

MINUTES OF THE  
SPECIAL MEETING – CITY COUNCIL  
February 01, 2011

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

**I. CALL TO ORDER:**

Mayor Patterson called the meeting to order at 6:00 p.m.

**II. CONVENE OPEN SESSION:**

**A. ROLL CALL**

Council Member Campbell arrived at 6:07 p.m.

**B. PLEDGE OF ALLEGIANCE**

Chief Bidou led the Pledge of Allegiance.

**C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC:**

**III. OPPORTUNITY FOR PUBLIC COMMENT:**

**A. WRITTEN COMMENT**

None

**B. PUBLIC COMMENT**

None

**IV. BUDGET STUDY SESSION:**

**A. REVIEW OF RECENT REVENUE AND EXPENDITURE CHANGES AND  
THE IMPACT ON THE FY 2010-11 MUNICIPAL BUDGET**

**B. 2011-2013 BUDGET**

Mayor Patterson reviewed the process for the Budget Study Session.

Brad Kilger, City Manager, reviewed the staff report. He introduced a PowerPoint presentation titled 'Steps to a Sustainable Budget' (copy on file).

Rob Sousa, Finance Director, and Anne Cardwell, Administrative Services Director, continued reviewing the PowerPoint presentation.

Council Member Hughes and Staff discussed the third step in the compensation and benefits analysis being comprehensive and independent.

Vice Mayor Schwartzman and Staff discussed the existing budget, current adjustments, savings from the solid waste agreement, property tax assessments (specifically for Valero), and the issue of sales tax.

Council Member Campbell and Staff discussed the issue of deferred maintenance.

Public Comment:

Bob Livesay - Mr. Livesay discussed the City's expenditures, employee salaries, and concern regarding PERS and healthcare costs. The City's budget problems could be solved if those issues are addressed.

Mr. Sousa clarified the percentage of total compensation was close to 75%. Mayor Patterson clarified the issues of PERS and healthcare benefits/compensation would be addressed at a future workshop.

Rick Ernst - Mr. Ernst discussed concerns regarding the City's reserve fund, employee salaries and benefits, longevity pay, and the need to renegotiate the MOU's with the employee bargaining units.

Dennis Lowry - Mr. Lowry discussed what the FAB had done thus far to review the budget. He discussed the need for clarity on the \$2 million loan to the Community Center.

End of Public Comment

Mr. Kilger clarified the issues raised would be continued as part of Council's follow-up study session. Staff would come back with a recommendation for balancing this year's budget. He noted that Council Member Campbell indicated concerns regarding capital projects and maintenance funds. Staff would see what could be done about that.

Council Member Ioakimedes discussed the possibility of bringing an entrepreneurial spirit or approach to the way the City functions as an entity, and the need to look at the revenue side more. He would like to start seeing the development of a business recruitment strategy.

Mayor Patterson gave direction to Staff to proceed with the three-step process, and to establish the public workshop. At the workshop, Council would

consider the concerns raised regarding maintenance funds, as well as the suggestion to emphasize the program the City would have for the revenue side of the budget.

Mr. Kilger clarified the workshop would be on 2/22/11, and the discussion would include issues listed above (direction to Staff), excluding the adjustments for the current year. Staff would come back in March to address those issues. Staff would get stages two and three moving at the next study session. Stage one would be addressed in March.

**V. ADJOURNMENT:**

Mayor Patterson adjourned the meeting at 7:11 p.m.