

CITIZENS’ ADVISORY BUDGET COMMITTEE (CABC)

Meeting Minutes

Meeting Date: 5/5/2020 Time: 6:30PM Location: WebEx (Video-conference platform)
 Next Meeting: 6/2/2020 Time: 6:30PM Location: *Likely* WebEx

MISSION STATEMENT: The mission of the Citizens’ Advisory Budget Committee (CABC) is to study all phases of the budget of the City of Aurora and to make recommendations to City Council in regard to any and all budget matters.

The CABC accomplishes the mission by examining and evaluating needs and priorities as they relate to the budget and by making recommendations for action to the City Council.

ATTENDANCE

Name		Name		Name		Name	
Mustafa Abdullah	P	Danielle Lammon	P	Jonathan Scott	P	COA Staff	
Ananiya Asrat	A	Jason Legg	A	Don Seven	P	Greg Hays	P
Sunny Banka	P	Brian Matise	E	JulieMarie Shepherd Macklin	P		
Tikneshia L. Beauford	P	Omar Montgomery	P	Craig Upston	P		
Jeff Brown	P	David Patterson	R	Michael Westerberg	P		
Reno Carollo	P	George Peck	P	Leanne Wheeler	P	Public/Guests	
Hashim Coates	A	Joshua Reddell	P	Dustin Zvonek	P		
Michael Himawan	P	David Rich	P				

Key: P=Present E=Excused A=Absent R=Resigned

HANDOUTS

(Emailed to committee)

CABC May Agenda (Sent May 1, 2020 via email)
March 3, 2020 Meeting Minutes (sent May 1, 2020 via email)
CABC Roster (updated on March 6, 2020; sent May 1, 2020)

MINUTES

1. Call to Order	Leanne Wheeler (Chair) called the meeting to order at 6:35pm.	
2. Roll Call/ Establishment of Quorum	Roll call was taken by Jonathan Scott and a quorum was present.	

3. Approval of May Agenda	After explaining the need to move agenda item #4 (it will be moved to the April meeting), Leanne Wheeler entertained a motion to approve the March Agenda. A motion was made to approve the March Agenda by Danielle Lammon and seconded by Michael Westerberg.	Motion Carried Yes: Unanimous No: 0 Abstain: 0
4. Approval of March Minutes	A motion was made to accept the minutes for the March 2, 2020 meeting by George Peck and seconded by Michael Westerberg.	Motion Carried Yes: Unanimous No: 0 Abstain: 0
5. Speaker / Budget Update	<p>Greg Hays gave the committee and overview of the current budget situation. He summarized the situation by saying that there will be a major deficit as a result in the decline in revenues (especially sales tax revenue decline). He said that the city is already taking steps to mitigate the decline/deficit. There is a 10-step process that the city is going through. This included furloughing 576 workers. It also included a hiring freeze, and a freeze on many capital projects. It is not meant to impact police and fire (but has impacted it simply by there being a moratorium on most social action). He explained that the rationale for that move was actually a strategic move to help seasonal and/or part-time employees benefit from the Federal unemployment support. Although there have been no FTE's (full-time employees) terminated, that step may come in the future. At this point, most City employees who are in areas that have been closed/impacted by the shutdowns have been reallocated to other jobs/projects within the city.</p> <p>Greg explained that the city is relying heavily on the Leeds School of Business. (<i>Greg will send this report(s) to Jono, who will send the information on to the rest of the committee.</i>) They have prepared a report for the city regarding the estimated financial impact (loss) of the current economic crisis. The city has also prepared an in-house estimate. The city has estimated a \$20-\$21 million deficit for 2020, while the Leeds report predicts a \$20-\$25 million deficit. Greg estimate that there will need to be cut reductions of 3,5, or 10%</p> <p>The Leeds report presented three base line estimates: Baseline – Recession for next four quarters. q2,q3,q4, of 2020 and q1 of 2021 (10%)</p> <ul style="list-style-type: none"> • Revenue decrease of 6-7% (not good). 	

- The City Staff took these results and put into “the one file.”
- This estimate includes a \$25 million shortfall for 2020; \$30 million shortfall for 2021.
- Lodgers tax revenue will likely be down 70 percent in 2020.
- Fines revenue will likely down 50% in 2020
- Property tax will likely not be impacted very much. (But Leeds has it being impacted).

Optimistic –

- 2020 = 3% revenue loss
- \$10 mil loss (2020); \$18 mil revenue loss in 2021.

Pessimistic -

- *See report*

Greg’s suggestions:

- Follow the baseline and watch it closely. “This is a first for everybody, including Leeds... and us (Aurora).”

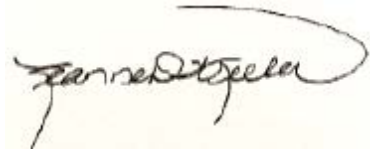
Greg also took questions from the committee. They included:

- Will there be staff cuts? (Not any FTE employees yet, but maybe? Too soon to know. The COA general fund is 2/3 people costs... 10% loss would hurt a lot.)
- Conservation Trust Fund (Lottery Dollars) will also probably take a hit, which would potentially hurt the budget.
- Development Review may be an issue that needs to be looked at. (But interacting/interviewing city staff may prove difficult.)
- Recreation and Cultural Services would likely take a hit.
- Wayne Summer – internal auditor was in the process of studying budget priorities. It is/was a planned process. However, he is now adjusting his work and addressing the question: What it is going to take to open up everything.
- There will (very) likely not be pay increases... furloughs likely.

	<ul style="list-style-type: none"> • Aurora is somewhat lucky in the sense that we have nothing huge right now. (Like Anaheim – Disneyland, Ducks, Angels, etc.) • Will there be early retirement options? (We are not there yet... may be on the board. Would be optional.) • What can we do to ensure small business retention? (There have been small business grants/loans. Much of this has come from federal dollars, with little impact on the general fund of the city budget. <i>The CDBG [Community Development Business Grant] fund = Federal (HUD) dollars</i>) 	
<p>6. Priorities and Discussion of Subcommittees</p>	<p>The Chair (Leanne Wheeler) then explained that the previous subcommittee layout was based upon a different economic environment. She suggested that the committee discuss potential priority changes. She asked Jono Scott to share some thoughts regarding this. He recommended that the committee should revise the approach in the coming months.</p> <p>He suggested that the committee adjust to some semblance of the following three/four subcommittees:</p> <ol style="list-style-type: none"> 1. (<i>and 2?</i>) Production/Preservation (Preserving healthy <u>revenue</u> streams) 2. Protection (Identifying potential budget trims/cuts - <u>spending</u> analysis) 3. People (Budget impacts/adjustments on citizens’ spending, housing, services, programs, quality of life...) 4. Preservation/Retention (Keeping/supporting small businesses) <p>Leanne, then opened the meeting up to discussion. The comments and suggestions given included;</p> <ul style="list-style-type: none"> • Studying Projections. (Specifically, the Leeds report.) Suggestions also included the projected impacts on such services as Parks and Recreation, Cultural, and Libraries. It was also suggested that this would best be accomplished by performing departmental reviews (proactively asking specific departments about their specific budget impacts and potential cuts). 	

	<ul style="list-style-type: none"> • Priorities – It was advised that a priorities-based budgeting analysis be done. JulieMarie said that advised the committee to have a “priorities over programs and people” approach. (This is based on her previous school-board experience with budget cuts.) <p>Leanne entertained a motion from the committee to pivot our sub-committee work, and develop new subcommittees that are more in line with the current economic environment. <i>(Jono Scott made the motion; and Jeff Brown seconded)</i></p> <p>Leanne then led a discussion of what the new subcommittees should be developed. The discussion led to the following subcommittees being formed:</p> <ul style="list-style-type: none"> • Projections (Leeds report/department review) • Revenue (Options for retaining and supporting revenue streams) • Spending (Identifying potential cuts) <p>The committee determined that these subcommittees would be a good way to proceed in the coming months.</p> <p>It was determined that the subcommittee work would be done in a stage format, with the first stage being the “Projection” stage. Leanne asked for volunteers to study the Leeds report and projected budget impacts within the next two weeks. Michael Westenburg, JulieMarie Shepherd Macklin, Reno Carollo, Craig Upston, Jeff Brown, and Dustin Zvonek volunteers for the subcommittee. <i>(As did Brian Matisse, shortly after the meeting – updated May 6.)</i></p> <p>Leanne also mentioned that the “Revenue” and “Spending” subcommittees will need to be developed shortly after the “Projections” committee finished their work. She appointed Dustin Zvonek to chair one of the two committees. <i>(He indicated that he would prefer the “Spending” committee.)</i></p>	<p>Motion Carried Yes: Unanimous No: 0 Abstain: 0</p> <p>Motion Carried Yes: Unanimous No: 0 Abstain: 0</p>
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<p>7. Open Comments (for the good of the order)</p>	<p>A. Housekeeping:</p> <ul style="list-style-type: none"> • The June meeting will likely be held on the WebEx video-conference platform. There is a slight possibility that it will be held in the AMC, but the WebEx platform should be expected. • Several CABC members have Zoom accounts. There may be some subcommittee (or optional full committee) meetings held on this format within the next month. Greg informed the committee that the suggested format is well within the transparency laws for the City of Aurora’s policies. <p>B. Future 2020 Meeting Dates:</p> <ul style="list-style-type: none"> • June 2nd (6:30pm) • July 28th and 29th (5:30) 2-day Budget Workshop • August 4th (6:30pm) • September 1st (6:30pm) • October 6th (6:30pm) • November 10th (6:30pm) (<i>moved from Tuesday, November 3rd - Election Day</i>) • December 1st (7:00pm, after AMC Lighting of the Lights) 	
<p>8. Meeting Adjourned</p>	<p>Leanne Wheeler adjourned the meeting at 8:44pm.</p>	



Leanne Wheeler, Chair



Jono Scott, Secretary

June 2, 2020

Date of Approval