

MINUTES
JOINT CITY COUNCIL/SUCCESSOR AGENCY
FOR THE FORMER REDEVELOPMENT AGENCY MEETING

May 27, 2014

City of Watsonville
Council Chambers
275 Main Street, 4th Floor

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	<u>5:31 P.M. Session</u>		
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1.0	Roll Call	10.1	Emergency Items Added-None
2.0	Pledge of Allegiance	10.2	Information Items
3.1	Oral Communications		(a) Report of Disbursements
			(b) Miscellaneous Documents
		11.0	Adjournment

5:31 P.M.

10.0 CLOSED SESSION

(City Council Conference Room, 275 Main Street, 4th Floor)

- (a) Public Comments regarding the Closed Session agenda were only accepted by the City Council at that time.
- (b) Closed Session Announcement
The City Council recessed the regular Council Meeting to discuss those items listed on the Closed Session Statement attached to the Agenda.

A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Government Code Section 54956.9)

- 1. Pending litigation pursuant to subdivision (d)(1):
 - a) Name of case: Ethnobotanica v. City of Watsonville — Santa Cruz County Superior Court (Case No. CV173820)

JOINT CITY COUNCIL/SUCCESSOR AGENCY
FOR FORMER REDEVELOPMENT AGENCY

B. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Government Code Section 54956.9)

- 1. Pending litigation pursuant to subdivision (d)(1):
 - a) Name of case: City of Watsonville v. Cohen et al. — Third District Court of Appeal - Sacramento (Case No. C076296)

6:31 P.M.

1.0 ROLL CALL

Mayor Cervantez, Mayor Pro Tempore Hernandez, and Council Members Bilicich, Coffman-Gomez, Dodge, Hurst, and Montesino were present.

Staff members present were City Manager Palacios, City Attorney Smith, City Clerk Vázquez Flores, Assistant City Manager Tavantzis, Public Works & Utilities Director Palmisano, Administrative Services Director Vega, Fire Chief Bisbee, Parks & Community Services Director Espinoza, Library Director Heitzig, Human Resources Manager Manning, Assistant Parks & Community Services Director Blachly, Assistant Finance Officer Hays, Administrative Services Manager Reta, Acting Deputy Police Chief Traub, Sergeant McKinley, Sergeant Gonzalez, Audio/Visual Technician Hernandez, and Interpreter Landaverry.

2.0 PLEDGE OF ALLEGIANCE

3.0 PRESENTATIONS & ORAL COMMUNICATIONS

3.1 ORAL COMMUNICATIONS FROM THE PUBLIC & CITY COUNCIL

5076 Gary Richard Arnold urged the Council to maintain local control as he had seen a pattern of large entities absorbing political power nationwide. He stressed the importance of keeping the public informed.

Rhea DeHart reminded the public of the election date and hours. She encouraged the public to vote yes on Measures H, I, & J.

5074 Member Bilicich invited the public to attend the Zone 7, Flood Control and Water Conservation District meeting on June 16, 2014, in the Watsonville Council Chambers. She spoke about her attendance at the Annual Down to Earth Women's Luncheon, the Phil Rather Awards, and an informational meeting at Starlight Elementary School regarding the operational improvements at the intersection of Pennsylvania and Clifford.

Member Coffman-Gomez encouraged the public to vote during the June 3, 2014, Statewide Primary Election. She commended all Council Members for their involvement in community events.

Member Dodge spoke about the new construction retail stores at the site of the old bowling alley. He spoke about his attendance at the informational meeting at Starlight Elementary School regarding the operational improvements at the intersection of Pennsylvania and Clifford. He encouraged the public to vote during the Statewide Primary Election.

Member Hurst commended the veterans that participated in the placing of the flags on Freedom Blvd for Memorial Day. He invited the public to the National Trails Day event on May 31st at the Watsonville Nature Center in Ramsay Park. He congratulated all graduating students and encouraged the public to vote during the Statewide Primary Election.

Mayor Pro Tempore Hernandez thanked the American Legion members and members of the Veterans of Foreign Wars for raising flags all along Freedom Boulevard for Memorial

Day. He thanked the Watsonville Youth Council and Mariposa Arts for their organization of Teen Day. He spoke about the Teacher's Day Celebration and the importance of honoring educators.

5074

Mayor Cervantez commended the Youth Council as well as other organizers for their involvement in the Watsonville Teen Day.

3.2 REPORT OUT OF CLOSED SESSION

City Attorney Smith reported that Council received a report on the first item on the Closed Session Agenda, but took no action. He stated the second item on the Closed Session Agenda was not discussed.

8.0 NEW BUSINESS (Continued)

8.2 BUDGET STUDY SESSION FOR FISCAL YEAR 2014-2015

(a) Staff Report

The report was given by Administrative Services Director Vega and City Manager Palacios.

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(b) City Council Questions

Administrative Services Director Vega and City Manager Palacios answered questions from Member Montesino regarding the proposed loan to the Airport and the repayment period. They clarified that future Airport budget would be balanced.

Member Dodge stressed the importance of restoring salaries for City employees and reopening City services on Fridays. He spoke about the challenges of expanding the City and generating revenue. He stated the Airport budget needed to be revised and adjusted so that it did not hinder the City.

City Manager Palacios stated that the Airport budget was balanced and some Airport positions were frozen. He added that there was a proactive plan to get the Airport out of debt.

Member Dodge asked that reduction of services at the Airport be explored to help with the deficit. He stated he wanted an end to the deficit at the Airport.

Assistant Public Works and Utilities Director Rodriguez, in answering Member Montesino, stated that Airport staff was working reduced hours but was open all days of the week.

Administrative Services Director Vega answered questions from Member Coffman-Gomez regarding the liabilities to assets ratio of the general fund, the repayment plan for the proposed Airport loan and its liabilities, specialty sales tax, and grant funding.

Administrative Services Director Vega answered questions from Member Bilicich regarding impact fees.

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(c) Public Input (None)

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(a) City Council Discussion

Member Dodge stated his disagreement with balancing the budget by continuing furloughs and pay reductions. Member Dodge requested that staff examine alternatives for the loan to the Airport, explore reduction of services that would substantially reduce costs on the City, and would like a report on the City economic impact from Airport projects.

Member Montesino requested that the City explore adding lighting to the Ramsay Park Soccer Field. City Manager Palacios stated that the City would be repairing lighting at the softball field at Ramsay Park and would give Council a report regarding costs for installation of lighting to the soccer field at a future Council Meeting.

Administrative Services Director Vega explained for Member Coffman-Gomez that extraordinary Items listed on the budget were Redevelopment Agency Items.

Administrative Services Director Vega answered questions from Member Bilicich regarding reasoning for reducing services for each department, balancing the budget, capital improvements, and grant funding.

Mayor Pro Tempore Hernandez asked staff to research other comparable airports to try to improve revenue at the Watsonville Airport.

Administrative Services Director Vega answered questions from Member Coffman-Gomez regarding capital improvement projects and its funding. He added that the City was working to improve reserve funds and prepare for changes such as CalPERS cost increases.

Administrative Services Director Vega answered questions from Mayor Cervantez regarding reduction of City services and the budget. Mayor Cervantez requested that staff bring more information related to social service grants and youth summer programs to the following Council meeting.

Member Dodge spoke about the challenges the City had in expanding and generating jobs in the City. He also spoke about the Airport's deficit and the proposed loan.

Mayor Cervantez spoke about changes the Airport has made to fees and leases. She requested that staff bring a report about fee increases and plans to increase revenue in the airport. Administrative Services Director Vega stated he would add more detailed information about the airport to the budget report at the following meeting.

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10.1 EMERGENCY ITEMS ADDED TO AGENDA (None)

10.2 INFORMATION ITEMS—Written Report(s) Only

- (a) Report of Disbursements**
- (b) Miscellaneous Documents**

11.0 ADJOURNMENT

The meeting adjourned at 8:49 P.M.



Karina Cervantez, Mayor

ATTEST:



Beatriz Vázquez Flores, City Clerk

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