MINUTES

Tuesday, May 8, 2018 **6:30 P.M. Open Session**

SPECIAL MEETING

CITY COUNCIL, AIRPORT COMMISSION, MARINA ABRAMS B NON-PROFIT CORPORATION, PRESTON PARK SUSTAINABLE COMMUNITY NON-PROFIT CORPORATION AND SUCCESSOR AGENCY OF THE FORMER MARINA REDEVELOPMENT AGENCY

Council Chambers
211 Hillcrest Avenue
Marina, California

1. CALL TO ORDER

2. ROLL CALL & ESTABLISHMENT OF QUORUM: (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Successor Agency of the Former Redevelopment Agency Members)

   MEMBERS PRESENT: Nancy Amadeo, Frank O'Connell, Gail Morton, Mayor Pro-Tem/Vice Chair David W. Brown, Mayor/Chair Bruce C. Delgado

3. MOMENT OF SILENCE & PLEDGE OF ALLEGIANCE (Please stand)

4. OTHER ACTION ITEMS: *Action listed for each Agenda item is that which is requested by staff. The City Council may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*

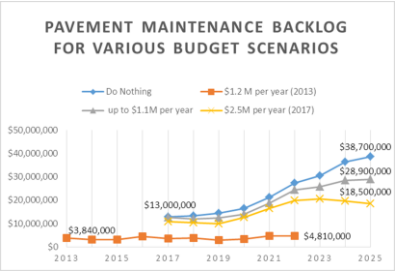
Note: No additional major projects or programs should be undertaken without review of the impacts on existing priorities (Resolution No. 2006-79 – April 4, 2006).

   a. City Council, Airport Commission, Abrams B Non-Profit Corporation, and Preston Park Sustainable Community Non-Profit Corporation and Successor Agency to Former Marina Development Agency consider adopting **Resolution No. 2018-45, Resolution No. 2018-01(MAC), Resolution No. 2018-02(NPC), Resolution No. 2018-02(PPSC-NPC),** receiving the City 2018-19 Proposed Budgets, receiving staff presentation thereof, and providing direction towards budget adoption.

Mayor and City Manager Comments
Mayor Delgado: notes that it's very similar to last year's budget and the big question will be what do we as a council decide to do with 42 million if in deed these three initiatives happen to pass and don't get torpedoed by the State Bill that would be retroactively cancelling new measures that didn't get a 2/3rd majority. It's a possibility that will happen and that's kind of a big question what we would do with the money, although we've had some public meetings about it, other than that this is a fairly stable budget compared to previous years and it's primarily balanced and it's maintaining what we have as far as economic and environmentally sustainability policies that we have in play today.

City Manager Long: One of the things we occasionally hear from the public is "what is the city currently doing, what are we doing with the tax dollars and the Measures that we voted on and approved in the past. This will give you a little sense of this year's current budget and some of the things we've been focusing on: **Urgent and Important Projects** - Downtown Vitalization – complete Specific Plan; General Plan Update; Land Use and Zoning Plan Update; Local Coastal Program Update; Marina City Groundwater and Aquifer Protection - CalAm Desalination Project; CSUMB Master Planning; FORA Transition; FORA CIP Program; Blight removal; CEMEX sand mining; Marijuana ordinance; Road Maintenance; GIS System; Program of Utilization National Park Service properties (Equestrian Center, Pool, Water City Roller Hockey); Fee Study and **Important Projects** - Senior Center; Neighborhood Improvements; Housing Affordability; Preston and Abrams Park Sustainability Plans; Tate Park, Sea Haven Park, City Park; Stormwater & Water Quality; Branding/Marketing; Utility Users Tax; AirBnB; Airport MAP program; Arts Village; Del Monte Ave. Extension; Website; Police & Fire service staffing growth service demands and **Strategic Planning Meeting - Brainstorm Priority List =** Cultural/community/diversity events(19); Affordable Housing (14); Manage city owned properties (14); Trails including FORTAG (16); Water – protect groundwater & aquifer from desal(15); Blight removal (14); Connect north/central/south Marina (14); Adequate police/fire service level (13); Mixed-use development (12); Safe pedestrian/bike routes (11); Develop National Park Service properties (11); Trolley (public transit) (11); Alternate/diversify revenue (11); Downtown vitalization (10); Walkable people friendly downtown (10); Coastline/beach/access (9); Diversity business (9); Cypress Knolls develop plan (8); FORA sunset 2020 (7); Civic Center (7); Parks (7); Safety (7); Full service City of Marina (7); ¼ mile walking radius (7); Integrate trail/open space (7); Lighting improvement safety (7); Tree planting (7); Continuous sidewalks (7)

Pavement Management Program = $1.1 million yearly needed



Current Fire Department Staffing (minimum staffing per engine 3)

Staffing	Captain	Engineer	Firefighter
A Shift	1	2	1
B Shift	1	1	1
C Shift	1	2	1

One engine available for emergency response; Overtime required for vacation, sick, training for B shift; 2016 – 27% of calls were overlapping and required mutual aid response; 2017 – 35% of calls were overlapping and required mutual aid response; 2018 POM will no longer respond to CSUMB emergency calls in Marina, Marina required to respond; 2020 POM will move minimum one engine company to Monterey; Calls for service continue to increase; Current service level need is for two engines

2nd Engine Company – Interim Measure

Staffing	Captain	Engineer	Firefighter
A Shift	1 (new)	1 (other engine)	1 (new)
C Shift	1 (new)	1 (other engine)	1 (new)

Would only provide 2 engine company coverage 2/3 of the weekdays; Additional staffing – 2 captains, 2 firefighters; Staffing costs - $550,000; Would require a second engine

Staffing	Captain	Engineer	Firefighter
B Shift	1 (new)	1 (new)	1 (new)

Additional B Shift – 1 captain, 1 engineer, 1 firefighter $415,000; Total Staffing Cost 2nd Engine Company - $965,000

Council Questions prior to Budget Presentation: emergency response times for 2012, ballpark figure of costs with PERS for the 12 additional personnel needed for adequate staffing of fire; how many personnel are needed for each shift; since 2010 we've been garnering $2.5 million/yr from the new taxes over 7-years totaling $24.5 million-can staff in the near future give us a better estimate of where the $24.5 million was spent; does the pavement management graph take into consideration anticipated new revenues from economic development on the former Fort Ord or is it on our current dollars; are any of the impact fees from new houses, new buildings, new development allocated into our fire protection fund; would impact fees collected on the development of former Fort Ord contribute to the construction of a new fire facility on South Marina; as each permit is pulled for new construction do we earmark a portion of that money for the fire station; Marina Height/Sea Haven limitation on impact fees, can you elaborate as to what effect if any the new ownership is going to have our rights to increase the impact fees; cost of fire shifts; fire vehicle replacement costs; suitability of airport fire station; clarification of how many engines are in the firehouse in central Marina; funding gaps with each department and how new revenues would be spent within each of the departments; is the maintenance worker III full-time at the airport; is that position paid out of the Enterprise Fund?

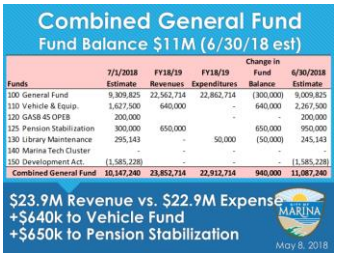
Public Comments prior to Budget Presentation:

- Douglas – offered to help gather signatures for the citizen generated initiatives
- Paula Pelot – do we know what the difference is between central Marina fire/medial response time vs. former Fort Ord?

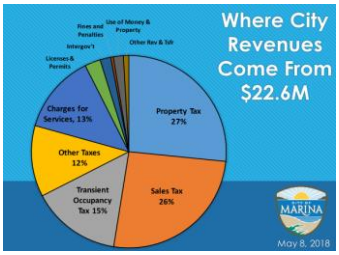
Lauren Lai, Finance Director

City of Marina FY18-19 Proposed Budget - FY18-19 Budget Special Meeting
OPPORTUNITIES = Economic Development; Cost management, regional efforts, grants; New revenue measures
CHALLENGES & RISKS = Next economic downturn; Failing Infrastructure, pavement, facilities; Rising Pension costs; Possible repeal of Senate Bill 1 (SB1 for street funding); Possible approval of 2/3rd requirement for taxes & fees

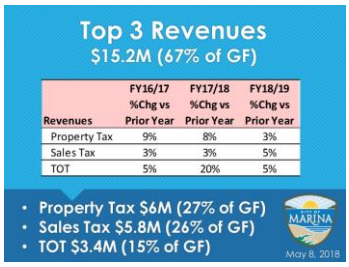
FY18/19Proposed = $43M/yr City-wide - $23M/yr Gen Fund



Funds	7/1/2018 Estimate	FY18/19 Revenues	FY18/19 Expenditures	Change in Fund Balance	6/30/2018 Estimate
100 General Fund	9,309,825	22,562,714	22,862,714	(300,000)	9,009,825
110 Vehicle & Equip.	1,627,500	640,000	-	640,000	2,267,500
120 GASB 45 OPEB	200,000		-	-	200,000
125 Pension Stabilization	300,000	650,000		650,000	950,000
130 Library Maintenance	295,143	-	50,000	(50,000)	245,143
140 Marina Tech Cluster	-	-	-	-	-
150 Development Act.	(1,585,228)	-	-	-	(1,585,228)
Combined General Fund	**10,147,240**	**23,852,714**	**22,912,714**	**940,000**	**11,087,240**

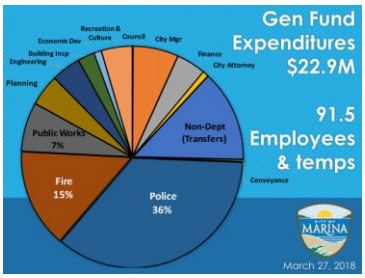


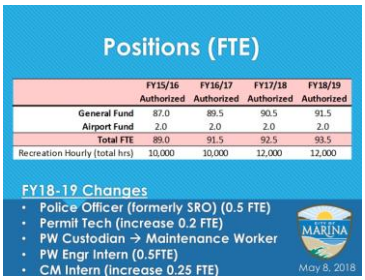
Economic Development

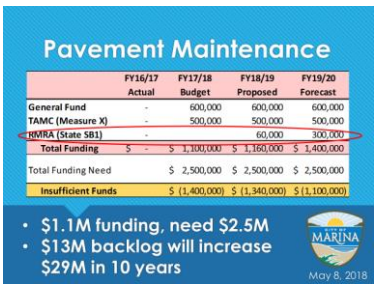


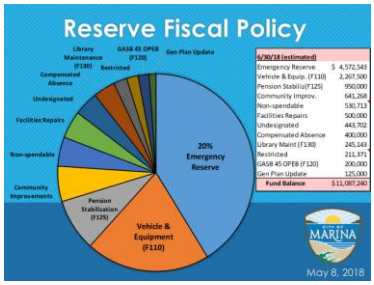
Charges for Services/Fees $0.9M (4%GF) = New Fee Schedule – eff 7/15/2018 - Revenue update @ FY18-19 Mid-Yr

City Services - FY18-19 Priorities = City Service Level; Pavement maintenance; Public Safety – (vehicle, equipment, police officer (½ SRO); Economic development; City land use, planning and connectivity; Ground water protection; Council reserve policies.









Unmet Needs - insufficient $ = Pavement Streets maintenance ($2.5M per year, $13M project backlog); Facility Projects Fund (Repairs & Maintenance $5.6M); New Facility Funding (i.e. fire station $5.4M, parks $39M, other $ TBD); ADA Compliance ($ TBD); Sidewalks maintenance & improvement ($7.6M estimated); Storm Drain maintenance ($ TBD); Parks maintenance & improvements ($ TBD); Traffic Signal replacement (average cost $100,000 x 21 units); Fire Engine or Truck ($0.6M - $1.4M estimate); Vehicle Savings Fund ($400k/yr. or $4.2M repl. value, $2.6M target funding); Fire second engine company (staffing, engine, facility); Compensated Absence Liability ($1.3M per audited FS); Unfunded Retiree Health ($2M per audited FS); Unfunded Pension ($16M, per audited FS); Blight Removal ($ TBD); Program/Department Information Technology ($ TBD); Other Services/Priorities ($ TBD)

Citizen Initiatives

1. **Transaction and Use Tax** increase from 1% to 1.5%, approx. $1.5 million/yr.
2. **Transient Occupancy Tax** increase 12% to14%, approx. $0.5 million dollars/yr.
3. **Cannabis Business Tax** of between 2% to 5%of gross receipts, approx. $40,000 to $200,000/yr.

Other City Funds

Funds	7/1/2018 Estimate	FY18/19 Revenues	FY18/19 Expenditures	Change in Fund Balance	Adj (non-cash)	6/30/2018 Estimate
Special Revenue Funds	10,447,449	5,848,421	2,459,913	3,388,508		13,835,957
Assessment District Funds	255,250	208,858	52,056	156,802		412,052
Debt Service Funds	855,953	1,204,517	1,198,524	5,993		861,946
Capital Projects Funds	5,516,380	3,071,000	3,561,000	(490,000)		5,026,380
Enterprise Funds (cash bal)*	1,536,004	11,083,600	12,328,724	(1,245,124)	1,363,960	1,654,840
Other Funds Total	**18,611,036**	**21,416,396**	**19,600,217**	**1,816,179**	**1,363,960**	**21,791,175**

* Enterprise Fund - $1.4M non-cash adjustments such as depreciation expense.

Total Budget ~ $20M; Special Revenues Fund Bal: $14M; Assessment District Fund Bal: $400K; Debt Service Fund Bal: $900k ($55M O/S); Capital Projects Fund Bal: $5M; Enterprise Cash Bal: $1.7M

Next Step: Schedule Public Hearing and Budget Adoption

Council Questions after Budget Presentation: "Other City Funds"-where would you put the National Parks Service Funds; "Combined General Funds" – is Fund 150 the former Fund 50; what does this Fund represent; "Top Three Revenues" – are these percentages what you consider to be gross from the previous year; are you expecting to go up by the amount shown; "SRO" will be offering any SRO services as part of maintaining the positive impacts of having an SRO at the schools rather than the negative impact of having to do enforcement only; "City Manager Dept. Assistant City Manager and Exec Assistant"- will we be hiring for these positions in this new fiscal year; "Top Three Revenues" – TOT comparison increases are correct; "Transfer of $640K to Vehicle Fund but $330K is coming from what's been in our reserve, correct and $300K is coming from this years anticipated revenues, correct; is this overspending of our revenues by $300K from this year's revenue; if we have an increase in revenues of $300K what action would council need to take higher than your anticipate; "Legal Fees"- is the $196,000 strictly our existing budget; how does the $500,000 of the $654,000 compare to our expenses on the same matter; how much did it cost the city for the CEMEX issue in 2017 including staff time; of the $654,900 is that $500K allocated for legal fees for the Groundwater Protection or all fees for all providers, such as our PR firm, example that we use for 17-18; where are the fees for Karen Tiedemann in this budget as we go forward; is this adequate funding; what have we paid in 17-18 both as to the Groundwater Protection and the other Real Property issues, contract issues, bond issuance etc.; does the services and supplies of $655,000 include our labor negotiator and our city attorney; can we do with that $735,000 potential new like we did with our business tax where we estimated very conservatively first at $400K; does the Veterans Administration property and the other Dunes development area properties pay property tax that ends up in the city's coffer or do they all go back to Marina Community Partners; how do we meet our $2.5 million need starting July 1st; if two of our initiatives are approved and don't get sidelined, is that a potential source of $1.4 million for pavement needs; Reserve Fiscal Policy – what is the purpose of Community Improvements Undesignated if we're not planning on spending any of it this year, yet we have these unmet needs; can something be done to show more transparently where the non-departmental transfers are going; Preston Park debt of $38 million, what is our plan for that debt payoff; Community Improvement Fund- is this where we would have to go to is we have to replace a roof or catastrophic event on a city building; can we use monies in the reserve fund as a match to a CDBG grant; what reserve fund would be used for infill at Preston Park; would there be any problem changing the name Undesignated Reserve to Preston Park Reserve; what is the difference between Community Improvements and Facility Repairs; custodial contract being transformed to a Maintenance Worker I; Initiatives-is there enough time to do a citizen Poll to see if it would meet the 2/3rd threshold that the constitutional amendment that's being voted on would impact that if it also passed; median household income-is there room for increase in Recreation fees to be placed on the users; if initiatives pass what is the effective date; Pavement Maintenance (SB1) FY 17/18 have we received monies from this bill; why is $60K listed for FY 18/19; NPS-Roller Hockey Building monthly rent; revenue coming from charges services related to special events- does

the revenues exceed the expense of the special events; what are the special events; is there revenue coming in from the Labor Day Parade or Earth Day?

Public Comments:

- Paula Pelot – seems from the discussion there is not a shared understanding of the definition of the all the components of the Reserve Fiscal Policy. It would be really helpful to have some sort of narrative that actually defines it. Does not agree with changing the names of the reserve components all the time. Just call it "unallocated". Considering the pavement program and the issues with that, has anybody looked at taking a portion of that and putting it towards the pavement program and done a projection such that this steep climb over the years could at least be reduced?
- Douglas – Homeless populations and Veterans assistance with affordable housing needs.

Delgado/Brown: That we receive these reports and provide direction of having a May 22nd budget session as a placeholder, asking staff to come up with a skeletal initial plan addressing our Preston loan; and providing a conservative estimate in this budget for new service fees that would help balance our general fund budget; and that we ask staff to come up with definitions of our various reserves; and that we direct staff to help the council with the option of requiring a report for the citizens initiatives, so that those initiatives are not derailed by council because of timing on that report.

Amendment to Motion
Council Member Morton asked for a friendly amendment: *that we direct staff to review and potentially revise the City Manager's department budget, which currently allocates $500,000 for groundwater protection, $45,000 for labor negotiations, $75,000 for elections and perhaps not enough for additional attorney's fees and or other groundwater protection.*

Simplified amendment to motion
Review and potentially revise, if appropriate the city manager department services and supplies and any other line items in that budget.

Mayor Pro-Tem Brown's second still holds.

Mayor Delgado withdrew his motion.

Substitute/New Motion
MORTON/DELGADO: THAT WE RECEIVE THESE REPORTS AND PROVIDE DIRECTION OF HAVING A MAY 22ND BUDGET SESSION AS A PLACEHOLDER, ASKING STAFF TO COME UP WITH A SKELETAL INITIAL PLAN ADDRESSING OUR PRESTON LOAN; AND PROVIDING A CONSERVATIVE ESTIMATE IN THIS BUDGET FOR NEW SERVICE FEES THAT WOULD HELP BALANCE OUR GENERAL FUND BUDGET; AND THAT WE ASK STAFF TO COME UP WITH DEFINITIONS OF OUR VARIOUS RESERVES. 5-0-0-0 Motion Passes

Public Comments on motion: none received.

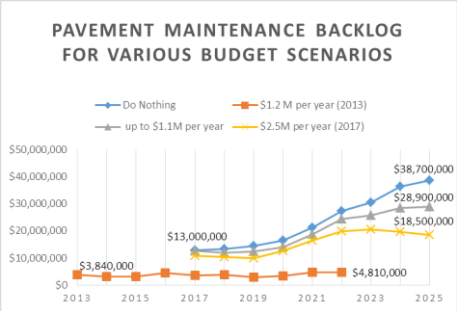
b. City Council consider adopting **Resolution No. 2018-46**, receiving the proposed 2018-19 Capital Improvement Program (CIP) budget, and; receiving staff presentation thereof, and; providing direction towards the CIP budget adoption.

Brian McMinn, Public Work Director

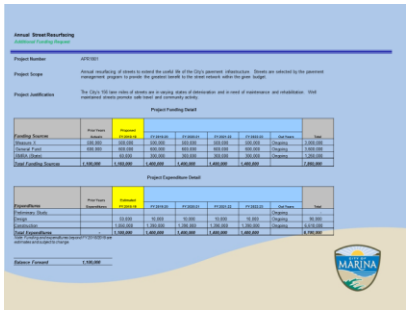
Capital Improvement Program FY 2018-2019

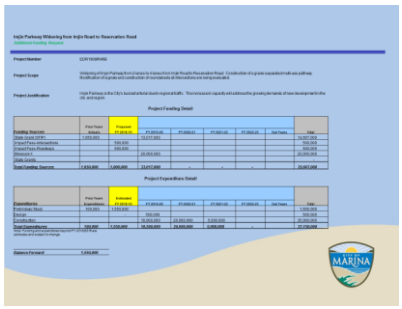
Presentation Outline = Pavement funding need overview; Pavement funding outlook; Recommended CIP FY 18/19

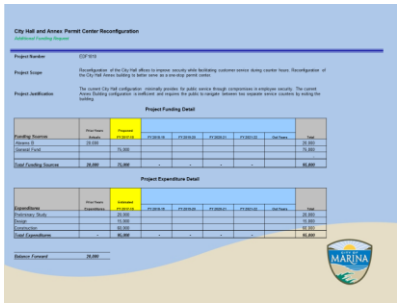
The Cost of Deferred Maintenance = 2013 minimum annual investment of $1.2 M over 10 years to attain a PCI of 70; 2017 minimum annual investment of $2.5 M over 10 years to attain a PCI of 70

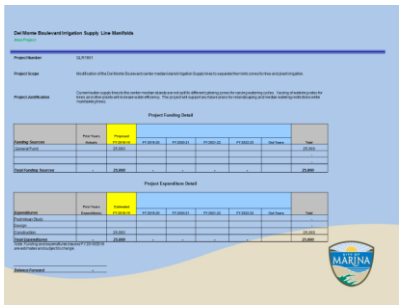


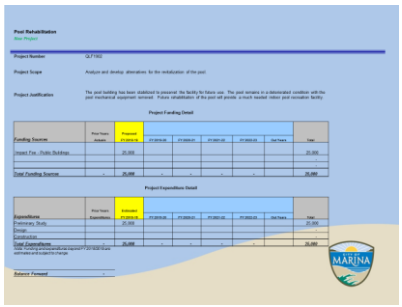
Funding Sources: State RMRA ($60,000 FY 18/19, $300,000 annual FY 19/20); **Measure X** ($500,000/year (30 years); **General Fund** ($600,000)

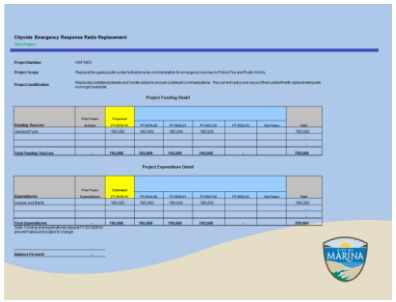












Unfunded Pavement Rehabilitation Need = $30 million maintenance backlog; Minimum annual investment of $2.5 M over 10 years to attain a PCI of 70

Airport Enterprise Fund – Capital Improvement Program

Airport Storm Drain Mitigation

Funding and Expenditure Request

Project Number 403

Project Scope Construct earthen dams to prevent storm water runoff into the Salinas River.

Project Justification This project is necessary for the City to withdraw from the National Pollutant Discharge Elimination System (NPDES) Permit.

Project Funding Detail

Funding Sources	Prior Years Actuals	Proposed FY 2018-19	FY 2019-20	FY 2021-22	FY 2022-23	FY 2023-24	Out Years	Total
Airport Enterprise Fund	39,000	35,000						74,000
Interest	399							399
								-
Total Funding Sources	*39,399*	*35,000*	-	-	-	-		*74,399*

Project Expenditure Detail

Expenditures	Prior Years Expenditures	Estimated FY 2018-19	FY 2019-20	FY 2021-22	FY 2022-23	FY 2023-24	Out Years	Total
Staff Charges		1,000						1,000
Design & CM	15,000	7,000						22,000
Construction		1,000						1,000
Professional Services		50,000						50,000
Total Expenditures	*15,000*	*59,000*	-	-	-	-		*74,000*

Note: Out year expenditures are estimates and subject to change

Balance Forward *24,399*

Airport Building 529 (Restaurant) Improvements

Funding and Expenditure Request

Project Number 470

Project Scope Construct interior and exterior building improvements to render the building leasable.

Project Justification The Airport Building 529, former airport restaurant building, located at 771 Neeson Rd. is severely deteriorated and requires both interior and exterior improvements to render the building leasable.

Project Funding Detail

Funding Sources	Prior Years Actuals	Proposed FY 2018-19	FY 2019-20	FY 2021-22	FY 2022-23	FY 2023-24	Out Years	Total
Airport Enterprise Fund	160,000	100,000						260,000
Total Funding Sources	*160,000*	*100,000*	-	-	-	-		*260,000*

Project Expenditure Detail

Expenditures	Prior Years Expenditures	Estimated FY 2018-19	FY 2019-20	FY 2021-22	FY 2022-23	FY 2023-24	Out Years	Total
Staffing	34,445	20,000						54,445
Design	22,228	5,000						27,228
Construction	97,475	80,000						177,475
Total Expenditures	*154,148*	*105,000*	-	-	-	-		*258,148*

Note: Out year expenditures are estimates and subject to change

Balance Forward *5,852*

Airport Building 504 Improvements

Funding and Expenditure Request

Project Number 461

Project Scope Construct building improvements to the exterior and interior of the building.

Project Justification The Airport Building 504 located at 3220 Imjin Rd. is desired to be leased by a regional law enforcement agency which has building specific requirements and are funding the building improvements.

Project Funding Detail

Funding Sources	Prior Years Actuals	Proposed FY 2018-19	FY 2019-20	FY 2021-22	FY 2022-23	FY 2023-24	Out Years	Total
Tenant Reimbursement	90,062	406,000						496,062
Airport Enterprise Fund	250,000							250,000
Interest	2,445							2,445
Total Funding Sources	*342,507*	*406,000*	-	-	-	-		*748,507*

Project Expenditure Detail

Expenditures	Prior Years Expenditures	Estimated FY 2018-19	FY 2019-20	FY 2021-22	FY 2022-23	FY 2023-24	Out Years	Total
Equipment	18,375							18,375
Design	40,645	2,000						42,645
Construction	24,700	400,000						424,700
Other Charges	10,508							10,508
Interfund Transfer Out to Airport Enterprise Fund		200,000						200,000
Total Expenditures	*94,228*	*602,000*	-	-	-	-		*696,228*

Note: Out year expenditures are estimates and subject to change

Balance Forward *248,279*

Council Questions: Imjin Pkwy Widening Project-how much of this is our cost vs. TAMC, FORA; is it anticipated that we contribute anything else besides this; where does the rest of the money come from for this project; is the balance carried forward coming from the grant fund; CalTrans staff report indicated that TAMC gets from SB1$19 million and $20 million is needed, where is the extra $1 million coming from; 3-Airport Matters – there is a balance forward, when these funds ar paid on 2018/19 does any balance go back into the Enterprise Fund or does it stay in these accounts; Pool – is this the right time to spend the money and move ahead with further plans on the pool; did staff have access to the 2001 Pool Plan/study; do we really need to spend $25,000 to get an answer on whether we need a pool; - Irigation Manifolds-are we going to put in landscape long-term along Del Monte Blvd; are we going to do hard-scape; should we put drought resitance plants; what is being asked of us tonight?

Public Comments: None received

MORTON/BROWN: THAT WE RECEIVE THE REPORT AND THAT IT COME BACK WITH ADDITIONAL INFORMATION AS TO DEL MONTE BLVD IRRIGATION SUPPLY LINE CONTRAST TO SOME OTHER BEAUTIFICATION THAT DOESN'T REQUIRE WATER; THAT WE LOOK AT THE IMPACT FEE EXPENDITURE FOR THE POOL AFTER CONSIDERING THE COMMENTS THAT HAVE BEEN MADE HERE TONIGHT IN THIS 2001PEREXISTING STUDY. 5-0-0-0 Motion Passes

5. ADJOURNMENT: The meeting adjourned at 10:15 pm

Anita Sharp, Deputy City Clerk

ATTEST:

Bruce C. Delgado, Mayor