



**FINANCE AND BUDGET COMMISSION  
SPECIAL MEETING  
M I N U T E S**

**Location: HUNT BOYER CONFERENCE ROOM  
604 Second Street**

**Thursday, May 28<sup>th</sup>, 2009  
\*\*7:00 PM\*\***

**Commission Members:** FBC- Chair – Johannes Troost, Vice Chair - Jerry Beavers, Daniel Hoang, Chikako Takagi-Galamba, Don Palm, Regular – *vacant*, Alternate – *vacant*

**Commission Members Absent:** Steven Ingram; *Planning Commission Liaison– Lucas Frerichs; Park & Recreation Liaison – Nathaniel Leachman; Open Space Commission Liaison - Helena Chung*

**City Council Liaisons:** None present (*conflict with City Council / DJUSD Board Joint Meeting*)

**City Staff:** Paul Navazio- Assistant City Manager

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**1. Open Meeting** – The May 28<sup>th</sup>, 2009 Finance & Budget Commission meeting was called to order by Commissioner Troost at 7:00 pm.

**2. Approval of Agenda**

It was moved by Commissioner Palm and seconded by Commissioner Hoang to approve the Agenda.

AYES: Troost, Beavers, Hoang, Takagi-Galamba, Palm

NOES: None

**3. Public Comment**

None

**4. Commission and Staff Communications**

Commissioner Troost provided a brief summary of the Town Hall Meeting sponsored by the Coalition of Neighborhood Associations & Davis Vanguard. It was suggested that the Commission consider agendaizing, for a future meeting, establishing a sub-committee to develop one or more community forums, along a similar format, to enhance public awareness and dialogue regarding the City budget.

Commissioner Troost also inquired as to the status of new development projects currently working their way through the review/approval process, noting that the Davis Enterprise had recently reported that the Chiles Ranch development had been approved by the Planning Commission, and would soon be brought before the City Council for consideration. The Commission was specifically interested in the status any fiscal analysis that had been prepared, whether the Commission was scheduled to review such an analysis, and whether the City Council would see a fiscal analysis as part of the discussion of this project.

## 5. City Manager's FY2009/10 Proposed Budget Preview

Staff provided a brief overview of the City Manager's Proposed FY2009/10 Budget, with a focus on the proposal to balance a projected \$3.1 million budget shortfall. Commissioners had previously received the budget proposal.

Staff also highlighted several of the "supplemental" recommendations included as part of the budget proposal, to include:

- Direction to develop an list of ADDITIONAL budget-balancing measures totaling \$1.5 million
- Referral to the Finance and Budget Commission consideration of moving to multi-year budget as well as a budget process with greater emphasis on performance our outcome metrics.
- Referral to the Finance and Budget Commission of a DRAFT Budget and Fiscal Policy Document to guide overall financial management as well as development of future budgets.

Commissioners then discussed the general framework for the budget proposal, focusing on the proposals which were presented along with alternative or contingencies. There was some degree of concern expressed with the concept of approving a budget that makes significant assumptions regarding the outcome of pending issues – ranging from pending grant applications to outcome of labor negotiations.

While commissioners generally support the need to develop additional budget-balancing measures, there was general agreement that both deeper reductions as well as clearer direction re reduction priorities should have been established at the outset of the budget process. The commission noted that they had previously recommended that the City Council direct staff to develop across-the-board 15% reduction proposals back in March, and expressed some level of frustration that it may be too late for any additional proposals to be considered for the FY2009/10 budget.

Following their general discussion, the commission took the following action:

Moved/Second (Beavers/Hoang):

Direct staff to draft a Commission recommendation related to the FY2009/10 Proposed Budget, as follows:

### Recommendation #1 –

The Finance and Budget Commission recommends that, prior to formal budget adoption, the City Council be presented the additional \$1.5 million in potential budget balancing measures being developed at the request of the City Manager, and that consideration be given to the potential for implementing some of these proposals in lieu of some of the balancing measures (or contingencies) included in the City Manager's Proposed Budget. The intent of this recommendation is for the City Council to be able to evaluate as many options as possible in determining how best to balance the FY2009/10 budget.

Recommendation #2 –

The Finance and Budget Commission further recommends that the City Council avoid adopting a budget that includes revenues or cost-savings that cannot be fully assured at this time. The Commission believes that the budget should be balanced based on proposals that are guaranteed to result in a balanced budget, beginning July 1, 2009.

Should the City Council, however, choose to adopt any of the City Manager's recommendations where additional contingencies are proposed to guard against uncertainty of anticipated revenues and/or cost-savings, the Finance and Budget Commission would urge that the City Council – at time of budget adoption - take specific action related to the contingencies so that these would automatically take effect if the primary budget recommendation not realize the assumed contribution to balancing the budget.

Moved/Second (Beavers/Hoang)

Ayes: Troost, Hoang, Palm, Beavers, Takagi-Galamba

Noes: None

**6. Adjournment**

The meeting was adjourned at 8:50 pm by Commissioner Troost.

*Any writing related to an agenda item for the open session of this meeting distributed to the Commission less than 72 hours before this meeting is available for inspection at City Hall, 23 Russell Blvd., Davis in the Finance Office. These writings will also be available for review at the Finance and Budget Commission meeting in the public access binder at the left rear side of the Community Chambers.*