

**MINUTES**  
**JOINT CITY COUNCIL / IMPROVEMENT AGENCY MEETING**  
**MONDAY, JUNE 16, 2008**

**CALL TO ORDER** Mayor/Chair Shoals called the meeting to order at 9:25 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

**ROLL CALL**

Council/Agency: Council/Board Members Ashton, Bright, Lieberman, 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, and Administrative Services Director/Finance Officer Chapman were also present.

**PUBLIC COMMUNICATIONS** The Mayor/Chair opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council / Improvement Agency but were not listed on the agenda. There were no public comments received.

**JOINT CITY COUNCIL / IMPROVEMENT AGENCY- BUSINESS**

**CC/IA-1. Presentation of the Draft FY 09 - FY 10 Budget and Capital Improvement Plan.**

Mayor/Chair Shoals read the title to the foregoing item and deferred to staff for a report. City Manager/Executive Director Perrault summarized the process undertaken to prepare the City's first proposed two-year budget, the format of budget presentations by individual departments at the Special Joint City Council/Agency Meeting scheduled for Monday, June 23, 2008, and the adoption of the two-year budget anticipated to occur at the meeting of Monday, July 7, 2008. He then provided an overview of each primary section of the budget document:

*General Fund* - The General Fund portion of the FY 09 Budget was balanced; however, FY 10 had a projected deficit of \$125,600, which staff anticipated could be overcome with cost savings through prudent management of the FY 09 Budget. To offset General Fund expenditures, the following actions were taken:

- expenditure requests were reduced in each department;
- use of unanticipated revenue received in FY 08 from the Sales Tax Adjustment would be used in FY 09;
- two City-owned properties were scheduled to be sold to the Improvement Agency's Housing Fund for development of affordable housing projects; and
- an Administrative Secretary was reassigned to a temporary assignment.

He stated that further cost saving options had been identified, but were not being recommended at this time, such as: a personnel hiring freeze, delaying equipment purchases, restructuring use of the Sales Tax Adjustment, or hiring an in-house City Engineer.

*Sales Tax Revenue Adjustment* - Anticipated revenue from the Sales Tax Adjustment was primarily allocated at fifty percent towards street repair. Thirty percent would be used for equipment purchases and the remaining balance was designated for eliminating use of Reserve Funds. He also confirmed that the Citizen Oversight Committee would review these recommendations to ensure that the expenditures were appropriate.

*Capital Improvement Program* - Seven significant capital improvement projects were being scheduled for completion in FY 09: street rehabilitation projects, Meadow Creek Bridge and Storm Drain Project, South County Transit Hub Facility, 12<sup>th</sup> Street Rehabilitation Project, South Industrial Sewer Trunk Line, South 13<sup>th</sup> Street Sidewalk Project, and Phase I of the West Grand Avenue Enhancement Project. This level of activity would decrease in FY 10, with an anticipated increase in FY 11.

*Enterprise Funds* - These funds were to be generally self-supporting with revenues generated through activities used to cover costs of the fund for: 1) Improvement Agency, 2) Community Development Agency Building and Planning, and 3) Water and Wastewater. He stated that the Building and Planning Enterprise Fund had been operating in a deficit mode due to the structure of the revenue system and the slow down in building activity. Therefore, staff had been reassigned and the contract for Building Services would be renegotiated.

The Council/Agency commended City Manager/Executive Director Perrault and staff for the additional effort that went into preparing a two-year budget. City Manager/Executive Director Perrault acknowledged the assistance of management staff, particularly Administrative Services Director Chapman and Assistant Administrative Services Director Byrd, for their part in completing the proposed two-year budget document.

**Action:** No formal actions were taken at this time.

### **ADJOURNMENT**

There being no further business to come before the City Council / Improvement Agency, Mayor/Chair Shoals adjourned the meeting at 9:52 p.m.

### **City Council:**

/s/JOHN P. SHOALS, MAYOR

Attest:

/s/DONNA L. McMAHON, CITY CLERK

(Approved at CC Mtg. 2/17/09)

### **Improvement Agency:**

/s/JOHN P. SHOALS, CHAIR

Attest:

/s/DONNA L. McMAHON, AGENCY SECRETARY

(Approved at IA Mtg 3/2/09 )

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