

MINUTES

JULY 15, 2009

BOARD MEMBERS PRESENT: Tammy Maisetti, Bart Barringer, Tom Slater, Georgia Anderson, Eric Benson, Norma Reed

BOARD MEMBERS ABSENT: Frank Boots, David Boring

CITY STAFF: Margaret James, Laurie Smith

GUESTS: Greg Nyhoff, City Manager, Raul Garcia, Doug Hosmer

STAFF: Nancy Young

Acting Chairperson Tom Slater called the meeting to order.

CORRESPONDENCE

All Correspondence has been delivered to the Board of Directors.

APPROVAL OF MINUTES

Norma Reed moved to approve the June 17, 2009 minutes. Tammy Maisetti seconded. Unanimous approval.

GREG NYHOFF, CITY MANAGER – Mr. Nyhoff explained the General Fund of \$125 million shows a 15% drop in revenue. 100 employees have left the City of Modesto. Forty-Nine of the 100 were in management positions. Some of the positions will be replaced, but 90% of them will remain vacant.

The Sales Tax revenue received looks like what the City had estimated. Mr. Nyhoff explained the monies the State will keep from Property Tax, Redevelopment Funds and Road Taxes. Ten Million could come out of next year and there is nothing the City can do but cut programs.

Eric Benson asked where we stand at watering city parks. Mr. Nyhoff explained that watering is reduced by 25%. Restrooms in Neighborhood Parks will be closed on weekdays and open on weekends. He explained that they will watch to see if there are any health and safety issues from these cut backs.

It was explained that by making the Deputy Chief the Acting Police Chief this will save the City the Chief's salary for a year. Then next year the City Manager will go out and do a search for the Police Chief's position.

Tammy Maisetti stated Mr. Nyhoff sounds optimistic about what he can control. Mr. Nyhoff explained that he is optimistic, but right now the City is in hold mode. He explained that he has lost his Finance Director and Human Resources Director. He explained he is looking for leaders from within. The City had a lot of waste. Employees could only do single jobs, and he would like to see people do multiple jobs.

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Tom Slater feels all the City does is spend, spend, and spend. Tom thinks that the employees feel if they don't spend it they won't get the money in their budgets the next year. Tom feels there should be ways to see if a department really needs their budget. Tom asked what kinds of evaluations have been done to see if departments really need the budget they request. Mr. Nyhoff answered yes and no. Departments that weren't politically sacred. He explained that 40% of Planning and Redevelopment's budget is gone.

Mr. Nyhoff explained that cutting the first \$6 million wasn't that difficult, but the last \$10 million was harder.

Police and Fire both had raises. Mr. Nyhoff explained that you can't lay off employees from Police and Fire unless they agree.

Police Department total cut was 4 to 5 percent. Situation with Union's is another issue.

Georgia Anderson asked how many Police Officers we have. Mr. Nyhoff explained we have 193 Police Officers. That number does not include Sergeants, Lieutenants, and Captains.

Tom Slater explained this couldn't be a better time for people to do more than a single job.

Laurie Smith explained that the Redevelopment Agency will not get a lot done with a \$19 million cut.

Margaret James gave the following Redevelopment Update. FMC still moving forward, negotiations are still moving forward with the State of California. Escrow closing September 30th, might not happen. The Water Resources Board is causing a problem. The economy is also a problem. This project is funded.

Escrow has closed on Archway Commons at 9th and Carver Road. This project will be an enormous boost for this area of town.

Team Modesto is continuing to work on the 10th and H Streets Project. This is a Mixed Use project. The Redevelopment Agency owns four (4) parcels at this location.

The downtown cameras will be paid for this year. Everyone feels they are good for downtown.

Tammy Maisetti feels the major concern for Redevelopment is the need to seek out revenues. The economic portions must keep going. Redevelopment Agency must still plan and maintain.

Margaret James explained that we maintain by following through with the projects we have.

Mr. Nyhoff mentioned a Revolving Loan Program of some sort through the Redevelopment Agency.

Mr. Nyhoff also would like to work on partnerships with The Alliance, Chamber of Commerce, Downtown Improvement District, Convention and Visitors Bureau. He would like to meet with these groups on a regular basis.

Tammy Maisetti stated we still have to sell Modesto, and get new businesses to come here, so we can build our Revenue. Margaret explained that we must think outside the box. We need a plan in place to figure out how to get the Revenue.

Tom Slater stated that Sales and Property Taxes won't get better for a long time.

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Eric Benson stated we all need to be active and get the word out that Modesto has something to offer. Margaret explained that she will continue to work on e-mail blasts.

Georgia Anderson stated not to many concessions can be made downtown. In order to make money a business has to be successful. People buying and selling goods in Modesto make the City successful.

The Modesto Bee's negative stories do not help. It was mentioned to think positive thoughts and speak positive thoughts.

Mr. Nyhoff feels the City's Public Relations person needs to send out positive press releases.

Georgia Anderson mentioned that the City was going to charge her fees for something like changing her lighting in the store.

Mr. Nyhoff has a challenge. He has freed up \$200,000 and wants suggestions for a project to use this money on. He wants to see something unique, something that will make a difference.

Advertise Modesto was suggested. Sale in Modesto, we need your business. Pay a month or two of rent.

Tammy Maisetti explained advertising what Modesto has. Tresetti's and Clayton's advertise what they are offering. Advertise the City. Homes in Modesto are available at low prices.

Bart Barringer stated the rental market in Modesto is depleted.

ADJOURN

1:22 P.M.

Respectfully submitted,

Nancy Young