



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

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

**June 5, 2015  
1:00 p.m.**

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded solely for the purpose of preparation of minutes.

**CALL TO ORDER – 1:00 p.m.**

**ROLL CALL**

Council Present: Mayor Peggy Breeden; Mayor Pro Tempore James Sanders; Vice Mayor Lori Acton; Council Members Eddie B. Thomas, and Mike Mower

Council Absent: None

Staff Present: City Manager Dennis Speer; City Clerk Rachel J. Ford; and other staff

**SPECIAL SESSION – 1:00 p.m.**

- Pledge Of Allegiance
- Invocation

**DISCUSSION AND OTHER ACTION ITEMS**

**1. Discussion Of Draft Budget For Fiscal Year 2015-2016**

**McQuiston**

Dennis Speer

- Presented Staff PowerPoint Report *(copy available in the City Clerk's office)*

Peggy Breeden

- Concerned about direction, not in position to give direction without having time to review the numbers. Clarified continuing resolution should budget not be adopted by July 1. Want to study the numbers and gain public input before revising and adopting.

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Mike Mower

- Questioned timeline for adopting a budget and discussed a continuing resolution if necessary.

Rachelle McQuiston

- Today is opportunity to present what is being proposed and tomorrow can discuss further then hopefully adopt on June 17.
- Presented PowerPoint summary of the FY2105-2016 proposed budget.
- Discussed the payback to Kern County. Explained to Council the conditions which resulted in City payments to Kern County for RDA.
  - Mike Mower – questioned the timeframe of payments and status of County review of the paybacks.
  - Lori Acton – would like follow-up on the status of review of the payback payments.
- Staff has not reviewed the formula for accuracy.
- Spoke on future budget process once new financial management system is installed and operational. System will be financed at the rate a previous HVAC loan was funded which is now paid in full. Currently negotiating the loan rates.

Reviewed City Council Budget

- Reviewed proposed budget numbers. *(handout available in the City Clerk's office)*
  - Mike Mower – Questioned the benefit amounts for Council
    - Rachelle McQuiston – reviewed refund for retirement on Council who has opted out
  - Jim Sanders - Reviewed staffing estimates and training and meetings for City Council

Reviewed City Manager Budget

Peggy Breeden

- Suggested using temp services as labor options.
  - Rachelle McQuiston – cautionary that some positions deal with confidential information therefore cannot use temp services. Will explore for other areas.

Reviewed Human Resources Budget

Jim Sanders

- Questioned staffing.

Reviewed City Clerk Budget

Eddie Thomas

- Asked about the workload of staff
  - Dennis Speer – replied.

Reviewed City Attorney Budget

Jim Sanders

- Commented on importance of issues and understanding the increased expenditure from originally budgeted. Concerned the proposed amount is not high enough based on issues currently being pursued by the State which could result in additional lawsuits.
  - Dennis Speer – responded.

Peggy Breeden

- Asked about costs spent for attorney to attend meetings. Suggested teleconference as means of reducing costs.
  - Dennis Speer – trying to do more of this, travel cost is not paid unless for a litigation. Opinion letters and litigations outside the retainer are increased costs. RDA attorney costs are paid by ROPS and the total cost for legal counsel is split between other divisions.
- Confirmed total legal costs and services

Jim Sanders

- Interested in having discussion with Mr. Lemieux, have concerns.

Peggy Breeden

- Asked about a scheduled RFP for legal services
  - Dennis Speer – until litigation with department of finance is concluded would be best to continue but will eventually do RFP and survey the possibility of an in-house attorney. Would still have to bring in outside counsel for litigation.

Lori Acton

- Previous mayor did look at this and the best value for city was to keep the service we have at this time.

Reviewed Finance Department Budget

Rachelle McQuiston

- Anticipate some salary savings during recruitment for new finance director
- Audit services increased to cover upcoming mandatory audits.

Eddie Thomas

- Questioned increase in services and supplies
  - Rachelle McQuiston – auditing, new finance system, and interim director.

Lori Acton

- Questioned hiring an interim when there is an assistant finance director on staff.
  - Dennis Speer – primarily end of year close-out combined with inputting the new budget is very stressful.

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- Rachelle McQuiston – asking her to take of my position at the same time as closing books, auditing, and preparing the CAFR.
- Have strong feelings about if you are going to be an assistant then be prepared to step in and cover during absences.

*Reviewed Building Maintenance Budget*

Rachelle McQuiston

- Original request was for increase however this was reduced to a maintenance level.
- Last year expenditures were higher than budgeted due to unanticipated costs of new doors and water well pumps.

Peggy Breeden

- Questioned the reduction to salary
  - Rachelle McQuiston – lost a staff member and hired new at a lower rate, additional staff have been moved to other budget lines.
- Reviewed Capital outlay.

*Reviewed Information Technology*

Rachelle McQuiston

- Two staff members could use more.
- Hoping to upgrade computers.

Lori Acton

- Regarding templates and forms, are we building these in-house or using forms?  
Asked for information tomorrow.

Jim Sanders

- Suggested interface with public who are not able to attend council meetings.  
Asked about type of changes needed to allow this.
  - Dennis Speer – will get attorney opinion and Rachelle will look at what it would take to implement.
- Would like to see impact and have the discussion.

*Reviewed Advertising Budget*

Rachelle McQuiston

- Previously gave funds to RACVB and Chamber, currently budgeting \$10,000 for Petroglyph Festival.
  - Lori Acton – glad we are keeping this in here but confused about the numbers being lower than anticipated.
- Rachelle McQuiston – event covered one weekend, previous year numbers reflected a utility conference that lasted longer. Would not be able to get restaurant detail. Only see the total on sales tax. Hoping with continued popularity we can maintain and increase travel to the area.

- Jim Sanders – asked if the group has come forward this year with a business plan.
  - Rachelle McQuiston – have not received a business plan, have the capability of putting condition on the funds requiring a business plan before they can spend the money.
- Lori Acton – goal is to eventually be a week long, as it grows each year will increase. Last year outreach was schools and this year expanding the outreach perimeter. Already getting a demand throughout the country for people wanting to see the petroglyphs. Not opening more sites but the base has agreed to open tours to 3000 people this year. Second canyon opened last year. Last year opened the floodgates to people wanting to see the petroglyphs.
- Jim Sanders – intent is not to pull back the money, just make sure they have a plan in place.
- Peggy Breeden – the base community day is the same as petroglyphs and in future planning air demonstrations.
- Mike Mower – understand there is an increase to vendors

Reviewed General Government Budget

Rachelle McQuiston

- These are items such as postage, property tax, training dollars. Things we cannot identify for a specific budget unit. Reduction reflects cancellation of Nossaman contract.
- Normally this is where Measure 'L' revenue is reflected, currently not showing all the revenue or expenditures.
  - Peggy Breeden – reviewed numbers, Property Tax we get .5 cents per dollar. Asked how many dollars are received from internet sales tax. When I look at the numbers, we are dying. When you have a company like Walmart come in they will sell the same as current businesses. Commented on hurting ourselves.
  - Mike Mower - Discount stores replacing a retail store tax may go down however people may buy more items.

Chip Holloway

- Asked about consultant coming to talk again about sales tax. There is a unique distinction on auto sales and internet sales. Think it would be good when going forward to renew Measure 'L'. Think would be good to hear that conversation.

Jim Sanders

- Looks like revenue is steadily increasing.
  - Rachelle McQuiston – reviewed pass-thru monies and refund from County. Measure 'L' makes all the difference.

Reviewed Police budget

Lori Acton

- Requested review of services and charges
  - Rachelle – considerable grant funding shows increases.
- Large capital outlay for animal control but also grant and impact fees funded.

Peggy Breeden

- Of \$11 million budget, \$7 million going toward police budget.
  - Rachelle McQuiston – under totals police spend \$6.8 million. With Measure 'L' and other revenue offsets the expenditures.

Eddie Thomas

- Asked about the reduction to ISF
  - Rachelle McQuiston – police vehicles were reduced from ISF and police will fund maintenance thru contracts due to only one mechanic. Eliminated all ISF except fleet and risk management.

Lori Acton

- Previous ISF were not fair to all departments so the funds were eliminated.
- Only have one mechanic so police vehicles are being outsourced under package maintenance funds.

Eddie Thomas

- Asked about new cars and amount of maintenance necessary
  - Ron Strand – currently updating fleet but this budget process will be stalled, have several vehicles at corp. yard that have not been repaired. Have purchased 9 police vehicles and 3 admin vehicles thru the DMV grant process. Current plan was to purchase new vehicles under the ford maintenance plan.

Jim Sanders

- Asked about expenditure differences between previous budgets and this proposed budget.
  - Ron Strand – have other sources of funding but have not had any capital purchases. Spoke on projects the police are looking at. Humane society collaboration to upgrade radio system and improve the animal shelter.
- Asked about code enforcement
  - Ron Strand – complied.

Lori Acton

- Commented on cameras being required. Asked about costs.
  - Ron Strand – would need some funds to implement. Part issue is video, storage of video and management of the video. If implemented would require another full time employee. Biggest hold back is how to protect the video. Referenced a company creating private databases.

Lori Acton *(continued)*

- Commented on protecting victims.
  - Ron Strand – redacting items would require additional staff.

Peggy Breeden

- Commented on significant work load, your portion of the budget and your portion of visibility to the community is the same. Asked if there is anything you should be doing but aren't due to budget.
  - Ron Strand – need enough officers to maintain public safety. For these times believe we are where we need to be. Not asking for more staff at this time.

### 5 minute recess

#### Reviewed Disaster Preparedness Budget

Rachelle McQuiston

- Commented on minimal size of budget

Peggy Breeden

- Asked about how city would pay if there is an actual emergency

Eddie Thomas

- Asked what this budget covered
  - Ron Strand – covers registration on generators and maintenance. Police budget covers disaster preparation training. Some grants available for preparation and radio communication.

Jim Sanders

- What would you like to be able to do with a budget?
  - Ron Strand – could be funds for additional training. At this time the budget is appropriate. Most improvements are being paid with grant funding. Reviewed upgrades previously made in communications.

Lori Acton

- Commented on HAMM radio operators.
  - Ron Strand – we have MOU's with other agencies and are up to date on emergency preparedness plan.

Eddie Thomas

- Asked about agencies sharing the responsibility of training.
  - Ron Strand – work with primary partners and utilities. Have not had a full city drill but have worked with the base on their drills.

Reviewed Fire Protection Budget

Rachelle McQuiston

- Have a contract with Kern County thru fiscal year 2016-2017. We pay additional \$400k above what they receive from property tax. In future may want to negotiate lower rate.

Lori Acton

- Most of the calls are for EMT and would be fine with one station.
  - Rachelle McQuiston – discussed the non-fire calls and was informed that regardless of what type of calls they charge the same.

Building And Safety Service Budget

Rachelle McQuiston

- This covers building inspection services for permits. Anticipating revenue bump due to Wal-Mart. Staffing levels stay the same and service charges are dependent on number of plans sent out. Staff salaries come from the revenues.

Mike Mower

- Are these fees paid to County for services
  - Rachelle McQuiston – have not received a bill in 5 years, contacted them and been told they will get to it. Have not put into the budget, if we do receive a bill then can put into the next year's budget. County pays us regularly but do not bill us. They cannot expect timely payment if they are not going to bill timely.

Economic Development Budget

Rachelle McQuiston

- Asked council to keep in mind the current assumption is will be paid out of TAB funds for 'soft' costs.
- Reviewed the budget

Jim Sanders

- Requested explanation between industrial and retail
  - Gary Parsons – reviewed each category and what is budgeted such as contracts, travel, hosted visits, publications, website design and maintenance, and trade shows. Reviewed demographic information packet software for real estate and industrial information.

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Peggy Breeden

- I believe economic development and tourism is the most important thing we can do to grow the community. Talked about the board of trade pursuing a grant to support tourism and we need to be a part of this. Spoke on attending the Kern economic development board meeting and if we don't participated then we will not get anything back. We receive minimal tax dollars and need to participate to gain the benefit.
  - Dennis Speer – they make considerable marketing data available.
  - Gary Parsons – responded we did participate until RDA went away and budget went away. Most active in the IWWEDC which represents the entire county. If we want to do economic development, we can't just put it in the boundaries of Ridgecrest, will benefit from something in the county.
- Spoke on proportionality. We need to support the organization who is working closely with several organizations locally.
  - Gary Parsons – a portion of the IWWEDC works closely with retaining the base which is important to the City.

Lori Acton

- I support the base, however when talking about economic development for the City I support the entire area. China lake alliance has done a very good job. Want to see us grow smartly and need to look at industries outside the military. Want to shift some of the focus to industries that will support us if the base is every lost. Medical industry and alternative industries are exploding, think we should look at giving them some money.

Peggy Breeden

- Agree with Lori and support looking for economic development opportunities that are separate from the base.

Dennis Speer

- This is proposed as a TAB soft cost. If you recommend dollars it will come out of TAB and not the general fund.

Gary Parsons

- Original proposal was for \$61,000 to fund all the organizations. Can change the amounts.

Peggy Breeden

- I want to do this, this is our money and if we don't spend it then the State takes it.
  - Gary Parsons – original allocations may need to be adjusted, cannot exceed the soft cost allowance. Any costs that lead to actual projects they are hard costs and if they don't they hurt us.

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Lori Acton

- Not taking action today but want to hear from the public going forward, perhaps at the Town Hall meeting.

Jim Sanders

- Not against the \$50,000 but want to be convinced on the amount.

Lori Acton

- Is for considerable grant writing and hiring a staff persons to assist the city staff on economic development

Peggy Breeden

- \$5,000 isn't enough to invest in grants. Give them a period of time and if they haven't done it then cut them off. This group started as IWV2000 and was instrumental in BRAC and Geriatric medicine. I am convinced that what these people did 20 years ago can't defend what they haven't done recently but they have a strong board and want to move forward. Spoke about the website positive response.

Jim Sanders

- Don't doubt this is a good organization just want more specifics of what will be done with the money.

Reviewed RDA Budget

Rachelle McQuiston

- funds received from the state and pays salaries and legal costs, bond counsel
  - Gary Parsons – reviewed ROPS and Administrative costs. Originally bond counsel was in ROPS and Lemieux in the Administrative cost. DOF stated could not have legal counsel in ROPS unless a litigation. We switched them. Only legal costs coming from Administrative Costs is the Bond Counsel.

Reviewed Planning Budget

Rachelle McQuiston

- Added a planning intern and there is a request for additional \$2000 for training. Increased by \$13,000

Lori Acton

- Glad to see the increase.

Reviewed Planning Commission Budget

Rachelle McQuiston

- Request for planners to attend training, otherwise basically the same.

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*Solid Waste Administration Budget*

Rachelle McQuiston

- Consultant HFH for preparing solid waste reports and providing services.

Dennis Speer

- Reviewed HFH consulting services

Peggy Breeden

- Asked if Waste Management paid sales tax
  - Rachelle McQuiston – no sales tax just a franchise fee.
- Benz said they paid sales tax
  - Dennis Speer – sales of propane and rentals.

*Reviewed Parks And Recreation Administration Budget*

Rachelle McQuiston

- Reviewed the budget, minor change is moved recreation supervisor moved from Parks to Recreation budget, also 2 full time employees. Budget covers office supplies and training.

*Reviewed Recreation Budget*

Rachelle McQuiston

- This year's costs were not fully covered by revenue. If programs are cut then revenues also go down so there is no gain. Some cost increases was online registration software.

Lori Acton

- Would like to see a breakdown of cost to run each program.

Mike Mower

- That goes back to if you want to cut a service you need to see the revenue to make an informed decision.

Rachelle McQuiston

- Next year will be the first full year and provide exact data

Eddie Thomas

- Asked if Piney Pool is part of this program and who maintains it.
  - Dennis Speer – pool is city owned and operated, there are plans to maintain and upgrade the pool with TAB funds, not build a new aquatic park.

Lori Acton

- Want to do this with TAB funds and upgrade to increase revenue.

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Eddie Thomas

- Asked if schools will continue to benefit with the pool and will they be contributing with the upgrades.
  - Dennis Speer – at this time council may choose to approach the school but the plan does not include contribution from the schools

Mike Mower

- Commented on experience with a pool in hometown that was bonded and is full every day.

Lori Acton

- Several hundred people did not know we had a city pool. Marketing has not been the best and hope to fix that with the upgrades.

Jim Sanders

- Expressed issue with only having pool open during summer months and suggested a longer season.
  - Dennis Speer – can discuss however lifeguards are generally students who go back to school.

**ADJOURNMENT to 10:00 a.m. on June 6, 2015 at 4:56 p.m.**



Rachel J. Ford, CMC  
City Clerk