



MINUTES

REGULAR MEETING OF THE CITY COUNCIL

**CITY OF CERES, CALIFORNIA
City Council Chambers, 2701 Fourth Street**

Monday, June 13, 2016 – 6:00 p.m.

Mailing Address: Ceres City Hall, 2720 Second Street, Ceres, CA 95307-3292
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Members of the public are advised that all cellular telephones and any other communication devices are to be turned off upon entering the City Council Chambers.

CALL TO ORDER

The City Council of the City of Ceres met at 6:02 p.m. in City Council Chambers, with Mayor Vierra presiding.

ROLL CALL - Present

Mayor: Vierra
Vice Mayor: Kline
Council Members: Durossette, Lane, Ryno

INVOCATION

Invocation was given by Mark Whitehead, Chaplain.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Mayor Vierra.

PRESENTATIONS

- A. Proclamation declaring June 2016 as Disability Awareness Month in the City of Ceres.

Mayor Vierra read the proclamation into the record and presented the Proclamation to Carolyn Teixeira Gomes, Director of Development for the Society for Disabilities.

B. Proclamation declaring June 2016 as the National Alzheimer's and Brain Awareness Month in the City of Ceres.

Mayor Vierra read the proclamation into the record and presented the Proclamation to Renee Ledbetter, volunteer at the Alzheimer's Association.

CITIZEN COMMUNICATIONS to the Council on matters not included on the agenda (five minutes).

Dave Pratt, commented on the driver's education program in schools and also spoke regarding the re-striping of Whitmore Avenue.

Leonard Shepherd, reminded the public that Flag Day is on June 14, 2016.

Danny Vierra, Ceres MPOA representative voiced his concerns from the May 23, 2016 Council meeting and the budget discussion. Mayor Vierra suggested Mr. Vierra voice his concerns when Item 10 budget is discussed.

Renee Ledbetter, Chamber of Commerce President invited the public to attend the Concert in the Park at Whitmore Park on June 14, 2016. Concerts are held every Tuesday, during the months of June and July. She also commented that the concerts now include a Farmers' Market and additional vendors. The concerts are free and lots of fun.

Hollie Hall, spoke regarding the Police and Fire training facilities.

APPOINTMENTS TO BOARDS/COMMISSIONS

- Discussion of Measure H Oversight Committee appointment process. (Wells)

City Manager Wells reported that effective June 30, 2016, there will be three vacancies on the committee. Staff conducted a recruitment and four applications were received. City Manager Wells asked for direction from Council on their preferred appointment process. Council directed staff to contact the applicants and schedule interviews by Council at the July 11, 2016 Council meeting.

CONFLICT OF INTEREST DECLARATION

No conflicts declared.

CONSENT CALENDAR

All matters listed on the consent calendar are considered routine in nature and will be enacted by a single motion unless otherwise requested by an individual Council Member or public for special consideration. Otherwise the recommendation of staff will be accepted and acted upon by roll call vote.

1. Clerks Report of Posting. The agenda of the regular June 13, 2016, City Council meeting was posted on June 9, 2016. (Nayares-Perez)

2. Waive Readings. All Readings of Ordinances and resolutions are waived, except by title. (Nayares-Perez)
3. Approval of Minutes (Nayares-Perez)
 - a. Minutes of the May 23, 2016 City Council meeting.
4. Register of Audited Demands for Period covering May 18, 2016 through June 2, 2016. (Dean)
5. General Correspondence – Information Only
 - a. Public Works Monthly Report for April 2016. (Damas)
 - b. Redevelopment / Economic Development Monthly Report for May 2016. (Hallam)
 - c. Recreation Division Monthly Report for April 2016. (Farris)
6. **Resolution No. 2016-056**, approving the Annual Funding Agreement designating the City of Ceres as a Sub-recipient of HOME Investment Partnership Program Funds through the City of Turlock/Stanislaus County HOME Consortium for Fiscal Year 2016-2017. (Westbrook)

Removed from Consent

7. **Resolution No. 2016-057**, authorization to execute a purchase and sale agreement for property located at 2601 Don Pedro Road. (Wells)
8. **Resolution No. 2016-058**, authorizing the City Manager to execute a contract with Industrial Electrical Company to design and build electrical panels for the Smyrna Park irrigation system. (Damas)
9. **Resolution No. 2016-059**, approving the Annual Report of the Ceres Downtown Revitalization Area (CDRA) for Fiscal Year 2016-17 and Setting a Public Hearing for June 27, 2016 to Consider Approving the Levy Assessment for CDRA Activities and Projects. (Hallam)

Mayor Vierra asked if any Council Member or citizen would like an item pulled from the Consent Calendar and be heard under separate motion. Council Member Ryno asked to remove item 7 from Consent.

MOTION: Motion by Council Member Durossette, seconded by Council Member Lane, approving the Consent Calendar items **1, 2, 3, 4, 5, 6, 8 and 9**. **Motion passes 5/0/0** by the following roll call vote:

AYES:	5	Council Members: Durossette, Lane, Kline, Ryno, Mayor Vierra
NOES:	0	Council Members: None
ABSENT:	0	Council Member: None

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

7. **Resolution No. 2016-057**, authorization to execute a purchase and sale agreement for property located at 2601 Don Pedro Road. (Wells)

Council Member Ryno pulled this item and inquired about the appraised value and additional compensation for loss of rental income. City Manager Wells reviewed the appraised value and additional compensation.

Mayor Vierra asked for public comments; seeing none, this item was brought back to Council for consideration.

MOTION: Motion by Council Member Lane, seconded by Council Member Durossette, approving the Consent Calendar Item 7. **Motion passes 4/1/0** by the following roll call vote:

AYES:	4	Council Members: Durossette, Lane, Kline, Mayor Vierra
NOES:	1	Council Members: Ryno
ABSENT:	0	Council Member: None

UNFINISHED BUSINESS

No items scheduled.

PUBLIC HEARING

No items scheduled.

NEW BUSINESS

10. **Resolution No. 2016-060**, adopting the interim budget for Fiscal Year 2016/17, authorizing expenditures in an amount not to exceed \$12,972,030 through September 30, 2016 and approving the positions for Fiscal Year 2016/17. (Wells and Dean)

City Manager Wells gave the presentation. He discussed changes made to the draft budget from the May 23, 2016 Council meeting, which consisted of recognized gas and oil savings for Fiscal Year 2015/2016 which leaves a fund balance that is rolled over to the next year, a revision to Police fleet allocation to reflect historical allocations for Fiscal Year 2016/2017 and minor clean ups. He reported that he expects that the reserve for Fiscal Year 2015/2016 will be within the 19-20% range. City Manager Wells reviewed the updated General Fund Future Projections chart. He further reported that the Fiscal Year 2015/2016 reserves will be at least 20% and the projected 2016/2017 will be at 17%.

City Manager Wells asked Council to provide direction on one of the two options presented in the staff report: 1) approve the continuing resolution to provide additional time to work on the budget; or 2) direct staff to return with the final budget.

Council Member Lane stated that his concern is moving forward.

City Manager Wells discussed the next steps, which are returning to Council with the final expenditures for Fiscal Year 2015/2016 and start the process for a possible remedy to the budget by performing a service level review.

Mayor Vierra stated that he agrees with Council Member Lane and that if the reserve is going to be set less than 18%, there has to be a plan moving forward. He would support a review of the City services or changing the budget process by providing the departments the projected revenue amount and have Departments stay within that budget, instead of the departments providing those amounts. There are a number of other jurisdictions that use that budget process. At this time, the City is spending more than its revenue.

Council Member Ryno inquired about the Fund Summaries attachment for Account 275, Community Center. She stated that it's listed as General Fund, but also a special revenue fund. She stated that the Community Center is showing as -\$1.077 million and asked if that is accurate. City Manager Wells stated that it is correct for the estimated Fiscal Year end 2015/2016 fund balance. Council Member Ryno asked if the General Fund is subsidizing the Ceres Community Center. City Manager Wells stated that it was set up as an enterprise account, as a separate internal fund. Council Member Ryno noted that it is a special revenue fund, but revenue is less than expenses, so in essence, General Fund monies are used.

Vice Mayor Kline commented that he is in favor of continuing the budget on an interim basis to give staff more time to look at internal services. Vice-Mayor Kline inquired about the Police Fleet Internal Services Fund and how the budget is determined. City Manager Wells explained how the budget for internal service funds is determined. City Manager Wells stated the department will submit requests for replacement of vehicles. This process is the same for facility maintenance and information technology items. Vice Mayor Kline further inquired about the process and when the funds are moved. Finance Director, Suzanne Dean explained the process and how the allocations are determined. Public Works Director, Jeremy Damas explained that the Internal Service Funds are done in arrears and that Departments place those monies aside for replacement of vehicles.

Council Member Durossette apologized for missing the last meeting and thanked everyone for being at the meeting. Their presence shows that they care for the City of Ceres. Council Member Durossette discussed when City Manager Wells began his tenure as City Manager. Council Member Durossette further commented that since 2008, the reserves have gone down from 38%. He appreciates staff and all of their hard work during this time. He also stated that it was known when concessions were returned that this was going to happen. He questioned where Ceres is going to be in 10-15 years and how will the City keep its employees. He does not think three months is enough time to resolve the budget issue. The budget hasn't been fine since 2008. Council Member Durossette also asked the public to help find a way to maintain City services and staff.

Council Member Ryno stated that the City cannot continue to put off what needs to be done. She further commented two years ago, Council asked for a balanced budget and that has not been accomplished. She stated that if staff continues to ask to reduce the reserves, Council will approve. Council Member Ryno referenced the General Fund Future Projections and noted how the reserves continue to drop each fiscal year, and at what point does Council say they need to be responsible to the City of Ceres.

A lengthy discussion amongst Council and staff ensued regarding fleet services, safer grant and future review of service levels.

City Manager Wells commented that the budget is not intended to be a fixed document; it can be brought back to Council for changes. City Manager Wells recommended that the continuing resolution be approved. He further stated that if Council approves the budget at an 18% reserve, there needs to be a review of City services. He stated that the City owes it to the citizens and staff of the City of Ceres. In order to get the budget structurally fixed, their needs to be a \$1 million annual change.

Council Member Lane stated that he has no issue with an 18% reserve. The issue is with every year thereafter. Council Member Lane commented that he agrees with Council Member Ryno, that the budget has to be fixed. He recommends that the COPS grant be included in the budget as they have been doing without. He inquired about looking at a two-year budget. If the numbers hold-up, the City will be at a 12% reserve next year and that's unacceptable. Council Member Lane shared his experience on the Board for the League of California Cities and stated that many cities have had to make tough decisions. Council did return concessions, because staff had not received anything for a few years. Other cities have been successful in fixing their budgets and he noted that Police has gone through many changes. Council Member Lane has always been an advocate of Police and Fire. At this time, there are labor negotiations occurring and there is nothing to give with the state of the budget. He stated the City employees deserve more, as many of them sacrifice their lives every day. The City of Ceres and public safety are important. He also encouraged City employees to give suggestions on the budget. Council Member Lane suggested the City Manager return with the budget in September to allow for more time to review service levels and additional time to talk with all the labor groups.

Mayor Vierra asked for public comments; the following citizens spoke.

Leonard Shepherd, asked Council to review the services that it provides for free. He stated the Fire and Police are the most important services that the City can provide. He also asked Council to look at what services are being duplicated by schools.

Danny Vierra, Ceres Police Officer Association commented on the freezing of the five vacant positions, which is essence equates to 9 less officers. He stated with fewer officers, the Police Department cannot provide effective services to citizens. He also stated that salary ranges need to be addressed. He stated that with 46 sworn officers it is difficult to provide quality services and that thankfully the schools are paying for three of those positions.

Mayor Vierra asked Mr. Vierra if he has any suggestions, as 87% of the budget is salaries. He agrees that the City needs more staff and services, but the City cannot get there without revenue coming into the City.

A lengthy discussion amongst Council and staff ensued regarding Police staffing levels, Measure H and the current economic development.

Mayor Vierra brought this item back for direction and roll call vote.

MOTION: Motion by Mayor Vierra, seconded by Vice Mayor Kline, approving **Resolution No. 2016-060**, adopting the interim budget for Fiscal Year 2016/17. **Motion passes 4/1/0** by the following roll call vote:

AYES:	4	Council Members: Lane, Kline, Ryno, Mayor Vierra
NOES:	1	Council Members: Durossette
ABSENT:	0	Council Member: None

11. **Resolution No. 2016-061**, adopting the Capital Improvement Projects (CIP) for Fiscal Year 2016/17, authorizing expenditures in an amount not to exceed \$20,354.474. (Wells and Dean)

City Manager Wells gave the presentation and reported that the CIP Budget for Fiscal Year 2016-2017 is being presented as a separate item for Council's approval in order to ensure that the construction projects and loan payments continue. City Manager Wells clarified that the actual CIP amount is \$20,353,474 and does not include any General Fund projects. Approving the CIP budget allocates the funds to start the design of construction projects. City Manager Wells also stated that the Planning Commission voted to approve that the CIP list of projects is consistent with the General Plan and recommended City Council approval.

Mayor Vierra stated that although this has been a challenging budget, he is pleased with the CIP projects and thanked staff for all of their hard work.

Mayor Vierra asked, if anyone from the Public had any comments. There being no comments, Mayor Vierra brought the item back to Council for direction.

MOTION: Motion by Council Member Lane, seconded by Vice Mayor Kline, approving **Resolution No. 2016-061**, adopting the Capital Improvement Projects (CIP) for Fiscal Year 2016/17 **Motion passes 5/0/0** by the following roll call vote:

AYES:	5	Council Members: Durossette, Lane, Kline, Ryno, Mayor Vierra
NOES:	0	Council Members: None
ABSENT:	0	Council Member: None

12. **Resolution No. 2016-062** , approving the Transportation Expenditure Plan and Requesting County Board of Supervisors Place Retail Transaction and Use Tax Measure on the November 8, 2016 General Election Ballot. (Wells)

City Manager Wells gave the presentation and provided a brief background of the item. City Manager Wells explained that Transportation Expenditure Plan includes the regional projects and requests that the County Board of Supervisors Place Retail Transaction and Use Tax Measure on the November 8, 2016 General Election Ballot. City Manager Wells further explained that the regional projects included in the plan are beneficial to the City of Ceres; and if the tax is successful, Ceres would gain about \$30 million for the Service Mitchell interchange project and would fund \$17 million of the future expressway and connection of Faith Home over the river and into the Beard Industrial Tract. The StanCOG Management Finance Committee is fully supportive of these efforts and the ultimate passage of this measure will be difficult and will be determined by the voters. There has been significant collaboration with city staffs, the StanCOG Policy Board, and various community elected officials. This tax will make the County of Stanislaus a self-help county with its own tax and control over tax funding.

Mayor Vierra explained to the public what a self-help tax is and that 81% of California counties have adopted a self-help tax. The self-help tax is for road maintenance and new transportation projects and that if passed by the voters, it will benefit Ceres residents and Stanislaus County.

Mayor Vierra asked, if anyone from the Public had any comments and the following citizens spoke.

Dave Pratt, stated that if the tax is passed he is hopeful that the expressway will be built in an effective and efficient manner.

Renee Ledbetter, Ceres Chamber of Commerce stated that the Ceres Chamber is supportive of the tax and is there to help educate Ceres residents.

Leonard Shepherd, commented that he is hopeful that the Sales Tax Measure is written in a way that benefits the City and not the State.

Vice Mayor Kline, commented that he has been on the StanCOG Policy Board for two years and there was lots of discussion regarding the ACE train stations. However, a clear commitment by San Joaquin COG was not obtained and this is why the ACE train did not poll well. He stated with this proposed expenditure plan, Ceres is due to gain quite a bit. If passed, Ceres is the 4th largest entity gaining revenues on the plan. He stated that fifty (50%) of the money is locally controlled. There will be an oversight committee, and the City will control 50% of its own money.

Mayor Vierra brought this item back for direction and roll call vote.

MOTION: Motion by Vice Mayor Kline, seconded by Council Member Durossette, approving **Resolution No. 2016-062**, approving the Transportation Expenditure Plan and Requesting County Board of Supervisors Place Retail Transaction and Use Tax

Measure on the November 8, 2016 General Election Ballot. **Motion passes 5/0/0** by the following roll call vote:

AYES:	5	Council Members: Durossette, Lane, Kline, Ryno, Mayor Vierra
NOES:	0	Council Members: None
ABSENT:	0	Council Member: None

13. Resolution No. 2016-063, authorizing Federal COPS Hiring Grant Application FY 2016. (Smith)

City Manager Wells provided a brief introduction of the item. Police Chief Smith gave the presentation and stated that the US Department of Justice is accepting applications for the Cops Hiring Program and the deadline is June 23, 2016. It is a three-year (36 month) grant beginning September 30, 2016 and if awarded pays 75 percent of salary of each newly hired full-time sworn officer at step A salary range. Chief Smith also stated that the grant does not include overtime, equipment, or any salary above step A and that the City of Ceres would be required to a 25 percent local cash match upon award. If the grant is awarded and accepted, the City must retain each officer for a minimum of twelve months after the expiration of the grant, which is June 30, 2019. The City has the option of applying for up to two full-time sworn police officer positions.

Vice-Mayor Kline asked what that the expected expenditure is. City Manager Wells stated that it is approximately \$27,000 per officer, per year.

Council Member Ryno commented that the \$27,000 does not include step increases, uniform allowance, holiday buyouts and bilingual pay. Council Member Ryno asked if the application had been completed yet, and how long does it take to fill out the application. Chief Smith responded that that process has not started and that it takes about 4-5 days to fill out.

Mayor Vierra asked, if anyone from the Public had any comments and the following citizens spoke.

Danny Vierra, Ceres Police Officer Association stated that this is an opportunity to hire two officers out of the nine that are missing at the cost of half of an officer.

Vice Mayor Kline inquired if these two officers would take the place of any of the frozen officer positions. Chief Smith stated that yes; these two officers would be placed in CNET positions and that would allow them to assist with any neighborhood, code enforcement, blight and homeless issues.

Council Member Ryno asked if those two officers could become traffic officers. If the grant is awarded, staff would return to Council with a plan on how it would be structured and under the terms of CNET the CNET sergeant oversees traffic and other CNET functions. It could be structured to cover some of the traffic duties, but the grant must be awarded first.

Danny Vierra, Ceres Police Officer Association stated that four of the frozen positions are CNET that used to be the street team. Those officers could assist with proactive enforcement in certain problem areas.

Council Member Ryno commented that even though the officers will be in CNET, they can assist with patrol. Chief Smith agreed.

Leonard Shepherd, voiced his support for this item and that Council should approve it. The citizens of Ceres need to be provided with the best Police and Fire by seeking assistance through grants.

Don Donaldson, stated that freedom is not free and that the City needs Police and Fire resources to protect its citizens.

Mayor Vierra brought this item back for direction and roll call vote.

MOTION: Motion by Vice Mayor Kline, seconded by Council Member Ryno, approving **Resolution No. 2016-063**, authorizing Federal COPS Hiring Grant Application FY 2016 for two officers. **Motion passes 5/0/0** by the following roll call vote:

AYES:	5	Council Members:	Durossette, Lane, Kline, Ryno, Mayor Vierra
NOES:	0	Council Members:	None
ABSENT:	0	Council Member:	None

DISCUSSION ITEMS

14. Ceres West Mobile Home Park request for Water Service. (Wells)

City Manager Wells detailed the request for water from the Ceres West Mobile Home Park. He discussed the differences from Monterey Park Tract and Ceres West Mobile Home Park and referenced a letter received from the State regarding providing water to the requestor and the precedent it would set.

Mayor Vierra commented that this request would set a precedent and that he is concerned with all the other mobile home parks in the City. He referenced the differences from the Monterey Park Tract and the Ceres West Mobile Home Park. He stated that Monterey Park Tract is a Community Service District (CSD) and backing from Stanislaus County. He would love help, but it would set a precedent for the other mobile home parks that are not within the City's jurisdiction. He cannot ask the citizens within the City limits to pay in order to assist with this request, without having any assurances. If the requestor would have gone through the same process as Monterey Park Tract, then it would be a different scenario.

Council Member Lane agrees with the Mayor; there has to be some document in place that would protect the rate payers in Ceres.

Vice-Mayor Kline stated when Monterey Park Tract approached the City, they came in with a financial plan for connection and started a Prop. 218 process.

A lengthy discussion amongst Council and staff ensued regarding Monterey Park Tract's approach with a Prop. 218, extension of the pipe, responsibility of cost and maintenance.

Mayor Vierra stated that the requestor should work through all the issues first, as the City must assure it will be kept whole. If all those issues are addressed, the Mayor would consider their request. However, there are many steps the requestor must take, which could take some time.

Mayor Vierra asked, if anyone from the Public had any comments and the following citizens spoke.

Tim Sloat, Real Estate Development Manager stated that the company that owns the mobile home park also owns many properties throughout the State and therefore is financially sound. He further noted that the company can obtain the required bonds and has the funding at its disposal. Mr. Sloat discussed the arsenic levels in the water and gave a brief background of how he was referred to the City of Ceres. He stated that they are trying to find a solution for the 41 households in the park.

Mayor Vierra brought the time for Council direction.

ACTION: Council directed staff to not expend any additional time on this request.

COUNCILMEMBER REFERRALS

Any Council Members that would like to have an agenda item placed on a future agenda shall make a request under this section of the agenda.

None.

REPORTS

At this time, any Council Members or City Staff will make an announcement, or report briefly on his or her activities.

- Mayor - None
- City Council Ryno - stated that since the City has taken over the street sweeping, they are coming through every Thursday after the leaf and limbs have been picked up. She is pleased that it is being done properly.
- City Manager – Reminded the Public about the Concerts in the Park on June 21, 2016; there will be a car show and Farmers' Market.
- City Attorney - None
- Departments – None
- County Supervisor – Not in attendance.

ADJOURNMENT

The next regularly scheduled City Council Meeting is scheduled to be held on Monday, June 27, 2016 at 6:00 p.m. in the City Council Chambers located in the Community Center at 2701 Fourth Street, Ceres, CA

There being no further business, Mayor Vierra adjourned the City Council meeting at 8:23 p.m. and convened in a Closed Session meeting with the below listed items being discussed.

CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR Government Code Section 54956.8

Properties: 3824 El Camino Avenue; APN 053-013-017
Agency Negotiator: Toby Wells, City Manager
Property Negotiator: Frances Yim Dea, Owner
Under Negotiation: Price and terms of payment or both

**2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Government Code Section 54956.8**

Properties: 3836 El Camino Avenue; APN 053-013-008
Agency Negotiator: Toby Wells, City Manager
Property Negotiator: Ricardo Gill, Broker
Under Negotiation: Price and terms of payment or both

**3. CONFERENCE WITH LABOR NEGOTIATOR:
Government Code Section 54957.6**

City Negotiator: Liebert, Cassidy, Whitmore
Employee Organization: **Miscellaneous Bargaining Unit**
Employee Organization: **First Line Supervisors/Confidential Bargaining Group**
Employee Organization: **Mid-Management Employees**
Employee Organization: **Public Safety Mid-Managers**
Employee Organization: **Ceres Professional Firefighters Association**
Employee Organization: **Ceres Police Officers Association**

REPORT FROM CLOSED SESSION

9:03 p.m. Reconvened to Open Session.

ACTION: Council provided direction to staff.

There being no further Closed Session business, Mayor Vierra adjourned the meeting at 9:03 p.m.



Chris Vierra, Mayor

ATTEST:


Diane Nayares-Perez
City Clerk