

DRAFT MINUTES
SALINAS CITY COUNCIL FINANCE COMMITTEE
Monday, February 4, 2019
3:00 P.M.

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

STAFF PRESENT: City Manager Ray Corpuz Jr., Finance Director Matt Pressey, Public Works Director David Jacobs, Transportation Manager James Serrano, Public Works Admin Supervisor Mike Garner, 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 Ken Allen Jr., Ken Allen Sr., Beverly Correa, Al Espindola, James Sang, and Paul Wilcox were present.

Mr. Espindola urged the members of the Finance Committee to bear in mind the financial forecast of the City when entering into contract negotiations with the various bargaining units.

2. MINUTES

The minutes of the January 7, 2019 meeting were unanimously approved by motion of Committee Member Davis, second by Committee Member Barrera.

3. DISCUSSION ITEMS

A. Downtown Parking District Rate Increase

Transportation Manager James Serrano delivered a presentation concerning proposed parking rate increases in the downtown area. In August of 2018, after hearing a proposal from staff to raise rates and the subsequent concerns from employers, City Council tabled the topic and requested alternative recommendations. The current proposal includes phasing in the increase over a three-year period at the Monterey Street Garage, Salinas Street Garage, Lot 5, Lot 8, and Lot 17. Specifically, the revised proposal includes a re-balancing of the Salinas Street Garage rates, a reduction of the Lot 5 increase, a 25% increase in the Monterey Street Garage hourly rate, a redistribution of staff costs, adjusted administrative overhead and contractor expenditures, the general fund loan repayment, an annual review after three years, and more. The increased revenues would be reinvested into the program, addressing any deferred maintenance issues or other service enhancements. Councilmember Tony Barrera requested clarification on the City's parking validation agreement with Maya Cinemas and questioned if the service level of the parking program warranted the increased costs to patrons. Councilmember Scott Davis suggested various modifications to the proposal, including free parking for the first hour, free parking on Sundays, a special event rate, a maximum daily amount, increased enforcement, and additional security. Councilmember Davis motioned for the item to move forward with the changes and was seconded by Mayor Joe Gunter. This item will be presented to City Council on 2/19/19.

B. Monte Bella CFD Public Financing

Finance Director Matt Pressey provided a brief overview on the Monte Bella CFD Public Financing topic to be presented to City Council on 2/5/19. In July of 2015, Richland Communities approached the City for Community Facilities District (CFD) financing on the Monte Bella Phase 5 & 6 infrastructure, specifically improvements to roads, sidewalks, storm drains, and street lights. Over the next two years, a resolution of intention, public hearing, and reimbursement resolution occurred. The proposed special tax rates for improvement area #1 ranges from \$2,300-\$2,700 annually, based on square footage of the building, and includes a 2% tax rate cap, level debt service, and 30-year life. Staff is recommending Council approve the sale of the bonds in an amount not to exceed \$2.75 million for improvement area 1, at a yield of less than 6% and an underwriter's discount of less than 2.5%. Mayor Joe Gunter motioned for the item to move forward to City Council and was seconded by Councilmember Scott Davis.

C. Committee Member Reports

None.

4. NEXT MEETING

Next meeting is scheduled for Monday, March 4, 2019.

5. ADJOURNMENT

The meeting adjourned at 4:09 p.m.

SUBMITTED BY:



Abe Pedroza, Senior Accountant