



MINUTES

Meeting of the Scotts Valley City Council

Date: March 7, 2018

Time: 6:00 pm

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	The agenda was posted 3-2-18 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org .

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:02 pm.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:

Jim Reed, Mayor
Jack Dilles, Vice Mayor
Stephany E. Aguilar, Council Member
Donna Lind, Council Member

ELECTED OFFICIALS ABSENT:

Randy Johnson, Council Member

CITY STAFF MEMBERS PRESENT:

Jenny Haruyama, City Manager
Kirsten Powell, City Attorney
Taylor Bateman, Community Development Director
Steve Hammack, Interim Public Works Director
Steve Walpole, Chief of Police
Tracy Ferrara, City Clerk

COMMITTEE REPORTS

VM Dilles reported that the Loneliness and Isolation Subgroup of the Seniors Advisory Council continues to meet and they are working to produce and distribute a fact sheet about seniors and the risks they face when living alone. He reported that they are also working on a pilot phone call program to help seniors living alone.

VM Dilles reported that the Integrated Waste Management Task Force met and received a report about the plastics and recycling market. He reported that there is also a shortage of statewide composting facilities in the face of new state requirements to require organic recycling over the next few years.

CM Aguilar reported that the League of CA Cities Board of Directors met regarding Proposition 68 and Proposition 69, which will be on the June 2018 ballot. She stated that there is also talk in Sacramento about legislation that would require cities to go to the vote every time we increase or change fees for any reason, including cost of living.

CM Aguilar reported that the Senior Center is holding an Old School Sports Festival on Friday, May 4, 2018 from 11:00 am to 3:00 pm. that will include indoor and outdoor activities.

CM Lind reported that the Santa Cruz Metropolitan Transit District (SCMTD) Board met regarding budget, approved some grant applications, awarded a bid to purchase a zero emission electric bus, and approved a new weekday am Highway 17 trip schedule.

CM Lind reported that the Santa Margarita Groundwater Agency Joint Powers Authority met and appointed Agency Counsel, Terri Rein.

CITY MANAGER REPORT

Public Works and Recreation:

- Mt Hermon intersection progressing on schedule. The finish line is the end of April. The upgraded electrical was being worked on today.
- City Maintenance crew are installing a new 4-inch recycled waterline to Skypark soccer fields. Expected outcome will be much more effective irrigation system, operating with much higher volume and water pressure. The result will be lush field conditions throughout the season. This is part of the overall Capital Improvement plan for the Skypark Fields this fiscal year. The Soccer club has donated 10k to the project which is expected to cover all costs. Special note: A savings of 40k on this project is expected due to the skilled work of City staff vs contracting for the same services.
- Jesse Williams, Public Works Maintenance Worker III, will be going to a 3-day intensive training in Playground Safety Inspection next week. After the training and testing, Jesse will be a certified playground safety inspector.
- Reminder: Glenwood Preserve tour (east side) this Saturday, March 10th, 10-noon, meet at the Siltanen Park Group Picnic Area.

Wastewater:

- Our Senior Wastewater Lab Analyst, Kati King was selected as the 2017 Lab Person of the Year for the California Water Environment Association Monterey Section, which means that she would qualify for State Lab Person of the Year. We are very proud of Kati and want to take this opportunity to recognize her for all of her hard work.

Police:

- A Swearing in Ceremony will be held for Chloe Gordon, Emergency Dispatcher on Monday, March 12, 2018 at 8:00 am in the Police Department. Welcome Chloe!

Development:

- On Thursday, March 8, 2018, the Planning Commission will consider a proposed development for commercial space (restaurant and retail/office) at 260 Mt. Herman Road, otherwise known as the Hangar project. Meeting begins at 6:00 pm in Council Chambers.
- The draft environmental impact report (EIR) for the Aviza project has been released and is available for public comment. The public comment period for feedback regarding the draft EIR is 45 days.
- As a reminder, the proposed project is a General Plan Amendment and Zone change from Light Industrial to Residential Medium High Density and Open Space. There are no specific development plans associated with the proposed project. It is assumed that any such plans would be submitted subsequently as part of future project entitlements.

PUBLIC COMMENT TIME

Wendy Brannan, Scotts Valley resident, expressed concerns regarding the process used by the City for selection of a Town Center developer. She also stated that she feels the Ad Hoc Committees used by the City Council, specifically for the Town Center Subcommittee, are a violation of the Brown Act.

VM Dilles invited everyone to the annual Scrabble Tournament being held Saturday March 24, 2018 at 9:30 am at the Santa Cruz County Law Library.

ALTERATIONS TO CONSENT AGENDA

M/S: Lind/Aguilar

To approve the Consent Agenda.

Carried 4/0/1 (AYES: Aguilar, Dilles, Lind, Reed; ABSENT: Johnson)

CONSENT AGENDA

- A. Approve City Council minutes of 2-7-18 and 2-21-18 (Special Closed Session Meeting)
- B. Approve check register(s) dated 2-16-18

ALTERATIONS TO REGULAR AGENDA

M/S: Lind/Aguilar

To approve the Regular Agenda.

Carried 4/0/1 (AYES: Aguilar, Dilles, Lind, Reed; ABSENT: Johnson)

REGULAR AGENDA

1. **Consideration of mid-year financial review for FY 2017/18 and direction for preparation of the FY 2018/19 annual budget**

CM Haruyama introduced this item and stated that Financial Consultant Steve Toler would be presenting the staff report.

Steve Toler, Financial Consultant, presented the written staff report and responded to questions from Council.

As part of the FY 2018/19 budget development process, there was Council consensus to have CM Haruyama explore enhanced building official, inspection, and code enforcement services.

Wendy Brannan, Scotts Valley resident, stated that she feels the 4th of July celebration should be cancelled due to what she believes are excessive costs for the event.

M/S: Aguilar/Lind

To accept the attached reports and information regarding the FY 2017/18 Mid-Year Financial Report through December 31, 2017 and approve Resolution No. 630.37.2 approving an amendment to the annual budget for FY 2017/18.

Carried 4/0/1 (AYES: Aguilar, Dilles, Lind, Reed; ABSENT: Johnson)

2. **Discussion of Preliminary Fiscal Sustainability Plan, including Budget Strategies Analyses and Scenarios**

CM Haruyama presented the written staff report and responded to questions from Council.

Steve Toler, Financial Consultant for the City, gave a PowerPoint presentation of the City of Scotts Valley Fiscal Sustainability Plan Budget Strategies Analysis and Scenarios, and responded to questions from Council.

Wendy Brannan, Scotts Valley resident, expressed concerns about the City's financial status and reiterated her concerns about what she feels are the high costs of the City's 4th of July celebration.

CM Aguilar recommended that the City declare a fiscal emergency; put a TOT tax increase to 11% on the ballot in November 2018; look at contracting out fleet maintenance; look at ways to obtain money for online permitting; go to the voters for a permanent sales tax in 2019 with possibility of increasing it to ¾ cent; include cost sharing during negotiations; look at contracting out the pool facility; and look at the UUT further out in the process.

VM Dilles recommended going to the voters for a permanent ½ cent sales tax in November 2018; put a TOT tax increase of 12% on the ballot in November 2018; look at fee cost recovery; look at online permitting; look at cost allocation full recovery; look at retiree health costs – moving out of CalPERS for healthcare; look at contracting out fleet maintenance; possibly consider a UUT.

CM Lind recommended putting a TOT increase to 12% on November 2018 ballot; look at a sales tax extension as soon as possible; expand the UUT to be more comparable with other jurisdictions; look at a cost allocation plan; look at user fee charges; look at contracting out fleet maintenance; look at cost of online permitting.

Mayor Reed recommended looking at online permitting; look at contracting out fleet maintenance; look at increasing TOT tax to be consistent throughout region; have sales tax discussion regarding whether to go with ½ cent or ¾ cent and extension time frame; look at fee cost recovery; and multi-year plan to implement the above scenarios that are viable.

After discussion, the City Council reached consensus to look at and evaluate the following items as part of the City's Fiscal Sustainability Plan:

- Update forecast assumptions to include an inflation factor of 3% and a recessionary period beginning once every 7 years starting in FY 2019/20.
- Increase Transient Occupancy Tax (TOT) 10% to 12%.
 - Ballot Measure in November 2018
- Evaluate increase of Local Transactions and Use Tax (TUT) (Sales Tax) to .075% and determine duration of the TUT.
 - Ballot Measure in November 2019
- Evaluate contracting out vehicle/fleet maintenance.
- Explore online permitting.
- Explore employee benefit cost sharing models to be determined as part of the labor negotiations process.
- Explore cost allocation plan to ensure that the General Fund is being fully reimbursed as appropriate from the Wastewater Fund.

3. Future Council agenda items

None.

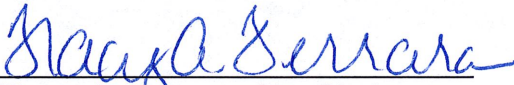
ADJOURNMENT

The meeting adjourned at 9:58 p.m.

Approved: _____


Jim Reed, Mayor

Attest: _____


Tracy A. Ferrara, City Clerk