

**MINUTES OF THE ADJOURNED MEETING OF THE MONTCLAIR
CITY COUNCIL HELD ON THURSDAY, FEBRUARY 21, 2019, AT
6:00 P.M. IN THE CITY COUNCIL CHAMBERS, 5111 BENITO
STREET, MONTCLAIR, CALIFORNIA**

I. CALL TO ORDER

Mayor Dutrey called the meeting to order at 6:00 p.m.

II. ROLL CALL

Present: Mayor Dutrey; Mayor Pro Tem Raft; Council Members Ruh, Martinez, and Johnson; City Manager Starr; Finance Director Parker; Director of Administrative Services and Human Resources Hamilton; Public Works Director/City Engineer Castillo; City Planner/Planning Manager Diaz; Assistant Director of Housing/Planning Manager Caldwell; City Clerk Phillips

III. PUBLIC COMMENT - None

IV. COUNCIL WORKSHOP

A. Fiscal Year 2018-19 Midyear Budget Review

1. Review of the City's Fiscal Operations and Approval of Proposed Changes to the Fiscal Year 2018-19 Budget

Finance Director Parker reported the status of the City's financial operations at midyear and discussed specific changes to the City's Estimated Revenue and Appropriations budgets in conjunction with the showing of a PowerPoint presentation.

He reviewed the City Manager's recommended changes to the City's General Operating Fund expenditures as follows:

- Fire Department — Increasing Emergency Services Regular Salaries by \$58,178 and Overtime by \$320,000 (\$378,178 requested, but this is reduced by expenditure savings of \$106,885 from Police Department Uniform Patrol Regular Salary savings). These revisions would result in a net increase of \$271,293 for this Department.
- Public Works Department — Increasing training lodging costs by \$2,000 for a new NPDES Inspector, increasing Architect/Engineering Services by \$15,000 due to increased surveys and warrants, increasing park sprinkler parts by \$10,000 and maintenance/repairs by \$8,000 due to unexpected replacements, resulting in a net increase of \$35,000 for this Department.
- Community Development Department — Increasing Plan Check Overtime \$3,000 and Code Enforcement Overtime \$1,500 for mall project plan reviews over the holidays and training of new code enforcement officers and reserves over weekends, resulting in a net increase of \$4,500 for this Department.
- City Attorney — Increasing Legal Services/Court costs \$30,000 and Special Legal Services \$9,000 due to unanticipated claims, settlements, and other legal challenges which have occurred, resulting in a net increase of \$39,000 for this Department.

- Citywide — Reducing the approved budget of General Insurance of \$123,915 due to a review of the carriers utilized by the City and resulting change to an insurance pool which provides savings while maintaining the same or improved coverage.

Finance Director Parker presented suggestions for revisions to the Estimated Revenue Budget (increase by \$354,803) and the Appropriations Budget (increase spending authority by \$225,878 in the General Fund). He indicated that approval of both the revised Appropriations and Estimated Revenue Budgets would have a positive budgetary impact to the General Fund of \$128,925.

Finance Director Parker advised that while the City’s funding levels continue to improve, **California Public Employees Retirement System (CalPERS)** continues to increase employer contribution rates to address unfunded liability, reductions in earnings assumptions and program administration situations. The City’s increase for 2019–2020 is estimated to be 18.65% or \$1,054,131. Staff was able to obtain a reduction in the unfunded liability rates from those proposed starting in 2015–16 (at an estimated increase of \$1.6 million); however, now higher rates are required due to this adjustment and from other factors, including recent **CalPERS** earning assumption reductions. Staff will include new projections in 2019–2020 budget considerations.

He advised the City is looking into several options to increase revenues in the coming year to address future **CalPERS** employer contribution increases including utilizing pension bonding to stabilize increases, initiating a tax increase measure, or legalizing and taxing cannabis activity within the City.

Moved by Council Member Johnson and seconded by Mayor Pro Tem Raft that the City Council receive and file the City's Midyear Budget Review report and approve the changes suggested therein to the City of Montclair Fiscal Year 2018–19 Budget.

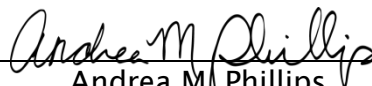
Motion carried as follows:

AYES: Johnson, Martinez, Ruh, Raft, Dutrey
 NOES: None
 ABSTAIN: None
 ABSENT: None

V. ADJOURNMENT

At 6:56 p.m., Mayor Dutrey adjourned the City Council.

Submitted for City Council approval,


 Andrea M. Phillips
 City Clerk