



**MINUTES OF THE SPECIAL MEETING OF THE
RIDGECREST CITY COUNCIL
RIDGECREST HOUSING AUTHORITY
RIDGECREST FINANCE AUTHORITY**

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

**May 14, 2012
5:30 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

ROLL CALL

Council Present: Mayor Ronald H. Carter; Mayor Pro Tem Marshall 'Chip' Holloway; Vice Mayor Jerry D. Taylor; Council Member Steven P. Morgan; and Council Member Jason Patin

Staff Present: City Manager Kurt O. Wilson; City Clerk Rachel J. Ford; City Attorney Keith Lemieux (via teleconference); and other staff

CALL TO ORDER

ROLL CALL

Council Present: Mayor Carter; Council Members Holloway, Taylor, Morgan, And Patin

Staff Present: City Manager Wilson, City Clerk Ford, Finance Director Staheli And Other Staff

APPROVAL OF AGENDA

Motion To Approve The Agenda Made By Council Member Morgan, Second By Council Member Patin. Motion Carried By Voice Vote of 5 Ayes; 0 Nays, 0 Abstain, 0 Absent.

SPECIAL SESSION – 5:30 p.m.

- Pledge Of Allegiance
- Invocation

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PUBLIC COMMENT

No comments presented by the public

DISCUSSION AND OTHER ACTION ITEMS

1. Budget Hearing Discussions And Approval Of A Resolution For Fiscal Year 2012-13 Proposed Budget **Staheli**

Kurt Wilson

- Gave staff report highlighting the process and various funds and revenues. *(PowerPoint presentation available in the clerk's office)*

Tyrell Staheli

- Reviewed the PowerPoint presentation of the budget process.

Steve Stark - MuniServices

- Reviewed sales tax revenue history and projections. Comparisons are countywide, statewide, and regional information.

Jerry Taylor

- Asked if we have access to restaurant credit card sales information.
 - Steve Stark – explained type of report they could provide.

Tom Wiknich

- Asked the dollar threshold for sales.
 - Steve Stark – charts showed top 25 tax revenue producers.
 - Jerry Taylor – based on total revenue generation, no threshold used. Information is not available because it is competition sensitive.
 - Kurt Wilson – We do not provide specific sales information.

Dave Matthews

- How do you track sales tax leakage?
 - Steve Stark – broad formula based on effective buying and average spending habits of large regions broken down sales tax business permits. Not a transaction-by-transaction method.

Stan Rajtora

- Assumed ranking was done by sales. Can the data be provided that does not identify the individual businesses?
 - Jerry Taylor – to protect the competitive nature of the businesses, that information is not being made available.

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Howard Auld

- Comment of comparing the information. Could not read the charts and no handouts were made available to the public. Expects to hear how much money is going to be available this year and what cuts will be made in the budget.

Tyrell Staheli

- Explained the various restricted funds and revenue sources.
- Reviewed the proposed budget outline and how to read the document.

Steve Morgan

- Is the chart of accounts available to the public

Tyrell Staheli

- Working on the updated version. Last year's budget has a chart that is fairly accurate.

Steve Morgan

- Council directs staff on the numbering methodology to aid in researching information based on the breakdown of the numbers.

Howard Auld

- No idea what Tyrell is talking about, this information means nothing to the public.

Steve Morgan

- Trying to give process information that council works with before getting into the numbers. Is extremely difficult and not an easy process. We are trying to give you a background so you can take this document and try to read it you will be frustrated. We want to give the information to public to aid in reading the budget.

Jim Fallgatter

- Asked for a higher level PowerPoint that public could review.

Barbara Auld

- Asked for a glossary for everyone to view.

Kurt Wilson

- Reviewed the process used in developing the current proposed budget.
- Recapped top 3 challenges impacting the current and future year's budgets.
- Reviewed the regular process developing the basic individual department needs and the deficit to overcome.
- Reviewed the assumptions made in the proposed budget.
- Summary of budget breakdown by department.

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Tyrell Staheli

- Highlighted larger changes made in four divisions.
- Removed funding for RACVB and Chamber of Commerce
- Layoff of one police officer and one records clerk
- Parks department reclassification of director to supervisor and cuts to maintenance workers.

Jerry Taylor

- Requested a full time equivalent summary.

Jason Patin

- Agreed with Mr. Taylor, wants to know exactly what is being done to each department and the impact the changes will have on the departments.

Kurt Wilson

- Without the cuts the staff are already struggling so added cuts will generate additional difficulties to the employees and community.

Steve Morgan

- Let's just go department by department.

Jerry Taylor

- Looking to get a global understanding of the effects of services to community. Gave examples of response time changes in the police department and services that will not be available to the public.

Jason Patin

- Not looking to go line-by-line but needs to know the level of service changes and affects that will occur if certain cuts are made by council.

Kurt Wilson

- Recommend going department with today being police, public works, and administration.
- Reviewed reductions made in the past few years.
- Explained current impacts to slower response time to public, less availability for phone calls and emails.
- Utilizing a secretary who is currently covering three divisions.
- Dropped travel, postage, etc.

Steve Morgan

- Recapped current staffing of City Manager and City Clerk with utilization of administrative secretary.
- Reviewed human resources outsourcing contract and comparison of previous years staffing.

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Jim Fallgatter

- Reprimanded council for budget presentation.

Kurt Wilson

- Reassured that as we work thru the review the information will be presented.

Barbara Auld

- Asked that the public would be allowed to make comments or suggestions or questions after each area.

Jerry Taylor

- Recommend putting the full time equivalent chart on the large screen for public to view.

Jason Patin

- The secretary is borrowed from community development.

Chip Holloway

- Questioned the loss of the part-time human resources individual.

Jerry Taylor

- Asked questions about the risk management fund revenues and expenditures.

Tyrell Staheli

- Explained the fund uses and possible revenue sources.

Jerry Taylor

- Asked what department and fund numbers waste management contract was controlled under.
- Asked about franchise fund numbers.
- Reviewed TOT numbers and trend used to determine the projected revenues.
- Expressed concern of federal government travel budgets on a downward turn.
- Asked about Page 3, other state grants
- Permit construction revenues, assumes general construction
- Plan check costs on page 4 reviewed.

Stan Rajtora

- Asked if there would be another discussion on administration?
- Under income, page 7, questioned transfers of administrative services allocation from wastewater fund of \$255,000. Appears no longer using overhead ISF and using various transfers to general fund. Asked how the number was calculated.
 - Tyrell Staheli – explained the methodology.
- Asked for spreadsheet used to be provided to the public.

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- Tyrell Staheli – explained the projection is based on all expenditures, not just salaries.
- When reviewing other departments don't see similar charges.
- Asked about the calculation for public works overhead fund.
 - Tyrell Staheli – same calculation of different funds.
- Stated that overhead funds taken for overhead fees should be valued and related to that particular fund. Specifically referred to the public works overhead fund, what does the wastewater get as value for the taking of the fund.
 - Tyrell Staheli – explained administrative support of public works to the wastewater treatment plant.

Tom Wiknich

- Referred to other funds with no expenditures.
- P&R donation fund

Jerry Taylor

- Impact funds were brought up in infrastructure, asked how old is the money and is there an issue with expenditures.
 - Tyrell Staheli – five years.
- Asked if there were plans to spend the funds.
 - Tyrell Staheli – based on project and brought to council as projects are completed.

Ron Strand

- Gave presentation of current staffing, trends, and projections.
- Proposed layoff of one officer and one records clerk
- Reviewed known sex offenders in Ridgecrest
- Reviewed traffic trends.

Jerry Taylor

- Asked the impact of the reduction to records clerk
 - Ron Strand – reviewed the current function of the records clerk. Also reviewed the impact of fewer officers and crime statistics.

Jason Patin

- Asked about support of the county probation department.
 - Ron Strand – not a lot.

Ron Strand

- Reviewed teen court program.
- Community involvement and volunteer programs reviewed.
- Reviewed capital purchase requests.

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Jerry Taylor

- Asked if the vehicle listed was from the grant already in process.
 - Ron Strand – yes.
- Asked about possibility of hybrid for dispatch.
 - Ron Strand – have the minimum amount of dispatchers and approaching the county may not see a cost savings since county gets paid more.

Steve Morgan

- Asked if Chief was satisfied with amount of funding in the smaller accounts. There have been reductions in most of the categories such as training and meetings. Will the amount meet the needs for required training.
 - Ron Strand – yes, what was reduced was the cost for hiring new and putting them thru the academy.
- If council has a stronger budget and could allocate for a part time dispatcher, would that be helpful?
 - Ron Strand – yes.
- Talking about a reallocation of available part times.
 - Ron Strand – if things changed there would be thought put into increases that would benefit areas the most.

Chip Holloway

- Under disaster preparedness, are you concerned that the budget has almost been zeroed out?
 - Ron Strand – any reductions is a concern because our obligation is to protect the safety of the community. The past couple of years we were able to utilize certain grants to purchase equipment that is multi-use such as the traffic stop trailer. Looking at updating the emergency operations plan for council approval. Not enough funding to deal with a natural disaster.
- Asked Kurt about fire negotiations with the county and can we eliminate a second station if needed.
 - Kurt Wilson – do not have the same flexibility on contracts.

Jason Patin

- Asked how many employees were on furlough.
 - Ron Strand – five who would be removed from furlough with reductions that have been proposed.
- If you remove the additional staffing can you continue to track the offenders? What will the staffing per shift be down to?
 - Ron Strand – one sergeant and three officers. Goal is to always respond in the quickest manner possible in whatever way we can such as shutting down traffic or investigations. Not happy going down that road but if necessary will make it work. End result is to make the community as safe as possible.

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- Kurt Wilson – police department will not be able to maintain the same level of safety but will try. Response times will be slower.

Jerry Taylor

- Referred to 2006 numbers totals were 28 and 28 now.
- If you could add something back, what would it be?
 - Ron Strand – the officer at about \$100k.

Tom Wiknich

- Asked if there was money for nuisance abatement.
 - Ron Strand – not in this budget.
- Hoping council would have new ideas and suggestions. Suggested on revenue for dog license, change to 1 & 5 year rather than 1, 2, and 3 year. Same with business licenses. Looking for new ideas from council.
- As a volunteer, council should not let another officer go away.

Jim sanders

- Expressed pride in living in Ridgecrest.
- Suggested donating derelict homes to fire department for training.

Dave Matthews

- Liked Chief Strand's presentation, easier to see.
- Cautioned everyone to get closer to microphones for clarity.
- Asked about reserve police officers and if they collect salary while on duty.
 - Ron Strand – volunteer only
- Asked if the reserves could relieve regular officer's in house checks and other duties. Also suggested building the reserve officer staff bigger.
 - Ron Strand – working with Cerro Coso to get more reserves. Depends on the level of certification they have which restricts how much they can do independently. Most have to be with a fully sworn officer. Additionally, most reserves are professionals with regular careers elsewhere. State has restricted the training requirements so most training opportunities are now gone.

Jim Humphrey

- Steward representing records clerk, reminded council of the importance of the clerical staffing. Asked council to ask the officers how important the clerks were for their department.

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Jerry Taylor

- Asked Tyrell about the ISF fund for police.
 - Tyrell Staheli – have significantly cut IT costs.
- Looking at a labor savings?
 - Tyrell Staheli – labor and capitalization.
- Asked for recapitalization rate for police equipment.

Recess – 10 minutes

Tyrell Staheli

- Gave staff report, reviewed staffing numbers.
- Current budget eliminates one staff member, the IT Manager.
- Reduced both finance and IT budgets. Budgets can be found on pages 39 and 40 of the presentation.

Steve Morgan

- Justify not losing staff in finance.
 - Tyrell Staheli – most of finance functions are dictated by the state and auditors require division of duties to protect against improper activities, additionally there are more reporting requirements.
 - Current staffing is one person for payable, one person for payroll, front desk clerk for business licenses and TOT collections; one accountant for capitals; one manager.
- Finance takes responsibility for grants administration; payroll; all payables; all receivables, etc. if this board tells you to lose a staff members, asked for the scenario for functioning.
 - Tyrell Staheli – do not believe we could maintain the documentation or required reporting. Would be at risk for fines and penalties as well as inability to provide documentation requested.
 - Kurt Wilson – credit ratings watch us and those types of things would affect our credit rating.
- Under requirements of the State, finance now has more reporting requirements for the successor agency that will be rejected.
- Because you do send out certified documents, are you confident that the postage and freight are realistic estimates?
 - Tyrell Staheli – yes, some movement to submit by email and fax but there are still requirements for certified. We have limited capability for electronic signature.
- Asked if the payroll system replacement was in this budget.
 - Tyrell Staheli – not in this budget, latest estimate on cost is \$500k. would cut down on staffing time to have an updated system.

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Jerry Taylor

- Commented about long term capital investment returns.

Steve Morgan

- Asked for review of costs in the IT budget.
 - Tyrell Staheli – licensing costs cannot be cut.
- Asked about revenue estimates.
 - Tyrell Staheli – similar formula as outlined previously.

Chip Holloway

- What are the bank service charges?
 - Tyrell Staheli – armored car service
- Payroll system would still require staffing.
 - Tyrell Staheli – data entry and reporting requirements.
 - Kurt Wilson – back and forth process for verifications.
- Feel we should go ahead and buy the system.

Jason Patin

- Agree with Chip, the system is slow and information is archaic.
- The amount of work staff is doing for city and council seems to be doubled and almost unknown for only 3% of RDA funding available from the successor agency. Have to deal with a full load of work daily and don't even know what additional duties are coming.

Jerry Taylor

- Asked how much of the budget is still reliant on TAB funding?
 - Tyrell Staheli – budgeted administrative budget for oversight committee based on the statutory minimum.
- Questioned amount of travel between city manager and finance
 - Tyrell Staheli – state and federal required training to stay certified for reporting requirements. Webinars are not always free and have utilized as many as possible.
- Suggested Google products for licensing to reduce licensing costs. Can't drive the number to zero but looking for creative ideas to reduce the cost.

Jim Fallgatter

- Asked about average overtime salaried employees have put in over the past year.
 - Tyrell Staheli – salary exempt employees are not paid for overtime therefore we don't track the time.
 - Kurt Wilson – there is a minimum but we do not track overage.
- Feels oversight committee has been underserved and received minimal staffing support.

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Stan Rajtora

- Referred to page 1 of the proposed budget, ending balance is \$190 which says we don't need an operating fund to pay people's salaries and there is a low risk budget with no hiccups. Suggest as in the past the reserve be increased. Noted the beginning balance is \$44,000 whereas the current estimate was \$414,000 showing a \$400,000 less beginning balance than what we expected. Noted under 005 beginning balance compared to the current years anticipated balance. Assuming that funding went somewhere perhaps borrowed for other areas and last year's reserves should have been higher. Asked council to raise the ending budget balance. Do not see this as a low risk budget.
 - Kurt Wilson – correct that the reserves should be larger. Comments about where it was anticipated and where it currently is was a result of the redevelopment. City has under spent if you discount the RDA losses.

Tom Wiknich

- Asked if there is a larger city manager travel budget now than previously.
 - Jerry Taylor – was only referring to two budgets above \$1000.
- Asked how much the department has been reviewed to change processes to improve and streamline or reduce the staffing time required to complete the process.

Steve Morgan

- All questions are predicated that once each department has given presentation then Council will begin making their requested cuts.

Stan Rajtora

- Asked about the wastewater fund balances

ADJOURNMENT at 8:46 pm to May 15, 2012 at 5:30pm



Rachel J. Ford, CMC
City Clerk