

MINUTES OF THE ADJOURNED MEETING OF THE MONTCLAIR
CITY COUNCIL HELD ON WEDNESDAY, FEBRUARY 24, 2021, 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 Ruh; Council Members Johnson, Martinez, and Lopez

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

III. COUNCIL WORKSHOP

A. Fiscal Year 2020-21 Midyear Budget Review

1. Consider Review of the City's Fiscal Operations and Approval of Proposed Changes to the Fiscal Year 2020-21 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:

- Administrative Services Department — Increasing *Personnel - Special Consulting Services* by \$4,500, *Psychological Assistance* by \$6,000, *Medical Examinations* by \$4,500, *Personnel Testing* by \$7,000; and *Psychological Exams* by \$4,000. The proposed adjustments would result in a net increase of \$26,000 for the Administrative Services Department.
- Fire Department — Increasing *Emergency Services - Overtime* by \$300,000 and *Uniforms* by \$9,000; *Emergency Services Personnel - Protective Equipment* by \$20,000; and *Personnel Development - Program Supplies* by \$2,100. After several intra-department transfers of funds to ensure adequate funding, the proposed adjustments would result in a net increase of \$439,600 for the Fire Department.
- Public Works Department — Increasing *Management and Construction - Special Consulting Services* by \$1,300; *Streets - Overtime* by \$7,000 and *Uniforms* by \$2,300; *Parks - Overtime* by \$15,000; *Vehicle Maintenance - Propane* by \$2,000, *Compressed Natural Gas* by \$7,000, and *Maintenance Transportation Work Equipment* by \$10,000; *Sewer Maintenance Services - Overtime* by \$9,000; *Building Maintenance - Overtime* by \$6,500, *Uniforms* by \$1,500, and *Special Contract Services* by \$13,000; *Heating and Air Conditioning - Overtime* by \$3,000 and *Maintenance and Repair* by \$11,705; and *Janitorial Services - Overtime* by \$1,500. The proposed adjustments would result in a net increase of \$90,805.

Finance Manager Kulbeck presented the City Manager's recommendations to increase the Estimated Revenue Budget by \$1,513,884 and spending authority to the Appropriations Budget by \$447,905 in the General Operating 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 \$1,065,979.

Finance Manager Kulbeck led a discussion on the passage of Measure L, the City's new one-percent Transactions and Use Tax and the annual revenue of \$8.7 million estimated for Fiscal Year 2021-22 that would be allocated to the General Fund. She reviewed several potential uses for the additional funds including annual bond payments, capital purchases, personnel costs, services and supplies, infrastructure projects, and other general governmental operations. She noted the City would look into a potential bond issue to fund \$47,145,000 for future capital infrastructure projects.

Finance Manager Kulbeck reviewed the City's current status with annual payments to the **California Public Employees' Retirement System (CalPERS)** for the City's unfunded actuarial accrued liability (UAL) as determined by **CalPERS**, which have been increasing dramatically over the past decade. She led a discussion of the option to consider a \$76.7 million pension bond to pay off the City's current UAL to stabilize the increases by paying off the bond over a defined period of 20 to 25 years. She reviewed several potential level and bell curve debt service payment structures that could potentially provide savings of \$30 million to \$40 million over that period in estimated UAL payments to **CalPERS**.

Moved by Council Member Johnson and seconded by Council Member Ruh that the City Council receive and file the City's Midyear Budget Review documents and approve both proposed changes to the estimated revenues and appropriations of the City of Montclair Fiscal Year 2020-21 Budget.

By roll call vote, the motion carried 4-1 as follows:

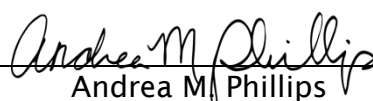
AYES: Martinez, Johnson, Ruh, Dutrey
NOES: Lopez
ABSTAIN: None
ABSENT: None

IV. PUBLIC COMMENT - None

V. ADJOURNMENT

At 7:48 p.m., Mayor Dutrey adjourned the City Council.

Submitted for City Council approval,



Andrea M. Phillips
City Clerk