

MINUTES

of an adjourned regular meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on Wednesday, July 8, 2009, at 7:00 P.M.

PRESENT

Jon Harrison, Mayor  
Pat Gilbreath, Mayor Pro Tem  
Mick Gallagher, Councilmember  
Pete Aguilar, Councilmember  
Jerry Bean, Councilmember

ABSENT

None

STAFF

N. Enrique Martinez, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Jim Bueermann, Larry E. Burgess, Library Director; Police Chief; David Hexem, Chief Information Officer; Daniel Hobbs, Redevelopment Agency Director; Rosemary Hoerning, Municipal Utilities and Engineering Director; Tina Kundig, Finance Director/City Treasurer; Tom Steele, Assistant Finance Director; Leslie Tafoya, Budget Analyst; Jeff L. Frazier, Fire Chief; Oscar W. Orci, Community Development Director; Deborah Scott-Leistra, Human Resources Director; Gary van Dorst, Quality of Life Director

UNFINISHED BUSINESS

2009-2010 Budget - Finance Director/City Treasurer Kundig reported the 2009-2010 budget reflects financial requirements in excess of financial sources of \$2.5 million. This is a clear indication that the City's reoccurring revenues are declining and reoccurring expenditures continue to grow, resulting in an overall structural deficit in the City's budget. To correct a structural deficit, either new revenues must be found or implementation of significant structural changes in staffing levels must be made. Other solutions provide only a temporary correction to the problem. City staff is currently researching the potential revenue options available. The goal is to follow the City Council's direction as staff attempts to maintain the high level of services that the residents of Redlands have come to expect. Three options were presented to the City Council for its consideration:

Option 1: This option was previously presented to Councilmembers and developed on the premise that police and fire would be preserved and revenue-generating departments would not be impacted. It provides for reductions in the Parks and Street Trees Divisions, City Attorney, Recreation and Senior Services and Library with reductions totaling \$2,815,245.00.

Option 2: This option provides alternatives to budget reductions in the form of borrowing of funds and/or sale of City property to meet the \$2.5 million shortfall.

Option 3: This option, prepared following the meeting held on July 7, 2009, provides reductions in various other departments in addition to some considered

in Option 1 and totals \$2,604,009.00. Reductions of \$148,000.00 in the Innovation and Technology Department were presented; however, not all of these reductions would impact the General Fund.

In addition, a document entitled "Considerations for July 7, 2009, Proposals for Reducing Expenditures in the City of Redlands 2009-2010 Budget" was provided for review in response to Councilmember Bean's proposed expenditure reductions.

Councilmembers reviewed Options 1 and 3 with respective Directors and Bill Hardy, President of the A. K. Smiley Public Library Board of Directors, at length. Option 2 was also discussed. Direction was provided to staff regarding reductions acceptable to Councilmembers. Councilmembers requested a report regarding the Innovation and Technology Department in order to have a better understanding of its charges. Councilmembers requested information about deadlines for upcoming election dates to address revenue options such as increasing the paramedic tax to cover the cost of the program. Once again, this matter was referred back to staff for further study and recommendations from the City Manager to be presented at the July 21, 2009, City Council meeting.

#### ADJOURNMENT

There being no further business, the City Council meeting adjourned at 9:50 P.M. The next regular meeting will be held on July 21, 2009.