

MINUTES
SPECIAL JOINT CITY COUNCIL / IMPROVEMENT AGENCY MEETING
MONDAY, APRIL 18, 2011

CALL TO ORDER Mayor/Chair Shoals called the meeting to order at 5:00 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

FLAG SALUTE The flag salute was led by Council Member Bright.

ROLL CALL

Council/Agency: Council/Board Members Bright, Molnar, Peterson, Mayor Pro Tem/Vice Chair Nicolls, and Mayor/Chair Shoals were present.

City/Agency Staff: City Manager/Executive Director Perrault, City Attorney/General Counsel Koczanowicz, City Clerk/Agency Secretary McMahon, Administrative Services Director/Finance Officer Chapman, Public Works Director/City Engineer Ray, Police Chief Copsey, and Parks & Recreation Director Petker were also present.

Also present were Fire Chief Hubert and Battalion Chief Heath of the Five Cities Fire Authority.

PUBLIC COMMUNICATIONS The Mayor/Chair opened the floor to any member of the public for comment on any items listed in this agenda. No public comments were received at this time.

CITY COUNCIL / IMPROVEMENT AGENCY - BUSINESS

CC/IA-1. Consideration of Budget Options for FY 11 - FY 12.

Mayor/Chair Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, City Manager/Executive Director Perrault provided a status report regarding the FY 11 - FY 12 Biennial Budget and described revenue projections and recent economic factors that resulted in anticipated budget deficits for the General Fund, Improvement Agency, and Community Development Enterprise Fund. He pointed out that the current FY 11 budget year was projected to be balanced by June 30, due to a slight carryover and the anticipated completion of the sale of City-owned property to the Improvement Agency. He then outlined a series of options to address budget deficits in the next fiscal year, and noted that budget decisions still pending at the State level could further complicate the issue. He then responded to questions from the Council / Agency Board.

Mayor Shoals invited public comments on this matter. There was no response received and he closed the public comment period for this item.

Further Council / Agency discussion was held regarding budget strategy options.

Actions: Upon unanimous consensus, the Council/Agency authorized proceeding with the following budget strategy for FY 12 regarding:

- 1) The estimated \$800,000 to \$850,000 General Fund deficit:
 - (a) Use of carryover;
 - (b) Use of Reserves in an amount not to exceed \$350,000;
 - (c) Delay the General Fund contribution to the Street Rehabilitation Program in the amount of \$120,000;
 - (d) Enter into negotiations with employee groups with the goal of obtaining approximately \$280,000 in employee concessions; and
 - (e) Reduce the amount of department budgets for Supplies and Services by up to \$100,000.
- 2) Improvement Agency Budget:
 - (a) Reduce sponsorship levels for the Economic Vitality Corporation and the San Luis Obispo County Visitors and Conference Bureau to a total of \$7,500; and
 - (b) Downsize the Agency's Administrative / Programming budget to approximately \$439,000, including Debt Service payment of \$289,000 and a remaining budget of \$150,000 for Administration and Programming.

- 3) Community Development Enterprise Funds:
 - (a) Proceed with consolidating public service counters at City Hall into a single counter located in a central lobby area.
- 4) Items for further discussion regarding a long-term budget strategy:
 - (a) Review the fiscal analysis currently being prepared to determine the Improvement Agency's capacity to complete a revenue bond program; and
 - (b) Review programs for Business Tax Certificates and Transient Occupancy Tax, and the potential formation of a Business Improvement District.

ADJOURNMENT

There being no further business to come before the City Council / Improvement Agency, Mayor/Chair Shoals adjourned the meeting at 6:01 p.m.

City Council:

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC/IA Mtg 06/06/2011)

Improvement Agency:

/s/ JOHN P. SHOALS, CHAIR

Attest:

/s/ DONNA L. McMAHON, AGENCY SECRETARY
(Approved at CC/IA Mtg 06/06/2011)