

DRAFT MINUTES
SALINAS CITY COUNCIL FINANCE COMMITTEE
Tuesday, September 10, 2024
2:00 P.M.

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

STAFF PRESENT: City Manager Rene Mendez, Community Development Director Lisa Brinton, Economic Development Analyst Michael Gomez, Human Resources Director Marina Horta-Gallegos, Human Resources Manager Patricia Penaloza, Acting 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 2:00 p.m.

1. PUBLIC COMMENT

None.

2. MINUTES

The minutes of the July 23, 2024 meeting were unanimously approved by motion of Committee Member Osornio, second by Committee Member Rocha.

3. DISCUSSION ITEMS

A. California Welcome Center Q4 Update

Economic Development Analyst Michael Gomez presented a FY 23-24 annual update on the California Welcome Center. In January of 2023, Council approved a 10-year renewal, requiring quarterly reports for the TID passthrough with updated reporting requirements as part of the evaluation process. Mr. Gomez delivered various financials, statistics, and current initiatives of the Welcome Center. Committee members Kimbley Craig and Anthony Rocha expressed concerns on the value generated for the City as a result of the contract and requested metric evidence that the partnership is increasing overnight stays in the City of Salinas.

B. California Welcome Center Contract

Economic Development Analyst Michael Gomez delivered the presentation, proposing that the Finance Committee recommend City Council authorize the City Manager to execute a Fiscal Year 24-25 agreement, direct staff to continue providing quarterly reports, and direct staff to develop a strategic plan for optimizing TID funds moving forward. Initiated by Mayor Craig, seconded by Councilmember Osornio, the motion carried unanimously. Councilmembers Osornio and Rocha voiced support for the partnership while Committee members Craig and Rocha expressed concerns that TID revenue is being used to market and generate overnight stays in the City of Salinas.

C. Salinas Plan – Health Care Cost Containment

Human Resources Manager Patricia Penaloza delivered the presentation, noting the item as part of the Salinas Plan to address fiscal sustainability. The City contracts with California Public Employees' Retirement System (CalPERS) for health care benefits, which determines plan availability, benefits, premiums, and co-payments. Ms. Penaloza detailed the various health plans for employees/families, increases in premiums, and additional discussion points on healthcare cost containment, which was budgeted at \$14.3M for FY 24-25 (general funds). Committee members and City staff recognized the difficulties in providing adequate healthcare while controlling the rising costs.

4. NEXT MEETING

Next meeting is scheduled for Tuesday, October 8, 2024.

5. ADJOURNMENT

The meeting adjourned at 2:33 p.m.

SUBMITTED BY:



Abe Pedroza, Senior Finance Management Analyst