

**YUCCA VALLEY TOWN COUNCIL WORKSHOP
FEBRUARY 19, 2013**

Mayor Abel called the meeting to order at 5:03 p.m.

COUNCIL MEMBERS PRESENT: Council Member Huntington, Lombardo, Rowe, and Mayor Abel

DEPARTMENT REPORTS

Baseline Budget

Administrative Services Director Yakimow gave a PowerPoint presentation advising the baseline budget assumptions include existing service and programming levels, transfers to infrastructure are not reflected, 3% sales tax growth rate, 2% property tax growth rate, no provision for election expense, Public Safety increase of 5%, and SA allocation continues, leaving a baseline deficit of \$388,000. Continued expenditure growth outpacing revenue growth is an ongoing concern. Additional budgetary requirements include public infrastructure maintenance, Brehm Park maintenance, PERS Retirement cost increases and OPEB contributions, making the potential deficit \$1,023,000.

Council Member Rowe questioned if the baseline budget assumes that the Council will take from reserves to balance the budget. Administrative Services Director Yakimow explained, and noted it is staff's assumption to always bring a balanced budget plan to the Council.

Council Member Huntington questioned if it would take an additional \$100,000 on top of the 2% initially in the baseline budget to fully fund the OPEB on an annual basis. Administrative Services Director Yakimow Stated that is correct.

Town Manager Nuaimi advised the organization will be faced with difficult situations, noting that deficit spending erodes reserves quickly and doesn't resolve all things that need to be resolved.

Town Manager Nuaimi advised that there are two near term decisions that need to be made before hiring and training aquatics staff, and booking talent for summer concerts.

Summer Community Services Activity Impacts

Currently there is a \$50,000 cost to maintain and program the community pool. The town has historically supported the high school swim program, non-profit use, and the Town's aquatics program. Staff has evaluated various scenarios to reduce the cost to the town. Scenario 1 is no usage -- simply maintaining the asset for the community but no human contact. Scenario 2 allows use by the Yucca Valley High School swim team and facility rental, but no Town programming, and Scenario 3 is modified Town programming to reduce services, increase fees, and reduce the subsidy

Mayor Abel commented that the Town does not want to make a drastic move by getting rid of the pool altogether, noting there is a need to consider other scenarios. He questioned if the swim program has agreed to a new rate, and if they have been able to pay their bills. Community Services Director Schooler stated they are current on their bill from last year, however, they did get a reduction in that fee, which they are not going to get this year.

Council discussed the various scenarios.

Christie Vrooman, Yucca Valley, expressed concern regarding safety and the need for children's swimming lessons.

Margo Sturges, Yucca Valley, commented in opposition to the possibility of the Town rescinding the pool lease with the School District.

Ramon Mendoza, Yucca Valley, recommended removing all turf grass leaving funding for other things.

Jake Frank, Yucca Valley High School Swim Team Captain, expressed the team's willingness to pay more for use of the pool this year.

Richard Harlan, Yucca Valley, questioned where the School Board is, noting this affects them also.

Mayor Abel advised that the School Board is having a board meeting this evening, and the swim team coach had a personal matter come up that prevented attendance. He noted that previously the School District made the statement that they do not want to fund the pool and bring it up to standards. It was the Town that saved the program and pool by investing in it.

Town Manager Nuaimi commented there is not a single program the Town provides that we don't believe is of importance. Every program we provide is valuable. This will be a difficult process as we move forward. The reason this particular issue is being addressed tonight is, if we are going to have an aquatics program, we have to start recruiting our aquatics staff and training them. He added the importance of the

relationship between the Town and school District is going to get more elevated as the budget gets tighter. The Town is always the facility of choice if the District runs into problems, so there has to be a meeting of minds to see how to balance this.

Mayor Abel questioned if there is any possibility of increasing programming later if additional funding becomes available. Town Manager Nuaimi advised that anything short of eliminating the program completely and handing the pool back to the District allows that flexibility, noting that currently we can rent the pool out for \$40 per hour.

Council Member Huntington stated opposition to Scenario 1 recommended some kind of hybrid between Scenarios 2 and 3 with some programming.

Council Member Lombardo stated he is encouraged to hear that the swim team is willing to pay more, noting if we are going to keep the program, the people using it are going to have to pay more. Without a revenue stream the Town cannot provide the things they have been providing.

Mayor Abel stated he is leaning toward a Scenario 1.5 where we honor the commitment to the swim program, and if other funding becomes available add to programming.

Council Member Rowe moved, and Council Member Lombardo seconded to allow the swim team to use the pool for their program then continue to maintain the pool but with no programming, and bringing a new proposal back if new funding becomes available. Council agreed.

Summer Concert Series

Town Manager Nuaimi advised the summer concert series costs about \$2,000 per concert, with a total Town subsidy of \$20,000 towards the series.

Council questioned the level of outside funding we would be seeking, and whether or not this would be an opportunity to have an outside promoter bring in talent, charging a nominal fee to attend.

Ellin Loveless, Yucca Valley, requested Council consider putting another revenue measure on the ballot to be able to provide services.

Margo Sturges, Yucca Valley, spoke in opposition to discontinuing the concerts stating it is important to the community and is tradition.

Ramon Mendoza, Yucca Valley, agreed with charging admission for the concerts.

Sarann Graham, Yucca Valley, recommended holding off for 30-45 days, and placing something in the newspaper. Perhaps an organization would want to fund and put this on. She also recommended charging vendors and getting more sponsors.

Mayor Abel recommended perhaps cutting the number concerts to save money.

Council Member Rowe noted that she and Council Member Huntington are on the ad-hoc committee with Supervisor Ramos and recommended cutting funding and speaking to him regarding county assistance.

Council Member Lombardo moved and Council Member Rowe seconded to defund the summer music festival. Council agreed.

Mayor Abel suggested if we are unable to secure such funding we could look at other possibilities.

Cynthia Kraemer, Yucca Valley, stated due to feared cuts there has been a diverse group of people meeting to try to figure out how to avoid budget cuts this year. There were about 25 citizens coming together for the common good. We want to preserve water quality, support the sewer, and maintain our quality of life. She requested the Council partner with them by putting a sales tax measure on the November 2013 ballot with ½ cent for sewer and ¼ cent for roads for 30 years.

Mayor Abel recessed the meeting at 6:20 p.m. and reconvened at 7:48 p.m.

Comprehensive Road Maintenance Financing Strategy

Town Manager Nuaimi gave a PowerPoint presentation noting that during the strategic planning session the Council said this year the Town should consider a “do no harm” scenario which is \$250,000 general fund dollars dedicated for roads. He added that the consensus was that the sewer project should repair the roads in Phase I if they are getting sales tax funding.

Policy Questions for Council consideration include:

- 1) Should Town Council predicate support for ½ % sales tax measure dedicated to sewer based upon the project making road improvements in Phase I?
- 2) Should we bond against Measure I funds to deliver one-time repairs in Phase 3 and beyond?
- 3) Should the Town commit RDA bonds to fix roads in Phase 1 not impacted by sewer?
- 4) Should town bring forward special tax to provide both sewer and roads dedicated funds in Fall of 2013?
- 5) Should the Town commit general funds in current and future budget cycles with or without an additional revenue measure?

Sarann Graham, Yucca Valley, commented regarding the difficult decisions to be made for use of less revenue. She encouraged Council to put a tax initiative on the ballot.

Margo Sturges, Yucca Valley, commented regarding the need for more information.

Jennifer Collins, Yucca Valley, commented a proposed sales tax initiative that has been brought forward addresses a majority of Measure U opposition. Noting they will work hard for the Town if Council puts an initiative on the November ballot.

Policy No. 1: Council agreed that if the sewer project impacts a Town-maintained road, the sewer project should make the necessary improvements to that road to maintain a slurry or cape seal condition.

Policy No. 2: Measure I bonding, if there is a tax measure dedicated to the roads? Council Member Rowe stated she is inclined to say yes with more information. Mayor Abel stated he is not in favor until there is a sales tax measure.

Policy No. 3: Use of RDA bonds of under \$1,000,000 for roads in Phase 1 not touched at the sewer project. Council Member Rowe stated maybe. Mayor Abel stated it depends on the type of roads. Council Member Huntington questioned the harm if Council does not put in the \$250,000 general fund dollars for the “do no harm” scenario. Town Manager Nuaimi stated he did not think RDA bonds would be available this year but maybe in future years. He questioned if Council would be willing to use RDA bond proceeds if they were needed to fill the gap for a comprehensive solution in future years. Council agreed.

Policy No. 4: Should the Town take the lead in pursuing a dedicated funding solution, and if so should it be done in fall of 2013? Council Member Lombardo stated yes. Council Member Rowe stated maybe but probably not, however, she would support an initiative brought forth from the Community. Mayor Abel advised he would be willing to look at a measure in November if it addressed the Town’s needs as well as assisting the citizens. Council Member Huntington advised he is inclined to support that at this point. Town Manager Nuaimi advised dollars will be included in this year’s budget for election expenses, and recommended encouraging the Move Yucca Forward group to continue their outreach.

Policy No. 5: use of general funds in amount of \$250,000. Council Member Rowe stated yes. Mayor Abel and Council Members Huntington and Lombardo agreed not to place the funds in this year’s budget.

There being no further business, Mayor Abel adjourned the meeting at 8:33 p.m.