



Minutes

Lakewood City Council

Adjourned Regular Meeting held
June 14, 2003

MEETING WAS CALLED TO ORDER at 9:40 a.m. by Mayor Esquivel in the Council Chambers at the Civic Center, 5000 Clark Avenue, Lakewood, California.

ROLL CALL: PRESENT: Mayor Joseph Esquivel
Vice Mayor Todd Rogers
Council Member Wayne Piercy
Council Member Larry Van Nostran
Council Member Robert Wagner

REVIEW OF FY 2003-04 BUDGET POINTS

City Manager Howard Chambers displayed slides and reported that the purpose of the session was to provide an overview of the budget process and an update of the budget crisis in Sacramento. He stated that there would also be a public safety overview, a review of revenue and appropriation details and a look at the Legacy Capital Improvement Program.

He reported on the fiscal realities of the California budget crisis, stating that the State was suffering from a six-year hangover from the excessive spending of the 1990's. He also reported on the proposed tax increases and other threats to local funding from Sacramento. He noted that it was critically important to stay on top of what was happening and being proposed in Sacramento, since the picture seemed to shift on an almost daily basis. He briefly reviewed the budget woes of the County of Los Angeles, which was facing an \$804 million deficit in a \$16 billion budget.

He reviewed the ten focus areas of the City's budget: Intergovernmental Relations; Economic Development; Street Maintenance; Water Quality Protection; Public Safety; San Gabriel River Parkway next phase; Educational Improvements; Park Projects; Information Technology Upgrades; and Celebrating Lakewood's 50th Anniversary of Incorporation. He also reviewed some budget highlights such as a budget of \$49.7 million balanced without using General Fund reserves. He advised that due to cautious budgeting and planned underspending, there would be funding left over from fiscal year 2003-03, but the exact amount would not be known until the books were closed out in August. The excess, which could be as much as \$1 million, would be placed into a reserve account as a hedge against economic uncertainty.

Noting the disparity between the revenues and appropriations, Council Member Piercy inquired how the budget could be balanced without the use of General Fund reserves. Finance Director Larry Schroeder advised that the revenues do not show all funds that were transferred into the General Fund, such as funding received from gas taxes.

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

PUBLIC SAFETY OVERVIEW

Dave Fender, Commander of the Lakewood Sheriff's Station, provided an overview of the Sheriff's Department budget and how it would impact operations at the Lakewood station. He stated that the most drastic cuts in the Department would be felt in the area of custody and would result in shortened sentences for non-violent offenders.

Council Member Wagner asked how hard a hit the Sheriff's Department would experience from the changes in the Workers' Compensation program. Dave Fender stated that Workers' Compensation costs would increase \$2 million just for this year. The City Manager noted that the County as a whole would be facing a \$360 million Workers' Comp. payment.

Dave Fender continued by stating that the Department was looking at a \$82 million shortfall this year and that 1,500 positions had been cleared from the Department's books. He stated more cuts were to come in custody, from the courts and other administrative positions. He also noted that there had been no Sheriff's Academy classes since last December and while they were not planning cuts in patrol or investigation, everyone would have to do much more with much less.

Council Member Van Nostran inquired about the impacts of early release of offenders. Dave Fender responded by stating that although the program would not involve any violent offenders or those endangering the public, like those convicted of driving under the influence, the Sheriff's Department would be closely watching crime trends to identify repeat offenders.

Responding to a question from Council Member Piercy, Dave Fender stated that early release prisoners were monitored and tracked until their sentence was complete.

The Station Commander stated he would not be requesting any increase in service levels, as Lakewood had a great team and deployment could not be better.

Responding to questions from Council Member Van Nostran regarding auto theft, Dave Fender stated they worked hard to identify problem areas and to educate the deputies to deal with those problems. He noted that the Sheriff's Department had worked with the courts to tighten sentencing for auto theft convictions.

Council Member Wagner asked about auto theft percentages at the Lakewood Center Mall as compared to the City at large. Dave Fender responded by stating that certain areas near the City's borders had been more affected and that current statistics showed auto theft down eight percent at the Mall and three percent citywide.

Council Member Piercy inquired about the effectiveness of the Safety Center in the Mall and asked for a value-to-cost estimate. Dave Fender stated that he felt the Safety Center, by providing a base for Mall deputies and deputy training, was not only very effective, but that demand for use of the facility would continue to increase. The City Manager stated that staff would be continually monitoring the use to ensure the benefits were worth the cost.

REVIEW OF FY 2003-04 BUDGET POINTS - Continue

The City Manager stated that the department heads had done a good job and had not requested any new major programs, staffing or equipment. He reviewed the proposed revenues, including revenues by origin and sales tax revenues; and appropriations, including contract services, personnel costs, supplies and expenses, and capital equipment and capital expenses.

At 10:48 a.m., the Mayor called for a brief recess. At 10:54 a.m., the City Council Meeting was reconvened.

The Finance Director displayed slides and reviewed the Legacy Capital Improvement Plan. He stated that the five-year Plan included all project requiring Public Works construction and all equipment in excess of \$50,000. He also stated that the Plan included "wish list" projects that could be accomplished if outside funding, such as a grant, became available. He reviewed the proposed one-year and two-year projects.

Responding to a question from Council Member Wagner, Mr. Schroeder advised that SB 821 funds were provided by the State for pedestrian and bikeway programs. The City was currently using these funds to install curb cuts at corners to improve accessibility. He also advised that Rule 20A funds were collected from Southern California Edison ratepayers and did not come through the City's accounts.

The City Manager confirmed for Vice Mayor Rogers that not only were the funds restricted for a single purpose, but So. Calif. Edison had control of the projects which were selected and the speed with which the projects proceeded.

Council Member Wagner stated he would like to see a chart showing the utility undergrounding that had already been completed. Public Works Director Lisa Rapp stated that eleven projects had previously been completed with Rule 20A funds.

Responding to a question from Council Member Wagner, Ms. Rapp stated that a street overlay generally lasted about 15 years. She noted, however, that the rubberized asphalt did not have an established track record yet and could possibly last even longer.

The Assistant Director of Water Resources, Brian Dickinson, responded to questions about the hydrogen sulfide removal project and stated the treatment facility, to be located at Downey Avenue and Candlewood Street, could be retrofitted in the future if other elements requiring treatment were identified.

Responding to a question from Vice Mayor Rogers, Mr. Dickenson stated that there were about sixty more miles of iron water mains that would need to be replaced.

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

The Public Works Director responded to a question from Council Member Van Nostran by stating that the ADA curb cuts remained to be installed at about twenty percent of recommended locations.

Council Member Piercy proposed an additional project be added to the Capital Improvement Program. He stated that he felt it was important to the community to have improved, uniform identification signs at the entrances to the City.

Council Member Wagner agreed that something should be done to improve the signage.

Mr. Chambers noted that although the size and scope of such a project would probably not require classification as a capital improvement project, staff would investigate and bring a report to the City Council on the matter.

The Public Works Director responded to questions about the status of replacing green asphalt in major street medians with landscaping by stating that the only major areas remaining to be done were parkway panels along Centralia Street in the eastern portion of the City, and a couple of short sections of median along Del Amo Boulevard on the west side of the City.

Vice Mayor Rogers stated that while not budgeted in this capital improvement cycle, these locations should be on the wish list, so that should funding become available, we would be ready to proceed with a project.

The City Manager concluded by stating that with the proposed budget being balanced and focused upon neighborhoods and streets, it was just a matter of waiting to see what impacts the State legislature's actions would have on cities.

At 11:43 a.m., the Mayor called for a brief recess. At 11:57 a.m., the City Council Meeting was reconvened.

CJPIA FISCAL RELIEF PROGRAM

Mr. Schroeder stated that the Executive Board of the California Joint Powers Insurance Authority was offering a Financial Relief Program for its members. The Program would require that only half of the usual liability program deposit be paid by the July 1st due date, with the remainder only becoming due based upon the claim experience for the year. With this program, the City could retain half of the liability program deposit which could be invested and be earning interest pending the determination of any balance due at claims year end. He noted that Lakewood usually received a refund on each year's deposit. It was the recommendation of staff that the City Council direct the City Manager to take advantage of the CJPIA Fiscal Relief Program.

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

CJPIA FISCAL RELIEF PROGRAM

Council Member Van Nostran advised that while CJPIA's Executive Committee needed to keep a sufficient reserve to protect its members, there were enough reserves at this time to offer this program. He noted that CJPIA had the right to assess any city that exceeds its program deposit and actuarial calculation.

COUNCIL MEMBER PIERCY MOVED AND COUNCIL MEMBER WAGNER SECONDED TO GO WITH THE CJPIA OPTION 2 AND AUTHORIZE THE CITY MANAGER TO SIGN AND SUBMIT THE NECESSARY ACKNOWLEDGEMENT FORM. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers, Van Nostran, Wagner and Esquivel

NAYS: COUNCIL MEMBERS: None

50TH ANNIVERSARY ACTIVITIES AND BUDGET

Assistant City Manager Michael Stover stated that based upon comments received at the City Council's meeting on May 27, 2003, the 50th Anniversary Ad Hoc Committee had reviewed and reformulated its recommendations. The six revised recommended anniversary projects were History and Traditions; student/community essays; Civic Hall of Fame; special events; Street Banners and Del Valle Park Veterans memorial refurbishment. He noted that funding had been received for the History and Traditions Program through the Weingart Foundation; that the Mark Taper Foundation had expressed interest in participating; that the Lakewood Rotary Club had also expressed the desire to help with a program, such as the Street Banner Program; and that there were still opportunities for any other community group to participate as well.

Responding to a question from Council Member Van Nostran, Mr. Stover stated that Lakewood Regional Medical Center was also interested in being a partner in the process and had expressed interest in the Street Banner Program.

Council Member Van Nostran stated that the Ad Hoc Committee had responded to the call for fiscal responsibility, had made efforts to reduce the costs and was still seeking ways to offset costs further. But, he noted that there would be only one opportunity to celebrate Lakewood's 50 years as a city and that it should be done well. He stated he would like to see unanimous backing for the programs.

Vice Mayor Rogers stated that the Committee had done a good job in making the proposed events relevant to the community. He also stated that he would like to see some effort expended to work with available media outlets to recognize Lakewood as the original contract city. He concluded by stating that he would like to look into restoring the July 4th fireworks show since there seemed to be a high level of interest in the community.

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

50TH ANNIVERSARY ACTIVITIES AND BUDGET

Mr. Stover advised that while the original proposal to seek recognition of Lakewood's status as the first contract city in California through representatives in Sacramento had been removed from the proposal, there would definitely be a campaign in the local media for such recognition. He also advised that although the fireworks show had been removed from the anniversary plans, it could still be looked into as a separate event.

The City Manager noted that since the show would be held in July 2004, it could be worked out in the budget for the next fiscal year.

Council Member Wagner stated he was in support of a fireworks show and would like to work with the Lakewood Center Mall on a July 4, 2004 event. He also stated that he felt the anniversary activities needed a definitive ending, with an event for the community at large to celebrate. He noted that community residents had inquired about the possibility of a parade.

Mayor Esquivel stated that an event similar to the Pan American Festival and ending with a fireworks show would be appropriate. Mr. Stover stated that there would be special challenges to holding such an event at a commercial center like the Mall, but, with adjustments, a good show could be produced.

Vice Mayor Rogers agreed with the concept of holding a capstone event to provide a definitive end to the anniversary celebrations. He stated that the 4th of July would seem to lend itself to just such a type of event.

Council Member Piercy noted that the most popular community events were the concerts in the park and that an enhanced version of that type of event would have a lot of support in the community.

Council Member Wagner suggested gathering representatives from community organizations to help determine the most appropriate type of event.

Council Member Van Nostran stated that the fireworks show had been deleted from the original activities recommendation due to the cost of putting on such a show. He expressed concern that at a time when the City Council was working hard to convey the seriousness of potential State budget cuts, such a large expenditure could be perceived as inappropriate.

The City Manager recommended that the City Council take action to approve the anniversary plan as presented, and request that the 50th Anniversary Committee continue to meet to address the issue of a finale to the anniversary celebrations. He noted that there was the possibility of community donations to offset the cost of a show.

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

50TH ANNIVERSARY ACTIVITIES AND BUDGET

Council Member Wagner stated he did not think that an expenditure for this type of celebration would be viewed by the community as a waste of funds and that it would be short sighted to cut a 50th anniversary celebration event for only that reason. He also noted that since, thanks to the excellent management of City Manager Howard Chambers, the City would be able to close out the current fiscal year with as much as \$1 million remaining, Lakewood was in very good financial shape.

Vice Mayor Rogers stated that it would be money well spent if it were to benefit the community as a whole.

COUNCIL MEMBER PIERCY MOVED AND VICE MAYOR ROGERS SECONDED TO APPROVE THE RECOMMENDATIONS OF THE 50TH ANNIVERSARY AD HOC COMMITTEE AND TO INSTRUCT THE COMMITTEE TO CONTINUE TO REFINE PROGRAMS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers, Van Nostran, Wagner and Esquivel

NAYS: COUNCIL MEMBERS: None

Mayor Esquivel also instructed the Committee to look into sponsoring a capstone event.

PROPOSITION A TRANSPORTATION FUNDS

The Director of Finance advised that the City had a surplus of Proposition A Transportation Funds for which there was no identified need. The City had received an offer from the City of Santa Fe Springs to swap Proposition A funding, which were restricted and could only be expended for transit-related projects, for general funds that could be used in any other area of need identified. The City of Commerce had also expressed an interest in a fund swap. It was the recommendation of staff that the City Council consider the swap of Proposition A funds and future uses of Proposition A funds.

Responding to a question from Mayor Esquivel, Mr. Schroeder stated that the City received Proposition A funding each year that was active for a three-year period. Funds not used at the end of the three years reverted back to the State. He reported that there was excess funding in both the second and third years of the cycle.

Community Development Director Chuck Ebner reviewed the City's current programs which were funded through Proposition A. He stated that there was not any area of transit need that was not being met with Proposition A funding. He noted that a future use of funds could be for bus stop shelters, a program still in the development phase.

Council Member Piercy, noting the success of shuttle parking for the Pan American Fiesta each year, suggested a transit solution, such as a trolley bus, which could be sought to ease parking at the Candlewood shops.

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

PROPOSITION A TRANSPORTATION FUNDS

Responding to a question from Council Member Van Nostran, Ms. Rapp stated that Proposition A funds were used to purchase the buses used by the DASH transit program and that it would be another three or four years before any part of the fleet would need to be replaced.

Mr. Schroeder confirmed for Vice Mayor Rogers that all DASH costs, including personnel, were covered by Proposition A funding.

In response to a question from Council Member Wagner, Mr. Schroeder stated that there was \$668,000 in funding that is at least two years old and that the total funding will reach almost \$1.7 million by year's end. Council Member Wagner stated that while he felt a one-time swap would be appropriate at this point, he felt the City Council needed to make a concerted effort to look at other possible programs that would be eligible under Proposition A.

Vice Mayor Rogers stated he supported the swap since, even with the proposed swap, there would be adequate funds remaining to begin a healthy bus shelter program.

VICE MAYOR ROGERS MOVED AND MAYOR ESQUIVEL SECONDED TO AUTHORIZE STAFF TO TRADE PROPOSITION A FUNDS AS REQUESTED BY THE CITIES OF SANTA FE SPRINGS AND COMMERCE. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers, Van Nostran, Wagner and Esquivel

NAYS: COUNCIL MEMBERS: None

SHERIFF'S STATION REMODEL PROJECT

The City Manager stated that the proposed project had reached the point where authorization was needed for a City representative to meet with the County of Los Angeles' Chief Administrative Officer to negotiate an agreement that could include a multi-year funding option.

The Director of Public Works displayed slides and reviewed the development of the proposed remodel project, stating that the revised floor plan was expected to be signed off by the Sheriff's Department by mid-July. She advised that the preliminary cost estimate was \$12.5 million.

Council Member Wagner questioned the need for the amount of space requested in the proposed station, noting that the City of Paramount was already operating a substation.

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

SHERIFF'S STATION REMODEL PROJECT

Station Commander Dave Fender responded by stating that the additional space was not so much for additional personnel, as it was for additional functionality. He advised that the current station had not been built or remodeled at a time when technology played such an important role in law enforcement as it currently does and that there were other concerns, such as handicapped accessibility that needed to be addressed. He also noted that the station design was intended to provide services over the next twenty years.

The City Manager advised that an agreement could be structured with the County to include a calculated payment schedule that would be budgeted by the County each year.

COUNCIL MEMBER WAGNER MOVED AND COUNCIL MEMBER VAN NOSTRAN SECONDED TO AUTHORIZE THE CITY MANAGER TO NEGOTIATE WITH THE COUNTY OF LOS ANGELES CHIEF ADMINISTRATIVE OFFICER ON A LEASE AGREEMENT FOR THE LAKEWOOD SHERIFF'S STATION REMODELING AND NEW CONSTRUCTION PROJECT, INCLUDING A MULTI-YEAR FUNDING AGREEMENT. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers, Van Nostran, Wagner and Esquivel

NAYS: COUNCIL MEMBERS: None

FEES AND CHARGES – ANIMAL CONTROL SERVICES

The Director of Public Works displayed slides and stated that the City had been served by the Southeast Area Animal Control Authority since 1992. She reported that the cost of services had increased by 31 percent over the last five years and currently exceeded the revenues collected through licensing. She noted that license fees had not been adjusted since 1991. It was the recommendation of staff that in anticipation of the current animal control services agreement expiration in June of 2004, staff be authorized to initiate contract negotiations with the existing provider or seek the services of other providers if acceptable terms are not reached. Staff would present a proposal for adjusted license fees at the time the new contract was presented for approval.

COUNCIL MEMBER PIERCY MOVED AND COUNCIL MEMBER WAGNER SECONDED TO APPROVE STAFF'S RECOMMENDATION. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers, Van Nostran, Wagner and Esquivel

NAYS: COUNCIL MEMBERS: None

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

FEES AND CHARGES – COMMUNITY DEVELOPMENT FEES

The Director of Community Development stated that although costs for building inspection services had increased 32 percent since FY 2000-01, and were anticipated to rise another 3.9 percent over the next fiscal year, there had been no increase in building permit fees since 1995. He advised that in recent years, some of the cost had been offset by several large commercial projects without which a negative balance would occur in FY 2003-04. Staff was proposing an increase to building, plan check, plumbing, electrical and mechanical fees of 7 to 9 percent.

COUNCIL MEMBER WAGNER MOVED AND COUNCIL MEMBER PIERCY SECONDED TO APPROVE STAFF'S INITIAL RECOMMENDATION OF A THREE PERCENT INCREASE TO BUILDING, PLAN CHECK, PLUMBING, ELECTRICAL AND MECHANICAL FEES.

Council Member Van Nostran determined from Mr. Ebner three percent would not be enough to fully offset the actual cost and that nine percent would be more appropriate. He stated that the program should not be allowed to lose money.

COUNCIL MEMBER VAN NOSTRAN MOVED AND VICE MAYOR ROGERS SECONDED TO AMEND THE INCREASE TO NINE PERCENT.

Council Member Wagner stated that while he could support the initial proposal for a three percent increase, he was not in favor of a larger increase.

COUNCIL MEMBER WAGNER AND COUNCIL MEMBER PIERCY AGREED TO WITHDRAW THEIR PREVIOUS MOTION.

UPON ROLL CALL VOTE, THE AMENDED MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers, Van Nostran and Esquivel

NAYS: COUNCIL MEMBERS: Wagner

FEES AND CHARGES – ARCHIVING FEES

The Community Development Director reported that his department was in the process of converting their paper building plans to electronic format. It was proposed that for future projects, the cost of scanning and indexing be borne by the project applicant. It was the recommendation of staff that the City Council adopt a fee based upon the number of plan pages to be archived of \$.15 per page for letter-sized pages and \$1.85 per page for all larger pages.

COUNCIL MEMBER VAN NOSTRAN MOVED AND VICE MAYOR ROGERS SECONDED TO APPROVE STAFF'S RECOMMENDATION.

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

FEES AND CHARGES – ARCHIVING FEES

UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers, Van Nostran, Wagner and Esquivel

NAYS: COUNCIL MEMBERS: None

FEES AND CHARGES – GENERAL PLAN FEES

The Community Development Director reported that legislation had recently been passed that would allow cities to collect a fee from building permit applicants to offset the costs of preparing and maintaining the General Plan and accompanying environmental documents. He noted that the General Plan's Master Environmental Impact Report had been used to greatly streamline the environmental review process, thereby providing cost savings to developers. It was the recommendation of staff that the City Council include a fee of 0.085% of the value of the construction as a General Plan fee.

COUNCIL MEMBER VAN NOSTRAN MOVED AND VICE MAYOR ROGERS SECONDED TO APPROVE STAFF'S RECOMMENDATION. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers, Van Nostran, Wagner and Esquivel

NAYS: COUNCIL MEMBERS: None

FEES AND CHARGES – REVIEW OF PARKING FINES

The Finance Director reported that parking-related fines had last been adjusted in June of 1993. Staff had recently completed a review of the fines and a survey of six surrounding cities for parking-related fine levels in an effort to be consistent with neighboring cities and to ensure that revenue generated covered the cost of the parking enforcement program. He noted that although revenues had exceeded expenditures, the expenditures did not include the cost of vehicle replacement. He also advised that any proposed changes to parking-related fines would require the approval of the Planning and Research Department of the Los Angeles County Court. It was the recommendation of staff that the City Council approve the proposed parking-related fine increases and direct staff to implement the increases upon approval by the Planning and Research Department of the Los Angeles County Court.

Council Member Van Nostran, noting the poor appearance caused by vehicles standing for sale upon the frontage roads of major streets, stated that to deter the on-street parking of vehicles for sale, the fine should be increased to \$50.

COUNCIL MEMBER VAN NOSTRAN MOVED AND COUNCIL MEMBER PIERCY SECONDED TO APPROVE THE PARKING-RELATED FINE INCREASES AS PROPOSED, EXCEPT FOR AN INCREASE IN THE VEHICLE FOR SALE FINE TO \$50. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers, Van Nostran, Wagner and Esquivel

NAYS: COUNCIL MEMBERS: None

REVIEW OF FY 2003-04 BUDGET POINTS - Continued

SOLID WASTE MANAGEMENT – REFUSE CHARGES

The Director of Public Works displayed slides and provided background information on the City's Solid Waste Management Program. She reported that the City was currently in compliance, having achieved a 41 percent diversion rate in the year 2000 and being recognized with a "Good Faith Effort" designation by the California Integrated Waste Management Board (CIWMB). She reported that the key to the program's success was the careful balance between the refuse sent to the SERRF solid waste to energy facility in Long Beach and the amount sent to a Materials Recovery Facility (MRF). The balance required vigilant monitoring to maintain the appropriate levels to meet program requirements, while keeping program costs as low as possible. She reported that a Rate Stabilization Fund developed from SERRF rebates had been utilized to offset the higher cost of sending refuse to the MRF, however, since the rebates were accumulating at a slower rate than they were being expended, the fund would eventually be exhausted. It was the recommendation of the Solid Waste Committee that the City Council direct continuation of the existing solid waste programs, authorize the continued use of the rate stabilization fund and increase the rate for residential refuse collection by one dollar per month to \$13.98 per single-family residence.

Responding to questions from Council Member Van Nostran, Ms. Rapp stated that 42 percent of residential refuse was currently being diverted to the MRF, down from 43 to 44 percent last year. She stated that since the reporting statistics were not available until six months after the fact, much of the setting of the diversion rates was guesswork.

The City Manager stated that it was a very difficult job to hit the targeted diversion rates without going too far over and spending more than necessary.

Council Member Wagner expressed the concern that the CIWMB could revise the requirements and thus force the City to augment the existing program. Such a requirement could necessitate a rate increase in order to stay in compliance. He stated he felt the rate stabilization fund should continue to be used to offset the costs.

Council Member Van Nostran pointed out that should the CIWMB require the City to add a curbside program, the MRF would no longer be necessary and costs would need an all around adjustment. He expressed the concern that if an adjustment were necessary to water rates, since trash and water were billed together, it would cause a large jump on the bills received by residents.

Council Member Piercy stated that the Solid Waste Committee had carefully studied the impacts of the rate change and that should the CIWMB change the diversion requirements, internal adjustments could be made.

COUNCIL MEMBER PIERCY MOVED AND VICE MAYOR ROGERS SECONDED TO APPROVE THE PROPOSED RESIDENTIAL RATE OF \$13.98 PER MONTH.

Mr. Schroeder advised that staff would prepare a resolution for approval by the City Council at its next meeting.

REVIEW OF FY 2003-04 BUDGET POINTS - Continued
SOLID WASTE MANAGEMENT – REFUSE CHARGES

Vice Mayor Rogers stated it was necessary to take a realistic look at rates to cover costs and that he agreed with an incremental approach to raising rates. He stated that it was good to use the rate stabilization fund to control rates, but the increase was needed to prevent the fund from being eroded more quickly than necessary.

Council Member Wagner stated the rate stabilization fund had been created for just this purpose and that the current refuse rates were workable. He expressed the concern that by changing the refuse rates at this point, it would impact the ability of the City Council to make appropriate adjustments to water rates when necessary.

Council Member Van Nostran stated he would prefer to see the rate be adjusted by only \$.50 per month, which would be easier for most people to accept.

UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Piercy, Rogers and Esquivel

NAYS: COUNCIL MEMBERS: Van Nostran and Wagner

STREET SWEEPING

The Public Director displayed slides and stated that street sweeping services had been provided by the R. F. Dickson Company since 1966. She stated there had been a recent finding in one case by the State Department of Industrial Relations that the prevailing wage rates applied to a service contract for street sweeping. Since this would increase the hourly rate paid to drivers from \$16 per hour to \$52 per hour, R. F. Dickson had notified all of the cities it served that should the State impose prevailing wage rates on his company, contract adjustments would be necessary.

Responding to a question from Council Member Wagner, Ms. Rapp stated that R. F. Dickson served about 50 cities.

Council Member Wagner, noting that contracting rules, including prevailing wages, were applicable only to general law cities, stated that perhaps it was time to take a look at the advantages and disadvantages to becoming a charter city and requested that a study be done.

Council Member Van Nostran agreed that it was worth investigating.

ORAL COMMUNICATIONS: None

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ADJOURNMENT

There being no further business to be brought before the City Council, Mayor Esquivel adjourned the meeting at 2:13 p.m.

Respectfully submitted,

Denise R. Hayward, CMC

City Clerk