

**MINUTES OF THE CITY COUNCIL  
SPECIAL MEETING  
Monday, February 2, 2009**

**CALL TO ORDER/ROLL CALL**

Council Member Detrick called to order the Special City Council meeting of February 2, 2009 at 6:13 p.m.

Present: Mayor Hume, Vice Mayor Scherman, and Council Member Detrick

Absent: Council Members Cooper and Davis

Tom Shine led the Pledge of Allegiance.

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

Council Member Detrick welcomed attendees to the special meeting, which was held at the Holiday Inn Express Hotel, 9175 W. Stockton Boulevard, in Elk Grove. He acknowledged the City's difficult financial situation, due to the overall downturn in the economy. He urged citizens to participate in the City's budget discussions and provide feedback and opinions on priorities.

City Manager Laura Gill reported that a City Council retreat is scheduled at the end of February to discuss budget priorities, upon which City departments will base their 2009-10 budgets and work plans.

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 answered general questions about the budget process. She reported that a computerized system is now in place, which includes processes for chain of authorization and contract approval, which is designed to ensure cost overruns are not made. Sales tax has decreased from \$20 million to \$17.5 million and is expected to further decrease next year. Twelve percent of the total sales tax in Elk Grove is derived from the sale of automobiles. It is estimated that, nationwide, 20% in sales tax is lost due to Internet purchases. The City's General Fund has decreased \$3 million (from initial projections). She reported that Pacific Municipal Corporation (Planning services consultant) is budgeted at \$3,775,000 annually. The City pays lobbyists \$125,000 annually.

Ms. Gill noted that a "shop local" campaign is being undertaken to encourage residents to purchase goods and services at Elk Grove businesses. Building and Planning processes are being streamlined to attract businesses to the community. She noted that a large number of State employees live in Elk Grove and an effort is being made to encourage the State to locate some of its offices in Elk Grove. In response to citizen concerns regarding Community Service Grants, Ms. Gill explained that additional reporting will be required of recipients in the future to ascertain the success of the programs/services and ensure they are not duplicative of City or County services already being provided. She confirmed that there is no guaranteed funding of any Community Service Grants. In reference to the partially constructed Promenade Mall, Ms. Gill explained that the developer (General Growth Properties (GGP)) has invited investors in the project and is attempting to raise capital to pay its debt, due by February 12. In the meantime, GGP and the City are ensuring the property remains secure. In answer to concerns about impact fees, Ms. Gill noted that the City Council will be considering these fees at its meeting on February 11 and pointed out that fees from other agencies also cause a burden on development.

In answer to citizen inquiries, Police Chief Lehner reported that Elk Grove currently has less than one officer per 1,000 residents and is maintaining a five minute response time. Eighty percent of the Police Department's budget is for personnel. There is a focus on traffic enforcement and gang suppression because these were the issues of most concern to residents.

**PUBLIC COMMENT:**

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

- If Community Service Grants are going to be cut, the City should warn past recipients;
- Quality of Life funding should be given to Elk Grove citizens and the programs and services should be funded by private sector sources;
- Place a sunset clause on all future fees, assessments, and taxes so that every two or three years they are reviewed;
- Look for efficiencies in operations to reduce costs;
- Increase efforts to encourage businesses to invest in Elk Grove;
- Police and Fire retirement plans are excessive and unsustainable;
- Establish incentives to retain businesses in strip malls;
- Determine and explain the value on investment of funding allocated to the Economic Development Corporation;
- Add red light cameras east of Highway 99;
- Enforce speed limit in front of schools;
- Do not hire employees who have retired from other jurisdictions, as their longevity will be limited;
- The City's contract model has been very beneficial during economic downturn;
- If possible, end the revenue neutrality contract with the County in 2012, when the total amount of funding originally agreed to, is expected to have been paid;
- Determine whether there are duplications of services between jurisdictions;
- Police services are essential, as it is very important to citizens and the economy of Elk Grove for people to feel safe; and
- Preferences are given to large developers; City processes are cumbersome and fees exorbitant for small landowners desiring to split their parcels.

**ADJOURNMENT**

With no additional business to conduct, the February 2, 2009 Special City Council meeting was adjourned at 8:15 p.m.

ATTEST:



STEVEN M. DETRICK, PRESIDING OFFICER



SUSAN J. BLACKSTON,  
CITY CLERK