

**VALLEJO CITY COUNCIL
SPECIAL MEETING MINUTES
APRIL 12, 2025**

**COUNCIL CHAMBERS
555 Santa Clara Street, Vallejo, California**

1. CALL TO ORDER

The meeting was called to order at 10:12 a.m.

2. ROLL CALL

Present: Mayor Sorce, Vice Mayor Bregenzer, Councilmembers Gordon, Lediju, Matulac, and Palmares

Absent: Councilmember Matias

Staff present: City Manager Murray, City Clerk Abrahamson and Finance Director Nayar

3. PLEDGE OF ALLEGIANCE

4. BUDGET WORKSHOP

A. PROVIDE CITY COUNCIL WITH A PRELIMINARY BUDGET OVERVIEW OF THE FISCAL YEAR (FY) 2025-2026 BUDGET AND RECEIVE COUNCIL DIRECTION (PART 2 of 2)

Recommendation: Provide City Council with a draft General Fund and other funds overview of the fiscal year 2025-26 budget and receive Council direction.

Contact: Andrew Murray, City Manager, (707) 648-4576

Andrew.Murray@cityofvallejo.net

Rekha Nayar, Finance Director

Rekha.Nayar@cityofvallejo.net

Mayor Sorce framed the format for the workshop.

City Manager Murray provided opening remarks.

Councilmembers provided comments.

Finance Director Nayar provided an overview of the General Fund baseline budget and shortfall, presented the Measure P fund status (including FY 2025-26 staff requests), reviewed responses to questions raised by the community at the March 22 Community Budget Workshop, and presented options to solve the General Fund budget shortfall.

During the presentation, staff responded to questions from Councilmembers.

The meeting recessed at 11:57 a.m. and reconvened at 12:39 p.m.

Finance Director Nayar outlined options for funding the Sheriff's contract. Staff responded to questions from Councilmembers. Councilmembers provided comments.

Mayor Sorce proposed to fund the Sheriff's contract with Measure P balance in accordance with what is on the recommendation and set aside or earmark another \$5.6 million of the Measure P balance for potential funding for the Sheriff's contract in the following fiscal year, which will leave around a \$5 million Measure P balance.

In addition to the incoming Measure P for the next 2 years, Mayor Sorce recommended that the Measure P Oversight Committee (MPOC) provide input on how to spend on the priorities, particularly given that there are some priorities that do not have funding in the upcoming fiscal year. The Council may wish to explore, for example, projects like illegal dumping and blight and how we might use the remaining fund balance to do so. Fund balance is meant to be the saved Measure P from previous fiscal years to address those priorities. All of this should be taken to the MPOC.

Action: *moved by Vice Mayor Bregenzer and carried unanimously by members present to approve the recommended funding for the sheriff's contract for FY 24/25/26 and withholding funds for Measure P FY 26/27 budget of \$5.6 million. (Absent: Matias).*

Finance Director Nayar presented baseline budgets for certain non-General Fund funds that are requesting General Fund subsidies in FY 2025-2026 (Fiber, Marina and Housing), and concluded the presentation by reviewing Departments' additional General Fund budget requests for FY 2025-2026.

Staff responded to questions from Councilmembers.

Councilmembers discussed the various options to solve the General Fund budget shortfall as presented by staff.

Mayor Sorce prepared a List of Next Steps that will be shared with the City Manager and City Clerk and include the following:

- Funding for Sheriff Contract
 - \$1.9M liability costs from city's general liability fund
 - \$1.7 from interest collected from Measure P funds
 - \$2M measure P request
 - Pursue a similar approach in FY25-26 and set aside \$5.6 from existing measure P fund balance as a contingency to cover the 2nd half of the contract
 - Note: This does not commit or impact future Measure P funding. All funding is from prior years, so the City and Measure P committee will still have full discretion over the revenues this coming year, for road repair and other priorities. It will not impact the road repair plan.

- Balancing the budget
 - Proceed with the staff proposed plan to balance this year's budget with a commitment to reviewing our organizational structure and staffing to make the budget sustainable, and checking back periodically over the course of the next year
- Budget requests from staff and council
 - For staff requests, classify them and include those that are essential. Split them into tiers of levels of priority.
 - For council requests, councilmembers will email requests to City Manager. Place a hold line item for "special projects" ... an amount reasonable to city manager based on what he receives, Council discussed in the \$280k range.

Needs / next steps

- More info on city-owned properties, the Ohio house, Phoenix Circle, what is collateralized, etc.
- Fire station maintenance plan and needs
- Plan ahead for \$10M liability for leave payouts
- Conversation about federal funds and implications / risks
- Broadband build out, dig once and equity
- Communications / outreach strategy, city website
- Marina plan - management, maintenance, dredging planning - follow up with consultant...
- How to address closing the housing fund gap
- Make sure the police station is funded
- Org chart review and follow up

Speakers: Anne Carr, Dalia Vidor and Sonia Valdez

City Manager Murray noted that Finance Director Nayar would send a budget form to all Council Members asking for their funding requests that need to be turned in within the next two weeks.

5. ADJOURNMENT

The meeting adjourned at 3:07 p.m.

Signed by:

Andrea Sorce

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ANDREA SORCE, MAYOR

ATTEST:

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Dawn G. Abrahamson

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DAWN G. ABRAHAMSON, CITY CLERK