

MINUTES

of a special meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on Wednesday, March 7, 2007, at 1:00 P.M.

PRESENT

Jon Harrison, Mayor
Pat Gilbreath, Mayor Pro Tem
Gilberto Gil, Councilmember
Mick Gallagher, Councilmember
Pete Aguilar, Councilmember

ABSENT

None

STAFF

Sam J. Racadio, Interim City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Michael Reynolds, City Treasurer; Cletus Hyman, Deputy Police Chief; Jim Drabinski, Fire Chief; Steven H. Dukett, Interim Redevelopment Agency Director; Tina Kundig, Finance Director; Ronald C. Mutter, Public Works Director; Gary G. Phelps, Municipal Utilities Director; and Jeffrey L. Shaw, Community Development Director

PUBLIC COMMENTS

Mayor Harrison called the special meeting to order and provided an opportunity for the public to address them on the subjects which are scheduled on this special meeting agenda. There were no comments forthcoming.

FISCAL STUDY WORKSHOP

Fiscal Trend Analysis - Interim City Manager Racadio reported on February 6, 2007, the City Council directed staff to set future study sessions for the purpose of discussing strategic options for operational efficiencies and revenue enhancements. He reviewed the fiscal trend analysis and projections with operational options and revenue enhancement options, noting the fiscal challenge is coming to the point where strategic planning is critical and action will need to be taken. However, it is important that such actions not be reactionary but be comprehensive, well thought out and strategic in order to ensure that the outcome is, in fact, what the City Council and community desires.

Management Audit - Councilmembers discussed the timing of the management audit with Councilmember Gil saying he would prefer to hold off considering a professional service contract until the new City Manager has had the opportunity to review it. Councilmember Gil also expressed concern that we are not using the request for proposal or bidding process. Following this discussion, Interim City Manager Racadio assured Councilmembers he would

get as many proposals as possible and bring his recommendation to the City Council on April 3, 2007.

At this time, Interim City Manager Racadio said this session is the first of various workshops that will be held with the City Council. This workshop will include three presentations by staff and various firms on revenue enhancement options. Following each presentation, the City Council will have the opportunity to discuss each option in more detail with the consultant and staff and may wish to take action where appropriate and/or provide staff with further direction.

Leasing Utility Assets - Don Hunt of Fulbright and Jaworski explained how the water/wastewater system and the enterprise funds could assist the General Fund with the creation of a Joint Powers Authority. By consensus, the City Council directed staff to continue to explore this option. Councilmember Aguilar suggested bringing the Utilities Advisory Board into the fold for their input.

Bonding for PERS Unfunded Liability - On February 6, 2007, the City Council approved a professional services agreement with Urban Futures, Inc. for financial advisory and related professional services. Acting as financial advisory to the City, Al Holliman of Urban Futures, Inc. presented a pension system financing overview which analyzed the potential savings that the City may achieve if it were to issue Pension Obligation Bonds to pay the City's unfunded liability with the Public Employees Retirement System (PERS). John Rottschaffer from Best, Best & Krieger was also present.

Professional Services Agreement - Councilmember Gilbreath moved to approve a professional services agreement with Best, Best & Krieger, LLP for legal and professional services associated with the issuance of Pension Obligation Bonds and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City. Motion seconded by Councilmember Aguilar and carried unanimously.

Pension Obligation Bonds - Councilmember Gilbreath moved to approve the Financing Team of Urban Futures, Inc. as Financial Advisory and Best, Best & Krieger, LLP as Bond/Disclosure Counsel for the purpose of issuing Pension Obligation Bonds and to authorize the Financing Team and staff to move forward with the financial and legal requirements associated with the issuance of Pension Obligation Bonds that provide an overall economic savings to the City. Motion seconded by Councilmember Aguilar and carried unanimously.

Street Light Assessment District - Paul Thompson of Albert Webb and Associates reviewed how the City could proceed to establish a city-wide Street Light Assessment District. Tom Bereitkreuz, a retiree from the City of Moreno Valley, was present to answer questions as to how Moreno Valley implemented their assessment districts. Councilmembers asked if landscaping and park

maintenance could be included in this assessment district. Mr. Thompson said this could be done. By consensus, the City Council directed staff to continue exploring this option.

Councilmembers also discussed the need for street repairs noting the advisory committee has recommended a Utility User Tax for this purpose. Councilmember Aguilar suggested further discussion and dialog such as whether we wanted a citizen's group formed for a sounding board. Mayor Harrison asked staff to set up perimeters for the City Council to review. Councilmember Gil said he wanted more information as to what it would cost the business owner and the homeowner.

PUBLIC COMMENTS

None forthcoming.

ADJOURNMENT

There being no further business, the City Council meeting adjourned at 3:17 P.M. The next regular meeting will be held on March 20, 2007.