

MINUTES OF THE ADJOURNED MEETING OF THE MONTCLAIR
CITY COUNCIL HELD ON WEDNESDAY, FEBRUARY 19, 2020, AT
6:02 P.M. IN THE CITY COUNCIL CHAMBERS, 5111 BENITO
STREET, MONTCLAIR, CALIFORNIA

I. CALL TO ORDER

Mayor Dutrey called the meeting to order at 6:02 p.m.

II. ROLL CALL

Present: Mayor Dutrey; Council Members Ruh, Martinez, and Johnson

City Manager Starr; City Manager Starr; Director of Administrative Services and Human Resources Hamilton; Finance Manager Kulbeck; Public Works Director/City Engineer Castillo; Community Development Director Diaz; Deputy Director of Community and Economic Development Caldwell; City Clerk Phillips

Absent: Mayor Pro Tem Raft (excused)

III. PUBLIC COMMENT - None

IV. COUNCIL WORKSHOP

A. Fiscal Year 2019–20 Midyear Budget Review

1. Review of the City's Fiscal Operations and Approval of Proposed Changes to the Fiscal Year 2019–20 Budget

Finance Manager Kulbeck 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.

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

- Fire Department — Increasing *Emergency Services Overtime* by \$250,000; however, the General Fund impact is reduced by the following transfers: \$7,000 from *Fire Department Emergency Services Sick Leave Redemption*, \$30,000 from *Police Department Support Services Part Time Wages*, and \$75,000 from *Police Department Uniform Patrol Regular Wages* savings, resulting in a net General Fund increase of \$138,000.
- Public Works Department — Increasing *Janitorial Services Machinery and Tools* costs by \$2,000 for a new piece of restroom cleaning equipment, and *Heating and Air Conditioning Miscellaneous Maintenance and Repair* by \$8,000 due to unexpected repair costs. These adjustments result in a net General Fund increase of \$10,000.
- Community Development Department — Increasing *Code Enforcement Overtime* by \$6,500 due to increased homeless assistance; however, the General Fund impact is reduced by a transfer of \$4,000 from *Code Enforcement Part Time Wages*, resulting in a net General Fund increase of \$2,500.

Finance Manager Kulbeck presented suggestions for revisions to the Estimated Revenue Budget (increase by \$220,039) and the Appropriations Budget (increase spending authority by \$150,500 in the General Fund). She indicated that approval of both the

revised Appropriations and Estimated Revenue Budgets would have a positive budgetary impact to the General Fund of \$69,539.

Council Member Ruh stated the City's largest future challenge is the City's **California Public Employees Retirement System (CalPERS)** unfunded liability payments. He argued the state needs to better manage the performance of the **CalPERS** portfolio. He suggested the City work with the office of **Assembly Member Freddie Rodriguez**, which can assist with receiving Cap-and-Trade money as well as grants for funding programs to help the homeless.

Mayor Dutrey pointed out the Fire Department's overtime budget is an ongoing issue, and tax revenues seem to be flattening out.

City Manager Starr advised the City may join a lawsuit to get cell phone service providers to pay the utility users' tax, and added this year's **CalPERS** rate is unexpectedly low at \$500,000, but is expected to return to its usual and ever-increasing rates in future years.

Council Member Ruh asked if the City anticipates receiving sales tax from online sales.

City Manager Starr advised the County is receiving the online sales tax revenues from the state for purchases made by residents of the County, which the County will be distributing to cities based on population and sales tax trends of each City.

Moved by Council Member Ruh and seconded by Council Member Johnson 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 2019-20 Budget.

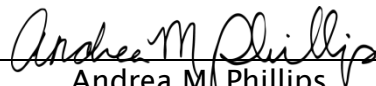
Motion carried as follows:

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

V. ADJOURNMENT

At 6:31 p.m., Mayor Dutrey adjourned the City Council.

Submitted for City Council approval,



Andrea M. Phillips
City Clerk