

TAB 2 – Continued Public Hearing for Assessment Districts

Council Member Baca Jr. stated that it was mentioned that the water side is the most expensive, so what percentage of water is for landscaping?

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Mr. Eisenbeisz stated that they can get a report that shows the percentages.

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Council Member Trujillo stated what accounts for the no change in rates this year?

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Ms. Crow stated that due to the fact they did conversions to drought tolerant landscaping and so they are not paying an increased water rate. They reduced the amount of water used.

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Motion by Council Member Baca Jr., second by Council Member Trujillo and carried by a 5-0 vote to Adopt Resolution No. 7161 Approving the Engineer's Reports and Ordering the Levy of Assessments for Fiscal Year 2017/2018 for Street Light Maintenance District No. 1, Resolution No. 7162 for Landscape Maintenance District No. 1, Resolution No. 7163 for Landscaping and Lighting District No. 2 and Approve the Agreement for Collection of Special Taxes, Fees, and Assessments Fiscal Year 2017-18 with the San Bernardino County Auditor-Controller/Treasurer/Tax Collector.

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TAB 3 – Establish a Budget Advisory Committee

Robb Steel, Assistant City Administrator presented a staff report regarding Establishing a Budget Advisory Committee for the Purpose of Preparing a Long Range Financial Plan.

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Mayor Pro Tem Scott stated in his opinion the only qualification should be that the individual is a Rialto resident. His preference is that one individual from each bargaining group and be free from Council Members to hear what people have to say. It should comply with the Brown Act.

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Council Member Baca Jr. stated he concurs with Mayor Pro Tem Scott. He feels they should continue with a Council Ad-Hoc Budget Committee. It's important to have another set of eyes and get outside input. Questions can be vetted out in these committee meetings. Have regular meetings with an agenda. Basically it will act as a Commission.

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TAB 3 – Establish a Budget Advisory Committee

Council Member Carrizales stated that he concurs and looks forward to getting the committee going.

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Council Member Trujillo stated that he looks forward to the budget committee getting started with their ideas on how to address the budget issues.

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Mayor Robertson stated that she is okay having a representative from each bargaining unit. She hopes they have a plan that the committee periodically reports on the status. She agrees that they follow the Brown Act and be noticed properly and fully transparent, meetings open to everyone to observe and participate. Which department will have the responsibility of serving the body?

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City Administrator Story stated that the City Administrator's office and Assistant City Administrator will be the staff liaisons.

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Mayor Pro Tem Scott suggested that they can ask anybody to come and meet with them. And maybe interview each council member independently. Just make it very open.

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Council Member Baca Jr. asked when are they going to begin and how often?

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Mr. Steel stated that task was to be completed in six months. They will need to meet and check the availability to meet twice a month.

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City Council Budget Committee appointments.

Mayor Pro Tem Scott:	Lupe Camacho and David Phillips
Council Member Carrizales:	Daniel Lopez and Carla Perez
Council Member Trujillo:	Ana Gonzalez and Lina Montes
Mayor Robertson:	Stacy Augustine and Robin Austin
Council Member Baca Jr.:	will submit names at a later date.

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Motion by Council Member Baca Jr., second by Mayor Pro Tem Scott and carried by a 5-0 vote to Adopt Resolution No. 7171 Establishing a Budget Advisory Committee for the Purpose of Preparing a Long Range Financial Plan and Advising the City Council regarding Future Revenue Enhancements and Expenditure Efficiencies.

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City of Rialto

Council Chambers
150 S. Palm Ave.
Rialto, CA 92376

Legislation Text

File #: 17-681, **Version:** 1 **Agenda #** TAB 3

For City Council Meeting [July 25, 2017]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb R. Steel, Assistant CA/Development Services Director

Request City Council to Adopt **Resolution No. 7171** Establishing a Budget Advisory Committee for the Purpose of Preparing a Long Range Financial Plan and Advising the City Council regarding Future Revenue Enhancements and Expenditure Efficiencies.

(ACTION)

BACKGROUND:

On July 11, 2017, the City Council approved the FY 18 City Budget. The City Council also accepted a recommendation to form a Budget Advisory Committee to help develop a long-range financial plan and directed staff to prepare options for City Council consideration.

In 1988, the City established a Citizen's Financial Review Committee to evaluate revenue enhancement and expenditure savings alternatives. The City appointed 10 individuals with varying qualifications (see **Exhibit A**, Minutes of March 15, 1988 City Council meeting). In 1993, the City Council established the Budget Advisory Committee to fulfill a similar purpose. This Committee consisted of 10 nominees (2 by each Councilmember) and a representative from each bargaining group (see **Exhibit B**, Minutes of February 16, 1993 City Council Meeting).

Numerous California cities have created Budget Advisory or Financial Planning/Review Committees with varying titles, membership structures, and purposes. Most appear to be standing committees rather than Ad Hoc Committees, although Rialto may select either format. An Ad Hoc Committee generally completes a specific task and the City Council then disbands it, and it may or may not be subject to the Brown Act public meeting requirements. A standing committee conducts regular meetings and performs ongoing duties, and members are often appointed for a fixed term. The City Council should determine whether to establish a fixed term for the Committee's assignment or retain it as an ongoing City Committee.

ANALYSIS/DISCUSSION:

Scope of Duties

Because of the significant scheduled increases in retirement related labor costs (PERS and OPEB), the City intends to develop a long-range financial plan to ensure full satisfaction of all budgetary obligations, including costs of labor (past, present and future), service/supplies, capital outlay, and debt service. The primary purpose of the Budget Advisory Committee is to assist with development of the long-range financial plan and advise as follows:

1. Review the revenue and expense projections forming the key inputs to the long-range financial

plan, and advise regarding actions promoting financial sustainability and optimal service delivery.

2. Evaluate and recommend new or alternative revenue measures, including but not limited to taxes, fees, user charges, and entrepreneurial activities.
3. Review, evaluate, and recommend methods of reducing expenditures or increasing productivity, including organizational changes, alternative service delivery models, new technological investments, and service elimination or reduction.
4. Review and evaluate the various revenue and expense ideas submitted by the City's employees and community members and make recommendations to the City Council.
5. Evaluate the City's capital improvement program needs and recommend budgetary measures to ensure the City sets aside adequate funding to replace equipment and facilities when it becomes obsolete.

In some of the cities surveyed, additional duties included annual budget review, audit review, asset optimization, investment planning, and legislative review. Staff has not included these services in the proposed statement of purpose, but the City Council may choose to add all or some to the scope. The standing committees normally include these ongoing duties.

The meeting frequency, dates and time will be established during the preliminary meetings. The Committee will select its officers (chair, vice-chair, secretary as appropriate), unless the City Council prefers otherwise.

Appointment of Members

The choice of membership structure resides with the City Council. As noted above, the City of Rialto formed a similar Committee twice in its recent history, with 10 members appointed at the recommendation of each Councilmember (2 each). The second Committee also added representation from the bargaining units (probably 4-7 additional members). Neither Committee appears to have included Council participation based upon a review of the minutes.

The City Council should discuss and advise staff regarding the preferred membership structure. This includes the number of at-large members, their qualifications if any, whether to include representatives from employee labor groups (as before), and the role if any of the City Council or the Budget Sub-Committee. The Budget Advisory Committee will receive primary support from appropriate staff members, including the City Administrator, Assistant City Administrator, Contract Finance Officer, and Finance Manager.

Term

The attached Resolution (**Exhibit C**) proposes a fixed term of one year for the Budget Advisory Committee. The City Council may shorten that term, extend it, or make it permanent.

ENVIRONMENTAL IMPACT:

The establishment of the Budget Advisory Committee is an administrative action of the legislative body and is not defined as a project. The proposed action is therefore exempt from California Environmental Quality Act (CEQA). CEQA does not apply to projects for which "it can be seen with

certainty that there is no possibility that the activity in question may have a significant impact upon the environment” (Section 15061(b)(3) of the CEQA Guidelines).

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney reviewed and approved this staff report and the resolution creating the Budget Advisory Committee.

FINANCIAL IMPACT:

The Budget Advisory Committee commits staff resources to the service of the Budget Advisory Committee and there will be some nominal expenses to support the work effort (reproduction, refreshments, etc.). The primary expense associated with the Budget Advisory Committee will be the consultant engaged to prepare the long-range financial plan.

RECOMMENDATION:

Staff recommends that the City Council establish a Budget Advisory Committee and confirm the scope of duties, membership structure, and term.