

MINUTES OF THE
SPECIAL MEETING – CITY COUNCIL
June 28, 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

All Council Members were present.

B. PLEDGE OF ALLEGIANCE

Claire McFadden led the Pledge of Allegiance.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC:

III. OPPORTUNITY FOR PUBLIC COMMENT:

A. WRITTEN COMMENT

Two items received (copies on file).

B. PUBLIC COMMENT

None

IV. CLOSED SESSION:

Heather McLaughlin, City Attorney, read the announcement of Closed Session.

Ms. McLaughlin clarified that if the Closed Session ended early, Council could start the Budget Study Session prior to 7:00 p.m.

A. CONFERENCE WITH LABOR NEGOTIATOR

(Government Code Section 54957.6 (a))

Agency negotiators: City Manager, Administrative Services Director

Employee organizations: City Manager, City Attorney, Benicia Senior Management Group, Benicia Middle Management Group, Local 1, Benicia

Public Service Employees' Association (BPSEA), Benicia Police Officers Association (BPOA), Benicia Firefighters Association (BFA), Benicia Dispatchers Association (BDA), Police Management, Unrepresented.

V. RECONVENE OPEN SESSION:

Mayor Patterson reconvened Open Session at 7:13 p.m.

Public Comment:

None

A. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION:

Ms. McLaughlin, City Attorney, announced that Council gave direction to Staff.

VI. BUDGET STUDY SESSION:

A. CONSIDERATION AND APPROVAL OF THE PROPOSED MUNICIPAL BUDGETS FOR FISCAL YEAR'S 2012 AND 2013, THE STRATEGIC PLAN FOR FISCAL YEARS 2011-2013, THE FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR'S 2011-16 AND THE MASTER FEE SCHEDULE

RESOLUTION 11-80 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ADOPTING THE MUNICIPAL BUDGETS FOR FISCAL YEAR 2011-12 AND 2012-13, THE STRATEGIC PLAN FOR FISCAL YEAR'S 2011-2013, THE FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR'S 2011-16, AND THE MASTER FEE SCHEDULE

Brad Kilger, City Manager, introduced the staff report.

Rob Sousa, Finance Director, reviewed the staff report.

Council and Staff discussed the Capital Improvement Plan.

Mr. Sousa reviewed the Master Fee Schedule.

Chief Vucurevich discussed upcoming changes to the fire inspection fees.

Council and Staff discussed the issue of card rooms, and fee increases (the increases are not excessive and do not cover the total costs of the programs such as building wear-and-tear, supplies, etc.).

Council and Staff discussed the Strategic Plan.

Council and Staff discussed the questions listed in the memorandum from the Finance Director (handout - copy on file).

Public Comment:

1. Dennis Lowry - Mr. Lowry discussed the question relating to the Intermodal Fund, Internal Service Fund, Allied Waste payments for road maintenance, and the Marina Reserve Account.
2. Anthony Shannon - Mr. Shannon suggested the City renegotiate the contract with the Marina. He discussed investing the money set aside for the Intermodal Fund.

Council continued discussing the questions listed on the memo.

Mayor Patterson stated that she was looking for a motion that would:

- Make the wastewater payments on water payment, which would lower the reserve to 15.6%
- Add to the resolution, that within 90 days there would be a contingent plan (not withstanding some organizational issues) that the City would use \$400,000 out of the Intermodal Fund as a transfer of funds as a loan to the Internal Funds, and that the remainder would be used for the purposes of fulfilling the Strategic Plan, as adopted in the Action Items, for the investment, particularly as it deals with the Industrial Park, the Arsenal, and the Lower Arsenal

Council discussed the 2010-11, 2011-12, and 2012-13 surplus with respect to revenue and expenditures, the City's reserve, the lack of a balanced budget.

Council Member Hughes stated he would make a motion, containing the explanation listed above by Mayor Patterson. Council Member Campbell seconded the motion.

Council discussed the suggestion to backfill the CAC's budget to allow them to be open on Fridays (pending the fundraiser that they will hold and pending input from the Human Services Fund), the Community Arts financial issues, what to do about the \$15,000 needed by the Arsenal Swim Team to help keep the pool open in October, the issue of the City's expenses, and classifying the \$400,000 transfer from the Intermodal Fund to the Internal Funds as a loan (both the motioner and seconder agreed that was acceptable).

Mayor Patterson summarized the following motion that was made:

- Make the wastewater payment (principal and interest), which would draw the City's reserve down to 15.6%
- Take \$400,000, as a loan, from the Intermodal Fund to invest

proportionately into the Internal Funds

- Consider, for phase II, the use of \$400,000 (+) from the Intermodal Fund for financing economic development actions, as described in the Strategic Plan
- Have, within 90-days, a contingency plan, and that Council is recommending to the Human Services Fund that the City may fund the \$4,300 in order for the CAC to remain open on Fridays, unless their fundraising is successful
- The fall pool season will be subject to the success of the fundraising by the Arsenal Swim Team

Council discussed strengthening the 90-day contingency piece a little bit, whether they were looking to have the pool open for October/November (clarified that it was only October due to repair closures in November), taking the weather into account when dealing with keeping the pool open in October, concern regarding the City paying to keep the pool open and money that was cut from the Arts & Culture Commission.

Mayor Patterson requested that Council include, as part of the motion, that when looking at the 90-day contingency plan, that in the event there is a possibility of restoring some of the programs, the City would do so.

Council Member Hughes stated he was okay with looking into that. He would like to amend the budget to reflect that Staff would continue to work very hard with the pool folks as aggressively and creatively as the City can. Council Member Hughes would make a commitment to work with Council Member Campbell to help out with that effort. If the pool folks don't get to the fundraising goal of \$15,000, the City would find a way to fill that gap.

Mayor Patterson suggested that the Council get periodic reports, and they would make that decision later, but that the intent was not to hold them to the \$15,000, if they are so very close. She did not want to give them the impression that \$5,000 was enough, and that the City would cover the remaining \$10,000. That would be a mistake.

Council Member Hughes stated he understood what Mayor Patterson was saying, but that was his motion.

Council Member Campbell stated he would go along with Council Member Hughes.

Council Member Hughes clarified that the City would push very hard. He didn't want to give the swim team the impression that they could stop fundraising, but he wanted the City to make a commitment to keep the pool open in the month of October.

Council Member Campbell stated he would go along with that, and amend his second.

Council Member Hughes discussed the 'shaving' that was being done, and trying to move the budget along to get the four votes needed to pass the budget.

Mayor Patterson discussed the other needs, including that of the Arts & Culture Commission. She would not be comfortable just committing the funds to the swim team, even though she has been working with them and she supports them. It does not seem fair at this time. She suggested having some language that Council will come back and look at the progress that is being made, and make the commitment to make some decisions to make them whole; she could go along with that. She could not make the commitment of keeping the pool open.

Council Member Campbell discussed the percentage of the budget that the \$15,000 would amount to.

Council Member Ioakimedes agreed with Mayor Patterson. Council could not cherry pick at this late date. He would like to figure out a way to keep the pool open, however, he could not go there. There are too many other organizations Council has said no to. All the non-profits are hurting.

Mr. Kilger recommended Council direct Staff to come back to Council within 90 days with a discussion with respect to not just the pool, but also the other community groups. Staff will have a better idea where they are at by the end of the year. He would like a little flexibility on the 90 days, as Staff will be closing the books near that time for 2010-2011. They would have a chance to work with Department Staff, Human Services Board, as well as the Arts & Culture Commission. He could sit down with Staff, and work cooperatively with them to figure out what some creative ways were (maybe not restoring all the funding), and figure out some things that could be done. They could bring those things back along with the pool, and offer some suggestions on what could be done. They could address the pool, minimal funding for CAC, and others. They would not just close the doors on those three groups, but work with the two boards to see what might be available. Staff was not making a specific dollar commitment at this point, but they were making a commitment that they will look at ways to try and assist with those deficiencies, with their fundraising, and with what the City may be able to work with at the Staff level.

Council Member Hughes stated a budget needed to be passed, and he needed three votes, so he would keep his motion as it was, without the pool, other than the fact that he was still going to make the commitment to work with Council Member Campbell and Staff to see what they could do, and include it in the 90-days. He would be looking for something very creative, knowing we are looking

for fractions. He would move forward with that.

Ms. McLaughlin clarified that the budget policy required four votes to move forward with a reduction that would go below the 20% reserve.

Vice Mayor Schwartzman stated he would be voting no, regardless, because he thought it was the wrong thing. He would love to find some money to backfill, but it shouldn't be in the motion. What kind of message does that send to the employees that we are cutting and cutting, and then backfilling others?

The original motion did not pass, as it only received three out of five votes.

Council Member Hughes asked Council Member Campbell if his no vote was based on the pool issue. Council Member Campbell confirmed it was. Council Member Hughes asked Council Member Campbell if there was something between an absolute commitment and coming back in 90 days that would make him feel better.

Council Member Campbell stated the commitment that was made that wasn't absolute was fine with him. If Staff comes back in 90 days with a plan, and make every effort to do this. But that wasn't going to fly with the Mayor. Mayor Patterson stated that wasn't the case.

Council Member Hughes clarified that the motion was that Staff would include the pool. Staff would come back in 90 days with a plan. That was not pulled out. It was part of the motion.

Council Member Campbell suggested trying the motion again, reading it back in it's entirety.

Council Member Hughes stated the City would pay the principal and interest on the wastewater advance (that will result in the lower reserve).

Council Member Campbell stated he was fine and happy with those things.

Council Member Hughes stated (regarding the motion) with respect to the pool and some other funds, that Staff would come back within 90 days with a plan that will hopefully fund the pool, and perhaps some of the other areas that Council had to reduce, such as Arts & Culture Commission, and others.

Mayor Patterson clarified that it was the same motion, but the maker of the motion asked for reconsideration.

Mayor Patterson thanked the public, Staff, and Council for their efforts. Mr. Kilger thanked Staff and Council for their efforts.

On motion of Council Member Hughes, seconded by Council Member Campbell,

Council did not approve the motion to approve the Resolution, as amended, on roll call by the following vote:

Ayes: Patterson, Hughes, loakimedes

Noes: Schwartzman, Campbell

On motion of Council Member Hughes, seconded by Council Member Campbell, Council approved the amended motion to adopted the Resolution, as amended, on roll call by the following vote:

Ayes: Patterson, Campbell, Hughes, loakimedes

Noes: Schwartzman

VII. ADJOURNMENT:

Mayor Patterson adjourned the meeting at 10:39 p.m.

Lisa Wolfe, City Clerk