

MINUTES
JOINT CITY COUNCIL / IMPROVEMENT AGENCY MEETING
MONDAY, JULY 17, 2006

CALL TO ORDER Mayor/Chair Versaw called the meeting to order at 6:32 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

ROLL CALL

City Council/Agency: Council/Board Members Ashton, Ekbohm, Shoals, Mayor Pro Tem/Vice Chair Lieberman, and Mayor/Chair Versaw were present.

City/Agency Staff: City Manager/Executive Director Perrault, City Attorney/General Counsel Koczanowicz, City Clerk/Agency Secretary McMahon, Administrative Services Director/Finance Officer Chapman, Interim Community Development Director/Interim Deputy Director Hansen, Acting Police Chief Bewick, Public Works Superintendent Ford, Assistant Administrative Services Director Byrd, and Human Resources Coordinator Barrett were also present.

JOINT CITY COUNCIL / IMPROVEMENT AGENCY - PUBLIC HEARING

CC/IA-1. Proposed FY 07 Budget.

Mayor/Chair Versaw read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. For the information of those present, City Manager/Executive Director Perrault presented an overview of the proposed FY 07 Budget, and outlined the scheduled presentation format from individual departments over the next two budget workshop meetings. He then listed the following assumptions and guidelines that were followed in developing the proposed FY 07 Budget:

- no new personnel;
- no new programs;
- new and replacement equipment purchases would be limited;
- only currently authorized cost-of-living adjustments for personnel were included;
- capital projects were limited to those previously approved or prioritized per Council direction; and
- conservative revenue projections were used.

City Manager/Executive Director Perrault then gave an overview of projected fund balances, total expenditures, Capital Improvement Projects, and the proposed Improvement Agency budget.

Referencing a PowerPoint presentation, Administrative Services Director/Finance Officer Chapman gave a brief overview of the General Fund, future revenue sources, infrastructure expenses, and administrative funds for Agency Areas One and Two. She and City Manager/Executive Director Perrault then responded to questions from the Council/Agency.

Council/Board Member Ashton objected to the statement in the Budget Message that the City Council had approved a deficit budget for FY 06, objected to approving a deficit budget for FY 07, and objected to the use of consultant services listed in the Special Activities section of the budget. He then distributed a document comparing budget information for the ten-year period from 1996 to 2007, and expressed concerns regarding the increased cost of employee services.

Brief Council/Agency discussion was held regarding the following issues:

- negative fiscal impacts of actions by the State on the City's budget and operations,
- the fact that the proposed budget was fiscally conservative and included a twenty-three percent reserve fund level,
- increased costs for employee services were primarily due to increased costs for workers compensation and health insurance, and
- the detailed explanation of municipal financing that was contained in the Budget Message section of the FY 07 Budget.

Mayor/Chair Versaw invited public comment from those in the audience who wished to be heard on this matter.

Don Fielding, Grover Beach, expressed concerns regarding inter-fund transfers and commented on personnel costs and staffing patterns.

No further public comments were received and the Mayor/Chair closed the public comment period for this portion of the meeting.

Further Council/Agency discussion followed regarding funding for street maintenance and improvements.

City Manager/Executive Director Perrault confirmed that the proposed FY 07 Budget included \$500,000 for street repair and \$273,000 for street maintenance.

Mayor/Chair Versaw then announced the dates and times for the continued FY 07 Budget workshop meetings to be held on Tuesday, July 18, 2006 and Wednesday, July 19, 2006 beginning at 6:30 p.m., with a final meeting scheduled on Monday, July 24, 2006 at 6:30 p.m., if needed.

Recess: Upon consensus of the City Council / Improvement Agency, the meeting was recessed at 7:23 p.m., to reconvene the regular City Council Meeting.

Reconvene: At 8:32 p.m., the meeting reconvened with all Council/Board Members present.

PUBLIC COMMUNICATIONS The Mayor/Chair opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council / Improvement Agency but were not listed on the agenda. No one responded and the Mayor/Chair closed the Public Communications segment for this portion of the meeting.

CONSENT AGENDA

Upon unanimous consensus, Consent Agenda Item No. IA-1 was approved as recommended.

IA-1. Minutes of the Following Meetings:

- **Joint City Council/Improvement Agency Meeting of Monday, April 3, 2006;**
- **Improvement Agency Meeting of Monday, April 17, 2006; and**
- **Joint City Council/Improvement Agency Meeting of Monday, May 1, 2006.**

Action: Approved the minutes as submitted.

ADJOURNMENT

There being no further business to come before the City Council / Improvement Agency, Mayor/Chair Versaw adjourned the meeting at 8:33 p.m., to reconvene the regular City Council meeting.

City Council:

/s/ LARRY VERSAW, MAYOR

Attest: /s/ DONNA L. McMAHON, CITY CLERK

(Approved at CC Mtg 8/21/06)

Improvement Agency:

/s/ LARRY VERSAW, CHAIR

Attest: /s/ DONNA L. McMAHON, AGENCY SECRETARY

(Approved at IA Mtg 10/02/06)