

**REGULAR MEETING
CALIFORNIA CITY CITY COUNCIL
TUESDAY, July 5, 2006, 6:00 p.m.
Council Chambers, 21000 Hacienda Blvd.
MINUTES**

OPENING CEREMONIES: Mayor Adams opened the meeting at 6:00 p.m. Following the Pledge of Allegiance, the clerk called the roll:

PRESENT: Council members Edmiston, Schafer, Dempsey, Adams.

ABSENT: Lessenevitch (excused)

Also Present:

City Manager William Way; City Attorney Wayne Lemieux; Finance Director Terry Hicks; Public Works Director Dan Allen; City Clerk Denise Hilliker

ADOPTION OF AGENDA:

Motion to adopt agenda by Councilman Edmiston, second by Councilman Schafer; carried

PRESENTATIONS: None

STAFF ANNOUNCEMENTS:

City Manager Way asked the council to excuse both the Acting Fire Chief and Police Chief who were on scene at a structure fire in the City.

CIVIC/COMMUNITY ORGANIZATION ANNOUNCEMENTS: None

PUBLIC BUSINESS FROM THE FLOOR:

Charlie Sprout - Concern expressed regarding tree trimming at the Park and Airport.

Michael Husarek - New resident of Cal City, who wanted to say how much he enjoyed the fireworks display. Also a thank you to City Hall for waiving the business license fee for retired Veteran's.

PUBLIC HEARING 1:

Council consider adopting a Resolution calling a Municipal Election, for the purpose of enacting a special tax, for November 7, 2006, setting the amount and term of the special tax - City Manager

Mayor Adams declared the hearing opened at 6:05 pm.

David Campbell, Special Tax Committee, reiterated that the proposal from the committee was based on survey results from the citizens. Reviewing all information collected it was determined that the public would support a renewing the special tax at \$105 per parcel, yearly, for 5 years. He asked that the council pass the resolution.

Councilman Edmiston asked if there had been any changes from the original proposal. Mr. Way answered no. He also feels we are behind the curve with the amount of the special tax. It has been the same for the past 8+ years without keeping up with current cost and changes. \$75 does not go very far these days. He supports the higher amount and the 5-year plan. He also agrees with the breakdown of funds as proposed by the committee.

Councilman Schafer stated he would have liked to see the amount quite a bit higher, in order to get things achieved in the community.

The City Clerk received no communications.

Larry Grimshaw also thought that it was sad that the amount could not be higher. Also sad that the response to the survey was so low and that this city could be so much more with a higher amount of tax. The City doesn't need thousands of dollars, it needs millions.

David Campbell responded that he agrees that the amount should be a lot higher. Unfortunately the committee had to take the public's input into account and base their decision on what had the best chance of passing. He wanted to also remind the council that if they want to change the amount and it does not pass, we would have the opportunity to put it back on the ballot the following June.

Motion by Councilman Edmiston, second by Vice Mayor Dempsey to close the public hearing at 6:17 pm. Carried

Councilman Schafer commended the committee on their efforts. He would not be against doing this twice if needed. He would like to see the amount raised to \$125. He feels that we will again be behind the curve after the 5 year run at \$105. and end up being in the negative again.

Councilman Edmiston wanted to make sure the citizens know that the funds collected go to the specific departments stipulated, not the general fund. Also the citizen advisory committee provides the council semi annual reports to the council. He doesn't want to talk about a June election, and is in favor of \$105.

Motion by Councilman Edmiston, second by Vice Mayor Dempsey to put to the special tax on the Nov. 06' ballot for the duration of 5 years at \$105. per parcel, per year. and to adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY CALLING A

**MUNICIPAL ELECTION TO CONSIDER A SPECIAL TAX MEASURE
AND ORDERING THE CONSOLIDATION OF THE ELECTION**

Roll call vote as follows:

AYES: Edmiston, Schafer, Dempsey, Adams

NAYS: None

ABSENT: Lessenevitch

ABSTAIN: None

NEW BUSINESS 1:

Discussion of water rates - City Manager

Mr. Way stated that staff had provided an outline of the capital projects that are currently anticipated in the water department. No specific calculations have been done for water rates; staff felt the best place to begin discussions was to receive input from the council to determine the strategic direction that the council wants to go in. If there is additional information the council needs, besides the capital projects, please advise staff. Public Works Director Allen explained to Councilman Schafer that the dollar amounts listed per year through 2011 are the projected projects, stating they do not have monies set aside as of now. It is the outlook of the department through 2011. Councilman Schafer asked Mr. Hicks what is the break-even point? He also shared Councilman Lessenevitch concern over the fact that the water department ended the fiscal year with a negative \$150,000. Finance Director Hicks explained that numbers were only produced for the first 10 months of the fiscal year. Those numbers did not include the billing/meter reading for the last cycle of the fiscal year, which is currently in process. Councilman Schafer asked what the best guess cost of doing business for water? Mr. Hicks, basing his response on the 06'-07' proposed budget, with all the divisions of the department being considered, reported \$2.3 million for expenses. In that figure you have proposed expenses that are properly allocated against the \$480,000. of special tax to come in. The public works director has also budgeted \$181,000. of materials. Those materials have the right of offset against the water meter installation fees. When you subtract the \$480,000. and the \$181,000. from the \$2.3 million that leaves net operating expenses of about \$1.7 million. Projected revenue is \$1.2 million for residential, \$450,000. for commercial and some \$22,000 for other line items. Councilman Schafer inquired as to when the last increase was to water rates. Mr. Hicks recalled it was June of 2002, with an adjustment for meters of 1" or 1 1/2" later that fall. Councilman Schafer believes we need to get the rates up to the point where they are paying the bills. He does not feel that the City can continue to subsidize. Mr. Hicks stated that to deal with the issue of further improvements to the water system, that would translate into rates.

Councilman Schafer went on to explain that hitting up the citizens with a 40 to 50% increase every 10 years is not prudent business for the city or the citizens. It needs to be brought up to cover the current price for doing business and then re-evaluated yearly. He feels the increase should be done now at the beginning of the fiscal year.

Mayor Adams explained that according to the budget, increasing this enterprise fund to break even would work out to be about .60 cents per billing cycle. He asked staff to bring back to council a report showing what it would take to have the enterprise fund break even and then develop a rate off of that information.

Councilman Edmiston asked what has been the annual increase in cost in the water department over the last three years. Public Works Director Allen replied that that information could be brought back to them at the next meeting. That information should also be used to decide the amount of the increase. Councilman Edmiston added that he doesn't want the burden of all these improvement projects to be put on the backs of the citizens. We should seek whatever grants might be available to help cover those costs. He feels there needs to be a small percentage over the bare minimum. Councilman Schafer would also like to see an estimate as to what the matches might be towards the grants we would be considering, adding that would only be a few more cents added to the increase.

NEW BUSINESS 2:

Council consider claim from Martin Olson - City Manager

City Attorney Lemieux explained that this was a slip and fall in front of the medical facility on North Loop. The elderly man died a few days after the fall. The accident did not occur on City property.

Councilman Schafer inquired if we know for sure that the fall was in fact the cause for death. Mr. Lemieux stated that the facts are that he did slip and fall and that he was 90 years of age. Councilman Edmiston stated that the man did not seek medical attention nor filed a claim immediately following the accident.

Motion by Vice Mayor Dempsey, second by Councilman Schafer to deny the claim; Roll call vote as follows:

AYES: Edmiston, Schafer, Dempsey, Adams

NAYS: None

ABSENT: Lessenevitch

ABSTAIN: None

NEW BUSINESS 3:

Council consider FY 06'-07" Budget - City Manager

Mr. Way reminded the council that at their last workshop they had reached a concurrence in regards to approving the budget. He asked the council to adopt the resolution approving the budget.

Councilman Edmiston asked if all the questions from the previous workshop were answered. Mr. Way replied yes.

Mayor Adams wanted to applaud Councilman Lessenevitch's efforts of getting his view across through an email he sent in his absence.

Councilman Schafer wanted to stress that this was agreed to with the stipulations that there are going to be quarterly reviews and quarterly payouts of the budget across the city departments. Mayor Adams agreed.

Councilman Schafer wanted clarification from Mr. Hicks regarding the projected amount of funds left over this next year, wasn't it in the neighborhood of \$70-\$80,000? Mr. Way explained that that figure was in reference to a specific line item/account being discussed. \$2.4 million is the correct projected net difference between the projected revenues and projected expenses. Councilman Schafer also stated that the only other funds that could become available would be to hold off on the proposed airport runway project.

Mr. Way also wanted to bring to the council's attention that at the end of this fiscal year the general fund shows an approximate savings of \$149,000. He attributes this to the admirable job that has been done by the City's department heads in staying within their budgets.

Councilman Edmiston again wanted clarification on the quarterly reviews, as well as the allocation quarterly of funds to the various departments. He wished to amend that, not to include capital investment projects. These projects, mostly in public works, cannot wait for quarterly releases. That was previously discussed, therefore stipulated again not to include these projects. Councilman Edmiston wanted to remind the department heads that they are able to back before the council, in any quarter, and ask for additional funds.

Mr. Way voiced his opinion that in regards to the overall operations of the City, not just capital projects, there is other circumstances that normally occur that would be affected by the quarterly allocation of funds. One example would be one time purchases, hiring of employees, etc. He feels that the department heads have more than demonstrated their ability to stay within budget and they deserve the continued respect of the council for doing so. Councilman Edmiston concurred with Mr. Way, but still wants to make sure there are quarterly reports. Mr. Way reported that bi-monthly reports are anticipated and will be come before the council on the agendas.

Mr. Paul Ament spoke about the continued problems in regards to code enforcement. He feels liter has become a huge issue. Mayor Adams agreed. Also he was cited at one time for multiple non-running vehicles on his property, which he was finally able to take care of. Others with the same violations near him are not being sited. He has concerns also about

building regulations and if they are actually being enforced. With all the trash and debris, what kinds of people are coming into our community? He hopes that something more can be put into the budget in regards to code enforcement.

Motion by Councilman Edmiston, second by Vice Mayor Dempsey to approve the budget as presented at the last workshop with stipulations discussed with the minimum quarterly review in open session as an agenda item and adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY TRANSFERRING FUNDS UNAPPROPRIATED AS OF JUNE 30, 2006, TO THE CITY'S CONTINGENCY RESERVE ACCOUNT, AFFIRMING INVESTMENT POLICY, APPROVING THE CITY'S BUDGET, AND ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE FISCAL YEAR COMMENCING JULY 1, 2006" Roll call vote as follows:

AYES: Edmiston, Schafer, Dempsey, Adams
NAYS: None
ABSENT: Lessenevitch
ABSTAIN: None

Mayor Adams thanked his fellow council members and staff for coming together for the budget workshops meetings.

COUNCIL AGENDA:

Councilman Edmiston - He has presented a list of houses he has come across that have serious code enforcement issues. In fact the one that is currently on fire, was on the list. With the extreme heat, houses with trashy backyards are going to pay the ultimate price by losing their homes and possessions to fires. The expense of losing everything is going to exceed what the cost of clearing/cleaning the property would be. He is out with his camera taking pictures of code violations. He thanked those personnel involved with the fireworks show, but wanted to forewarn those who were doing illegal fireworks. Complaints have been coming in, with names and addresses. People are also very concerned with the fire hazard they present. He also thinks it is time for city staff to understand that the City has an ordinance that states there are no signs allowed in the median. He feels staff should make sure Monday morning that all signs are down. He believes that staff should be doing this also on Thurs. through Sat.

Councilman Schafer - Thanked the police for blocking traffic for the fire that is in process. He is concerned with the "car lot" that is growing again at the Aspen Mall. He suggests to everyone to take the time to clean up around your property, which in turn helps the fire department protect it. Get a burn permit and do your part. He also addressed construction sites adding to

the trash burden. Hopefully they will comply otherwise take the risk of not receiving their next inspection from the building department.

Vice Mayor Dempsey - None

Mayor Adams - Council has been asked to serve the food at the next National Night Out, which is scheduled for August 1,06. Since this is a regularly scheduled council meeting he suggest that that meeting be moved to the following Weds. August 9th. There is no charge to the public.

CONSENT CALENDAR/PUBLIC COMMENT:

CC 1. Check Register dated 6/23/06

CC 2. Minutes of June 20, 2006, regular meeting

CC 3. First Reading by Title Only with Further Reading Waived of “**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY ADOPTING ZONE CHANGE 174**” and adopt “**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY APPROVING TENTATIVE TRACT MAP 6632**”

Motion by Councilman Schafer, second by Councilman Edmiston to approve Consent Calendar. Roll Call vote as follows:

AYES: Edmiston, Schafer, Dempsey, Adams

NAYS: None

ABSENT: Lessenevitch

ABSTAIN: None

CLOSED SESSION:

CS 1.Pursuant to Gov't Code Sec. 54957.6, confer with Labor Negotiator William Way regarding Misc. Employees Union, C.C. Firefighters Assoc., CCPOA

Council recessed at 7:06 pm for closed session. Upon return at 7:18 pm, City Attorney Lemieux asked the council for a motion approving the Memorandum of Understanding with the Miscellaneous Employees Union; and authorizing the City Manager to execute the same for the period beginning July 1, 2006 and ending June 30, 2009.

Motion by Councilman Schafer as stated, second by Councilman Edmiston. Roll Call vote as follows:

AYES: Edmiston, Schafer, Dempsey, Adams

NAYS: None

ABSENT: Lessenevitch

ABSTAIN: None

City Attorney Lemieux also asked for a motion approving the Memorandum of Understanding with the Firefighter's Association for the period beginning July 1, 2004 and ending June 30, 2006, as outlined by the City Manager and authorizing the City Manager to execute the same.

Motion by Councilman Edmiston as stated, second by Councilman Schafer. Roll Call vote as follows:

AYES: Edmiston, Schafer, Dempsey, Adams
NAYS: None
ABSENT: Lessenevitch
ABSTAIN: None

Also in closed session Council discussed Firefighter's Association and Police Union negotiations for the period commencing July 1, 2006. There is nothing to report publicly at this time.

ADDITIONAL PUBLIC COMMENT:

Charlie Sprout inquired about the status of new cameras. Mr. Way reported that it was found that the current camera is sufficient for what we need. The money set aside is still planned on being used for upgrade to the wiring and microphones.

ADJOURNMENT:

Motion by Councilman Schafer second by Councilman Edmiston, to adjourn at 7:20 p.m. Carried.

Respectfully submitted by:

Denise Hilliker, City Clerk