

DRAFT MINUTES  
SALINAS CITY COUNCIL FINANCE COMMITTEE  
Monday, January 23, 2017  
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, Fire Chief Edmond Rodriguez, Public Works Director Gary Petersen, Community Development Director Megan Hunter, Finance Director Matt Pressey, and Senior Accountant Abe Pedroza.

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

1. PUBLIC COMMENT

A member of the public, Al Espindola, welcomed the two new councilmembers to the Finance Committee. Mr. Espindola also commended Finance Director Matt Pressey on his fiscal responsibility and Fire Chief Edmond Rodriguez on his revenue generating efforts.

2. MINUTES

The minutes of the December 6, 2016 meeting were unanimously approved by motion of Committee Member Barrera, second by Committee Member Davis.

3. DISCUSSION ITEMS

A. Arts Ordinance Impact

City Attorney Chris Callihan addressed the Arts Ordinance scheduled to go before Council on February 7, 2017. The proposed ordinance will require developers of projects to dedicate 0.5% of the project's overall construction budget to publically accessible visual art. The ordinance could potentially have a substantial impact on the City's capital improvement projects. Mayor Gunter provided the new Police building as an example, where an estimated cost of \$55M would put the arts component at \$275,000. Other high cost capital projects initiated by the City would similarly require significant financial contribution. As an alternative to the 0.5%, Councilmember Barrera suggested staff provide Council with a fair number that could be sustained by the City. City Manager Ray Corpuz Jr. confirmed that staff would work on a proposal to be brought back to the Finance Committee prior to going before City Council. Public Works Director Gary Petersen suggested a separate line item be included in the budget, as it would eliminate the need to track the commitment per project. Mr. Petersen also asked how projects funded by grants would be impacted, as expenditures for art would not be allowed under most agreements. Mr. Callihan noted there is verbiage in the ordinance that allows for exceptions when required. Councilmember Barrera and Mayor Gunter advocated that a current commission, such as the Library and Community Services Commission oversee the Arts Ordinance, instead of creating a new one.

B. Monterey Bay Housing Trust

Community Development Director Megan Hunter provided a summary of the Monterey Bay Housing Trust agenda item going before Council on January 24, 2017. Staff recommends entering into an agreement with the Monterey Bay Economic Partnership (MBEP), allocating a total of \$500,000 over the next three fiscal years (\$100K in FY16/17, \$200K in FY 17/18, and \$200K in FY 18/19). The funds would be deposited into a newly created Monterey Bay Housing Trust Fund, to be used for future affordable housing projects in the region. Staff concludes the initial \$500,000 contribution by the City would leverage a lending capacity of \$2M for Salinas projects.

Alternatively, the City could be subjected to negative ramifications from the State if minimum level housing standards are not met. The venture received support from both Councilmembers Davis and Barrera, who also advocated on informing the public when exemplary work is conducted by the City.

C. Update on Community Choice Aggregate

Public Works Director Gary Petersen delivered an update on the Community Choice Energy project, which was previously brought before Council as an intent resolution. Staff recommends moving forward with the project, which would formally establish a Joint Powers Authority (JPA) with local governments within the tri-county area. The program would allow residents and businesses the opportunity to opt in as an alternative to the existing utility provider (PG&E). The formation of the Monterey Bay Community Power JPA would be structured with a policy board and a governing board, with the City comprising the second largest entity (behind unincorporated Monterey County, ahead of unincorporated Santa Cruz County) and requiring 1/11 of the total financial commitment. One of the largest barriers to the success of the project is educating the community on the facts and benefits of the proposal. This item will be brought to Council in February.

D. Committee Member Reports

A list of upcoming topics was provided, including Mid-Year Budget, Solid Waste, Groundwater, and Measure X.

4. NEXT MEETING

Next meeting is scheduled for Monday February 6, 2017.

5. ADJOURNMENT

The meeting adjourned at 3:34 p.m.

SUBMITTED BY:



Abe Pedroza, Senior Accountant