

CITY OF LAGUNA WOODS, CALIFORNIA
CITY COUNCIL MINUTES
ADJOURNED REGULAR MEETING
April 30, 2010
2:00 P.M.

I. CALL TO ORDER

Mayor Robbins called the Adjourned Regular Meeting of the City Council of the City of Laguna Woods to order at 2:00 p.m.

II. FLAG SALUTE

Councilmember Ring led the flag salute.

III. ROLL CALL

COUNCILMEMBERS PRESENT: Conners, Rhodes, Ring, Hack, Robbins
 ABSENT: None

STAFF PRESENT: City Manager Keane; Assistant City Manager Reilly; Deputy City Clerk Trippy; City Attorney McEwen

IV. CITY MANAGER

4.1 Fiscal Year 2010-2011 Budget Work Plan and Meeting Schedule

City Manager Keane provided a presentation on the Fiscal Year 2010-2011 budget, work plan and meeting schedule. She reviewed the status of the Fiscal Year 2009-2010 work plan; the proposed Fiscal Year 2010-2011 work plan; and, anticipated fiscal situations for both the current and upcoming fiscal years. She noted an anticipated shortfall of approximately \$179,682 for Fiscal Year 2010-2011 and discussed potential ways to balance the budget.

Mayor Robbins stated the economic uncertainty reserve could be reduced to 5% in light of the City's General Fund balance. He would like to consider reducing the community services grants, rather than eliminating them. He also suggested increasing the age or limiting the number of trips, rather than eliminating the airport taxi voucher program.

City Manager Keane clarified that the presentation assumes that the City Council will increase the minimum age for airport vouchers to at least 65, raise the cost of airport vouchers to \$22, and limit the number of airport trips. Without those modifications, the taxi voucher program's deficit would increase from \$60,000 to \$100,000.

Mayor Pro Tem Hack expressed concern with the Community Services Committee's taxi voucher program recommendations being incorporated into the budget presentation prior

to review by the City Council.

City Manager Keane noted that the presentation reflects the best case scenario that staff could come up with at this point and that the City Council is not being asked to approve anything. The taxi voucher program will be discussed in greater detail in May 2010.

Councilmember Connors asked if there is a deadline or cost associated with the rezoning project.

City Manager Keane stated that the City Council allocated \$80,000 in the current fiscal year's budget for the project. The balance will be carried over into the next fiscal year. The project is scheduled to return to the City Council in December 2010.

Councilmember Connors asked what the consequences would be if the City Council decided to save \$80,000 and put the rezoning project on hold.

City Manager Keane indicated that approximately half of the \$80,000 has been spent. Delaying the project might result in the need to redo much of the work that has been completed.

City Manager Keane clarified that staff is looking for direction from the City Council on preferences for closing the deficit. There will be numerous meetings held throughout the budget process where changes can be made.

Councilmember Connors agreed with Mayor Pro Tem Hack's comments and asked staff to provide a detailed analysis of the taxi voucher program. She opposed eliminating the newsletter and prefers reducing, rather than eliminating, the community services grants.

City Manager Keane noted that the community services grants are annual and competitive. The City Council could reduce the overall amount available.

Councilmembers Connors stated that she prefers a 10% economic uncertainty reserve, but would consider reducing it to 5% in order to balance the budget.

City Manager Keane clarified that half of the taxi voucher program is funded by grants, so even if the entire program was eliminated, the City would only save \$60,000.

Mayor Pro Tem Hack asked if interest from the General Fund is counted as revenue.

City Manager Keane responded that it is and that the rate varies and is running at about one-half of a percent.

Mayor Pro Tem Hack stated that improvements in interest rates would reduce the City's deficit. He has some expectation that interest rates will increase in the coming months.

City Manager Keane agreed, but noted that the City's investments in LAIF typically lag the market. Staff projects receiving approximately \$60,000 in interest for the current fiscal year and approximately \$63,000 for the next fiscal year.

Councilmember Rhodes asked if there would be a savings realized by delaying the City Centre Park project and what the source of funding for the project is.

City Manager Keane stated that staff time is the only expense in the current fiscal year's budget. Staff is concerned with losing a \$195,000 grant for the park.

Councilmember Rhodes asked about the source of funding for the resurfacing of Santa Maria Avenue and the El Toro Road/Aliso Creek Landscape Project.

City Manager Keane responded that transportation funds would be used for Santa Maria and that the landscape project is in the Capital Improvement Program budget. It is a carry over from the current fiscal year's budget.

Councilmembers Rhodes noted that there seems to be very little that can be cut from the budget that would have a positive impact on the City's finances.

City Manager Keane responded that the work plan assumes a certain number of staff and that if the City Council wanted to reduce the work plan they could lay-off staff.

Councilmember Rhodes indicated that he would not support laying off staff and that the consequences of doing so may outweigh the benefits. He suggested that the City consider using a more economical paper to print the newsletter and decrease the number printed. He also expressed support for decreasing the economic uncertainty reserve.

Councilmember Ring suggested waiting to reduce the economic uncertainty reserve until staff has a better idea of what to expect from the State.

City Manager Keane stated that she does not expect to have better information on current fiscal year revenues until July.

Mayor Pro Tem Hack noted that the uncommitted General Fund balance is also a part of the City's reserves and is in addition to the economic uncertainty reserve. He would like to wait until late June to make a decision on reducing the reserve. He speculated that he does not object to most of staff's suggestions and that he does not want to lay-off staff. He would like to look at the taxi voucher program in greater depth and spoke to its value, as well as the value of the community services grants and City newsletter. He stated that the City is well run and fortunate to have a relatively small deficit.

City Manager Keane noted that staff is looking for feedback on any of the reductions that have been proposed. She discussed the logic in freezing staff salaries for an entire year, beginning at mid-year of the current fiscal year.

Councilmember Rhodes asked about the merit of subsidizing non-emergency medical taxi vouchers by 85%.

City Manager Keane noted that the non-emergency medical taxi voucher and general taxi voucher programs are the highest priorities of the agency that provides funding for the

program. The airport vouchers do not meet the goals of the program and serve only as a benefit to residents. Past direction from the City Council has been to preserve the parts of the program that meet the goals and provide a necessary service.

Mayor Robbins discussed the importance of continuing the non-emergency medical taxi voucher program.

Councilmember Ring concurred with Mayor Pro Tem Hack's comments and expressed his surprise that the budget deficit is as small as it is.

City Manager Keane stated that staff has prepared a conservative budget.

Councilmember Ring expressed interest in evaluating the taxi voucher program and the community services grants. He noted that the City may need to look at how it operates and make continual adjustments throughout the year.

City Manager Keane discussed the proposed budget meeting schedule and indicated that Councilmember Connors has a conflict on the afternoon of June 23, 2010. She suggested scheduling the meeting for 10 a.m.

Moved by Councilmember Ring, seconded by Mayor Pro Tem Hack, and carried unanimously to approve the following City Council meeting schedule:

- May 19, 2010, General Fund Revenue and Base Budget Estimates (2 p.m.)
- June 2, 2010, Budget Workshop All Funds (2 p.m.)
- June 16, 2010, City Manager's Proposed Budget Presented (2 p.m.)
- The date for the final June meeting will be discussed and set at the next Council meeting.

V. PUBLIC COMMENTS

Assistant City Manager Reilly provided updates on the Moulton Smart Street and El Toro Road Storm Drain projects.

VI. CLOSED SESSION

The City Council met in closed session to confer with legal counsel regarding one matter of litigation pursuant to the provisions of Government Code Section 54956.9(a): City of Laguna Woods vs. Raintree Realty LLC. (Case No. 05 CC 09350).

The City Council reconvened in open session at 4:40 p.m. City Attorney McEwen advised that there was no reportable action.

VII. ADJOURNMENT

The meeting was adjourned at 4:41 p.m. to a Regular Meeting at 2:00 p.m. on Wednesday, May 19, 2010 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, Deputy City Clerk

Adopted: June 16, 2010

MILT ROBBINS, Mayor