice Mayor Schwab and seconded by Councilmember Bertagna to: (1) not make any cuts at this time but keep the Community Organization funding for FY 2008/2009 at the 2007 level; (2) incorporate new criteria in order to measure economic development impacts or benefits; and (3) direct that Community Organization funding will continue to be part of the Finance Committee discussions when long-term strategies are being developed.

Councilmember Gruendl noted for the record that he believes that the Community Organization funding issue is really two-fold, with TOT and Economic Development being revenue generators while social organizations are not. He stressed that there may still be a need to be look at Community Organization funding as part of the structural change needed to address the fiscal situation.

The motion carried by the following vote:

AYES: Bertagna, Flynn, Gruendl, Nickell, Schwab, Wahl, Holcombe
NOES: None

The Council voted 7-0 to extend the meeting to 11:15 p.m.

Council recessed at 10:45 p.m. for a ten minute break.
The meeting reconvened and all members were present.

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4. Approve the remaining immediate expenditure/revenue measures set forth in the agenda report.

Councilmember Gruendl noted for the record that a significant reduction in costs totaling \$912,323 has already been realized through renegotiated labor contracts pertaining to the Cost of Living formulas. In addition, staff has made other reductions through re-organizations, solar programs, fleet optimization, etc. In pursuing the remaining measures related to employee wages, benefits, etc., Councilmember Gruendl indicated that he would have a hard time asking employees to make these additional cuts if the Council was not willing to look at cuts in other areas.

A motion was made by Councilmember Bertagna and seconded by Councilmember Gruendl to approve: (1) pursuing the remaining immediate expenditure/revenue measures set forth on Exhibit "C, Section III, which are listed as follows, excluding the items (5, 6, and 13) pertaining to "parking" measures which will be addressed separately; and (2) direct staff and all employee bargaining group representatives to begin immediately to discuss the framework as to how the City and labor groups will meet and confer on all labor related items.

Specifically:

- 1) Limit medical insurance contributions, with goal of reducing General and Park Fund costs by \$450,000 per year.

Organizational Impact: 58% of employee base have enhanced Health plans (higher coverage than the Double 80/20 PPO plan). Highest impact – \$3,181 per year per employee. Lowest impact – \$206 per year per employee.

Community Impact: None

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- 2) Fire Department to achieve annual cost savings with a goal of \$340,000 – \$400,000 per year.

Organizational Impact: Fire Department to develop a plan to achieve targeted savings.

Community Impact: Dependent on the plan developed by the Fire Department.

- 3) **Reduce Fleet Replacement Reserve by \$300,000 for the next four years.**

Organizational Impact: May result in the delay of vehicle replacements.

Community Impact: More efficient use of funds.

- 4) **Reduce transfer to Private Development Fund by revising Development Services fee.**

Organizational Impact: Less reliance on General Fund.

Community Impact: Fees for service would cover the cost of providing the service.

- 7) Freeze Managements' merit pay increase for one year.

Organizational Impact: Potential compaction issue between union employees and management employees.

Community Impact: None

- 8) Reduce costs of processing business licenses by issuing 2-year licenses.

Organizational Impact: Allows staff to focus on revenue collection efforts for all funds.

Community Impact: Increased convenience for the majority of businesses.

- 9) Privatize Airport operations.

Organizational Impact: Potentially use contractor to perform day to day maintenance. Still under review.

Community Impact: None

- 10) Partially close City Hall between Christmas and New Years'.

Organizational Impact: Savings achieved by reducing energy costs and salary savings.

Community Impact: Typically this week has very low activity at City Hall – impact would be minimal.

- 11) Implement a fee for the usage of the Council Chambers and Conference Rooms by outside agencies.

Organizational Impact: Partial cost recovery for the use and upkeep of the Chamber Building.

Community Impact: Impact to those organizations who utilize the Chamber Building.

12) Reduce contributions to CMDs by increasing the maximum assessments limitations.

Organizational Impact: Would require a majority vote of those within the affected Maintenance District.

Community Impact: None

14) Develop sustainability features in new Police Facility to reduce on going operating costs.

Organizational Impact: None

Community Impact: None

15) Research a two-tiered benefit system.

Organizational Impact: Long-term solution. Immediate savings would not be realized. Could impact City's ability to recruit and retain employees.

Community Impact: If the City's ability to retain and attract employees is impacted, service delivery could be negatively impacted.

16) Research Pension Obligation Bond option to refinance PERS liability.

Organizational Impact: Pension Obligation Bonds are only successful if they are issued at a rate lower than the rate paid to PERS.

Community Impact: None

The motion carried by the following vote:

AYES: Bertagna, Flynn, Gruendl, Nickell, Schwab, Wahl, Holcombe

NOES: None

A motion was made by Councilmember Gruendl and seconded by Councilmember Bertagna to approve the remaining items listed on Exhibit "C, Section III, with Councilmember Wahl and Vice Mayor Schwab disqualified due to owning property and/or owning a business in the downtown area and/or within 500 ft. of a parking meter.

5) Expand parking enforcement efforts.

Organizational Impact: Impact would depend on method utilized to increase enforcement. Costs related to the use of technology or additional enforcement officers would be offset by the increased revenue.

Community Impact: Improved parking turnover in the downtown area and areas surrounding the campus.

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- 6) Increase parking fine from \$15 per citation to \$20 per citation.

Organizational Impact: None

Community Impact: Higher penalty for parking citations.

- 13) Increase the late penalty for delinquent parking citations from \$30 to \$35.

Organizational Impact: None

Community Impact: Higher penalty for delinquent payments.

The motion carried by the following vote:

AYES: Bertagna, Flynn, Gruendl, Nickell, Holcombe

NOES: None

DISQ: Wahl, Schwab

4.3. **FUTURE MEETINGS**

The Council scheduled the January 15, 2008 - Adjourned regular meeting's closed session to be held between 5:30 p.m. and 7:00 p.m., followed by an adjourned regular meeting in the Council Chamber.

4.4. **ITEMS ADDED AFTER THE POSTING OF THE AGENDA – None**

5. **BUSINESS FROM THE FLOOR**

Forest Harlan addressed the Council regarding his concerns over the Disorderly Events Ordinance.

6. **REPORTS AND COMMUNICATIONS**

The following reports and communication items were provided for the Council's information. No action was taken on any of the items unless otherwise noted.

6.1. **DEVELOPMENT IMPACT FEE REPORT (2006-07) FOR THE PERIOD ENDED 6/30/07**

As required by California Government Code §66006(b), the City Council was provided with a copy of the 2006-07 City of Chico Development Impact Fee Report for the fiscal year ended 6/30/07. The statute requires the City Council to review the report, but no particular findings or actions are required.

7. **ADJOURNMENT**

Adjourned at 11:25 p.m. to January 12, 2008 at 7:30 a.m. for a closed session which will adjourn to the adjourned regular meeting of January 15, 2008 at 5:30 p.m., in Conference Room 2 if a closed session is scheduled, followed by an adjourned regular meeting in the Council Chamber at 7:00 p.m.

Date Approved: February 19, 2008

Deborah R. Presson, City Clerk