

Minutes
SPECIAL
CITY COUNCIL/SUCCESSOR
AGENCY/PUBLIC FINANCE AUTHORITY
MEETING AGENDA
July 17, 2014

1. CALL TO ORDER

Mayor Garcia called the meeting to order at 6:30 PM.

Council Members Present: Lander, Ramsey, Garcia (Absent Oxborrow, Keough)

Others Present: City Manager Rene Ramirez, City Attorney Laurie Avedisian-Favini, Finance Director Mari Jimenez, Assistant Community Development Director Sean Brewer, Police Chief Cal Minor, Fire Chief Steve Henry, Finance Manager Frank Esparza, Senior Administrative Analyst Mercedes Garcia, Police Lieutenant Scott Ingram, City Treasurer Olga Keough, City Clerk Wanda Earls and members of the Police and Fire Departments.

1. Pledge of Allegiance

Mayor Garcia lead the Council and audience in the Pledge of Allegiance.

2. Changes to the Agenda

None

2. AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS (NONE)

None

3. CITIZEN COMMENTS

None

4. PUBLIC HEARINGS

1. Consideration of Resolution No. 3650 Which Sets Forth in Motion, Measure P, a Public Safety Utility User Tax Initiative on the November 2014 Ballot, and Introduce and Waive the First Reading of Ordinance No. 777, Which Establishes the Utility User Tax in the Municipal Code Should the Measure P Pass.

Laurie Avedisian-Favini, City Attorney

City Manager Ramirez introduced the consideration of Resolution No. 3650 which sets forth in motion, Measure P, a Public Safety Utility User Tax Initiative on the November 2014 Ballot, and does Introduce and Waive the First Reading of Ordinance No. 777, which establishes the Utility User Tax in the Municipal Code should the Measure P pass. The Measure would affect all utilities: Water, Sewer, Gas, Telephone, Electricity, Television, Internet/Cable T.V., Cell Phones Text Messaging, etc.

Other cities have taken this course of action when finding themselves unable to fund all public safety services. The economy and loss of revenue from the contract with the State CDCR has reduced the City's General Fund revenues by some \$1.0M. Without a tax measure or some other large source of revenue, cuts in public safety services will have to be made. Over the past several years, appropriations for General Fund departments have been reduced to a point where there are very few places to reduce expenses other than reductions in staffing, which affects services levels.

He has prepared for your information a chart indicating the total revenue received by PG&E of \$9,447.267 for Revenue Year 2013. Also, Average power bills for Care residents monthly is \$67.86 with tax increase of

\$3.73 for the 5.5% UUT cost and other residents monthly is \$117.79 with 5.5% tax increase to equal \$6.48. City Attorney Laurie Avedisian-Favini indicated this tax was a Specific Tax to be used only to fund the Police Department, Fire Department and/or Ambulance Services. It takes a 2/3 vote of the registered voters of the City to pass.

The purpose of Measure P is to allow the community to decide if they want to maintain their current level of public safety services. The City's General Fund finds it is about \$1.0M short of a balance with no reserves to draw from for FY15. The two public safety departments, Police and Fire, require more than 75% of General Fund revenue for current levels of service.

The Council has the ability to modify the Resolution. As it currently stands, Measure P contemplates a 5.5 utility user tax to all residential and non-residential customers. Some user taxes exempt schools, colleges, other governmental agencies and such groups as senior citizens. Should the Council decide to modify the tax rate, it may require changes to the Resolution, which becomes the basis for the text in the ballot measure. Any changes to the resolution or ordinance should be decided tonight, given our short time frame to get this to the Elections Department. For a utility tax to take effect, it must be codified in the Municipal Code. This requires adoption of an ordinance. Ordinance No. 777, has been drafted for introduction and waiver of first reading. A second reading and adoption would take place at the Council's next meeting which is scheduled for August 7, 2014. Staff has recommended the need for an urgency ordinance, which the adoption of a Resolution being the key document for the County Clerk's office. An ordinance will simply enact the tax should the measure pass in November. The Council will have the ability to modify the ordinance during the introduction and first reading, but keep in mind that any change to the ordinance requires a modification to the Resolution and vice versa. Also, the Council will have the ability to repeal and/or change this tax. Council can come back every year prior to Budget at the end of the year to determine any needed changes they wish to make.

The City cannot use any funds to campaign but can speak to the Measure and what, hopefully, it will accomplish for the community.

Mayor Garcia, since this is a Public Hearing, called for comments from the audience; no comments were received.

After discussion the Mayor specified he wants businesses exempt for PG&E (Electricity) only. Also Senior Citizens based on age 65 years or older and qualifying for PG&E's CARE Program which is based on family income and number of family members.

City Attorney Laurie Avedisian-Favini indicated she would make the appropriate changes to Sections in Resolution No. 3650 and/or Ordinance 777 to include those voted on by the City Council this evening.

*Motion to Approve Resolution Number 3650 Which Sets Forth in Motion, Measure P, a Public Safety Utility User Tax Initiative on the November 2014 Ballot Exempting Coalinga Businesses from PG&E (electricity) Only and Senior Citizens Ages 65 and Older Exempting Those Who Qualify for the PG&E CARE Program Made by Council Member Lander, Seconded by Council Member Ramsey. Motion **Approved** by a 3/0 Majority Roll-call Vote: Lander, Ramsey, Garcia (Oxborrow, Keough Absent).*

*Motion to Introduce and Waive the First Reading of Ordinance No. 777 which Establishes the Utility User Tax at 5.5% in the Municipal Code Should the Measure P Pass Made by Council Member Ramsey, Seconded by Council Member Lander. Motion **Approved** by a 3/0 Majority Roll-call Vote: Ramsey, Lander, Garcia, (Oxborrow, Keough Absent).*

5. CONSENT CALENDAR (NONE)

6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS

1. Direction Regarding the Sale for the Downtown Plaza Condominium Units

Sean Brewer, Assistant Community Development Director

Assistant Community Development Director Sean Brewer:

Staff is ready to release the Downtown Plaza Condominium Units up to market for sale and want to provide the Council with information regarding the Association Fees that will be part of the cost for a buyer.

The Request for Proposals is ready to be issued with the direction from the Council. The missing piece was the cost for an Association fee, which is being presented by staff.

If the buildings should not sale, the City would be responsible for the assessments.

The two buildings have been appraised at approximately \$600K under current market conditions. Please Recall that there were no comparable sales. The revenue from the sale of the buildings would come into the General Fund. Staff's recommendation is to set aside the proceeds of the building sale and place into the General Fund reserve and not use to pay for operations because the revenue is one-time only and not a sustainable revenue.

The budget for the Condominium Units was explained to include the Coalinga Plaza-Durian Owner Association Budget.

The City Attorney has almost completed the RFP for this project.

No action was taken on the Downtown Plaza Condominium Units.

2. Budget FY15 Workshop

Rene A. Ramirez, City Manager

City Manager Rene Ramirez:

Staff has continued to develop a clear nexus between elements of public safety and services provided to the Enterprise Funds, but it will not be sufficient to balance the General Fund Budget.

For this workshop, staff has invited Chief Mark Johnson and Battalion Chief Chris Bump from Cal-FIRE to attend to discuss and answer questions on how the City can maintain local control of the fire suppression, save existing jobs and provide the same service level and response time should the City invite Cal-FIRE to reply to a request for proposal to provide labor.

Staff has completed a chart showing Public Safety Operations in Similarly Sized Regional Communities (Comparing: Public Safety Costs as Percentage of General Fund) and a chart showing Public Safety Operations in Similarly Sized Regional Communities (Ranked by General Fund – Fund Balances).

While the recent Press Release from the Mayor has garnered the attention of the Valley on our plight at Claremont with the State CDCR and has the CDCR back-pedaling from negative press on the subject, the City still does not have a contract with the State CDCR nor has there been contact from the Sheriff at Fresno, Los Angeles or Riverside Counties.

The purpose of the workshop is for staff to share information with the Council, answer questions, take direction so that staff can come back in the near future with a budget plan for FY15 the Council can adopt. Chief Henry introduced CalFIRE Chief Mark Johnson and Battallion Chief Chris Bump who are here to share with you any information they might have in reference to the Council inviting CalFIRE to take over our fire department to save labor costs to the City.

Chief Johnson indicated the Department would not lose its local identify. It would still appear as the Coaligna Fire Department but under the direction of CalFIRE.

They would take all employees but their shifts are different. If there were extra identified employees, they would hold a spot for them. If employees want to transfer to different locations or departments it would be allowed. Employees taken on board would not be treated like new hires.

They would have to attend CalFire Academy for mandatory training. CalFIRE would look at training records and supplement training as needed. Fire personnel would be transferred rank for rank. They have different position titles. They would outsource labor for Ambulance. EMS equipment would be maintained by CalFIRE. Coalinga would continue to do ambulance billing. They do not have paramedics; Riverside and San Luis Obispo do have paramedics. No mutual aid will be lost.

Council Member Lander questioned if the same level of service would continue.

Chief Henry's response is there should not be a difference in the level of service. Two staffed units in town - one in Huron and back-up by American Ambulance. There would be an increase in service.

The President of the Fireman's Association indicated they had met and talked about the possibility. They voted to support.

Chief Johnson said contracts are for three years with a 12 month notice to cancel. It takes about a year or so to go through steps for processing.

Chief Henry is to cover concerns of community in reference to personnel and service.

Council Member Ramsey suggests a small committee be put together consisting of Council Member Ramsey, Mayor Garcia, City Manager, City Fire Chief and President of their Union to prepare a Request for Proposal (RFP) to CalFIRE and Possibly American Ambulance and to bring a Resolution to the next

meeting.

Council Member Ramsey asked for no layoffs during negotiations and for staff to be protected from and layoffs.

Police Chief Minor said he is requesting the same consideration of no layoffs of police staff.

Mayor Garcia indicated the Police Department may have a budget of \$600k or so and the department will have to come within that budget restraint.

Mayor Garcia said the Council cannot guarantee no layoffs. The goal has been to not layoff Police or Fire personnel but the budget must be balanced for this year.

City Manager Ramirez announced a Special Workshop Meeting at 5:30 to be held on August 7th.

Consensus of the Council is to form a small committee to put together a Request for Proposal (RFP) to CalFire and possibly American Ambulance to include Council Member Ramsey, Mayor Garcia, Union Rep and Fire Chief Henry and be prepared to present to Council at Special Workshop at 5:30 on August 7, 2014.

7. ANNOUNCEMENTS

1. City Manager's Announcements

None

2. Councilmembers' Announcements/Reports

Council Member Lander said he was glad to see everyone here.

Council Member Ramsey introduced his family member who has been a member of the Fire Department for 20 years.

Fireman Ramsey said he has a lot invested here as do others. The Department doesn't leave anyone behind. Go for CalFire. Please look at every avenue to save employees of the police and fire departments.

3. Mayor's Announcements

8. FUTURE AGENDA ITEMS

None

9. CLOSED SESSION (NONE)

10. ADJOURNMENT

Mayor Garcia adjourned the meeting at 7:48 PM.

Tony Garcia, Mayor

City Clerk/Deputy Clerk

Date