



## MINUTES OF THE SPECIAL MEETING OF THE RIDGECREST CITY COUNCIL

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

**March 11, 2013  
9:00 am**

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. Meetings are recorded for the purpose of preparation of minutes.

### **CALL TO ORDER – 9:00 a.m.**

#### **ROLL CALL**

**Council Present:** Mayor Daniel Clark; Mayor Pro-Tem Jason Patin; Vice-Mayor Marshall 'Chip' Holloway; Council Members James Sanders and Lori Acton

**Staff Present:** Interim City Manager Dennis Speer; Deputy City Clerk Ricca Charlon; City Attorney Keith Lemieux and other staff

#### **APPROVAL OF AGENDA**

*Motion to Approve Agenda As Amended Made By Council Member Jason Patin, Second By Council Member Jim Sanders. Motion Carried by Voice Vote of 4 Ayes; 0 Noes; 0 Abstain; 1 Absent (Holloway-late)*

#### **SPECIAL SESSION**

- **Pledge Of Allegiance**
- **Invocation**

#### **PUBLIC COMMENT**

- M. Neel – Addressed the Dale Howard case. Stated that his feelings remain the same and have not changed. Referenced email he sent to the city. His problem is that city is asking for a non-jury trial to take Mr. Howards home away.

#### **CONSENT CALENDAR**

1. **Approve A Letter Of Opposition From The Ridgecrest City Council To California State Senate President Pro Tem, Opposing SB 7** Speer

Acton – Heading to Sacramento and willing to hand deliver.

*Motion To Approve Consent Calendar Made By Council Member Jim Sanders, Second By Council Member Lori Acton. Motion Carried By Voice Vote of 5 Ayes; 0 Noes; 0 Abstain; 0 Absent.*

## DISCUSSION AND OTHER ACTION ITEMS

### **2. Discussion of Budget Strategy and Preliminary Priority Planning for Fiscal Year Budget 2013-2014** **Speer**

- City Manager (CM) gave a staff report which included an overview of the meeting in a power point presentation (on file in City Clerk's office)  
Read slides and had no additional comments.
- Patin – thanked CM for presentation. It outlined things greatly and he liked the direction it was heading.
- Acton – Echoed Patin's comments.
- Sanders – Thanked CM also for the presentation and for televising meeting.
- Acton – Asked about the April meetings and timeline – Saturday? Every night?
- Speer – looking at 3, maybe 4, successive meetings, time would be at council's pleasure.
- Holloway – Echoed Patin's comments. Pointed out the systematic cuts are going to be across the board and fairness is not going to be part of this budget. Liked idea of reformatting of budget as it is a needed effort.
- Patin – Reiterated the Key processes slide in presentation – don't pay for ongoing services with one time money, establish prudent budget reserves, fund high priority services, minimize services as much as possible, no services are going to be untouched – this might not be fair to some – but it needs to be done. Consider essential services needs, consider effective changes, consider department input as to the impact – he would like to hear from each dept. personally and the direction they intend to go. This is going to be painful and not easy. As far as Parks and Rec. I believe parks are already part of our infrastructure. Recreation is going to feel some of the pain.
- Holloway – Important that we do not cut ourselves into prosperity. Talking to McQuiston – he believes first phase of this needs to really give a distinct presentation on enterprise funds, pass through payments, maybe a 5 year history of why general fund has changed and what we pay now compared to past as far as discretionary funds. Believes it would help to explain to the public why the general fund has changed.
- Acton – county went to just Parks and no more recreation. Parks are part of our infrastructure and are essential in regards to BRAC. We need to look at alternatives for the recreation side of things.
- Patin – Parks are so vital to the BRAC process. Potential people employed here always asked about schools, crime rate, parks, and recreational activities. By destroying parks people are not going to want to come to our community.
- Clark – Reference slide 5 – Perspective – Thanked community for being here and stated their input was critical.

**PUBLIC COMMENT: 9:41**

- J. Taylor – Appreciated Council for having this meeting. Would like Council to consider including read ahead items and power point as part of packet. Would like to see talks to include broad assumptions on revenue. Strongly should be talking about assumptions – how low will some revenues go individually, TOT, sales tax, etc. Then talk about reasonable expectations on Parks and stabilizing current parks, not about growth. Place a realistic expectation on maintaining what city has. Engage the public on taking on some of that burden.
- Holloway – Asked Jerry if he thought there was a new thought process in community – Does he think there is a potential, due to furloughs, that we may retain income in town because people will be leaving less.
- J. Taylor – Not sure but don't think the council should count on it. Downfall will be packed lunches and no eating out so less revenue. Agrees that selling this place to future residents is important but keep in mind that you have to retain people.
- Patin – Referencing expansion of parks and allocation of TABS funds stated we don't have money to expand and maintain. We need to fix and maintain.
- B. Auld – Thanked Council for comments. The public needs to know all of this going on within the budget. Every outlet of communication needs to read this. We need clarity for the whole valley. Please do not use 'city jargon' and acronyms so people better understand. The relationship of the city and base is symbiotic.
- Patin – agreed with Barbara about the whole valley, city limits or not, and the value they have as a whole.
- A. Anderson – Thanked City Manager for presentation. It shows mandates very clearly. Compensation and salaries published in paper were extremely high. Need to consider renegotiating salaries of dept heads and upper members of city staff. Knows it will be tough but everybody is going to feel some pain.
- P. Vanderwerf – Noticed last flex Friday was much busier than normal. Referenced Chips comments about activity and stated we should seek opportunities to have volunteerism among citizens. Sense of urgency and recognizing what your leadership direction means and the change that needs to happen. Suggested to measure L members to look for all opportunities of training. In reference, you are elected and still need to learn and are not immediately qualified. Educate and continue to learn for great leadership.
- N. Steichen – as a community member looking five years back believes the transition is what needs to be handled well. We are affected more than others due to our tie with the government and the base. Concerned with language used to address this issue and believes in the term "parks and recreation" simultaneously - they rely on each other.
- H. Auld – What is needed in terms of balancing budget and getting help from the general public is keeping it simple so people can understand. In terms of maintaining parks, we have so many landscaping companies in town that why can't we use them? Same with Pinney Pool, we need to go to the people and ask for their help in keeping it open.
- B. Auld – 1995 and 2005 BRAC's – recreation in this town is very important to people being sent here for those and future BRAC's.

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- T. Wiknich – Referenced 1.3 million deficit and asked does that include projected revenue from measure L? (Clark – no) So Measure L will help with deficit? Suggested polling community about priorities of spending, park expansion, etc. for those that live here. Have the newspapers run a poll, do it on the city website, etc. Try and include more than the 20 or so that come to council meetings.
- Clark – We are going to try without measure L funding and then the public will need to let us know if they want to backfill with measure L funds.
- M. Neel – Passed out a large denomination fake currency bill to prove a point- and some humor - that any help from Washington should not be expected. Economic decline is going to be felt. Pointed out salaries of higher persons on the base and the size of their organization and budget in relation to city staff.
- J. Noyer – Nossaman lobbyist you pay monthly for representation for our community and I have yet to hear anything about what this lobbyist has done for us. Kosmont – June 30<sup>th</sup> J. Taylor brought up a draft on what they could do for our community and nothing. One of the greatest tools we have is our Chamber of Commerce.

**10 minute Break – 10:30 am**

**Reconvene – 10:43 am**

**DEPT HEAD COMMENTS – Not looking for numbers just direction**

**Police -**

- Sanders – Is there ever been a study done of how many officers for a community our size - an optimal and minimal amount?
- Strand – ratio of officers to citizens has been out for many years and done by the FBI. West coast is 1/1.5 officers per thousand taking into consideration density. What is my minimum number of officers on the street, to keep OT down, still answer emergencies, applying pressure to criminals, etc.; I am at 31 which is pre-measure L numbers. We are always asked about the OT for transporting. My answer is 'we do is the best we can do' in regards to transporting persons to Bakersfield. Last several years we have been operating with less. Optimum for me is the 33 number – we have two open positions right now.
- Sanders – do you have a feel in regards to other cities and AB109? Staffing? Maintaining?
- Strand – It all depends on the city and their statistics in relation to public safety. How does that impact us – we don't have the same needs as say Bakersfield – we have a revolving door and our numbers change consistently.
- Acton – I know we have some MOU's with Kern County Sheriff and the CHP but how does, or can, that fall into a solution with solving this problem?
- Strand – we are trying to slow down the numbers. Our teen court program and our relationship with the schools have resulted in us not having much gang activity. Those that come in as adult gang member we need to keep pressure on them. We see a gain in residential burglaries. Reaching out to the community about locking doors and such is key.

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- Holloway – People are always asking me why we don't just contract out the police and save 2 million a year.
- Strand – We already run a flat organization in regards to chief, captain, six sergeants, and the rest are officers. We are bare minimum on dispatch for coverage. Sheriff's dept. makes more money but you lose local control if you have a Sheriff come in to town several times a week. It might save money but it is a choice of what you want.
- Holloway – Would like staff to explore with the County of Kern closing one of the fire houses and turning other into an EMS station. Strands thoughts on that?
- Strand – stretching me outside my area of expertise. No answer.
- Patin – How many of your officers have crossed over between depts.? How come our police officers make so much? – Citizens ask him all the time.
- Strand – one officer has come from the Sheriff's dept. and several have gone over there. It is due to pay, benefits, personal choice. You have to pay employees close to the market rate. It is a highly mobile career and to maintain good officers we do this. Market rate allows us to higher by our choice and not from just what is left out there and not wanted elsewhere. We have to consider pay when we talk about maintaining our investment after schooling, training, academy expenses, etc.
- Clark – 56% of our General fund dollars go to PD. If we do a pro rata \$728,000 would be coming out of your dept. If we took that and did not back fill with Measure L, what would that look like for your dept?
- Strand – We would be down to about 25 officers – a Sergeant and 2-3 officers per shift. Public safety would be compromised on response time. Predicting over the next 12-18 months the OT would go over the roof. Back log on investigations, murders, etc. We would have to adjust accordingly. We would provide what we could with what we had to deal with.
- Holloway- in reality 77-80% of your budget is payroll. His point is there is not much left to cut other than people. We need to keep doing pro active policing and cutting back on staff would harm that.
- Strand – We have 78,000 hours a year of volunteer time. We have reached out and strive to work with community to try and do pro active policing. Officers are on many city boards and attend community meetings to stay apprised of things. Our significantly low crime rates are due to this pro active approach.
- Clark – so 31 officers we are okay?
- Strand – At 31 officers we will be okay. I would like to be at the 33 number but we will adapt.
- Patin – What can we expect in code enforcement coming back? Is it in your plans to fund?
- Strand - I would like to see it come back and funding is an issue.
- Acton – In regards to transportation, 5150 and jail holding cells – Can you please expand on a better approach or anything you might be able to do differently in regards to mental health issues as it seems to fall on the Police Dept.?

- Strand – Notified about a week ago that our County Mental Health will have a mobile representative out here 3 times a week. This is important because it gets a met unit out to respond to this call and it is a significant step forward. This is really not a law enforcement issue and we do everything we can but it really is a higher county issue. We have an effective jail but due to certain state criteria you have to transport.

**Public Comment to Police – 11:16**

- A. Anderson –Contracting to the County they will not respond to our calls like they do on the other side of the mountain. We are smaller and so we become less significant.
- P. Vanderwerf – Our mental health help in this community is broken. We need to be proactive and get involved to keep our community safe in regards to this issue and the AB109 issue. Our police officers need to be preventative in nature and not reactive. This is a huge issue in regards to quality of life. Police and streets are much more important in this community.
- M. Neel – General policing stance and staffing – the question is we have 1.3 million deficit and they get over 55% of the budget. If you don't take some from them where are you going to take it from? His suggestion is volunteerism and education to the citizens for certain means of self defense, and encouragement that the police dept is behind them on protecting their property. He does not see how we can avoid cutting the police dept. Regarding code enforcement – keep the volunteers and don't fund as it is a luxury at this point in time. Low income housing in this community is high and we need to think hard next time funding is available for one of those.
- H. Auld – Suggests the indirect costs be looked at very carefully.

**Close Public Comment - 11:33**

**Parks and Recreation -**

- Clark - 18% of general fund goes to this Dept. How will a pro rata cut affect you?
- Ponek – Looking at minimum \$200,000 reduction in funding for Parks and Rec. Read page 1 of his handout (on file in City Clerk's office). Need to look at vision for next 2-3 years and stop putting a band aid on things. In regards to Recreation, it is part of the parks programming. Cutting it makes no sense because the bodies (staffing) is still going to be there. Over the last couple years and the loss of recreation staffing, we have had to shut down on Mondays, and cut spring soccer which was a net gain of \$0 to the general fund.
- Patin – Does not think we need to cut recreation programs; we need to look at how they are run. Cutting staff when you can pass the costs on to persons using the programs is not right. Recreation should never suck money out of the general fund; it should be awash with the programs. The costs of those facilities should cover the costs of maintenance and staff. Why aren't we doing that?
- Ponek – Biggest problem right now is where are we going to go with maintenance? If we cut recreation but we still have city functions and use in the facility. The costs are there.

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- Clark – At what point can we pass on the maintenance costs into the fees of use to the families?
- Ponek – We have had a 10-15% increase on programs over the last few years and participation has gone down over the last couple years. He believes that we have hit our max on fees. We used to have a scholarship program and have limited this program.
- Patin – if the people need us and want us to continue with these programs we need to figure out another way to fund this. Believes the people that use the programs need to pay more or run them; not the city, we don't have the money.
- Ponek – we need to look at what we feel is important to provide to the city and make those priority.
- McQuiston – you are comparing fixed costs with variable costs. If you decrease the variable costs to zero the fixed costs are going to stay. You need to see what the market will bear.
- Holloway – the best way to solve the problem is to add programs and create a smaller profit margin to offset fixed costs. When you come back to us he would like to see 'expansion' / consolidation in comparison to last year's budget maintenance, staff, etc., and then do same with this year's option. Making the assumption that the County is going to accept your plan puts your options all in one spot. If they do not come through, the next option is to close the Community center and you become a facility manager. I want to see that option presented to the public also.
- Clark – The maintenance side of things is what we have as the problem. Please address this seriously as part of what you bring to the table when you come back to us. If you are cut 18% what will you look like on the maintenance? Please give us a bill projection on maintaining parks for the next year. As far as the Pool – what are the sponsorship opportunities to keep it open? How can it be kept open?

**Lunch Break – 12:00 – 1:21**

**Parks and Recreation (cont'd) -**

- Ponek – Needs to know where Council is coming from as he is getting mixed signals. Cutting the pool is only going to save 55k this year. I need more direction as your comments are varied on what to do.
- Clark – You are one of the dept heads who have presented options and you need to move forward on one of them.
- Ponek – we also need to look at Pinney pool's age. We can get through this year and maybe one more then we will need to sink a lot of money into it.
- Acton – If we don't look at revenue we are going to cut ourselves out of this. Go back and take a look at the revenue and what it covers. If you add a person what would that cover on fixed costs and help with revenue.
- Ponek – 200K means cuts to facilities & maintenance which reflects to programs.
- Patin – For option 1 what happens after 3-5 year subsidy?

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- Ponek – I believe a parks district or a maintenance tax assessment would be worked on during the 3-5 years in hopes of offset.
- Patin – Worried that if bond doesn't pass and 3-5 year money stops. What now? You have options based on assumptions.
- Holloway – I thought you were going to divert the resources from the other fields to offset. (Ponek-yes, that is the plan)
- Clark – this is a 3 year plan and if it doesn't work it is the same as the measure L and the police 5 year time frame of funding. That is the future and we will have to adjust then. We don't know the future.
- Sanders – Disagrees with options presented as these are long term liabilities. Doesn't see how we can take on any more expansion until we are in a good financial state.
- Acton – If we go to option 2 – what would we have for recreation?
- Ponek – option 2 would change the running of the dept and recreation as a whole. We would be adding on and running everything out of Kerr McGee. Staff and maintenance would already be there. Option 1 would be able to have more functions in town to keep people here on the weekends and increase TOT, etc.
- Clark – So there is expansion in both your options? (Ponek – yes) What is it going to take on maintenance to make things look great?
- Ponek – Parks and Rec had 18FTE and now are at 12FTE. Parks right now is at 1 supervisor, 5 in parks, 1 at KMCC, 1 at city hall. The pool takes a lot of our time and for the standards to increase, the pool has to be the thing to go. Sometimes you have to expand to help with the needs. We have no rotation of fields and the maintenance needs are constant. Where if we have fields to rotate then they would look better and be able to have the time to fix things properly. As a director I see a need for us to provide a field for the private organizations as they run programs that we can't afford.
- Sanders – Thinking more along the lines of something like PACT. Is that something we could do? What are the costs aside from maintenance?
- Ponek – Right now our volunteer program is over 700 people that help with our recreation programs. It is year to year and we don't know what we are going to get, not to mention liability. You still need supervision out there also. You could save money with volunteer officials and scorekeepers but you lose control on the fields. We live scan our volunteers and officials to make sure that we have quality.
- Sanders – if programs pay for themselves and the facilities then the volunteer program would offset also.
- Ponek – Maintenance is the big cost.
- Patin – Volunteerism and the liability issue I don't understand. If PACT can do it why can't you?
- Ponek – Median maintenance was great for the first couple months and then it fell off. When it is 100 degrees volunteers just don't show up. Vandalism is a huge issue and volunteers don't want to go in and put their hands in there. It is a quality of life issue.

- Sanders – PACT deals with vandalism also. We have a great community and I don't see why it can't work using them as a model. We need to consider this.

**Public Comment to Parks & Recreation – 2:04pm**

- P. Vanderwerf – Consider transition preparation in these choices. We are at a preparation stage. I am here to present option 3. I had the opportunity to bring in 50 teams of basketball during the wildflower festival and was given many obstacles. If there was a needs analysis done on the TAB funds why are we changing the direction now? I will put my comments and options in writing to each of you. Leadership/Council is asking for numbers and we are not seeing the numbers in writing from your dept. head.
- D. Young – Worked for the city of Chula Vista as retired parks supervisor and president of Boys and Girls club. He understands what Jim is facing. Volunteers can't just jump on a 100K lawn mower, knowing how to regulate sprinklers, etc. There is a big difference in programs comparing PACT and P&R volunteers. We pay our taxes and the city is obligated to provide services. After the recession we went to 'pay to play' so as not drain city coffers. There are a lot of options that you are going to have to consider.
- Acton – fulltime staff is paid and benefited in the city. What would be different if a 501C3 group came in? I think we need to almost scrap and start over, think outside the box.
- D. Young – we don't have benefits and our costs would be cheaper.
- P. Vanderwerf – DART has the capability to do these tasks. The city just has to ask them what it would take/cost.
- S. Rajtora – Pinney Pool is the only pool in town where kids can learn to swim and it gets hot here in the summer. If we took a poll as suggested by Mr. Wiknich earlier you would hear 'save the Pool.' Give the people a poll with options so they can understand the consequences.
- M. Neel – in regards to cost savings – we are talking about a place that gets 14% of the budget. Suggestions: Save 50K if you consider bringing dept. manager salaries into line. Got to cut the expenses in the two money absorbing sources. We have talked expanding for over 45 minutes and that does not make sense. You are elected representatives and not CEO's of big businesses. Both of the options presented has 1.7 to 2.5 of our tax money TAB and then hand it over to private organizations? How are they going to take care of it then when they can't do it now with our help? You have got to cut costs and can't avoid it.
- Close public comment
- Clark – have you been able to find help with private organizations and the pool?
- Ponek – I have not.
- Clark – At St. Ann's we have a parent participation program where you have to do 30 hours a year of volunteer or pay \$10/hour. We get so many volunteers there so as not to pay. Can we consider a program like this?
- Ponek – right now we do this with our summer programs. We have volunteer organizations that step up like the boy scouts.

- H. Auld – Set goals and develop your business like you want to sell it. We are here to save Ridgecrest. The council has got to be proactive and not reactive. What I am hearing now is reactive and not proactive to save Pinney pool. We need to develop a good program to save it and the people will jump on board. For fundraising just look at what happens year after year in this city. The NRA and museum foundation earn over 100k in one night with a dinner auction. We should be able to do the same thing. As an elected body you should go to Kevin McCarthy and ask for help.

**Close Public Comment – 2:40pm**

**10 minute Break**

**Reconvene – 2:50 pm**

**General Government**

- McQuiston – trying to put the puzzle together with the numbers and will get it to you as soon as possible. She is trying to get the data from auditors and such but is working to pull this together. Sales tax is a huge part of our revenue and buying local is a huge way to help. Hears a lot about transparency and how the council is not here to help. This couldn't be farther from the truth. This City Council is very transparent. Everything is open for review to the public. Budget projections will be at every council meeting for the current year. The timeline presented for budget will be held to as much as possible.
- Patin – Knows she is working hard. Please explain what general gov't is.
- Speer- administration and support services. City clerk, council, finance, IT, legal services, administrative overhead, etc. Everything it takes to run the city.
- Acton – When you are looking at revenue and doing your projections – are you looking at a 5%? 10%?
- McQuiston – I am looking at a 5 year projection. Where we sit right now it does not look like tax revenue is decreasing too terribly bad. Remember I am three weeks in. I would like to present baseline, 5%, 10%, 15%. Then look at how each of those line up, then as we see revenues, such as measure L, coming in what we look like. I would like to look at baselines each month and do some what if scenarios.
- Clark – 14% if we did pro rata would be \$182,000 for general government. What would that look like?
- Speer – without numbers I don't know but I would think it would be personnel.
- Holloway – In regards to the bankruptcy perception how do we look? Please come back with true long term debt and how we differ from other cities.

- McQuiston – from what I see right now I think bankruptcy is highly unlikely and a mute point. Mr. Ponek and Mr. Strand might not like the cuts and staffing options to keep us solvent, but bankruptcy is highly unlikely from what I see three weeks in. I am not getting a lot of strong evidence at this point that we should not be in panic mode. The reports are warning signals that we are going to that direction but not there yet and need to make cuts. We need to increase revenues. Let's get through projections and the budget so we can get our baseline and then be proactive. Accurate information and get the 12/13 budget in the black and then move on with long term planning to be proactive.
- Holloway – What do you think of a 2 year budget?
- McQuiston – right now I am trying really hard to just get accurate numbers. I suggest a one year right now and then we can look at long term budgets and revamping.
- Clark – The last 3 years we thought we had a balanced budget and found out differently. We need to stop this trend.
- McQuiston – It better stop. Her background is on projection of budget and definitely wants to routinely go over the numbers. Does not like surprises with numbers.
- Clark – what are the expectations based on what you have seen? Can you see any type of a reserve at the end of this budget cycle?
- McQuiston – I do not see a reserve. At this point I believe we can make budget along with the caveat I am three weeks in.
- Clark – in terms of our contractual obligations please take in the COLA projections for employees with your numbers
- McQuiston – I have not looked at those and plan to soon.
- Sanders – what would be a healthy rate of growth for our reserves?
- McQuiston – I am not familiar enough right now to answer that. I will come back to you with that.

**Public Comment:**

- J. McRea – Numbers are correct, but remember the state took \$527 million in ERAF the year before. That is one reason why the budget was short. Don't forget also the government took a 1.3 million in RDA and reduced it to \$250,000. This is not a reflection on staff; it is a reflection on the State. The governor extracted \$825,000 from last year's budget and we couldn't sell property that was projected in the budget as well. It is not as bad as some think due to these loses.
- S. Rajtora – the last 3-5 years we have not been able to get timely accounting reports. Wants to encourage council to work with finance director and what is needed with new software to make her job easier.
- McQuiston- extracting the numbers and putting it in an excel format to make it workable. It is taking so long due to her needing to create reports.
- Acton – Have you been speaking to the county about piggy backing on their programs and paying a user/license fee?
- McQuiston – I have not got an answer from them or know if it will work.

- M. Neel – Asked for clarity on methods used on projection spreadsheet. (McQuiston responded with formulas used)
- M. Neel – does the 1.3M deficit include the 405K loan that was owed to wastewater?
- McQuiston – I have not gotten to those numbers. This is a best guess/preliminary number at this point and I will have a more realistic number soon.

### **Community Development**

- Clark – Community Development is 7% of the budget.
- McRea – Remember there is no economic development as it has been moved to RDA. Building and safety assigned to public works, planning and community development assigned to administration. There is no community service or economic development. Together, building/safety and planning/community development represent about a half a million dollars - about \$282,000 in building and safety and about \$150,000 of that is directly related to building permits and county inspections. You only have 2 employees in this department and they are covered partially by the county. In planning you have roughly \$142,000, overall expenses of about \$200,000 with \$13,000 in the planning commission. Planning is down to one and a half people. ISF is probably 100,000 out of the 500,000 it is allocated out of the space and overhead and we have downsized with no adjustment to this. If we take out building permits of less than \$10,000 and permits, the balance is predominantly salaries. Not much of a potential for savings in this area other than salaries.
- Holloway – the numbers do not take into account the 250k from the state for RDA wind down, correct?
- McRea – No it does not, that money is used for partial funding of finance, admin, financial auditing, and some of my salary. We are currently using approx. \$100,000 salaries, \$50,000 consulting, and \$25,000 on state required auditing reports.
- Clark – There is a five year sunset on those funds correct?
- McRea – Yes, at the end of 2015 there will be one oversight board to distribute for monies for several agencies. Once the governor gets all he can, then the government will come back with legislation that will create some mechanism to continue the housing market.
- Parsons – Admin money is highly regulated. 250K is used for staff directly related to the wind down and it also is used for legal expenses, audit expenses. It does not have a lot of flexibility. There are two types of expenditures – the admin process and the other is the actual RDA funds brought in by the tax increment. Example – his salary comes in from the RDA funds not the Admin funds.

**Public Comment:**

- B. Auld – Are the ISF funds separate from the general funds? What about the wastewater loan?
- Speer – ISF charges operational units within the city a source of general funds
- McQuiston – ISF is general funded but it is a service provided for all the other agencies. We can charge those funds for support but the majority of the charges are absorbed by the general fund. They are encored regardless. The wastewater loan is on the books as a debt and the repayment will be part of the budget.

**Public Works:**

- Speer – Staffing includes City engineer, engineer tech, secretary from the general fund. Any questions?
- None from council

**Public Comment:**

- M. Neel – Reducing the cost of street lighting within the city is something to consider. We are over lit in many places. Not a ton of money but it is something.
- Acton – There is a firm that does this pro bono. They come out and try to find you money that can be saved and if they find anything they get say 10% of the rebate. If they find nothing we pay nothing. They find ways to save energy consumption.
- Speer – we have to pay the LS1 rate set by the state. We have to pay that regardless. From a traffic safety stand point public works only need about 25-30 percent of the lights and have argued the rest should go elsewhere.
- Sanders – in the future as we do development we should start looking at owning those poles so we are not on the hook for SCE rates.
- S. Rajtora – No comment has been made about the current public works overhead charges. Can you explain if that is going to continue that way?
- Speer – we are trying to eliminate and/or reduce as many ISF's as possible.
- Clark – I believe that the enterprise fund is the only one that needs to stay. All others can be absorbed.
- Holloway – You don't think IT should have a fund. How are you going to deal with needs for computers and such?
- Speer – that would be included in the general fund.

**MAYOR AND COUNCIL COMMENTS**

- Acton – None
- Sanders – Pleased with information shared.
- Holloway – Thanked staff. Liked the amount of public in attendance. Would like to have staff pursue the possibility of fire dept reduction for next meeting.
- Patin – Questioned the public comment made about dept heads salaries and comparison with the base. Can we do an analysis of other cities same positions so as to show the public we are not being overly generous? Thanked staff for information.
- Clark – Thanked staff, colleagues, and public.

**ADJOURNMENT at 4:03 pm**

  
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Ricca Charlon  
Deputy City Clerk