

The City Council met in adjourned session at the hour of 8:30 a.m. in the Council Chamber, City Hall, on the day above written for continued consideration of the Fiscal Year 2009-2010 Annual Budget.

Present were Councilmembers Borgeas, Brand, Dages, Perea, Westerlund, Xiong, President Sterling, City Manager Souza, ACM Rudd, City Attorney Sanchez, City Clerk Klisch, Assistant City Clerk Salazar, Budget Manager Smith, and necessary staff.

(8:30 A.M.) CONTINUED CONSIDERATION OF THE FY 2010 ANNUAL BUDGET:

FINANCE DEPARTMENT

Interim Finance Director/Controller Bradley gave a PowerPoint presentation on the Finance budget which included an Organizational Overview, FY 2010 Operating Budget Plan, Finance and UB&C 2010 Budgeted Expenditures, Accomplishments, and Projects/Goals in 2010; and Budget Director Smith gave a PowerPoint presentation on the Budget and Management Studies Division budget which included the Budget Office Organizational Overview and Mission, FY 2010 Organization Statistics, and Highlights.

Ms. Bradley and M.A. Jackson responded to numerous questions of Councilmember Xiong related to the business tax/animal license program; to questions of Councilmember Brand relative to HTE and PeopleSoft systems/upgrades/integration, utilities collections and business license fees/the economy/foreclosures/revenue projections, and if an RFP for collections has been considered for cost savings; and to questions of Councilmember Perea relative to animal license revenue received and if revenues go into the general fund.

Lengthy discussion ensued with Ms. Bradley, Ms. Jackson, Assistant City Attorney Sloan, Ms. Smith and City Manager Souza responding at length to numerous to questions and/or comments of Acting President Westerlund, Councilmember Borgeas and President Sterling relative to vacancies, employee transfers into the department, what makes up the 3.4% UBC number, the budget being built on concessions/bargaining unit/if raises were being forgone this year, TRANs/revenues/if the amount should drop with the economy and revenue contractions, the upcoming revamp of the utility rate billing system including if there will be an issue with the existing software and the consultant assisting staff on the issue, FTEs, the Nortridge loan servicing system, if the city's home loans fall under the city attorney contract compliance officer, importance of monitoring contracts to receive revenue for services rendered, Proposition 1-A and if any problems are foreseen with going to market, collateralization for financing, the need to be ready for the state's take, the internal audit division/staffing/vacant position, **(2 - 0)** professional services & consulting, increase in liability self insurance, the contingency reserve, numerous questions on city assets including those available to serve as collateral, tracking of older assets, if there was a policy to capture all assets, importance of having a clear list of assets, if an audit would be helpful to identify assets, formula that identifies the percentage of assets pledged, and importance of and request for numbers on pledging capacity, and credit verification services and if aggressive steps are being taken to collect old debts. Staff was thanked for their presentation and there was no further discussion.

RECESS - 9:31 A.M. - 9:37 A.M.

FIRE DEPARTMENT

Chief Bruegman gave a PowerPoint presentation on his department's budget which included FY 2009 Accomplishments, FY 2010 Budget, Proposed Modifications to Redeployment Strategy, Current Truck Deployment, Proposed Re-Deployment, 4 Minute Station Coverage Approximately 91% of City Area, Effect of Re-Deployment on 8 Minute Full Effective Force, and Conclusion and thank you to staff. President Sterling also complimented staff and thanked fire employees in attendance for their interest and support.

Jerry Smith, President of Fresno Firefighters Local 753, stated their concerns were the closure of Station Engine 14, Trucks 11 and 9, and elimination of four firefighters and further explained, and stated Truck 9 being out of service would create a hole in the core of the city, he hoped money could be found to keep Truck 9 open 100% of the time instead of 25%, and requested Council's help to find money to keep that truck open.

Chief Bruegman, City Manager Souza and Mr. Smith responded to comments and questions of Councilmember Perea relative to the large size of this budget cut/when a cut this size was last made, if it was true the city had the same amount of firefighters it had in 1989, concerns of the rank and file, what the cost would be to keep Truck 9 open and fully fund the 28 sworn firefighters, what the department's budget means to Local 753 and to rank and file firefighters, if Truck 9 was at the fire that occurred last evening, how the re-deployment would affect a scenario like yesterday's fire, the 2-in/2-out rule, number of firefighters on the street, if consolidation has earned the city any savings, if the proposed re-deployment would affect any fire service contracts, **(3 - 0)** and desire to find resources to put back into the department so rank and file firefighters can do their job effectively and keep the city safe.

MOTION - Perea/Dages - Add back \$825,000 to have Truck 9 in service 100% of the time.

Councilmember Borgeas presented questions and comments relative to the ISO rating and consumer effects, if keeping Truck 9 open would allow the city to hold onto the '3' ISO rating, what the difference was between a truck company and an engine, yesterday's fire and how Station 14 would have responded under the re-deployment proposal, firefighters on the ground and relief pool numbers, cost to keep Truck 9 open 75% of the time, the different numbers being stated and what the true cost was to keep Truck 9 open 100%, and there being an opportunity to consider different staffing levels and percentages of keeping Truck 9 open, with Chief Bruegman and Mr. Smith responding throughout.

DIRECTION - Borgeas - Request for information on scenarios to keep Truck 9 open on a part-time basis (50% - 75% of the time).

Councilmember Brand presented questions and comments relative to what the difference was between overtime (OT) and minimum staffing (shift replacement) pay, if proposed shift/truck changes will have an effect on OT, the relief pool and OT costs, if the department had sufficient staffing given consolidation/contract services/service to county islands, if employees were willing to look at alternatives and do some things to generate cost savings such as not cashing out holiday time/re-scheduling vacation, this being a challenging budget and it being hard to find and take \$825K from somewhere else, the importance of public safety and fire service being a core city service, and desire to find resources to operate Truck 9 70% of the time to save the ISO rating and improve safety, with Chief Bruegman and Mr. Smith responding throughout.

MOTION - Brand/Borgeas - Request Fresno Firefighters Local 753 try to find \$250,000 and the city add \$250,000 to the fire department budget for a total of \$500,000 to operate Truck 9 65%-70% of the time. *Note - this motion was subsequently amended.

Councilmember Dages thanked the firefighters in attendance, stated he also wanted to keep Truck 9 and commended Mr. Smith and the association for only asking for that, stated as an elected official it was his commitment to always try to give enough to public safety which at this time were the firefighters and he would keep his promise as much as possible, and spoke to an earlier motion he made to place \$40,000 for the Employee Survey into contingency and stated he now wanted to re-allocate those funds to the fire department for Truck 9.

RE-TRACK MOTION - Dages/Brand - Reallocate Employee Survey funds (\$40K) and place into contingency.

NEW MOTION - Dages/Brand - Reallocate Employee Survey funds (\$40K) to the fire department for Fire Truck 9

Councilmember Dages continued and spoke briefly to the huge number (37,635) of calls for service, reiterated he would do all he could to increase fire's budget stating 9.77 seemed to be one of the biggest hits of all the departments, and stated now was the time for elected officials to fight for public safety.

Councilmembers Xiong and Perea presented comments and/or questions relative to the large number of calls for service/almost 90% of the 37,635 calls not being directly related to fires and if that was something the city should be comfortable with, if the fire department moved out of the medical service area to allow firefighters to fight fires, what the cost was for the department to provide emergency medical service, if the city contracted with American Ambulance, District 1 growth and public safety challenges, the gap in the area due to re-deployment and there being a need to be equitable throughout the city, need for the department to go back and do what it has to do to keep residents safe, and what the cost was per firefighter, with Chief Bruegman and Mr. Souza responding.

Discussion continued with Acting President Westerlund presenting numerous questions and comments at length relative to calls for service, 23% for "false and good intent" being a significant number, what constitutes "false/good intent", how behavioral economics fits in to reduce that number, general fund departments and how the fire department is faring proportionally in these tough economic

times **(4 - 0)**, if \$800K would be placed with Truck 9 if it were available to place anywhere in the city, if CDBG funds could be used for operations, Clovis' cuts and re-deployments and if staff was monitoring what they are doing, priority medical calls and cuts, if the fire basic MOU was open, if fire management was being asked to reopen their MOU, if a pay freeze was being requested and not a pay cut, costs for unscheduled holiday and relief, and the fire sprinkler issue including if large losses continue to be seen and status of the litigation, with Chief Bruegman, City Attorney Sanchez and ACM Rudd responding throughout.

Councilmember Borgeas stated he concurred with Councilmember Brand on his request to the bargaining unit to continue discussions and concessions and added efforts were clearly demonstrated that Council wants to see Truck 9 open in some capacity.

MOTION - Borgeas/Brand - Move \$140,400 from the Downtown & Community Revitalization Department/Office of the Film Commissioner to the fire department for Truck 9. Councilmember Borgeas clarified this motion was in no way passing judgement on the office of the film commissioner, the department, or the individual holding the position adding fire, as a core service, was more important at this time.

Councilmember Brand noted currently there were motions for \$40K from the employee survey and \$140,400 from the film commissioner and he wanted to add to that.

AMENDED MOTION - Brand/Borgeas - Add \$119,600 from the planning department/general fund portion, to the fire department, increasing the previously made allocation of \$250,000 to a total \$300,000.

President Sterling thanked staff and Mr. Smith for meeting with her and explaining issues, along with those in attendance for their support, and presented comments and questions relative to a safe city being the priority for elected officials, elimination of the public information officer/importance of keeping the public informed/who will handle public information services, how the opening of Fire Station 19 will affect other stations, relief pools, what happens to trucks when truck companies are closed, apparatus on order and funding process, if approval of Truck 9 motions will affect how the department looks at financing down the road, if the department can get through the year with the 28 vacant positions remaining vacant, the balancing of people in relief and overtime, and if station renovations were funded and moving forward. Chief Bruegman was thanked for his presentation and there was no further discussion.

RECESS - 11:32 A.M. - 11:42 A.M.

POLICE DEPARTMENT

President Sterling stated Chief Dyer would give his presentation and Council would then break for lunch and return at 2:00 p.m.

Chief Dyer gave a PowerPoint presentation on his department's budget which included FY 2009 Accomplishments, FY 2010 Proposed Budget, Rising to the Challenge, Proposed Reductions, Grants, Proposed Demotions **(5 - 0)**, Additional Contractions, Mayoral Programs, and Conclusion.

LUNCH RECESS - 11:59 A.M. - 2:02 P.M.

Proceedings continued and upon call, no one wished to be heard

Chief Dyer, City Manager Souza and Budget Director Smith responded at length to comments and/or questions of Councilmembers Perea, Westerlund, Brand, Xiong and President Sterling and or clarified issues relative to the grant application for 55 sworn positions including assumption that the money will be received, the city of Stockton being sternly criticized by the DOJ for doing this same thing, if staff feels Fresno is in a better position, and request that Council be kept posted on the issue and see contingency plans early enough, importance of providing needed public safety for the entire city/if service will be sustained with this budget, need to approach Council in the event impacts are felt on the front line, which areas/programs were being reduced, if any cuts will be made to officer personal safety, training or equipment, fines/traffic fines, citation revenue fees, the exonerated police officers and if the narcotics

unit will be back in business, asset and forfeiture fund, PAL's \$410K funding source, the state budget crisis/early release of prisoners/impact to the city/if resources are sufficient to handle impacts, the officer grant/Fresno's situation being totally different from Stockton/the amount budgeted being prudent and appropriate/Fresno being in a better position to receive grant funds by retaining positions in the past when grant money runs out, if Clinton/Weber substation issues were resolved, when the regional training facility will be completed, video policing cameras including effectiveness of the survey, original community concerns with invasion of privacy, and if any concerns were realized, intervention and prevention programs and reduction amounts, **(6 - 0)** acknowledgment that core services are a priority but concern with cuts to intervention/prevention because it is the easy thing to do, importance of outreach in these tough times to leverage funds and partner, video policing budget, number of cameras currently operational and number originally planned for, if cameras will be placed in Chinatown as requested, if FY09 video policing funds have been absorbed, request for update on the gang tactical teams and appreciation expressed for all being done in that area, and the cut to the graffiti unit and if the same level of removal service will be maintained. President Sterling thanked Chief Dyer for his presentation, and Chief Dyer thanked Council for their continued support for public safety, stated he had no doubt public safety was the highest priority in the city, and added he also felt confident that he could come back to the manager, mayor and City Council if the needs of the city are not able to be met. There was no further discussion.

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President Sterling noted budget proceedings were being continued to June 11th to hear the Downtown & Community Revitalization Department and the Planning & Development Department after the regular council session.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 2:57 p.m. having arrived and hearing no objection, President Sterling continued proceedings to Thursday, June 11, 2009, at 2:00 p.m. for continued consideration of the FY 2010 Budget.

Approved on the __18th____ day of ____ June _____, 2009.

_____/s/_____
ATTEST _____/s/_____

Cynthia Sterling, Council President

Yolanda Salazar, Assistant City Clerk