

MINUTES

ADJOURNED

BUDGET STUDY SESSION

MAY 26, 2009

An adjourned meeting of the COUNCIL of the City of Rolling Hills Estates was called to order at 6:09 p.m. in the COUNCIL Chambers, 4045 Palos Verdes Drive North, by MAYOR PRO TEM ADDLEMAN.

ROLL CALL

City Council Members Present: Addleman, Mitchell*, Seamans, Zerunyan, Zuckerman
*MAYOR MITCHELL arrived at 6:11 p.m.

City Staff Present: City Manager Doug Prichard
Assistant City Manager Sam Wise
Community Services Director Andy Clark
Planning Director David Wahba
Administrative Services Director Mike Whitehead

PUBLIC COMMENT

Kay Finer, President, PVP Chamber of Commerce, requested a one-time service-based grant amount of \$20,000 per year rather than a performance-based agreement from the City.

COUNCILMAN ZERUNYAN noted that the City has provided \$13,000 and inquired as to why the additional \$7,000 is being requested. Ms. Finer explained that it is due to increased costs and to continue to maintain a high level of service to the businesses during the economic downturn. Additionally, she stated that the message needs to spread throughout the businesses that the City is supporting the Chamber.

ITEMS FOR DISCUSSION

REVIEW OF PROPOSED FISCAL YEAR 2009-10 AND 2010-11 BUDGETS

City Manager Prichard noted the assumptions under which the staff created the budget and the options available to fund a variety of services. He requested policy direction from the COUNCIL as to how much to rely on established reserves to fund coming year programs. He noted that staff presented a budget that does not rely on new revenues, but rather would rely on a minimum of draw down reserves that would not affect public safety or essential programs.

City Manager Prichard noted that the Regional Law Committee recommended reducing the Student and the Law classes from three sessions to one per semester, with one session at Peninsula High School and one at Rancho del Mar High School during alternate semesters to be undertaken by CORE Deputies during normal hours. He also outlined other recommendations such as reducing the CORE team from three deputies to two, eliminating the regional

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Community Services Assistant and continuing traffic control at Miraleste during normal duty hours and Rancho Vista on an overtime basis.

MAYOR MITCHELL reported on her trip to Sacramento where she met with various state legislators. She noted that discussions took place regarding borrowing from local government.

COUNCILMAN ZUCKERMAN stated his preference to eliminate PARS rather than merely reducing City contributions as suggested by staff. City Manager Prichard noted that each member of the staff has taken on more responsibility as vacancies have not been filled. He noted that staff will be asked to forego merit increases even though their experience and value to the City continues to increase. He then stated his believe that maintaining 50% of the PARS benefit is a valuable morale tool for employees that are being asked to do more with less.

In response to COUNCILMAN ZUCKERMAN'S concern regarding the Municipal Stables project being more than \$1 million dollars, City Manager Prichard noted that if there is a shortfall from that amount, it may be possible to utilize Quimby funds.

Brief discussion ensued regarding what would happen if the state ended up borrowing money from the City. It was noted that the undesignated, unreserved funds would be reduced by that amount.

Discussion ensued regarding community service grant requests and whether or not they should be funded.

COUNCILMAN ZERUNYAN recommended funding The Annex at the Peninsula Center Library because this is the most heavily used service-oriented facility in the community for all ages.

At 7:35 p.m., the COUNCIL recessed the Budget Study Session to convene the regular City Council meeting of May 26, 2009.

At 7:36 p.m., following recess of the regular City Council meeting, the COUNCIL reconvened the Budget Study Session with MAYOR MITCHELL, MAYOR PRO TEM ADDLEMAN, COUNCILWOMAN SEAMANS, COUNCILMAN ZERUNYAN and COUNCILMAN ZUCKERMAN present.

Discussion continued regarding funding The Annex.

MAYOR MITCHELL moved, seconded by MAYOR PRO TEM ADDLEMAN

TO DIRECT STAFF TO INCLUDE FUNDING THE ANNEX IN THE AMOUNT OF \$5,000 WITHIN THE FINAL BUDGET.

THERE BEING NO OBJECTION, MAYOR MITCHELL SO ORDERED.

Discussion continued regarding funding the PVP Chamber of Commerce.

COUNCILWOMAN SEAMANS stated that the Chamber is the City's only economic development program.

COUNCILMAN ZERUNYAN noted that he has asked the Chamber to formulate a specific plan and they were not able to provide one.

City Manager Prichard noted that they are an outstanding business support network, but not necessarily an economic development tool. He stated his support for the concept of a block grant, at a reduced amount due to the economic situation, to allow the Chamber to undertake its programs.

After some discussion, it was the consensus of the COUNCIL to approve \$10,000 for the Chamber and designate it for support of the 2010 Street Fair.

MAYOR MITCHELL recommended adding back all of the "Add Back Items Previously Recommended for Full Funding" and utilize existing reserves to fund these items.

It was the consensus of the COUNCIL to follow this approach.

Discussion ensued regarding possible elimination of the calendar and/or newsletter.

It was the consensus of the COUNCIL to retain the newsletter and eliminate the calendar. It was also noted to inform the residents in the newsletter that the calendar will not be produced for 2010.

COUNCILMAN ZUCKERMAN restated his opinion that PARS should be eliminated from the budget.

MAYOR MITCHELL stated her belief that employees are making sacrifices for the organization by foregoing merit increases and accepting a 50% reduction in PARS for the next fiscal year . She stated that retaining at least a portion of PARS would be a way to compensate them for their service. She noted that staff has been taking on more responsibility due to elimination of positions and that they are the City's most valuable asset.

It was the consensus of the COUNCIL to fund PARS at 50% as recommended.

COUNCILMAN ZUCKERMAN noted that the Equestrian Committee's budget subcommittee recommended raising fees so that the operations will be slightly above breaking even. They also identified a new revenue source for horse blanketing services.

At 8:00 p.m., the COUNCIL recessed the Budget Study Session to reconvene the regular City Council meeting of May 26, 2009.

At 8:57 p.m., following adjournment of the regular City Council meeting, the COUNCIL reconvened with MAYOR MITCHELL, MAYOR PRO TEM ADDLEMAN, COUNCILWOMAN SEAMANS, COUNCILMAN ZERUNYAN and COUNCILMAN ZUCKERMAN present. COUNCIL immediately adjourned to Closed Session for the purpose of considering items for negotiation as submitted by the Employees' Association.

At 9:07 p.m., the COUNCIL reconvened in Open Session with no action taken.

Upon reconvening in Open Session, and after some discussion, it was the consensus of the COUNCIL to approve the recommended increase in tennis membership fees.

MAYOR PRO TEM ADDLEMAN moved, seconded by MAYOR MITCHELL

TO APPROVE THE TENNIS MEMBERSHIP FEE INCREASES AS PRESENTED AND FURTHER STUDY THE TENNIS OVERHEAD AND BRING BACK AT THE BUDGET PUBLIC HEARING.

THERE BEING NO OBJECTION, MAYOR MITCHELL SO ORDERED.

Community Services Director Clark requested clarification regarding the Park and Activities Commission's request to offset the Tennis Fund budget with 25% of any profits from the Tracy Austin Doubles Tennis Tournament. After brief discussion, the COUNCIL chose to keep those funds in the Pepper Tree Foundation account.

Staff was also directed to review the amount of staff time allocated to several program accounts and report back to COUNCIL.

ADJOURNMENT

At 9:26 p.m. MAYOR MITCHELL formally adjourned the COUNCIL meeting to Tuesday, June 9, 2009.

Submitted by,

Approved by,

Hope J. Nolan
Deputy City Clerk

Douglas R. Prichard
City Clerk