



**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 6, 2015  
10:00 a.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 – 10:00 a.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 – 10:00 a.m.**

- Pledge Of Allegiance
- Invocation

**PUBLIC COMMENT**

- None Presented

**DISCUSSION AND OTHER ACTION ITEMS**

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

**McQuiston**

Rachelle McQuiston

- Presented Staff Report

Reviewed Parks Maintenance Budget

Rachelle McQuiston

- Unexpected costs for water pumps on the parks wells.
- Removed contingencies to balance the budget and have left some funding for building maintenance.

Peggy Breeden

- Referenced discussion from water ad hoc committee and a landscaping consultant who has offered to identify locations where turf can be removed to reduce water use.
  - Dennis Speer – with regard to the budget this has not been incorporated, however future studies could help with costs.

Lori Acton

- Agree with Peggy, suggested smartly removing some sod and using it to patch areas of need in the parks. Then xeriscape by city hall.
  - Dennis Speer – responded.

Mike Mower

- Asked about capital outlay coming from TAB funds
  - Rachelle McQuiston – none of the things repaired recently were funded by TAB, not typically allowed.
  - Dennis Speer – TAB has to be projects, not used for maintenance.
- How can TAB be used to make these repairs
  - Dennis Speer – must be part of a plan and be bid as a separate project. It can be done.
- Commented on the Downs Street project and the idea of expanding the fields.
  - Dennis Speer – that has to come back to Council. Original amount has been reduced to \$2.5 million and the next step is for HLA consultant to update the parks master plan and bring back to Council for revision or approval.
  - Lori Acton – contract with county at Leroy Jackson parks is expiring so may lose those facilities and may need to expand the current fields to service the organizations. Want to use TAB funds on pool and parks.

Jim Sanders

- Asked about the reduction to Capital Outlay
  - Rachelle McQuiston – don't have the budget for it, they are getting more than spent in 2013-14 but in order to balance the budget could not give the additional \$200k requested.
  - Dennis Speer – remarked on experience at Tulare county not allowing contingencies. If something happens then come back to Council.

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Jim Sanders (*continued*)

- In favor of that philosophy however am worried about the reserve being so low and the timeframe necessary to fix things in an emergency.
  - Dennis Speer – there are times under City Manager authority that funds are adjusted for unanticipated costs. If moving between funds then Council makes the decision.

Reviewed Engineering Budget

Rachelle McQuiston

- Used to have more staff, reviewed current staffing levels. Consulting services and new engineer paid by Measure 'L'.

Jim Sanders

- Going down in salaries and wages
  - Dennis Speer – moving forward with sewer line replacement consultant so now a portion of staff time can be split and shifted to other budget areas.

Mike Mower

- Questioned services and charges increase
  - Rachelle McQuiston – engineering and professional services and a new copier.
  - Dennis Speer – commented on engineering and design services and use of consultants to prepare applications due to reductions to staff. Do not have a design team and do not have the funds to support a design team.

Peggy Breeden

- Asked about shared services with California City.
  - Dennis Speer – not for engineering services. This type of work you have to be on site. Investigating the option with regard to building and plan check services. Intend to bring this back to infrastructure or Council.

Reviewed Transfers Budget

- Rachelle McQuiston – explained transfers out such as benefits for workers compensation and revenues such as overhead for administration from other budget unit funds.

Reviewed Gas Tax Fund

- Rachelle McQuiston – reviewed nominal increase for added street lights.
- Dennis Speer – commented on street light requirements for intersections and concern of amount received from gas tax being reduced. Current street lights needed for traffic is 25% and the remaining lights are for public safety.

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Jim Sanders

- Asked about the landscape and lighting district funds
  - Rachelle – if in a district is a pass thru from property tax to pay the bill.
  - Dennis – municipal code requires a district for any new development but this was never done. This would have covered hundreds of lights had the developers form the districts.

Lori Acton

- Asked if there was a way that districts can be formed if developments change hands
  - Dennis Speer – reviewed options available for a citywide district. SCE will shut lights off for 6 months during which time you push for a benefit assessment district. This gives an opportunity for residents to see what it is like without the lights.

Mike Mower

- Commented on a strong LED light run by solar on each pole.
  - Dennis Speer – to do this the installation would require pole replacement and initial capital outlay. If the pole is a stand-alone pole and not a transmission or distribution line pole, or a substandard wooden pole, then can be converted.

Lori Acton

- Suggested cost of poles can be added to establishing a district.

Jim Sanders

- Clarified that we currently pay for the service with gas tax
  - Dennis Speer – correct plus a tariff. Related previous discussion with SCE and the LS1 rate.

Lori Acton

- Countywide dark skies ordinance, is it being followed.
  - Dennis Speer – yes. Commented on reduced rate, midnight rate, and lights come on at sundown and then go off at a specified time. Public safety concern is promotion of crime.

Peggy Breeden

- Asked about other costs associated with lights.
  - Dennis Speer – between \$15 and \$18 per month per light. Explained LS1 rates and comparison with other rates.
- Requested Dennis to update his report and bring to Council to see options available for saving dollars.

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Jim Sanders

- Asked about residents paying for lights individually and paying gas tax. Suggested a benefit assessment.
  - Rachelle McQuiston – explained the process for protest hearings. Referenced electric rates in county. When people receive a ballot to raise taxes then will get an automatic no vote. Suggested the process of turning lights off first may help get the yes vote.
  - Dennis Speer – related experiences with outreach from Tulare. Must be a majority vote for assessment districts.

Lori Acton

- Asked what would be included, such as lights, street sweeping, etc.
  - Dennis Speer – lighting and landscaping is unique. Benefit assessments are for benefits, maintenance assessment covers things such as maintenance on streets. Street sweeping can be rolled into waste management services, proposal is currently outdated. Will have to do a prop 218 hearing and amend their contract since there will be an additional cost to the customers.

Mike Mower

- Asked about the landscaping and lighting district, appalled with the amount of landscaping and asked if they are responsible to pull the weeds. Who is in charge?
  - Rachelle McQuiston – whoever controls the district, in this case the city would hire a landscaper and pay out of the assessment.

Jim Sanders

- Suggested discussing at infrastructure.
  - Mike Mower – suggested the PUC needs to change some of their regulations. No problem putting this on the agenda.

Reviewed Traffic Signal Budget

Rachelle McQuiston

- We are responsible for repair and maintenance of traffic lights.

Mike Mower

- Last year's budget went up but actuals don't reflect.
  - Dennis Speer – budgeted extra but did not expend the money. Spoke on problems at Drummond near school and the sensor camera issues with sun glare.
- Commented on issue with car stopping too far back and not triggering the sensor camera to change the light.

Lori Acton

- Asked if the synchronization of lights got resolved.
  - Dennis Speer – responded that Caltrans is not on board to work with us on the synchronization. We will only be able to synchronize to West Ridgecrest Blvd.

Eddie Thomas

- Asked about contract to have a certain number of lights installed per year.
  - Dennis Speer – only as we qualify under the program. Next signal scheduled is Bowman and S. China Lake Blvd. Have submitted for Upjohn and Downs but may be a delay because of no curb and gutter installed.
- Once we qualify who funds.
  - Dennis Speer – normal match is 11.5% for program money. No match if bids come in less than what they were going to give us.

Reviewed Street Maintenance Budget

Rachelle McQuiston

- Reviewed expenditures higher than expected, much of TAB funds have gone to construction fund.
- Materials and supplies is attempt to maintain \$1.5 million annually to keep streets repaired.
- Commented on receiving more gas tax fund than anticipated but not sure what will happen with this fund so watching closely.

Dennis Speer

- Distinguished TAB leverage between maintenance.
- Reviewed types of micro surfacing
- TAB money is for projects as opposed to maintenance techniques.
- Misconception is the \$1.5 million was for projects but is actually for maintenance. The 5 year list referred to by some individuals was prepared by consultant as a guide on how to approach maintaining the streets. Assumption was to spend \$15 million to get roads to certain level then \$1.5 million annually to maintain the roads.
- Commented on experiments with micro-seal and cap-seal.
- Took list prepared by Willdan and contractor evaluated the list to see if micro-seal could be done on some of these streets. Have created a 3 year list for maintenance. What could not be done in this manner still need to be done by TAB funding?
  - Mike Mower – requested copy of 3 year list.

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Lori Acton

- Asked about property
  - Rachelle McQuiston – interest earned on revenue. Have recently invested in tax exempt bonds with a little more interest. Very conservative but will see a little increase. Getting a high of 2% on some investments and as little as  $\frac{3}{4}$  of a percent on others.

Eddie Thomas

- Asked if the roads are seasonal.
  - Dennis Speer – explained traditional paving season.
- Asked if we are on target to get this year's streets completed.
  - Dennis Speer – moving forward at a good rate.

Jim Sanders

- Clarified micro-pave system
  - Dennis Speer – explained and compared costs and funding sources for streets already completed and reduced costs using micro-surfacing.
- If getting more miles of paved road, does this equate to need for more dollars for maintenance?
  - Dennis Speer – we could always use more dollars for maintenance. There is a prioritization of how to expend the funds. Typically the PCI has to be above 40 to have good roads. Ours are less. Expectation is the PCI will be increased with the next PMS. Last PMS was only trying to get us to the 50's or 60's and was a multi-million price tag. To get it higher was over \$130 million dollars.
- Need a new PMS to get the updated numbers, fear is if we don't put the proper maintenance funds toward taking care of the new roads then will be right back where we started.
  - Dennis Speer – normally first year can be skipped but needs to be seal coated.
- Past budgets cut because roads had not been built. Now we have new roads then concerned we need to budget more maintenance funds.
  - Dennis Speer – try to preserve roads in the best condition then as funds become available can reconstruct the worst roads.

Peggy Breeden

- Confirmed trying to take care of best roads first.
  - Dennis Speer – clarified.
- In a limited economy, in theory you might never be able to repair the bad roads.

Reviewed Street Sweeping Budget

Rachelle McQuiston

- Used to spend more on street sweeping but due to the cost of taking to the dump as hazardous waste could not continue.

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Dennis Speer

- Clarified the EPA decision that the debris from street sweeping was ruled hazardous materials and could run off into water systems. Costs increased to over \$200k or more per year.

Rachelle McQuiston

- Do budget small amount for use if there is a hazardous condition that needs to be cleaned.

Lori Acton

- Related experience of debris from storm runoff.

Reviewed Accounting Transfers Budget

Rachelle McQuiston

- Explained construction transfers and TDA transfers for streets.

Dennis Speer

- Explained TDA allocation based on population and first dollars have to go to support transit and any remaining funds go to roads.

Lori Acton

- Asked about county contributions
  - Rachelle McQuiston – no, separate agencies.

7 Minute Recess

Reviewed Public Transit Budget

Rachelle McQuiston

- Budget higher due to funding for garage in capital outlay
- Added 6 part time drivers due to staffing needs

Dennis Speer

- No direct changes because they don't work at the same time, only work as needed for backup.
- The bus garage was originally included in the corporate yard plans and came in too high so was modified and downsized. City engineer has been instructed to be done separate due to a time line to spend those funds. Will be rebid separately than corporate yard.

Jim Sanders

- Requested clarification of amount set aside for garage.
  - Dennis Speer – responded.
  - Rachelle McQuiston – I may have budgeted garage twice, will correct. There is \$300k for new buses.

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Lori Acton

- Asked about the need for more buses.
  - Dennis Speer – required having 25% spare ratio should a bus go down.

Eddie Thomas

- Asked if the ISF support would be affected.
  - This is the amount allocated.

Jim Sanders

- Asked for breakdown of capital outlay
  - Dennis Speer – garage, rolling stock, security, projector cameras and VCR.
  - Rachelle McQuiston – read itemized list for capital outlay.
  - Dennis Speer – commented on the importance of camera system for risk management. Related experience of complaint and how cameras alleviated potential claims.

Reviewed Transfers Budget

Rachelle McQuiston

- Reviewed transfers in and out as workers compensation and revenues.

Reviewed Wastewater Budget

Rachelle McQuiston

- Enterprise fund so has to cover expenses or have a reserve.
- Services and charges are mainly for engineering services for new plant and doing the line inspections and repair.
- Increased revenues for this year only cover costs for line repair.

Dennis Speer

- Chief plant operator is looking forward to having a new plant. Currently unanticipated repairs resulting from the age and condition of the existing plant being 60 years old. City has expensed several million dollars for new parts but everything else is old.

Eddie Thomas

- Questioned services and charges
  - Rachelle McQuiston – mistakenly put engineering services there and had put it in all at once so adjusted, actual may be spent over a couple years.
  - Dennis Speer – consultant doing new plant design is a multi-year contract and was introduced as an annual expenditure. Contract has been reduced and work will be completed in October with presentation to Council. Two proposals will be presented including cost differences between original plant proposal and new tertiary component. Commented on current rates not including a tertiary plant and based on observation may be necessary to review the rates with a tertiary plant.

Jim Sanders

- Currently working on a 5 years plan with rate increases and this year will be the last big jump. Final two years are cost of living increases.

Peggy Breeden

- Commented about email received and cost for staffing. Asked about appropriateness of hiring someone.
  - Dennis Speer – spoke on requirements to staff during peak use times. If studying salaries need to do across the board. Possible we don't pay enough. Finding that once we bring people in and train them they leave for more money elsewhere. Have been running 3 positions below was necessary for some time. We can't require someone stay if we bring them on.

Lori Acton

- Asked about special license requirement
  - Dennis Speer – responded with explanation of license.

Eddie Thomas

- Commented on base intern program with education and requirement to stay on job for certain number of years.
  - Rachelle McQuiston – federal has more weight to do more than we can.
  - Dennis Speer – we are required to follow state law and the base isn't. Exemplified stockpile regulations on waste that the base is not required to adhere to.

Peggy Breeden

- Asked Dennis to check with water district for contract when providing training.

Jim Sanders

- Council establishes classification plan
  - Dennis Speer – can do this but some represented employees would argue their pay needs increased. May be important enough to bring just this position back to Council.
  - Rachelle McQuiston – you will get kickback because this fund has enough money to pay them however this is health and welfare public safety. The unions will give kickback.
  - Dennis Speer – with exception of plant operator the other employees fall under UFCW union.

Eddie Thomas

- Asked amount of overtime costs.
  - Rachelle McQuiston – approximately \$110k
- Need to look at this.

Reviewed Collection Budget

Dennis Speer

- Work plan for replacement and repair of sewer lines. Videos have been reviewed and lines that are category 5 will develop a work plan for these lines for replacement and develop a plan for other lines that can be repaired. Part of the total repair and replacement of lines.

Rachelle McQuiston

- Clarified the \$2.2 million is for engineering of new plant.

Reviewed Treatment Budget

Rachelle McQuiston

- Staff required for treatment.
  - Dennis Speer – operational cost for treatment at the plant.

Mike Mower

- Asked why salaries were going down.
  - Dennis Speer – new employee that is paid less than the person replaced.

Reviewed Reclamation Budget

Rachelle McQuiston

- Doesn't cost a lot but is a requirement. Do receive some revenue for sale of alfalfa from the fields. Inadvertently put it in a different budget line and in future will put into this line.

Eddie Thomas

- Asked about debt service
  - Rachelle McQuiston – loan payment

Mike Mower

- Noted the amount is on the wrong line.

Jim Sanders

- Requested explanation for requirement to do this process.
  - Dennis Speer – part of Lahontan requirements. If Council moves to tertiary plant then have gone a step higher so they won't care.
- Operating at a loss. Took a tour of the plant this year which was educational and asked why hay. They stated want to get thru the water as fast as they can. No problem selling the hay.
  - Dennis Speer – there are limitations on recycled water and types of crops.

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Jim Sanders (*continued*)

- Suggested a third party using the water.
  - Dennis Speer – related experience at Tulare and farmers inquiring. Some was developed for certain plants. County required adjacent farmer to get permit from the regional board and chamber treatment before dispensing on crops. It can be done.

Peggy Breeden

- Clarified the relationship between Lahontan and the base for golf course.
  - Dennis Speer – base has first right to certain amount of water for golf course. They don't use the amount they could take over a year.

Mike Mower

- In the 1980's city was under a cease and desist order from Lahontan because on windy days the water would slosh out of the ponds. We did the hay fields to resolve the problem. Now use is down so not as big a problem.

Jim Sanders

- If we could work out a deal with some of the farmers nearby then would be a better use of the water.
  - Dennis Speer – transporting the water could be an issue. The new cost for tertiary facility does not include distribution. You have to have storage and pumps.

Peggy Breeden

- Searles Valley Minerals has a huge need.

Jim Sanders

- Perhaps we need to address the distribution issue and possibly spend the capital expense to distribute the product then farmers could tie into it as needed.

Reviewed Transfers Budget

Rachelle McQuiston

- Transfers out are for workers comp and other benefits, transfers in come from reserve as needed and will be used to build the plant. Certain cash balance will be needed to build the new plant.

Jim Sanders

- Asked for fund 5 cash balance
  - Rachelle McQuiston – explained \$12 million current.

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Eddie Thomas

- Asked about other department overtime.
  - Rachelle McQuiston – PD has a substantial overtime budget but it is offset by grants. If you reduce officers then overtime will increase. If they work holidays the cost is higher for holiday overtime.
  - Dennis Speer – one primary reason for overtime is to transport to Bakersfield and still have officers on the street.
  - Rachelle McQuiston – currently budgeting overtime for police at \$450k and could go higher if the county shuts the jail. There is some overtime covered by grants such as for DUI checkpoints.
- This helps explain why majority of budget is for public safety.

Rachelle McQuiston

- Explained options
- ISF funds review and minor funds
- Can prepare documents for review and on meeting of June 17 can discuss and/or adopt.
- RDA budget is set and we can review but cannot amend.
- Can set separate meeting to discuss minor fund or Council review between now and June 17.

Dennis Speer

- Asked for specific units that Council would like revise? Suggested meeting next week to address revisions and minor funding units.

***Special Meeting schedule for Monday, June 15 at 6:00 p.m. in Conference Room B***

**ADJOURNMENT at 12:38 p.m. to 6:00 p.m. on Monday, June 15**



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Rachel J. Ford, CMC  
City Clerk