

**CITY COUNCIL STUDY SESSION
MINUTES**

Monday, June 9, 2014

Vice Mayor Durossette called the June 9, 2014 Study Session to order at 5:33 p.m. with the following in attendance:

ROLL CALL Council Members Durossette, Kline, Lane, Ryno, Mayor Vierra (arrived 5:37 p.m.)

DISCUSSION ITEMS

1. Review of the Fiscal Year 2014-15 Proposed Budget.

City Manager, Toby Wells, presented the Preliminary Municipal Budget for Fiscal Year 2014/15. Through a series of department reductions, employee salary concessions, employee step freezes, unfilled personnel positions, use of Measure H funds, City Manager adjustments and use of General Fund Reserves, the budget as proposed is balanced.

Based on current trends, the economic future of the Central Valley will likely face difficulties for at least the next several years. Revenues are increasing a small amount each year but need to come at an accelerated rate in order to eliminate the structural deficit that we continue to face.

Mr. Wells stated the City's structural deficit for FY 2014/15 is \$451,241. Should Council restore employee step increases, salary concessions and funds used from Measure H; the total deficit would be \$1.8 million.

There was considerable discussion on the use of General Fund Reserves to balance the budget. The use of Reserves is not a permanent long term funding solution. Council felt the City should look at giving employees back their concession; reorganize and reengineer the organization to live within its means.

Three proposed personnel actions were discussed at length:

- Fund one IT System Analyst (previously frozen-funded with Internal Services Funds). Impact on General Fund is \$50,000.
- Add one Human Resources Analyst (new position-funded from Enterprise and General Funds) and eliminate one Human Resources Assistant. Impact on General Fund is \$10,000.
- Freeze one Deputy Police Chief Position.

Council discussed the need for the City to recruit for a new City Engineer. At current staffing levels, Human Resources would need to solicit the services of an executive search firm to recruit for the City Engineer position. The Human Resources Analyst will have the skills necessary to perform the necessary recruitment. Since the impact on the General Fund for a Human Resources Analyst would be less than the impact of an executive search firm; Council felt it more prudent to fill the Human Resources Analyst position.

- Rene Ledbetter, Ceres Chamber of Commerce, addressed Council about the need to generate more revenue. Ms. Ledbetter stated that the Chamber is looking for opportunities to bring to Ceres including Trade Shows and other events that can be held at the Community Center.

COUNCIL DIRECTION

Council directed staff to continue to freeze the IT System Analyst and Deputy Police Chief Position and move forward with recruitment for a Human Resources Analyst since the position is a cost savings.

Council further directed staff to present for adoption the preliminary budget and directed the City Manager to bring back recommendations to eliminate the \$1.8 million structural deficit as soon as possible.

6:55 P.M. There being no further business, Mayor Vierra adjourned the Study Session.

/s/Chris Vierra, Mayor

/s/Cindy Heidorn, CMC, City Clerk