

CITY COUNCIL MINUTES

Monday, June 29, 2009

Mayor Cannella called the meeting to order at 7:40 p.m. with the following in attendance:

ROLL CALL Council Members Durossette, Lane, Ochoa, Vierra, Mayor Cannella

INVOCATION by Mayor Cannella

PLEDGE OF ALLEGIANCE to the flag led by Mayor Cannella.

APPROVAL OF THE MINUTES of the regular meeting of May 26, 2009.

MOTION: Approve the minutes of the Council Meeting May 26, 2009 as recommended by staff.

MOVED: Moved by Lane/seconded by Durossette

VOTE: **Motion passed unanimously (5/0)**

APPROVAL OF THE MINUTES of the regular meeting of June 8, 2009. (Ochoa Excused).

MOTION: Approve the minutes of the Council Meeting June 8, 2009

MOVED: Moved by Lane/seconded by Vierra

VOTE: **Motion passed with Councilmember Ochoa abstaining. (4/0)**

CITIZEN COMMUNICATIONS

- Len Shepherd, resident, spoke regarding the first meeting in the new facility.

APPROVAL OF AGENDA AS POSTED (OR AMENDED) AND CERTIFICATION OF POSTING

Cindy Heidorn, City Clerk, addressed Council stating that Mr. Thorpe requested his item, No. 14 on the agenda be removed and UC Merced Medical School requested that Item No. 12 be heard prior to Public Hearings.

MOTION: Move Item No. 12 prior to Public Hearings, Item No. 14 from the agenda, and approve the agenda as amended and certification of posting.

MOVED: Moved by Vierra/seconded by Lane

VOTE: **Motion passed unanimously (5/0)**

APPOINTMENTS TO BOARDS/COMMISSIONS - None.

CONFLICT OF INTEREST DECLARATION - None

CONSENT CALENDAR

1. General Correspondence – **Information Only**
 - a. Public Works Dept. monthly report for May 2009.
 - b. Recreation Dept. monthly report for April and May, 2009.
 - c. Engineering Department monthly Report for May, 2009.

2. Register of Audited Demands for period covering May 29 – June 18, 2009.
3. Set the date of July 13, 2009 for a Public Hearing to consider Zoning Ordinance Text Amendment (ZOTA) 09-04; proposal to amend Municipal Code Section 18.42 Signs to allow on-site electronic changeable copy signs. The amendment will also allow service club signs to be developed on existing public right-of-ways in the City of Ceres. Dirk Wyatt/City of Ceres, applicants.
4. Set the date of July 13, 2009 for a Public Hearing for the adoption of a solid waste rate increase to pass-through the Stanislaus County Fink Road Landfill tipping fee increase.
5. Waive Second Reading and Adopt **Ordinance No. 2009-993** amending certain sections of the Title 18, Chapters 18.04, 18.10, 18.12, and 18.46 of the Ceres Municipal Code to modify the lot coverage requirement for single-family lots to include an additional allowance as applicable to patio covers and other accessory structures.
6. **Resolution No. 2009-56** authorizing the City Attorney to cooperate with the League of California Cities, other cities and counties in litigation challenging the constitutionality of any seizure by State government of the City's street maintenance funds.
7. **Resolution No. 2009-57** authorizing the City Attorney to cooperate with the California Redevelopment Association, other cities, counties and redevelopment agencies in litigation challenging the constitutionality of any seizure by State government of Redevelopment Funds.
8. **Resolution No. 2009-XX** electing to provide workers' compensation coverage for certain City volunteers. **Pulled for further discussion.**
9. **Resolution No. 2009-58** authorizing application to the U.S. Department of Justice, Bureau of Justice Assistance for a 2009 Edward B Memorial Justice Assistance Grant (JAG). (B. McCoy)

MOTION: Approve Consent Calendar Items 1a-c, 2 – 7 and Item 9.

MOVED: Moved by Vierra/seconded by Lane

VOTE: **Motion passed unanimously (5/0)**

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

8. **Resolution No. 2009-XXX** electing to provide workers' compensation coverage for certain City volunteers.

Staff reported that an incident recently occurred involving injury to a designated Ceres volunteer. Labor Code Section 3363.5 requires that if a City elects to provide workers' compensation coverage for volunteers, a resolution must be adopted by the City so declaring. At this point, the City has not passed such a resolution. Since the volunteers provide valuable services to the City, City Staff believes that they should be provided workers' compensation benefits in the event they sustain an injury while performing such services. Not providing such coverage may diminish our ability to get volunteers.

Council expressed concern that the liability to the City might be costly. They requested additional information from staff regarding the possible costs to the City and various alternatives including general liability coverage and requiring the volunteers to sign a waiver.

MOTION: Continue Item to the meeting of July 13, 2009 to allow staff to gather additional information.

MOVED: Moved by Ochoa/seconded by Vierra

VOTE: **Motion passed unanimously (5/0)**

UNFINISHED BUSINESS – None.

NEW BUSINESS

12. **Resolution No. 2009-59** supporting the continued planning of UC Merced’s Medical School; supporting in concept the recommendations contained in the WAG report and calls upon the Board of Regents of the University of California, the University of California Office of the President and UC Merced to support the development of the Medical School.

Mr. Lions, Co-Chair of the Valley Coalition for UC Merced Medical School, expressed the importance of this project and thanked Council for their support.

MOTION: **Resolution No. 2009-59** supporting the continued planning of UC Merced’s Medical School; supporting in concept the recommendations contained in the WAG report and calls upon the Board of Regents of the University of California, the University of California Office of the President and UC Merced to support the development of the Medical School.

MOVED: Moved by Lane/Seconded by Ochoa

VOTE: **Motion passed unanimously (5/0)**

PUBLIC HEARING

10. Public Hearing to consider the adoption of **Resolution No. 2009-60** levying an assessment for Ceres Downtown Revitalization Area Board (CDRAB) activities and projects for FY 2009/10.

Bryan Briggs, Economic Development/Redevelopment Manager, introduced the item explaining that the activities and programs initiated and funded by CDRAB are of vital importance to the continued success of revitalization efforts in Downtown Ceres. Collecting the assessments is the only method to fund the projects that keep Downtown clean and well-lit. The revenue also contributes to promotional and beautification efforts of all Downtown businesses.

8:11 p.m. The Public Hearing was opened.

8:12 p.m. There being no one wishing to speak, the Public Hearing was closed.

MOTION: Approve **Resolution No. 2009-60** levying an assessment for Ceres Downtown Revitalization Area Board (CDRAB) activities and projects for FY 2009/10.

MOVED: Moved by Ochoa/seconded by Vierra

VOTE: Motion passed unanimously (5/0)

11. Public Hearing - **Resolution No. 2009-61** adopting the annual budget for the City of Ceres for the 2009/10 fiscal year beginning July 1, 2009 and ending June 30, 2010 and **Resolution No. 2009-62** adopting the FY 2009/10 appropriations limitation. (B. Kilger)

Mr. Kilger, City Manager introduced the items and presented a brief overview of steps taken to date to reduce expenditures and the proposed budget to Council.

The proposed General Fund revenues for 2009/10 are estimated to be \$15.1M a decrease of 1.9M from the 2008/09 estimated projections. The decrease in estimated revenue projects is mainly due to the declines in property tax, sales tax, building permits and investment earnings. The remaining deficit for the year is \$2.7 million.

The General Fund operating expenditures are projected to be \$17.4M, an increase of \$600,000 from the 2008/09 adopted budget. Items impacting the proposed 2009/10 expenditures include projected increases for retirement contributions, non-Measure H General Fund overtime for public safety, the County animal shelter and existing MOU cost of living increases.

If reserves are used to eliminate the deficit, it would reduce the reserves down to 15.7% which is below the desired 25% adopted by the Council. To maintain a reserve level of 25% the City would need to further reduce the 2009/10 operating budget by \$1,329,351 or 7.6% of total expenditures. The City will need to achieve concessions from the various Bargaining Groups in a similar amount if the budget is to be balanced and maintain a 25% reserve. The City has not come to any definitive agreement with the Bargaining Groups.

The proposed budget is a balanced budget however it retains a 15.7% General Fund operating reserve versus the 25% desired by the Council. The City Council is legally required to adopt a budget before the end of the fiscal year. Labor negotiations are continuing and its assumed the staff will be directed to return with recommendations to lower expenditures to a level that achieves the minimum 25% operating reserve level.

8:20 p.m. Mayor Cannella opened the Public Hearing.

- Lisa Mantarro Moore, resident, spoke in support of Public Safety stating that the increase in their budget is mainly due to the overtime incurred while working on a major case and not the increase in their COLAs.
- Doug Lemcke, Recreation Director, spoke in support of the Recreation Department.

8:26 p.m. There being no one else wishing to speak, the Public Hearing was closed.

Council expressed their appreciation for staff and the work they do. From the beginning of the budget process Council had the following objectives: do not cut any sworn personnel; retain a 25% reserve and spread the budget cuts over two years. We still do not know what will the State will do, we have other uncertainties with regards to future retirement and animal control costs. The Budget Committee has worked hard to make very difficult decisions, but decisions they feel are in the best interest of the City.

At the June 8, 2009 Study Session a series of recommendation were discussed as possible methods for reducing the remaining deficit. Council made the following recommendations:

Department Reorganization Changes as follows:

- Eliminate the Administrative Services Department and create a Finance and Human Resources Department (FHRD), transfer Information Technology to the City Manager's Office
- Re-title the Community Development Department to the Development Services Department (DSD)
- Transfer the Recreation Department to the Department of Public Safety working in conjunction with Public Works for the maintenance and facility aspect of the Community Center.

Position Change/Elimination Recommendations as follows:

- Eliminate the Administrative Services Director position and create a Finance and Human Resources Director position
- Eliminate the Recreation Director position
- Eliminate the HR Manager position
- Eliminate the Deputy City Clerk position
- Appoint Glenn Gebhardt, City Engineer as Interim DSD Director/City Engineer
- Appoint Tom Westbrook as Interim City Planner in DSD
- Transfer Betina McCoy, Assistant to the City Manager to the FHRD

Additional Budget Adjustments as follows:

- Elimination of the Recreation Director Position - \$113,000
- Un-fund two (2) police Department Positions that are currently vacant - \$220,000
- Freeze Step Increases - \$201,000
- Reduce Police and Fire O.T. - \$212,000.
- Increase property tax revenue \$210,000
- Cut an additional \$115,000 by the following:
 - Engineering Contract Services - \$20,000
 - Information Technology Equipment - \$40,000
 - General Liability Internal Charges - \$55,000
 - Cut One (1) Facility Maintenance Supervisor - \$60,000
 - Cut Two (2) Maintenance Worker Aides - \$86,000

Brad Kilger, City Manager stated that he will take a voluntary 5% decrease in salary effective on July 1, 2009.

MOTION: Approve **Resolution No. 2009-61** adopting the Operating Budget for Fiscal Year 2009/10 with the following modifications:

- Elimination of the Recreation Director Position - \$113,000
- Un-fund two (2) police Department Positions that are currently vacant - \$220,000
- Freeze Step Increases - \$201,000
- Reduce Police and Fire O.T. - \$212,000.
- Increase property tax revenue \$210,000
- Cut an additional \$115,000 by the following:

- Engineering Contract Services - \$20,000
- Information Technology Equipment - \$40,000
- General Liability Internal Charges - \$55,000
- Cut One (1) Facility Maintenance Supervisor - \$60,000
- Cut Two (2) Maintenance Worker Aides - \$86,000

MOVED: Moved by Cannella/seconded by Vierra

VOTE: Motion passed unanimously (5/0)

NEW BUSINESS

13. **Resolution No. 2009-63** revising the fees charged by the City of Ceres for sewer service in the North Ceres Area, effective July 1, 2009.

Glenn Gebhardt, City Engineer introduced the item stating that on January 26, 2009 the City Council adopted the new Sewer and Water Rates. These rates were established as a result of extensive rate studies performed for both sewer and water. A portion of the proposed increase is to collect sufficient revenues to cover the increase in expenses as a result of the increases in Modesto's fee for treating wastewater from North Ceres. Recently, the City of Modesto announced that they would delay implementation of all sewer rate increases scheduled to become effective on July 1, 2009. The North Ceres rates include the costs paid to Modesto for treatment, plus the cost for operation and maintenance of the North Ceres collection system, development of a reserve account and the funding for CIP. The total proposed increase is \$6.18 of which \$4.03 is the pass-through of the Modesto charges.

Since the Modesto component of the North Ceres Service Area sewer service rate is a pass-through to the City of Modest, it would be appropriate to delay implementation of this component of the rate increase until such time as Modesto enacts their rate increase.

Council requested that a notice be included with the utility bill.

MOTION: Approve **Resolution No. 2009-63** revising the fees charged by the City of Ceres for sewer service in the North Ceres Area, effective July 1, 2009.

MOVED: Moved by Durossette/seconded by Lane

VOTE: Motion passed unanimously (5/0)

8:58 P.M. ADJOURN AS CITY COUNCIL TO THE REDEVELOPMENT AGENCY MEETING

9:17 P.M. RECONVENE AS CITY COUNCIL

COUNCILMEMBER REFERRALS

14. Report to Council regarding Jim Thorpe, Inc. *Continued from 06/08/09.*

Item removed from the agenda at the request of Mr. Thorpe.

REPORTS – None.

There being no further business, Mayor Cannella adjourned the meeting at 9:18 p.m. to the next regularly scheduled meeting.

Anthony Cannella, Mayor

Cindy Heidorn, CMC
City Clerk