



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

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

**July 01, 2010  
6:00 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 at 6:00 pm**

**ROLL CALL**

Council Members Present: Mayor Morgan, Council Member Ron, Tom Wiknich, Chip Holloway, and Jerry Taylor

Staff Present: Interim City Manager Harvey M. Rose; City Clerk Rachel J. Ford; Other Staff

**SPECIAL SESSION – 6:05pm**

Reconvened meeting from June 30 adjournment at 6:05pm

**DISCUSSION ITEMS**

**1. Budget Review And Discussion For Fiscal Year 2010-11 Rose**

A Draft Budget for Fiscal Year 2010-11 was distributed to Council on June 2, 2010 for preliminary review and special budget hearings were scheduled to begin June 29, 2010. Public may view the draft budget by accessing the city of Ridgecrest website at <http://ci.ridgecrest.ca.us/index.aspx?id=118> or in person at City Hall, 100 W. California Ave.

Department Directors have prepared presentations to Council to be reviewed at this time. Council and Public will be given time to respond with questions and comments after each department presentation and the Special Meeting will be adjourned to other dates as needed to allow ample time for discussions. Council may approve the budget at the conclusion of Budget hearings.

Budget Presentation will be as follows:

- Harvey Rose – gave overview of parks and recreation department. No proposed reorganization of department planned.

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**Parks & Recreation**

- Jim Ponek – gave PowerPoint presentation to council. Staffing for parks and recreation functions; highlights for FY09-10 include eliminating 2 full time positions and all part-time staffing, budget reductions, and shortened hours to maintain operations within budgetary constraints. Overtime up some because of call-ins for vandalism to facilities and emergency service. With that, only program cut was fifth grade basketball for school district. Staff was awesome with expanded duties. Supporting departments such as MIS; YES/WIA provided grant funded youth for part-time staffing needs; police; public works; human resources; finance.
- Jim Ponek – gave 10 year revenue report. Fees have been increased, participation was down but overall revenue was increased.
- Jim Ponek – recommended budget reviewed and compared to last year's budget. This year's budget is the same as last year except elimination of \$8000 for travel and training.
- Council Member Carter – what is involved with city hall?
  - Jim Ponek – maintenance cost and janitorial costs.
- Jim Ponek – Parks & Recreation financial assistance fund has been eliminated. Sister city organization has committed to raise funds to continue.
- Council Member Carter – need date of sister city fundraiser at pizza factory. When principal, had students participate in programs. What is done for families who do not have money to participate?
  - Jim Ponek – when we offer programs is for kids who cannot afford programs. Fees have been raised over past few years. When fees were less, had financial assistance fund that helped cover youth who could not afford the program and to prevent kids from being turned away. Currently missing out on kids who could not participate in programs without assistance.
- Jim Ponek – request to attempt to increase revenues approximately 10%. Have been getting businesses to sponsor programs which cover cost of tee shirts. Will be looking into getting sponsors for summer brochure printing costs. Trying to be creative and come up with different ideas such as late fees for late registrations and others. If can find revenue then we will.
- Jim Ponek – comparison of program fees with other cities. Staff compiled and in some levels are at the top level so worried about raising fees higher. Open swim and swim lessons have boomed. We have more programs than some of the bigger cities with half the staff.
- Jim Ponek – if we cut any more staff, then will have to eliminate programs. Current recommendation is to reduce one staff member from recreations. If this happens may have to cut a program such as adult soccer, or background function for volunteer coaches.
- Jim Ponek – options presented for FY09-10 cuts rather than a position may be median upkeep; little league facility (turn over to organizations but fear they would not have funding to maintain); senior center; or piney pool (only public pool in town).

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- Harvey Rose – additional comments, draft budget subsidizes medians, play fields, senior center, and swimming pool. Money not available in general fund so to balance and still have in budget have taken \$160k in impact funds to pay for capital equipment in parks & recreation; 10% fee increase; and with regard to medians could convert medians to art service and use future impact fees. Annual weed and vector control money was removed last year (approx. \$20k).
- Council Member Carter – on medians are you talking about xeroscape?
  - Jim Ponek – looking at rock or brick with no vegetation.
  - Harvey Rose – total budget includes person who maintains and irrigation, irrigation being the largest part.
  - Council Member Carter – how long and what is cost to transfer to that type of median.
  - Harvey Rose – water district report of total city water users put us in top 10 in the area. Jim Ponek looked at alternatives. Hard surface would take a few years to accomplish. Development impact fees will replenish when Wal-Mart begins construction but currently do not have estimate of cost. Irrigation is problem in all parks and medians, want to use wells and install more wells. Not enough money to do everything in one year, possible use bonds as loan with payback.
  - Jim Ponek – downs project has agreement to maintain medians for four years. Would have to continue for at least one more year to avoid penalties. Ruth Cooper sent email that loves the medians and don't do away with them.
  - Harvey Rose – every option has negative connotation. There are exceptions such as older landscaped area on downs, would hate to see that ripped out. Two long medians on China Lake filled with asphalt and are responsibility of Caltrans. As weeds grow should contact Caltrans to do their annual maintenance.
- Council Member Wiknich – did we look at bring water out of Pearson well to downs median.
  - Jim Ponek – have looked at but didn't get final numbers, can make it our priority?
  - Council Member Wiknich – how much for water?
  - Tyrell Staheli – last year \$32k and this year thru may about \$18k.
- Council Member Taylor – just under 1000 plants, crude estimate. About a quarter of acre vegetation with low vegetation. More analysis to use minimum amount of water and not kill plants. Few years ago had contracted to spray herbicide. Safety issue involved with turning them over.
- Council Member Holloway – what is status with county and Leroy Jackson and watering.
  - Jim Ponek – we maintain Jackson park sports complex with includes all ball fields and skate park. Is on a well so no water costs. Playground and basketball part is county and on water district. County discussions of them tapping our wells. Have given

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- different prices but county has not gone to next step to help their water situation. County developing a park behind post office and they are looking at cost saving ideas. We do not have a cost for watering but if we acquire the park from them we would have to look at tapping a well in that section.
- Harvey Rose – as mentioned, are partners in groundwater oversight group. Signed agreement that we would not sink additional wells. May not be held to that agreement.
  - Council Member Wiknich – fee structures on page 11. Agree with general comments of not raising fees but in hall rental, 2006 charge of alcohol which was dropped in 2007. Why was dropped?
    - Jim Ponek – cost for alcohol deposit is \$200. Can put in for viewing. Is a deposit if something goes wrong and have to repair something.
  - Council Member Wiknich – on page 12, discount rate for non-profit organization should be looked at. Some non-profits that use the hall do very well, should look at events with more than xxx people might be required a higher fee. Larger organizations won't even notice. Perhaps a sliding scale for non-profits.
  - Harvey Rose – on that subject, we process applications for events and a fee for use but they can ask for a waiver. Non-profits do not pay a fee for public right of way like parades or fairs on the streets.
  - Council Member Wiknich – Pinney pool base fee includes life guards; can't we charge for guards separately?
    - Jim Ponek – events automatically get two guards, we charge extra for additional guards.
    - Council Member Wiknich – talking about party based fee (pool rental).
    - Jim Ponek – cost is \$100 per hour which includes 2 guards. We are in line with Bakersfield.
    - Mayor Morgan – when you say we are comparable do these other cities have any other tax or fee that helps pay for their programs?
    - Jim Ponek – do not know that for a fact.
    - Council Member Wiknich – please note on document that fee is per hour
    - Harvey Rose – taxes to support recreation has been suggested as a joint district with the county.
    - Council Member Carter – does special district go to voters?
    - Harvey Rose – yes.
  - Mayor Morgan – this budget includes reduction of one full-time equivalent.
    - Jim Ponek – that is a maintenance position that was supposed to be out last year but did not happen until this year.
  - Mayor Morgan – as proposed currently, budget for fiscal year will fit in proposal of entire budget. Are there any pluses here?
    - Harvey Rose – have tried to keep you informed of all cuts and revenues. We have balanced the budget; there is no radical

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- change to parks and recreation budget. Is identical to previous budget.
- Mayor Morgan – page 86, lists revenue estimate for Helmer's Park goes from revenue to expense loss.
  - Jim Ponek – when plan developed did not close entire park, only back portion. Did receive revenue because school track is on our water. Front portion and landscaping around senior center is costs.
  - Mayor Morgan – why allocated as \$30k net loss. Had expenses before and reduced those, why a loss? Don't like the way the numbers look.
  - Tyrell Staheli – are you saying cost is too high for what we are maintaining there?
  - Mayor Morgan – correct. Understand the frontage being maintained, but concerned about this type of number and where that money is going. understand facilities and other parks.
  - Harvey Rose – let me look at it to find out what that number covers.
  - Jim Ponek – this is based on estimate; actual costs will be known soon and will be provided to council.
  - Mayor Morgan – well use?
  - Jim Ponek – cost neutral with reimbursements.
- Mayor Morgan – we have discussed increase in revenue with 10 year pattern. How many kids in program each year. Have participants grown? If so have to correlate population growth that must be extrapolated. What I would like to know is in the programs in this budget, you state at a breaking point. I disagree with you. There are programs that make money or come close to covering costs and there are those that don't. every time we have a bad budget cycle and have a program that is in the negative, would like to see a suggestion to eliminate that program and you are not doing it this year. I look to you in your expertise. Willing to eliminate all non-profit reductions. They need to find sponsors and pay. We are at that point. If have to do that a couple of years to keep other programs running and keep the pool or something else going, why aren't we doing it and why isn't it being suggested. I know eliminating subsidies will hurt but can't keep doing.
  - Council Member Carter – need to do something for non-profits. Community can't afford to use the building. Doing great things for city but don't have the revenue to use the buildings. Any programs in the negative?
  - Jim Ponek – all programs except aquatics are paying for themselves. Summer camp programs partially contracted out. Your leagues pay for themselves.
  - Council Member Carter – is pool the only one losing money?
    - Jim Ponek – open swim does not pay for itself but swim lessons are paying for themselves. This year revenue is above projection.
    - Harvey Rose – are subsidizing pool at 114k and Kerr McGee playfields at 124k; subsidy for senior center of 41k for maintenance

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- and facilities. Recreation programs major issues are pool and fields.
- Council Member Taylor – 63k to Kerr McGee and 86k for Jackson.
  - Council Member Holloway – two wells and yet cost of 177k. either little league is too low or this is too high. Electric cost is understood.
    - Jim Ponek – have expenses in programs above the maintenance employees.
    - Jim Ponek – 14,500k for Helmer's park to date. Still have two check runs. Last year's budget based on estimated hours.
    - Tyrell Staheli – estimate hours needed and adjust.
    - Council Member Taylor – also fair amount of grass in the park to maintain.
  - Council Member Wiknich – what is included in the figures you just passed out to council?
    - Jim Ponek – everything.
    - Council Member Wiknich – general administration included in this? There are general administrative costs that should be included.
    - Tyrell Staheli – wages included.
    - Council Member Taylor – program costs distributed across program but general administration costs are not? Page 87-88.
    - Tyrell Staheli – salaries separate for general administration.
    - Jim Ponek – if were to eliminate a full time recreation person would affect the ability to maintain all programs, would have to cut a program.
  - Council Member Taylor – where is revenue from school for high school pool and has that been compared for cost of utilities?
    - Tyrell Staheli – total cost reimbursement, utilities are charges by usage.
    - Jim Ponek – they furnish lifeguard and pay additional supply fee of \$500 per month.
    - Council Member Taylor – not getting recap costs not depreciation.
    - Harvey Rose – there is an additional cost for start up of pool and school district has picked up that cost, benefiting the rest of the years use.
  - Mayor Morgan – what can you do to decrease the general fund subsidy to recreation program? What can council do to reduce the general fund subsidy and possibly save a job in some other department? Not saying staff isn't wonderful or that we want to eliminate anyone, just looking to reduce general fund subsidy in the department. Don't see one thing except closing the pool that may work.
    - Jim Ponek – staff has discussed. One thing in quality of life fund established fund for signature event that would pay for itself and possibly more revenue. Idea was one person year round full time to do that. Now joining with chamber to make Maturango Junction the signature event, not sure of impact and will take several years. Ultimately need to bring well-known performer to bring the people in. need a draw for people. Tried performing arts events, softball

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tournaments (Palmdale priority is sports tourism). Maybe when facilities are improved we can do something like that to fill the hotels and restaurants. We won't see the money but community will. Baseball example given. Idea is to fill up hotels every weekend.

- Mayor Morgan – wouldn't you agree that if I'm looking at it from a expense reduction to general fund for parks and recreation viewpoint, it would be better if you came up with it than me?
  - Jim Ponek – yes.
- Council Member Carter – talking about making cuts to reduce impact to general fund then I agree with that. About the only thing I'm aware of that could be reduced is the pool. Bottom line if looking at saving general fund will have to close the parks and pool.
  - Harvey Rose – all aware that recent years have gone to public with tax initiative to support police, suggesting people may be more inclined to support a tax for recreation which relieves general fund to support safety and streets.
- Council Member Taylor – how old is the truck/vehicle?
  - Jim Ponek – have a couple trucks that are not going to pass smog. Will be out of commission. Recommendation was put in because of that. If had to come up with cuts won't help general fund because they are not general fund. Also diesel rule goes into effect next year so purchase tractor next year.
  - Council Member Taylor – using impact fees for capital, what about grant
  - Tyrell Staheli – grant would not go back to impact fees.
- Council Member Taylor – increase in ISF fund, what is average age of computers?
- Council Member Holloway – question from mayor is not a surprise, this is most frustrating budget every year. Came to conclusion. There are four facilities with imbedded cost that won't change except employees. More you use the facility the higher the offset. Need to bring more investment and programs into facilities to increase the balance. If take programs down then reduce revenue. No major cuts you can make that will balance; need to see where you can add programs without adding people. 70-30 contract split is a good contract. If you want to answer the mayor's question, analyze future programs and get a greater variety. Revenues go up and cost goes down when programs are increased.
  - Jim Ponek – fairgrounds contract used to have miniature golf course was turned into motorcycle parks and leased to fairgrounds. May look at taking over motorcycle park and staffing it.
  - Council Member Holloway – operating hours are sporadic, not 9-5. Look at programs that add numbers but not labor. Go to bigger contracts with other businesses. Greater and more efficient utilization and we may have to put more dollars in to get there.
- Council Member Carter – we budgeted for a signature event and anticipate that getting bigger. If don't spend money won't make money.

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Would rather see cut to medians and invest those funds in more programs.

- Council Member Taylor – obligated to maintain downs medians for two more years.
- Harvey Rose – not challenging the need for more programs but do challenge statement that facilities are constant; they are at age where things have to be replaced. Have been doing it for years. Maintenance cost get higher each year.
- Council Member Taylor – when look at these numbers, far right hand side is red, not close to ratio of what it is costing us. Not talking about closing pool, but raising fees may help us get closer. Had no problem spending money, living outside our means across the board. Something has to give. Need to be creative. Other discussions coming, revenue is not going up and we are still spending money. Using a lot of one-time only funds, trying to add more stuff back in. we are going to deplete impact fees and Wal-Mart may not come in to replenish.
- Harvey Rose – if that is delayed the development funds will still be refurbished within the next five years. Not living according to revenues. Part is temporary with economy down and decline in population and lack of development has spent what was saved. Some things turning around like development. Cities of this size have larger programs, are cutting back and will still be larger than what we have. Don't have inspectors (building and construction) like other cities. Some small cities have more in amenities than us like golf courses. Part can be paid for in grants until public funds dried up, still private sector funds available. It looks disastrous but don't encourage ourselves to be more creative. Don't like what we have as a residence, want more. Of the age to go into senior programs and don't want to see them go away.
- Council Member Taylor – concern on revenue being accurate. Not sure if reductions of construction workers reduces TOT.
  - Harvey Rose – some people who rent for 30+ days don't pay TOT. correct that the revenues may not be what is expected. If can increase tourist everyone will be happy. Should do everything possible to encourage that type of development in community. Unfortunately economic development consists of one person and due to cuts cannot be as aggressive. That is a gamble like the others; spend the money in hopes to generate more in future.
- Council Member Carter – college brought in Sarah Palin who raised money for them. Other schools brought in Bob Hall to help fund football field. A lot of people who could be brought here as speakers and generate 'seat' money. Unless we do some of these things it won't happen. Think need to give support to bring in more revenues.
- Council Member Taylor – believe department head furloughs are not on furlough.
  - Harvey Rose – are currently on furlough, proposed they do not. As departments are reduced the directors are expected to pick up additional work. Do not think appropriate. Recent discussion of

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supervisors vs. subordinates. When you reduce the subordinates the ratio gets off skew. Feel department heads should be made whole and the new city manager too.

- Council Member Taylor – concern with staff that are making the department head look good.
- Council Member Carter – some cities using redevelopment money different. They invested it in community with things to bring in revenue. Some are getting more back and would like to see short and long term goals set.
- Council Member Taylor – vision for redevelopment is infrastructure because of roads and flooding, hard to get people interested in coming here because of it. Interested in how the bond money will be used. Can't market this town in the condition it is.
- Mayor Morgan – more questions on parks and recreation?

### PUBLIC COMMENT:

- Dennis Wiley – turn thermostat up. I like Mr. Council Member Carter statement on investing redevelopment funds to create revenue. Would like to see money to finish Leroy Jackson softball complex. Toilet, fencing. Wal-Mart and DART has held fundraisers there. Run tournaments in the area. Tourism counts. We bring teams from north and south and tournaments bring a lot of money. Two day tournament, hotel stays, restaurants, gas. Complex has been developed in plans and should be completed. Know tournaments bring money into town; have to have a good complex to run a good tournament. If completed will work to bring tournaments each week or two. Money will go back into budget. A Lancaster field (10) is large revenue sources. Pays for itself and brings people into town. Used to do here but don't have the facilities. Base has real bathrooms and snack bar. Spoken a couple times in past. We need to take redevelopment money to finish the complex. Need to run tournaments often.
  - Council Member Taylor – RRA list includes concession stand. Mentioned fence.
  - Dennis Wiley – two new fields, bathrooms, fence and concession.
  - Dennis Wiley – gave statistics in Sparks Nevada. Don't have a good field and they have tournaments every weekend. Mammoth parks and recreation average per adult is \$100 per day.
- Jason Pattin – question posed of cutting from department and generating money to save job in other department. Should be concerned with saving job in own department. Also mentioned cutting reductions for non-profit, would hope you give them advance warning, it would be devastating for them. When first became planning commissioner, had goals of beautifying city. Closing pools and parks is in conflict with where city should be going. comparison with BRAC getting people to come here or not was the beauty of city. One key to increase budget is industry. Can't fill the jobs here now, how can we expect to bring more industry here. Pool is only one in community,

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think about ways to increase budget and one way is new industry, but need to have nice city to fill jobs.

- Dave Matthews – several points to comment on. Missed beginning of discussion so doesn't know if personnel staffing was done. Did hear in discussion that one position is eliminated in parks and recreation. Recently called Mr. Jim Ponek to discuss item, just got back from shift managing the pool. Was surprised because as citizen don't expect department head to manage the facilities, supposed to be employees for that. Not suggesting hiring someone to do that, but am suggesting the PACT organization model to form a PRACT (Parks and Recreation Citizens Together) to help staff positions and get younger people to volunteer. Medians and water bills, the bill won't go down because district increased rates. 9-5 operation of facilities, that is banker's hours, roofer is currently working 9 hours.
  - Harvey Rose – typical schedule is 7:30-5:30
  - Dave Matthews – relying on tournaments and events have traditionally been good but right now are in a declining economy with high unemployment. People may not have the money to spend like in the past. Hypothesis 80 year old taxpayer, paid all taxes assuming these taxes were going to depreciation funds (streets, facilities, parks) then after 65 years he finds out he has been lied to, that is the situation we are in now. Have to turn state around and keep the money here rather than having it siphoned off. Mr. Council Member Carter would like to try to get Sarah Palin here.
  - Council Member Holloway – Prop 22

### RECESS 10 minutes

#### Administration (City Council; City Manager; Human Resources/Risk Management; City Clerk)

- Council Member Taylor – how will this be voted on relative to the budget?  
Ethics
- Harvey Rose – pertaining to employee salaries. Can discuss separating this out by department when time to vote. Pertaining to law, nothing can be changed because the employees are covered by labor agreements and furloughed. If there is a question of the position remaining can be pulled out and voted separately.
- Harvey Rose – city council budget remains the same, a travel account not eliminated which pays for trips to capital to lobby for funds. Beginning today this will be shared with new city manager. Has not been a separate travel budget in past but the new city manager will hopefully take over some of your travel responsibilities. Currently have kept a government account that is for RACVB and Chamber of Commerce. Important to maintain relationships with these programs as part of economic development to enhance community. RACVB took double hit last year for total of 20% and new budget has been left at the same level. Same

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accounts have previously budgeted money for sister city, youth council, parks committee has been eliminated.

- Harvey Rose – City Manager budget up from previous due to one-time cost of bring in new city manager for relocation.
- Harvey Rose – City Clerk remains same but mention elections has 15k for general election. Did not budget 110k for special recall election. If successful, will not make November election and will have to pay 110k for that pleasure. Council will have to find the funds.
  - Council Member Taylor – verify they will not qualify by November election.
  - Harvey Rose – correct, they could have special election or could push toward a state election or primary. Not simple but could be done.
  - Harvey Rose – labor division reviewed.
  - Mayor Morgan – one dedicated person for each division.
  - Harvey Rose – over the years had more but not now.
- Harvey Rose – human resources has one person and shares a part time person. Training and travel eliminated and budget remains the same other than that.
- Council Member Taylor – suggestion have discussed at looking to raise TOT?
  - Harvey Rose – increase to TOT has been discussed by council, PEAR association expressed interest in special sales tax or increase to TOT. third group looking at increase is hotel owners association and PEAR has been advised to approach the owners association to work together to increase and share the TOT. all of this lowers impact to general fund but to knowledge the discussion have not gone anywhere. TOT does require vote but is not a tax on locals but visitors. If hotels are interested in marketing and sharing tax might have an advantage to successfully passing an increase.
  - Council Member Taylor – how do we incentive the hotels to share or reduce their budget if not willing? Looking at over 200k increase if the TOT is increased.
  - Harvey Rose – failed to mention a WIA youth worker who is currently working as part time receptionist. Also in administration had support of volunteer group who serve at reception information desk. First city in 44 years with volunteer receptions.
  - Council Member Taylor – we have a strong group of volunteers and a good idea we show our support.
  - Council Member Wiknich – plug for PACT who need help on graffiti task force.
- Council Member Wiknich – pg 112 personnel grants, numbers are all over the place and not consistent. Help me understand.
  - Tyrell Staheli – WIA program was moved by Starla as full time now moving toward a part time which lowers salaries. Last year had additional ARRA funds that increased the numbers.

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- Harvey Rose – Starla mentioned ARRA funds ran out and much smaller position to work with. Starla was never full time thru the grant, we gave responsibilities in other department to justify full time position. Specifically took over the transit position vacancy. Had a vacancy for WIA and Starla went back to get the program reorganized and operating? Only have grant funding for part time WIA supervisor to allow Starla to go back to Transit.
- Council Member Holloway – TOT discussion, can rental cars be included?
  - Harvey Rose – yes but not TOT. also talking about entertainment tax that would apply to movie theatres.
  - Council Member Holloway – airport fee. Other fees on rental cars. Should look at it.
  - Jim McRea – city of Monterey has tourism tax of 1%
  - Harvey Rose – starts as entertainment tax but other things can be put into it.
- Council Member Carter – supports an increase to TOT and even looking into tourism tax. If we do this would like to increase the budgets of Chamber and RACVB to bring funds back into the valley.
- Council Member Taylor – lobbying efforts with Mr. Auld and will add this to our list of things.

PUBLIC COMMENT - None

### Finance

- Tyrell Staheli – gave presentation of Finance department budget, functions including accounting/payroll/payables. Treasury and cash management is for revenues. Trying to collect delinquent bills. Financial reporting effort to keep council updated regularly. Staffing is down and working with what we have. Only changes to budget is travel and training eliminated. TOT and business license audit was not accomplished this year and has been removed from budget for next year. Total reduction approximately 135k for projects not completed in past year.
- Council Member Taylor – 5.5 people relative to billing.
  - Tyrell Staheli – takes accountant up to ½ of time to do billing, anticipate that going down.
- Council Member Holloway – every time we did TOT audit we made out, services not out there?
  - Tyrell Staheli – still out there and is beneficial
  - Council Member Holloway – shouldn't cut
  - Council Member Taylor – agree with Council Member Holloway
  - Council Member Holloway – business license, be careful and get customer friendly firm.
- Council Member Wiknich – page 119, what contributes to the 'other' line jumping

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- Tyrell Staheli – technology rates were lowered and reserve was depleted so had to increase rates in most department to build reserve.
  - Council Member Taylor – what is the ‘other’
  - Tyrell Staheli – total billing, technology
- Mayor Morgan – 5.5 employees, 1 for payroll, 1 for payable, ½ front desks, 1 accountant, 1 accounting manager. What type of cross training do you have in case someone isn't there?
  - Tyrell Staheli – great question, had concern last year because 2-week cycle. Tasked each employee to create manual of procedures for reference and then had employee's cross-train in other areas.
  - Mayor Morgan – in past had complaints because some people believe finance is purely overhead, when down to one person per unit can't do much more to that department.
- Council Member Taylor – business financial system need upgraded. When is right time for finance and staff to get this system?
  - Tyrell Staheli – anytime a system is changed, ideally at fiscal year, but run in tandem with current system for a time.
  - Mayor Morgan – cost?
  - Craig Bradley – up to 300k
  - Mayor Morgan – system functions
  - Tyrell Staheli – payroll, payables; personnel
  - Craig Bradley – used for other functions in other departments
  - Council Member Taylor – licensing
  - Craig Bradley – is the majority of licensing cost
- Council Member Holloway – how much contingencies are in the budget
  - Tyrell Staheli – just a few
  - Council Member Holloway – what formula of where to put them?
  - Tyrell Staheli - try to eliminate when we see them
- Mayor Morgan – question now is can we come to conclusion tonight with adjustments, can go thru each department. None to police but potential increases to public services, non in MIS, public work has increases, parks and recreation had no increases, public services had potential increase and staffing discussion to resolve; could be further discussion in parks for funds for other entities. Staff will need direction if cannot come to conclusion then give direction and pass a continuing resolution to pay bills.
- Council Member Carter – would like to add \$2000 for youth advisory and fund planning person.
- Council Member Taylor – street lights discussion, make department heads whole, planning on turning off 75% of street lights. Need to find the money. Counter propose on planning person believe all for getting intern or sharing resources. Need to figure out how to. Don't feel department head should be made whole at this time. Want to add back some of the saving for street lights. Talking about turning off all lights that are not at

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intersections. Talking about darkening areas that are already poorly lit. major safety concerns. Still have people burglarizing cars at nights.

- Tyrell Staheli – department head affects about 35k to general fund.
- Harvey Rose – department heads do not get overtime for working over, other employees do get overtime.
- Council Member Carter – do not want to take away from department heads, need to be made whole.
- Council Member Wiknich – page 23 line 261 what can the fire impact fund be used for? This is our money.
  - Harvey Rose – set up to help fund the third fire station. Have been approached by new chief, thinking of placing a ladder truck here and wants to supplement cost. Designed to support new station.
  - Council Member Wiknich – our money and we decide how will be spent within fire service.
- Council Member Wiknich – major concern is any recommendations to add should also recommend where the money will come from. Still interested in adding building inspector and ask staff to see if they can find a way to do it. Local inspector will live and spend in Ridgecrest and by contracting we are not spending locally; money is being taken back to Bakersfield. Staff looks at using this money locally and in-house if possible.
- Council Member Holloway – if street light is older than 10 years old will be turned off free but if newer we will have to pay. Can staff verify this?
- Mayor Morgan – heard these things:
  - Public service has issue with unbudgeted funding for cal-recycles programs. 30k-50k, to implement cal-recycles program.
  - Public Works – equipment discussion, PSE out of bonds; pavement management system is 60k add
    - Harvey Rose – equipment funds transfer from development impact. Other question about bonds is yes.
    - Mayor Morgan – money is budgeted for 3 capital purchases (dump, roller, and forklift) also wants a loader.
    - Council Member Taylor – what is budgeted may not fully fund.
    - Tyrell Staheli – TDA funds will fund dump truck
    - Council Member Taylor – current pricing, want to make sure he gets the 3 vehicles at today's rates.
  - Planning issue – funding for planning staff member is thru October. Then position eliminated via golden handshake then would not be able to bring someone on unless lower rate, or eliminate position.
    - Tyrell Staheli – currently cost is 82k. we budgeted ¼ of that which leaves 60k.
  - Mayor Morgan – Council Member Wiknich want to deal with building inspector. Will in-house cost and specialized outside needs stay within the 260k. we bill for those costs already. Use as part of the analysis. County only giving one body so already been cut.

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- Harvey Rose – dedicates one person but also provide the specialties. Alternative is to go to private firm and adjust fees to builders.
- Mayor Morgan – if council decided to add an inspector to budget, would take six months to fill?
  - Harvey Rose – have to allow time to study situation, we have finite amount of revenue unless rates change. Could change in mid-year.
  - Council Member Wiknich – approve as is then study for possible mid-year change.
  - Mayor Morgan – need 60k for planning. Do we have a way to do that or do we go with staff recommendation and hope for budget adjustment at the quarter to change that situation.
- Council Member Carter – in past we give staff our recommendations and ask them to come back at next meeting.
- Mayor Morgan – is acceptable to other council members?
- Council Member Wiknich – if don't make official changes and approve budget as presented, then come back with budget amendments.
- Mayor Morgan – read issues to be studied for possible amendment.
- Council Member Taylor – need to know which street lights are going to be turned off.
  - Mayor Morgan – do we have a base rate?
  - Harvey Rose – we have a tariff
  - Mayor Morgan – build that into the study. Issue with upgrading current lighting we already have. Could receive cost savings by SCE changing equipment.
  - Harvey Rose – staff has looked at in past and there is a cost, staff will look at again.
  - Council Member Taylor – we do not own the lights; need SCE to work with us on this.
  - Craig Bradley – did the study, can do it but has to be an approved bulb by SCE.
  - Mayor Morgan – going to study it.
  - Council Member Holloway – want to look at a lighting district
- Mayor Morgan – staff look at increasing TOT and lighting district
- Mayor Morgan – need to fund housing element 40k
  - Council Member Holloway – Kern COG housing element may be able to put off.
  - Council Member Taylor – want to understand what is at risk.
- Harvey Rose – discussed in parks whether to leave 94k for medians, installing wells, know where we are subsidizing, didn't hear anything about direction for that.
  - Council Member Taylor – we are spending as much money around senior center as we do for medians. Suggest xero-scaping some of that area. Eliminate turf and water around city hall and if there is a payback. Not talking about freedom park but there is area around

city hall that could be reduced. Look at investments with RRA for long-term savings.

- Harvey Rose – conservation of money and conservation of water. We use well water. Initially looking at the dollar and secondary look at saving water.
- Council Member Taylor – also saving dollars on equipment.
- Mayor Morgan – look at eliminating medians
- Council Member Holloway – ask us RFP for medians and also fake grass.
- Harvey Rose – as far as contracting, we contracted maintenance on china lake and last year that was brought in-house because of cost savings.
- Council Member Holloway – they are hungrier than last year.
- Council Member Taylor – suggest potential of contracting to non-profits.
- Council Member Wiknich – support that proposal.
- Mayor Morgan – under medians looking at ways to cut the 94k for medians.
  - Jim Ponek – numbers are down because staff is out on injury
  - Council Member Taylor – talking about levels of service rather than letting everything go down. Hold me accountable. Compromise. Willing to volunteer my time to help.
- Council Member Holloway – chief proposed a captain will retire and interested in saving records clerk. Offered not to fill the position. Also found contingencies for staff to review.

**2. Resolution No. 10-, A Resolution Of The Ridgecrest City Council Approving The Budget For Fiscal Year 2010-11  
Harvey Rose**

At the conclusion of the Special Budget Hearing meeting, Council may adopt a resolution approving the budget as amended

Motion To Approve Budget With Amendments And Budget Adjustments As Identified In Hearing To Be Reviewed On August 4, 2010 Made By Council Member Carter, Second By Council Member Wiknich. 5 Ayes, 0 Nays, 0 Abstain, 0 Absent.

Item 3 pulled as not necessary since budget was passed.

**3. Resolution No. 10-, A Resolution Of The Ridgecrest City Council Approving Year-End Transfers And Adjustments Rose**

This resolution authorizes continuance of city operations until a budget is adopted by Council.

Public Comment

- Doug Lueck – gave tax statistics. RACVB will support TOT increase. Thank council for their work.

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- Dave Matthews – if TOT is increased, will add expenses to people trying to come here on weekends. Also access to information you are discussing. Tried to find on webpage and only got the agenda for special sessions. Did not have everything. Should be made clear on web page.

### MAYOR AND COUNCIL COMMENT

- Council Member Taylor – have passed a budget and are moving forward, have contentious issues to work out. Comments have nothing to do with performance, strongly believe in staff but in hard times and spending beyond our means. Need to do what we can to be fiscally conservative.
- Council Member Holloway – agree with Jerry, no room for creativity; see light at end of tunnel with league initiative. Hoping it passes to prevent state from taking more funds. Dangerously close to making cuts that would be hard to recover from. Commend council for not overreacting.
- Council Member Wiknich – encourage Jim Ponek to use suggestions of creating revenue no matter how small it is. Would like to remind people as result of street survey to place addresses on house so they are easily visible. Personally thank city hall staff for work done, doing and future.
- Council Member Carter – want to thank staff, especially Ty and Harvey for putting together a balanced budget. Fantastic job. Very creative. Passed budget on time and work is appreciated. Appreciate colleagues. Every year able to balance the budget, state should be doing the same.
- Mayor Morgan – hope there were a lot of people watching this process. Thankful to staff for budget and sacrifices that budget entails. Hope in that statement community understands council still has concerns on where we are at. Lean years and times are getting tougher. Increased TOT is great idea. Council has put forward 3 issues to increase taxes to pave roads, pay for police, and improve parks facilities and these were voted down. please remember we are all in this situation together. Wonderful article in News Review article related to California city waiting for state ruling. Encourage everyone to get the edition and educate you. Going to fix the problem but statements made by some who are preying on council, need to get understanding. None of those who have been screaming the longest attended these hearings; they will probably put their name in the ring for council so encourage public to remember that.
- Council Member Taylor – thanked Mayor Morgan for work done on fireworks and writing check for \$100 to donate.

### ADJOURNMENT

  
Rachel J. Ford, CMC - City Clerk