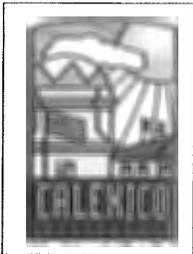


**AGENDA
ITEM**

1



AGENDA STAFF REPORT

DATE: July 17, 2019
TO: Mayor and City Council
APPROVED BY: David B. Dale, City Manager *for D.D.*
PREPARED BY: Gabriela T. Garcia, City Clerk *GG*
SUBJECT: Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meeting of June 24, 2019

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Recommendation:

Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meeting of June 24, 2019.

Background:

In accordance with Municipal Code Section 2.04.070, the City Clerk shall prepare minutes of the proceedings of each City Council Meeting.

Discussion & Analysis:

City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meeting of June 24, 2019 have been prepared for City Council review and approval.

Fiscal Impact:

None.

Coordinated With:

None.

Attachments:

Minutes for City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meeting of June 24, 2019.



THE CITY COUNCIL/CALEXICO COMMUNITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY/CALEXICO FINANCING AUTHORITY MET IN A SPECIAL SESSION ON THE 24TH DAY OF JUNE, 2019 AT 5:00 P.M. AT THE FERNANDO “NENE” TORRES COUNCIL CHAMBERS, 608 HEBER AVENUE, CALEXICO, CALIFORNIA. THE DATE, HOUR AND PLACE DULY ESTABLISHED FOR THE HOLDING OF SAID MEETING.

CALL TO ORDER

Mayor Pacheco called the meeting to order at 5:11 p.m. and those present were led in the Pledge of Allegiance.

ROLL CALL

PRESENT:

Mayor: Lewis Pacheco
Mayor Pro Tem: Bill Hodge
Council Member: David Romero
Council Member: Morris Reisin

ABSENT:

Council Member: Rosie Arreola-Fernandez

MISSION STATEMENT PLEDGE

City Manager Dale led those present in reciting the City’s Mission Statement.

INVOCATION

Council Member Romero led those present in prayer.

APPROVAL OF THE AGENDA

Motion was made by Mayor Pro Tem Hodge, seconded by Council Member Romero to approve the agenda as presented. Motion passed by the following vote to wit:

AYES: Pacheco, Hodge, Romero, Reisin
NOES: None

ABSENT: Arreola-Fernandez
ABSTAIN: None

PUBLIC COMMENTS AND PUBLIC APPEARANCES - No public comments.

DISCUSSION AND POTENTIAL ACTION ITEMS

RESOLUTION NO. 2019-___ A RESOLUTION OF THE CITY COUNCIL OF THE CALEXICO, CA APPROVING AND ESTABLISHING THE APPROPRIATIONS LIMIT

FOR FISCAL YEAR 2019-20 PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION.

Karla Lobatos presented the requirements for the resolution to be approved. Motion was made by Council Member Romero, seconded by Mayor Pro Tem Hodge to approve a Resolution Approving and Establishing the Appropriations Limit for Fiscal Year 2019-20 Pursuant to Article XIII B of the California Constitution. Motion passed by the following vote to wit:

AYES: Pacheco, Hodge, Romero, Reisin
 NOES: None
 ABSENT: Arreola-Fernandez
 ABSTAIN: None

RESOLUTION NO. 2019-__A RESOLUTION OF THE CITY COUNCIL OF CALEXICO, CA APPROVING THE BUDGET FOR FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020

Joong Kim commented on the City Manager and management’s salaries and stated this was a large portion of the budget. He pointed out the City did not hold a workshop on the budget and felt there was not enough time for the community. He questioned the audited financials and stated he would file a complaint with the State Controller over the city’s lack of transparency and the lack of public safety (fire and police) and parks.

Presentation by City Finance Director Karla Lobatos of a city-wide budget for fiscal year 2019-2020. Ms. Lobatos presented the general fund revenues as follows:

Revenues	Budget Projection
Property Tax	\$ 5,519,800
Sales Tax	4,300,000
Business License	1,023,100
Franchise Fees	723,779
Other Taxes	345,000
Money and Property	<u>491,000</u>
Sub-total General Revenues:	\$12,402,679
Program Revenues	3,437,147
Interfund Transfers	<u>387,000</u>
Total Revenues:	\$ 16,226,826

Council and Staff discussed non-general fund programs.

Ms. Lobatos presented the General Fund Revenues (Program Revenues) as follows:

Program Revenues	Projections
Police	\$1,074,147
Fire	\$1,083,000
Community Development	\$ 953,000

Parks, Recreation Library	\$ 89,000
Admin/Other	<u>\$ 196,000</u>
Total Program Revenues	\$3,437,147

Staff responded to questions from the Council on the hiring of additional staff and Council was advised staff could not be hired until all revenues are received for the year.

Ms. Lobatos presented the city-wide expenditures budget projection as follows: General Fund \$15,771,793, Water Operations \$4,964,092, Wastewater Operations \$ 3,539,719, Solid Waste, \$ 2,008,000, Gas Tax \$ 1,631,741, Other Operating Funds, \$ 2,169,119, Bond Debt Service \$ 5,227,682 with a Sub-total of \$35,312,146 plus a Capital Improvement Program of \$42,762,447 for a Total city-wide expenditure of \$78,074,593. Ms. Lobatos presented a detailed report on the Capital Improvement Program for fiscal year 2019-2020 in the amount \$42,762,447 as follows: Streets Project budget projection for FY 2019-2020 is of \$16,111,656 consisting of the New River Park Way \$ 2,000,000, Second Street Bridge Widening \$3,889,000, Street Overlay \$6,225,000, Other Street Projects \$3,997,656. 5 Year Projection for Streets projects is \$26,697,656 and Other Transportation Projects budget projection for FY 2019-2020 and 5 Year Projection is \$658,677 and \$658,677 respectively.

General Government budget projection for FY 2019-2020 is 3,107,104 consisting of the Fire Station \$266,336, Park Improvement \$2,226,662 and Other General Gov. Projects for \$614,106. Five Year Projection for General Government is \$9,179,772.

Water Treatment and Distribution budget projection for FY 2019-2020 is \$11,789,000 consisting of the Water Distribution Expansion of \$ 3,500,000, New Clarifier and Filter System \$5,200,000, Other Water Treatment and Distribution Projects \$3,089,000. Five Year Projection for Water Treatment and Distribution is \$16,944,000.

Wastewater Collection and Treatment budget projection for FY 2019-2020 is \$11,096,010 consisting of the Wastewater Plant Expansion of \$2,000,000, Sewer Manhole/ Collection System \$1,551,000 and Other Wastewater Collection and Treatment Projects 7,545,010. Five Year Projection for Wastewater Collection and Treatment is \$ 40,851,010.

Total Capital Improvement Project Five Year Projection is for \$ 94,331,115. Council and Staff discussed specific projects and Staff responded to questions presented by the Council.

Ms. Lobatos stated the Internal Service/Insurance Programs presented included Employee and Retiree Medical Insurance, Workers Compensation, General Liability and Unemployment. Council was informed that the 2019-2020 budget reflects annual actuary/broker projection, the long term goal is to maintain reserves at actuary recommendation.

Ms. Lobatos presented the City-Wide Personnel/Workforce and advised the authorization for hiring and promotions is suspended at this time until general fund budget is sustainable and will revisit as new revenues are implemented and as the General Fund Midyear projections demonstrate capacity.

Ms. Lobatos advised that the resolution presented will have to update to add the engineering technician position which is needed and is currently not part of the budget. She advised it will not affect the general fund since this position is funded by water/wastewater and CIP. She further stated the City workforce is at 156.5 for 2019-2020.

City Manager Dale stated there is an intention to hire a crew to replace water pipeline as part of the capital improvement program and this will be brought to the Council in the near future.

Ms. Lobatos presented the general fund reserves and continued path to fiscal recovery. She advised Step 1 for 2019-2020 was the final year in annual repayments to the wastewater fund. The City projects for a positive total fund balance projected June 2020 with continued required focus on revenue growth, budget monitoring and cost control. Ms. Lobatos stated in Step 2 the Budget Resolution includes new policy to rebuild contingency reserve, budget sets aside portion of annual revenues to rebuild reserve, \$250,000 operating surplus initial target, four year target of \$1 million reserve (6%) and a long-term target of 2-6 months of operations. Step 3 includes a 5-Year Financial Plan to Cover Growing Payments on Operating Cost Obligations such as JPIA Retrospective Charges, CalPERS Unfunded Pension Liability and Retiree Medical Unfunded Liability Ms. Lobatos answered questions from the Council on the audited financials. Council thanked and commended Director Lobatos and her department for their work on the budget and for all department's commitment to keeping to their department on budget.

Motion was made by Mayor Pro Tem Hodge, seconded by Council Member Romero to adopt a Resolution Approving the Budget for Fiscal Year July 1, 2019 to June 30, 2020

Mayor Pro Tem Hodge amended his motion to adopt a Resolution approving the Budget for Fiscal Year July 1, 2019 to June 30, 2020 including the addition of the engineering technician position, motion was seconded by Council Member Romero and passed by the following vote to wit:

AYES: Pacheco, Hodge, Romero, Reisin
NOES: None
ABSENT: Arreola-Fernandez

ADJOURNMENT

There being no further business, meeting was adjourned at 6:03 p.m.

Lewis Pacheco, Mayor

ATTEST

Gabriela T. Garcia, City Clerk