Call to Order: 5:00 p.m.
Roll Call: West, Joyner, Hamilton, Gurrola
Absent: Woods

OTHER MATTER

A. SEATING OF NEW COUNCIL MEMBER KEITH JOYNER

The City Manager officially gave the Oath of Office to Keith Joyner.

WRITTEN COMMUNICATIONS - None

ORAL COMMUNICATIONS - None

SCHEDULED MATTER

1. CONSIDERATION OF ANNUAL BUDGET FOR 2002/2003

The City Manager presented the goals for the budget, i.e. to maintain service levels, to establish fiscal solvency, and to implement expenditure control approach. The City Manager then reviewed the basics of the expenditure control approach. He stated that the 75% CPI and population formula for 2002/2003 was 3.62% ($18,294,293), but was reduced to 3.41% ($17,233,022) in order to balance the budget as a base budget, and then modified to accommodate $233,000 in projects and other costs, for a total of $16,997,857, which would be the curtailed budget for the first quarter. The City Manager stated that they would establish a $1,325,000 base reserve, with a minimum reserve of $1,000,000.

Susan Slayton, Acting Finance Director then reviewed the preliminary budget fund summaries for 2002/2003. The summaries contained both the base and the curtailed figures.

Council questioned:
• losing Motor Vehicle Tax and Property Tax
• legislation making Charter TV exempt from franchises fees
• Interfund Services

Greg Sheldon questioned Parks and Leisure Services having the second highest budget. He asked if the City could reduce their debt by buying back the Certificates of Participation.

The City Manager stated that the only way to save additional monies was to either reduce services, raise taxes, or get more efficient.

The Acting Finance Director then reviewed the transfers into the budget and the individual funds.

The City Manager stated that the City may be looking at a sewer rate increase in 2003/2004, and a refuse rate increase in the first quarter of 2002/2003. He also stated that they would attempt to fund the 18-hole golf course analysis from the General Fund.
Council stated that the Equipment Maintenance Fund was not included in their budget, and staff stated that they would get them copies.

The Acting Finance Director then reviewed the summary of all funds.

Council Member Gurrola asked about Murry pool, and the City Manager stated that they would operate it this season, but they would probably be asking for minor adjustments on fees next year.

The City Manager and the Acting Finance Director stated that concluded their presentation.

It was questioned why the Equipment Replacement Fund was removed from the budget.

The City Manager stated that the expenditures were shown in the budget, but they did not show the total amount. He stated that they would place the question on the agenda as to whether the Council wants to show the Equipment Replacement Fund.

The audience asked about:
- Zalud House $10,000 transfer
- Transportation Development Fund
- Debt Service

The City Manager stated that the next step was to schedule the adoption of the budget for a public hearing on June 18.

**OTHER MATTERS**

- On June 5, 2002, from 5:30 p.m to 7:30 p.m. there will be a meeting regarding the Southern Tulare County East/West Road Study.

- On June 8, 2002, at 9:00 a.m. there will be a Strategic Issues Council Meeting in the Community Room at the Library.

**ADJOURNMENT**

Acting Mayor Gurrola adjourned the Council meeting at 6:30 p.m. to June 4, 2002.

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John Longley, City Clerk

SEAL

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Virginia Gurrola, Acting Mayor