

CITY OF SANTA MONICA

CITY COUNCIL MINUTES

APRIL 30, 2019

A special meeting of the Santa Monica City Council was called to order by Mayor Davis at 6:04 p.m., on Tuesday, April 30, 2019, at City Council Chambers, 1685 Main Street.

Roll Call: Present: Mayor Gleam Davis
Mayor Pro Tem Terry O’Day
Councilmember Sue Himmelrich
Councilmember Ana M. Jara
Councilmember Kevin McKeown
Councilmember Greg Morena
Councilmember Ted Winterer

Also Present: City Manager Rick Cole
City Attorney Lane Dilg
City Clerk Denise Anderson-Warren

CONVENE/PLEDGE

On order of the Mayor, the City Council convened at 6:04 p.m., with all members present. Mayor Pro Tem O’Day led the assemblage in the Pledge of Allegiance.

STUDY SESSION:
BUDGET

4.A. Strategic Budget Direction for the FY 2019-21 Proposed Biennial Budget, was presented.

Recommended Action

Staff recommends that the City Council receive a three-part presentation on the strategy to achieve fiscal sustainability for the FY 2019-21 Proposed Biennial Budget and the following two biennial budget cycles, as follows:

1. Review the background for a long-term strategy for maintaining fiscal balance over the next six years in the face of flattening traditional revenues and sharply rising costs, including a plan to eliminate the City’s unfunded pension liability in 13 years;
2. Review the outline of the FY 2019-21 Budget, including proposed efficiencies and program changes and mid-term proposals for making an additional \$1.5 million in savings in the second year; and
3. Review the strategy for reshaping traditional government services to create a government that works better and costs less to maintain fiscal sustainability over the next six years and beyond

Members of the public Dolores Sloan, Barry Rosenbaum, Denise Barton, Laila Taslimi, Nina Fresco, Carol Lemlein, Elizabeth VanDenburgh, David Morris (time donated by Linda Myers), Judy Abdo, and Dominick Bei spoke on the recommended action.

Questions asked and answered of staff included: are there opportunities down the road to include Historical Preservation; will there be Task Force for each area, and for which years; who will be represented on the Task Force; how does the new metrics incorporate into the new Enterprise system, and how will those numbers be used; how to measure Wellbeing, and how is the value determined; how do you do a true cost analysis of the things you cut and the impact it has on other cost; when and how will we say that the dollars are important, but the values are what's driving us, and therefore we are making this decision instead of that decision; what are the plans as these proposals go through, to find out what is really important to the residents who live here; what type of outreach and engagement is planned, especially since this is such a new and different process; is the budget being presented based on Wellbeing; have we considered revenues in other ways than the traditional ways; has there been any thought on how to get people from all parts of the city to contribute in the budget; what if CalPers basically can't provide what is put into the pension plan, and if other cities suffered shortfalls, how would that impact us; how is CalPers fairing during this recovery period, and how does it play into the budget projections; what is reason behind the reduction in parking revenues; what are the differences in sales taxes, and how can it be thought of different; which taxes are in the city's purview to control; what is the appropriate way to rein in some of the Capital Improvement aspirations; how much room is there to increase the Transient Occupancy Tax (TOT), and what is the yield; typical economic cycles are usually six up, one down, so how does that translate into the forecast being given; is there any vehicle that we can fix our pension situation; when looking at individual departments, do you look at the total cost recovery for the service fees; is the new online sales tax helpful; how much interaction is there with the Economic Development Department in terms of finding means to increase revenue; do brick and mortar's sales tax drive the internet sales tax we receive; what would a 14 year pay down of the pension liability save; are revenues being shown, based on what is being received now or what is coming online in the future; what are the options for taxing services; clarification on some of the items listed; the inspection of HazMat, is that the Fire Department or civilian; with the decline in parking revenue, is there a way to make up that money by charging a fee to the ride share companies; how are these fee studies being done, and is there consideration to looking past the dollars, because sometimes you need to spend money to make money; and, why is the Print Shop being included when they are already being studied.

Considerable discussion ensued on topics including, but not limited to: focus on the increasing revenues, for example, a vacancy tax for commercial and residential property; tax on luxury apartments that are above the medium; charge a license fee on the various modes of other transportations, including ride share; license fee for autonomous vehicles; the metric should be how much does each unit cost for affordable housing, to create efficiency; also public land should be used for affordable housing; a possible County tax on rideshare companies; higher parking tax; see how the mobility pilot turns out before eliminating the Breeze bicycle program; cost benefit analysis from waiving the B&S fees or hedges fees; increasing the ARB work by staff is a good idea for some small businesses, but not for larger projects; make sure that cutting certain programs produce greater efficiencies, not to diminish their impacts; pursue a full-time grants staff person; congestion pricing; concerned about cutting after school programs; expanding the Explorer programs; shouldn't eliminate or endorse any of the suggestions before there is more community input; Cost recovery and cost allocation would be helpful to understand which business units that applies to; Fire should be included in the Keeping Neighborhoods safety; address ways to improve business relationships in the city; looking at values and metrics, more information needs to be provided in order to make any decisions; we need to enhance our nimblest in identifying what is working over time and enhancing those areas; some of the tough political decisions should just be made, because it's only going to get harder as time goes on; propose an opt-in for Seascape; making some significant changes in the Breeze bike program is necessary; supportive of looking at creating more efficient afterschool programs overall; based on our values, it's important to try to keep the cuts away from people when providing services; stunned to see allocation of the city's website under Learn and Thrive, when should it be under Governance; Crime and Homelessness are symptoms, and an investment in Engage and Learn and Thrive is about how do we tackle that fundamental lack of Wellbeing in our community; look at the long term investments and the Wellbeing of our community; support looking at any new revenue sources; outsource things that have less impact on people and set some values on if this is something that will impact the community, or if outsourcing will have a limited impact on services; give reassurance to people about what is being considered, and how efficiencies are going to look; and, on the Task Force, bring in different people, who are going to be directly impacted and affected by the proposed cuts.

*Councilmember Himmelrich
excused at 9:04 p.m.*

Motion by Councilmember Winterer, seconded by Councilmember Morena, to receive and file the report. The motion was unanimously approved by voice vote with all members present, except Councilmember Himmelrich.

ADJOURNMENT

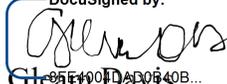
On order of the Mayor, the City Council meeting adjourned at 9:41 p.m. in memory of Claude Lianne.

ATTEST:

DocuSigned by:

Denise Anderson-Warren
City Clerk

APPROVED:

DocuSigned by:

Glenn Davis
Mayor