

DRAFT MINUTES
SALINAS CITY COUNCIL FINANCE COMMITTEE
Monday, July 10, 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., Assistant Finance Director Miguel Gutierrez, Community Development Director Megan Hunter, Library & Community Services Director Cary Ann Siegfried, Public Works Director Gary Petersen, Assistant Public Works Director Don Reynolds, 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, reminded the Committee members of the forthcoming CalPERS expense.

2. MINUTES

The minutes of the June 19, 2017 meeting were unanimously approved by motion of Committee Member Davis, second by Committee Member Barrera.

3. DISCUSSION ITEMS

A. Monterey County Food Bank Fees

In April 2017, the Director for the Monterey County Food Bank requested that the City waive the permitting and development impact fees for a new \$6M, 62,000 square foot structure due to the charitable work performed by the organization that serve many residents within city limits. Unable to waive the fees due to state law, Council requested that staff explore alternative options on how the City could assist the organization and its noteworthy cause. Community Development Director Megan Hunter indicated that staff is recommending the City's Economic Development Incentive and Investment Policy for Community Projects be broadened, allowing Council to provide incentives for other significant Community Benefit Projects that meet the required stipulations, including the Food Bank of Monterey County. Furthermore, staff is recommending Council approve a resolution authorizing the deferral of up to \$440,000 in fees over a five-year period. Public Works Director Gary Petersen mentioned that staff would re-evaluate the \$170K traffic impact fees for any additional savings. By motion of Councilmember Scott Davis, second by Councilmember Tony Barrera, the committee unanimously approved bringing the resolutions to a vote before Council.

B. El Gabilan Library Development Team Request for Proposals Discussion

Library and Community Services Director Cary Ann Siegfried, in collaboration with Assistant Public Works Director Don Reynolds, presented the City's strategy for issuing a Request for Proposal on the El Gabilan Library project. The goal is to establish a guaranteed price of approximately \$14-15M while limiting the City's liability on an approximately 20,000 square foot facility that meets the needs of the community. Included in the bid, the RFP will ask applicants to submit proposals on the financing structure, providing the City with flexibility and mitigating the rising cost of development. The July 2017 RFP will be due by early August, with evaluations by City staff occurring later in the month. A contract could be recommended to City Council by early September, triggering the predevelopment phase to occur through the end of the calendar year. Councilmember Scott Davis requested that comparative bids be presented to Council, factoring a 10% contingency into the price. Councilmember Tony Barrera, given an uncertain financial forecast, asked if the City could afford such a project. City Manager Ray

Corpuz Jr. indicated that staff would need to proceed with fiscal caution, but ultimately Measure V funds were fully capable of financing the proposed development.

C. Committee Member Reports

Councilmember Tony Barrerra requested that Council be continually apprised on the status of CalPERS and its impact on the City budget.

4. NEXT MEETING

Next meeting is scheduled for Monday August 14, 2017.

5. ADJOURNMENT

The meeting adjourned at 3:41 p.m.

SUBMITTED BY:

Handwritten signature of Abe Pedroza in cursive script.

Abe Pedroza, Senior Accountant