

**MINUTES  
PARADISE TOWN COUNCIL  
SPECIAL MEETING – 8:00 A.M. – June 26, 2009**

The Special Meeting of the Town Council of the Town of Paradise was called to order by Mayor Rutledge at 8:04 a.m. in the Council Chambers, Town Hall, 5555 Skyway, Paradise, California.

**COUNCIL MEMBERS PRESENT:** Steve “Woody” Culleton, Joe DiDuca, Scott Lotter, Alan White and Frankie Rutledge, Mayor.

**COUNCIL MEMBERS ABSENT:** None.

**STAFF PRESENT:** Town Clerk Gutierrez, Town Manager Rough, Town Attorney Moore, Assistant Town Manager Ivey, Assistant to the Town Manager/ Business & Housing Services Director Gill, Human Resources/Risk Management Manager Farrell, Finance Director Will, Public Works Director Schmidt, Community Development Director McGreehan, Assistant Community Development Director Baker, Police Chief Carrigan, Police Lieutenant Buzzard, Police Lieutenant Billington, Fire Chief Haunschild and Assistant Town Clerk Volenski.

**2. 2009/2010 & 2010/2011 BUDGET OVERVIEW**

Mayor Rutledge announced that public input would be requested after the Town Manager budget overview.

**Agenda Item 2a:** Town Manager’s Budget Overview

Manager Rough presented a proposed Fiscal Year 2009/2010 and 2010/2011 Town Budget, stating that this represents the first two year budget developed in the history of the Town, and that given the current economic recession, lack of growth in property tax revenues, downward trend in sales tax revenue and little projected building permit activity, as well as the potential for State borrowing of property tax and taking of gas tax funds, it makes good financial sense to plan ahead for the next two years.

Manager Rough further discussed the State proposal to borrow up to 8% from local government property taxes, which would result in a further loss of \$585,000 in property tax revenue to the Town’s General Fund. This loss would necessitate significant furloughs and lay-offs of Town employees, including public safety. Additionally, the State has proposed to take the counties and cities shares of Highway Users (HUTA) revenues for two years to pay for transportation debt services which would result in a \$511,561 loss in 2009/10 and result in the near elimination of the streets or roads maintenance programs, including layoff of most of the streets maintenance personnel. Lastly, the State is seeking to work around a recent lawsuit that prevented the taking of \$350 million from redevelopment agencies this fiscal year, but presenting a potential loss in that amount for the next two fiscal years.

**09.077**

Manager Rough summarized potential budget reduction measures that would have a positive impact on the FY 2009/2010 and the FY 2010/11 budgets that would include the following:

- No employee cost-of-living increase for the next two FY years
- Approval of a PERS “Golden Handshake” early retirement incentive for eligible employees
- Elimination for the next fiscal year of administrative leave compensation (a meet and confer item)
- Employees to pay 50% of the EE PERS for the next two fiscal years (a meet and confer item)
- Elimination of Fire Department DART Program
- Elimination of Police Department SWAT Program
- Freeze sixth police sergeant position; a police patrol position; and a police dispatcher position (subject to re-evaluation at mid-year) for the next fiscal year
- Furlough police patrol officers for two (2) training hours per month (a meet and confer item)
- Layoffs of two (2) full-time Public Works Maintenance I position; a part-Time Community Service Officer position; and, a part-time Animal Control Officer position
- Potential reductions in employee hours, employee furlough and layoffs; negotiated vesting schedules for future hires relative to retirement contributions and retiree health benefits
- Consolidation of the Fire Department Fire Prevention Bureau with the Community Development Department Building Division

Impacts of proposed cutbacks would include:

- Reducing Town Council Meetings to one a month
- Rescheduling and limiting all night meetings to Tuesday nights
- Employees working a 4/10 schedule Monday through Thursday
- Eliminating TOT funding to the Chamber of Commerce, the Gold Nugget Museum and Performing Arts Center for the next two years
- Staffing reductions due to retirements, furloughs and layoffs; delaying purchasing of supplies and equipment; reducing and/or elimination of conferences, membership dues & training, for all departments

Total Proposed Budget for 2009/2010: \$18,420,316 (7% lower than FY 2008/09) - \$2,362,071 represents capital improvement project

Total Proposed Budget for 2010/2011: \$16,619,080, (9.8% lower than FY 2009/2010) - \$1,050,000 represents capital improvement projects

Manager Rough stated that he is not asking the departments to make presentations, that the Council will review the various proposed budgets and ask questions.

Mayor Rutledge opened the public discussion.

1. Bill Anderson, stated that he been working with a group called 500 Paradise Performing Arts Center, stated that the loss of funding from the Town represents one month of operations, and that the Town is decreasing a potential source of revenue to the Town itself by not providing TOT monies to the PPAC, the Chamber and the museum as these various groups bring in people that will stay in the hotels and eat in the local restaurants.
2. John Gliha, stated that as a citizen he thanks the Council and staff for their efforts during this difficult time, and as the president of the Performing Arts Centers stated that they are going through their own economic downturn and financial difficulty, thanked the Town for all the support to the PPAC over the years, and that he hopes the funding can be reinstated as the TOT monies represent a significant portion of their operating income. Mr. Gliha further stated that the PPAC does help with tourism as they bring people in that help with the local economy and that they service a number of home companies such as the Gold Nugget Museum melodrama, the Paradise Symphony the Northern California Ballet and others.
3. Bill Hartley and Katie Simmons, on behalf of the Chamber of Commerce, read a statement that was put together by their board, and stated that to keep a healthy Town a healthy business community is needed, that the Chamber is dedicated to serving and promoting commerce and business in the Town, that they consider themselves a partner with the Town, and asked Council to reject the staff recommendation to cut the TOT funding to the Chamber of Commerce; and, to consider the positive effects of their business advocacy, promoting tourism in the community and to consider the tangible results such as the filling of hotels and retail sales as well as intangible results, such as the memories visitors leave which can lead to other economic benefits, and that tourism raises the standards of the Town thus improving the Town for those who live here.
4. Jim Knappen, on behalf of Friends of the Library, stated that he was here to establish a relationship with the Town, and that the Friends of the Library would like the Town to support their efforts for stable funds for the Paradise library either through a dedicated increase in sales tax or an addition on the parcel tax.
5. Connie Rogers, Gold Nugget Museum, stated that the annual TOT funding represents 25% of their annual operating budget, that they have one full time employee, and three less than half time employees, and discussed the events and celebrations that are

hosted by the museum that bring people to Town and fill up the hotels and restaurants, asked Council to think about approving any portion of the TOT monies for the museum as they think the 25% cut is more than their share.

6. Dale Paul, Paradise Animal Shelter Helpers (PASH), requested that instead of cutting the animal control officer position, that they consider cutting the office clerk position instead as he thinks an animal control officer is a more versatile position.
7. Tom Kelly, stated that he does not understand how the golden handshakes will benefit our Town, or the logic of appointing the Fire Marshal as the Building Official, and thanked the Council for keeping us in the black for this year.

**Agenda Item 2b: Town Council Review of General Government  
Proposed Budget**

1. Mayor Rutledge announced that Council would defer discussion of the Council budget until after all other budgets were addressed.

Council concurred to direct staff to bring back an ordinance at the July 14, 2009, Council meeting to change the regular meeting date of the Town Council to once a month on the second Tuesday at 4:00 p.m.

2. **Town Clerk:** Council concurred to direct staff to add \$2,000 to Town Clerk Employee Development for the next two fiscal years to allow the Assistant Town Clerk to attend the Technical Training for Clerks to attain certification (CMC); and, generally concurred with the Town Manager's recommendation for the Town Clerk budget for fiscal year 2009/2010 in the amount of \$253,897 (includes the \$2,000 amendment); and, for fiscal year 2010/2011 in the amount of \$304,218.
3. Council concurred to discuss the Tourism & Promotion (TOT) funding until after all other budgets were addressed.
4. **Town Manager:** Council generally concurred with the Town Manager's recommendation for the Town Manager Budget for fiscal year 2009/2010 in the amount of \$262,059; and, for fiscal year 2010/2011 in the amount of \$206,701.
5. **EOC (Emergency Operations Center):** Council generally concurred with the Town Manager's recommendation for the EOC budget for fiscal year 2009/2010 in the amount of \$28,730; and for fiscal year 2010/2011 in the amount of \$28,730.

6. **Human Resources:** Council concurred to direct staff to cut \$10,000 from Human Resource Advertising for the next fiscal year and generally concurred with the Town Manager recommendation for the Human Resources budget for fiscal year 2009/2010 in the amount of \$182,180 (includes the \$10,000 reduction); and, for fiscal year 2010/2011 in the amount of \$206,529.
7. **Business & Housing Services Division:** Council generally concurred with the Town Manager's recommendations for the Business & Housing Services budget for fiscal year 2009/2010; and, for fiscal year 2010/2011. It was noted that no general fund monies are expended for this department.
8. **Legal Services:** Council generally concurred with the Town Manager's recommendation for the Legal Services budget for fiscal year 2009/2010 in the amount of \$148,050; and, for fiscal year 2010/2011 in the amount of \$159,950.
9. **Finance Department:** Council generally concurred with the Town Manager's recommendation for the Finance Department budget for fiscal year 2009/2010 in the amount of \$241,088; and, for fiscal year 2010/2011 in the amount of \$253,332.

**Agenda Item 2c- Police Department:** Council generally concurred with the Town Manager's recommendations for the Police Department budgets for fiscal year 2009/2010 and 2010/2011 as follows:

Administration: \$ 804,788 and \$ 735,897  
Operations: \$2,375,054 and \$2,402,236  
Communications: \$ 760,893 and \$ 927,923  
Animal Control: \$ 221,931 and \$ 231,020

**Motor Vehicles:** Council generally concurred with the Town Manager's recommendation for the Motor Vehicles budget for fiscal year 2009/2010 in the amount of \$172,301; and, for fiscal year 2010/2011 in the amount of \$182,945.

**Agenda Item 2d - Fire Department:** Council generally concurred with the Town Manager's recommendations for the Fire Department budgets for fiscal year 2009/2010 and 2010/2011 as follows:

Administration: \$ 853,530 and \$ 785,314  
Fire Prevention: \$ 236,217 and \$ 239,916  
This account has been consolidated with the Building Division Fund in the new Community Safety Services Division fund.

Suppression: \$2,759,399 and \$2,858,561  
Volunteer Program: \$ 47,363 and \$ 49,009

**Agenda Item 2e – Community Development Department:** Council generally concurred with the Town Manager's recommendations for the Community Development Department budgets for fiscal year 2009/2010 and 2010/2011 as follows:

Planning:	\$ 332,667 and \$ 265,471
Community Safety Services:	\$ 502,536 and \$ 531,399
Building Inspections:	\$ 566,198 and \$ 599,400
Waste Management:	\$ 45,743 and \$ 37,206
Vehicle Abatement/ Code Enforcement:	\$ 38,491 and \$ 38,025
Code Enforcement:	\$ 139,00 and \$ 139,000
Transit:	\$ 771,364 and \$ 708,593

**Agenda Item 2f- Public Works:** Council generally concurred with the Town Manager's recommendations for the Public Works Department budgets for fiscal year 2009/2010 and 2010/2011 as follows:

Engineering:	\$ 293,996 and \$ 291,763
Onsite:	\$ 440,349 and \$ 456,013
Streets:	\$ 996,582 and \$1,020,759
Community Park:	\$ 26,030 and \$ 20,050
Public Facilities:	\$ 10,440 and \$ 12,300

**Agenda Item 2g- Central Services:** Council generally concurred with the Town Manager's recommendations for the Central Services budget for fiscal year 2009/2010 in the amount of \$594,574; and, for fiscal year 2010/2011 in the amount of \$616,694.

**Agenda Item 2h- Capital Project Plan:** Council generally concurred with the Town Manager's recommendations for the Capital Projects Plan budget.

1. **2b1 -Town Council:** Council concurred to cut \$1,280 from the LCC Policy Committee Meetings and 10% from the Council stipend for the two year budget period for total of 3,080; and, generally concurred with the Town Manager's recommendation for fiscal year 2009/2010 in an amount of \$40,369; and for fiscal year 2010/2011 in an amount of \$40,917 (includes reductions).
2. **2b3 – Tourism & Promotion (TOT):** Council generally concurred with the Town Manager's recommendation to eliminate TOT funding for the Paradise Chamber Visitor's Bureau, the Gold

Nugget Museum and the Paradise Performing Arts Center for the next two fiscal years.

Council concurred to direct staff to look at innovative ways to help the Chamber of Commerce; and, directed staff to come back with a recommendation regarding the possibility of funding from sources other than the TOT monies.

### 3. COUNCIL CONSIDERATION

**Agenda Item 3a:** MOTION by White, seconded by Rutledge, adopted Resolution No. 09-23, A Resolution of the Town Council of the Town of Paradise Adopting the Final Budget for the Town of Paradise Including All Attachments, Appendixes, and Other Related Documents for FY2009/2010, including amendments as stated to the Town Clerk, Human Resources and Town Council budgets. Ayes of DiDuca, Lotter, White and Mayor Rutledge and no of Culleton.

Culleton stated for the record that he voted no because the budget is based on assumptions, that there are too many unknowns.

**Agenda Item 3b:** MOTION by White, seconded by Lotter, adopted Resolution No. 09-24, A Resolution of the Town Council of the Town of Paradise Approving and Adopting the Annual Appropriations Limit (Exhibit A) for FY2009/2010, with amendments as stated by Finance Director Will (General Fund Expenditures (net) \$10,927,831; and, total appropriations at \$13,331,290). Ayes of DiDuca, Lotter, White and Mayor Rutledge and no of Culleton.

Culleton stated for the record that he voted no because the budget is based on assumptions, that there are too many unknowns.

**Agenda Item 3c:** MOTION by White, seconded by Lotter, adopted Resolution No. 09-25, A Resolution of the Town Council of the Town of Paradise Approving and Adopting Designated General Fund Reserves for FY2009/2010 with amendment as stated by Finance Director Will (unrestricted reserves in an amount of \$724,623). Roll call vote was unanimous.

**Agenda Item 3d:** MOTION by White, seconded by Lotter, adopted Resolution No. 09-26, A Resolution of the Town Council of the Town of Paradise Adopting the 2009/2010 Salary Plan for the Town of Paradise Employees. Roll call vote was unanimous.

**Agenda Item 3e:** MOTION by White, seconded by Lotter, adopted Resolution No. 09-27, A Resolution of the Town Council of the Town of

Paradise Adopting the Five Year Capital Improvement Plan Beginning July 1, 2009 and Ending June 30, 2014. Roll call vote was unanimous.

**Agenda Item 3f:** MOTION by White, seconded by Lotter, adopted Resolution No. 09-28, A Resolution of the Town Council of the Town of Paradise to Grant Another Designated Period for Two Years Additional Service Credit Public Employees Retirement System. Roll call vote was unanimous.

**Agenda Item 3g:** MOTION by White, seconded by Lotter, adopted Resolution No. 09-29, A Resolution of the Town Council Concerning Layoffs Due to a Reduction in Town Revenues. Roll call vote was unanimous.

**Agenda Item 3h:** MOTION by White, seconded by Lotter, authorized the Town negotiating team to move forward with the meet and confer process relating to furloughs based on the furlough program attached to the staff report. Roll call vote was unanimous.

**Agenda Item 3i:** MOTION by White, seconded by Lotter, approved consolidation of Fire Marshal and Building Official position and directed staff to bring back a job description and an amendment to the salary pay plan. Roll call vote was unanimous.

#### 4. ADJOURNMENT

MOTION by Rutledge, seconded by Lotter, adjourned the Council meeting at 12:17 p.m. Council vote was unanimous.

APPROVED: July 14, 2009

  
FRANKIE RUTLEDGE, Mayor

  
JOANNA GUTIERREZ, CMC, Town Clerk