

CONSENT CALENDAR ITEM B



CITY COUNCIL/REDEVELOPMENT/GVMID MINUTES

DRAFT

CITY COUNCIL SPECIAL MEETING

JUNE 23, 2009

BRISBANE COMMUNITY MEETING ROOM, CITY HALL, 50 PARK PLACE, BRISBANE

CALL TO ORDER/FLAG SALUTE

Mayor Richardson called the meeting to order at 7:31 p.m. and led the flag salute.

ROLL CALL

Councilmembers present: Barnes, Bologoff, Conway, Waldo, and Mayor Richardson
Staff present: Management Analyst Cheng, City Manager Holstine, Deputy City Manager/Administrative Services Director Schillinger, Parks and Recreation Director Skeels, City Clerk Spediacci, Marina Services Director Warburton

ADOPTION OF AGENDA

CM Waldo made a motion, seconded by CM Conway, to adopt the agenda as proposed. The motion was carried unanimously by all present.

ORAL COMMUNICATIONS NO. 1

Michele Salmon, Brisbane resident, requested that the City Council enact an immediate moratorium on freight forwarders in Crocker Industrial Park. She recommended having a policy in place before another applicant applies for a permit. She suggested that the Council agendize a study session and lower the existing cap.

CM Conway and CM Bologoff expressed interest in considering a moratorium. CM Waldo and CM Barnes indicated they did not wish to pursue a moratorium.

CM Bologoff requested background information on the City's current ordinance and cap. City Manager Holstine said the staff would get the background information to CM Bologoff.

Ms. Salmon reminded the Council that over 400 people signed petitions objecting to more freight forwarders in Crocker Industrial Park. She noted that the existing cap and ordinance were based on antiquated standards and allow existing freight forwarding uses to expand. She urged the City Council to adopt more restrictive standards before another application comes forward.

PRESENTATION

A. Parks and Recreation Cost of Services Study

Management Analyst Cheng presented the results of the recent study regarding the costs of Parks and Recreation Department facilities, programs, and activities. She said the study included an analysis of direct program costs, fixed costs, indirect costs, and non-cash costs.

Management Analyst Cheng presented graphs showing revenues and costs associated with the Community Pool and the Mission Blue Center. She said the pool costs the City about \$500,000 each year, of which only a small portion is recovered. She noted the Mission Blue Center costs about \$90 per hour to operate, and most of those costs are covered by revenues from private rentals.

Management Analyst Cheng showed a chart indicating the percentage of costs recovered for each Parks and Recreation Department facility, program, activity, and special event. In order to better cover the cost of services and programs, she recommended charging an additional 10 dollar processing fee for all adult classes.

CM Conway asked about the cost recovery figures for the Community Center. Management Analyst Cheng stated that about 4.2 percent of the Community Center's costs are covered by fees. Administrative Services Director Schillinger clarified that the 10 dollar processing fee recommended by the staff would be in addition to the class fee, which is split 80 percent with the instructor and 20 percent to the City.

CM Bologoff noted that the third page of the handout mentions cost recovery goals, and he asked how those percentages were determined. Management Analyst Cheng noted the goals were set by the City Council in 2002. Administrative Services Director Schillinger observed that some of the goals had not been met because the City Council was reluctant to increase the costs of certain programs.

Councilmembers thanked the staff for the report.

PUBLIC HEARING

A. Consider adoption of Resolution No. 2009-21 adopting a Master Fee

Schedule

Administrative Services Director Schillinger said the proposed fee schedule includes the 10 dollar processing fee plus a 3 percent increase for inflation. He advised that since he prepared the staff report, Marina Services Director Warburton researched pool fees and recommends slight increases to boost revenues and remain competitive. He estimated that these increases would generate an additional \$7,000 to \$10,000 in revenues.

CM Conway asked how the staff distinguishes between residents and non-residents who use the pool. Administrative Services Director Schillinger responded that the users are asked to provide written identification to verify residence addresses.

Administrative Services Director Schillinger recommended that the Council open the public hearing and adopt the resolution.

Mayor Richardson opened the public hearing and invited comments from audience members.

There being no other members of the public who wished to address the City Council on this matter, CM Barnes made a motion, seconded CM Bologoff, to close the public hearing. The motion was carried unanimously by all present and the public hearing was closed.

CM Waldo made a motion, seconded by CM Barnes, to adopt Resolution No. 2009-21 with the recommended changes in pool fees. The motion was carried unanimously by all present.

NEW BUSINESS

A. Consider information regarding water and sewer rates and give direction to staff

Administrative Services Director Schillinger gave a presentation about proposed water and sewer rate increases for 2009/10. He explained that the City must provide a safe and environmentally sound water distribution and sewage system to Brisbane residents. He noted the City engaged a consultant several years ago to examine the rate structure and make recommendations to ensure that rates charged are sufficient to pay for necessary improvements and maintain services. He said that in response to the water and sewer master plan studies, the City adopted a series of rate increases that offset the costs of depreciation. Administrative Services Director Schillinger reviewed past rate increases and estimated the costs of future improvements and water purchases.

Administrative Services Director Schillinger stated that the City Council's subcommittee looked at the rate structure and decided that a small increase was warranted, but not until next year. He advised that the City has a chance of obtaining federal grant money to cover the costs of certain

capital improvements, but funds will not likely be available from the state.

CM Bologoff observed that when the City Council subcommittee discussed this matter several months ago, there was concern about the state of the economy and the impacts of another rate increase at this time.

CM Conway said the subcommittee also talked about credit card fees. He noted the subcommittee was reluctant to recommend a rate increase and decided that the City Council should decide.

CM Barnes recognized that the economy and job losses were affecting many people, but he expressed concern about deferring a rate increase until next year, in case the economy does not improve. He suggested raising rates 3 percent this year, as recommended by the staff.

CM Barnes made a motion, seconded by CM Waldo, to increase rates 3 percent. The motion was carried, 3 - 2 (CM Bologoff and CM Conway opposed).

Administrative Services Director Schillinger added that the staff is willing to work with individual customers to make special payment arrangements for people having difficulty.

BUDGET ADOPTION

A. Consider adoption of budget resolutions

CM Conway recommended listing Councilmembers' official names with initials on the title page.

Administrative Services Director Schillinger reviewed the City's vision, goals, and key values, and said the 2009-2011 budget reflects Brisbane's values and helps carry them out over the next few years. He discussed five-year trends in costs and revenues and identified particular expenditures that can be reduced to save money.

Administrative Services Director Schillinger said the proposed budget provides no cost-of-living increases for staff for the next four years, and reserves will be used to help offset deficits. He observed that the City should be able achieve a balanced budget after next year.

Administrative Services Director Schillinger reviewed projected changes in sales tax revenues. CM Barnes noted that Brisbane's diverse economy has contributed to greater financial stability than some neighboring communities. He asked the staff to provide a summary showing the types of businesses and the sales tax revenue amounts they have been generating.

Administrative Services Director Schillinger discussed property tax revenues and other sources of income for the City. He reviewed expenditures and explained the use of reserves. He reported that no additional staff positions will be filled, and all departments were asked to cut costs by an additional 5 percent. He noted that the City Council's subcommittee reviewed possible budget reductions and developed a series of recommendations for the Council to consider at this meeting.

Administrative Services Director Schillinger advised that the state will probably be diverting gas tax money from local governments to help cover state shortfalls, a move that will cost Brisbane approximately \$75,000 in street improvements. He noted the City will not need to lay off any employees as a result, but there will be impacts over the next few years if the situation does not change.

Mayor Richardson asked how much the state could borrow if Proposition 1A is carried out. Administrative Services Director Schillinger estimated that \$300,000 to \$400,000 could be borrowed, which will cause cash shortages. He said the borrowed funds are supposed to be repaid in three years.

City Manager Holstine added that the League of California Cities is contesting the state's ability to take gas tax and redevelopment funds from local governments.

CM Conway asked if the redevelopment areas could borrow funds from other sources. Administrative Services Director Schillinger advised that it might be possible to transfer money from the rainy-day fund to the redevelopment areas.

Administrative Services Director Schillinger referred to Page 2 of his staff reports for a list of items the Council subcommittee had proposed cutting from this year's budget, such as televising of Planning Commission meetings and producing action minutes only, memberships and contributions to certain organizations, the student intern in the Public Works Department, and part-time clerical support in the Police Department, and reduced hours for the City Attorney. He said the City Manager proposes prioritizing core City services to assist with future budget cuts. He noted that the subcommittee also looked at the City's reserve and fund balance policy, including how reserves are set, use of reserves for emergencies, and repayment. He stated that the staff and subcommittee will continue to work on these issues during the coming months and come back to the Council with a recommended policy.

Administrative Services Director Schillinger recommended that the City Council adopt the 2009-2011 budget with the changes identified.

Mayor Richardson expressed concern about likely increases in PERS contributions. Administrative Services Director Schillinger said increases have been factored into the staff's

five-year projections. He noted there are many cities throughout the state that have been lobbying for reductions, but these short-term solutions will only postpone the problem. He commended Brisbane for establishing sound reserves and planning conservatively for the future.

CM Conway noted the City Council previously proposed eliminating the televising of Planning Commission meetings and producing video recordings and action minutes only, unless there is an appeal. City Clerk Spediacci advised that the Open Space and Ecology Committee will be making DVD recordings and having the staff take action minutes. CM Conway suggested having DVD's and action minutes for the City Council, Planning Commission, and the Parks, Beaches and Recreation Commission as well. Councilmembers observed that DVD's will provide an adequate record for most meetings. Administrative Services Director Schillinger pointed out that the budget includes funds for video streaming of meetings so people can watch online. After some discussion, there was consensus among Councilmembers to eliminate detailed minutes for all City meetings and instead provide action minutes, make recordings on DVD, and televise all City meetings.

Administrative Services Director Schillinger recommended leaving \$500 in the budget for certain instances in which detailed minutes are needed.

- 1. City of Brisbane Resolution No. 2009-15 adopting the two-year budget for fiscal years 2009-2010 and 2010-2011 and making appropriations for the amounts budgeted**

CM Barnes made a motion, seconded by CM Bologoff, to adopt Resolution No. 2009-15 as proposed. The motion was carried unanimously by all present.

- 2. Brisbane Redevelopment Agency Resolution No. RA 2009-01 adopting the two-year budget for fiscal years 2009-2010 and 2010-2011 and making appropriations for the amounts budgeted**

Agency Board Member Barnes made a motion, seconded by Agency Board Member Bologoff, to adopt the 2009-2011 Redevelopment Agency budget as proposed. The motion was carried unanimously by all present.

- 3. Guadalupe Valley Municipal Improvement District Resolution No. GVMID 2009-01 adopting the two-year budget for fiscal years 2009-2010 and 2010-2011 and making appropriations for the amounts budgeted**

CM Barnes made a motion, seconded by CM Bologoff, to adopt the GVMIC budget as proposed. The motion was carried unanimously by all present.

A. Consider adoption of Resolution No. 2009-16 establishing the appropriation limit for Fiscal Year 2009/10

Administrative Services Director Schillinger said state law requires the City Council to adopt an appropriation limit for the year based on projected revenues and expenditures. He recommended approving Resolution No. 2009-16 as proposed.

CM Barnes made a motion, seconded by CM Waldo, to adopt the 2009/10 appropriate limit as proposed. The motion was carried unanimously by all present.

ORAL COMMUNICATIONS NO. 2

There were no members of the public who wished to address the City Council.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:20 p.m. with no announcements.

ATTEST:

Sheri Marie Spediacci
City Clerk