MINUTES of a special meeting of the City Council of the City of Redlands held in the Orton Palm Room, Orton Center, at the University of Redlands, 1200 East Colton Avenue, at 9:00 A.M. on February 3, 2004.

PRESENT
Susan Peppler, Mayor
Gilberto Gil, Mayor Pro Tem
Pat Gilbreath, Councilmember
Gary George, Councilmember
Jon Harrison, Councilmember

ABSENT
None

STAFF
John Davidson, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Michael Reynolds, City Treasurer; Jim Bueermann, Police Chief; Larry E. Burgess, Library Director; Mel Enslow, Fire Chief; Tina Kundig, Finance Director; Ronald C. Mutter, Public Works Director; Marjie Pettus, Administrative Services Director; Gary G. Phelps, Municipal Utilities Director; Jeffrey L. Shaw, Community Development Director, and 10 members of support staff.

Also present were Corey A. Washington, Redlands Daily Facts; David Schwartz, The Sun; and Roberto Hernandez, Press-Enterprise, and 18 interested citizens in the audience.

Mayor Peppler called the joint meeting of the City Council and Board of Directors of the Redevelopment Agency to order.

STUDY SESSION

2003-04 Budget - City Manager Davidson reported that revenue projections for 2003-04 have been revised and with other cost-cutting practices the projected deficit for 2004-05 is $1.8 million with a $1.2 million reserve. Finance Director Kundig reviewed issues to be taken into consideration when analyzing the City's current and future financial conditions, especially as they relate to the General Fund. She presented information for fiscal year 2002-03 operating results, State budget implications, and future PERS rates. She stated that while the General Fund continues to do better than expected overall, estimated expenditures continue to exceed revenues assuming all things remain constant. In light of this fact, the City should continue to control spending and, at the same time, seek and enhance revenue opportunities. Finance Director Kundig also presented the 2003-04 mid-year budget summary, a three-year budget estimate covering 2001-02 through 2004-05 for the General Fund, a fund balance status sheet for fiscal year 2003-04, and General Fund expenditure estimates for fiscal years 2004-05 and 2005-06. City Manager Davidson asked the City Council to
consider approval of the revised projected revenue figures and summarized possible scenarios such as increasing fees, instituting a hiring freeze, lay-offs, furloughs, a revised work schedule, and/or offering golden handshakes to employees nearing retirement in order to meet the goal of a 4.7 percent reduction needed by each department. Another suggestion was to review the use of City vehicles which are taken home by employees. The City Council approved the revised projected revenue schedule presented by staff by consensus except for Councilmember Gilbreath who continued not to support the budget insisting the City must have a policy not to spend more than it receives and to have a 10 percent reserve. Mayor Peppler noted the City is working toward that goal. Councilmember Gilbreath felt the City Manager needed to get more aggressive and address the expenditures.

Agreement - Economic Development Services - Discussion regarding an agreement with the Redlands Chamber of Commerce for economic development services provided by Ralph Megna was continued from the January 20, 2004, meeting. City Manager Davidson reported this agreement is scheduled on the evening's agenda for approval in the amount of $100,000.00. Mayor Peppler wanted to reduce the contract to $90,000.00 and require quarterly reports. Councilmembers George, Harrison and Gil agreed with the Mayor and asked that a revised contract be presented during the evening session. Councilmember Gilbreath noted she did not want to reduce the contract stating Mr. Megna's accessibility was great and that he was generous with his time. Councilmember Harrison also expressed concern to not limit Mr. Megna's ability to be flexible when special opportunities arise.

The City Council meeting recessed at 10:35 A.M. and reconvened at 10:45 A.M.

Sports Complex - Mayor Peppler announced she and Councilmember Gil, City Manager Davidson, and Public Works Director Mutter had recently met with Bob Hodges, Redlands Unified School District Superintendent, and School Board Member Neal Waner. A former student has offered to donate a stadium to the School District and the School District has asked us to consider a partnership with the School District and build our sports park around the new high school which is to be located at Texas Street and Lugonia Avenue in conjunction with the donated stadium. She noted these were preliminary discussions. Public Works Director Mutter and Senior Civil Engineer William Hemsley showed a preliminary map of the area noting six soccer fields would fit on a 20 acre site adjacent to the high school site if the City were to acquire the property. Mr. Hemsley then provided an update on the status of the Fish and Wildlife Service requirements for the proposed sports park at the northeast area of town noting Fish and Wildlife Service needed to know if we were going to provide an on-site or off-site preserve for the San Bernardino Kangaroo Rat.
before they prepared their Environmental Assessment Opinion. By consensus, the City Council agreed to continue to explore the idea of a partnership with the Redlands Unified School District. In regards to the decision regarding the preserve, this was continued to the evening session in order for staff to provide further written information. (Note: During the evening session, Councilmember George moved to direct staff to provide a biological opinion project description to the United States Fish and Wildlife Service (FWS) that designates the FWS offered 107 acres as the permanent off-site San Bernardino Kangaroo Rat habitat and not to have a temporary on-site habitat. The motion was seconded by Councilmember Harrison and carried unanimously.)

The City Council meeting recessed at 11:45 A.M. and reconvened at 1:00 P.M.

Projects and Programs - Information was presented to the City Council regarding projects and programs and financial needs from the following with the hope the City Council would advise staff of their priorities: City Treasurer, City Clerk, Administrative Services Department, Community Development Department, Finance Department, Fire Department, A. K. Smiley Public Library, Municipal Utilities Department, Police Department, and Public Works Department. The City Council added a General Plan Update Project to the Community Development Department's list of projects. Councilmember Gil desired to add a northside library to the project list; Dr. Burgess said the Library Board of Trustees was willing to implement this project as soon as there was money and staff available. Councilmembers discussed the use of housing funds at length. Police Chief Bueermann promised Councilmembers he would not ask for any capital items in his budget for next year. Councilmembers were informed that the NPDES Program position has not been filled through attrition and Assistant Public Works Director Tom Fujiwara is attempting to comply with the regulations but that we are faced with non-compliance and fines by the Regional Board. The list of public improvement projects under Public Works was reviewed; additional information and prioritization of the projects was requested and will be presented to the City Council in March.

Commissions, Boards and Committees - Discussion and possible action on this matter was continued to the evening session. During the evening session, Mayor Peppler directed staff to being back more information regarding the status of each commission, board and committee such as their level of activity and staff service needs as the City Council may wish to consolidate some of the duties or disband groups who have fulfilled their duties. Councilmembers were agreeable to receiving this information in one month.

Mayor and Mayor Pro Tempore - Terms of Office - Discussion and possible action regarding the terms of office for Mayor and Mayor Pro Tempore was continued to the evening session. During the evening session, Councilmember
Gil suggested reducing the terms of Mayor and Mayor Pro Tempore and give everyone the opportunity to serve as Mayor. City Clerk Poyzer provided a list of Mayors showing that two-year terms have been in effect since our incorporation in 1888. By consensus, the City Council decided to leave the system as is.

PUBLIC COMMENTS

None forthcoming.

CLOSED SESSION

The City Council meeting recessed at 4:47 P.M. to a closed session to discuss the following:
1. Conference with real property negotiator - Government Code Section 54956.8
   Property: South side of Eureka Street between Stuart and Pearl Avenues
   Negotiating parties: Joe Denatti and Community Development Director Shaw
   Under negotiation: Terms and price

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City Clerk