



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

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

**June 2, 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 6:00pm

ROLL CALL

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

Council Members Absent: Council Member Chip Holloway

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

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

Agenda Amendments:

- Pull from closed session GC54956.8. Redevelopment Agency Real Property Negotiations - VIMCO, Civic Center Alley Improvements and Public Sewer System connection within the N1/2 of NE 1/4 of Sec 4, as shown on APN 478-01, Agency Negotiators Harvey Rose, James McRea
- Add public comment for closed session
- Move item 8 off Consent calendar to Resolutions and Ordinances Item 5A.

Motion To Approve Agenda As Amended Made By Council Member Taylor , Second By Council Member Carter . Motion Carried By Voice Vote Of 4 Ayes, 0 Nays, 0 Abstain, And 1 Absent (Council Member Holloway)

CLOSED SESSION – 6:00 p.m.

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Pursuant to Government Code 53954, City Council Member Chip Holloway and City Attorney Keith Lemieux will participate in the Closed Session of the June 2, 2010, City Council Meeting by teleconferencing.

Closed Session Public Comment opened at 6:05pm

- No public comments presented.

GC54956.9 Conference With Legal Counsel - Potential Litigation - Public Disclosure of Potential Litigant Would Prejudice the City of Ridgecrest

GC54956.9 Conference With Legal Counsel- Potential Litigation - Eierman, et al., v. City of Ridgecrest.

GC54957.6 Labor Negotiations – Police Employee Association of Ridgecrest (PEAR) and Agency negotiator Harvey Rose

REGULAR SESSION – 6:30 p.m.

PLEDGE OF ALLEGIANCE led by

INVOCATION led by citizen

CITY ATTORNEY REPORTS

- ❖ Closed Session
- ❖ Other

DEPARTMENT AND COMMITTEE REPORTS

First Council Meeting (1st Wednesday of the month)

Community Development Committee

Member: Steve Morgan, Ron Carter, Eric Kauffman, Jason Patin

Meetings: 1st Thursday of the month at 5:00 p.m.; Council Conference Room

Next meeting to be announced

- Mayor Morgan – has not met, attempt to have meeting on Monday June 14 at 4pm to discuss sign ordinance and couple other items from public.
- Council Member Wiknich – 6pm special meeting.

RACVB

Council Members Chip Holloway, Jerry Taylor

Meetings: 1st Wednesday of the month, 8:00 a.m.

Next meeting and location to be announced

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- Council Member Holloway in Sacramento – Mayor asks Mr. Lueck to give abbreviated report.
- Doug Lueck – April 17 trade commission attendance, successful, film industry interested in Ridgecrest. Dee Runion report given. Day traveler report given. April 30 received grant for out of county advertising and 2010 off road expo. Attended Orlando pow-wow international representing over 70 countries. 2011 will participate in media marketplace to highlight specific visitor sites in and around Ridgecrest. 2 signature events coming. SNORT in July includes car show and race. Looking for 500 rooms to be occupied during event. Viewfinders motocross racing in October and in 2011 looking at AMA scramble, national event for October. Working with viewfinders to co-host event. President of AMA coming in October to look us over. 10 days of filming including auto commercials. Next meeting July 7 at Best Western.

Parks, Recreation and Quality of Life Committee

Members: Ron Carter, Chip Holloway, Craig Porter, Jason Patin

Meetings: 1st Thursday of the month at 12:00 p.m.; Kerr-McGee Center

Next meeting to be announced

- Ron Carter – next meeting August 5

Youth Advisory Council

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

- Council Member Wiknich – next Wednesday 5pm infrastructure meeting, stop sign, engineering contracts, IWW water district, current road project update, safe school item.
- Council Member Taylor – no city org, 6pm on 14th at USO building, ridgecrest blvd. project meeting.

CITY MANAGER/EXECUTIVE DIRECTOR REPORTS

- None

PUBLIC HEARINGS

1. **Resolution No. 10-, A Resolution Of The Ridgecrest City Council - Public Hearing - Golden Handshake** **A. Taylor**

Government Code Section 7507 requires that the costs to provide this benefit be made at a public meeting at least two weeks prior to the adoption of the resolution. This is an estimate of the present value of additional employer contributions which will be required in the future for providing the two years service credit.

- Harvey Rose gave staff report. provision to benefit employee interested in early retirement with 2 years additional credit. City benefit is position is kept vacant or filled at lower classification. Tonight is required public hearing. Two employees considering is

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Mel Cornelius and Jeff Freeman. Currently city pays over 23k to PERS for 2 employees, if given golden handshake will pay approximately 19k each year for 2 years. Additionally if positions left vacant will save 109k annually. Filling at lower classification saves over 43k annually.

- Mayor Morgan – opened at 7:21pm
- No public comments – closed at 7:22pm

No decision at this meeting, resolution to be presented at next council meeting.

ORDINANCES AND RESOLUTIONS

2. Resolutions Of The Ridgecrest City Council, Ridgecrest Redevelopment Agency, And The Ridgecrest Finance Authority Regarding Issuance Of Tax Allocation Bonds Rose

This item reviews the resolutions and associated documents necessary for the issuance of tax allocation bonds in an amount not to exceed \$35,000,000 in order to refund Ridgecrest Development Project 1999 Tax Allocation Bonds and to provide funds for various other projects. There are four resolutions required for the Bond Purchase. They are as follows:

- A resolution of the Redevelopment Agency approving the forms of and authorizing the execution of documents pertaining to the issuance of Tax Allocation Bonds, Series 2010.
- A resolution of the City Council approving the sale of tax allocation refunding bonds.
- A resolution of the Financing Authority establishing regular meeting dates.
- A resolution of the Financing Authority approving the forms of and authorizing the execution of documents pertaining to the issuance of Tax Allocation Bonds, Series 2010.
- Harvey Rose – identified 3 offices members are acting in their official capacity (City Council, Redevelopment Agency, and Financing Authority) and outlined 4 resolutions to be voted on tonight. Identified members of financing team.
- John O'Sullivan – gave overview of documents presented to council and actions to be taken today.
 - Harvey Rose – council reviewed types of projects which 25million could be spent and has adopted the resolution which is incorporated into these documents.
 - John O'Sullivan – specific projects these funds can be used to finance.
 - Harvey Rose – each time have to come back to council for individual projects.
 - John O-Sullivan – same processes for bidding and awarding, bond proceeds must be completed in three years. Allowed to earn a little money during construction phase, are agreeing have reasonable expectation these funds will be committed over next three years.

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- Tom Wiknich – if run into problem with project, can another project be substituted if falls within scope of requirements.
- John O'Sullivan – correct
- Mr. Scriven – DelaRosa investment bankers, be glad to answer questions of the marketing process.
- David McEwen – Redevelopment attorney, explained resolutions. Public comment will be heard with each resolution. New requirement imposed to notice and agenda the financing authority actions.

Public Comment for resolution 1:

- Mayor Morgan – before opening public comment for resolution no. 1 is this setting up process only.
- Dave McEwen – expenditures will come back as they arise.
- Mayor Morgan – opened at 7:35pm
- Mike Neel – in looking at documentation was without understanding, page 3 section 8 mentions existence of Ridgecrest Financing Authority and officers. Who are the officers.
 - Steve Morgan – Mayor is chairman, City Manager is executive, Treasurer is Finance Director
 - Harvey Rose – every council member serves as officer and department heads serve as officer depending on the projects
 - Mike Neel – when was agency formed?
 - Steve Morgan – financing authority is a check-balance
 - Dave McEwan – joint powers authority formed between agency and city to use powers granted under march-ruse bond pool financing act. Authorizes authority to purchase bonds at most opportune time and can adjust sale based on market.
 - Mike Neel – what authority is agency formulated, who appointed officer
 - Dave McEwen – financing authrotiy formed under GC6550 all part of joint powers act. Formed by city in early 90's when first took advantage of law after adopted.
 - Mike Neel – GC6500-6550. Act appoints officers?
 - Dave McEwen – joint powers agreement adopted by council at the time. Board of financing authority determines who people are who hold officer.
 - Mike Neel – some act of council, in documentation somewhere? Would like to know who got the authority and how they got it.
- No Board comment

Motion To Approve Resolution of the Redevelopment Agency approving the forms of and authorizing the execution of documents pertaining to the issuance of Tax Allocation Bonds, Series 2010 Made By Council Member Wiknich, Second By Council Member Carter. Motion Carried By Voice Vote Of 4 Ayes, 0 Nays, 0 Abstain, And 1 Absent (Council Member Holloway)

Public Comment for resolution 2

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- Harvey Rose gave overview of resolution
- Mayor Morgan – opened public comment at 7:42pm
- Mike Neel – clarification after last resolution adopting majority of documentation, large part of documentation placed after last resolution. Confused as to which resolution the documentation is attached to. Indentured trust, page 12 maturity date, critical amount all blank, why. Page A1, everything is blank. How can we approve bonds if critical amount and interest rate are all blank.
 - John O’Sullivan – sale of bonds to underwriter will occur June 28. Presenting documents in form required by law. Rates will depend on market at time of sale. Negotiated with DelaRosa at the time of purchase. After sale of bonds, documents come back for execution and all information will be available. Cannot sell bonds without authorization. Our job is to ensure everything conforms with current market information at the time of sale.
 - Dave McEwen – marketing process, adjusting amounts and maturities is to allow agency to get lowest overall borrowing level. Maturity rate based on demand.
 - Steve Morgan – resolution allows company to go to market and discuss with persons purchases. You come back to city with those details and nothing is approved until approved by council.
 - Harvey Rose - That approval is given to the executive director and provides limits on discount and overall interest rate. Does not come back before council for purchase.
 - Steve Morgan – parameters have been set.
 - Mike Neel – all terms negotiated and executive director gives final approval, city manager is executive director. How normal, reasonable procedure to approve 25 million. Doesn't seem to be right way.
 - Steve Morgan – parameters are set by council to purchase the bonds at the lowest possible cost. If you have a concern as to the ability of the director, cannot deal with that. Parameters given to director by the board.
 - Mike Neel – final decision should be group.
- Closed at 7:50pm

Motion To Approve Resolution of the City Council approving the sale of tax allocation refunding bonds Made By Council Member Taylor, Second By Council Member Carter. Motion Carried By Voice Vote Of 4 Ayes, 0 Nays, 0 Abstain, And 1 Absent (Council Member Holloway)

Public Comment for resolution 3

- Harvey Rose – gave overview of third resolution setting date of regular meetings of financing authority.

Public comment opened at 7:52pm

- No public comment – closed at 7:53pm

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Motion To Approve Resolution Of The Financing Authority Establishing Regular Meeting Dates Made By Council Member Carter, Second By Council Member Taylor. Motion Carried By Voice Vote Of 4 Ayes, 0 Nays, 0 Abstain, And 1 Absent (Council Member Holloway)

Public Comment for resolution 4

- Harvey Rose – gave overview of fourth resolution.
- Jerry Taylor – clarity for public, maximum of 35 million is not necessarily expenditure. If purchase them all and don't do anything with them, what occurs.
- John O'Sullivan – after bonds sold, money in agencies hand, but projects not moving forward. Would have to call the bonds by action of council. Pay lenders back and incur initial cost of sale of bonds and execution of call of bonds and premium for call. Has never happened.
- Dave McEwen – other ramification would be audit of IRS questioning reasonable intention.
- Jerry Taylor – only cost incurring is interest. Expenditure will come back by project.

Public Comment opened at 7:55pm

- Mrs. Lafoon – do bonds not have to be voted on by public?
 - Steve Morgan – these are being requested thru redevelopment. A way to capture tax dollars within the community. Agency is responsible for sale of the bonds.

Closed public comment at 7:58pm

Motion To Approve Resolution Of The Financing Authority Approving The Forms Of And Authorizing The Execution Of Documents Pertaining To The Issuance Of Tax Allocation Bonds, Series 2010 Made By Council Member Wiknich, Second By Council Member Taylor. Motion Carried By Voice Vote Of 4 Ayes, 0 Nays, 0 Abstain, And 1 Absent (Council Member Holloway)

- Mayor Morgan – if the bonds do in fact sell, public will be allowed to make comment on each project as they come before council.
- Harvey Rose – information to public via council as go thru process of rating and sale of the bonds. Thank members of financing team for coming to the meeting.

DISCUSSION AND OTHER ACTION ITEMS

3. **Minute Order Motion Of Agency Agreement on Civic Center and California Ave.; Alley Improvements And Parking: VIMCO & RRA** McRea

This action item is an Agency project that has been expanded and modified since its last discussion in closed session on March 18, 2009. It was reviewed again this evening and this is a confirmation action to be taken upon authorization by the Agency Board.

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- Jim McRea – gave staff report. taken off closed session tonight, action before council/agency is project from 2009. Improvement of alley between Day's Inn And Car Wash, Bank Of America. Sewer access development applicant took sewer out of front of building to get necessary fall. Is not possible. Wastewater determined California avenue only approved access. Cannot go into china lake because of water lines running parallel to curb. Utility separations, intersection of California and China Lake will be required to be hand dug across front of car wash to planter due to various water and electrical lines. Two material and time estimates presented. Only time and material cost to be paid, agency participation not to exceed 20k costs. Site plan reviewed. Wastewater manager believes is developers responsibility to connect to sewer. General fund and agency receives TOT increments. Developer has paid connection fee, drainage fee, and sewer capacity fee, and traffic impact fee. Staff feels is an appropriate redevelopment project with reimbursement component not to exceed 20k. elected to wait for new city engineer or engineering firm. Not possible to put connection thru alley.
- Jerry Taylor – recall paving of alley for access to parking in back of structure, not sewer connection. Project does not have adequate parking and now design messed up. Not sure is agency problem. Water line for searles goes down California.
 - Jim McRea – perpendicular not parallel. Car was appears to be connected to California ave. should not be connected at south china lake.
 - Jerry Taylor – TOT argument?
 - Jim McRea – 43 hotel room will contribute to general fund. Companion project at San Miguel. Roughly 193 rooms plus convenience store.
- Dennis Speer – reason developer in position is never brought on-site plan approval until after pulling building permit, then only requested inspection. Not going to cut up china lake blvd. to access that particular line.

Public Comment – 8:12pm

- Dorothy Brown – watched from beginning and had reservations at time. Been ball dropped by developer, he has to buy his problem. For one thing, wasn't brought in when first approved, don't understand why. Remember dad discussing plans for big hotels in Chicago and changes would be made as being built, usually due to change in law before completion. Don't remember discussing anything about building before things approved. How did this come about? Need to think about it.
- Dave Matthews – first Mr. McRea mentioned sewer department? Wastewater treatment plant and staff. Original plan connected sewer but nobody knew actual depth of sewer. Question on this and other projects in town, do we as city actually know where sewer lines run in the city? Could be a problem elsewhere unless actually know where sewer lines are located. Still confused about not connecting to china lake when others are connected to china lake.
 - Steve Morgan – documentation city holds on locations of lines have been proven incorrect. Documents are very old. Is true lines are not exact according to documents city has.

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- Jim McRea – developer was told no lateral on china lake. Often is process of drop manhole which allows connection. Developer waited until already constructing and had a hole 24 feet deep. Could not find documentation for California ave. local contractor had to do on-site review. Developer found himself in position of not being allowed to connect to china lake or use alley way due to prior construction but had to stay in public right of way. Problem at corner is handicap ramp, utilities lines, car wash and has to cross by way of hand digging trench.
- Dave Matthews – still confused why can't connect to line on china lake blvd.
- Mike Neel – where is fault of city in this matter?
 - Jim McRea – don't know if there is a direct fault of the city. Developer responsibility to submit working drawings and plans. Given a list of things to complete.
 - Mike Neel – given everything he needed?
 - Jim McRea – there are multiple ways to connect, developer was not restricted until last minute.
 - Mike Neel – spending city money to correct fault of developer.
 - Steve Morgan – even when developer does everything right, still have change orders to deal with.
 - Mike Neel – still need to know why we are paying for developers mistakes. Don't see where it is agencies fault and don't need to pay for construction costs.
- Tom Wiknich – when built commercial building, city provided information on where they thought laterals were, spent fair amount of money to correct. Same in mammoth, told was in the road somewhere, go find it. I as developer had to pay for it and repair road back to city standards. Don't see where cost of building should be paid by city.
- Ron Carter – do not support this, should have known from beginning what to do. City expect to pay for I do not support.
- Steve Morgan – asked Dennis Speer to answer question. Why is staff against allowing connection on China Lake blvd.
- Dennis Speer – current location would require shutting down entire intersection of china lake and also developer never brought plans for engineering department to review. Pulled plans and paid permits. Came in after the fact to get inspection. On-site plan checks are done by Kern County inspectors and sometimes don't think to bring to engineering for approval. This particular issue is major street and the lot was not provided a lateral line. Process should have been engineering department receive plans before construction.
- Jerry Taylor – hope we look at our processes for future.

Minute Motion to improve alley and reimbursement not to exceed \$20,000 received no motion or second. Request denied.

4. **Resolution No. 10-, A Resolution Of The Ridgecrest City Council Authorizing Payment In The Amount Of \$199,603.42 To Benz Sanitation Inc. For The Delinquent Accounts For March-April 2010 Mandatory Trash And Recycling Services**
Staheli

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This resolution authorizes the Finance Director to make payment to Benz in the amount of \$197,355.56 for delinquent trash and recycling accounts and authorizes the amendment of the current fiscal year's budget as necessary for payment.

- Tyrell Staheli – gave staff report and update of delinquent accounts from Benz including problems identified during the process including holding of bills, duplicate accounts, finance charges on city paid accounts, not zeroing out accounts before sending to delinquent, empty lots, accounts cancelled/closed, services not rendered, no statements issued. Total of \$27,696.64 paid for duplicates, undeveloped, non-existent addresses, closed accounts. Numbers presented of to-date payments and collections. Action requested is to adopt resolution to make payment of \$199,603.42
- Ron Carter – is everything cleaned up as far as problems.
 - Tyrell Staheli – no, do believe other problems may be found, this was short audit. Have to go thru master billing list to identify other errors.
 - Ron Carter – did customers try to work with Benz or City to try to solve problems. Did Benz correct problem.
 - Tyrell Staheli – typically customers were referred to City.
 - Ron Carter – do not think should pay anything until problems straightened out.
- Steve Morgan – in agreement with Benz that identified problems would be reimbursed.
 - Tyrell Staheli – correct, have submitted invoice to Benz and not received anything to date.
 - Steve Morgan – a lot of people doing math and will key into 15% number, real as we are aware. One staff members from Benz gave city documentation on address for billing. Asked us to go look for these addresses. Eva Peterson and myself did that, this is addresses from tax roll. we found those addresses didn't exist. Gave example. We were going to give Benz the information which would lower the amount of delinquent accounts and would be refunded to us. There are issues with the percentage, ask people to not key on that percentage, is not correct. As we work thru these issues, continue to work on solving the disagreements. Not there yet, stated eloquently by Mr. Staheli. My concern in report is staff is recommending payment of \$197. If not comfortable with the way things are, have made 2 payments and not getting where need to be, should we bring in outside source to go thru the muck and get it done. Are you comfortable with this?
 - Tyrell Staheli – no, I feel more that needs to be cleaned up.
 - Steve Morgan – know people aren't paying at all. Would you recommend lower payment than what is listed here?
 - Tyrell Staheli – not comfortable with anything until billing is figured out.
 - Steve Morgan – if not happy at all, that should be recommendation.
- Tom Wiknich – did you check all addresses or spot check
 - Steve Morgan – I received 2 pages and checked every one of them for about 2 hours. Some streets are truncated. Gave information to Eva Peterson and don't know if Benz ever got that list. Not infallible, may be an address that could not find that may actually exist. Street, Way, Court may be difference.

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- Tom Wiknich – in six hours, how much of city did you check.
- Steve Morgan – went all over Ridgecrest, not in alphabetical order. Pinto was misspelled in tax rolls so didn't exist.
- Tom Wiknich – did you check 10% or 25% of City.
- Steve Morgan – found 61 addresses that did not exist. Benz is also doing this. All of this is going to get us closer to resolution. Have more work to do. Mr. Staheli, thank you for your answer.
- Jerry Taylor – knew there were problems, obligated to pay what we consider to pay for the agreement? Do you have that number tonight. Has unpaid invoice been deducted.
 - Tyrell Staheli – took out account that do not believe we are accountable for. Balance of \$199, 603.42. does not include deduction of over \$45k for unpaid invoice.

Public Comment opened at 8:47pm

- Steve Morgan – asked try to speak specific to the resolution. If you know of discrepancy not mentioned, would appreciate it being brought up tonight. Another meeting with Benz coming up.
- Jim Rachels – question Mr. Staheli, ball park number of man hours spent on this?
 - Tyrell Staheli – front desk clerk dealing with customers about 80% daily. To date 700-800 hours at average of \$25.00 dollars. Rough estimate of administrative costs.
 - Jim Rachels – if all issues get squared away today and every person who has not paid bill does, will administrative cost be recovered?
 - Jerry Taylor – service fee and additional fees for non-payment, calculation in real time that you'll try to hang him with. Question before us is payment to Benz.
 - Jim Rachels – if make payment today, will have similar payment and administrative costs, possible collection agency, longer down this road, deeper into hole.
 - Harvey Rose – once collection agency employed, cost attached to bill for non-payers. Next step would be lien on property.
 - Jim Rachels – city foolish decision to be collection agency for Benz. Don't think city should be in business of fee collection for Benz. No other utility in town has similar problem with billing. Point getting to is not only should we not make this payment, but take as opportunity to not make future payment as well. Benz has shown incompetence and bad faith. They are in violation of terms of contract and take opportunity to walk away from contract and negotiate new contract where city is not collection agency for Benz. Benz is always made whole, city will never be made whole. Asking council to get out of contract and stop digging hole.
- Dorothy Brown – tough pill to swallow. Don't need the bill, can't afford the bill, contracted garbage service that has doubled and income went down. justify paying for service I don't need. Do know of people who have been double billed, also someone problem was supposed to be taken care of and has not been. Infuriating I have to spend my time arguing stupidity, if you want to bow to dictator I don't.

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- Steve Morgan – talking about resolution authorizing payment, asking public stay on topic.
- Mike Neel – offer help to make task easier Mr. Staheli. No possible way to pay on bill with that many errors. Benz said hired 6 people to do billing when water district only does with 2 people. Also not paying my bill.
 - Steve Morgan – remind people applauding that non-payers are part of the reason we have these issues.
 - Nike Neel – reiterated Mr. Rachels comments of default on contract, do you want to keep working for Benz and trying to clean up these problems.
- Bud Clamp – can't see how city could justifiably pay without complete audit.
- Will Robertson – treat you with decency shown to me. Am double billed because house is on two lots. Have bowed to your pressures, paid 106 dollars today. Will city pay back what was taken from me.
 - Steve Morgan – if double-billed should be reimbursed.
 - Mr. Robertson – if I don't pay this, facing consequences. If I don't pay for electric bill, they shut off service. I object to this and ask are you going to pay back my \$106 that I did not authorize. Will have to take you to small claims court on July 2. What you are doing is wrong to me and other citizens.
- Robert Eierman – we have, citizens, have paid this year approximately \$375,000 for billing yet there are errors they still cannot resolve. You can couch in whatever terms you want, but is gross incompetence. Not one penny should go to Benz until they fix the problem. They could have hired people to do billing, they do nothing, don't look at the problems. Appreciate the amount of time you spent, but those problems could be sorted out in hours and Benz has had months to sort out. Mr. Staheli report as far as I'm concerned, a number could be considered fraud and do not feel city should endorse or reward that kind of behavior. Do not pay anything and maybe they will clean it up. That is a reasonable expectation.
- Ronald Porter – do not believe should pay for those reasons. This is fraud. Talking about not paying Benz.
 - Steve Morgan – not here to discuss the ordinance or your interpretation of it.
 - Ron Porter – Ordinance states any contract let to Benz would be for collection of rubbish and green waste. Says nothing about collection of other recyclables.
 - Steve Morgan – attorney opinion is does cover recyclables.
 - Ron Porter – do not have valid LAP in place.
 - Steve Morgan – from the state
 - Ron Porter – a year ago march. Contract with Benz not allowed under California laws. Fees to accept contract not adopted.
- Stan Ratoraj – trying to renegotiate contract with Benz, personally feel contractor is stalling with little or no progress. This and future bills creates problems of encourage Benz to not renegotiate. If reason to believe new contract within next 30 days is one thing, if just waiting for us to pay these bills. High time we renegotiate contract to stop this. Wasn't right from beginning, if can't do something soon is to hire best contract lawyer to put end to it.
 - Steve Morgan – Benz corporation and City working on revised ordinance. Still work in progress and another meeting on the 8th to continue to work on that

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change and hopefully have something for public to see in near future. Are working on it and trying to incorporate public comments regarding contract, self-haul. Are working on it.

- Marilyn Neel – when growing up didn't watch TV or movies until older, never saw Marx brothers movie. Saw one the other night, happened to be most ridiculous movie, going on and on. Finally got to end. this situation has become the same, don't vote to pay this bill.
- Joe Conway – can this be put into escrow? Hold in escrow?
 - Tyrell Staheli – can put it in a designation account.
 - Joe Conway – does this bring Benz up-to-date in what they consider they are owed? Could put into escrow until problems are cleared up. People paying bills every two months, hold in escrow and fix the problems.
- Mark Bufflam – Mr. Staheli in initial report said not formally agreed on? Was that a rate?
 - Tyrell Staheli – that was a rate for vacant houses.
 - Mr. Bufflam – do not think you should pay this bill. Suspect majority of people are against paying this bill as well as the ordinance. My perception of you a few minutes ago is not good. Also gives perception police is in your pocket.
 - Steve Morgan – responsible to make people stick to the subject and prevent the meeting from being delayed unnecessarily.
 - Mr. Bufflam – did state give a mandate?
 - Steve Morgan – yes and we do not meet that
 - Mr. Bufflam – did pay independent contracts.
 - Steve Morgan – please relate comments to this item only. This is public comment for this item only. General public comment is at the end of the meeting.
 - Mr. Bufflam – disagree with ordinance and don't think should pay the bill or collect money for private agency.
 - Steve Morgan – city by contract has paid delinquent bills and is collecting reimbursement for that money to the general fund.
 - Mr. Bufflam – continued to make comments off subject.
- Walt Maurer – comment on Item in agenda, as part of discussion comments were made and responding to city manager for collections and liens. Every citizen hearing those words are concerned. Serious issue. If a collections agent from city comes after me, will see you in court. Mentioned renegotiation of contract, after June 8, won't matter because measures A & B will pass and voluntary trash will go into effect. Specifically on this resolution, should pay Benz the amount of money asked, for same reason I pay for service I contracted for green bin services. City of Ridgecrest made contract with Benz and need to pay, if there are issues then need to work out but feel you need to pay them.

Public Comment closed 9:25pm

- Jerry Taylor – how much time to pay a bill?
 - Tyrell Staheli – 30 days from receipt, tomorrow is last day.
 - Jerry Taylor – have outstanding balance invoice which should be subtracted from this invoice. If that is all we have been able to correct, there are a lot of people still not paying their bills. Will get a bill even if all issues are corrected because of

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non-payers. Don't like this but agree with last public comment about contract. Believe the outstanding amount due to us should be deducted.

- Steve Morgan – \$199,603 minus 45k mentioned should be paid.
- Jerry Taylor – don't believe we should be delinquent on accounts but only pay what we know at this point in time. We are already entering negotiations with contract.
- Ron Carter – cannot authorize payment until discrepancies are taken care of. Why pay something when figures aren't accurate. Don't want to pay anything until that is done.
- Tom Wiknich – share frustration and trying to think of something to do about it. Seems nobody has good handle on inventory of addresses in Ridgecrest. Somebody should come up with that information. Volunteer to try and get that done with help from PACT volunteer. Will check every address and ascertain if vacant. My own time and don't ask city for anything. Try to get a conclusion of proper billing addresses in city. Willing to do that with council authorization and coordinate with Chief of police and PACT. Concur with Taylors recommendation and no more payments until billing is resolved. Proposing driving every street and writing every address and seeing if any are vacant.
- Jerry Taylor – Benz is working with list we gave them. Obviously as upset as Mr. Carter yet we are a party to this crime as to the way it got implemented. Surprised at how messed up the tax rolls are. Appreciate what Mr. Wiknich is offering. Willing to work with him to do this. Need to get thru this and find out what is truly our bill and what is not. We are doing due diligence, state got us here, we have a contract.
- Ron Carter – problem with a lot of this, as citizens became aware of erros, Benz could have solved the problem and they would not do it. Sad that didn't happen.
- Steve Morgan – two suggestions, one to pay nothing, the other to pay the bill minus past invoice due to us. Interested in the comments with holding the money in trust. Do you, Mr. Staheli, believe this would be a benefit to the process or separate Benz further from the process. Every time we do something, we delay what a majority of the more vocal citizens have said they wanted. Every time change is made that process is delayed. If held in trust, they will still get their money.
 - Tyrell Staheli – I think that would work for us but don't think they would have the same opinion.
 - Ron Carter – open to a fund but do not want to authorize any payment until data is correct. Need to correct it and no money given until then.
- Tom Wiknich – find the escrow account interesting, question is would it satisfy the terms of the contract? Can't answer that question without the attorney.
- Jerry Taylor – not the time to pound chest.

Motion to approve resolution to authorize payment of modified amount (deduct outstanding invoice amount) to Benz sanitation made by council member Taylor , second by council member Morgan . motion carried/failed by roll call vote of 3 ayes, 1 nays(Council Member Carter, 0 abstain, 1 absent (council member holloway)

5. Fiscal Year 2010-11 Budget Presentation To Council

Rose/Staheli

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The Director of Finance and Staff have been preparing a draft Budget for Fiscal Year 2010-11 to be presented to Council for preliminary review. Budget Hearings will be set at a later date for in-depth discussions and revisions.

- Harvey Rose – gave summary of budget changes from last meeting. Would like to set up 2 special meetings to review department budgets. The draft presented is balanced HOWEVER, project a general fund reserve of 500k by end of year, would prefer a million dollar reserve by end of year. All cuts and movement of funds indicated are still there, have not included more radical thoughts. Have included some radical thoughts. Public works moved funds from development impact fund and included 130k savings in power by turning off 75% of street lights. Eliminated street sweeping. Moved 70k from development impact to purchase public works equipment. Police still assuming to pay for 2 officer with redevelopment funds. If approved would have to go to agency ward to justify funds. Used 180k impact funds for police equipment. Came to PEAR agreement with concessions including 5% furlough and freezing of merit increase with savings of approximately 200k. one vacant position that will be unfunded. Can be refunded in future years. Recreation, talked about extreme measures such as moth-balling swimming pool and decreasing senior center, and decreasing ball fields. Nothing done in these areas. significant proposal is 10% increase in recreation fees which theoretically could increase revenue 43k. used development impact fees for equipment and vehicles. Reduces building reserve by 50k. feel safe with that use. Miscellaneous, eliminated 90k in travel and training leaving only law required training. Left in RACVB and chamber but continue to exclude advisory council, quality of life and sister city. That is what will be found in the budget, happy to answer questions now but
- Special meeting dates scheduled for June 29-July 1 beginning 6pm each evening with adjournment to next date as needed. Notices will be posted. Mr. Rose will bring continuing resolution for July 7 agenda.
- Steve Morgan – given just receiving document, if public has special consideration they would like to bring forward now, can be included for later discussions.

Public Comment opened 10-05pm

- Dave Matthews – regarding street lighting, propose we do not arbitrarily shut off lights, concern of some areas that are particularly dark, be selective.
- Mike Neel – glad to see city is considering taking some street lights out, propose questions of 550k cut to public works, what will that impact?
 - Harvey Rose – development impact fees. Amount of money public works spends in routine street maintenance. Can purchase non-personnel items so added up cost of gravel, oil, shovels, etc and came up to 550k which is proposed to move that amount from development impact leaving those funds in general fund. Will fix potholes but will take money from a different pot of money
 - Jerry Taylor – 700k not being given to us by federal
 - Tyrell Staheli – not cutting funding but taking the money from another impact fund instead of general fund.
 - Mike Neel – why do we continue to fund RACVB without accounting for return on investment. Not aware if numbers have been given. Nobody knows do we get

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anything back into city coffers for that money. How much tax and other revenues.

- Steve Morgan – presentation from RACVB
- Mike Neel – chamber also, what do we get for what we give them. Also, no cuts to recreation? Fund essentials first rather than protect favored departments.
- Stan Retoraj – my concern is the roads. Not so interested in the dollars, haven't looked at material yet. What the tasking is to public works. What have they been tasked to do and is it correct. PCI number? How does money we are putting into roads impacting PCI for the city? Are more roads going from the repairable column to the non-repairable column? Takes more to replace than repair. Some kind of presentation of the tasking of road crews.
 - Tom Wiknich – welcome you to attend the infrastructure meeting.
 - Jerry Taylor – don't believe pavement management system is being updated. Unfortunately the numbers are the old numbers.
- Copies of the budget will be posted at the library and city hall, paper copies available for \$25, please call in advance to order the copy. Can be made available on CD and is on the city website.
- Jerry Taylor – would like presentation of anticipated impact fees coming from walmart. As understand suggestion, departments need to go back and find way to cut another 500k to keep 1million reserve.

Item 5A (formerly 8) pulled and moved to location.

8. **Resolution No. 10-, A Resolution Of The Ridgecrest City Council Adopting By Reference An Addendum To The Memorandum Of Understanding Between Police Employee Association Of Ridgecrest (PEAR) And The City Of Ridgecrest**
Rose

This Resolution amends the Memorandums of Understanding and Agreements between the City of Ridgecrest and Police Employee Association of Ridgecrest (PEAR). The amendments are a result of negotiations for contracts and agreements ending June 30, 2010 and take into consideration the current economical situation of the City of Ridgecrest.

- Harvey Rose – gave update to council of negotiations including 5% employee furlough, freeze of merit increase for 1 year. No compensation increases. Thanked the organization for considering these concessions to avoid layoffs in that department, by agreeing saves city \$200k. evaluations will be conducted at normal times. If employee is found satisfactory then increase would be given on July 1, 2012. Ask council approve pending final ratification by PEAR.
- Jerry Taylor – appreciate what Police do for us and their sacrifice in keeping us solvent. Concern is not with what they have done but a year from now, all city employees to be made whole. Appreciate good faith negotiations on Harvey and PEAR's part. Need to get general fund back up where it needs to go.

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- Harvey Rose – financial situation will not rectify itself in 2 or maybe even 3 years. Recommend approve this years agreements but continue discussions thru new year towards a long-term solution. If that means eliminating programs or projects to bring budget in sinc with what we actually receive, then so be it. Every local government tries to maintain the current and expand into the future. No one tries to go backwards. In agreeing with concessions, I also said there would be no layoffs among PEAR for the term of that agreement.
- Ron Carter – thank police officer for safe community, already overworked. Employees are subsidizing the state. Appreciate what all officers do normally and thank you for going beyond.
- Tom Wiknich – ditto Carter's comments, sincere appreciation to police. Disturbs me to accept it. Would like to see them get the raises they deserve. Appreciate what they are doing, get a lot of positive comments, don't believe any of that will change.
- Steve Morgan – it goes without saying, the employees are bearing a burden none of us want you to bear. It is indescribable when we go thru these meeting with PEAR and other employee groups and have open honest conversation and come to these types of concessions. Cannot thank you enough. Saying thank you doesn't do justice to what I feel inside. One day, as we did years ago, we'll be able to make it right, just not able to do it at this point with the situation we have not created ourselves. Thank you PEAR for considering this contract, look forward to better future when state gets it together and revenues in city increase.

No Public Comment was presented

Motion to approve resolution pending ratification of the agreement by PEAR was made by Taylor, second by carter, 4 ayes, 0 nays, 0 abstain, 1 absent (council member Holloway)

CONSENT CALENDAR

All items on the Consent Calendar are considered to be routine by City staff and will be approved in one motion if no member of the Council or the public wishes to comment or ask questions. If comment or discussion is desired by anyone, that item may be removed from the Consent Calendar and be considered separately, with public comment, before action is taken.

6. **Resolution No. 10- , A Resolution Of The Ridgecrest City Council Announcing Proclamations Prepared For The Month Of June 2010 And Scheduled Date Of Presentation**
Rose

The Ridgecrest City Council receives requests for presentation of ceremonial proclamations for various event and observations. The following proclamations have been processed and will be presented at location, date and time shown below:

Proclamation Titles

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Honoring Ridgecrest Citizen – Jane Brooks – June 11, 2010

These Proclamations will be presented on Tuesday, June 11, 2010 at 12:00 Noon at City Hall

7. **Resolution No. 10-, A Resolution Of The Ridgecrest City Council Requesting California Public Employee Retirement System Board Of Administration Approval To Extend The Temporary Employment Of Interim City Manager Harvey M. Rose**
Rose

Government Code section 21221(h) provides that Harvey M. Rose may work temporarily for the City of Ridgecrest for a period not to exceed 960 hours in a calendar year. The Code also provides that the City Council may request the CalPERS Board of Administration to allow an extension of the 960-hour rule.

9. **Resolution No. 10-, A Resolution Of The Ridgecrest City Council Authorizing The Application For And Acceptance Of The Department Of Alcoholic Beverage Control, Grant Assistance Program**
Strand

The California Department of Alcoholic Beverage Control has awarded one-time grant funding to the City of Ridgecrest Police Department in the amount of \$23,721.00. The grant goal is to implement an aggressive ABC Enforcement Program with a strong emphasis on deterring minor/juvenile access to alcohol.

10. **Resolution No. 10-, A Resolution Of The Ridgecrest City Council Authorizing The Application For And Acceptance Of The United States Department Of Justice, Byrne Program Grant**
Strand

The United States Department of Justice, Edward Byrne Memorial Justice Assistance Grant Program has allocated one-time grant funding to the City of Ridgecrest Police Department in the amount of \$15,285 to purchase technology improvement products over a period of four years. The grant period begins July 2010 and ends in June 2014

11. **Resolution No. 10-, A Resolution Of The Ridgecrest City Council Authorizing The Application And Acceptance Of An Off-Highway Vehicle Grant**
Strand

The police department is seeking this grant funding to acquire the necessary OHV equipment, training and overtime to conduct OHV enforcement and education programs. We feel that through a balance between enforcement and education we can significantly reduce the number of OHV issues in our community.

12. **Council Expenditure Approval List (DWR) Dated May 21, 2010 In The Amount Of \$157,984.74**
Staheli

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13. Agency Expenditure Approval List (DWR) Dated May 10, 2010 In The Amount Of \$2,593,259.00 Staheli

14. Agency Expenditure Approval List (DWR) Dated May 21, 2010 In The Amount Of \$3,337.00 Staheli

- Item 11 pulled by Mike Neel

Motion To Approve Consent Calendar As Amended Made By Council Member Wiknich, Second By Council Member Carter, Motion Carried By Voice Vote Of 4 Ayes, 0 Nays, 0 Abstain, And 1 Absent (Council Member Holloway)

Item 11 discussion

- Mike Neel – how many calls per year? And budget amount question
 - Ron Strand – gave number of calls received. Also utilizing PACT volunteers for grant projects, a dollar amount is attached
 - Mike Neel – how long and how many hours
 - Ron Strand – 12 months and approximately 1200 hours.
 - Mike Neel – what will they be doing?
 - Ron Strand – 20% of time involved with activities for this grant, such as grand prix, amount of time spent responding to complaints and educational programs.
 - Mike Neel – equipment cost estimate? How much more for city maintaining the equipment?
 - Ron Strand – thought is will continue to request annually to maintain equipment.
 - Mike Neel – continued maintenance thru same grant. Asking police to take cuts for essential services, maybe we don't need to put ourselves in situation where we may face more costs in future. Always costs in everything used. May be hitting ourselves on head in future spending this kind of money.
- Dave Matthews – where did this grant come from
 - Ron Strand – green sticker and state department of recreation.
 - Dave Matthews – would appreciate if that is noted in future.
- Jerry Taylor – appreciate application for grant, do receive complaints around the area for off roaders.
- Ron Carter – thanked officers for their excellent work.
- Tom Wiknich – we receive a lot of complaints and appreciate Police taking action.

Motion To Approve Made By Council Member Taylor, Second By Council Member Wiknich, Motion Carried By Voice Vote Of 4 Ayes, 0 Nays, 0 Abstain, 1 Absent (Council Member Holloway)

PUBLIC COMMENT

Persons wishing to address the Council on matters that are within the Council's jurisdiction and do not already appear on this agenda, may do so at this time. Pursuant

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to the Brown Act, the City Council may not take action on an item that does not appear on this Agenda. Speakers are limited to five (5) minutes. The PUBLIC COMMENT section of the Agenda is limited to a total of sixty (60) minutes. Speakers are asked to provide their name and address for the record.

- Opened public comment at 10:36pm
- Warren Campbell – gross advantage taken earlier with persons getting out of order. Appreciate the structure of agenda and believe should be adhered to. Roberts rules of order protocols to assist officials to order a meeting such as this. Encourage the Mayor and Chief what is possible to maintain order in this type of meeting. Putting to council may become necessary due to inappropriate behavior of laypersons in our community.
- Dave Matthews – wanted to mention that among other activities desert advisory council meeting in Ridgecrest this month on 18th and 19th. Field trip on Friday and meeting on Saturday at heritage.
- Robert Kirk – thank city council members and Mayor for what you did to pass ordinance to help La Mirage residents. A year ago was here asking for help and you gave it. Also believe police need off-road vehicles. Had to run down someone using off-road vehicle in City Park and officer got them.
- Mike Neel – noted repetition about problem with loan to school district years ago. Had loan been paid with interest would have been 9 million dollars. Highly possible school district owes us 9 million dollars, statement in paper was it never got on the books. Serious situation that amounts to criminal negligence that goes out in the air and not on the books. Beyond belief that was a simple mistake. Someone should get to the bottom of this, making cuts everywhere but could have 9 million dollars in pocket.
 - Tom Wiknich – right about the problem, but the money was RRA money, not general funds.
 - Steve Morgan – answer will be forthcoming, is on the books and has always been on the books.

MAYOR AND COUNCIL COMMENTS

The Mayor and Council Members may make a brief statement. In addition, Council Members may ask a question of staff or the public for clarification on any matter, make a request of staff for factual information, or request staff to report back to the council at a later meeting concerning any matter. In addition the Mayor or any Council Member may direct the City Manager to place an item of business on a future agenda.

- Tom Wiknich – when saw 4million in daily independent, knew someone would say it would solve our problem. Would go back to RRA to be used for RRA expenditures. Attorneys are working on it. Attending china lake museum dinner, well attended and good event.
- Jerry Taylor – point of clarification on previous comment, state is supposed to be paying us back and will continue to work that end. lived 50 some years and never been sued until going on council, always interesting being here. Do my best to uphold state laws and will continue to uphold rules set in place along time ago.

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- Steve Morgan – not going to make excuse for way we try to run the meetings. Only going to state that will no longer allow latitude on subject matter that is on the agenda. Reason is have allowed meetings to get longer and longer because I have allowed too much latitude. That ended tonight and will continue to not allow as long as I am mayor. Not an expert on Roberts rules of order but know enough how to structure comments to make the comment on the subject they are supposed to do so, when they get off the subject will cut them off. Was not able to attend memorial day service at the desert memorial park. Read about it. Appreciate everyone who continues to remember our military. Great armed forces day with Juan Garcia. Anniversary of D-day landings, remember those who gave their lives to give us our freedoms. Congratulations to all graduates from kindergarten all the way thru college. Wonderful thing to move up in grades. On budget, cannot thank staff enough or police enough, ufcw, mid-management, confidential employees for going thru the numbers themselves, listening to us and working with us. On trash issue, continue to work with benz, county and state. Most disappointed with accusations we are not trying to move process forward, that is not true. End result may not be what some community members want to see but thank Benz for working with us.
- Ron Carter – talked with teachers, school year is over. Excited but also sad. Thanks to teachers and dedication. Students work hard, congratulations and have a nice summer, start again in august. Been up here a long time and work hard to listen to what citizens say. disturbs me we do not get the same courtesy. People yelling out and not giving us the opportunity to say what we want to say. we are all citizens in this community, at some point have to start working together to solve the problems. I am not a socialist and tired of being called one. It's time to get real, fighting back and forth is wrong and not acceptable, if you want to continue to do that you are part of the problem.

ADJOURNMENT at 10:54pm


Rachel J. Ford, CMC - City Clerk