

MINUTES

CALISTOGA CITY COUNCIL SPECIAL MEETING – BUDGET STUDY SESSION

Wednesday, May 27, 2020 – 1:00 PM
Calistoga Community Center
1307 Washington Street, Calistoga, CA 94515

A. CALL TO ORDER – ROLL CALL

Mayor Canning called the special meeting to order at 1:05 p.m.

Present: Councilmembers Gary Kraus, Irais Lopez-Ortega, and Donald Williams; Vice Mayor Michael Dunsford (arrived at 1:16 p.m.) and Mayor Chris Canning

Absent: None

B. ORAL COMMUNICATION

Mayor Canning opened Oral Communication. Having no members of the public come forward, **Mayor Canning closed Oral Communication.**

C. GENERAL GOVERNMENT

1. Discussion regarding the Draft Fiscal Year 2020-21 Budget

City Manager Michael Kirn introduced and Administrative Services Director Gloria Leon presented the staff report.

Councilmember Kraus asked and confirmed with Director Leon any anticipated reduction in property tax is not included in the Fiscal Year 2020-21 budget but would be accounted for in Fiscal Year 2021-22 if necessary.

Councilmember Williams asked Public Works Director Rayner which contract services are being omitted to which Director Rayner responded janitorial services would be performed in house whereby reducing the contract expense.

Mayor Canning asked and confirmed with Director Rayner that a list of public projects not being funded in this budget was published in the newspaper.

Council discussed the expense for the generator at Rancho De Calistoga mobile home park, concluding support for the project noting it serves a vulnerable community and setting reasonable expectations for residents to know there is an ongoing cost to help maintain the generator.

Mayor Canning thanked department heads for leading by example and making the difficult decisions in reducing expenses. He stated that if revenues exceed projections the surplus would be shared across all elements of the budget that were cut. Mayor Canning expressed discontent that the proposed budget did not meet the Council request of a minimum 20% reserve.

Councilmembers unanimously agreed a minimum 20% reserve is necessary and that any revenues exceeding projections would be dispersed among all elements of the budget.

Councilmember Williams recognized over \$3 million is coming from savings which would not be sustainable next year.

Councilmember Kraus concurred and argued deferring maintenance and equipment replacement costs can be more costly in the long run.

City Manager Kirn stated staff felt comfortable presenting the budget short of 20%, knowing the meet and confer process was still underway and with confidence the 20% reserve would be met.

Mayor Canning reiterated Council's position that a budget with anything less than a 20% reserve would not be approved. He clarified the Council's direction to not cut public safety unless absolutely necessary.

Vice Mayor Dunsford asked and confirmed with Parks and Recreation Director Melick that the modifications to recreation activities necessary with social distancing will reduce labor costs. He asked Director Leon what the revenue from recreation programs used to be to which Director Leon responded, about \$98,000 in FY 2017-18, \$57,000 in FY 2018-19, and about \$20,000 in FY 2019-20. Vice Mayor Dunsford acknowledged recreation program fees could be a possible revenue source.

Councilmembers Williams and Lopez-Ortega expressed concern over the destination marketing expense, suggesting lowering it from \$300,000 to possibly \$200,000. Vice Mayor Dunsford agreed it is difficult to approve the expense without knowing the return on investment and expressed the need to hear a plan from the Chamber of Commerce. City Manager Kirn confirmed the Chamber of Commerce would be making a presentation at the June 16, 2020 City Council regular meeting.

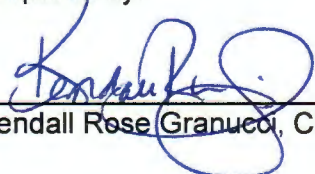
In response to a question from Vice Mayor Dunsford, City Manager Kirn stated labor negotiations should conclude in the next week or so. Mayor Canning acknowledged the importance of concluding the labor negotiations before presenting the draft budget to Council for approval and therefore suggested continuing the public hearing introducing the budget from the June 2, 2020 City Council regular meeting to the June 16, 2020 City Council regular meeting.

D. ADJOURNMENT


Mayor Canning adjourned the meeting, at 3:11 p.m.

Respectfully Submitted

Prepared by:


Kendall Rose Granados, City Clerk

Approved by:


Chris Canning, Mayor

Approved: June 2, 2020