



Minutes

Lakewood City Council

Adjourned Regular Meeting held
April 10, 2018

MEETING WAS CALLED TO ORDER at 6:30 p.m. by Mayor Croft in the Executive Board Room at the Civic Center, 5000 Clark Avenue, Lakewood, California.

ROLL CALL: PRESENT: Mayor Steve Croft
Vice Mayor Todd Rogers
Council Member Diane DuBois
Council Member Ron Piazza
Council Member Jeff Wood

BUDGET STUDY SESSION

City Manager Thaddeus McCormack displayed slides and made a presentation based on the memo in the agenda. He stated that the City was in the process of developing a biennial budget for fiscal years 2018-19 and 2019-20 and that tonight's study session was meant to be a kick-off for the City Council's engagement in that process. He provided an overview of the current fiscal year's budget as well as an economic forecast for the upcoming year and a projection of major revenue sources. Mr. McCormack requested that the Council Members complete a budget priority survey, the results of which would be compiled and reported at a future meeting. He explained that the City's budget was a reflection of City policies, goals, and priorities and that the budget process assigned resources to the goals, objectives, and community's priorities as set by the City Council and that Lakewood had a long history of competent and prudent fiscal management, which had been embodied in previous budget strategies, including providing municipal services at a level consistent with available resources; saving for unplanned events and emergencies; maintaining public infrastructure; utilizing private companies and other public agencies to provide greater flexibility and cost-effectiveness in the delivery of services; supporting and encouraging a strong, viable business community; and promoting citizen volunteerism. Just as goals and priorities had proven important in guiding the City through the ups and downs of economic cycles, he believed that the establishment of some key fiscal policies would serve the City well over the long term. He also requested that the Council consider identifying the policy areas for incorporating in the development of the biennial budget, such as working towards building up the General Fund reserves, so as to buffer against the inevitable budget challenges that would occur when the economy went into recession; developing long-term strategies to reduce unfunded liabilities, such as future retirement costs; recognizing the dramatic increases to PERS costs now and into the future, and endeavoring to control labor costs through prudent management of employee benefits and careful consideration of actions that might add to the City's future PERS obligations; and allocating one-time revenue for one-time expenditures.

BUDGET STUDY SESSION - Continued

Mr. McCormack provided a budget calendar and information on the City's PERS rate and obligations, which would double over the next six years. He stated it was his intent to provide updates to the City Council and solicit input at key junctures from this point and continuing through the presentation and adoption of the budget in June.

Mr. McCormack responded to an inquiry from Council Member DuBois by stating that there were unknown variables, such as the volatility of the global economy, that could potentially result in complications, but that the City's approach had always been one of caution.

Council Member Piazza suggested that the City Council, in looking to the future, come up with different ideas to determine creative possibilities in the budget process. In response to assertions from Council Member Piazza on the importance of an infrastructure study, Mr. McCormack stated that capital improvement needs would be assessed to provide a more strategic approach to determine priorities. He concurred with Council Member Piazza's statements pertaining to establishing a set percentage for reserves and stated that it was better to budget to actual estimates rather than building in contingencies on projects.

Council Member Wood commented on the importance of sales tax revenues and that efforts to attract and retain businesses would be crucial. He expressed support for the challenge posed by Council Member Piazza and stated that creative ideas could provide innovative funding opportunities.

CLOSED SESSION:

At 7:06 p.m., Mayor Croft announced that the City Council would recess to a closed session.

CONFERENCE WITH LABOR NEGOTIATORS – Pursuant to Govt. Code §54957.6

Designated Representative: City Manager, City Attorney, Director of Administrative Services, Assistant to the City Manager, Human Resources Manager

Employee Organization: Lakewood City Employees' Association

At 7:27 p.m., the City Council reconvened and the City Attorney advised that there was no action to announce.

ADJOURNMENT

There being no further business to be brought before the City Council, Mayor Croft adjourned the meeting at 7:27 p.m.

Respectfully submitted,

Jo Mayberry, CMC
City Clerk