

MINUTES
CITY COUNCIL – SPECIAL MEETING
TUESDAY, JUNE 24, 2010 - 6:00 P.M.
CALISTOGA COMMUNITY CENTER

CALL TO ORDER

Mayor Gingles called the Regular Session to order at 6:02 p.m.

In attendance were the following: Councilmember Placido Garcia, Councilmember Gary Kraus, Vice Mayor Michael Dunsford, Councilmember Karen Slusser, and Mayor Jack Gingles.

Also present were Administrative Services Director Bill Mushallo, Interim City Manager William Norton, and City Clerk Susan Sneddon.

ORAL COMMUNICATION

Jack Lang, 1916 Mora Avenue, stated that the community pool is a great benefit to the community and asked that the pool budget not be reduced.

Mayor Gingles stated that several **Communications** were received regarding the City's deficit reduction options.

ADOPTION OF MEETING AGENDA

It was **MOVED** by **Councilmember Kraus** and **SECONDED** by **Councilmember Garcia** to approve the June 24, 2010 Special Council Meeting Agenda. The Motion was carried unanimously.

GENERAL GOVERNMENT

- 1. Discussions regarding the City's deficit reduction options associated with the upcoming Fiscal Year 2010/2011 Budget.**

Interim City Manager Norton introduced this item. He stated that employee furloughs were taken during the balance of the Fiscal Year 2009/2010 resulting in a significant budget deficit reduction. He stated the General Fund deficit is projected to be about \$445,000 for Fiscal Year 2010/2011. He stated that sales tax growth is anticipated to be minimal (approximately 2%), and transient occupancy tax revenues

are anticipated to be flat Fiscal Year 2010/2011. He reviewed other cost recovery reductions. He stated that the Fire Department employees have agreed to forgo overtime pay during holidays resulting in concessions equaling about 5.5% of salary.

Councilmember Kraus suggested that the City hold off in charging local businesses for fire inspections because local businesses are financially struggling.

Interim City Manager Norton stated that Public Works has a substantial reduction in the number of positions. He stated that staff recommends deferring projects such as duct cleaning and roof repair at City Hall and the Community Center.

Councilmember Kraus suggested that the City move forward with roof repairs at the Community Center and/or City Hall if they are necessary because the cost may end up being higher if the repairs are not addressed in a timely manner.

Interim City Manager Norton stated that the costs of the City Attorney services are under review.

Vice Mayor Dunsford stated his concern in reducing or eliminating the current City Attorney's services because the City is currently involved in two major lawsuits.

Interim City Manager Norton provided a brief overview of the recommended Economic Vitality budget reductions.

Chris Canning, Executive Director of Chamber of Commerce, stated that Calistoga is a tourist destination and more than 50% of the City's income is from transient occupancy tax (TOT). He stated that the City needs to increase marketing in order to generate more TOT.

Councilmember Kraus asked how much funding the City of St. Helena provided to the St. Helena Chamber of Commerce to promote the City.

Chris Canning, Executive Director of Chamber of Commerce, stated that St. Helena's revenue is based more on sales tax returns.

Kathy Quast, 1300 Washington Street, stated that she is surprised in the suggestion to reduce funding to the Chamber for marketing when they provide a major portion of funding to the City.

Shelly Boudinot, 1414 ½ Cedar Street, asked that the City's funding to the Chamber not be reduced.

Doug Cook, 109 Wapoo Avenue, asked that the City's funding to the Chamber not be reduced.

Ric Pielstick, Calistoga Chamber of Commerce Chairman, stated that the Chamber provides the community with a safe and secure environment. He stated that the City needs to look at the long-term benefit in supporting the Chamber in that it helps provide employment and increases the City's revenue.

Vice Mayor Dunsford stated that the Chamber should receive adequate funding in order to help revitalize the town thus maintain employment for the businesses. He stated that the City should be run like a business.

There was Council consensus to not reduce the level of funding to the Chamber of Commerce.

Mayor Gingles called for a brief recess at 7:35 p.m.

Mayor Gingles reconvened the meeting at 7:45 p.m.

Interim City Manager Norton provided a brief overview of the Community Resources Department deficit reduction options.

Victor Maldonado, 1601 Fillmore, stated that he supports retaining the full time Recreation Technician I position. He stated that having someone that represents the Hispanic community is a plus.

Wendy Lopez, 18290 Highway 128, stated that she supports retaining the Recreation Technician I position.

Brian Fennen, 1725 Adele St, stated that he supports retaining the Recreation Technician I position. He stated the City's largest personnel costs are with fire and police and not Recreation.

Heidi Ticen, 1818 West Myrtle Street, stated that she supports retaining the Recreation Technician I position in that he is a good representative to Hispanic community.

Erik Lundquist, Calistoga Public Employee Association (CPEA) President, stated that the CPEA supports having one day furlough each month for the 2010/2011 Fiscal Year to help address the City's deficit. He stated that if the City realizes an increase in revenue by mid-year then the furlough days could be lifted. He stated that the person that currently holds the Recreation Technician I position benefits the community because he is both bilingual and bi-cultural.

Richard Reed, Labor Negotiator for the CPEA and the Calistoga Professional Firefighters Association (CPFA), stated the trend is to make concessions to avoid employee layoffs.

Interim City Manager Norton stated that he received correspondence from the CPEA regarding employees taking one furlough day per month over the next six months thus resulting in a \$48,000 in savings. He stated that this offer is subject to meet and confer with the CPEA.

Councilmember Garcia stated that he wants to avoid any employee layoffs.

Vice Mayor Dunsford stated that he would like to see the Planning and Building Department remain open five days per week and avoid cutting back on City services.

Carmen Lopez, 18290 Highway 128, stated that she supports retaining the Recreation Technician I position.

Luis Bernal, 1445 Lake Street, stated that he supports retaining the Recreation Technician I position and that it is a plus that the person in this position represents the Hispanic community.

Councilmember Kraus stated that the employee that currently holds the Recreation Technician I is a role mode to the Latino youth and wants to see the position retained.

Mayor Gingles stated that Council has ratified to temporarily eliminate payroll increases and cost of living adjustments between now and end of Fiscal Year 2010/2011.

Interim City Manager Norton reviewed the recommended reductions in the Police Department; elimination of 1 of the Community Services Officers, reduction by ½ funding of Juvenile Diversion Program. He also reviewed the reduction recommendations for the Planning and Building Department.

Erik Lundquist, Calistoga Public Employee Association (CPEA) President, clarified that the savings amount that would be realized with CPEA employee furloughs of one day per month would amount to \$98,000.

Council discussion ensued regarding City Hall closing on Fridays verses City Hall being open five days a week, and also discussed reducing employee hours per week.

Kathy Guill, Planning and Building Secretary, thanked the Council for retaining her position as Planning and Building Secretary. She suggested reevaluating City fees in order to help recover City expenses.

CITY COUNCIL ADJOURNMENT

Mayor Gingles adjourned the meeting at 8:45 PM to the special meeting of the Calistoga City Council, on Tuesday, June 29, 2010 Calistoga Community Center, 1307 Washington Street, 7:00 p.m.

Respectfully submitted:

Prepared by: Susan Sneddon, City Clerk

Approved by: Jack Gingles, Mayor