

**RED BLUFF  
CITY COUNCIL  
SPECIAL MEETING MINUTES**

**Date of Meeting:** Tuesday June 24, 2009  
**Time of Meeting:** 6:15 p.m. Closed Executive Session  
7:00 p.m. Open Meeting  
**Place of Meeting:** Council Chambers, City Hall  
555 Washington Street  
Red Bluff, CA 96080

**Council Members Present:**

Wayne Brown, Mayor  
Jeff Moyer, Mayor Pro Tem  
Forrest Flynn  
James Byrne  
Bob Carrel

**Staff Present:** Martin Nichols, City Manager  
Tessa Pritchard, Human Resources Director  
Scott Capilla, Police Chief  
Donna Gordy, City Treasurer  
Michael Bachmeyer, Fire Chief  
Scot Timboe, Planning Director  
Margaret Van Warmerdam, Finance Director  
Debbie Carlisi, Parks and Recreation Director

Mayor Brown called the meeting to order at 7:04 p.m.

Councilmember Bob Carrel led the pledge of Allegiance the the assembly joined in.

## CLOSED SESSION:

1. PUBLIC EMPLOYEE PERFORMANCE REVIEW  
Title: City Manager (Government Code Section 54957)
2. CONFERENCE WITH LABOR NEGOTIATORS: Executive Session in accordance with Government Code Section 54957.6 for the purpose of instructing the City's designated representatives Martin Nichols, City Manager, and Tessa Pritchard, Human Resources Director, regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits with the Police Unit.

Mayor Brown reported that they had met in Closed Session prior to the meeting and would adjourn back in to Closed Session at the conclusion of the open meeting.

## CITIZEN'S COMMENT:

None

## **CURRENT BUSINESS:**

### **1. POLICE CHIEF SCOTT CAPILLA – CERTIFICATE OF APPRECIATION**

Mayor Brown presented a Certification of Appreciation to Police Chief Scott Capilla for his service to the City of Red Bluff.

Chief Capilla stated that it had been his pleasure to service the Council as Chief of Police. He thanked them for giving him the opportunity to service and that it had been an honor serving under Mr. Nichols and that he had learned a lot from him. He also stated that working with the other department heads.

### **2. RESOLUTION NOS. 24-2009 AND 25-2009 FIXING THE RATE OF TAXES NECESSARY TO RAISE REVENUE NECESSARY TO SUPPORT THE CITY OF RED BLUFF DEPARTMENTS FOR THE 2009-2010 FISCAL YEAR AND FIXING THE AMOUNT OF REVENUE FROM PROPERTY TAXES NECESSARY TO SUPPORT THE RED BLUFF CITY DEPARTMENTS FOR THE 2009-2010 FISCAL YEAR**

Margaret Van Warmerdam, Finance Director, reviewed the staff report and gave staff's recommendation that the City Council adopt Resolution No. 24-2009 and Resolution No. 25-2009.

M/S/C Flynn, Moyer to adopt Resolution No. 24-2009 and Resolution No. 25-2009.

AYES: Councilmembers: Brown, Byrne, Carrel, Flynn and Moyer

NOES: None

ABSENT OR NOT VOTING: None

### **3. ADOPT FINAL BUDGET FOR FY 2008-09 AND ANNUAL BUDGET FOR FY 2009-10**

Margaret Van Warmerdam, Finance Director, reviewed the staff report and gave staff's recommendation that the City Council:

- 1) Receive a Staff presentation on the FY 2009-10 Annual Budget
- 2) Adopt the Final Budget for FY 2008-09
- 3) Adopt the Annual Budget for FY 2009-10
- 4) Refer the 2009-10 Annual Budget to the Council Budget Committee for review and report back to the City Council

Ms. Van Warmerdam stated that the presentation would take them from the General Fund through the other funds. At the end of the presentation she will take the four (4) major issues and put them before Council for discussion and action. She stated that the projected balance at June 30, 2010 is \$95,000, which does not include the \$400,000 set aside; this includes the proposed lay off positions. This was the only way that staff could come to Council with positive numbers. Other issues before the Council are funding for the Chamber of Commerce, the Library and Tehama EDC.

Councilmember Flynn requested clarification on the Transportation Fund of \$230,000.

Ms. Van Warmerdam stated that if the State were to take this money, staff would have to come back to Council with an option of what are your priorities within the Transportation Fund. Staff did not feel comfortable with the uncertainty of the State Budget to a head and flow those numbers on top of our economic issues, we wanted to try to isolate the instances'.

Councilmember Flynn stated so when the time comes we can address this issue.

Martin Nichols, City Manager, stated that if the State does take these funds we will have to revisit this issue and what this demonstrates is that the biggest impact will be on people.

Councilmember Byrne requested clarification on page 21, which lists \$543,937 as a negative and we're saving \$200,000 in cuts in materials and \$248,000 by cuts in salary, so that's a total of \$448,000, so won't that \$95,000 be a negative.

Ms. Van Warmerdam stated that there were other cuts throughout the budget. She stated that if the revenue don't come in or drop again we are left with going after positions again with Council.

Mr. Nichols stated that what staff was trying to demonstrate was that all the actions the Council took last year to get the budget down, had we stayed at that level we still would have overspent by almost \$543,000 so we had to find additional ways to reduce the budget. The two biggest pieces were the cuts in materials and the layoffs, plus other cuts.

Ms. Van Warmerdam stated when she started pulling the numbers she could see that with the MOU's in place, the City would end up with \$95,000, even with the cuts projected.

Mayor Pro Tem Moyer requested clarification on page 18, Impact Fees, if that money was received already.

Ms. Van Warmerdam stated that the Impact Fees are Development Impact Fees that have come into the City and are money that is in house with the exception of the pool renovation and Workforce Housing which is State money which we would spend and then get reimbursed.

Mayor Pro Tem Moyer requested clarification on whether the roof was included.

Ms. Van Warmerdam stated that was money sitting in LAIF.

Mayor Brown questioned the timing on the reimbursements and if payments were prompt.

Mayor Pro Tem Moyer stated that would be a chance that we would get reimbursed if we spent that money.

Ms. Van Warmerdam stated that we will not do the projects unless we know that we will get reimbursed.

Councilmember Byrne requested clarification on the \$232,000 listed for McGlynn Pool renovation on whether we have that money to spend.

Ms. Van Warmerdam stated that she did not have the money, as this was one that we had to spend the money in order to get reimbursed. When we're ready to proceed with the project we will check with the State to see if they want us to proceed or if they direct us to hold off on the project.

Mr. Nichols stated that the City has an approved grant.

Mayor Pro Tem Moyer questioned if there was a time limit on this.

Debbie Carlisi, Parks and Recreation Director, stated that the pool grant was good until 2012.

Ms. Van Warmerdam stated that the HVAC is 2010 and the generator is covered under Impact Fees.

Councilmember Byrne stated that he had read in the paper that \$116,000 of the \$232,000 for the pool had already been spent in updating some of the facilities at the pool, and asked if this was correct or incorrect.

Ms. Carlisi stated that none of the money has been spent at this time and it doesn't have to be used until 2012.

Councilmember Byrne stated that it's only sitting there if the State is capable of repaying it.

Ms. Carlisi stated that was correct.

Mr. Nichols stated that this was money from a bond that was approved by the voters, but we will not spend City cash until we know that the State is solvent and able to reimburse the City.

Ms. Van Warmerdam stated that she can review with the Council the options in the Building Department, discuss the issues before Council or the Council can refer to the Budget Committee.

Mayor Brown stated that this was one of the recommendations for the Council.

Ms. Van Warmerdam stated that was correct and that the Council can take action individually or all at once. She stated that they are estimating \$187,000 in revenue to the Building Department, but the requirements are \$231,000, so they are losing money at this point. The decision to Council is how they want to fund the department, as well as staff the department, this is an enterprise fund, but if you continue to see looses can the General Fund support the Building Fund and the General Fund is having its own issues.

Mr. Nichols stated that the Building Funds operates on a qualified year cycle, the time you pay for the permits and the time you actually complete your project with the inspections can be a couple years apart. The law requires that we have some balance to fund inspectors to complete the projects.

Ms. Van Warmerdam stated that for next year they are projecting \$199,000, almost \$200,000 in revenue, but with the position eliminated you still have an imbalance of almost \$70,000. So this is a situation that staff felt needed direction from the Council and wants to give the Council two options to consider.

Mayor Pro Tem Moyer requested clarification on the \$40,000 listed in Professional and Contractual Services and what it was for.

Ms. Van Warmerdam stated that this had been in the budget a few years and it is a computer project to rebuild the computer system within the Building Department. It was originally budgeted for \$80,000 but have cut it to \$40,000.

Mayor Pro Tem Moyer requested clarification on what it was going to do for the Building Department.

Ms. Van Warmerdam stated that right now the Building Department is using a DOS Building system and we have no way if we lose the system to have a backup system.

Mayor Pro Tem Moyer stated that he was just curious why it hadn't been updated by now.

Ms. Van Warmerdam moved on to the discussion on the General Fund. Within this fund there are four positions that are listed for the Council to consider, the Engineering Tech II, Police Officer, Community Service Officer and a Police Dispatcher which are funded only until July 31, 2009. She also stated that with the layoff of the Police Officer the City would lose the grant funding for that officer and it has been taken into consideration in the preparation of the budget.

Mr. Nichols stated that the numbers are based on all the recommended layoffs being effective the first of August.

Mayor Brown requested clarification on what Ms. Van Warmerdam stated in regards to the grant funding for the Police Officer.

Ms. Van Warmerdam stated that on page 33 of the Police Department, intergovernmental revenue you see something called Tehama Interagency Drug Enforcement, the individual slotted for layoff works on the drug taskforce so we would not receive the reimbursement from the County, so she did not budget the revenue. So the City would not participate in the task force.

Mr. Nichols stated that it is not the actually officer working the task force that would be laid off, it would be one of the junior officers, but the Police Department would drop out of the task force to bring that person back to cover shifts.

Ms. Van Warmerdam stated that the question had come to her and she wanted to make the Council aware of it, the balance on page 36 the annual budget does not include

base positions, but does include the police reorganization. This does include the raises that were negotiated as part of the MOU of Police and Fire.

Mr. Nichols stated that this assumes that they don't continue the 7% reduction and their 2% raise, so if we are able to negotiate a continuation of the 7% reduction this number would be reduced.

Mayor Pro Tem Moyer requested clarification on the Professional and Contractual Services included in the Police Department Budget.

Ms. Van Warmerdam stated that this is a long list, includes Animal Shelter, Secret Witness, medical etc that make up the \$96,000, of which the Animal Shelter is \$78,000.

Mayor Brown questioned if the Animal Control was a contracted amount or changes each year.

Scott Capilla, Police Chief, stated that it is a percentage of the animals that the City has at the shelter. This is reevaluated annually.

Mr. Nichols stated that the County's cost for operating increase each year and so our cost increase also.

Councilmember Carrel requested clarification on the repairs listed.

Ms. Van Warmerdam stated that the other issues discussed that the Council can recommend to the Budget Committee is funding of the Chamber of Commerce, the Tehama County Library, the Tehama Local Development and retiree health. So we can make a list of other issues and discuss with the Budget Committee and come back to Council with a recommendation.

Mr. Nichols stated that the Council would be adopting the final budget for 2008/2009, adopting an Annual Budget for 2009/2010 and the

Mayor Pro Tem Moyer questioned if there are names for those positions targeted for layoff and asked that he be given a list of those names.

M/S/C Carrel, Flynn to:

1. Adopt the Final Budget for FY 2008-2009
2. Adopt the Annual Budget for FY 2009-2010
3. Refer the 2009-10 Annual Budget to the Council Budget Committee for review and report back to the City Council.

AYES: Councilmembers: Brown, Byrne, Carrel, Flynn and Moyer

NOES: None

ABSENT OR NOT VOTING: None

Mayor Brown closed the public meeting and the Council adjourned back into closed session.

Mayor Brown re-opened the meeting, reported that the City Council had given direction to staff and adjourned the meeting at 8:53 p.m. until the meeting of July 7, 2009 at 7:00 p.m.

s/Wayne Brown, Mayor

ATTEST:

s/Jo Anna Lopez, City Clerk