



FINAL MINUTES

CITY OF SEASIDE
CITY COUNCIL/ SUCCESSOR
AGENCY TO THE
REDEVELOPMENT AGENCY

JOINT SPECIAL MEETING
COUNCIL CHAMBER
Thursday, May 19, 2016
5:00 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 5:00 PM.

**CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE
CITY OF SEASIDE**

PRESENT: Alexander, Campbell, Oglesby, Pacheco, Rubio
ABSENT: None

2. **PLEDGE OF ALLEGIANCE**

3. **ORAL COMMUNICATIONS**

Mayor Rubio invited comments from the public and had no requests to speak.

4. **CONSENT AGENDA**

Mayor Rubio invited comments from the public and from the Council and had no requests to speak.

*On motion by Mayor Pro Tem Oglesby and seconded by Council Member Dennis Alexander and
passed by the following vote the City Council approve the Consent Agenda as presented.*

RESULT: **Approved**

MOVER: Mayor Pro Tem Ian Oglesby

SECONDER: Council Member Dennis Alexander

AYES: Ralph Rubio, Dennis Alexander, Jason Campbell, Ian Oglesby, Dave
Pacheco

NOES: Non

A. **APPROVE THE MINUTES FROM THE MAY 5, 2016 JOINT SPECIAL MEETING**

Action: Approved

B. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

Action: Approved & Accepted

C. **AUTHORIZATION FOR THE USE OF PARCELS FOR FIREWORKS STANDS OWNED
BY THE PARKING AUTHORITY AND THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY**

5. **STUDY SESSION**

A. **PRESENTATION OF THE FISCAL YEAR 2016-2017 PRELIMINARY BUDGET AND THE 2017-2018 BUDGET PLAN AND CONSIDER REVENUE DIVERSIFICATION ALTERNATIVES**

City Manager Malin introduced the item summarizing the initial details of the budget that the proposed budget was the result of staff efforts. He noted that the 2017-18 Budget is not yet balanced and that there is still a year to get that balance in line and staff will continue to pursue operational efficiency, work on revenue diversification options as well as the pending economic development that may enhance the revenue streams in the future. A partnership between the City and the development community will continue to move the economic development projects along.

Deputy City Manager Administrative Services Hodgson then presented, detailing the balance of the 2017-18 budget imbalance. She explained the long-term revenue opportunities to include the sale and development of the property in Fort Ord, sale and development of former Redevelopment Agency property and growth and expansion of dealers within the Auto Mall. She then outlined the near term diversification opportunities through public policy goals, including balancing commercial taxes, short-term rental regulations, and a potential storm water fee. Finally she introduced the opportunity to minimize revenue leakage, based on the likelihood of the passage for regulation of recreational marijuana sales. This would allow the City to tax the recreational and medical use of marijuana. Revenues would be generated by sales tax, business licence fee and business tax. Mid-term diversification options would be a public safety fee or a streets and/or infrastructure fee that would require a 66.6% voter approval. Ms. Hodgson then shifted to the preliminary budget detailing what the budget imbalances were for the last three years, illustrating that there is a surplus for the first time in 4 years.

City Manager Malin spoke to the schedule impacting the budget options including the retirement option presented to select employees which may impact the final proposed budget. He reported staff will agendaize for action adoption of the budget at the June 2, 2016 meeting. Mr. Malin closed by showing the reserve fund balances and how they comply with the Municipal Code. In summary, he said the budget is preliminary balanced as presented. Police and Fire budget increases slightly, reserves are heading in a positive direction and revenue diversification options are available. He noted the challenge we will have in the future, but spoke to presented options to alleviate those challenges before they are upon us. Staff answered questions from the Council.

Council Member Alexander questioned what the major imbalances were in previous years questioned how they were overcome to which Ms. Hodgson explained there was not one specific thing each year that caused the deficit. Projecting to 2017-18 there are some known, uncontrolled costs that will have to be addressed. Council Member Campbell questioned how the adopted budgets compared with the actual budgets. Council Member Pacheco questioned the choice and timing to put a measure on the ballot, questioned what other cities are doing about short term rentals. City Attorney Freeman indicated that he is the expert on short term rentals and the matter should be taken up fully at a future meeting. Mayor Pro Tem Oglesby thanked the City Manager for presenting a balanced budget and was pleased that staff is not requesting to go into reserves to balance the budget for their needs. He also said that before increasing taxes we need to exhaust additional revenue opportunities. Mayor Rubio invited comments from the public on the presentation and had no requests to speak.

Council Member Campbell thanked staff for their efforts to present a balanced budget and said he was pleased we are looking at alternative revenue sources. Council Member Pacheco thanked for the cooperation and spoke in agreement with Oglesby's comments about revenue targets not being taxes. Mayor Rubio also thanked the staff and the City manager for his leadership. Speaking to the issues of taxes, he spoke to the public's request for additional services and they can choose if it is important enough to them to pay for it. He spoke to the need to gauge the citizens for their perspective on new taxes for specific services, specifically citing the November election that will inform as to how the citizens vote on the marijuana issue which can give us information about how the Council should proceed.

The report was received.

6. **CLOSED SESSION**

The City Council adjourned to Closed Session at 5:55 PM. City Attorney Freeman reported he did not anticipate announcements for the public.

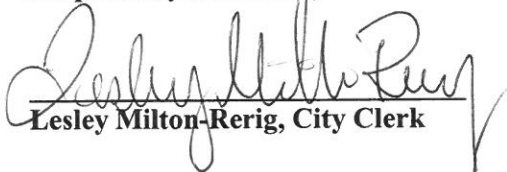
A. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS – GOVERNMENT CODE SECTION 54956.8**

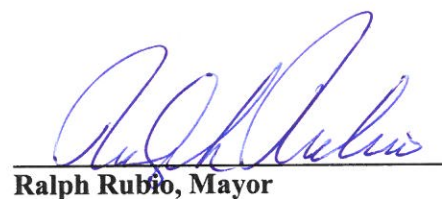
B. **PURSUANT TO GOVERNMENT CODE 54957.6 - CONFERENCE WITH LABOR NEGOTIATORS**

7. **ADJOURNMENT**

The City Council reconvened to open session and the meeting was adjourned at 6:39 PM.

Respectfully submitted,


Lesley Milton-Rerig, City Clerk


Ralph Rubio, Mayor