

CITY OF DUARTE

Minutes of the SPECIAL MEETING OF THE CITY COUNCIL

Monday, May 5, 2025

1. CALL TO ORDER AND ROLL CALL

Mayor Garcia called the Special Meeting to order at 4:08 p.m.

Councilmembers Present: Finlay, Kang, Truong, Calderon, Martin Del Campo, Garcia
Councilmembers Absent: Lewis
Staff Present: Brian Villalobos, City Manager
Kristen Petersen, Assistant City Manager / Director of Administrative Services
Craig Hensley, Director of Community Development
Larry Breceda, Director of Public Safety Services
Manuel Enriquez, Director of Parks and Recreation
Frances Jimenez, Interim City Clerk

2. BUDGET OVERVIEW

City Manager Villalobos thanked Assistant City Manager / Director of Administrative Services Petersen and the department heads for their hard work and gave a summary of the budget proposal.

Director Petersen shared an overview of the budget process and the expected timeline.

3. ORAL COMMUNICATION - ITEMS LISTED ON THIS AGENDA

Steve Hernandez asked to make his public comment at the end of the presentation.

4. BUDGET DISCUSSION

Director Petersen summarized the projected general fund and reviewed the general fund revenues, expenses, the expected deficit and the carryover capital projects. She also detailed her conservative approach to projecting revenue due to the economic uncertainty of sales tax revenue and the recent tariffs.

Discussion ensued regarding dealerships within the city and their respective sales tax contributions.

In response to questions posed by the City Council, staff confirmed that there is nothing official to report regarding who will occupy the shopping center space at 1470 Mountain Ave. However, the plan is to open in summer 2026.

The City Council discussed autonomous driving and its impact on the city's revenue model.

Director Petersen continued reviewing streams of revenue such as building permits, plan checks, and sales tax.

In reply to questions made by the City Council, City Manager Villalobos clarified that Measure QQ authorized the City Council to permit storefront retail sales cannabis dispensaries. However, choosing to move forward is at the discretion of the City Council and the item was tabled to be brought back when Council directs to do so.

Chamber President Dr. Gregory Endelman, Executive Director Kalpna Shah and past president Victor Benavides introduced themselves and gave an overview of the history of the Duarte Chamber of Commerce, the organization's purpose and objectives, as well as its current financial health. Dr. Endelman stated that the proposed budget presented to the City Council for consideration totaled \$156,000 and further explained the current structure of the organization.

Executive Director Shah detailed the operational costs; shared that there is 15% increase in prices; accounted for upcoming increases in staff salaries; and explored the various options for office locations.

The City Council suggested looking into renting out office space at Saltbox, a workspace and logistics support location in Duarte.

Victor Benavides provided background information regarding the organization's financial model, lack of sufficient staffing, and the need for a physical location.

Discussion followed concerning the low number of memberships, improvements needed for increasing business engagement, and various office options were considered.

Executive Director Shah gave a breakdown of operational costs, including payroll, rent, insurance, and additional expenses.

The City Council engaged in dialogue with regard to financing options and comparisons were made with other local Chambers who operate based on a different financial model. Conversation was also had regarding the scope of contracting services and the need to define the Chamber's purpose.

The City Council provided feedback regarding new proposed initiatives and the organization's contributions to local businesses; shared expectations in terms of contracted services; and requested additional data and innovative proposals to support their financial request.

Per the City Council's request, Director Petersen shared the draft budget for the Chamber of Commerce in the upcoming fiscal year and detailed the historical trend of what has been allocated in the past.

It was the consensus of the City Council to hold an additional workshop for the sole purpose of analyzing the Duarte Chamber of Commerce's proposed budget before the final budget is brought to council for approval.

Words of appreciation were shared for the joint collaboration with the City of Duarte and the Chamber of Commerce.

Director Petersen continued explaining the general fund expenses according to each department and conversation was had regarding key projects. She also listed the general fund balance as of June 2026 along with the projected other funds; and reiterated the direction given at the capital improvement workshop.

5. DISCUSSION AND DIRECTION TO STAFF ON FY 2025-26 BUDGET

The City Council provided direction regarding expenditures, revenues and projects for the 2025-2026 fiscal year and confirmed that they would like to hold a workshop to discuss the Recreation Trail Improvement project in detail.

Discussion ensued regarding banner poles, along with locations in need of trash receptacles and bus shelters. Further conversation was brought up regarding the Duarte Chamber of Commerce's purpose and what value they can bring to the community if appropriate measures are taken to improve operations.

The City Council thanked Director Petersen, the department heads, and staff for their efforts in putting together the budget and setting up the workshop.

Public Comment

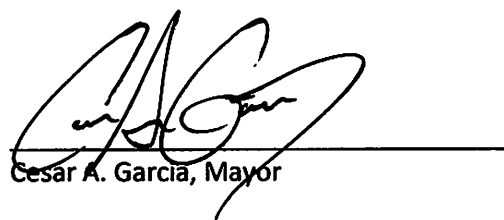
Steve Hernandez stated his opinion on the economy, the recent tariffs imposed, and the contributions the Parks and Recreation department have made that have resulted in a strong return on investment for the community.

The City Council shared their opinion regarding the uncertainty of the future in terms of the economy.

6. ADJOURNMENT

At 6:32 p.m., the City Council adjourned the meeting.


Frances Jimenez, Interim City Clerk


Cesar A. Garcia, Mayor