

MINUTES

JOINT GONZALES CITY COUNCIL & REDEVELOPMENT AGENCY
BUDGET MEETING
JUNE 27, 2011
5:30P.M.

CALL TO ORDER

Mayor Orozco called the meeting to order at 5:30p.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, Liz Silva, Jose G. Lopez, Jack L. Reed, and Mayor Maria Orozco.

STAFF PRESENT:

City Manager René L. Mendez, Community Development Director Thomas Truskowski, Administrative Specialist/Deputy City Clerk Mary Villegas, Public Safety Director Paul Miller, Public Works Director Carlos Lopez, Emergency Services Director/Special Projects Analyst Harold Wolgamott, and Green's Accounting Representative Mike Howard.

- * Redevelopment Agency Item

CONSENT AGENDA

2. Consider Approval of Resolution No. 2011-52, A Resolution of the City Council of the City of Gonzales Establishing the Appropriations Subject to Limit for the City of Gonzales for the 2011-2012 Fiscal Year
3. Consider Approval of Resolution No. 2011-53, 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

City Manager Mendez asked the Council to pull Item 2 to after the budget discussion.

Mayor Orozco pulled Item 2 until after the budget discussion.

Action: Councilmember Lopez made a motion to approve the consent agenda items with the exception of Item 2. Councilmember Reed seconded the motion. Approved by vote; all ayes.

REGULAR AGENDA

- * 4. Consider Approval of **a)** Resolution No. 2011-54, A Resolution of the City Council of the City of Gonzales Adopting an Operating Budget for the City for the Fiscal Year July 1, 2011 through June 30, 2012 and providing for the Appropriations and Expenditures of All Sums Set Forth Therein, and **b)** Resolution R-2011-10, A Resolution of the Agency Board of the Gonzales Redevelopment Agency Adopting an Operating Budget for the Agency for the Fiscal Year July 1, 2011 through June 30, 2012 and providing for the Appropriations and Expenditures of All Sums Set Forth Therein

City Manager/Executive Executive Director Mendez stated that he was presenting the recommended budget for both the Redevelopment Agency and the City. He mentioned that he received an email from the League of California Cities that apparently, the Governor was prepared to sign the legislation telling the redevelopment agencies tomorrow after he got the budget. He said that the League was hearing that there was a deal either already cut or closed to being cut, which would include a majority budget being submitted to the Governor, and he had agreed with the leadership that he would be signing the legislation to kill redevelopment agencies, so this may be the last RDA Budget staff would present to the Agency in its current form.

City Manager/Executive Director Mendez reminded the Council/Agency about the City's Vision Statement that Gonzales continued to be a clean family friendly community, diverse in its heritage, and committed to working collaboratively to preserve and retain its small town charm. He added that the Mission Statement implementing the Vision was what we looked for and was guiding us through the budget.

He mentioned that the outline tonight was the budget summary, recommendations to adopt the budget and either discuss the budget as a whole or get into specific detail on individual budgets. He said the other one was if the Council/Agency had items that they wanted him to consider or discuss after, we could pull them and bring them back.

In regards to the Budget format, he explained that it reflected revenues directly in each budget for example all the assessment, impact funds, and enterprise fund budgets, etc which they had all the revenues that belonged there. On the General Fund, he indicated that they had the general revenues budget that had most of the revenues that applied to everybody in the General Fund, and there were some that were more specific like Police, Planning, Building, etc. He also provided a summary of the fund balances. He stated that essentially what we were doing here was that we did not know exactly where we were going to finish out the year, and the Council/Agency were provided the March cash report, so they could look at the cash balance, and look at the projected expenditures and revenues to get the fund balance. He explained that he submitted the numbers to Mike Howard from Green's Accounting who was here tonight, and he made sure they were balanced. He indicated that he relied on the Net City Cost concept, and they would see some funds that there was a negative, but those had fund balances to offset it, which they would typically see that in impact funds where they were estimating a project. As to the format, he added that staff tried to have the same consistent and standard format on the narrative forms.

In regards to the Budget Principles, he mentioned that the Budget was balanced and this was the final year of the 3-Year Budget Alignment Strategy. He stated that at the last

Council meeting he presented to them a 5-Year Budget Forecast to gradually adjust the budget, which would be sort of our guide that we would work towards in every monthly report, annual report, mid year report and future budgets. He stated that this year, we were not estimating use of any Fund Balance in the General Fund, and were trying to eliminate the use of one-time revenues for ongoing operations, which in fact we did not really have a whole lot of one-time revenues this year. He said that staff was projecting from a couple of development projects some revenue coming in the impact fees next year. He added that we had revenues reflected directly in the programs for which they were used. He continued explaining that staff was trying to be as accurate and accountable as possible in estimating and monitoring revenues and expenses during the fiscal year, and service levels were maintained at the highest level within funding constraints.

He explained that in regards to the pressures on the General Fund, there was the State Budget, Redevelopment Agency issue, COPS funding, sales tax extension in front of the voters, as well as offset to Counties for the bookings, Housing Environment being low, fuel prices, and NGEN for the radios. As to the Redevelopment Agency issue, he indicated that we were going to be on limbo for quite a while because if the State voted to terminate them, there would be several lawsuits.

Mayor Pro Tem/Vice Chair Funk asked if we anticipated any legal cost by joining those lawsuits.

City Manager/Executive Director Mendez responded that our share would be about \$200 to \$300. He said that we were anticipating costs in prorata share based on the size of the RDA. He informed that we still had a lawsuit pending on the action taken by the State on last year's budget, and would have this one as well.

In regards to the Budget balancing strategy, he recalled that at the June 20th meeting staff presented the Council with a format or approach. He explained each of the Budget balancing strategies, which included expenditure reductions throughout, elimination of custodial contract, maintaining existing vacant positions unfunded, no change to salaries, plan savings in Health Insurance, PERS Contribution, sale of surplus property, adjustments to Recreation and Aquatics Programs, special events, and establishing a Budget Committee.

He reported that total City expenditures were \$20.4 million and the reason for that amount was because of the RDA financing that was done for the 2006 Note. He said that not only did it reflect the money to pay the 2006 Note, but was reflecting a lot of transfers from the General Fund to the RDA, so we were double counting that. He explained that when you put all that combined in addition to the normal debt service and new debt service we had, our budget was double. He clarified it was not new programs, no new personnel, but it was because of our financing. He referred them to the graph where he indicated that the General Fund and Redevelopment Agency were the two largest pies where all the debt was reflected. He mentioned that without that, you would have the water, sewer, and garbage funds higher since they were the next larger budgets. He said most of the budgets across the board were less than last year, and if you took away the actual debt, then the General Fund was down. He reiterated that the General Fund was up \$4.8 million which almost all of it was debt. He said he was projecting a fund balance of \$1 million, and the RDA financing was the reason for the increase.

In regards to the Overall Budget Summary, he mentioned that we still had the G3 initiative. He informed them that the contract this year was taken out of the Infrastructure Fund and moved it over to the Garbage Fund. He said it was basically with TriCities participation who were offsetting a lot of Consultant Treleven and Special Projects Analyst Wolgamott's time on the program. He told them that even though the Council approved Ms. Treleven's contract for the year, it was almost 50/50. He believed staff could absorb that into using some of our franchise fee money to offset some of the cost as well, which he thought it was more accurately reflected in the Garbage Fund. In reference to the Agricultural Industrial Business Park, he indicated that staff was still working a couple of projects in the park and actively trying to move development there. Other items that were pointing to the future were the Community Policing, being the leader of the regional gang suppression efforts, possible Health and Wellness Center, and 5-Year Budget Plan.

City Manager/Executive Director Mendez reported on the resources to maintain core City operations and infrastructures, maintain pro-active business initiatives, maintain the G3 initiative, 2011 RDA financing plan, beyond the General Plan to Sphere of Influence, continue the Community Policing Program, and Leadership role in regional effort on gang suppression.

He explained that the total City revenues was \$20.9 million, which he believed this was the first time in six years that he was presenting a budget to the Council/Agency with more overall revenues and expenditures. He said the reason for that was because we were not using fund balance for General Fund, and as they could see in a few of the impact funds, there was revenue that we were anticipating but no expenditures. He mentioned that from a couple of the projects that come in, staff was thinking that we were going to get more transportation money, traffic impact, sewer, and water impact fees. He explained that the way those funds worked was getting the money and building stuff up until you had sufficient resources to do a project. He said the two largest pies were the RDA and General Fund because they were reflecting debt proceeds from the RDA financing.

He stated that the major reason for revenues exceeding expenditures overall was that impact fee revenue from a few development projects was expected for several of the Impact Funds that was not programmed for expenditure. He added that in the funds where expenditures exceeded revenues, they were being covered by the individual Fund Balance of each fund. He explained that what was reflected in the revenue was no change in property taxes, proceeds from the sale of City owned property, the \$5.3 million in transfers, 2006 RDA TAN financing project, sales tax left constant. He explained the transition from 3-Year Budget Alignment Strategy to 5-Year Budget Forecast, which included maintaining core operations and critical infrastructure, employee PERS contribution, no use of fund balance, reduction in employee health benefit plan, vacancies were maintained, no fixed assets and reductions of line items throughout, elimination of custodial contract, reduction to City Council Budget, and no change in sales tax. He provided a summary of the General Fund expenditures of \$8 million, which was \$4.8 million higher than the prior year. He added that the General Fund revenues were \$8 million, and estimated Fund Balance of \$1 million of which he was not proposing any use of Fund Balance and hoped we could maintain the \$1 million.

City Manager/Executive Director Mendez recalled that at the last meeting, the Council/Agency adopted a Fund Balance Policy, readjusted the General Reserve Policy, and Long Term Financial Management Policy, which were all important and explained the

purpose of each. He went over the General Fund Expenditures and General Fund Revenues.

Council/Agency Member Reed asked if the 7% shown in color gray on the graph was for the motor vehicle in lieu of vehicle license fee.

City Manager/Executive Director Mendez responded yes.

Council/Agency Member Reed asked if that was taking in what it currently was right now as opposed to if the State does not extend the taxes, would it then go down.

City Manager/Executive Director Mendez responded yes.

Council/Agency Member Reed asked if he knew how much it was.

City Manager/Executive Director Mendez responded he did not know. He said that this current fiscal year we were in, was the last year of the triple flip, which was the motor vehicle in lieu VLF adjustment that would be changed too. He mentioned that some of this was going to be reflected in the normal VLF and noted that he put a footnote about this in the document. He said that a lot of this was going to depend on the sales tax extension. He went over the individual budget summaries of the General Fund, which included General Revenues; City Council which the decrease was due to elimination of medical in lieu payment; City Manager, Finance and Public Works, which the increase was due to absorbing RDA; Police, which the increase was mainly due to expected charges from the County for the 911 Dispatch Center; Fire, which the decrease was due to a reduction of grant expenditures and the end of the SAFER Program; Recreation and Aquatics, which the decrease was due to less seasonal staff and restructuring and/or eliminating programs/sessions that were not full; and Contingency Budget, which reflected savings from employee PERS contribution and the Health Plan.

He explained the individual budget summaries for the Non-General Fund, which included the Redevelopment Agency where the administration costs had been transferred to the General Fund and Fund 125 showed zeroes, reflected Debt Service, and refinancing of the 2006 Tax Anticipation Note; Public Safety COPS funding levels; Impact Funds; Water and Sewer Enterprise where even with the listing of the capital projects, the budgets were down. He added that the levy work that was being done was not reflected next year and did not put it under accomplishments, but it would all be done this fiscal year. He also summarized the Streets and Transportation Fund, which had a Street Sweeping Program reduction and staff provided a detail of what the minimal and full program was; General Plan Update, which transitioned to Sphere of Influence budget; and Infrastructure, which was minimal and maintained G3.

City Manager/Executive Director Mendez reported that the critical areas not funded were Public Works personnel, Deferred Maintenance Program, Police Department personnel, Finance Director, and Grant Writer, which the currently monthly retainer of \$2,000 had been reduced to \$1,750 to keep business. He provided a handout to the Council/Agency with California Consulting grant list summary. He added that the risk areas were the State Budget, COPS funding, fuel prices, and economic and housing crisis. Additional policy areas within the Vision and Mission Statement were the Community Center; Community

Policing Program; Cal-Grip; Recreational Programming; aggressive Grant Program; G3; regional Leader in a variety of efforts; General Plan Update; Enterprise Zone and Salinas Valley Economic Development Center; partnerships with the County Library, School District, Vintners and Grower Shippers, County and other Cities, and Sister City; Succession planning which included Police, and Finance and Assistant City Manager; model future growth, Rincon Villages, and Sphere of Influence. He also explained the area of Economic Development which included the Business Development and Enhancement Loan Program, Gonzales Grows Green Initiative, Enterprise Zone and Salinas Valley Economic Development Center; pro-active development of the Gonzales Agricultural Industrial Budget Program, and Highway 101-La Gloria; SBDC Center Partnership with UC Merced and CSUMB; Health and Wellness Center; Economic Development Committee; and Gonzales Agricultural Business Park.

He concluded that the recommendation tonight was to approve the Budget as amended or if the Council/Agency wanted him to continue to do more stuff and then bring it back tomorrow after the scheduled joint meeting with the Council/Agency and School District. He said the other option was if it would need to a lot more work, we could do a continuing resolution so he had the authority to pay the bills, but not do anything new while staff continued to work on a Budget and present it to them.

Mayor Orozco thanked him for the hard work he did to put this budget together and to staff for the concessions they made in making it work, which she felt it was not easy and we had seen it throughout the Salinas Valley and the State as well as the Federal level. She reiterated her commendations to City Manager/Executive Director Mendez and his staff for all the work they had done to put all the material together for them.

In regards to the Budget Committee, she wished to recommend when they look at the different scenarios, to come up with some suggestions and ideas on the items that we were not going to be able to fund to see what were some of the alternatives that we could do. She mentioned that we worked in partnership and collaboration with a lot of our community groups, but she believed this was going to be something that we, as a City, were going to have to look at those community groups a little bit harder and see how we could partner with them, since there may be some grant opportunities that only the non profit groups could apply for. She believed this was where the partnership was really critical for us to see how it was that we could work with them to put programs together and some of the activities that we maybe looking at cutting.

In regards to the grant writer, Mayor Pro Tem/Vice Chair Funk asked if we could get from staff the services that we were currently getting from the grant writer.

City Manager/Executive Director Mendez responded that the grant writer had been assigning different staff so they put a lot more effort into our town. He said they were doing a lot better.

Mayor Pro Tem/Vice Chair Funk asked if they were going after grants that we did not had visibility to do or were they going after grants that our staff could go after.

City Manager/Executive Director Mendez responded that staff could write grants for example the SAFER Grant was written by staff and we were awarded, but the reason we got them

was to help staff because there was a lot of energy and time invested and spent on that. Another example he gave was the HOME Grant, which staff was taking a close look at, and staff could probably do it, but it would be a challenge. He said his thought was that if we did not have a grant writer, depending on the nature of the grant, staff could come before the Council and say we need some help.

Council/Agency Member Reed asked if it would be possible to put a tier payment system where instead of paying them a retainer per month, make a lower retainer like \$500 per month and upon award, pay them the additional \$1250 plus any cost related to the grant. He believed this way they could submit as many grants as they wanted and it did not matter, as long as we got awarded and they would still keep a retainer that was not putting too much of a burden in City funds.

City Manager/Executive Director Mendez responded that they were really interested in keeping our business so staff could explore something like that with them.

Council/Agency Member Reed asked if staff could bring back at a different meeting the consultants who consult for the City and give an update to the Council on their activities and let us know what we were paying them for their services.

City Manager/Executive Director Mendez responded that staff would provide the Council/Agency with a list and our justification for that and go from there.

In regards to the medical in lieu payment the Council was going to defer, Council/Agency Member Silva asked if the Planning and Recreation Commissions received any kind of stipend or benefit like the Council did.

City Manager/Executive Director Mendez responded they did not.

Public Comment: There was none.

Mayor Pro Tem/Vice Chair Funk appreciated all staff's efforts put into the Budget. He agreed with the City Manager with respect to succession planning for the Public Works Supervisor, which maybe something that we want to consider seriously and go after, not that the Public Works Director was going anywhere, but the Department had been heavily taxed for quite some time and he supported that direction. In general, he said he agreed with the City Manager's direction. In regards to the Parks Budget reduction in utilities from \$12,000 to \$7,500, he said he expected to see an increase with the lighting at the fields. He asked why we expected a reduction in utilities.

Public Works Director Lopez responded that on the lights for Centennial Park, the revenues to offset the costs were included within the Budget as far as the overall reduction from the previous year and there were some charges that had been miscoded which were part of the change that we would look at to see if the charges were being properly coded to the right department.

City Manager/Executive Director Mendez mentioned that we had a few non General Fund Budgets that got utilities charged to it.

In regards to the pool revenue, Mayor Pro Tem/Vice Chair Funk noticed we were looking at increasing from \$30,000 to \$40,000 and at the same time were looking at cutting some of the services. He asked where staff was seeing the increase of the additional \$10,000 in revenue.

City Manager/Executive Director Mendez responded that some was a little bit of the fees, and also more pool parties demand due to more time available, which was a wash because if there were no parties, we would not pay those expenditures to staff them.

Mayor Pro Tem/Vice Chair Funk asked if the Gym would be available 6 days but only supervised 3 days.

City Manager/Executive Director Mendez responded that staff supervised it everyday it was available and Recreation Coordinator Papineau would be supervising it more days than what she was now. He said that even though she was management, he was going to try to stay within the forty hour workweek.

Mayor Pro Tem/Vice Chair Funk mentioned that his perception was that Dive-in movies were full and would be a good revenue generator, but on the flip side, maybe that was an opportunity for sponsorship of those as opposed to eliminating them completely.

City Manager/Executive Director Mendez gave an example of copying the model of the Friends of the Library, like Friends of Model, or perhaps setting a Recreational non-profit.

In regards to the Street Sweeping Program, Mayor Pro Tem/Vice Chair Funk asked if we could potentially consider looking at a monthly rotation and maybe that would give us some of the same results and benefits on the streets.

Mayor/Chair Orozco believed that was a great idea. She would like the Budget Committee to look at how to be very innovative and creative, come up with suggestions or recommendations like "Adopt a Street", bring back our neighborhood watch programs, and look at how we could do things differently through our school and community partners, non profits, etc. She believed it was important especially for some of the services and activities we were looking at reducing. She believed there were a lot of possibilities for us to look at.

City Manager/Executive Director Mendez added that a good example was the Monterey Arts Council, which we were currently working with and the program was about to start who were very excited and all the City had to do was provide the space.

Mayor/Chair Orozco mentioned there were small grants that we could probably work with our non profit groups. She said we had seen their willingness to work and maybe the difficulty and challenge with these groups may be just to get through the paperwork process and filling out the forms. She believed the collaboration we could bring to the table would be to assist in that process and maybe that would enable us to be able to get some of the grants.

Council/Agency Member Silva thanked staff for all their hard work and concessions they were making, and hoped we could all agree to move forward after all was agreed upon. She

concurred with the Mayor/Chair on the non profits. In regards to the pool, she asked how long it would be before we need to seriously consider replacing it or looking at a new site. She said she was approached by one of the citizens who was concerned about the pool and wanted to keep it open, and maybe we could possible partner with the School District so there could be a pool that could be used for water polo or swim meets and that could be utilized hopefully year round, and not just the summer time. In regards to the Street Sweeping Program, she said maybe we could look at a partnership with Caltrans since they were sweeping Fifth Street.

Public Works Director Lopez indicated that Caltrans was here this weekend who did some work on the off ramp and stripping on Fifth Street. He told her that the sweeper she saw was part of the construction project that was finishing today.

Council/Agency Member Silva said she just did not know that was a possible partnership we could look at since Alta Street was technically Business 101. In regards to the Council's budget line item, she said she recalled the amount was about \$88,000 in expense and asked if that included the medical reimbursement as well or if it included travel.

Green's Accounting Representative Howard responded that on the salary line item, it included the regular stipend, the RDA stipend, as well s the medical reimbursement.

Council/Agency Member Silva asked if now that the medical was going to be taken away from the rest of the Council, the line item would reflect that change.

Green's Accounting Representative Howard responded that the reduction was on the salary line item. He added it was somewhat compounded this year and it was a little bit difficult to see because in prior years, we had actually taken a portion of their salary and charged it to Fund 125 which was the RDA. He said that was coming back into Department 100 as well as the reduction of the \$400 a month for the medical reimbursement.

In regards to co-sponsored events, Council/Agency Member Silva noticed that there were some events that still had amounts due, and asked if we just wrote that off.

City Manager/Executive Director Mendez responded no. He said staff was still trying to collect. He said that most of the partners paid with the exception of the large amount due from the last Music Festival.

Council/Agency Member Silva asked if we had any ceased property from any arrests made by the Police Department and if so, where did it go.

Public Safety Director Miller responded that we had some ceased property and after a period of time if it was not claimed or ordered returned to the person, some times the courts order it destroyed or sometimes order it over to the Department. He mentioned that money that was ceased under the Money Forfeiture Law, there was a requirement that it goes into a special fund that could be used for equipment and cost associated with narcotics enforcement, and it was not an open account for us to use on anything we wanted since there were specific guidelines. He said we did not have a lot ceased which was good in a way, and anything we had, everyone such as the State, County, and local got a cut.

In regards to graffiti abatement, Council/Agency Member Silva noticed there was a building on Alta Street with graffiti on the side wall and was not sure if that was being taken care of.

Public Safety Director Miller explained that once the report was taken, the Department gave a courtesy notice to the owner, and if they did not do that there was a code enforcement process that had to be followed. He indicated that if that was not taken care of, the City would go out, cover it and make a decision whether to lien the cost of that onto the property. He added that so far, we had not lien any property for the removal of graffiti.

Council/Agency Member Silva did not believe the tenants were the owner of the property.

City Manager/Executive Director Mendez mentioned that was part of our challenge, but they had been noticed and the process had started.

Public Works Director Lopez added that they planned to abate it in the next couple of weeks.

In regards to the Sphere of Influence, Council/Agency Member Silva asked if that included the Rincon Villages proposed development.

Community Development Director Truszkowski responded no because the Rincon Villages development was already in the City's Sphere, so this would be everything that would be in the new growth area of the General Plan.

Council/Agency Member Reed echoed the Council's thanks to staff for the concessions that were being made. He brought up two issues. One in regards to the employee contribution to their PERS accounts. He believed that right now as Cities faced the hard economic times, what he was not understanding and coming in late on this process because this was a process that had been ongoing, was the employees being asked to contribute their portion and they were not contributing their full portion, they were being asked to contribute 3.5% of the 7% that they should be contributing. He believed that when we looked at hard times and people that were struggling with their budgets, nobody was helping them out with their retirement benefits. He believed it was a good sacrifice that the public employees were making to begin the process of making their own contribution. On the other hand, he said he knew it was their responsibility to make sure they made those contributions. He said that 3.5% was one half and the City was still covering half of their contribution. He mentioned that the full contribution should be 7% and he thought that needed to be looked at because when the City was struggling, it would be nice for us to be able to pay all of these. He indicated he knew there were bargaining agreements and stuff in place for this, but he thought it was important that everyone remembered that it was our responsibility. He said he paid his full contribution, the Council paid the full contribution of 7%, and we were now being asked to give up another compensation we got and were not being asked to do less work. He gave an example of his employer. He said the School District did not pay half of his contribution, they did not pay the full contribution, he paid it. He believed that when we looked at these tough budget decisions we had to keep this in mind. He commented it would be nice in the future, if times turn around, to look for other ways of compensating employees for their contribution.

He stated the other thing he wanted to point out was that the Council pay had not changed since 1985, so when we looked at what the Council had to do and the decisions the Council had to make, we were still operating at a salary that stayed static since 1985, and no other department in the City had their salaries static since 1985. He believed we also needed to keep that in mind and come back later, not this year but maybe in a future year, to look at that policy. He indicated that it was important, and this was where we had the trouble, to have a good Recreation Program, but if we had to make major changes to the pool in order to make it federally compliant, we may have to look at the option of having that pool very limited service or shut down for a year while we considered that. He said from a school's stand point, the pool was not configured right for school function since it would be torn out and reconfigured in order to accommodate water polo, or diving, etc. He stated this was one major consideration we had to take if we wanted to have a partnership with the School District. He believed we should be contracting or billing 100% of the services when we have services provided by the City that required Police and Public Works. He indicated that groups would be having a hard time with that, but his feeling was that these were hard economic times and the City could just not bare those expenses anymore, and it was not fair to the Police Officers who had to put in their time to do it for free. He mentioned we had an obligation to provide safety and the groups that want to use our services should feel obligated to pay. He believed that when we looked at the budget that looked balance, when you got deeper into it, there were things that we needed to have done that could not get done because of the limited funds. He thought that all citizens in the City needed to realize that we all buckle our belts and do our part, which he believed many of our citizens did. He said staff was also under tremendous amount of pressure. He wanted to see that we had Police Officers that were groomed to be able to go into those boxes of upper management once they accumulated those years so we did not have a recruitment hassle. He also said he wanted to see if there was someone in Public Works now that could be in a position to either fill Carlos's spot in maybe 10 or 15 years, someone from within that could be promoted rather than going out and look for people. He believed that we had staff that was very dedicated and all they needed was an opportunity.

Mayor/Chair Orozco mentioned that we could look at the personnel issues as they came up. In terms of the other concerns about the different activities and events we had in our City where staff was involved, and seeing those activities were done safely and with the benefit to the community, she wanted to refer it back to the Budget Committee to see what some of the options maybe.

Mayor/Chair Orozco asked for a motion if there were no more questions.

Council/Agency Member Reed mentioned that before making a motion, he wanted to take out the provision for street sweeping and move it to a future date. He asked staff if we would be able to come back after the Budget Committee had looked at it.

City Manager/Executive Director Mendez indicated that if the Council/Agency gave him direction to include it for three months or however they want to do it, he asked to include it in the motion and then staff could adjust the Budget accordingly to move forward.

Council/Agency Member Reed made a motion to remove the street sweeping provision out of the current proposal.

City Manager/Executive Director Mendez asked if he wanted to remove it so it was not reduced.

Council/Agency Member Reed responded he wanted to remove it so we could reconsider it at a later date.

Mayor Pro Tem/Vice Chair Funk said the provision in here was to have it removed.

Council/Agency Member Reed said he wanted to look at other options.

City Manager/Executive Director Mendez indicated that he needed to adopt the Budget that leaves it in.

Council/Agency Member Reed apologized. He said he misunderstood.

Council/Agency Member Reed made a motion to place the street sweeping provision in there, but suspend it until the Council had a time to look at it. He added that he wanted to place it in there but did not want the funds to be used for street sweeping until the Council had time to look at it.

City Manager/Executive Director Mendez mentioned that if we did not use the funds for street sweeping, we would not have sweeping next Monday. He told him that now the budget reflected the lower Street Sweeping Program, and if they maintained the status quo Street Sweeping Program, then staff would continue that program and if they wanted to give three months for it, staff would spend money for three months and not change anything, and that would give the Budget Committee time to do whatever they wanted to do. He indicated that if we suspended the expenditure of the Street Sweeping Program, we would not do anything on street sweeping.

Council/Agency Member Reed asked for the clarification if the motion would be to keep the street sweeping in the Budget for the three months at the lower option.

City Manager/Executive Director Mendez responded no, since he wanted to maintain status quo, that way there was no change.

Mayor/Chair Orozco asked if we could include that as part of the motion since staff was recommending adopting the resolution.

City Manager/Executive Director Mendez said the motion would be to approve the budget with an amendment to reflect the status quo Street Sweeping Program for three months or whatever timeframe the Council wanted.

Mayor/Chair Orozco asked if she could include as part of the motion the appointments she wanted to make to the Budget Committee.

City Manager/Executive Director Mendez responded yes.

Mayor/Chair Orozco appointed Council/Agency Members Reed and Silva to the Budget Committee.

Council/Agency Members Reed and Silva agreed with the appointment.

Action: Council/Agency Member Reed made a motion to adopt Resolutions No. 2011-54, and Resolution No. R-2011-10, approve the budget with an amendment to reflect the status quo Street Sweeping Program for three months, and include the appointment of Council/Agency Members Reed and Silva to the Budget Committee. Mayor Pro Tem/Vice Chair Funk seconded the motion. Approved by vote; all ayes.

At this time, the Mayor brought back consent agenda item 2.

2. Consider Approval of Resolution No. 2011-52, A Resolution of the City Council of the City of Gonzales Establishing the Appropriations Subject to Limit for the City of Gonzales for the 2011-2012 Fiscal Year

Green's Accounting Representative Howard reported that this was a statutory requirement every year and explained why it was done.

Action: Councilmember Lopez made a motion to approve the Resolution No. 2011-52. Councilmember Silva seconded the motion. Approved by vote; all ayes.

City Manager Mendez reminded the Council about tomorrow's joint meeting with the School District at 6:00pm at the High School Library.

ADJOURNMENT

Mayor Orozco made a motion to adjourn. Mayor Pro Tem Funk seconded the motion. Approved by vote; all ayes.

The Joint City Council and Redevelopment Agency Budget meeting was adjourned at 7:14pm.

ATTEST:



René L. Mendez, City Clerk