



MINUTES

SPECIAL MEETING OF THE FINANCIAL ADVISORY BOARD (FAB) Tuesday, Sept 22, 2020 at 7:00 PM

VIA Web CONFERENCE

Staff Liaison

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1. Chair Patterson convened the regular FAB meeting at 7.05 PM.
2. **ROLL CALL** – Chair Dick Patterson; Vice-Chair Farhad Farahmand; Member Tenzin Rangdol. Public: Jim Dolgonas, Vanessa Warheit; Staff: Karen Pinkos, Mark Rasiah. Council liaison Rochelle Pardue-Okimoto.
3. **ORAL COMMUNICATIONS FROM THE PUBLIC** – Ms. Warheit introduced herself.
4. **COUNCIL/STAFF LIAISONS ANNOUNCEMENTS AND REPORTS** – Mark Rasiah said that the draft Proposed Budget had been presented to City Council on 9/15/20 and would be up for adoption at a final public hearing on 10/6/20.
5. **APPROVAL OF THE MINUTES**
Moved/Second: Rangdol/Farahmand. **Action:** Passed a motion adopting the minutes of the FAB meeting on September 8th, 2020. **Ayes:** Members: Farahmand, Rangdol and Patterson. **Noes:** none.
6. **Draft FY 2021 Amended Budget**
Mark Rasiah outlined the revenue assumptions behind each of the revenue lines in the proposed budget and said that overall revenues were expected to be about \$3 million less than in prior years and expenditures were budgeted \$4 million below prior year levels. In response to a question from Chair Patterson on the Fiscal response Plan reductions, Karen Pinkos explained that the budget reflected half the reduction since the staffing savings would not begin until January of 2021. She said that the full reductions would be felt in subsequent years. She also explained the Police Department staffing levels, projected vacancies, restructuring and salary savings as shown in the budget document. Farhad wanted to know if the deferred COLA was an ongoing savings and how the various savings outlined in the PowerPoint slides fitted together. Tenzin wanted to know if the Police Department reductions would increase overtime costs. Chair Patterson wanted to know if the \$1.7 million General Fund deficit is expected to change and what the projections were for the future. Mark Rasiah said that based on the forecast by Management Partners as shown in the budget book, he expected the deficit situation to continue into 2022, absent government support. Chair Patterson wanted to know what plans staff had to address the deficit and worsening fiscal situation. Karen Pinkos said that any further cuts would impact people. She said that she has various scenarios ready that involved cutting staff and negotiating reductions with the bargaining units that will be triggered if the situation worsens and Council directs her to cut costs. Farhad inquired about reductions in the Police Department Budget. Chair Patterson said that the public had indicated a high preference for public safety and that he would not

support further cuts in the Police Department budget. Rochelle Pardue-Okimoto stated that compared to the original forecast for FY 2021, the proposed budget represented an approximately \$4 million reduction in costs that would not have happened if not for Covid. Farhad wanted to know if all of the \$1.5 million Management Partners restructuring recommendations had been accounted for in the budget. Karen Pinkos explained how each of the recommendations had been incorporated and said that the staffing related reductions would take effect in January 2021 whereas the maintenance cost reductions had already been transferred to Measure H. Farhad asked what would be a good time to bring up the question of Council compensation. Karen Pinkos said that given the circumstances this probably was not the best time to review Council compensation. Rochelle Pardue-Okimoto said that given the current circumstances and the work involved she would probably not be able to run for Council with the existing compensation. Chair Patterson closed the discussion and said that the FAB had considered the matter earlier in the year and would reconsider the matter at a later time. The Chair further said that this was not the time to qualify the FAB recommendation with any caveats, given the many unknowns and the challenging conditions under which the budget had been crafted and Farhad agreed that he was prepared to wait a few months, to see how the situation evolves. Chair Patterson thanked the staff for their candid responses to the questions from the members.

Public comments:

Jim D. - The City should reduce salaries rather than take furloughs which impact services to the community.

Vanessa W. – Given the size of the Police Department Budget and how it compares with the Community Development Department budget, consider a shift in resources from Police to Community Development. Council member salaries is not adequate to support the average person running for office.

Moved/Second: Rangdol/Farahmand. **Action:** Passed a motion recommending that the City Council approve the FY 2020-21 proposed Amended Budget. **Ayes:** Members: Farahmand, Rangdol and Patterson. **Noes:** none.

7. **Future Agenda Items** – Financial Statements for September 2020.
First Quarter Investment Report
8. **ADJOURNMENT:** 9:00 PM