

## ANTIOCH CITY COUNCIL

**Adjourned Regular Meeting/ Study Session  
6:00 P.M.**

**February 17, 2004  
Council Chambers**

Mayor Freitas called the meeting to order at 6:04 P.M., and Deputy City Clerk Chalk called the roll.

Present: Council Members Davis, Simonsen and Mayor Freitas  
Absent: Council Members Kalinowski and Conley

Mayor Freitas announced Councilmember Kalinowski would be arriving late this evening as he was making a presentation in the City of Pittsburg and Councilmember Conley was absent, due to a death in the family.

### **PLEDGE OF ALLEGIANCE**

Mayor Pro Tem Davis led the Council and audience in the Pledge of Allegiance.

### **COUNCIL REGULAR AGENDA**

#### **1. FISCAL YEAR 2003-04 MID-YEAR BUDGET REVIEW..... #410-02**

Finance Director Tasker presented the staff report dated January 28, 2004. With the aid of overhead slides, Finance Director Tasker reviewed the revenue projections encompassing the City's general fund.

Councilmember Kalinowski arrived at 6:18 P.M.

Councilmember Simonsen advised Finance Director Tasker there was a bill in the Senate that has another version of a triple flip and suggested the City consider the impacts and whether they should support or oppose it.

Mayor Freitas stated it was important for the City to find out what the estimated revenue would be from the Mazzei auto dealership.

Councilmember Simonsen requested the City Council be provided with charts depicting the out year projections.

In response to Mayor Freitas, Finance Director Tasker clarified the increase in development fees chart depicts new commercial development.

He suggested taking \$600K out of the budget each year for the next three years to provide

adequate cash flow to administer the City.

Mayor Freitas stated there was a fiduciary responsibility of the City Council to address the possibility of the additional \$1.6M state rebate not coming back to the City and suggested looking at budget cuts to address the shortfall.

In response to Mayor Freitas, Director of Finance Tasker stated he would come back to the City Council with a strategic plan to address the worse case scenario using the assumption of a fund balance of \$2M. He noted he would also be providing a budget calendar.

City Manager Jakel stated staff would bring back proposal to address the budget shortfalls along with the negative impacts would be determined in the next 60-90 days.

Mayor Freitas discussed the importance of being proactive and having the strategic plan in place.

Councilmember Kalinowski agreed the City needed to react now and have a fiscal plan in place to address the potential budget shortfalls. He requested the City Manager provide an update as soon as possible with regards to the fund movement of \$992,000 to the medical after retirement program. He requested the actuarial information and justification for the movement of the funds. He further suggested the Council consider a policy regarding limiting fund transfers over a determined amount without the City Council's approval.

Finance Director Tasker clarified the City had taken a posture of trying to fund the health after retirement funds as they would a retirement plan and the money taken from salaries annually is put into a fund earning interest. He noted the money had always been taken out and put into a fund, which was used to pay for benefits. He further noted they would be doing an actuarial study this year.

Following discussion, consensus was the budget was a serious challenge and the would like to be proactive and develop a strategic plan that assumes the worse case scenario of the \$1.67M in rebates not being given back to the City.

Councilmember Kalinowski requested a final report regarding the contracting of Animal Services as part of the budget process.

Councilmember Simonsen requested staff discuss whether the master fee schedule could recoup a greater portion of the costs of operation.

Mayor Freitas expressed concern whether or not the City was pricing themselves out of the Leisure Services market.

Mayor Freitas declared a recess at 7:19 P.M.. The meeting reconvened at 7:26 P.M. with all Councilmembers present with the exception of Councilmember Conley, who was absent.

**STUDY SESSION**

**2. ESTABLISHING GUIDELINES FOR THE DISBURSEMENT OF COMMUNITY BENEFIT FUNDS ..... #409-02**

Mayor Freitas clarified a distinction needed to be made between the general fund and restricted funds, noting restricted funds were dedicated to a specific use.

Assistant Planner Morris presented the staff report dated February 13, 2004 recommending the City Council develop guidelines and procedures governing the disbursement of community benefit funds.

Following discussion, the City Council agreed funds derived from RDA should not be used for non-profits (excluding the El Campanil and the baseball proposal), governmental agencies would not be included in non-profits and RDA funds would not be used for operations and maintenance. They further agreed all interest earned on the RDA funds stays within RDA funds and the City Council would consider FUA#1 separately when and if it moved forward, Castle and McBail would pay RDA contributions when the first building permit was pulled and Dhyanyoga would be paid at the issuance of each permit.

Councilmember Simonsen stated that he felt developers who were restricted to a portion of the permits per year should only contribute for their yearly allocations.

Following discussion the City Council consensus supported RDA funds to be paid upon issuance of the first building permit with the realization a negotiated agreement could occur based on other capital facilities being built. They further supported the deletion of non-profit, Grants through CDBG, Grants through community Foundation, operations and staff removed from attachment "C" as well as including a definition of equipment. They clarified RDA funds were not to be used for labor costs.

Mayor Freitas requested a report on available dollars for expenditures.

Councilmember Kalinowski reported he had been in Pittsburg earlier requesting an allocation of \$900,000 for the baseball project and noted the item would be on their agenda for action on March 1, 2004. He provided a summary report to the Council on the cost and status of the project. He stated he would be requesting Antioch to contribute \$1,050,000 and noted due to the timing of the project he would be requesting the item be on the

February 24, 2004 agenda for City Council action. He further noted Councilmembers could contact him for any documents they needed.

Councilmember Simonsen stated he felt the program should be a pay as you go and noted he would not support borrowing money from the water fund. He commended Councilmember Kalinowski for working with the City of Pittsburg.

Mayor Freitas stated this is the opportunity to do something collaboratively, with benefits for each community.

City Engineer/Community Development Director Brandt stated during the budget cycle staff would provide information regarding the funds available.

Councilmember Simonsen requested a resolution be placed on the February 24, 2004 agenda in support of Propositions 57 and 58 for the Council's consideration.

**PUBLIC COMMENTS** - none

With no further business, Mayor Freitas adjourned the meeting at 8:02 P.M. to the next regular Council meeting on February 24, 2004.

Respectfully submitted:

JANET CHALK, Deputy City Clerk