MINUTES

SPECIAL CITY COUNCIL MEETING
TUESDAY, OCTOBER 27, 2015, 5:00 P. M.
SAN DIMAS COUNCIL CHAMBERS
CONFERENCE ROOM
245 E. BONITA AVENUE

PRESENT:
Mayor Curtis W. Morris
Mayor Pro Tem Jeff Templeman
Councilmember Emmett Badar
Councilmember Denis Bertone
Councilmember John Ebiner

City Manager Blaine Michaelis
Assistant City Manager Ken Duran
City Attorney Mark Steres
Assistant City Manager for Community Development Larry Stevens
Director of Public Works Krishna Patel
Facilities Manager Karon Deleon
Lt. Clay Anderson, Los Angeles County Sheriff's Department

1. CALL TO ORDER

Mayor Morris called the Special City Council Meeting to order at 5:00 p.m.

2. ORAL COMMUNICATIONS

a. Members of the Audience

None.

3. STUDY SESSION – Report on 2014-15 Fiscal Year Audit Summary. Appropriation of fund balance.

Mr. Duran reviewed his staff report on the audited financials for the 2014 -15 fiscal year end. He reviewed the General Fund revenues for the year discussing the actual revenues for the major revenue categories and answered questions.

Mr. Duran reviewed the General Fund expenditures for year from his staff report.

Mr. Duran reviewed the Schedule 1 Summary of Actual Ending Balances for all Funds from the staff report. He reviewed the ending General Fund Balance section of the staff report indicating that the ending fund balance was $17,571,674.

Mr. Michaelis made a presentation on the ending fund balance. He presented that in keeping with the previous informal policy of maintaining 78% of general fund operating expenses in reserves there is $1,850,000 in additional reserve funds available for reallocation to other projects or funds. Mayor Pro

Tem Templeman commented that the 78% happened to be the amount of reserves at the time and is not a hard and fast number; he feels the rule of thumb should be ¾ of the expenditures for the fiscal year.

Mr. Michaelis commented that the City had a past practice of allocating the equivalent amount of 10% of the annual sales tax to Fund 12 the Infrastructure Fund and staff is recommending do that again this year in the amount of $612,000. He added that staff is also recommending a transfer from reserves of $300,000 to Fund 70 the Equipment Replacement Fund. He further added that staff is recommending using $100,000 of reserves to make an additional payment to PERS for the City's unfunded pension liability. Administrative Services Manager Michael O'Brien explained the unfunded liability side-fund and that paying an additional $100,000 this year will result in an approximate savings of $15,000 on interest.

Mr. Michaelis commented that staff's recommendation on the balance of the additional reserves is to hold them in the overall general fund reserves for the potential future need for some of the existing scheduled capital projects. He commented that some of the revised cost estimates for current budgeted projects are coming in higher and there may be a need for additional funding to complete the projects.

Mayor Pro Tem Templeman commented that it may make sense to postpone the Via Verde median island project until better timing to get a more competitive bid. Mr. Michaelis responded that based upon bids received we can reject the bids and rebid at a different time.

Councilmember Badar asked why not wait on making any transfers at this time. Mr. Michaelis responded that staff thinks that it is good policy to continue to fund Funds 12 and 70 on an annual basis. He also added that even if we have to spend more reserves for additional project costs remaining reserves will be in the 74% range. The consensus of the Council was they were supportive of the projects and asked staff to be cautious on the timing of the bids.

In response to question Mr. Michaelis commented that Civic Center bond payment is a General Fund expenses and is not coming from reserves and the thought is to maybe pay that off early in a few years.

Councilmember Bertone made motion supporting staff's recommendation to transfer reserves of $612,000 to Fund 12, $300,000 to Fund 70 and $100,000 to make an additional PERS payment on the unfunded liability. The motion was seconded by Councilmember Badar and passed unanimously.

Mayor Pro Tem Templeman commented that the Finance Committee met with the auditor prior to this meeting and the auditor was very complementary on the transition of the finance staff and the audit went smoothly.

Mr. Duran commented that staff is updating 5 year capital improvement schedules and will be presenting them to the Council in February as a part of the beginning of the budget process.

In response to a question Facilities Manager Deleon commented that in the current year's budget there is money to perform facility assessment of the Swim and Racquet Club and staff will be working with a consult for that evaluation.

There being no further business the meeting was adjourned at 6:30 to the 7:00 regular City Council meeting.

Respectfully submitted,

Ken Duran, City Clerk