



**MINUTES  
CARSON CITY COUNCIL  
ADJOURNED REGULAR MEETING  
JUNE 13, 2012**

**7:00 P.M.**

**AGENDA POSTED: JUNE 7, 2012**

“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 was called to order at 7:15 P.M. by Mayor Dear in the 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 Julie Ruiz-Raber, Council Member Lula Davis-Holmes, Council Member Mike Gipson, and Council Member Elito Santarina

Council Members Absent: None

Other Elected Officials Present: Donesia Gause, City Clerk and Karen Avilla, City Treasurer

Other Elected Officials Absent: None

Also Present: David Biggs, City Manager, and staff:

Clifford Graves, Economic Development General Manager; Jackie Acosta, Administrative Services General Manager; Ray Cruz, Public Services General Manager; Farrokh Abolfathi, Acting Development Services General Manager;

Lisa Berglund, Principal Administrative Analyst; Trini Catbagan, Finance Officer; and Cedric Hicks, Recreation Superintendent

## **NOTICE TO THE PUBLIC**

**Public testimony may be given on any agenda item as it is called and will be LIMITED TO THREE MINUTES PER SPEAKER. Please fill out a Speaker Form in order to be identified correctly in the minutes. The forms are provided on the podium in the Council Chambers. All Speaker Forms must be given to the City Clerk at the beginning of the meeting.**

## **UNFINISHED BUSINESS (Item 1)**

### **ITEM NO. (1) FISCAL YEAR 2012/13 CITY MANAGER'S PROPOSED GENERAL FUND BUDGET (CITY MANAGER)**

City Manager Biggs summarized the staff report and discussed the purpose of the Budget Study Session.

The following issues were raised and concerns discussed:

#### **Employee Layoffs**

##### **Mayor Dear**

Expressed concern of the recommendation of employee layoffs and requested that City Manager Biggs address other alternatives to avoid employee layoffs.

#### **Attrition Rate**

##### **Mayor Dear**

Inquired whether Reserves were used to maintain the level of employees; inquired into the estimate natural attrition and if there were options available to employees. Whereupon, City Manager Biggs discussed the elimination of the eight Redevelopment staff with two employees who did not consider changing careers and six employees were placed in other jobs in the city; reported that there were 14 filled positions that were proposed for elimination as service levels were adjusted and what was recommended were 10 or 12 positions that were vacant were proposed to be filled in which employees could move into and with the potential retirements; reported that there was expectation of the elimination of additional Redevelopment and Housing Authority staff which may be a larger number; reported that he would come back with the natural attrition rate.

##### **Council Member Gipson**

Expressed concern of the recommendation of employee layoffs and that City Manager Biggs consider Mayor Dear's options to explore other options based on the healthy fund balance and that he would not support the proposed elimination of the 14 positions.

Administrative Services General Manager Acosta

Discussed the following:

- Unavoidable cost increases that occur on an annual basis:
  - Sheriff's Contract
  - CalPERS Rate
  - Retiree Health Insurance
  - Self-Supporting Fund

Upon request, Administrative Services General Manager Acosta stated that she would provide copies of a spreadsheet outlining what she was discussing to the Mayor and Council.

**Early Childhood Program and Kids Club Program**

Council Member Davis-Holmes

Stated that the Early Childhood Program and Kids Club program was a 75% self-supporting subsidized program and that the figures should be reflected. Whereupon, City Manager Biggs stated that he would provide more information as a budget referral.

Administrative Services General Manager Acosta

Continued discussion of the following:

- Annual Merit and Step Increases
- Increase of Revenue Projections

(Referred to and directed staff to review Pages 27 and 28 of the General Fund Summary of Revenues and Transfers FY 2012/13 Projected)

**Audit**

Council Member Gipson

Inquired into the audit of different businesses because of under reporting and if there were any checks and balances by way of making sure that they were giving the city sales tax they were actually bringing in. Whereupon, Administrative Services General Manager Acosta reported that on behalf of the city, the State Board of Equalization was successful in many occasions for finding additional revenue for the city and a significant amount of money in sales tax revenue over the years; reported that HDL, an independent state group, who audited the State Board of Equalization against revenues that was actually retrieved by the City and HDL recovered additional monies on the City's behalf.

**Human Services Programs and Recreation Programs  
Revenues and Expenditures**

Council Member Davis-Holmes

Inquired into the Human Services Programs and Recreation Programs revenues and expenditures. Whereupon, Administrative Services General Manager Acosta provided a

brief explanation of the Recreation Program expenditures and how some of the programs that should be self-supporting were not.

### **Redevelopment Office Lease**

#### **Council Member Gipson**

Inquired into the Redevelopment office space lease and if there were projected costs savings in terms of revenue. Whereupon, City Manager Biggs reported that the lease was up in August and that there were plans to bring back staff to City Hall; relocation of the Carson Career Center to another city facility; would work with Economic Development General Manager Graves to cover some occupancy expenses in City Hall; lease would not be renewed which was paid from Redevelopment money, therefore, no impact on the general fund.

#### **Council Member Davis-Holmes**

Inquired into the rental space from moving Redevelopment staff to City Hall. Whereupon, City Manager Biggs reported that he would explore options in recovering funds to offset the Redevelopment shortfall.

### **Election Costs Reimbursement**

#### **Council Member Davis-Holmes**

Inquired whether the \$365,000 would be reimbursed by the State. Whereupon, Administrative Services General Manager Acosta reported that election costs were incurred in the election year and the following fiscal year usually receive reimbursement from the State and that there was one election pending from several years ago that the City was not reimbursed; reported that there was \$165,000 outstanding which the City may receive this year but was taken out of operating revenues and was not considered to be an ongoing Operating Revenue on how much have estimated to receive this fiscal year for last year.

City Manager Biggs reported that another State agency owed nearly 1.6 million dollars of property tax that they borrowed three years ago and was scheduled to repay by June 30<sup>th</sup> of next year; it was one-time money that could replenish the Fund Balance and was not included in the Operating Revenues but when received would bring before Council for consideration for next fiscal year.

### **Park Development Fees**

#### **Council Member Santarina**

Requested staff to discuss the Park Development Fees. Whereupon, Administrative Services General Manager Acosta reported that the Park Development Fees were recorded in Special Revenue Funds which would be discussed within the next two to three weeks.

City Manager Biggs reported that he would provide the following: 1) list of positions proposed for elimination which were included in the Decision Packages; 2) list of vacant positions eliminated in the budget; and 3) list of current vacant positions and that if the budget was adopted as recommended that would still be funded next year and potentially

available to employees who might see themselves without a position; discussed the General Fund Operating Budget Recommended Decision Packages.

### **Public Comments**

#### **Larry Shimokaji, 1502 E. Carson Street, No. 135, Carson, California**

Expressed concern into the following: 1) lack of service by Code Enforcement; 2) budget cut impacts on the Beautification Committee with ongoing projects; and 3) that he did not understand Decision Package No. 14: Consolidation of Commissions, Boards & Committees.

Mayor Dear requested that City Manager Biggs consider the cost figures that the Beautification Committee has brought in revenue into the City and possibly consider an offset to the cost of operating the committee.

#### **Dr. Rita Boggs**

Inquired into the following: 1) status of the Carson Sheriff Station Improvement with Redevelopment funds versus General Fund money; 2) Sales and Use Tax if they were mostly due to car sales; and 3) Utility Tax increase if it was because the limit was lifted.

City Manager Biggs reported that the Carson Sheriff Station Improvement Project was on the approved Obligation Schedule and discussed the Los Angeles County's position on the funding.

Administrative Services General Manager Acosta reported that the Sales and Use Tax increase was from auto sales, fuel and service stations, and general consumer category; reported that she would provide the recent quarterly Sales Tax Report with the breakdown for her review at the June 19<sup>th</sup> meeting.

Administrative Services General Manager Acosta reported that the projection if Council lifted the Utility User Tax cap next fiscal year for the third year and would receive additional Utility User Tax revenue from Tesoro Refinery who had moved their connection point from Wilmington to Carson.

#### **Ken Porter Auctions Sales Tax**

##### **Mayor Pro Tem Ruiz-Raber**

Inquired about the projection of sales tax that Ken Porter Auctions would bring to the City. Whereupon, Administrative Services General Manager Acosta explained that the projections were folded into next year's sales tax projections.

#### **Deirdre Carpenter, 18409 Milmore, Carson, California 90746**

Referred to and inquired into the following: 1) Page 11, Decision Package No. 2: Reorganization Proposal, cost to create the Assistant City Manager position; 2) if City Manager Biggs would consider foregoing the elimination of the two full-time drivers in lieu of the creation of the Assistant City Manager position; and 3) more savings of not hiring the

Transportation Manager and possibly transferring Transportation Division to Parks and Recreation to eliminate administrative costs.

City Manager Biggs reported that the net increase of the reorganization involved elimination of other positions was \$2,000 and if approved would be created out of the Public Information Officer and a Management Assistant and elimination of additional clerical position from the Public Information Office clerical staff.

Administrative Services General Manager Acosta reported that the Assistant City Manager position would cost \$250,000, fully loaded with benefits.

Upon inquiry, City Manager Biggs reported that the Assistant City Manager position base salary was projected to be \$175,000.

**Ronald Shimokaji, 1502 E. Carson Street, No. 135, Carson, California 90745**

Offered comments in opposition to Decision Package No. 14: Consolidation of Commissions, Boards & Committees, specifically the Planning Commission (Beautification, Planning and Environmental) and offered reasons as to why it was beneficial to continue the beautification programs and how most of their programs were at no cost to the city; suggested that Council seek input from the commissioners, committee and board members before the reorganization.

**City Manager Biggs**

Reviewed the following **General Fund Operating Budget Recommended Decision Packages:**

- **Decision Package No. 1: City Manager/Administrative Services Line Item Modifications;**
- **Decision Package No. 2: Reorganization Proposal;**

(Council Member Gipson exited the meeting at 8:41 P.M. and reentered the meeting at 8:44 P.M.)

**Decision Package No. 2: Reorganization Proposal**

**Council Member Santarina**

Requested that the City Manager clarify the following recommendations: 1) title changes of the General Managers to Directors; 2) assigning Information Technology to Administrative Services; and 3) assigning Human Resources to the City Manager's Office.

Whereupon, City Manager Biggs explained that the Director titles were used in other cities and that the recommended titles would provide for a more lateral comparison to local contracting cities and reported that he would come back with salary information by next week's meeting. Furthermore, he explained that he had experience in Human Resources and Organizational Development and believed that he had much to offer that department and that the separation of duties was also a concern and would eliminate prospection of mishandling of authority and explained his rationale for his recommendations of assigning Human

Resources to the City Manager's Office and that the Assistant City Manager position would oversee the Human Resources Department and the Public Information Office.

Council Member Davis-Holmes

Requested staff to provide the following: 1) salary survey for department directors; 2) comparison of staffing levels of the Public Works and Community Services Departments for equity; and 3) ways that the City could maximize the use of the Transportation buses to bring in revenue.

Whereupon, City Manager Biggs stated that if buses were purchased with Prop C funds could not use for profit and that he would bring back a budget referral to explain further.

**Decision Package No. 17: Restructure Human Services Staffing**

Mayor Pro Tem Ruiz-Raber

Inquired into the status of the City excursions; expressed concern of the consolidation of the Human Services Division with Parks and Recreation; and referred to Decision Package No. 17: Restructure Human Services Staffing.

City Manager Biggs advised that his decisions were Human Resources related and not based on individuals but rather on needs and elimination of services.

Public Services General Manager Cruz

Referred to and discussed Decision Package No. 17: Restructure Human Services Staffing.

City Manager Biggs discussed the Civil Service System rules for equal opportunity related to layoffs, bumping rights, and seniority.

**Decision Package No. 2: Reorganization Proposal**

**Decision Package No. 11: Expand Cell Phone Stipend Program**

Council Member Gipson

Referred to and requested staff to clarify and justify the following: 1) Decision Package No. 2: Reorganization Proposal, Move Information Technology from the City Manager's Office to Administrative Services; 2) Decision Package No. 2: Reorganization Proposal, Change the titles of the General Managers to Director of Administrative Services, Director of Community Development, Director of Community Services and Director of Public Works/City Engineer; 3) cost benefits of the title changes with no proposals; 4) and Decision Package No. 11: Expand Cell Phone Stipend Program, how many phones were issued to staff.

City Manager Biggs discussed the cell phone usage and that there were 80-100 cell phones that were city provided and that Decision Package No. 11: Expand Cell Phone Stipend Program, which would eliminate the misuse of city cell phones.

City Manager Biggs

Continued review of the following **General Fund Operating Recommended Decision Packages:**

- **Decision Package No. 3: Employee Healthcare Costs;**
- **Decision Package No. 4: Former Redevelopment Property Tax Increment;**
- **Decision Package No. 5: Capital Assets Replacement Fund (CARF) Contribution;**
- **Decision Package No. 6: CalPERS Contribution/Pre-Retirement Death Benefit;**
- **Decision Package No. 7: Municipal Election;**
- **Decision Package No. 8: City Manager Support Staffing;**
- **Decision Package No. 9: Public Information Office Reduction;**
- **Decision Package No. 10: Part Time Hourly Scheduling;**
- **Decision Package No. 11: Expand Cell Phone Stipend Program (previously discussed);**
- **Decision Package No. 12: Cost Allocation Model;**
- **Decision Package No. 13: Light Vehicle Fleet Update and Maintenance;**
- **Decision Package No. 14: Consolidation of Commissions, Boards & Committees;**

A discussion ensued regarding staff support to the various Commissions, Committees and Boards.

**Decision Package No. 14: Consolidation of Commissions, Boards & Committees**

City Manager Biggs

Referred to and noted that the Youth Commission was not to be combined with the Veterans Affairs Commission and the Senior Citizens Advisory Commission and that it was a spacing error which should have been a separate bullet item.

City Manager Biggs

Continued review of the following **General Fund Operating Budget Recommended Decision Packages:**

- **Decision Package No. 15: Modify Human Services Support Staffing;**
- **Decision Package No. 16: Modify Landscape and Building Maintenance Support Staffing;**
- **Decision Package No. 17: Restructure Human Services Staffing (previously discussed);**
- **Decision Package No. 18: Modify Warehousing/Purchasing Operation;**
- **Decision Package No. 19: Reorganize Human Resources;**

Administrative Services General Manager Acosta clarified that the \$157,000 was part of a combination of positions with two positions to be eliminated and one position to be backfilled by one part-time. Upon inquiry, City Manager Biggs stated that the Sr. Human Resources Analyst and Employment Services Clerk were vacant and that one Human



Resources Analyst position would be eliminated and the higher position would be filled internally.

City Manager Biggs

Continued review of the following **General Fund Operating Budget Recommended Decision Packages:**

- **Decision Package No. 20: Reorganize the Career Center;**
- **Decision Package No. 21: Mobilehome Rental Review Process Assessment;**
- **Decision Package No. 22: Modify Transportation Services Division Operations (previously discussed);**
- **Decision Package No. 23: Water Quality Inspection Implementation;**
- **Decision Package No. 24: DUI Checkpoint Reduction;**
- **Decision Package No. 25: Modification of Kids Club Operations;**
- **Decision Package No. 26: Community Center Position;**
- **Decision Package No. 27: Elimination of a Public Safety Specialist;**
- **Decision Package No. 28: Carson Park Facilities Furnishings; and**
- **Decision Package No. 29: Use of Prior Years Donations.**

City Manager Biggs

Reviewed the following **General Fund Operating Budget Alternate Decision Packages:**

- **Alternate Decision Package No. 1: Contract Pool Maintenance;**
- **Alternate Decision Package No. 2: HVAC Contract Services;**
- **Alternate Decision Package No. 3: Elimination of the Veterans SportsComplex Fitness Operation;**
- **Alternate Decision Package No. 4: Modify Special Needs Programs Staffing;**
- **Alternate Decision Package No. 5: Eliminate Sunday Park Staffing;**
- **Alternate Decision Package No. 6: Modify Building Security Contract Services;**
- **Alternate Decision Package No. 7: Contract for Janitorial Service in Parks; and**
- **Alternate Decision Package No. 8: Contract for Graffiti Removal Services.**

**Public Comments**

**Dr. Rita Boggs**

Commended City Manager Biggs on a great job on the budget presentation; suggested that the City Council consider an outside agency to provide the salary survey; agreed with elimination of some of the Commissions, Committees, and Boards.

City Manager Biggs

Reviewed the following **General Fund Balance Decision Packages:**

- **Fund Balance Decision Package No. 1: Budget Stabilization Reserve;**
- **Fund Balance Decision Package No. 2: Capital Projects Fund;**
- **Fund Balance Decision Package No. 3: OPEB Trust Contribution;**

- **Fund Balance Decision Package No. 4: Self-Sustaining Fund Deficit Elimination; and**
- **Fund Balance Decision Package No. 5: Operating Budget Designations.**

Council Member Santarina

Referred to and inquired into the following: 1) Decision Package No. 2: Reorganization Proposal, Public Works Officer position and that the person should be a knowledgeable expert to ensure delivery of services; 2) plans of the vacant positions to be eliminated; and 3) plans to avoid employee layoffs and that options be made available to them.

(Council Member Gipson exited the meeting at 10:04 P.M. and reentered the meeting at 10:05 P.M.)

Whereupon, City Manager Biggs advised the City Council that if layoffs were unavoidable that the Career Center staff and Human Resources were considering offering an Outplacement Program to assist those to find other jobs and provide them with services or potential employee retirements.

Upon inquiry, Recreation Superintendent Hicks reported that he was consulted by staff regarding the proposed consolidation of the Human Services Division with the Parks and Recreation Division in the Community Services Department ever since Economic Development General Manager Graves was Acting City Manager; therefore, he was well aware of the proposed consolidation and which he understood was done historically in the past.

Public Services General Manager Cruz elaborated that the plan would be that the Recreation Program Manager be recreated to assist with the consolidation.

Council Member Davis-Holmes stated that the City Council was not interested in eliminating positions and requested a plan of action to keep positions in place. Whereupon, City Manager Biggs discussed the job placement process of the employee positions affected by the proposed reorganization.

Council Member Davis-Holmes

Referred to and requested that the City Manager review and clarify the following:

- Page 30, Proposed Operating Budget Fund Summary Fiscal Year 2012/13, Object 5003 Overtime - \$202,981;

Whereupon, City Manager Biggs stated that he would come back with the Overtime breakdown.

- Page 64, Proposed Operating Budget Fund Summary Fiscal Year 2012/13, Object 5003 Overtime - \$56,694;
- Page 35, Proposed Operating Budget Work Group Summary Fiscal Year 2012/13, Non Departmental, Object 5008 Leave Redemption, FY 2012/13 Proposed Budget - \$775,000;

- Page 64, Proposed Operating Budget Work Group Summary Fiscal Year 2012/13, Development Services, Object 6009 Special Materials & Supplies, FY 2012/13 Proposed Budget - \$214,160, and only spent \$98,692 to date; and
- Page 68, Proposed Operating Budget Division Summary Fiscal Year 2012/13, Development Services, Object 6004 Professional Services, FY 2012/13 Proposed Budget - \$567,250, and only spent \$75,538 to date.

Whereupon, City Manager Biggs stated that the he would provide more detailed information.

Council Member Santarina

Referred to and requested that the City Manager clarify the following:

- Page 70, Proposed Operating Budget Division Summary Fiscal Year 2012/13, Development Services, Salaries and Benefits, FY 2012/13 Proposed Budget - \$116,432.

Whereupon, City Manager Biggs stated that he would provide a complete explanation.

City Manager Biggs requested that the City Council send their questions to him and would provide more information at the Budget Public Hearing.

Mayor Pro Tem Ruiz-Raber

Congratulated City Manager Biggs and staff who worked very hard; expressed her concern of the recommendation of employee layoffs and that the City avoid displacement of employees; work on no decrease in salary; and discussed the self-sustaining classes/programs.

Public Comments

Patricia Elkins

Offered comments in support of the Beautification Committee to remain as is and thanked the City Council for supporting the Water Quality Initiative; suggested that the City Council consider incentivizing retirement for long-time employees who were considering retirement.

City Manager Biggs announced the following: 1) Budget Public Hearing would be held on June 19, 2012; 2) Second Budget Study Session would be held on June 26, 2012; and 3) unless the budget was not approved on June 19<sup>th</sup> requested that the Budget Public Hearing be opened and continued to July 3, 2012.

RECOMMENDATION for the City Council:

1. CONDUCT a study session of the proposed FY 2012/13 General Fund Budget.

ACTION: The City Council held the Budget Study Session.

## **ADJOURNMENT**

The meeting was adjourned at 10:38 P.M. by Mayor Dear.

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Mayor Jim Dear

ATTEST:

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City Clerk Donesia L. Gause