



**MINUTES OF THE ADJOURNED SPECIAL MEETING OF THE
RIDGECREST CITY COUNCIL AND
RIDGECREST REDEVELOPMENT AGENCY**

**City Council Chambers
100 West California Avenue
Ridgecrest, California 93555**

**June 11, 2009
5:00 p.m.**

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER – 5:00 p.m.

ROLL CALL

PRESENT: Mayor Steven Morgan, Mayor Pro Tem Ronald Carter, Vice Mayor Thomas Wiknich, Council Members Marshall Holloway and Jerry Taylor

STAFF: Michael Avery, City Manager; Rachel Ford, Deputy City Clerk; Tyrell Staheli, Finance Department Director; Jim McRea, Public Services Department Director, Ronald Strand, Chief of Police

PLEDGE OF ALLEGIANCE led by Council Member Carter

SPECIAL REGULAR SESSION 5:00 p.m.

1. Budget Review

RACVB

Doug Lueck presented RACVB budget presentation recapping past year events, outlining sources of revenue and highlighting RACVB credentials and affiliations. Future projects were reviewed with a strong emphasis on marketing to bring more tourism to the Ridgecrest area. Copies of the RACVB budget were distributed to Council and Doug responded to Council questions. Council interested in moving RACVB into City Hall and instructed staff to review possibilities of integrating into staff. Public Comment was heard.

- Jim Winegardner – disappointed. No doubt RACVB does good work, worked with in past and commends work done bringing RACVB ahead of past level. City is in fiscal crisis and performance indicators from RACVB are not verifiable. Hotel owners reluctant to provide statistics. Asking for common sense, every city department cut a lot and would offer alternative that ask RACVB to fund

MINUTES - CITY COUNCIL / REDEVELOPMENT AGENCY - ADJOURNED SPECIAL

June 11, 2009

Page 2

independent audit of performance stats and appropriate $\frac{1}{4}$ of offer and based on audit look at conclusion of audit. There are 2 issues, (1) TOT rate of 10% / current draft budget amt. is more than TOT estimate. (2) Council needs something to hang hat on, what if PD took budget and asked for council to approve without proof of statistics, just trust us. Need to use common sense.

- Harris Brokke – Maturango Museum working closely with RACVB. Has documented proof of years of filming. Tourism efforts since Doug joined RACVB have increased. Efforts currently making won't have proof until next year. Some faith. This is investment with return on investment. In process of installing 104 active kiosks in Kern County to promote Ridgecrest tourism.
- Jason Patin – What does RACVB bring to area annually? Doug – documented over 8million in filming. Tourism approx. 7 to 1 to budget. Hard to identify tourist dollars but average numbers are 7 to 1 of investment. Jason – filming/tourism brought here support restaurants, hotels, shopping and good investment. You have vision/drive supporting the city. Doing great work.
- Mike Atkins – general comment currently in pretty rough spot and appreciate Mayor statement. Everything we cut will hurt someone. Asking citizens to remember there are employees hurting who took furloughs. Keep in mind when discussing funding project we keep in mind the impact on the employees.

Council noted RACVB had cut 9% from City obligation and requested additional 1% from RACVB to match percentage employees had cut with merit freeze and furlough schedules. RACVB to keep City updated and if things turn around can discuss changes throughout the year.

CHAMBER OF COMMERCE

Chamber of Commerce representative gave overview of the budget and was instructed by the Chamber of Commerce Board that no reduction in cost was feasible. Services the Chamber offer for the fee were outlined and noted that original fee had been cut by 50% throughout the years. Chamber is prepared to continue at current fee however they are prepared to make strategic changes should Council cut the fees, including City reabsorbing the functions and severing the business relationship with Chamber. Lobbyist has been working in Washington DC to push funding for Ridgecrest which has now passed the House and is being reviewed by the Senate. Council gave several suggestions including cutting fee by \$5000, initially giving \$25,000 and Chamber giving back \$13,000, or leaving fee same as past year. Primary concern of Council is Staff taking 10% cut and expects Chamber to do the same.

Discussion Items

City Manager outlined 3 discussion items for Council consideration.

- Moving senior services to Kerr McGee has no impact on the budget.

MINUTES - CITY COUNCIL / REDEVELOPMENT AGENCY - ADJOURNED SPECIAL

June 11, 2009

Page 3

- City attorney rate is increasing and suggest reduction plan by having Attorney appear via teleconference/computer. Estimate for retainer was \$12,000 based on current services came back at \$9000.
- Council pay cut of 10% ordinance counter proposal. Rather than ordinance which will restrict future earnings. Will take 2 years to recover from ordinance. Recommend waiver for voluntary reduction and signature for auditing purposes and can be rescinded at future date.

Council agrees to voluntary 10% or more reduction.

Council suggests reviewing the feasibility of reducing the number of Council meetings per month and also look at reducing the Committee meetings. City Manager instructed present recommendation to Council to be discussed in Regular meeting.

Council does not advocate Senior Citizen function being moved from the current facility to the Kerr McGee Center. Public Comment was heard.

- Norma Jean Frazier – will seniors be left alone and stay in building? For how long?
- Gwenn Jensen – been going to senior center and worked in kitchen many times. Have been in Kerr McGee kitchen and is not suited for senior program. Has enjoyed time at senior center and Mayor Morgan has been there for us for spaghetti dinners. Appreciate the support. Happy Times club members do a lot of volunteer work. When council told being turned over to county could not see where volunteer help had cost council \$64,000. Spaghetti dinner fundraisers have donated \$1000 to city funds. Looking forward to Ron Carter to joining us. Other people have been there.
- Linda Fuller - Thanks to council to not cutting senior center. Senior center is better than other communities. Nutrition is very important. For some this is only meal and human contact they have. Citizens of Ridgecrest appreciative and grateful. When budgets have to be cut, has to be another way. Makes difference in people's lives. Come see why we are there.

MIS

Craig Bradley presented an amended budget presentation to Council as follow-up from Council direction to provide lifecycle costs for equipment and Licensing maintenance agreements including website and other software licensing outside of the Microsoft volume license.

Councilmember Taylor requested a 5 year lifecycle plan outlined for their review and consideration.

MINUTES - CITY COUNCIL / REDEVELOPMENT AGENCY - ADJOURNED SPECIAL

June 11, 2009

Page 4

Council Member Wiknich requested we look at working with RACVB to incorporate website support.

Public comments were heard.

- Justin Dampier – budget process and negotiations heard across board cuts. Urge council to not be fair. Make cuts where needed. MIS valuable asset to city. Efficiency of PD couldn't have happened and PD will be relying on MIS to keep PD running.
- Jim Winegardner – address Jerry's comments by providing technology history. Internal Service Funds created and in first year goal to provide maintenance and operation. Long-term vision was to provide a capital replacement component in fund similar to technology fund. Took several years for the fund to build and the way Craig has budgeted in a normal year is calculate the replacement cost and adds it to part of the ISF rate and remove replacement component from appropriations and then budget. Reserve is built this way. Fleet maintenance is through mileage and Mr. Avery, Tess, and I guessed at it and had to adjust annually. Reserve fluctuated. Long-term objective is to accumulate reserve.

Recessed for 8 minutes, return at 7:15pm

FINANCE DEPARTMENT

Tyrell Staheli gave PowerPoint presentation of finance re-organization, goals, and budget.

Discussion with Council regarding Bank service fees associated with credit card processing.

Council requested each department head look at how they would reorganize if required to cut one position from the department.

No public comment

PARKS & RECREATION UPDATE

Jim Ponek presented update of budget discussion from Council request to provide in-depth revenue and expenditure costs for Kerr McGee Center, Freedom Park, Helmers Park, Pinney Pool, and Ball Fields.

Utility use data unavailable and will monitor the effect of closures in all areas. May have to re-evaluate plan if data indicates not reducing at the rate projected. Council Member Taylor requested utility costs for Kerr McGee.

MINUTES - CITY COUNCIL / REDEVELOPMENT AGENCY - ADJOURNED SPECIAL

June 11, 2009

Page 5

Mr. Ponek recommendations for Freedom Park are to reduce watering schedule and Fountain use to reduce electrical cost for sprinkler systems and pumps. Noted the reduced water would eventually require replacement of trees and shrubs. Council agreed the water could be reduced to 'strain' the park a little but not enough to kill the plants.

Council Member Taylor volunteered to pick a park to mow on his own time and encouraged community members and other Council to do same.

Council recommended moving some youth sporting events to Freedom Park and utilizing the park more to justify the expense of maintenance.

Piney Pool discussion, Council suggested opening swim classes for age 12-14 between 8-9pm, reduce lap swim time from 45 minutes to 30 minutes, increase party rental fees as increased revenue for the swimming pool.

Helmets Park to be closed with direction to Staff to give council feedback of cost to fence, liability, and landscaping. Numerous trees and impact of letting those die around senior center. The parks has been rented for Maturango Days. City Manager will prepare a closure plan for presentation to Council.

Jim Ponek made suggestion to Council to incorporate a new Membership Fee (\$10.00 per person) to cover 1 year facility use. Members would also be required to sign a waiver of liability for 1 year. Membership fee could potentially increase revenue between \$20,000 and \$30,000. Membership fee could also be charged for groups such as Boys & Girls Club of America. Council agreed and asked Staff to market the idea and bring statistics back for Council review.

Public Comment was heard.

- Jim Winegardner – membership fee idea is excellent. Jerry's question regarding metrics. Mr. Ponek can't provide information and goes back to Naviline complaint. Most departments use Naviline cash management system which is a cash register system. Interfaces with building permits, business license, misc. receipts, but doesn't allow creative input metrics requested by Mr. Taylor. Mr. Ponek uses cash registers because Naviline wasn't meeting parks needs.

Police Department

Chief of Police Ron Strand presented Police Department budget including goals, staffing, and most recent crime statistics and issues resulting from State cutbacks.

Issues of concern, population increase with decreased staff; governor to release 20,000 to 50,000 prisoners (incarceration guidelines change long-term); parole/probation reducing supervision; Kern County elimination of local early

MINUTES - CITY COUNCIL / REDEVELOPMENT AGENCY - ADJOURNED SPECIAL

June 11, 2009

Page 6

prevention programs; Kern County District Attorney is reducing prosecution of 'quality of life' misdemeanors; Kern County District Attorney investigation of officer involved shootings and crime lab request is also being reduced; Kern Sheriff dept may close 560 beds at Lerdo Prison and may reduce deputies at sub-stations.

Reviewed current programs including PACT and CHAMPS and the positive effect they were having on the community and the value they provide in reducing paid staffing within the Police Department.

There is a concern for the current vehicle fleet as over half of the fleet will reach 100,000 miles in 2010. No new vehicles are budgeted for 2010.

Radio system must be upgraded to narrowband by 2013 or will lose license to operate law enforcement channel. 2011 will not be able to purchase wideband equipment. Grants have been placed on the Agenda for radio upgrades and are working with other agencies to purchase channels to integrate with those agencies.

Council expressed appreciation to department for the work they do within the community and encouraged community to become more involved through the volunteer organizations.

Council suggested looking at purchase of surplus vehicles from other agencies such as County and China Lake who surplus their vehicles at 50,000 miles.

Other areas to increase revenue include alarm permits and mechanical violation citations.

Some discussion of the cost and time needed to recruit and fully train new officer and how the School Officer was utilized during school closure. Overtime budget was reviewed and Council encouraged department to come to Council if needs changed.

Discussion of the Animal Control function. Future project is to take facility to Solar Power.

Council again encouraged community to become more involved including ride-a-longs with officers.

Public Comment was heard.

- Jim Winegardner – Federally funded grant for officer. What is the post-grant operating cost?
- Strand – intent to retain for 1 year after program.
- Jim Winegardner – earlier this decade city retained 3 positions and absorbed approx. \$300k into general fund. If do same, we'll be faced with decision of absorbing 4 positions at 100k each and think it is questionable idea to absorb a

MINUTES - CITY COUNCIL / REDEVELOPMENT AGENCY - ADJOURNED SPECIAL

June 11, 2009

Page 7

grant funded position when the funds run out. Is council willing to say we'll let you go?

- Justin Dampier – city is lucky to have dedicated department, knowledgeable management, and supportive council. Staff appreciates and the quality of life community is used to could change. PD won't stop the work, but less repercussion for criminal. Anything less than the current budget proposal could affect the safety of officer and citizens. Need council behind the department

Council Direction:

City Manager Avery gave a brief synopsis of where we are today.

- Presented draft budget with 500k reserve at end of 2010 with one-time revenues
- Still overspending
- Over past week have 430K additional cuts for total of 983k reserve at end of 2010
- If do nothing will look for 1.2 million to cut because one-time funds gone
- Matrix building should be disposed of to prepare for next year.
- Following 2 years additional 500k cuts each
- 3 areas considered by state to 'borrow'
- 'borrow' no longer budget but cash flow issue
- How do we 'borrow' from ourselves to cover cash flow issues?
- If state changes mind and makes it a take-away reserve goes away
- Do we move forward with assumption this is 'borrow' and look at cash flow issue
- Take risk it stays a 'borrow' and smaller amount to cut
- Golden handshakes for more salary savings and identify other programs and alternative utility savings
- Not take risk and go ahead and cut allowing reserve of 900k.
- Not taking into account if revenues go down.
- For council discussions. Cut tonight cut another \$12,000 without impact to shut Helmers Park next year will be there.
- Comfortable today saying take the risk and approve budget based on actions taken so far and continue to monitor state activities. Would still say as a group should have quarterly budget only discussion to view trends and take action early.
- Highlights of potential changes anticipated throughout the year. Golden handshakes, attrition; more employee salary available.

Council Member Holloway – In agreement with city manager.

Mayor Morgan – try to build reserve for difficult time and use as prudently as can until gone. Next year have a budget that works unless additional revenues or cuts occur. Can move forward. City manager and finance will monitor closely. Unless decide tonight to cut staffing, we're good. Department heads be prepared for loss of people.

MINUTES - CITY COUNCIL / REDEVELOPMENT AGENCY - ADJOURNED SPECIAL

June 11, 2009

Page 8

Council Member Holloway – discuss staff in privacy and leave decisions to City Manager. Future guidepost, need to reduce 430k from labor. Downsize staffing.

Council Member Carter – thanked employees of City. Won't forget sacrifice and help to community. Go along with recommendation to move forward now and review with state budget.

Council Member Taylor – we are doing what state has been doing on a smaller scale, kicking can to the right. Have income/expenditures modeled on monthly basis as standing agenda item. Want to personally see reports based on historical knowledge of revenues. Make recommendations as needed and not delay. Agree with moving properties and banking, liquidate all properties. Not here to drag out budget process but do think isn't just an annual process, have authority to make decisions throughout the year. Willing to move forward but have questions on service funds. Just trying to understand reserves.

Council Member Wiknich – think back when running for council and begging council not to hire all these people, think we should have made more but at this point won't press. Move on and do best we can.

Council Member Taylor – suggest close pool at end of summer

Council Member Holloway – has to be some balance, every time things get tight cut advertising. If in a downtrend on growth would recommend more cuts but in next 18 months we will be increasing. If this happens will be a disservice to community to let everything run down. If we cut further will kill ability to grow out of this. Have great opportunity to showcase community, approve and monitor the budget, not ashamed at what we have done. Maintained ability to attract businesses and residents to community. Thank employees, nobody put themselves first and everybody gave equally.

PUBLIC COMMENT

Jim Winegardner – gave list of concerns to Council and reviewed each item.

COUNCIL COMMENT

Council Member Taylor – appreciate hard work and willing to make cuts and changes during the year if estimates not moving in the right direction make the hard cuts as needed. Cash-out are being used outside of the city to purchase health insurance

Holloway – None

Wiknich – None

MINUTES - CITY COUNCIL / REDEVELOPMENT AGENCY - ADJOURNED SPECIAL

June 11, 2009

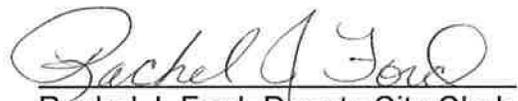
Page 9

Carter – None

Mayor Morgan – Thanked staff for taking time three days to work with us. Bothers that some say Council has not done the cuts needed. Line in sand is drawn. Reserves will be gone by end of this year if we believe current revenue sources and cuts are in place. Alarming situation for Council and should be wake up call to every employee is city. Appreciate everyone's time, effort and collaboration.

ADJOURNMENT

Mayor Morgan adjourned the meeting at 10:01pm


Rachel J. Ford, Deputy City Clerk.