

**MINUTES OF A STUDY SESSION OF THE
CITY COUNCIL OF THE CITY OF BRADBURY,
HELD ON TUESDAY JUNE 8, 2010 AT 6:30 PM
IN THE COUNCIL CHAMBERS AT CITY HALL
600 WINSTON AVENUE, BRADBURY, CA 91008**

**CALL TO
ORDER/PLEDGE OF
ALLEGIANCE:**

The Study Session of the City Council of the City of Bradbury was called to order by Mayor Hale at 6:35 p.m.

ROLL CALL:

PRESENT: Mayor Hale, Mayor Pro-Tem Lewis, Councilmembers Barakat, Lathrop and Pycz

ABSENT: None

STAFF: City Manager Keith and City Clerk Saldana

**APPROVAL OF THE
AGENDA:**

Councilmember Barakat made a motion to approve the agenda to proceed with City business. Councilmember Lathrop seconded the motion which carried unanimously.

**DISCLOSURE OF ITEMS
REQUIRED BY GOV.
CODE SECTION 1090 &
81000
ET SEQ.:**

In compliance with the California Political Reform Act, each City Council Member has the responsibility to disclose direct or indirect potential for a personal financial impact as a result of participation in the decision making process concerning agenda items.

The agenda item is of general public interest and citywide, therefore there are no conflicts.

PUBLIC COMMENT:

None

**ITEM #1: DISCUSSION OF
THE DRAFT FISCAL
YEAR 2010-2011
PROPOSED BUDGET**

Before presenting the status of the budget, City Manager Keith updated the City Council with new information regarding State unfunded mandates, specifically TMDLs and their impact on the City of Bradbury.

City Manager Keith reported that currently the Bacteria TMDL

relating to the stormwater program will cost the City approximately \$1.4 Million each year for the next 25 years. As a result, the cities in the Los Angeles Rivershed have requested a hearing before the Regional Water Control Board. There is a hearing on Friday July 9th and City Manager Keith thinks it would be beneficial that our City testifies because the amount identified is 180% more than the City's General Fund Budget.

This is one of four components for one river and the City has to still deal with the San Gabriel River. City Manager Keith asked which Councilmember would like to testify. Mayor Pro-Tem Lewis and Councilmember Barakat volunteered to testify.

2010-2011 FY PROPOSED BUDGET

The proposed budget maintains the City's core services from the previous fiscal year, although there continue to be reductions in every area of the City.

Recent reports and economic indicators suggest nationwide the economy is stabilizing; however, the same cannot be said for the State of California. With the continuing State budget in constant crisis, the pace of recovery in California is still very unclear.

Unfortunately, due to the continuing economic crisis, continuing decline in revenues and increased cost of State unfunded mandates, Bradbury is facing for the third year in a row using reserves to cover an ongoing operational shortfall. Further, any State takeaways of property taxes will directly effect operations in Bradbury dramatically.

Items unfunded do to lacking a funding source:

- Meeting the requirements of State unfunded mandates such as Storm water related items
- City re-districting following the completion of the upcoming census
- Updating the City's design guidelines
- Citywide street improvements
- Increase policing services
- Extending the Public Sewer System
- Undergrounding Utilities
- Replacement of aging city equipment
- Improvements to City services to better meet residents needs.

There have been notable expenditure reductions in the General Fund for the FY 2010-11, including:

- Housekeeping services for City Hall were reduced in FY 09-10 and remain reduced to once a month. The company was also replaced in order for the City to receive a reduced price.
- There are no funds for City Council expenses.

- 1/3 less funds for emergency supplies.
- 50% less for office supplies.
- 50% less for City Attorney Special Services and no seminar training.
- Elimination of the Civic Center landscape maintenance during construction.
- Reduction in service visits to the trails and parkways
- No funds for community support.
- 50% less funds for code enforcement.
- Only enough funds for one City Council Retreat with facilitator (which is with the Planning Commission).
- Continuation of not funding the tuition reimbursement program.
- Capital Equipment fund reduced to \$500 for an emergency purchase.
- Seminar and training expenses reduced by 75% to fund only the utmost necessary training.
- Zero funds for special services from the City Planner.

There are also anticipated costs associated with the progression of AB32 (Climate Change) legislation and its land-use component, SB 375. These costs will be outlined to the City beginning in July and throughout this summer.

One of the bigger unfunded projects over the next 3-5 years is the Unfunded State Mandates of TMDL. Currently costs are unknown except for the Bacteria TMDL which will cost the city approximately \$1.4 Million each year for the next 25 years.

It was suggested in recent discussion that perhaps staff contact the various organizations regarding reducing their charges to the City for services to close the gap.

Unfortunately, the fees for Building & Safety, Planning and Engineering Services are directly tied to the fees the City charges and cannot be reduced in order to keep the balance and meet state laws.

The City contracts with Los Angeles County for road repairs, maintenance and policing services. Los Angeles County has increased its costs to contract cities to cover the fully burdened costs it charges. These services are already at a basic minimal level.

DISCUSSION

City Manager Keith stated that after conferring with the City Attorney any changes made to employees pay or time requires a "Meet and Confer" process, their pay or benefits can not be cut directly by the Council.

City Manager Keith stated that the Burrtec contract is up for renewal and Burrtec would like a longer contract and provide more services. They have looked at increasing the franchise fee rate. They [Burrtec]

would absorb the increase for street sweeping and would pass it on to the residents. The cost for this would be approximately \$1 a month per household. This would also help the City reduce liability and the need to monitor the AQMD requirements since they will now be the responsibility of a third party. This would be a way to raise revenue that would not have to be taken to the voters for approval. Mayor Pro-Tem Lewis said that we need to deal with the budget shortfall first. The remaining Councilmembers stated that they did not want to increase fees to the residents for services.

Mayor Pro-Tem Lewis stated that if the City Council decided to close City Hall alternating Fridays they will save approximately \$30,000 and if they close every Friday the City will save \$60,000. Councilmember Lathrop noted that this savings would be a reduction in personnel costs, not operational savings in terms of buildings, electricity etc.

Councilmember Lathrop asked if we [The City] had spread the \$43,000 among the different categories. City Manager Keith stated that in most areas of the budget, the City of Bradbury is the "example" of minimalistic government that different cities in Southern California are looking to as an example. The City can't operate with less people; the Sheriff contract with the City is for the least amount of services legally mandated. City Manager Keith stated that the City Council created a fee system that covers the bare minimum for services rendered in the City and does not allow for generation of revenue to provide services in times of reduction in permits being applied for.

Councilmember Lathrop asked what has changed in the five years in that the fees haven't changed and yet we are approaching a revenue shortage. Councilmember Barakat said the City could raise the fees to cover the expense. City Manager Keith noted that approving an increase in the fees doesn't guarantee that new building activity would come in. The fees were already adjusted last year and we have not seen the full impact yet.

Councilmember Lathrop asked why the City needs to increase revenue. Is it because the Management Analyst does more Emergency Management? Councilmember Barakat said one of the options needs to be to put the City staff on furloughs to save money.

City Manager Keith stated that the City Council's two funding sources have dried up and the overhead to operate the city is increasing and the City is in a critical situation. If the City faces any more takings from the State, the City will be hurting

City Manager Keith stated that if the City Council decides to tax the residents, they still have to consider how to address the budget problem next year when a bigger shortfall is faced. The other cities in the region have worked with their residents to create an additional

revenue source that the State can't touch to address this problem. This is why schools pass School Bonds. The residents have to ask themselves if they want to fight.

Mayor Pro-Tem Lewis stated that if you look at the actual costs for the City, our costs are down; the larger problem is that we have to address the structural deficits first and then ask for the residents for an increase in fees/taxes. These are some of the areas he has identified for further reductions:

City Council expenses of \$140 Dollars per year. Eliminate

City Manager: \$500 Expense account. Mayor Pro-Tem Lewis asked why we don't bump it down to \$250. City Manager Keith said that would be a bit steep. This is mostly for mileage reimbursement.

Seminars: \$775 to \$1,000. City Manager Keith stated that the problem with cutting this amount of money is that this is where the City Manager receives information and training on how to address the new issues facing cities, including the important TMDL and Green Building requirements.

General Government-\$1,200 for the 2009-2010 fiscal year It's now showing \$1,500 for the upcoming year. City Manager Keith stated that this cost includes the numerous copies that are required for the grants and other programs the City participates in. City Manager Keith noted that this cost for the 2010-2011 fiscal year does not include the leasing of a new copier.

Insurance is going up 25%. City Manager Keith said this is the exact amount that the JPIA has billed for the upcoming fiscal year.

\$8,200 Year for IT Contract. Councilmembers Lathrop, Barakat and Mayor Hale asked why the cost for internet was so high. City Manager Keith stated that this cost is for the internet, IT maintenance, website upkeep and includes the cost for rewiring the new City Hall. Can we change it to \$7,200 a year? City Manager Keith stated she would check with Axon Tech (City's IT Contractor) and see if they would be willing to lower the price to \$7,200.

Phone Service: \$390 Month. Councilmember Barakat stated that the City is being "ripped off" for paying so much for service and that he pays nearly 1/10 of that price for his business. City Manager Keith noted that government agencies can not apply for business rates and are subject to different FCC regulations. City Manager Keith also stated that staff has conducted research of other phone providers to change the contract once the new City Hall is completed.

Watering the AQMD trees for \$5,000. City Manager Keith stated This was part of the contract for the AQMD tree grant the city applied for and the City is obligated to do.

The Council agreed that it was appropriate to eliminate Community Support for this year because it would be inappropriate to cut pay for employees while donating to charity organizations.

Councilmember Barakat asked what banking services the City pays for. City Manager Keith stated that it is for the checking account at Wells Fargo. Councilmember Barakat asked why the account cost money as compared to typical accounts people open that do not cost anything. City Manager Keith stated that among the five institutions allowed under Federal Law where cities can place their monies, all charge a fee for their account. These funds are U.S. Bonded which is above and beyond the typical FDIC protection of funds.

According to Councilmember Lathrop if we were to do once a month furloughs that would bring the amount saved to \$23,000. Councilmember Lathrop stated that one thing to consider is charging the residents a fee and in return they get something in return as in "Good Emergency Management Protection" or "Better Streets".

Councilmember Lathrop continued and said one of the things that we may have to consider is that we are not like other cities that can subdivide lots and therefore make more money for both the city and the residents. In turn for this protection of the properties, residents need to be asked to cover additional fees and expenditures that would typically be covered by the revenue from subdividing.

Councilmember Barakat asked how much an assessment of \$200 per parcel would create. City Manager Keith stated it would roughly bring in \$67,000 with the 365 parcels in the City. Councilmember Lathrop said that would need to be tied to an issue such as public safety or public works, etc.

According to City Manager Keith a Utility Users Tax would be a better and easier option because it passes responsibilities equally among residents unlike a parcel tax and in addition it would only require a 50% plus one vote rather than the 2/3rds vote required for parcel taxes and Mello-Roos or similar revenue measures.

At the end of the day according to Lewis it isn't that bad because of a \$15,000 structural deficit in the worst economy since the Great Depression. The problem is the large amount of unfunded State Mandates that cities have to pay for no matter what.

City Manager Keith said the City doesn't have the revenue stream to pay for the City Engineer Services for these requirements. This is now the new cost of doing business and maintaining autonomy as a City and not something that is nice or an auxiliary, it's a necessity.

Mayor Pro-Tem Lewis said now we need to fix the structural deficit and in the next six to twelve months we need to create the tool to

address the revenue sources. We may implement the tool and not use it until the funds are actually needed.

Mayor Hale said now we need to devote the newsletter to making the residents aware of the budget shortfalls and revenue opportunities.

Councilmember Pycz asked if the City could introduce a moratorium on building could we save money by saving on the contracts. City Manager Keith said it would be nearly impossible because of the existing projects in place that require the attention of the building department.

Mayor Pro-Tem Lewis said we have a deficit of \$38,452. \$1,400 saved by eliminating the retreat. A full twelve month of furloughs with 12 furlough days saves \$13,000. That brings the deficit to \$24,000 and an additional \$1,000 with website service reductions. Without the street sweeping we are at a deficit to \$23,000. The councilmembers agreed that this is a respectable deficit amount to deal with.

Mayor Hale asked what contracts are up for renewal. City Manager Keith said the Burrtec contract is up for renewal could allow for a greater franchise fee but that would be passed on to the residents. This would be negotiated by the City Council. City Manager Keith stated that tonight the City of Duarte is asking for a 9% franchise fee for the Burrtec contract. Currently the City of Bradbury's franchise fee is 7% which nets the City approximately \$17,000 a year.

Councilmember Lathrop said we need to find a city similar in description and see what they do. The other Councilmembers said this would be difficult because very few cities have no commercial areas.

Mayor Pro-Tem Lewis asked under the City Hall renovation account what the \$40,000 for monitoring is for. City Manager Keith said it is for the LDM Associates for project management.

ADJOURNMENT:

At 8:35 pm Councilmember Barakat made a motion to adjourn the meeting to the City Council Meeting on June 15, 2010. The motion was seconded by Mayor Hale which carried unanimously.

MAYOR – CITY OF BRADBURY

ATTEST: _____

CITY CLERK – CITY OF BRADBURY