



**MINUTES
CARSON CITY COUNCIL
SPECIAL MEETING
JUNE 19, 2014**

5:00 P.M.

**HELEN KAWAGOE COUNCIL CHAMBERS
701 EAST CARSON STREET
CARSON, CA 90745**

**THE CARSON CITY COUNCIL REGULAR MEETINGS ARE
BROADCAST LIVE VIA TIME WARNER CABLE CHANNEL 35 AND AT&T U-VERSE
CHANNEL 99 AS WELL AS VIA THE INTERNET AT: [HTTP://CI.CARSON.CA.US](http://ci.carson.ca.us)**

AGENDA POSTED: JUNE 18, 2014

“In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk’s office at 310-952-1720 at least 48 hours prior to the meeting.” (Government Code Section 54954.2)

CALL TO ORDER: The meeting of the City Council was called to order at 5:11 P.M., by Mayor Dear in the Helen Kawagoe Council Chambers, Carson City Hall, located at 701 E. Carson Street, Carson, California 90745.

ROLL CALL: City Clerk Gause noted the following:

Council Members Present:

Mayor Jim Dear, Mayor Pro Tem Elito Santarina, Council Member Davis-Holmes, and Council Member Robles

Council/Authority/Agency Members Absent: Council Member Mike Gipson

Other Elected Officials Present: Donesia Gause, City Clerk

Other Elected Officials Absent: Karen Avilla, City Treasurer (Entered at 5:15 P.M.)

Also Present: Nelson Hernandez, City Manager, Bruce Barrette, Interim Assistant City Manager, Jacquelyn Acosta, Director of Administrative Services, Cedric Hicks, Director of Community Services, Massoud Ghiam, Acting Director of Public Works/City Engineer, and Barry Waite, Acting Director of Community Development; and staff:

Lisa Berglund, Principal Administrative Analyst; Robert Blackwood, Interim Human Resources Officer; Robert Eggleston, IT Manager; Brent Gesch, Administrative Analyst; Debbie Torres, Acting Administrative Analyst; Gina Trinidad, Administrative Analyst; Glenn Turner, Computer Systems Support Technician; and Wanda Higaki, Chief Deputy City Clerk

(Council Member Robles exited and reentered the meeting at 5:12 P.M.)

BUDGET WORKSHOP #1 - NEW BUSINESS DISCUSSION

ITEM NO. (1) FISCAL YEAR 2014/15 CITY MANAGER'S PROPOSED GENERAL FUND OPERATING BUDGET

City Manager Hernandez provided an overview of the Fiscal Year 2014/15 Proposed General Fund Operating Budget and briefly discussed the schedule of budget workshops.

Mayor Dear requested that all information presented by staff be provided to each member of the City Council.

RECESS:

The meeting was recessed at 5:14 P.M. by Mayor Dear.

RECONVENE:

The meeting was reconvened at 5:39 P.M. by Mayor Dear with all members previously noted present with Gipson absent.

(Council Member Robles was excused and exited the meeting at 5:41 P.M.)

A brief discussion ensued regarding the schedule of budget workshops regarding the following issues:

Council Member Davis-Holmes

Requested later start times for the workshops.

Mayor Pro Tem Santarina

Reported that he will be attending a conference on Monday, June 23 and Tuesday, June 24, and requested that the budget workshops be held on Wednesday, June 25 and Thursday, June 26. He subsequently reported that he would be available to meet on Friday, June 27. Whereupon, Jacquelyn Acosta, Director of Administrative Services, reported that if a quorum is available for Wednesday, it would be possible to schedule a budget workshop.

Mayor Dear

Announced that Council Member Robles was not available on Wednesday, June 25; Thursday, June 26; and Friday, June 27. He expressed his preference that Executive Assistant Buesing be the point of contact regarding available dates for the City Council and to refrain from discussing meeting schedules at meetings.

Jacquelyn Acosta, Director of Administrative Services, provided a brief overview of the proposed budget format. She distributed and discussed the following information:

City of Carson
Budget Increases/Decreases
FY 2014/15 Compared to FY 2013/14

	FY 2013/14	FY 2014/15	Difference
Total General Fund Revenues:	68,464,405	68,178,895	(285,510)
One-Time Revenues:			
One-time election reimbursement	54,936	54,936	0
One-time absentee ballot reimbursement	165,500	165,500	0
Net General Fund Operating Revenues	68,243,969	67,958,459	(285,510)
Major increases/decreases:			
Sales tax revenues			(1,500,000)
Electric utility franchise			140,000
Natural gas utility franchise			800,000
Utility users tax			(800,000)
Admissions tax			(140,000)
Business license fees			80,000
Building permit fees			170,000
Community Center room rentals			65,000
Foreclosure registration program			365,000
Transitional Subsidized Employee (TSE) Program			140,000
Passport processing fees			56,000
Pass-through payments			244,000
Host fees (Waste Management)			261,000
NPDES Permit fees			(50,000)

Total major increases in expenditures (169,000)

	FY 2013/14	FY 2014/15	Difference
Total General Fund Expenditures:	68,635,600	73,357,292	4,721,692
One-Time Expenditures:			
2015 General Election	0	225,000	225,000
Update Zoning Ordinance	100,000	400,000	300,000
Polling/Educational Campaign - UUT extension	0	40,000	40,000
Net General Fund Operating Expenditures	68,535,600	72,692,292	4,156,692

Major increases in expenditures:

2.5% increase in Sheriff's Contract	397,483
City Attorney budget	400,000
Increased the number of Summer Youth from 100 to 125 & paying them the new minimum wage.	56,000
Building & Safety contract	125,000
Correct budget estimates for water usage	83,000
Foreclosure registration program	154,000
Enterprise fleet replacement lease - Year 2	115,000
Increase the annual set-aside for OPEB funding from 1% of payroll to 2% of payroll	450,000
Increase in PT staffing costs at the Comm Center	72,000
Funds for the Council-directed Anti-Bullying Campaign	100,000
Transitional Subsidized Employee (TSE) program	50,000
Increase in utility costs at Carson Park	35,000
Increase in full-time salary costs	3,200,000
Total major increases in expenditures	5,237,483

Net Shortfall of operating revenues over operating expenditures (4,733,833)

Major Increases/Decreases

A discussion ensued regarding the following items:

Sales Tax Revenue – \$1,500,000 (Decrease)

Jacquelyn Acosta, Director of Administrative Services, reported that Tesoro, formerly British Petroleum (BP), had changed its point-of-sale from Carson back to the City of La Palma and that Mayor Dear and City Manager Hernandez will be meeting with Tesoro this change. A discussion ensued regarding the Carson point-of-sale arrangement in 2013-2014 by British Petroleum (BP) and that Carson has not only the pipelines, but also the risk, and its corporate office is located in La Palma.

Utility Users Tax – \$800,000 (Decrease)

Jacquelyn Acosta, Director of Administrative Services, reported that specific conditions of a financial hardship was required to lift cap and that staff would confirm.

Admissions Tax – \$140,000 (Decrease)

Jacquelyn Acosta, Director of Administrative Services, stated that this number may be incorrect and would confirm the amount.

The City Council discussed the following issues:

Council Member Davis-Holmes

Upon inquiry, Jacquelyn Acosta, Director of Administrative Services, provided FY 2013-14 revenue information for the following items:

- Transitional Subsidized Employee (TSE) Program: \$60,000
- Host Fees (Waste Management): \$120,000
- Admissions Tax: \$320,000

Pipeline Franchise Fees

Council Member Davis-Holmes subsequently inquired into the proposed revenue for Pipeline Franchise Fees; whereupon, Jacquelyn Acosta, Director of Administrative Services, reported that \$1.1M was the projection for FY 2014/15.

Upon inquiry, City Manager Hernandez informed the City Council that the linear feet of pipeline in Carson was approximately 900,000 linear feet (19 miles); whereupon, Council Member Davis-Holmes requested that these fees be reviewed and recalculated and added that, perhaps, a consultant would be needed to study this issue.

Mayor Dear concurred with the comments expressed by Council Member Davis-Holmes and reported that the rate issue was discussed last year during the budget.

Interim Assistant City Manager Barrette informed the City Council that City Manager Hernandez has decided to solicit bids for a consultant and Jacquelyn Acosta, Director of Administrative Services, further indicated that a consultant was under contract for Cable TV fees; and an RFP to audit Transient Occupancy Tax (TOT) was in process.

Mayor Pro Tem Santarina

For comparison purposes, requested that staff provide budgetary information for FY 2013/14 and FY 2014/15; whereupon, Jacquelyn Acosta, Director of Administrative Services, reported that budget worksheets would be provided at the next workshop.

Major Increases in Expenditures

Update Zoning Ordinance - \$400,000

Mayor Pro Tem Santarina indicated that it was his recollection that Council Member Robles had questioned last year's proposed amount of \$100,000 for this item, and the item was voted down. He subsequently reiterated his recollection that this item was voted down; inquired into the responsible party for resurrecting this item; and requested to see the minutes and content of the discussion.

Mayor Dear further indicated that Council Member Robles had inquired why this item was not yet done and whether it could be done in-house by the planners.

City Manager Hernandez referred to the City of Ventura and reported that the update was prioritized along corridors, not citywide. He added that outside consultants would be needed inasmuch as staff was not available. He subsequently reported that based on a suburban model, standards would be required that reflected new policy direction consistent with general plan.

Council Member Davis-Holmes concurred with Mayor Pro Tem Santarina that this item was voted down and added that she wanted to give City Manager Hernandez an opportunity to present this item; whereupon, City Manager Hernandez indicated that he wanted the best urban design standards and that he would provide the minutes on Tuesday.

One-time Expenditures (New)

Update of Telephone System (New)

Council Member Davis-Holmes requested this item to be placeholder as a one-time expenditure with Mayor Dear concurring.

Jacquelyn Acosta, Director of Administrative Services, requested the following items to be added as one-time expenditures:

- Replacement of Financial Accounting System - \$1,000,000
- Replacement of Telephone System - \$175,000 (amount to be updated by IT Manager Eggleston)

Summer Youth Employment Program (New)

Council Member Davis-Holmes expressed her preference to increase the Summer Youth Program to 200. Whereupon, Mayor Dear stated that he wanted to facilitate Carson young people to get jobs and requested that staff bring this item back for consideration by the Council.

Mayor Pro Tem Santarina expressed his desire to increase the Summer Youth Program to 250.

Barry Waite, Acting Director of Community Development, reported that current supervisorial vacancies have resulted in the reduced number of Summer Youth workers for this year and clarified that a longer lead time would assist staff to work with organizations for placement and to be able to ensure meaningful employment for the young people.

Enterprise Fleet Replacement Lease (Year 2) - \$154,000

Council Member Davis-Holmes referred to Prop A and C Funds and requested staff to look at the City's buses.

OPEB - \$450,000

Jacquelyn Acosta, Director of Administrative Services, reported that this item reflects the recommended annual set-aside increase from 1% of payroll to 2% of payroll.

Redesign for Finance & Administration Wing

Council Member Davis-Holmes noted that the redesign was approved last year.

Jacquelyn Acosta, Director of Administrative Services, reported that the redesign for the City Clerk's Office was in progress and the funds for the redesign of the Finance and Administration Wing would be carried over from the previous approval of the budget.

PT Staffing Costs at Community Center - \$72,000

Anti-bullying Campaign - \$100,000

City Manager Hernandez reported that one proposal was already received and that he anticipated that the amount would be lower than \$100,000.

Utility Costs at Carson Park - \$35,000

Upon inquiry, Cedric Hicks, Director of Community Services, responded that the water feature was working now.

Full-Time Salary Costs - \$3,200,000

Jacquelyn Acosta, Director of Administrative Services, clarified that this amount represented the implementation with PEPR and increases to employees for picking up CalPers costs and salary adjustments.

Mayor Dear recommended that the information be distributed to the employees so they would know that they are not being neglected.

Jacquelyn Acosta, Director of Administrative Services, stated that staff would continue to work on the gap and provide options to close the gap and present a balanced budget for consideration by the City Council. Upon inquiry, she reported that the fund balance was \$35,368,007 as of June 30, 2013.

Mayor Dear announced the cancellation of the Budget Workshop on Friday, June 20, and the next Budget Workshop would be held on Monday, June 23, 2014, at 6:00 P.M.

Council Member Davis-Holmes referred to the motion that was adopted to lift the suspension of payment of salary to Members of the City Council in the event that the City Budget is not adopted by July 20th of ay fiscal year and requested to revisit the issue if any ordinance was not adopted. With respect to departmental budgets, she recommended a team approach and to allow directors to submit reductions before chopping departmental budgets.

Mayor Pro Tem Santarina stated that he was satisfied with the budget process and looked forward to having specific recommendations at the next workshop after consultation with department heads and approval by the City Manager. He requested that staff develop a meeting schedule whereby he would be able to attend the meetings.

OPEB Trust

Jacquelyn Acosta, Director of Administrative Services, clarified that this item was another component to annual set-aside by policy and that \$4M was placed in an irrevocable trust.

A discussion ensued regarding the following issues:

City Treasurer Avilla reported that very few cities are in the shape of Carson and commended the City Council in addressing this item.

Mayor Dear inquired whether any change in law would result in money funded by Carson to be taken away in a situation similar to what transpired with the dissolution of the Redevelopment Agency and expressed concern. He subsequently thanked Jacquelyn Acosta, Director of Administrative Services.

City Manager Hernandez thanked Jackie Acosta for her work and indicated that staff would be available for the City Council. He concurred with City Treasurer Avilla with the manner in which the City of Carson is addressing the unfunded liability with respect to the OPEB Trust.

RECOMMENDATION for the City Council:

RECEIVE and HEAR the staff presentation on the FY 2014/15 City Manager's Proposed General Fund Operating Budget.

ACTION: The City Council received the staff presentation on the FY 2014/15 City Manager's Proposed General Fund Operating Budget and gave direction to staff.

ADJOURNMENT

The meeting was Adjourned at 7:12 P.M., by Mayor Dear with Gipson and Robles absent.

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause

6/19/14

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