

CITY OF ALISO VIEJO
CITY COUNCIL MINUTES

ADJOURNED REGULAR MEETING
MARCH 19, 2007, 5:00 P.M.
(BUDGET WORKSHOP)

Council Chambers, City Hall, 12 Journey
Aliso Viejo, California

CALL TO ORDER: Mayor Phillips called the Adjourned Meeting of the City Council of the City of Aliso Viejo to order at 5:05 p.m.

Mayor Phillips introduced the new City Clerk of Aliso Viejo, Susan Ramos.

ROLL CALL: The Mayor requested the City Clerk to call the roll.

PRESENT: COUNCIL MEMBERS: WILLIAM A. PHILLIPS
CARMEN CAVE
GREG A. FICKE
PHILLIP B. TSUNODA

ABSENT: COUNCIL MEMBER: DONALD A. GARCIA (entered at
6:37 p.m.)

ALSO PRESENT: MARK A. PULONE, CITY MANAGER
SCOTT SMITH, CITY ATTORNEY
SUSAN A. RAMOS, CITY CLERK
GLENN YASUI, DIRECTOR OF ADMINISTRATIVE
SERVICES
GENIA GARCIA, DIRECTOR OF PLANNING SERVICES
GINA THARANI, DIRECTOR OF FINANCIAL SERVICES/
CITY TREASURER
JOHN WHITMAN, CITY ENGINEER/PUBLIC WORKS DIR.
HELEN WILSON, DIRECTOR OF COMMUNITY SERVICES

COUNCIL BUSINESS

1. COMMUNITY SURVEY

City Manager Pulone introduced Dr. Robert G. Meadow of Lake Research Partners. Dr. Meadow described the methodology of the survey and summarized the findings as highlighted below:

- Overall, the City is rated as doing a good job and is a clean and safe place to live. All City services received a satisfactory rating;
- City received high ratings in the service areas of trash collection, police protection and public safety in general, road maintenance and street sweeping;
- Moderately rated programs include the after school programs, communications program through the City's website and eNews, and animal services. The rating could be attributed to the lack of awareness about the programs or the programs did not apply to the respondents;
- Important issues facing the City included the proposed mail processing postal center, public safety, traffic/road repair, school funding, growth and development, parks and green spaces, additional City activities, and taxes;
- The most important community enhancement is the construction of a new Community Center. Additional enhancements include sports fields, a dog park, park facilities and amenities, a community garden, a gymnasium and a historical facility. There is less demand for a historical facility but that could be attributed to lack of information;
- For the enhancement of the Aliso Viejo Ranch, residents value historical preservation and active park-like amenities;
- The most attended event is the Fourth of July celebration and residents expressed interest in holding this event again
- Walkability can be enhanced and encouraged by increasing the number and quality of walkways and sidewalks, adding park and hiking trails, and increasing public safety and lighting.

Dr. Meadow responded to questions regarding what constitutes a new community center, the correlation between the demographic information for residents without children and the day and time the survey was taken, length of residency of respondents, aligning high ranking items with budget priorities, communication about City activities, concerns expressed about the proposed postal center, and the high satisfaction rating for overall City services as compared with other cities.

2. BUDGET WORKSHOP FOR FISCAL YEAR 2008-09

City Manager Pulone noted that tonight's presentation will include preliminary budget estimates, City strategic initiatives, philosophy and visioning statements, and the 5-year Strategic Plan. Based on City Council input this evening, the draft budget for Fiscal Year 2008-09 will be submitted to Council for review on May 7, 2008 and a final budget will be presented to Council for approval on June 4, 2008.

City Strategic Initiatives (Quarterly Report)

City Manager Pulone covered the following highlights;

Public Safety: Animal Services is on the agenda tonight for discussion.

Community Enhancement: Median islands on Pacific Park and on Calle Cortez have been completed; Aliso Viejo Ranch Master Plan is underway and scheduled for completion in early Fiscal Year 2008-09 and a kick-off public workshop is scheduled for April 19, 2008; design plans for the bike trail for Southern California Edison (SCE) are being finalized; the sign inventory will go to Council by the end of this fiscal year.

Local Sustainability: Transportation Study and Plan (Go-Local funding program with other Orange County cities) Phase 2 will begin shortly; Slurry Seal programs continue to be a priority; traffic islands at SR-73 pending until grant funding is obtained and if not, consider bringing back to City Council for reconsideration of expenditure; the Housing Element update is forthcoming; City Hall interiors have been completed and staff will bring back options for the exterior; City entered into an agreement with Amies Communications for services related to community promotion.

Interactive Communication: Installation of the public computer has been postponed until the imaging of City records is complete; the codification project will be reviewed by the new City Clerk to move forward.

Wish List: Staff will continue to pursue grant funding or other funding opportunities for items previously addressed by City Council but have not been identified for funding. There are a variety of opportunities already in place for children to participate in the City's enhanced after school programs. Staff would like to receive input whether these enhancements meet the Council's goals. Additionally, under the healthy community programs, classes geared towards healthy communities were put in place last year. Staff would also like to receive input whether these enhancements are satisfactory to meet the Council's goals. Walkability is an important issue and could fall under capital improvements. Finally, City staff met with new staff from CUSD with a plan to meet with the City ad hoc team to identify specific joint use opportunities to pursue and subsequently meet with CUSD ad hoc to discuss them.

Councilmember Cave provided the following comments:

- Suggested placing informational kiosks throughout the City to enhance communication in lieu of a public access computer station at City Hall. Discontinue to earmark for this funding but keep the concept in mind until other alternatives are received from Amies Communications in their scheduled presentation next month

- The original idea during incorporation for after-school programs, particularly in Iglesia Park, was not to fund the programs but provide infrastructure or a place to hold the programs. The City seems to be deviating from the original clearinghouse concept and suggested returning to it and allowing people or organizations to come and use the City facilities for after school programs. This approach would enable the City to meet its goals and reduce expenditure.
- Review the Orange County In Motion program with Kaiser Permanente as a major funding source. Additionally, other similar entities, such as Mission Hospital, also have a vested interest in providing funds to run healthy programs and these should be explored.

Mayor Phillips provided the following comments:

- Pursue grant funding to enhance traffic islands at Aliso Creek and at Highway 73
- Pursue grant funding for a pedestrian bridge from the Laguna Niguel Skate Park to the Aliso Niguel High School to alleviate the congregation of high school students at the corner of Alicia Parkway and Aliso Creek.
- Support the healthy communities program and suggest developing a strong partnership with a hospital or other similar institutions to promote wellness.
- Move up the Go-Local program particularly at a time when gas prices continue to rise.

Budget Financial Projections

City Manager Pulone reported that the City is in good standing today as a result of the prudent approach taken by the City Council in past years. It was noted the City will experience an overall decline in revenues this year, however, this was anticipated and there are sufficient reserves to make up for the projected shortfall. He asked Council for input on the projections after the budget presentation.

Director of Finance Tharani presented information about the federal, state, and county economic projections and highlighted the following:

- General Fund Revenues have declined by 5.9 percent but if adjusted for the loss of MVLF revenues, they have grown by 1.08 percent
- Property Tax assessed valuation was up by 2 percent. Property tax will see a decline of 2.5 percent
- Sales Tax preliminary estimates are forecasted to increase by 2 percent
- Franchise fees are estimated to grow by 4.8 percent

- Construction and Planning Permits and Fees are contingent upon the construction activity and pace as set by the developers. The cost of construction and market conditions will also have an impact on these revenues. Estimates are at 2007-08 levels.
- Special Revenue Traffic Congestion Relief Fund (TCRF) Fiscal Year 2008-09 receipts are \$493,000 and \$151,000 for County City aid program. The City will receive \$724,000 of SB 286 funds in Fiscal Year 2008-09. The City's portion is \$1.4 million.
- There is a delay in Gas Tax payment of \$218,000. Repayment of revenues for April-August 2008 scheduled in September 2008.
- The City has received \$2.9 million to date in Development Impact fees. Fiscal Year 2008-09 is estimated to bring in \$1.2 million.

Five Year Strategic Plan

City Manager Pulone clarified the purpose of the Strategic Plan and noted that the assumptions made are based on history, financial forecast and other means.

Director of Finance Tharani presented charts for the five year plan. She reported that using Fiscal Year 2008-09 as the base year, General Fund revenues would grow by 2.7 percent and General Fund Expenditures would grow by .7 percent. The Fund Balance of the General Fund averages a growth rate of 4.2 percent. Other highlights included trend in revenue sources, the development fee schedule, and the capital improvement projects.

City Manager Pulone explained that rather than predicting expenditures, service levels and staffing are constant and potential increases have not been factored in. Likewise, current expenditures today could be reduced or eliminated such as the matter regarding the after-school programs addressed earlier by Councilmember Cave.

City Manger Pulone noted that in the staff report Staff is requesting clarification regarding the budget allocations for meetings and conferences for each City Council Member and whether these can be used for membership in professional organizations since the current Council policy is silent on this issue. If so, staff would recommend bringing back a revised Travel Policy to incorporate this information.

Councilmember Ficke inquired how the City is preparing for the proposed budget cuts across the board and the County's budget cuts. City Manager Pulone replied that the City is not anticipating adjusting services levels unless Council directs otherwise.

Councilmember Ficke reported that certain major employers have reduced their staff and wanted the City to be aware of it for potential long term impacts as a result of this action. He also noted that due to the slow economy, there could be a delay in development investment which could affect the developer fee schedule.

Councilmember Tsunoda asked about the City's General Fund reserves of \$26.5 million. Director Tharani provided clarification. He suggested taking \$1 million from the General Fund Reserves for Community Outreach in the 2008-09 General Fund Expenditure budget, to prepare the City to respond to the United States Postal Service (USPS) matter.

Councilmember Cave provided the following comments:

- Anticipate potential increases in the Sheriff's contract when it comes up for review in October
- Establish a reserve fund for repairs and maintenance for the City's new facilities including the Aquatic Center, the Conference Center and City Hall
- Include a glossary of definitions for some of the budget items for clarification and better understanding
- Double check the assumptions

Mayor Pro Tem Garcia entered the meeting at 6:37 p.m.

Mayor Phillips reiterated the importance of continuing to promote the community and position it to better prepare for strong market opportunities in the future. He supported Councilmember Cave's comments about planning for potential increases to the Sheriff's contract and establishing a reserves fund for the City's new facilities. He also commented the City should have a plan to prepare for budget cuts, if it were to happen.

Mayor Pro Tem Garcia expressed concern about the regular increases to the Sheriff's contract and finding ways to keep it under control.

City Manager Pulone asked for clarification regarding the proposed budget increase to the Community Outreach Program of \$1 million.

FOLLOWING DISCUSSION, COUNCIL DIRECTED STAFF TO BUDGET FOR AN AGGRESSIVE COMMUNITY OUTREACH PROGRAM FOR FISCAL YEAR 2008-09.

City Manager Pulone asked for clarification about the Travel Policy.

COUNCIL DIRECTED STAFF TO BRING BACK THE TRAVEL POLICY FOR COUNCIL REVIEW AND DISCUSSION AT A FUTURE COUNCIL MEETING.

COMMUNITY INPUT

The Mayor asked if anyone wished to address the City Council on any matter within the subject matter jurisdiction of the Council; hearing no response, he closed public comments.

ADJOURNMENT: The Mayor declared the adjourned regular meeting adjourned at 6:50 p.m. The regular meeting would commence at 7:00 p.m.

Submitted By:

Approved By:

SUSAN A. RAMOS, CMC
CITY CLERK

WILLIAM A. PHILLIPS
MAYOR