

The City Council met in continued adjourned session at the hour of 8:30 a.m. in the Council Chamber, City Hall, on the day above written for continued consideration of the Fiscal Year 2009-2010 Annual Budget.

Present were Councilmembers Borgeas, Brand, Dages, Perea, Westerlund, Xiong, President Sterling, City Manager Souza, ACM Rudd, City Attorney Sanchez, City Clerk Klisch, Assistant City Clerk Salazar, Budget Director Smith, and necessary staff.

**(8:30 A.M.) CONTINUED CONSIDERATION OF THE FY 2010 ANNUAL BUDGET:**

**PLANNING AND DEVELOPMENT DEPARTMENT (Continued from June 11, 2009)**

Proceedings continued on the Planning & Development Department's budget with Interim Planning & Development Director Bergthold summarizing and stating in addition to the department's core functions the other areas being focused on were state-of-the-art plans and policies, implementation of new codes, the PIPES program to streamline the inter-department permit process, and the Sustainable Fresno Division.

\*\* President Sterling interrupted proceedings to advise the SPCA's budget would be heard on June 23, 2009, stating a lot of information was currently being gathered so Council could have a complete package of information for consideration.

Mr. Bergthold, City Attorney Sanchez and City Manager Souza responded to questions and comments of Councilmembers Brand, Borgeas, Xiong and Perea and/or clarified issues relative to positions funded by the general fund and enterprise fund, peak revenues/beginning fund balance/steady decrease/\$3 million deficit, depleted surplus, how much has been spent on SEGA and the Metro Rural Loop, state mandates, management of funds and hope to see changes in the future to better manage funds and meet state mandates, if the department had a log or accounting process of activities that are general fund in nature, how enterprise funds work, if the general fund could give to an enterprise fund but not take back from it, desire to work with staff to create a city-wide loan program to allow for pay back to the general fund as the economy improves, if the \$1 million general fund request can be tied to specific activities so a pay back can be considered, status of the cost recovery fee study, if raising fees to supplement the \$1 million would push the city over the limit, how PIPES and sustainable programs are tied together, efficiencies/getting people through the bureaucracy/when council members can provide their input on that process, time line for the PIPES program, entitlement process and issues, if the standing meeting group was going to expand, the permitting process and what will change with PIPES, developer concerns with getting different answers from different departments once a document is changed and if PIPES will resolve that, types of issues PIPES will address, importance of things being done right the first time, impact if the \$1 million transfer is not approved/if there was an alternate plan, concern with general fund transfers to self-sustaining departments, if PIPES will address conditions added to projects after approved, if sustainable/green program codes will be the new law, time line for the new codes, and the transfer of the 22 enterprise fund positions to grant funding including what will happen once grant funds run out and what streams of funding staff was looking at.

Acting President Westerlund spoke to the Sustainable Fresno division and expressed his concern stating there were no goals yet **(2 - 0)** nor had there been any Council discussion and that bothered him as the City Council sets policy and elaborated further, and presented questions and comments at length relative to the 22 positions to the sustainable division and what will happen if grant funds are not received, if the grant funds were guaranteed, the grant program and targets, concern that the scope of the sustainable proposal has not yet come to Council for discussion yet it is a priority in the budget, past year-end carryover amounts, the \$1 million transfer/what it will do/where it will be spent, PAR positions/unfilled positions, cost recovery, request for a breakdown on division cost recovery, the approved delay to increase fees and increases being requested here, amount needed for full recovery, level of support the department will provide to D&CR on the downtown specific plan/what role P&D will play in development of the plan/if P&D usually prepares specific plans, concern with the FMC/the new code for SEGA/the potential third code for the downtown plan/how staff will sustain the effort and de-conflict the three, Sustainable Fresno funding and amount going to revise the code, and need to take a hard look at historical preservation to save the character/preserve the building and also be economically developed. Mr. Bergthold, Budget Director Smith, Administrative Manager Agabashian and Mr. Souza responded and/or clarified issues throughout.

Mr. Souza further clarified issues relative to the \$1 million transfer and basis for that funding; and along with Mr. Sanchez and Mr. Bergthold responded to questions and/or clarified issues presented by Councilmember Perea relative to annexing county islands, if the Jarvis group was going to sue, and if annexations were still occurring; and to questions of Acting President Westerlund relative to the statewide annexation law, if this issue has come up with any other cities in the state, support for annexing county islands, ramifications, the raising of entitlement and processing fees and if a nexus study/level of scrutiny will be needed, if the study has been provided to the BIA, when the study will be made available to the BIA, and the annexation issue and challenges and LAFCO's inappropriate ruling.

Lengthy discussion continued with President Sterling and Councilmember Brand presenting questions and/or comments relative to housing and the \$1.5 million Cal HOME grant, request staff provide a map showing rehab projects by district, if criteria has been developed to access funds, if state tire grant funds could be used on illegally dumped tires at Running Horse, status of the homeless process/funding/future funding streams/number of people relocated/if work was continuing with Fresno County/and HIV clients, Emergency Shelter Grant (ESG) funds (3 - 0), hearing officer funding/fees, code inspectors/inspections/inspection process/BIA concerns/if the BIA's needs will be accommodated, the low income assistance grant and qualifications, request for information on criteria and average grant amount, if those grant funds can be used on illegal dumping, illegal dumping being a huge problem in District 3, CDBG applications for infrastructure improvements, if low income assistance grant funds can be applied to infrastructure needs, the lead-based paint hazardous control program/focus/outreach, the limited grant dollars and request Council be kept informed on how funds are or are not being used, homeless certificates/guarantee of damages, and what happens after the four month housing certificate expires, with Mr. Bergthold, Assistant Director Bishop and Homeless Prevention Officer Barfield responding throughout.

Acting President Westerlund advised he has been talking to the mayor and city manager about CDBG dollars and the city's allotment, spoke to the upcoming census how a large portion of the funding the city receives from the federal and state government is based on the count, stated Council needed to look at putting together a strategic plan for outreach for the census count to educate all people on the importance of them being counted, and elaborated further stating the city had only one chance in 10 years to get the number right, dollars needed to be found for outreach to those folks who normally do not get counted, and there were unconventional ways to conduct the count in minority communities and explained, with Mr. Barfield and Mr. Souza responding. Councilmember Perea concurred, stated the wheel did not have to be reinvented as the LCC Latino Caucus was putting a program together on census counting, and spoke to the importance of getting the word out to people that it is ok send in your count whether one is legal or illegal, and presented questions relative to the homeless, depletion of funds, and monitoring people, with Mr. Barfield responding. Councilmember Xiong noted Council adopted a resolution to participate with the census and the Complete Count Committee and advised formation of the committee was in the final phase and the committee would be able to go after outreach money that the census has.

Mr. Bergthold stated there were a lot of perspectives on budgeting and staff worked very hard with the mayor, city manager and budget management, and spoke to and commended his talented staff for their work and efforts. President Sterling thanked Mr. Bergthold for his presentation and there was no further discussion.

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**RECESS - 10:35 A.M. - 10:47 A.M.**

**PUBLIC WORKS DEPARTMENT:**

Public Works Director Weimiller gave a PowerPoint presentation on his department's budget which included "What We Do" (Areas of Responsibility), FY 2010 Proposed Budget, Diversified Appropriations, Debt Service, Overviews of the Street Maintenance Division, Engineering Services Division, Capital Management Division, Traffic Engineering Division, Parking Division and the Administration Division, the Citywide ADA Program, Budget Challenges & Unmet Needs, and Revenue Shortfalls. Budget Director Smith reviewed the State Fiscal Crisis including Funding Risks and Potential Impacts.

(4 - 0) At 11:04 a.m. budget proceedings were interrupted for the noticed Special Meeting of the City Council.

**(11:00 A.M.) SPECIAL CITY COUNCIL MEETING:**

**1. RESOLUTION NO. 2009-136 - AUTHORIZING THE CITY ATTORNEY TO COOPERATE WITH THE LEAGUE OF CALIFORNIA CITIES AND OTHER CITIES AND COUNTIES IN LITIGATION CHALLENGING THE CONSTITUTIONALITY OF ANY SEIZURE BY THE STATE GOVERNMENT OF THE CITY'S STREET MAINTENANCE FUNDS**

City Attorney Sanchez noted a revised Red Tag resolution was submitted making a correction on Page 3/Paragraph 3, changing Proposition 8 to Proposition 2.

Deputy City Manager Arechiga gave a brief overview of the issue and recommended adoption. Mayor Swearingin expanded further on the issue and her concern with the proposal in Sacramento right now to seize the city's funds, stated this was nothing short of robbery and a breach of contract adding to borrow money was one thing but to take dollars outright was unacceptable, and urged Council's support.

Councilmember Borgeas commended Mayor Swearingin for going out in front and joining with the other Big 10 city mayors and stated this was not the first time this has happened and expressed his support to send a clear message that borrowing was one thing but taking was unacceptable. Acting President Westerlund presented questions and comments relative to how strong the city's standings were to make this challenge, if language ambiguities were a strong argument, and the spirit of the law being clear, with Mr. Sanchez responding. Acting President Westerlund continued stating what distinguished this issue and made it different from all other who do not want their pot of money cut was the voters stated this was what the money was for yet Sacramento did not care what the people of California said and urged Council's support. Councilmember Brand thanked Mayor Swearingin for her pre-emptive action and stated his support, and presented questions and comments relative to the potential financial impact, the financial impact over two years, cost to borrow, how the \$13 million would be made up if the court challenge is unsuccessful, what the big picture was on impacts, the court challenge and timeline, the \$9 - \$13 million budget hole and if the budget could still be adopted with the assumptions laid out, and this being a reckless, irresponsible action by the state. Mr. Sanchez, Public Works Director Weimiller and City Manager responded to questions throughout.

President Sterling made a motion to adopt the resolution (which was seconded by Acting President Westerlund), and requested Council members be directed if there was anything they could do independently. Councilmember Dages thanked the mayor for taking on this battle, stressed Council does its job, argues, and agrees to disagree year after year and balances its budget and it was amazing how well Sacramento can not do their job, added Sacramento wants laws passed by the assembly and the senate to be abided by yet they want to break laws made by the people almost immediately, and stated he also was behind the mayor 110%.

Chief of Staff White advised the governor would be in Fresno on Thursday at the Tower Theater for a presentation on the state's budget at 10:00 a.m. and all local elected officials and others were invited, and noting there was a council meeting that day suggested members prepare letters and she would deliver them to the governor. President Sterling stated it might be possible for some members to attend to show support and stated this was a unique situation and Council would work through Analyst Jones to make sure there is compliance with the Brown Act so all could attend/participate.

Lengthy discussion continued. Councilmember Perea stated this was a no-brainer and each member needed to be engaged at some level, stated one of the biggest allies in this fight would be the unions and further elaborated, encouraged members to work with their constituency groups and mobilize quickly stating the more people on the band wagon the better, and stated it was important to lobby folks to hopefully prevent a lawsuit. Councilmember Borgeas presented questions relative to whether there was any legal mechanism to do this in a pre-emptive way such as a temporary restraining order, if the filing of a suit would stay the taking order from Sacramento, and if cities would not be required during the legal process until there is resolution by the court, with Mr. Sanchez responding. Acting President Westerlund stated he wanted to attend the governor's presentation and presented questions and comments relative to the ability for all members to participate in the event, Brown Act requirements, exceptions for ceremonial matters, if the council meeting could conclude at City Hall and convene at the Tower Theater with proper noticing so all members could attend in a unified way, and suggestion that all attend and return to City Hall for discussion and public comment, with Mr. Sanchez responding throughout. President Sterling stated she would work with Acting President Westerlund to make this an opportunity for all to attend in support of the mayor.

Mr. Weimiller and Ms. White responded to questions and comments of Councilmember Xiong and/or clarified issues relative to whether gas tax funds were in addition to the other mechanisms the state was looking at to balance its budget, if games were being played, the state not really wanting Proposition 1A funds as they have to pay the money back and wanting gas tax money as they do not have to pay it back, the state not wanting to put themselves in a position where they will be in a desperate situation when they have to pay cities back, if the state would go after only Prop 1A or only gas tax funds, disappointment with the state's continued strategy, this being a losing situation either way, and the opportunity Council has with the governor to state its cause and position and his commitment to attend Thursdays event.

requested Ms. White and Analyst Jones prepare logistics so members can sit with the mayor and be together, and stated Council would them return to City Hall to resume its meeting and continue with scheduled matters. **(5 - 0)** Upon her question Mr. Sanchez stated Council would attend the event under the exception noted for an open community meeting and the approach was less formal and would not necessarily require city attorney, city clerk, city manager attendance but would require attention to detail of no council discussion of the specific item except back in a public council session.

On motion of President Sterling, seconded by Acting President Westerlund, duly carried, RESOLVED, the above entitled Resolution No. 2009-136 hereby adopted, by the following vote:

Ayes : Borgeas, Brand, Dages, Perea, Westerlund, Xiong, Sterling  
Noes : None  
Absent : None

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**LUNCH RECESS - 11:52 A.M. - 1:33 P.M.**

**PUBLIC WORKS BUDGET - Continued from earlier:**

Public Works Director Weimiller made concluding remarks stating there was a lot of labor behind the budget presentation as the picture would change from month to month and acknowledged and commended his staff for their extraordinary efforts in these challenging times, and stated in addition to service impacts noted in his presentation the debt service payment would still have to be covered and the majority of the city's streetlights would have to be funded.

Steve Camacho, 2430 S. Recreation, expressed his concern with the proposed cuts to after-school recreation programs, with ACM Rudd responding and President Sterling stating she would see to it that staff contacts Mr. Camacho.

Mr. Weimiller and City Manager Souza responded to questions and/or comments of Councilmembers Brand, Dages, Westerlund, Borgeas and President Sterling and/or clarified issues relative to the parking deficit, the economics of parking structures, demand, debt service payment and funding sources, the audit conducted on the Ace Parking contract, Councilmember Dages correcting Motion #7 to eliminate metered parking Monday through Friday after 6:00 p.m. and on Saturday, Sunday and Holidays, the need to address downtown parking to bring people downtown, if any private firms were being used for CFDs, status of the copper wire theft problem, sensitivity to the department's battle with Sacramento, the asphalt management program and survey results, the tree-trimming program/trend/need to get headed in the right direction/new options being explored, NNLB funds, Herndon Town neighborhood infrastructure improvements and grant dollars, if Sacramento's taking of gas tax compromised the budget presentation, authorized and unfilled positions **(6 - 0)**, status of NNLB/work remaining/request for information on work that will not get done, what other projects were in the works and status of those projects, and 83 positions being impacted and not 190. Mr. Weimiller was thanked for his presentation and there was no further discussion.

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**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG):**

Budget Director Smith and M.A. Smith gave a PowerPoint presentation on the CDBG budget which consisted of Purpose of the CDBG Program, Budget Overview/FY 2009 Adopted, Budget Overview/FY 2010 Proposed, Acquisition & Rehabilitation Activities, Public Facilities & Improvements, Public Service, Economic Development, Planning & Administration, CDBG-R Projects & Activities, and Performance.

Requesting funding, speaking in support of their organization/program, and/or in opposition to proposed cuts/reductions were: Ken Quenzer, Director of Boys & Girls Clubs of Fresno County; George Murillo, representing senior center participants, support for the Hot Meals program; Mary Cavaldoro, support for senior activities; Lue Yang, Executive Director of Fresno Center for New Americans, along with a new Hmong refugee who spoke through an interpreter in support of the Center and services provided; Catherine Manfredo, Executive Director of Catholic Charities, 149 N. Fulton; and Manuel Romero, Special Projects Coordinator for Central California Legal Services, EITC project.

Councilmember Dages stated for him this was always the most difficult time in the budget due to the many wants and needs and spoke briefly to the history of social service funding and how the amount had reduced from \$1 million over the years, and along with Councilmembers Westerlund, Xiong, Perea and Brand presented questions and comments relative to what was being cut for

seniors, the problem of finding funds for worthy activities/programs and taking funding from somewhere else, (7 - 0) HCD/HOME program funding, support for the successful senior paint program, the tough economic environment for community organizations as well as the city of Fresno, the process of monitoring grant funds and contracts, the recent audit of the CDBG program and finding that the program is being run very well, historical perspective of the \$1 million for public service organizations, the concessions being made city-wide, the city's financial commitment to public service projects and the amount the city receives back, need for a policy discussion on what the city values and how it can help across the board, the inequities in how CDBG funds are used, the HCDC ranking process and recommendations and why that process is in place when recommendations are not followed, need for Council to have a discussion soon on how funds are allocated so Council can be ready for FY 2011, number of senior centers/number of activities being eliminated, if the \$200K for grant monitoring and administration have been expended, the allocation methodology and suggestion to conduct a comparison study with other cities, if outsourcing grant monitoring was possible, city-wide grant writers and if it was possible to have one grant department to oversee all grants, and historic preservation project manager funding, with M.A. Smith, City Manager Souza, an unidentified staff member, Budget Director Smith and ACM Rudd responding and/or clarifying issues throughout.

Acting President Westerlund spoke to the unpleasant task of grant writing and all that is involved, and along with President Sterling presented questions and comments relative to whether CDBG dollars would be used for a loan to Robotics Built, how Robotics would repay the city, the HUD 108 application, if the fire department would be eligible to use up to \$300K under the service cap for Truck 9, the tough choices that have to be made in terms of funding core services or social service programs, the United Way including funding/if an audit has been done on their services/when Council will have the audit report/number of programs that have benefitted from the service/if the UW service was beneficial, surplus funds, the IDIS system, funding for the Pinedale infrastructure program and Ted C. Wills Center, stimulus funds, if any stimulus funds were allocated for the EITC program, working with non-profits on the Pinedale and Ted C. Wills improvements, (8 - 0) the difficult times and if there was an opportunity for volunteers to help with senior activities, request staff try to maintain some level of activities at senior centers, and the struggles/challenges/efforts to find funding. There was no further discussion.

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**RECESS - 3:55 P.M. - 4:07 P.M.**

**PARCS DEPARTMENT:**

PARCS Director Cooper stated he was very proud of the city, the city organization, and what Mayor Swearingin and administrative and management staff have done to show that PARCS is an important entity in this community, thanked his staff for stepping up and getting things done on any challenge that is put before them, and gave an in-depth PowerPoint presentation on his department's budget which included Leveraging Community Resources, Core Services, New & Upcoming Facilities, Youth Nutritional Assistance Program, After-School Recreation, Fitness & Nutrition Program, Action Sports New Venues, Program Adjustments, Senior Hot Meals, Contract Services, Anticipated Service Contracts, Gate Fee & Facility Reservations, Parks Maintenance, CDBG Infrastructure Repairs, Special Events, and Special Event Economic Impact/2009-2010 Projected.

Speaking to the department's budget were: Courtney Davis, Lafayette Park Community Group (LPCG), Delylah Furhat, representative of the LPCG, Elizabeth Lescoulie, E. Princeton Avenue, and Ricky Nelson, Field Organizer for Fresno Acorn, 1300 E. Shaw #125, on behalf of the Blackstone community, who all spoke in support of the \$220K for lights at Lafayette Park; and Alex Correa, FCEA Business Agent, who stated the numbers Council is considering oftentimes represent people and expressed concern with the elimination of 18 recreation leader positions and reduced hours at playground.

Councilmember Perea thanked the Lafayette Park group for their input, spoke in support and to the importance of the funding being proposed for lights at the park stating the park has been left behind, and stated lights were needed as the neighborhood had changed over the years and become more active with families, and along with Councilmembers Brand and Xiong presented questions and comments relative to status of the Chestnut/180 park/when the design would be completed, after-school cuts/reductions/which schools would be impacted/what Fresno Unified will pick up/what program and activities FU will offer/if FU will be able to accommodate the children, the Youth Nutritional Assistance Program and sites, Fresno Connect program/position reductions/staffing/the importance of

Fresno Connect to the community, continued opposition to fees for mobile vehicles on behalf of low-income neighborhoods, (9 - 0) commendation to Mr. Cooper and staff for their great work, status of the Todd Beamer Park, when the reduced hours of operation

would begin, operational hours and staffing at Lions, Quigley and Cary parks, activities planned for non-skaters, limited resources and need to encourage volunteers, concern with impact on families/the city's social commitment to provide safe environments, status of the universally accessible park, and status of Proposition 84, with Mr. Cooper, Community Recreation Supervisor Winebrenner and ACM Rudd responding throughout.

Councilmember Dages commended Mr. Cooper for "thinking way out of the box" and stated his department was doing a great job, and presented questions/comments relative to the Youth Nutritional Assistance Program and where it was started, if the funding for community garden management was for Al Radka park, the weeds taking over Al Radka park, and the SPCA budget and the over 3,700 cats that were euthanized last month.

**MOTION - Dages/Perea** - Reinstate the \$229,500 for the SPCA. Councilmember Dages stated he would go into his reasoning when the SPCA budget is heard on June 23<sup>rd</sup>.

President Sterling presented questions and comments relative to employees being relocated to other departments/reassignment concerns/employees that do not want full-time employment due to social security/if all concerns were addressed/request staff communicate with Mr. Correa, the charter school at Ted C. Wills and status of contract issues, special event funding, request staff work with El Concilio of Fresno for the organization to become a permanent funding recipient for their annual Cesar Chavez event, concern with cuts/reductions to children and senior activities/programs, appreciation expressed for what is being provided for children, and if there were any alternatives or a way to consolidate activities to continue to provide at least some senior activities periodically, with Mr. Cooper and ACM Rudd responding throughout. President Sterling thanked Mr. Cooper for his presentation and commended the great team effort and there was no further discussion.

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President Sterling noted the June 18<sup>th</sup> Council meeting would start at 8:30 a.m., at 9:30 a.m. Council would recess so members could attend the governor's budget presentation at the Tower Theater, and Council would return to City Hall sometime after that to resume its meeting.

**ADJOURNMENT**

There being no further business to bring before the City Council, the hour of 5:20 p.m. having arrived and hearing no objection, President Sterling continued budget proceedings to June 18, 2009, at 2:00 p.m. and adjourned the meeting.

*Approved* on the \_\_\_\_25th\_\_\_\_ day of \_\_\_\_\_ June \_\_\_\_\_, 2009.

\_\_\_\_\_/s/\_\_\_\_\_  
ATTEST \_\_\_\_\_/s/\_\_\_\_\_

Cynthia Sterling, Council President

Yolanda Salazar, Assistant City Clerk