

DRAFT MINUTES
SALINAS CITY COUNCIL FINANCE COMMITTEE
Monday, February 3, 2020
1:00 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, Community Development Director Megan Hunter, Planning Manager Lisa Brinton, Senior Civil Engineer Adriana Robles, and Senior Accountant Abe Pedroza.

Mayor Gunter called the meeting to order at 1:00 p.m.

1. PUBLIC ATTENDANCE / COMMENT

No public attendance/comment.

2. MINUTES

The minutes of the January 6, 2020 meeting were unanimously approved by motion of Committee Member Davis, second by Committee Member Barrera.

3. DISCUSSION ITEMS

A. Street / Mobile Vendor Permit

Planning Manager Lisa Brinton presented an administrative report on the City's vendor ordinance, which categorizes businesses as either a catering vehicle, non-motorized pushcart, or a street vendor. Per the ordinance, only 32 catering vehicles are authorized to conduct business within City limits in the public right of way and are prohibited from vending in city park/recreational facility or private property. Staff is currently in the process of contacting the 317 vendors on the waiting list in an effort to gather data and assess its next steps. Discussions for potential ordinance modification include allowing food truck vendors adjacent to parks and on private property, in addition to modifying the cap on the number of food truck permits (32). Many concerns must be navigated, including safety, parking, waste management, and aesthetics, as well the potential impact to brick and mortar establishments. Staff estimates it will complete outreach efforts by February 2020, draft ordinance adjustments in March 2020, and pilot program recommendations in summer 2020.

Councilmember Scott Davis recalled a discussion with City Attorney Chris Callihan, questioning the legality of the 32 catering vehicle cap, while offering various suggestions for the pilot program. Councilmember Tony Barrera urged staff to focus on illegal vendors and to be cognizant of any forthcoming changes from the State while completing their work. Mayor Joe Gunter asked for specifics on permitting fees and if food trucks are allowed at City-sponsored special events. Community Development Director Megan Hunter noted that the City maintains flexibility with allowing food trucks on City-owned property while assuring committee members that the permitting process cannot generate profit, only reimburse staff time.

B. California State Auditor's Fiscal Health Analysis of California Cities

Finance Director Matt Pressey introduced the topic, navigating through the California State Auditor's interactive dashboard aimed to identify cities that could be facing fiscal challenges by assessing their levels of risk using various financial indicators. The City of Salinas ranks 112 of 471 California cities, with #1 indicating highest risk and #471 being the lowest risk. Overall, the City possesses moderate risk (yellow), which is on par with regional counterparts in the tri-county area. Specifically, the City has low risk (green) regarding revenue trends, high risk (red) with various pension related metrics, and moderate risk with liquidity, debt burden, and general fund reserves. Prompted by Councilmember Tony Barrera, City Manager Ray Corpuz Jr. emphasized the pension issue as out of the City's control, but actively being managed to mitigate future economic downturns.

C. Minimum Wage - Cost Analysis of Implementing \$15 per hour early (before 2022)

Finance Director Matt Pressey delivered a brief presentation in response to Councilmember Davis' request on the total cost to the City in implementing a \$15 per hour minimum wage prior to the mandatory state requirement of 2022. After compiling the necessary data, Mr. Pressey performed two different calculations, ultimately determining that it would cost the City an additional \$110K by raising minimum wages to \$15 per hour today versus increasing wages incrementally over the next three years as stipulated by California legislation. Committee members agreed to table the conversation until a later date, perhaps after upcoming bargaining unit negotiations or at fiscal year budget development.

D. Committee Member Reports

None.

4. NEXT MEETING

Next meeting is scheduled for Monday, March 2, 2020.

5. ADJOURNMENT

The meeting adjourned at 1:50 p.m.

SUBMITTED BY:



Abe Pedroza, Senior Accountant