

**MINUTES OF THE ADJOURNED REGULAR MEETING OF THE CITY
COUNCIL OF NATIONAL CITY, CALIFORNIA**

January 30, 2010

The Adjourned Regular Meeting of the City Council of National City was called to order at 9:07 a.m. by Mayor Ron Morrison.

ROLL CALL

Council members present: Morrison, Parra, Sotelo-Solis, Van Deventer, Zarate.
Administrative Officials present: Babaki, Dalla, Deese, Duong, Eiser, Gonzales, Hodges, Ladrido, Smith, Stevenson, Zapata.
Others present: City Treasurer Mitch Beauchamp.

BUDGET FY 2010 - 2011 (206-1-26)

1. Introduction
City Manager Chris Zapata gave a brief PowerPoint Presentation highlighting the proposed focus areas for the budget workshop which included a financial review; short and long term financial outlook and policy direction from the Council, engagement of the public and stakeholders and evaluation of City Council Priorities. A copy of the presentation is attached (see Exhibit A).
2. Budget Presentation
Finance Director Jeanette Ladrido presented the FY 2009-2010 Mid-Year Budget update; reviewed the FY 2010-2011 Budget Kickoff process and presented the Five-Year Budget Forecast including Redevelopment and Capital Improvement Projects. A copy of the presentation is attached (see Exhibit B).

A recess was called at 10:36 am

The meeting reconvened at 10:59 am. All members were present.

3. Cost Reduction & Revenue Efficiency (CARE) Committee and International City Manager's Association (ICMA) Best Practices.
Management Analysts Walter Amedee and Angelita Marchante reported on the purpose, makeup, history and accomplishments of the C.A.R.E. Committee (Cost Reduction and Revenue Efficiency Committee) and presented examples of Nationwide Best Practices from the ICMA for cost reduction and revenue enhancement efforts. A copy of the presentation is attached (see Exhibit C).

4. Proposed Financial Accountability Report for Proposition D.
City Attorney George Eiser made a presentation that reviewed the legal requirements contained in the voter approved one cent district tax measure (Proposition D). A copy of the presentation is attached (see Exhibit D).

PUBLIC ORAL COMMUNICATION

Jacqueline Reynoso, President and CEO, National City Chamber of Commerce, spoke about the importance of supporting the business base, enterprise zones, redevelopment, business recruitment and retention, 8th Street revitalization, promoting positive media attention, assisting the Mile of Cars, and workforce development and encouraged the City to keep communications open.

Georgia Guarano, National City, asked questions regarding funding for the Nutrition Center.

Micki Head, National City, spoke about some of the positive impacts the library has had on the lives of residents and urged that it remain open.

Jose Medina, National City, spoke in support of reducing the City's carbon footprint, promoting alternative energy and affordable housing.

Mona Rios, National City, inquired about the amount of money spent by the City on consultants.

CITY COUNCIL COMMENT AND DIRECTION

Council Member Van Deventer said, "I think everyone understands we have to look at everything . . . I don't think that there are any magic wands out there. You look at the deficit down the road – without starting to make cuts right now it will grow larger and larger in years to come. Remember that every business we have in National City and any new ones that come in helps to reduce the deficit. The bottom line is there will be cuts, there have to be cuts to get a balanced budget – the only way we can do it is to make hard decisions."

CITY COUNCIL COMMENT AND DIRECTION (cont.)

Council Member Parra said the primary goal of the staff, Mayor and Council is to be good stewards of the public's money. "Fiscal sustainability is a team effort involving the citizens, businesses, staff, Mayor and Council . . . National City is doing ok, we're hanging in there, we're providing great service . . . but we are still facing the great unknown of what the State is going to do, the unknown fiscal challenges of the future . . . we all know that we are here today because of the citizens' support of Prop D – that one cent sales tax . . . so this Council and Staff have to be accountable and true fiscal stewards for that money and need to show return on investment to our citizens." Mr. Parra said he believes it is important to protect and retain businesses and to continue to provide quality customer service.

Council Member Sotelo-Solis said, "the question that is looming is how we close that \$4.5 million deficit? What I would like to move towards is really looking at using most, if not all, of the undesignated funds to pay off the Nutrition Center debt and pay off some of that extra debt to fill that void . . . Comments have been made about the State taking away money and it is true, there are take-aways from the State, however, we are all part of the State of California, we are all constituents of the State of California so when we're talking about take-aways, yes, money does go up to Sacramento and they do reshuffle but that's why we have to continue to work with our San Diego delegation . . . to affirm the fact that when that money goes up (it) needs to come back down to National City and the south bay communities . . . we need to reinforce to our local legislators that we want that money back dollar for dollar for our communities – but again, those services that are provided through the State . . . that's our tax payer dollars. I would encourage staff to continue using the C.A.R.E. Committee to continue getting recommendations . . . I know that through our City Manager's Office we have hired talented people to serve our residents and businesses. I would like to evaluate the consultants to determine how much we are spending on external consultants. I would like to officially request that that come forward as part of our general plan." According to Ms. Sotelo-Solis, we also need to capitalize on using assessments or benchmarks for success and measuring impacts.

Council Member Zarate thanked staff and the public for showing up and expressed interest in knowing what efforts were made to get the word out about the meeting. Member Zarate expressed appreciation to the C.A.R.E. Committee for their input, encouraged them to continue working and concluded that the Council has a great deal of work to do.

CITY COUNCIL COMMENT AND DIRECTION (cont.)

Mayor Morrison stated that we can't hold where we are, we are all going to have to deal with the issue of the deficit. "At some point we are going to have to take a look at things because we can't stagnate because things are not stagnating around us. The world is moving very rapidly and we have to anticipate it . . . There are so many things that we would love to do but in every one of them we have to not only look at their intrinsic value but we have to take a look at what they will cost and how do we balance out cost with value. It is going to be a challenge going out to the public and getting the public involved with this. We have been very innovative – other cities are looking at us." Mayor Morrison suggested that the funds for the seismic retrofit of buildings should be on hold and not moved at this stage. He said we are in exciting times and congratulated staff, Council, citizens and the business community for stepping up.

Motion by Van Deventer, seconded by Sotelo-Solis, to approve staff recommendation regarding movement of funds with the exception of the seismic retrofit funding. Carried by unanimous vote.

ADJOURNMENT

Motion by Van Deventer, seconded by Sotelo-Solis, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission to be held Tuesday, February 2, 2010 at 6:00 p.m., Council Chambers, National City. Carried by unanimous vote.

The meeting closed at 12:27 p.m.



City Clerk

The foregoing minutes were approved at the Regular Meeting of May 4, 2010.



Mayor