



Budget Engagement Commission

Meeting Minutes

March 9, 2017 – 5:00 pm,
Mayor Ceremonial Room

Commission Chairperson Calls Meeting to Order

Commission Chairperson Mendez called to order the special meeting of the Budget Engagement Commission Meeting at 5:04 pm on March 9, 2017 at the Mayor Ceremonial Room located on the seventh floor of Riverside City Hall.

Pledge of Allegiance to the Flag led by Commission Chairperson Mendez

Commission Secretary Calls Roll - All Commissioners were present during Roll Call.

Public Comment

1. Public Comment

Chairperson Mendez called for public comments. The following speakers made comments at this time:

- William Bailey, Jr. spoke about homelessness in the City of Riverside (provided the book "To the Least of These: A Better Christian Response to Homelessness" by John Conrad to the Chairperson)
- Ben Clymer, Jr. thanked the commissioners for serving. Expressed concern about Measure Z spending recommendations from Staff and debt.

Approval of Minutes

2. Approve minutes of February 23, 2017.

The February 23, 2017 minutes were approved by 17 commissioners with two revisions as recommended by Chairperson Mendez and Commissioner Scarano. Commissioner Wright abstained from voting to approve minutes as he was not present during February 23, 2017 meeting.

Consent Calendar

3. No Items for consent

Discussion Calendar

4. Media Relations Policy (Verbal Discussion).

Commissioner Fierro recommended that a spokesperson be appointed for the Commission. Chairperson Mendez indicated that although Staff recommended the Commission Chairperson serve as the Commission Spokesperson, his role as a registered advisor would make it difficult to do so. Chairperson Mendez supported the policy that one person speak to the media on behalf of the Commission and recommended Vice Chairperson Lee serve as the Commission Spokesperson to ensure any public messaging be in a unified voice. Vice Chairperson agreed to serve as the Commission Spokesperson.

Commissioner Scarano also recommended a company line that each commissioner would use to direct media to the Commission Spokesperson. Chairperson Mendez requested that Staff develop a company line and asked for Commissioner Montgomery's input from a legal perspective. Commissioner Montgomery recommended that the Commission obtain input from the City Attorney about the legality of enforcing the restriction that only the Commission Spokesperson speak with the media. Scott Miller, City Chief Financial Officer, advised that the Commission could vote to appoint a spokesperson for the Commission. Scott Miller also advised that voting for a Commission Spokesperson does not prevent commissioners from speaking to the public as private citizens.

Commissioner Delgado inquired if the City Attorney should be present for BEC meetings to provide legal guidance. Scott Miller indicated he would inquire with the City Attorney's Office about its recommendation. Commissioner Mathis made the motion that Vice Chairperson Lee serve as Commission Spokesperson. The motion was seconded by Commissioner Mackenroth and was approved with a unanimous vote from all commissioners without further discussion.

5. Measure Z in-depth discussion on staff recommendations regarding Public Safety and Capital Investment

Adam Raymond, City Assistant Chief Financial Officer, gave a presentation about the Measure Z proposed spending for Public Safety and Capital Investment. The presentation also addressed several Commission questions posed during the previous BEC meeting and the timeline for future BEC

activity. City staff from the Police, Fire, Library, and General Services departments were present to answer questions. There was some discussion following the presentation regarding the BEC approach to making recommendations regarding Measure Z spending and the timing of those recommendations. Phillis Purcell, a member of the public, commented on this item and submitted a handout for review regarding homelessness. There were no other comments or questions for Staff from the Commissioners or the public.

The following questions and comments were presented during the presentation. Answers and responses from Staff are included if provided during the meeting:

POLICE VEHICLES

- Commissioner Wright – Will the Crown Victoria Restoration Program extend the life of the vehicles 5-7 years or less? (Adam Raymond) *The restoration program is expected to double the life of the vehicle.*
- Commissioner Wright – Does the recommended Measure Z spending include vehicles purchased using asset forfeiture funds? (Adam Raymond) *The recommended spending does not take into account asset forfeiture fund use as there has not been sufficient funds available from this source for purchasing replacements for police vehicles.*
- Commissioner Wright – When recommendations are presented within the context of a five year plan, can it be assumed that the costs are spread equally over the five years? (Adam Raymond) *Attachment 3 provides more detail about the spending over the first five years in detail with summary information about costs over 20 years.*
- Commissioner Hart – If the City replaces all vehicles at one time, they will all need to be replaced at one time. The City will face the same vehicle replacement funding challenge in the future. (Adam Raymond) *Currently there are 85 vehicles that are at or near the end of its useful life. These vehicles need to be replaced now. The recommended replacement plan would replace 20-25 marked and unmarked vehicles per year and would address that issue.*
- Commissioner Hart – Is there currently an annual budget item for replacing vehicle on a schedule? Expressed concern that there were no provisions made to replace vehicles for all departments on a

regular basis. (Adam Raymond) Due to the lack of funds available in the asset forfeiture account, there has been no standard item in the City's annual budget for scheduled police vehicle replacement. (Chief Diaz – Police Department) There has been no regular replacement of police vehicles due to the City's financial challenges.

- Commissioner Plascencia – Does the savings realized from restoring the Crown Victoria police vehicles outweigh the benefits of purchasing new vehicles? (Chief Diaz) The savings are substantial but the City is unable to verify that it gets the additional useful life from the vehicles that the vendor has reported. The pilot program will allow the City to determine how far the life of the vehicles will be extended. The other benefit is the use of the Crown Victoria model vehicle which was phased out by Ford. The new models available are not as ideal for police service as the Crown Victoria model.
- Commissioner Wright – Are there other police departments that have used the Crown Victoria restoration program and if so, what has the experience been? (Chief Diaz) The other departments were not in Southern California and although they report success, it is not certain if they are comparable to the City's terrain and level of use.
- Commissioner Arballo – If the pilot restoration program is successful, how many vehicles would be restored over the next few years? (Chief Diaz) It depends on the number of vehicles available for restoration. Currently, there are 40.
- Commissioner Hart – What is the useful life for police vehicles that are not Crown Victoria. (Chief Diaz) Braking systems and subcomponents are more delicate than the Crown Victoria model. The newer vehicles have not been replaced so that information is not available.
- Commissioner Hart – Do budgets reflect increased maintenance for newer cars? (Chief Diaz) No. Although some of the systems wear out faster, there are other saving in gas mileage and they are newer cars.
- Commissioner Hart – Is the interior of the car restored with the Crown Victoria restoration program and is there a reason only two vehicles were selected for the program. (Chief Diaz) Yes, the upholstery and knobs of the car are replaced. Only two vehicles were selected to determine if the program will provide satisfactory results. If it does, more vehicles will be restored.

- Commissioner Segura – Will the vehicles in the restoration program be marked or unmarked? Please explain the differences in use of marked versus unmarked vehicles. *(Chief Diaz) Vehicles in the program will be marked. Unmarked vehicles are used for activity that requires that police presence is not obvious, e.g. a stakeout. They do not have the standard police black and white painting or equipment.*

PUBLIC SAFETY VEHICLES

- Commissioner Delgado – What was the City planning to do if the tax increase did not pass? *(Adam Raymond) The City did not have a plan. The City continues to recover from the recession. Maintenance of assets was not completed as frequently so that other needs could be met.*
- Commissioner Plascencia – During the first City Council workshop, representatives from the Fire Department indicated the funds allocated for the Fire department did not meet all of the department's needs. Was the plan revised to reflect their concerns and recommendations? *(Chief Moore – Fire Department) The original plan did not meet the vehicle needs of the department. The Measure Z recommendations will adequately meet those needs.*
- Commissioner Hart – Does the Fire Department budget include funding for vehicle replacement? How much is the Fire Department budget? *(Chief Moore) No replacement funding is in the budget. The budget is approximately \$55 million. Since 2008 purchased two fire engines using a plan with the City.*
- Commissioner Hart – During the first City Council workshop, it was reported that the Fire Department needed six vehicles replaced. A representative from the Fire Department indicated the department actually needed eleven or twelve vehicles. Do the Measure Z recommendations meet the need? Are you working with other city fire stations in the area to allow the City to have priority when ordering vehicles from vendors when possible? *(Chief Moore) The original plan before Measure Z was to purchase two vehicles a year. After further evaluation of vehicle usage, it was determined that many of the vehicles needed to be replaced now. The City is getting the specifications.*
- Commissioner Lyell – Has the City completed a cost benefit analysis on acquisition versus maintenance? I have seen pricing that seems lower

than what is being presented. *(Chief Moore) The department has been aggressively negotiating with vendors. Five and ten year maintenance costs have been included in estimates.*

- Commissioner Segura – Is maintenance of Fire vehicles internal? Will the purchase increase the fleet and increase current maintenance costs? *(Chief Moore) Yes maintenance is internal. With new vehicles, there may be options for basic maintenance costs. Purchases will not increase fleet because older (16-34 years old) vehicles will be disposed or donated to sister cities. It is not cost effective to keep them.*
- Commissioner Mathis – Would the newer fire trucks have a longer ladder reach? Is it cost effective to replace/repair the ladders on the fire trucks the City currently have? *(Chief Moore) The longest ladder will be 105 feet. It would not be cost effective to replace the ladder. The ladder manufacturer is no longer in business which would require a new ladder assembly be added. This could cost one half of a million dollars.*
- Commissioner Wright – Does the City still use a point system to determine if a vehicle has reached the end of its useful life? Was the request to increase spending for vehicles from Staff or from City Council? *(Adam Raymond) Yes, the City uses a point system. City Council requested that Staff update the plan to reflect additional funding for vehicles and obtain feedback from the Budget Engagement Commission. (Carl Carey, Director General Services) The City uses the point system but adjusts based on an analysis of the condition of the vehicle and the cost benefit of keeping the vehicle in service longer. (Commissioner Wright requested historical data about the use of asset forfeiture funds to purchase vehicles as well as anticipated use of these funds to purchase vehicles in the future).*
- Commissioner Hart – If plan was approved as is, would the vehicles purchased be a “Cadillac” or “Chevy” level purchase? *(Chief Moore) The plan gets the City the best.*
- Commissioner Lyell – Has the City picked a manufacturer? What does the City have now and does it have Pierce vehicles *(Chief Moore) The City has not selected a manufacturer as the purchase will go out for competitive bid. The current fire vehicle fleet has many manufacturers that are current and some that are out of business. The City does have Pierce and it is one of the better vehicles in the fleet.*

- Commissioner Segura – Where does the additional \$4.1 million come from for the revised plan? Was other recommended spending reduced to offset the increase? (Adam Raymond) No other items were reduced. Staff is provided as much information to the Commission as possible. The Commission will then make recommendations for what should be added or removed from the plan.
- Commissioner Lyell – Is Staff maintaining the different versions of the plan? (Adam Raymond) Yes. All options will be presented during the April 6, 2017 meeting.
- Commissioner Wright – Who maintains Police vehicles for the City now? Are there security concerns about outsourcing marked police vehicle maintenance? (Carl Carey, Director General Services) Police Vehicle maintenance is outsourced. (Chief Diaz) The City has not had anyone express concerns or had any security incidents related to the maintenance of vehicles. The City does business with local vendors and has been doing business with them for some time.
- Commissioner Hart – In difficult budget times, why hire four mechanics to complete vehicle maintenance instead of outsourcing the function? (Carl Carey, Director General Services) It is cheaper to hire four mechanics than to outsource. Efficiently schedule and use internal staff when possible and it results in savings over outsourcing.
- Commissioner Arballo – What is the anticipated savings of having the police vehicles serviced internally by City staff? (Adam Raymond) We will need to provide the exact total at a future time. The City expects to achieve savings through more adequate preventative maintenance.
- Commissioner Montgomery – Will there need to be a capital investment when the police vehicle maintenance function is brought in-house? If yes, is it budgeted? (Adam Raymond) The request requires \$100,000 for capital investment. It was not included in the original plan but was included in the staff report for this agenda item.
- Commissioner Wright – Expressed support for the recommendation to hire support staff for additional police officer hiring. Has the City tracked hiring bonuses to determine if the bonuses makes a difference? Do the bonuses provide a benefit? (Chief Diaz) The incentives for new hires have mixed results. In past, the City has not had difficulty hiring quality staff. The number of hires required for the upcoming

year will require more aggressive recruitment techniques. Hiring incentives for lateral promotions have had more success.

- Commissioner Wright – Can the City delay the use of incentives until it determines that less aggressive recruitment techniques are insufficient? What is the cost range for the incentives (not including vacation bank)? *(Adam Raymond) The information is available on attachment 3, second page. The amounts for officer hiring incentives is switched with the dispatcher hiring incentives. Total officer incentives are about \$1 million. (Chief Diaz) There are 350 sworn officers in the budget but the department has 11 vacancies. The City needs police officers right away.*
- Chairperson Mendez – The police department's intent is to hire officers from other municipalities as opposed to new trainees? How many new hires does the City train and then lose after training? *(Chief Diaz) The Police Department would like a mix but during the first hiring cycle, would prefer laterals. The more experienced officers will be ready for the field sooner so staffing needs can be met. In later recruiting cycles, the department would like a combination. Relatively most make it through the academy and field training program, less than 10 percent drop out. Most of the loss in the candidate pool is during the testing process.*
- Commissioner Delgado – What is the goal number of officers to have on the street next year? The response time for non-violent crimes is a few hours at current levels. *(Chief Diaz) The goal is to return to the FY 2015/16 level of 365 officers. More routine calls that are not life threatening do not have as high a priority as calls that are life-threatening. The increase will improve the service level.*
- Commissioner Montgomery – How long does it take for a new recruit to complete the training process and be fully ready for field operations? *(Chief Diaz) About a year and a half for someone that is not experienced. Experienced recruits need less time.*
- Commissioner Hart – The Police department has 17 vacancies? How long before officers are removed from field operation due to promotions? Don't lateral recruitments result in older staff that will retire sooner? *(Chief Diaz) The Police Department had 17 sworn officer and 11 support positions removed from the FY 2016/17 budget. Retirements drive moves from field operations to administrative operations. New Sergeants still work in the field. While laterals are likely to retire earlier, retirement cost are*

paid by their former employers and allows a diversity of experience on the force.

CAPITAL INVESTMENTS

- Commissioner Segura – What is the annual cost of ownership for the buildings and is it included in the recommended plan? (Adam Raymond) *The costs to build have been included.*
- Commissioner Plascencia – Is the City Council/Mayor Capital Project Budget always existed or is this new? If the BEC does not recommend this item and there is an unbudgeted repair needed in a ward for a street light, will that mean the repair will not be completed? (Adam Raymond) *It is new. There are more unfunded needs than can be covered by Measure Z. Regular repairs will be done. The types of capital projects that will be funded will be more discretionary in nature.*

There was addition discussion related to this item. Commissioner Plascencia recommended that the funding be budgeted directly into capital investment accounts. Commissioner Persinger requested more information about a City Council member's ability to make a unilateral decision about spending. Adam Raymond and Scott Miller clarified that any spending decisions are subject to purchasing rules and regulations. This would mean that items over \$50,000 have to be approved by a majority of City Council.

- Commissioner Mayes – Expressed concern that some wards have more needs than others but all receive the same amount of funding in the City Council/Mayor Capital Project Budget. How would the Council deal with this and how was \$250,000 chosen? (Adam Raymond) *The \$250,000 total was based on staff analysis and recommendation. There are more unfunded needs than can be covered by Measure Z. Regular repairs will be done. The types of capital projects that will be funded will be more discretionary in nature. The Commission is able to recommend changes to the program.*

Vice Chairperson Lee – Has this program been implemented in other places and was it successful? (Marianna Marysheva – Assistant City Manager) *The concept came from the City of Oakland and it worked. (Scott Miller) The City and County of Los Angeles has a similar program. Commissioner Hart mentioned County of Riverside has a similar program. Commissioner Wright supported the program with a possible recommendation that the amounts allocated be reduced for the beginning years of the plan.*

There was additional discussion regarding the City's purchasing policy and rules and any proposed changes to the rules. The purchase of a new Police Building and expanding the parking structure was also discussed. Tonya Kennon – Library Director discussed Library capital projects and use of vacated facilities.

Announcements, Meeting Dates, and Commission Requests

6. Announcements

Chairperson Mendez reference a California Policy Center report that ranked the fiscal strength of cities and counties in California. The City was ranked 477 out of 511. There were no other announcements. (Commission requests made during this time are listed in the Commission Requests section).

7. Schedule of Meeting Dates

Chairperson Mendez announced the following updated schedule of meeting dates:

Special Meetings:

Thursday, March 9, 2017
Thursday, April 6, 2017
Thursday, May 4, 2017
Thursday, June 8, 2017

Joint Meetings with City Council:

Tuesday, May 9, 2017

BEC Chairperson/Vice Chairperson can provide verbal update during Council Meeting

Tuesday, April 11, 2017
Tuesday, June 13, 2017

Regular Meetings:

Thursday, May 25, 2017 (Potential)
Thursday, August 31, 2017
Thursday, November 30, 2017
Thursday, February 22, 2018

Motion to approve the schedule was made by Commissioner Segura and seconded by Commissioner Hart. The schedule was unanimously approved by the Commission.

8. Commission Request

Commissioner Fierro requested information about the Main Library and Convention Center expansion. Tonya Kennon – Library Director provided information about the Library Expansion.

Commissioner Plascencia asked if Staff had been able to communicate the BEC concerns regarding the approval of Measure Z spending without input from the Commission. Adam Raymond indicated City Council was aware of the concern and a few commented on the concerns during the opening comments of the last council meeting.

Commissioner Arballo requested a white board for Measure Z spending recommendation decisions.

Commissioner Segura recommended a cost analysis of the impact of capital investments on the budget (hidden operational costs).

Commissioner Delgado commented that the City should have a long-term plan for spending and prepare for challenges in the distant future.

Chairperson Mendez recommended an additional meeting for March 23 to allow sufficient time to develop BEC recommendations. Vice Chairperson Lee stated the Chamber of Commerce inauguration was that day. There was discussion about alternate meeting dates. March 30, 2017 was recommended but Commissioner Mayes indicated the NAACP Freedom Fund banquet was that evening and she was being honored. After more discussion, Commissioner Persinger made the motion that a special meeting be held on March 30, 2017 from 5-7pm. Commissioner Hart seconded the motion. 10 votes in favor (Delgado, Fierro, Hart, Lyell, Mackenroth, Mathis, Mendez, Montgomery, Persinger, and Tavaglione), 5 votes opposed (Arballo, Mayes, Plascencia, Segura, and Wright), and 3 abstained from the vote (Badger, Lee, and Scarano).

During the March 30, 2017 BEC Special Meeting, staff will prepare a list of priority of items that are up for consideration. Commissioner Mayes requested that she submit her recommendations in writing to the BEC for the March 30, 2017 meeting. Commissioner Wright request a General Fund per capital debt figure in comparison to other municipalities since the report referenced during announcement likely included Utility debt and would not give an accurate picture of how the City is doing. Chairperson Mendez requested that the staff presentation be divided into sections to allow discussion of each section as it

is presented. Scott Miller recommended that some of the topics from the April 6, 2017 agenda be moved to the earlier agenda for discussion.

There was additional discussion about meeting length and the materiality of spending recommendations.

Adjournment

Chairperson Mendez adjourned the meeting at 7:44 pm and announced the next special and regular meeting dates.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'K. Johnson', with a long horizontal flourish extending to the right.

Karen Johnson
Principal Management Analyst – City of Riverside