

June 1, 2005

The Benicia City Council meets the 1st and 3rd Tuesday of each month at 7:30 p.m. in the Council Chambers. Copies of Council Agendas are available in the City Clerk's office on the Friday afternoon before the Council meeting.

**MINUTES OF THE
CITY COUNCIL BUDGET WORKSHOP
JUNE 1, 2005**

The budget workshop was called to order by Mayor Steve Messina at 6:03 p.m. on Tuesday, June 1, 2005, in the Dona Benicia Room at the Benicia Public Library, 150 East L Street, complete proceedings of which are recorded on tape.

ROLL CALL:

Present: Council Members Patterson, Smith, Whitney, and Mayor Messina

Absent: Council Member Campbell (arrived at 6:10 p.m.)

PLEDGE OF ALLEGIANCE:

Mayor Messina led the pledge to the flag.

NEW BUSINESS:

Budget 2005-07 - Workshop #1

Welcome:

Mayor Messina stated that the budget workshops were an introduction. No formal action will be taken until the City Council Meeting.

City Manager Jim Erickson stated that the only change to the Agenda was that the Parks and Community Services budget would not be discussed this evening. Mike Alvarez was not be available due to a death in the family.

Jim Erickson, City Manager, introduced Ms. Diane Smikhal, the new Library Director and Mr. David Golick, the interim Community Development Director. He then recognized Colette Meunier for her service to the City, as today was her last day working for the City. He thanked Daveta Cooper for filling in during the absence of a Library Director.

Budget Overview:

Mr. Erickson reviewed a PowerPoint presentation (hard copy on file) of the budget overview.

Mayor Messina stated that he would like to see the desired assessment value (current value is \$960 million) of Valero possibly lowered, to be a little more conservative. He would like to have discussion on this issue at a future meeting.

Council Member Smith commented on the quandary Valero's property tax appeal has put the City's budget in.

Vice Mayor Patterson stated that we should not send a message that it is okay to live with less. We should send a message to the County that every dollar we get is definitely needed.

Council Member Whitney asked if Staff had discussed a 'payback' scenario if the assessment value is rolled back. Mr. Erickson stated that had been discussed. Mr. Erickson stated that a draconian scenario had also been discussed.

Public Comment:

1. Larry Fullington - Mr. Fullington asked when the assessed valuation for Valero was done. Staff stated that the assessment was done for \$915 million in 2001. He stated that the County is confident that the current assessed value will hold. Mr. Sousa explained how property taxes are assessed and how the appeal process works. If a property owner, such as Valero, files an appeal of a property tax assessed valuation in a prior year and is successful, the amount of the refund is charged to all Cities and Special Districts in the County that received property tax in that fiscal year. The amount of the charge is equal to their percentage share of all property taxes received in the County for the fiscal year in question. This percentage is referred to as the AB8 factor and will be used to distribute any amount resulting from the Valero Property Tax Appeal for any prior year correction. Using this formula, Benicia's expected share of any possible Valero Property Tax adjustment for prior years will only be 3% of the total. Unfortunately, the Property Tax appeal will have a much greater affect on future property tax receipts or about 32% of each year's total property tax received from Valero.

Council Member Whitney discussed the Marina Enterprise Fund. He was displeased with the documented 'Marina dredging transfer' amount listed at \$200,000. He thought it should be listed at \$300,000.

Council Member Campbell stated that he had issues with the City subsidizing the Marina Fund with the General Fund. Staff suggested the possibility of finding a dredging alternative that would cost the City a lot less money.

Vice Mayor Patterson stated that the City gave away or traded a portion of the enterprise zone that is supposed to be paying for this. Instead of having commercial development, we gave away that land away for residential development. She discussed the EDB and the need to come up with master plan to generate revenue sources outside of the General Fund.

Revenues:

Rob Sousa, Finance Director, reviewed a PowerPoint presentation (hard copy on file) on the City's revenues.

When Mr. Sousa was discussing the General Fund Expenditures, Mayor Messina stated that it would be nice to have an employee count in the departments.

Community Grant Requests:

Rob Sousa discussed the section of the budget that deals with community grant requests (starting on page 39).

Council Member Smith stated that Staff told him that Council would be taking public testimony on grant requests tonight. He suggested Council hear the public testimony, as they have been waiting patiently.

Council agreed to hear public testimony, not to exceed 3-5 minutes per person.

Public Comment:

1. Larry Stevens - Mr. Stevens is a member of ArtsBenicia. He has brought many contacts to Benicia. ArtsBenicia has helped him grow as a person. He appreciates the City's contribution to ArtsBenicia.
2. Bart Sullivan - Mr. Sullivan asked Council to add BPAF to the list of community grants (he requested \$2,500 in grant funds).
3. Theresa Matthew, Families in Transition - Ms. Matthews stated that Families in Transition has helped over 495 families since its inception. She listed examples of how they have helped families and youth in Benicia. Families in Transition requested \$10,000 in grant funds. They only received \$7,000. She asked Council to reconsider their full requested amount. They assist people with rent, as well as many other things.
4. Rene Canham, President, ArtsBenicia - Ms. Canham gave Council copies of recent press announcements (on file). ArtsBenicia asked for an increase in grant funds. They want to make ArtsBenicia self-funded in the future. She asked Council to reconsider the increase. She stated that if property taxes go up and more people move to Benicia, things would be better.
5. Lee Wilder Snider - Ms. Snider moved to Benicia from Oregon. She is a member of ArtsBenicia. ArtsBenicia is a wonderful organization.
6. Spencer Rundburg, BUSD - Mr. Rundburg stated that BUSD put a request in for the Special Friends Program. They served 139 children this year. They need the City's grant money for the next 2 years, as they are operating on a 3-year grant. He asked Council for their support.
7. Sue Fisher, Benicia Historical Museum - Ms. Fisher thanked Council for their support of the Benicia Historical Museum.
8. Chuck White - Mr. White is a member of ArtsBenicia. His family moved to Benicia for the affordability, ambiance, and the art. He distributed an article on art communities in California that mentioned Benicia.
9. Mary Condit, Benicia Community Gardens - Ms. Condit stated that the Benicia Community Gardens is a non-profit organization. She listed the goals and accomplishments of the organization. She requested \$1,600 in grant funds from the City.

10. Mary Frances Kelly-Poh, Community Action Council (CAC) - Ms. Kelly-Poh thanked Council for the \$57,000 in grant funds that the City has budgeted for. She thanked Council for their support.
11. Kathleen Olson - Ms. Olson is a member of ArtsBenicia. She thanked Staff and Council for their support of ArtsBenicia. She would rather the funds be considered 'cultural gains.' She referred to the literature/brochure handed out by ArtsBenicia. She discussed Benicia's cultural environment. She hopes Council will be generous with their grant funds when considering ArtsBenicia.
12. Lori Cohee, Foster a Dream - Ms. Cohee discussed foster children statistics in Benicia, as well as nationwide. She shared a local success story. She asked for Council's support of the program.
13. Citizen (name not audible) - The citizen discussed the Benicia Historical Museum. She asked for Council's support of the historical buildings as well as the museum.
14. Kathryn Weller-Renfrow, Artistic Director, ArtsBenicia - Ms. Weller-Renfrow discussed upcoming exhibits and openings.

Mayor Messina asked how Mr. Erickson suggested Council proceed with regards to time. Mr. Erickson suggested that Staff should proceed with presenting Capital Projects.

Department Briefings:

Capital Projects:

Rob Sousa, Finance Director, reviewed the list of capital projects. He discussed the projects that were moved up on the list that changed from non-funded to funded.

Mayor Messina asked for clarification on the 'funding sources' for the projects.

Council Member Whitney had a question on project #30. He stated that it is a dangerous section of sidewalk. He asked why it is not on the list. Mr. Schiada stated that there are legal issues that come into play. The project will get done. Vice Mayor Patterson would like to see a report from Staff on this item. She discussed possible violations that could be occurring.

Council Member Whitney stated that the City should have performance standards set for its alleys. He would like to see more money allocated for repair of alleys. Mr. Schiada stated that there are different levels of alleys (dirt, paved, etc). They are currently maintained as the current type that they are. Paving every alley would be a financial challenge.

Vice Mayor Patterson stated that this issue cries out for discussion. Council should identify a need for a policy session on this item. The alleys are part of our walkable communities.

Council Member Smith stated that item 42(a) of the Council Work Program was supposed to be a combination of two priorities that barely missed the list of top priorities: 1) downtown investment strategy and ongoing annual allocation of funds, 2) increase annual allocation for alley maintenance. He did not see any reference to this in the current budget. He thinks that alley maintenance will need

to be addressed.

Mayor Messina stated that he wants Staff to set up the framework for discussion on this issue.

Police:

Continued

Parks & Community Services:

Continued

Library:

Continued

Possible Scheduling of Third Workshop

Continued

Action on budget items, if desired

Continued

Authorization of the City Manager to execute a Memorandum of Understanding (MOU) between Benicia Unified School District (BUSD) and the City of Benicia to allow the commencement of work on the improvements to the Benicia High School (BHS) upper athletic field:

Jim Erickson, City Manager, reviewed the Staff report.

Council Member Whitney stated that he wants to make sure there is ongoing maintenance. He would find it hard to support the MOU unless we have some commitment that we can get onto the fields and maintain them. He would like language added to specifically state that.

Council Member Smith stated that the delay in the Joint Use Agreement (JUA) is partly due to the change in leadership at the district. Council should not hold off on moving forward.

Ms. McLaughlin stated that language could be added to the MOU regarding accessing/maintaining the fields.

Council Member Campbell stated that he would go along with the MOU.

Staff does not know when the JUA will go before the district. Staff has asked, but the district has not replied.

Mr. Erickson stated that when he discussed maintenance with Ms. Dennis (the new Superintendent), her issue was that she was negotiating with her labor force. If we insert the language regarding maintenance into the MOU, it may postpone matters, which would be the kiss of death, taking into account the delicate timing.

Council Member Smith stated that he does not want to 'monkey' with the maintenance issue right now. We have a very short window of time right now.

Mr. Erickson stated that we have not been given any assurance that following the completion of the improvements, the City will be given access to maintain the fields. Council Member Whitney stated that we have a window of time and we are behind the proverbial 8-ball. For that reason he will support this. He charged staff with continuing discussions that the fields would be maintained so the City's investment is not squandered.

Vice Mayor Patterson suggested amending the first paragraph so it would read 'whereas the City of Benicia enters into the MOU with BUSD in good faith, and expect them to enter into a JUA' and the rest would remain the same.

Public Comment:

1. Larry Fullington - Mr. Fullington stated that the football fields are a concern. There needs to be oversight for this agreement.

RESOLUTION 05-78 - A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE BENICIA UNIFIED SCHOOL DISTRICT AND THE CITY OF BENICIA TO ALLOW THE CITY TO COMMENCE WORK ON THE IMPROVEMENTS TO THE BENICIA HIGH SCHOOL UPPER ATHLETIC FIELD WHILE COMPLETION AND APPROVAL OF THE JOINT USE AGREEMENT IS PENDING

On motion of Council Member Smith, seconded by Vice Mayor Patterson, the above Resolution was adopted as amended, on roll call by the following vote:

Ayes: Council Members Campbell, Patterson, Smith, Whitney, and Mayor Messina

Noes: None

Public Comment:

1. Rich Changus - Mr. Changus wanted to discuss the Storm Drain Improvement Project. He is displeased that this is being put off yet again. His property has had real issues with flooding. The flooding problem that keeps occurring is not acceptable. He has appeared before council many times between 1980 and now on this issue. Council cannot keep putting this off.
2. Mary Frances Kelly Poh - Ms. Kelly Poh stated that Sunday, June 5th is the 25th anniversary of Arts in the Park. She encouraged the community to attend.
3. John McGuire, BHS Boosters - Mr. McGuire stated that if the JUA falls apart, the City does not have to pay it back. The Boosters will work with the City to make sure it goes through. The Boosters would work something out with the City to work out an agreement if the JUA falls apart.
4. Janet Grothe - Ms. Grothe stated that the setup of the room for tonight's meeting makes it difficult for the public to hear and participate. It is not conducive to a give-and-take environment. Future meetings should be held in Council Chambers.

5. **Bob Mutch - Mr. Mutch discussed the status of the X Park. He urged Council to move forward with the project.**
6. **Alan Schwartzman - Mr. Schwartzman asked Council about the West K street project. Are the repairs to the street (that are a result of the pipeline project) in the list of projects? Staff stated that it is on the list to be addressed in 2005-2006.**

Council Member Campbell stated that Staff did a fantastic job on the budget.

ADJOURNMENT:

Mayor Messina adjourned the meeting at 9:09 p.m.

Lisa Wolfe, City Clerk