

**MINUTES OF A BUDGET STUDY SESSION
OF THE CITY COUNCIL OF THE CITY OF BRADBURY,
HELD ON THURSDAY, MAY 14, 2009 AT 6:00 P.M.
IN THE CITY COUNCIL CHAMBERS AT CITY HALL
600 WINSTON AVENUE, BRADBURY, CA 91008**

MEETING CALLED TO ORDER: Mayor Barakat called the meeting to order at 6:00 p.m.

ROLL CALL: PRESENT: Mayor Barakat, Mayor Pro-Tem Hale, Councilmembers Guthrie, Lathrop and Lewis

ABSENT: None

STAFF: City Manager Keith, City Clerk Saldana and Management Analyst Taber

APPROVAL OF AGENDA: Councilmember Hale moved to approve the agenda to proceed with City business. Councilmember Lewis seconded the motion, which carried.

PUBLIC COMMENT: None

DISCUSSION OF PROPOSED BUDGET FOR FY 2009-2010: City Manager Keith presented the proposed budget for fiscal year 2009-2010 and stated that the City of Bradbury's budget is much more than a "numbers" document; the budget determines the City's resource priorities and sets the course for years to come. The City Council does this by linking the most important, highest priority items for the City to accomplish over the next year with the resources necessary to do so. For fiscal year 2009-2010 the City is projected to have a General Fund budget that is structurally out of balance (ongoing revenues not matching ongoing expenditure increases). The main reason for this is twofold:

- Adverse Economy
- Adverse State Fiscal Outlook

Unfortunately, due to the unforeseen economic crises, Bradbury is for the second year using reserves to cover an ongoing operational shortfall. Most economists are predicting the recession currently facing the nation could go on for another 2-3 years. The City has already seen a drastic decline in development related revenues. Further, with the State's fiscal situation in such crisis, it is foreseeable that Sacramento will turn to local revenues again, possibly targeting property taxes this time around. Any State takeaways of property taxes will directly affect operations in Bradbury.

BUDGET DEFICIT: The FY 2009-2010 budget as presented has a General Fund deficit of \$123,340.

INFLATIONARY REVENUES VS. INFLATIONARY EXPENDITURES: Inflationary revenues have not increased on par with inflationary expenditures. Simply stated, operational costs will continue to increase at a higher rate than the increase in revenues, even if services remain unchanged. Therefore, although maintaining City service levels is staff's priority, some reductions in expenditures are necessary to more closely reflect current revenue projections.

FIVE KEY GOALS: The following five key goals (in no particular order) haven been developed by the City Council in their team building/goal setting session over the last several months:

- Disaster Preparedness
- Fiscal Responsibility
- Capital Improvements
- Infrastructure Improvements
- City Beautification

GENERAL FUND: Noticeable expenditures in the Fund for FY 2009-21010 include:

- Insurance
- Environmental Issue
- New Banking Services
- Utility and Other Rate Increases
- Election Costs
- Unfunded Projects

UNFUNDED PROJECTS: City Manager Keith stated that there are a number of unfunded projects going into next fiscal year. The list includes:

- Moving and temporary location costs for Civic Center Project which are currently undetermined
- Fix footing wall/trail (almost done) - \$20,000
- Royal Oaks North/Lemon Avenue Signage- reduced to 2,500 from \$10,000
- Balance of the 500 ft. of Mount Olive Sewer - \$68,450
- Explore Park Project - \$10,000

The City Council did not eliminate any of these projects.

BUILDING & SAFETY SERVICE LEVELS: The City Council authorized a two day a week closure having the counter open three days a week on Monday, Wednesday & Thursday starting June 1, 2009.

POLICING SERVICES:

During recent City Council discussions on traffic issues on Mt. Olive there has been some discussion regarding increased enforcement options for the City. Staff contacted the LA County Sheriff's Department to get estimates for increased service levels. City Manager Keith stated that increased service levels are not an eligible expense within the COPS program and that the City really can't afford increased service levels at this time. The City Council agreed.

EMPLOYEE COMPENSATION:

City Manager Keith stated that as a result of the economic situation and the City's structural deficit the City will unlikely be able to provide its employees or contractors with any cost of living increases over the next few years. However, there are other non-monetary items the City may wish to consider including additional days off, which can be accommodated by rotating them between employees or by closing City Hall or possible closing half day on Fridays.

Councilmember Lewis took this item off the table for this evening but stated the City Council could bring it back later if they choose to.. Councilmember Lathrop stated that long-term staffing needs to be looked at if the economy doesn't improve.

RECOMMENDATION:

City Manager Keith recommended that the City Council review the draft budget, receive public comment regarding the proposed budget for FY 2009-2010, and provide staff with direction for modifications to the draft budget for further review and approval on June 16th.

WORK PLAN FOR FY 2009-2010:

The City Council reviewed the Work Plan for FY 2009-2010 for the following programs:

- Administration/Management
- City Clerk
- Finance
- General Government
- City Engineer
- Planning, Zoning and Development
- Parks and Landscape Maintenance
- Community Support
- Law Enforcement
- Emergency Response
- Animal and Pest Control
- Intergovernmental Relations

FUND OPERATIONS:

The City Manager reviewed the fund operations for the following funds:

- Fund 1 (General Fund)
- Fund 2 (Gas Tax)
- Fund 3 (Proposition A)
- Fund 4 (Proposition C)
- Fund 5 (Grant Fund)
- Fund 6 (Sewer Fund)
- Fund 7 (Prop 1B)
- Fund 10 (Measure R)

**REVENUES FOR
FY 2009-2010:**

The City Council reviewed the revenue comparison by fund and source for FY 2007/2008 through 2009/2010. No changes were proposed.

**PROGRAM
EXPENDITURE
DETAIL FOR
FY 2009-2010:**

The City Council reviewed the program expenditure detail for FY 2007/2008 through 2009/2010.

Program: City Council

The City Council reduced their expenditure accounts from \$1,500 to zero for some Districts. The City may hold a spring BBQ instead of the annual holiday dinner and reduced the "events & awards" account.

Program: City Manager

No changes

Program: City Clerk

No changes. The City will look into holding a mail-only election in 2010.

Program: Finance

No changes

Program: City Attorney

The City Council approved \$2,500 for seminars and training for the City Attorney.

Program: General Government

No changes

Program: Engineering and Public Works

No changes

Program: Planning, Zoning and Development

No changes

Program: Parks and Landscape Maintenance

No changes

Program: Community Support

No changes (cut in half from last FY)

Program: Public Safety

No changes

Program: Emergency Preparedness

No changes

Program: Animal and Pest Control

No changes

Program: Intergovernmental Relations

No changes (this includes the fee to rejoin the SGVCOG)

Program: Environmental Fund (new)

**GENERAL FUND
OPERATING TOTAL:**

The proposed General Fund Operating Total is \$781,740.

OTHER PROGRAMS:

The City Council also reviewed Special Projects, Gas Tax Fund, Proposition A Fund, Proposition C Fund, Grant Fund, Sewer Fund and Prop 1B Fund.

**FINAL BUDGET
APPROVAL:**

City Manager Keith stated that staff will make the necessary changes and bring back the budget for final approval by the City Council on June 16, 2009.

ADJOURNMENT:

At 7:50 p.m. Mayor Barakat adjourned the meeting to Tuesday, May 26, 2009.

MAYOR – CITY OF BRADBURY

ATTEST:

CITY CLERK – CITY OF BRADBURY