

**CITY OF LOS BANOS
ADJOURNED
JOINT CITY COUNCIL AND
REDEVELOPMENT AGENCY MEETING MINUTES
JUNE 25, 2010**

ACTION MINUTES – These minutes are prepared to depict action taken for agenda items presented to the City Council. For greater detail of this meeting refer to the electronic media (CD and/or audio) kept as a permanent record.

CALL TO ORDER: Mayor Jones called the Adjourned City Council / Redevelopment Agency Meeting to order at the hour of 1:38 p.m.

PLEDGE OF ALLEGIANCE. Police Chief Brizzee led the pledge of allegiance.

ROLL CALL – MEMBERS OF THE CITY COUNCIL / REDEVELOPMENT AGENCY PRESENT: Tom Faria, Joe Sousa, Elizabeth Stone, Mike Villalta, and Tommy Jones.

CONSIDERATION OF APPROVAL OF AGENDA: Motion by Sousa, seconded by Stone to approve the agenda as submitted. The motion carried by the affirmative action of all City Council/Redevelopment Agency Members present.

PUBLIC FORUM: MEMBERS OF THE PUBLIC MAY ADDRESS THE COUNCIL ON ANY ITEM OF PUBLIC INTEREST THAT IS WITHIN THE JURISDICTION OF THE CITY; INCLUDES AGENDA AND NON-AGENDA ITEMS. NO ACTION WILL BE TAKEN ON NON-AGENDA ITEMS. SPEAKERS ARE LIMITED TO A FIVE (5) MINUTE PRESENTATION. DETAILED GUIDELINES ARE POSTED ON THE COUNCIL CHAMBER INFORMATIONAL TABLE. No one came forward to speak and the public forum was closed.

PUBLIC HEARING – CONSIDERATION OF THE APPROPRIATION LIMITATION FOR THE FISCAL YEAR 2010/2011 - CITY COUNCIL RESOLUTION NO. 5248 – SETTING THE TAX RELATED APPROPRIATION LIMIT IN COMPLIANCE WITH PROPOSITION 4 AND PROPOSITION 111 FOR FISCAL YEAR 2010/2011 APPROPRIATION LIMIT. (Continued from June 16, 2010). City Manager Rath noted the reduction in tax revenues and other factors that affect the budget, the measures the City has taken to close the gap, thanked the staff for all their hard work on the budget and all of the employees for their give-backs in benefits and salary, and introduced Brent Kuhn, Certified Public Accountant, of Vavrinek, Trine, Day & Co. LLP.

Mr. Kuhn presented the staff report noting that this is a very conservative budget, the rising personnel costs due to the rising cost of health rate premiums, and spoke specifically to the appropriation limitation.

Mayor Jones opened the public hearing. No one came forward to speak and the public hearing was closed.

Motion by Stone, seconded by Sousa to adopt City Council Resolution No. 5248 – Setting the Tax Related Appropriation Limit in Compliance with Proposition 4 and Proposition 111 for Fiscal Year 2010/2011 Appropriation Limit. The motion carried by the affirmative action of all City Council/Redevelopment Agency Members present.

Motion by Stone, seconded by Sousa to select City Population for the population factor and to select California Per Capita Personal Income for the inflation factor. The motion carried by the affirmative action of all City Council/Redevelopment Agency Members present.

PUBLIC HEARING – CONSIDERATION OF THE 2010/2011 FISCAL YEAR BUDGET - CITY COUNCIL RESOLUTION NO. 5249 – ADOPTING FISCAL YEAR 2010-2011 BUDGET INCLUDING DIVISION 4 – EMPLOYEE CLASSIFICATIONS & SALARY SCHEDULES OF THE CITY OF LOS BANOS POLICY & PROCEDURES MANUAL. (Continued from June 16, 2010). Mayor Jones opened the public hearing. No one came forward to speak and the public hearing was closed.

There was discussion among Council Members, staff and Mr. Kuhn regarding the appropriations, revenues, expenditures, requirements in each fund, unable to take money from special revenue sources, retiree health benefits funds, capital improvements have been pulled back, cost to maintain our wastewater system, infrastructure rate reviews, new master plans and traffic models, budget including shortfalls, cost to borrow being nominal for bonds, this budget is good news and keeps the City afloat and moving forward, this budget is not assuming a water rate increase, the need to maintain the City's infrastructure, bringing the assessments on line with the services they are providing, landscape and lighting districts in the newer parts of the City, and have received a federal grant for street overlays.

Mayor Pro Tem Sousa praised staff for their work, proud of all employees who took a reduction in benefits, proud of this staff, and proud of this budget.

Mayor Jones spoke of being sincerely grateful for all the employees that have made sacrifices that other cities haven't been able to experience and of being in good shape for the shape we are in.

Council Member Faria thanked Mr. Kuhn and spoke of the complexity of public finance, the Redevelopment Agency and the City of Los Banos being two separate entities, economic development being the key to generating more money, and thanked staff for their work on the budget.

Council Member Stone thanked the Accountants for the job they have done on the budget and thanked the Measure P Oversight Committee for their help in the passage of Measure A, spoke of the City being in good standing because of the sacrifices

employees have made for the residents of the community, coming to agreement with each labor union, the City would not be afloat without the concessions, and encouraged everyone who knows a City employee to thank them.

Motion by Sousa, seconded by Stone to adopt City Council Resolution No. 5249 – Adopting Fiscal Year 2010-2011 Budget Including Division 4 – Employee Classifications & Salary Schedules of the City of Los Banos Policy & Procedures Manual. The motion carried by the affirmative action of all City Council/Redevelopment Agency Members present.

CONSIDERATION OF APPROVAL OF REDEVELOPMENT AGENCY RESOLUTION NO. 2010-07 – DECLARING THAT PLANNING AND ADMINISTRATIVE EXPENSES ARE NECESSARY FOR THE PRODUCTION, IMPROVEMENT OR PRESERVATION OF LOW AND MODERATE INCOME HOUSING DURING FISCAL YEAR 2010/2011.

(Continued from June 16, 2010). Motion by Sousa, seconded by Stone to adopt Redevelopment Agency Resolution No. 2010-07 – Declaring that Planning and Administrative Expenses Are Necessary for the Production, Improvement or Preservation of Low and Moderate Income Housing During Fiscal Year 2010/2011. The motion carried by the affirmative action of all City Council/Redevelopment Agency Members present.

Mayor Jones asked Mr. Kuhn to explain the condition of the Redevelopment Agency.

There was discussion between Council Members, staff, and Mr. Kuhn regarding the low and moderate income housing fund, the purpose of the Redevelopment Agency being to reduce blight and increase economic development and growth, the Redevelopment Agency being fiscally sound, pass through payments, and Redevelopment Agency funding being tax exempt.

Mayor Pro Tem Sousa spoke of his upcoming 35th wedding anniversary and congratulated Council Member Faria on his 25th wedding anniversary.

ADJOURNMENT. The meeting adjourned at the hour of 3:17 p.m.

APPROVED:

/s/ Tommy Jones
Tommy Jones, Mayor

ATTEST:

/s/ Lucille L. Mallonee
Lucille L. Mallonee, City Clerk