

DRAFT MINUTES  
SALINAS CITY COUNCIL FINANCE COMMITTEE  
Monday, October 1, 2018  
3:00 P.M.

COMMITTEE MEMBERS PRESENT: Mayor Joe Gunter, Councilmember Tony Barrera, and Councilmember Scott Davis.

STAFF PRESENT: City Manager Ray Corpuz Jr., City Attorney Chris Callihan, Public Works Director David Jacobs, Assistant Public Works Director Jim Sandoval, NPDES Permit Manager Heidi Niggemeyer, and Senior Accountant Abe Pedroza.

Mayor Gunter called the meeting to order at 3:00 p.m.

1. PUBLIC ATTENDANCE / COMMENT

Members of the public Chris Barrera, Al Espindola, Andrew Sandoval, and James Sang were present.

No public comment.

2. MINUTES

The minutes of the September 17, 2018 meeting were unanimously approved by motion of Committee Member Davis, second by Committee Member Barrera.

3. DISCUSSION ITEMS

A. Status of Storm Water RFP and Related Efforts

City Manager Ray Corpuz Jr. provided a brief overview of the City's stormwater (NPDES) program and the associated costs incurred. The federally issued Clean Water Act mandates that the City adhere to various regulations in obtaining the NPDES permit, at an approximate FY 17/18 cost of \$3M, or \$5.6M including staff time, while only recouping \$150K in fees, with the remainder subsidized by the General Fund and Measure G.

NPDES Permit Manager Heidi Niggemeyer then delivered the presentation, stating that the ultimate goal is to "enact a storm sewer utility fee to offset the current use of General Fund revenues to fund the City's NPDES program." Various legal drivers must be navigated, including Proposition 26, which distinguishes taxes that require 2/3 voter approval from regulatory fees that can be passed by City Council. Ms. Niggemeyer noted potential opportunities for alternative funding of the stormwater program, including assigning current utility revenues to fund certain NPDES operations as appropriate, qualifying specific portions of NPDES activities as regulatory fees, and shifting applicable NPDES activities to other utility funds. As a result, the City has partnered with SCI Consulting Group to conduct a cost of service analysis, evaluate a sanitary sewer utility and stormwater program funding nexus, and perform a stormwater utility feasibility study. Furthermore, Ms. Niggemeyer explained that the Howard Jarvis Taxpayers Association is expected to file a lawsuit against any municipality that adopts a stormwater fee without ballot proceedings. Due to previous litigation, the City cannot be the first municipality to challenge the current status quo, as an unfavorable ruling could establish a precedent that would severely limit the ability to move forward with the utility fee.

Councilmember Tony Barrera questioned the timing of the \$83K consultant charge in relation to City Council approval. Mr. Barrera also noted deficiencies in the City's street sweeping program, as abundant vehicles parked along the curbs of city streets hinder an effective cleaning of the gutters. Councilmember Scott Davis indicated his support for a tiered fee, where small businesses would pay less than their larger counterparts. Mr. Davis also noted he was conflicted on the issue, weighing his disdain for additional fees against the benefits of increased revenue to the City. Mayor Joe Gunter looked forward to the forthcoming report from the consultants, noting that their findings would be key in any policy-making decisions.

Community member James Sang asked for clarification on the NPDES permit and recommended that the City install permeable pavers. Community member Al Espindola requested further explanation to "exception three" of Proposition 26 and asked if the City has a street sweeping schedule. Community member Andrew Sandoval suggested the City install signs in Spanish, alerting neighborhoods of times when parking is prohibited due to street sweeping, prior to issuing tickets.

B. Committee Member Reports

Councilmember Scott Davis requested an update on the City's parking enforcement contractor Serco.

4. NEXT MEETING

Next meeting is scheduled for Monday, November 5, 2018.

5. ADJOURNMENT

The meeting adjourned at 4:03 p.m.

SUBMITTED BY:



Abe Pedroza, Senior Accountant