

DRAFT MINUTES
SALINAS CITY COUNCIL FINANCE COMMITTEE
Tuesday, August 2, 2022
2:00 P.M.

COMMITTEE MEMBERS PRESENT: Mayor Kimbley Craig, Councilmember Orlando Osornio, and Councilmember Anthony Rocha.

STAFF PRESENT: Director of Finance Mark Roberts and Finance Management Analyst Abe Pedroza.

Mayor Kimbley Craig called the meeting to order at 2:00 p.m.

1. PUBLIC COMMENT

None.

2. MINUTES

The minutes of the May 3, 2022 meeting were approved by motion of Committee Member Rocha, second by Committee Member Craig.

3. DISCUSSION ITEMS

A. Salinas Plan – Twin Creeks Golf Course Debt (MC02)

Director of Finance Mark Roberts delivered the presentation, updating committee members on the Twin Creeks Golf Course, including debt service obligations and the involvement of the First Tee of Monterey County. Twin Creeks, built in FY 98-99 at a cost of \$8.2M, operated at a \$2M loss over the first four years. A sublease with the First Tee began in 2004 and in 2015, City Council approved an annual lease payment reduction from \$125K to \$60K, with First Tee investing \$1.4M to build a learning center on site. Staff estimates the City has saved approximately \$1.3M annually over the past 15 years by not running the day-to-day operations, including staffing, of the two city-owned golf courses (the other being Salinas Fairways Golf Course). With under \$2M remaining on the debt service, the obligation will be paid off in 2026. All three committee members were not satisfied with staff's recommendation of sharing the update with Council and the community via the City Manager's newsletter. Specifically, Mayor Kimbley Craig requested financials of the First Tee, the expiration date of the lease, options for reducing costs, and the plan for 2026 when the debt service liability is satisfied. Councilmember Anthony Rocha reminded the committee of the significant operational savings incurred by the City as a result of the sublease. After discussion on the specifics, a motion was made to bring the item back to the Finance Committee with responses to committee questions, updated recommendations with options, and additional information, as needed. The motion was approved unanimously by the committee.

B. Committee Member Reports

None.

4. NEXT MEETING

Next meeting is scheduled for Tuesday, September 6, 2022.

5. ADJOURNMENT

The meeting adjourned at 2:21 p.m.

SUBMITTED BY:

all PJ

Abe Pedroza, Finance Management Analyst