PORTERVILLE CITY COUNCIL MINUTES
ADJOURNED MEETING
291 NORTH MAIN STREET
PORTERVILLE, CA
JULY 27, 2010, 6:00 P.M.

Called to Order at 6:00 p.m.

Roll Call: Council Member McCracken, Vice Mayor Hamilton, Council Member Shelton, Council Member Ward (arrived at 6:03 p.m.), Mayor Irish

Pledge of Allegiance led by Mayor Irish
Invocation – a moment of silence was observed.

ORAL COMMUNICATIONS
None

STUDY SESSION
1. FISCAL YEAR 2010/2011 BUDGET

City Manager Lollis indicated that the purpose of the meeting was to review the proposed General Fund revenue estimates, “discretionary” General Fund expenditures, and Airport and Transit Fund budgets.

He then introduced Finance Director Maria Bemis, who presented a review of General Fund revenue estimates. Following her presentation, the City Manager added that the presentation looked at the major revenue sources: sales tax, property tax, and Utility Users’ Tax (UUT). He spoke broadly of the three sources, identifying sales and UUT taxes as generally flat, and property taxes as experiencing a very minimal increase. Mr. Lollis also noted that the decline in sales of vehicles and construction materials had a significant impact on the City’s sales tax revenues.

Administrative Analyst Linda Clark gave a presentation regarding the Fiscal Year 2010/11 Transit Budget. During her presentation she highlighted the following items as pending approval of the Transit Budget: Sierra Management Agreement, Vehicle Repair of Transit Bus No. 8159, and Annual Transportation Agreement with Tulare County. Ms. Clark then identified and reviewed three categories of expenses for the Transit Fund Operating Budget: Transit Administration, Demand-Response, and Fixed Route. She then addressed questions from the Council regarding revenue required to operate Transit, specifically Local Transportation Funds (LTF).

City Manager Lollis gave an overview of discretionary costs and professional services relative to the City Council, which included but were not limited to: auditing services, lobbying services, meeting expenses per Council Member, the Council’s contingency fund, community promotion account, dues for participation in various entities, and Main Street Christmas lights.

The City Manager addressed questions from the Council with regard to the discretionary funds identified. Following some discussion regarding council member spending, staff was directed to terminate the contract for lobbying services, eliminate the contingency fund of $8,000; and provide
quarterly reports of council member expenses.

City Manager Lollis stated that he would identify additional discretionary expenses by department. He began by indicating that the departments had collectively committed to save 5%, which would equate to approximately one million in savings. A discussion ensued regarding increasing departmental savings to 6%, and the use of reserve funds. Council Member Ward spoke in favor of seeking additional savings via personnel costs, and concern was raised regarding reduction of services. The City Manager noted that the Council was afforded the opportunity to discuss labor relations in Closed Session, and recommended that it be included on the August 3rd Agenda.

Council Member McCracken requested that the Council consider the additional Council discretionary funds. The Council discussed costs associated with publications and dues, and directed that League of California Cities be cut. Additional discussion regarding the Christmas lights on Main Street took place, and the Mayor suggested that the Council turn over the responsibility to the Chamber. Staff was directed to approach the Chamber regarding their interest in receiving an administrative fee of $5,000 to seek corporate sponsors for Christmas lights each year.

The Council recessed for ten minutes. Council Member Ward did not return due to a previously arranged commitment.

City Manager Lollis spoke briefly regarding the structuring of the Airport Budget so as to allow for funding of capital projects at the airport. The re-structuring of landing fees was identified as a means of earmarking funds for projects such as the Runway Rehabilitation Project, which would occur approximately every twenty five years.

It was clarified that the Council had directed staff to achieve 6% departmental savings.

ORAL COMMUNICATIONS
None

OTHER MATTERS
City Manager Lollis thanked Finance Director Bemis for her attendance. He reported that her daughter had been involved in an automobile accident two days prior, and was fortunately okay.

ADJOURNMENT
The Council adjourned at 7:52 p.m. to the Council Meeting of August 3, 2010 at 5:30 p.m.

_________________________________
Luisa Herrera, Deputy City Clerk

SEAL

_________________________________
Ronald L. Irish, Mayor