

Minutes
CITY COUNCIL/SUCCESSOR
AGENCY/PUBLIC FINANCE AUTHORITY
MEETING AGENDA
July 18 2013

1. CALL TO ORDER

Mayor Lander called the July 18, 2013 Special City Council Meeting to order at 6:00 PM, PDT.

Council Members Present: Keough, Ramsey, Garcia, Oxborrow, Lander and City Treasurer Olga Keough and City Clerk Wanda Earls

Others Present: City Manager Ramirez, City Attorney Scott Cross, HR Director Marissa Chavez, Finance Director Mari Jimenez, Police Chief Cal Minor, Fire Chief Steve Henry, Assistant Community Development Director Sean Brewer, Payroll Manager Frank Esparza, Economic Development Assistant Shannon Jensen, Administrative Analyst Mercedes Garcia, Community Development Assistant Sandy Anda, Police Lieutenant Scott Ingram, Police Sergeant Darrel Blevins and other City employees.

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

3. CITIZEN COMMENTS

4. PUBLIC HEARINGS (NONE)

5. CONSENT CALENDAR (NONE)

6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS

1. Discussion of FY 2013/2014 Budget.

City Manager Ramirez said one month ago the Council asked for scenarios to balance the General Fund budget and the actions/methods described to reach said budget scenarios.

In consideration to the Community's best interest, staff is asking direction from the Council as we move forward with the 2013/14 Budget process. With Council's approval, staff does have some tools to repair the General Fund budget for this budget year. There are other issues which need to be addressed.

Staff prepared a General Fund history from FY1999 through FY2013. The summary sheet shows:

- Where we were
- Scenario – 1 and 1A
- Scenario – 2 and 2A
- Scenario – 3A

Explanations were made regarding the Revenue vs. Expenses Charts and also each Scenario.

The Finance Director and City Attorney indicated there are funds in the Coalinga Public Authority of \$300K which might be used as discretionary funds.

It cost the City \$300K to close the CCF. The obligations of the CCF are obligations of the General Fund.

As City Manager he is not recommending the laying off of personnel.

Amount paid to city attorney was discussed.

The General Fund will have to support the O/M for the CCF until its function is restored or until the building is leased or sold. The Council feels something will have to be done within this fiscal year.

It is important that the community understand the improvements to the City, i.e., streets/plaza are not coming from the General Fund but from grant proceeds, gas tax monies, Measure “C” and transportation funding, etc.

Three F/T equivalents salaries have been reallocated from non-Public Safety Departments to other City Funds.

Question was asked about the Fire Department and revenue from Ambulance. The budget has been reduced from \$1.5M to \$1.4M. It is probable that a third ambulance will not be in service this year.

Council Member Garcia said he cannot support reductions to fire and police.

Mayor Pro-tem Oxborrow supports Mr. Garcia’s consideration to public safety. There needs to be negotiations with the labor groups.

He feels something needs to be done regarding the CCF. He wants to see a plan to reoccupy, sale or something. Within this one-year period something needs to be done.

He would like staff to look at expenditures to the League of California Cities. Are these types of expenditures necessary when the City is in such a budget crunch? Every opportunity to reduce spending should be made prior to any employee cuts. He knows the City may have to look at a cut in wages and/or furloughs, etc., but not before every other opportunity to cut spending is revisited.

City Manager Ramirez said his recommendation is to consider Scenario – 3A reflecting Revenue of \$6,784,479; subtotal for expenses is \$8,529,000 leaving a variance/deficient of \$2,069,521.

Of interest to this Scenario are two considerations which are General Fund obligations:

· Unfunded ROPS \$125,000 · CCF Operations \$200,000

Someone asked if funds could be taken from the Enterprise Funds to assist in supporting the Police Department?

City Manager Ramirez said the City has to be careful because of Prop 218.

Police Chief Minor indicated cuts would affect the department. The accomplishments over the past three years could not continue. We would no longer be proactive in the narcotics, burglaries, etc. We have already had a spike in burglaries.

The CCF needs to be marketed.

Mayor Pro-tem Oxborrow said he did not think that by-lingual pay is needed. We have had three years running in deficits and we need to do something fast.

Council Member Garcia wants to confer that the \$700K from ICMA would go towards the CalPERS obligations.

Mayor Pro-tem Oxborrow said if we can rent the CCF we would have a surplus. If it is not occupied, we must sale the building.

Council Member Keough made comment in reference to the General Capital Fund.

City Manager Ramirez said the use of the General Capital Fund can be used because it is owed to the General Fund.

Council Member Ramsey indicated if we use all of the \$3M in the General Capital Fund, we are tying our hands.

City Manager Ramirez said the City might go for a Public Safety Tax; 2/3 majority vote is required. Only 50% of majority vote is required for a General Sales Tax initiative.

Mayor Pro-tem Oxborrow said the citizens are taxed to death.

Chevron is going to triple its workforce. They are upgrading their wells. Oil may come back.

General remarks: City needs to make concessions; we have been doing deficient spending for several years now.

Mayor Pro-tem Oxborrow confirmed that he wants no public safety cuts.

Mayor Lander said there are other angles such as cutting the League of California Cities. There are some things which will be hard to do. The Council is trying to find a way not to cut employees.

City Manager Ramirez asked for a meeting on August 1 to discuss labor negotiations.

Right now, he needs direction from the Council as to the ICMA Account, General Fund transfer from the General Capital Fund of approximately \$1.5M and negotiations with the bargaining groups.

Council Member Keough asked what do we do next year?

City Manager Ramirez said the Council may have to look at cuts to staff next year.

Council Member Keough expressed his concern that the Council is just kicking the can down the road.

Council by 5/0 Voice Vote made by Council Member Garcia, seconded by Council Member Ramsey authorized a transfer of approximately \$1.5M from the General Capital Fund into the General Fund. This coincides with using the \$700K balance from the ICMA, 401-A forfeiture account to offset CalPERS contribution for years FY13 and 14 and for Council to begin negotiations with the Bargaining Groups. Keough, Ramsey, Garcia, Oxborrow, Lander.

7. ANNOUNCEMENTS

8. FUTURE AGENDA ITEMS

9. CLOSED SESSION (NONE)

10. ADJOURNMENT

Mayor Lander adjourned the meeting at 7:25 PM, PDT.

Ron Lander, Mayor

City Clerk/Deputy Clerk

Date

STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: Discussion of FY 2013/2014 Budget.
Meeting Date:
From:
Prepared by:

I. RECOMMENDATION:

II. BACKGROUND:

III. DISCUSSION:

IV. ALTERNATIVES:

V. FISCAL IMPACT:

ATTACHMENTS:

File Name	Description
No Attachments Available	