

**MINUTES OF THE CITY COUNCIL  
SPECIAL MEETING  
Thursday, January 29, 2009**

**CALL TO ORDER/ROLL CALL**

Vice Mayor Scherman called to order the Special City Council meeting of January 29, 2009 at 6:12 p.m.

Present: Mayor Hume, Vice Mayor Scherman, Council Members Cooper and Detrick

Absent: Council Member Davis

Vice Mayor Scherman led the Pledge of Allegiance.

**PRESENTATION – Receive public input on Fiscal Year 2009-10 City Budget**

Vice Mayor Scherman welcomed attendees to the special meeting, which was held at the Senior Center, 8830 Sharkey Avenue, in Elk Grove. She reported that, although the overall economy is suffering, the City of Elk Grove has stayed out of debt through good fiscal stewardship and prudent spending practices.

Finance Director Rebecca Craig gave a brief presentation regarding property tax distribution and 2008-09 General Fund revenues and expenses, which included the following statistics:

**City of Elk Grove General Fund Revenues:**

40% – Property Taxes	3% – Franchise/Business/Vehicle License Fees
36% – Sales and Use Tax	2% – Hotel / Motel Tax
6% – Utility Users Tax	1% – Real Property Transfer Tax
6% – Departmental Revenue	1% – Investment
5% – Other	

**City of Elk Grove General Fund Expenses:**

52% – Police	5% – Quality of Life
18% – Support Services	2% – Debt Service
14% – Revenue Neutrality	1% – Increase Reserves
8% – Policy Direction / Execution	

City of Elk Grove Property Tax (distribution per \$1.00)

- 38.2 cents – Sacramento County
- 25.5 cents – Elk Grove Unified School district
- 22.1 cents – Cosumnes Community Services District
- 4.8 cents – Revenue Neutrality (City of Elk Grove to Sacramento County)
- 3.6 cents – Los Rios Community College
- 2.9 cents – Other agencies
- 2 cents – Library Authority
- 0.9 cent – City of Elk Grove

Ms. Craig reported that the City's General Fund in 2008 was \$55 million and its total budget was \$200 million. She explained that, at incorporation, the City accepted that a portion of the property taxes generated within the boundary would be retained by the County to hold them revenue neutral. She noted that the County benefited from the City's early growth and by year 12 of the agreement will have received the entire amount the City had originally agreed to; however, it was a 25 year agreement. It is estimated that, nationwide, internet purchases results in a sales tax loss of 20%.

City Manager Laura Gill answered general questions about the budget process. She reported that sales tax has decreased this year from \$20 million to \$17.5 million and is expected to be \$16.5 million in 2010. She mentioned that efforts are being focused on improving economic development and increasing business, industry, and jobs in Elk Grove. Additionally, a "shop local" program is being undertaken in partnership with the Chamber of Commerce.

**PUBLIC COMMENT:**

Several members of the Senior Center of Elk Grove urged Council not to decrease the annual \$100,000 Community Service Grant provided to the Center and spoke in support of its programs and services, which included the following:

- Dial-A-Ride Transportation Program;
- 150 volunteers;
- Provides social network for homebound seniors through meal delivery program; and
- Senior Center activities improve the health and overall well being of otherwise isolated senior citizens.


The following suggestions were made relative to the City's budget:

- Consider the long-term fiscal implications of offering 2.7% at 55 years;
- No services should be expanded during fiscal years 2009-10 and 2010-11;
- Decrease starting salaries of new management employees to \$50,000 – \$60,000 range;
- Retain contract city model;


- Discontinue e-tran/e-van and return to a regional transit system;
- Consider relaxing home business regulations;
- Establish rate discounts for seniors and the disabled;
- Do not reduce funding to Police Department;
- Do not reduce Quality of Life funding;
- Businesses should offer improved, personalized service to entice customers to shop in Elk Grove;
- Highlight businesses in specific areas to help communicate to Elk Grove residents what goods and services are offered in the community; and
- No new projects should be undertaken until the economy improves.

**ADJOURNMENT**

With no additional business to conduct, the January 29, 2009 Special City Council meeting was adjourned at 8:00 p.m.

  
\_\_\_\_\_  
SUSAN J. BLACKSTON,  
CITY CLERK

ATTEST:

  
\_\_\_\_\_  
SOPHIA SCHERMAN, PRESIDING OFFICER