

CITY OF SANTA MONICA

CITY COUNCIL MINUTES

JUNE 5, 2019

A special meeting of the Santa Monica City Council was called to order by Mayor Davis at 6:00 p.m., on Wednesday, June 5, 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 6:00 p.m., with all members present. Finance Director Gigi Decavalles-Hughes led the assemblage in the Pledge of Allegiance.

STUDY SESSION:
BUDGET

4.A. Financial Status Update, Fiscal Year 2019-21 Proposed Biennial Budget, and Fiscal Year 2019-20 Proposed Capital Improvement Program Budget, was presented.

Recommended Actions

Staff recommends that the City Council:

1. Receive the FY 2019-20 through FY 2028-29 Financial Status Update, the FY 2019-21 Proposed Biennial Budget, the FY 2019-20 Proposed Capital Improvement Program (CIP) Budget and the Framework (Attachment A);
2. Review and provide direction to staff regarding Pier-related matters which discussion and direction shall not include Councilmember Morena: the Pier Fund; Proposed Capital Improvement Program (CIP) Pier-related projects; and Pier-related efficiencies;
3. Approve the six-year strategy outlined in this report and 13-year paydown of the City’s current unfunded liability with California Public Employees Retirement System (CalPERS);
4. Approve the revised Framework to achieve a Sustainable City of Wellbeing and the Action Plans associated with the Council adopted

Framework Priorities;

5. Provide direction to staff on the FY 2019-21 Proposed Biennial Budget and FY 2019-20 CIP Budget (Attachment A);
6. Receive an update from the City Manager about the methodology to be used for analyzing and making recommendations on mid- and long-term program changes (attached to April 30, 2019 staff report), including the convening of a Budget Task Force reporting to the City Manager; and
7. Review and comment on the grant funding recommendations included in the attached Cultural/Art Organizational Support Program (OSP) for the FY2019-21 funding cycle.

Councilmember Morena was excused at 7:05 p.m.

Councilmember Morena recused himself because his family owns a business on the Pier, and to avoid any conflicts of interest.

Staff presentation regarding **Pier-related matters, the Pier Fund, Proposed CIP Budget and the Framework**, was presented.

There were no members of the public present to speak on the Pier.

Discussion and direction on the Pier including, but not limited to: there may be some opportunities for subsidies and naming rights to increase the revenue to reduce the deficit and other opportunities to maybe work on public/private partnerships; concerns about naming landmarks on the Pier after Corporations; explore a business improvement district on the Pier to provide additional resources and subsidies for the Pier; and, no guarantee that naming rights automatically be used for iconic locations on the Pier.

There was a consensus of the Council to move forward with the direction given, including efficiencies, the mid and long-term list, and to enhance the list

Councilmember Morena returned to the dais.

Councilmember Morena returned at 7:16 p.m.

Questions of staff about the initial staff presentation included: where we are right now in the metrics and outcomes, etc.; what about having a second Task Force that might do a deeper dive into the metrics to make sure what is being proposed is the best way to get the needed outcomes; how long before cash will become available as a result of a reduction in the fleet vehicles; will residents still have an opportunity to drop off hazardous waste locally; what is the proposal to close the Swim Center for six weeks, and what maintenance occurs during the closure; does the maintenance happen five days a week, and can the work hours be extended to shorten the timeframe of the closure; how much outreach has been done to the clients to notify them about the proposed changes; with the six weeks closure, what is causing the savings; what options might there be to provide another

pool within the city limits; has the pool been shut down every year; why is there a difference in cost between the Lincoln pool and the Swim Center full time staffing cost, since it's more full time employees; the Homework Club charges, are they being proposed for a year, is there a way to maintain the monthly charge; update on how soon an Innovation Fund could be in place that would allow private or non-profit partnerships to allow donations for specific projects or specific costs; is it true that the pension fund is being pulled out of the Housing Authority trust fund; are employees fully funded from those Federal Funds; have housing funds always been used to fund Administrative cost; how much is the Macerich correction, and why is it occurring over years instead of being collectable immediately; how much will the audit reduction save; is it possible for Council to be included in the financial report monthly like staff instead of twice a year; would it be too much trouble to try and get the budget to Council 35 days in advance, as stated in the City Charter; are pilot programs occurring in other departments; bond limits and how that measures into our credit rating; how does the best practices document evolve over time; what kind of savings are estimated by using electronic processes, and how do you evaluate the savings; what does it mean by moving staff from one division to a different division; has there been any thought about consulting out several of the ISD jobs listed as an addition in the budget; the cost associated with the website seems high, is this estimate expected on an on-going basis; how does communications look across the board in the future, given all of the initiatives pending; does right-sizing CCS budgets go back to the General fund; how will performance metrics connect with the new Enterprise system; through the CIP is the measurement based on equity, or how is that measured; how does SaMoStat work into the Performance Measures and Metrics; has there been any thought about applying an economic development process within the Sustainable Priority Action Plan, and if so where does that live, how do you value it; how are the increases in fees calculated; isn't grant writing a money making position, isn't that a loss of a funding opportunity by reducing the position by .5; how much is being spent on workers comp now that a recommendation of \$2.8 million in savings will be recognized; cutting leafblower enforcement and code enforcement for CUP's on the weekend, how were these decisions made, and has staff thought of different ways to enforce it without losing revenue; with the drawdown of the BBB service, what is the plan for viability going forward; are there other public facing events throughout the week for hazardous waste materials; why is Hyperion a CIP project; staffing questions about adding and deleting positions; explain the cost at the Airport and why the cost wasn't captured by the Airport; what is the cost for Internships in the Fire department; how will the changes in the afterschool programs affect those from underserved families; for an Advisory Board, can the city's values be added and considered with the formation; describe reducing snacks and outreach for Planning and Community Development; can the \$500K in consumer protection funds be

included for tenant protection; and, how do you make the cuts less about affecting the people.

Members of the public Robert Wexler, Kent Strumpell, Jennifer Cowan, Melissa Barkan, Andy Hurwitz, David Newberg, Patrick Coyne, Cordula Ohman, Laila Taslimi, David Kelsheimer, Karen Melick, Denise Barton, Zina Josephs, Karen Lanter Bach, Olga Zurawska (time donated by Judy Casey), Michael Louis (time donated by Steven Weinraub), Eric Phillips, Joe Schmitz, Meghan Moroney, McKenna Belgarde, Laurene Von Klan, Marcy Kaplan, Lydia Muraro, Rufus Williams, Jerry Rubin, Eve Lopez, Josephine Santiago, Judy Abdo, Amy Southern, and Linda Clark spoke on the recommended action.

Discussion ensued on the topics, not limited to: concerns about using Housing Trust funds for anything other than housing; taking care of the city's most vulnerable residents is a priority; need to keep pressing on the homeless issue, and getting people housing; the metrics are not fully developed, they need to be explored; the Swim Center is not a budget item, and should be taken off the list and figured out administratively; the homeless situation at Reed Park needs to be addressed, maybe some type of pilot program, paid for with \$100K from Council contingency, TOT from the Proper Hotel on Wilshire, and any savings from the Fleet; Ocean Park traffic study, with some short-term fix; a non-sworn Officer in Reed Park can help; not comfortable with eliminating the cutback of weekend CUP enforcement, and complete elimination of leafblower enforcement; important to start thinking strategically and start communicating that with the community and residents; the Budget Task Force should increase the mandate, and start creating a strategy going forward; in PCD, keep a Planner, find the Historic Planner outside of the budget; unclear about the role of the Budget Task Force; the metrics are driving this process, so it would be good to include a few of the partners on the Budget Task Force; having the dashboard tied to metrics does not make a lot of sense, and the reporting should be provided on a monthly basis.

Councilmember Jara was excused at 10:48 pm

Councilmember Jara recused herself from the discussion about KCRW, due to a possible conflict of interest because she works for Santa Monica Community College.

Discussion continued with Council, including, but not limited to: not in agreement with terminating the contract with KCRW; not clear of the value of KCRW programming and coverage, but there's no better way of reaching people, and there is real value; given there are other options available to view or hear Council meeting, not really sure of the value, and the benefit to the city; it's worth the value, but we ought to start thinking about the other ways and options available to reach out to people in the community; and explore the option to renegotiate the contract to fund it for

one year, and do a better evaluation of other options to broadcast out there, and look for efficiencies through a pilot program, with consensus from the Council, with Councilmember Jara absent.

Councilmember Jara returned at 11:07 pm.

Councilmember Himmelrich was excused at 11:37 pm

Continued discussion, after Councilmember Jara returned included, but not limited to: Economic Development is opportunistic; principally opposed to taking money away from kids, so leave the money with those programs; division about whether or not to have Councilmembers on the Task Force; do a feasibility study on vacant lots as a means to make revenue; understand what the long term effects will be, if none of the programs are cut now, and how that is going to affect the overall budget; need to consider having intergovernmental and public/private partnerships; for the metrics, there are too many of them, and the focus should be on outcomes; 19th Street piece of land should be used for a pocket park; need to start thinking about using more technology to create more as-needed services; for fees, create a low income option for beach parking for seniors; talk with the School District about taking over some of these after-school programs to be more efficient; and, outsourcing versus permanent staff.

Consensus by Council included: keeping KCRW, Housing Trust Fund to pay for administrative fees; retain enforcement for hedges, leafblowers, weekend CUP enforcement, and Airbnb; Six-month pilot program at Reed Park, and going forward with the efficiencies for the before and after school and weekend programs for kids.

Additional direction to staff included, thinking of ways to incentivize staff to come up with more creative ways to use budget savings, and Economic Development should be included as a way to make more revenue.

On the order of the Mayor, the information was received and filed, with direction given to staff.

ADJOURNMENT

On order of the Mayor, the City Council meeting adjourned at 1:07 a.m. in memory of Ernesto Rodriguez and Rita Esquivel.

ATTEST:

APPROVED:

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Denise Anderson-Warren
City Clerk

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Glean Davis
Mayor