

Minutes
AMENDED
CITY COUNCIL/SUCCESSOR
AGENCY/PUBLIC FINANCE AUTHORITY
MEETING AGENDA
October 2, 2014

1. CALL TO ORDER

Mayor Garcia called the meeting to order at 7:00 PM.

Council Members Present: Oxborrow, Lander, Ramsey, Keough, Garcia

Other present: City Manager Rene Ramirez, City Attorney Laurie Avedisian-Favii, Finance Director Mari Jimenez, Assistant to the City Manager Shannon Jensen, Assistant Community Development Director Sean Brewer, Police Chief Cal Minor, Fire Chief Steve Henry, Senior Administrative Analyst Mercedes Garcia, Payroll Manager Frank Esparza, Police Lieutenant Scott Ingham, Police Sergeant Darrel Blevins, and

City Treasurer Olga Keough
City Clerk Wanda Earls

1. Pledge of Allegiance

Mayor Garcia led the Council in the Pledge of Allegiance.

2. Changes to the Agenda

There were no changes to the Agenda.

2. AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS

1. West Hills College 18th Annual Athletic Hall of Fame Inductees - Certificates of Recognition

Mayor Garcia read the names of those inducted into the West Hills College 18th Annual Athletic Hall of Fame.

3. CITIZEN COMMENTS

City Manager Ramirez introduced Mr. David Wolf, new city attorney as our present city attorney has resigned and taken a position with the City of Fresno. At the next Council Meeting, Mr. Wolf will be sitting on the dais with the Council. He is currently the City Attorney for the City of Clovis and the City of Fowler. He is now right between a large city and a small city.

Mr. Merl Parkins, Concerned Citizen:

He has some water issues and he has not been able to get them resolved. He thinks there is a potential Brown Act violation with the Budget Workshop and other small violations to the Brown Act evidently are of concern.

At this time Mr. Parkins read Page one of a six page letter/report to the City Council. He expressed concerns regarding his water and its affect on his family. According to Mr. Parkins, the water at his home is a health hazard to he and his family. He wants his water tested. He expressed concerns about the dates and

times of City Council Meetings indicating the City Website does not provide information he was seeking in reference to meetings, etc. After calling the City Manager, personnel from the Water Department went to his home and though the person was professional, friendly and informing, the situation is not resolved. He continues to have nonpotable water in one of his faucets at his home.

Mr. Parkins indicated his unhappiness at the way the Council Meetings are run and the dates of the meetings. He feels one scheduled Council Meeting per month, is not enough to conduct City business. He expressed concern about the length of time the meeting he attended lasted. One hour and forty-five minutes was simply not enough time to handle all of the problems facing the City Council. He expressed unhappiness about the Budget Workshop which was recently held.

Mr. Parkins appears to have numerous complaints regarding the City Council and how it is handling City business. He continued to read his letter/report exceeding five minutes in duration. One Council Meeting per month even though the City is in the worse budget crisis since it was incorporated in 190_? is not enough. He feels the elected officials have not been acting in a reasonable sustainable fashion due to making motions to Council which normally would be handled at a second Council Meeting leaving small violations to the Brown Act and many other acts. He questions the way public notices are handled and he feels we need to stop all Budget Workshop proceedings immediately and proceed with a well publicized re-due of a special budget workshop that was so urgently scheduled two weeks ago.

Mayor Garcia called Mr. Parkins on the time and indicated the Council has a copy of his written concerns.

Mr. Parkins continued to read his complaints and Mayor Garcia interrupted him.

Mr. Richard Hill, Confidential Address not given. He is here to address the Chief of Police more than anybody else. On the 19th of last month he went on a "ride-along" with Manny. He had been hearing and seeing negative comments on the Internet. He has done about five previous "ride-alongs". He decided to go on a Friday night when most of the action is taking place.

He first observed the City's dispatch office. It is some piece of work. He takes his hat off 100% to the men and women working there because they are worked to death. They have cameras, phones, radios and they have to disburse the correct information to the correct people and/or facility. They are working long hours. He does not think they receive enough praise from us. He takes his hat off to them. He, then, went to their meeting and he listened to them talk; it was very professional, about what they did the day before and what they were going to do today.

We have three officers on a twelve hour shift; they run the town. He does not know how many of you have been in the military, but when you only have three men doing a patrol in an area the size of Coalinga it is tough duty and these men/woman are under a lot of pressure. Some of the calls he went on were suicide attempt, someone out of control in the hospital, a huge party was going on, a family dispute. On everyone of these calls (he knows it was not because he was there) they were professional, they talked everything down. There was a huge party they went to and it was at least 100-125 people and they went in there and they controlled that and there was not one problem Those young people did not fight, or argue. They said "thank you very much" because the officers acted very professional. He understands there are times when they are being shot at or shoots are being taken, there "road-side manner" may not be what we would necessary want. but they are under a lot of stress and they have a lot of pressure on them. He thinks they are doing a fine job and he takes his hat off to the Chief of Police for having an organization that is doing their job. That is why he went out there and they proved it to him that our Police Department is still in control and they are doing a fine job. "Thank you, Chief, for doing a fine job and thank you, Chief, for doing a fine job for our community and for our citizens". That is why he is here. Our Police Department, regardless of what you hear out there, our Police Department is doing a fine job!

Mr. Nathan Vosburg, he complains a lot on Facebook. Today he will offer some ideas and some

suggestions rather than just complaining.

Ideas on City's website and Facebook page:

Website: The front page of the Website which should be the most attractive to the users has walls of text and it is not very attractive to users when they visit the City's website. There are not very many pictures and not very much useful information that grabs the user's attention in a positive manner. He thinks this could be replaced with ever-changing banners and carousels with pictures. They could show pictures of our police and fire department, public works, etc. doing good things in the City which will grab user's attention. Maybe have them be shifted to our individual places like the fire department, police department, etc. He notices there is not a section which has pass on current budget information. This would be good for potential investors who come to our City looking for budget information to see how our City is doing and what funds might be available and what the City is spending. They might be able to invest in either the private or public sector. He would like to see a promotion for City codes like for dog fees, licensing for bikes; he see this as money just left on the table. We could begin collecting on some of this money. We have a lot of codes out there being violated. There are a lot of things that are not being picked up. This does not mean that Joey is not doing a great job informing people and out there busting his butt, but he thinks if we did some things on education we could get more people further informed and when they do get hit with a fee, they would be a little more willing to say they messed up, etc. Dogs and bikes are just an everyday occasion. Do we have a serial number on those bikes? No we don't, we are just looking for a black bike that somebody has. What can they do? He thinks there are things involving public service like the PD and fire department are going out there. They are finding people's stuff and people should have to "pony-up". If you are utilizing these services then you should have to put in a share. He would like to mention there is no spot on the website for Coalinga small businesses. He thinks if we want businesses, investors to take Coalinga seriously and move here instead of just working here. We need to begin promoting these types of things. We need to start promoting the businesses we have. When people look at our Website and see these things, they are going to see we are promoting the businesses. Therefore we should get more businesses here or maybe they may start a business. That way the City is promoting the businesses that are actually here. He would, also, like to mention that we could get more graphic content relating to the community. All of this could be highlighted for Investors and small businesses in an easy to read fashion. We then could send that information out over Facebook.

Ideas on the City's Facebook page:

After looking at the City's Facebook page he began to realize it gives him a really negative outlook towards Coalinga. The page has a total of 77 photos all of but 20 of them are individuals arrested for crimes. He does not think this promotes a positive outlook for the City and it could have a negative impact on the City and open up unwanted liability, in many different ways, from investors to small businesses and to people being upset that their name is put out there. He would suggest to add that on our City website and put all the police logs on there. There is much talk about this tactic and whether it works or just provides a spotlight on criminals. This tactic was recently shot down by Huntington Beach due to these concerns. He disagrees with this tactic, personally, because it makes the City look back to investors or people wanting to move here. It gives the wrong impression to the people of Coalinga and highlights negative activity instead of the positive. Do we really want people to be for business and investment? Who decides whose picture is put on the website? That is why he feels there could be a future liability there because who decides the activity to be put there? If we are going to put something there, he thinks we should put it all there; like in a police log fashion. But that is not good looking on Facebook which is why he suggests moving that to the website under the police log activity and filling up Facebook with more positive stuff to promote our City. If the PD wants police logs, he thinks it is a great idea.

He thanks you guys for listening.

4. PUBLIC HEARINGS (NONE)

5. CONSENT CALENDAR

*Motion to Approve Consent Calendar Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 Made by Mayor Pro-tem Keough, Seconded by Council Member Lander. Motion **Approved** by a Roll-call (5/0) Vote: Keough, Lander, Oxborrow, Ramey, Garcia*

1. Minutes - June 12, 2014 (Amended Special)
2. Minutes - June 25, 2014 (Special)
3. Minutes - June 25, 2014 (Special Budget Workshop)
4. Minutes - July 10, 2014 (Special Joint Workshop)
5. Minutes - July 10, 2014 (Amended Special)
6. Minutes - July 17, 2014 (Special)
7. Minutes - August 7, 2014 (Amended)
8. Water Use Through August 2014
9. Check Register: 08/01/2014 - 08/31/2014
10. Monthly Treasurer's Report - August 2014
11. Request to Enter into an Instructional Service Agreement with FCC
12. Award Purchase of Energy Efficiency Equipment for the Sewer Plant to Medora Co. in the Amount of \$203,319

Mayor Pro-tem Keough pulled Item 5.12 for explanation. He is trying to figure out who is paying for this.

City Manager Ramirez said initially the City pays for it up front. Once the equipment gets installed, PG&E's engineers come out and certifies that the equipment has been properly installed. We may pay up front but PG&E is going to reimburse us and we will pay that back with a zero percent loan with a reduction of \$35,600.

Council Member Keough asked the time frame on the repayment.

City Manager Ramirez said the repayment is going to be based on the energy savings. The audit said we would probably save about \$40-\$50K in power costs. Whatever we save in power will go to repay that debt. Staff thinks it should take three to four years at most. The initial money is coming out of the sewer fund.

13. Authorize the City Manager to Sign a Termination of Landowner Agreement with the Pleasant Valley Water District Related to the Enrollment in the Westlands (Westlands Water District) Stormwater Coalition.

Mayor Pro-tem Keough pulled Item 5.13 for explanation.

This just caught his attention because he was looking at the elimination of landowner agreement. Are we giving up land?

City Manager Ramirez indicated the City is not giving up land. The Regional Water Quality Control Board has a new regulations stating that if you are irrigating land, they are going to require some type of permit for that process. They do not want you fowling the waters of the state or federal government.

The Pleasant Valley Water District which surrounds us and the Westland's Water District which is east and north of us, agreed to work together to come to some solution for this area. There is an area of the Westland's Tulare Lake (a map is provided for you) which is 5000 acres of land that is affected by this rule from the Regional Board. Westland's Water is taking the lead in trying to put together the program so everybody is in compliance with this regulation. They have decided they want to approach it a different way and have gone through a process of trying to get all the landowners to sign an agreement, evidently we may have previously signed something but this is prior to his tenure with the City.

The Pleasant Valley Irrigation District sent him a notice that Westland's Water was going to approach this a little different but prior to doing that you need to terminate the agreement. We are not selling any land but will profit because we are going to be in compliance with the water regulation. We have to sign this termination letter. At sometime in the future, he will probably be coming back to you saying here's the process we now have to comply with and meet the State's requirements on irrigated land. This is the land the sewer fund purchased when (years ago) we were talking about moving the sewer plant out there. We still haven't decided if we are going to put the sewer plant out there. It is our land but it is being farmed by the Lovelace family (they owned it prior to the City purchasing it) they lease it.

14. Consideration of Resolution No. 3657 Requesting Action by Congress on Drought Legislation
15. Adoption of Resolution No. 3658, authorizing the City Manager to execute agreements with the California Department of Transportation for the Coalinga Citywide vehicular traffic calming and safety enhancement plan

6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS

1. Addendum to Request for Proposals for Sale of EDA Buildings

Rene A. Ramirez, City Manager

City Manager Ramirez said this was brought to his attention by the mayor. We have the RFP out there for the EDA buildings and there is some concern with the way the RFP is structured. There were some thoughts/concerns brought up by some of the tenants in the buildings. They met with the mayor and asked if they could have a "right of refusal". The mayor informed them he could not make a decision unilaterally but he can place it on the agenda for the Council to discuss. Being placed on the agenda allows the City to negotiate with current tenants and perhaps change the process.

Mayor Garcia said he did meet with several of the business owners; it was a good meeting and they asked a lot of good questions for which he did not have all the answers. He informed them he would get back to them. One of the things they brought up was the actual bid, was it going to be opened in public or in private? He was under the impression the bids were to be opened in public. After clarification from the city attorney, he was informed they are to be opened in private. For transparency reasons he feels they should be opened in public at a pre-designated time and open to anyone wishing to attend.

The other question is answered in that the Council does have the authority to reject any and all bids. At that time it would be up to a businesses owner or another person to come to a Council meeting and make it know that they would like to match or exceed the bid price. That would be a decision for this Council or a future Council to decide. His request today is let's move forward with an addendum that the bids be opened in public and to designate date and time for this opening process. He opens this up for questions.

Council Member Lander would like the attorney's opinion as to why they can be opened publicly.

City Attorney Avedesian-Favii asked the Council to keep in mind this is not a Public Works job where we are required by law to go out to bid. This is a request for proposals to purchase the EDA units. The RFP

as drafted states the real estate agent and the community development director would open the bids, rank them and provide that information to the Council.

Council Member Lander said his point is that they can legally be opened in public if the Council chooses to do that.

City Attorney Avedisian-Favii stated the RFP can be opened without changing the RFP. This would allow the Council an opportunity to notify those who are planning to submit a proposal that there would be a public bid opening and (cannot understand wording),

Council Member Oxborrow questioned the date of the 13th to open the RFPs. He does not think we need to change it. Just put a notification out that anyone who wants to be at the bid opening may do so.

Assistant Community Development Director Brewer stated the only problem with this RFP is that we can't provide an addendum like we would for a public work's project. The RFP is available electronically and the majority of the people have been obtaining the document electronically. There is no way to actually notify every person who has received it, there is no way to know who received the RFP. There are multiply listings of the document. Is there a legal way we can post it or can we make changes to the RFP which would mean we would have to reissue it.

Council Member Oxborrow said he does not think we need to reissue it he just thinks to keep the date the same.

City Attorney Avedisian-Favii said the only change you are wanting to make at this point is that it is going to be a public bid opening. It is just a notification to those interested in attending. The bids are due October 13th and the evaluation is due the 17th. Between that window is when the bids will be opened. If you want to establish that time now, it can be done.

Council Member Oxborrow suggests Tuesday after 5:00 PM to open the bids for anyone wanting to show up. He thinks what we are trying to do is be transparent here. Everybody will be able to see who is bidding, etc.

City Manager Ramirez said on Tuesday at 6:00 staff will open up all the proposals for the buildings at the Council Chambers.

Mayor Garcia entertained the motion that we open the bids in public on Tuesday the 14th at 6:00 PM.

*Motion for staff to open the bids publicly on Tuesday the 14th at 6:00 Made by Council Member Oxborrow, Seconded by Council Member Lander. Motion **Approved** by a Roll-call (5/0) Vote: Oxborrow, Lander, Ramsey, Keough, Garcia.*

2. Adoption of a Revenue and Spending Plan for Fiscal Year 15

Rene A. Ramirez, City Manager

City Manager Ramirez said we are here tonight, after many budget meetings to adopt the City's FY2015 Budget. Once we receive the property tax in December or January we will have a better idea of what our revenue will be looking like not only for this fiscal year but for next year. Staff suggests, at that time, to make any amendments to the spending plan.

A PowerPoint presentation was made by City Manager Ramirez. He pointed out there are approximately 20-30 different funds that the City administers. There are sixteen funds which give us the most concern because they involved the Police Department, Fire Department and the Public Works Department and they make up the vast majority of the City's financial operation.

He summarized the General Fund as to Revenue, Expenses, Ending Fund Balance and any variances:

Revenue: 7,163,474

Expenses: 7,158,496

Variance: 3,978 surplus in General Fund

The next funds are all street related funds. The gas tax fund is used to pay for the operations of our street department. The Transportation and Development ACT and Measure "C" funds from Fresno County are used for street maintenance and ADA compliance of the streets and sidewalks. Typically, the street maintenance funds have money in their funds so when we start a fiscal year we have carryover money. We are carrying over funds from previous year's balances which we are going to use for street projects.

The General Capital Fund has been a fund where the City had placed some one-time monies from different sources. Over time it was used to provide for capital projects and we used it to help us balance our General Fund Budget the past several years because it allows that type of expenditure description. What is left in the fund is being used to fund some of our capital projects. Funds may be transferred into this fund from our street or water account and then used for street projects. There is really no change at all in capital funds.

The Enterprise Funds he calls the businesses of the public. They are funds where we charge a fee for service; water, gas, etc. It appears they have more expenditures than revenue. He would not worry much about that as, typically, what we do with the Enterprise Funds is budget our expenses a little conservatively. An example of that is the water system. We typically budget about \$600K for power and about \$800K to purchase water from the Bureau of Reclamation. We don't use all that money because it depends on how much water we are going to have to purchase. This year, we are probably going to spend \$400K or one-half of that \$800K. Typically, what happens in the Enterprise Funds is we don't usually spend it all. It usually comes out pretty even. If there is a structural problem we may need to look at our rates.

The only fund we don't have any control over is the Transit Fund. It is funded entirely by the Fresno County Rural Transit Authority. The Utility Billing fund is known as an internal service fund. It provides support to the Enterprise Fund.. Utility bills are sent out to customers for water, sewer, and sanitation. That money is used to pay for the processes of our utility bills. The next one is the Successor Agency Fund and that one is the former RDA. What we are showing here are our debt service payments. The Council doesn't really have much authority over this. It is all the State of California Department of Finance. The City is acting as a fiduciary agent for the State of California. In the year 2016 the State anticipates that all these types of funds will go away. Right now we are managing the fund. The last one is the EDA Building Fund. For a number of years, we had an operating budget to maintain those buildings. Now we have more expenses than potential revenue. We are trying to sale these buildings. We are setting them up as business condos and because of this we had to set up a HOA Account. A budget must be set up for the buildings to be maintained, going forward, until such time as the City is not the majority owner of those buildings.

In a nutshell, we wanted to give you the major funds to provide for you the financial operations of the City Budget. The number of people that the City employs is 95 full time people. It does not include a number of part-time people, reserve people or the number of (cannot understand wording).

There are 13 General Fund Departments. He would like to talk a little more about the General Fund.

City Treasurer Keough said she has a question about the Water Fund. There are some restrictions as to revenue and expenses. She understand the debt ratio should be about 25%..

City Manager Ramirez said there is a debt coverage ratio which we must maintain. Considering our current rate structure on the revenue we are projecting, we will meet that.

City Treasurer Keough asked if expenses could be higher than revenue.

City Manager Ramirez said what we are showing is what is budgeted and we are not going to spend all that so, in his opinion, we are okay. Sometimes we get phone calls from our bond trustees about our debt coverage ratio and how it is being affected by the drought. We are generating enough revenue to satisfy that ratio. That is why we came forward in April to ask for a rate adjustment to insure we have the correct debt ration coverage. The intent is that the actual expense and revenue generated will met that debt ratio.

Drafts were explained on the General Fund. In Fiscal Year 2007 the City hit a landmark where our expenditures were about \$8M per year and this was so through 2013. The good thing, at the time, was that our revenues were also around \$8M her year. It changed when the State Department of Corrections closed the Claremont Facility and we lost that revenue. We also lost revenue because of the economic downturn. Over the past years, even through our expenditures have stayed close to \$8M, our revenue has been dropping.

In about Fiscal Year 13 the previous City Manager Darrel Pyle and the Cities of Coalinga, Delano, Shafter and Taft were working with the L.A. County Sheriff's Office and the State to reopen these facilities. When the City adopted the budget for FY13 we anticipated we were going to have a contract with the L.A. County Sheriff. When the Council adopted the budget for Fiscal 13, they did anticipate we were going to have a contract with the L. A. County Sheriff. At the time, the expenditures were close to \$8.5M. The revenues were close to \$8M as well. The reopening of the CCC did not happen for a variety of reasons that really sent us into a tailspin as to trying to manage our expenditures with a different revenue picture. The past couple of years we have been trying hard to deal with the change in our revenue plan. Now that we have a better idea of what that revenue picture looks like, we have been trying to adjust our expenditures.

He has to give the Council and staff credit. Since Fiscal Year 13 we have literally reduced our expenditures through staffing reallocations from the General Fund to other departments. There have been some savings from insurance costs to the City which means we are doing things well. It is not costing us as much to take care of our liability insurance. We have held some positions open. We have had some impact to services provided to the community and we have heard about it. We have tried to reduce our costs. We have had some labor concessions and some "give backs" by the employee groups so we could get our expenditures down. That is what we have been struggling with; to try and bring the cost down to manage our revenue.

The other thing we have done is we are looking at transitioning how we provide fire suppression services and ambulance services to the community. Currently is costs the General Fund \$2.5M. The revenue we would generate from ambulance reimbursement and some of the wild land fires support would probably bring us closer to \$2M in expenses.

He has to give the Fire Chief and the fire union some credit. They recognize we have some issues and we need to try and bring our General Fund back into some sort of balance. We have gone down a path and had some discussions and we are talking to CALfire. Our employees would eventually become CALfire employees. We would still retain local control under the banner of the Coalinga Fire Department. The fire station and fire trucks would remain the same but the people would be working for CALfire.

We are also looking at how we can deliver the emergency medical services differently. Chief Henry has sent RFPs to private ambulance companies to see if they are interested in servicing the Coalinga area. We are trying to reduce our expenditures in the General Fund so we can keep the expenditures more in line. The challenge is if we continue down this path, we are not going to see a financial difference in FY16. CALfire said it would probably take six to twelve months to complete that transition..

We started negotiations with the Department of Corrections (they contacted us) and we began regular discussions with them, we held a job fair and spent about \$150K evaluating those people who might become correctional officers. We found out in late March that they were given a two year extension on

meeting their population limits at prisons and they threw the Valley Fever issue at us. Immediately, we began talking to our elected officials in Sacramento to get them to advocate for us to no avail.

The past several weeks, Mayor Garcia, Council Member Oxborrow and he went back up to Sacramento and met face-to-face with the Secretary asking their plans for Coalinga. They indicated that we are on the radar screen but their challenge is finding the right type of inmate to fill the facility because of the Valley Fever issue. With all this being said all that work has put a dent in our ability to try and get a budget adopted in a typical July 1 time frame. We now find ourselves, after several budget workshops, finally at a point where we think we have a balanced budget for the General Fund.

A chart is shown as to where the funds are being spent for the General Fund. When we last met with the Council we talked about how we were going to try and get a balanced budget and, at that time, we made some recommendations. One was to adjust the ambulance revenue to what the YTD was in FY14; we adjusted the revenue up about \$86K. We also increased the wild land fire revenue by support from the Fire Department through September 9th increasing it about \$25K. We did a couple other things, at that time, to increase revenue but even then we found ourselves about \$160K short. With the Council direction, we went back one last time to look where in the General Fund could there be some opportunities to adjust revenue. That is what he has tried to summarize for you here with the Staff Report. In working with the finance director maybe we were too conservative in our approach with some of our revenue projections. In taking a look at property values, we found they have increased somewhat and we have seen, over the past several years, property related revenue increase. What we did in the first three areas, which are property tax related, we actually decided to adjust the revenue and bring it up to what we saw YTD in FY14. We did the same thing with another tax related item. We are seeing an up-tic in building fees. There are a couple of projects coming forth in the pipeline. We are actually increasing them by another \$20K.

The largest change is right here and it has to do with how we provide the service center services. The service center is where we maintain all the City's vehicles. It is a General Fund department so all the expenses of the two mechanics out there come from the General Fund. Interestingly enough, there is no line item for the labor for the non-General Fund departments, the street operations, water, gas and sewer operations. He is recommending that we take 1/2 of that labor which is about \$71K and charge it to those departments. There should be no reason why the General Fund should be paying for the labor costs of those non-General Fund departments. When you do all that, it helps bring our General Fund budget back into a balanced area. The Council asked us to bring together a balanced General Fund budget and we have tried our best with what we feel are safe recommendations on the revenue and expense side. If things play out, at the end of the fiscal year, we should have a small surplus.

If we sale those EDA buildings, the Council has said those funds are going to be placed aside in a reserve account. That is what our plan is. He will be frank with you, that money is General Fund monies and if at the end of the year, if there is a shortfall, it has to come out of there. It is like the shortfall we had related to the CCC and the money had to come from the General fund.

Our intent right now, if the Council adopts the budget plan, is that the departments are going to try and spend the monies they have been allocated in their budgets. We are going to try to insure that we collect all this revenue. Hopefully, at the end of the year, we are hopeful to have a small surplus in the General Fund.

We will come back to you sometime in January with an update to let you know where we are in case we need to make any changes. He will answer any questions the Council may have.

City Treasurer Olga has a question about the (cannot understand wording) it looks like for fiscal year 2014 (cannot understand wording) based on the draft. However, on the (cannot understand wording) budget, YTD the (cannot understand wording) is \$6.1M.

City Manager Ramirez said what he has here is two lines or dots. Remember, last year what we had adopted

for FY 14 was a balanced budget and that is what was to be reflected here. In this one is another point for FY14 showing what (cannot understand wording). He thinks what happened is he put the wrong number in his Data-point. You are correct, it should be down here. The revenue should be reflected further down on the page. He is glad you caught that.

Mayor Pro-tem Keough said what does that mean there is \$1M difference in the revenue to expenses for last year.

City Manager Ramirez said if you will remember, the way we balanced this budget is that we were going to use some one-time dollars that were in our former retirement account. There was about \$400 and the difference was to be made-up of from that General Capital Fund. There was going to be upwards of 3/4 of a million dollars or so to come out of that General Capital Fund. What is reflected here is our expenses (these are not audited expenses) we have on our books. That is what these points are. He does not believe, again, that the audit is complete and it shows exactly where our revenue comes in. At some point and time, we have to try and show a balance of the revenue with the expenditures. Right now, it really does not show that because we have not completed the audit..

Mayor Pro-tem Keough said this kind of segues into my questions. It sounds like we used \$1M of one time monies to balance the General Fund, right?

City Manager Ramirez said roughly speaking it was about \$1M.

Mayor Pro-tem Keough said about two months ago we were going back and forth on the budget and it seems like we had about a \$1M shortage. Where were we going to find it?. We were talking about laying people off and all kinds of things. Now a few months later, we have surplus, he does not really see a difference in the revenue. There is \$1M just made up and now he is hearing there was \$1M from one-time money from last year. He is skeptical on that. One of his questions is he sees a lot of the funds having deficiencies. You went over that and you said we have a built-up amount of money which will cover that. He is thinking for next year we are taking from what we have saved overtime and we are spending more than we are bringing in for this year, where is this going to leave us for next year?

City Manager Ramirez said to keep in mind you are talking about two difference types of funds. We are talking about the General Fund and you are talking about the Enterprise Funds. They are two separate types of funds. We have to account for them separately. They are all part of the same budget but they are not part of the General Fund. We are talking about one fund here and you are talking about Enterprise Funds. The gas fund and sewer funds both have cash and the water fund has some cash. He has mentioned the gas fund because in FY14, we budgeted in expenditures \$1.5M to purchase natural gas. We actually spend \$900K; we spent \$600K less. What we try to do is to determine, historically, what our trend has been for budgeting purposes so we don't have to come back and say we need to appropriate more money because we need to buy more natural gas. In FY15, we are also saying we want to spend about \$1.5M for natural gas. We now have some added expenses for natural gas. If you remember, the Council said let's have the police department patrol more on the gas side and with that have them charge-out to the tune of about \$320K. That is new costs to the gas fund that is built into the gas fund budget.

Mayor Pro-tem Keough said he is looking at his notes and we are in Ordinance #2 here and you have given us revenue for natural gas, sewer, sanitation and just about everyone of them has a deficiency. You stated we have surplus money in those funds and we can pay more this year.

City Manager Ramirez said water, sewer, natural gas, sanitation and transit are the ones on that summary page showing that there was more expenditures than revenue. What he is saying is that we have typically budgeted expenditures to those Enterprise Funds more than revenue. What we don't have is where our expenditures exceed the revenue. If you will look at the detail sheets provided you, you will see how much we have spent over the years. We normally don't spend all the money we budget.

Council Member Oxborrow said if you will look at Measure "C" three or four years ago we had almost \$4M in Measure "C" funds. Those dollars are meant to accumulate. When they give you the money for Measure "C" you are suppose to do your roads. If you see a deficient there, it is because we are spending the money now that we were not spending four or five years ago not doing the roads. With the gas fund, we have had two reductions in rates so we could lower the amounts charged to residents. It appears we are deficient spending in the gas fund. There is a method to the madness.

Mayor Pro-tem Keough said finally, this is strange to him showing a deficient in the water fund when we just raised rates a few months ago.

City Manager Ramirez said we are not showing you the fund balance, only what we are anticipating for revenue this year and what we are anticipating as expenditures. In that fund balance there is money even though we are showing more expenditures than revenue. He will guarantee we will not go into that fund and spend all that money. It is going to depend how much water we produce and how much capital work we anticipate doing. What is budgeted in there is \$1.5M - \$2M for water system improvements for a water tank.

He is pleased to answer your questions.

3. Consideration of Resolution No. 3655 Adopting a Budget for Fiscal Year 2015

Mari Jimenez, Financial Services Director

City Manager Ramirez said if the Council is ready to adopt the budget, we need to adopt this Resolution and the next three Resolutions.

City Attorney Avedisian-Favii said these will need to be adopted individually.

*Motion to Adopt Resolution No. 3655 Adopting the Budget for the Fiscal Year 2015 Made by Council Member Oxborrow, Seconded by Council Member Lander. Motion **Approved** by a Roll-call (4/1) Vote: Oxborrow, Lander, Ramsey, Garcia (Keough voted "no")*

4. Consideration of Public Finance Authority Resolution No. PFA 14-03 Adopting a Budget for Fiscal Year 2015

Mari Jimenez, Financial Services Director

*Motion to Adopt Public Finance Authority Resolution Number PFA 14.03 Adopting a Budget for FY 2015 Made by Council Member Oxborrow, Seconded by Council Member Ramsey. Motion **Approved** by a Roll-call (4/1) Vote: Oxborrow, Ramsey, Lander, Garcia (Keough voted 'No').*

5. Consideration of Successor Agency Resolution No. SA-317 Adopting a Budget for Fiscal Year 2015

Mari Jimenez, Financial Services Director

*Motion to Adopt Successor Agency Resolution SA #317 Adopting Budget for FY 2015 Made by Council Member Oxborrow, Seconded by Council Member Ramsey. Motion **Approved** by a Roll-call (4/1) Vote: Oxborrow, Ramsey, Lander, Garcia (Keough voted "No").*

6. Resolution No. 3656 - FY 14/15 Gann Appropriation Limit

Mari Jimenez, Financial Services Director

*Motion to Adopt Resolution 3656 for the Gann Appropriation Budget for FY 2015 Made by Council Member Oxborrow, Seconded by Council Member Lander. Motion **Approved** by a Roll-call (5/0) vote:*

Oxborrow, Lander, Ramsey, Keough, Garcia.

7. Discussion of Measure P

Rene A. Ramirez, City Manager

City Manager Ramirez said this was brought forward for discussion by Mayor Garcia.

Mayor Garcia said this is something he brought forward that didn't require any reduction in service and didn't require elimination of positions. When we all voted for it, we had gotten the scenario that we were going to be \$1M short and there was going to be major cuts to the police and fire departments which would negatively affect our community. Based on that, Council Member Ramsey moved forward with Measure P. This only gave us one month to decide how we were going to accomplish this. Based on information we had received and the timeline that we had, we thought it would be appropriate to let the community decide on Measure P.

Since that time he has had some major concerns. One was he did not know that West Hills College was going to move forward with a \$20M bond measure that is Measure T on this ballot. With the budget workshop, we saw we could balance the budget with no major cuts. It was a great plan for us to be proactive. As plans go, we can't be married to a plan and sometimes we have to change and go a different direction and say "Measure P is not necessary for this year". We should let the community know we no longer support it and we should just move forward. There are a lot of things which should have happened and we should have gotten the business community involved in this as well as the community involved.

He is bringing this forward to the Council to have a consensus of "no favor" on Measure P.

Council Member Ramsey said the thing he wanted to bring up about Measure P is it was not to hire more police or fire personnel. We were not going out to buy more fire trucks, more police cars, etc. We were just trying to balance our budget. We don't have Claremont and we don't have the revenue coming in as before. We had to do it in a timely manner because of the election rules, etc. and the short timeline to which we had to adhere. That is why we tried to rush it so we could get it on the ballot. In hindsight we should have brought this up months ago and we would have had the time to properly prepare for it. Many cities don't have the police department or fire department we have. The reason he wanted to go with the utility tax is it went out to everybody. We are always saying we have to pay taxes and he has always run against no new taxes. This was a way for the City to bring some revenue back in for police and fire. We chose the rate of 5.5% because they said that was what we needed for the budget. Down the road, we could always reduce the rate. We didn't do this just to raise the taxes, we just wanted to keep our police and fire departments in tact.

Mayor Pro-tem Keough said he doesn't know why we are bringing this up tonight. When we were hashing this thing out, he kept hearing the citizens have the right to decide. Now it is out there and going to be on the ballot so let the citizens decide.

Mayor Garcia said the reason he brought it up was because we were anticipating a reduction in police and fire. As the budget played out, that was not the case. So basically, we would have been misrepresenting the community by still supporting Measure P after adopting a budget. It does not seem fair to him and it isn't logical to him so he can no longer support it. Maybe, we jumped a little too fast, maybe we should have listened to Council Member Oxborrow and slowed down. Now we have a balanced budget with no reduction to public safety. Yes, it will be on the ballot but he personally and publicly does not support it.

Council Member Oxborrow said he does not support it and he does not think there should be a consensus from the Council Members. If they want to support it they can but he does not.

Council Member Lander said he has not encountered anyone in his business that supports the Measure. It has been said to him many times, that the City Council is imposing this upon the public. That is not so! The

Council put this on the ballot so the citizens of this community could decide if they wanted to maintain the present PD and fire as there are or reduce services. The PD and fire departments are a cost to this community. He confers with Mayor Garcia and Council Member Oxborrow that it is there and whether the people decide to do it or not, it is up to them. From what he is hearing from the Community in his place of business, he doubts it would pass. Times are tight, people are having financial challenges and the college is introducing a bond which makes for a difficult situation. Was it a good idea and could we be faced with this situation next year? It is very likely we will be. Maybe we should put together a workshop to put our heads together and work something out that would be agreeable to the Council but equitable for the citizens.

Mayor Garcia said he has received comment from each of you so the topic is complete and we can move on.

8. Police Department - Monthly Report

Police Chief Cal Minor

Police Chief Cal Minor said it is always a pleasure to talk with you about your Police Department.

As far as our personnel, we are fairly staffed with 19 of our 21 positions. That is where we will stay during this fiscal year.

We have one officer working light duty. He has an on-duty injury and it has taken a while to get resolved with the Worker's Comp process moving very slowly. Hopefully, we have more information on this at the next report. Last month he reported that two of our uniformed employees were facing some medical issues. He is happy to report that one of them was completely cured last month. The other one is facing more medical testing. One dispatcher who was off on maternity leave returned bringing us to full staff in that department. The only vacancy is our part-time animal control officer. We will begin to look to fill that position in November saving us a little money toward the budget..

Today we provided narcotics investigation training to 14 officers from Huron, Orange Cove and the hospital police department. He thinks it says a lot for them to come to us for their training. We do have those areas of expertise and it is very commendable for a small department. We have been very successful and people outside our community have noticed it. They asked for the training and we are happy to provide that service. We will begin POST training; it is a three day training period that all officers must go through and we have to complete it by the end of this calendar year. We pushed it off and will be starting this month to complete that training. It creates a few scheduling problems because we have to backfill staffing or we pay officers overtime. The good news is that it is reimbursed by POST. It is good training.

The Animal Control Officer picked up 27 dogs, 25 cats, 3 skunks, 2 rabbits and 2 bats. Both bats were at our local schools. We also picked up 5 shopping carts. There has been a drastic decline in shopping carts.

Other stats:

We have had no homicides.

No reportable robberies

Aggregated assaults have dropped 80% from 10 last year.

Simple assaults were 9 an increase from 7

Burglaries dropped to 2.

Larceny has dropped from 25 one year ago to only 8 and this is substantial.

Motor vehicles thefts at this time last year were 3, this year we are at 0.

We have had an overall reduction in crime of 63% for this reporting period.

He attributes this to what we have worked on very diligently the past 2 1/2 years and it is about the alley patrol, residential patrol, etc., He cannot ask anymore from our officers. We do push them and they do respond. He thinks they are doing an outstanding job.

Major case highlights:

Investigators very busy with a major sexual assault trial starting on the 15th. The Deputy DA asked that we do some very time consuming follow-up such as transcribing telephone conversations. There is 300 hours of doing that. It takes a long time and we will be doing more this week. This is an example of what we have to do to prepare for these cases.

On September 25 we made a prostitution arrest at the local massage place. We have received many concerns about what activity was going on there. It is a regulated business. There is a board and cosmetology licensing act which is monitored by the State. The massage parlor one was attached to them and the rules are regulated by them. It really took it away from the City. Yesterday, Governor Brown signed legislation that regulates these types of establishments. It won't be controlled by the fox watching the hen house.

We introduced an undercover officer into the facility and the person was in there by herself and very quickly solicited the officer for a sexual act for a certain amount of money. The officer did not engage in that; that is not how it works. He did the arrest and handled the processing.

On the 30th we served a search warrant for the investigation ongoing at the Baker Museum. There is a loss in excess of \$9K. We arrested a former employee and we are going through the processes. We still have work to do on that and we have warrants to serve on the bank accounts. Any type of investigation like this is very time consuming. We obtained evidence during the search warrant and we felt very comfortable in making the arrest. It accelerates the process in getting it adjudicated in the courts. We are going to begin this major trial and many people in the department will be involved in it.

The last thing we will be doing is scheduling a gun destruction. Since he came here six years ago, we have gradually been going through our evidence locker. About 2 1/2 years ago, we finally adjudicated and disposed of the money which had accumulated in there for years which requires research of court documents and people; it is very time consuming. We have finally done that on our firearms. We have firearms which were seized back in 1981.

On the date of this meeting, the City Clerk realized that the recording device had not advanced to the second tape for recording. The second tape had to be switched back to the first recording station. This created a brief period of unrecorded reporting. The end of Chief Minor's report is not available due to this situation.

9. Fire Department - Monthly Report

Fire Chief Steve Henry

Fire Chief Steve Henry:

He always has more work after returning from these conferences/meetings. He has a stack of things in the works. He needs to begin working on them just to stay current.

One of the things which came across at the conference on Monday morning was some disappointing news. The AB2577 Bill that was setting on the Governor's desk was returned unsigned. That Bill would have allowed the Fire Department to bill for medical aid services on top of the ambulance services. The Fire Department would have been able to bill for those services and applied the same to Medical. We would probably see a third more of what we are seeing now, if we were able to access that funding source. The good news on this is that the team that put through AB678 has a Plan B established and they are currently working on that. We have not lost that opportunity, we are just are delayed a bit. The reason the Governor reported he didn't sign it was he felt the Department of Healthcare Services was too busy. Because they are too busy, they could not take on another \$3B dollars from the federal government. We are losing out on that money for awhile. The fire chiefs are working very diligently at the legislative level to put in different

legislation and allow the opportunity for DHCS to be involved.

There are some other issues as they become a little more prevalent he will share with you. One of the agreements we entered into is that California Fire Assistant's Agreement CFAA. This agreement is what the OLS is a signature party to. We fall under OLS and we are a signature party to them so we are a member of that organization and that agreement. The United States Forestry has elected to step away from that agreement and are challenging the portal reimbursement and the hours worked. The Federal Government sees sixteen hours of workday and they don't pay their employees to come to work or to come home. During emergencies if you are a federal employee, you don't start on the clock until you get to the fire. The agreement that is signed by seven parties, federal government, OLS, etc., the agreement states that we will receive reimbursement for portable portal and the entire time we are there we are to be reimbursed. The federal government has a 16 and 8 work cycle, local government and Calfire's work cycle 24 on, 24 off. That has always been a conflict but it has been worked out at each separate fire. Now the forestry service does not want to pay for a 24 hours shift for hours worked and they want to begin doing 16/8's. We can abide by that and have but we will not accept the fact that we are to go fight their fire and return from their emergency incident and that they don't pay us for this time. What you will see, in the next few months, is a resolution drafted by the fire department to describe your agreement with the MOU with your firefighters to be paid from the moment they leave and are assigned to a fire until they get back. That is going to be a resolution that we will need to present to the federal government. It is either that or we have to come up with a new MOU/ MOA and he thinks that is not such a good idea at this particular time. so a resolution is probably going to be needed. As soon as we get that drafted, it is in the process, he will present it to you for your consideration.

He had an opportunity to sit down for 1 1/2 hours with the Southern Region Chief and the Assistant Chief for the Southern Region to discuss our request for proposal for Calfire. A lot of questions and a lot of good discussions came from that meeting. There are some concerns, our staffing level is a concern. They may or may not be able to address all our staffing needs. What they are doing is recommending the move forward. It has gone to Sacramento for the Director's review.

What they also showed him was that some of the cities that have contracted with them went to a staffing level in the complicity. Coalinga falls under that complexity and that is that they run metropolitan staffing levels. We talked about that in the committee and the different levels of staffing. The Southern Region Chief has recommended in his proposal to Sacramento that we increase our staffing by one on duty per day. That gives us the 3-person on duty (not necessary paramedics) unless you change that choice. After much discussion, he does not have numbers for you but he looks forward to seeing those because he thinks this is going to be less of a cost to provide the service. The savings may not be what we talked about originally (\$400-500K is conservative) because we are adding another body into the staffing levels, He does know that the cost of doing the fire suppression services will be less because we will have that third body. That gives us an opportunity to staff more equipment and if you so desire the 24/7 paramedic in town. He is looking forward to the proposals coming in because they have gotten very creative. They are working very hard and the region chief made a comment and it was the last thing he left me with and that is he is very emotionally tied to protecting our employees. He thought that is significant for a man in his position. He has a relationship to Sacramento and knows what he can push forward. He sees some positive movement and some good things coming out of this. He looks forward to that proposal.

He also is getting questions about our EMS proposal. There is interest out there. He is receiving nibbles. We'll see how that works out. He has got to have a meeting with the CEO of American Ambulance in Fresno. He has questions we are going to answer for him. There is a lot of interest in this proposal.

Next week is Fire Prevention Week, October 5 through 11th. On Wednesday evening we are going to have an open house; 5:30 to 8:00 at the fire station. We will be giving station tours and equipment tours, equipment demonstrations, fire prevention techniques and some activities for the youngsters. He encourages everyone to come down and pay us a visit. If you have ever wanted to see a fire station, now is the time to

do it. The guys will be there giving tours, etc.

Our message is to purchase smoke detectors and save lives. In the past we were required to have a smoke detector in the hallway and one in the main room of the house. In our new building code, a smoke detector needs to be placed in the kitchen or the egress of the kitchen, the main body of the house and in every sleeping quarters. That is significant. We are asking folks to make a \$10.00 investment, it is going to wake them up much sooner than smelling smoke, etc.

The Safety Committee got together and invited CalOcha to visit us and we received a confirmation from them. They visited the Public Works Department, Fire Department and Water Treatment Plant. He was very pleased with our inspection; there were some thirty-day notices where they were in violation. We have not received the formal report back. They are just housekeeping issues which we have dealt with. Overall, there are some changes we need to make and it was good because they educated us on the illness and prevention program that we have. We are going to improve on that. We also received a lot of compliments on what we have done thus far. A lot of communities are not as well off as we are on the safety side of things. He thinks that has to do a lot with what HR has been doing in focusing on that effort. So kudos to the Human Resource Department.

We participated in two events on September 11th. Captain Krider was able to speak at West Hills Community College Memorial at noon. Your chief was at the dedication ceremonies and memorial at Snyder Electric in Clovis.

Good news as of two days ago; we received \$150K from GMT reimbursements. The checks have been deposited in the bank. We still have about \$94K outstanding. There is an audit going on. Once we clear the audit then those funds will be released. After 2 1/2 years of saying, "It's coming." It is here.

Other good news is that our wild land reimbursements have surpassed \$251K. We just went into a red flag high probability fire situation in Ventura County, L.A. County, Orange County and San Diego County as of this morning. Extra staffing is being moved from the Central Valley down into prepositioned locations in Ventura and Southern California for the next few days in anticipation of a significant event happening over the weekend.

Patrol 171 just returned from the King Fire where they spent six days. They got so wet they had to wring out their sleeping bags and dry them out prior to them coming back. The rain actually went through Northern California and put the fire out. That is exactly what they needed at the time. If they had not caught that rain, you would be looking at South Lake Tahoe and the surrounding community being involved.

The Coalinga Fireman's Ball has been moved to November 1st at 6:00 PM at Harris Ranch. He looks forward to seeing you all there.

Calls for service for August was 230 calls. Seventy-nine percent of them are EMS calls. They had eleven fires with \$100K loss; two hazardous conditions, nineteen good intent calls down significantly. We answered eight false alarms and two calls we were unable to staff. We had an outside ambulance come in and cover those calls. Our medic's commitment was from the low 40's to 39% for this past month. We surpassed 139 hours of training in the month of September.

7. ANNOUNCEMENTS

1. City Manager's Announcements

City Manager Comments:

Mr. Brewer brought to his attention that Planning Commissioner Rocco Papietro who has been on the

Planning Commission for 20 years has handed in his resignation as a Planning Commissioner. He has taken another position involving some travel out of town. Staff will present him with a plaque for his years of service.

Council Member Lander asked if we have a list of those interested in serving on the Planning Commission.

Assistant Community Development Director Brewer indicated there is no list of potential applicants to the Planning Commission.

City Manager Ramirez indicated that over the past few weeks he has been contacted by the Bureau of Reclamation. Evidently, they have been contacted by folks back in Washington about the three communities over here on the Westside. While he has no official document he is anticipating one from them basically saying, "We appreciate all the efforts the City of Coalinga is doing to conserve water and request you continue to do that. We are going to help you to insure you have enough water for the remainder of this water year". There will be a catch to it in that they want to be assured that we will continue our conversation efforts.

Mr. Ramsey has shared with me that there was an article in the Hanford paper related to the City of Avenal and their water challenges.

Mr. Brewer wanted to bring up some information he just found out in regard to the Plaza proposal.

Mr. Brewer said he does not know if our real estate agent is going to make it to the public bid opening. We did set aside the following week for interviews, if necessary. He is asking if the Council would be amenable to having the opening on the 21st the following Tuesday at 6:00 PM? They are due on the 14th and we can notice the local businesses of the change.

2. Councilmembers' Announcements/Reports

Council Member Ramsey said he was asked by Deanna Lander to announce the Baker Museum Yard Sale at the Richfield Station across the street. They are going to sale squares where you purchase your yard sale space. Her number of 935-1595. He does have a brochure and the date is November 15th. It is a fundraiser for the Baker Museum.

Council Member Lander said he is the representative to COG. They have been talking about Jeff Webster who is retiring from the Fresno County Rural Transit Agency after 43 years. A lot of people here know him because of his role in the Dial-a-ride program. His replacement is Moses Stikes who worked prior to this appointment for Caltrans. He did work under Jeff for about three years. He has been here several times working with Mercedes.

3. Mayor's Announcements

Mayor Tony Garcia said he received an Email from the personal assistant for a producer of "Communities of Distinction". It is a program which educates viewers about various topics, trends and information in reference to tourism and economic development. As part of his production schedule he produces a segment on "Best Places to Live, Work and Play". Tomorrow we will have a conference with the City Manager and the Chamber of Commerce. He went to the website, "watchdog.com". It is a first rate program shown throughout United State and hosted by Terry Bradshaw who is a former quarterback for the Pittsburgh Steelers. The program is on FOX. It is first rate and hopefully we will be able to sway them into doing a segment on Coalinga.

Shift Sector is back with side-by-side roll raising on October 25, 26, 2014 at the Coalinga Municipal Airport. He thinks on Friday evening the 24th they will be here on the Plaza displaying some of their vehicles; it is a neat event!

8. FUTURE AGENDA ITEMS

None

9. CLOSED SESSION

1. City Attorney's Performance Evaluation - Government Code 54957

10. ADJOURNMENT

Mayor Garcia adjourned the meeting at 8:45 PM.

Tony Garcia, Mayor

City Clerk/Deputy Clerk

Date