

MINUTES of an adjourned of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, at 9:00 A.M. on May 19, 1998.

PRESENT

William E. Cunningham, Mayor
Geni A. S. Banda, Mayor Pro Tem
Pat Gilbreath, Councilmember
John L. Freedman, Councilmember
Gary George, Councilmember

Gary M. Luebbers, City Manager
Bonnie Johnson, Finance Director
Tina Kundig, Accounting Manager
Beatrice Sanchez, Deputy City Clerk

ABSENT None

WORKSHOP

1998-99 Proposed Budget - City Manager Gary Luebbers reviewed for Council the changes incorporated and information provided following the May 8, 1998, budget workshop: schedule indicating changes made to General Fund balance, revised three-year projection (General Fund), revised schedule of priority non-budgeted items and potential reductions, crossing guard survey, traffic ticket collection percentages and new legislation, and one-page recap for each Utility Enterprise (water, sewer and solid waste). Mr. Luebbers confirmed that the City will be receiving a donation of \$40,000 this year from the University of Redlands which has been added in. Councilmembers discussed the City's communications equipment and traffic signals. Following a discussion on street trees crews, by consensus Council agreed to increase the street trees budget. Mr. Luebbers informed Council that during a recent telephone conversation with Redlands Unified School District Superintendent Hodges, Mr. Hodges stated the School Board will be re-thinking the issue of assisting with crossing guards funding.

Fire Department Headquarters' retrofitting project funding was evaluated. City Manager Luebbers stated there is \$206,000 presently in a Facilities Development Impact Fund designated for the Fire Department which can be utilized for this project. Mayor Cunningham stated he would like this amount contributed as well as an additional \$44,000 advanced from the General Fund and will be paid back by the Facilities Development Impact Fund. Public

Works Director Mutter was directed to return with a list of recommended improvements June 2, 1998. The S.O.S. Committee is continuing to raise funds and has pledged to raise one-half of the \$500,000 projected for the retrofitting.

On motion by Councilmember Gilbreath, seconded by Councilmember Freedman, Council unanimously approved the City of Redlands fiscal year 1998-99 budget as presented and including all Council-approved adjustments to the Proposed Budget document from previous workshops including the street trees trimming budget and replacement of Animal Control Unit 562. Mayor Cunningham complimented City Manager Luebbers on a much more frugal process; this is a financially sound budget. Finance Director Johnson was also thanked for a very "clear" budget review process by Mayor Pro Tem Banda.

1993 Water and Sewer COP's and RDA Debt Issue Refinancing - As discussed at the May 7, 1998 Council meeting, the Finance Committee and Finance Director have been meeting with Stone & Youngberg Municipal Financing Consultants regarding the refinancing alternatives for the 1993 Water and Sewer COP's and the RDA debt issues. The information was updated to include current interest rates and focuses on cash flows versus present values. Finance Director Bonnie Johnson explained to Council that at this time it would be advantageous if the City refinanced from a variable rate to a fixed rate. The City's letter of credit expires in 1999 so the City would be forced to act on this matter in six months anyway. The Finance Committee reviewed this issue extensively. She then introduced Mr. Jim Cervantes representing Stone & Youngberg Municipal Financing Consultants, Inc. who answered Council's questions. Councilmember Gilbreath confirmed that the issuance being recommended would not extend the life of the financing; it merely is going to a fixed rate. Finance Director Johnson stated that a pricing consultant would be brought in to confirm all the costs are competitive. In the near future she bring back a proposal for a pricing consultant. Mayor Cunningham supports getting costs comparisons to get the best price we can since it's competitive. He will be making some comparisons himself. Mayor Pro Tem Banda stated she supports not taking action now and looking at more figures. Councilmember Freedman moved to direct staff to proceed with refinancing both 1993 Water and Sewer COP's and RDA Debt Issues to a fixed rate. Councilmember Gilbreath seconded and carried by the following vote:

AYES: Councilmembers Gilbreath, Freedman and George
NOES: Mayor Cunningham and Mayor Pro Tem Banda
ABSENT: None

ADJOURNMENT

There being no further business, the City Council meeting adjourned at 9:52 A.M. The next regular meeting will be held on May 19, 1998, at 3:00 P.M.

Deputy City Clerk