

MINUTES

SPECIAL MEETING OF THE CITY COUNCIL/REDEVELOPMENT AGENCY THURSDAY, MAY 29, 2008

COUNCIL CHAMBERS, 215 EAST BRANCH STREET ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

The City Council/Redevelopment Agency of the City of Arroyo Grande met in special session at 6:00 p.m. to review the status of the Fiscal Year 2007-08 and 2008-09 Bi-Annual Budget, with Mayor/Chair Tony Ferrara presiding.

2. ROLL CALL

Mayor/Chair Tony Ferrara, Mayor Pro Tem/Vice-Chair Chuck Fellows, Council/Board Member Joe Costello, Council/Board Member Jim Guthrie, and Council/Board Member Ed Arnold were present.

Staff members present were City Manager Adams, Chief of Police Steve Annibali, Director of Administrative Services/City Clerk Kelly Wetmore, Director of Building and Fire Mike Hubert, Public Works Director Don Spagnolo, Parks, Recreation, and Facilities Doug Perrin, and Financial Services Director Angela Kraetsch.

3. FLAG SALUTE

Mayor/Chair Ferrara led the Pledge of Allegiance.

4. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Sean St. Denis, representing SP Maintenance, Inc., referred to his street sweeping contract with the City and noted that the proposal concerning street sweeping would result in a significant impact to his business and his company. He noted that the City has projected approximately \$50,000 in savings by bringing street sweeping services in-house and that he would not be able to absorb the \$30,000 difference within his existing contract. He stated he would like to further discuss his street sweeping contract with City officials.

5. APPOINTMENT OF ALTERNATE TO SLOCOG/SLORTA BOARD

Mayor Ferrara informed staff and the Council that he had contacted SLOCOG to inquire whether the City could appoint a 2nd Alternate to the Board since he and the primary Alternate would not be able to attend the next meeting. He stated that the City could appoint a 2nd Alternate and that SLOCOG staff would require written notification of the appointment.

Mayor Ferrara moved to appoint Council Member Arnold to serve as an Alternate at the June 4, 2008 SLOCOG/SLORTA Board Meeting. Mayor Pro Tem Fellows seconded, and the motion carried unanimously by voice vote.

6. REVIEW OF FISCAL YEAR 2007-08/FISCAL YEAR 2008-09 BI-ANNUAL BUDGET

City Manager Adams explained the financial challenges facing the City and noted that staff would be presenting a Budget Shortfall Plan for the Council's consideration.

Director of Financial Services Kraetsch provided a summary of budget revenue and expenditure projections for FY 2007-08 and FY 2008-09, explained the City's Reserve Fund policy, and reviewed Reserve Fund projections for FY 2007-08 & 2008-09.

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City Manager Adams reviewed proposed measures to address the projected budget shortfall for FY 2007-08; reviewed the approach taken to address the budget shortfall for FY 2008-09; and presented a plan of proposed measures to address the projected budget shortfall for FY 2008-09.

Director of Parks, Recreation, and Facilities Perrin presented the background and current structure of the City's Children In Motion Program; explained the reasons for the increase in the subsidy of costs and previous steps taken to reduce the subsidy; explained the benefits of the program to the City; and reviewed recommendations for implementing a new fee structure. He noted that this proposal would be scheduled for the City Council's formal consideration at its June 10th meeting.

Director of Public Works Spagnolo presented a proposal to provide street sweeping operations with in-house staff; explained the status of the City's current contract with SP Maintenance and projected increases in contracted street sweeping costs; and responded to questions from Council concerning actual costs for labor, equipment, fuel, and dump fees.

Director of Building and Fire Hubert presented a proposal to implement a Multi-Dwelling Fire & Life Safety Inspection Program; reviewed its purpose, authority, and goal; noted the local jurisdictions that are conducting multi-dwelling inspections; and reviewed the program's proposed fee structure and the City's current inventory of multi-unit occupancies in the City.

Chief of Police Annibali presented a proposal of the Police Department Restructuring Plan, noting that nine months ago, the Department began an organizational assessment to identify opportunities to become more efficient, effective, and to improve service delivery. He explained the areas of review and recommended actions to improve patrol and traffic staffing levels with existing personnel; consolidate duties and reduce support staff where appropriate; reclassification of support staff; reduce operational expenditures, implement fleet leasing and standardization of issued equipment, and advance the concept of consolidation of regional services.

City Manager Adams then provided a list of alternative measures for the Council's consideration. He concluded by requesting Council direction on proceeding with the recommendations outlined in the proposed FY 2007-08 and FY 2008-09 Budget Shortfall Plan.

Council/Board Member comments and questions of staff ensued regarding several of the proposed measures and alternative measures; acknowledgement that the proposals are not short-term solutions, they represent long-term changes; that the Police Department plan and strategies will provide true efficiencies; concern that some of the proposals will be unsuccessful due to unknown contingencies; concern that some City services will be impacted; concern about the proposal to bring street sweeping operations in-house and seeing actual cost savings; a request for a full analysis of the proposal for an in-house street sweeping program; opposition to the elimination of a full-time position in the General Fund while funding part-time positions from the local sales tax fund (Council Member Guthrie); uncertainty about the projected revenue increase for the Children In Motion Program; concern about the increase in fossil fuel and the impacts to the community on energy costs; continuing concern regarding the economy and how economic impacts affect local government; acknowledgement that budget variables are ongoing and will need to be evaluated on an ongoing basis and adjusted accordingly; and general support for the Budget Shortfall Plan as proposed.

Mayor/Chair Ferrara invited comments from those in the audience who wished to be heard on the matter, and upon hearing no public comments, he closed the public comment period.

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Council Member Costello moved to direct staff to proceed with the recommendations outlined in the proposed FY 2007-08/FY 2008-09 Budget Shortfall Plan. Mayor Pro Tem Fellows seconded, and the motion carried on the following roll-call vote:

AYES: Costello, Fellows, Arnold, Ferrara

NOES: Guthrie

ABSENT: None

6. ADJOURNMENT

Mayor/Chair Ferrara adjourned the Special Meeting at 8:20 p.m. to the next Regular City Council/Redevelopment Agency Meeting on Tuesday, June 10, 2008 at 7:00 p.m.

/s/ Tony Ferrara, Mayor/Chair

ATTEST:

/s/ Kelly Wetmore, City Clerk/Agency Secretary

(Approved at CC Mtg 06/10/08)