

MINUTES

JOINT GONZALES CITY COUNCIL & REDEVELOPMENT AGENCY
BUDGET MEETING
JUNE 15, 2009
5:00P.M.

CALL TO ORDER

Mayor Orozco called the meeting to order at 5:00p.m.

PLEDGE OF ALLEGIANCE

The flag salute was recited by all present.

1. ROLL CALL-

CITY COUNCIL AND REDEVELOPMENT AGENCY MEMBERS PRESENT:

Mayor Pro Tem Scott Funk, Matt Gourley, Liz Silva, and Mayor Maria Orozco.

Councilmember Lopez arrived at 5:48pm.

STAFF PRESENT:

City Manager René L. Mendez, City Attorney Michael F. Rodriguez, Director of Planning and Economic Development Bill Farrel, Green's Accounting Representative Mike Howard, Administrative Specialist/Deputy City Clerk Mary Villegas, Police Chief Paul Miller, Public Works Director Carlos Lopez, Building Official/Fire Marshal Michael Lechman, and Emergency Services Director/Special Projects Analyst Harold Wolgamott.

- * 2. Consider Approval of **a)** Resolution 2009-25, A Resolution of the City Council of the City of Gonzales Adopting an Operating Budget for the City for the Fiscal Year July 1, 2009 through June 30, 2010 and providing for the Appropriations and Expenditures of All Sums Set Forth Therein, and **b)** Resolution R-2009-02, A Resolution of the Agency Board of the Gonzales Redevelopment Agency Adopting an Operating Budget for the Agency for the Fiscal Year July 1, 2009 through June 30, 2010 and providing for the Appropriations and Expenditures of All Sums Set Forth Therein

City Manager/Executive Director Mendez reported that the City was governed by the State Budget Act in which required the Council/Agency to adopt a budget before starting the new fiscal year. He stated that what had been governing the City's policies was the Vision Statement, which was adopted in 2007, and under this, there was a Mission Statement that hit pretty much all the major programs that the City had. These programs were Public Safety, Housing, Recreation, Environment, and Education. He said the Mission Statement also set forth clear direction from the Council to run the City as cost effective as possible, and do the job to the best of staff's abilities. He added that the workshop outline consisted of a

budget summary and recommendations to adopt the budget, review all budgets individually in the order that they were listed in the budget book, or only discuss and review the areas that were pulled by individual Council Members.

In regards to the Budget format, he mentioned that it reflected revenues directly in each budget, included all grants and operating funds, detailed fund balances of all major funds, relied on the Net City Cost concept, and had a consistent and standard narrative format.

City Manager/Executive Director Mendez stated that the budget was balanced and staff attempted to implement the three-year budget alignment strategy that was presented to the Council/Agency as part of the Mid-Year Budget. He added that the City used Fund Balance which was not always a negative thing. He mentioned that there were a lot of funds, for example the money that came in from the 2006 Tax Anticipation Note for the RDA was being used to fund the Police Station. Other Budget principles also included that staff attempted to eliminate the use of one-time for ongoing operations, the revenues were reflected directly in the programs for which they were used, service levels were maintained at the highest level within funding constraints, discretionary revenues were maximized to provide the Council with options to fund beneficial local programs and services, and accuracy and accountability in estimating and monitoring revenues and expenses during the fiscal year would continue to improve.

He explained that the 3-year budget alignment strategy priorities were the City Vision and Mission point the direction, maintain existing valuable workforce, no increase in Net City Cost, maintain critical services and infrastructure, protect debt service payment, protect critical RDA services, and continue the "Gonzales Grows Green" and proactive economic development efforts. He mentioned that Phase I of the alignment strategy included no fixed assets in the General Fund, reduced travel and training, deleted vacant positions, froze salary costs, utilized other funds where appropriate, maximized revenues to the General Fund like garbage and sales tax, reduced property taxes, state VLF and triple flip, proactive look for additional revenue opportunities like grants, bio-diesel fueling station, and use of water enterprise fund to cover the second year of worker's compensation claim.

City Manager/Executive Director Mendez reported that total City expenditures were \$18 million and one of the reasons for the increase was the Police Station as the largest portion. Another reason was the Joint-Use Gym, as well as infrastructure improvements to water and sewer. He stated that the General Fund portion was \$3.55 million which was \$294,440 lower than the prior year, and the projected Fund Balance was \$1.5 million. He said this included the residual left over from the Soledad Subvention funds. He added that Soledad was making their payment this year for the \$194,000 that they owed the City. He stated that once this money came in, staff needed to reconcile with the Street Fund to see how much was needed to cover the deficit.

He mentioned that Gonzales maintained with a few critical steps forward which included the construction of the Joint-Use Gym, the construction of the Police Station, the Gonzales Grows Green "G³" Initiative, and the water and sewer infrastructure improvements. He added that there were resources to maintain core City operations and infrastructure, fund the second and last year of worker's compensation increase, maintain pro-active business initiatives, maintain Gonzales Grows Green, continue the Update of the General Plan, continue the Community Policing Program, undertake several significant capital

improvement projects, and begin implementation of the new 5-year RDA Implementation Plan.

City Manager/Executive Director Mendez reported that the total City revenues were \$11 million. He indicated the gap between the Revenue and Expenditures was being covered by the fund balances in a variety of funds and from debt proceeds. He added that some of these funds were already received and could not be counted again. He reported that what was reflected in the revenues were the decreases in property tax and state revenues, the \$1.6 million in transfers, and the RDA Tax Anticipation Notes for the Joint-Use Gym and Police Station were no longer reflected. He explained that part of the General Fund Phase I for the 3 year Budget alignment strategy, was to maintain core operations and critical infrastructure, decrease Net City Cost, vacancies were eliminated, no new positions were requested, no fixed assets and reductions of line items throughout, decrease in worker's compensation, decrease in liability insurance costs, no employee salary increases, decreases in property taxes, VLF, permit, and State revenues, modest increase in sales tax, SVSWA host fee, and transfer from water Enterprise Fund to cover the one-time increase in Worker's Compensation.

A summary of the General Fund Expenditures and Revenues was also presented. He summarized the General Fund individual budgets including the General Revenues, City Council, City Manager, Finance, Police and Fire, Public Works, Recreation, and Contingency. He explained the non-general fund budgets which included the Redevelopment Agency, Public Safety, Water and Sewer Enterprise, Streets and Transportation, and General Plan Update and Infrastructure. He stated that critical areas not funded were Public Works personnel, deferred maintenance program, and enhanced recreation.

City Manager/Executive Director Mendez reported that the risk areas included the State Budget, COPS Grant, fuel prices, economy, and housing crisis. He mentioned that staff attempted to maintain a lot of the core Vision and Mission in the additional policy areas such as the Police Station, Joint-Use Gym, Community Center, Public Safety Department, attempting to maintain recreational programming, aggressive Grant Program, G³, Enterprise Zone and Salinas Valley EDC, re-energizing of the Community Policing, Partnerships, and General Plan Update. He mentioned that another policy area was succession planning for an Assistant Public Works, Police Commander, Planning, Finance and Assistant City Manager. He mentioned that all of these areas needed to be discussed. Another policy area that was explained was the model future growth, Rincon Villages, General Plan Update, and Economic Development. He also mentioned that we needed to continue to develop partnerships with the Gonzales Unified School District, Housing Authority of Monterey County, Community Organizations, State, Federal and County Organizations, as well as our Sister City.

City Manager/Executive Director Mendez went over Phase II of the 3-year Budget alignment strategy. He stated that key milestones that would trigger it would be the final State Budget, the December Property Tax Apportionment, the 2nd Quarter Sales Tax, and the COPS funding. He added that if needed, implementation would begin January 1, 2010 with workshops with the Council to discuss elimination of programs and non-critical services.

He concluded by asking the Council to adopt two resolutions, one from the City and one from the Redevelopment Agency adopting the Fiscal Year 2009-2010 Budget, and direct staff if needed to make changes as necessary and schedule adoption for sometime this week.

He thanked staff for all their work, especially Deputy City Clerk Villegas, for putting this together.

Public Comment: There was none.

Mayor Pro Tem/Vice Chair Funk asked if the COPS funding was limited.

City Manager/Executive Director Mendez responded yes. He said it was about \$100,000 and the City also received another funding source which was about \$150,000 total. He indicated that this was subject to the annual appropriation.

In regards to houses not being sold, Mayor Pro Tem/Vice Chair Funk asked what the process was of letting new residents know about proper permitting.

City Manager/Executive Director Mendez responded that if they came in to talk to us, we would tell them, but sometimes we did not know who was buying. He stated that staff had added inserts in the water bills and the newspaper.

Council/Agency Member Silva asked if the restaurants or people who served food were being instructed on doing away with Styrofoam containers.

City Manager/Executive Director Mendez responded that they were not. He said staff had a discussion with the Council about this, and staff suggested that it would take about a year to study it, so staff would bring something back to the Council. He added that Maury and Harold had been meeting with businesses and sharing with them ideas on how to save money on the recycling side.

Council/Agency Member Silva asked if new businesses were encouraged to recycle their water.

Public Works Director Lopez responded that as part of a new project, staff encouraged water conservation. He added that staff shared with them the Water Conservation Ordinance.

Council/Agency Member Gourley asked about use of money property on page 18.

Green's Accounting Representative Howard responded that was the interest and rental income.

Council/Agency Member Gourley applauded staff's efforts for all the work that went into this, and the several pages of explanation detailing what exactly was going on with the budget. He also applauded the efforts of moving to G³. He said this was something the City was going to be standing behind and would bring a lot of industry to the City. He said he was glad the City was moving so strong in that position with Maury and Harold.

Mayor Orozco thanked City Manager/Executive Director Mendez and staff for their efforts.

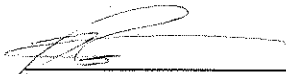
Action: Council/Agency Member Gourley made a motion to adopt Resolution No. 2009-25 and Resolution No. R-2009-02. Council/Agency Member Silva seconded the motion. Approved by vote; all ayes.

ADJOURNMENT

Mayor Orozco made a motion to adjourn. Councilmember Gourley seconded the motion. Approved by vote; all ayes.

The Joint City Council and Redevelopment Agency Budget meeting was adjourned at 5:53pm.

ATTEST:



René L. Mendez, City Clerk

MINUTES

JOINT GONZALES CITY COUNCIL & REDEVELOPMENT AGENCY
REGULAR MEETING
JUNE 15, 2009
6:00P.M.

CALL TO ORDER

Mayor Orozco called the meeting to order at 6:05p.m.

PLEDGE OF ALLEGIANCE

The flag salute was recited by all present.

1. ROLL CALL-

CITY COUNCIL AND REDEVELOPMENT AGENCY MEMBERS PRESENT:

Mayor Pro Tem Scott Funk, Matt Gourley, Liz Silva, Jose G. Lopez, and Mayor Maria Orozco.

STAFF PRESENT:

City Manager René L. Mendez, City Attorney Michael F. Rodriguez, Director of Planning and Economic Development Bill Farrel, Green's Accounting Representative Mike Howard, Administrative Specialist/Deputy City Clerk Mary Villegas, Police Chief Paul Miller, Public Works Director Carlos Lopez, Building Official/Fire Marshal Michael Lechman, and Emergency Services Director/Special Projects Analyst Harold Wolgamott.

* Redevelopment Agency Item

BUSINESS FROM THE PUBLIC

2. Laureen Diephof, South County Newspapers Reporter, invited everyone to the Library next Tuesday at 6:00pm with Author Lee Doyle who would be relating a Gonzales Story.

Liz Modena, GUSD Superintendent, updated the Council on the School District. She talked about the budget, staffing, transportation, attendance, test results, and Joint Use Gym construction. She thanked the City for the partnership with this project and for the recycling program.

CONSENT AGENDA

3. Approve the June 1, 2009 Joint City Council and Redevelopment Agency Minutes
4. Approve Accounts Payable Warrants #23683 - 23755
5. Approve Accounts Payable Warrant #23689 – Matt Gourley
6. Review the Building Department Permit Activity Report for May 2009

7. Departmental Activity Reports
 - a. Building/Fire Marshal Department
 - b. Planning Department
 - c. Public Safety Department
 - d. Public Works Department
 - e. Recreation Department
8. Consider Approval of Resolution No. 2009-28, A Resolution of the City Council of the City of Gonzales Establishing the Appropriations Subject to Limit for the City of Gonzales for the 2009-2010 Fiscal Year
9. Consider Approval of Resolution No. 2009-29, A Resolution of the City Council of the City of Gonzales Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property Related Fees and Charges
10. Consider Approval of Resolution No. 2009-30, A Resolution of the City Council of the City of Gonzales Designating Mark Thomas & Co., Inc as Engineer of Work for Assessment Districts, and Directing the Filing of Engineer's Fiscal Year 2009-2010 Annual Reports Therefore; Designating Meyers Nave Riback Silver & Wilson as District Counsel for Assessment Districts; and Authorizing Compensation for all Assessment District Work
11. Consider Approval of Resolution No. 2009-31, A Resolution of the City Council of the City of Gonzales of Intention to Confirm Diagrams and to Levy and Collect Annual Assessments Pursuant to the Benefit Assessment Act of 1982 - California Breeze Benefit Assessment District Nos. 1, 2, and 3
12. Consider Approval of Resolution No. 2009-32, A Resolution of the City Council of the City of Gonzales Providing Preliminary Approval of Engineer's Report, Stating Intention to Confirm Diagram and to Levy and Collect Annual Assessments Pursuant to the Landscaping and Lighting Act of 1972 - California Breeze Parks and Open Spaces Maintenance Assessment District
13. Consider Approval of Resolution No. 2009-33, A Resolution of the City Council of the City of Gonzales of Intention to Confirm Diagram and to Levy and Collect Annual Assessments Pursuant to the Benefit Assessment Act of 1982 - Canyon Creek Benefit Assessment District Nos. 1, 2 and 3
14. Consider Approval of Resolution No. 2009-34, A Resolution of the City Council of the City of Gonzales Providing Preliminary Approval of Engineer's Report, Stating Intention to Confirm Diagram and to Levy and Collect Annual Assessments Pursuant to the Landscaping and Lighting Act of 1972 - Canyon Creek Parks and Open Spaces Maintenance Assessment District Nos. 1, 2 and 3
15. Consider Approval of Resolution No. 2009-35, A Resolution of the City Council of the City of Gonzales of Intention to Confirm Diagram and to Levy and Collect Annual Assessments Pursuant to the Benefit Assessment Act of 1982 - Gonzales Industrial Park Benefit Assessment District
16. Consider Approval of Resolution No. 2009-36, A Resolution of the City Council of the City of Gonzales Providing Preliminary Approval of Engineer's Report, Stating Intention to Confirm Diagram and to Levy and Collect Annual Assessments Pursuant to the Landscaping and Lighting Act of 1972 - Gonzales Industrial Park Landscape Maintenance Assessment District
17. Consider Approval of Resolution No. 2009-37, A Resolution of the City Council of the City of Gonzales of Intention to Confirm Diagram and to Levy and Collect Annual Assessments Pursuant to the Benefit Assessment Act of 1982 - Cipriani Estates Benefit Assessment District
18. Consider Approval of Resolution No. 2009-38, A Resolution of the City Council of the City of Gonzales Providing Preliminary Approval of Engineer's Report, Stating Intention to

Confirm Diagram and to Levy and Collect Annual Assessments Pursuant to the Landscaping and Lighting Act of 1972 - Cipriani Estates Parks and Open Spaces Maintenance Assessment District

- * 19. Consider Approval of Resolution No. 2009-39, A Resolution of the City Council of the City of Gonzales Finding a Severe Fiscal Hardship Will Exist if Additional Local Property Tax Funds are Seized and Additional Unfunded Mandates are Adopted by the State of California
20. Consider Approval of Resolution No. 2009-40, A Resolution of the City of Gonzales City Council Supporting the Establishment of a Targeted Employment Area for the Salinas Valley Enterprise Zone

Councilmember Gourley abstained from item 5 due to conflict of interest.

Action: Councilmember Silva made a motion to approve the consent agenda items. Councilmember Lopez seconded the motion. Approved by vote; all ayes. Councilmember Gourley abstained from item 5.

REGULAR AGENDA

21. Consider the Summertime Music Festival to be Held August 1st and 2nd, 2009

Special Projects Analyst Wolgamott presented the staff report.

Public Comment: There was none.

Councilmember Silva asked how they would proceed with the event if the Council did not approve the conditions.

Special Projects Analyst Wolgamott responded that the event could proceed without any of the conditions. He stated that City could pay Public Works, Police and any overtime costs, but staff was recommending if the Council considered these options, that they tell staff where to cut because as the budget was just presented, there was nothing in it. He added there were four possible alternatives in the staff report.

City Manager Mendez indicated that staff wanted to make sure that everything was listed on the conditions as far as what the responsibilities were. He said that the significant one was the fiscal. He added that this, unlike other events, would require significant police presence because of its nature, and the potential impact on the City was not only the park but also the parking location.

Councilmember Silva asked if this event was to support the athletic activities at the High School.

City Manager Mendez responded yes. He mentioned that transportation was a large fiscal component at the school in particular, athletics.

Mayor Pro Tem Funk asked if Gabilan Court would be available for parking.

Special Projects Analyst Wolgamott responded that the committee would work with staff on the parking. He said that some of the sites offered by the school would be used for construction, but other sites were available.

Councilmember Gourley suggested keeping in mind the Winery as an option for parking. He expressed his concern about contacting people about the event. He said he wanted to have a face to face contact with every property that backed up to that park. He wanted this to come from the event organizers.

Special Projects Analyst Wolgamott mentioned that the Recreation Coordinator would work with the event organizers on the language for the notification plan. He said that part of the conditions mentioned that everyone west of 101 and south of Fifth Street would be notified.

Councilmember Gourley believed a face to face contact would be better than mailing something to them, put it with the water bill, or publishing it on the newspaper.

Mayor Orozco said this should happen right away.

Councilmember Gourley mentioned that this event would be a huge retail opportunity for all the businesses City-wide, but did not know where to pull the money from this event.

City Manager Mendez stated that if the Council wanted the face to face contact, they needed to make sure that was part of the conditions to tell the event organizers they had to prove to us when it was done. He said the Council would need to give staff a deadline of when the organizers needed to do this. He also told the Council that if they wanted more financial participation by the City, they needed to tell staff what they were comfortable with and have staff come back to them at the next meeting.

Councilmember Gourley mentioned he would be willing to take care of his own travel for the next fiscal year as a Councilmember if the whole Council let him contribute the \$1,000 to the event.

The Council agreed.

City Manager Mendez said that would be an area he could pull it from.

Councilmember Silva indicated she would be willing to do the same thing as Councilmember Gourley. She said that in addition, she had a conversation earlier with the City Manager about a portion of her stipend that she would be willing to contribute.

Mayor Orozco believed we could certainly come up with some other ways of being able to fund this event. She said that the potential fiscal liability was not the actual costs yet and there were just estimates.

City Manager Mendez mentioned that the two things that were pretty much hard were the police and the liability insurance. He asked the Council to tell him how much they wanted to cover.

Councilmember Gourley suggested covering the \$2,500.

Mayor Orozco concurred with Councilmember Gourley.

Councilmember Gourley suggested having the organizers do the face to face contact by July 17th. He reiterated his concern about really reaching out to all the people backing up the park.

Special Projects Analyst Wolgamott mentioned that based on this suggestion, condition item "n" would have to be changed to reflect July 1st as the date for public notification of the event and implications to be approved by the Recreation Coordinator, and to be implemented by July 17th.

Mayor Orozco asked Special Projects Analyst Wolgamott to give the Council an update report at the next meeting.

Councilmember Gourley asked if anybody had contacted the winery about this event just in case they wanted to have extra security at their premises.

Special Projects Analyst Wolgamott responded that he did not know if the organizers had, but they would be notified.

Action: Councilmember Gourley made a motion to conditionally approve the use of Centennial Park by the Gonzales Spartan Club for a Music Festival on August 1st and 2nd, 2009 based upon the list of conditions, co-sponsor the event pending approval of the conditions and cost reimbursements, and include the direction mentioned previously. Councilmember Silva seconded the motion. Approved by vote; all ayes.

Mayor Orozco said she would be moving items out of order. Item No. 25 was moved for discussion before item 22.

25. Consider Approval of Resolution No. 2009-26, A Resolution of the City Council of the City of Gonzales Announcing Findings and Certifying the Sun Valley and Foletta Subdivisions Final Environmental Impact Report

Director of Planning and Economic Development Farrel presented the staff report.

Public Comment: Brian Finegan, D'Arrigo Bros. Attorney, thanked the Mayor for moving this item up on the agenda. He expressed his support for staff's recommendation and introduced President John D'Arrigo and Controller John Culligan who also supported the recommendation. He mentioned they looked forward to presenting the project to the City later in the year.

Glenn Pace, Cielo Grande Ranch, spoke in favor of this item as well.

Action: Councilmember Gourley made a motion to adopt Resolution No. 2009-26. Mayor Pro Tem Funk seconded the motion. Approved by vote; all ayes.

Mayor Orozco also moved Item No. 24 to be discussed next.

24. Consider Approval of Resolution No. 2009-27, A Resolution of the City Council of the City of Gonzales Announcing Findings and Adopting the Gonzales 2010 General Plan Housing Element

Director of Planning and Economic Development Farrel presented the staff report.

Public Comment: Brian Finegan, D'Arrigo Bros. Attorney, commented that the goal was to get a Housing Element that did not raise barriers to the providing of housing in the community and to get it certified by the State Housing and Community Development Department. He congratulated staff on moving this forward in a way that would satisfy HCD. He shared their concern about vacant and available sites on table IV-18. He expressed his concern about the D'Arrigo and Foletta properties being sort of the default area because D'Arrigo had a pending application, in which the City had certified the EIR and was schedule for hearing later in the year. He passed out information to the Councilmembers which was the revised table IV-18 and he pointed out in the areas that differed from the D'Arrigo application that had been evaluated in the EIR. He referred them to site No. 13 which showed 70 units of affordable housing in the application, and site No. 16 staff's chart showed 129 units of affordable housing in the single family area. He said this was a significant difference and it translated on the next page that the net market rate units were only 481 as opposed to the 544 that were in the application.

Mr. Finegan understood the need to satisfy HCD but he was concerned that it would come back to haunt the City and D'Arrigo when they got into the approval process and they were showing something different in the application, than what was shown in the Housing Element. He appreciated the City to include something in the motion approving the element that reflected the fact that they were not requiring that the D'Arrigo's application would have to meet these as a requirement.

Mr. Finegan also commented on the fees and exactions shown on page 19 of the Consultant's response to HCD. He stated that the Consultant showed the total impact fees of \$39,200 per residential unit but there was no analysis of what the effect of those fees were with respect to a typical single family or multi-family unit. He also went over HCD's Building Blocks website which talked about what they were supposed to do.

Mr. Finegan also commented on the off site improvements. He said there was a list of improvements that the City required on new development, but there was no analysis of that impact was on the cost and supply of housing. He said he did not bring these things up to be critical, but he believed there were deficiencies.

Councilmember Gourley asked staff what they wanted to do with the number of units required in our Housing Element.

Director of Planning and Economic Development Farrel responded that he attended a detailed workshop where this was discussed several times. He mentioned that the requirement was that we planned in terms of zoning and physical area. He stated that if we tried to do something else, he was afraid that we were going to come up short where we simply did not have enough land. He said he would not recommend putting something in writing that dismissed ability of the City that acknowledges that we were probably not going to do that. He believed we should go through the process and in a few years from now, we

would have a lot more land that we could point to. He stated that it would not be an issue once we got through the current cycle of the Housing Element. He understood the concern that people had that it was different than a pending proposal, but we did not have a proposal in front of us at this point either. In regards to the impact fees, he mentioned that staff went through the legally required process and our fees were not unlike in other communities in the area. He indicated that HCD had been in opposition to impact fees for a long time and they had been doing whatever they could to try to get local government to reduce the impacts, but there were bridges to build and sewer systems to fix, and those prices were not going down.

Councilmember Gourley stated that he did not think D'Arrigo was going to be building any houses with a medium income price being under \$200,000, and believed the dirt would sit there until the price of the homes came back up. He added there was no sense in us restructuring any of our fees at this point because we did not know what the median level would be when the subdivision actually happened. He said he would personally make sure they did not, without having it in writing, hold D'Arrigo Bros. to HCD numbers. He expected in the subdivision if it was built, that those acres matched what we had done historically in the City, and this would be his vote, which had been 18% for the entire subdivision of affordable units. He believed they had done that as long as he had been in the City, which was at least 18 years. He told staff he saw where their points were not changing those numbers like Mr. Finegan asked. He asked staff if we needed to address the other issues Mr. Finegan was concerned about before submitting it.

Director of Planning and Economic Development Farrel responded that parts of the element may come back to us, which was not untypical. He said that in often times, these had been submitted to HCD and they then returned it asking to do more work on it. He mentioned that the adoption of the fees was subject to a process.

City Manager Mendez reiterated what was commented. He stated that one of the comments was the fee and comparing it to the cost of development. He indicated that unfortunately, infrastructure improvements were necessarily tied to how much you could sell a home for. He added that the other issue that was brought up by Mr. Finegan was that he did not think staff provided adequate explanation of the fees. He said staff could certainly look at the explanations to see if they were adequate. He asked the Council if they wanted staff to bring it back, it could be scheduled for Monday as the only item on the agenda.

Councilmember Gourley believed we should make a motion to move forward with this process as written and as staff had presented it.

City Manager Mendez added that the Council would get the conditions back. He said they would have ample opportunity to discuss whatever conditions or requirements they wanted placed on that project.

Action: Councilmember Gourley made a motion to adopt Resolution No. 2009-27. He reinstated that this was basically an exercise on the State's behalf to ensure that we continue to get some grant funding. Councilmember Lopez seconded the motion. Approved by vote; all ayes.

* 22. Presentation on a Retail Attraction by Buxton

City Manager/Executive Director Mendez presented the staff report.

Lisa Hill, Buxton Co., reported that Buxton was the national leader in customer analytics and site selection, and currently did site selection work for about 2,000 retail clients including 450 community clients.

Ms. Hill explained the benefits of a strong retail sector which consisted of enhancing residents' quality of life with more shopping and dining choices, increased sales and property taxes, decreased retail leakage, new permanent jobs, and expanded economic opportunities by attracting more people and businesses. She stated that Gonzales wanted to identify retail concepts that aligned with the Gonzales Grows Green initiative, identify existing green businesses that were going green, get opportunities for new green business development, and build cooperative business relationships for retention. She also explained the key steps in developing a retail strategy.

Council/Agency Member Gourley asked how they were funded.

Ms. Hill responded that it was typically through Redevelopment funds, but it depended on scope of work, number of sites analyzed, and pursuit packages that they built. She told them that a proposal was submitted to the City Manager/Executive Director.

City Manager/Executive Director Mendez indicated that depending on the Council/Agency's feedback, staff would come back to them on this. He mentioned that we were spending quite a bit of money with Economic Development Systems who was focusing on the restaurants. He wanted to get the Council a sense of what the budget was like. He said staff had been fairly aggressive in trying to use one-time money on some of these efforts. He added that the City was not out there yet to the trade shows, but the Director of Planning and Economic Development attended a show in Texas with a Monterey group which was more from a developer's perspective. He mentioned that the City needed to get out there and be more aggressive in the recruitment attraction strategy. He said that now that we were going green, the City was beginning to get some good positive feedback so it was an opportunity to try to move it forward. He added that Ms. Hill provided a proposal and he could bring back recommendations in July.

Council/Agency Member Gourley said this was what the Mayor, previous Council Member Gutierrez, and he wanted to get after retail and make it happen. He believed this was a great idea.

Ms. Hill stated that purchasing this information was an investment on the City's part but it was one that pay for itself and increased sales tax base. She gave an example of what the City of Dinuba was doing.

Council/Agency Member Gourley asked what part of RDA would be set aside.

City Manager/Executive Director Mendez responded that RDA was used if it was enhancing the project area. He said that to an extent, we could carve out some benefit of the project area that was a potential source to look at.

Public Comment: There was none.

It was the Council/Agency's consensus to direct staff to pursue this possibility and bring back additional information in July.

23. **Public Hearing** for Discussion of a Possible Application by the City of Gonzales for a Community Development Block Grant

Director of Planning and Economic Development Farrel reported that staff needed more time to complete this item and asked the Council to open, close, and continue the public hearing to the July 6th meeting.

Mayor Orozco opened the public hearing at 7:38p.m.

Public Hearing: No comments came forward.

Being there no comments from the public, Mayor Orozco closed the public hearing at 7:38p.m.

Action: Councilmember Gourley made a motion to continue the Public Hearing to the July 6, 2009 meeting. Mayor Pro Tem Funk seconded the motion. Approved by vote; all ayes.

- * 26. FY 2009-2010 Year-End Report

City Manager/Executive Director Mendez presented the staff report.

Public Comment: There was none.

Action: Council/Agency Member Gourley made a motion to approve the Budget Adjustments as presented in Attachment A. Council/Agency Member Lopez seconded the motion. Approved by vote; all ayes.

BUSINESS FROM CITY COUNCIL

27. Oral Communication

Councilmember Silva mentioned that she attended a function in Monterey where it was mentioned they read the article in the Monterey Weekly about Gonzales Going Green and they were very impressed. She said she opened an invitation to come and see our town.

Mayor Pro Tem Funk reminded everyone that the Relay for Life was this weekend.

Councilmember Gourley announced the Annual Rotary's Club Cow Bingo on July 4th and people could contact their local Rotarian. He also announced that the Gonzales 4-H was having a Tri-Tip Sandwich for \$8.

Mayor Orozco congratulated all the graduates from Pre-School to High School. She asked folks to please support the local non-profit groups in their fundraising efforts. She added

that anyone interested in participating in the 4th of July Parade could contact Mayor Pro Tem Funk.

Mayor Pro Tem Funk mentioned they would have applications at City Hall.

BUSINESS FROM CITY MANAGER

28. Oral Communication

City Manager Mendez told the Council he would be in Texas June 19th – 29th.

Public Works Director Lopez reported that the encroachment permit from Caltrans for the Fifth Street Sewer Line replacement project was in the mail so staff would start the project soon.

Police Chief Miller asked everyone to slow when driving since kids were out of school.

Building Official/Fire Marshal Lechman reminded everyone that only safe and sane fireworks were allowed within the City and they would be doing enforcement on the 4th of July.

* **BUSINESS FROM EXECUTIVE DIRECTOR**

29. Oral Communication

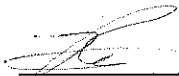
There was none.

ADJOURNMENT

Mayor Orozco made a motion to adjourn. Councilmember Lopez seconded the motion. Approved by vote; all ayes.

The Joint City Council and Redevelopment Agency meeting was adjourned at 7:48pm.

ATTEST:



René L. Mendez, City Clerk