



**MINUTES OF THE REGULAR MEETING OF THE
RIDGECREST CITY SUCCESSOR AGENCY,
FINANCING AUTHORITY, AND HOUSING AUTHORITY**

**CITY COUNCIL CHAMBERS CITY HALL
100 West California Avenue
Ridgecrest, CA 93555**

**May 27, 2014
9:00am**

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 solely for the purpose of preparation of minutes.

CALL TO ORDER 9:00am

ROLL CALL

Council Present: Mayor Dan Clark, Vice Mayor Marshall 'Chip' Holloway, Council Members Jim Sanders and Lori Acton

Council Absent: Council Member Steve Morgan

Staff Present: City Manager Dennis Speer, Acting City Clerk Ricca Charlon, Chief Ron Strand

APPROVAL OF AGENDA

Motion To Approve Agenda By Vice Mayor Holloway, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 4 Ayes; 0 Noes; 0 Abstain; 1 Absent (Morgan).

SPECIAL SESSION – 9:00 a.m.

- Pledge Of Allegiance
- Invocation

PUBLIC COMMENT - None

DISCUSSION AND OTHER ACTION ITEMS

1. Budget Hearings for Fiscal Year 2014-2015 Budget

McQuiston

- City Manager Speer gave a power point presentation regarding a Review of Goals, Perspective, Process, Factors, Observations, Principles, Conditions, Controls, Considerations, Challenges, & Priorities. (copy available in the City Clerk's office)

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- McQuiston –
 - This is a balanced budget being presented.
 - One notable change is Measure L has surpassed anticipated revenues so we did show higher anticipated number for 14/15.
 - No ISF funds charged to any departments except for fleet maintenance.
 - Used Muni-Services estimated recommendation for sales tax in general government 4199 (with the new Marshalls, Joann's, etc.) – we will need to monitor that closely.
 - Rebates from solar field about to expire so adjustments have been made for that under 4199 'other revenue'.
 - Kern County building inspections has not billed us for many years. We have tried to get invoiced and due to no response we are not allocating money towards that in the budget for FY14/15. Believes when we are billed we should be given ample time to pay and so she will budget in the next appropriate budget.
 - Two years left on Leroy Jackson County Park (LJCP) so that should reduce parks maintenance in the future if we don't negotiate to keep it. Decision should be made sooner rather than later as Patin struggling with putting TAB funds into that facility.
 - Acton – how much revenue if any comes from LJCP?
 - Patin - We have an agreement with Youth softball partially this year and looking to be full time next year.
 - Acton - With B&G club closing are you doing any after school program?
 - Patin - Just found out about them closing and summer plans already made for this year so looking forward we are looking to do this to take up the loss and generate more revenue.

Action Items:

- **Do we get election reimbursements? If so, how much? If not, when did it stop and how much was it?**
- **IT staff do a pros/cons list for laptops vs. desktops**
- **Does chamber payment of \$2500 not need be paid for 3, 5, or 10 years?**
- **Parks & Rec formula on how to increase capital outlay account**
- **Break down for 9XXX transfers of \$352,034 & 1,310,663**

Council comments:

Sanders – would like to see Measure L dollars swapped and not spent on salaries. It is temporary revenue and spending that on salaries is not wise.

Clark - estimated reserve with this budget?

McQuiston - \$900,000 this year FY13/14. Next year FY14/15 \$215,000 for the good but this needs to be set aside for Auditor-Controller. We are lucky to hopefully not have to dig into reserve to pay them back.

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Clark – stated that he believes the pursuit of the \$722 from solid waste is necessary.

Holloway – so the budget lines are swept and tight, correct?

McQuiston – with the \$117,000 from Kern County building being put off and the Muni-services projected revenue in sales tax we have balanced the budget. TOT has taken off this year and she is anticipating \$300,000 more than budgeted. Revenues are increasing and having the time to review the grant opportunities and manage the reporting are going to really help going forward in her department. Also, the cost accounting system would cut her time in making the budget process more productive.

Holloway- is the TOT showing in the budget?

McQuiston – it is reflected in this budget.

Sanders – If Kern County building inspections were billed to us we would require a mid-year adjustment, correct?

McQuiston – I am hoping that sales tax rockets and we should be okay.

Public Comments:

Stan Rajtora – Congrats to Mr. Patin on making Recreation self-supporting. We need to look at future stability of our budget and Measure L is one time monies. How it is being spent and 1.35 million is going to salaries he is concerned about setting someone up for a real fall in a couple years and it needs to be considered before budget is finalized. Additionally, there is going to be an end to the \$250,000 coming from the RDA. Looking at City Manager budget – 4120- His salary should come from overhead funds. How much of the spread from city manager salary is coming from Admin or PW? Or P\$R? (None). or PD? (None) It would be nice to know how salaries are proportioned and council should see this before passing the budget.

McQuiston – City Manager salary is coming from (indirect cost) in PW (about 10% from WW) and (direct cost) in City Manager account line.

Council comments:

Holloway – reviewed his concerns since he will not be here tomorrow.

- Concerned is there anything in the details that are sacred to the Council that are not showing here?
- \$722 from Solid waste outstanding accounts doesn't want to throw good money after bad money. Good with selling to a collector for about the 8 cents on the dollar.
- Does the budget include actual streets light costs?
- WW water recycling is definitely something to pursue.
- Strategic plan implementation needs to be discussed
- Did we increase base line budgets before we added in measure L? The answer is no and we need to reiterate that for the public.
- Are there any anticipated allocations for any increase in costs for bargaining and PERS?
- What is the trend and percent of budget for payroll and benefits and how is increase or decreases reflected?

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Holloway *(continued)*

- CDBG money designated to B&G club – did it get paid?
 - Acton - No it went to handicap access.
- Still on the table is sole source contract that is not budgeted. – 26K is shown as a professional service agreement under city council.
- We are not looking at staff reductions, ED is safe for at least one more year, etc. so from what he sees there is really not that much to do.
- Would like to see Long Beach presentation (Pro portioned share) done at council meeting.

Acton – How will CDBG money be affected by the remodel monies that will need to be paid back if they do not stay in the building?

McQuiston – don't believe there are any cuts that were not shown from last year.

- We have utility audit company coming on board and they say they can negotiate with SCE so we are not looking to pay 10K next year and it is not included in budget recommendation.
- We had other areas that showed an increase besides measure L. I will highlight any increases.
- Debt service line is just expense revenue transaction. I can show something that shows how our cash flow goes in and out. WW loan does not hit a revenue and expense account but does affect cash flow.
- PERS will not affect this upcoming year and no allowance is given for bargaining units at this time.
- Will come back with requests and resolution to approve budget. Would you like to approve budget at Council meeting or budget hearing?
- Holloway- Council meeting to allow public comment

Non general fund will be presented tomorrow at 10am.

CITY MANAGER REPORT - Reserving comments till after requests to staff are brought back tomorrow.

MAYOR AND COUNCIL COMMENTS – Reserving comments till after requests to staff are brought back tomorrow.

ADJOURNMENT – adjourn @ 12:00 noon to 10am Wednesday.

RECONVENED – Meeting reconvened @ 10:00 a.m. Wednesday, May 28, 2014

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ROLL CALL

- Council Present: Mayor Clark, Council Members Sanders and Acton
- Council Absent: Vice Mayor Holloway, Council Member Morgan
- Staff Present: City Manager Dennis Speer; City Clerk Rachel J. Ford;
Finance Director Rachelle McQuiston; and other staff

PLEDGE AND INVOCATION

PUBLIC COMMENT OPENED AT 10:16

- No comments presented

CONTINUATION OF BUDGET DISCUSSION

Dennis Speer

- PowerPoint presentation. *(Copy Available In The City Clerk's Office)*
 - Review of Public Works budget allocations
 - FY 2013-14 accomplishments.

Dan Clark

- Inquired about signs for pavement projects
 - Dennis Speer responded will be available at next council meeting

Lori Acton

- Inquired if crack and pothole repair counts as pavement
 - Dennis Speer responded preparation for paving
- Clarified difference between paving and maintaining roads
 - Dennis Speer responded with process used to estimate cost for maintaining roads at a minimum level.

Rachelle McQuiston

- Reviewed proposed detail budget for the Gas Tax Fund
- Includes Streets, Transit, and Wastewater.

Dan Clark

- Inquired about the engineer position and increases to maintenance for streets
 - Dennis Speer responded with explanation of reorganization of streets division.

Lori Acton

- Expressed appreciation for the increases to streets

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Jim Sanders

- Inquired why the budgeted amount for Gas Tax was lower than anticipated
 - Rachelle McQuiston – number is not complete, still transferring funds over.
- Questioned amount paid to SCE for street light rentals.
 - Dennis Speer responded with rating
 - Rachelle McQuiston responded current utility audit in hopes of lowering the rating
- Inquired about taking ownership of the lights
 - Dennis Speer commented on previous proposal and explained the LS1 and LS2 rates and desire to bring proposal back to council for further discussions.
- Inquired if the pole is purchased from SCE and converted to solar, would payments to SCE continue
 - Dennis Speer responded on differences between types of poles and feasibility.
- Could TAB funds be used for conversion
 - Dennis Speer responded affirmatively

Lori Acton

- Inquired about costs for converting from SCE
 - Dennis Speer responded.
- Lori Acton questioned possibility of solar street lights
 - Dennis Speer responded will come back with information

Dan Clark

- Reviewed increase to benefit package for street maintenance
 - Rachelle McQuiston responded direct increase proportionate to increased salaries.

Lori Acton

- Clarified if the salaries included the extra help budgeted.
 - Rachelle McQuiston responded it included the extra help and reviewed the increases for previous years.

Jim Sanders

- Inquired how much Measure 'L' dollars were put into the Gas Tax Fund
 - Rachelle McQuiston responded approximately \$800
- Asked for the total anticipated or received this year
 - Rachelle McQuiston responded
 - Dennis Speer spoke on the allocations made by council and funds designated. Overage is to go toward streets.
 - Rachelle McQuiston noted the general fund has both police and engineering allocations from Measure 'L'

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Jim Sanders *(continued)*

- Reviewed figures, approximately 35% toward streets last year and this year approximately 60% is budgeted toward streets.
- Commented on approval that funds are moving in the right direction.
 - Dan Clark inquired how Jim Sanders arrived at the percentages
 - Jim Sanders responded with process used.

Rachelle McQuiston

- Reviewed street sweeping allocation as only as necessary therefore \$1000 was budgeted
- Commented future street sweeping needs to be in a special district
- Dennis Speer referenced City of Fresno street sweeping costs being collected as a utility fund and offered to bring back to council
- Jim Sanders commented on loose gravel on the road and danger for motorcycle riders, expressed approval to bring back street sweeping and possibility of negotiating the costs.
- Dennis Speer reviewed dump tipping costs in excess of \$90,000 and EPA water studies which resulted in the loss of street sweeping services due to hazardous materials.
- Jim Sanders suggested trying to find a way to get around that determination of hazardous materials getting into the aquifer. Suggested looking for solutions and bringing back to council

Rachelle McQuiston

- Reviewed budget transfers
- Reviewed Transit Fund budget
- Jim Sanders requested clarification of the revenues
 - Rachelle McQuiston reviewed breakdown of revenue sources for Transit
 - Dennis Speer clarified TDA fund.
- Lori Acton inquired about the funding from Prop 1B
 - Dennis Speer responded with information on bus garage and transfer station.
- Rachelle McQuiston revised the intergovernmental revenue to \$300,000 as Prop 1B funding had already been received.
- Jim Sanders inquired on Capital outlet
 - Dennis Speer responded the bus garage construction project which has begun.
- Jim Sanders inquired about transfer to other funds in the amount of \$400,000
 - Rachelle McQuiston – risk management and general fund administration.
- Jim Sanders inquired about the significant increase
 - Rachelle McQuiston calculated on actual expenditures and if not spent city will not get total funds.
- Jim Sanders inquired about risk management

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- Rachelle McQuiston includes workers compensation, claims, damages, judgments, insurance premiums, etc.

Rachelle McQuiston

- Reviewed wastewater fund
- Dan Clark inquired about the fee increase for the Navy
 - Dennis Speer Navy has not paid since January, currently waiting for negotiations. Legitimate concerns about the rate increase and numbers have been recalculated. Currently suggesting adjustment to \$1.05
- Dan Clark asked if the new plant building project is reduced to 5 years what impact would it have on the budget
 - Dennis Speer increase need to use reserve and speed up the need to line up other funding sources. Discussion of need to reach further into reserves and expectations in the first 5 years of fee increases.
- Dan Clark commented on the need to be proactive and attempt to get the new plant up and running sooner.
- Lori Acton calculated the acre square feet
- Dennis Speer Navy agreement allows up to 50% of the processed water.
- Lori Acton hoping Navy and County will help us meet the tertiary rates
- Lori Acton asked about the overtime needs
 - Dennis Speer plant requires a certain level of treatment operator for 24 hours and efforts to obtain more than the two we have has been ineffective.
- Lori Acton inquired about the laundry, telephone, and electric costs
- Lori Acton asked for explanation of testing supplies and difference between lab and medical
 - Dennis Speer explained the difference between well monitoring and water testing.
- Lori Acton requested explanation of the high telephone bill.
- Dan Clark inquired in the increase to materials and supplies expenditure to wastewater
 - Rachelle McQuiston explained collections and treatment cost breakdown and reclamation costs.
 - Dennis Speer responded the cost of maintenance and repairs of the existing plant and will provide a breakdown to Mayor
- Dan Clark asked if the new plant was not on the base and the impact to the new facility project.
- Lori Acton commented the Chub might be an issue.
 - Dennis Speer stated the Navy would still have flow and would have to compete with the Chub for water.
- Dan Clark commented on the impact of water levels and benefit to City of we look at lease option

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Wastewater Fund *(continued)*

- Jim Sanders inquired about consultant for rate analysis and plant expansion project
 - Dennis Speer responded main consultant brought in a sub to do part of the analysis and will return to council with 30% design and RFP for design build. Council will review the alternatives and sighting. Trying to expedite, agreement gives 18 months which began in September.

Rachelle McQuiston

- Reviewed reclamation budget
- Noted equipment needed to replace the 20+ year old tractor, bailer, and hay wagon.
- Jim Sanders inquired on revenue received from reclamation
 - Rachelle McQuiston responded
- Dan Clark questioned expenditure in the event the plant is moved and no longer utilize the alfalfa field
 - Dennis Speer equipment is beyond use life and are looking at used equipment as a replacement

Rachelle McQuiston

- Reviewed wastewater transfers budget
- Overhead cost is less than the allowed 15%
- Dan Clark inquired on the loan repayment.
- Rachelle McQuiston explained the accounting process of declaring the loss in one year showing as a negative fund balance then annually payments are made which are gradually offsetting the negative fund balance. Will provide a cash flow
- Rachelle McQuiston commented on the HVAC loan. Will get back to council on why some expenditures/loans are handled differently.
- Still processing the RDA resolution.

Jim Sanders

- Requested clarification on wastewater transfers
 - Rachelle McQuiston clarified administrative overhead costs and risk management.
 - Rachelle McQuiston explained the differences between balance sheet and cash flow loan documents available and will present to council at next projections discussion.

Gary Parsons

- Reviewed the RDA dissolution which is controlled by DOF and oversight boards thru the ROPS.
- Commented on the oversight board's authority to reduce the CAP of \$250,000.
- Salaries and benefits must be related to RDA wind down and cannot be used for other salaries.

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Gary Parsons *(continued)*

- Highlighted school district payment, state controller's office payments, debt services TAB funds.
 - Jim Sanders inquired why only shown this year and not previous
 - Rachelle McQuiston commented on previous year transfers.
- Dan Clark clarified remaining timeline for completing the dissolution wind down
 - Gary Parsons responded that regulations are not clear on time line but potential of losing funding in 2017 while accounting obligations for Bonds would remain.
- Cautioned Council that in future will have to show expenditures more diligently in order to justify the need for \$250,000
- State controller's office is coming here for 3 weeks to audit RDA.
 - Dan Clark clarified the process and impact for City when a new oversight board will be selected. Potential budget reductions in future.
- Noted potential issues for use lease of the city hall buildings between City and RDA. State is claiming these properties as State and should be liquidated rather than public use building which we are challenging.
- Lori Acton noted a duplication of numbers
 - Rachelle McQuiston confirmed and will adjust before presenting to public.

Dennis Speer

- Requested council to make determination for staff direction
- Requested council discuss possible revisions
- Offered option to adopt the draft budget with amendments

Dan Clark

- Suggested Council could return at 2:00 p.m. and discuss further
- Could adopt today
- Could adopt tomorrow
- Could return at next council

PUBLIC COMMENT

Stan Rajtora

- Discussed Measure 'L' Funding allocations between Police and Streets
 - Rachelle McQuiston – split is 50/50 after correcting an error
- Breakout of 9xxx transfer to other funds of administrative overhead
 - Rachelle McQuiston – two parts where other divisions give money for overhead, expense part is for Measure 'L'. do not have answer yet but hoping to have it in next couple of days.
- Requested a breakout of overhead expenditures
- Page 1 of wastewater, net wastewater reserve, requested total
 - 10.3 million but has to see what amount is in a reserve

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Stan Rajtora *(continued)*

- Referenced the 2010 CAFR where more than 11 million was in cash and a fiduciary fund loan for 2.7 million.
 - Rachelle McQuiston – solar field loan
- Asked if this would be repaid before new plant construction
 - Dennis Speer responded that is currently being discussed in the ROPS. Original payback was for 5 years and due in 2015.
- Commented on previous reports on reserve.
 - Rachelle McQuiston clarified the differences between budget and CAFR documents.
- Requested an updated version of the document.
 - Dennis Speer stated staff can produce an updated cash reserve.
- Stated this reserve number drives the fee and public needs an updated reserve document.
- Requested real numbers on paper.
 - Dan Clark commented on data as outdated
 - Lori Acton stated consultant did real time calculations which showed a miniscule change if the amounts were changed.
- Commented the assumptions may change the numbers but public has a right to know the actual numbers.
- Questioned changes in revenues
 - Rachelle McQuiston reviewed anticipated costs and factors which can increase or decrease the anticipated revenues.
- Asked for specific breakout of revenue coming from the navy.
 - Rachelle McQuiston reviewed anticipated revenue from the Navy which may change due to current negotiations.
- Requested clarification of administration and treatment regarding the Navy and calculated in excess of \$400,000. No need for us to subsidize the Navy.
 - Dennis Speer responded
- Sheet 2 under administration a charge in excess of \$700,000. Asked if this was collection rather than administration
 - Rachelle McQuiston responded it is engineering.
 - Dennis Speer commented on the original Provost and Pritchard contract which is phased with specific task orders. Commented on a delay due to EPA.
- Referenced \$800,000 for collection system in FY 2013-14
 - Dennis Speer responded the video survey of the lines. Estimate came in higher than anticipated. This is a carry over for the agreement.
- Questioned reclamation requirements.
 - Dennis Speer responded.

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Jim Sanders

- Requested a review of the Measure 'L' numbers before break
- Requested Council Member Morgan be present for adoption and prefers that take place at a regular meeting
- Comment the budget does not have much wiggle room so feels can continue at the next council meeting

Lori Acton

- Would like to approve at Wednesday council meeting but allow council to email questions for answers and suggested a short meeting on Monday before Wednesday approval.

Dan Clark

- Council Member Morgan not available until Wednesday so email questions and continue at next Wednesday meeting.
- Chip Holloway available tomorrow but gone on June 4 meeting date.

Lori Acton

- Concerned about passing before public can provide input.

Dan Clark

- Goal would be to meet tomorrow with Council Member Holloway's input and then a presentation to community on Wednesday.

Jim Sanders

- No doubt Council Member Morgan is staying abreast of the discussions.
- Have not had members of the public attend so would like more opportunity for public input.
- Suggested meeting tomorrow and gather Council Member Holloway's input then adopt on Wednesday with Council Member Morgan

Lori Acton

- Agree with meeting tomorrow with Council Member Holloway and then adjourn to regular council meeting with Council Member Morgan. Publish the proposed budget.

ADJOURNMENT: meeting adjourned at 12:43 p.m. to Thursday, May 29 at 10:00 a.m.

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RECONVENED: Meeting reconvened at 10:00 a.m. on Thursday, May 20.

ROLL CALL

Council Present: Mayor Clark, Vice Mayor Holloway, Council Member Sanders

Council Absent: Council Members Acton and Morgan

Motion To Approve Agenda Made By Council Member Holloway, Seconded By Council Member Sanders. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Clark, Council Members Holloway And Sanders); 0 Noes; 2 Absent (Council Members Acton And Morgan); 0 Abstain.

BUDGET HEARING CONTINUED

Dennis Speer

- Corrected wastewater budget handout page 44 in the amount of \$800,000 includes repair and rehabilitation of lines.
- Page 43 year end for FY 13-14 includes Houston & Harris contracts for hydro-flushing and camera mapping of the lines.

Jim Sanders

- Requested review of the Measure 'L' allocations.
 - Rachelle McQuiston – when including the engineer into general fund, neglected to subtract from Measure 'L' streets fund so number was duplicated

Chip Holloway

- Questioned Measure 'L' rollover and asked where it is shown in the projected budget
 - Rachelle McQuiston – not reflected, if there is carryover will show at closing of the FY 13-14 budgets.

Rachelle McQuiston

- Distributed new documents with correction and is available to respond to questions.
- Telephone question for wastewater is budgeted based on projections for dedicated internet line, regular phone line, and cell phones for FY 13-14 to date expenditures.
- Final budget will be ready for approval at June 4 council meeting.

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Jim Sanders

- Question on page 30, street maintenance PMS study indicates 1.5 million should be budgeted annually to maintain roads however new pavement has not been completed. Will city be ok without this budgeted amount in FY 14-15?
 - Dennis Speer – what is in this budget is a blended pool of funding for both paving and maintenance.
 - Rachelle McQuiston – City Manager Measure 'L' under gas tax will be amended to match Measure 'L'.
 - Dennis Speer – found discrepancy in line items of solid waste administration originally indicated \$91,000 however HF&H contract, with periodic needs with Cal Recycle, will be kept at \$40,000 and free up \$51,000 from this fund.

Chip Holloway

- Requested telephone explanation again
 - Rachelle McQuiston – 4551 & 4554 each had \$2000 budgeted. Based on current year expenditures for cell phones, land line, and internet.
- Requested breakdown of transfers.
 - Tess is compiling now and should be completed this afternoon.
- Requested clarification of 'Aid to Outside Agencies'
 - Rachelle McQuiston – Fire Contract
- Questioned Uniforms and Laundry
 - Rachelle McQuiston - Clothing for transit includes jackets and not a uniform allowance. Employees don't get the full amount but are taxed on the full amount. Fund 2 budget units 3803 and 2805.
 - Dennis Speer – 3803 is safety equipment such as orange vests.
- This budget is so tight and little room for flexibility and has been vetted thru department heads twice and city manager three times. Requests continue to strive to get more clarity for the public. Wastewater does not affect general fund but feel anything we can do in light of increased fees should be a clear accounting of how we spend that money.
 - Rachelle McQuiston – increments are a suggestion, can't go over them but can go under them.
- Question came up that didn't show on the CAFR.
 - Rachelle McQuiston – Stan Rajtora was referring to the projections which are only estimates whereas the CAFR is actuals so these figures will vary.
- I can hear people equating that to a deception in order to try to lower the fees. This new accounting system will give us numbers in an easier understandable form.
- Will not be here on June 4 but comfortable with council moving forward with adoption. Agree with waiting for June 4 to adopt and do not have concerns about drastic changes because this budget is so tight.

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Jim Sanders

- Comfortable. Measure 'L' number match.
- Hope to put larger portion of Measure 'L' into streets but can't see how that will happen
- Comfortable with this budget.

Dan Clark

- Questioned account numbers for building maintenance
- Suggested line item 4150 professional services amount of \$50,000, approximately \$33,000 this fiscal year and want to put money into 4191 and 4630 to fund building maintenance.
 - Rachelle McQuiston – already spent \$40,000 this year and listed next year's obligations.
- Requested FY 13-14 projections for professional services.
- 4574 solid waste \$51,000 savings and suggests putting \$40,000 into buildings maintenance 4191 and/or 4630.
 - Rachelle McQuiston – ok with that
- Requested additional \$10,000 to reserve.
 - Rachelle McQuiston – reminded council we still have \$85,000 to come up with to repay Kern County.
- Inquired if the budget eliminated a payment to Chamber of \$500
 - Rachelle McQuiston – responded yes
- Currently negotiating wastewater contract with Navy and have not received payment since January. If going after \$722k in debt collection for trash collection then should also sit down with Navy and negotiate a fair rate. Suggested direction to staff to continue negotiations.
- Commented on debt collection of \$722,000 for solid waste unpaid invoices, suggested giving direction to staff to pursue collection process. Get bids on collection agencies and feel this is an obligation that cannot be let go.
- Street sweeping, suggested looking at a utility tax under Prop 218 hearing. If this is a service community wants then should take a look at providing it. Suggested giving direction to staff to measure the pulse of the community and ways to bill for the service.
 - Chip Holloway – staff is already looking at this. Been doing the legwork with City Manager in the loop. Working with waste management. Largest cost for street sweeper is the cost for dumping the tailings. Original price seemed reasonable but concerns this cost might not contain dumping fees. Waste management legal is researching the kern county rate as it is higher than the remainder of the state. Not willing to research other alternatives until waste management is completed
 - Dennis Speer – agree with Council Member Holloway and should Waste Management offer the service there would be a Prop 218 hearing
 - Chip Holloway – should have real numbers in the next 30 days and will bring to council.

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Dan Clark *(continued)*

- Reference expediting wastewater treatment facility. Read annual water use numbers. Not addressing an issue in excess of \$5 million dollars in water that is going into evaporation ponds. If we expedite the plant, then could sell or reuse that water. Suggested direction to staff to research expediting the new plant. Also direct staff to address the location of the new facility. Engineering does not make sense to move the plant off the base but other areas it is beneficial. Could knock 3 years off the wait time and up to \$15 million dollars in water savings. Huge value for this city that needs to be pursued.
 - Chip Holloway – agree in theory, think the numbers are inflated. Spoke on costs with Dennis. Need to get the real number and save every drop of water we can.
- Not focusing on the money but more on the conservation of water. Huge commodity we need to be addressing.

Jim Sanders

- Agree, need to save as much water as possible and preserve our resources.

Chip Holloway

- The dilemma is the cost of water ranges from \$70 to millions of dollars.

Dan Clark

- Suggested setting a goal of reducing legal fees by 15%. Current legal fees are higher than other cities which are larger than Ridgecrest.
- Suggested that any revenue from Measure 'L' Above \$2.5 million be put toward streets.
- Suggested putting ideas before council on June 4

Jim Sanders

- Disagree with building idea until further research. Might be a good Eagle Scout project. A lot of maintenance can be done without skilled labor.

Chip Holloway

- Identified \$65,000 which could be used to pay for engineer instead of Measure 'L' funds.
 - Rachelle McQuiston – unless we can get people to stop suing us, cannot reduce legal cost. Not in our control, there is a small group of people who keep suing us. Cut it last year and then had to double it.
 - Dennis Speer – as of the first of year will begin using a form, before any requests go to the attorney staff will forward questions to city manager with justification. This should reduce some of the cost.

Dan Clark

- Commented on costs just to maintain a home and stated the need to take care of Kerr McGee as a revenue source.

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Chip Holloway

- Asked about development impact fees.
 - Rachelle McQuiston – impact fees are designated for soccer fields and other facilities, buildings are not included.
- Suggested impact fees for pool
 - Dan Clark – would support that for the pool but still concerned about the buildings.
 - Jason Patin – reviewed current budget of \$72,000 for facilities. Additional funds would cover other buildings such as Boys and Girls Club. Exterior of Kerr McGee center could use the current budget in a short time. Looking at a long term (5 year) plan to put funds aside to address structure issues. Commented on resurfacing courts and floors. Suggested doing smaller projects over 5 years.
 - Jim Sanders – hope next year will have a better budget by living within our means now.
 - Dan Clark – appalled with the condition of the buildings, could decide as council to put TAB funds into those types of projects.
 - Dennis Speer – could potentially use allocated TAB funds for those repairs. Project specific and will have Gary and Jason research.

Dan Clark

- Depending on what information was received, suggest this proposal of reallocation of funds be brought to council.
 - Chip Holloway – In terms of public perception, need the most positive outcome out of every expenditure in the budget.
- Do not want revenue stream to decrease because of condition of the building

Jim Sanders

- Requested staff looks into purple pipe system.
- Not comfortable with setting a goal to decrease legal fees, fine with systematic things that can be done to decrease fees but not a lot of room.

Dan Clark

- Requested bringing proposed budget with suggested modifications

Jim Sanders

- Requested looking at the suggestion of paying for engineering with found savings rather than Measure 'L' and if possible would like to do this. Public perception is negative, even though the expenditure is allowable under Measure 'L'.

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Chip Holloway

- Do not want a draconian collection agency for the Solid Waste debt collection and suggested council review an amnesty program. Need to do this in the gentlest way possible with respect for the community.
 - Dan Clark – Agreed with having compassion for disadvantaged and seniors. Not here to impose a hardship on someone but a contract is a contract. Commented on transition time difficulty paying a bill so may also be on the list.

Rachelle McQuiston

- Recapped suggested changes
 1. \$40,000 from waste budget savings for building maintenance account OR street engineer.
 2. Direction to staff to pursue a Collection Agency RFP for solid waste accounts receivable.
 3. Suggested Measure 'L' revenue in excess of \$2.5 million be allocated to streets
 4. Direction to staff to research street sweeping alternatives
 5. Direction to staff to continue wastewater negotiation with navy

ADJOURNMENT at 11:19 a.m. on Thursday, May 29, 2014



Rachel J. Ford, CMC
City Clerk