Call To Order: 5:00 p.m.
Pledge of Allegiance Led by Council Member Cameron Hamilton
Invocation: Deputy City Manager Darrel Pyle
Roll Call: West, Martinez, Hamilton, Irish, Stadtherr

PRESENTATION

EMPLOYEE OF THE MONTH

Mayor Stadtherr officially recognized Denise Marchant had been selected as the January 2004 Employee of the Month. The Mayor stated that the selection would also be announced at the January 20, 2004 Council Meeting when more people would be in attendance. He then presented a letter to Ms. Marchant on behalf of the Council.

ORAL COMMUNICATIONS

None

SCHEDULED MATTERS

1. BUDGET REVIEW

The City Manager stated that the purpose of this study session was to provide some general background relative to where the City was this year with their budget, and to make some suggestions as to matters to consider in the future. He stated that the meeting was also to receive direction so that the staff could build additional budgetary information for Council consideration. The City Manager stated that staff had met for a budget retreat on January 8 and 9 to review where they were at budgetarily. He stated that the budget process was no longer linear and it is difficult to determine their status, but they have some good news to report, and some suggestions to make to the Council so they could receive further direction. These conclusions, findings and recommendations were:

- They should integrate the fiscal years and build a budget for the period through June 30, 2005. This would allow them to ascertain their needs over a significant period of time. This would require amazing flexibility and they would be doing continuous budgeting.
- The basic assumption was that the Vehicle In Lieu Fees would be received without a back fill through June 30, 2004, but would be increased to 90% of the Fiscal Year 2002/2003 amount starting July 1, 2004 through June 2005.
• The City should not allocate additional monies to increase the Reserve for Contingencies for the period July 1, 2004 through June 30, 2005. They would maintain through this fiscal year the addition to the Reserve, and increase the amount of reserves to $1.5 million after June 30.

• Proposed for July 1, 2004 through June 30, 2005, were some specific modifications in programs:
  • Eliminate the Thunderbolt Program.
  • Phase out the Literacy Program due to diminishing grant funds.
  • Curtail training and conference expenditures in the City Manager’s Department.
  • Curtail some internal administrative services.
  • Adjust some services to public safety, including police providing arson follow-ups and discontinuing non-injury traffic responses and reports.
  • Discontinue the fleet vehicle program for non-pool, non-specialty and non-public safety vehicles and provide a vehicle allowance instead.
  • Eliminate the large volume color copier in City Hall.

The City Manager stated that staff had developed three lists of modifications—the first list being the specific recommendations presented, the second list being some significant items worthy of additional study, if the Council felt it necessary, to determine their pros and con. The third items were discussed but it was felt they would not be on the table during this 18-month period.

The City Manager stated that some specific recommendations were:
  • Increase the Franchise In Lieu Fee for City utilities beginning March 1, 2004 to an annual $990,000 from $816,000. This was projected to increase the General Fund by $58,000.
  • Undertake a comprehensive fee schedule review beginning the process in March of 2004.
  • Begin the General Fund process in Fiscal Year 2004/2005 to determine the City’s position in terms of development, and allocate funds for the process. The City Manager stated that the Council might provide direction on alternative approaches, but the items presented that evening would allow them to being the General Plan process the next fiscal year.

The City Manager stated that the suggested process was for the Council to review the report on the conclusions, findings and recommendations at this meeting, approve or modify the summary of conclusions for further consideration, or the Council would require further information on the strategy formulated. The City Manager stated that it was anticipated that the Council would give further consideration to budgetary recommendations on February 20 as the goal was to begin implementing actions by March 2, 2004.

Darrel Pyle, Deputy City Manager, presented the specific information formulated at the staff’s budget retreat. He reviewed the budget list and the summary of prospective expenditure curtailment
and revenue supplement. Mr. Pyle stated that it was felt that funding for the vacant positions of Firefighter, Assistant Engineer in Public Works, and Recreation Leader in Parks and Leisure Services could be recognized with savings in this current Fiscal Year and those positions could be filled. Mr. Pyle also explained Assembly Bill 7X which would increase State Sales tax and reduce Local Sales Tax. He also spoke on the loss of property tax to the City and booking fees. Mr. Pyle then briefly went through the summary of conclusions.

Council stated that they would like to discuss each item on List 1 and how staff came up with the figures.

- Police Thunderbolt Program - Police Chief Rodriguez explained the Program and questioned the effectiveness of the program.

Council Member Hamilton stated that he would like to see the number of children referred through the Thunderbolt Program.

Mayor Stadtherr stated that he would be willing to fund the program if it was proved with data that the Program had a correction rate.

- Literacy Program - Jim Perrine, Parks and Leisure Services Director, explained the grant funding for that program and its reduction. He stated that his recommendation was to scale the program back to match the funding received. Mr. Perrine stated that if the funding was eliminated, the Program would end and the positions eliminated.

Mayor Pro Tem Martinez requested that staff check into charging for the Literacy Program to keep it going.

- City Manager Travel and Meeting Account - Mr. Longley stated that the $10,000 allocated for meeting expense was proposed to be reduced by $5,000.

Council Member Irish stated that the Council’s travel and meeting account should also be cut.

The City Manager stated that he would provide the Council with a copy of their budget for them to review.

Council Member Irish suggested that Council cut $2,500 and the City Manager cut $2,500.

- Finance Computer Maintenance - Mr. Pyle, Deputy City Manager, explained the MIS Division function and revising their program for more efficiency.

- No Non-injury Traffic Reports: Police Chief Rodriguez stated that this was to better utilize the patrol officers and improve response times.
Council questioned hiring Community Service Officers instead of sworn officers to take those calls.

The City Manager stated that this matter would be brought back as a separate item and take it out of the budget consideration.

- Fire Department Arson Investigation - Fire Chief spoke about this as an auxiliary item that could be shifted to save time in the overtime budget. He suggested having the Fire Arson Investigation Officer do the initial crime scene and origin work and then turn over the follow-up to the Law Enforcement Detectives. This would free up an estimated $10,000 in personnel costs.

- Vehicle Allowance for Staff Vehicles - Mr. Pyle stated that the fleet of rolling stock contained nine sedans for staff use with an average cost of $700 per month. He stated that the recommendation was to discontinue that portion of the fleet and a vehicle allowance instead. This would have a cost savings of $30,000 a year and free up additional capacity in the shop for other vehicles.

In question to the Mayor’s request, the City Manager stated that staff could provide the data on mileage times .37¢

- Excellence in Business Dinner - The City Manager stated that they were recommending not funding the Chamber’s Excellence in Business Dinner during Fiscal Year 2004/2005.

Donnette Silva-Carter, Chamber Director, explained that they anticipated this action due to State action and they did not budget for that program, and were in fact looking at revamping their entire award program.

- Eliminate Public Works and Community Development Color Copier - Brad Dunlap, Community Development Director, spoke about the large volume color copier in City Hall. He stated that they felt the replacement of that copier with a laser jet color printer would save $5,000 on the annual lease.

The Council took a ten minute recess at 6:25 p.m.

The City Manager stated that the #1 items would be brought back to Council for consideration this fiscal year, the #2 items would be evaluated as additional areas for consideration as items that need much more evaluation and information for Council to consider, and the #3 items would be left for no further analysis unless requested by Council. The City Manager stated that it would not preclude the Council from bringing up the items on any list. He stated that staff was asking for authority to submit to the Council at the next meeting the actions for continuation of the freeze, releasing the two positions to meet vital projects the Council has outlined, and the increase of the in-lieu amount, and they would commence compiling a budget over the next four or five months based
on the program modifications presented. The City Manager stated that it would be understood that there was no commitment that the Council would approve that budget.

In answer to Council Member Hamilton’s request for information, the City Manager spoke about question of a county-wide Airport District.

The Council told the City Manager to take the Airport District off the list. There will be no further analysis during the 18 months.

Council Member Hamilton stated that he would like to see further analysis of the Animal Control contract, and the City Manager stated that it would be done.

City Manager stated that the golf course privatization would probably come back to Council in March as an issue. They would present pros and cons and determine whether the Council wishes to pursue the matter.

Council concurred to remove the county-wide fire districts from the table.

The City Manager stated that staff would evaluate and provide analysis on the #2 items unless there was a radical change in the budget picture. He stated that if there was a consensus from the Council on the items presented, there would be no action that evening and staff would prepare a report for the upcoming Council meeting. Staff would keep the Council updated, probably on a monthly basis, by updating the information presented. The City Manager stated that prior to starting the budget, the Council would determine whether another study session was useful, possibly in the April time frame.

Council questioned the Street Franchise Fees, and the Deputy City Manager explained the development of that fee with the 1988 MSI Study, and its purpose. Council Member Irish asked about having the MSI evaluation done in-house to save money, and the Deputy City Manager explained the benefit of having some third party impartial party recommending fee changes.

The Deputy City Manager expressed the staff’s feelings toward the outstanding leadership shown by the City Manager.

The City Manager spoke about the extremely high level of expertise amongst the Directors and the amount of cooperation shown in coming to their conclusions in this process. He stated that Mr. Pyle brings a tremendous amount to the table.

2. CLOSED SESSION PURSUANT TO - GOVERNMENT CODE § 54957.6 - CONFERENCE WITH LABOR NEGOTIATOR, AGENCY NEGOTIATOR: DARREL PYLE. EMPLOYEE GROUP: PORTERVILLE CITY FIREFIGHTERS ASSOCIATION.
- GOVERNMENT CODE § 54956.9(A) - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION: CITY OF PORTERVILLE V. TULARE VALLEY RAIL ROAD; AND
- GOVERNMENT CODE § 54956.9(C) - CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: ONE CASE

The Mayor read the title of Item 2 and stated that no action was anticipated.

Council Member Irish stated that at the next Council meeting for discussion he would like to look at the feasibility of starting the Council meetings earlier. It was stated that the item was scheduled for a staff report on that meeting.

The Council adjourned to Closed Session at 6:59 p.m.

ADJOURNMENT

The Council reconvened at 7:14 p.m. and immediately adjourned until January 20, 2004.

Georgia Hawley, Deputy City Clerk

SEAL

Richard M. Stadtherr, Mayor