

DRAFT MINUTES  
SALINAS CITY COUNCIL FINANCE COMMITTEE  
Monday, April 1, 2019  
3:00 P.M.

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

STAFF PRESENT: City Manager Ray Corpuz Jr., Finance Director Matt Pressey, Assistant City Manager Jim Pia, Economic Development Manager Andy Myrick, Acting Fire Chief Sam Klemek, Assistant Public Works Director/City Engineer Jim Sandoval, 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 Al Espindola and Sergio Sanchez were present.

No public comment.

2. MINUTES

The minutes of the March 4, 2019 meeting were approved by motion of Committee Member Davis, second by Committee Member Gunter.

3. DISCUSSION ITEMS

A. Salinas Plan - Animal Services

Economic Development Manager Andy Myrick introduced the topic as part of the implementation of the Salinas Plan, which includes 32 recommendations from the National Resource Network (NRN) intended to help the City address its structural budget deficit and housing crisis. Assistant City Manager Jim Pia then delivered the presentation, focusing on one of the recommendations set forth by NRN. Specifically, staff is recommending Council adopt a resolution that would amend the Memorandum of Agreement (MOA) between the County of Monterey and the City of Salinas in regards to Animal Control Services. After review of the animal control functions of both entities and the formation of an ad hoc committee consisting of both county supervisors and city council members, an MOA was approved for a shared Animal Services Administrator position and joint operations to commence as a pilot program. The current proposed Amendment No. 1 to this MOA would modify the scope of services offered, extend the term to June 30, 2020, and provide additional funding by the City and County in order to hire an Animal Services Supervisor and Volunteer Coordinator. Councilmember Scott Davis expressed concerns for the project, notably the prolonged timeline for implementation, inadequate hours of operation (M-F, 8-5), and that the savings for the City would not diminish services for the community.

B. City-Wide Fee Schedule and Impact Fees Update

Assistant Public Works Director Jim Sandoval recommended Council approve a resolution increasing City development impact fees by 3.0%, effective 7/1/19. Impact fees are imposed on a developer, intended to pay the costs of improvements to capital infrastructure and facilities required to service the development. City code allows

fees to be adjusted annually for inflation, using the Engineering News Record construction cost index as a barometer. Development impact fees generate approximately \$500K annually, broken down into 7 categories, used to fund various capital improvement projects. Councilmember Scott Davis inquired as to how Salinas fees compare to that of neighboring cities while Mayor Joe Gunter expressed concerns over the traffic impact fee specifically. Citing various examples, Mr. Sandoval indicated that cities use different metrics to calculate fees, therefore hindering a straight-forward comparison amongst adjacent jurisdictions. In general, the City maintains a comparable fee structure while balancing the benefits of development with the need to cover costs.

Finance Director Matt Pressey then presented the City-wide fees and service charges, with a 3.9% increase calculated using the Consumer Price Index. Councilmember Scott Davis questioned the specifics to a number of fees while Mayor Joe Gunter suggested the possibility of the fees rising at a rate of 3% every year to a point that exceeds the service being provided. City Manager Ray Corpuz Jr. referenced the comprehensive fee study conducted by Willdan Financial Services in 2015 that aimed to capture the full cost recovery of each fee, emphasizing the City is not allowed to generate profit on charges for service. However, Mr. Corpuz Jr. indicated that perhaps the study should be conducted every five years, meaning the subsequent one could occur in 2020.

#### C. FY 19-20 Budget Process and Timeline

Finance Director Matt Pressey presented the budget timeline for FY 19-20, highlighting key dates in the development process. Preliminary work has already commenced, with budget materials from the departments due back to Finance by April 10. A community meeting on budget priorities will take place in mid-April, followed by department meetings with the City Manager. Measure E and G Oversight Committee meetings will be held on May 9 and 16, respectively, with the Operating and CIP Budgets to be introduced at the City Council study session on May 28. Adoption is scheduled for June 4. Mayor Joe Gunter asked when a hard copy of the budget documents would be made available to City Council for review. Mr. Pressey indicated that staff would provide the binders during the week of the May 20<sup>th</sup>. Councilmember Scott Davis noted that the same individuals/groups attend the various City-sponsored meetings and therefore are not representative of the community as a whole. City Manager Ray Corpuz Jr. agreed with the sentiment and indicated that staff would take that into consideration when reviewing feedback.

#### D. Special Events

Finance Director Matt Pressey delivered a presentation on Special Events sponsored, at least in part, by the City of Salinas. After reviewing the current process, Mr. Pressey detailed a spreadsheet which listed the 11 events over a four-year period. Specifically, the document showed the in-kind match budgeted by the City per event, the cost to the City by department, any amount paid and/or written off by the organization, remaining amount owed, and total city contribution. Moving forward, staff recommends revising the process to cap the amounts departments are allowed to spend, establish policy on what/how much to fund, request that events provide a list of sponsors and/or estimated revenue, transfer management from Library and Community Services to Public Works, and estimate the economic benefit of the event to the City. Discussion quickly shifted to Police services provided by the City and the associated costs. Both Mayor Joe Gunter and Councilmember Scott Davis suggested hiring private security to replace a portion of the police presence and that the responsibility for keeping the event safe shift from the City to the organization. Sergio Sanchez, representing the Cultural Committee of Salinas, voiced his displeasure with the special events process and the amount of Police officers required to staff the annual El Grito event.

#### E. Committee Member Reports

None.

4. NEXT MEETING

Next meeting is scheduled for Monday, May 6, 2019.

5. ADJOURNMENT

The meeting adjourned at 4:35 p.m.

SUBMITTED BY:

Handwritten signature of Abe Pedroza in cursive script.

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Abe Pedroza, Senior Accountant