



MINUTES

Tuesday, April 3, 2018

5:30 P.M. Closed Session

6:30 P.M. Open Session

**REGULAR 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: Gail Morton, Frank O’Connell, Mayor Pro-Tem/Vice Chair, David W. Brown, Mayor/Chair Bruce C. Delgado

MEMBERS ABSENT: Nancy Amadeo
3. CLOSED SESSION: *As permitted by Government Code Section 54956 et seq., the (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency Members) may adjourn to a Closed or Executive Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the City’s Meyers-Milias-Brown Act representative.*
 - a. Conference with legal Counsel - initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 – one potential case
 - b. Real Property Negotiations
 - i. Property: 711 Neeson Road, Bldg 535, Marina, CA
Negotiating Party: Daniel Emerson
Property Negotiator: City Manager
Terms: All terms and conditions
 - ii. Property: ±100 acres of Marina Municipal Airport Property (APNs 031-111-035, 036, 037)
Negotiating Party: Valle Del Sol, LLC
Property Negotiator: City Manager
Terms: Price and Terms

- iii. Property: Marina Municipal Airport Business Park
Negotiating Party: Joby Aviation, LLC
Property Negotiator: City Manager
Terms: Price and Terms

6:45 PM - RECONVENE OPEN SESSION AND REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION

Assistant City Attorney Robert Rathie reported out Closed Session: Council met at 5:30 as indicated and discussed the 4 items listed. Council received information, provided direction and no reportable action was taken.

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

5. SPECIAL PRESENTATIONS:

a Proclamations

- i. Carolyn Peliova, 2017 Officer of the Year
- ii. Brian Arbor, 2017 Support Services Person of the Year

b Introduction of New Sworn Police Officers

- i. Shane Mercado
- ii. Justin Phipps

c Monterey-Salinas Transit Community Update Presentation

d Recreation Announcements

6. SPECIAL ANNOUNCEMENTS AND COMMUNICATIONS FROM THE FLOOR: *Any member of the Public or the City Council may make an announcement of special events or meetings of interest as information to Council and Public. Any member of the public may comment on any matter within the City Council's jurisdiction which is not on the agenda. Please state your name for the record. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on a future agenda. City Council members or City staff may briefly respond to statements made or questions posed as permitted by Government Code Section 54954.2. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of four (4) minutes. Any member of the public may comment on any matter listed on this agenda at the time the matter is being considered by the City Council.*

- Alfonso – Commented on an accident that occurred at the intersection of California Ave & Imjin Pkwy, which involved his vehicle. Marina Police showed up but seemed confused on who caused the accident. Asked if a meeting could be scheduled with the Chief of Police so this matter could be discussed in detail.
- Margaret Davis – Commented about the omission of Marina Equestrian Center events on Recreation announcements. Wanted to know what happened to the RFQ for the Marina Equestrian Center Concessionaire.
- Adam Urrutia – Friends of Marina Parks, announced that our rescheduled park clean-up of Gloria Jean-Tate Park that we had to cancel in March due to bad weather will take place on April 21st between 9:00am-Noon.
- Andrew, CSUMB – Learning about Plastic Pollution and the unnecessary use of straws. According to the National Parks Service it is estimated that 500 million straws are used each day and the International Coastal Clean-up report says that straws are the 7th most found item

on the beach. If our current plastic use continues there will be more plastic than fish by weight by 2050. Straws are a luxury and not necessary. Noted that Carmel has banned straws and single-use utensils. Asked if Marina was looking into this ban and suggested that we use Malibu's law.

- Thomas Munn – Spoke about the Equestrian Center and working with the Friends of the Fort Ord Warhorse events and Veterans Days. Volunteers at a nature preserve in Rancho Cucamonga and watched it go from a little place to walk to a major part of a community. Shaking his head at how with a beautiful crown jewel gift like the equestrian center with all the people in the area, especially with the heavy agricultural. There's a lot of people that are involved with farming, horseback riding, animals and it's very popular and how it can't get off the ground with all the work and documentation. Would like to encourage the council to take it seriously, it's a self-interest deal and you'll be able to generate income and you'll be able to advertise something that you can come to. For instance, if I had a horse to rent I could enjoy some finest trails in California but at this point that is not an option and so I would just encourage the council and the mayor to look at that. Central California is noted for its agriculture, its equestrian, 4-H and for whatever reason it's not happening. Please consider that, be visionary.
- Scott Clegg, President of Marina Police Officers Association – in looking over the city's mid-year budget review it's encouraging that the financial stability appears to be improving and looks better than it did a year ago, obviously a lot better than it did 5-10 years ago. A few short months ago we came to you and made the statement that the department was not competitive in its compensation package and if the issue is not addressed by the council through meet and confer process the department would be losing officers. These were not idle statements. To date we have lost four experienced officers to other agencies in the area since November. I'm here to tell you that this exodus is not over and will continue without action by the council to bring compensation aligned with surrounding agencies. There are yet more officers in the testing process with other agencies and potentially we could be losing more officers very soon. Those officers left will have to do more work to keep things going and ironically, they will have to train new officers without FTO incentive pay, which all other agencies on the market survey that we've agreed upon offer their officers. Marina Police department has done its best to replace those that have left but that experience is lost. The four officers that left had a total of 16 ½ years of experience, all with the Marina Police department. We're very happy to have these new officers that you've all met tonight but the fact of the matter is these new officers that have been hired all but one doesn't have prior law enforcement experience. 2 of the 3 will have to complete the field training program, which is at least 20-weeks before they can even work as a sole beat officer and the third has yet to even start the police academy and will be 10-12 months before they can work the street as a sole beat officer, at this level it doesn't even replace the street experience that we lost with the officers that left. MPOS has been out of contract since July and is willing to move towards the middle to try and reach an agreement but it can't be a one-way street. We're not going to bargain with ourselves just to get a contract and the city's current officer is only going to make us farther behind than we are today. We hope the city council will consider these comments and work with us to come to some resolution.
- Mayor Delgado – Commented on the Community Focus on Marina that came out in the Monterey Herald; Earth Day Event at Locke Paddock this Saturday; On April 8th is the Lapis Road Clean Up from 10:00am-Noon; Ad-Hoc Safe Parking Program scheduled for tomorrow has been postponed due to a Mayor's meeting taking place where we will be discussing that program with County representatives.

- Council Member Morton – Announced Just Water Public Forum on April 11, 2018 at 6:30 here in the Council Chambers. Just Water is one of the local citizen organizations that is partnering with so many different parties trying to advocate for the protection of Marina’s water.

- 7. CONSENT AGENDA FOR THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Background information has been provided to the Successor Agency of the former Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda for Successor Agency to the former Marina Redevelopment Agency and placed at the end of Other Action Items Successor Agency to the former Marina Redevelopment Agency.*

- 8. CONSENT AGENDA: *Background information has been provided to the City Council, Airport Commission, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda and placed at the end of Other Action Items.*
 - a. ACCOUNTS PAYABLE:
 - (1) Accounts Payable Check Numbers 84436-84519, totaling \$199,431.47

 - b. MINUTES:
 - (1) March 20, 2018, Regular City Council Meeting

 - c. CLAIMS AGAINST THE CITY: None

 - d. AWARD OF BID: None

 - e. CALL FOR BIDS: None

 - f. ADOPTION OF RESOLUTIONS: None

 - g. APPROVAL OF AGREEMENTS: None

 - h. ACCEPTANCE OF PUBLIC IMPROVEMENTS: None

 - i. MAPS: None

 - j. REPORTS: (RECEIVE AND FILE): None

 - k. FUNDING & BUDGET MATTERS: None

 - l. APPROVE ORDINANCES (WAIVE SECOND READING): None

 - m. APPROVE APPOINTMENTS:
 - (1) City Council consider appointing to Planning Commission: Jared Taubert. 1 Seat expiring February 2020.

Council Member Morton requested to pull agenda item 8m(1).

DELGADO/BROWN: TO APPROVE THE CONSENT AGENDA MINUS 8m(1). 5-0-0-0 Motion Passes

Council Member Morton – we received an email today that indicated concern which is echoed by the staff report that this is an application that was submitted for a different commission that is now being asking us to affirm a placement on the Planning Commission. Noted the Mayor did not perform an interview with said applicant and did not sign the recommendation page nor was there the standard rating sheet. Not sure if the placement at this point is the right thing to do under these circumstances.

Council Member O’Connell – in response to Ms. Berkeley email I was of the opinion to pull this matter to the April 17, 2018 meeting, so that you and I as the team interview can discuss this applicant.

Council Member Amadeo indicated that the applicant did interview with the Mayor and herself for the Economic Development Commission but was not selected. She stated that she felt he would be better suited for the Planning Commission and asked the Clerk to contact the applicant to see if he was interested in interviewing for the Planning Commission.

O’CONNELL/MORTON: TO MOVE AGENDA ITEM 8m(1) OVER TO THE APRIL 17, 2018 COUNCIL MEETING. 5-0-0-0 Motion Passes

9. PUBLIC HEARINGS:

- a. City Council conduct the public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (the “Code”); and consider adopting **Resolution No. 2018-26**, approving the issuance of the Bonds by the CMFA for the benefit of Charles Cypress LP (the “Borrower”), a California limited partnership, or another entity to be formed by Eden Housing, Inc., to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following).

City Manager Long: We are here this evening to conduct a public hearing pursuant to the federal Tax Equity and Fiscal Responsibility Act or TEFRA. TEFRA requires that a public hearing be held by the governing body of the jurisdiction in which a project to be financed is located, and that the governing body approve the proposed Financing.

Charles Cypress LP proposes to obtain tax exempt financing in an amount not to exceed \$70,000,000 to finance the acquisition, construction, rehabilitation, refinancing or development of a 201-unit scattered site multifamily project located at 3109 Seacrest Avenue and 3135 Seacrest Avenue within the City of Marina.

It is recommended that the City Council rescind the previous resolution that the council approved for \$35 million and adopt a resolution approving the issuance of bonds by the CMFA in the amount not to exceed \$70 million for Charles and Cypress Gardens Apartments for the benefit of the Charles Cypress LP. Such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code, and the California Government Code Section 6500.

Council Questions: Are the architectural drawings for the public; what happened to the 2015 approval when it was approved; is the project ready to move forward if this is approved; how often is affordable housing eligibility certification done; are you in compliance; will the caliber of the improvements decline from what was represented in 2015; is the \$70 million since there are now 2 projects; When will Charles construction be completed; what is the timeframe for Cypress Gardens?

Mayor opened public hearing for public comments: None received

Mayor closed public hearing.

MORTON/AMADEO: CONDUCT THE PUBLIC HEARING UNDER THE REQUIREMENTS OF THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT (“TEFRA”) AND THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “IRS CODE”), AND TAKE ANY TESTIMONY FROM THE PUBLIC; AND ADOPT RESOLUTION NO. 2018-26, APPROVING THE ISSUANCE OF UP TO \$70,000,000 OF CONDUIT REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY (“CMFA”) FOR THE BENEFIT OF CHARLES APARTMENTS LP, A CALIFORNIA LIMITED PARTNERSHIP, OR ANOTHER ENTITY TO BE FORMED BY EDEN HOUSING, INC. A CALIFORNIA NONPROFIT CORPORATION AND AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE IRS CODE, (THE “BORROWER”), TO PROVIDE FOR THE FOR THE ACQUISITION, CONSTRUCTION, REHABILITATION, REFINANCING OR DEVELOPMENT OF A 201-UNIT SCATTERED SITE MULTIFAMILY PROJECT TO BE OWNED AND OPERATED BY THE BORROWER AND LOCATED AT 3109 SEACREST AVENUE AND 3135 SEACREST AVENUE WITHIN THE CITY OF MARINA (THE “PROJECT”), SUCH ADOPTION SOLELY FOR THE PURPOSES OF SATISFYING THE REQUIREMENTS OF TEFRA, THE IRS CODE AND THE CALIFORNIA GOVERNMENT CODE SECTION 6500 (AND FOLLOWING); AND RESCIND RESOLUTION NO. 2015-136, APPROVING THE ISSUANCE OF UP TO \$35,000,000 OF CONDUIT REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY (“CMFA”) FOR THE BENEFIT OF CHARLES APARTMENTS LP, A CALIFORNIA LIMITED PARTNERSHIP. 5-0-0-0
Motion Passes

10. OTHER ACTIONS ITEMS OF THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Action listed for each Agenda item is that which is requested by staff. The Successor Agency 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.*
11. 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 Providing direction to staff regarding revenue options to address key unfunded city services as a follow up to the Strategic Planning Meeting on February 2-3, 2018; and receiving information and a schedule concerning proposed citizens’ initiative measures.

City Manager Long – this is a continuation from our retreat that we had with council in February. We talked about big picture gaps that we had in needs of the city which we have talked for several years now and trying to come up with options and ideas to address those gaps and it certainly is not a comprehensive list of all the deficiencies that we have in the city. Our mid-year report talked about having some more detail and during the budget time we’ll go into a lot more detail.

This is just targeting some of the bid picture items, one was our street system. We need \$2.5million and we’re at \$1.1million allocated towards it and we’re still \$1.4million short.

We talked about fire staffing at the retreat and options to get our staffing to where we would like it to be.

We know that the PERS Pension system is a cost that's going to continue to grow for the city and that's a touchy one as we talk about the citizens because typically they don't want to fund with tax dollars. The fact is that's a cost that we're obligated and we have to figure out ways to fund it.

The last big picture is the facilities. We have a lot of facility needs in the city and we can look at the general plan that was adopted back in 2000, so we're 18 years into it and we haven't done one city facility that the general plan said should be built within 20-years. Facilities are a huge issue.

In the retreat we talked about some potential options to maybe close some of these gaps. One was the Transient Occupancy Tax, which is currently at 12% and perhaps increasing that to 14%. Another option was the Sales Tax. We have an additional half-percent capacity remaining in our sales tax capacity and whether or not the city wanted to explore looking at that.

We also talked about adopting a Short-Term Rentals ordinance that would also allow collecting TOT revenue from that.

Part of the discussion we didn't have at the retreat but we kind of did was on marijuana and how the marijuana ordinance potentially fits into the revenue option and so what council decided was just to bring this back at a council meeting and get some further direction from the council on how we wanted to look at revenue options and which ones we wanted to pursue.

In the meantime, we've had a couple of citizen initiated ballot measures that have been submitted and the city attorney can go more into detail on those. One was for an increase in the TOT tax from 12% to 14% and one was increasing the sales tax a half percent for 15-years, which would also extend the current one-percent that is set to expire in 2026 and that would extend that and they would both be the combined 15-years.

There has been a marijuana one that has not been finalized but that one is coming down the pike. The city attorney has already begun the review of that.

City Attorney Rathie – the process that we're now engaged in with the one initiative is to issue the Title and Summary, which we expect to do this week. Once that has been issued the proponents then can publish as required by the election code, post and then submit notice that publication posting to the city clerk and begin gathering signatures.

Council Questions: what is estimated potential revenue from the three proposed initiatives; explain the city attorney's role in citizen generated initiatives; are the fees for the attorney's services set in our fee study; does the attorney's office review initiatives for compliance with our Municipal Code; when is says "summary" what exactly is the city attorney doing when providing a summary as compared to just a title; why are we considering a citizen initiative/petition if we, the council, can put our own on by the August 10th deadline; would the Mayor have to recuse himself in any manner relating to the vote on this petition since his name appears as a supporter; *city's choices after signatures have been certified of adopting the ordinance without alteration and put it on the ballot or submit it without alteration or order a report to be furnished of not more than 30-days* – what happens if the council takes that 3rd choice; is there a timeline for that; must the council either adopt choice 1, choice 2; if you increase the TOT tax, isn't that we just need to create the ordinance for the Short Term Rentals that whatever our TOT is that it would be applicable immediately; addressing the TOT, addressing our fees are two things we can put into effect come July 1 with our new budget, correct; what provision require 4/5th vote the last time council put a measure on the ballot; is council being asked to endorse the approach and schedule in the staff report;

MORTON/DELGADO: TO DIRECT STAFF TO CONSIDER THE OPTIONS THAT I OUTLINED PREVIOUSLY, WHICH IS:

1. **FINISH OUT FEE STUDY**
2. **ADDRESS HOW WE'RE GOING TO INCREASE OUR FEES AS PART OF GENERATING THE FUNDS REQUIRED TO FUND OUR CITY VIA GENERAL FUND, CIP**
3. **TO BRING FORWARD AS WE'RE GOING THROUGH THIS WITH THE BUDGET PROCESS ALSO OR PRIOR TO THE BUDGET BEING APPROVED, BUT IN THE APRIL/MAY MEETING IS WHAT WOULD BE NECESSARY TO CONSIDER A BALLOT MEASURE TO INCREASE THE TOT; AND**
4. **TO LOOK AT AN BALLOT MEASURE TO CAPTURE THE .5% (HALF-PERCENT) SALES TAX; AND**
5. **TO MOVE FORWARD WITH THE ORDINANCE APPLICABLE TO OUR SHORT-TERM RENTALS, WHICH WOULD GIVE US ADDITIONAL REVENUES; AND**
6. **TO RECEIVE INFORMATION THAT WE JUST HEARD IN THE STAFF REPORT WITH THE SCHEDULE OF DATES FOR A PRIVATE INITIATIVE**

5-0-0-0 Motion Passes

Public Comments:

- Adam Urrutia – Proponent of one of the initiatives, appreciates what Council Member Morton said because she summed up all the reasons why I think these are good ideas. Appreciates Council Member Amadeo's statements as well. It really echo's the experience that I've had being out on the streets, talking to folks. I am getting a sense from folks that there is a little bit of mistrust of government coming out to ask for more revenues but when they have a discussion with me people change their opinion because they are feeling what we're talking about. They know that the roads are in bad shape and that they weren't aware that our police and fire department are due for raises or are making 8% below the median for the area or that we just have so many needs. In talking with people, people flip. I got on Next Door where people started commenting on the initiatives and I flipped somebody who was negative. We're having a lot of success in talking with people but the purpose of writing these initiatives was really to be a safety net in case we came upon a situation where two council members didn't think we should put the big money generators on the ballot. In talking with people, I know a majority of the people in Marina will support this because I didn't want the will of the majority of people in Marina to not get its day in court because two council members might not have wanted it. That was the purpose of these. My preference would be for the council to put it on the ballot. If you're looking for really good initiatives that you turn into an ordinance these ones are great. All they are is the city's municipal code with my changes made to it. Support the motion

- b. City Council consider adopting **Resolution No. 2018-27**, receiving the Cost of Services Study and discuss with Revenue & Cost Specialists the methodology.

Presented by Eric Johnson, Revenue & Cost Specialist

Background of RCS: Company Started in 1980 with Two Former City Managers; Pioneered the Concept of Matching Fee Revenue with the Cost of the Service; Have Studied Over 250 agencies in 5 states; Eric Johnson has provided services to over 100 agencies over 28 years

What have we done? Recast the City Budget with a Business Orientation = *Identified the cost of services provided to its customers - E.g. there is no City Council service = Matched Revenues to those Costs*

Methodology = Meet with Departments to establish services & time spent; Review budget and calculate overhead rates; Review services to categorize between Community Supported and Personal Choice services; Review recovery percentages & make recommendations

Community Supported vs. Personal Choice Public Services

Community Supported (Tax Services) = *Typically benefits community as a whole; 100% supported by tax dollars E.g. Police, Fire, and Street Maintenance Services*

Personal Choice (Fee Services) = *The Customer is identifiable and the Service is measurable; Benefits an individual or group; Subsidy levels may be based on social, safety or welfare reasons E.g. Development Services and Recreation Services*

City Council makes final tax subsidy decision = The Project Goal is to identify the full costs for the various services; RCS and City Staff have made fee recommendations for every service; It is now up the City Council to decide which services should be charged the full costs and which services should be subsidized with tax dollars.

Council Questions: were comparisons made with other cities in the differences between what we do and don't charge fees for; is our code something that should be updated to simplify the process to reduce our costs; personal choice services subsidies, were you able to ascertain how great of a period of time the city has been subsidizing these particular "personal choice services" with tax money; the gap between \$3.0 million that we're subsidizing and the \$700,000 that you think we could recover, that gap is \$2.3 million are your examples representing the bulk of the \$2.3 million gap; what would be the reluctance for not charging for the first false alarm; has it been your experience working with other cities that when you raise a conditional use permit fee from \$1100 to \$5000 does the discourage future conditional use permit applications; what's the purpose of our next meeting on April 10th?

DELGADO/AMADEO: TO APPROVE RESOLUTION NO. 2018-27, RECEIVING THE COST OF SERVICES STUDY AND DISCUSS WITH REVENUE & COST SPECIALISTS THE METHODOLOGY. 5-0-0-0 Motion Passes

Public Comments: None received.

- 12. COUNCIL & STAFF INFORMATIONAL REPORTS:
 - a. Monterey County Mayor's Association [Mayor Bruce Delgado]
 - b. Council and staff opportunity to ask a question for clarification or make a brief report on his or her own activities as permitted by Government Code Section 54954.2.

- 13. ADJOURNMENT: The meeting adjourned at 10:00 pm.

Anita Sharp, Deputy City Clerk

ATTEST:

Bruce C. Delgado, Mayor