

**MINUTES OF THE ADJOURNED MEETING OF
THE MONTCLAIR CITY COUNCIL HELD ON
TUESDAY, FEBRUARY 12, 2014, AT 5:59 P.M. IN
THE CITY COUNCIL CHAMBERS, 5111 BENITO
STREET, MONTCLAIR, CALIFORNIA**

I. CALL TO ORDER

Mayor Eaton called the meeting to order at 5:59 p.m.

II. ROLL CALL

Present: Mayor Eaton; Mayor Pro Tem Ruh; Council Members Paulitz, Raft, and Dutrey; Deputy City Manager/Office of Economic Development Executive Director Staats; Director of Community Development Lustro; Director of Public Works Hudson; Finance Director Parker; Deputy City Clerk Smith

III. PUBLIC COMMENT - None

IV. MIDYEAR BUDGET REVIEW

A. Review of the City's Fiscal Operations and Approval of Proposed Changes to the Fiscal Year 2013-14 Budget

Mayor Eaton stated that Finance Director Parker would be reviewing the proposed changes to the budget.

Finance Director Parker reported the status of the City's financial operations at midyear and discussed specific changes to the City's Estimated Revenue and Appropriations budgets. He highlighted General Fund revenue/expenditure trends and the fiscal impacts of potential budget changes including the following:

Allocation of \$55,000 to the Administrative Services Department from the General Fund for Springbrook annual maintenance fees that were originally estimated to be reduced by the migration to the new software version. This process was anticipated to occur at the beginning of the fiscal year; however, the migration has been more involved than expected and delays have occurred that made the change to appropriations necessary.

Allocation of \$35,525 to the Police Department from the General Fund for increased callouts and holdovers

of personnel to initiate and complete criminal investigations of \$20,000, \$4,225 to replace ballistic vests, \$1,800 for uniform replacements, \$1,500 for additional diesel fuel requirements, and \$8,000 for additional Reserve Officer services related to the Splash Pad and Alma Hofman Park.

Allocation of \$40,000 in the Public Works Department from the General Fund to cover replacement costs associated with the play surface in the Splash Pad.

Finance Director Parker presented suggestions for revisions to the Estimated Revenue Budget (increase by \$184,549) and the Appropriations Budget (increase spending authority by \$130,525 in the General Fund). He noted approval of both the revised Appropriations and Estimated Revenue Budgets would have a positive budgetary impact to the General Fund of \$54,024.

Council Member Paulitz requested that in the future, Table 3, "Statement of General Fund Expenditures for Six Months Ending December 31, 2013," include an overall expenditure percentage for each department.

Director of Finance Parker agreed that an overall department expenditure percentage could be included.

Council Member Paulitz asked if all vendors in Montclair collect taxes of 8.25 percent.

Director of Finance Parker agreed that the percentage relates to sales tax collected.

Deputy City Manager/Economic Development Executive Director Staats clarified that auto sales illustrate the difference between the collection of sales tax and transactions and use tax because the City cannot collect the transactions and use tax from individuals who purchase cars in Montclair and live elsewhere.

Council Member Dutrey received clarification that the transactions and use tax was overestimated at the time the budget was adopted and has now been reduced to the more likely amount that the City's tax consultant **HDL Companies** has estimated the City will receive to the end of the fiscal year.

Director of Finance Parker stated that even with the reduction, staff believes there will be a tax generation of almost \$300,000 that would improve the City's tax base.

Council Member Dutrey noted the Splash Pad has been in operation for close to four years. He asked if replacing the play surface will be a recurring cost.

Director of Public Works Hudson replied that the play surface experienced some deterioration during the last season, noting Facilities and Grounds Superintendent Mike McGehee made some temporary modifications to last until the next season. He advised that the funding is being requested at this time so permanent repairs could be made in time for the 2014 season opening on Memorial Day.

Facilities and Grounds Superintendent McGehee explained that he was notified that holes were supposed to have been drilled around the center drain of the Splash Pad to allow the water that flows under the surface to drain. He advised that the chlorinated water collected in the sponge mat beneath the play surface, causing deterioration and creating pockets and voids that caused the seams to come apart and the entire pad to lift.

Council Member Dutrey noted the Splash Pad seems to have design deficiencies and that once fixed, the new play surface should last a reasonably longer time.

Facilities and Grounds Superintendent McGehee advised that the drainage holes would be drilled around the center drain when the new play surface is installed.

Council Member Dutrey stated that the current budget scenario is so much more stable than the Fiscal Year 2009-10 Budget. He credited the hard work on the part of staff from each department to reduce spending.

Moved by Council Member Dutrey and seconded by Mayor Pro Tem Ruh to receive and file the City's Midyear Budget Review report and to approve the changes suggested therein to the City of Montclair Fiscal Year 2013-14 Budget.*

Mayor Pro Tem Ruh stated, "The fact that we have a positive budgetary impact of an additional \$54,024—though some may say it is minor, I say it is a testament to the hard work everybody in this family has put forward over the last several years of making sacrifices, doing what needs to be done, to get us to this point. I know it is not always easy whatever role you may fill with our family, but I commend everybody for taking the hits we needed to to keep us moving into the future with some very positive developments, not just in the budget but other things in the City, in which people are looking at the City and saying that we are a model for the future. So to everyone in our family, thank you."

Council Member Paulitz commented that as an accounting major, he is very impressed with the formatting of the report, which was easily the least complicated to review in his history of reviewing the Midyear Budget Review reports. He noted the fiscal operations at midyear were explained succinctly from the bottom to the top,

which in his opinion is the way it should be done and that his only addition is the overall expenditure percentage for each department to Table 3.

Council Member Raft concurred, noting the report is easily understood by those not versed in accounting principles. She noted her only question is the decrease in parking and administrative citations.

Director of Finance Parker advised that staff would be looking into it further.

Council Member Raft noted it is quite something to have the \$54,024 positive budgetary impact whereas "some cities are having a very hard time. It means we are all working very hard, so thank you, everyone."

Mayor Eaton noted he would like to echo his colleagues' comments and stated, "Good job. Thank you all."

*Motion carried as follows:

AYES: Dutrey, Raft, Paulitz, Ruh Eaton

NOES: None

ABSTAIN: None

ABSENT: None

Noting there is apparently a conflict with holding the Strategic Planning Session on March 4, 2014, Deputy City Manager/Economic Development Executive Director Staats stated that City Manager Starr has been in touch with **Dr. Gabris** who is available March 26 or 27, April 2, 3, or 30 and asked that Council Members check their calendars so a decision regarding rescheduling the Strategic Planning Session could be made at the Tuesday, February 18, 2014 regular joint meeting.

V. ADJOURNMENT

At 6:28 p.m., Mayor Eaton adjourned the City Council.

Submitted for City Council approval,

Yvonne L. Smith
Deputy City Clerk