



**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 15, 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

Meeting reconvened from May 14, 2012

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

SPECIAL SESSION – 5:30 p.m.

- Pledge Of Allegiance
- Invocation

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**

Dennis Speer

- Gave staff report and PowerPoint presentation of the public works budget. *(copy available in the City Clerk's office)*

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Jason Patin

- Asked what level of funding comes from the general fund.
 - Tyrell Staheli – currently no funding from general fund, some fleet maintenance from ISF and limited (\$200k) for administration.
- What cuts were made from general fund.
 - Tyrell Staheli – Reallocated to other areas within the department
- What is cost for street sweeper?
 - Dennis Speer – approximately \$190k.
- Fleet Mechanic has cut a position, can you effectively maintain what needs to be done.
 - Dennis Speer – cannot accomplish as much.

Jerry Taylor

- Only saw that cut last night?
 - Dennis Speer – was discussed but had not seen the final. Initially will have to see how things work out but may eventually have to outsource.
- Need to have a plan, going from capacity of 2 to 1 means we either had excess capacity but if not doing preventative maintenance then other problems develop.
 - Tyrell Staheli – collection is based on miles and operating expense so collect only what we spend. Current budget is less because of reduced expenditures.
 - Dennis Speer – only had one mechanic physically working since December so have been tracking. Backlog depends on what occurs each day.
- Are we sitting with a lot of down vehicles or getting them repaired?
 - Dennis Speer – at the moment are maintaining.
 - Tyrell Staheli – point of note is the transit fleet will be brand new as well as several police vehicles so maintenance cost will go down.
- What wiggle room do we have to meet the deviated fixed route requirement and possibly release more funding for roads?
 - Dennis Speer – transit fare box should be at 10%, Kern COG averages total fare box on all transit providers which covers some of the smaller operations. Can't continue to do this, so first option is to reduce dial a ride and move to deviated fixed to increase fare box ratio. Kern COG is watching for results and funds could be pulled if we don't meet the requirements. Kern COG says that as long as we are making progress toward the deviated fixed route, even if it takes three years, then funding will be made available. When we run the mileage on the 3 loops, we believe we will cut down the total miles significantly which will reduce operating costs. This is an assumption.
- If we could satisfy the unmet needs requirements with fewer days of service, can we save more funding? Would like to understand the performance level we need to meet to operate the deviated fixed route, how often do we have to run and other factors. Looking to reallocate funds from one area to roads within the department.

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- Relative to roads, what is the projected amount needed for matching funds?
 - Dennis Speer – staff will research the totals.
- My understanding is the impact fee funds have to be spent within 5 years.
 - Tyrell Staheli – began collecting in 2006 but they are still building.
 - Dennis Speer – will need to use the fund balance for matching in 2012.
- Asked for the number for matching funds needed in 2012 and 2013.

Steve Morgan

- For benefit of the public, explained TDA funding which is for transportation. For the past 6 years in working toward the deviated fixed route system have been diligently trying to figure out how to run a streamlined system but won't know how until we actually implement the system.
- Wastewater fund covers people, repair work, and all costs so no impact to the general fund with exception of overhead which is approximately.
- Asked for funds from gas tax.
 - Dennis Speer – funds are used to cover streets and roads with restrictions; engineering purposes; road maintenance; construction; curb; gutter; sidewalk. Funds have remained fairly constant for the past six years.
- Is the gas tax fund allocation appropriate or could we shift some of this funding around.
 - Dennis Speer – not enough to meet the needs of streets, including overhaul of streets.
- In fleet maintenance department, there isn't a line item for contract maintenance.
 - Tyrell Staheli – large repairs are budgeted within the individual departments. Police department budget is the primary cost.
- This is an area of concern; need to have allocations for contract maintenance.
- Asked Dennis what capital or equipment purchases were needed?
 - Dennis Speer – potholes and cracks, only have a wand. Would like to have a crack filling machine which sells for about \$80k and could improve the efficiency and effectiveness of the current system.
- Currently have a 4 person crew with one on medical. Huge issue if someone goes down for any reason there is a gaping hole getting larger. Every department is in this same situation.
- In all line items and divisions. Reviewed current staffing levels. Staffing is as thin as it can get.

Chip Holloway

- With regard to equipment needs, is it feasible to rent some of the equipment?
 - Dennis Speer – depends on the situation, some of the issues is the demand does not always fit with when the equipment is available. We did lease a pothole patcher but it was not as efficient as anticipated. Leasing a street sweeper would not be cost effective, we have a good sweeper but don't have the budget to continue to run it or pay tipping fees.

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- Five year plan for roads, can we do some of the repairs with a less costly material such as micro-paving or alternative paving.
 - Dennis Speer – yes, if we use alternative it would not require as much funding as originally anticipated.

Ron Carter

- If we have no budget, what will our streets look like in five years?
 - Dennis Speer – 79% of the streets would fail.

Jerry Taylor

- When streets fail, the cost to reconstruct goes up to \$5.00 or higher rather than \$1.00 for repairs.
- Asked about reallocation of gas tax fund expenditures.
 - Tyrell Staheli – other funds plus an old claim.
- Reviewed past budget costs for motor fuel, oil, and lube on page 82.
 - Steve Morgan – previous years we had contracted our bus services which may account for lower costs in the past.
- Reviewed comparison of parts and fuels which doesn't cover labor costs.

Chip Holloway

- Misery loves company, related County cuts that mirror Ridgecrest cuts.

Dave Matthews

- Questioned the street sweeper tipping fee of \$90k per year. Is the cost per year or per load?
 - Steve Morgan – every time we dump there is a charge so averaged over a year the total cost was \$90k.
- Transportation system going to deviated fixed route, will be still serve the county.
 - Inyokern route and Ransburg routes are running and are 100% reimbursed by the county.

Tom Wiknich

- Is there a contract for fuel which levels the price?
 - Dennis Speer – new purchase orders are issued with each budget year.
 - Tyrell Staheli – have an annual contract with short term benefits.
- What happened to make street sweeping considered hazardous material?
 - Court ruling gave path of rain that could possibly contaminate the water table as it runs from streets to drains and picks up petroleum based products.
- Referenced item 2 of TWD Resources slide showing reductions. Asked for breakdown of street repair supplies.
 - Dennis Speer – responded with full breakdown including paint, mix, patch material, etc.
- Asked the Mayor if there will be revenue discussions.

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- Tyrell Staheli – fees are affected by prop 35 so attorney is reviewing.
- At what point can the public suggest ideas for revenue generation.

Stan Rajtora

- Thanked Mr. Speer for his presentation, asked if it would be available on website.
- Didn't find transfers from general fund to public works.
 - Tyrell Staheli – fleet ISF won't show as transfers.
- Page 11, line item under utility for \$180k which assumes the contract with NAWS china lake sewer. This represents about 30% of total effluent. Total expenditure is about \$2 million and thought the Navy was to pay for 30% of expenditure which is \$600k rather than \$180k. should be getting more from the Navy.
 - Kurt Wilson – contract with Navy is not written as a flat percentage.
- Feeling is the Navy is getting a good deal and contract could be renegotiated. Current contract gives a \$400k subsidy.
 - Jerry Taylor – agree and am waiting on report of distribution system in Ridgecrest.
 - Dennis Speer – existing contract clause states we cannot raise their rates until a cost to service study is done and community wide rate changes are completed.
- Only getting 10% from Navy whereas should be getting 30%.
- Page 52, top item, no mention to electric and lighting. Only 30% of lights are necessary for roads at intersections. Could eliminate 20% of overlit areas which could save 50% of the \$250k which could be put into general fund rather than road fund.
- Page 53, charge for motor fuel, oil, and lube in the amount of \$20k in the gas tax fund. My understanding is this should be part of the vehicle ISF.
 - Tyrell Staheli – strictly for diesel fuel which is used only in the streets division.
 - Jerry Taylor asked why does this line item go from \$11k to \$20k
 - Dennis Speer – cost increases fluctuating. Will verify the number.
- Same page, fleet management cost based on miles driven and is about 70% of police budget in that area.
 - Tyrell Staheli – goes by miles and hours for some pieces of equipment.
- Page 58, wastewater administration went from \$167k jumped to \$275k. what is it and why did it increase?
 - Tyrell Staheli – budgeted but unfilled positions. Includes reallocation out of general fund such as director and administrative staff. Some functions remain in the general fund but functions that are specific to a division have been moved to the budget for that division.
- Asked for the breakdown of salary distribution. Direct labor v. overhead. If these costs are reduced, what would not get done?
- Reviewed engineering survey costs and other professional services.
 - Dennis Speer – explained mandated increases to sampling.
- Self-insurance ISF damages and judgments

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- Dennis Speer – contingency fund in the amount of \$10k
- IT ISF cost is for seat count?
 - Tyrell Staheli – current seat cost is \$6,000 each
- Page 59, under 4552, streets outside R&M amount of \$50k.
 - Dennis Speer – When running cameras thru lines we find substantial line repair and replacement coming, keeping an amount available to be able to make repairs. Last year's allocation was not expended.
- Questioned salary increase.
 - Dennis Speer – currently understaffed by 2 persons and other are drawing overtime or temporary contract labor.
- Page 60, wastewater equipment, what is the \$70k for.
 - Steve Morgan – that is for wastewater equipment such as pumps and augers.
- Improvements to building?
 - Dennis Speer – digester roof is gone and needs replaced.
- Page 61, entire health with admin allocation of \$256k and is a 15.7% overhead charge.

Chip Holloway

- When allocations are divided between funds, it is backed out of general fund so is not double dipping.

Jerry Taylor

- Software costs?
 - Dennis Speer – is for GIS mapping licenses.
- Transportation software charge?
 - Dennis Speer – two components, there is an annual retainer for technical support and required additional training for deviated fixed route. Package was upgraded previously but now has to pay for maintenance and training.
- Relative to taxi service as supplemental to transit? Is there a contract?
 - Dennis Speer – no we do not have a contract and there would be a direct cost to run a service like that.

Recess – 10 minutes

Jim McRea

- Gave staff report of public services outlining staffing, redevelopment issues, and pending projects.

Jason Patin

- Recapped previous council action eliminating the changes to staffing already implemented and questioned the allocations of administrative costs for continuing funding Gary Parsons position as administrator for Bond and Housing.
 - Kurt Wilson – there are additional projects that still have funding.

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- Staffing cuts are an additional 10% reduction to the Planner, salary cut only with all other benefits remaining intact.
- Not losing focus on community and economic development, just looking for more creative ways to continue with development. Is COSMOT funded?
 - Tyrell Staheli – on hold until receipt of approval from the state.

Steve Morgan

- This division proposed budget is full of 'if's' pending state approvals, if that does not happen then we have to eliminate completely.

Chip Holloway

- Asked how much was left in the housing set aside and if funding would be there to continue with one person.
 - Kurt Wilson – would have to review the reporting requirements, conceivable that if it comes back there would be a different level of work load.
 - Jim McRea – has support in the house and moving through legislature. Funds will not be released until 2013 and has 2 year expenditure for projects that would develop direct charges. Up to Sacramento at the moment. Steinberg's bill discusses protocols for assets such as the business park.

Jerry Taylor

- Page 45 ISF funds, cost has gone up, why. Materials costs.
 - Tyrell Staheli – forgot to pull out receipt count from that line item, will correct.
- Certain documentation will have to be done to go after grants for housing elements.
 - Jim McRea – ours needs to be updated and cost is up to \$40k and we are beyond the five year period. A portion of the plan could be done in-house which could reduce cost. A number of steps to go through or we won't be approved by HTD. Do not believe we could use TAB money for housing element. May be able to do statistical work and this is a non-reimbursable expense that we are mandated to do. Council elected to be a housing authority, county does not have a housing authority.
- Asked for projection for permitting.
 - Jim McRea – projected same level as last year. Reviewed the current levels and proposed expenditures. Reviewed projects currently under construction and others waiting to begin work. Would increase revenues but also expenditures proportionately. TAB projects may be allowed by legislation and has effect on funds that must be expended in set timelines. Recapped AMG residual loan provisions and refinance plans that would return funds to the agency.
- Fees for home construction, how much is impact fees as a percentage and can we have a moratorium?

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- Jim McRea – can have a moratorium for a finite period of time, not sure if this is the time to do it.
- Spoke on interesting ideas to spur growth by lowering fees for a time.
 - Related past fee suspensions by both city and school that did increase permits.
- Asked if fire sprinkler deadline had impact.
 - Jim McRea – did not see large impact, more impact from new building code. Cost is higher to owner as the fee was a pass thru. Can't have grass in the front yard but can have their home sprinkled. Spoke on current construction and status of builders with home sales.

Tom Wiknich

- Shared photos of abandoned home owned by the city, need to get rid of the house as an RDA asset. Embarrassing that council would do this to a neighborhood.
- Secondly, have people on salary who do not live here. Again requested city hire an in-house building inspector who would live in Ridgecrest. Spend city money on a city resident rather than someone who lives in Bakersfield. Benefit of family living here and utilizing our schools and city services.
 - Steve Morgan – would not be a wash because we would not only have to pay for the full time employee but also have to pay a firm for other services that the building inspector cannot do.
- Contractor has given reasonable hourly rates for additional needs on an as needed basis. The difference in cost is such a small window that it would be a benefit to have someone in town spending their money in Ridgecrest.

Barbara Auld

- Glad Jim McRea is still here in this community.

Carol Vaughn

- Thanked Jerry for considering the building fees. Difficult times in construction industry. Lower fees do not increase the need for housing. Prices are so low now that builders are not building because they are not making a profit on the speculation homes they are constructing. Reason a few are still doing it is to help keep some people employed. Gave prices for construction and fees from other utilities. More money in the permit costs that does not make it worthwhile to do. If people with money to spend are living in our area then the commercial will come. If you want to change people going elsewhere to shop, need to have a diversity and industry that promotes growth. Related discussion with Shannon Grove about taxes paid by private companies. Without industry we will continue to play the same game, need to bring a good diversity of industry to build a strong community.

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Stan Rajtora

- Understand there is a serious money problem but depleting the community development is short-sighting the problem. Need more revenue which we get by community development. Need to keep up the effort to expand the tax base.

Jason Patin

- Didn't know about this house, but this problem didn't happen in the past year. Asked about the history of the house. Appreciate bringing it to our attention, but don't blame the current council for the problem. Has been a long-standing problem.

Jerry Taylor

- Any hope to be able to tear this house down using available funds?
 - Jim McRea – this was slated to be sold but under current redevelopment then cannot touch it right now.
 - Gary Parson – difficulty in tearing it down is current law requires we rebuild another house. Not in a position to do that at this time. Would have been appropriate to make it look safe and sanitary but not an option at this time.
- Asked what options to liquidate the property in its current state.
 - Jim McRea – this will be transferred to housing authority as an asset. Then the board of the housing authority could make a determination as to what will happen to the property. Could then use housing funds to rehab the property.

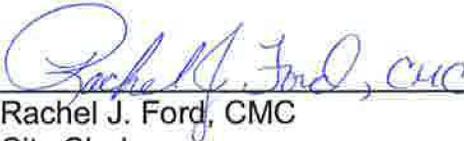
Jason Patin

- Problem happened with previous councils and is now in the holdings of this council.

Chip Holloway

- Tried to sell that house many times.

ADJOURNMENT at 8:34 pm to May 16, 2012 at 5:30pm


Rachel J. Ford, CMC
City Clerk