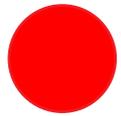


Del Mar City Council Meeting Agenda

Del Mar Town Hall – **VIA TELECONFERENCE ONLY**
1050 Camino del Mar, Del Mar, California

May 16, 2020 City Council Meeting

**INFORMATION RECEIVED
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Subject: FW: Finance Committee Recommendations to Budget Workshop

From: Tom McGreal <tommcg@roadrunner.com>

Sent: Friday, May 15, 2020 8:47 AM

To: Dwight Worden-Private <dworden@roadrunner.com>; David Druker-Private <ddruker@dataskill.com>; Terry Gaasterland <gaasterland@ucsd.edu>; Ellie Haviland-Private <ellenhaviland@yahoo.com>; Sherryl Parks-Private <sherryl.parks@gmail.com>

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Subject: Finance Committee Recommendations to Budget Workshop

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Dear Mayor and Council Members,

The Finance Committee met on May 12th to review the Staff Report material related to the Budget Workshop. Below is a summary of the Finance Committee’s recommendations:

- The Committee thanked the Staff for the sound methodology used in estimating the Covid impact on Revenues for FY2021. It considered the percentage of loss and the timing of losses for all categories of City revenue and provided a Best Guess estimate as a baseline.
- It was recommended that several alternative Revenue scenarios be prepared to highlight the potential impact of a slower recovery than anticipated in the Staff scenario. Specifically it was requested that Staff provide a Slower Recovery scenario (10% to 20% variability), and a Stalled Recovery scenario (with revenue loss assumptions of no less than 50%).
- It was recommended that the underlying Assumptions be specifically stated for each Revenue Scenario.
- It was recommended that each Revenue Scenario be supported with a financial chart showing the Adopted Budget for FY21, the Revenue reductions and the Revised Revenue Forecast on a quarterly basis.
- The Committee believes that the City should adopt an approach that protects the General Fund Reserves at the current levels to ensure the needed financial resilience in the event that the Covid-19 crisis has a longer & slower recovery process. Any decisions regarding the use of Reserves should only be considered after a full review of Staff’s June report outlining their proposed Operating Expense, Capital Project and Special Project budget recommendations for FY2021.
- The Committee believes that the Pension Reserve contribution should not be eliminated for FY21. The Pension Reserve becomes even more important in FY21 as CalPERS performance shortfall will increase both the City’s mandatory payments and the City’s Unfunded Liability. The Pension Reserve, which is a General Fund Reserve, serves as an important source of funds to meet these pension obligations.
- The Committee strongly recommends that any further transfers of Measure Q Reserve funds to the General Fund

should be reviewed by the Finance Committee and the Measure Q Oversight Committee before being presented to City Council.

- The Committee is very concerned about the timing of the economic recovery given the below uncertainties:
 - The State and County rules and regulations for the reopening of businesses are slowly taking shape.
 - The impact of these guidelines on the operational and financial results of the businesses is not clear (will certainly make them safer but less cost efficient).
 - Customer willingness to visit these businesses is still very uncertain at this time when the Covid data shows that the virus is still expanding.
 - The potential for a resurgence of the virus next winter is a significant risk to economic recovery.
- Finally, the Finance Committee recommends that the Council adopt a conservative approach to the FY21 Budget using a **Slower Recovery Scenario, which includes TOT Scenario 1 and Sales Tax Scenario 2, resulting in a projected Revenue Loss totaling \$4.0 million.**

There was general agreement by both the Committee and Staff that there is a significant amount of uncertainty about the severity and timeframe of the covid crisis and we recognize that all assumptions and numbers will be constantly updated to reflect changing conditions.

Regards, Tom



From: Terance <tkopanski@sbcglobal.net>
Sent: Friday, May 15, 2020 10:37 AM
To: City Clerk Mail Box
Subject: RED DOT Special Meeting/Budget Workshop: May 16, 2020

Follow Up Flag: Follow up
Flag Status: Flagged

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May 15, 2020

Re: Special Meeting/Budget Workshop on May 16, 2020

Honorable Mayor Haviland and Council Members,

It is a difficult time for the City to manage its budget with decreased revenues. It is also a difficult time financially for Del Mar Community Connections. DMCC serves an important role in defining Del Mar's community values. We need more than ever to provide support to our senior community during this pandemic.

The stark reality is that significant number of our residents are seniors. They remain the most at risk for infection, the most likely to die, the most isolated, the most likely to remain in their homes as stay at home orders ease, and most dependent on outside services and support.

The pandemic has forced us to repurpose our transportation services from transporting seniors to stores for groceries and other necessities to transporting groceries and necessary pandemic supplies to our homebound seniors. We are devoting more time now administering transportation services than before the pandemic.

The pandemic has also forced us to respond with new programs: in-home meals; zoom tutoring to connect with family and friends, free Chromebooks and assistance with securing internet service to facilitate telemedicine appointments; regular telephone wellness checks by more than 25 volunteers; and new Zoom programs to provide socialization, information, and education. Our two staff members are similarly devoting more time now to programs than before the pandemic.

We are proud to be recognized as Del Mar's senior services provider and grateful to the City for its ongoing support. At this difficult time, we look forward to the City maintaining the same level of vital support to DMCC.

Sincerely,

Terry Kopanski
President, Del Mar Community Connections