

DRAFT MINUTES
SALINAS CITY COUNCIL FINANCE COMMITTEE
Tuesday, April 9, 2024
2:00 P.M.

COMMITTEE MEMBERS PRESENT: Mayor Kimbley Craig, Councilmember Orlando Osornio, and Councilmember Anthony Rocha.

STAFF PRESENT: Interim City Manager Jim Pia, Community Development Director Lisa Brinton, Assistant Community Development Director David Gonzalves, City Engineer Adriana Robles, NPDES Permit Manager Heidi Niggemeyer, Assistant Finance Director Selina Andrews, Finance Management Analyst Yesenia Nunez, and Senior Finance Management Analyst Abe Pedroza.

Mayor Kimbley Craig called the meeting to order at 1:30 p.m.

1. PUBLIC COMMENT

None.

2. MINUTES

The minutes of the February 6, 2024 meeting were unanimously approved by motion of Committee Member Osornio, second by Committee Member Rocha.

3. DISCUSSION ITEMS

A. FY 24-25 City-Wide Budget Update

Assistant Finance Director Selina Andrews delivered the presentation, detailing the challenges the City faces in balancing the FY 24-25 budget with initial estimates projecting a \$20M imbalance between revenues and expenditures. Prompted by committee members Orlando Osornio and Anthony Rocha, Ms. Andrews indicated that flat revenues and significant increases in compensation costs, CalPERs, health benefits, insurance premiums, and more accounted for the initial deficit. Mayor Kimbley Craig commented on the structural deficit the City is facing in the coming years.

B. FY 24-25 City-Wide Schedule of Fees and Service Charges

Senior Finance Management Analyst Abe Pedroza delivered the presentation, detailing a proposed annual update of 3.7% per the CPI. Mayor Kimbley Craig requested that staff follow up on outreach conducted with the Salinas Valley Chamber of Commerce, Salinas United Business Association, and the Non-Profit Alliance of Monterey County. All three committee members supported staff's recommended increase and adjustments to the fee schedule.

C. Development Impact Fees Annual Adjustment

City Engineer Adriana Robles delivered the presentation, detailing the proposed annual update of 2.6% per the ENR Construction Cost Index. All three committee members supported staff's recommended increases to the development impact fee schedule.

D. Sanitary Sewer Development Impact Fee Update

City Engineer Adriana Robles delivered the presentation, detailing the proposed sanitary sewer update. Specifically, the update modifies the impact fee to align with the adopted Sanitary Sewer Master Plan Update and AB 602. All three committee members supported staff's recommended increases to the development impact fee schedule.

E. Pavement Management and Street Selection Policy

City Engineer Adriana Robles delivered the presentation, detailing background on the topic, present day road conditions throughout the City, and financial impacts. Ms. Robles indicated the 60% of funds would be dedicated to major streets, while 30% would be allocated to residential, with the final 10% categorized as stop gap/maintenance. Discussion centered around the equitable distribution of funds, with Councilmembers Orlando Osornio and Anthony Rocha commenting that additional factors outside of road conditions be considered. Mayor Kimbley Craig advised staff to value the importance of major arteries in the policy.

F. Annual Budget Community Sponsorship Policy

Assistant Finance Director Selina Andrews delivered the presentation, detailing the various iterations of the Community Sponsorship Draft Policy, asking for direction and input from committee members. Council member Orlando Osornio asked that staff provide a list of denied applicants, Council member Anthony Rocha requested that a maximum dollar amount per award be included in the policy, and Mayor Kimbley Craig requested that a tracking mechanism be established for the award recipients to ensure allocated funds were used appropriately.

G. Committee Member Reports

None.

4. NEXT MEETING

Next meeting is scheduled for Tuesday, May 7, 2024.

5. ADJOURNMENT

The meeting adjourned at 2:53 p.m.

SUBMITTED BY:


Abe Pedroza, Senior Finance Management Analyst