



Staff: John W. Stinson
Assistant City Manager

Committee Members:
Harold Hanson, Chair
Ken Weir
Irma Carson

AGENDA SUMMARY REPORT

REGULAR MEETING OF THE BUDGET AND FINANCE COMMITTEE

Wednesday, March 3, 2010
12:00 p.m.

City Hall North – Conference Room A
1600 Truxtun Avenue
Bakersfield, CA 93301

The meeting was called to order at 12:11:30 PM

1. ROLL CALL

Committee members present: Councilmember Harold Hanson, Chair
Councilmember Ken Weir
Councilmember Irma Carson

Staff present:

Alan Tandy, City Manager	Rhonda Smiley, Asst. to the City Manager
Steven Teglia, Administrative Analyst	Rick Kirkwood, Management Assistant
Ginny Gennaro, City Attorney	Joshua Rudnick, Deputy City Attorney
Christine Im, Associate Attorney	Nelson Smith, Finance Director
Greg Williamson, Police Chief	Scott McDonald, Lieutenant
Donna Kunz, EDCD Director	Rhonda Barnhard, Assistant EDCD Director
Steve Hollingsworth, PW Operations Manager	Keitha Turner, Administrative Assistant

Other present:

Arnulfo Mendoza, Poly Towing	Scott Rice, Commercial Towing
Richard Cantero, Bakersfield Club Towing	Michelle Stillwell, Bakersfield Club Towing
Joe Ahrens, Ten Eight Tow	David Bailey, Affordable Towing
Christina Huff, Payless Towing	Raed Fahel, Cal-State Towing

Henry Barela, Lewis Towing Inc
Marvin Holland, John Boys Towing Inc.
Randall David, Joe's Towing
Les Simpson, K + R Towing
Nancy Barnett, Barnett's Towing
Randy Winkle II, Randy's Towing
Scott McHone, Scott McHone CPA PHD
Trice Harvey, BTC Consultant
Kelly L Williams, Louie's Towing
David Bynum, Lebeau Thelen
Randy Harden, Jim's Towing Service Inc.

Robert Ring, Bakersfield Towing Association
Gerardo Maya, GM Towing
David McDowell, Dave's Fleet Maintenance
Andrew Richter, Barnett's Towing
Randy Winkle, Randy's Towing
Tim Schaufelberger, Barnett's Towing
Wayne Dotson, Golden Empire Towing
Dick Shepherd, H & S Bodyworks & Towing
Richard Compton, H & S Bodyworks & Towing
Bernard LeBeau Jr, Lebeau Thelen
Larry Moxley, Ashmore Towing

2. ADOPT JANUARY 25, 2010 AGENDA SUMMARY REPORT

Adopted as submitted

3. PUBLIC STATEMENTS

None

4. NEW BUSINESS

A. Discussion and Committee Recommendation regarding CDBG, HOME, and ESG Action Plan FY 2010-11 – Kunz

Economic Development Director Donna Kunz summarized the Annual Entitlements received by the City through the U.S. Department of Housing and Urban Development (HUD). These entitlements help to improve the quality of life in low to moderate income neighborhoods. The HUD Community Development Block Grant Program (CDBG), HOME Investment Partnership (HOME) and Emergency Shelter Grant (ESG) entitlements for FY 2010-11 are \$5,206,847. Staff is projecting program income from repayments due to refinancing and payoffs in the amount of \$15,000 for CDBG and \$100,000 for HOME. The total proposed budget for CDBG, HOME, and ESG for FY10-11 is \$5,321.847.

FY 2010-11 Proposed CDBG:

The total resources available for FY 2010-11 are \$3,370,253. This amount includes the CDBG Entitlement of \$3,355,253 and the project program income of \$15,000. The total resources are allocated as follows:

- Total Administration – 20% CAP: \$674,051.
- Long Term Obligations: \$406,717. These on-going, long term obligation are repayments of Section 108 Loans.
- Public Services – 15% CAP: \$495,000. Services include graffiti removal in HUD eligible areas, the Bakersfield Senior Center, Downtown Area Police Patrol and Fair Housing.

FY 2010-11 Proposed Capital Improvement Projects:

Net resources available for Capital Improvement Projects (CIP) are \$1,794,485. Staff submitted the following for consideration:

- Belle Terrace Area Curb, gutter, Sidewalk, & Reconstruction Project: \$500,000
- Beale area Curb, Gutter, Sidewalk, & Reconstruction Project: \$500,000
- Alley Refurbishment & Sidewalk Imprv. Project between G, H, 18th, & 19th St: \$431,401.
- Airport Landscaping: \$200,000.
- Dr. Martin Luther King Jr. Park Bleachers and Playground Shade Structure: \$83,998.
- Jefferson Park Playground Shade Structure: \$40,360.
- Planz Park Playground Shade Structure: \$38,726.

This year staff has received eight proposals for assistance from non-profit and for-profit organization totaling \$1,659,700 and 13 intra-city proposals totaling \$3,849,056 for projects to improve the quality of life and infrastructure for low-income neighborhoods. Ms. Kunz provided to the Committee a list of for-profit and non-profit applications that show the proposer's name, description of the project location, the estimated cost of project and if the project is HUD eligible and qualified. Unfortunately, the City does not have the financial resources to consider all projects. In order to meet Councils public service goals, staff's recommendation is to continue the graffiti removal in HUD eligible areas, continue assistance to Bakersfield Senior Center, increase downtown area police patrol, and continued support of Fair Housing.

Home Investment Partnership (HOME):

The total funding available for FY 2010-11 is \$1,804,447. This amount includes the HOME Entitlement of \$1,704,473; \$100,000 of projected program income. A 10% portion in the amount of \$180,447 was set aside for administration cost.

Proposed Housing Programs:

Staff estimates the total Program/Project Costs and Direct Delivery for FY 2010-11 is \$1,624,026. This Program/Project cost includes \$600,000 in SEPA, DT & OTK Downpayment Assistance, \$768,365 in new construction of Bakers Street Senior Housing Phase 2, and \$255,671 in HUD mandated Community House Development Organization (CHDO) sponsored projects.

Emergency Shelter Grant (ESG):

Staff proposes \$147,121 in ESG to fund the Bakersfield Rescue Mission Homeless Intervention Services (\$62,000); Bethany Homeless Shelter (\$62,000); and Alliance Against Family Violence (\$15,788). Also included is the 5% administrative Cap of \$7,333.

Committee members unanimously approved staff's recommendations to move forward to full Council for approval.

B. Discussion and Committee Recommendation Regarding Towing Contracts – Tandy

Administrative Analyst Teglia provided a brief summary of the current process and issues related to the City's current application process. Staff's recommendation is based on ensuring the City has a fair, open and understandable process by which tow companies are selected for the tow rotation list. To accomplish this, Staff is recommending similar base eligibility criteria to that of the CHP. Companies which meet the CHP requirements and certifications and who are on the CHP Northwest, Central or Southwest Tow Districts list would be eligible to contract with the City. Once a company becomes eligible, they must provide additional insurance, meet performance standards and enter into a contract with the City. The annual contracts would be administered by the Finance Department.

Bernie LeBeau from LeBeau Thelen representing the Bakersfield Towing Coalition provided a brief presentation on research he conducted on tow company contracting practices in other cities with similar population size to Bakersfield.

Trice Harvey representing the Towing Coalition stated that expanding the tow list would create significant additional costs and increased response times. It would also result in additional police time waiting for tow trucks to arrive per call.

Robert Ring from Ring & Green representing the Bakersfield Towing Association stated that the Towing Association agreed with staff recommendation to expand the tow rotation list.

David McDanell from David's fleet maintenance towing stated that the tow rotation list should be opened in a fair manner so all the towing companies have an equal opportunity.

Josh Huff from Payless Towing stated he also agreed with the staff recommendation to expand the tow rotation list to provide an equal opportunity to all the other towing companies currently not on the list.

Larry Moxley a consultant thanked staff for taking the time to review the matter and agreed with staff recommendation to expand the tow rotation list.

City Manager Tandy stated that the current process was an old process set up in the 1970s by a Council resolution. There was no proper procedure in place to inform interested companies of the protocol. Staff researched further into the matter and looked at how to create a procedure that reflects the normal way of conducting city business. During the research process, staff found that three different agencies were all spending money to perform inspections to certify the same towing company. By allowing the California Highway Patrol (CHP) to conduct the inspections with State standards, it would save the city labor and cost.

Police Chief Williamson stated that staff has been researching this matter for the past five to six months. Additional Police Department standards would be included in the contracts, and if the towing companies cannot comply with the standards, they would be removed from the list.

City Attorney Gennaro stated that she has a legal concern if the Committee or Council chose not to do anything at all and that the matter needs to be appropriately documented to reduce the possibility of litigation.

Mr. Weir asked if the CHP guidelines were adopted, would the City be able to impose additional standards. Police Chief Williamson stated that if the Council felt that the CHP guidelines were not strict enough, the Council could impose additional standards through the contracts. Mr. Tandy stated that the Police Department would be able to document anything that represents below standard performance and if needed, initiate procedures to suspend and/or terminate a contract. Committee member Weir also asked if increasing the number of towing companies would cause problems at DUI checkpoints. Lieutenant McDonald stated a process would need to be created to be fair and equitable.

Committee member Weir made a motion to adopt the CHP standards as the minimum requirements; and allow companies currently on the CHP list that have their primary location within the city limits, to be added to the rotational list. Nine companies on the CHP list currently meet this requirement (two of which are currently on the Police Department's rotation list); there are another four companies on the CHP list which can be annexed into the city (two of which are currently on the Police Department's rotational list), for a total of 13 towing companies. The remaining two companies on the current Police Department's rotational list would be grandfathered in for a period of 12 months from the date of approval by City Council to adjust their business plan and make any adjustments necessary for a total of 15 towing companies on the Police Department rotational list.

City Attorney Gennaro clarified that the two towing companies currently on the rotational list, which probably cannot be annexed, would probably have to adjust their business plans and relocate to an impound storage lot within the city limits and will have 12 months to complete the process. The two other companies that can most likely be annexed would need to start the process within 12 months and complete the annexation in reasonable time.

Committee chair Hanson made a motion to grandfather in the current six towing companies on the rotational list and increase the total number of towing companies by four to ten which should all have their primary facility within the city limits. Staff should also update the 1994 requirements on towing company facilities.

City Attorney Gennaro stated that the Committee chair could not make a motion, therefore, the Committee would need to vote on Committee member Weir's motion or have Committee member Carson state Committee chair Hanson's motion. If Committee member Carson chose not to, Chair Hanson would need to present his motion to the full Council.

Committee member Carson seconded Committee member Weir's motion and added that the maximum amount of tow companies allowed on the Police rotational list would be 15. The motion was approved by Committee members Carson and Weir and was opposed by Chair Hanson. Chair Hanson requested staff prepare a minority report for the full Council.

5. COMMITTEE COMMENTS

Committee member Weir thanked everyone for their participation in resolving this issue and thanked the towing companies for their presence.

Committee chair Hanson thanked everyone for their attendance and input to the meeting.

6. ADJOURNMENT

The meeting adjourned at 2:18:01 PM