

The City Council met in adjourned session at the hour of 8:30 a.m. in the Council Chamber, City Hall, on the day above written, for continued consideration of the FY 2009 City of Fresno Budget.

Present were Councilmembers Calhoun, Caprioglio, Dages, Duncan, Perea, Sterling, President Xiong, City Manager Souza, ACM Rudd, City Attorney Sanchez, City Clerk Klisch, Assistant City Clerk Salazar, Budget Manager Smith, and necessary staff.

(8:30 A.M.) CONTINUED CONSIDERATION OF THE FY 2009 BUDGET

Craig Scharton, CEO of the Central Valley Business Incubator, offered to the city (1) a certificate to any start up business within the city to the CVBI's Business Plan and Business Feasibility classes, and (2) one table for a start up company of the city's choosing at the Central Valley Stock Exchange event which brings community awareness to start up companies in the region.

Travis Sheridan, Chair of Creative Fresno, spoke in support of the film commissioner position and continued funding.

ECONOMIC DEVELOPMENT DEPARTMENT - Continued from June 10, 2008

Extensive discussion ensued with Mr. Johnson, Budget Analyst Smith, Councilmember Duncan, Mr. Weber with the RJI (who also distributed written information and gave a PowerPoint presentation entitled "RJI Industry Cluster Statistics Through 2007"), City Manager Souza, and an unidentified RJI representative responding to numerous questions and/or comments of Councilmember Dages relative to what companies the department has brought in, number of jobs created, definition of "non-personnel services", EDC funding and performance, concerns that EDC can not come up with companies that state they have produced "X" amount of jobs and everything they have being confidential, who determines if EDC is meeting their goals and how that is determined, the EDC, the city's EDD and the RJI all working on the same thing and need for them to work collaboratively, what the RJI's jobs claim was, who quantifies job numbers, jobs created by the economy only, lack of information showing RJI-created quantifiable jobs with company names attached, RJI agreement term, the EDC and others that do not come to Council for support/encouragement and do things on their own, the RJI's delay with an apprenticeship program, cost to purchase land being the hurdle for having shovel-ready property available (**2 - 0**), need for financial assistance to the Redevelopment Agency to purchase property, and need for quarterly progress updates to Council.

Mr. Johnson, ACM Rudd and Mayor Chief of Staff White responded to questions and comments of Councilmember Perea and/or clarified issues relative to Sports Town, developers being excited that the city is attending to infrastructure, what the plans were to expand infrastructure to the Cultural Arts District where housing exists, how high a priority infrastructure was in economic development, where the department would like to expand infrastructure, upcoming Proposition 1B projects including if they are funded and timeline, reason for the 11% decrease, leveraging city assets/creating markets where they do not exist/need for an action plan/need to tie the economic development piece (jobs) to that, need to show leadership/bring people into the mainstream/get them banked, and the "Bank on Fresno" initiative.

Councilmember Calhoun stated there had been mis-communication/confusion with the Central Valley Business Incubator and a business plan and elaborated, requested Council get past the communication issue and provide funding and give them one year to prove themselves even more as they were a great organization, very beneficial, and could be a great asset to the city, and suggested the \$120,000 for EDC incentives as one possible funding source.

MOTION - Calhoun/Sterling - Fund the Central Valley Business Incubator at \$40,000

President Xiong and Councilmember Duncan presented questions and comments relative to the MRZ program and its success, which businesses received incentives and why, outreach efforts, the Central California Hispanic Chamber of Commerce including funding and marketing and results, relationship between the DPC and Shepherding program, the RJI's goals and if they will be brought to Council, and the diverse ethnic communities including some feeling disengaged for various reasons such as language barriers and capital, what was being done to assist the large number of willing entrepreneurs, the benefit of people being able to start their own business and be self-

sufficient, need for staff to do something proactive to assist those communities, and **(3 - 0)** the poverty issue, getting people jobs, the willingness of the diverse cultures to work, and there still being a gap, with Mr. Johnson, Incentives Zone Manager Trevino, Mr. Souza and an RJI representative responding throughout. There was no further discussion.

CONVENTION CENTER

City Manager Souza gave a brief overview of the budget, projects, subsidies, and the CVB including changes, success being seen, the reporting structure and the contract.

Convention & Visitors Bureau (CVB) Director Oaken and Mr. Souza responded to questions and comments of Councilmember Dages relative to the CVB including need for additional funds for marketing, what the return was for each dollar invested, desire to see the \$200,000 from the IPA go to CVB for marketing, and the importance of marketing to bring in tourists and invest in Fresno.

MOTION - Dages/Duncan - Increase the CVB budget by \$240,000 strictly for marketing

Mr. Oaken, Mr. Souza and City Attorney Sanchez responded to questions of Councilmember Calhoun relative to the CVB report commissioned by Council, if any recommendations were not implemented, status of the empty lot for the proposed downtown hotel, make-up of the CVB Board, how the Board was functioning/operating/if further refinement was needed, downsizing the Board and if the City had a role in that, and if staff could be directed to look into the Board size and report back with recommendations. Councilmember Calhoun stated he wanted to direct staff to work with the CVB and report back on Board structure in terms of membership, brief discussion ensued, and the CVB was then requested to report back within 90 days with options/recommendations on board structure and membership.

Councilmember Duncan spoke to his support for a report back from the CVB on the best organizational structure, support for increased funding for marketing and encouraged the Mayor not to veto that, the Transient Occupancy Tax (TOT) and promoting Fresno/activities/events to keep people closer to home, and SMG being the best decision ever and commendation to Manager Overfelt.

Acting President Sterling commended the CVB and SMG for their work, professionalism and assistance provided to groups/organizations having events at the Convention Center and along with President Xiong presented questions and comments at length relative to whether the CVB was a member of Destination Marketing Association, if consideration has been given to using the association to help strengthen the CVB, if value was seen in collaborating with city departments in attendance at the ICSC, if the tension between the CVB and RFI on tourism has been healed, revenue received from memberships/number of members/if membership was growing, accomplishments of the Sports Council **(4 - 0)**, what the requirements were for the Sports Council to support an event, how the Sports Council differs from the CVB, if the sports manager works with the CVB, room numbers/room tax from Sports Council and CVB efforts, if the CVB could perform the duties of the Sports Council, if PARCS had a marketing line item, if PARCS activities/events are marketed by the CVB, funding for "special events projects", booking and marketing of events, and if the current CVB by-laws were being looked at and request that they be provided to Council, with CVB President/CEO Whitehouse, SMG Manager Overfelt, Mr. Souza and Mr. Oaken responding throughout. There was no further discussion.

RECESS - 11:15 A.M. - 11:20 A.M.

MAYOR'S OFFICE

Chief of Staff White gave a brief overview of the budget stating it was the same as last years for the most part and included a salary increase for the next Mayor.

MOTION - Dages - Eliminate the Deputy Mayor position - *DIED/no second*

Councilmember Dages made the above motion and stated a position could be found elsewhere in the organization for Deputy Mayor Eben. Upon question of Councilmember Calhoun Councilmember Dages stated his position has always been to eliminate the deputy mayor position and he would not amend his motion to fund the position through December 31st so the next Mayor could decide whether or not to keep the position. Upon call the above motion died for lack of a second.

MOTION - Calhoun/Duncan - Fund the Deputy Mayor position through January 6, 2009

City Manager Souza questioned if the balance of the funding would be moved into contingency or eliminated with Councilmember Calhoun stating his intent was for the next mayor and Council to decide whether or not to continue with the position, and upon his question Councilmember Duncan stated although he respected the mayor's right to have the administration he wanted he felt some appropriate motions had been made that will require funding and the next mayor needed to justify the position and get the five votes necessary to fund it and find a funding source, whereupon Councilmember Calhoun clarified funding would only be through January 6th. There was no further discussion.

CITY MANAGER'S OFFICE

City Manager Souza gave a brief overview stating this was a baseline budget with two changes: inclusion of an Independent Police Auditor (IPA) position and the down-class of an Assistant City Manager (ACM) position to Deputy City Manager.

Councilmember Calhoun stated he felt the city needed to start the process now of looking into the future and into areas it wanted to go and explained his proposal for a "City of Fresno Futures Commission" which would look to the Council President and Council Analyst to help with the process and coordination.

MOTION - Calhoun/Sterling - Establish a "City of Fresno Futures Commission" coordinated through the Council President's Office to look into issues affecting the city, allocate \$25,000 in seed money, and direct the Commission to provide an interim report to Council by February 1, 2009, and a final report by June 1, 2009

The motion was seconded by Acting President Sterling after Councilmember Calhoun expanded further on the commission's charge and suggested structure/make-up.

Mr. Souza and Deputy City Manager Watahira responded to questions of Acting President Sterling and President Xiong relative to whether the budget provided for adequate staff, the down-class of the ACM position, if the other ACM would receive a salary increase, where the salary savings would go, what the top three needs were and if they were included, if there were any multi-year projects, the IPA position, what the language capacity was in the City's call center, and what the language capacity was in departments that deal with diverse cultures/constituents on a day to day basis. There was no further discussion.

RECESS - 11:46 A.M. - 4:00 P.M.

Councilmember Calhoun spoke to the patrol car in-dash video cameras and the two options Chief Dyer spoke about, stated the Chief wanted to evaluate the two but he felt this important matter needed to be moved forward and Council needed to help the Chief make a decision, and directed the police department to install as soon as possible video cameras in patrol vehicles with manual storage. City Attorney Sanchez stated if this is legislative policy it would be subject to the Mayor's veto and explained. Councilmember Calhoun clarified it was clear this was the direction the department was going and Council was simply stating it wanted to see manual download as that was the quickest and most cost efficient approach and ACM Rudd noted a concern of the Chief was records retention capability and space and explained, whereupon Mr. Sanchez stated there were some administrative details involved, he did not know if it was feasible for the department to be able do this, and suggested Chief Dyer report to Council next Tuesday before final motions and explain details and what they can and can not do, which was accepted by Councilmember Calhoun who added he wanted something in place this year.

Councilmember Calhoun continued speaking to the volatility of fuel prices and how the city was budgeting for it and requested staff provide in writing prior to final vote a memo on how fuel needs were determined and how they were budgeted for, with Mr. Rudd stating it will be the price per gallon.

Councilmember Calhoun continued stating the city has taken excellent steps towards cleaner air and he wanted Council to consider establishing a "Sustainability Director/Coordinator" and tie the salary to working with departments in conjunction with reducing energy consumption.

MOTION - Calhoun/Duncan - Establish a "Sustainability Director/Coordinator" position in the General Services Department for a one-year trial period to work with all city departments to reduce energy consumption with the salary tied to the savings

COMMUNITY DEVELOPMENT BLOCK GRANT

President Xiong opened public testimony on the CDBG budget.

Marsha Lucey spoke in support of funding for ByDesign, an agency for default counseling.

Public testimony was briefly interrupted. Councilmember Calhoun stated he wanted to eliminate the Education Liaison position as was done for the Deputy Mayor so that the next mayor could decide whether to keep the position or not.

MOTION - Calhoun/Duncan - Eliminate funding and the Education Liaison from PAR effective 1/7/09

Public testimony continued. Speaking in support of funding for their organizations were: Nick Jones, Care Fresno; Charles Figg, King of Kings Housing Development; Pam Kallsen, Marjoree Mason Center; Doreen Ely, Continuum of Care; Robert Hand, Executive Director of Center for Independent Living; David Rodriguez, Pinedale community; Luis Santana, Director of Reading & Beyond and representing Fresno Barrios, Read Fresno and Big Brothers; Brooke Frost, Executive Director of Big Brothers/Big Sisters; Larry Gray, Craycroft Shelter; Ken Quenzer, Director of Boys & Girls Clubs of Fresno County; Silas Cha, Fresno Center Project for Southeast Asian Services; Sally Caglia, Warnors Theater; Tony Valtierra, Secretary for the Fresno Area Hispanic Foundation; Chris Schneider, Executive Director of Central California Legal Services; Keith Kelley, Fresno West Coalition's Civic Education Leadership Training pilot project; Phil Skei, requesting funds to restore a historic home at 1717 "L" Street **(6 - 0)**; Gloria Ponce Rodriguez, support for Fresno West Coalition's request; Crystal Jackson, support for Fresno West Coalition; Pastor Michael Eanes, Christ Temple's multi-purpose center; John Hernandez, Executive Director of the Central California Hispanic Chamber of Commerce; and Monica (last name inaudible), Program Manager for Valley Center for the Blind.

Councilmember Duncan spoke to Fresno West Coalition's funding request for their Civic Education Leadership Training pilot project and noted it was ranked second to the last, questioned what this project would accomplish (with Mr. Kelley responding) and stated he did not understand why the district's very capable Council representative could not conduct a district meeting with staff to provide that education, and stated there were other ways to do this and he had a hard time with this request considering the ranking and other serious needs.

MOTION - Duncan/Calhoun - Defund the Fresno West Coalition for Economic Development Program

MOTION - Sterling/Perea - Defund One by One Leadership at \$49,000 and direct the funds to the Read Fresno Program so it comes up under its own 501(c)3

MOTION - Sterling/Xiong - (PARCS) Fund the Hinton Community Center Lease for four (4) months and hold the balance of the funds in contingency until a full functional community board is established per the current lease

Acting President Sterling gave direction to code enforcement to provide a breakdown of their costs as requested for code staffing and requested CE provide information on what the average grant award is under the Low Income Code Compliance Grant Program, if any overhead can be kept on this award, who can receive the grant, and number of grants provided in the past two years by Council district.

CDBG Management Analyst Smith responded to questions of President Xiong relative to previous fiscal year awards not yet under contract, who had contracts, what current awards have not yet been reimbursed, if any contracts have been extended to meet performance, if there was a performance evaluation process, what information is provided by agencies, how direct service is evaluated, and program staffing. There was no further discussion.

Upon question Chief Assistant City Attorney Hale stated additional motions could still be made before the final vote and President Xiong requested any additional motions be made prior to hearing the Redevelopment Agency's budget.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 5:22 p.m. having arrived and hearing no objection, President Xiong declared the meeting adjourned to Tuesday, June 17, 2008, at 2:00 p.m. for continued Budget consideration..

Approved on the ____ 17th ____ day of ____ June _____, 2008.

_____/s/_____
Blong Xiong, Council President

ATTEST: _____/s/_____
Yolanda Salazar, Assistant City Clerk