



City of Sebastopol
CITY COUNCIL MEETING AGENDA
Regular Meeting of Tuesday, June 02, 2026
6:00 pm Start Time

As Approved by the City Council at their regular meeting of June 16, 2026.

CALL TO ORDER: Mayor McLewis called the meeting to order 6:00 p.m.

ROLL CALL:

Present: Mayor Jill McLewis
Vice Mayor Sandra Maurer
Councilmember Phill Carter
Councilmember Neysa Hinton Arrived 6:15 PM
Councilmember Stephen Zollman

Absent: None

Staff: Interim City Manager Mary Gourley
Alex Mog, City Attorney, Redwood Public Law
Administrative Services Director Kwong
Interim Planning Director, 4Leaf
Police Chief McDonagh
Public Works Director Hart

SALUTE TO THE FLAG: Mayor McLewis led the salute to the flag.

REMOTE PARTICIPATION UNDER AB 2449 (IF NEEDED): To consider and take action on any request from a Council Member to participate in a meeting remotely due to Just Cause or Emergency Circumstances pursuant to AB 2449 (Government Code Section 549539(f)). Assembly Bill 2302 (2024) (“AB 2302”) revises rules for when members of local legislative bodies may participate in meetings remotely. Specifically, it amends the number of meetings that may be attended remotely for just cause and under emergency circumstances and clarifies the definition of the term “meeting,” for purposes of remote attendance. AB 2302 caps the number of remote meetings a member can attend each year based on the frequency of a legislative body’s meetings: Five meetings per year for those meeting twice a month.

LAND ACKNOWLEDGEMENT: The City of Sebastopol acknowledges that we live and work within the unceded ancestral homelands of the Southern Pomo and the Coast Miwok people. We pay our respect to the past, present, and future generations of these peoples, including the Federated Indians of Graton Rancheria.

REMEMBERING THE HISTORY OF SEBASTOPOL: Mayor McLewis provided history of Sebastopol events.

PROCLAMATIONS/PRESENTATIONS/INTRODUCTIONS:

- Certificate of Appreciation to Ted Thorhaug and Steve Einstein for Community Service in Graffiti Cleanup
- Proclamation – Proclaiming June Pride Month

Minute Order Number: 2026-149

STATEMENTS OF CONFLICTS OF INTEREST: Conflicts of interest may arise in situations where a public official deliberating towards a decision, has an actual or potential financial interest in the matter before the Council. In accordance with state law, an actual conflict of interest is one that would be to the private financial benefit of a public official, a relative or a business with which the Councilmember is associated. A potential conflict of interest is one that could be to the private financial benefit of a Councilmember, a relative or a business with which the Councilmember is associated. A Councilmember must publicly announce potential and actual conflicts of interest,

and, in the case of actual conflict of interest, must refrain from participating in debate on the issue or from voting on the issue and must remove themselves from the dais. **None**

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA (FIRST COMMENT PERIOD):

- *Up to Twenty (20) Minute Time Limit (Two Minutes for up to ten speakers).*
- *Additional public comment will be held at the end of the discussion and action items for up to an additional twenty (20) minutes.*
- *Mayor has discretion to allow for additional time beyond the 20 minutes allocated for public comment dependent upon the subject matter or number of speakers.*
- *Process for calling on Speakers: Mayor or designee shall ask for public comment as follows: Speakers to be called on in an alternate manner (One speaker in person to be called on first; then one speaker remote to be called on second with additional speakers to be called on in the same manner) based upon the time limit.*

The following member(s) of the public spoke during public comment for items not on the agenda:

1. Steve
2. Finn
3. Linda
4. Michael
5. Bo
6. Kris
7. Teresa
8. Kirstyne
9. Joel
10. Fred
11. Rix
12. Kyle
13. Homeowner
14. Courtney
15. Phillip
16. Pam
17. Kenneth
18. Ruby
19. Member of the audience
20. A member of the audience
21. Janelle
22. A member of the audience
23. Robert
24. A member of the audience
25. Alexandria

CONSENT CALENDAR:

- *The consent agenda consists of items that are routine in nature and do not require additional discussion by the City Council or have been reviewed by the City Council previously. These items may be approved by one motion without discussion unless a member of the City Council requests that the item be taken off the consent calendar.*
- *The Mayor will read aloud the title of each consent item (either full agenda title or a simplified version of the agenda title), and ask if a Councilmember wishes to remove one or more items from the consent calendar; and then open public comment to the members of the public in attendance. At this time, a member of the public may speak for up to two (2) minutes on the entire consent calendar and request at that time that an item or items removed for discussion.*

- *If an item or items are removed from the consent calendar, the item shall be placed at the end of the regular agenda items unless otherwise determined by the Mayor. Council Members may comment on Consent Calendar items or ask for minor clarifications without the need for pulling the item for separate consideration. Items requiring deliberation should be pulled for separate consideration and shall be placed at the end of the regular agenda items unless otherwise determined by the Mayor.*

Mayor McLewis read the consent calendar.

Mayor McLewis asked if any Councilmember wanted to remove a consent calendar item. There were no requests.

Mayor McLewis opened for public comment. The following member(s) of the public spoke during public comment:

None

Mayor McLewis called for a motion.

MOTION:

Councilmember Zollman moved and Vice Mayor Maurer seconded the motion to approve consent calendar items 1, 2, 3, and 4.

Mayor McLewis called for a roll call vote. City staff conducted a roll call vote.

VOTE:

Ayes: Councilmembers Carter, Hinton, Zollman, Vice Mayor Maurer and Mayor McLewis

Noes: None

Absent: None

Abstain: None

1. Approval of City Council Meeting Minutes for Meeting of May 19, 2026

Responsible Department: City Manager

Fiscal Impact: Staff time required to prepare the minutes is covered within existing budgeted salaries.

Additional Fiscal Impact: None

City Council Action:

Minute Order Number: 2026-150

2. Approval of Public Arts Committee recommendation for Community Sculpture Garden awards

Responsible Department: Planning

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: A \$250 stipend will be given to the selected artists out of the Public Arts Committee fund. (\$2000 total/8 pieces) (There are no costs for the sculptures, as they will be on loan to the City for the duration of the two years of installation. The artists may sell their artwork at the conclusion of the show (they will remain on display for two years). Public Works will be utilized for the deinstallation and installation of new pieces. It is estimated that two (2) workers will be needed an hour for each deinstallation and installation, plus one hour for using the backhoe.

City Council Action:

Minute Order Number: 2026-151

3. Approval of Job Description: (Dispatcher 2). Item is to approve job description for Dispatcher 2 position as approved with the new Sebastopol Police Officers Association (SPOA) Memorandum of Understanding (MOU)

Responsible Department: Human Resources Consultant Deborah Muchmore/Administrative Services

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: There is no cost associated with the approval of a classification specification and, per the agreement with the SPOA, costs associated with the reclassification become neutralized by the removal of the current grandfather agreement for the former level of education pay. Therefore, there is no budget impact for this item.

City Council Action:

Minute Order Number: 2026-152

Resolution Number: 6766-2026

4. **Approval of Amendment to Contract for Continuation of the Sonoma County Department of Human Services HEART personnel. Consideration to Continuation of the Sonoma County Department of Human Services Contract for HEART personnel.**

Responsible Department: Police

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: There is no additional fiscal impact with this item as the County will be providing funding for personnel. No cost to the City.

City Council Action:

Minute Order Number: 2026-153

Resolution Number: 6767-2026

INFORMATIONAL ITEMS/PRESENTATIONS: *Informational Items or Presentations are items that are informational only and do not require action by the City Council. **Presentations shall be scheduled as necessary for the promotion of an event or service or general information items to the Council and should be limited to ten (10) minutes total in length of item (total length includes questions of Council to presenter and public comment).***

5. **EFOC Report Out: Council Receipt of the Financial and Operational Reports from the Enterprise Fund Oversight Committee**

Responsible Department: Public Works Department/Administrative Services

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: There is no additional fiscal impact with receipt of this item.

Fiscal Impact: Staff time required to prepare the agenda report is covered within existing budgeted salaries.

Additional Fiscal Impact: There is no additional fiscal impact with receipt of this informational item.

Public Works Director Hart presented the agenda item.

Members of the Committee provided a presentation.

Mayor McLewis opened for questions of staff. The Council asked various questions of City staff.

Mayor McLewis opened the public comment period. The following member(s) of the public spoke during the public comment period:

Kyle
Lee
Mary

City Council Discussion/Deliberations/Comments:

Council continued discussion of the item.

No action required. Informational item only.

City Council Action: None required. Informational item only.

Minute Order Number: 2026-154

6. **CalPERS Pension Obligation Update. Information presentation from NHA to update the City Council on the city pension obligations.**

Responsible Department: Administrative Services

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: There is no additional fiscal impact with receipt of this item.

Administrative Services Director Kwong presented the agenda item.

Director Kwong introduced Mike Meyer. Mr. Meyer provided an update to the City Council.

Mayor McLewis opened for questions of staff. The Council asked various questions of City staff.

Mayor McLewis opened the public comment period. The following member(s) of the public spoke during the public comment period:

City Council Discussion/Deliberations/Comments:

Council continued discussion of the item.

No action required. Informational item only.

City Council Action: None required. Informational item only.

Minute Order Number: 2026-155

7. 115 Pension Trust Update. Information presentation from Shuster investment on the pension trust

Responsible Department: Administrative Services

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: There is no additional fiscal impact with receipt of this item.

Administrative Services Director Kwong presented the agenda item.

Director Kwong introduced. Mr. provided an update to the City Council.

Mayor McLewis opened for questions of staff. The Council asked various questions of City staff.

Mayor McLewis opened the public comment period. The following member(s) of the public spoke during the public comment period:

City Council Discussion/Deliberations/Comments:

Council continued discussion of the item.

No action required. Informational item only.

City Council Action: None required. Informational item only.

Minute Order Number: 2026-156

11. Consideration of Adopt a resolution authorizing acceptance of California Office of Emergency Services (Cal OES) Grant Funding for the replacement of the City's 9-1-1- call processing equipment, authorizing the City Manager to execute all necessary documents, and approving a budget amendment for up-front costs of \$7,071.92.

Responsible Department: Police

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: Additional staff time or overtime may be necessary during project implementation.

However, the main project costs are primarily funded by CAL OES, with up to \$365,000 allocated for equipment, installation, and five years of maintenance. The city may need to temporarily front \$7,071.92, which is expected to be reimbursed. No ongoing General Fund impact is anticipated during the five year period.

Police Chief McDonagh presented the agenda item.

Mayor McLewis opened for questions of staff. The Council asked various questions of City staff.

Mayor McLewis opened the public comment period. The following member(s) of the public spoke during the public comment period:

City Council Discussion/Deliberations/Comments:

Council continued discussion of the item.

Mayor McLewis called for a motion.

MOTION:

Councilmember Hinton moved and Mayor McLewis seconded the motion to approve resolution authorizing acceptance of California Office of Emergency Services (Cal OES) Grant Funding for the replacement of the City’s 9-1-1- call processing equipment, authorizing the City Manager to execute all necessary documents, and approving a budget amendment for up-front costs of \$7,071.92.

Mayor McLewis called for a roll call vote. City staff conducted a roll call vote.

VOTE:

Ayes: Councilmembers Carter, Hinton, Zollman, Vice Mayor Maurer and Mayor McLewis
 Noes: None
 Absent: None
 Abstain: None

City Council Action:

Minute Order Number: 2026-160

Resolution Number: 6768-2026

PUBLIC HEARING(s):

8. Public Hearing: FY26 27 City Budget. Item is to conduct a public hearing to gather community input. This provides an opportunity for residents to voice their opinions, concerns, and suggestions which may help shape the final budget. It is recommended that the City Council conduct the public hearing and provide direction on the Proposed Fiscal Year 2026–27 Budget. Upon conclusion of the hearing, staff recommends that the City Council continue the item to the June 16th City Council meeting for consideration of adoption of the FY 2026–27 Budget.

Responsible Department: Administrative Services

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: The fiscal impacts associated with the Proposed FY 2026–27 Budget are detailed within the budget document. A snapshot is listed below.

Categories	General Fund	General Fund Reserves	Non Governmental Funds	Water Fund	Wastewater Fund	Special Revenue Funds	Assessment District	Total
Estimated Beginning Balance	5,238,097	4,845,115	1,481,444	2,359,173	2,124,177	1,920,159	34,915	18,003,080
Total Proposed Revenue	15,622,473	170,000	58,900	4,476,583	6,992,336	4,040,702	94,970	31,455,964
Total Proposed Expenditures	16,622,911	373,300	940,126	4,543,433	6,368,812	2,199,667	106,365	31,154,614
Net Budgetary Surplus/(Deficit)	(1,000,438)	(203,300)	(881,226)	(66,850)	623,524	1,841,035	(11,395)	301,350

Addition/(Uses) of Reserves	(1,000,438)	(203,300)	(881,226)	(66,850)	623,524	1,841,035	(11,395)	301,350
Estimated Ending Balance	4,237,659	4,641,815	600,218	2,292,323	2,747,701	3,761,194	23,520	18,304,430

Administrative Services Director Kwong presented the agenda item.

Director Kwong introduced Bob Leland. Mr. Leland provided an update to the City Council.

Mayor McLewis opened for questions of staff. The Council asked various questions of City staff.

EIFD 75,000
 Union Response
 Staffing assessment
 Snoopy Mural

Roads
 Wells

Mayor McLewis opened the public comment period. The following member(s) of the public spoke during the public hearing comment period:

Lee

City Council Discussion/Deliberations/Comments:
 Council continued discussion of the item.

Mayor McLewis called for a motion.

MOTION:

Mayor McLewis moved and Councilmember Zollman seconded the motion to approve continuation of the public hearing of the budget to the June 16, 2026 City Council meeting to be held at the Sebastopol Youth Annex, 425 Morris Street, Sebastopol, CA at or after 6:00 pm.

Mayor McLewis called for a roll call vote. City staff conducted a roll call vote.

VOTE:

Ayes: Councilmembers Carter, Hinton, Zollman, Vice Mayor Maurer and Mayor McLewis
 Noes: None
 Absent: None
 Abstain: None

City Council Action:
Minute Order Number: 2026-157

9. Public Hearing – Capital Improvement Budget

Responsible Department: Public Works/Administrative Services

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: The proposed expenditures for the FY 2026-27 Capital Improvement Projects totals \$10,116,087. \$3,860,457 of that total is unfunded/unsecured grant. The balance of \$6,255,630 is funded with grant or local funds. The proposed CIP includes a combination of secured funding sources and future grant-dependent projects identified as “Unsecured Grant” funding. Major funding sources include Sewer Capital

Funds, Water Capital Funds, Measure M funds, SB1 Road Maintenance and Rehabilitation funds, Go Sonoma grant funds, Development Impact Fees, Gas Tax funds, Flood Mitigation Fund, Building/Facility Infrastructure Reserve funds, and Measure U. The Measure U funding includes \$510,000 allocated toward road repair in the FY 2025–26 budget, as well as \$612,800, or 40% of the FY 2026–27 Measure U revenue, which will also be allocated toward road repair. These funds will advance the FY26 Citywide Pavement Improvement Project (0521-25.05) and the FY27 Citywide Pavement Improvement Project (0522-26.01).

Category Name	Total Budget	Funded	Unfunded
Bikes, Pedestrians & Safety	\$1,453,747	\$1,193,290	\$260,457
Parks Projects	\$3,785,000	\$185,000	\$3,600,000
Paving Projects	\$1,457,800	\$1,457,800	\$0
Sewer and Wastewater Projects	\$1,251,664	\$1,251,664	\$0
Stormwater and Flood Mitigation	\$1,006,026	\$1,006,026	\$0
Water Projects *	\$791,850	\$791,850	\$0
City-owned Buildings & Site Projects	\$370,000	\$370,000	\$0
Total	\$10,116,087	6,255,630	\$3,860,457

MOTION:

Mayor McLewis moved and Councilmember Zollman seconded the motion to approve continuation of the public hearing of the CIP budget to the June 16, 2026 City Council meeting to be held at the Sebastopol Youth Annex, 425 Morris Street, Sebastopol, CA at or after 6:00 pm.

Mayor McLewis called for a roll call vote. City staff conducted a roll call vote.

VOTE:

Ayes: Councilmembers Carter, Hinton, Zollman, Vice Mayor Maurer and Mayor McLewis
 Noes: None
 Absent: None
 Abstain: None

City Council Action:

Minute Order Number: 2026-158
 Resolution Number 6769-2026

10. Public Hearing: FY 2026-27 Street Lighting Assessment District. Adopt a resolution approving the annual Engineer’s Report, confirming the Assessment Diagram, and authorizing the levy of annual assessments for Fiscal Year 2026-27 for the City of Sebastopol Street Lighting Special Assessment District.

Responsible Department: Administrative Services

Fiscal Impact: Staff time required to prepare the agenda item is covered within existing budgeted salaries.

Additional Fiscal Impact: None. The proposed annual assessment charge of \$23.32 for each ESD is anticipated to generate roughly \$94,470 in revenue related to the action recommended for approval tonight. This amount is planned to be allocated in the Fiscal Year 2026-27 City Budget, with corresponding expenses of about \$106,365. It is important to note that the expected revenue does cover the forecasted expenses, leading to an estimated use of the fund balance of June 30, 2027, of roughly \$11,395. The projected fund balance as of June 30, 2027, is approximately \$23,520, representing 22.1% of total expenditures. While the assessment district is not required to maintain a specific fund balance level, this amount is considered adequate given that no new projects are planned for the upcoming fiscal year.

MOTION:

Mayor McLewis moved and Councilmember Zollman seconded the motion to approve continuation of the public hearing of the Street Lighting Assessment District to the June 16, 2026 City Council meeting to be held at the Sebastopol Youth Annex, 425 Morris Street, Sebastopol, CA at or after 6:00 pm.

Mayor McLewis called for a roll call vote. City staff conducted a roll call vote.

VOTE:

Ayes: Councilmembers Carter, Hinton, Zollman, Vice Mayor Maurer and Mayor McLewis
Noes: None
Absent: None
Abstain: None

City Council Action:

Minute Order Number: 2026-159

Resolution Number: 6770-2026

REGULAR CALENDAR AGENDA ITEMS (DISCUSSION AND/OR ACTION):

Item moved to earlier in agenda.

~~11. Consideration of Adopt a resolution authorizing acceptance of California Office of Emergency Services (Cal OES) Grant Funding for the replacement of the City's 9-1-1 call processing equipment, authorizing the City Manager to execute all necessary documents, and approving a budget amendment for up-front costs of \$7,071.92.~~

ADDITIONAL PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA: Two minutes per speaker for up to twenty (20) minutes total for public comments but can be reduced at Mayor's discretion depending upon the number of speakers or Mayor has discretion to allow for additional time beyond the 20 minutes allocated for public comment dependent upon the subject matter or number of speakers.

None

COUNCILMEMBER(S) REQUESTS FOR FUTURE CITY COUNCIL AGENDA ITEMS Councilmember Hinton discussed a potential agenda item on information of A&M BBQ. Based upon an update from City staff the item was withdrawn at this time but could return for a future agenda item.

CITY COUNCIL/CITY STAFF REPORTS/COMMUNICATIONS/ANNOUNCEMENTS/FUTURE MEETINGS:

12. City Manager and/or City Clerk Reports: (This will be either verbal reports at the meeting, or written reports provided at or prior to the meeting)
 - a. Grand Jury Report/City of Sebastopol
13. City Council Reports/Committee/Sub-Committee Meeting Reports: (Reports by Mayor/City Councilmembers Regarding Various Agency Meetings/Committee Meetings/Sub-Committee Meeting /Conferences Attended and Possible Direction to its Representatives (If Needed) on Pending issues before such Boards. ((This will be either verbal reports at the meeting, or written reports provided at or prior to the meeting)
14. Council Communications Received (Information/Meetings/Correspondence Received from the General Public to Councilmembers)

CLOSED SESSION: NONE

ADJOURNMENT OF CITY COUNCIL MEETING

June 2, 2026 City Council Regular Meeting was adjourned by Mayor McLewis at 1025 pm to the next Regular City Council Meeting of Tuesday, June 16, 2026 at **6:00 pm**, Sebastopol Youth Annex, 425 Morris Street, Sebastopol, CA.

Respectfully submitted:



Mary C. Gourley
City Manager

Attachment 1: ZOOM Raw Minutes
Attachment 2: VITAC Real Time Transcription Minutes

WEBVTT

1

00:00:24.740 --> 00:00:26.240

Sebastopol Community Cultural Center: Mary... oop.

2

00:00:26.680 --> 00:00:28.009

Sebastopol Community Cultural Center: Are we ready, or...

3

00:00:28.630 --> 00:00:29.400

Sebastopol Community Cultural Center: Okay.

4

00:00:29.730 --> 00:00:31.499

Sebastopol Community Cultural Center: Okay, I don't understand it.

5

00:00:32.299 --> 00:00:33.110

Sebastopol Community Cultural Center: Okay.

6

00:01:00.420 --> 00:01:02.270

Sebastopol Community Cultural Center: Is it stupid? Is it stupid?

7

00:01:02.560 --> 00:01:04.530

Sebastopol Community Cultural Center: Honestly, Steven, can I?

8

00:01:05.190 --> 00:01:06.750

Sebastopol Community Cultural Center: Steven, are you ready?

9

00:01:08.870 --> 00:01:09.920

City Council: I'm ready.

10

00:01:10.190 --> 00:01:12.159

Sebastopol Community Cultural Center: Great, thank you. We can go ahead and start the meeting.

11

00:01:13.990 --> 00:01:20.970

Sebastopol Community Cultural Center: All right, thank you. Welcome, everybody. I'm going to call this meeting to order. If you want to go ahead and do roll call, Mary.

12

00:01:22.990 --> 00:01:25.270

Sebastopol Community Cultural Center: Thank you, Mayor. Councilmember Carter?

13

00:01:25.950 --> 00:01:37.810

Sebastopol Community Cultural Center: Here. Councilmember Zolman? Present. Vice Mayor Maurer? Here. Mayor McLewis? Here. Councilmember Hinton is running late and will be here in a few minutes. All right, the first thing we're gonna do is a salute to the flag, so if you could stand with me.

14

00:01:40.820 --> 00:01:41.880

Sebastopol Community Cultural Center: worth waiting.

15

00:01:42.300 --> 00:01:43.140

Sebastopol Community Cultural Center: Bye.

16

00:01:58.270 --> 00:02:00.020

Sebastopol Community Cultural Center: Alright, thank you, everyone.

17

00:02:00.570 --> 00:02:19.789

Sebastopol Community Cultural Center: As part of our... every meeting, we do a land acknowledgement. The City of Sebastopol acknowledges that we live and work within the unceded ancestral homelands of the southern Pomo and Coast Miwok people. We pay our respect to the past, present, and future generations of these peoples, including the Federated Indians of Grayton Rancheria.

18

00:02:20.210 --> 00:02:22.240

Sebastopol Community Cultural Center: And as part of,

19

00:02:22.400 --> 00:02:33.630

Sebastopol Community Cultural Center: my commitment as mayor this year, I am doing, remembering the history of Sebastopol. I do this, with Teresa Raimondo in our, West County

20

00:02:34.320 --> 00:02:49.770

Sebastopol Community Cultural Center: Museum. So I'm gonna go ahead, given that it's the end of the school year, we thought it would be appropriate to recognize some of the history of the schools here in Sebastopol. So we have up on the screen there, some pictures of, if you're interested in seeing.

21

00:02:49.770 --> 00:03:09.050

Sebastopol Community Cultural Center: Some of the schools, we have Lincoln Hall that's up there, and that was called the Sebastopol Grammar School, and it was our first school here in Sebastopol. It's L-shaped wooden clapboard building, and it has students sitting outside there. It was originally located on Bodega Avenue and High Street Northeast, where our public library is currently located.

22

00:03:09.050 --> 00:03:12.790

Sebastopol Community Cultural Center: And Lincoln Hall was a community hall at one time as well.

23

00:03:12.920 --> 00:03:32.100

Sebastopol Community Cultural Center: And then further down, you'll see that we have Sebastopol Grammar School. It was dedicated on September 12th, 1887. It was a large one-story, Queen Anne-style building, with a bell tower, and the principal was Miss Sophia Litchfield, and assistant Ms. Annie Dowes.

24

00:03:33.320 --> 00:03:42.040

Sebastopol Community Cultural Center: And then, further down, You can see, the Sebastopol Primary School, circa 1912 to 1913.

25

00:03:42.040 --> 00:03:57.120

Sebastopol Community Cultural Center: There were children in front of the school there. It also had a bell tower, above the door pediment, and Sebastopol Primary School is also located on Bodega Avenue, where Parkside School is currently situated at 7450 Bodega Avenue.

26

00:03:57.320 --> 00:04:12.890

Sebastopol Community Cultural Center: And then, moving on to, let's see, 1927, the Sebastopol Grammar School on Bodega Avenue, is pictured right there, and the sign above that, just says Sebastopol Primary School, and that's the present site of Parkside School.

27

00:04:13.090 --> 00:04:26.100

Sebastopol Community Cultural Center: And then we just have, finally, to recognize our high school, Annalee Union High School, from 1909, and it was known for having the palm trees on either side of the front steps there.

28

00:04:26.100 --> 00:04:39.730

Sebastopol Community Cultural Center: And then the final picture is our Annalee school, that was built in 1960, and I know that they're going through construction upgrades right now. So, just wanted to share a little bit of that history with everyone, as I do every time.

29

00:04:39.760 --> 00:04:42.920

Sebastopol Community Cultural Center: We'll go ahead and move on to the next items.

30

00:04:43.980 --> 00:04:57.200

Sebastopol Community Cultural Center: Let's see, we have our proclamations, that we often do, and we have our Certificate of Appreciation, Certificate of Appreciations to, give for community service and graffiti cleanup.

31

00:04:57.950 --> 00:05:00.919

Sebastopol Community Cultural Center: So this is to... let me pull these out.

32

00:05:02.210 --> 00:05:13.489

Sebastopol Community Cultural Center: This is to honor two people who, have been volunteering in our community for a long time, so I'm just gonna read. The Certificate of Appreciation is given to Ted Thorhaug.

33

00:05:13.510 --> 00:05:30.219

Sebastopol Community Cultural Center: Hogg, Thor Hogg, and Steve Einstein, in recognition of their long-standing service to the community of Sebastopol by voluntarily cleaning up graffiti in our wonderful city. The city extends its gratitude for your dedication to preserving the beauty and character of our public spaces.

34

00:05:30.220 --> 00:05:43.579

Sebastopol Community Cultural Center: Through your voluntary action, you have helped enhance the visual appeal of our neighborhoods and foster a deeper sense of civic pride and community stewardship. Thank you for your continued service to this city, and I don't know... I don't know...

35

00:05:44.050 --> 00:05:45.670

Sebastopol Community Cultural Center: Are any of them here?

36

00:05:46.210 --> 00:05:50.729

Sebastopol Community Cultural Center: Perfect, so if you'd like to come up, and we'll hand these to you and shake your hand, and...

37

00:06:10.020 --> 00:06:14.520

Sebastopol Community Cultural Center: Apologize, we've never met, so... Beautiful.

38

00:06:14.810 --> 00:06:27.189

Sebastopol Community Cultural Center: Thank you. Thank you. And then, so you're gonna have to tell me. So, Steve... This is Tid. That's right. This is Steve. He's been doing it forever. Thank you so much. I'm gonna shake everyone else's hand, but...

39

00:06:28.040 --> 00:06:29.220

Sebastopol Community Cultural Center: Thank you.

40

00:06:30.410 --> 00:06:32.839

Sebastopol Community Cultural Center: Thank you so much, thank you all.

41

00:06:33.610 --> 00:06:35.189

Sebastopol Community Cultural Center: Really appreciate it.

42

00:06:40.510 --> 00:07:05.409

Sebastopol Community Cultural Center: All right, we also have another proclamation that we're going to do, and, Councilmember Steven Zolman, you're going to read it for us? Yes, thank you, Madam Mayor. This is proclaiming June 2026, this Pride Month in the City of Sebastopol, whereas the City of Sebastopol proudly affirms its support of the LGBTQ plus community and recognizes the vital contributions of lesbian, gay, bisexual, transgendered, queer, and other diverse

43

00:07:05.410 --> 00:07:10.509

Sebastopol Community Cultural Center: identities, to the cultural and civic life of our community.

44

00:07:10.700 --> 00:07:22.199

Sebastopol Community Cultural Center: Whereas Pride Month commemorates the Stonewall uprising of June 1969, when LGBTQ plus individuals at Stonewall Inn stood up against police harassment

45

00:07:22.730 --> 00:07:31.749

Sebastopol Community Cultural Center: And systemic discrimination, sparking a nationwide movement for civil rights, dignity, and equal protection under the law.

46

00:07:32.280 --> 00:07:45.820

Sebastopol Community Cultural Center: Whereas pride serves as both a joyful celebration and a necessary reminder that the pursuit of full equality continues as LGBTQ plus individuals still face discrimination and bias.

47

00:07:46.120 --> 00:07:54.389

Sebastopol Community Cultural Center: And the work to secure lasting justice, acceptance, and equal protection for all For all remains ongoing.

48

00:07:54.750 --> 00:08:18.169

Sebastopol Community Cultural Center: Now, therefore, be it resolved that our Mayor, Joe McLewis, on behalf of the entire City Council, do proclaim the June 2026 as LGBTQ plus Pride Month, and call upon all residents, businesses, schools, and community organizations to celebrate Pride, learn the history of LGBTQ plus rights movement, and actively support a Sebastopol

49

00:08:18.170 --> 00:08:19.910

Sebastopol Community Cultural Center: Where everyone is welcomed.

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00:08:20.050 --> 00:08:37.950

Sebastopol Community Cultural Center: respected, and free to live openly and with dignity. In witness thereof, she has placed her hand on the great seal of the City of Sebastopol the second day of June 2026, and I do not see a representative from one of our LGBT organizations, so I will take this, and I'll make sure that they get it. Thank you, Madam Mayor.

51

00:08:39.299 --> 00:08:40.669

Sebastopol Community Cultural Center: Thank you very much.

52

00:08:40.870 --> 00:08:47.850

Sebastopol Community Cultural Center: Alright, so we, are at the point of statements of conflict of interest. Does anyone have any conflicts to...

53

00:08:48.210 --> 00:08:50.560

Sebastopol Community Cultural Center: No? Okay. Me neither?

54

00:08:50.660 --> 00:08:55.559

Sebastopol Community Cultural Center: So, the next thing we have is public comment for items that are not on the agenda.

55

00:08:55.560 --> 00:09:15.049

Sebastopol Community Cultural Center: And given the fact that we have many people in the room here, I just wanted to mention a couple things. We're gonna... we're gonna ask people to raise your hand if you're looking to comment. Typically, our protocol is that we have... we have 20 minutes at the beginning of the meeting and 20 minutes at the end of the meeting, and depending on how many people we have, raise your hand.

56

00:09:15.050 --> 00:09:26.290

Sebastopol Community Cultural Center: right now to let us know who's gonna, want public comment. And just a couple other things I want to mention is, just as a point of order, we ask that you not clap, or yell, or make any kind of

57

00:09:26.290 --> 00:09:33.790

Sebastopol Community Cultural Center: You know, responses to anyone's comments, because we feel like everyone needs to be respected, and whether you agree or not.

58

00:09:34.020 --> 00:09:41.389

Sebastopol Community Cultural Center: if you're... if you're having an outburst, then, you know, it impacts everyone. So we just ask you to keep that, you know.

59

00:09:41.800 --> 00:09:54.579

Sebastopol Community Cultural Center: In here, and not out here. So, if everyone could... I don't... we have so many people here... if everyone could raise your hand to see how many people we have, at least initially.

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00:09:55.070 --> 00:09:57.049

Sebastopol Community Cultural Center: Mary's gonna count for us.

61

00:10:02.560 --> 00:10:15.859

Sebastopol Community Cultural Center: 14 or 15, and what we typically do is we also... you can see that we have, we have Zoom as well, so what we typically do is we rotate between here, and then on Zoom, and back and forth, and we do that for up to 20 minutes.

62

00:10:15.860 --> 00:10:35.320

Sebastopol Community Cultural Center: And knowing or assuming that there were going to be quite a few people here tonight, you know, I've been going back and forth trying to figure out what do we do as far as, honoring people's ability to speak with their thoughts, but at the same time also get to the rest of the business that we have, because we have some items that have to be taken care of tonight.

63

00:10:35.320 --> 00:10:51.310

Sebastopol Community Cultural Center: So I considered, do we shorten the time that everyone speaks, or do we extend the time that we have available? And what I wanted to ask my colleagues is, would you be willing to, rather than do 20 minutes now, do 40 minutes now, thus doubling that time for public comment?

64

00:10:51.640 --> 00:10:57.749

Sebastopol Community Cultural Center: Rather than shortening their time, I'm asking. I know I can decide, but I would really like us all to be...

65

00:11:01.090 --> 00:11:15.910

Sebastopol Community Cultural Center: Well, we also have online, too, so I don't know. Was that including online? Okay, so I was just saying, if we do 40 minutes at the beginning, we could give people a total of 40 minutes for public comment, and... and then...

66

00:11:16.790 --> 00:11:33.399

Sebastopol Community Cultural Center: And then, you know, we'll see how many people want to stay to the end of this meeting, and if you want to comment, then we have another 20 minutes at the end of the meeting. So I just... it's always a struggle. Do I... do we shorten the time and make it 90 seconds? But then we get a lot of grief for that as well, so it's like...

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00:11:33.400 --> 00:11:39.120

Sebastopol Community Cultural Center: just trying to figure out how to accommodate everybody, get business done. So I'm just wondering, my colleagues here.

68

00:11:39.120 --> 00:11:43.799

Sebastopol Community Cultural Center: What are you... where are you? I'm fine with extending time at... up front.

69

00:11:43.850 --> 00:11:44.800

Sebastopol Community Cultural Center: Okay.

70

00:11:45.680 --> 00:11:51.379

Sebastopol Community Cultural Center: You're okay with it? Yeah, I'm just... just... I don't know if I'd put a time limit on it, but...

71

00:11:51.490 --> 00:12:13.019

Sebastopol Community Cultural Center: I don't know if you can actually legally swap the N1 for now, though. I think you still have to do 20 minutes at the end. Oh, no, I'm suggesting we still have the 20 minutes at the end. I'm saying we'll have 40 minutes now, and then we can do 20 minutes at the end. Just trying to accommodate everyone. I recognize so many people are here, and just trying to figure out so that we're not here till 1AM as well, so...

72

00:12:15.100 --> 00:12:30.880

Sebastopol Community Cultural Center: You can always stay for our whole budget and comment at the end, too, that'll be exciting. Okay, so Mary, I think what we're gonna do, if I have consensus here, it seems, we'll do 40 minutes now, and we'll see where we're at when we get there, and, you know, and if we have, you know.

73

00:12:31.050 --> 00:12:38.369

Sebastopol Community Cultural Center: Can we start with that? Sure. ...go from there? And we'll give everybody the 2 minutes that we typically have, because I know a lot of people prepare their

74

00:12:38.450 --> 00:12:50.170

Sebastopol Community Cultural Center: what they want to say, and to shorten it right now would be hard, so... Great. So, as the Mayor just stated, it will be 40 minutes now. It is a 2-minute time limit. I do chambers first, and they go out to Zoom, and we switch back and forth.

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00:12:50.170 --> 00:13:02.400

Sebastopol Community Cultural Center: So, if you raise your hand, I will go ahead and select on you, and we'll make sure we try to get everyone. So I did have Steve here first, and then I'll just go around the room to... to get you. So, we'll do Steve first, go out to Zoom, and go back and forth.

76

00:13:04.410 --> 00:13:07.030

Sebastopol Community Cultural Center: And I will jump in when you have about 30 seconds left.

77

00:13:10.330 --> 00:13:15.139

Sebastopol Community Cultural Center: Thank you. I come before you today. My name's Steve Munstad, I live right here.

78

00:13:15.240 --> 00:13:16.160

Sebastopol Community Cultural Center: town.

79

00:13:16.360 --> 00:13:32.049

Sebastopol Community Cultural Center: I come before you today in support of everyone's First Amendment right to freedom of speech. For close to 20 years, I've exercised that right with various signs and flags every Friday at noon, carrying on a vigil that was started by women in black.

80

00:13:32.230 --> 00:13:38.419

Sebastopol Community Cultural Center: In the past few years, we've been joined at the intersection by a group of people who are there to support the Palestinians.

81

00:13:38.420 --> 00:13:39.330

Linda Robinett: Mike...

82

00:13:40.230 --> 00:13:46.600

Sebastopol Community Cultural Center: And it's a protest, Your voice is very loud, but your mic... Got it.

83

00:13:47.280 --> 00:13:49.180

Sebastopol Community Cultural Center: From the top?

84

00:13:49.970 --> 00:13:54.269

Sebastopol Community Cultural Center: I come before you today, my name's Steve Einstein, I live right here in town.

85

00:13:54.570 --> 00:14:07.910

Sebastopol Community Cultural Center: In support of everyone's First Amendment right to freedom of speech, for close to 20 years, I've exercised that right with various signs and flags every Friday at noon, carrying on a vigil that was started by women in black.

86

00:14:07.950 --> 00:14:18.340

Sebastopol Community Cultural Center: In the past few years, we've been joined at the intersection by a group of people who are there to support the Palestinian people and to protest Israeli actions and policy.

87

00:14:18.340 --> 00:14:32.799

Sebastopol Community Cultural Center: I do not challenge the gross distortions and lies on many of their signs. It is their right to say whatever they want, no matter how false, hateful, or misleading it is. No doubt, some of my signs

88

00:14:32.800 --> 00:14:35.519

Sebastopol Community Cultural Center: Have been seen in a negative light as well.

89

00:14:35.520 --> 00:14:40.670

Sebastopol Community Cultural Center: However, it is not their right to blast music and hateful rhetoric

90

00:14:40.670 --> 00:14:57.669

Sebastopol Community Cultural Center: at decibel levels well in excess of city guidelines. I've called the Sebastopol Police on a regular basis, week after week, to have them enforce city laws. They rarely respond, and have yet been able to stop the offensive amplified music.

91

00:14:57.670 --> 00:15:08.399

Sebastopol Community Cultural Center: The last officer who came around just last week agreed that the music was well beyond the allowed decibel level, but was unable to convince the demonstrators to bring the volume down.

92

00:15:08.450 --> 00:15:14.539

Sebastopol Community Cultural Center: I don't know when exactly free speech crosses the line into hate speech.

93

00:15:14.570 --> 00:15:29.519

Sebastopol Community Cultural Center: But I do know, when loud, amplified music infringes on the rights of the public, I hope the Sebastopol Police Department will enforce city limits on non-permitted, amplified music going forward. Thank you very much.

94

00:15:29.830 --> 00:15:31.940

Sebastopol Community Cultural Center: Thank you, Steve, for your public comment.

95

00:15:32.130 --> 00:15:36.380

Sebastopol Community Cultural Center: Next, I will go back out to Zoom. Ben, can you unmute yourself, please?

96

00:15:36.740 --> 00:15:37.779

finn: Yep, can you hear me?

97

00:15:37.780 --> 00:15:39.700

Sebastopol Community Cultural Center: I can. Can you see the timer?

98

00:15:39.700 --> 00:15:40.500

finn: Yes.

99

00:15:40.500 --> 00:15:42.430

Sebastopol Community Cultural Center: Great, go ahead with your public comment, please.

100

00:15:42.850 --> 00:15:46.340

finn: Good evening, Mayor, council members, and members of the community.

101

00:15:46.500 --> 00:15:50.740

finn: My name is Ben, I'm a partner and head of operations at A&M Barbecue.

102

00:15:51.850 --> 00:15:58.970

finn: Over the past several months, there's been a lot of frustration, concern, And disagreement surrounding our business.

103

00:15:59.480 --> 00:16:04.430

finn: I think one thing we can all agree on is that trust is built through communication.

104

00:16:05.250 --> 00:16:08.559

finn: Trust also requires that we stay grounded in facts.

105

00:16:09.220 --> 00:16:14.010

finn: During this process, public statements have been made about our business, from our perspective.

106

00:16:14.210 --> 00:16:17.710

finn: That were incomplete or not fully supported by facts.

107

00:16:17.870 --> 00:16:22.740

finn: That's disappointing, but it also highlights why open communication is so important.

108

00:16:23.190 --> 00:16:33.539

finn: No person, business, neighbor, or government agency is perfect. We all have opportunity to learn from this. Looking back, I believe there are things all of us could have communicated better and sooner.

109

00:16:34.300 --> 00:16:50.439

finn: Strong communities are built when people feel comfortable bringing concerns forward, when businesses feel comfortable asking for help before problems grow, and when city leadership creates an environment that encourages collaboration, transparency, and fact-based decision-making.

110

00:16:50.760 --> 00:16:57.349

finn: I'm here to ask that we move forward together in good faith. We have acknowledged that we have outgrown our current location.

111

00:16:57.780 --> 00:17:07.960

finn: We've been actively pursuing relocation for over a year, and working towards solutions that address our community's concerns while protecting the jobs of our employees and the future of our small business.

112

00:17:08.440 --> 00:17:28.139

finn: My hope is that this process can become an example of what happens when neighbors, businesses, staff, and elected leaders chew dialogue over division and prejudice. All I ask for is that we work on facts, not on comments that are found not on facts. Thank you for your time and consideration.

113

00:17:29.210 --> 00:17:33.839

Sebastopol Community Cultural Center: Thank you, Finn, for your public comment. Next, I will come back into chambers. Ma'am? Please, yeah.

114

00:17:35.140 --> 00:17:37.870

Sebastopol Community Cultural Center: I will jump in when you have about 30 seconds left. Thank you.

115

00:17:38.190 --> 00:17:41.679

Sebastopol Community Cultural Center: My name is Linda Ty Hailton. I'm here unsupportive.

116

00:17:43.660 --> 00:17:45.060

Sebastopol Community Cultural Center: My son-in-law.

117

00:17:47.220 --> 00:17:48.870

Sebastopol Community Cultural Center: Chris Austin.

118

00:17:49.980 --> 00:17:56.380

Sebastopol Community Cultural Center: Didn't think I was gonna do this. No, it's all right.
Okay,

119

00:17:57.550 --> 00:18:00.230

Sebastopol Community Cultural Center: To begin with, all these people?

120

00:18:00.870 --> 00:18:03.779

Sebastopol Community Cultural Center: are his fans, most of them, I would have to say.

121

00:18:03.930 --> 00:18:13.930

Sebastopol Community Cultural Center: They will follow him wherever he goes. He is actively being recruited by other cities to move his business there, and they are actively offering

122

00:18:14.260 --> 00:18:22.340

Sebastopol Community Cultural Center: Extra help on concierge services to get him there, to lower the cost of him opening businesses.

123

00:18:22.920 --> 00:18:28.750

Sebastopol Community Cultural Center: I want them to stay here. I'm a born and raised Sebastopol girl, and it's important

124

00:18:28.870 --> 00:18:33.620

Sebastopol Community Cultural Center: For our town to... Not only have restaurants that bring people in.

125

00:18:34.060 --> 00:18:45.699

Sebastopol Community Cultural Center: But bring in community. He has volunteered for every single thing he's been asked to do. He's given gift cards, he's given donations. He

126

00:18:46.740 --> 00:18:48.519

Sebastopol Community Cultural Center: Supports the community.

127

00:18:49.590 --> 00:18:55.440

Sebastopol Community Cultural Center: He had to turn down an article in a newspaper, in a magazine out of New York City.

128

00:18:55.570 --> 00:19:01.209

Sebastopol Community Cultural Center: For his cooking, for his restaurant, because he was afraid of what was happening here.

129

00:19:01.520 --> 00:19:06.830

Sebastopol Community Cultural Center: And he didn't want to have people come to Sebastopol from across the country.

130

00:19:07.100 --> 00:19:08.250

Sebastopol Community Cultural Center: So that...

131

00:19:08.410 --> 00:19:14.389

Sebastopol Community Cultural Center: he couldn't serve them, because he didn't know what was going to happen. Lynn, do you have about 30 seconds? Thank you.

132

00:19:14.490 --> 00:19:28.889

Sebastopol Community Cultural Center: He was in the news on Saturday morning, about 45 seconds. I was in the restaurant getting lunch on Saturday. This lady in front of me was from Novato. They had seen the news and had driven up to go to his restaurant simply because of the news story.

133

00:19:29.080 --> 00:19:47.779

Sebastopol Community Cultural Center: You need to work fairly with him, honestly with him, and give him a chance to make it right for everybody, not just him, but also the city. Thank you. Thank you, Linda, for your public comment. Next, I'll go out to Zoom. Michael, can you unmute yourself, please?

134

00:19:49.520 --> 00:19:50.639

Michael Cobbs: Jess, can you hear me?

135

00:19:50.640 --> 00:19:52.560

Sebastopol Community Cultural Center: I can hear you. Can you see the timer?

136

00:19:52.560 --> 00:19:53.410

Michael Cobbs: I can.

137

00:19:53.410 --> 00:19:54.649

Sebastopol Community Cultural Center: Great, go ahead, please.

138

00:19:55.670 --> 00:20:01.010

Michael Cobbs: Hi, my name's Michael Cobbs. I'm a resident of Sebastopol and a lifelong barbecue fan.

139

00:20:01.280 --> 00:20:05.369

Michael Cobbs: I could not be happier that A&M opened in this town.

140

00:20:05.630 --> 00:20:10.980

Michael Cobbs: When I came to California, I had The worst time finding...

141

00:20:11.140 --> 00:20:14.549

Michael Cobbs: what I considered to be good barbecue until I found A&M.

142

00:20:15.390 --> 00:20:20.099

Michael Cobbs: I've submitted a fairly lengthy letter to the Council as public comment.

143

00:20:20.240 --> 00:20:29.789

Michael Cobbs: But I wanted to come before the Council today to have the opportunity to say to you all that I am sorely disappointed that the City took action based on fears, not facts.

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00:20:30.080 --> 00:20:37.259

Michael Cobbs: I can understand how my neighbors had concerns and fears for their safety and well-being, and that of their families.

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00:20:37.390 --> 00:20:47.969

Michael Cobbs: What I cannot understand is how the city took those fears, and instead of taking the time to investigate and determine the reality of what was happening, immediately jumped into action

146

00:20:48.280 --> 00:20:49.720

Michael Cobbs: in support of

147

00:20:49.970 --> 00:20:59.069

Michael Cobbs: People who ultimately live in a very small segment and work themselves up to their issues, instead of assessing the needs of the city.

148

00:21:00.000 --> 00:21:08.619

Michael Cobbs: General consensus of the citizens, the permitting, the actual safety issues, the actual actions of this restaurant, and instead.

149

00:21:08.990 --> 00:21:12.250

Michael Cobbs: Took fears, and took fears straight into action.

150

00:21:12.450 --> 00:21:15.250

Michael Cobbs: It's extremely disappointing that this is how the city is changing.

151

00:21:18.660 --> 00:21:19.899

Michael Cobbs: Absolutely. Thank you, Michael.

152

00:21:19.900 --> 00:21:21.959

Sebastopol Community Cultural Center: Oh, I'm sorry, Jen, you have 30 seconds.

153

00:21:22.530 --> 00:21:26.099

Michael Cobbs: Ultimately, this restaurant may be pushed out of our town.

154

00:21:26.240 --> 00:21:28.089

Michael Cobbs: Because of the city's actions.

155

00:21:28.250 --> 00:21:30.639

Michael Cobbs: That's... My time, thank you.

156

00:21:31.430 --> 00:21:35.799

Sebastopol Community Cultural Center: Thank you for your public comment. Next, I will come back into chambers.

157

00:21:36.670 --> 00:21:39.160

Sebastopol Community Cultural Center: And then I'll get to Chris after.

158

00:21:41.310 --> 00:21:47.419

Sebastopol Community Cultural Center: Do you want to speak, Chris? I'm going... I'm actually... just a minute, Chris, I'm sorry. I'm going to have this gentleman speak, I'll go to Zoom, and then I'll come right back to you.

159

00:21:47.760 --> 00:21:51.389

Sebastopol Community Cultural Center: Go ahead with your public comment, please. My name's Bill Gleason.

160

00:21:52.200 --> 00:21:56.329

Sebastopol Community Cultural Center: And I'm speaking on behalf of, A&M.

161

00:21:57.130 --> 00:22:01.249

Sebastopol Community Cultural Center: And they don't just serve really good food, they serve great food.

162

00:22:02.040 --> 00:22:10.549

Sebastopol Community Cultural Center: And we have two places in this town that serve barbecue, but they're not being picked on, they're not being asked to move.

163

00:22:10.990 --> 00:22:14.989

Sebastopol Community Cultural Center: Dee's Diner and the other place over by the police station.

164

00:22:16.070 --> 00:22:17.950

Sebastopol Community Cultural Center: You're singling them out.

165

00:22:18.510 --> 00:22:21.059

Sebastopol Community Cultural Center: These people serve great food because

166

00:22:21.270 --> 00:22:25.860

Sebastopol Community Cultural Center: Elderly woman up on the hill has asthma.

167

00:22:26.310 --> 00:22:34.019

Sebastopol Community Cultural Center: You're opening a lawsuit on this city, and each and every one of you should be liable for that. If you pass it.

168

00:22:34.300 --> 00:22:38.859

Sebastopol Community Cultural Center: And if you kick these people out of town, they're trying to make a living, let them.

169

00:22:39.880 --> 00:22:46.350

Sebastopol Community Cultural Center: Thank you for your public comment. Next, I will go out to Zoom, if there's anyone on Zoom that would like to make a public comment.

170

00:22:47.100 --> 00:22:49.400

Sebastopol Community Cultural Center: Seeing none, I will come back in the chambers. Chris?

171

00:22:55.310 --> 00:22:58.760

Sebastopol Community Cultural Center: So, I have a written statement for you today. So, my name is Chris Austin.

172

00:22:58.910 --> 00:23:00.789

Sebastopol Community Cultural Center: I'm the owner of A&M Barbecue.

173

00:23:01.040 --> 00:23:04.430

Sebastopol Community Cultural Center: First, I want to thank everyone who supports this business over the years.

174

00:23:05.040 --> 00:23:16.439

Sebastopol Community Cultural Center: We came to Sebastopol because we believe in this community, and would be a place where a small business like ours could grow, contribute, and become a part of the fabric of the city. We have worked very hard every day to do exactly that.

175

00:23:16.870 --> 00:23:24.489

Sebastopol Community Cultural Center: My small business, like many small business owners, we've invested our savings, our time, countless hours working hard, including building A&M Barbecue.

176

00:23:24.700 --> 00:23:29.319

Sebastopol Community Cultural Center: We're not a large corporation. We're not... we're local business owners, residents of Sebastopol.

177

00:23:29.430 --> 00:23:35.269

Sebastopol Community Cultural Center: My kids grow up here, trying to provide for our families, create jobs, and just be a pillar in the community.

178

00:23:35.410 --> 00:23:39.700

Sebastopol Community Cultural Center: Over the past month, we've done our best to respond to concerns raised about our operation.

179

00:23:39.910 --> 00:23:42.419

Sebastopol Community Cultural Center: We have cooperated with inspections, multiple.

180

00:23:42.590 --> 00:23:52.429

Sebastopol Community Cultural Center: Complied with requests from city officials. My smokers are no longer on site. Made operational changes. We never refused to engage in the process, or nor reigned.

181

00:23:52.650 --> 00:24:02.640

Sebastopol Community Cultural Center: We understand our business has grown, and we've told you that from the beginning. In fact, we've openly acknowledged that we've outgrown this space, and we've been looking actively, like my partner said, for over a year for a new site.

182

00:24:03.470 --> 00:24:13.180

Sebastopol Community Cultural Center: Finding a suitable commercial property, securing payments, negotiating lease, and relocating the business cannot happen overnight. It requires my time, planning, and resources.

183

00:24:13.330 --> 00:24:16.730

Sebastopol Community Cultural Center: We're asking for not... We're not asking for...

184

00:24:17.050 --> 00:24:21.299

Sebastopol Community Cultural Center: Fair treatment for... special treatment. We're just asking for a fair opportunity to transition.

185

00:24:21.470 --> 00:24:36.689

Sebastopol Community Cultural Center: The uncertainty around our business continues to operate has created tremendous challenge for me, and not only me, but my staff as well. They don't know how many hours they're gonna get. They lost 5 hours on these days, 5 hours on this day, so their uncertainty, and these are people under my care who look for me to...

186

00:24:36.840 --> 00:24:37.900

Sebastopol Community Cultural Center: Provide.

187

00:24:38.060 --> 00:24:39.080

Sebastopol Community Cultural Center: Every week.

188

00:24:40.210 --> 00:24:41.630

Sebastopol Community Cultural Center: He's getting married.

189

00:24:43.030 --> 00:24:44.639

Sebastopol Community Cultural Center: Another's getting married.

190

00:24:45.120 --> 00:24:46.680

Sebastopol Community Cultural Center: And they have families.

191

00:24:47.030 --> 00:24:50.080

Sebastopol Community Cultural Center: I've not done nothing but positive for this city.

192

00:24:50.600 --> 00:24:55.460

Sebastopol Community Cultural Center: And to be treated this way is not fair, and I want you to be heard, I want it to be heard and be seen.

193

00:24:56.000 --> 00:24:56.859

Sebastopol Community Cultural Center: Thank you.

194

00:24:57.170 --> 00:25:05.160

Sebastopol Community Cultural Center: Thank you, Chris, for your public comment. Next, I'll go back out to Zoom. If there's anyone on Zoom that would like to make a public comment, to please raise your hand virtually.

195

00:25:05.580 --> 00:25:08.099

Sebastopol Community Cultural Center: Seeing none, I will come back into chambers. Teresa?

196

00:25:13.760 --> 00:25:15.559

Sebastopol Community Cultural Center: Hey, I might be off topic.

197

00:25:15.690 --> 00:25:33.759

Sebastopol Community Cultural Center: Good for you guys. But anyway, this is important. The Western Sonoma County Historical Society continues to oppose the 10-year discussion on the Apple Blossom Bike Trail going through the grounds of the historic Luther Burbank Experiment Farm and the Burbank Housing Complex.

198

00:25:33.770 --> 00:25:46.880

Sebastopol Community Cultural Center: It's a bad idea then, and it continues to be a bad idea today. This farm dates back to the middle 1800s, when Burbank used the property for the prevention, protection, and experimentation of plants and trees.

199

00:25:47.080 --> 00:26:00.310

Sebastopol Community Cultural Center: The Society's mission is to serve, to protect, and this and other historic landmarks. The farm's specific mission is to preserve, study, and promote the memory of Luther Burbank and his work.

200

00:26:00.470 --> 00:26:19.909

Sebastopol Community Cultural Center: and to preserve and enhance the artifacts, the site, the structure, and the plant materials for current and future generations. To this day,

the WSCHS and the working volunteers have dedicated their time, energy, and resources to fulfilling this mission. More resources should not be spent on the merits of this bike route.

201

00:26:20.020 --> 00:26:36.619

Sebastopol Community Cultural Center: The construction of a bike path through the Burbank farm is also not practical for bikers due to the steep terrain. A bike path through the property would infringe on the preservation of the plants, trees, and grounds, and not preserve the authenticity of this unique historic park.

202

00:26:36.860 --> 00:26:54.099

Sebastopol Community Cultural Center: A bike path through the farm and Burbank Heights would be of safety concern to those currently living in and using the area, with narrow roadways, senior bus routes, residents walking on the grounds, and visitors to the adjacent parking lot. Teresa, you have about 20 seconds.

203

00:26:55.110 --> 00:27:07.629

Sebastopol Community Cultural Center: We ask you to remove this route and any designated funding or studies at the expense of detriment of an historic landmark and the Burbank residence. We have spent decades preserving, improving, and building back this farm.

204

00:27:07.640 --> 00:27:25.110

Sebastopol Community Cultural Center: This route is not the solution to a safe bike trail, and construction of such would disrupt the natural grounds and surrounding properties for this purpose. Thank you. Thank you, Teresa, for your public comment. Next, I will go back

out to Zoom. If there's anyone on Zoom that would like to make a public comment, to please raise your hand virtually.

205

00:27:25.130 --> 00:27:27.449

Sebastopol Community Cultural Center: Seeing none, I will come back in the chamber, sir?

206

00:27:28.250 --> 00:27:32.609

Sebastopol Community Cultural Center: Yes, yep, and then I'll go... Oh, him for... okay.

207

00:27:33.340 --> 00:27:34.330

Sebastopol Community Cultural Center: Thank you.

208

00:27:35.750 --> 00:27:54.539

Sebastopol Community Cultural Center: I'll jump in when you have about 30 seconds left. Thank you, I have it timed. Okay. Good evening, Mayor, Council Members, and City Staff. My name is Kirsten Lange, I'm the president of the Santa Rosa-Sonoma County branch of the NAACP, and I'm speaking on behalf of the branch tonight, as well as members will join me this evening.

209

00:27:54.580 --> 00:28:06.080

Sebastopol Community Cultural Center: We're here because we believe that every business deser- every business owner deserves transparency, consistency, and fair opportunity to address concerns before facing actions

210

00:28:06.390 --> 00:28:08.560

Sebastopol Community Cultural Center: That could jeopardize their livelihood.

211

00:28:08.860 --> 00:28:21.720

Sebastopol Community Cultural Center: At its core, the issue is about more than the restaurant. It is about how local government engages with small businesses when challenges arise. This is about ensuring that decisions are guided by facts.

212

00:28:22.330 --> 00:28:27.530

Sebastopol Community Cultural Center: Clear communication, And due process, rather than confusion.

213

00:28:27.850 --> 00:28:35.359

Sebastopol Community Cultural Center: Speculation, or private conversations that leave stakeholders uncertain about where they stand.

214

00:28:35.630 --> 00:28:38.629

Sebastopol Community Cultural Center: The NUCP has heard the concerns from

215

00:28:38.820 --> 00:28:45.859

Sebastopol Community Cultural Center: Regarding and from and regarding the inconsistent messaging from the informal discussions surrounding the future of A&M Barbecue.

216

00:28:46.190 --> 00:28:58.940

Sebastopol Community Cultural Center: Whether those conversations were well-intentioned or not, we believe it's time to move away from the side conversations toward a transparent, public process where all parties have a seat at the table.

217

00:28:59.540 --> 00:29:12.909

Sebastopol Community Cultural Center: We are calling on the City of Sebastopol to facilitate a collaborative meeting that includes city leadership, relevant staff, A&M Barbecue ownership, community stakeholders, and representatives from the NAACP.

218

00:29:13.710 --> 00:29:18.269

Sebastopol Community Cultural Center: The goal should not be to determine winners or losers.

219

00:29:19.510 --> 00:29:30.329

Sebastopol Community Cultural Center: The goal should be to identify practical solutions that address community concerns while allowing a valued local business the opportunity to transition and succeed.

220

00:29:30.540 --> 00:29:34.480

Sebastopol Community Cultural Center: As one of the... one of a few Black-owned businesses in this

221

00:29:34.610 --> 00:29:46.760

Sebastopol Community Cultural Center: community in Sebastopol and in Barbecue's experience, sends a message about whether diverse entrepreneurs are welcomed, supported, and treated equitably in the community. That's 2 minutes.

222

00:29:47.060 --> 00:29:51.240

Sebastopol Community Cultural Center: This is not a message that should be left to interpretation.

223

00:29:51.550 --> 00:30:10.230

Sebastopol Community Cultural Center: We respectfully ask the city to engage in transparency. I'm sorry, we're... We have to honor the time, ma'am. Ma'am, we need... we ask everyone to respect our time. Can you please shut the microphone off? Thank you. Thank you.

224

00:30:10.410 --> 00:30:18.180

Sebastopol Community Cultural Center: Thank you for your public comment. Next, I'll go out to Zoom. If there's anyone on Zoom that would like to make a public comment, to please raise your hand virtually.

225

00:30:18.990 --> 00:30:21.760

Sebastopol Community Cultural Center: Seeing none, I would come back into chambers, please? Yes.

226

00:30:28.990 --> 00:30:47.150

Sebastopol Community Cultural Center: Good evening, my name is Joel, and I'm here to speak in support of Chris Austin and A&M Barbecue. I met Chris shortly after he opened his business here, and what struck me about Chris is that he lives to serve. Literally.

227

00:30:47.460 --> 00:30:51.950

Sebastopol Community Cultural Center: He serves community, he serves food. When you walk into his restaurant.

228

00:30:52.450 --> 00:30:55.939

Sebastopol Community Cultural Center: He serves as if you were a longtime friend.

229

00:30:56.340 --> 00:31:02.990

Sebastopol Community Cultural Center: Not only is Chris the type of business owner and operator that adds value to this community.

230

00:31:03.240 --> 00:31:07.669

Sebastopol Community Cultural Center: Him and his family are the type of people that add value to the community.

231

00:31:08.470 --> 00:31:15.020

Sebastopol Community Cultural Center: In today's digital world, Chris provides a place where folks can meet.

232

00:31:15.240 --> 00:31:19.530

Sebastopol Community Cultural Center: Have good food, share memories with family and friends.

233

00:31:19.690 --> 00:31:23.760

Sebastopol Community Cultural Center: And that's something that this digital world has tried to take away from us.

234

00:31:24.180 --> 00:31:26.910

Sebastopol Community Cultural Center: They're stealing us with bits and bytes.

235

00:31:27.640 --> 00:31:32.070

Sebastopol Community Cultural Center: It's all digital. Chris's bits and Bites taste a lot better, don't they, Chris?

236

00:31:33.260 --> 00:31:38.039

Sebastopol Community Cultural Center: So, I was... I'm here to support Chris and to ask

237

00:31:38.240 --> 00:31:45.329

Sebastopol Community Cultural Center: That you give him as much consideration and transparency as possible. I am also a small business owner.

238

00:31:45.530 --> 00:31:53.139

Sebastopol Community Cultural Center: Chris has built his brand, and he's done wonderfully. He's won all kinds of awards, all kinds of periodicals.

239

00:31:53.140 --> 00:32:09.019

Sebastopol Community Cultural Center: And with that awareness and brand building, when events like this happen, it can introduce a little inconsistency, and maybe some folks think, oh gosh, I don't know if they're open or not open. So I would just urge that the communication be as clear as possible.

240

00:32:09.140 --> 00:32:16.590

Sebastopol Community Cultural Center: And as a fellow small business owner, we don't have huge resources like cities and corporations.

241

00:32:16.850 --> 00:32:28.029

Sebastopol Community Cultural Center: please give us a chance to do the right thing, because we always want to, and I know Chris is here tonight because he wants to do the right thing for his customers and for this community. Thank you.

242

00:32:28.510 --> 00:32:38.419

Sebastopol Community Cultural Center: Thank you for your public comment. I will go back out to Zoom. If there's anyone on Zoom that would like to make a public comment, please raise your hand virtually. Seeing none, I will come back into chambers, please.

243

00:32:45.890 --> 00:33:03.250

Sebastopol Community Cultural Center: Good evening, Mayor and members of the City Council and City Manager. My name is Fred Alabach. I'm a member of the NAACP branch here, and what I'd like to do is ask you to lift the closure now, and

244

00:33:04.280 --> 00:33:11.990

Sebastopol Community Cultural Center: Give a grace period of a certain period of time until this is resolved through a formal council process.

245

00:33:12.240 --> 00:33:34.989

Sebastopol Community Cultural Center: So that I think that would be fair, and you could at least give a grace period till the end of a formal council process, or you could... I would ask for 6 months or a year, but I would like to put... you to put this on your agenda as an urgency item, and to make this a formal council process, over an administrative decision.

246

00:33:35.080 --> 00:33:40.420

Sebastopol Community Cultural Center: I think that's... that's a fair ask. And...

247

00:33:40.720 --> 00:33:54.900

Sebastopol Community Cultural Center: Let's see... so that's basically my ask, and I think that would be fair, and certain people have felt that they're being harmed by the barbecue smoke. Well, the closure is also causing harm.

248

00:33:54.900 --> 00:34:05.289

Sebastopol Community Cultural Center: So, if you have a fairer process, you could have the process and set aside the harms that people are having until you resolve that. So, I'd ask you to do that. Thank you.

249

00:34:05.460 --> 00:34:10.639

Sebastopol Community Cultural Center: Thank you for your public comment. Next, I'll go out to Zoom. Ricks, can you unmute yourself, please?

250

00:34:14.760 --> 00:34:16.869

Sebastopol Community Cultural Center: Ricks, can you unmute yourself, please?

251

00:34:18.739 --> 00:34:19.820

Sebastopol Community Cultural Center: Thank you, can you see this?

252

00:34:19.820 --> 00:34:21.889

Rix: Can you hear me? I can't.

253

00:34:23.170 --> 00:34:25.419

Rix: I cannot see the timer.

254

00:34:25.420 --> 00:34:27.979

Sebastopol Community Cultural Center: Okay, I will jump in when you have about 30 seconds left.

255

00:34:28.419 --> 00:34:37.229

Rix: Okay, thank you. I'm gonna... I'll be quick. I live in Santa Rosa, my name is Ricks. I love barbecue, been eating barbecue for...

256

00:34:37.359 --> 00:34:49.259

Rix: forever, and I appreciate that, A&M is in this community, and also at a location that I can get to to actually get some really good barbecue.

257

00:34:49.379 --> 00:34:53.709

Rix: I feel like this wouldn't happen in any other city, that we would just...

258

00:34:53.949 --> 00:35:05.439

Rix: hold a meeting and decide to close a restaurant based on the fact that people don't like the smell of barbecue, or because of smoke. I mean, what happened to air purifiers? I mean, this is what people usually do.

259

00:35:05.489 --> 00:35:17.419

Rix: if they really need to... if it's really that bad, but this would not happen in any other city, and I'm kind of confused, and that it would go down like this, and it doesn't make any sense to me, and I think we should...

260

00:35:17.769 --> 00:35:20.229

Rix: Step back and redo this, so...

261

00:35:20.669 --> 00:35:25.759

Rix: We need to... this... this does not need to happen. We don't need to close the restaurant because of this. This is... this is silly.

262

00:35:25.929 --> 00:35:28.249

Rix: Anyway, that's all I have to say. Thank you.

263

00:35:28.470 --> 00:35:32.130

Sebastopol Community Cultural Center: Thank you for your public comment. Next, I will come back. Kyle, come into chambers.

264

00:35:36.960 --> 00:35:53.790

Sebastopol Community Cultural Center: Sorry to change the topic on everyone, but I'm really glad that we have an audience here. I'm here to talk about a grand jury report that just got released on the City of Sebastopol regarding cost allocation plan for water and wastewater. Very interesting. Stay tuned. So, the grand jury report

265

00:35:54.050 --> 00:36:08.030

Sebastopol Community Cultural Center: found that the city failed to update the cost allocation plan for more than 20 years, and as a result, it estimates that approximately \$5.5 million was over-allocated from the water and wastewater enterprise funds to the general fund.

266

00:36:08.090 --> 00:36:22.350

Sebastopol Community Cultural Center: These are the ratepayer funds that should have been supporting water, sewer, maintenance, and capital improvements. The report also found that the city's 2019 rate study underestimated the impact of conservation, failed to keep pace with costs.

267

00:36:22.350 --> 00:36:29.919

Sebastopol Community Cultural Center: Contributing to the painful 37% water and sewer increase that took effect in July of 2024.

268

00:36:30.060 --> 00:36:45.270

Sebastopol Community Cultural Center: Residents are now being asked to pay more because problems were deferred for years. I'm disappointed that this report is not on tonight's agenda. Despite the timeliness of that report, your agenda review process, and tonight.

269

00:36:45.810 --> 00:37:04.949

Sebastopol Community Cultural Center: And I'm asking that this be agendaized immediately for the next meeting, and you begin the process of responding to the grand jury report. The report identifies clear actions from the City Council. First, commit by October 1st to fully comply with Prop 218, you've been out of compliance. Conducting rate,

270

00:37:05.030 --> 00:37:16.139

Sebastopol Community Cultural Center: Rate and cost allocation studies every 3 to 5 years. Second, reach agreement for the amount of misallocated indirect costs, and adopt a repayment plan

271

00:37:16.310 --> 00:37:20.960

Sebastopol Community Cultural Center: to restore those funds back to the enterprise funds.

272

00:37:21.080 --> 00:37:31.220

Sebastopol Community Cultural Center: And third, consider adding a certified CPA to the Enterprise Oversight Committee to strengthen fiscal transparency and compliance.

273

00:37:31.870 --> 00:37:51.560

Sebastopol Community Cultural Center: For those of you that are here tonight, there is... I would encourage you to stay and watch what happens during the budget process, because this type of thing has been happening for years, all across the board. Thank you, Kyle, for your public comments. Next, I'll go out to Zoom. If there's anyone on Zoom that would like to make a public comment, to please raise your hand virtually.

274

00:37:51.780 --> 00:37:55.629

Sebastopol Community Cultural Center: Seeing none, I will come back into chambers. Please, way over there? Yes.

275

00:38:00.260 --> 00:38:01.150

Sebastopol Community Cultural Center: Low.

276

00:38:01.320 --> 00:38:06.120

Sebastopol Community Cultural Center: I am a homeowner, and I live a block away from A&M Barbecue.

277

00:38:06.390 --> 00:38:19.969

Sebastopol Community Cultural Center: As a business owner, I can't see why the city is cutting off its nose despite its face. There are thousands of people that come here for that place. I drive into town, I see the Sequoia Burger smokestack just smoking the road.

278

00:38:19.970 --> 00:38:34.910

Sebastopol Community Cultural Center: I drive over to Dee's Diner, watch it smoke, and then I see the dry smoke coming from his barbecue, and I wonder why everyone's complaining. I live there. It does not bother any of us. If there's any restaurant or any reason to come to Sebastopol, it's gonna be for this restaurant.

279

00:38:35.470 --> 00:38:40.260

Sebastopol Community Cultural Center: I tell everybody, where do you go for good food, Sebastopol? You go to this guy.

280

00:38:40.620 --> 00:38:48.399

Sebastopol Community Cultural Center: I mean, he must be generating good tax revenue, he must be helping out the city. What are we doing here, Sebastopol? I mean, come on.

281

00:38:49.970 --> 00:38:55.570

Sebastopol Community Cultural Center: Thank you for your public comment. Next, I'll go out to Zoom, if there's anyone on Zoom that would like to make a public comment.

282

00:38:55.870 --> 00:38:58.599

Sebastopol Community Cultural Center: Seeing none, I'll come back into chambers, please.

283

00:39:05.300 --> 00:39:06.550

Sebastopol Community Cultural Center: Hello, everyone.

284

00:39:07.770 --> 00:39:12.769

Sebastopol Community Cultural Center: My name is Courtney Summers, so I won't be long. I am representing...

285

00:39:12.920 --> 00:39:30.309

Sebastopol Community Cultural Center: The Veration Project, which is a non-profit organization whose mission is to diversify the wine industry. I'm also the co-founder of Cookout at the Vineyard, which is a fundraiser benefiting the Verizon Project. And A&M Barbecue is our caterer for next Saturday. The event is next Saturday.

286

00:39:30.540 --> 00:39:33.679

Sebastopol Community Cultural Center: I'm actually from Texas, so I know good barbecue.

287

00:39:33.880 --> 00:39:40.979

Sebastopol Community Cultural Center: And it's... I've been out here for 4 years. It's taken me 4 years to find good barbecue, just letting y'all know.

288

00:39:41.330 --> 00:39:51.080

Sebastopol Community Cultural Center: It's here. But Chris Austin's leadership for the entire A&M barbecue team is what allows us to continue to come back.

289

00:39:51.290 --> 00:39:54.359

Sebastopol Community Cultural Center: And... To close them down.

290

00:39:54.550 --> 00:40:02.940

Sebastopol Community Cultural Center: as a community, does not assist in building, does not assist in continuing to uplift. We are all together in this.

291

00:40:03.350 --> 00:40:06.359

Sebastopol Community Cultural Center: You shut them down. It doesn't help you at all.

292

00:40:06.540 --> 00:40:11.570

Sebastopol Community Cultural Center: And I think we actually really need to look at We may look at color.

293

00:40:11.840 --> 00:40:15.460

Sebastopol Community Cultural Center: We've... we've had to deal with that our... our entire existence.

294

00:40:15.940 --> 00:40:17.719

Sebastopol Community Cultural Center: This wouldn't happen anywhere else.

295

00:40:18.030 --> 00:40:22.510

Sebastopol Community Cultural Center: And I think we actually really need to take a step back and understand what they're doing.

296

00:40:22.640 --> 00:40:24.669

Sebastopol Community Cultural Center: With who they're providing for.

297

00:40:24.930 --> 00:40:28.040

Sebastopol Community Cultural Center: For their staff, for those that come in for a safe space.

298

00:40:28.250 --> 00:40:33.740

Sebastopol Community Cultural Center: For a good meal, for a great time, for home, because this feels like home.

299

00:40:33.910 --> 00:40:39.420

Sebastopol Community Cultural Center: And to shut down home when I don't get to go back home, very often.

300

00:40:40.160 --> 00:40:43.240

Sebastopol Community Cultural Center: That's not cool, in my humble opinion, so...

301

00:40:43.470 --> 00:40:51.139

Sebastopol Community Cultural Center: I think we all can just come together and allow them to continue to grow, instead of shutting them down.

302

00:40:51.510 --> 00:40:52.399

Sebastopol Community Cultural Center: Thank you.

303

00:40:53.420 --> 00:41:00.649

Sebastopol Community Cultural Center: Thank you, Courtney, for your public comment. Next, I'll go out to Zoom. If there's anyone on Zoom that would like to make a public comment, to please raise your hand virtually.

304

00:41:01.010 --> 00:41:03.600

Sebastopol Community Cultural Center: Seeing none, I will come back in the chamber, sir.

305

00:41:09.130 --> 00:41:15.429

Sebastopol Community Cultural Center: My name's Phil Steinhauer. I've lived in Sebastopol now for 9 years. Before that, 5 years in Forestville.

306

00:41:16.000 --> 00:41:31.120

Sebastopol Community Cultural Center: like the young lady just said, she's from Texas. I'm originally from San Jose. I've eaten Texas barbecue in Texas, I've eaten it in Kansas City, and hands down, this man puts them to shame. And for you guys to close this place down.

307

00:41:31.260 --> 00:41:35.529

Sebastopol Community Cultural Center: is gonna send a message, because Channel 7 did an article on him.

308

00:41:35.930 --> 00:41:48.300

Sebastopol Community Cultural Center: What kind of town do we want to move our business into? We want to move a business into this town where we don't know if they're going to shut us down? Burger King left, not because of the smoke that came out of their stacks, just because they didn't have the business.

309

00:41:48.420 --> 00:41:53.080

Sebastopol Community Cultural Center: This man is thriving. He's supporting the community, he's supporting families.

310

00:41:53.620 --> 00:42:01.789

Sebastopol Community Cultural Center: To shut this man down is an injustice to the community, and people on the outside, new businesses thinking about moving here, are gonna go.

311

00:42:02.150 --> 00:42:03.500

Sebastopol Community Cultural Center: I'm not going there.

312

00:42:03.950 --> 00:42:05.960

Sebastopol Community Cultural Center: Please do the right thing for this man.

313

00:42:06.560 --> 00:42:14.359

Sebastopol Community Cultural Center: Thank you for your public comment. Next, I'll go back out to Zoom, if there's anyone on Zoom that would like to make a public comment. Seeing none, I'll come back into chambers.

314

00:42:14.690 --> 00:42:15.919

Sebastopol Community Cultural Center: If there's a... please?

315

00:42:29.290 --> 00:42:33.839

Sebastopol Community Cultural Center: My name is Pam Oaks. I've lived here for 54 years.

316

00:42:34.300 --> 00:42:41.310

Sebastopol Community Cultural Center: I sent you folks a letter, which I should have just brought, and I would have been happy to read it, but I'll try to remember what I said to you.

317

00:42:42.230 --> 00:42:45.220

Sebastopol Community Cultural Center: This community has changed.

318

00:42:45.340 --> 00:42:47.000

Sebastopol Community Cultural Center: Not for the better.

319

00:42:47.200 --> 00:42:49.920

Sebastopol Community Cultural Center: We used to celebrate people's success.

320

00:42:50.050 --> 00:42:58.090

Sebastopol Community Cultural Center: We celebrated people's willingness to invest in this community, their time, their money, their families.

321

00:42:58.730 --> 00:43:00.730

Sebastopol Community Cultural Center: We don't do that anymore.

322

00:43:00.910 --> 00:43:08.069

Sebastopol Community Cultural Center: We criticize, we complain, and we honor those who complain more than the business owners.

323

00:43:08.720 --> 00:43:15.139

Sebastopol Community Cultural Center: This town has spent thousands of dollars trying to figure out, how do we attract business?

324

00:43:15.640 --> 00:43:23.259

Sebastopol Community Cultural Center: You're sending them away. You treat them badly. It is so difficult to do business in this town.

325

00:43:23.990 --> 00:43:25.789

Sebastopol Community Cultural Center: I would ask you...

326

00:43:26.390 --> 00:43:32.139

Sebastopol Community Cultural Center: Go back to celebrating those of us who are willing to invest, willing to stick it out.

327

00:43:33.670 --> 00:43:35.400

Sebastopol Community Cultural Center: Give that man a chance.

328

00:43:37.400 --> 00:43:47.730

Sebastopol Community Cultural Center: Thank you for your public comment. Next, I'll go back out to Zoom, if there's anyone on Zoom that would like to make a public comment. Seeing none, I'll come back into chambers, if there's anyone in chambers that would like to make a public comment.

329

00:43:49.540 --> 00:43:50.920

Sebastopol Community Cultural Center: Would you, please

330

00:43:57.610 --> 00:44:02.610

Sebastopol Community Cultural Center: How's everybody doing? My name is Kenneth Topp. I was born and raised in Kansas City, Missouri.

331

00:44:02.750 --> 00:44:15.599

Sebastopol Community Cultural Center: So, as people say that are from Texas, from Missouri, we know barbecue. We love barbecue. Chris has been nothing but hospitable. We want to support him. I didn't plan on speaking today, but I see everyone.

332

00:44:15.800 --> 00:44:19.819

Sebastopol Community Cultural Center: And I just want to let you know that this makes this town feel like home.

333

00:44:20.050 --> 00:44:24.480

Sebastopol Community Cultural Center: We love what they do, we appreciate what they do, And...

334

00:44:24.700 --> 00:44:39.150

Sebastopol Community Cultural Center: We don't want it to be any other way. We understand that everything doesn't always work how we want, but we need to work with him, and work with his staff, so that we can still have the things that make Sebastopol great. I've lived here for 7 years, and I love this place.

335

00:44:39.440 --> 00:44:57.590

Sebastopol Community Cultural Center: But when I moved here, there were two barbecue places, and one was so bad, I thought it was a drug front, and the other one was not good either. And so when A&M opened up, we were excited, and we really need to support businesses that bring in local dollars instead of

336

00:44:57.850 --> 00:45:06.859

Sebastopol Community Cultural Center: you know, a Little Caesars, or 3 Starbucks, or whatever the case is. So, I hope that we decide to support the people that are supporting us.

337

00:45:07.180 --> 00:45:09.119

Sebastopol Community Cultural Center: That's all I have to say. Thank you very much.

338

00:45:09.470 --> 00:45:15.179

Sebastopol Community Cultural Center: Thank you for your public comment. I see no more on Zoom, if there's anyone in the chambers? Please?

339

00:45:27.370 --> 00:45:34.949

Sebastopol Community Cultural Center: Hello, my name is Ruby. I didn't know if I'd have the opportunity to speak at the meeting, so I didn't write anything down.

340

00:45:35.050 --> 00:45:49.899

Sebastopol Community Cultural Center: But I did want to come up because I just started working at A&M about 2 weeks ago, and I'm still getting to know Chris and Finn and everybody that I work with, but just the last 2 weeks that I've been there, I've already...

341

00:45:50.110 --> 00:46:09.949

Sebastopol Community Cultural Center: really gotten to see the impact that Chris and his partner, Finn, have made on the community, and just the happy people that come in every day. I do nails as my other job, and I thought I knew happiness when I see the look on my clients' faces after I finish their nails, but you should see the look on people's faces when I

342

00:46:09.960 --> 00:46:12.750

Sebastopol Community Cultural Center: Set that tray of barbecue down in front of them.

343

00:46:12.920 --> 00:46:19.400

Sebastopol Community Cultural Center: I... Just really hope you guys are fair with this, and...

344

00:46:19.550 --> 00:46:30.399

Sebastopol Community Cultural Center: really think about what it's gonna do to the community, and like others said, impact other people's, you know, wants for bringing their business to town and making the town better, just like Chris has.

345

00:46:30.650 --> 00:46:31.330

Sebastopol Community Cultural Center: Thank you.

346

00:46:31.870 --> 00:46:36.540

Sebastopol Community Cultural Center: Thank you for your public comment. There was someone in the back placed to come up and make a public comment?

347

00:46:44.270 --> 00:46:57.650

Sebastopol Community Cultural Center: I just want to say quickly, we've heard a lot about family and how much Chris makes everyone feel like family. I also want to say, as another small business, you've heard some other small business owners talk, when A&M Barbecue collaborates with you.

348

00:46:57.750 --> 00:47:10.309

Sebastopol Community Cultural Center: he makes your business better, he brings more people, and so he's supporting the whole community, not just his own business. He always turns out to help others, and so I really think that this is about

349

00:47:10.310 --> 00:47:28.219

Sebastopol Community Cultural Center: not only supporting one business and being fair with one, but setting an example that Sebastopol stands for fairness in general, because his business is connected to many, many other businesses in this town who support him, and who have always seen fairness from Chris, so I would just hope that Sebastopol could show the same to one of our

350

00:47:28.310 --> 00:47:30.040

Sebastopol Community Cultural Center: Business family members.

351

00:47:31.040 --> 00:47:32.779

Sebastopol Community Cultural Center: Thank you for your public comment.

352

00:47:33.390 --> 00:47:34.160

Sebastopol Community Cultural Center: Please?

353

00:47:44.660 --> 00:47:47.099

Sebastopol Community Cultural Center: Let's see if I can get this in the right place.

354

00:47:47.520 --> 00:47:57.489

Sebastopol Community Cultural Center: I wasn't actually going to speak tonight about this, but I do love this guy's barbecue, so I am a card-carrying carnivore. My question is, I guess.

355

00:47:57.680 --> 00:48:06.710

Sebastopol Community Cultural Center: Was there, like, a humongous, complaint about this? How many... you can't say how many people, blah blah blah, no, you can't probably say that.

356

00:48:06.940 --> 00:48:09.790

Sebastopol Community Cultural Center: I guess I might ask, how many of you have eaten there?

357

00:48:11.710 --> 00:48:13.540

Sebastopol Community Cultural Center: Can you raise your hand?

358

00:48:14.060 --> 00:48:14.690

Kent and Caroline: Nope.

359

00:48:15.170 --> 00:48:15.960

Sebastopol Community Cultural Center: Three.

360

00:48:16.800 --> 00:48:25.529

Sebastopol Community Cultural Center: We... we actually can't have a backyard. I'm sorry, I didn't... you could be vegetarians, I understand. Wait, do you have vegetables? Do you smoke any... do you smoke any vegetables?

361

00:48:26.070 --> 00:48:43.780

Sebastopol Community Cultural Center: I know I've had great... I've had great granny slaw. We just can't have a back and forth all the time. If you just want to give us your comment, I'd appreciate it. Thank you. That was my comment. My comment was, obviously, I don't think you might all know the place, and he's an incredible person with incredible food.

362

00:48:45.130 --> 00:48:57.890

Sebastopol Community Cultural Center: Thank you for your public comment. Mayor, that is, 20 speakers, or 40 minutes, so we... can I just... you might want to ask to see if there's how many more people that want to have any more comments? We're wanting to make a public comment?

363

00:48:59.030 --> 00:49:00.480

Sebastopol Community Cultural Center: 10, 3...

364

00:49:04.150 --> 00:49:07.420

Sebastopol Community Cultural Center: I can't see everyone, so I don't... I see 5.

365

00:49:08.200 --> 00:49:21.920

Sebastopol Community Cultural Center: 1, 2, yep. Oh, now you... sorry. Okay, can you, please raise your hand again? Hi, if you would like to make a public comment, we just want to see how many more. So, 1, 2, 3, 4, 5, 6.

366

00:49:24.120 --> 00:49:32.819

Sebastopol Community Cultural Center: 1, 2, 3, 4, 5, so there's 6. Okay, alright. I'm gonna go ahead and say we can do the 6, and then after that, we're done.

367

00:49:33.760 --> 00:49:40.939

Sebastopol Community Cultural Center: Okay, can I have the 6 members that just raised their hand to go ahead and line up over here? And then, we'll go ahead and do the two minutes per speaker.

368

00:49:44.420 --> 00:49:46.079

Sebastopol Community Cultural Center: Then you can go ahead and go.

369

00:49:46.770 --> 00:49:47.800

Sebastopol Community Cultural Center: Oh, great.

370

00:49:48.930 --> 00:49:50.080

Sebastopol Community Cultural Center: Thank you.

371

00:49:51.150 --> 00:50:04.170

Sebastopol Community Cultural Center: My name is Janelle. I live down the street from here. I also run a soon-to-be nonprofit that focuses on bringing people of marginalized communities into the outdoors, specifically around birding.

372

00:50:04.390 --> 00:50:16.910

Sebastopol Community Cultural Center: And I want to say that we are very challenged, and that people of color in our group don't want to come here to do that, and I worry about what this is going to do to an already difficult situation.

373

00:50:17.030 --> 00:50:19.269

Sebastopol Community Cultural Center: Making this place feel welcoming.

374

00:50:19.550 --> 00:50:34.980

Sebastopol Community Cultural Center: So I just wanted to add that. I also spent 6 years in Austin, and I have the pleasure of eating at Chris's restaurant. Barbecue is a religion there, and Chris's barbecue is amazing, and I have a little bit of experience to say that, and I just want to read what I wrote.

375

00:50:34.980 --> 00:50:40.350

Sebastopol Community Cultural Center: I'm here to voice my support of A&M Barbecue, and particularly of Chris.

376

00:50:40.610 --> 00:50:49.570

Sebastopol Community Cultural Center: who is a member of our community. I don't want us to forget that. And I'm deeply concerned by the way this matter is being handled, and we need to do better.

377

00:50:49.840 --> 00:51:04.660

Sebastopol Community Cultural Center: Chris is a generous member of our community who has done the impossible of finding a way to live and build a business in Sebastopol. He's doing very well despite the challenges, and he deserves our support and generosity, not red tape and roadblocks.

378

00:51:05.360 --> 00:51:12.930

Sebastopol Community Cultural Center: The way that this is being handled sends a clear message that this city is unfriendly to small businesses and Black-owned businesses.

379

00:51:13.080 --> 00:51:14.500

Sebastopol Community Cultural Center: In particular.

380

00:51:14.660 --> 00:51:21.270

Sebastopol Community Cultural Center: And I want to know how this is going to be repaired. How do we make someone feel welcome when this was already the response?

381

00:51:21.590 --> 00:51:30.359

Sebastopol Community Cultural Center: How are we making it possible for people to live, raise families here, and open businesses that give so much back to our community, and we all deserve better?

382

00:51:30.750 --> 00:51:43.050

Sebastopol Community Cultural Center: I'd love to take... I'd love to see the city take accountability for this and correct their actions by giving Chris and A&M the support they need to make this process easier and ensure they feel that they belong here.

383

00:51:43.120 --> 00:51:54.840

Sebastopol Community Cultural Center: That's really important to me. Anything less is very disappointing, and will cement this city as unwelcoming to kind, hardworking folks, and especially to BIPOC families. Thank you. Thank you for your public comment.

384

00:51:55.180 --> 00:51:56.440

Sebastopol Community Cultural Center: Next speaker?

385

00:51:59.100 --> 00:52:04.780

Sebastopol Community Cultural Center: Howdy, everybody. My name's Aaron. My family and I have been living in Sebastopol for about 5 years now.

386

00:52:05.310 --> 00:52:11.229

Sebastopol Community Cultural Center: I went... I met my wife in Nashville, so another folk from barbecue land, and...

387

00:52:11.430 --> 00:52:13.379

Sebastopol Community Cultural Center: I love A&M, I really do.

388

00:52:13.940 --> 00:52:32.459

Sebastopol Community Cultural Center: Ask you to pause for a second. It's really hard to hear what they're saying here because of the noise in the back, so either we close the doors, or we just ask everyone to kind of just talk lower, please, or not, step outside. If we have the doors closed, it is very distracting. Well, it's just... it's hard to hear, and we're giving everyone time, and...

389

00:52:33.110 --> 00:52:40.499

Sebastopol Community Cultural Center: Appreciate it. Sorry to... sorry to interrupt you. No worries, it's alright. I want to honor what you're saying if I can't hear it. Absolutely.

390

00:52:42.060 --> 00:53:01.769

Sebastopol Community Cultural Center: I think it got... Oh, it's... yeah, it was... It looked like it got paused, I think... I think it was paused. But, yeah, no, I'm... I'm a huge supporter of AIM. You wanna start the clock again? I remember... I'm gonna... I'm gonna try to get some more time in. Go ahead. No, I remember when you guys opened, seeing the lines out the door, I'm like, yes, good, right?

391

00:53:01.930 --> 00:53:16.490

Sebastopol Community Cultural Center: And I just, you know, I want the best for this community, I really do. And, you know, to tie in another agenda item, when I think about the \$3.5 million that the city's planning on spending that we currently don't have funding for.

392

00:53:16.680 --> 00:53:26.540

Sebastopol Community Cultural Center: I look at the small business community as being the thing that's gonna help drive it forward. Like, we have to really be very cognizant of this, you know? I mean, my...

393

00:53:27.090 --> 00:53:44.349

Sebastopol Community Cultural Center: If you hear kids outside, that's my 4- and 2-year-old, you know? I want them to have good schools, I want... I want this community to thrive, I want it to grow, you know? Like, if we really... if we're gonna be honest with ourselves, we really need to start doing more to just say yes... yes to business. It's a good thing.

394

00:53:44.660 --> 00:53:49.499

Sebastopol Community Cultural Center: And especially businesses like Chris's, where he's bringing community together. That's a fantastic thing.

395

00:53:49.810 --> 00:53:50.620

Sebastopol Community Cultural Center: Thank you.

396

00:53:51.690 --> 00:53:54.539

Sebastopol Community Cultural Center: Thank you for your public comment. Next speaker, please.

397

00:53:57.030 --> 00:54:04.750

Sebastopol Community Cultural Center: I'm SJ. I've lived here for about 17 years. I moved here to raise my daughter as a very young, solo parent.

398

00:54:04.960 --> 00:54:12.959

Sebastopol Community Cultural Center: Because it did have... Family values, and... Supported small businesses, and...

399

00:54:13.370 --> 00:54:19.649

Sebastopol Community Cultural Center: thriving people. I'm here to say I support A&M to be here in the process.

400

00:54:19.970 --> 00:54:23.009

Sebastopol Community Cultural Center: That's happened around this feels really unjust.

401

00:54:23.530 --> 00:54:28.740

Sebastopol Community Cultural Center: And I also want to say, I remember being at this City Council meeting, and...

402

00:54:29.270 --> 00:54:33.620

Sebastopol Community Cultural Center: Talking about the drift coming from the vineyard that I live next door to.

403

00:54:33.920 --> 00:54:40.190

Sebastopol Community Cultural Center: And all of the evidence of... all of the toxicity and harm that that's creating.

404

00:54:41.250 --> 00:54:46.029

Sebastopol Community Cultural Center: It was very, very, very hard to make even the slightest bit of change.

405

00:54:46.560 --> 00:54:48.730

Sebastopol Community Cultural Center: And... We have smoke.

406

00:54:49.280 --> 00:54:50.150

Sebastopol Community Cultural Center: And...

407

00:54:50.470 --> 00:54:56.290

Sebastopol Community Cultural Center: someone's getting shut down, so I'm asking the city of Sebastopol to be honest about what this is really about.

408

00:54:56.850 --> 00:55:00.560

Sebastopol Community Cultural Center: And... That we all have to do better.

409

00:55:01.290 --> 00:55:05.899

Sebastopol Community Cultural Center: This town is not thriving how it once was. It sold out to capitalism.

410

00:55:06.140 --> 00:55:17.360

Sebastopol Community Cultural Center: And these are, like, good, hardworking people that bring at least the culture that I grew up in. I grew up in the South also eating barbecue, and that's what I want here.

411

00:55:17.570 --> 00:55:20.509

Sebastopol Community Cultural Center: So, I just really ask y'all

412

00:55:20.630 --> 00:55:23.299

Sebastopol Community Cultural Center: To look with a really open mind and heart.

413

00:55:25.290 --> 00:55:27.829

Sebastopol Community Cultural Center: Thank you for your public comment. Next speaker, please.

414

00:55:30.060 --> 00:55:39.149

Sebastopol Community Cultural Center: Hi, my name is Cara Scanlon. Sorry, I wasn't expecting to speak today. I own a small business here in Sebastopol. I'm here today to support A&M and its owners.

415

00:55:39.320 --> 00:55:43.720

Sebastopol Community Cultural Center: And in barbecue should be considered a success for our community.

416

00:55:43.870 --> 00:56:03.069

Sebastopol Community Cultural Center: First, if concerns about smoke and air quality are driving the city's actions, decisions should be based on objective data and formal assessments, rather than assumptions or anecdotal observations. The community deserves fact-based process. As a person with severe asthma, coffee and more, is allowed to roast their beans

417

00:56:03.520 --> 00:56:07.810

Sebastopol Community Cultural Center: About 100 feet away from where I live, without any city hearing.

418

00:56:09.660 --> 00:56:22.650

Sebastopol Community Cultural Center: The saddest part is, the owners have acknowledged that they have outgrown their current location and have been actively searching for a larger site. Relocating a business takes time, planning, and resources.

419

00:56:23.950 --> 00:56:33.920

Sebastopol Community Cultural Center: The community and city should be supporting the owners, rather than having the owners face unnecessary financial and time-consuming hardship.

420

00:56:34.520 --> 00:56:48.589

Sebastopol Community Cultural Center: As a trainer in nonviolent communication, I respectfully urge the City Council to pause punitive actions, engage in meaningful dialogue with A&M Barbecue, and pursue a situation that balances and fairness.

421

00:56:48.670 --> 00:56:55.870

Sebastopol Community Cultural Center: and economic opportunity. I would be happy to do a free nonviolent communication training to help with communication in this city.

422

00:56:56.370 --> 00:56:57.170

Sebastopol Community Cultural Center: Thank you.

423

00:56:57.570 --> 00:57:00.090

Sebastopol Community Cultural Center: Thank you for your public comment. Next speaker, please.

424

00:57:03.130 --> 00:57:18.509

Sebastopol Community Cultural Center: My name is Robert Harvey, and I would yield my time to anybody that would speak against A&M Barbecue, but I haven't heard anybody speak against A&M Barbecue, because it's a good local business.

425

00:57:18.660 --> 00:57:33.820

Sebastopol Community Cultural Center: So, I do know I first heard about this was on the news when a woman complained about having asthma. And is that what started all of this? One woman complaining because she has asthma? I'll buy her an air filter.

426

00:57:34.030 --> 00:57:35.409

Sebastopol Community Cultural Center: If she needs one.

427

00:57:35.710 --> 00:57:41.749

Sebastopol Community Cultural Center: But that's really all I have to say, is I love barbecue, I've loved barbecue most of my life.

428

00:57:42.090 --> 00:57:44.939

Sebastopol Community Cultural Center: And I'm gonna support him as...

429

00:57:45.340 --> 00:57:48.160

Sebastopol Community Cultural Center: As much as I can. So, that's all.

430

00:57:48.420 --> 00:57:51.110

Sebastopol Community Cultural Center: Thank you for your public comment. Next speaker, please.

431

00:57:52.930 --> 00:57:56.920

Sebastopol Community Cultural Center: A&m Barbecue very much is a...

432

00:57:57.210 --> 00:58:13.470

Sebastopol Community Cultural Center: wonderful addition to this family, to this community. Chris is a wonderful human being. I want to talk about something else. My road becomes a 75 mile an hour zone in a 25 mile an hour

433

00:58:13.740 --> 00:58:15.000

Sebastopol Community Cultural Center: speed.

434

00:58:15.210 --> 00:58:20.719

Sebastopol Community Cultural Center: The area on, on, Between fun and...

435

00:58:20.940 --> 00:58:28.240

Sebastopol Community Cultural Center: And, Walker Street at night. By 11.30 at night, we become a racetrack.

436

00:58:28.500 --> 00:58:30.760

Sebastopol Community Cultural Center: It is mega dangerous.

437

00:58:30.870 --> 00:58:33.110

Sebastopol Community Cultural Center: are, are...

438

00:58:33.300 --> 00:58:42.230

Sebastopol Community Cultural Center: The person who picks up our garbage, on Wednesday mornings has been hit, physically hit, knocked into the... into the bins.

439

00:58:42.470 --> 00:58:49.729

Sebastopol Community Cultural Center: My wife has been in the crosswalk many times, and the cars just drive right round her.

440

00:58:49.990 --> 00:58:54.330

Sebastopol Community Cultural Center: They don't stop, at any of the crosswalks.

441

00:58:54.470 --> 00:59:04.700

Sebastopol Community Cultural Center: Nothing's enforced. It's catastrophic, and it's dangerous. Our mail carrier's also been hit? Physically hit.

442

00:59:04.990 --> 00:59:12.940

Sebastopol Community Cultural Center: On our street. And, we need help. Somebody needs to help us, and you need to help us.

443

00:59:13.050 --> 00:59:27.419

Sebastopol Community Cultural Center: Because our road's too narrow, and it's too dangerous. It says 25 miles an hour, nobody, nobody drives at 25 miles an hour after 7, 8 o'clock at night, or early in the morning. You need to help us.

444

00:59:27.990 --> 00:59:28.950

Sebastopol Community Cultural Center: Thank you.

445

00:59:29.150 --> 00:59:37.860

Sebastopol Community Cultural Center: Thank you for your public comment. Mayor, that is all the speakers. I did have one hand pop up after we took the note on Zoom. We either close out now, or...

446

00:59:38.050 --> 00:59:44.689

Sebastopol Community Cultural Center: It's up to you. If we just have that one... Okay, so this will be our last speaker. Alexandria, can you unmute yourself, please?

447

00:59:47.860 --> 00:59:48.850

Alexandria Webber: Can you hear me?

448

00:59:48.850 --> 00:59:50.779

Sebastopol Community Cultural Center: I can hear you. Can you see the timer?

449

00:59:50.960 --> 00:59:53.559

Alexandria Webber: ye... no, but I'm gonna be very quick.

450

00:59:53.560 --> 00:59:54.830

Sebastopol Community Cultural Center: Okay, go ahead, please.

451

00:59:55.270 --> 01:00:10.539

Alexandria Webber: I just wanted to say I had the pleasure... I'm Alexandria. I had the pleasure to meet Chris, when I started working for him also, and I want to point out the fact of how proud he actually is of the community he's in.

452

01:00:10.770 --> 01:00:14.999

Alexandria Webber: And he never stops talking about the people that he loves, and...

453

01:00:15.350 --> 01:00:25.459

Alexandria Webber: I don't see any backlash from anybody, and I wanted to say thank you for the community and everything you guys have been saying to us, and it... we think about it every day in there.

454

01:00:25.740 --> 01:00:28.740

Alexandria Webber: And we're happy to still be serving you while we can.

455

01:00:29.780 --> 01:00:30.700

Alexandria Webber: Thank you.

456

01:00:32.590 --> 01:00:38.039

Sebastopol Community Cultural Center: Thank you, Alexandria, for your public comment. So that will close public comment for items not on tonight's agenda.

457

01:00:38.640 --> 01:00:43.529

Sebastopol Community Cultural Center: All right, thank you very much. Thank you, everyone. Truly wanted to honor everyone's...

458

01:00:43.680 --> 01:00:47.520

Sebastopol Community Cultural Center: desire to speak tonight. I didn't know... did you want...

459

01:00:47.540 --> 01:01:07.119

Sebastopol Community Cultural Center: So, to speak to the members of the audience, I did want to let you know that, I have been in touch with Chris. I have let him know that while we're working on doing this together, we are not doing anything. We're going to try to work together collaboratively to see what we can do. We're going to set up a meeting. I hope you can reach out to me so we can set up that meeting so we can talk about

460

01:01:07.120 --> 01:01:09.730

Sebastopol Community Cultural Center: Options going forward, but as we did discuss.

461

01:01:09.860 --> 01:01:23.489

Sebastopol Community Cultural Center: as we're in the process of communication, we weren't going to do any of that, closing you down or anything like that, so I want to make that clear here. That has been emailed to Carissa as well last week, so I will reiterate it back in public so you're aware of that.

462

01:01:31.630 --> 01:01:36.430

Sebastopol Community Cultural Center: Okay, alright. I'm sure there's not... alright.

463

01:01:39.800 --> 01:01:58.649

Sebastopol Community Cultural Center: Okay, all right, we... I hear you, and yes, I will send that through the email. I will copy... I will send back the email that I did send originally, and I can copy you onto that as well. We will continue to work to see how we can resolve this, so if you could please reach out to me, I'll send you that email again about reaching out for a meeting.

464

01:01:58.720 --> 01:02:07.759

Sebastopol Community Cultural Center: So, thank you very much. We thank you for everyone... I can respond, we are in the process of doing that, so you will get a response to the Public Records Act request as well.

465

01:02:08.290 --> 01:02:09.240

Sebastopol Community Cultural Center: Okay.

466

01:02:09.390 --> 01:02:13.330

Sebastopol Community Cultural Center: We can't do this back and forth constantly, we're just not allowed.

467

01:02:15.540 --> 01:02:33.879

Sebastopol Community Cultural Center: We... I understand everyone has questions, but legally, we're not allowed to go back and forth, and I respected everyone and gave everyone time to speak, and I'm asking you to offer us the same respect in the process here. I truly... I respected all of you, now I want you to respect us and the process we have to do. Okay.

468

01:02:33.880 --> 01:02:37.019

Sebastopol Community Cultural Center: So, I appreciate that. Thank you, everyone, and...

469

01:02:37.020 --> 01:02:46.069

Sebastopol Community Cultural Center: We need to move on to other items, but given the time, we have one item that I need, I want to just bring to my colleagues and say that we actually

470

01:02:46.070 --> 01:03:10.850

Sebastopol Community Cultural Center: because of a deadline that is coming up within days, we need to move one item on the agenda, so anyone who's waiting for that, I want to put that out right now. And that's item number 11. I need to move that up to ahead of... to be item number 8 under public hearings, simply because we have different time constraints, and I have to make sure that we get to that one item, because, again, it's a deadline for our grant, that we have, so...

471

01:03:10.900 --> 01:03:19.869

Sebastopol Community Cultural Center: I'm just... anyone who's here for item 11, if you happen to be, just know that, we're moving that one up, so... Alright.

472

01:03:21.220 --> 01:03:22.640

Sebastopol Community Cultural Center: Thank you, everyone.

473

01:03:25.040 --> 01:03:25.960

Sebastopol Community Cultural Center: Alright.

474

01:03:26.240 --> 01:03:29.500

Sebastopol Community Cultural Center: So we're gonna... is everyone here okay for moving on?

475

01:03:31.520 --> 01:03:44.120

Sebastopol Community Cultural Center: I'm freezing. Could we keep that door shut? It's really cold for me. Thank you. Okay. And maybe even get some heat in here. It's cold. Well, I'm hot, so I don't know what to say. And I have a fan blowing.

476

01:03:44.400 --> 01:03:51.709

Sebastopol Community Cultural Center: Oh, I don't know if you have a sweater or a heater. I think we have a heater. Looks like there's air conditioning. We have a heater.

477

01:03:52.140 --> 01:03:57.070

Sebastopol Community Cultural Center: So, okay, so we're gonna go ahead and move on to, the consent calendar.

478

01:03:57.200 --> 01:04:08.019

Sebastopol Community Cultural Center: So, I'm gonna, go ahead and read all of those items. So, let's see here. Number one, approval of City Council meeting minutes for meeting of May 19th, 2026.

479

01:04:08.020 --> 01:04:09.160

Myriah Volk Chamber of Commerce: He doesn't go to these.

480

01:04:09.160 --> 01:04:17.969

Sebastopol Community Cultural Center: Amber... Number 2, approval of Public Arts Committee recommendation for Community Sculpture Garden Awards.

481

01:04:18.390 --> 01:04:31.349

Sebastopol Community Cultural Center: Number 3, approval of job description, dispatcher 2. Item is to approve job description for dispatcher 2 position as approved with the new Sebastopol Police Officers Association, SPOA.

482

01:04:31.380 --> 01:04:37.630

Sebastopol Community Cultural Center: Memorandum of Understanding, MOU. Approval... number 4, approval of amendment to

483

01:04:37.630 --> 01:04:52.400

Sebastopol Community Cultural Center: contract for continuation of the Sonoma County Department of Human Services HART personnel, consideration to continuation of the

Sonoma County Department of Human Services contract for heart personnel. So I just wanted to ask if anyone wanted to move it.

484

01:04:52.480 --> 01:04:55.420

Sebastopol Community Cultural Center: Move any of the items off the consent calendar.

485

01:04:56.140 --> 01:05:11.789

Sebastopol Community Cultural Center: Okay, no questions on any of it? Then, Mary, we can go ahead and for public comment on that. Thank you, Mary. So this is for public comment for the consent calendar items. If you would like to make a public comment, it is a two-minute public comment. It'll go to Chambers first, and then to Zoom. Nolan?

486

01:05:18.910 --> 01:05:26.259

Sebastopol Community Cultural Center: Good evening, Council and Mayor, and I picked the wrong night to come, but it was a lively discussion, and it sounds like great barbecue.

487

01:05:26.260 --> 01:05:42.609

Sebastopol Community Cultural Center: My name is Nolan Sullivan, I'm the Sonoma County Department of Health Services Director. I'm speaking to item number 4. I'm just encouraging you to vote yes on that. I don't know why you wouldn't, and I hope you will. We are continuing a very innovative partnership here with a Sonoma County homeless services worker.

488

01:05:42.610 --> 01:05:52.569

Sebastopol Community Cultural Center: Julian, who was... there he is in the back there, who's done some wonderful work here in the city of Sebastopol to assist with the local homeless situation. The agreement in front of you tonight

489

01:05:52.570 --> 01:06:12.269

Sebastopol Community Cultural Center: gets us essentially to September, and at September, that's kind of why I wanted to come tonight, we are planning to expand Julian's beat, if you will. He'll be taking on Guerneville and a couple other places. So, again, this is 100% Measure O, paid for, there is no cost to the city. Julian has done a wonderful job so far. He's actually been able to

490

01:06:12.270 --> 01:06:22.710

Sebastopol Community Cultural Center: go on 73 calls, so far. He's directly supported 50 different clients, and so again, these are calls where law enforcement sometimes goes along for safety, but usually isn't dispatched.

491

01:06:22.720 --> 01:06:37.270

Sebastopol Community Cultural Center: And he's initiated 61 outreach engagements. So of the 50 clients he currently has in Sebastopol, 5 have been placed into shelters, 11 have signed up for services, and another 17 have agreed to accept future services. And this is just from January 20th.

492

01:06:37.270 --> 01:06:50.840

Sebastopol Community Cultural Center: to May 1st of this year. So, big progress. I know we had a lot of issues, last year this time around Gravenstein and a few other things. We're very

happy to continue to extend the partnership, and I hope you will consider voting yes tonight on item number 4.

493

01:06:53.960 --> 01:07:00.619

Sebastopol Community Cultural Center: Thank you, Nolan, for your public comments. Next, I will go out to Zoom. If there's anyone on Zoom that would like to make a public comment, please raise your hand.

494

01:07:02.650 --> 01:07:06.770

Sebastopol Community Cultural Center: Seeing none, public comment is closed on the consent calendar items.

495

01:07:06.880 --> 01:07:13.099

Sebastopol Community Cultural Center: All right, back at the dice, if anyone has any comments, or... I'll go ahead and move the consent calendar. I'll second.

496

01:07:13.770 --> 01:07:21.090

Sebastopol Community Cultural Center: Thank you. So moved by Councilmember Zolman, and seconded by Vice Mayor Maurer to approve Consent Calendar. Councilmember Carter?

497

01:07:21.950 --> 01:07:30.260

Sebastopol Community Cultural Center: Yes. Councilmember Hinton? Aye.
Councilmember Zolman? Yes. Vice Mayor Maurer? Yes. Mayor McLewis? Yes. Motion
passes unanimously.

498

01:07:31.120 --> 01:07:32.530

Sebastopol Community Cultural Center: Alright, thank you.

499

01:07:32.670 --> 01:07:44.550

Sebastopol Community Cultural Center: So we are going to move on to informational item
presentations. Each presentation, we have a total of 10 minutes for that. So this is number
5, EFOC, report out.

500

01:07:44.570 --> 01:07:59.820

Sebastopol Community Cultural Center: Council receipt of the financial and operational
reports from the Enterprise Fund Oversight Committee. I don't know, I know, I see we have
Kate here. Who is it that's leading this off before everyone starts? That would be me, Mayor.
Okay, thank you.

501

01:07:59.880 --> 01:08:12.160

Sebastopol Community Cultural Center: This item is a report out for the Enterprise Fund
Oversight Committee, which was established by the City Council to provide independent
review and advisory oversight of the City's Water Wastewater Enterprise Funds.

502

01:08:12.320 --> 01:08:26.170

Sebastopol Community Cultural Center: To facilitate a more detailed review, the two ad hoc committees were created, a finance and billing subcommittee, focusing on the Enterprise Fund Finance Cost Allocation plans, billing operations, rates, and compliance with Prop 218.

503

01:08:26.229 --> 01:08:44.090

Sebastopol Community Cultural Center: and an infrastructure operations subcommittee focusing on the condition of the city's water and wastewater systems, maintenance practice, capital improvement needs, and rehabilitation priorities. Tonight, Council will hear presentations from each of the subcommittees regarding their findings and recommendations.

504

01:08:44.090 --> 01:08:48.320

Sebastopol Community Cultural Center: This is an informational item intended to help with the upcoming budget discussion.

505

01:08:48.319 --> 01:08:56.140

Sebastopol Community Cultural Center: And I know we have both of you here. I'm not sure who wants to go first. This is our finance subcommittee. You can go up there, and I'll run your slides.

506

01:09:02.750 --> 01:09:06.089

Sebastopol Community Cultural Center: So are we splitting the presentation, or how are we...

507

01:09:06.600 --> 01:09:10.300

Sebastopol Community Cultural Center: How are we doing? I just want to know, so... Bye.

508

01:09:16.260 --> 01:09:16.939

Sebastopol Community Cultural Center: Beautiful.

509

01:09:25.600 --> 01:09:35.930

Sebastopol Community Cultural Center: Thank you, Mary. This is my colleague, Mary. Hi!
One thing you guys might want to be aware of is that the...

510

01:09:36.189 --> 01:09:56.040

Sebastopol Community Cultural Center: The document that the agenda, oh, thank you, Phil. The document... the agenda doc is a little confusing, so pages 1 through 6 are the staff report. Pages 7 through 30 is a key points document based on research by the Finance Committee.

511

01:09:56.040 --> 01:09:59.560

Sebastopol Community Cultural Center: on Prop 218 and Prop 26,

512

01:09:59.560 --> 01:10:12.200

Sebastopol Community Cultural Center: Pages 50 through 52 is, another supporting document about the current cost allocation. Pages 53 through 74 is our slide presentation.

513

01:10:12.200 --> 01:10:27.679

Sebastopol Community Cultural Center: And then pages 75 through 80 is, Greg and Oliver's, infrastructure recommendations. So just the way that the document was organized, I found was a little confusing to even myself, even though I produced a lot of the

514

01:10:27.800 --> 01:10:41.299

Sebastopol Community Cultural Center: document. And then pages 1 through 6 are the staff report, and pages 31 through 49 are specifically Mary and I's recommendation... recommendations for everyone tonight.

515

01:10:41.510 --> 01:10:45.739

Sebastopol Community Cultural Center: We have 12 recommendations total on those pages.

516

01:10:46.040 --> 01:11:01.389

Sebastopol Community Cultural Center: Okay, alright, so you're gonna begin then? I... yes, I am gonna begin. Before I start, I would like to thank Council Member Carter for his leadership in starting this committee, and staff for all the time and effort they have put into it.

517

01:11:01.390 --> 01:11:11.810

Sebastopol Community Cultural Center: I also want to thank my colleagues Mary, Greg, and Oliver, who is not here because he's traveling, who have devoted countless volunteer hours to this effort.

518

01:11:11.810 --> 01:11:30.979

Sebastopol Community Cultural Center: Together with staff, I believe that our group has more collective knowledge about the water and sewer infrastructure and their finances than any other previous group. We are the first Citizens Oversight Committee for water and sewer, and we are also the first advocates for water and sewer ratepayers.

519

01:11:31.180 --> 01:11:47.249

Sebastopol Community Cultural Center: Due to a 4-minute limit, I will be reducing my presentation, to less slides than are up here, so we'll just be jumping around a little bit. So, please start the slides, and next slide, please.

520

01:11:47.460 --> 01:11:56.750

Sebastopol Community Cultural Center: Oh, yeah. Oh, sorry, I just want to say, there's a couple pictures, they're from the Apple Boston Festival with my kids, too. It's a great thing. Very good.

521

01:11:56.910 --> 01:11:59.340

Sebastopol Community Cultural Center: Okay, go ahead.

522

01:11:59.670 --> 01:12:19.599

Sebastopol Community Cultural Center: The... okay, so a grant jury report was recently, issued that found the city owes the enterprise funds approximately \$5.5 million due to Prop 218 violations, which means undocumented and unexplained costs to the Enterprise Fund. This slide...

523

01:12:19.770 --> 01:12:34.349

Sebastopol Community Cultural Center: shows the historic charges of the finance department to water and sewer ratepayers. You will note that in 2015, ratepayers paid approximately \$300,000 for financial service administration.

524

01:12:34.350 --> 01:12:47.149

Sebastopol Community Cultural Center: And that, in 8 years, it tripled to \$900,000, despite the fact that the number of utility customers and the service provided remained stable across that 8-year period.

525

01:12:47.150 --> 01:12:53.679

Sebastopol Community Cultural Center: This appears to be a Prop 218 violation, as there's no data to support the tripling of cost.

526

01:12:53.880 --> 01:12:59.560

Sebastopol Community Cultural Center: In addition, Prop 26 requires that the city show data to justify the cost.

527

01:12:59.720 --> 01:13:01.330

Sebastopol Community Cultural Center: Next slide, please.

528

01:13:03.990 --> 01:13:06.729

Sebastopol Community Cultural Center: And then this is a slide of...

529

01:13:06.960 --> 01:13:13.680

Sebastopol Community Cultural Center: legal costs from 2014 and 2015. Next slide, please.

530

01:13:14.310 --> 01:13:32.140

Sebastopol Community Cultural Center: For decades, the city attorney was in-house and on salary. You can see from 2017 to 2023, attorneys' fees were between \$10,000 and \$20,000. In fiscal year, they randomly jumped to over \$184,000.

531

01:13:32.140 --> 01:13:44.630

Sebastopol Community Cultural Center: And in fiscal year 2025, they are even higher, \$189,000. There's no reason for this, no lawsuits, nothing. In the two year... in those two years, the current...

532

01:13:44.630 --> 01:13:57.170

Sebastopol Community Cultural Center: attorney is contracted billing in 6-minute increments, and there should be invoices to back up these charges. I have asked on numerous occasions to get these invoices, and they have not been produced.

533

01:13:57.460 --> 01:14:07.529

Sebastopol Community Cultural Center: Therefore, we are recommending a refund to the enterprise funds of \$350,000. Please jump forward to the water budget slide.

534

01:14:07.920 --> 01:14:08.780

Sebastopol Community Cultural Center: Next.

535

01:14:09.690 --> 01:14:10.680

Sebastopol Community Cultural Center: Next.

536

01:14:11.510 --> 01:14:12.660

Sebastopol Community Cultural Center: Next.

537

01:14:13.220 --> 01:14:14.210

Sebastopol Community Cultural Center: Next.

538

01:14:15.040 --> 01:14:21.530

Sebastopol Community Cultural Center: Okay, here's... here's our, budget from the third quarter.

539

01:14:22.230 --> 01:14:38.729

Sebastopol Community Cultural Center: You will see a line for salaries and wages for contracted services and for cost allocation. We are recommending all employee time for water and sewer be tracked and go into salary and wages for transparency and to avoid Prop 218 violations.

540

01:14:38.730 --> 01:14:43.850

Sebastopol Community Cultural Center: We recommend all contracted services go into contracted services.

541

01:14:43.980 --> 01:14:45.529

Sebastopol Community Cultural Center: Next slide, please.

542

01:14:47.610 --> 01:14:48.900

Sebastopol Community Cultural Center: Next slide.

543

01:14:51.260 --> 01:14:52.670

Sebastopol Community Cultural Center: Next slide.

544

01:14:53.400 --> 01:14:57.629

Sebastopol Community Cultural Center: We also see problems with the current cost allocation model.

545

01:14:57.810 --> 01:15:17.000

Sebastopol Community Cultural Center: In 2020... in 2014, you can see that 26% allocation for City Council, which is substantial, more than a quarter of all the time for City Council spent on water and sewer, and 15% for City Clerk. Next slide, please.

546

01:15:17.460 --> 01:15:35.969

Sebastopol Community Cultural Center: And our current model shows City Council at 61% and City Clerk at 37%. Why? What has changed? We feel these percentages are not reflective of time spent on water and sewer, and therefore the charges to the Enterprise Fund should be based on time tracking.

547

01:15:35.990 --> 01:15:37.530

Sebastopol Community Cultural Center: Last slide, please.

548

01:15:40.090 --> 01:15:43.770

Sebastopol Community Cultural Center: Just... You can just jump all the way to the end.

549

01:15:48.230 --> 01:15:55.020

Sebastopol Community Cultural Center: Yeah, just keep... Going... Going.

550

01:15:56.170 --> 01:15:57.140

Sebastopol Community Cultural Center: Going.

551

01:15:58.990 --> 01:16:08.030

Sebastopol Community Cultural Center: Did a lot of homework. Yeah, okay, here. So we have... oh, no, so we have, 12 total recommendations. We were asked to highlight 4.

552

01:16:08.030 --> 01:16:20.480

Sebastopol Community Cultural Center: So, our number one recommendation is none of the current cost allocation plans work, because there's inconsistency with allotments, and nothing's backed up by time tracking.

553

01:16:20.480 --> 01:16:30.609

Sebastopol Community Cultural Center: Number two, you need to implement time tracking software immediately so that time charged to water and sewer is backed up by data.

554

01:16:30.610 --> 01:16:43.399

Sebastopol Community Cultural Center: Number... and by the way, Springboard, the city's current software program, has a time tracking module within it that could be activated. We also believe that

555

01:16:43.400 --> 01:16:53.200

Sebastopol Community Cultural Center: No rate increases should be implemented in July, and that the tiered water pricing is illegal, as it is not based on any data, which the law requires.

556

01:16:53.200 --> 01:17:05.480

Sebastopol Community Cultural Center: Based on our findings, we believe the current rates are not accurate and do not include the capital improvement cost of the updated water plan, the grand jury report finding, and accurate time tracking.

557

01:17:05.690 --> 01:17:21.509

Sebastopol Community Cultural Center: And then finally, as I already stated, we believe that enterprise funds are owed in addition to the \$5.5 million found by the grand jury, \$350,354 for an excess of attorney's fees in the last 2 years.

558

01:17:21.570 --> 01:17:31.780

Sebastopol Community Cultural Center: We look forward to continuing our work on the Oversight Committee, and would like to help the City resolve issues presented in the grand jury report.

559

01:17:31.960 --> 01:17:36.080

Sebastopol Community Cultural Center: And that's all I have to say. Thank you!

560

01:17:36.660 --> 01:17:38.340

Sebastopol Community Cultural Center: Yeah, getting married.

561

01:17:38.340 --> 01:17:58.190

Sebastopol Community Cultural Center: Hello! I just wanted, out of everything that was just presented, this slide is the most important, obviously. Two numbers you really have to remember, that's 12 and 4. We have 12 recommendations that we would all love for you to make sure you read and understand, but these four are our top.

562

01:17:58.360 --> 01:18:06.889

Sebastopol Community Cultural Center: Top recommendations that we love to implement slowly going forward, as we have done our due diligence.

563

01:18:07.020 --> 01:18:14.479

Sebastopol Community Cultural Center: To bring this forward to you today. Yeah, I think... I think that was it. I hope you liked the presentation.

564

01:18:14.670 --> 01:18:20.430

Sebastopol Community Cultural Center: Thank you. Okay, thank you. My presentation is one minute.

565

01:18:21.010 --> 01:18:27.519

Sebastopol Community Cultural Center: My bill last month for water and sewer was \$6,684.

566

01:18:27.660 --> 01:18:32.250

Sebastopol Community Cultural Center: So I have skin in the game. That's 35 apartments that our family owns here in town.

567

01:18:32.570 --> 01:18:40.789

Sebastopol Community Cultural Center: We look... the other gentleman and I looked mainly at the infrastructure of your water and sewer system.

568

01:18:40.930 --> 01:18:51.689

Sebastopol Community Cultural Center: We believe the water supply is adequate for Sebastopol for the immediate and near projection. We believe that the water distribution system is in good shape.

569

01:18:52.080 --> 01:18:55.569

Sebastopol Community Cultural Center: But your sewer system is a rusty bucket.

570

01:18:55.870 --> 01:19:11.380

Sebastopol Community Cultural Center: And is desperate need of upgrading, repairs. One of the measures of it is that when you have rainy weather, the flow through the pump station triples. So you go from 400,000 gallons a day

571

01:19:11.600 --> 01:19:30.070

Sebastopol Community Cultural Center: during dry weather to 1.2 million gallons a day, and it costs a huge amount of money electrically to pump all that out to Santa Rosa's Lano facility, and the tripled amount all has to be treated.

572

01:19:30.150 --> 01:19:32.030

Sebastopol Community Cultural Center: And we get charged for that.

573

01:19:32.200 --> 01:19:40.329

Sebastopol Community Cultural Center: Two-thirds of it is rainwater. So the system is leaking like a sieve, and you really need to identify the weakest points.

574

01:19:40.360 --> 01:19:53.820

Sebastopol Community Cultural Center: And over the next 10 years, began replacing the sewer system at the worst places. I do want to say your Public Works team is fantastic. They're a good crew here, so we thank you for the help and cooperation there.

575

01:19:53.960 --> 01:19:56.179

Sebastopol Community Cultural Center: All right, thank you. Can I say one more thing?

576

01:19:56.360 --> 01:20:14.449

Sebastopol Community Cultural Center: Yes, we just learned recently of the grand jury report, about the city and sewer, situation, so I just want to say, you know, this is really

important, we're passionate about it, we love our community, and there's just more eyes on it now than ever, I think. So, thank you so much.

577

01:20:15.820 --> 01:20:17.669

Sebastopol Community Cultural Center: Alright, thank you very much.

578

01:20:18.070 --> 01:20:19.439

Sebastopol Community Cultural Center: So, Oriana?

579

01:20:19.980 --> 01:20:30.680

Sebastopol Community Cultural Center: Did you have anything more to present before we go to questions? No, this was their presentation for you guys to receive, so you can have questions if you like. Councilmember Carter, did you have anything... you're on that committee, correct?

580

01:20:31.960 --> 01:20:35.509

Sebastopol Community Cultural Center: Noah, I just didn't know if you had anything you wanted to say before we go to questions.

581

01:20:35.880 --> 01:20:42.009

Sebastopol Community Cultural Center: I figured you'll understand. Okay, all right. So now, back to the dais for any questions of anyone.

582

01:20:42.220 --> 01:20:43.400

Sebastopol Community Cultural Center: Have...

583

01:20:43.400 --> 01:21:03.470

Sebastopol Community Cultural Center: I don't have any specific questions at this time, but I just want to say thank you very much. It's clear, with everything that at least I've learned about the hours of dedication, especially as a volunteer, so thank you all. I'll make sure that I impart that to Polymer when he's here. Well, we thank you, too, because I serve both school boards here in the community, and you very...

584

01:21:03.650 --> 01:21:07.730

Sebastopol Community Cultural Center: very infrequently get thank yous, so we appreciate that. Thank you, guys.

585

01:21:08.550 --> 01:21:11.179

Sebastopol Community Cultural Center: Any other questions? I have a question.

586

01:21:11.540 --> 01:21:23.740

Sebastopol Community Cultural Center: If not? Okay, so with the top four recommendations, where do... I'm just asking city staff, like, where do we go from there? Like, what do... what do you do with this after this? After we accept it, and you've got the top four?

587

01:21:23.880 --> 01:21:34.640

Sebastopol Community Cultural Center: What is the next... Their recommendation is for the Council to consider it as you're going through the budget, so the Council can, when they're going through the budget, consider their recommendation. So there's no action to be taken tonight, but you

588

01:21:34.740 --> 01:21:43.599

Sebastopol Community Cultural Center: No, I know, I'm just asking, just out of curiosity, like, what, you know, what your thoughts were as far as staff. It's as going through the budget.

589

01:21:43.640 --> 01:21:55.860

Sebastopol Community Cultural Center: So, their recommendations, from the committee, some of the items we are putting into place already. There are some other items that they have made recommendations on that we will probably bring back later in the fall.

590

01:21:55.980 --> 01:21:58.859

Sebastopol Community Cultural Center: And we have talked about the committee without as well.

591

01:21:59.270 --> 01:22:24.249

Sebastopol Community Cultural Center: So, as you're going through the budget, to consider, like, the tracking time. We're not going to be able to get that done now, but we are going to be able to, probably within the next 6 months, when we come back, I believe in

September, October, when we have the committee meeting again, to be able to bring some of these items back and review it in the 6 months. Do you know what the tracking costs are, if you... someone alluded to a... We have not... I do not... I have not reached out to Spring Brook.

592

01:22:24.250 --> 01:22:28.809

Sebastopol Community Cultural Center: I believe it's probably going to be a plug-in model, so I don't know if I had asked

593

01:22:28.810 --> 01:22:31.180

Sebastopol Community Cultural Center: staff, Ana, have you reached out to them?

594

01:22:31.180 --> 01:22:47.539

Sebastopol Community Cultural Center: I know we're also looking at Civic Plus, there's an asset management, and we were going to see if there was part of the time management in that as well. Okay, because I'm just looking at this, trying to figure out, you know, the top 4 for our budget. What would we be considering? I mean, other than number 4 that has a cost to it, there really isn't anything else.

595

01:22:47.990 --> 01:22:58.199

Sebastopol Community Cultural Center: So there are a couple options that were in there where there was discussion about, the water to hold off to see about the tiered rates. That was one of the recommendations.

596

01:22:58.200 --> 01:23:08.249

Sebastopol Community Cultural Center: You can consider that, again, as we're going through the budget now, or we can bring it... we can look at that as we're going through when we have more information. I don't have those figures offhand tonight to discuss that in the budget.

597

01:23:08.430 --> 01:23:11.359

Sebastopol Community Cultural Center: The tiered rates, we have to analyze what that's going to look like.

598

01:23:11.490 --> 01:23:20.990

Sebastopol Community Cultural Center: Okay, that's what I'm wondering. I mean, I remember the whole discussion, and it wasn't something we could simply figure out here for the budget time, so... just want to be clear, so we know what we're doing with this, so...

599

01:23:21.110 --> 01:23:41.000

Sebastopol Community Cultural Center: Okay. All right, so if we don't have any questions, thank you all so much. Did you have something else, Kate? Yeah, I just wanted to say the, the elimination of tiered rates has no impact on the general fund. Right. So, it's not, it wouldn't be a bud... it would be a budget for the enterprise fund, and not the general fund.

600

01:23:42.320 --> 01:23:43.290

Sebastopol Community Cultural Center: Correct.

601

01:23:43.420 --> 01:23:51.929

Sebastopol Community Cultural Center: All right, thank you all so much, truly appreciate it. So now that we're done with questions, if we don't have any, we'll go to public comment.

602

01:23:52.560 --> 01:23:58.380

Sebastopol Community Cultural Center: Thank you, Mayor. So this is public comment. It is a 2-minute time limit. Do chambers first, and then go out to Zoom.

603

01:24:00.310 --> 01:24:03.040

Sebastopol Community Cultural Center: what's this?

604

01:24:05.950 --> 01:24:25.329

Sebastopol Community Cultural Center: Ahoy, council members! I come before you not as a mere ratepayer, but as a humble pirate of the municipal seas, here to congratulate city management on some truly legendary plunder. For more than 20 years, the cost allocation plan lay untouched like a dusty treasure map.

605

01:24:25.560 --> 01:24:41.510

Sebastopol Community Cultural Center: And yet, somehow, the Enterprise Fund kept surrendering their gold to the general fund. Our, that takes a vision. That takes nerve. That takes a crew willing to look at water and sewer ratepayers and say, there be treasure below deck.

606

01:24:41.810 --> 01:25:01.599

Sebastopol Community Cultural Center: Now, some landlubbers may point to the grand jury report with its talk of over-allocations, deferred maintenance, and millions move from water and sewer, but I say, why trouble ourselves with the grand jury? Pirates recognize only maritime law, and under maritime law, whoever grabs the treasure first

607

01:25:01.600 --> 01:25:05.519

Sebastopol Community Cultural Center: Gets... it's... gets to call it cost recovery.

608

01:25:05.820 --> 01:25:20.000

Sebastopol Community Cultural Center: Let us not forget the prior feats of piracy. Ratepayers hit with massive increases, attorney fees sailing through the fog, engineering charges drifting like ghost ships.

609

01:25:20.480 --> 01:25:35.200

Sebastopol Community Cultural Center: A sewer loan charged to the mast, and no proper time tracking to tell which sailor was actually working on water or sewer, or polishing the captain's boots. And now, before fully hearing from the

610

01:25:35.200 --> 01:25:40.570

Sebastopol Community Cultural Center: Finances Subcommittee. The Council already charted a course in May.

611

01:25:40.570 --> 01:25:41.810

Sebastopol Community Cultural Center: Old move!

612

01:25:42.000 --> 01:26:00.919

Sebastopol Community Cultural Center: Why wait for the lookout when the ship is already aimed at the reef? So I urge ye, either trust the... hoist the black flag proudly, and admit the Enterprise Funds are being used as stolen treasure, or change course. Track the time.

613

01:26:01.520 --> 01:26:03.119

Sebastopol Community Cultural Center: Direct fill the work.

614

01:26:03.410 --> 01:26:05.319

Sebastopol Community Cultural Center: Reconcile the past.

615

01:26:05.670 --> 01:26:07.719

Sebastopol Community Cultural Center: Answer the grand jury.

616

01:26:08.140 --> 01:26:11.520

Sebastopol Community Cultural Center: And stop asking ratepayers keep...

617

01:26:11.650 --> 01:26:21.739

Sebastopol Community Cultural Center: Filling the chest. Kyle, that's chest. Well, the city pretends it's not a piracy. It appears... that it appears in a budget... Kyle, that's 2 minutes. Thanks, Kyle. Thank you for your pet.

618

01:26:22.250 --> 01:26:25.470

Sebastopol Community Cultural Center: Thank you for your public comment. Lee, can you unmute yourself, please?

619

01:26:25.670 --> 01:26:26.770

lee: Yep.

620

01:26:26.770 --> 01:26:28.079

Sebastopol Community Cultural Center: Can you see the timer?

621

01:26:28.080 --> 01:26:28.840

lee: I can.

622

01:26:28.840 --> 01:26:30.079

Sebastopol Community Cultural Center: Ray, go ahead, please.

623

01:26:30.290 --> 01:26:32.320

lee: That was great, some entertainment.

624

01:26:32.440 --> 01:26:36.560

lee: We probably need that tonight. The...

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01:26:36.750 --> 01:26:40.510

lee: I'm excited about this. If you read my public comment, you heard that.

626

01:26:40.510 --> 01:27:04.370

lee: It's been 4 years that I've worked on this particular issue, and this is the most substantive presentation I've seen at a City Council meeting. An opportunity for you guys to learn what's going on and help to understand it better. If you've watched some of the Enterprise meetings themselves, you may have already learned a great deal. The meetings have been enormously substantive, and the information provided and discovered

627

01:27:04.470 --> 01:27:08.579

lee: I mean, even by city staff sometimes, has been terrific.

628

01:27:08.690 --> 01:27:10.640

lee: I'm gonna...

629

01:27:10.770 --> 01:27:19.710

lee: beat a dead horse here, but at this point, it looks like this is going to go 20 minutes. That's about 8% of the time this meeting is going to last.

630

01:27:19.950 --> 01:27:23.480

lee: The ratepayers are paying for 2 hours of this meeting.

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01:27:23.900 --> 01:27:27.499

lee: They pay 2... for 2 hours of every meeting that you have.

632

01:27:27.780 --> 01:27:44.900

lee: And you know you don't spend this much time on water and sewer at every meeting, let alone 2 hours. That's the evidence that there's something wrong with the rate model and the inputs that went into it, and that's what you guys have got to dig into and solve. Somebody has to. Thank you.

633

01:27:46.590 --> 01:27:51.989

Sebastopol Community Cultural Center: Thank you, Lee, for your public comment. Next, I'll come back into chambers, if there's anyone in chambers that would like to make a public comment.

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01:27:52.920 --> 01:27:59.320

Sebastopol Community Cultural Center: Seeing none, I will go back out to Zoom. If there's anyone on Zoom that would like to make a public comment, please raise your hand virtually.

635

01:28:00.100 --> 01:28:05.150

Sebastopol Community Cultural Center: Seeing none, public comment is closed. Oh, Mary, can you... sorry, Mary, can you unmute yourself, please?

636

01:28:05.790 --> 01:28:06.640

mary cone: Yep.

637

01:28:06.640 --> 01:28:08.280

Sebastopol Community Cultural Center: Thank you. Can you see the timer?

638

01:28:09.730 --> 01:28:14.279

mary cone: I just think it's unbelievable and really wrong

639

01:28:14.280 --> 01:28:30.850

mary cone: that Kate and Mary got only a few minutes to explain something so important. It's obvious that they had a lot more in that PowerPoint presentation, and I think it would be... it would have been super important for all of you to see that.

640

01:28:30.960 --> 01:28:32.549

mary cone: That's it, thanks.

641

01:28:32.910 --> 01:28:36.020

Sebastopol Community Cultural Center: Thank you for your public comment. Next, I will come into chambers.

642

01:28:37.080 --> 01:28:43.320

Sebastopol Community Cultural Center: Seeing none, I will go back out to Zoom. If there's anyone on Zoom that would like to make a public comment, please raise your hand virtually.

643

01:28:44.710 --> 01:28:46.819

Sebastopol Community Cultural Center: Seeing none, public comment is closed.

644

01:28:47.290 --> 01:28:48.810

Sebastopol Community Cultural Center: Alright, thank you.

645

01:28:50.250 --> 01:28:59.830

Sebastopol Community Cultural Center: I have a question. Sure, go ahead. I have a question for the Finance Subcommittee about the, tiered rates. So, you said you'd like to

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01:28:59.830 --> 01:29:12.650

Sebastopol Community Cultural Center: end those. And, my understanding is the whole rate structure is part, you know, that covers a lot of the costs of infrastructure repairs and etc, like that. So, if...

647

01:29:13.040 --> 01:29:15.919

Sebastopol Community Cultural Center: the whole raid study was set up, and...

648

01:29:15.940 --> 01:29:22.630

Sebastopol Community Cultural Center: I didn't vote for it, but in a way, that doesn't matter. You know, because those tiered rates are part of

649

01:29:22.630 --> 01:29:36.299

Sebastopol Community Cultural Center: what they're expecting then to use for the repairs, etc. So, can you explain a little bit more about why you want to end the tiered rates? And we'll need you to come up to the mic so people online can hear, please.

650

01:29:40.130 --> 01:29:56.560

Sebastopol Community Cultural Center: the... per Prop 218 and Prop 26, the rates need to be set on actual costs to the water and sewer funds, and if you looked at the data that I just presented, the costs really aren't justified, so...

651

01:29:56.720 --> 01:30:02.030

Sebastopol Community Cultural Center: I think that the rates are basically illegal, because they've been fed inputs

652

01:30:02.030 --> 01:30:18.139

Sebastopol Community Cultural Center: that don't actually match true services. So, Prop 218 says nothing about consultants or cost allocation plans. It only says that there's a one-to-one correspondence between work that's done for the water and sewer

653

01:30:18.260 --> 01:30:26.790

Sebastopol Community Cultural Center: enterprise funds, and and the... the...

654

01:30:27.030 --> 01:30:39.560

Sebastopol Community Cultural Center: basically, you... rate payers are a distinct class from taxpayers. So when you and I pay our water and sewer bills, they're going into a separate fund than a tax fund.

655

01:30:39.780 --> 01:30:50.879

Sebastopol Community Cultural Center: fees paid for water and sewer cannot subsidize any general administration for the city. And so, therefore, if you can't coordinate

656

01:30:50.960 --> 01:31:06.759

Sebastopol Community Cultural Center: the work to the expense, it's not justified, because it then looks like a subsidy to the city, which is why I use the example from the finance administration. There's no way that that fee increased

657

01:31:06.830 --> 01:31:24.330

Sebastopol Community Cultural Center: 300% over 8 years, because you have the exact same amount of customers. And that also says that no one was granting any oversight to the enterprise funds whatsoever, because if you were running a business and you had an expense that went up tripled over

658

01:31:24.600 --> 01:31:36.849

Sebastopol Community Cultural Center: 8 years with no increase of service, you'd say there's a problem going on here. So even though we have been paying for a city manager and city council time, there's been zero oversight.

659

01:31:36.930 --> 01:32:00.270

Sebastopol Community Cultural Center: Okay, I just... I just want the clarity about the tiered rates. I mean, you said you had 12 recommendations, but 4 were your top priorities, and one of those was the tiered rates, so that's the part I want to understand. Yeah, because I believe that they are illegal, because there's no data to back them up, and so you run risk of being a class action lawsuit, because you're running water...

660

01:32:00.360 --> 01:32:11.060

Sebastopol Community Cultural Center: Okay. Fees that have no data to back them up. So, could we get a comment from our attorney on the tiered rates and the legality of the tiered rates, please?

661

01:32:12.620 --> 01:32:19.420

Sebastopol Community Cultural Center: The tiered rates. Yeah, Kate is correct, that tiered rates, if there are differences in rates.

662

01:32:19.520 --> 01:32:31.399

Sebastopol Community Cultural Center: they need to represent differences in the cost of providing that service. So the higher rate should be based on, you know, for example, not saying this is what's in our rate study, but for example.

663

01:32:31.850 --> 01:32:37.820

Sebastopol Community Cultural Center: the city needs to purchase the additional water to meet the higher demand, and that's why I,

664

01:32:38.040 --> 01:32:55.609

Sebastopol Community Cultural Center: different tier has a higher rate, because there's costs associated with that higher rate. But we're not purchasing water, correct? Yeah, that was just the... Right, no, I'm just pointing that out. ...a classic example of how someone structures tiered rates. So, in your opinion, are the tiered rates illegal?

665

01:32:56.780 --> 01:33:05.259

Sebastopol Community Cultural Center: I'm not going to make that in this meeting. I wasn't here when we reviewed our existing, you know, when that

666

01:33:05.540 --> 01:33:14.310

Sebastopol Community Cultural Center: the rate study was approved. Certainly, if the Council wants me to look and review that, that's something I certainly can do.

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01:33:14.860 --> 01:33:30.789

Sebastopol Community Cultural Center: it seems to me that if you take away the tiered rates, then you actually need to do a full-on new rate study. You can't just take away the tiered rates without doing a new rate study, because it'll affect the rates, which could affect infrastructure repairs, etc.

668

01:33:30.960 --> 01:33:40.559

Sebastopol Community Cultural Center: And so, to me, that seems important to recognize. To meet the costs in the study, you presumably need to raise the lower...

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01:33:40.750 --> 01:33:45.150

Sebastopol Community Cultural Center: Rate, because you're no longer getting the extra revenue from the higher

670

01:33:45.150 --> 01:33:56.300

Sebastopol Community Cultural Center: tiers, so you would need to raise the base rate to... Going back to what we did previous, before these tiered rates, like, it was an averaged rate, right? Go ahead. Can I interject?

671

01:33:56.300 --> 01:34:09.739

Sebastopol Community Cultural Center: what I'm... what we're proposing, just to clarify, is to stop the tiered rates and the July increases until time tracking can be done, and an actual rate study based on

672

01:34:09.740 --> 01:34:25.070

Sebastopol Community Cultural Center: actual expenses that are real and justified by data, and also incorporating the water master plan update, and also any refunds that might be coming back to the enterprise funds due to the grand jury report.

673

01:34:25.070 --> 01:34:36.859

Sebastopol Community Cultural Center: And so, one legal way that you can increase rates is during PG&E peak times, which is 4 to 9 p.m. every day, because you can actually

674

01:34:36.860 --> 01:34:43.859

Sebastopol Community Cultural Center: PG&E increases their rates at that point, and that is something that you can track and is justifiable.

675

01:34:46.040 --> 01:34:57.800

Sebastopol Community Cultural Center: This has all spurred a question for me. So you said you had 12, right? 12 priorities? Correct. What did you utilize to narrow it down to 4, and are we missing anything in there that's important?

676

01:34:58.230 --> 01:35:08.370

Sebastopol Community Cultural Center: Well, I mean, I personally think all 12 are important, but we were asked to narrow it down to 4, which is what we did, because we feel that this is the most immediate

677

01:35:08.980 --> 01:35:15.109

Sebastopol Community Cultural Center: Remedy to both ratepayers and also allows the city some wiggle room.

678

01:35:15.350 --> 01:35:34.429

Sebastopol Community Cultural Center: In terms of... so the... for instance, refunding the excess of attorney's fees, if we do remove the tier rates, provides some cushion in the water fund, for instance. So, but yeah, the... I mean, we've spent a lot of time putting our recommendations together with a lot of

679

01:35:34.430 --> 01:35:36.359

Sebastopol Community Cultural Center: information. There's a lot of...

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01:35:36.360 --> 01:35:58.539

Sebastopol Community Cultural Center: information about the CISERCO loan. It looks, you know, there's zero due diligence done on that, and it burdened the ratepayers with 75% of the loan repayment, with no real benefit to the ratepayers whatsoever. That was never even sent out for an RFP, because it was done under, state

681

01:35:58.600 --> 01:36:21.039

Sebastopol Community Cultural Center: kind of a state law that allows cities to not go out for an RFP if it's, you know, an energy-saving thing. I personally think the city should go back to Cisco and try to get their money back, because they paid... you guys paid double for your smart meters than, Sweetwater Springs did for a very similar service.

682

01:36:21.430 --> 01:36:28.400

Sebastopol Community Cultural Center: So, there's a lot of issues that have historically kind of gone awry because there's been no oversight.

683

01:36:28.590 --> 01:36:43.120

Sebastopol Community Cultural Center: So I... all I can say is that by, you know, the 12 recommendations, we feel that they're all, very valid, and that we gave a... if you read the staff report, we actually gave a timeline the first 6 months and the second 6 months.

684

01:36:44.230 --> 01:36:45.790

Sebastopol Community Cultural Center: And... go ahead.

685

01:36:49.820 --> 01:37:00.059

Sebastopol Community Cultural Center: So, as a ratepayer in Seville for many, many years, I don't want to overpay either. Sitting here on City Council, I wear a different hat, and

686

01:37:00.060 --> 01:37:11.209

Sebastopol Community Cultural Center: I've been told that cost allocations, which we've been instructed to follow from consultants, is the standard in California for utilities. So.

687

01:37:12.090 --> 01:37:13.670

Sebastopol Community Cultural Center: I'm learning, too.

688

01:37:13.850 --> 01:37:19.849

Sebastopol Community Cultural Center: this is a presentation tonight, I appreciate the work that you've all done, but I just wanna...

689

01:37:19.850 --> 01:37:36.189

Sebastopol Community Cultural Center: also understand more from a wide variety of sources, so we can figure out what the best thing is for our community. And whether, as you've kind of alluded to, or the grand jury, whether we have done something wrong, because

690

01:37:36.260 --> 01:37:43.339

Sebastopol Community Cultural Center: Obviously, we've... Yeah, so, I mean, you don't really have to reply, because I also want...

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01:37:43.340 --> 01:38:07.829

Sebastopol Community Cultural Center: you're... you're presenting as a committee, so I... I don't want it to be one-sided and put anybody on the spot, but... Yeah, yeah, I just want to say that out loud. No oversight whatsoever of the Water and Sewer Enterprise Fund, which is why the Pleasant Hill Loop, which was listed in the Water Master Plan in 2005, was never completed, and it's 21 years later, and it's a critical piece of water infrastructure.

692

01:38:08.030 --> 01:38:25.720

Sebastopol Community Cultural Center: Because if there's a break in the main, then 75% of the city loses its water. So, while Council has many, many hats to wear, one of them doesn't appear to be, oversight of the water and sewer funds or the capital improvements, so...

693

01:38:25.790 --> 01:38:40.610

Sebastopol Community Cultural Center: I hope that you guys take this seriously, because there's several infrastructure issues that are actually quite critical, including, like, seismic retrofitting of our water storage tanks. Okay, but any other questions?

694

01:38:40.800 --> 01:38:56.909

Sebastopol Community Cultural Center: Yeah, I had one more, and anyone from the committee, like, what are your next steps? So you've put all this together, you've presented it to us, but, like, as a committee, what are you... Well, I'm gonna email Mary tomorrow and see if we can get a meeting before August, and that's our next step.

695

01:38:57.560 --> 01:39:13.260

Sebastopol Community Cultural Center: Okay, I just wanted to understand, like, what are, you know, so that we're... It's more up to... I mean, unfortunately, our... our purview is... our

power is very limited, right? We can only make recommendations, just like the grand jury can only make a recommendation to you.

696

01:39:13.570 --> 01:39:33.469

Sebastopol Community Cultural Center: Right. I mean, it seems so... I mean, so it's more up to you guys, kind of, taking responsibility and moving forward with some of these steps. I mean, number one is time tracking. I mean, what modern company or organization does not track time? I mean, it's standard. Any consultant tracks time.

697

01:39:34.220 --> 01:39:41.180

Sebastopol Community Cultural Center: Okay. So, I mean, that would be my number one thing, and you already are using a software program that has a time tracking module.

698

01:39:41.690 --> 01:39:52.810

Sebastopol Community Cultural Center: So, you know, that part of it seems pretty easy. So, that's my final... Okay. Yeah. Thank you so much. Truly appreciate all the work.

699

01:39:52.960 --> 01:39:58.579

Sebastopol Community Cultural Center: Did you... Anyone else? Did you have another? You looked like you were gonna say something.

700

01:40:01.740 --> 01:40:05.179

Sebastopol Community Cultural Center: Yeah, I... I think this is...

701

01:40:06.990 --> 01:40:11.929

Sebastopol Community Cultural Center: I think the city made a mistake by not doing a cost allocation plan.

702

01:40:12.160 --> 01:40:15.310

Sebastopol Community Cultural Center: Or, I don't know how many years it was that they didn't do it.

703

01:40:15.700 --> 01:40:25.389

Sebastopol Community Cultural Center: And that's kind of got us into this mess, but I don't think it was anything nefarious or intentional. The cities relied on

704

01:40:25.760 --> 01:40:29.160

Sebastopol Community Cultural Center: like Councilmember Hinton was saying,

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01:40:29.960 --> 01:40:35.509

Sebastopol Community Cultural Center: Consultants who do this work, to do the cost allocation plan, and...

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01:40:36.530 --> 01:40:39.669

Sebastopol Community Cultural Center: Unfortunately, there was a lag in terms of

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01:40:39.940 --> 01:40:49.320

Sebastopol Community Cultural Center: it didn't get done soon enough to catch some of this, and... but the city is working to make corrections. The city has pulled together

708

01:40:49.640 --> 01:40:53.759

Sebastopol Community Cultural Center: the Enterprise Oversight Committee.

709

01:40:54.470 --> 01:41:00.950

Sebastopol Community Cultural Center: We've made adjustments to the budget. We made another adjustment, this year.

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01:41:01.220 --> 01:41:07.400

Sebastopol Community Cultural Center: To base all the cost allocation plan is based on

711

01:41:07.930 --> 01:41:10.350

Sebastopol Community Cultural Center: The finances from 2 years ago.

712

01:41:10.760 --> 01:41:17.689

Sebastopol Community Cultural Center: And I think the city's making an effort to, to make a correction, and...

713

01:41:18.330 --> 01:41:23.009

Sebastopol Community Cultural Center: But I... I just feel like it's... I don't like to see the city being

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01:41:23.130 --> 01:41:27.430

Sebastopol Community Cultural Center: looked at as if they're doing something nefarious, because I don't think that's it at all.

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01:41:28.880 --> 01:41:30.860

Sebastopol Community Cultural Center: Thank you. Go ahead.

716

01:41:31.570 --> 01:41:34.349

Sebastopol Community Cultural Center: To a comment, it wasn't just the consultants.

717

01:41:34.420 --> 01:41:53.330

Sebastopol Community Cultural Center: We do rely on staff, right? We pay them a good salary, we're relying on their expertise, and from my understanding, basically, just getting onto City Council, I remember Larry McLaughlin. Again, note to everyone out in the universe, never have an attorney be your general manager. Specifically ask the question. It's like.

718

01:41:53.460 --> 01:41:58.390

Sebastopol Community Cultural Center: Why didn't you go in for an earlier Updated cost allocation plan.

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01:41:58.540 --> 01:42:04.650

Sebastopol Community Cultural Center: I remember him turning to Ana, basically, live, I'm sure it's on tape somewhere, saying it wouldn't have mattered.

720

01:42:04.920 --> 01:42:06.389

Sebastopol Community Cultural Center: was not necessary.

721

01:42:06.490 --> 01:42:14.409

Sebastopol Community Cultural Center: So, again, I'm happy to take ownership too, but I also really want to make sure that everyone understands that it's like.

722

01:42:14.420 --> 01:42:26.400

Sebastopol Community Cultural Center: Anyone can sit in the seat, but I think we have a reasonable right to rely on fully educated staff and their recommendations to us. So, that's my point, where it's like.

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01:42:26.400 --> 01:42:37.849

Sebastopol Community Cultural Center: maybe we should reach out, and again, find out from that former staff why he thought going 20 years with an old, outdated study was the way to go. So I just... I want to make sure I put that out there.

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01:42:38.860 --> 01:42:39.800

Sebastopol Community Cultural Center: Go ahead.

725

01:42:40.810 --> 01:42:44.009

Sebastopol Community Cultural Center: I just want to tell the pirate that we're riding the ship.

726

01:42:45.750 --> 01:42:49.309

Sebastopol Community Cultural Center: Alright? So, like, it's very difficult to go into the past.

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01:42:49.740 --> 01:43:01.810

Sebastopol Community Cultural Center: Is my bike working? Yes, it is. It's very difficult to go into the past. What we now have is, like, clear sight. We have vision, we understand how to go forward in a much better way.

728

01:43:01.990 --> 01:43:16.620

Sebastopol Community Cultural Center: And to do anything sudden would be quite a shock to the budget, or anything like that. But now that we understand a little bit better, you know, now that we have an oversight committee that's helping us out.

729

01:43:16.650 --> 01:43:33.120

Sebastopol Community Cultural Center: we can go forward in a better way. And I don't think that this will be something that we can do overnight or in one year, but I definitely think it's something that we can study and get very involved with and slowly increment change that needs to happen.

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01:43:34.670 --> 01:43:41.230

Sebastopol Community Cultural Center: Okay, anyone else, or... Okay, well, I have a comment. You know, looking back.

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01:43:42.670 --> 01:43:58.099

Sebastopol Community Cultural Center: I'm one of the... one of the people who fought hard against these tiered rates. I was absolutely adamantly opposed to it, and fought very hard with this. It was a split council when all of this happened, because I was not supportive of it, because it... I did not believe that it was actually

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01:43:58.100 --> 01:44:12.630

Sebastopol Community Cultural Center: fair or legal to the rest of the residents, especially penalizing families and everyone else, you know, who might use, you know, suddenly bump up to that next tier. I mean, I see it in my bill every day. I have a kid, takes two long showers.

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01:44:12.630 --> 01:44:19.740

Sebastopol Community Cultural Center: But... so I was adamantly opposed to that, and I also just, you know, In our last vote.

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01:44:20.050 --> 01:44:34.870

Sebastopol Community Cultural Center: lot harder for us to do more time... more tracking and more due diligence with, actual costs versus this allocation, but I... I'm only one voice, and I was voted down. But I just wanted to say thank you to the committee for doing this work, because I truly believe

735

01:44:34.870 --> 01:44:51.630

Sebastopol Community Cultural Center: You know, we do have to rely on staff to do things, but I also think that as we sit up here and get elected and promise the people, the residents here, that we will, fight for you. So, I'm gonna spend some more time on this and figure out if we need to bring something back or what we need to do, because

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01:44:51.820 --> 01:45:09.150

Sebastopol Community Cultural Center: this still is just a thorn in my side every day because of fighting it so hard against it, so I believe that I would prefer to see us back doing the rates the way we did in the first place, which was, equal across the board. So anyways, those are my comments for now, and I just really appreciate everyone

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01:45:09.150 --> 01:45:22.510

Sebastopol Community Cultural Center: getting involved with this. I remember talking about this when I ran 4 years ago, so here we are again in another election season, so... Anyways, that's all the comments I have, and Mary, you just need us to receive this, and...

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01:45:24.760 --> 01:45:42.310

Sebastopol Community Cultural Center: Yes, this is an informational item from the committee. So, okay. All right, well then we're gonna move on. Thank you again, everyone. I need a moment. Oh, sure. What? I need a moment. Oh, okay, so we're... we need to take a bio break for 5 minutes, so let's see, we'll be back at 7.50. Thank you.

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01:45:43.600 --> 01:45:44.780

Sebastopol Community Cultural Center: Are we ready?

740

01:45:45.860 --> 01:45:50.989

Sebastopol Community Cultural Center: Is it okay if we move on to the other items so we can... Get out of here.

741

01:45:51.270 --> 01:45:52.439

Sebastopol Community Cultural Center: Before midnight?

742

01:45:53.770 --> 01:46:10.300

Sebastopol Community Cultural Center: All right, so we're back at the dais here for our next items. We're still in the informational presentation items. We have number 6, CalPERS

Pension Obligation Update, Information Presentation from NHA to update the City Council on the City Pension Obligations.

743

01:46:10.300 --> 01:46:17.160

Sebastopol Community Cultural Center: And I believe Administrative Services, Ana, you're doing this? Yes, thank you, Madam Mayor. So,

744

01:46:17.210 --> 01:46:34.790

Sebastopol Community Cultural Center: Mike Myers is, from NSA, and he managed the Pension and Physical Sustainability Group, and has worked with 100 cities on pension strategy and policy development, and Mike and his team have helped the city a few years back, if you recall,

745

01:46:34.790 --> 01:46:38.600

Sebastopol Community Cultural Center: together with the Comprehensive, Fiscal Sustainability

746

01:46:38.600 --> 01:46:48.010

Sebastopol Community Cultural Center: projects, and, he's on Zoom to update the Council tonight regarding the, unfunded pension liability. So, I'll turn that over to you, Mike.

747

01:46:48.110 --> 01:46:56.180

Sebastopol Community Cultural Center: And thank you for coming here. I just wanted to remind that we have... we try to keep our presentations at 10 minutes, so... Yes, might as well aware. Thank you, Michael. Thanks.

748

01:46:57.270 --> 01:47:03.229

Mike Meyer, NHA Advisors: Thank you, Ana, and good evening, Honorable Mayor and City Council members. I'm gonna share the presentation here.

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01:47:06.740 --> 01:47:14.340

Mike Meyer, NHA Advisors: If there's any audio or visual issues, just let me know. I'm gonna skip over the introduction, so thank you for that, Ana.

750

01:47:14.340 --> 01:47:32.919

Mike Meyer, NHA Advisors: As you probably noticed in the agenda packet, we have a pretty robust presentation. It's about 30 to 40 slides, as well as a staff report that tracks a lot of the information. I'm going to hit some of the key highlights to keep it under 10 minutes, but of course, happy to answer questions at the end related to any of the information in the slide deck.

751

01:47:33.020 --> 01:47:49.529

Mike Meyer, NHA Advisors: So, one of the main reasons we're here tonight is to provide the Council an update. It's been a few years, on the current CalPERS situation. The city currently has a \$17.2 million unfunded accrued liability with CalPERS, so that's your debt that you have with CalPERS.

752

01:47:49.540 --> 01:48:02.850

Mike Meyer, NHA Advisors: Good news is that that number, we project, will come down when the new reports are released later this summer, and that's because they beat their target rate for investment returns last fiscal year when they earned 12.1%.

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01:48:02.980 --> 01:48:19.839

Mike Meyer, NHA Advisors: As you're probably aware, the city's been very proactive, in terms of getting ahead of rising pension costs. You've set aside funds in the pension account, as well as the 115 trust. Total's about \$3.2 million there, so our objective with this presentation was really to provide

754

01:48:19.840 --> 01:48:26.480

Mike Meyer, NHA Advisors: A, myriad of scenarios, in terms of using more or less of the trust.

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01:48:26.480 --> 01:48:37.799

Mike Meyer, NHA Advisors: to help alleviate the burden of rising pension costs on the general fund, and hopefully that will help guide the council and staff on near-term and longer-term budget decisions and policy.

756

01:48:38.440 --> 01:48:47.939

Mike Meyer, NHA Advisors: Just to define what the UAL is, it is the difference between the accrued liability, which was what you would need in your account to be fully funded.

757

01:48:48.030 --> 01:49:04.300

Mike Meyer, NHA Advisors: 100% funded, and that number is shown in the navy blue on the right there, versus what you actually have in assets being invested by CalPERS, and that's the dark gray bar. So that difference there in light gray is your debt with CalPERS, they charge you a 6.8% interest rate on that debt.

758

01:49:04.300 --> 01:49:10.810

Mike Meyer, NHA Advisors: And beyond the sheer magnitude of that debt, which is large for all agencies across the state.

759

01:49:10.810 --> 01:49:22.609

Mike Meyer, NHA Advisors: is the required repayment schedule on that. So it's not as simple as a level payment, like your 30-year mortgage on your house. It's actually, you know, close to 70 different

760

01:49:22.620 --> 01:49:32.669

Mike Meyer, NHA Advisors: Mortgages, they all have different terms, and so when you stack them all together, that's what the city pays each year to CalPERS, and it's very irregular, so it makes budgeting quite challenging.

761

01:49:35.410 --> 01:49:59.850

Mike Meyer, NHA Advisors: This slide here on 9 shows a 7-year history of the UAL, and really want to highlight how volatile this number is, and it's quite dependent on how CalPERS

does with their returns and the stock market in general. So, if you look at the far left in 2019, Citi had a \$13.8 million UAL. It came down quite a bit in 2021, down to \$10.5 million.

762

01:49:59.910 --> 01:50:05.329

Mike Meyer, NHA Advisors: And that's because if you look at the bottom there, CalPERS earned above 22% that year.

763

01:50:05.450 --> 01:50:17.359

Mike Meyer, NHA Advisors: However, if you just go to the... right in the middle there, in 2022, they lost negative 7.5% with their investment, so that UAL spiked up to \$16.6 million.

764

01:50:17.360 --> 01:50:25.760

Mike Meyer, NHA Advisors: It's hovered between \$17 and \$18 million the last couple of years, but as I mentioned before, we do project that to go down closer to \$15 million.

765

01:50:25.760 --> 01:50:40.799

Mike Meyer, NHA Advisors: In other good news, CalPERS is on track again, to beat their target return, so hopefully in a year or so, we'll see that \$15 million number go down as well. But we won't know those returns until June 30th of this year.

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01:50:41.120 --> 01:50:53.690

Mike Meyer, NHA Advisors: chart here on 10, I think, is very illustrative of how challenging these... the repayment of that UAL debt has been on the city's budget, and will continue to be. So if you look at the far left there.

767

01:50:53.690 --> 01:51:04.569

Mike Meyer, NHA Advisors: The combined cost that the city was paying to CalPERS in 2018 was about \$1.2 million. If you fast forward to the current fiscal year, it's nearly doubled, so it's about 2 point...

768

01:51:04.570 --> 01:51:20.109

Mike Meyer, NHA Advisors: \$2.2 million, and then moving forward, that will grow to over \$2.5 million by the end of the decade. So, we highlighted the amount of cumulative cost increases in the red triangle. It's about \$2.6 million over the next decade or so.

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01:51:20.110 --> 01:51:24.889

Mike Meyer, NHA Advisors: And I want to reiterate, this is a snapshot in time, so every year moving forward.

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01:51:24.890 --> 01:51:32.889

Mike Meyer, NHA Advisors: These blue bars are gonna change based on how CalPERS does with their investments, as well as any other assumptions that they may make.

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01:51:33.170 --> 01:51:52.390

Mike Meyer, NHA Advisors: I want to also call out what's in bold there on the bottom left, just because this is a metric we're going to carry through the rest of the presentation, but just wanted to compare how large those pension reserves are as it relates to your annual CalPERS budget, and that's about 150%, which is quite strong.

772

01:51:54.200 --> 01:52:00.519

Mike Meyer, NHA Advisors: Slide 12 is a summary of all the tools in the toolkit that agencies have at their disposal for managing

773

01:52:00.520 --> 01:52:15.880

Mike Meyer, NHA Advisors: Pension costs, we're gonna focus in on that navy blue one, which is by far the most common strategy, which is paying extra, so going kind of above and beyond your annual bill, which is what you've been doing in terms of setting aside money into that 115 trust.

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01:52:16.080 --> 01:52:17.170

Mike Meyer, NHA Advisors: And so.

775

01:52:17.250 --> 01:52:31.960

Mike Meyer, NHA Advisors: Again, what we wanted to do was show the Council some different... some broad options at using those trust monies to help alleviate the burden on the city's general fund and utility funds to handle these rising pension costs, and so...

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01:52:31.960 --> 01:52:43.709

Mike Meyer, NHA Advisors: Scenarios 1 and 4, I would say, are on the more aggressive side. They assume a full depletion of the trust over about a 9-year period. So again, the benefit there is that you're able to really

777

01:52:43.710 --> 01:52:58.500

Mike Meyer, NHA Advisors: create more relief for the city's funds, because you're using more of the trust. The downside is that you're left with nothing in the trust in 9 years, and that might be something to consider, given that there's gonna be... there could be future economic uncertainty.

778

01:52:58.650 --> 01:53:12.320

Mike Meyer, NHA Advisors: We wanted to show the Council a couple options, that are a little bit more conservative, so Scenarios 2 and 3 also assume that some of those funds are used to help kind of shave that mountain peak in payments.

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01:53:12.320 --> 01:53:19.979

Mike Meyer, NHA Advisors: But we did assume that you maintain a certain level of assets through that period to help deal with future shocks. So, Scenario 2,

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01:53:20.030 --> 01:53:36.050

Mike Meyer, NHA Advisors: Assumes that \$2.2 million is left in the reserves after a 10-year period, and Scenario 3 essentially assumes that you keep it at the same level, and what that really means is that you're using just the investment earnings to help, shave the peak in payments.

781

01:53:36.950 --> 01:53:39.560

Mike Meyer, NHA Advisors: I'm gonna skip over these next...

782

01:53:39.940 --> 01:53:45.599

Mike Meyer, NHA Advisors: 4 slides, because they're all summarized on slide 19 here.

783

01:53:45.680 --> 01:54:05.110

Mike Meyer, NHA Advisors: These blue bars represent your current amortization schedule with CalPERS. What the lines represent is what the city would be paying based on these scenarios, the net payment. So, everything above these dotted lines would be coming from the 115 trust. So.

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01:54:05.110 --> 01:54:17.689

Mike Meyer, NHA Advisors: If you look at the bottom lines there, those are the more aggressive scenarios 1 and 4. Because you're using more of the trust, you're able to really bring down that net impact to the city's funds, down to about 1 point.

785

01:54:17.690 --> 01:54:27.790

Mike Meyer, NHA Advisors: to \$1.3 million. That's quite a bit lower than the current year budget of \$1.5 million. And then the more, what we would say is more balanced.

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01:54:27.810 --> 01:54:43.510

Mike Meyer, NHA Advisors: Scenarios numbers 2 and 3 are shown in purple and blue there, and those essentially keep the annual payment about the same as fiscal year 26 levels, and anything above that, you're, you're using 115 trust monies.

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01:54:43.510 --> 01:54:53.039

Mike Meyer, NHA Advisors: When you send that bill to... to CalPERS. So again, no... there's... there's not a right answer here. Our goal is to really provide the Council with some options and to... some...

788

01:54:53.040 --> 01:55:11.090

Mike Meyer, NHA Advisors: things to think about moving forward in terms of the current budget cycle, given that all these scenarios, if you look at the withdrawal from the trust for next fiscal year, they... they're different by hundreds of thousands of dollars, so that's a sizable impact on some of these budget decisions.

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01:55:11.820 --> 01:55:30.950

Mike Meyer, NHA Advisors: The table on slide 20, some of the backup behind those charts. I think the second row is a good comparison that shows, you know, scenarios 1 and 4. You do get the most amount of cost reduction because you're using the full trust. It's about \$4 million of cost reduction over those 9 or 10 years.

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01:55:30.950 --> 01:55:39.069

Mike Meyer, NHA Advisors: And then Scenarios 2 and 3, a bit less, right? 1.5 million in Scenario 3, and 2.3 in Scenario 2.

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01:55:39.080 --> 01:55:50.620

Mike Meyer, NHA Advisors: But the trade-off there is that under Scenarios 2 and 3, you do maintain a sizable amount in that trust. So, remaining balance is shown in the fourth row there.

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01:55:50.790 --> 01:55:57.110

Mike Meyer, NHA Advisors: 2.2 million to 2 point... to 3.3 million for Scenarios 2 and 3.

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01:55:58.100 --> 01:55:59.950

Mike Meyer, NHA Advisors: So to, to wrap it up.

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01:56:00.250 --> 01:56:16.710

Mike Meyer, NHA Advisors: As you're well aware, the city has been, quite proactive in dealing with rising pension costs. I know it has, historically prepaid the UAL each year, which does save money in the budget. It's about close to \$50,000 for fiscal year 26.

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01:56:16.750 --> 01:56:28.980

Mike Meyer, NHA Advisors: And the 115 balance is quite strong as it relates to your annual budget for CalPERS. So because of that, in our opinion, we do think using some of those reserves is justified.

796

01:56:29.500 --> 01:56:38.300

Mike Meyer, NHA Advisors: obviously up to the City Council and staff on how much, and that comes down to other budgetary constraints and other priorities as well.

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01:56:38.520 --> 01:56:53.140

Mike Meyer, NHA Advisors: So, on the third bullet there, just want to be clear that options 1 and 4, the more aggressive scenarios, do call for a withdrawal next fiscal year of over \$400,000, and on average of about \$450,000 over the next decade.

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01:56:53.530 --> 01:56:56.040

Mike Meyer, NHA Advisors: Obviously, if the city's able to meet

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01:56:56.220 --> 01:57:13.120

Mike Meyer, NHA Advisors: It's 27 obligations to CalPERS without dipping into the trust. That could be a prudent decision that ensures that you're maximizing those assets for the future. But if you are dependent on dipping into that trust next budget cycle.

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01:57:13.450 --> 01:57:21.950

Mike Meyer, NHA Advisors: Definitely might want to consider options 2 and 3, or some variation of those, given that those are a more balanced approach.

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01:57:22.200 --> 01:57:40.449

Mike Meyer, NHA Advisors: using some of the funds for budget relief, but also ensuring that you keep money in there to deal with future unknowns, such as a stock market downturn.

There's legislation working through the system related to pensions as well that could drive up costs in the future, so you just never know what will happen with CalPERS.

802

01:57:40.480 --> 01:57:42.259

Mike Meyer, NHA Advisors: And then, very lastly.

803

01:57:42.630 --> 01:57:56.670

Mike Meyer, NHA Advisors: As I mentioned before, this UAL does change every single year, so just important to revisit it, even in a very simple way each budget cycle, because those charts we looked at before will be changing slightly from year to year.

804

01:57:56.840 --> 01:57:58.060

Mike Meyer, NHA Advisors: And then...

805

01:57:58.230 --> 01:58:14.970

Mike Meyer, NHA Advisors: we are not an investment advisor. I want to go on record to say that. I know the next presentation is being done by your investment advisor, but just very important that if you, are looking at a strategy that assumes specific amounts of withdrawals, or at least

806

01:58:14.970 --> 01:58:21.589

Mike Meyer, NHA Advisors: You have goals in mind, very important to be sharing that information with them, because they'll be able to take that

807

01:58:21.590 --> 01:58:30.940

Mike Meyer, NHA Advisors: and optimize your investments to maximize earnings within some of those constraints. So with that, I will stop and open it up to questions.

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01:58:32.960 --> 01:58:37.130

Sebastopol Community Cultural Center: All right, thank you. Go ahead, Councilmember Solan. Thank you,

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01:58:37.410 --> 01:58:51.879

Sebastopol Community Cultural Center: I was confused on this whole agenda item about what we were tasked to do, so I sent an email to Mary, because what I read in the staff report was we were supposed to come prepared to offer up our thoughts on scenarios to

810

01:58:52.770 --> 01:59:00.150

Sebastopol Community Cultural Center: what I... what I read in here was 2 and 3, but apparently it's 2 or 3, and maybe we don't really have

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01:59:00.410 --> 01:59:06.610

Sebastopol Community Cultural Center: To weigh in that much, and we definitely don't have to weigh in now with our timing of

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01:59:07.270 --> 01:59:17.960

Sebastopol Community Cultural Center: when we should dip in, but I just want to clarify from staff, what do you... what was your expectations from us, from tonight, where we are in the budgetary process?

813

01:59:23.010 --> 01:59:41.940

Sebastopol Community Cultural Center: So, the item tonight was to give you information whether or not, depending on our budget, which is our next item, whether or not the Council wanted to consider us to review this. So, it's information tonight. If we looked at the two options, as Mike had stated, it is option two or three would be a recommendation.

814

01:59:42.350 --> 01:59:49.340

Sebastopol Community Cultural Center: we're not sure, based upon where the budget goes tonight, if that... if we even want to do that. So, it's just to have it in your back of your mind.

815

01:59:49.340 --> 02:00:05.240

Sebastopol Community Cultural Center: as we go into the budget hearing for the overall budget, that this is an option. If the Council wanted us during the budget hearing to say we wanted to see what that would look like, we would bring that back as a future, you know, agenda item, either at the next meeting, if you wanted to consider one of those options.

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02:00:05.240 --> 02:00:18.570

Sebastopol Community Cultural Center: But as of right now, we have not included that into this budget, but there... if we needed funding and the Council wanted to look at the withdrawal, that is something we can consider during the budget portion of it. This just is to provide information as we go into

817

02:00:18.670 --> 02:00:22.790

Sebastopol Community Cultural Center: our budget presentation. Okay, I have a couple other questions, but I'll wait.

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02:00:23.530 --> 02:00:40.110

Sebastopol Community Cultural Center: I'm looking over here first. Okay, go ahead, Vice Mayor. So, the Budget Committee did review this in, middle of May, and our recommendation was to take between \$150,000 and \$232,000 a year to pay back

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02:00:40.430 --> 02:00:45.690

Sebastopol Community Cultural Center: Some of those, pension costs, and that that would...

820

02:00:46.140 --> 02:00:49.349

Sebastopol Community Cultural Center: Preserve the bulk of the trust.

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02:00:49.630 --> 02:00:53.359

Sebastopol Community Cultural Center: So we haven't taken anything from that 115 trust yet.

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02:00:53.430 --> 02:01:03.210

Sebastopol Community Cultural Center: And I think there's about, at least we've got at least a quarter million in, interest so far. We have taken none so far.

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02:01:03.260 --> 02:01:17.670

Sebastopol Community Cultural Center: So, this was recommended by Bob Leland to start drawing down that 115 trust, but... so our recommendation was to do anywhere between 150 and 230, and that that would preserve, the initial investment.

824

02:01:18.160 --> 02:01:27.910

Sebastopol Community Cultural Center: Can I ask a follow-up question? Sure. So, would it be 2 or 3? Because, yes, I did hear earlier that you guys were going with 2.

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02:01:27.910 --> 02:01:44.859

Sebastopol Community Cultural Center: I want to do 3, so you said between 150 and 230, which would that fall under, scenario 2 or 3? It's either or, depending on the year. Oh, so that's why it was phrased the way it was, either or, and not one or the other. Okay, got it, okay.

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02:01:45.300 --> 02:01:52.260

Sebastopol Community Cultural Center: Like, the first year, you could take more. Okay. Because you haven't taken any for a couple years. Maybe the next year, you would take the 150.

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02:01:52.530 --> 02:01:55.020

Sebastopol Community Cultural Center: Okay, I like that. No regrets. Okay.

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02:01:55.460 --> 02:01:58.129

Sebastopol Community Cultural Center: Any other questions? I have questions.

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02:01:58.660 --> 02:01:59.850

Sebastopol Community Cultural Center: So...

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02:02:00.980 --> 02:02:14.019

Sebastopol Community Cultural Center: I just want to be clear, because in the slide deck, it said something about cost sharing with employees. We're already too far down, because my general theme with all of this, with our budgetary process this year, is increased wages.

831

02:02:14.400 --> 02:02:34.739

Sebastopol Community Cultural Center: It just is. Increase COLA, increase this, increase that, and I really want to start looking into what advice we have from people like this paid consultant about what to do with our unions when it comes to, I want more money, I want more money, I want more money for our people, I think our people should be bumped up a category, this, that, and everything else.

832

02:02:34.740 --> 02:02:38.060

Sebastopol Community Cultural Center: It's too late now, right? I mean, this is...

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02:02:38.090 --> 02:02:53.640

Sebastopol Community Cultural Center: what it is that we owe these retirees is locked in. There's no going back for a cost sharing of, like, we're really under a fiscal state of declaration of emergency, and have been for 2 years, and our projections are we're burning through \$1.67 million

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02:02:53.660 --> 02:02:59.519

Sebastopol Community Cultural Center: in excess of what our revenue is, there's no going back with these pensioners, right? This is done.

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02:02:59.770 --> 02:03:13.929

Sebastopol Community Cultural Center: Okay? So, given where we are, what is your overall advice, Mr. Consultant, about whether we should do, as Vice Mayor Maurer put forth, either \$150 or \$230

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02:03:14.280 --> 02:03:18.150

Sebastopol Community Cultural Center: Withdraw? And also, should we withdraw

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02:03:18.480 --> 02:03:25.859

Sebastopol Community Cultural Center: for this budgetary cycle. I want to hear from you, because we do pay you a lot of money as well. So, what is your advice?

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02:03:27.520 --> 02:03:34.439

Mike Meyer, NHA Advisors: Yep, thank you for that question. My advice is that there's... we don't have... we're here to provide options.

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02:03:34.570 --> 02:03:53.690

Mike Meyer, NHA Advisors: I think that the city pre... you know, we have a lot of clients, we work with a lot of clients around the state. There's some agencies that are drawing down their 115 trust quite quickly, because they have severe budgetary challenges, maybe they have other competing needs, like capital investment, and they decide that that's more important.

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02:03:53.690 --> 02:04:10.550

Mike Meyer, NHA Advisors: I think we just want to illuminate the fact that there is downside to drawing that trust down too early. Again, as I mentioned, we're looking at a snapshot in time, so that 150 to 230 number, that's gonna change every year, and that's why we wanted to encourage

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02:04:10.610 --> 02:04:23.310

Mike Meyer, NHA Advisors: council and staff to maybe look at this as a percentage of overall budget, because that'll really track what happens with CalPERS moving forward. So, you know, we're talking about a \$15 million UAL,

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02:04:23.450 --> 02:04:41.149

Mike Meyer, NHA Advisors: If CalPERS goes out and has, let's say, a 0% year with their earnings, which could very well happen, that's happened several times in the past, you might be looking at a \$20 million UAL, and if you've drawn down your reserves too quickly, you're not going to have as much ammunition to deal with those

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02:04:41.150 --> 02:04:46.819

Mike Meyer, NHA Advisors: spikes. So, I guess from our perspective, the options 2 and 3,

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02:04:46.900 --> 02:04:56.860

Mike Meyer, NHA Advisors: provide a nice, balanced approach. We have a lot of clients with policies that target that 100-150% range. We have some that are much higher than that.

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02:04:56.860 --> 02:05:09.429

Mike Meyer, NHA Advisors: There's no right answer, I would say. We're not as involved in, the budget decisions, the forecast, your capital plan, so, we wanted to give the Council some options and talk about the trade-offs.

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02:05:09.840 --> 02:05:19.959

Sebastopol Community Cultural Center: Okay, what I'm hearing is you're not going to make a specific recommendation for us, so you have not reviewed, you have not spent time with our budget committee, you have not crunched our numbers, and it also doesn't sound like

847

02:05:20.370 --> 02:05:39.739

Sebastopol Community Cultural Center: you've considered us in any different category than your other 100 clients that you have. We are still under a declared state of fiscal emergency, so with all that information, it sounds like you're still not going to provide us any advice. Based on your analysis, you would recommend us doing option 2 or 3,

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02:05:39.740 --> 02:05:49.359

Sebastopol Community Cultural Center: Or starting with 150 for this year, and then working up to \$230 if we need to in the years. Is that... is that a fair assessment of what I just heard you say?

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02:05:51.140 --> 02:06:02.609

Mike Meyer, NHA Advisors: Yeah, we were not hired to be part of the budgetary and forecasting process, so, I would say that, you know, all those options are...

850

02:06:02.620 --> 02:06:11.159

Mike Meyer, NHA Advisors: are decent considerations. I would say if you were talking about pulling out \$2 million of the 3.2, that may feel a little extreme.

851

02:06:12.110 --> 02:06:14.190

Mike Meyer, NHA Advisors: But our, our focus was.

852

02:06:15.160 --> 02:06:22.340

Mike Meyer, NHA Advisors: giving the Council an update on the UAL, as well as providing options on how you might want to think about using the trust.

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02:06:22.970 --> 02:06:23.720

Sebastopol Community Cultural Center: Okay.

854

02:06:24.430 --> 02:06:29.030

Sebastopol Community Cultural Center: All right, go ahead, Vice Mayor. I wanted to,

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02:06:29.480 --> 02:06:32.460

Sebastopol Community Cultural Center: Clear up any possible confusion, because

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02:06:32.800 --> 02:06:50.599

Sebastopol Community Cultural Center: Councilmember Zolman said we were in a \$1.67 million deficit. I think. Maybe I should ask you to clarify what you meant by that? Well, yeah, I said that at the end of the last council meeting, because that's what I got from a public commenter who frequently public comments, based upon his observation of your budget hearing.

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02:06:50.600 --> 02:06:53.100

Sebastopol Community Cultural Center: And since then, I have now

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02:06:53.100 --> 02:07:07.030

Sebastopol Community Cultural Center: heard and read in our budget that we're going to consider, that it's a .9 million, or a .900,000 deficit. But now, later, we're going to hear a presentation from Bob Leland, and now we're tracking at \$1.3 million.

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02:07:07.240 --> 02:07:17.119

Sebastopol Community Cultural Center: in a deficit. So their numbers are wildly all over the place. Okay, on the... from the Budget Committee perspective, just one member of the Budget Committee, I want to give you this perspective.

860

02:07:17.620 --> 02:07:31.539

Sebastopol Community Cultural Center: that we have a policy reserve that we should not be... that we should be between 15 and 20% reserve. Right. At the end of this year, we have a \$1.2 million surplus.

861

02:07:31.820 --> 02:07:37.740

Sebastopol Community Cultural Center: some of that... was slated for roads from Measure U, didn't get spent yet.

862

02:07:38.150 --> 02:07:41.759

Sebastopol Community Cultural Center: So there's no mechanism that shows, like.

863

02:07:42.040 --> 02:07:58.910

Sebastopol Community Cultural Center: that as revenue on this side. So what happens is that there's expenses being paid that then show up as a deficit for this year. So last year, we had a \$1.2 million surplus. This year, we have, \$960,000 deficit.

864

02:07:59.620 --> 02:08:07.940

Sebastopol Community Cultural Center: So... At the end of this year, we technically have a... 36% reserve level.

865

02:08:08.890 --> 02:08:16.469

Sebastopol Community Cultural Center: And at the end of this fiscal year, we'll have a 25% reserve level. So that's still 5%

866

02:08:16.470 --> 02:08:31.559

Sebastopol Community Cultural Center: over what we have a policy stating we should have. And there were other things that accounted for this surplus, but if you look at it in two years, we actually do have a balanced budget. So this \$1.67 million

867

02:08:31.560 --> 02:08:36.270

Sebastopol Community Cultural Center: down is not... not accurate, so I just wanted to clarify that, because

868

02:08:36.860 --> 02:08:43.390

Sebastopol Community Cultural Center: And the whole point about being in the state of emergency, and I haven't brought this back up for review.

869

02:08:43.390 --> 02:09:00.429

Sebastopol Community Cultural Center: Because we do have a structural deficit. We have financial structural deficit moving forward, and we need to be mindful of that in all of our decisions, so... Right, well, I mean, not to go back and forth, back and forth. Well, we just have another council member who'd like to respond.

870

02:09:01.650 --> 02:09:08.650

Sebastopol Community Cultural Center: So I just wanted to speak to the logic of a more conservative approach between the two and the three.

871

02:09:08.700 --> 02:09:24.019

Sebastopol Community Cultural Center: As opposed to the 1 and the 4, and I think there had been some advice to go ahead and draw that down to be able to supplant some of our budget deficit, so we could withdraw \$400,000 to increase what is

872

02:09:24.100 --> 02:09:31.690

Sebastopol Community Cultural Center: Looked at as our revenue side, but then we would miss the opportunity of creating capital from that capital.

873

02:09:32.120 --> 02:09:34.250

Sebastopol Community Cultural Center: And if we don't need...

874

02:09:34.810 --> 02:09:43.959

Sebastopol Community Cultural Center: It's the cost of money and the opportunity cost of, like, being able to create wealth by... if the stock market goes up, you know, all these things.

875

02:09:44.090 --> 02:09:54.320

Sebastopol Community Cultural Center: then it's better to have money making money than it is to pay down things where we already have a savings account. So the opportunity to make money this way is helpful.

876

02:09:54.420 --> 02:10:04.390

Sebastopol Community Cultural Center: But there will always be the opportunities to withdraw money and reduce our opportunity to make money in the stock market.

877

02:10:04.640 --> 02:10:07.179

Sebastopol Community Cultural Center: If... if need be.

878

02:10:07.780 --> 02:10:13.779

Sebastopol Community Cultural Center: So that's why it was, you know, I feel like we came to a more conservative place.

879

02:10:14.460 --> 02:10:25.560

Sebastopol Community Cultural Center: I had a question. I did too, so... I'd like to, yeah, since I haven't had a chance yet, I just... I wondered from our city manager what your thoughts are on these different options, if you have any.

880

02:10:29.870 --> 02:10:38.789

Sebastopol Community Cultural Center: So, my recommendation... well, my thoughts, this is my own personal thoughts, and I understand we have, you know, the mic is on there as well, but for me, I would...

881

02:10:39.140 --> 02:10:46.799

Sebastopol Community Cultural Center: Before we make that recommendation to move forward, is to actually go through the budget, to see if it's something that we even want to do, because

882

02:10:46.950 --> 02:10:53.479

Sebastopol Community Cultural Center: I agree, I think keeping it in there until we need to do it is more beneficial to the city, rather than

883

02:10:53.590 --> 02:10:58.330

Sebastopol Community Cultural Center: pulling it out. And looking at what Bob's form, fork...

884

02:10:58.510 --> 02:11:07.730

Sebastopol Community Cultural Center: forecast for his 5-year financial, I think, will also provide some information. Tonight's item right now is just to... the Budget Committee did review it, they have their recommendation.

885

02:11:07.730 --> 02:11:24.869

Sebastopol Community Cultural Center: But this is to have your info... this is to give you additional information as we are going into the budget. Is this something that you want to look at? You know, if there's additional items in the budget that come up that, you know, let's say we add \$500,000 for something, is this a way that you want to fund it, or do you want to go into the reserves?

886

02:11:24.940 --> 02:11:32.880

Sebastopol Community Cultural Center: So, I'm more conservative. I would like to... if we could keep it in there and defer it, that would be my recommendation.

887

02:11:33.180 --> 02:11:36.090

Sebastopol Community Cultural Center: But that would still keep us up at what percentage?

888

02:11:37.210 --> 02:11:38.919

Sebastopol Community Cultural Center: Of the reserves? Yeah.

889

02:11:38.920 --> 02:11:58.199

Sebastopol Community Cultural Center: That would be... Well, right now, if we go by the way that the budget is right now, it's the 25. Okay. Yeah, 25. Go ahead. So, just to be clear about why my confusion, because Ana sent an email to us on June 1st at 326, a summation of what we're going to hear from Bob Leland. At the very bottom.

890

02:11:58.200 --> 02:11:59.460

Sebastopol Community Cultural Center: it says...

891

02:12:00.320 --> 02:12:18.279

Sebastopol Community Cultural Center: For number 4, the City's financial forecast highlights several important concerns. Bob Ledling will present this section. The City is projected to face an ongoing annual shortfall of \$1.4 million on average, and I'm like, well, then that distracts from what former mayor Diana Rich and I heard.

892

02:12:18.370 --> 02:12:32.150

Sebastopol Community Cultural Center: and discussed with members of the staff that we really are burning through \$1.6 million a year in excess of what our foreseeable revenue would be. And so when I'm reading this, \$1.4 million, I'm like.

893

02:12:32.150 --> 02:12:39.200

Sebastopol Community Cultural Center: That actually makes sense. So I just want to point that out as far as where I'm coming at with those numbers for deficit, so...

894

02:12:39.200 --> 02:12:40.260

Sebastopol Community Cultural Center: I'll leave it at that.

895

02:12:41.020 --> 02:12:45.320

Sebastopol Community Cultural Center: Okay, go ahead. I just want to throw another...

896

02:12:46.160 --> 02:13:00.350

Sebastopol Community Cultural Center: flair out there about my distrust of CalPERS investing. And, you know, we're doing a fair job. You'll hear about it in the next, presentation about how we're doing in the stock market, but...

897

02:13:00.350 --> 02:13:07.939

Sebastopol Community Cultural Center: If the stock market does poorly, and Cal Versus is overly exposed to a private equity, and it somehow doesn't do as well.

898

02:13:08.040 --> 02:13:13.720

Sebastopol Community Cultural Center: Then, as you saw in that graph, it's suddenly our... our exposure to more...

899

02:13:14.980 --> 02:13:27.550

Sebastopol Community Cultural Center: more obligation is quick. This isn't our fault, this is CalPERS, you know, their investment, and our trying to adjust to, you know, their ups and downs, right?

900

02:13:28.800 --> 02:13:32.830

Sebastopol Community Cultural Center: So that's why I was thinking, you know, maybe conservative is helpful.

901

02:13:34.260 --> 02:13:35.320

Sebastopol Community Cultural Center: Okay.

902

02:13:35.600 --> 02:13:39.389

Sebastopol Community Cultural Center: Anyone else with questions? Otherwise, we'll go to public comment.

903

02:13:41.830 --> 02:13:48.810

Sebastopol Community Cultural Center: Thank you, Mayor. So this is public comment on the informational item regarding CalPERS. If you would like to make a public comment, I will do Chambers first.

904

02:13:49.160 --> 02:13:54.609

Sebastopol Community Cultural Center: Seeing none, I will go out to Zoom. If there's anyone on Zoom that would like to make a public comment, please raise your hand.

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02:13:55.950 --> 02:13:57.940

Sebastopol Community Cultural Center: Lee, can you unmute yourself, please?

906

02:14:02.900 --> 02:14:04.830

Sebastopol Community Cultural Center: Lee, can you unmute yourself, please?

907

02:14:08.170 --> 02:14:08.939

lee: There you go.

908

02:14:08.940 --> 02:14:10.560

Sebastopol Community Cultural Center: There you go. Can you see the timer?

909

02:14:11.350 --> 02:14:14.580

lee: Yeah, I already did one minute.

910

02:14:14.890 --> 02:14:27.120

lee: I just wanted to thank Councilmember Zollman and myself, since I'm the frequent commenter that gave him the \$1.6 million. And I'm looking at the 5-year forecast that was in the budget, that was presented to the Budget Committee.

911

02:14:27.400 --> 02:14:47.339

lee: So that was the budget that we knew about before tonight's meeting. FY... FY28, which I guess is 2728, \$1.624 million deficit. FY2829, \$1.632 million deficit. That's where I got the 1.6. In this budget, in the current budget, I think it's about 1.

912

02:14:47.870 --> 02:14:57.960

lee: 3, which is close to the 1.4 that was in Anna's memo, I guess. So, the numbers are moving around because the budget's being changed as it evolves.

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02:14:57.960 --> 02:15:15.970

lee: The point is, it's a pretty big number that has to be addressed, and to say that you can just go on year after year spending a couple million extra dollars, because you got it in a savings account, isn't a sustainable way to operate a business. That was exactly what

914

02:15:16.090 --> 02:15:33.059

lee: part of this council did with the sewer funds. They were running in deficits like this every year, and no one did anything about it, until finally, they ran out of money, and they had to borrow a million dollars to be able to pay the bills. So that... that's where I'm coming from, and I think that might be where Councilmember Zolman's coming from, but thank you.

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02:15:34.340 --> 02:15:39.310

Sebastopol Community Cultural Center: Thank you, Lee, for your public comment. Next, I'll come back into chambers, if there's anyone in chambers.

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02:15:39.720 --> 02:15:45.730

Sebastopol Community Cultural Center: Seeing none, I will go back out to Zoom. If there's anyone on Zoom that would like to make a public comment to please raise your hand virtually.

917

02:15:46.610 --> 02:15:48.860

Sebastopol Community Cultural Center: Seeing none, public comment is closed.

918

02:15:48.950 --> 02:15:51.270

Sebastopol Community Cultural Center: Okay, we're back here for comments.

919

02:15:51.270 --> 02:16:12.689

Sebastopol Community Cultural Center: So, I guess it's just comments, because this is just still informational, but I have not changed my position. We owe a duty to all these former people who have dedicated their lives, and I don't feel like messing around to meet our short-term need of spending too much on staff salary, and this and this and that, and essentially not living within our means. I am 100,000%.

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02:16:12.690 --> 02:16:15.130

Sebastopol Community Cultural Center: Not in favor with going with this season.

921

02:16:15.130 --> 02:16:22.830

Sebastopol Community Cultural Center: Scenario 2, I want Scenario 3, or Scenario 3, which is the most conservative amount that would allow us to withdraw.

922

02:16:22.830 --> 02:16:36.199

Sebastopol Community Cultural Center: Should we decide we even need to withdraw in this budgetary cycle. I'm not about short-changing pensioners, and I'm not about setting us up for default and bankruptcy like the City of Vallejo did, because they couldn't keep their stuff straight with OPEB.

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02:16:37.620 --> 02:16:39.699

Sebastopol Community Cultural Center: Okay, anyone else?

924

02:16:39.879 --> 02:16:49.239

Sebastopol Community Cultural Center: Oh, go ahead, Vice Mayor. Yes, I'd like to... if Anna could show us on what page is the long-term forecast for the budget? It's not in there.

925

02:16:49.370 --> 02:16:57.169

Sebastopol Community Cultural Center: This was not something we reviewed. It's on page 265 of your agenda item number 8.

926

02:16:57.850 --> 02:17:12.129

Sebastopol Community Cultural Center: Right, but I think the Vice Mayor was looking for it in the budget book. If I got the budget book, didn't see it, emailed you, and you said it should be on page 189, it's not in... it's not in the budget book. It's not in the budget book. It's 181 in the budget book.

927

02:17:14.139 --> 02:17:17.110

Sebastopol Community Cultural Center: Before we... I'm sorry.

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02:17:17.860 --> 02:17:35.050

Sebastopol Community Cultural Center: If I may? Before we close out this item, the scope of work for NSA is to provide Council with an updated UAL, which is the unfunded Pension Liability, and it's been...

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02:17:35.350 --> 02:17:41.170

Sebastopol Community Cultural Center: a couple years since NSA has come back to the city and provided a comprehensive

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02:17:41.420 --> 02:17:52.709

Sebastopol Community Cultural Center: like Councilmember Carter stated, the unfunded pension is moving wildly every single year. So, I understand that

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02:17:52.809 --> 02:17:56.969

Sebastopol Community Cultural Center: Mike is not... Mike is here to give the Council

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02:17:57.250 --> 02:18:04.119

Sebastopol Community Cultural Center: a couple of scenarios to... to consider, and that's entirely up to the Council to.

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02:18:04.260 --> 02:18:17.109

Sebastopol Community Cultural Center: weighed in on those scenarios during budget hearing. So I just wanted to say that that is the scope of work. He's not involved with the budget process.

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02:18:17.170 --> 02:18:29.040

Sebastopol Community Cultural Center: it's just staff and the budgets committee. So, like the city manager also said, we need to keep as much money in the trust as we can, as it is making

935

02:18:29.270 --> 02:18:31.639

Sebastopol Community Cultural Center: good interest returns.

936

02:18:32.160 --> 02:18:40.680

Sebastopol Community Cultural Center: So, with that, I'll just stop. Okay, thank you. So, this is informational. As we move forward, anyone else have comments?

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02:18:42.610 --> 02:18:52.320

Sebastopol Community Cultural Center: Well, unless I'm crazy. Did you just say 181? Because I don't have 180. There's, like, two, like, I... I had the same thing, it's in the second section. Go further back.

938

02:18:52.459 --> 02:18:58.529

Sebastopol Community Cultural Center: I've had the same question that I found. It's, like, right before L. I see it now, thank you. Between K and L.

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02:18:59.340 --> 02:19:15.960

Sebastopol Community Cultural Center: So, just to clarify, did Bob Leland do this page 181? Yes, we work with Bob on this page 181, yes. In the email, it says we have a structural deficit of \$1.4 million moving forward, but in this chart, it doesn't show that.

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02:19:18.190 --> 02:19:20.560

Sebastopol Community Cultural Center: It shows it for 2 years.

941

02:19:20.719 --> 02:19:24.979

Sebastopol Community Cultural Center: And then it goes down to 800, 600, a little bit.

942

02:19:25.120 --> 02:19:33.049

Sebastopol Community Cultural Center: But we're still... In fiscal year 32, we still have a 15% reserve.

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02:19:34.160 --> 02:19:37.669

Sebastopol Community Cultural Center: I'll let Bob speak up. Bob, are you online?

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02:19:41.440 --> 02:19:43.000

Bob Leland: I am...

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02:19:43.730 --> 02:19:45.089

Sebastopol Community Cultural Center: Thank you.

946

02:19:46.100 --> 02:19:47.120

Bob Leland: Here I am.

947

02:19:47.340 --> 02:19:57.960

Bob Leland: I think the issue, when you're looking at that page in the budget, the staff ran the forecast assuming the Barlow Hotel.

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02:19:57.960 --> 02:20:09.510

Bob Leland: The slides that I have that I'm going to show you, my baseline assumption does not include the Barlow Hotel, because it isn't there yet, but we show an alternative with it, so...

949

02:20:09.510 --> 02:20:13.160

Bob Leland: If you assume no Barlow hotel.

950

02:20:13.400 --> 02:20:27.830

Bob Leland: and a repayment of the sewer loan, and all the other baseline assumptions, then, you do wind up with the kind of shortfall that we're talking about, which is over \$1.3 million a year.

951

02:20:27.830 --> 02:20:34.520

Bob Leland: For coming years. Obviously, if the hotel comes in, then that's a whole new ballgame, and we're gonna talk about that.

952

02:20:36.090 --> 02:20:44.850

Sebastopol Community Cultural Center: Question? Okay, go ahead. In these projections, was the hotel TOT at full, the amount, or half?

953

02:20:46.610 --> 02:20:56.230

Bob Leland: Well, there's two ways to look at it. One is, what level of average daily rate do you want to assume? The developer has a very high

954

02:20:56.350 --> 02:20:59.689

Bob Leland: level, potentially optimistic.

955

02:20:59.800 --> 02:21:16.989

Bob Leland: we, on the forecast, are going with a more cautious assumption as to the average daily rate. Beyond that, there's an issue of whether the city would get in the position of sharing TOT with the developer, and if that were the case, obviously that would diminish

956

02:21:17.220 --> 02:21:21.800

Bob Leland: whatever TOT would otherwise be generated by the hotel.

957

02:21:27.410 --> 02:21:28.480

Sebastopol Community Cultural Center: Anyone else?

958

02:21:32.600 --> 02:21:33.330

Sebastopol Community Cultural Center: Okay.

959

02:21:33.850 --> 02:21:37.189

Sebastopol Community Cultural Center: Thank you very much for that.

960

02:21:37.470 --> 02:21:49.550

Sebastopol Community Cultural Center: I think you just want us to receive this item, right? So, I think... yeah, so I think we can receive it and move on from here. I thank you for, doing the presentation and everything.

961

02:21:50.660 --> 02:21:51.360

Mike Meyer, NHA Advisors: Thank you.

962

02:21:51.760 --> 02:21:52.790

Sebastopol Community Cultural Center: Thank you.

963

02:21:55.240 --> 02:22:07.570

Sebastopol Community Cultural Center: All right, let's see, moving on to item number 7. Again, another informational item. 115, Pension Trust Update Information Presentation from Schuster Investment on the Pension Trust.

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02:22:08.680 --> 02:22:23.620

Sebastopol Community Cultural Center: And Anna? Yes, so with that, I'm just gonna, so it's, subway right into the 115 Trust, and it's gonna update the Council how the Trust has been doing. So with that, I'm just gonna turn this over to Mark, and, you go ahead, Mark.

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02:22:23.620 --> 02:22:30.949

Mark Shuster: Wonderful, thank you very much. Good evening, Mayor, Council, and Pirates.

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02:22:31.230 --> 02:22:43.159

Mark Shuster: Appreciate being here tonight and sharing with you some of the information that we've been providing the Finance Committee. But to let you all know that the 115

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02:22:43.160 --> 02:22:51.469

Mark Shuster: Trust has been funded, as you all are aware, and currently, as of the end of May, there was a balance of \$2 million

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02:22:51.490 --> 02:22:55.260

Mark Shuster: \$279,994.

969

02:22:55.360 --> 02:23:07.310

Mark Shuster: In our finance committee, and while you're thinking about what to do with these dollars, there are actually \$479,000 of earnings since the money was put in

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02:23:07.310 --> 02:23:16.640

Mark Shuster: A roughly 10% annualized rate of return since the money was deposited in a very conservative portfolio.

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02:23:16.640 --> 02:23:27.750

Mark Shuster: You are currently 40% equities and 60% fixed income, i.e. bonds. However, we were previously very conservative, which the

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02:23:27.750 --> 02:23:37.849

Mark Shuster: Committee wanted at 20% equities, and we did not make that switch until, late fourth quarter of 2025.

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02:23:37.870 --> 02:23:55.829

Mark Shuster: So, the performance in the portfolio has done extremely well, considering how conservative you are right now, compared to a CalPERS that is roughly 70% equities, and 30% fixed income, inside your defined benefit plans.

974

02:23:55.850 --> 02:24:00.710

Mark Shuster: In addition, there was money set aside many years ago, a million dollars.

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02:24:00.750 --> 02:24:07.780

Mark Shuster: As you were considering funding additional dollars into the 115, which is that million dollars you see there.

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02:24:08.110 --> 02:24:14.220

Mark Shuster: It is... the current balance as of the end of May is actually \$1,089,000.

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02:24:14.440 --> 02:24:29.549

Mark Shuster: And it's been contemplated on whether or not some of the dollars can go into the 115 Trust versus stay in your current portfolio that is subject to the state code 53601. And as just a reminder to the group.

978

02:24:29.550 --> 02:24:41.810

Mark Shuster: 53601 limits what you can invest in to protect the city. Those current yields right now are approximately 4%. Interest rates are still high.

979

02:24:41.900 --> 02:24:55.140

Mark Shuster: Where a portfolio such as the one we just referenced can do 10, 11, 12, 15, 16%, but it can also lose 10, 12, 15, 16% in a down market.

980

02:24:55.140 --> 02:25:14.860

Mark Shuster: So that's where you sit right now. The plan has been working, and when looking at any type of disbursement, as the previous consultant, Mike, mentioned, we do want to know ahead of time, because we can help manage what assets we do liquidate on a timeliness basis.

981

02:25:17.100 --> 02:25:28.619

Mark Shuster: Any questions regarding how the portfolio has been, performing, and... or any other questions regarding the 115 Trust?

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02:25:30.090 --> 02:25:31.449

Sebastopol Community Cultural Center: Any questions here?

983

02:25:31.950 --> 02:25:40.010

Sebastopol Community Cultural Center: Yes, Councilmember Carter? I can't remember if we discussed moving some of that into the 115 trust so that it could do better.

984

02:25:40.550 --> 02:25:58.460

Mark Shuster: We did. In fact, as you've been having your discussions this evening regarding the subject matter, we talked about zero, a quarter of a million, a half a million, or putting the full million in, and we talked about, putting no more than a half a million dollars into the 115 trust.

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02:25:58.460 --> 02:26:07.910

Mark Shuster: As you were working through all of these, discussions and analytics that you've been discussing for the last hour or so.

986

02:26:10.330 --> 02:26:15.689

Sebastopol Community Cultural Center: Councilmember Zola? Yeah, I remember this discussion. I was a big proponent of putting it all in.

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02:26:15.880 --> 02:26:34.380

Sebastopol Community Cultural Center: the whole, \$2,800,000 right in there, and had we have done that, we probably would have gotten a whole lot more interest. So, yeah, if we really need money, I'm interested in not having it hang out in some non-trust pension thing at whatever measly amount of interest we're getting there, so...

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02:26:35.580 --> 02:26:36.360

Sebastopol Community Cultural Center: Okay?

989

02:26:37.160 --> 02:26:38.290

Sebastopol Community Cultural Center: Anyone else?

990

02:26:40.940 --> 02:26:44.170

Sebastopol Community Cultural Center: Okay, so I guess public comment, Mary?

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02:26:47.090 --> 02:26:54.740

Sebastopol Community Cultural Center: Thank you, Mayor. So this is for public comment on the discussion of the 115 Trust. If you would like to make a public comment, I will come to Chambers first.

992

02:26:55.320 --> 02:27:01.089

Sebastopol Community Cultural Center: Seeing none, I will go out to Zoom. Lee, can you unmute yourself? Oh, you are muted. Can you see the timer?

993

02:27:01.090 --> 02:27:01.780

lee: Ken.

994

02:27:01.950 --> 02:27:03.130

Sebastopol Community Cultural Center: Great, go ahead, please.

995

02:27:03.730 --> 02:27:09.469

lee: Mark left out the slide that was the most important, what the returns were.

996

02:27:09.470 --> 02:27:09.880

Mark Shuster: don't.

997

02:27:09.880 --> 02:27:21.169

lee: a return for a portfolio that is 40% equities and 60% stocks. In the last year, if I remember, it was something like 15, 17%, he'll correct me.

998

02:27:21.170 --> 02:27:23.719

Mark Shuster: Yeah, and in fact, let me... we can slot... pull it up.

999

02:27:23.720 --> 02:27:30.119

Sebastopol Community Cultural Center: Wait a second here, wait a second here. We have to finish our public comment. Lee finish his comment real quick, please? Yeah, please.

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02:27:30.400 --> 02:27:45.059

lee: I... when I saw that at the Budget Committee meeting, I was... I was in shock. I really thought that possibly he was conning you, and I went and ran my own models, and in fact, it is correct. So he should speak to that. Thank you.

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02:27:46.430 --> 02:27:55.759

Sebastopol Community Cultural Center: Thank you, Lee, for your public comment. Next, I'll come into chambers. Seeing none, I will go back out to Zoom. If there's anyone on Zoom that would like to make a public comment to read, please raise your hand virtually.

1002

02:27:56.380 --> 02:27:58.610

Sebastopol Community Cultural Center: CNN, go ahead, Mark, if you want to respond.

1003

02:27:58.610 --> 02:28:07.149

Mark Shuster: Thank you, I apologize. Yes, we'll go to, that rate of return that, Lee was referencing. If you look down at the

1004

02:28:07.150 --> 02:28:19.500

Mark Shuster: Bottom column here as of... and this was as of 5-6, so May 6th, and of course, the performance is even better since, but if you look at that one-year return, it is 15.35%.

1005

02:28:20.110 --> 02:28:30.440

Mark Shuster: As I referenced earlier, look to the right, it is a 10.45 compounded rate of return, and Lee, though we're at 4060 today.

1006

02:28:31.090 --> 02:28:34.599

Mark Shuster: Just 7 months ago, we were at a 2080.

1007

02:28:34.900 --> 02:28:47.340

Mark Shuster: And so, since the inception. And so, yes, moving with the market, and if you were at that meeting, as referenced, with our ability to move with markets as all of your assets are liquid.

1008

02:28:47.340 --> 02:28:57.469

Mark Shuster: That has been the key to this, in moving, whether it's in growth, value, international, that has been, the reason for the success.

1009

02:29:00.100 --> 02:29:01.310

Sebastopol Community Cultural Center: Alright, thank you.

1010

02:29:03.060 --> 02:29:04.899

Sebastopol Community Cultural Center: Anyone have any comments?

1011

02:29:05.210 --> 02:29:14.430

Sebastopol Community Cultural Center: I, I just wanna... Thank you for the good return, and congratulate... I don't know, congratulations. I appreciate it.

1012

02:29:15.280 --> 02:29:19.429

Sebastopol Community Cultural Center: Any other comments before we close this item and accept it? Okay.

1013

02:29:19.970 --> 02:29:28.899

Sebastopol Community Cultural Center: All right, thank you very much. That... thanks for the presentation and the update, we appreciate it, and we're going to conclude our informational presentations here.

1014

02:29:30.030 --> 02:29:30.950

Sebastopol Community Cultural Center: Alright.

1015

02:29:31.430 --> 02:29:33.099

Sebastopol Community Cultural Center: We doing okay, everyone?

1016

02:29:33.400 --> 02:29:40.459

Sebastopol Community Cultural Center: Okay, so as I mentioned earlier, we're going to move into the public hearings, but we will be moving item 11.

1017

02:29:40.510 --> 02:29:44.730

Sebastopol Community Cultural Center: Up to the front of the line here, just due to,

1018

02:29:44.770 --> 02:29:59.169

Sebastopol Community Cultural Center: the... the deadline that we have that, needs to be taken care of before the prior... the next meeting, and I just want to make sure we get to it, given, how long the budget can take. So, moving that up, that will... number...

1019

02:29:59.170 --> 02:30:11.589

Sebastopol Community Cultural Center: 8 now will be consideration of adopting resolution authorizing acceptance of California Office of Emergency Services Cal OES grant funding for the replacement of the City's 911

1020

02:30:11.590 --> 02:30:27.240

Sebastopol Community Cultural Center: Call processing equipment, authorizing the City Manager to execute all necessary documents and approving a budget amendment for upfront costs of \$7,071.92. And, will our Chief be doing the presentation?

1021

02:30:29.060 --> 02:30:31.139

Sebastopol Community Cultural Center: Thank you. I'm on up.

1022

02:30:37.650 --> 02:30:38.650

Sebastopol Community Cultural Center: Good evening.

1023

02:30:38.990 --> 02:30:40.030

Sebastopol Community Cultural Center: Good evening.

1024

02:30:40.420 --> 02:30:47.519

Sebastopol Community Cultural Center: So this, particular item is for, the... Authorization of the,

1025

02:30:48.440 --> 02:30:54.120

Sebastopol Community Cultural Center: reading it from the, the subject line, authorization for the City Manager to accept a, a Keller OES

1026

02:30:54.490 --> 02:31:04.619

Sebastopol Community Cultural Center: system upgrade via a grant that we're entitled to, which is somehow calculated through the number of 911 calls that we receive here in the city, and I believe other jurisdictions are eligible for the same thing.

1027

02:31:05.260 --> 02:31:13.230

Sebastopol Community Cultural Center: But in considering that, we're entitled to a total of \$365,000 upgrade to our dispatch consoles, basically the... the...

1028

02:31:13.360 --> 02:31:17.029

Sebastopol Community Cultural Center: Answering... Point of, answering service that we have.

1029

02:31:17.250 --> 02:31:30.750

Sebastopol Community Cultural Center: Within the department, which is an awesome opportunity for us to upgrade that equipment at no cost to the city, other than an initial cost of just over \$7,000 at \$7,071.92 for a very limited period of time.

1030

02:31:30.780 --> 02:31:37.750

Sebastopol Community Cultural Center: That we cover that until we reimburse for it, but the remainder of the \$365,000 is covered directly by

1031

02:31:37.830 --> 02:31:41.700

Sebastopol Community Cultural Center: Cal OES to the vendors that are supplying the equipment.

1032

02:31:42.760 --> 02:31:45.730

Sebastopol Community Cultural Center: That there were a few conditions of...

1033

02:31:45.900 --> 02:31:55.949

Sebastopol Community Cultural Center: Of that equipment and that grant, most of which we're already doing and required to do as part of our service providing to the citizens of this city.

1034

02:31:56.270 --> 02:32:00.630

Sebastopol Community Cultural Center: And one is to answer 90% of our 911 calls within 15 seconds, and...

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02:32:00.860 --> 02:32:03.719

Sebastopol Community Cultural Center: We absolutely do that, and more.

1036

02:32:04.730 --> 02:32:12.660

Sebastopol Community Cultural Center: The other is to maintain this equipment and dispatching services for 5 years as part of that grant requirement.

1037

02:32:14.380 --> 02:32:16.449

Sebastopol Community Cultural Center: Well, I think that basically sums up

1038

02:32:16.780 --> 02:32:19.189

Sebastopol Community Cultural Center: The, the two things that were probably the...

1039

02:32:19.840 --> 02:32:24.950

Sebastopol Community Cultural Center: The most critical, everything else we're already doing as part of our Daily operations.

1040

02:32:26.400 --> 02:32:29.450

Sebastopol Community Cultural Center: And that's about it. If there are any questions, I'd love to answer them.

1041

02:32:30.150 --> 02:32:31.539

Sebastopol Community Cultural Center: Anyone have questions?

1042

02:32:32.800 --> 02:32:41.429

Sebastopol Community Cultural Center: I have just a quick question, just remind me, when going out for this grant and all of that, when would this... I mean, just...

1043

02:32:41.710 --> 02:32:45.290

Sebastopol Community Cultural Center: guesstimate. When would the actual system, you know, see a change?

1044

02:32:45.850 --> 02:32:51.770

Sebastopol Community Cultural Center: I don't actually know when they're going to do that, the upfit of the equipment.

1045

02:32:52.620 --> 02:32:58.610

Sebastopol Community Cultural Center: like Ken says, we were somewhat left for very short notice to get this in, which is why it's been rushed onto the agenda, and...

1046

02:32:58.740 --> 02:33:01.310

Sebastopol Community Cultural Center: We didn't want to miss that opportunity to get it before the Council.

1047

02:33:01.630 --> 02:33:04.389

Sebastopol Community Cultural Center: For consideration, because it's such a great opportunity to,

1048

02:33:04.390 --> 02:33:23.199

Sebastopol Community Cultural Center: to save a lot of money on upgrading our equipment? Oh, yeah, sure, I was just curious, like, I don't recall... I just don't know on the timing, but I can look into that if you'd like to know more about it. It's okay, I just wondered if you knew, I was just curious about it. I don't, I'm sorry. Okay, alright. That's the only question I had. Does anyone have anything? If not, we'll go to public comment. Thank you very much, Chief.

1049

02:33:23.570 --> 02:33:37.760

Sebastopol Community Cultural Center: Thank you, Mayor. So this is for public comment for the, grant... receipt of the grant funding for the, Cal OES City's 911 replacement system. If you'd like to make a public comment, I will go to Chambers first.

1050

02:33:38.020 --> 02:33:44.689

Sebastopol Community Cultural Center: Seeing none, I will go out to Zoom. If there's anyone on Zoom that would like to make a public comment on this item, please raise your hand virtually.

1051

02:33:45.540 --> 02:33:47.740

Sebastopol Community Cultural Center: Seeing none, public comment is closed.

1052

02:33:48.220 --> 02:33:50.489

Sebastopol Community Cultural Center: Alright, any comments back here?

1053

02:33:50.810 --> 02:33:52.460

Sebastopol Community Cultural Center: Any motions?

1054

02:33:55.310 --> 02:33:56.070

Sebastopol Community Cultural Center: Cheer.

1055

02:33:57.100 --> 02:34:13.740

Sebastopol Community Cultural Center: Oh, I'm sorry. Sorry, I was looking... Sure, I'll go ahead and move the motion to authorize the City Manager to accept Cal OSHA... oh, sorry, Cal OES funding for the 911 system upgrade and approval of resolution for budget amendment for \$7,071.

1056

02:34:13.740 --> 02:34:20.990

Sebastopol Community Cultural Center: 92 cents for initial upfront costs. These costs will be reimbursed by the Cal OES grant.

1057

02:34:21.000 --> 02:34:22.689

Sebastopol Community Cultural Center: And I can second that.

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02:34:23.770 --> 02:34:26.760

Sebastopol Community Cultural Center: Thank you. So moved by Councilmember Hinton, and...

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02:34:26.760 --> 02:34:45.919

Sebastopol Community Cultural Center: I'm sorry, so moved by Councilmember Hinton and seconded by Mayor McLewis to approve the resolution, authorizing the acceptance of the Cal OES grant funding for the replacement of the City's 911 call processing equipment,

and authorizing all necessary documents to be signed by the City Manager, and approving the budget amendment for the upfront cost of \$7,071.

1060

02:34:45.920 --> 02:34:54.960

Sebastopol Community Cultural Center: Councilmember Carter? Yes. Councilmember Hinton? Aye. Councilmember Zolman? Yes. Vice Mayor Maurer? Yes. Mayor McLewis? Yes. Motion passes unanimously.

1061

02:34:55.000 --> 02:35:08.619

Sebastopol Community Cultural Center: All right, wonderful. Thank you all for accommodating that change. Now we are going to go to what would be item number 9 under the public hearings, and that is,

1062

02:35:08.870 --> 02:35:13.600

Sebastopol Community Cultural Center: Public hearing, fiscal year 26-27, City Budget.

1063

02:35:13.690 --> 02:35:32.259

Sebastopol Community Cultural Center: Item is to conduct a public hearing to gather community input. This provides an opportunity for residents to voice their opinions, concerns, and suggestions, which may help shape the final budget. It is recommended that the City Council conduct the public hearing and provide direction on the proposed fiscal year 2026-27 budget.

1064

02:35:32.260 --> 02:35:43.810

Sebastopol Community Cultural Center: Upon conclusion of the hearing, staff recommends that the City Council continue the item to June 16th Council meeting for consideration of adoption of FY2026-27 budget.

1065

02:35:43.910 --> 02:36:03.800

Sebastopol Community Cultural Center: And I believe... is it Ana? Are you doing this? Yes. Okay. So, good... good evening, Mayor and Councilmembers again. The item before you is the budget hearing for the proposed July 1st, 2026 to June 30, 2027. Tonight budget... let me share screen.

1066

02:36:35.410 --> 02:36:49.849

Sebastopol Community Cultural Center: So tonight, budget discussion covers a variety of topics, as you can see on this agenda. Citywide overall, fund overview, where the city gets its money, where the city spends its money,

1067

02:36:50.450 --> 02:37:05.539

Sebastopol Community Cultural Center: two-year financial position, measure U overview, and as you, have seen Bob on Zoom earlier for the other item, he will be here to take over the, financial forecast section. So...

1068

02:37:05.560 --> 02:37:15.089

Sebastopol Community Cultural Center: And then after that, I will pick up where he left off, and we're going to talk about the staffing level, the enterprise fund summary, and the special revenue fund and insurance funds.

1069

02:37:15.130 --> 02:37:27.639

Sebastopol Community Cultural Center: And we'll bring it back to Council for questions and do a public hearing. And just a side note, the Budgets Committee members are, Vice Mayor Maurer, Councilmember Carter, City Manager, and myself.

1070

02:37:32.440 --> 02:37:34.900

Sebastopol Community Cultural Center: So, in this slide,

1071

02:37:35.050 --> 02:37:44.760

Sebastopol Community Cultural Center: provides the city-wide snapshot of all the funds, showing total revenue and total expenditure. The key takeaway is that general fund.

1072

02:37:44.790 --> 02:37:55.599

Sebastopol Community Cultural Center: expenditure are budgeted higher than, revenue. So, the purple color is revenue, and the blue color is, expenses.

1073

02:37:55.600 --> 02:38:09.870

Sebastopol Community Cultural Center: And some enterprise funds, like wastewater, show a stronger revenue relatively to expense, and overall the slight meant that the... it shows where all the financial and the high level across all funds, not just general fund.

1074

02:38:14.910 --> 02:38:28.979

Sebastopol Community Cultural Center: In this slide, it shows general fund, revenue mix, and what is the city, relies on to operate. And the biggest, the two largest sources are the sales tax and the property tax.

1075

02:38:28.980 --> 02:38:41.499

Sebastopol Community Cultural Center: which make up the majority of our ongoing revenue. The remaining revenues comes from license and permits and transient occupancy tax and other sources, like fees and, internal charges.

1076

02:38:43.670 --> 02:38:44.350

Sebastopol Community Cultural Center: Oop.

1077

02:38:45.140 --> 02:38:46.020

Sebastopol Community Cultural Center: Too much.

1078

02:38:46.040 --> 02:38:55.410

Sebastopol Community Cultural Center: In this slide, it shows general fund allocated across all departments, giving sense that, where the city resources are focusing on.

1079

02:38:55.410 --> 02:39:06.319

Sebastopol Community Cultural Center: And, police is the largest, following public works, reflecting city emphasis on public safety and, core infrastructure.

1080

02:39:06.320 --> 02:39:14.080

Sebastopol Community Cultural Center: The remaining budgets spread across services like admin services, planning, fire, and community program.

1081

02:39:19.500 --> 02:39:34.720

Sebastopol Community Cultural Center: In this slide, this is the two-year financial situation. This slide shows that general fund, as the Vice Mayor was explaining earlier, this picture that gives the, current year in 25-26, the general fund will have

1082

02:39:34.850 --> 02:39:46.430

Sebastopol Community Cultural Center: a positive position, but in the upcoming budget, we... we will have a deficit, so in combining two years, it's being... there is a positive balance out of that.

1083

02:39:49.360 --> 02:39:54.880

Sebastopol Community Cultural Center: Sure. I would really like to hear where... who came up with this nifty idea of combining ears.

1084

02:39:55.420 --> 02:40:03.039

Sebastopol Community Cultural Center: Like, when I was on the Budget Committee and all the budget things that I've been through, no one combines years. So was it the intent to make things, like, look...

1085

02:40:03.410 --> 02:40:10.869

Sebastopol Community Cultural Center: like, greater and better? Like, why was this need... what was this need to, like, combine years with this?

1086

02:40:13.800 --> 02:40:15.509

Sebastopol Community Cultural Center: Mayor, you want me to... or Justin?

1087

02:40:20.110 --> 02:40:25.069

Sebastopol Community Cultural Center: We had a pretty extensive conversation on the Budget Committee about

1088

02:40:25.390 --> 02:40:29.469

Sebastopol Community Cultural Center: About this, about the fact that it was a deficit year.

1089

02:40:29.830 --> 02:40:32.890

Sebastopol Community Cultural Center: And that the council had,

1090

02:40:33.000 --> 02:40:34.970

Sebastopol Community Cultural Center: Had a goal of a balanced budget.

1091

02:40:35.260 --> 02:40:36.380

Sebastopol Community Cultural Center: So...

1092

02:40:38.190 --> 02:40:45.460

Sebastopol Community Cultural Center: But when you look at it in the two-year, across two years, it is a balanced budget. It's just not a balanced budget this year.

1093

02:40:45.730 --> 02:40:51.169

Sebastopol Community Cultural Center: And one of the key things that I think is really important, and maybe, Ana, you could speak to this, is

1094

02:40:51.380 --> 02:40:55.140

Sebastopol Community Cultural Center: How much of that surplus.

1095

02:40:55.940 --> 02:40:58.019

Sebastopol Community Cultural Center: Now, how much of the deficit

1096

02:40:58.460 --> 02:41:02.189

Sebastopol Community Cultural Center: Is for roads that wasn't spent.

1097

02:41:03.880 --> 02:41:12.110

Sebastopol Community Cultural Center: or other CIP projects that weren't spent yet, because that's part of the reason why we have a \$960,000 deficit.

1098

02:41:13.300 --> 02:41:15.820

Sebastopol Community Cultural Center: I think it's, like, 500 for roads.

1099

02:41:15.930 --> 02:41:23.809

Sebastopol Community Cultural Center: of... I've written \$10,000... So, \$510,000 of that is for roads that didn't get spent.

1100

02:41:24.740 --> 02:41:26.519

Sebastopol Community Cultural Center: That's part of the deficit.

1101

02:41:27.070 --> 02:41:28.029

Sebastopol Community Cultural Center: this year.

1102

02:41:28.150 --> 02:41:29.920

Sebastopol Community Cultural Center: I don't know, it made sense to me.

1103

02:41:30.480 --> 02:41:35.999

Sebastopol Community Cultural Center: So, so what... It is not to combine years to make things rosy.

1104

02:41:36.140 --> 02:41:41.219

Sebastopol Community Cultural Center: We... the committee and staff that talk about

1105

02:41:41.490 --> 02:41:46.869

Sebastopol Community Cultural Center: it is Council goal to adopt or to,

1106

02:41:47.690 --> 02:41:57.979

Sebastopol Community Cultural Center: bring in a balanced budget. In this coming year, 26-27, we don't have a balanced budget. However, in the current year.

1107

02:41:58.150 --> 02:42:06.670

Sebastopol Community Cultural Center: that we are in right now, which is ending in a couple weeks, we do have quite a bit of surplus. So when you do look at things together.

1108

02:42:07.790 --> 02:42:12.200

Sebastopol Community Cultural Center: You are in... A positive position.

1109

02:42:12.370 --> 02:42:15.900

Sebastopol Community Cultural Center: But overall, we still have a structured deficit.

1110

02:42:16.130 --> 02:42:19.160

Sebastopol Community Cultural Center: As far as the overall picture.

1111

02:42:20.380 --> 02:42:38.610

Sebastopol Community Cultural Center: Right. And so what I'm hearing you say is nothing's changed. When we declared the fiscal state of emergency, with Larry's advice of doing it, because we're one step away from bankruptcy, it was because we were burning through \$1.67 million of expenditures over anticipated revenue. So nothing really has changed, correct?

1112

02:42:38.840 --> 02:42:43.010

Sebastopol Community Cultural Center: There hasn't... we... our revenue is not...

1113

02:42:43.420 --> 02:42:52.229

Sebastopol Community Cultural Center: we do have Measure U, but Measure U has a policy that is designated 40% to road. So.

1114

02:42:52.620 --> 02:43:02.029

Sebastopol Community Cultural Center: As far as revenue is concerned, there is change in revenue, so revenue did increase because of new taxes, but as far as other revenue, it has been flat.

1115

02:43:02.220 --> 02:43:19.220

Sebastopol Community Cultural Center: So there's... you're correct, there hasn't been much change, but we do... we do see that expenses go up because of, you know... Wages. Wages, that there are savings. I mean, we... we are... staff are trying to live within our means, and we cut where we can.

1116

02:43:19.310 --> 02:43:34.610

Sebastopol Community Cultural Center: The biggest cost in the budget is wages and pension costs, and insurance, which is completely out of the city control as far as insurance increase and pensions, as you have heard. We have no control how FERS would send

1117

02:43:34.800 --> 02:43:36.240

Sebastopol Community Cultural Center: The bill to the city.

1118

02:43:36.430 --> 02:43:50.339

Sebastopol Community Cultural Center: Can I ask a question? So you're saying... so you're saying, well, we had a... we're looking rosy this year, but next year we're not, so that's why we're doing that. But the question I have is, is what... what is making us look so rosy this year? You know what I mean? Like, you're...

1119

02:43:50.570 --> 02:43:56.930

Sebastopol Community Cultural Center: Very specifically. Yes, what makes this city having such a surplus is there's vacancies.

1120

02:43:57.140 --> 02:44:03.850

Sebastopol Community Cultural Center: The biggest one is the city manager's office. You have not have a city manager for at least

1121

02:44:03.950 --> 02:44:05.079

Sebastopol Community Cultural Center: 11 months?

1122

02:44:05.820 --> 02:44:11.570

Sebastopol Community Cultural Center: 10, 11 months. You also have other vacancy in the police department.

1123

02:44:11.950 --> 02:44:31.419

Sebastopol Community Cultural Center: We are not spending, like the Vice Mayor just said, we are not spending the allocated 40% of Measure U, which is \$800,000 in road. We are carrying that over to the next year. We're only spending \$290,000 out of that \$800 on road and others.

1124

02:44:31.670 --> 02:44:42.639

Sebastopol Community Cultural Center: capital projects, not just road itself. But we will be spending all last year's money and this year's 40% on that. I just want that to be very clear, like...

1125

02:44:43.260 --> 02:44:54.749

Sebastopol Community Cultural Center: Okay, okay. Go ahead, Councilman. I feel compelled to respond back, where it seems like, you know, what I heard Ana say, it's... the predicament we're in is because of

1126

02:44:54.820 --> 02:45:04.749

Sebastopol Community Cultural Center: increased wages, pension obligations, and insurance, and what I got from that statement was we have no control over insurance. That is, in fact, not true.

1127

02:45:04.900 --> 02:45:14.070

Sebastopol Community Cultural Center: you're being our representative, the CIRA Board? Oh, we do have control over general liability and whether our workers are safe on the job.

1128

02:45:14.420 --> 02:45:32.659

Sebastopol Community Cultural Center: whether they do their job, whether they do it appropriately, because every time they don't, it jacks up our insurance rate. So I just want to be really, really clear that we do have a lot of control over our insurance payments. With my statement, is... would that be a fair assumption? Or would that be fair

1129

02:45:32.660 --> 02:45:34.439

Sebastopol Community Cultural Center: your understanding as well, Ana.

1130

02:45:35.330 --> 02:45:43.669

Sebastopol Community Cultural Center: Alright, can I ask a question? We're talking... are we talking about both the same... because there's two different insurances here, so I'm just trying to understand.

1131

02:45:43.790 --> 02:45:59.980

Sebastopol Community Cultural Center: Well, I heard insurance, like, as we have no control at all, and I'm like, oh, that is so not true. So, I think what the Administrative Services Director was referring to was our premium... medical premiums, that went of excruciating, but you are correct, Councilmember Zollman, that

1132

02:45:59.980 --> 02:46:04.529

Sebastopol Community Cultural Center: Workman comp increases, general liability increases,

1133

02:46:04.530 --> 02:46:14.340

Sebastopol Community Cultural Center: misconduct. Misconduct. Yes, so we are working with policies, we're working with CERA, but yes, that does help to reduce the claims by, you know.

1134

02:46:14.340 --> 02:46:24.709

Sebastopol Community Cultural Center: what policies and trainings and things that we have going on here. When I think what she was referring to with what we don't have control over is that massive medical premium increase that we just took this year.

1135

02:46:24.710 --> 02:46:30.930

Sebastopol Community Cultural Center: Right, because that's happening everywhere. I mean, we know. That's why I just wanted to clarify on insurances.

1136

02:46:31.610 --> 02:46:35.509

Sebastopol Community Cultural Center: Other questions before we continue the presentation?

1137

02:46:36.920 --> 02:46:49.199

Sebastopol Community Cultural Center: Okay, go ahead. So anyway, as we're moving on to Measure U overview, and I know that this is a really hot topic regarding Measure U, because there's a policy that attached to the Measure U,

1138

02:46:49.210 --> 02:46:59.699

Sebastopol Community Cultural Center: In this slide, I am showing all the revenue that has been received, or projected to receive for Measure U. Will increase that size?

1139

02:46:59.920 --> 02:47:04.790

Sebastopol Community Cultural Center: I... I need, like, a magnifying glass. I don't know about everybody else.

1140

02:47:05.220 --> 02:47:07.930

Sebastopol Community Cultural Center: I'm like, I wish my eyes were that great.

1141

02:47:12.560 --> 02:47:14.239

Sebastopol Community Cultural Center: I'm not sure how to increase this.

1142

02:47:56.370 --> 02:48:03.039

Sebastopol Community Cultural Center: Is that page 7, Ana? Is that page 7? Yes. Okay, I just found it in the presentation.

1143

02:48:04.320 --> 02:48:09.379

Sebastopol Community Cultural Center: I'm sorry, I couldn't... Couldn't try to figure out how to increase that. So anyway.

1144

02:48:09.500 --> 02:48:22.749

Sebastopol Community Cultural Center: This is the 2627 Measure U overview. So, in this slide, I have put together all the projected revenue that will be collected for Measure U,

1145

02:48:22.760 --> 02:48:41.479

Sebastopol Community Cultural Center: And from there, each year, the 40% of the policy is being allocated from that proceed, and to your right-hand side, those are the listed projects that these Measure U 40% is paid for. As I mentioned.

1146

02:48:42.320 --> 02:48:50.160

Sebastopol Community Cultural Center: The \$800,000 that is being allocated in the current year, 25-26, For those projects.

1147

02:48:50.440 --> 02:49:00.119

Sebastopol Community Cultural Center: Some of them are not going to be completely in this year, and they're going to be carried over \$500,000 in the next fiscal year. And in the next fiscal year, there is

1148

02:49:00.120 --> 02:49:14.019

Sebastopol Community Cultural Center: an allocated 40% of the Measure U projected revenue, and that number is about \$612,000. So if you add those together, that's a million dollars worth of Measure U, will go toward projects.

1149

02:49:18.020 --> 02:49:18.760

Sebastopol Community Cultural Center: Okay

1150

02:49:22.620 --> 02:49:34.400

Sebastopol Community Cultural Center: So with that, I'm just gonna turn this over to Bob, to go over a number of slides regarding the, financial forecast, and I will pick it back up after he's finished.

1151

02:49:35.570 --> 02:49:45.239

Bob Leland: All right, thank you, Ana. Good evening, Madam Mayor and Council Members. Good to see you all again. My role tonight is to walk you through the forecast.

1152

02:49:45.530 --> 02:49:53.079

Bob Leland: So, this slide gives you a quick summary. There are... Four key factors.

1153

02:49:53.230 --> 02:50:01.980

Bob Leland: One of which being, recessions. We're assuming a moderate recession around fiscal year 28.

1154

02:50:02.260 --> 02:50:13.330

Bob Leland: We're assuming that, whether or not, Measure U is renewed, it's beyond the 10-year forecast that we're showing, because the,

1155

02:50:13.600 --> 02:50:30.350

Bob Leland: the last year revenue would be received under Measure U is fiscal year 37. So, when you look at these charts, keep in mind that whether or not Measure U is renewed makes a difference as to whether the forecast gets even worse than what we're showing.

1156

02:50:30.710 --> 02:50:50.600

Bob Leland: Then there's the impact of the Barlow Hotel, and then finally whether the sewer fund loan is repaid. The city is facing a structural imbalance, and we've talked about that earlier in the evening. Obviously, ongoing revenues are not keeping pace with ongoing expenses under the status quo.

1157

02:50:50.900 --> 02:50:59.470

Bob Leland: So, under the baseline scenario I'm going to show you, the city experiences an average annual shortfall of just over \$1.3 million.

1158

02:50:59.590 --> 02:51:13.759

Bob Leland: The reserves are in steady decline and will be below the minimum policy levels around fiscal year 30, and without action, reserves will be in deficit significantly by fiscal year 36.

1159

02:51:14.090 --> 02:51:27.420

Bob Leland: Now, we're going to show you some different scenarios to show how the outcomes can change. One is if the sewer loan is not repaid, and obviously that the situation worsens, the deficit would be larger.

1160

02:51:27.480 --> 02:51:34.419

Bob Leland: If the Barlow Hotel is built, on the other hand, it significantly reduces the gap

1161

02:51:34.560 --> 02:51:53.749

Bob Leland: But under our more conservative assumption as to what the average daily rate would be, it won't eliminate it. If you assume a more optimistic outcome in terms of the rates they're able to charge, then it will, in fact, bring in balance above the reserve level.

1162

02:51:54.610 --> 02:52:00.759

Bob Leland: And then, in all cases, the reserves decline over time without some kind of corrective action.

1163

02:52:01.490 --> 02:52:20.459

Bob Leland: across all the scenarios, the city has to act either by increasing revenue or reducing expenses. Now, we're assuming that since you've already maxed out sales tax, the prime means of bringing the budget into balance will be a reduction of expenditures of some sort.

1164

02:52:20.650 --> 02:52:30.620

Bob Leland: And as you'll see from the different scenarios, that ranges from a low of \$210,000 a year to \$860,000 per year, depending on the scenario.

1165

02:52:30.980 --> 02:52:45.249

Bob Leland: And with those types of proactive adjustments, the city can stabilize reserves, be in a fiscally healthy situation, but the sooner you start, the better, such as next year. So let's go ahead and go to the next slide.

1166

02:52:46.160 --> 02:52:50.020

Bob Leland: And we'll talk about some basic forecast variables.

1167

02:52:50.280 --> 02:52:59.149

Bob Leland: Now, we are assuming a moderate recession, starting in fiscal 28, so that would be things go south July 1 of 27.

1168

02:52:59.230 --> 02:53:09.550

Bob Leland: We're assuming a 7-year cycle. Obviously, timing and magnitude of recessions will vary. We don't have a crystal ball, but over the last 100 years.

1169

02:53:09.550 --> 02:53:20.219

Bob Leland: It has been an average of a 7-year cycle, longer at some times and shorter in others, and there is certainly enough uncertainty out in the world, potentially.

1170

02:53:20.220 --> 02:53:30.270

Bob Leland: Many people have said that were it not for massive, nearly \$800 billion investment in artificial intelligence, that we would be in a recession already.

1171

02:53:31.100 --> 02:53:41.679

Bob Leland: We are assuming no staffing growth, and 3.25% total wage growth, and the 3.25% is the net growth from COLAs

1172

02:53:41.680 --> 02:53:53.890

Bob Leland: From step increases, and then from offsetting savings from employee turnover, and that's when someone terminates at a higher step, and the position is refilled at a lower step.

1173

02:53:53.890 --> 02:54:02.370

Bob Leland: And then we made some allowance for reclassifications and other pay adjustments. So we're assuming total wage growth, 3.25%.

1174

02:54:02.730 --> 02:54:17.350

Bob Leland: Now, those are budgetary and labor negotiation decisions. It's up to you every year what kind of staffing growth you want to have. If there is staffing growth, obviously that worsens the forecast, and also if

1175

02:54:17.350 --> 02:54:26.989

Bob Leland: Labor negotiations turn out to be, greater than 3.25% on average annual wage growth, and that would also worsen the forecast.

1176

02:54:27.390 --> 02:54:47.140

Bob Leland: Another key issue is vacancy rate, and we're assuming a low vacancy rate of only 1%, and that is because we just had a discussion. Ana talked about police and the city manager position, and we are assuming that those vacancies get filled, and

1177

02:54:47.140 --> 02:55:04.119

Bob Leland: Given the relatively low number of positions the city has, we're assuming that the city will be keeping the vast bulk of those filled, and that a vacancy rate of about 1% is appropriate to assume for the long haul.

1178

02:55:04.300 --> 02:55:14.160

Bob Leland: Obviously, if the rate of vacancy is higher than that, that will reduce expenses in the near term until you get to the point of actually filling those positions.

1179

02:55:14.630 --> 02:55:26.309

Bob Leland: Now, in terms of the Barlow Hotel, I mean, the first uncertainty is, will it be built? The baseline forecast excludes the hotel, but I will show you a scenario that does include it.

1180

02:55:26.600 --> 02:55:33.080

Bob Leland: And then, will it be successful if the developers plan for a \$600 average room rate?

1181

02:55:33.180 --> 02:55:50.549

Bob Leland: The forecast is more conservative. We've assumed \$350 average room rate, and that we're ramping up to that level over a few years' time. To the extent that it is higher, this would improve the forecast. If you take a look

1182

02:55:50.620 --> 02:55:59.569

Bob Leland: at Napa and Sonoma counties, there are hotels at a \$600 room rate and above.

1183

02:55:59.570 --> 02:56:03.119

Bob Leland: There are a number of them in Napa,

1184

02:56:03.120 --> 02:56:20.710

Bob Leland: sort of from Napa up through Calistoga. That is further away from Sebastopol, but there are also a \$600 room rate or more, in Sonoma, in, Santa Rosa, and, further north.

1185

02:56:21.150 --> 02:56:30.209

Bob Leland: But it's not the norm. There are more hotels that are in the, say, \$300 to \$400, \$500 range.

1186

02:56:30.370 --> 02:56:49.969

Bob Leland: And so the question will be, will it be successful? And what... what does it take for the developer to get the financing for that kind of hotel? Apparently, the developer does not have it yet. There are potentially some discussions that the city and the developer will be having.

1187

02:56:50.010 --> 02:57:03.160

Bob Leland: on that, but we are assuming at this point that the city retains 100% of whatever TOT is generated by the hotel. So it's really just a question of what the room rate and the occupancy rate are.

1188

02:57:03.590 --> 02:57:20.170

Bob Leland: Now, in terms of the sewer fund, we're assuming that the loan repayment is made to the general fund. That, of course, is one-time revenue, it's not ongoing. But we are assuming that that is repaid in the coming years.

1189

02:57:20.230 --> 02:57:29.840

Bob Leland: The baseline forecast includes it. We have an alternate scenario that assumes no repayment, just so you can see what the impact of that is.

1190

02:57:30.110 --> 02:57:42.870

Bob Leland: And then again, whether Measure U sales tax is ultimately renewed has a significant impact on the forecast, but it doesn't start until fiscal 38, which is after the current forecast.

1191

02:57:43.820 --> 02:57:45.220

Sebastopol Community Cultural Center: I think...

1192

02:57:45.220 --> 02:57:45.890

Bob Leland: slide.

1193

02:57:45.890 --> 02:57:47.360

Sebastopol Community Cultural Center: One second, I thought.

1194

02:57:47.360 --> 02:57:47.790

Bob Leland: Oh, yep.

1195

02:57:47.790 --> 02:57:49.360

Sebastopol Community Cultural Center: We have a couple questions here.

1196

02:57:49.360 --> 02:57:49.870

Bob Leland: Sure.

1197

02:57:49.870 --> 02:58:01.240

Sebastopol Community Cultural Center: to address? Go ahead. Okay, so does, I'm looking at page 181 of our budget book. It says the City of Sebastopol General Fund Forecast.

1198

02:58:01.370 --> 02:58:04.910

Sebastopol Community Cultural Center: Are you... are we looking at the same page? Are you on that page?

1199

02:58:04.910 --> 02:58:21.549

Bob Leland: I'm not on it, but I know what it is. And a little miscommunication between staff and me. My baseline forecast assumes no hotel. What you're basically looking at there on page 181 is what I call Alternate 2.

1200

02:58:21.550 --> 02:58:25.230

Bob Leland: And so, you'll see what that forecast looks like momentarily.

1201

02:58:26.110 --> 02:58:38.589

Sebastopol Community Cultural Center: So, is it possible that we can get the alternate, the original, the alternate? He said there were several versions of these forecasts, and I've only seen this one in the budget book, so is it possible to get those.

1202

02:58:38.890 --> 02:58:40.199

Bob Leland: Oh, sure.

1203

02:58:40.200 --> 02:58:44.469

Sebastopol Community Cultural Center: I haven't... I don't know if they've been sent to us or what, but, anyway...

1204

02:58:44.470 --> 02:58:52.300

Bob Leland: Not even said to you, but I can generate them easily enough. Basically, you want what's on 181, but just for each of the scenarios.

1205

02:58:53.730 --> 02:59:04.319

Sebastopol Community Cultural Center: Yeah, and then I have a question. Does this forecast, include a drawdown of the 115,000 trust of \$150,000 to \$230,000?

1206

02:59:04.320 --> 02:59:22.729

Bob Leland: Yes, I'm getting to that. I took a stab in the dark and came up with option 2 from NHA. They have four. You discussed those earlier. Number 1 and 4 deplete the reserve entirely, and we were actually talking about that a couple of years ago, but

1207

02:59:22.730 --> 02:59:37.180

Bob Leland: A middle range probably is the more prudent approach right now, and I do want to emphasize, this isn't... once you pull the trigger on this, it's not automatic year after year. You can make a decision every year how much, if any, you want to draw down.

1208

02:59:37.190 --> 02:59:53.790

Bob Leland: So, in terms of what you draw down initially, you know, it's in the \$150,000 to \$230,000 range, and I think that is a reasonable range to consider for your initial drawdown. If you want to start

1209

02:59:54.390 --> 02:59:55.340

Bob Leland: Go ahead.

1210

02:59:55.340 --> 02:59:58.580

Sebastopol Community Cultural Center: Is it... is it in the forecast? Is it already...

1211

02:59:59.900 --> 03:00:00.490

Bob Leland: food.

1212

03:00:00.490 --> 03:00:06.120

Sebastopol Community Cultural Center: But, so the drawdown is included in this forecast that we have in our budget book?

1213

03:00:06.410 --> 03:00:26.189

Bob Leland: That's right. And if you don't do it, let's say that you don't draw it down at all, the average over the next 9 years or so is about \$232,000 a year. It varies for the individual year. I think the first draw is \$212,000, yeah, under that scenario, too.

1214

03:00:26.190 --> 03:00:34.190

Sebastopol Community Cultural Center: If we didn't do it, then in 2028, we'd be 1.5... deficit.

1215

03:00:34.960 --> 03:00:42.469

Bob Leland: Yeah, you're just, you're just that much, to the worse, so if you have to...

1216

03:00:42.470 --> 03:00:45.109

Sebastopol Community Cultural Center: I just want to make sure I'm looking at the right numbers.

1217

03:00:45.110 --> 03:00:56.040

Bob Leland: That's right, so if... so the amounts that I'm going to show you in terms of what you would have to cut on the, starting in fiscal 27, you would just add \$212,000 to that.

1218

03:00:56.550 --> 03:00:57.230

Sebastopol Community Cultural Center: Okay.

1219

03:00:58.740 --> 03:01:05.080

Bob Leland: But yes, the forecast assumes that there is that drawdown.

1220

03:01:05.380 --> 03:01:13.730

Sebastopol Community Cultural Center: And the wastewater alone, how much is that attribute... is that in this forecast that we have in our budget book, and how much is that per year?

1221

03:01:14.310 --> 03:01:20.340

Bob Leland: The... the... that is... Right now,

1222

03:01:20.700 --> 03:01:27.530

Bob Leland: It's, the million one is the amount that it is,

1223

03:01:29.020 --> 03:01:37.519

Bob Leland: You know, is the amount of the initial loan, and we're assuming about \$220,000 a year, as the,

1224

03:01:37.900 --> 03:01:39.589

Bob Leland: Is the payback from that.

1225

03:01:40.220 --> 03:01:43.800

Bob Leland: Starting in fiscal 28.

1226

03:01:43.800 --> 03:01:45.569

Sebastopol Community Cultural Center: And that's in this forecast?

1227

03:01:45.910 --> 03:01:49.879

Bob Leland: Yes, it is. But, again, I'm going to show you an option that excludes it.

1228

03:01:54.900 --> 03:01:57.640

Sebastopol Community Cultural Center: Any other questions? Okay. No? Okay.

1229

03:01:57.640 --> 03:02:03.949

Bob Leland: Okay, Ana, you want to go back and put on the... whoops, let's go to slide,

1230

03:02:04.310 --> 03:02:06.150

Bob Leland: 10, I believe it is.

1231

03:02:10.550 --> 03:02:11.850

Bob Leland: That's the one.

1232

03:02:13.360 --> 03:02:16.150

Bob Leland: I just hit from current slide. Whoops.

1233

03:02:17.860 --> 03:02:19.210

Bob Leland: Just page through it.

1234

03:02:19.590 --> 03:02:20.660

Bob Leland: Is this... There you go.

1235

03:02:20.660 --> 03:02:21.540

Sebastopol Community Cultural Center: It's the one bottle.

1236

03:02:21.720 --> 03:02:40.199

Bob Leland: Yep, that's the one. Okay, I'm gonna show you a few things here. The chart on the lower left is a combination of total revenue, the green dotted line, and total expense, the red solid line. And you can see how those have trended from going back to 2015.

1237

03:02:40.690 --> 03:02:55.229

Bob Leland: And the thing I want to point out here is you see this peak in revenue occurring in 22 and 23. That was one-time pandemic-related revenue, and it's not ongoing, so that drops off.

1238

03:02:55.650 --> 03:03:01.609

Bob Leland: And then you see, beginning, to grow again in,

1239

03:03:01.650 --> 03:03:20.510

Bob Leland: In revenues, it pretty much is flattening off, with a little tapering off in fiscal 28, which is the recession that we're talking about. Then it grows again, and then begins to taper off again in fiscal 34 and 35, with the next recession.

1240

03:03:20.670 --> 03:03:30.789

Bob Leland: So you can see the gap, it's the difference between the red and green line, and that's highlighted down at the bottom with the bars. The black bars are years of surplus.

1241

03:03:30.790 --> 03:03:46.540

Bob Leland: The red bars are years of shortfall, and in 26, here's that million two surplus, and in fiscal 27, the \$960,000 shortfall. And then that grows over the next few years.

1242

03:03:46.540 --> 03:04:02.659

Bob Leland: tapers off a little bit with the recovery from the recession, and then gets bigger again in the mid-30s, when we assume the next recession would come along. So, it's this gap that's the problem, and that's what's going to draw down balance.

1243

03:04:02.790 --> 03:04:15.540

Bob Leland: Now, if you take a look at the chart in the upper right-hand corner, these are revenues, and I've just taken 6 categories of revenue to just let you eyeball what the trends of those have been.

1244

03:04:15.540 --> 03:04:29.449

Bob Leland: The blue line is property tax, and while there have been some ups and downs, especially during the Great Recession, in past years, it's been pretty stable, and we're assuming that it will be pretty stable going forward.

1245

03:04:29.470 --> 03:04:40.480

Bob Leland: Now, the one that wobbles a fair amount is the sales tax, and it wobbles for a couple of reasons. One is that in 2012, you had the initial local sales tax increase.

1246

03:04:41.040 --> 03:04:48.080

Bob Leland: You've had ups and downs since then. One of them here around 2020 was the initial pandemic impact.

1247

03:04:48.400 --> 03:05:01.009

Bob Leland: And then it grew, and then it's tapered off over the last few years. And I gotta tell you, that's been pretty much the case statewide. Sales tax boomed during the pandemic. People sat home and bought stuff.

1248

03:05:01.230 --> 03:05:13.540

Bob Leland: And then it has kind of tapered off since then. Now, you see the big increase, and the increase here is from the passage of the Measure U,

1249

03:05:13.540 --> 03:05:21.809

Bob Leland: And that, of course, is bringing in a higher level of revenue, and then you see it dip with the recession once, and then dip again in the out years again.

1250

03:05:22.050 --> 03:05:35.829

Bob Leland: Utility user tax, pretty stable, so that... and it's a lower level of revenue, so there isn't much going on there. Same with the TOT, it dipped during the pandemic, pretty stable going forward.

1251

03:05:36.100 --> 03:05:42.279

Bob Leland: Cost plan, the reason why it was higher and dropping down is that,

1252

03:05:42.290 --> 03:06:01.089

Bob Leland: The, the old fund, 124, has been merged in the general fund, so now, the general and administrative expense is down by about \$800,000, but also income to the general fund is down by \$800,000. So it's a wash, there's no net difference.

1253

03:06:01.180 --> 03:06:04.919

Bob Leland: But, that's why you see the, the revenues dip here.

1254

03:06:05.020 --> 03:06:20.130

Bob Leland: And then finally, under the other revenues, you had a couple of spikes, in past years, with the intergovernmental revenue, especially related to the pandemic, and then you see that leveling off ongoing.

1255

03:06:20.870 --> 03:06:33.739

Bob Leland: In terms of the lower right-hand corner, general fund expenses, the vast bulk of that is personnel, and you can see how that tapered off during the Great Recession from 09 to 13, and then it steadily grew.

1256

03:06:33.740 --> 03:06:42.700

Bob Leland: Kind of tapered off, and part of the reason it wasn't higher during this period is because of a higher level of vacancies than otherwise expected.

1257

03:06:42.880 --> 03:06:53.200

Bob Leland: Then the budget here for fiscal 27 is what's proposed with the 1% vacancy rate, and then the, the growth thereafter.

1258

03:06:53.510 --> 03:07:01.399

Bob Leland: O&M costs fluctuate a little more. The same amount doesn't always get spent each year.

1259

03:07:01.460 --> 03:07:15.060

Bob Leland: And it's not spent evenly throughout the year. There was a boost back in 2021, but otherwise, we're going with the fiscal 27 budget and inflationary growth thereafter.

1260

03:07:15.330 --> 03:07:31.030

Bob Leland: Capital growth is pretty small. Transfers were higher in the past, but we're looking at a modest level going forward. So there really are not a lot of moving parts here. Personnel is really pretty much the whole ballgame, and

1261

03:07:31.090 --> 03:07:39.069

Bob Leland: You know, when it comes to cuts, there are things that you could look at as well in O&M, but everything else is pretty small potatoes. Next slide, please.

1262

03:07:39.070 --> 03:07:47.599

Sebastopol Community Cultural Center: Can I... I'd like to ask you a question, just a philosophical question. Sure. When you're talking about the recession, I see on the slide prior, it said moderate.

1263

03:07:47.600 --> 03:07:50.259

Bob Leland: Can you go back, Anna, to the prior one?

1264

03:07:50.260 --> 03:07:55.100

Sebastopol Community Cultural Center: It's just under the major forecast I saw where you said moderate recession starting fiscal year 28.

1265

03:07:55.360 --> 03:07:55.930

Bob Leland: Right.

1266

03:07:56.200 --> 03:08:06.569

Sebastopol Community Cultural Center: How do you quantify that? I know timing and magnitude can vary according to the slide there, but I'm just curious for your own, and I apologize if you said it and I missed it, but...

1267

03:08:06.830 --> 03:08:11.400

Sebastopol Community Cultural Center: Like, you figured this is a moderate recession, so how do you quantify that?

1268

03:08:11.590 --> 03:08:20.600

Bob Leland: Well, we've taken a look at all of the recessions going back to the 1960s and their impact on California cities, and we...

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03:08:20.600 --> 03:08:31.990

Bob Leland: Come up with a baseline of what normal economic growth would have generated in tax revenues for cities, and then compared it to what actually happened during the recessions.

1270

03:08:32.190 --> 03:08:45.840

Bob Leland: And, if you... I don't have a chart right in front of me, but if you take a look at those, about half of the recessions, the net revenue loss to local agencies was about 5%.

1271

03:08:46.030 --> 03:08:54.849

Bob Leland: Generally over one year, sometimes over a couple of years. There were, however, and those, those are what we would call a moderate recession.

1272

03:08:55.200 --> 03:09:12.589

Bob Leland: The Great Recession, obviously, was much higher, it was 30-40% loss, and then the loss in the 70s and 80s, also were, you know, kind of in between, more like, 10% to 15% loss.

1273

03:09:12.640 --> 03:09:22.499

Bob Leland: So, we're looking at a 5% loss. We're not looking at anything like the Great Recession. We can model what happens if something like the Great Recession occurs.

1274

03:09:22.680 --> 03:09:23.530

Bob Leland: But...

1275

03:09:23.660 --> 03:09:37.129

Bob Leland: We're mainly including a recession forecast to see that if what happens about half the time when there's a recession, if that occurs, does the city have the reserves to, hold up under that?

1276

03:09:37.130 --> 03:09:49.199

Bob Leland: all of the things being equal. And so, you know, we do show this decline, and even though there's ultimately a recovery, without cutbacks, the city is,

1277

03:09:49.220 --> 03:09:54.089

Bob Leland: You know, going to drive its reserves into a deficit in future years.

1278

03:09:54.510 --> 03:10:03.559

Bob Leland: So, we're going to get to that starting on the next slide. But that's what the moderate recession assumes a 5% loss of revenue.

1279

03:10:04.090 --> 03:10:05.110

Sebastopol Community Cultural Center: Okay, thank you.

1280

03:10:05.760 --> 03:10:07.820

Sebastopol Community Cultural Center: Oh, I'm sorry, Councilmember Carter?

1281

03:10:08.090 --> 03:10:27.500

Sebastopol Community Cultural Center: I have a question about your assumptions for the general fund expenses personnel. It seems to be raising at a certain rate, and I'm not really sure what that's based on, whether it's, like, a cost of living increase, or do you feel like we're gonna continue... I know that a slide before, or something like that, you said.

1282

03:10:27.500 --> 03:10:31.639

Sebastopol Community Cultural Center: We may hire at a lower basis if we did replace people.

1283

03:10:31.640 --> 03:10:39.139

Sebastopol Community Cultural Center: But does this, assume a certain cost of living expense increase? Because if we're fully staffed.

1284

03:10:39.590 --> 03:10:44.420

Sebastopol Community Cultural Center: Does this assume we're, like, hiring more people, or how is this increasing at this rate?

1285

03:10:44.750 --> 03:10:51.410

Bob Leland: the, two primary ways. First of all, there will be cost-of-living increases.

1286

03:10:51.460 --> 03:11:05.889

Bob Leland: There are, in certain years, any given position might be reclassified to a higher level, or there might be a labor market adjustment. And then there are the step increases, merit increases.

1287

03:11:05.890 --> 03:11:15.349

Bob Leland: And a person who is below top step, you know, gets 5% increase. Somebody who's at top step and isn't then

1288

03:11:15.350 --> 03:11:24.200

Bob Leland: reallocated to a higher step, like a worker 2 versus a worker 1, if they're at top step, then they don't get any merit increase.

1289

03:11:24.940 --> 03:11:42.189

Bob Leland: So, and then layered on top of that is you might have a top step person who's been there a while, and then that person leaves, and there's a vacancy, and in the shuffle, the net impact is somebody at a lower step is hired. It doesn't mean you've reduced

1290

03:11:42.230 --> 03:11:50.350

Bob Leland: somebody's pay rate, it just means that they came in at a lower step, and then they'll work their way up the ladder each year in the future.

1291

03:11:50.570 --> 03:12:10.430

Bob Leland: So that's what that amount is. And if you take a look on that lower right-hand corner, you can see the red line. There are some dips, but if you just imagine a line from the lower left-hand corner up to the upper right-hand corner, that's been a pretty stable rate of growth over time.

1292

03:12:10.430 --> 03:12:16.700

Bob Leland: So we're not looking at anything out of the ordinary, given what the city has experienced historically.

1293

03:12:17.420 --> 03:12:22.870

Sebastopol Community Cultural Center: I was just wondering, because it did flatten out from 19, 1900.

1294

03:12:23.290 --> 03:12:24.730

Sebastopol Community Cultural Center: 2019.

1295

03:12:27.080 --> 03:12:39.559

Bob Leland: From about 21 to 27, yeah, it's a little flat in here, and then it dipped a little, and basically, it would have gone straight across the top, had it not been for the vacancies.

1296

03:12:44.500 --> 03:12:45.470

Sebastopol Community Cultural Center: Okay, thanks.

1297

03:12:46.860 --> 03:12:48.949

Bob Leland: All right, let's go to the next slide.

1298

03:12:50.570 --> 03:13:09.999

Bob Leland: All right, baseline forecast. A little bit of this is repetitive, but I just want to show you what we have done in the past is shown you a combination of the unassigned balance, which is the blue bars, and the pension trust, which is in the orange bars.

1299

03:13:10.110 --> 03:13:25.939

Bob Leland: And so you can see that combination, that's all money that ultimately could be used to the benefit of the city, and the NHA report was very well done. Mike walked you through what the implications

1300

03:13:25.940 --> 03:13:30.399

Bob Leland: of different drawdowns were on the pension trust. And we're comparing that

1301

03:13:30.400 --> 03:13:46.519

Bob Leland: to two potential goals, a 15% goal, 15% of expense, and a 20% expense. And ideally, you want to keep the blue bar above 15%, and it's even better if you can keep it above 20%.

1302

03:13:46.840 --> 03:13:56.179

Bob Leland: And so, you can see that was the case up until now. You know, the blue bar has always exceeded 20%, which is good. Now,

1303

03:13:56.310 --> 03:14:16.060

Bob Leland: the amount... you can see it declining here, and it's in fiscal 36. If you imagine two more years out here, and Measure U is not renewed, then obviously this is going to drop even further in those future years. And the recession, you know, we've talked about that already.

1304

03:14:16.060 --> 03:14:23.269

Bob Leland: The average shortfall during this period is about \$1.3 million. I mentioned that the pension trust

1305

03:14:23.290 --> 03:14:36.100

Bob Leland: assumes the, Scenario 2 of, the NHA, although that's up to you. And, if... if you assume zero, zero drawdown.

1306

03:14:36.100 --> 03:14:44.220

Bob Leland: Then, instead of getting, about \$212,000 next year.

1307

03:14:44.220 --> 03:14:58.929

Bob Leland: in resource from the trust, you wouldn't be getting anything, and on an ongoing basis, Scenario 2 is assuming about... well, that's actually about \$232,000 a year over about 9 or 10 years.

1308

03:14:59.380 --> 03:15:06.609

Bob Leland: And so, if you don't get that, then you would simply have to cut expense by that amount. It's just a trade-off.

1309

03:15:07.400 --> 03:15:12.410

Bob Leland: And then, it does assume that the sewer loan is repaid, assumes no Barlow hotel.

1310

03:15:12.410 --> 03:15:28.549

Sebastopol Community Cultural Center: We have a question here. I'm sorry, we have a question here. Sure. Yeah. In 27, not to beat a dead horse, you put it at 1.3, but we're already gonna be at .9? That's what we believe that it would be, so... is...

1311

03:15:28.550 --> 03:15:42.180

Bob Leland: Yeah, no, that's what I have, too. I have \$960,000 as the shortfall. That \$1,003 is an average over time. It actually gets worse. It goes to, like, 1.1, 1.3 or 4, 1.6.

1312

03:15:42.180 --> 03:15:50.619

Bob Leland: And then finally, it starts dropping down a little bit, but it's an average of \$1.3 million between fiscal 27 and fiscal 36.

1313

03:15:50.940 --> 03:15:55.889

Sebastopol Community Cultural Center: Alright, so... so really, like, if you... Worst case scenario.

1314

03:15:56.090 --> 03:16:01.419

Sebastopol Community Cultural Center: 36, that's what's increasing the average up to 1.3, but that doesn't mean

1315

03:16:01.680 --> 03:16:14.910

Sebastopol Community Cultural Center: That doesn't take any... like, like, if we know there's gonna be, like, 80 more residents coming online, which... which are being built right now, that are gonna affect our... our top line, our... our... our...

1316

03:16:15.060 --> 03:16:20.670

Sebastopol Community Cultural Center: Both our taxes and our, property taxes. Is that in there?

1317

03:16:20.970 --> 03:16:27.749

Bob Leland: We have historical growth, but if you got 80 units all at once, that would be higher.

1318

03:16:27.890 --> 03:16:35.030

Bob Leland: So, at this point, let me just take a quick look, we are...

1319

03:16:35.030 --> 03:16:40.380

Sebastopol Community Cultural Center: It's the canopy, so it's being built, and we hope to get them sold, but, you know, how it goes.

1320

03:16:41.800 --> 03:16:57.619

Bob Leland: Yeah, you know, our current, growth rate in the general fund, is, you know, it's about, on an ongoing basis, it averages 4% a year.

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03:16:58.100 --> 03:17:08.630

Bob Leland: And that matches up if you take a look at, the last... several years,

1322

03:17:08.760 --> 03:17:22.640

Bob Leland: You know, it's been anywhere from 2% to 10%, just depending. So, it can, you know, the property tax could go higher. The thing with the property tax is that

1323

03:17:22.760 --> 03:17:41.299

Bob Leland: Unlike the sales tax or the transient occupancy tax, where you're keeping a higher share of the revenue, the taxes... it's a 1% tax, and the city's getting just a fraction of that, you know, probably in the 12% to 15% range.

1324

03:17:41.510 --> 03:17:46.579

Bob Leland: And so, it is not... it doesn't make a huge difference. And then, of course.

1325

03:17:46.670 --> 03:17:55.989

Bob Leland: Once you get into a particular subdivision, if there's a new park associated with that, and the city has to then

1326

03:17:55.990 --> 03:18:09.629

Bob Leland: pay to maintain a park, there could be expenses. So, at this point, we haven't tried to build in a cost-benefit analysis for that particular project, but as it proceeds and we get a better sense of timing.

1327

03:18:09.630 --> 03:18:19.449

Bob Leland: And, you know, what the magnitude of the, you know, the value of the development is, we can make an adjustment to the forecast for future years.

1328

03:18:19.680 --> 03:18:36.929

Sebastopol Community Cultural Center: We have another question here. Yeah, so it might be late, but I'm getting very confused, because the Budget Committee said we were going

to be \$900,000 in the hole. Then we get an email from Ana, as I referred to earlier, saying the fact that we have the \$1.4 million

1329

03:18:37.860 --> 03:18:40.500

Sebastopol Community Cultural Center: Then, on this slide, it's 1.3.

1330

03:18:40.870 --> 03:18:44.090

Sebastopol Community Cultural Center: So, I guess I'm just confused with all.

1331

03:18:44.090 --> 03:18:45.640

Bob Leland: Well, I can tell you the difference between...

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03:18:45.640 --> 03:18:46.679

Sebastopol Community Cultural Center: And the numbers.

1333

03:18:46.680 --> 03:19:05.309

Bob Leland: Yeah, I can tell you the difference between the 1.4 and the 1.3. At the last minute, animal control costs came in \$40,000 less, and that was enough to take something that had rounded up to 1.4 and took it down to 1.3, and we changed these slides at the very last minute. So, 1.3...

1334

03:19:05.530 --> 03:19:11.119

Bob Leland: Is what it is with the very last version of the budget that went to you.

1335

03:19:11.270 --> 03:19:22.690

Bob Leland: The \$960,000 is just one year. That's in fiscal 27. What I'm doing is taking an average of fiscal 27 through fiscal 36, so it gets worse in future years.

1336

03:19:22.690 --> 03:19:34.340

Bob Leland: There's nothing inaccurate about \$960,000 as a shortfall for fiscal 27. It's just that the gap grows, and therefore the average over that period of time is higher.

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03:19:34.410 --> 03:19:35.300

Bob Leland: That's all.

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03:19:35.610 --> 03:19:37.040

Sebastopol Community Cultural Center: Okay. Alright.

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03:19:37.040 --> 03:19:40.570

Bob Leland: Okay, so the last point I want to make on here is that

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03:19:40.830 --> 03:19:57.910

Bob Leland: It would take \$710,000 a year of either additional revenue or reduced spending, or some combination thereof, in order to bring the balance over time to 20% by fiscal 36, and I'm going to show you that

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03:19:57.910 --> 03:20:01.199

Bob Leland: in just a moment. But first, I want to show you these

1342

03:20:01.200 --> 03:20:06.039

Bob Leland: these alternatives. Let's go to... The next slide.

1343

03:20:06.590 --> 03:20:14.270

Bob Leland: The alternative one is exactly the same thing, but just no sewer loan repayment.

1344

03:20:14.510 --> 03:20:33.239

Bob Leland: And in that case, instead of the deficit in the blue bar being \$4.4 million in fiscal 36, now it grows to \$5.5 million. And the additional revenues, or spending cut, rises from \$710,000 to \$810,000.

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03:20:33.520 --> 03:20:38.870

Bob Leland: Now, if you go to the next slide, Ana, then... what I show there is...

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03:20:39.100 --> 03:20:42.519

Bob Leland: Taking the baseline and alternate one.

1347

03:20:42.780 --> 03:20:59.610

Bob Leland: So the baseline is on the left, alternate one's on the right, and this is just what happens after you make those changes. 710,000 for the one on the left, and 810,000 on the right. And you can see, then a very healthy city. The balance is...

1348

03:20:59.610 --> 03:21:06.140

Bob Leland: Are, exceed the 20% goal all the way to fiscal 36.

1349

03:21:06.160 --> 03:21:17.709

Bob Leland: In both cases. But that's how much it takes in terms of a cut or increased resource of some sort, or a combination thereof.

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03:21:17.710 --> 03:21:30.079

Bob Leland: in order to work out. Now, these assume that Scenario 2 of NHA is being followed, and so that means that if you didn't do that.

1351

03:21:30.080 --> 03:21:40.100

Bob Leland: which you are certainly free to do. If you don't do that, then it just adds an average of \$232,000 a year to each of these numbers.

1352

03:21:40.980 --> 03:21:41.770

Bob Leland: Okay.

1353

03:21:42.470 --> 03:21:47.880

Bob Leland: Now, I've got two alternatives, two more alternatives to show you. Let's go to the next slide.

1354

03:21:50.050 --> 03:21:53.499

Bob Leland: Alright, so now we bring the Barlow Hotel in.

1355

03:21:53.530 --> 03:22:13.490

Bob Leland: And, 83 rooms, we are assuming a \$350 average daily rate. That's more in line with the high-end hotels that are not super high-end, in Napa and Sonoma County. We're assuming a 70% vacancy rate, and we ramp up business over 5 years.

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03:22:13.650 --> 03:22:28.010

Bob Leland: So if we do that, we're not even at the developer's assumed \$600 average daily rate and 65% occupancy, and you can see that although the unassigned balance

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03:22:28.010 --> 03:22:36.130

Bob Leland: is dropping over that period. Overall, we don't go below 15% until the last 2 years.

1358

03:22:36.380 --> 03:22:52.950

Bob Leland: And so, this gives you some headroom for improvement. I mean, if the hotel comes in better than what I think is a prudently conservative assumption to go by... I mean, the most prudent assumption is to assume there's no hotel, because you don't want to count your chickens before they're hatched, but...

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03:22:53.000 --> 03:22:58.519

Bob Leland: If the hotel is here, you know, included in the forecast, then I think

1360

03:22:58.740 --> 03:23:11.310

Bob Leland: something more like \$350 is more prudently conservative. But if it comes in better, you've got upside potential here. But again, keep in mind that, we are assuming

1361

03:23:11.310 --> 03:23:24.700

Bob Leland: Three and a quarter total wage growth, and no new positions. And so, to the extent that either of those wind up the reality being higher than that, then obviously that's gonna put downward pressure on.

1362

03:23:24.800 --> 03:23:38.510

Bob Leland: And so, if you did better on the hotel, maybe you would just be offsetting that. But, you know, this is not a bad outcome, and so it gives you an idea of what the conservative take on

1363

03:23:38.510 --> 03:23:49.980

Bob Leland: what the Barlow Hotel could do for you. Now, if you want to get this blue bar all the way up to 20%, it would take about \$150,000 a year of additional revenue

1364

03:23:49.980 --> 03:23:59.190

Bob Leland: or reduce spending. So obviously, that's a lot lower than the \$710,000 or the \$810,000. Or if you did nothing, then this is the way it would look.

1365

03:23:59.680 --> 03:24:03.990

Bob Leland: Then if we go to the last alternative, Alternative 3,

1366

03:24:04.210 --> 03:24:17.899

Bob Leland: That is going to show you with the Barlow Hotel, but no sewer loan repayment. And obviously, that's lower, by a million one, because that's the loan that would have otherwise been repaid.

1367

03:24:17.960 --> 03:24:30.329

Bob Leland: In order to get these blue bars up to the 20% line, you would have to cut \$250,000 a year, or, again, some combination of cuts and revenue.

1368

03:24:30.860 --> 03:24:42.570

Bob Leland: So that is what, that is what it looks like, and if you go to the very last slide, it just shows you what alternatives 2 and 3 look like.

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03:24:42.640 --> 03:24:54.229

Bob Leland: Alternative 2, if you do the \$150,000 increase, you come right in at the 20%. Same with Alternative 3, you do the \$250,000 increase. Again, you come in at the 20%.

1370

03:24:54.820 --> 03:25:08.089

Bob Leland: So that shows you, sort of, the before and after making budget adjustments. It gives you the range of budget assumptions, adjustments that are needed, given the different assumptions regarding the hotel and the,

1371

03:25:08.100 --> 03:25:19.609

Bob Leland: Whether or not the sewer loan is repaid. And the other variable, really, that we discussed earlier is that you could either do nothing with the pension trust.

1372

03:25:19.720 --> 03:25:36.009

Bob Leland: In which case, the orange bars would stay higher into the future years. And you would then have to just take each of the numbers you've seen and add an average of \$232,000 to it, so that you replace...

1373

03:25:36.190 --> 03:25:46.869

Bob Leland: The money that would be coming in from the trust with either cuts, or if you can find some other fee or other revenues to help fill in that gap.

1374

03:25:47.370 --> 03:25:51.209

Bob Leland: So, that concludes my presentation on the forecast.

1375

03:25:51.240 --> 03:26:08.959

Bob Leland: And, following me, Anna's going to pick it up and finish with some other information about the budget itself. So if anybody has any other questions on the forecast, I can't see you on my screen, I can hear you, but I can't see you very well, but... so just call it out.

1376

03:26:13.170 --> 03:26:14.720

Sebastopol Community Cultural Center: No questions? Okay.

1377

03:26:15.020 --> 03:26:23.290

Sebastopol Community Cultural Center: I apologize, everyone. I need to take a quick... just a quick bio break between presentations. Is that okay, everyone? Just a couple minutes?

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03:26:23.570 --> 03:26:24.500

Sebastopol Community Cultural Center: Barry.

1379

03:26:26.610 --> 03:26:28.569

Sebastopol Community Cultural Center: We'll be back in just a couple minutes.

1380

03:26:34.470 --> 03:26:43.010

Sebastopol Community Cultural Center: Don't... you don't have to say sorry, I just wanted to... trying to... Keith, any, any, any results?

1381

03:26:45.020 --> 03:26:45.899

Sebastopol Community Cultural Center: Go ahead.

1382

03:26:46.410 --> 03:27:03.330

Sebastopol Community Cultural Center: So during that break, I guess what I'm looking for between now and, realistically, 1030, and then finishing the budget the next time, with the consultant, if I wanted to do my own calculations, so I want to go with scenario number 2, or actually scenario number

1383

03:27:04.100 --> 03:27:10.710

Sebastopol Community Cultural Center: 3, which is the more conservative one, and...
Assuming no water repayment.

1384

03:27:11.620 --> 03:27:15.790

Sebastopol Community Cultural Center: what... what graph would I look at between now
and when we meet again?

1385

03:27:16.690 --> 03:27:26.650

Sebastopol Community Cultural Center: to talk about the reserve level, and whether we
would at least be at 15% or 20%, what graph would you point me to?

1386

03:27:27.420 --> 03:27:31.759

Sebastopol Community Cultural Center: Is... is it recording it? I just... since we just see that
up there?

1387

03:27:38.770 --> 03:27:42.179

Sebastopol Community Cultural Center: Bob, did you... did you hear Councilmember
Zoman's question?

1388

03:27:49.120 --> 03:27:51.210

Sebastopol Community Cultural Center: Bob? I think we lost Bob.

1389

03:28:00.240 --> 03:28:01.860

Sebastopol Community Cultural Center: Can you hear us, Bob?

1390

03:28:08.570 --> 03:28:12.559

Sebastopol Community Cultural Center: Can we tell if he's on there? Anyone else be able to see this?

1391

03:28:15.650 --> 03:28:17.780

Sebastopol Community Cultural Center: I just wondered, are we even on Zoom?

1392

03:28:18.880 --> 03:28:21.609

Sebastopol Community Cultural Center: He is, he's, he's, he's still on Zoom.

1393

03:28:22.200 --> 03:28:23.400

Sebastopol Community Cultural Center: Bob, can you...

1394

03:28:27.400 --> 03:28:28.880

Sebastopol Community Cultural Center: Maybe he's not back yet.

1395

03:28:29.820 --> 03:28:44.909

Sebastopol Community Cultural Center: Okay, or... or to staff, because that's what I really want to know between now and when we show up again to finish this budget. I want to find out what the reserve level would be with Scenario 3, no water repayment, and no hotel.

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03:28:45.060 --> 03:28:51.310

Sebastopol Community Cultural Center: So, unless you know off the top of your head, that's what the homework I would like to have between now or I show up next time.

1397

03:28:51.430 --> 03:28:52.300

Sebastopol Community Cultural Center: Thank you.

1398

03:28:52.830 --> 03:28:53.710

Sebastopol Community Cultural Center: And then...

1399

03:28:54.110 --> 03:28:58.909

Sebastopol Community Cultural Center: Oh, I'm sorry. I was waiting to see if we were going to get resolution here. Go ahead.

1400

03:29:00.310 --> 03:29:08.509

Sebastopol Community Cultural Center: Well, when we all first met Bob, we got to sit down with him with a calculator and actually put our scenarios in, and I would request

1401

03:29:08.780 --> 03:29:22.100

Sebastopol Community Cultural Center: I know that the staff has done that, and maybe the budget subcommittee's done it, but I have some scenarios I'd like to see. It makes sense to me that a hotel isn't going to generate \$600 room rates.

1402

03:29:22.200 --> 03:29:24.250

Sebastopol Community Cultural Center: There's a lot of,

1403

03:29:24.890 --> 03:29:37.079

Sebastopol Community Cultural Center: things that if we could have just even 15 minutes with Bob Leland and put our own individual scenarios in so that we were prepared when we came back next time, I would ask for that. I love that.

1404

03:29:37.080 --> 03:29:45.959

Sebastopol Community Cultural Center: And so, whether we could do that tonight in the remaining 40 minutes, because let's face it, someone's going to pull the plug at 1030. Let's just call it what it is. It'll probably be me.

1405

03:29:45.960 --> 03:29:57.340

Sebastopol Community Cultural Center: So, if you can't, like, walk through the various scenarios so that I can do my homework between now and when I show up next Tuesday, then could we have 15 minutes of our own time with Bob Leland via Zoom?

1406

03:29:57.460 --> 03:30:11.939

Sebastopol Community Cultural Center: Of course. Walk through our own thing, and then would he be able to provide a snapshot of the scenarios we ran through confidentially in an email back out to all of us? Because I would like to know what our scenarios are.

1407

03:30:11.980 --> 03:30:21.800

Sebastopol Community Cultural Center: Because I can't think of all of them off the top of my head, and for me, that would make the next budget cycle session go by really fast. So, so to answer your question earlier,

1408

03:30:21.920 --> 03:30:26.579

Sebastopol Community Cultural Center: what scenario that you would be looking at, it would be Alternative 1.

1409

03:30:27.190 --> 03:30:36.450

Sebastopol Community Cultural Center: It would... no hotel, no duo loan repayment. Okay, Alternative Luck 1, and what page are you on? I'm on... I'm on pace...

1410

03:30:36.550 --> 03:30:54.379

Sebastopol Community Cultural Center: I'm on slide number 12. 12, okay. But can we... can we address the... can we do this with Bob? That's... I mean, I... I don't want to sit here right now and go through these scenarios. I don't feel like that's effective use of our time, so

is that something we can commit to? Yes. And poor Bob is not here to actually say yes, but...

1411

03:30:54.530 --> 03:31:08.120

Sebastopol Community Cultural Center: And just to say that, because when we run the scenarios, we may... all of a sudden, the light bulb goes on, and we're... we're running our own scenarios, because, yeah, I don't want to sit here and do this at this meeting either.

1412

03:31:08.740 --> 03:31:12.299

Sebastopol Community Cultural Center: I can certainly arrange for Councilmember to meet with Bob.

1413

03:31:12.740 --> 03:31:30.209

Sebastopol Community Cultural Center: Okay, all right, perfect. And would staff also be able to take... could he do it confidentially, like, as in, we ask you guys questions, and you put together a compilation of the different scenarios and the different answers, so that all of us can look at various scenarios before we show up next Tuesday?

1414

03:31:31.770 --> 03:31:50.210

Sebastopol Community Cultural Center: I'm not quite... So, when one of us asks a question of any, you know, what happens is that answer comes back to us anonymously, and we all hear the question and the answer. So he's asking, can we do that with the scenarios as well? Can Bob keep track of them, and then

1415

03:31:50.280 --> 03:31:58.299

Sebastopol Community Cultural Center: Send them all back to us so that, you know, we don't know who's asked which scenario, or created which scenario, but we've all, you know, we have...

1416

03:31:58.400 --> 03:32:01.969

Sebastopol Community Cultural Center: Transparency of all of the different scenarios that are run.

1417

03:32:02.820 --> 03:32:22.380

Sebastopol Community Cultural Center: Of course. Does that make sense? Yes. Okay. Alex is nodding, too. Sorry, Alex, I didn't mean to take your... I didn't mean to take your... I didn't know what you meant. It sounds, like, more like anonymous, which, yes. Anonymous, yeah. Yeah, just... sorry, I didn't mean to take your thunder. I think we... I think we have Bob back.

1418

03:32:22.700 --> 03:32:30.560

Sebastopol Community Cultural Center: So, the question, Bob, is that the City Council would like to meet with you individually to go through different scenarios.

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03:32:31.050 --> 03:32:32.620

Sebastopol Community Cultural Center: Did I get that right?

1420

03:32:33.670 --> 03:32:42.330

Sebastopol Community Cultural Center: And then you would do a compilation of all the meetings that you have with each council member and send out a one-way communication.

1421

03:32:42.440 --> 03:32:50.030

Sebastopol Community Cultural Center: But not identify any... Any... any person that's asking whatever scenario. Yeah, all of them would be anonymous.

1422

03:32:50.030 --> 03:32:57.689

Bob Leland: Oh, I gotcha, I gotcha. So, we'll just do a compilation of what everybody said, but not indicate who said it. Got it.

1423

03:32:57.690 --> 03:33:06.870

Sebastopol Community Cultural Center: Right, for the scenarios, so then we're all looking at all the scenarios, and it might, as Councilmember Hinton said, you know, trigger our light bulb somewhere for other people.

1424

03:33:06.870 --> 03:33:17.400

Bob Leland: Yeah, sure. Just have to find... find time. So, staff, you guys figure out how to set that up, and then give me some options, and I'll see what I can...

1425

03:33:17.590 --> 03:33:24.890

Sebastopol Community Cultural Center: And realistically, how much time does that... you think it'll take to do scenarios? I know it depends on how many, but, I mean, in general, it's pretty easy.

1426

03:33:24.890 --> 03:33:43.999

Bob Leland: Oh, the scenarios we can do on the fly. I mean, if I... I think I've got a pretty good idea of the range of things that you're looking at, and the model's pretty flexible, so we should be able to sit down, and I can just show you right on the screen. Just do a screen share meeting. Won't be able to do it in person, but I can do it online, and I can show you.

1427

03:33:44.160 --> 03:33:49.679

Bob Leland: You know, what the impact is. I can't imagine it'd take more than half an hour for each person.

1428

03:33:50.500 --> 03:34:00.559

Sebastopol Community Cultural Center: I appreciate the, conservative numbers for the hotel, because the hotel here, the most I've ever seen it run is, like, \$2.70-something a night, you know, so I appreciate.

1429

03:34:00.560 --> 03:34:07.069

Bob Leland: Well, the Fairfield Inn is on a whole different level of hotel from what's proposed.

1430

03:34:07.070 --> 03:34:13.830

Sebastopol Community Cultural Center: Oh, yeah, agreed, I'm just saying, I think it's better to be conservative. So where are we at now? Like, what is the... I feel like...

1431

03:34:14.100 --> 03:34:33.170

Sebastopol Community Cultural Center: I threw a wrench in there with taking that quick break, but where do we... what's the next... Bob finished his presentation, and I did add him... I did ask him to hang around just a little bit, so when we bring this whole budget back to Council, if there's any additional questions as you think about this, he's, he's on Zoom.

1432

03:34:33.510 --> 03:34:34.300

Sebastopol Community Cultural Center: Okay.

1433

03:34:36.480 --> 03:34:41.019

Sebastopol Community Cultural Center: So... So now we get to the city personnel,

1434

03:34:41.250 --> 03:34:54.550

Sebastopol Community Cultural Center: as you see here, there are 56, full-time equivalent, and that is the level that it's going to maintain. We continue to have two positions being frozen, which is one in the police and one in the public works.

1435

03:34:57.180 --> 03:35:07.920

Sebastopol Community Cultural Center: This is the, water fund revenue, and, primarily it's a single-family and commercial user, small portion of fees and penalties.

1436

03:35:10.660 --> 03:35:28.509

Sebastopol Community Cultural Center: And this is water expenses, including staffing, utility, and, you know, contract services. And then, of course, the, cost allocation plan is part of this. And, what's different this year is that the attorney cost has been allocated to water and sewer directly.

1437

03:35:30.940 --> 03:35:41.569

Sebastopol Community Cultural Center: And here is the, wastewater revenue, mainly, again, residential and commercial charges, and there's very minimum for, other revenues.

1438

03:35:46.410 --> 03:35:47.410

Sebastopol Community Cultural Center: Is it moving?

1439

03:35:54.000 --> 03:36:05.880

Sebastopol Community Cultural Center: So this is the wastewater expenses, and the biggest, cost out of this wastewater expenses is the sub-regional, which is the, San Rosa, partner that the city pay

1440

03:36:06.070 --> 03:36:09.290

Sebastopol Community Cultural Center: To, process our wastewater.

1441

03:36:10.210 --> 03:36:17.530

Sebastopol Community Cultural Center: And also, in this wastewater fund, it's also including a portion of attorney costs in this expense as well.

1442

03:36:18.380 --> 03:36:26.579

Sebastopol Community Cultural Center: So, this is all the restricted funds, which is the special revenue funds, which have gas tax, part fees, and,

1443

03:36:26.710 --> 03:36:29.599

Sebastopol Community Cultural Center: These are used for specific purposes.

1444

03:36:29.910 --> 03:36:35.759

Sebastopol Community Cultural Center: And the city maintained 25 different funds, in, in...

1445

03:36:35.930 --> 03:36:42.849

Sebastopol Community Cultural Center: For the special revenue fund, and you can find these in your budget book on page 27 to 159.

1446

03:36:47.330 --> 03:37:02.750

Sebastopol Community Cultural Center: And, this is the, this graph... this, slide is the, insurance fund, and the insurance fund is on page 160 to 161, and the city is part of the Joint Power Authority, which is the JPA for the risk pool.

1447

03:37:02.750 --> 03:37:13.389

Sebastopol Community Cultural Center: And what it houses is how workers' comp and general liability and these costs are already allocated across the board to all the departments.

1448

03:37:19.300 --> 03:37:31.400

Sebastopol Community Cultural Center: And I think with that, I'm gonna bring this to a close, and it's gonna be back to the Council for, discussion and, conduct the public hearing. For questions, right? Yes.

1449

03:37:33.080 --> 03:37:36.750

Sebastopol Community Cultural Center: I should have emailed you ahead of time.

1450

03:37:36.940 --> 03:37:42.030

Sebastopol Community Cultural Center: I've been looking through this book, trying to figure out under what department Baker Tilly is charged to.

1451

03:37:42.520 --> 03:37:46.309

Sebastopol Community Cultural Center: Becatili? It's charged under the City Advantage Department.

1452

03:37:46.690 --> 03:37:52.240

Sebastopol Community Cultural Center: Just under the... which tab? I'm sorry, I'm trying to... I've been looking and looking.

1453

03:38:14.180 --> 03:38:18.930

Sebastopol Community Cultural Center: Oh, it's under... okay, I... that's the one I wasn't looking under. I thought it would be.

1454

03:38:23.660 --> 03:38:27.960

Sebastopol Community Cultural Center: I guess I'm... I didn't think that it would be under that one.

1455

03:38:28.350 --> 03:38:29.320

Sebastopol Community Cultural Center: 45.

1456

03:38:29.660 --> 03:38:34.970

Sebastopol Community Cultural Center: Okay. Well, the only reason I'm bringing that up... okay, alright, so...

1457

03:38:35.740 --> 03:38:45.029

Sebastopol Community Cultural Center: the question I have is, how do you guys want to go through all of this? Do you want to just go by questions, or page by... or group by group?

1458

03:38:46.020 --> 03:38:50.310

Sebastopol Community Cultural Center: We've done it different ways each year, so...

1459

03:38:53.230 --> 03:39:04.589

Sebastopol Community Cultural Center: Any thoughts before I... Honestly, I mean, I've said it before, I do trust my colleagues that spend hours, hours, hours, and hours on this budget thing, and what I read, I mean, I might...

1460

03:39:06.650 --> 03:39:13.310

Sebastopol Community Cultural Center: think of other things, but right now, I think I'm good with what it is that you're proposing. I just really want to figure out, like.

1461

03:39:14.370 --> 03:39:20.950

Sebastopol Community Cultural Center: What money we could have available by way of cash flow should emergencies come up.

1462

03:39:21.110 --> 03:39:32.519

Sebastopol Community Cultural Center: That's basically my scenario. But I mean, honestly, I didn't... when I read this, I didn't see anything that was horrible with what was coming out of the budget recommendations. So whatever's in this book.

1463

03:39:32.520 --> 03:39:41.509

Sebastopol Community Cultural Center: I'm assuming the two of you agree, so then you guys won't ask any questions, then it will be up to the three of us to figure out how we want to move through this in the next

1464

03:39:41.510 --> 03:39:42.450

Sebastopol Community Cultural Center: 40 minutes.

1465

03:39:45.810 --> 03:39:47.640

Sebastopol Community Cultural Center: Yes, she's...

1466

03:39:47.870 --> 03:39:57.790

Sebastopol Community Cultural Center: Well, I mean, I know that there's one item that I'd like to make sure gets in here with a placeholder. I did have

1467

03:39:58.180 --> 03:40:01.609

Sebastopol Community Cultural Center: I asked the city manager some questions,

1468

03:40:01.890 --> 03:40:06.659

Sebastopol Community Cultural Center: Because I really didn't understand that on the... we couldn't get

1469

03:40:06.870 --> 03:40:15.140

Sebastopol Community Cultural Center: special things requested unless they were on our goals with a 5-0 vote, so I... I want to go to the,

1470

03:40:15.640 --> 03:40:19.600

Sebastopol Community Cultural Center: I kind of want to go through it, I guess.

1471

03:40:20.880 --> 03:40:26.079

Sebastopol Community Cultural Center: and see about some... I don't know if you call them special projects, but,

1472

03:40:26.320 --> 03:40:32.400

Sebastopol Community Cultural Center: ask about some certain lines and have them pointed out so that I really understand

1473

03:40:32.510 --> 03:40:51.699

Sebastopol Community Cultural Center: what any of the... I would call the extras might be. Sounds good. Then there could just be Nisa's individual things she wants research done between now and we show up again, and then, Jill, you could do the same, and I've already said I'm good with what's been presented. Right. I just don't want to be rushed through this because of the time.

1474

03:40:51.700 --> 03:40:56.320

Sebastopol Community Cultural Center: constraint, and we have, you know, I mean, everyone's got a different

1475

03:40:56.710 --> 03:41:12.460

Sebastopol Community Cultural Center: view on this, and so the question I have is, is that we have... I'm just looking at the big picture here with the agenda, and the item that we have after that, and whether or not that is something that can be... I'm sorry, I lost my page here for the agenda.

1476

03:41:13.120 --> 03:41:17.239

Sebastopol Community Cultural Center: Let's see...

1477

03:41:17.870 --> 03:41:27.379

Sebastopol Community Cultural Center: Number 10, are we able to push that? Because I'm just realistically, I'm looking at, you know, where we're at with all this. We had a very ambitious agenda.

1478

03:41:30.330 --> 03:41:31.240

Sebastopol Community Cultural Center: audience.

1479

03:41:39.000 --> 03:41:43.199

Sebastopol Community Cultural Center: Right, okay, so I just want to make sure for that. And then,

1480

03:41:45.270 --> 03:41:51.210

Sebastopol Community Cultural Center: And it's not realistic for us to get through all of this and the capital improvement projects tonight.

1481

03:41:51.310 --> 03:42:03.019

Sebastopol Community Cultural Center: there's just no way we're going to do that. So, the question I have is, is we have different place... we have different things... different ideas of, of, you know, where we want to ask for things, so...

1482

03:42:03.840 --> 03:42:22.860

Sebastopol Community Cultural Center: I would like to do this expeditiously, but do you want me to go through each... each section like City Council? Does anyone have anything? And then just keep going through that until... and make it to where we make it, or do you want to bring up the specific things you want, and then the next time, we could just go through that, very quickly, each section?

1483

03:42:24.540 --> 03:42:44.899

Sebastopol Community Cultural Center: So by exception tonight, and then we'll go through the... I mean, I'm happy to bring it up, if that's how we want to do it. Does it require research? I mean, I just want to be cognizant of that, if you're... I'm interested in getting the funding for EIFD, studies in here, and so I know there was a carryover from last year.

1484

03:42:44.900 --> 03:42:48.300

Sebastopol Community Cultural Center: And I don't know that it got in, because...

1485

03:42:48.550 --> 03:42:55.990

Sebastopol Community Cultural Center: of our priority vote goals, so I... so that's something I want to discuss. Got it. This panel.

1486

03:42:56.370 --> 03:43:04.870

Sebastopol Community Cultural Center: I would like to look into City Council and see, based on Projections about council members,

1487

03:43:05.270 --> 03:43:12.740

Sebastopol Community Cultural Center: Monthly stipend, whether that's been discussed here, because it's in play. So,

1488

03:43:14.010 --> 03:43:31.160

Sebastopol Community Cultural Center: Those are two items that come to mind. There might be others, I just... as... as I hear from other council members. So do we want to just go... then... I feel like then we should... I never like rushing through a budget. It makes me crazy with my organization if everybody wants to just high, you know, like, high level, and then we move on, and then I get...

1489

03:43:31.160 --> 03:43:35.140

Sebastopol Community Cultural Center: You know, a dozen questions later of detail of why, so...

1490

03:43:35.140 --> 03:43:41.180

Sebastopol Community Cultural Center: Personally, I'd like to just do what we've done in the past, to start here, and very quickly, I mean...

1491

03:43:41.250 --> 03:43:42.160

Sebastopol Community Cultural Center: Go ahead.

1492

03:43:42.630 --> 03:44:01.679

Sebastopol Community Cultural Center: Yes, so I have one that... one thing that came up today, because I've been working with the Charles Schultz Museum on talking to them about a Snoopy sculpture or something. This was a vote that we took at the goals meeting, and, it was a 5-0 vote, and so I've been working on trying to figure out something

1493

03:44:01.820 --> 03:44:11.650

Sebastopol Community Cultural Center: So we were talking about a mural, and, talking with this woman at the museum about the possibility of a mural, and I don't really know how much it would cost.

1494

03:44:11.750 --> 03:44:21.689

Sebastopol Community Cultural Center: to have an artist do that, but she suggested a \$10,000 budget for a mural. And so I wanted to bring that up for part of the discussion.

1495

03:44:21.800 --> 03:44:22.710

Sebastopol Community Cultural Center: Okay.

1496

03:44:23.530 --> 03:44:30.690

Sebastopol Community Cultural Center: Alright, so... And then Councilman Carter. Oh, I'm sorry. I just wanted to ask Mary a clarifying question, sort of led to,

1497

03:44:31.310 --> 03:44:50.950

Sebastopol Community Cultural Center: Councilmember Hinton brought up there about the EIFD. There was, like, \$15,000 residual that was in there. What do you think the policy is for us bringing this kind of thing up? Because I'm pretty sure it's not in the budget right now, but, like, I guess in 6 months, the,

1498

03:44:51.400 --> 03:44:54.399

Sebastopol Community Cultural Center: Councilmember... raised me.

1499

03:44:57.010 --> 03:45:00.800

Sebastopol Community Cultural Center: So I need to... We were invited?

1500

03:45:02.270 --> 03:45:06.290

Sebastopol Community Cultural Center: I didn't remember that.

1501

03:45:07.000 --> 03:45:12.600

Sebastopol Community Cultural Center: We, we burned through it, but... There's a high number.

1502

03:45:13.250 --> 03:45:15.630

Sebastopol Community Cultural Center: Interesting. That was large. Yeah.

1503

03:45:20.010 --> 03:45:27.309

Sebastopol Community Cultural Center: So, there is no character. Oh, okay. So, if you want to put something new again, you can always talk to them.

1504

03:45:29.460 --> 03:45:30.630

Sebastopol Community Cultural Center: The carrier was the one.

1505

03:45:31.390 --> 03:45:35.910

Sebastopol Community Cultural Center: And so that's our prerogative for tonight, or not, or whatever the word is.

1506

03:45:42.450 --> 03:45:43.190

Sebastopol Community Cultural Center: Bye.

1507

03:45:43.850 --> 03:45:45.469

Sebastopol Community Cultural Center: To add, thank you.

1508

03:45:46.050 --> 03:45:54.009

Sebastopol Community Cultural Center: Do you have your mic on, Mary? I don't think... not sure people can hear you.

1509

03:45:55.110 --> 03:46:17.179

Sebastopol Community Cultural Center: So, the item tonight is to discuss the budget. So, if there's other items that want to come forward, this is the opportunity for the Council and the community to discuss what they believe should be in the budget. So, if there's an item that needs further review, then we would need to review that before it comes back to the next City Council meeting. Okay. So, EIFD, if that is something this Council wanted to look at...

1510

03:46:17.840 --> 03:46:28.569

Sebastopol Community Cultural Center: Including that would be a... And how are we gonna do that? Because, I mean, we already voted on this stuff, and it wasn't prioritized, and now we're gonna, like, vote on it again? I'm trying to understand how that works.

1511

03:46:28.820 --> 03:46:38.189

Sebastopol Community Cultural Center: I'd like to make a comment on that, because a 5-0 vote is not, as we know, a win vote, it's a 3-2, so even though we prioritize 5-0 votes.

1512

03:46:38.990 --> 03:46:41.810

Sebastopol Community Cultural Center: That doesn't mean those are the only things that make the budget.

1513

03:46:42.520 --> 03:46:58.409

Sebastopol Community Cultural Center: That's true, and also, I just want to ask Alex, what do we need by way of public comment? Are we going to get in trouble if we burn through to 1030 and we don't get public comment? Yeah, we need to save some time for public comment, and we need to save some time to very briefly, continue the two other public hearings. Okay.

1514

03:46:58.410 --> 03:47:03.800

Sebastopol Community Cultural Center: So, it's almost 10 o'clock here. We have, I mean, we need, like you said, public comment.

1515

03:47:05.130 --> 03:47:09.040

Sebastopol Community Cultural Center: And then what else? And then the continuation of the other items.

1516

03:47:10.300 --> 03:47:12.139

Sebastopol Community Cultural Center: Let's be realistic here.

1517

03:47:12.980 --> 03:47:14.999

Sebastopol Community Cultural Center: I hear... see all the conferring.

1518

03:47:16.030 --> 03:47:31.329

Sebastopol Community Cultural Center: Oh, no, why I had questions. I'm trying to just be realistic here. We have the public comment that we need to get through, and then we need, obviously, the continuation of the other item, and have a date and time stamp and everything for that. Anything else other than that?

1519

03:47:34.870 --> 03:47:59.759

Sebastopol Community Cultural Center: No, the only thing I was going to announce at the end of the meeting is, which has been out there, is that the grand jury report is out there. The city will be making a response, and that will be coming back at the August 4th meeting, so we're reviewing the report, and we will bring a recommendation back at that meeting. That was the only thing as City Manager announcements, is all. But the other two items will need to be continued. Okay, so question for you, Ana. I mean, Bob is finished with... we're finished with all those presentations.

1520

03:47:59.760 --> 03:48:02.600

Sebastopol Community Cultural Center: What else do you need to...

1521

03:48:02.600 --> 03:48:18.320

Sebastopol Community Cultural Center: do... or is it just straight, strictly, now we're... we're in our... This is now back to the Council. Okay, I just want to make sure we've got everything, so I'm just trying to figure out, because it's 10 o'clock, we need about 15 minutes for all the other stuff, probably 10 minutes, 15 minutes at least, so...

1522

03:48:18.590 --> 03:48:25.729

Sebastopol Community Cultural Center: So my thought was to go through some of our personal things, and then go through one by one and peel through.

1523

03:48:26.620 --> 03:48:32.559

Sebastopol Community Cultural Center: I like that approach, because I appreciate you bringing up the EIFD thing. I would like to have a...

1524

03:48:32.690 --> 03:48:35.010

Sebastopol Community Cultural Center: Whatever that word is, bench.

1525

03:48:35.010 --> 03:48:56.789

Sebastopol Community Cultural Center: bench holder thing, and then throw out some so that you can think about it, staff can think about it, and bring it back the next time we need it. I am interested in that as well. So let's do this list by exception right now, and of course, we can always email the staff between now and the next meeting anything that wants... that needs to come up that is not in here, so then that can at least be addressed.

1526

03:48:57.070 --> 03:49:07.070

Sebastopol Community Cultural Center: And then that'll probably take us through to where we need to take care of the other items, and I'm not planning to be here past 10 30 either, so...

1527

03:49:07.390 --> 03:49:20.990

Sebastopol Community Cultural Center: So who's gonna take note of all those things? Is that you, Ana, or... Okay. So, do you want to just... do you want me to go through... does everyone just wanna go person by person and say if you have things, or do you want me to...

1528

03:49:21.970 --> 03:49:24.379

Sebastopol Community Cultural Center: That seems like the most efficient way.

1529

03:49:27.510 --> 03:49:35.059

Sebastopol Community Cultural Center: So, we already had Council... I mean, Vice Mayor Maurer, you already had the, the mural that you brought up, right?

1530

03:49:37.380 --> 03:49:46.799

Sebastopol Community Cultural Center: Right. And... and that was the 10K on us, just keeping track of it all so that we can... Okay, well, we had actually voted on a potential sculpture.

1531

03:49:46.810 --> 03:50:06.780

Sebastopol Community Cultural Center: But, in talking with the museum, there was one, there was one on auction, and it's very complicated if you have to ship a sculpture, and the auction costs, you know, it's too difficult to do without a council approval ahead of time, so it seems like the only thing that would really work would be a mural.

1532

03:50:06.890 --> 03:50:10.480

Sebastopol Community Cultural Center: And so there's steps that we need to take.

1533

03:50:10.750 --> 03:50:14.900

Sebastopol Community Cultural Center: And it maybe even could just go over to the Public Arts Committee.

1534

03:50:15.550 --> 03:50:18.519

Sebastopol Community Cultural Center: To ask them to... to do this, but,

1535

03:50:19.320 --> 03:50:30.859

Sebastopol Community Cultural Center: you have to choose a comic or a panel, you have to get an artist to do it, right? And they have an artist on staff. In fact, he's written to us, so,

1536

03:50:31.660 --> 03:50:48.130

Sebastopol Community Cultural Center: And so you're... I think there's certain steps, but if we don't have a budget, we don't know what we can or can't do. And you're suggesting 10K?

I'm just trying to get, like, the things that are not in. She suggested \$10,000, that probably would go to the Public Arts Committee for this specific task.

1537

03:50:48.690 --> 03:50:49.520

Sebastopol Community Cultural Center: Okay.

1538

03:50:49.690 --> 03:50:59.059

Sebastopol Community Cultural Center: And then for me, the things that I would like researched and the definitive where we are at is in reference to both of our unions' response to that letter that's been out for

1539

03:50:59.140 --> 03:51:17.340

Sebastopol Community Cultural Center: almost a year, because first we heard they never got it, then we heard later they did get it, but we don't know what the response. I want to know if they're going to be amenable to sitting down with us and discussing the increased wages that seem to be driving this whole ship.

1540

03:51:17.670 --> 03:51:37.609

Sebastopol Community Cultural Center: So, they're either on board and can commit between now and the next council meeting, or they're not. And if they're not, well, actually, I do want specifics of either yes, they're willing to sit down with us in an open session and discuss the predicament that we keep finding ourselves in, or no, and if they say no, I want it in writing about why they say no.

1541

03:51:37.610 --> 03:51:38.990

Sebastopol Community Cultural Center: So that's what I want.

1542

03:51:38.990 --> 03:51:46.620

Sebastopol Community Cultural Center: Then second, staffing. I'm not okay with our current level of staffing, so I want staff's assessment of, like, can we lose positions?

1543

03:51:46.730 --> 03:51:52.990

Sebastopol Community Cultural Center: Because we obviously can't just keep marching forward, spending, as Bob said, \$1.4 million.

1544

03:51:53.130 --> 03:52:07.439

Sebastopol Community Cultural Center: Without any solution. So I want staff to research and figure out, are there available positions to just not fill in the next year? And then the third one is the IFD bank holder, so that's what I would like research between now and when we come back here.

1545

03:52:09.210 --> 03:52:13.640

Sebastopol Community Cultural Center: Okay That's what I'm ever hitting.

1546

03:52:14.690 --> 03:52:23.490

Sebastopol Community Cultural Center: Well, I was looking at City Council salaries and trying to figure out if this new proposal is being accounted for, and if

1547

03:52:23.650 --> 03:52:28.589

Sebastopol Community Cultural Center: that is coming back, then I want... we... if...

1548

03:52:28.900 --> 03:52:43.340

Sebastopol Community Cultural Center: that is likely to be moving forward, then I think we need an accurate placeholder, in the Council budget. So, just that was my question there. And then... Could someone speak to that now? I'm just wondering.

1549

03:52:43.840 --> 03:52:44.780

Sebastopol Community Cultural Center: Okay.

1550

03:52:45.280 --> 03:52:46.120

Sebastopol Community Cultural Center: Okay.

1551

03:52:47.200 --> 03:52:54.059

Sebastopol Community Cultural Center: Okay, thanks. And then, I am interested in EIFD coming in as a placeholder for 75

1552

03:52:54.190 --> 03:52:58.320

Sebastopol Community Cultural Center: I will, say that,

1553

03:52:58.560 --> 03:53:13.700

Sebastopol Community Cultural Center: And Brown acted on this with my co-chair here, Bill Carter, and we have met with Linda Hopkins, and we have some work to do, but without a placeholder, we can't move forward, and so.

1554

03:53:13.700 --> 03:53:25.279

Sebastopol Community Cultural Center: The rest of the district, to just add, has done... is already in the mapping phase, so we have the opportunity to look at the map they've drawn, and then, if we fund it, draw a map.

1555

03:53:25.520 --> 03:53:29.450

Sebastopol Community Cultural Center: For ourselves, that might include a little bit outside Sebastopol.

1556

03:53:29.670 --> 03:53:31.600

Sebastopol Community Cultural Center: City limits, so...

1557

03:53:31.740 --> 03:53:36.400

Sebastopol Community Cultural Center: Not to get into the whole thing, but I would like a placeholder, and if the Council

1558

03:53:36.680 --> 03:53:40.600

Sebastopol Community Cultural Center: Ultimately does not support it, then that money could go back into the fund, but...

1559

03:53:40.930 --> 03:53:52.980

Sebastopol Community Cultural Center: I just want to mention that that money is sort of refundable. Right, it is refundable, right. So that it goes in there, but then it comes back as it gets paid, and we're, like, I would...

1560

03:53:53.120 --> 03:53:54.900

Sebastopol Community Cultural Center: I don't know, what do I... Third it?

1561

03:53:57.520 --> 03:54:00.780

Sebastopol Community Cultural Center: And for me personally.

1562

03:54:00.960 --> 03:54:18.710

Sebastopol Community Cultural Center: I don't have any personal projects I want, other than I just want the dang roads fixed. Because I'm gonna tell you, I just had abdominal surgery 2 weeks ago, and it was a nightmare driving through these streets. It was worse than driving from Palo Alto to here. I get to Sebastopol, and I have all kinds of problems driving on these roads that are

1563

03:54:18.710 --> 03:54:31.100

Sebastopol Community Cultural Center: just atrocious. I'm just saying. So my thing is, anything that we can route toward our roads, I think, would be beneficial, and especially after seeing some of the insurance, the claims.

1564

03:54:31.100 --> 03:54:36.800

Sebastopol Community Cultural Center: For tires and everything else that, the information that we've gotten. So, I'm just saying.

1565

03:54:37.790 --> 03:54:44.300

Sebastopol Community Cultural Center: That's my only thing. I... roads, roads, and... and the well are my priority. Go ahead.

1566

03:54:44.350 --> 03:54:54.629

Sebastopol Community Cultural Center: Thanks, Mayor. I have concerns about the EIFD and putting \$75,000 towards that, and my concerns are about the money that the

1567

03:54:54.630 --> 03:55:05.710

Sebastopol Community Cultural Center: general fund will be losing every year, going towards a specific project, whether we can afford that project or not, whether we can afford to take that kind of money. I think all these

1568

03:55:05.740 --> 03:55:12.490

Sebastopol Community Cultural Center: These forecasts don't... don't include taking that certain percentage off the top.

1569

03:55:12.810 --> 03:55:23.819

Sebastopol Community Cultural Center: So that means that we have to even earn... I mean, when we're looking at not having enough revenue, are we really going to then spend money and lose

1570

03:55:23.970 --> 03:55:28.549

Sebastopol Community Cultural Center: More revenue for a... Project 40 years down the road.

1571

03:55:28.690 --> 03:55:33.039

Sebastopol Community Cultural Center: So that's where I feel very strongly conflicted on this, because

1572

03:55:33.220 --> 03:55:52.459

Sebastopol Community Cultural Center: do you... do we really want to do that? Because we don't have... I understand that the county is going to be pitching in and helping us to do some unknown project 40 years down the road, but can we afford to do it when we don't have the revenue right now? And I was saying... To sustain our own

1573

03:55:52.630 --> 03:55:54.110

Sebastopol Community Cultural Center: City business.

1574

03:55:55.770 --> 03:56:00.070

Sebastopol Community Cultural Center: If we don't increase our top line, we're gonna suffer.

1575

03:56:00.140 --> 03:56:02.320

Sebastopol Community Cultural Center: I understand, but... but...

1576

03:56:02.340 --> 03:56:14.260

Sebastopol Community Cultural Center: So is this the right time to support an EFID and start taking... skimming money off the top in terms of our revenue when we... we don't have enough revenue to keep going? We were in a structural deficit.

1577

03:56:14.260 --> 03:56:25.999

Sebastopol Community Cultural Center: And that's why I want to ask you both, all... whoever supports it, seriously, is this seriously the way you're going to go? We have to submit a hit in next, and then... I would like you to address the why on that.

1578

03:56:27.640 --> 03:56:33.560

Sebastopol Community Cultural Center: Tonight, I thought I was asking for a placeholder. If we're going into a debate about this, then...

1579

03:56:33.760 --> 03:56:44.909

Sebastopol Community Cultural Center: then I'm happy to go into a debate. But I thought we were asking for placeholders at a point of order, and it's 10 after 10. If... so I don't think it's really fair to get into this at this stage, per...

1580

03:56:45.180 --> 03:56:59.800

Sebastopol Community Cultural Center: direction from the mayor, so we can bait it, but my request... I think we should just wait till next week, and we can all express our concerns and our thoughts about it, because it is... we only have about 5 minutes left, so... So we're just going to talk about this next time.

1581

03:56:59.810 --> 03:57:22.959

Sebastopol Community Cultural Center: Pardon me? We're gonna talk about it next time. Yeah, yeah, that's my intention. I just wanted us... I just wanted us to have all of our one-offs and, like, different things. We're not voting on the mural, either. No, we're not voting on anything. We're just putting out there, what we're doing. And the reason I ask where the Baker Tilly is, is just simply because it's not actually a true conflict, but every year I need to, you know, divulge that Baker Tilly

1582

03:57:22.960 --> 03:57:28.700

Sebastopol Community Cultural Center: is a sponsor of the organization that I run for a small amount of money, so I always like to just put that out there, that

1583

03:57:28.730 --> 03:57:43.429

Sebastopol Community Cultural Center: Baker Tilly is. It's a completely different division of the whole company, but I just like to say that. So that's why I was asking... I was digging through, trying to figure out where it was at and when to bring it up, so I don't want to forget it. So, did you have anything else, Councilman? Okay.

1584

03:57:43.790 --> 03:57:59.299

Sebastopol Community Cultural Center: All right, so are... are you good with what we... the stuff that we've put out there? And then that'll, that'll suffice. And then, Alex, I just want to make sure... so we're going to continue this item. What... what exactly... we're going to need to do public comment on this.

1585

03:58:00.110 --> 03:58:05.110

Sebastopol Community Cultural Center: Yeah, we just do public comment, and then we can continue this item till next.

1586

03:58:05.360 --> 03:58:14.560

Sebastopol Community Cultural Center: meeting on June 16th, and then continue the other two public hearings that were scheduled. Okay, so Mary, if you want to do a public comment?

1587

03:58:16.040 --> 03:58:26.289

Sebastopol Community Cultural Center: Thank you, Mayor. So this is public comment for the public hearing on the budget. If you would like to make a public comment, I will do Chambers first. Seeing none, I will go out to Zoom. Lee, can you unmute yourself, please?

1588

03:58:26.290 --> 03:58:26.870

lee: Yeah.

1589

03:58:27.220 --> 03:58:28.770

Sebastopol Community Cultural Center: Thank you. Can you see the timer?

1590

03:58:28.770 --> 03:58:29.500

lee: Hi, Dan.

1591

03:58:29.500 --> 03:58:30.779

Sebastopol Community Cultural Center: Great, go ahead, please.

1592

03:58:31.500 --> 03:58:38.970

lee: Yeah, I... the presentation that Anna and Mary put together for this was really good. Looking at these budget sheets just as a bunch of numbers is...

1593

03:58:39.100 --> 03:58:52.050

lee: almost impossible to understand, and I think you guys brought the issues to the surface, and that was great. Before you get too deep into all the weeds, you gotta check some numbers. I think the first slide was a horizontal bar chart that showed the fund balances.

1594

03:58:52.070 --> 03:59:11.689

lee: There's also a similar chart, as numbers in the fiscal section of the staff report, and also early in the budget. And it shows the water fund in a deficit, which I don't think it is, at least not in the budget sheets. The numbers in these... those charts are different from the budget sheets for sewer and water.

1595

03:59:11.690 --> 03:59:19.599

lee: There's also some errors in the percent change columns of several of the departments, where somebody forgot to put the minus 1 in for the

1596

03:59:19.920 --> 03:59:22.110

lee: For the formula.

1597

03:59:22.390 --> 03:59:34.030

lee: as far as the general revenue pie chart, I think lumping the cost allocation into other is not...

1598

03:59:34.280 --> 03:59:43.909

lee: true transparency, it would be clearer if it was separated out, and I think it, like TOT and the planning revenue

1599

03:59:44.070 --> 03:59:49.850

lee: Things are part of the issue of how you sustain the financing in this city.

1600

03:59:50.050 --> 04:00:01.089

lee: Paying back the sewer loan should be a non-starter. Don had \$220,000, or I'm sorry, Bob had \$220,000. \$20,000 was the interest charge that you all voted not to charge.

1601

04:00:01.090 --> 04:00:17.169

lee: I think that the whole thing is a non... should be a non-starter. The deficits were before the new cost allocation plan. They were created in part by the fact that you were charging ratepayers for the planning department, for the fire department, for the building inspector, things that you don't do anymore.

1602

04:00:17.170 --> 04:00:24.840

lee: And going back and now charging them for the things that you don't charge them for anymore doesn't make a lot of sense. The...

1603

04:00:24.880 --> 04:00:34.969

lee: slides covered the structural deficit really well. Mary, I would add it into your cover letter. Also, acknowledge the problem and acknowledge the commitment to putting something together to fix it.

1604

04:00:35.240 --> 04:00:36.800

lee: My time's up, thanks.

1605

04:00:37.380 --> 04:00:47.720

Sebastopol Community Cultural Center: Thank you, Lee, for your public comment. Next, I will come back into chambers. If there's anyone seeing none, I will go back out to Zoom. If there's anyone on Zoom that would like to make a public comment, to please raise your hand virtually.

1606

04:00:48.800 --> 04:00:51.359

Sebastopol Community Cultural Center: Seeing none, the public hearing is closed on this item.

1607

04:00:53.360 --> 04:00:55.140

Sebastopol Community Cultural Center: Alright, thank you very much.

1608

04:00:55.300 --> 04:00:57.480

Sebastopol Community Cultural Center: Let's see,

1609

04:00:58.010 --> 04:01:16.779

Sebastopol Community Cultural Center: That puts us to... I apologize, my pages have gotten all out of order. Mayor, if you can make a motion to continue this item as well? Yeah, I'm sorry, I was going to do that, I'm just trying to find all my pages here. So we're gonna... I'm gonna make a motion to continue this to the next meeting.

1610

04:01:16.940 --> 04:01:18.110

Sebastopol Community Cultural Center: I'll second.

1611

04:01:19.260 --> 04:01:20.729

Sebastopol Community Cultural Center: Is that what you need, Mary?

1612

04:01:20.880 --> 04:01:34.920

Sebastopol Community Cultural Center: Yes, thank you. So moved by Mayor McLewis and seconded by Councilmember Zollman to continue the budget, discussion and action to the June 16th City Council meeting at 6 o'clock. Councilmember Carter?

1613

04:01:35.500 --> 04:01:50.369

Sebastopol Community Cultural Center: Yes. Councilmember Hinton? Aye.
Councilmember Zolman? Yes. Vice Mayor Maurer? Yes. Mayor McLewis? Yes. Motion passes unanimously. All right, thank you. So then we'll come to the public hearing for capital improvement budget, and then I... is that...

1614

04:01:50.370 --> 04:02:00.309

Sebastopol Community Cultural Center: What do you need from us, Mary, to keep it going? We would need to make a motion to continue this item to the June 16th City Council meeting at 6 o'clock. So moved.

1615

04:02:00.600 --> 04:02:01.440

Sebastopol Community Cultural Center: Second.

1616

04:02:01.630 --> 04:02:13.489

Sebastopol Community Cultural Center: So, moved by Mayor McLewis and seconded by Councilmember Zollmer to continue the CIP public hearing to the June 16th City Council meeting at 6 o'clock p.m. here at the Youth Annex. Councilmember Carter?

1617

04:02:14.240 --> 04:02:39.230

Sebastopol Community Cultural Center: Yes. Councilmember Hinton? Aye. Councilmember Zolman? Yes. Vice Mayor Maurer? Yes. Mayor McLewis? Yes. Motion passes unanimously. All right, and then number 10, public hearing, fiscal year 2026-27, streetlighting Assessment District, adopt a resolution approving the annual engineer's Report, confirming the assessment diagram, and authorizing a levy of annual assessment for fiscal 2026-27.

1618

04:02:39.230 --> 04:02:43.260

Sebastopol Community Cultural Center: for the City of Sebastopol Street Lighting Special Assessment District.

1619

04:02:43.370 --> 04:02:58.959

Sebastopol Community Cultural Center: I move to, continue this item until the next City Council meeting, which is on which date, Mary? June 16th at 6 o'clock at the Youth Annex here. Yes, that is my motion. Do I have a second? Second.

1620

04:02:59.660 --> 04:03:11.609

Sebastopol Community Cultural Center: So moved by Mayor McLewis and seconded by Councilmember Zolman to continue the, LAD public hearing to the June 16th City Council meeting at 6 o'clock to be held at the Youth Annex here.

1621

04:03:11.820 --> 04:03:18.260

Sebastopol Community Cultural Center: Councilmember Carter? Yes. Councilmember Hinton? Aye. Councilmember Zolman? Yes. Vice Mayor Maurer?

1622

04:03:18.660 --> 04:03:26.979

Sebastopol Community Cultural Center: Yes. Mayor McLewis? Yes. Motion passes unanimously. Okay. And then, do we need to do the final public comment? Yes. All right.

1623

04:03:27.200 --> 04:03:38.699

Sebastopol Community Cultural Center: So, this is the opportunity for the second public comment period. If you did not talk to... during the very first public comment period, this is an opportunity to provide public comment on items not on the agenda.

1624

04:03:38.700 --> 04:03:48.060

Sebastopol Community Cultural Center: There's a 2-minute time limit. If you'd like to make a public comment, I will come to Chamber. Seeing none, I will go out to Zoom. If there's anyone on Zoom, please raise your hand virtually.

1625

04:03:48.670 --> 04:03:50.739

Sebastopol Community Cultural Center: Seeing none, there's no puppet comment.

1626

04:03:51.170 --> 04:03:52.130

Sebastopol Community Cultural Center: Alright.

1627

04:03:52.820 --> 04:03:55.980

Sebastopol Community Cultural Center: Would you like to provide any staff updates?

1628

04:03:56.580 --> 04:04:01.469

Sebastopol Community Cultural Center: There is an item if you want to ask for any future City Council... Oh, I'm sorry. Yes, you're right.

1629

04:04:02.000 --> 04:04:05.089

Sebastopol Community Cultural Center: Would anyone like to add anything to the next meeting?

1630

04:04:07.050 --> 04:04:08.010

Sebastopol Community Cultural Center: Okay.

1631

04:04:08.700 --> 04:04:10.590

Sebastopol Community Cultural Center: Staff update? Oh, I'm sorry.

1632

04:04:12.930 --> 04:04:26.839

Sebastopol Community Cultural Center: I'm not sure how I would add it, but are we going to get an update on the majority of our public speakers tonight? So, A&M Barbecue, how do... where do we take that to the next step? Because...

1633

04:04:28.580 --> 04:04:33.590

Sebastopol Community Cultural Center: Should we be... should I be requesting an agenda item about it, I guess is my question.

1634

04:04:34.550 --> 04:04:38.900

Sebastopol Community Cultural Center: I guess the question would be, what is the agenda item that... what would be the...

1635

04:04:40.120 --> 04:04:50.129

Sebastopol Community Cultural Center: I would... we would need to consider whatever the topic is. Sure, so I'd like a staff update. I'd like some sort of presentation on what we could do.

1636

04:04:51.530 --> 04:04:52.310

Sebastopol Community Cultural Center: Alright.

1637

04:04:52.820 --> 04:05:00.320

Sebastopol Community Cultural Center: I mean, we heard from more people than we've seen in a long time in our chambers tonight, and I don't know...

1638

04:05:01.000 --> 04:05:02.530

Sebastopol Community Cultural Center: I don't know the update.

1639

04:05:04.260 --> 04:05:05.250

Sebastopol Community Cultural Center: Sounds cool.

1640

04:05:05.610 --> 04:05:14.250

Sebastopol Community Cultural Center: Yeah. I thought Mary provided an update, because she's got the A&M guy, he hasn't... She's gonna meet with him, but where do we get the update from there?

1641

04:05:14.290 --> 04:05:29.970

Sebastopol Community Cultural Center: Oh, I don't know. I'd like to have some sort of presentation, or what we're... what the city is going to do, or I don't... I don't know. Can you send us a report after you have these meetings? Like, a one-way communication, or what is... Yes, we can give the Council an update.

1642

04:05:29.970 --> 04:05:38.140

Sebastopol Community Cultural Center: I mean, we can do an update under City Manager's report as well. It doesn't need to be a city... but if there's a specific action that you're asking for, then that need... then...

1643

04:05:38.140 --> 04:05:46.390

Sebastopol Community Cultural Center: So we could put it into the agenda request. Yeah, I mean, I guess it depends on the meetings and our city attorney, if there is an action.

1644

04:05:46.390 --> 04:05:59.650

Sebastopol Community Cultural Center: And then I would like to see this come to agenda, so that we could take action if that's... if that's something that we could negotiate, so... Yeah, we'll... we'll certainly just, you know, Mary indicated earlier that

1645

04:05:59.720 --> 04:06:08.250

Sebastopol Community Cultural Center: You know, there will be no further enforcement action, you know, while they are working together on collaborating on a solution.

1646

04:06:08.770 --> 04:06:11.819

Sebastopol Community Cultural Center: Any enforcement action that would be taken.

1647

04:06:12.170 --> 04:06:19.360

Sebastopol Community Cultural Center: the business owner has the right to appeal that, and that appeal would come to the City Council to act on that as well. So let's say...

1648

04:06:19.960 --> 04:06:27.699

Sebastopol Community Cultural Center: Mary decides to issue a fine in the future, they have the right to appeal that fine, and that would come to you to make a decision on that fine.

1649

04:06:27.940 --> 04:06:28.720

Sebastopol Community Cultural Center: Hmm.

1650

04:06:29.030 --> 04:06:32.600

Sebastopol Community Cultural Center: Is there other possible actions that regard zoning?

1651

04:06:33.190 --> 04:06:42.489

Sebastopol Community Cultural Center: Certainly the Council could provide direction to change zoning and go through that process, if that's the Council's...

1652

04:06:43.280 --> 04:06:50.179

Sebastopol Community Cultural Center: desire. I think for now, I'm gonna hold, but I, am interested in getting resolution.

1653

04:06:50.290 --> 04:06:57.930

Sebastopol Community Cultural Center: And I would like that one-way communication so we could decide if we should be requesting, action in the future.

1654

04:07:00.210 --> 04:07:01.260

Sebastopol Community Cultural Center: Okay.

1655

04:07:02.200 --> 04:07:03.399

Sebastopol Community Cultural Center: Anyone else?

1656

04:07:04.260 --> 04:07:09.050

Sebastopol Community Cultural Center: All right, so any, city manager updates? City attorney? Anyone?

1657

04:07:09.320 --> 04:07:11.920

Sebastopol Community Cultural Center: None further from here. Okay.

1658

04:07:12.110 --> 04:07:16.630

Sebastopol Community Cultural Center: Does anyone want to do an update for what you've been up to? Everyone looks so tired.

1659

04:07:16.730 --> 04:07:19.790

Sebastopol Community Cultural Center: But does anyone have any? Okay.

1660

04:07:20.880 --> 04:07:32.760

Sebastopol Community Cultural Center: We had a, field trip to Pepperwood with the Russian River Watershed Association and Epic, and, so we learned about fire suppression.

1661

04:07:32.860 --> 04:07:44.529

Sebastopol Community Cultural Center: fire, you know, how they start fires intentionally. There's a... there's a word for it, that's not it, I'm tired. Controlled burn. Controlled burns, prescribed burns, that's what it's called, and

1662

04:07:44.830 --> 04:07:55.789

Sebastopol Community Cultural Center: Let's see what else I want to say about it. There were, 3 winners of the video... they have a video contest, and there were 3 winners, and one of... one of the winners was from Annalee High School.

1663

04:07:58.510 --> 04:08:14.420

Sebastopol Community Cultural Center: And Pepperwood is not open to the public in general, but they have... like, you can't just drive up there to go hiking around, but they do have days where you can come and do this class or that class, so it's a beautiful place. And, yeah, that's all I want to say.

1664

04:08:14.610 --> 04:08:17.559

Sebastopol Community Cultural Center: Okay. Let's say lots of... Wait, oops, sorry.

1665

04:08:17.700 --> 04:08:33.730

Sebastopol Community Cultural Center: Just want to add one thing, because we learned about this grass. It's called the Purple Needle Grass. And this grass was about this tall, and it's a native grass. And this grass grows roots that are, like, 22 feet deep.

1666

04:08:34.490 --> 04:08:43.640

Sebastopol Community Cultural Center: It's a grass, and you imagine? It's deep as an oak tree, and this grass is very important, and why it's important? Because it...

1667

04:08:43.640 --> 04:09:04.349

Sebastopol Community Cultural Center: it can hold the hillside, right? So you don't have, like, a landslide or something. But what happens is in the springtime, when there hasn't been any fires, is that these non-native grasses will grow really big and overshadow these other kind of native grasses, and that becomes a problem, because you're losing some of your native grasses that are pretty powerful.

1668

04:09:04.350 --> 04:09:07.490

Sebastopol Community Cultural Center: And amazing, so... Yeah, that's one thing I learned.

1669

04:09:07.620 --> 04:09:18.319

Sebastopol Community Cultural Center: Sorry, Steven. No, no, no, just a lot of ongoing, Coalition on the Unhoused, meetings and sub-meetings. Nolan, who was just here earlier, did...

1670

04:09:18.320 --> 04:09:27.889

Sebastopol Community Cultural Center: Decided to come up with enough money to use the same consultant, who was charged with providing an overall review of

1671

04:09:28.090 --> 04:09:51.420

Sebastopol Community Cultural Center: how she thought they were delivering homeless services, and that went out to you all via email. That consultant will be used for the subgroup of us who are charged with reviewing the agency as a whole, and how it works with other agencies within the county, and then make a recommendation about continuing to have the county be lead agency, or swap it out and put a nonprofit in, so...

1672

04:09:51.420 --> 04:09:52.710

Sebastopol Community Cultural Center: That's where we are with that.

1673

04:09:54.870 --> 04:09:56.130

Sebastopol Community Cultural Center: Anyone else?

1674

04:09:57.310 --> 04:10:10.569

Sebastopol Community Cultural Center: I guess I should say that we met with Linda and talked about the EFID, but I also attended the EFID meeting in Guerneville to learn more about it.

1675

04:10:11.890 --> 04:10:12.810

Sebastopol Community Cultural Center: Okay.

1676

04:10:13.150 --> 04:10:16.349

Sebastopol Community Cultural Center: I think that's it, so I think we're adjourned. Thank you all.

PLEASE STAND BY FOR REALTIME CAPTIONS.

ARE WE READY, OR? OKAY.

I DON'T UNDERSTAND.

OKAY.

STEPHEN, ARE YOU READY?

I AM READY.

GREAT, THANK YOU. WE CAN GO AHEAD AND START THE MEETING.

ALL RIGHT. THANK YOU. WELCOME, EVERYBODY. I AM GOING TO CALL THIS MEETING TO ORDER, IF YOU WANT TO GO AHEAD AND DO ROLL CALL, MARY?

THANK YOU, MAYOR. COUNCILMEMBER CARTER?

HERE.

COUNCILMEMBER ZOLLMAN?

PRESENT.

VICE MAYOR MAURER?

HERE.

MAYOR McLEWIS?

HERE.

COUNCILMEMBER HINTON IS RUNNING LATE AND WILL BE HERE IN A FEW MINUTES.

ALL RIGHT, THE FIRST THING WE ARE GOING TO DO IS A SALUTE TO THE FLAG, SO IF YOU COULD STAND WITH ME? ALL RIGHT, THANK YOU, EVERYONE. AS PART OF OUR EVERY MEETING, WE DO A LAND ACKNOWLEDGMENT. THE CITY OF SEBASTOPOL ACKNOWLEDGES THAT WE LIVE AND WORK WITHIN THE UNCEDED ANCESTRAL HOMELANDS OF THE SOUTHERN POMO AND THE COAST MIWOK PEOPLE. WE PAY OUR RESPECT TO THE PAST, PRESENT, AND FUTURE GENERATIONS OF THESE PEOPLES, INCLUDING THE FEDERATED INDIANS OF GRATON RANCHERIA. AND AS PART OF MY COMMITMENT AS MAYOR THIS YEAR, I AM REMEMBERING THE HISTORY OF SEBASTOPOL. I DO THIS WITH STREETS OF ARMANDO AND OUR COUNTY MUSEUM. SO, I AM GOING TO GO AHEAD, GIVEN THAT IT IS THE END OF THE SCHOOL YEAR, WE FIGURED IT WOULD BE APPROPRIATE TO RECOGNIZE SOME OF THE HISTORY OF THE SCHOOLS HERE IN SEBASTOPOL, SO WE HAVE UP ON THE SCREEN THERE, SOME PICTURES, IF YOU'RE INTERESTED IN SEEING SOME OF THE SCHOOLS, WE HAVE LINCOLN HALL UP THERE AND THAT IS CALLED THE SEBASTOPOL GRAMMAR SCHOOL, IT WAS THE FIRST SCHOOL HEEL IN SEBASTOPOL, IT IS AN L-SHAPED CARDBOARD BUILDING AND HAD STUDENTS SITTING OUTSIDE, THERE. IT WAS ORIGINALLY LOCATED ON BODEGA AVENUE AND HIGH STREET NORTHEAST, WHERE OUR PUBLIC LIBRARY IS CURRENTLY LOCATED AND LINCOLN HALL WAS A COMMUNITY HALL AT ONE TIME, AS WELL. AND THEN, FURTHER DOWN, YOU WILL SEE THAT WE HAVE SEBASTOPOL GRAMMAR SCHOOL, IT WAS DEDICATED ON SEPTEMBER 12th, AND 1887, AND IT WAS A LARGE, ONE-STORY, QUEEN ANNE STYLE BUILDING WITH A BALL TOWER AND THE PRINCIPAL, WAS MS. SOPHIA RICK LITCHFIELD AND ASSISTANT MS. ANNIE DALLAS. AND FURTHER DOWN, YOU CAN SEE THE SEBASTOPOL PRIMARY SCHOOL, CIRCA 1912-1913. THERE WAS CHILDREN IN FRONT OF THE SCHOOL, THERE. IT ALSO HAD A BELL TOWER ABOVE THE DOOR, AND SEBASTOPOL PRIMARY SCHOOL WAS ALSO LOCATED ON BODEGA AVENUE WHERE PARKSIDE SCHOOL IS CURRENTLY SITUATED, AT 7450 BODEGA AVENUE. AND THEN, MOVING ONTO -- LET'S SEE -- 1927, THE SEBASTOPOL GRAMMAR SCHOOL ON BODEGA AVENUE IS PICTURED RIGHT THERE, AND THE SIGN ABOVE THAT JUST SAYS "SEBASTOPOL PRIMARY SCHOOL." AND THAT IS THE PRESENT SITE OF PARKSIDE SCHOOL. AND WE HAVE, FINALLY, TO RECOGNIZE OUR HIGH SCHOOL. ANNALEE REUNION HIGH SCHOOL FROM 1909 AND IT WAS KNOWN FOR HAVING THE PALM TREES ON EITHER SIDE OF THE FRONT STEPS, THERE. AND THEN, THE FINAL PICTURE IS OUR ANALY SCHOOL THAT WAS BUILT IN 1960, AND I KNOW THEY ARE GOING THROUGH CONSTRUCTION UPWARDS RIGHT NOW, SO JUST WANTED TO SHARE A LITTLE BIT OF THAT HISTORY WITH EVERYONE AS I DO EVERY TIME AND WE WILL GO AHEAD AND MOVE ON TO THE NEXT ITEMS. LET'S SEE. WE HAVE OUR PROCLAMATIONS THAT WE OFTEN DO, AND WE HAVE OUR CERTIFICATE OF APPRECIATION -- CERTIFICATE OF APPRECIATIONS TO GIVE FOR COMMUNITY SERVICE AND GRAFFITI CLEANUP. SO, THIS IS TO -- LET ME PULL THIS UP. THIS IS TO HONOR TWO PEOPLE WHO HAVE BEEN

VOLUNTEERING IN OUR COMMUNITY FOR A LONG TIME, SO I'M JUST GOING TO READ THIS CERTIFICATE OF APPRECIATION, GIVEN TO TED THORHAUG AND STEVE EINSTEIN IN RECOGNITION OF THEIR LONG-STANDING SERVICE TO THE COMMUNITY OF SEBASTOPOL BY VOLUNTARILY CLEANING UP GRAFFITI IN OUR WONDERFUL CITY. THE CITY EXTENDS ITS GRATITUDE FOR YOUR DEDICATION TO PRESERVING THE BEAUTY AND CHARACTER OF OUR PUBLIC SPACES. THROUGH YOUR VOLUNTEERING ACTION, YOU HAVE HELPED ENHANCE THE VISUAL APPEAL OF OUR NEIGHBORHOODS AND FOSTER A DEEPER SENSE OF CIVIC PRIDE AND COMMUNITY STEWARDSHIP. THANK YOU FOR YOUR CONTINUED SERVICE TO THE CITY. AND I DON'T KNOW -- I DON'T KNOW -- ARE ANY OF THEM HERE? AH, PERFECT. SO, IF YOU WOULD LIKE TO COME UP, AND WE WILL HAND THESE TO YOU AND SHAKE YOUR HAND. THIS IS --

I HAVE BEEN DOING IT FOREVER.

THANK YOU SO MUCH. THANK YOU SO MUCH. WE ALL REALLY APPRECIATE IT.

ALL RIGHT, WE ALSO HAVE ANOTHER PROCLAMATION THAT WE ARE GOING TO DO, AND COUNCILMEMBER STEPHEN ZOLLMAN, YOU WILL READ IT FOR US?

YES, THANK YOU, MAYOR, THIS IS PROCLAIMING JUNE 2026 AS PRIDE MONTH IN CITY OF SEBASTOPOL. WHEREAS THE CITY OF SEBASTOPOL PROUDLY SAID SUPPORTS THE LGBTQ COMMUNITY AND RECOGNIZES THE VITAL CONTRIBUTIONS OF LGBTQ AND OTHER IDENTITIES TO THE CULTURAL AND CIVIC LIGHT OF OUR COMMUNITY, WHEREAS PRIDE MONTH COMMEMORATES THE STONEWALL UPRISING OF JUNE 1969, WHEN LGBTQ+ INDIVIDUALS AT STONEWALL, STOOD UP AGAINST POLICE HARASSMENT AND SYSTEMIC DISCRIMINATION, SPARKING A NATIONWIDE MOVEMENT FOR CIVIL RIGHTS, DIGNITY, AND EQUAL PROTECTION UNDER THE LAW. PRIDE SERVES AS BOTH A JOYFUL CELEBRATION, AND A NECESSARY REMINDER THAT THE PURSUIT OF FULL EQUALITY CONTINUES, AS LGBTQ+ INDIVIDUALS STILL FACE DISCRIMINATION AND BIAS, AND THE WORK TO SECURE LASTING JUSTICE, F-16s, ACCEPTANCE, FOR ALL REMAINS ONGOING. THEREFORE BE IT RESOLVED THAT OUR MAYOR, JILL McLEWIS, ON BEHALF OF THE ENTIRE CITY COUNCIL TO PROCLAIM JUNE 2026 AS LGBTQ+ PRIDE MONTH, AND CALL UPON ALL RESIDENTS, BUSINESSES, SCHOOLS, AND COMMUNITY ORGANIZATIONS, TO CELEBRATE PRIDE, LEARN THE HISTORY OF LGBTQ+ RIGHTS MOVEMENT, AND ACTIVELY SUPPORT SEBASTOPOL, WHERE EVERYONE IS WELCOMED, RESPECTED, AND FREE TO LIVE OPENLY AND WITH DIGNITY, AND SHE HAS PLACED HER HAND ON THE GREAT SEAL OF THE CITY OF SEBASTOPOL ON THE SECOND DAY OF JUNE, 2026 AND WE DO NOT SEE A REPRESENTATIVE FROM ONE OF OUR LGBT ORGANIZATIONS SO I WILL TAKE THIS AND MAKE SURE THEY GET IT. THANK YOU, MADAM MAYOR.

THANK YOU SO MUCH. ALL RIGHT, SO, WE ARE AT THE POINT OF STATEMENTS OF CONFLICT OF INTEREST. DOES ANYBODY HAVE ANY CONFLICTS TO -- NO? OKAY. ME, NEITHER. SO, THE NEXT THING WE HAVE IS PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA. AND GIVEN THE FACT THAT WE HAVE MANY PEOPLE IN THE ROOM HERE, I JUST WANTED TO MENTION A COUPLE THINGS. WE ARE GOING TO ASK PEOPLE TO RAISE YOUR HAND IF YOU ARE LOOKING TO COMMENT. TYPICALLY, OUR PROTOCOL IS THAT WE HAVE 20 MINUTES AT THE BEGINNING OF THE MEETING AND 20 MINUTES AT THE END OF THE MEETING, AND DEPENDING ON HOW MANY PEOPLE WE HAVE RAISE THEIR HAND, RIGHT NOW, THEY WILL LET US KNOW WHO WAS GOING TO WANT TO PUBLIC COMMENT. JUST A COUPLE OTHER THINGS I WANT TO MENTION, JUST AS A POINT OF ORDER, WE ASK THAT YOU NOT CLAP, OR YELL, OR MAKE ANY KIND OF, YOU KNOW, LOUD RESPONSES TO ANYONE'S COMMENTS, BECAUSE WE FEEL LIKE EVERYONE NEEDS TO BE RESPECTED, AND WHETHER YOU AGREE OR NOT, IF YOU HAVE AN OUTBURST THEN, YOU KNOW, IT IMPACTS EVERYONE. SO, WE JUST ASK YOU TO KEEP THAT, YOU KNOW, IN HERE, AND NOT OUT HERE. SO, IF EVERYONE COULD -- I DON'T -- THERE ARE SO MANY PEOPLE, HERE. IF EVERYONE COULD RAISE THEIR HAND, TO SEE HOW MANY PEOPLE WE HAVE, AT LEAST INITIALLY? MARY IS GOING TO COUNT FOR US. 14 OR 15. AND WHAT WE TYPICALLY DO, IS WE ALSO -- ALSO, YOU CAN SEE THAT WE HAVE ZOOM, AS WELL. SO, WHAT WE TYPICALLY DO, IS WE ROTATE BETWEEN HERE AND ON ZOOM AND BACK AND FORTH, AND WE DO THAT FOR UP TO 20 MINUTES. AND KNOWING, OR ASSUMING THERE WAS GOING TO BE QUITE A FEW PEOPLE HERE TONIGHT, YOU KNOW, GOING BACK AND FORTH TRYING TO FIGURE OUT, WHAT DO WE DO, AS FAR AS HONORING PEOPLE'S ABILITY TO SPEAK, THEIR THOUGHTS. BUT ALSO, AT THE SAME TIME, GET TO THE REST OF THE

BUSINESS THAT WE HAVE BECAUSE WE HAVE SOME ITEMS THAT NEED TO BE TAKEN CARE OF TONIGHT. SO, DO WE SHORTEN THE TIME THAT EVERYONE SPEAKS? OR, DO WE EXTEND THE TIME THAT WE HAVE AVAILABLE? WHAT I WANT TO ASK MY COLLEAGUES IS, WOULD YOU BE WILLING TO, INSTEAD OF DOING 20 MINUTES NOW, DOING 40 MINUTES NOW, THUS DOUBLING THAT TIME FOR PUBLIC COMMENT, RATHER THAN SHORTENING THEIR TIME? I'M ASKING. I KNOW, I CAN DECIDE, BUT I WOULD REALLY LIKE US ALL TO BE -- WELL, WE ALSO HAVE ONLINE, TOO. SO, I DON'T KNOW. IS THAT INCLUDING ONLINE? OKAY. SO, I WAS JUST SAYING, IF WE DO 40 MINUTES AT THE BEGINNING, WE COULD GIVE PEOPLE A TOTAL OF 40 MINUTES FOR PUBLIC COMMENT, AND THEN, AND THEN, YOU KNOW, WE WILL SEE HOW MANY PEOPLE WANT TO STAY UNTIL THE END OF THIS MEETING, AND IF YOU WANT TO COMMENT, THEN WE HAVE ANOTHER 20 MINUTES AT THE END OF THE MEETING. SO, I -- IT'S ALWAYS A STRUGGLE, DO WE SHORTEN THE TIME AND MAKE IT 90 SECONDS? BUT THEN, WE GET A LOT OF GRIEF FOR THAT, AS WELL. SO, THEN IT'S JUST TRYING TO FIGURE OUT HOW TO ACCOMMODATE EVERYBODY AND GET BUSINESS DONE. SO, I AM WONDERING, MY COLLEAGUES, HERE, WHERE ARE YOU? I AM FINE WITH EXTENDING TIME UP FRONT.

OKAY. YOU ARE OKAY WITH IT. VICE MAYOR?

I DON'T KNOW IF I WOULD PUT A TIME LIMIT ON IT, BUT, I DON'T KNOW IF YOU CAN ACTUALLY LEGALLY SWAP THE END ONE FOR NOW, THOUGH. I THINK YOU STILL HAVE TO DO 20 MINUTES AT THE END.

OH, NO, I AM SUGGESTING WE WILL STILL HAVE 20 MINUTES AT THE END, I AM SAYING WE WILL HAVE 40 MINUTES NOW AND THEN WE CAN DO 20 MINUTES AT THE END. I AM TRYING TO ACCOMMODATE EVERYONE, I RECOGNIZE SO MANY PEOPLE ARE HERE AND JUST TRYING TO FIGURE OUT SO WE ARE NOT HERE UNTIL 1:00 A.M., AS WELL. SO -- YOU CAN ALWAYS STAY FOR THE WHOLE MEETING AND THEN COMMENT AT THE END, TOO. THAT WILL BE EXCITING. SO, MARY, WHAT I THINK WE ARE GOING TO DO, AS I HAVE CONSENSUS HERE, IT SEEMS, WE WILL DO 40 MINUTES NOW, AND SEE WHERE WE ARE AT WHEN WE GET THERE, AND IF WE HAVE -- YOU KNOW, CAN WE START WITH THAT? SURE.

AND GO FROM THERE. AND WE WILL GIVE EVERYBODY THE TWO MINUTES THAT WE TYPICALLY HAVE BECAUSE I KNOW A LOT OF PEOPLE PREPARED WHAT THEY HAVE TO SAY, SO TO SHORTEN IT RIGHT NOW WOULD BE HARD.

GREAT. AS THE MAYOR JUST STATED, IT WILL BE 40 MINUTES NOW, A TWO MINUTE TIME LIMIT, CHAMBERS FIRST, THEN GO OUT TO ZOOM, AND WE SWITCH BACK AND FORTH. SO, IF YOU RAISE YOUR HAND, I WILL GO AHEAD AND SELECT ON YOU AND WE WILL MAKE SURE TO GET EVERYONE, SO WE DID HAVE STEVE HERE FIRST, THEN I WILL JUST GO AROUND THE ROOM, TOO, TO GET YOU, SO WE WILL DO STEVE FIRST, AND THEN GO TO ZOOM, AND GO BACK AND FORTH.

AND I WILL JUMP IN WHEN YOU HAVE ABOUT 30 SECONDS LEFT.

THANK YOU. I COME BEFORE YOU TODAY IN SUPPORT OF THE FIRST AMENDMENT, FOR FREEDOM OF SPEECH. FOR CLOSE TO 20 YEARS, I HAVE EXERCISED THAT RIGHT WITH VARIOUS FLAGS -- [INAUDIBLE - LOW VOLUME] IN THE PAST FEW YEARS, MIC?

AND IT IS A PROTEST -- GOT IT.

FROM THE TOP? I COME BEFORE YOU TODAY, MY NAME IS STEVE, AND I LIVE RIGHT HERE IN TOWN, IN SUPPORT OF EVERYONE'S FIRST AMENDMENT RIGHT TO FREEDOM OF SPEECH. FOR CLOSE TO 20 YEARS, I HAVE EXERCISED THAT RIGHT WITH VARIOUS SIGNS AND FLAGS EVERY FRIDAY AT NOON, CARRYING ON A VIGIL THAT WAS STARTED BY WOMEN AND BLACK. IN THE PAST FEW YEARS, WE HAVE BEEN JOINED AT THE INTERSECTION BY A GROUP OF PEOPLE WHO WERE THERE TO SUPPORT THE PALESTINIAN PEOPLE AND PROTEST ISRAELI ACTIONS AND POLICY. I DO NOT CHALLENGE THE GROSS DISTORTIONS AND LIES ON MANY OF THEIR SIGNS. IT IS THEIR RIGHT TO SAY WHATEVER THEY WANT, NO MATTER HOW FALSE, HATEFUL, OR MISLEADING IT IS. NO DOUBT, SOME OF MY SIGNS HAVE BEEN SEEN IN A NEGATIVE LIGHT, AS WELL. HOWEVER, IT IS NOT THE RIGHT TO BLAST MUSIC AND HATEFUL RHETORIC AT DECIBEL LEVELS WELL IN EXCESS OF CITY GUIDELINES. I HAVE CALLED THE SEBASTOPOL POLICE ON A REGULAR BASIS, BECAUSE AFTER WEEK, TO HAVE THEM ENFORCE CITY LAWS. THEY RARELY RESPOND

AND HAVE YET BEEN ABLE TO STOP THE AMPLIFIED MUSIC. THE LAST OFFICER THAT CAME AROUND JUST LAST WEEK AGREED THE MUSIC WAS WELL BEYOND THE WELL ALLOWED DECIBEL LEVEL, BUT WAS UNABLE TO CONVINCED THE DEMONSTRATORS TO BRING THE VOLUME DOWN. I DON'T KNOW WHEN, EXACTLY, FREE SPEECH CROSSES THE LINE INTO HATE SPEECH., I DO KNOW WHEN LOUD, AMPLIFIED MUSIC INFRINGES ON THE RIGHTS OF THE PUBLIC, I HOPE THE SEBASTOPOL POLICE DEPARTMENT WILL ENFORCE CITY LIMITS ON NON-PERMITTED, AMPLIFIED MUSIC GOING FORWARD. THANK YOU VERY MUCH.

THANK YOU, STEVE, FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO BACK OUT TO ZOOM. BEN, CAN YOU UNMUTE YOUR SELF, PLEASE?

YES, CAN YOU HEAR ME?

I CAN. CAN YOU SEE THE TIMER?

YES.

GREAT. GO AHEAD WITH YOUR PUBLIC COMMENT, PLEASE.

AT EVENING, MAYOR, COUNCIL MEMBERS, AND NEIGHBORS OF THE COMMUNITY, MY NAME IS BEN, AND I AM A PARTNER WITH OVER THE PAST SEVERAL MONTHS, THERE HAS BEEN A LOT OF FRUSTRATION, CONCERNS, AND DISAGREEMENT, SURROUNDING OUR BUSINESS. I THINK ONE THING WE CAN ALL AGREE ON, IS THAT TRUST IS BUILT THROUGH COMMUNICATION. TRUST ALSO REQUIRES THAT WE STAY GROUNDED IN FACTS. DURING THIS PROCESS, PUBLIC STATEMENTS HAVE BEEN MADE ABOUT OUR BUSINESS. MY PERSPECTIVE, THAT WERE INCOMPLETE OR NOT FULLY SUPPORTED BY FACTS, THAT IS DISAPPOINTING, BUT IT ALSO HIGHLIGHTS WHY OPEN COMMUNICATION IS SO IMPORTANT. NO PERSON, BUSINESS, NEIGHBOR, OR GOVERNMENT AGENCY ARE PERFECT, WE ALL HAVE AN OPPORTUNITY TO LEARN FROM THIS. LOOKING BACK, I BELIEVE THERE ARE THINGS ALL OF US COULD HAVE COMMUNICATED BETTER AND SOONER. STRONG COMMUNITIES ARE BUILT WHEN PEOPLE FEEL COMFORTABLE BRINGING ISSUES FORWARD, WHEN BUSINESSES FEEL COMFORTABLE ASKING FOR HELP BEFORE PROBLEMS GROW, AND WHEN CITY LEADERSHIP CREATES AN ENVIRONMENT THAT ENCOURAGES COLLABORATION, TRANSPARENCY, AND FACT-BASED DECISION-MAKING. I'M HERE TO ASK THAT WE MOVE FORWARD TOGETHER IN GOOD FAITH. WE HAVE ACKNOWLEDGED THAT WE HAVE OUTGROWN OUR CURRENT LOCATION. WE HAVE BEEN ACTIVELY PURSUING RELOCATION FOR OVER A YEAR AND WORKING TOWARD SOLUTIONS THAT ADDRESS OUR COMMUNITY CONCERNS WHILE PROJECTING THE JOBS OF OUR EMPLOYEES AND SMALL BUSINESS. MY HOPE IS THAT THIS PROCESS CAN BECOME AN EXAMPLE OF WHAT HAPPENS WHEN NEIGHBORS, BUSINESSES, STAFF, AND ELECTED LEADERS HAVE DIALOGUE OVER DIVISION AND PREJUDICE. ALL I ASK FOR, IS THAT WE WORK ON FACTS, NOT COMMENTS THAT ARE FOUND NOT ON FACTS. THANK YOU FOR YOUR TIME AND CONSIDERATION.

THANK YOU, THIN, FOR YOUR PUBLIC COMMENT. NEXT, I WILL COME BACK INTO CHAMBERS. MA'AM? YES. I WILL JUMP IN WHEN YOU HAVE ABOUT 30 SECONDS LEFT.

THANK YOU. MY NAME IS LINDA, I AM HERE IN SUPPORT OF MY SON-IN-LAW. [CRYING] CHRIS AUSTIN. I DIDN'T THINK I WAS GOING TO DO THIS. [CRYING] NO, IT'S ALL RIGHT. OKAY. TO BEGIN WITH, ALL THESE PEOPLE ARE HIS FANS, MOST OF THEM, I WOULD SAY. THEY WOULD FOLLOW HIM WHEREVER HE GOES. HE IS ACTIVELY BEING RECRUITED BY OTHER CITIES TO MOVE HIS BUSINESS THERE, AND THEY ARE ACTIVELY OFFERING EXTRA HELP ON CONCIERGE SERVICES TO GET HIM THERE, TO LOWER THE COSTS OF HIM OPENING BUSINESSES. I WANT HIM TO STAY HERE. I AM A BORN AND RAISED SEBASTOPOL GIRL AND IT IS IMPORTANT FOR OUR TOWN TO NOT ONLY HAVE RESTAURANTS THAT BRING PEOPLE IN, BUT BRING IN COMMUNITY. SHE HAS VOLUNTEERED FOR EVERY SINGLE THING HE HAS BEEN ASKED TO DO. HE IS GIVEN GIFT CARDS, HE IS GIVEN DONATIONS. HE SUPPORTS THE COMMUNITY. HE HAD TO TURN DOWN AN ARTICLE IN A NEWSPAPER OR MAGAZINE OUT OF NEW YORK CITY FOR HIS COOKING, FOR HIS RESTAURANT, BECAUSE HE WAS AFRAID OF WHAT WAS HAPPENING, HERE. AND HE DIDN'T WANT TO HAVE PEOPLE COME TO SEBASTOPOL FROM ACROSS THE COUNTRY SO THAT HE COULDN'T SERVE THEM, BECAUSE HE DIDN'T KNOW WHAT WAS GOING TO HAPPEN.

YOU HAVE ABOUT 30 SECONDS.

THANK YOU.

HE WAS IN THE NEWS SATURDAY MORNING ABOUT 45 SECONDS. I WAS IN THE RESTAURANT GETTING LUNCH ON SATURDAY, THIS LADY IN FRONT OF ME HAD SEEN THE NEWS AND HAD DRIVEN UP TO GO TO HIS RESTAURANT SIMPLY BECAUSE OF THE NEWS STORY. YOU NEED TO WORK FAIRLY WITH HIM, HONESTLY WITH HIM, AND GIVE HIM A CHANCE TO MAKE IT RIGHT, FOR EVERYBODY, NOT JUST HIM, BUT ALSO THE CITY. THANK YOU.

THANK YOU, LINDA, FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO OUT TO ZOOM. MICHAEL, CAN YOU UNMUTE YOUR SELF, PLEASE?

YES, CAN YOU HEAR ME?

I CAN HEAR YOU. CAN YOU SEE THE TIMER?

I CAN.

GREAT. GO AHEAD, PLEASE.

HI, MY NAME IS MICHAEL COBBS, I AM A RESIDENT OF SEBASTOPOL AND A LIFELONG BARBECUE FAN. I COULD NOT BE HAPPIER THAT A&M OPENED IN THIS TOWN. WHEN I CAME TO CALIFORNIA, I HAD THE WORST TIME FINDING WHAT I CONSIDER TO BE GOOD BARBECUE, UNTIL I FOUND A&M. I SUBMITTED A FAIRLY LENGTHY LETTER TO THE COUNCIL AS PUBLIC COMMENT, BUT I WANTED TO COME BEFORE THE COUNCIL TODAY TO HAVE THE OPPORTUNITY TO SAY TO YOU ALL THAT I AM SORELY DISAPPOINTED THAT THE CITY TOOK ACTION BASED ON FEARS, NOT FACTS. I CAN UNDERSTAND HOW MY NEIGHBORS' CONCERNS, FOR THEIR SAFETY AND WELL-BEING, AND OF THEIR FAMILIES, BUT WHAT I CANNOT UNDERSTAND IS HOW THE CITY TOOK THOSE FEARS AND INSTEAD OF TAKING THE TIME TO INVESTIGATE AND DETERMINE THE REALITY OF WHAT WAS HAPPENING, IMMEDIATELY JUMPED INTO ACTION IN SUPPORT OF PEOPLE WHO ULTIMATELY LIVE IN A VERY SMALL SEGMENT AND WORK THEMSELVES UP TO THEIR ISSUES, INSTEAD OF ASSESSING THE NEEDS OF THE CITY, THE GENERAL CONSENSUS OF THE CITIZENS, THE PERMITTING, THE ACTUAL SAFETY ISSUES, THE ACTUAL ACTIONS OF THIS RESTAURANT, AND INSTEAD TOOK FEARS AND TOOK FEARS STRAIGHT INTO ACTION. THAT IS EXTREMELY DISAPPOINTING THAT THIS IS THE -- HOW THE CITY IS TREATING -- THANK YOU, MICHAEL. I AM SORRY, YOU'RE DONE? YOU HAVE 30 SECONDS.

THIS RESTAURANT MAY BE PUSHED OUT OF OUR TOWN BECAUSE OF THE CITY'S ACTIONS. THAT IS MY TIME.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT, I WILL COME BACK INTO CHAMBERS. YOU'RE GOING TO SPEAK, RIGHT? ACTUALLY, JUST A MINUTE, CHRIS. I AM GOING TO HAVE THIS GENTLEMAN SPEAK, I AM GOING TO GO TO ZOOM AND THEN I WILL COME RIGHT BACK TO YOU. GO AHEAD WITH YOUR PUBLIC COMMENT, PLEASE.

MY NAME IS BILL GLEASON AND I AM SPEAKING ON BEHALF OF A&M. THEY DON'T JUST SERVE REALLY GOOD FOOD, THEY SERVE GREAT FOOD, AND WE HAVE TWO PLACES IN THIS TOWN THAT SERVE BARBECUE, BUT THEY ARE NOT BEING PICKED ON, THEY ARE NOT BEING ASKED TO MOVE. D'S DINER, AND THE OTHER PLACE OVER BY THE POLICE STATION. YOU ARE SINGLING THEM OUT. THESE PEOPLE SERVE GREAT FOOD BECAUSE ELDERLY WOMAN UP ON THE HILL HAS ASTHMA. YOU ARE OPENING A LAWSUIT ON THIS CITY, AND EACH AND EVERY ONE OF YOU SHOULD BE LIABLE FOR THAT, IF YOU PASS IT, AND IF YOU KICK THESE PEOPLE OUT OF TOWN. THEY ARE TRYING TO MAKE A LIVING. LET THEM.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO OUT TO ZOOM, IF THERE IS ANYONE ON ZOOM WHO WOULD LIKE TO MAKE A PUBLIC COMMENT. SEE NONE. I WILL COME BACK INTO CHAMBERS. CHRIS?

SO, I HAVE A WRITTEN STATEMENT FOR YOU TODAY, MY NAME IS CHRIS OSMAN, I AM THE OWNER OF A&M BARBECUE. FIRST, I WANT TO THANK EVERYONE WHO SUPPORTS THIS BUSINESS OVER THE YEARS. WE CAME TO SEBASTOPOL BECAUSE WE BELIEVE IN THIS COMMUNITY, AND BELIEVED IT COULD BE A PLACE WHERE A SMALL BUSINESS LIKE OURS COULD GROW, AND CONTRIBUTE TO THE FABRIC OF THE CITY. WE HAVE WORKED HARD EVERY DAY TO DO EXACTLY THAT. MY SMALL BUSINESS, LIKE MANY SMALL BUSINESSES, WE HAVE INVESTED OUR SAVINGS, TIME, COUNTLESS HOURS, INCLUDING BUILDING A&M. WE ARE NOT A LIABLE CORPORATION, WE ARE A LOCAL BUSINESS TO THE RESIDENCE OF SEBASTOPOL. MY KIDS GREW UP HERE, TRYING TO PROVIDE FOR MY FAMILY, CREATE JOBS AND JUST BE A PILLAR IN THE COMMUNITY. OVER THE PAST MONTH, WE HAVE DONE OUR BEST TO RESPOND TO CONCERNS RAISED ABOUT OUR

OPERATION. WE HAVE COOPERATED WITH INSPECTIONS, MULTIPLE, COMPLIED WITH REQUESTS FROM CITY OFFICIALS. MY SMOKERS ARE NO LONGER ON SITE. MADE OPERATIONAL CHANGES. WE NEVER REFUSED TO ENGAGE IN THE PROCESS, WE WERE MERELY IGNORED. WE UNDERSTAND OUR BUSINESS HAS GROWN AND WE HAVE TOLD YOU THAT FROM THE BEGINNING. IN FACT, WE HAVE OPENLY ACKNOWLEDGED THAT WE HAVE OUTGROWN THE SPACE AND WE HAVE BEEN LOOKING ACTIVELY, LIKE MY PARTNER SAID, FOR A NEW SITE. FINALLY, SUITABLE SUITABLE FOR COMMERCIAL PROPERTY, SECURING LEHMAN'S, CANNOT HAPPEN OVERNIGHT. IT REQUIRES MY TIME, PLANNING, AND RESOURCES. WE ARE ASKING FOR NOT -- WE ARE NOT ASKING FOR SPECIAL TREATMENT, WE ARE JUST ASKING FOR A FAIR OPPORTUNITY TO TRANSITION. THE UNCERTAINTY AROUND OUR BUSINESS AND HOW WE OPERATE HAS CREATED TREMENDOUS CHALLENGES FOR ME AND MY STAFF, AS WELL. THEY DON'T KNOW HOW MANY HOURS THEY ARE GOING TO GET, THEY LOST FIVE HOURS ON THIS DAY, FIVE HOURS ON THIS DAY, SO THERE IS UNCERTAINTY AND THESE ARE PEOPLE UNDER MY CARE LOOK TO ME TO PROVIDE EVERY WEEK. HE IS GETTING MARRIED. ANOTHER IS GETTING MARRIED. AND THEY HAVE FAMILIES. I HAVE DONE NOTHING BUT POSITIVE FOR THIS CITY, AND TO BE TREATED THIS WAY, IS NOT FAIR, AND I WANT YOU LIPS AS I WANT TO BE HEARD AND SEEN. THANK YOU.

THANK YOU, CHRIS, FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO BACK OUT TO ZOOM, IF THERE IS ANYONE ON ZOOM WHO WOULD LIKE TO MAKE A PUBLIC COMMENT, PLEASE RAISE YOUR HAND VIRTUALLY. SEE NONE. I WILL COME BACK INTO CHAMBERS. TERESA? HEY, I MIGHT BE OFF TOPIC. GOOD FOR YOU, GUYS. BUT, ANYWAY, THIS IS IMPORTANT. THE RESTROOMS AT SONOMA COUNTY HISTORICAL SOCIETY CONTINUES TO IMPOSE THE TENURE DISCUSSION ON THE APPLE BLOSSOM BIKE TRAIL GOING THROUGH THE GROUNDS AT THE HISTORIC NEW BURBANK EXPERIMENTAL FARM AND THE BURBANK HOUSING COMPLEX. IT IS A BAD IDEA THEN, AND IT CONTINUES TO BE A BAD IDEA TODAY. THIS FORM DATES BACK TO THE MIDDLE 1800s, WHEN BURBANK USED THE PROPERTY FOR THE PREVENTION, PROTECTION, AND EXPERIMENTATION OF PLANTS AND TREES. THE SOCIETY'S MISSION IS TO SERVE, TO PROTECT, AND -- THIS AND OTHER HISTORIC LANDMARKS. THE FARMS SPECIFIC MISSION IS TO PRESERVE, STUDY, AND PROMOTE THE MEMORY OF LUTHER BURBANK AND HIS WORK, AND TO PRESERVE AND ENHANCE THE ARTIFACTS OF THIS SITE, THE STRUCTURE, AND THE PLANT MATERIALS FOR CURRENT AND FUTURE GENERATIONS. TO THIS DAY, THE WSCHS AND THE WORKING VOLUNTEERS HAVE DEDICATED THE TIME, ENERGY, AND RESOURCES TO FULFILLING THIS MISSION. MORE RESOURCES SHOULD NOT BE SPENT ON THE MERIT OF THIS BIKE ROUTE. THE CONSTRUCTION OF THE BIKE PATH THROUGH THE BURBANK FARM IS ALSO NOT PRACTICAL, AS IT PROVIDES STEEP TERRAIN. A BIKE PATH FOR THE PROPERTY WOULD INFRINGE ON THE PRESERVATION OF THE PLANTS, TREES, AND GROUNDS, AND NOT PRESERVE THE AUTHENTICITY OF THIS UNIQUE HISTORIC PARK. A BIKE PATH THROUGH THE FARM, AND BURBANK, BRINGS A SAFETY CONCERN TO THOSE CURRENTLY LIVING IN AND USING THE AREA, WITH NO ROADWAYS, SENIOR BUS ROUTES, RESIDENTS WALKING ON THE GROUNDS, AND VISITORS TO THE ADJACENT PARKING LOT.

TERESA, YOU HAVE ABOUT 30 SECONDS.

WE ASK YOU TO REMOVE THIS ROUTE AND ANY DESIGNATED FUNDING OR STUDIES AT THE EXPENSE OF DETRIMENT OF A HISTORIC LANDMARK AND THE BURBANK RESIDENCE. WE HAVE SPENT DECADES PRESERVING, IMPROVING, AND BUILDING BACK THIS FARM. THIS ROUTE IS NOT THE SOLUTION TO A SAFE BIKE TRAIL, AND CONSTRUCTION OF SUCH WOULD DISRUPT THE NATURAL GROUNDS AND SURROUNDING PROPERTIES FOR THIS PURPOSE. THANK YOU.

THANK YOU, TERESA, FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO BACK OUT TO ZOOM, IF THERE IS ANYONE ON ZOOM THAT WOULD LIKE TO MAKE A PUBLIC COMMENT, PLEASE RAISE YOUR HAND VIRTUALLY. SEE NONE, I WILL COME BACK INTO CHAMBER. YES, SIR? YES. AND I WILL GO -- OKAY. THANK YOU. I WILL JUMP IN WHEN YOU HAVE ABOUT 30 SECONDS LEFT.

THANK YOU. I HAD IT TIMED.

OKAY.

GOOD EVENING, MAYOR, COUNCIL MEMBERS, AND CITY STAFF. MY NAME IS KIERSTEN LANZ, I AM THE PRESIDENT OF THE SONOMA COUNTY BRANCH OF THE NAACP AND I AM

SPEAKING ON BEHALF OF THE BRANCH TONIGHT, AS WELL AS MEMBERS THAT WILL JOIN ME THIS EVENING. WE ARE HERE BECAUSE WE BELIEVE EVERY BUSINESS OWNER DESERVES TRANSPARENCY, CONSISTENCY, AND FAIR OPPORTUNITY TO ADDRESS CONCERNS BEFORE FACING ACTIONS THAT COULD JEOPARDIZE THEIR LIVELIHOOD. NOW, AT ITS CORE, THE ISSUE IS ABOUT MORE THAN THE RESTAURANT, IT'S ABOUT HOW LOCAL GOVERNMENT ENGAGES WITH SMALL BUSINESSES WHEN CHALLENGES ARISE. THIS IS ABOUT ENSURING DECISIONS ARE GUIDED BY FACTS, CLEAR COMMUNICATION, AND DUE PROCESS, RATHER THAN CONFUSION, SPECULATION, OR PRIVATE CONVERSATIONS THAT LEAVE STAKEHOLDERS UNCERTAIN ABOUT WHERE THEY STAND. WE HAVE HEARD THE CONCERNS FROM, AND REGARDING THE INCONSISTENT MESSAGING FROM THE FORMAL DISCUSSION SURROUNDING THE FUTURE OF A&M BARBECUE. WHETHER THOSE CONVERSATIONS WERE WELL INTENDED OR NOT, WE BELIEVE IT IS TIME TO MOVE AWAY FROM THE SAID CONVERSATIONS, TOWARD A TRANSPARENT, PUBLIC PROCESS, WHERE ALL PARTIES HAVE A SEAT AT THE TABLE. WE ARE CALLING ON THE CITY OF SEBASTOPOL TO FACILITATE A COLLABORATIVE MEETING THAT INCLUDES LEADERSHIP, RELATIVE STAFF, AND BARBECUE OWNERSHIP, AS COMMUNITY STAKEHOLDERS AND REPRESENTATIVES FROM THE NAACP. THE GOAL SHOULD NOT BE TO DETERMINE WINNERS OR LOSERS. THE GOAL SHOULD BE TO IDENTIFY PRACTICAL SOLUTIONS THAT ADDRESS COMMUNITY CONCERNS, WHILE ALLOWING A VALUED LOCAL BUSINESS THE OPPORTUNITY TO TRANSITION AND SUCCEED. AS ONE OF A FEW BLACK-OWNED BUSINESSES IN THIS COMMUNITY, IN SEBASTOPOL, AND IN BARBECUE, SENDS A MESSAGE ABOUT WHETHER BLACK ENTREPRENEURS ARE WELCOMED, SUPPORTED, OR TREATED EQUITABLY.

THAT IS TWO MINUTES.

THIS IS NOT A MESSAGE THAT SHOULD BE LEFT TO INTERPRETATION. WE WILL RESPECTFULLY ASK THE CITY TO ENGAGE IN TRANSPARENCY.

I AM SORRY, WE HAVE TO HONOR THE TIME.

AND ETHICAL CONVERSATIONS --

MA'AM, WE ASK EVERYONE TO RESPECT THEIR TIME. CAN YOU PLEASE SHUT THE MICROPHONE OFF?

-- MOVING FORWARD.

THANK YOU.

THANK YOU.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO OUT TO ZOOM, IF THERE IS ANYBODY ON ZOOM WHO WOULD LIKE TO MAKE A PUBLIC COMMENT, PLEASE RAISE YOUR HAND VIRTUALLY. SEE NONE. I WILL COME BACK INTO CHAMBERS. PLEASE, YES? GOOD EVENING. MY NAME IS JOE AND I AM HERE TO SPEAK IN SUPPORT OF CHRIS AUSTIN, AND A&M BARBECUE. I MET CHRIS SHORTLY AFTER HE OPENED HIS BUSINESS, HERE. AND WHAT STRUCK ME ABOUT CHRIS, IS THAT HE LIVES TO SERVE. LITERALLY. HE SERVES COMMUNITY, HE SERVES FOOD AT HIS RESTAURANT. HE SERVES AS IF YOU ARE A LONGTIME FRIEND. NOT ONLY IS CHRIS THE TYPE OF BUSINESS OWNER AND OPERATOR THAT ADDS VALUE TO THIS COMMUNITY, HIM AND HIS FAMILY ARE THE TYPE OF PEOPLE THAT ADD VALUE TO THE COMMUNITY. IN TODAY'S DIGITAL WORLD, CHRIS PROVIDES A PLACE WHERE FOLKS CAN MEET, HAVE GOOD FOOD, SHARE MEMORIES WITH FAMILY AND FRIENDS, AND THAT IS SOMETHING THAT THIS DIGITAL WORLD HAS TRIED TO TAKE AWAY FROM US. THEY ARE STEALING US, WITH BITS AND BYTES THAT ARE ALL DIGITAL. CHRIS' BITS AND BYTES TASTE A LOT BETTER, DON'T THEY, CHRIS? SO, I AM HERE TO SUPPORT CHRIS AND ASK THAT YOU GIVE HIM AS MUCH CONSIDERATION AND TRANSPARENCY AS POSSIBLE. I AM ALSO A SMALL BUSINESS OWNER. CHRIS HAS BUILT HIS BRAND AND HE HAS DONE WONDERFULLY. HE HAS WON ALL KINDS OF AWARDS, ALL KINDS OF PERIODICALS, AND WITH THAT AWARENESS AND BRAND BUILDING, WHEN EVENTS LIKE THIS HAPPEN, IT CAN INDUCE A LITTLE INCONSISTENCY, AND MAYBE SOME FOLKS THINK, "OH, GOSH, I DON'T KNOW WHETHER THEY ARE OPEN OR IF THEY ARE NOT OPEN," SO I JUST URGED THE COMMUNICATION BE AS CLEAR AS POSSIBLE. AND AS A FELLOW SMALL BUSINESS OWNER, WE DON'T HAVE HUGE RESOURCES, LIKE CITIES AND CORPORATIONS. PLEASE, GIVE US A CHANCE TO DO THE RIGHT THING, BECAUSE WE ALWAYS WANT TO, AND I KNOW CHRIS IS HERE TONIGHT BECAUSE HE WANTS TO DO THE RIGHT THING FOR HIS CUSTOMERS, AND FOR THIS COMMUNITY. THANK YOU.

THANK YOU FOR YOUR PUBLIC COMMENT. I WILL GO BACK OUT TO ZOOM, IF THERE IS ANYONE ON ZOOM WHO WOULD LIKE TO MAKE A PUBLIC COMMENT, PLEASE RAISE YOUR HAND VIRTUALLY. SEE NONE. I WILL COME BACK TO CHAMBERS. PLEASE.

GOOD EVENING, MAYOR AND MEMBERS OF THE CITY COUNCIL, AND CITY MANAGER. MY NAME IS FRED, I AM A MEMBER OF THE NAACP BRANCH, HERE. AND WHAT I WOULD LIKE TO DO IS ASK YOU TO LIFT THE CLOSURE NOW, AND GIVE A GRACE PERIOD OF A CERTAIN PERIOD OF TIME, UNTIL THIS IS RESOLVED THROUGH A FORMAL COUNCIL PROCESS. SO, I THINK THAT WOULD BE FAIR AND YOU COULD AT LEAST GIVE A GRACE PERIOD UNTIL THE END OF A FORMAL COUNCIL PROCESS. OR, YOU COULD ASK FOR SIX MONTHS, OR A YEAR. BUT, I WOULD LIKE FOR YOU TO PUT THIS ON YOUR AGENDA AS AN URGENCY ITEM, AND TO MAKE THIS A FORMAL COUNCIL PROCESS OVER AN ADMINISTRATIVE DECISION. I THINK THAT IS A FAIR ASK, AND -- LET'S SEE. SO, THAT IS BASICALLY MY ASK AND I THINK THAT WOULD BE FAIR, AND CERTAIN PEOPLE HAVE FELT THAT THEY ARE BEING HARMED BY THE BARBECUE SMOKE, WELL, THE CLOSER IS ALSO CAUSING HARM. SO, IF YOU HAVE A FAIR PROCESS, YOU CAN HAVE THE PROCESS AND SET ASIDE THE HARMS THAT PEOPLE ARE HAVING UNTIL YOU RESOLVE THAT. SO, I WOULD ASK YOU TO DO THAT, THANK YOU.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO OUT TO ZOOM. RICK, CAN YOU UNMUTE YOUR SELF, PLEASE? REX, CAN YOU UNMUTE YOURSELF, PLEASE? THANK YOU, CAN YOU SEE THE TIMER?

YEAH, CAN YOU HEAR ME. YEAH, HELLO? I CANNOT SEE THE TIMER.

OKAY, I WILL JUMP IN WHEN YOU HAVE ABOUT 30 SECONDS LEFT.

OKAY, THANK YOU. I WILL BE QUICK. I LIVE IN SANTA ROSA. MY NAME IS RIX. I LOVE BARBECUE, HAVE BEEN EATING BARBECUE FOREVER, AND I APPRECIATE THAT A&M IS IN THIS COMMUNITY, AND ALSO AT A LOCATION THAT I CAN GET TO TO ACTUALLY GET SOME REALLY GOOD BARBECUE -- I FEEL LIKE THIS WOULDN'T HAPPEN IN ANOTHER CITY, THAT WE WOULD JUST HOLD A MEETING AND DECIDE TO CLOSE A RESTAURANT BECAUSE PEOPLE DON'T LIKE THE SMELL OF BARBECUE OR BECAUSE OF SMOKE. I MEAN, WHAT HAPPENED TO AIR PURIFIERS? THAT IS USUALLY WHAT PEOPLE DO, IF IT IS REALLY THAT BAD, BUT THIS WOULD NOT HAPPEN IN ANY OTHER CITY, AND I AM KIND OF CONFUSED THAT IT WOULD GO DOWN LIKE THIS, AND IT DOESN'T MAKE ANY SENSE TO ME, AND I THINK WE SHOULD STEP BACK AND REDO THIS. SO, WE NEED TO -- THIS DOES NOT NEED TO HAPPEN. WE DO NOT NEED TO CLOSE THE RESTAURANT BECAUSE IT'S JUST SILLY. ANYWAY, THAT'S ALL I HAVE TO SAY. THANK YOU.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT, I WILL COME BACK -- KYLE, IN CHAMBERS.

THANK YOU. SORRY TO CHANGE THE TOPIC ON EVERYONE, BUT I'M REALLY GLAD WE HAVE AN AUDIENCE HERE. I'M HERE TO TALK ABOUT A GRAND JURY REPORT THAT JUST GOT RELEASED ON THE CITY OF SEBASTOPOL REGARDING COST ALLOCATION PLAN FOR WATER AND WASTEWATER. VERY INTERESTING. STAY TUNED. SO, THE GRAND JURY REPORT FOUND THAT THE CITY FAILED TO UPDATE THE PLAN FOR MORE THAN 20 YEARS AND AS A RESULT, IT ESTIMATES THAT APPROXIMATELY \$5.5 MILLION WAS OVER ALLOCATED FOR THE WATER AND WASTEWATER ENTERPRISE FUNDS, TO THE GENERAL FUND. THESE ARE THE RATEPAYER FUNDS THAT SHOULD HAVE BEEN SUPPORTING WATER, SEWER, MAINTENANCE, AND CAPITAL IMPROVEMENTS. REPORT ALSO FOUND THAT THE CITY'S 2019 RATE STUDY UNDERESTIMATED THE IMPACT OF CONSERVATION, FAILED TO KEEP PACE WITH COST, CONTRIBUTING TO THE PAINFUL 37% WATER AND SEWER INCREASE THAT TOOK EFFECT IN JULY OF 2024. RESIDENTS ARE NOW BEING ASKED TO PAY MORE BECAUSE PROBLEMS WERE DEFERRED FOR YEARS. I'M DISAPPOINTED THAT THIS REPORT IS NOT ON TONIGHT'S AGENDA, DESPITE THE TIMELINESS OF THAT REPORT, YOUR AGENDA REVIEW PROCESS, AND TONIGHT. AND I AM ASKING THAT THIS BE A GENDERIZED IMMEDIATELY FOR THE NEXT MEETING AND YOU BEGIN THE PROCESS OF RESPONDING TO THE GRAND JURY REPORT. THE REPORT IDENTIFIES CLEAR ACTIONS FROM THE CITY COUNCIL, FIRST, COMMIT BY OCTOBER 1st TO FULLY COMPLY WITH PROP 218 -- YOU HAVE BEEN OUT OF COMPLIANCE! CONDUCTING RATE AND COST ALLOCATION STUDIES EVERY 3-5 YEARS. SECOND, REACH AGREEMENT FOR THE AMOUNT OF MISALLOCATED, INDIRECT COST, AND ADOPT A REPAYMENT PLAN TO RESTORE THOSE FUNDS BACK TO THE ENTERPRISE FUNDS. AND THIRD, CONSIDER

ADDING A CERTIFIED CPA TO THE ENTERPRISE OVERSIGHT COMMITTEE TO STRENGTHEN THIS MODE OF TRANSPARENCY AND COMPLIANCE. FOR THOSE OF YOU THAT ARE HERE TONIGHT, I WOULD ENCOURAGE YOU TO STAY AND WATCH WHAT HAPPENS DURING THE BUDGET PROCESS, BECAUSE THIS TYPE OF THING HAS BEEN HAPPENING FOR YEARS, ALL ACROSS THE BOARD.

THANK YOU, KYLE, FOR YOUR PUBLIC COMMENTS. NEXT, I WILL GO OUT TO ZOOM, IF THERE IS ANYBODY ON ZOOM THAT WANTS TO PUBLIC COMMENT, RAISE YOUR HAND VIRTUALLY. SEE NONE, I WILL COME BACK INTO CHAMBERS. PLEASE, WAY OVER THERE? YES.

SO, I AM A HOMEOWNER, AND I LIVE A BLOCK AWAY FROM A&M BARBECUE. AS A BUSINESS OWNER, I CAN'T SEE WHY THE CITY IS CUTTING OFF ITS NOSE TO SPITE ITS FACE. THERE ARE THOUSANDS OF PEOPLE WHO COME HERE FOR THAT PLACE. I DRIVE INTO TOWN, I SEE SEQUOIA BURGER SMOKESTACK SMOKING THE ROAD, I DRIVE OVER TO WASHINGTON DINER, AND THERE IS SMOKE AND I SEE THE DRY SMOKE COMING FROM HIS BARBECUE AND I WONDER WHY EVERYONE IS COMPLAINING. I LIVED THERE. IT DOES NOT BOTHER ANY OF US. IF THERE IS ANY RESTAURANT OR ANY REASON TO COME TO SEBASTOPOL, IT WILL BE FOR THIS RESTAURANT. I TELL EVERYBODY, "WHERE'D YOU GO FOR GOOD FOOD IN SEBASTOPOL?" "YOU GO TO THIS GUY." HE MUST BE GENERATING THE TAX REVENUE, HE MUST BE HELPING AT THE CITY. WHAT ARE WE DOING HERE, SEBASTOPOL? I MEAN, COME ON!

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO OUT TO ZOOM, IF THERE IS ANYONE ON ZOOM WHO WOULD LIKE TO MAKE A PUBLIC COMMENT? SEEING NONE. I WILL COME BACK INTO CHAMBERS, PLEASE.

HELLO, EVERYONE. MY NAME IS COURTNEY SUMMERS. I WON'T BE LONG. I AM REPRESENTING THE REVELATION PROJECT WHICH IS A NONPROFIT ORGANIZATION WHOSE MISSION IS TO DIE FOR LESS THAN FIVE -- DIVERSITY THE WINE INDUSTRY. I AM ALSO THE AUTHOR OF COOKOUT AT THE VINEYARD. AND, A&M BARBECUE IS OUR CATERER. FOR NEXT SATURDAY -- THE EVENT IS NEXT SATURDAY. I'M ACTUALLY FROM TEXAS, SO I KNOW GOOD BARBECUE. [LAUGHTER] AND IT'S -- I HAVE BEEN OUT HERE FOR FOUR YEARS, IT HAS TAKEN ME FOUR YEARS TO FIND GOOD BARBECUE. JUST SO Y'ALL KNOW, IT IS HERE. BUT, CHRIS AUSTIN'S LEADERSHIP FOR THE ENTIRE A&M TEAM IS WHAT ALLOWS US TO CONTINUE TO COME BACK. AND TO CLOSE THEM DOWN AS A COMMUNITY DOES NOT ASSIST IN BUILDING, DOES NOT ASSIST IN CONTINUING TO UPLIFT. WE ARE ALTOGETHER IN THIS. YOU SHUT THEM DOWN, IT DOESN'T HELP YOU, AT ALL. AND I THINK WE ACTUALLY REALLY NEED TO LOOK AT -- WE MAY LOOK AT COLOR -- WE HAVE HAD TO DEAL WITH THAT OUR ENTIRE EXISTENCE. THIS WOULDN'T HAPPEN ANYWHERE ELSE. AND I THINK WE ACTUALLY REALLY NEED TO TAKE A STEP BACK AND UNDERSTAND WHAT THEY ARE DOING, AND WHO THEY ARE PROVIDING FOR. FOR THEIR STAFF, FOR THOSE WHO COME IN FOR A SAFE SPACE, FOR A GOOD MEAL, FOR A GREAT TIME. THE HOME -- BECAUSE THE SKILLS BACK HOME. AND TO SHUT DOWN HOME, AND I DON'T GET TO GO BACK HOME VERY OFTEN, THAT'S NOT COOL. IN MY HUMBLE OPINION. SO, I THINK WE ALL CAN JUST COME TOGETHER, AND ALLOW THEM TO CONTINUE TO GROW. INSTEAD OF SHUTTING THEM DOWN. THANK YOU!

THANK YOU, COURTNEY, FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO OUT TO ZOOM, IF THERE IS ANYONE ON ZOOM TO MAKE IT PUBLIC COMMENT, PLEASE RAISE YOUR HAND VIRTUALLY? SEEING NONE. I WILL COME BACK INTO CHAMBERS. SIR?

MY NAME IS PHIL STEINHAUER. I HAVE LIVED IN SEBASTOPOL FOR NOW NINE YEARS, BEFORE THAT, FIVE YEARS IN FORESTVILLE. LIKE THE YOUNG LADY JUST SAID, SHE IS FROM TEXAS, I AM ORIGINALLY FROM SAN JOSE. I HAVE EATEN TEXAS BARBECUE IN TEXAS, I HAVE EATEN IT IN KANSAS CITY, AND HANDS-DOWN, THIS MAN PUTS THEM TO SHAME. AND FOR YOU GUYS TO CLOSE THIS PLACE DOWN, IT IS GOING TO SEND A MESSAGE, BECAUSE CHANNEL 7 DID AN ARTICLE ON HIM. WHAT KIND OF TOWN DO WE WANT TO MOVE OUR BUSINESS INTO? DO WE WANT TO MOVE BUSINESS INTO THIS TOWN, WHERE WE DON'T KNOW IF THEY ARE GOING TO SHUT US DOWN? BURGER KING LEFT, NOT BECAUSE OF THE SMOKE THAT CAME OUT OF THEIR STACKS, BUT BECAUSE THEY DIDN'T HAVE THE BUSINESS. THIS MAN IS THRIVING. HE IS SUPPORTING THE COMMUNITY, HE IS SUPPORTING FAMILIES. TO SHUT THIS MAN DOWN IS AN INJUSTICE TO THE COMMUNITY

AND PEOPLE ON THE OUTSIDE, NEW BUSINESSES THINKING ABOUT MOVING HERE GOING TO GO, "I'M NOT GOING THERE." PLEASE DO THE RIGHT THING FOR THIS MAN.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO BACK OUT TO ZOOM, IF THERE IS ANYONE ON ZOOM WHO WOULD LIKE TO MAKE A PUBLIC COMMENT? SEEING NONE. I WILL COME BACK INTO CHAMBERS. IF THERE IS -- PLEASE?

MY NAME IS PAM OAKES. I HAVE LIVED HERE FOR 54 YEARS. I HAVE SENT YOU FOLKS A LETTER WHICH I SHOULD HAVE JUST BROUGHT IN OVER, I WOULD HAVE BEEN HAPPY TO READ IT, BUT I WILL TRY TO REMEMBER WHAT I SAID TO YOU. THIS COMMUNITY HAS CHANGED, NOT FOR THE BETTER. WE USED TO CELEBRATE PEOPLE'S SUCCESS. WE CELEBRATED PEOPLE'S WILLINGNESS TO INVEST IN THIS COMMUNITY, THEIR TIME, THEIR MONEY, THEIR FAMILIES. WE DON'T DO THAT ANYMORE. WE CRITICIZE, WE COMPLAIN, AND WE HONOR THOSE WHO COMPLAIN, MORE THAN THE BUSINESS OWNERS. THIS TOWN HAS SPENT THOUSANDS OF DOLLARS TRYING TO FIGURE OUT, "HOW DO WE ATTRACT BUSINESS?" YOU ARE SENDING THEM AWAY! YOU TREAT THEM BADLY, IT IS SO DIFFICULT TO DO BUSINESS IN THIS TOWN. I WOULD ASK YOU TO GO BACK TO CELEBRATING THOSE OF US WHO ARE WILLING TO STICK IT OUT. GIVE THAT MAN A CHANCE.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT, I WILL GO BACK OUT TO ZOOM, IF THERE IS ANYBODY ON ZOOM WHO WOULD LIKE TO MAKE IT PUBLIC COMMENT? SEEING NONE. I WILL COME BACK INTO CHAMBERS, IF THERE IS ANYONE IN CHAMBERS WHO WOULD LIKE TO MAKE A PUBLIC COMMENT? WOULD YOU? PLEASE.

HOW'S EVERYBODY DOING? MY NAME IS KENNETH. I WAS BORN AND RAISED IN KANSAS CITY, MISSOURI. SO, AS PEOPLE SAY THAT ARE FROM TEXAS, FROM MISSOURI, WE KNOW BARBECUE, WE LOVE BARBECUE. CHRIS HAS BEEN NOTHING BUT HOSPITABLE. WE WANT TO SUPPORT HIM. I DIDN'T PLAN ON SPEAKING TODAY, BUT I SEE EVERYONE AND I JUST WANT TO LET YOU KNOW THAT THIS MAKES THIS TOWN FEEL LIKE HOME. WE LOVE WHAT THEY DO, WE APPRECIATE WHAT THEY DO, AND WE DON'T WANT IT TO BE ANY OTHER WAY. WE UNDERSTAND THAT EVERYTHING DOESN'T ALWAYS WORK HOW WE WANT, BUT WE WANT TO WORK WITH HIM, AND WORK WITH HIS STAFF, SO WE CAN STILL DO THE THINGS THAT MAKE SEBASTOPOL GREAT. I HAVE WORKED HERE FOR SEVEN YEARS AND I LOVE THIS PLACE, BUT WHEN I MOVED HERE, THERE WERE TWO BARBECUE PLACES, AND ONE WAS SO BAD I THOUGHT IT WAS A DRUG FRONT, AND THE OTHER ONE WAS NOT GOOD, EITHER. AND SO, WHEN A&M OPENED UP, WE WERE EXCITED, AND WE REALLY NEED TO SUPPORT BUSINESSES THAT BRING IN LOCAL DOLLARS, INSTEAD OF, YOU KNOW, A LITTLE CAESARS, OR THREE STARBUCKS, OR WHATEVER THE CASE IS. SO, I REALLY HOPE WE CAN SUPPORT THE PEOPLE WHO ARE SUPPORTING US PER THAT'S ALL I HAVE TO SAY. THANK YOU VERY MUCH.

THANK YOU FOR YOUR PUBLIC COMMENT. I SEE NO MORE ON ZOOM. IF THERE IS ANY IN CHAMBERS? PLEASE.

HELLO. MY NAME IS RUDY. I DIDN'T KNOW IF I WOULD HAVE THE OPPORTUNITY TO SPEAK AT THE MEETING, SO I DIDN'T WRITE ANYTHING DOWN, BUT I DID WANT TO COME UP BECAUSE IT JUST STARTED WORKING AT A&M ABOUT TWO WEEKS AGO, AND I AM STILL GETTING TO KNOW CHRIS, AND THIN, AND EVERYBODY THAT I WORK WITH, BUT THE LAST TWO WEEKS I HAVE BEEN THERE, I HAVE ALREADY GOTTEN TO SEE THE IMPACT THAT CHRIS, AND HIS PARTNER, FINN, HAVE MADE ON THE COMMUNITY AND JUST THE HAPPY PEOPLE THAT COME IN EVERY DAY. I DO NAILS AS MY OTHER JOB, AND I THOUGHT I KNEW HAPPINESS WHEN I SEE THE LOOK ON MY CLIENTS' FACES AFTER I FINISHED THEIR NAILS, BUT YOU SHOULD SEE THE LOOK ON PEOPLE'S FACES WHEN I SET THAT TRAY OF BARBECUE IN FRONT OF THEM. I JUST REALLY HOPE YOU GUYS ARE FAIR WITH THIS, AND REALLY THINK ABOUT WHAT IT IS GOING TO DO TO THE COMMUNITY, AND LIKE OTHERS SAID, IMPACT OTHER PEOPLE'S, YOU KNOW, WANTS FOR BRINGING THEIR BUSINESS TO TOWN AND MAKING THE TOWN BETTER, JUST LIKE CHRIS HAS.

THANK YOU FOR YOUR PUBLIC COMMENT. THERE WAS SOMEONE IN THE BACK, PLEASE? WOULD YOU LIKE TO MAKE A PUBLIC COMMENT?

I JUST WANT TO SAY, QUICKLY, WE HAVE HEARD A LOT ABOUT FAMILY AND HOW MUCH CHRIS EVERYONE -- MAKES EVERYONE FEEL LIKE FAMILY. AND I KNOW YOU HAVE HEARD SOME SMALL BUSINESS OWNERS TALK, WHEN A&M BARBECUE COLLABORATES WITH YOU, HE MAKES YOUR BUSINESS BETTER, HE BRINGS MORE PEOPLE, SO HE IS

SUPPORTING THE WHOLE COMMUNITY, NOT JUST HIS OWN BUSINESS. HE ALWAYS TURNS OUT TO HELP OTHERS. AND SO, I REALLY THINK THAT THIS IS ABOUT NOT ONLY SUPPORTING ONE BUSINESS AND BEING FAIR WITH ONE, BUT SETTING AN EXAMPLE THAT SEBASTOPOL STANDS FOR FAIRNESS, IN GENERAL, BECAUSE HIS BUSINESS IS CONNECTED TO MANY, MANY OTHER BUSINESSES IN THIS TOWN WHO SUPPORT HIM AND HAVE ALWAYS SEEN FAIRNESS FROM HIM, SO I WOULD JUST HOPE SEBASTOPOL COULD SHOW THE SAME TO ONE OF OUR BUSINESS FAMILY MEMBERS.

THANK YOU FOR YOUR PUBLIC COMMENT. PLEASE?

LET'S SEE IF I CAN GET THIS IN THE RIGHT PLACE. I WASN'T ACTUALLY GOING TO SPEAK TONIGHT ABOUT THIS, BUT I DO LOVE THIS, THE BEST BARBECUE, I AM A CARD-CARRYING CARNIVORE. MY QUESTION IS, I GUESS, WAS THERE, LIKE, A HUMONGOUS COMPLAINT ABOUT THIS? WE CAN'T SAY HOW MANY PEOPLE, BLAH, BLAH, BLAH, I KNOW YOU PROBABLY CAN'T SAY THAT, I GUESS I MIGHT ASK, HOW MANY OF YOU HAVE EATEN THERE? CAN YOU RAISE YOUR HAND? THREE?

WE ACTUALLY CAN'T HAVE A BACK AND FORTH.

I'M SORRY, YOU COULD BE VEGETARIANS, I UNDERSTAND. DO YOU GUYS HAVE VEGETABLES? DO YOU SERVE VEGETABLES? I KNOW I HAVE HAD GREAT GRANNY SLAW. WE JUST CAN'T HAVE A BACK AND FORTH ALL THE TIME, IF YOU WANT TO JUST GIVE US YOUR COMMENT, I APPRECIATE IT. THANK YOU.

WELL, THAT WAS MY COMMENT. MY COMMENT WAS OBVIOUSLY, I DON'T THINK YOU ALL KNOW THE PLACE, AND HE IS AN INCREDIBLE PERSON WITH INCREDIBLE FOOD.

THANK YOU FOR YOUR PUBLIC COMMENT. MAYOR, THAT IS 20 SPEAKERS, OR 40 MINUTES, SO -- I MIGHT JUST --

[INAUDIBLE - OVERLAPPING SPEAKERS]

HOW MANY MORE PEOPLE ARE WANTING TO MAKE A PUBLIC COMMENT?

TWO, THREE -- I CAN'T SEE EVERYONE, SO I DON'T --

I SEE FIVE. ONE, TWO -- [LAUGHTER] OKAY, CAN YOU PLEASE RAISE YOUR HAND AGAIN, HI, IF YOU WANT TO MAKE A PUBLIC COMMENT? WE JUST WANT TO SEE HOW MANY MORE. SO, ONE, TWO, THREE, FOUR, FIVE, SIX. ONE, TWO, THREE, FOUR, FIVE -- SO, THERE IS SIX.

OKAY, ALL RIGHT. I'M GOING TO GO AHEAD AND SAY WE CAN DO THE SIX, AND THEN AFTER THAT, WE ARE DONE.

OKAY, CAN I HAVE THE SIX MEMBERS THAT RAISE YOUR HANDS GO AHEAD AND LINE UP OVER HERE, AND THEN WE WILL GO AHEAD AND DO THE TWO MINUTES PER SPEAKER? YOU CAN GO AHEAD AND GO.

OKAY, GREAT. THANK YOU. MY NAME IS JANEL. I LIVE DOWN THE STREET FROM HERE. I ALSO RUN A SOON TO BE NONPROFIT THAT FOCUSES ON BRINGING PEOPLE IN MARGINALIZED COMMUNITIES TO THE OUTDOORS, AND I WANT TO SAY THAT WE ARE VERY CHALLENGED AND THAT PEOPLE OF COLOR IN OUR GROUP DON'T WANT TO COME HERE TO DO THAT, AND I WORRY ABOUT WHAT THIS IS GOING TO DO TO AN ALREADY DIFFICULT SITUATION, MAKING THIS PLACE FEEL WELCOMING. SO, I JUST WANTED TO ADD THAT. I ALSO SPENT SIX YEARS IN AUSTIN AND I HAD THE PLEASURE OF EATING AT CHRIS' RESTAURANT -- BARBECUE IS A RELIGION THERE, AND CHRIS' BARBECUE IS AMAZING. AND I HAVE A LITTLE BIT OF EXPERIENCE TO SAY THAT, AND I JUST WANT TO READ WHAT I WROTE. I AM HERE TO VOICE MY SUPPORT OF A&M BARBECUE, AND PARTICULARLY, OF CHRIS, WHO IS A MEMBER OF OUR COMMUNITY. I DON'T WANT US TO FORGET THAT. AND I AM DEEPLY CONCERNED BY THE WAY THIS MATTER IS BEING HANDLED, AND WE NEED TO DO BETTER. CHRIS IS A GENEROUS MEMBER OF OUR COMMUNITY WHO HAS DONE THE IMPOSSIBLE, OF FINDING A WAY TO LIVE AND BUILD A BUSINESS IN SEBASTOPOL. SHE IS DOING VERY WELL, DESPITE THE CHALLENGES, AND HE DESERVES OUR SUPPORT AND GENEROSITY, NOT RED TAPE AND READ BOOKS. THE WAY THAT THIS IS BEING HANDLED SENDS A CLEAR MESSAGE THAT THIS CITY IS UNFRIENDLY TO SMALL BUSINESSES AND BLACK-OWNED BUSINESSES, IN PARTICULAR, AND I WANT TO KNOW HOW THIS IS GOING TO BE REPAIRED. HOW DO WE MAKE SOMEONE FEEL WELCOME, WHEN THIS WAS ALREADY THE RESPONSE? HOW ARE WE MAKING IT POSSIBLE FOR PEOPLE TO LIVE FOR THESE FAMILIES HERE, AND OPEN BUSINESSES THAT GIVE SO MUCH BACK TO OUR COMMUNITY? AND WE ALL DESERVE BETTER. I WOULD LOVE TO SEE THE CITY TAKE ACCOUNTABILITY FOR THIS, AND CORRECT THEIR ACTIONS, BY GIVING

CHRIS AND A&M THE SUPPORT THEY NEED TO MAKE THIS PROCESS EASIER AND ENSURE THAT THEY FEEL THEY BELONG HERE. THAT IS VERY IMPORTANT TO ME. ANYTHING LESS IS VERY DISAPPOINTING AND WILL CEMENT THIS CITY AS UNWELCOMING TO KIND, HARD-WORKING FOLKS. THANK YOU.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT SPEAKER?

HI, THERE, EVERYBODY. MY NAME IS ERIN. MY FAMILY AND I HAVE BEEN LIVING IN SEBASTOPOL FOR ABOUT FIVE YEARS, NOW. I MET MY WIFE IN NASHVILLE, SO ANOTHER VOTE FROM BARBECUE LAND AND I LOVE A&M, I REALLY DO.

I ASK YOU TO PAUSE FOR A SECOND? IT'S REALLY HARD TO HEAR WHAT THEY ARE SAYING THERE BECAUSE OF THE NOISE IN THE BACK, SO EITHER WE CLOSED THE DOORS OR WE JUST ASK EVERYONE TO TALK LOWER, PLEASE, OR STEP OUTSIDE?

WE HAVE THE DOORS CLOSED, IT'S FAIRLY DISTRACTING.

WELL, IT'S HARD TO HEAR AND WE ARE GIVING EVERYONE TIME AND -- APPRECIATE IT.

SORRY TO INTERRUPT YOU.

NO WORRIES. IT'S ALL GOOD.

I DON'T KNOW WHAT YOU'RE SAYING IF I CAN'T HEAR IT.

ABSOLUTELY. I THINK WE ARE GOOD.

I THINK IT WAS PAUSED.

BUT, YEAH, NO, I AM A HUGE SUPPORTER OF A&M.

DO YOU WANT TO START THE CLOCK AGAIN?

I'M GOING TO TRY TO GET SOME MORE TIME IN. NECK LOVE IT. I REMEMBER WHEN YOU GUYS OPENED, I SAW LINES OUT THE DOOR LIKE, "YES, GOOD, ALL RIGHT." I WANT THE BEST FOR THIS COMMUNITY, I REALLY DO, AND TO TIE IN ANOTHER AGENDA ITEM, I THINK ABOUT THE 3 1/2 MILLION DOLLARS THAT THE CITY IS PLANNING ON SPENDING THAT WE CURRENTLY DON'T HAVE FUNDING FOR -- I LOOK AT THE SMALL BUSINESS COMMUNITY AS THE THING THAT IS GOING TO HELP DRIVE IT FORWARD. LIKE, WE ALL HAVE TO BE VERY COGNIZANT OF THIS, YOU KNOW? IF YOU HEAR KIDS OUTSIDE, THAT IS MY 4 AND 2-YEAR-OLD. ALL RIGHT? I WANT THEM TO HAVE GOOD SCHOOLS. I WANT THIS COMMUNITY TO THRIVE, I WANT THEM TO GROW, YOU KNOW? IF WE WANT TO BE HONEST WITH OURSELVES, WE HAVE TO DO MORE, AND START SAYING "YES," TO BUSINESS. IT IS A GOOD THING. AND ESPECIALLY BUSINESSES LIKE CHRIS' WHERE HE IS BRINGING IN COMMUNITY. THAT IS A FANTASTIC THING. THANK YOU.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT SPEAKER, PLEASE?

MY NAME IS MARY, I HAVE BEEN HERE ABOUT 17 YEARS. I MOVED HERE TO RAISE MY DAUGHTER AS A VERY YOUNG, SOLO PARENT, BECAUSE IT DID HAVE FAMILY VALUES, AND SUPPORTED SMALL BUSINESSES, AND, LIKE, PEOPLE. I AM HERE TO SAY I SUPPORT A&M TO BE HERE AND THE PROCESS HAPPENING AROUND US, IT FEELS REALLY UNJUST. I ALSO WANT TO SAY I REMEMBER BEING AT THIS CITY COUNCIL MEETING AND TALKING ABOUT THE DRAFT COMING FROM THE VINEYARD THAT I LIVE NEXT DOOR TO AND ALL OF THE EVIDENCE OF ALL OF THE TOXICITY AND HARM THAT IS CREATING, AND IT IS VERY, VERY, VERY HARD TO MAKE EVEN THE SLIGHTEST BIT OF CHANGE, AND WE HAVE SMOKE, AND SOMEONE IS GETTING SHUT DOWN? SO, I AM ASKING THE TREND WANT TO BE HONEST ABOUT WHAT THIS IS REALLY ABOUT. AND WE ALL HAVE TO DO BETTER. THIS TOWN IS NOT THRIVING HOW IT ONCE WAS. IT SOLD OUT TO CAPITALISM, AND THESE ARE, LIKE, GOOD, HARD-WORKING PEOPLE THAT BRING -- AT LEAST THE CULTURE I GREW UP IN, I GREW UP IN THE SOUTH ALSO EATING BARBECUE -- AND THAT IS WHAT I WANT TO HEAR. SO, I JUST REALLY ASK YOU ALL TO LOOK WITH A REALLY OPEN MIND AND HEART. THANK YOU FOR YOUR PUBLIC COMMENT. NEXT SPEAKER, PLEASE?

HI, MY NAME IS CARSON -- SORRY, I WASN'T EXPECTING TO SPEAK TODAY. I OWN A SMALL BUSINESS HERE IN SEBASTOPOL. I AM HERE TODAY TO SUPPORT A&M AND ITS OWNERS. A&M BARBECUE SHOULD BE CONSIDERED A SUCCESS FOR OUR COMMUNITY. FIRST, IF CONCERNS ABOUT SMOKE AND AIR QUALITY ARE DRIVING THE CITY'S ACTIONS, DECISIONS SHOULD BE BASED ON OBJECTIVE DATA, INFORMAL ASSESSMENTS, RATHER THAN ANECDOTAL OBSERVATIONS PER THE CITY DESERVES FACT-BASED PROCESS. AS A PERSON WITH SEVERE ASTHMA, COFFEE IS ABOUT TO ROASTER BEANS 100 FEET AWAY FROM WHERE I LIVE, WITHOUT ANY CITY HEARING. THE SADDEST PART IS, THE OWNERS HAD ACKNOWLEDGED THAT THEY HAVE OUTGROWN THEIR CURRENT LOCATION AND

HAVE BEEN ACTIVELY SEARCHING FOR A LARGER SITE. RELOCATING THE BUSINESS TAKES TIME, AND RESOURCES. THE COMMUNITY AND CITY SHOULD BE SUPPORTING THE OWNERS RATHER THAN HAVING THE OWNERS FACE UNNECESSARY FINANCIAL AND TIME-CONSUMING HARDSHIP. AS A TRAINER AND NONVIOLENT COMMUNICATION, I RESPECTFULLY URGE THE CITY COUNCIL TO PAUSE PUNITIVE ACTIONS, ENGAGE IN MEANINGFUL DIALOGUE WITH A&M BARBECUE AND PURSUE A SITUATION THAT BALANCES CONCERNS AND FAIRNESS, AND ECONOMIC OPPORTUNITY. I WOULD BE HAPPY TO DO A FREE, NONVIOLENT COMMUNICATION TRAINING TO HELP WITH COMMUNICATION IN THIS CITY. THANK YOU.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT SPEAKER, PLEASE?

MY NAME IS ROBERT AND I WOULD YIELD MY TIME TO ANYBODY THAT WOULD SPEAK AGAINST IT A&M BARBECUE, BUT I HAVEN'T HEARD ANYBODY SPEAK AGAINST A&M BARBECUE BECAUSE IT'S A GOOD, LOCAL BUSINESS. SO, I DO KNOW, I FIRST HEARD ABOUT THIS, IT WAS ON THE NEWS, WHEN A WOMAN FIRST COMPLAINED ABOUT HAVING ASTHMA. AND IS THAT WHAT STARTED ALL OF THIS? ONE WOMAN COMPLAINING, BECAUSE SHE HAS ASTHMA? I WILL BUY HER AN AIR FILTER, IF SHE NEEDS ONE. BUT, THAT'S REALLY ALL I HAVE TO SAY, IS I LOVE BARBECUE, I HAVE LOVED BARBECUE MOST OF MY LIFE, AND I AM GOING TO SUPPORT HIM AS MUCH AS I CAN. SO, THAT'S ALL. THANK YOU FOR YOUR PUBLIC COMMENT. NEXT SPEAKER, PLEASE?

A&M BARBECUE VERY MUCH IS A WONDERFUL ADDITION TO THIS FAMILY, TO THIS COMMUNITY. CHRIS IS A WONDERFUL HUMAN BEING. I WANT TO TALK ABOUT SOMETHING ELSE. MY ROAD BECOMES A 75 MILE PER HOUR ZONE, IN A 25 MILE PER HOUR SPEED. THE AREA ON -- BETWEEN FRAN AND WALKER STREET AT NIGHT. 11:30 AT NIGHT, WE BECOME A RACE TRACK, AND IT IS MEGA DANGEROUS. THE PERSON WHO PICKS UP OUR GARBAGE ON WEDNESDAY MORNINGS HAS BEEN HIT, PHYSICALLY HIT, KNOCKED INTO THE BINS. MY WIFE HAS BEEN IN THE CROSSWALK MANY TIMES AND THE CARS JUST DRIVE RIGHT THROUGH, THEY DON'T STOP AT ANY OF THE CROSSWALKS. NOTHING IS ENFORCED AND IT IS CATASTROPHIC, AND IT IS DANGEROUS, AND THE OLD CARRIER HAS ALSO BEEN HIT, PHYSICALLY HIT ON OUR STREET, AND WE NEED HELP. SOMEBODY NEEDS TO HELP US, YOU WOULD NEED TO HELP US, BECAUSE OUR ROAD IS TOO NARROW AND IT IS TOO DANGEROUS. IT SAYS, 25 MILES PER HOUR. NOBODY, NOBODY DRIVES IT 25 MILES PER HOUR, AFTER 7:00, 8:00 AT NIGHT, OR EARLY IN THE MORNING. YOU NEED TO HELP US. THANK YOU.

THANK YOU FOR YOUR PUBLIC COMMENT. MAYOR, THAT IS ALL THE SPEAKERS, DID HAVE ONE HAND POP UP AFTER I PUT THE NOTE ON ZOOM, WE ARE THE CLOSEOUT NOW, OR COME UP TO YOU?

IF WE JUST HAVE THAT ONE.

THIS WILL BE OUR LAST SPEAKER. ALEXANDRA, CAN YOU UNMUTE YOUR SELF, PLEASE? CAN YOU HEAR ME?

I CAN HEAR YOU. CAN YOU SEE THE TIMER?

NO, BUT I AM GOING TO BE VERY QUICK.

OKAY. GO AHEAD, PLEASE.

I JUST WANTED TO SAY, I HAD THE PLEASURE -- I AM ALEXANDRIA -- I HAD THE PLEASURE TO MEET CHRIS, WHEN I STARTED WORKING FOR HIM, ALSO. AND I WANT TO POINT OUT THE FACT OF HOW PROUD HE ACTUALLY IS OF THE COMMUNITY HE IS IN, AND HE NEVER STOPS TALKING ABOUT THE PEOPLE THAT HE LOVES, AND I DON'T SEE ANY BACKLASH FROM ANYBODY, AND I WANTED TO SAY, THANK YOU FOR THE COMMUNITY AND EVERYTHING YOU GUYS HAVE BEEN SAYING TO US, WE THINK ABOUT IT EVERY DAY IN THERE, AND WE ARE HAPPY TO STILL BE SERVING YOU WHILE WE CAN. THANK YOU.

THANK YOU, ALEXANDRA, FOR YOUR PUBLIC COMMENT. SO, THAT WILL CLOSE PUBLIC COMMENT FOR ITEMS NOT ON TONIGHT'S AGENDA.

ALL RIGHT. THANK YOU VERY MUCH. THANK YOU, EVERYONE. TRULY WANTED TO HONOR EVERYONE'S DESIRE TO SPEAK TONIGHT. I DIDN'T KNOW -- DID YOU WANT -- SO, TO SPEAK TO THE MEMBERS OF THE AUDIENCE, I DID WANT TO LET YOU KNOW THAT I HAVE BEEN IN TOUCH WITH CHRIS. I HAVE LET HIM KNOW THAT WHILE WE ARE WORKING ON DOING THIS TOGETHER, WE ARE NOT DOING ANYTHING, WE ARE GOING TO TRY TO WORK TOGETHER, COLLABORATIVELY, TO SEE WHAT WE CAN DO. WE ARE GOING TO SET UP A MEETING. I HOPE YOU CAN REACH OUT TO ME SO WE CAN SET UP THAT

MEETING SO WE CAN TALK ABOUT OPTIONS GOING FORWARD, BUT AS WE DID DISCUSS, AS WE ARE IN THE PROCESS OF COMMUNICATION, WE WEREN'T GOING TO DO ANY OF THAT, CLOSING YOU DOWN, OR ANYTHING LIKE THAT, SO I WANT TO MAKE THAT CLEAR HERE, THAT THAT WAS EMAILED TO CHRIS, AS WELL, LAST WEEK. SO, I WILL REITERATE IT IN PUBLIC SO THAT YOU ALL ARE AWARE OF THAT.

OKAY, ALL RIGHT.

I AM SURE, THERE IS NOT --

ALL RIGHT. OKAY. ALL RIGHT. WE --

I HEAR YOU, AND YES, I WILL SEND THAT THROUGH THE EMAIL. I WILL COPY -- I WILL SEND BACK THE EMAIL THAT I DID SEND ORIGINALLY AND I CAN COPY YOU WANT TO THAT, AS WELL. WE WILL CONTINUE TO WORK TO SEE HOW WE CAN RESOLVE THIS, SO IF YOU COULD PLEASE REACH OUT TO ME, I WILL SEND YOU THE EMAIL AGAIN ABOUT REACHING OUT FOR A MEETING.

SO, THANK YOU VERY MUCH. WE THANK YOU --

I WANT TO RESPOND. WE ARE IN THE PROCESS OF DOING THAT, SO YOU WILL GET A RESPONSE TO THE PUBLIC ASK REQUEST, AS WELL POINT

OKAY. WE CAN'T DO THIS BACK AND FORTH CONSTANTLY. WE ARE JUST NOT ALLOWED. WE -- I UNDERSTAND EVERYONE HAS QUESTIONS, BUT LEGALLY, WE ARE NOT ALLOWED TO GO BACK AND FORTH, BUT I RESPECTED EVERYONE AND GIVE EVERYONE TIME TO SPEAK, SO I AM ASKING YOU TO OFFER US THE SAME RESPECT IN THE PROCESS, HERE. I TRULY -- I RESPECTED ALL OF YOU, NOW I WANT YOU TO RESPECT US AND THE PROCESS WE HAVE TO DO. OKAY. SO, I APPRECIATE THAT. THANK YOU, EVERYONE, AND WE NEED TO MOVE ON TO OTHER ITEMS, BUT GIVEN THE TIME, WE HAVE ONE ITEM THAT I NEED -- THAT I JUST WANTED TO BRING TO MY COLLEAGUES AND SAY THAT WE ACTUALLY -- BECAUSE OF A DEADLINE THAT IS COMING UP WITHIN DAYS, WE NEED TO MOVE ONE ITEM ON THE AGENDA, SO ANYONE WHO IS WAITING FOR THAT, I WANT TO PUT THAT OUT RIGHT NOW AND THAT IS ITEM NUMBER 11. I NEED TO MOVE THAT UP TO THE HEAD OF -- TO BE ITEM NUMBER EIGHT UNDER PUBLIC HEARINGS SIMPLY BECAUSE WE HAVE DIFFERENT TIME CONSTRAINTS AND I NEED TO MAKE SURE WE GET TO THAT ITEM BECAUSE AGAIN, IT IS A DEADLINE FOR A GRANT THAT WE HAVE. SO, ANYONE THAT IS HERE FOR ITEM 11, IF YOU HAPPEN TO BE HERE, JUST KNOW THAT WE ARE MOVING THAT ONE UP. SO, ALL RIGHT. THANK YOU, EVERYONE. ALL RIGHT. SO, WE ARE GOING TO -- IS EVERYONE HERE OKAY WITH MOVING ON?

YEAH.

I AM FREEZING. CAN WE KEEP THAT DOOR SHUT? IT'S REALLY COLD FOR ME. THANK YOU. OKAY.

AND MAYBE EVEN GET SOME HEAT IN HERE, BECAUSE IT'S COLD.

AND I AM HOT, SO I DON'T KNOW WHAT TO SAY.

AND I HAVE A FAN BLOWING.

I DON'T KNOW IF YOU HAVE A SWEATER, OR A HEATER?

I DON'T KNOW IF IT'S A HEATER ISSUE?

YOU HAVE A HEATER? OKAY. SO, WE ARE GOING TO GO AHEAD AND MOVE ON TO CONSENT CALENDAR, SO I AM GOING TO GO AHEAD AND READ ALL OF THOSE ITEMS. SO, LET'S SEE, HERE. NUMBER ONE, APPROVAL OF CITY COUNCIL MEETING MINUTES FOR MEETING OF MAY 19th, 2026.

[INAUDIBLE - MUFFLED]

NUMBER TWO, APPROVAL OF PUBLIC ARTS COMMITTEE RECOMMENDATION FOR COMMUNITY SCULPTURE GARDEN AWARDS. NUMBER THREE, APPROVAL OF JOB DESCRIPTION, DISPATCHER TWO. ITEM IS TO APPROVE JOB DESCRIPTION FOR DISPATCHER TWO POSITION, AS APPROVED WITH THE NEW SEBASTOPOL POLICE OFFICERS ASSOCIATION, SPOA, MEMORANDUM OF UNDERSTANDING, MOU. NUMBER FOUR, APPROVAL OF AMENDMENT CONTRACT FOR CONTINUATION OF THE SONOMA COUNTY DEPARTMENT OF HUMAN SERVICES H.E.A.R.T. PERSONNEL. CONSIDERATION TO CONTINUATION OF THE SONOMA COUNTY DEPARTMENT OF HUMAN SERVICES CONTRACT FOR H.E.A.R.T. PERSONNEL. SO, I JUST WANTED TO ASK IF ANYONE WANTED TO MOVE ANY OF THE ITEMS OFF OF THE CONSENT CALENDAR? OKAY, NO QUESTIONS ON ANY OF IT? THEN, MARY, WE CAN GO AHEAD FOR PUBLIC COMMENT ON THAT.

THANK YOU, MAYOR. THIS IS FOR PUBLIC COMMENT FOR THE CONSENT CALENDAR ITEMS. IF YOU WOULD LIKE TO MAKE A PUBLIC COMMENT, IT IS A TWO MINUTE PUBLIC COMMENT, WE WILL GO TO CHAMBERS FIRST, AND THEN TO ZOOM. GO AHEAD.

GOOD EVENING, COUNCIL, AND MAYOR. I PICKED THE WRONG NIGHT TO COME, BUT IT WAS A LIVELY DISCUSSION AND IT SOUNDS LIKE GREAT BARBECUE. MY NAME IS NOLAN SULLIVAN, I AM THE SONOMA COUNTY HEALTH AND HUMAN SERVICES DIRECTOR. I AM SPEAKING TO ITEM NUMBER FOUR. I AM JUST ENCOURAGING YOU TO VOTE "YES" ON THAT. I DON'T KNOW WHY YOU WOULDN'T AND I HOPE YOU WILL. WE ARE CONTINUING A VERY INNOVATIVE PARTNERSHIP WITH THE SONOMA COUNTY HOMELESSNESS SERVICES WORKER, JULIAN, WHO, THERE HE IS IN THE BACK, THERE. HE HAS DONE SOME WONDERFUL WORK HERE IN THE CITY OF SEBASTOPOL TO ASSIST THE LOCAL HOMELESS SITUATION. THE AGREEMENT IN FRONT OF YOU TONIGHT GETS US ESSENTIALLY TO SEPTEMBER AND AT SEPTEMBER -- THAT IS KIND OF WHY I WANTED TO COME TONIGHT -- WE ARE PLANNING TO EXPAND JULIAN'S FEET, IF YOU WILL. HE WILL BE TAKING ON BURNSVILLE AND A COUPLE OTHER PLACES. SO, AGAIN, THIS IS 100% PAID FOR, THERE IS NO COST TO THE CITY. JULIAN HAS DONE A WONDERFUL JOB, SO FAR, TO GO ON 73 CALLS, SO FAR. HE HAS DIRECTLY SUPPORTED 50 DIFFERENT CLIENTS. AGAIN, THESE ARE CALLS WHERE LAW ENFORCEMENT SOMETIMES GOES ALONG FOR SAFETY, BUT USUALLY ISN'T DISPATCHED. HE HAS INITIATED 61 OUTREACH ENGAGEMENTS, SO THE 60 CLIENTS HE CURRENTLY HAS IN SEBASTOPOL, FIVE OF THEM PLACED INTO SHELTERS, 11 HAVE SIGNED UP FOR SERVICES, AND ANOTHER 17 HAVE AGREED TO ACCEPT FUTURE SERVICES, AND THIS IS JUST FROM JANUARY 20th TO MAY 1st OF THIS YEAR. SO, BIG PROGRESS. I KNOW WE HAD A LOT OF ISSUES LAST YEAR THIS TIME AROUND ON A LOT OF THINGS, VERY HAPPY TO CONTINUE TO EXTEND THE PARTNERSHIP AND I HOPE YOU WILL CONSIDER VOTING "YES" TONIGHT ON ITEM NUMBER FOUR.

THANK YOU, KNOWLING, FOR YOUR PUBLIC COMMENTS. NEXT, I WILL GO OUT TO ZOOM, IF THERE IS ANYONE ON ZOOM WHO WOULD LIKE TO MAKE A PUBLIC COMMENT, PLEASE RAISE YOUR HAND. SEEING NONE. PUBLIC COMMENT IS CLOSED ON THE CONSENT CALENDAR ITEMS.

ALL RIGHT, BACK UP AT THE DAIS, IF ANYONE HAS ANY QUESTIONS OR COMMENTS? I WILL MOVE THE CONSENT CALENDAR.

I WILL SECOND.

SO MOVED BY COUNCILMEMBER ZOLLMAN AND SECONDED BY VICE MAYOR MAURER TO APPROVE THE CONSENT CALENDAR. COUNCILMEMBER CARTER?

YES.

COUNCILMEMBER HINTON?

AYE.

COUNCILMEMBER ZOLLMAN?

YES.

VICE MAYOR MAURER?

YES.

MAYOR McLEWIS?

YES.

MOTION PASSES UNANIMOUSLY.

ALL RIGHT, THANK YOU. SO, WE WILL MOVE ON TO INFORMATIONAL ITEM PRESENTATIONS. EACH PRESENTATION, WE HAVE A TOTAL OF 10 MINUTES FOR THAT, SO THIS IS NUMBER FIVE,-- EFOC REPORT OUT, COUNCIL RECEIPT OF THE FINANCIAL AND OPERATIONAL REPORTS FROM THE ENTERPRISE FUND OVERSIGHT COMMITTEE. I DON'T KNOW -- I SEE WE HAVE KATE, HERE. WHO IS IT THAT IS LEADING THIS OFF BEFORE EVERYTHING STARTS?

THAT WOULD BE ME, MAYOR.

THANK YOU.

THIS ITEM IS A REPORT OUT FOR THE ENTERPRISE FUND OVERSIGHT COMMITTEE WHICH WAS ESTABLISHED BY THE CITY COUNCIL TO PROVIDE INDEPENDENT REVIEW AND OVERSIGHT OVER THE CITY'S WATER AND WASTEWATER FUNDS. TO FACILITATE A MORE DETAILED REVIEW, TWO AD HOC COMMITTEES WERE CREATED, A FINANCE AND BILLING SUBCOMMITTEE FOCUSED ON THE ENTERPRISE FUND COST ALLOCATION PLANS, BILLING APPLICATIONS, RATES, AND COMPLIANCE WITH PROP 218 AND INFRASTRUCTURE

OPERATIONS OF THE SUBCOMMITTEE, FOCUSING ON THE CONDITION OF THE CITY'S WATER AND WASTEWATER SYSTEMS, MAINTENANCE PRACTICE, CAPITAL IMPROVEMENT NEEDS, AND REHABILITATION PRIORITIES. TONIGHT, COUNCIL WILL HEAR PRESENTATIONS FROM EACH OF THE SUBCOMMITTEES, REGARDING THEIR FINDINGS AND RECOMMENDATIONS. THIS IS AN INFORMATIONAL ITEM, INTENDED TO HELP WITH THE UPCOMING BUDGET DISCUSSION, AND I KNOW WE HAVE BOTH OF YOU HERE, I AM NOT SURE WHO WANTS TO GO FIRST? THIS IS OUR FINANCE SUBCOMMITTEE, YOU CAN GO UP THERE AND I WILL RUN YOUR SLIDES.

SO, ARE WE SPLITTING THE PRESENTATION, OR, HOW ARE WE DOING IT? I JUST WANT TO KNOW, SO --

THANK YOU, GARY!

HI! ONE THING YOU GUYS MIGHT WANT TO BE AWARE OF IS THAT THE DOCUMENT -- OH, THANK YOU, MICHELLE. THE DOCUMENT, THE AGENDA DOCK IS A LITTLE CONFUSING, SO PAGES ONE THROUGH SIX ARE THE STAFF REPORT. PAGES SEVEN THROUGH 30 ARE THE KEY POINTS DOCUMENT BASED ON RESEARCH BY THE FINANCE COMMITTEE ON PROP 218 AND PROP 286. PAGE 350, 352 IS ANOTHER SUPPORTING DOCUMENT ABOUT THE CURRENT COST ALLOCATION. PAGES 53 THROUGH 74 IS OUR SLIDES PRESENTATION, AND THEN PAGES 75 THROUGH 80 IS GREG AND OLIVER'S FOR STRUCTURAL RECOMMENDATIONS, SO THE WAY THE DOCUMENT WAS ORGANIZED I FOUND WAS A LITTLE CONFUSING EVEN TO MYSELF EVEN THOUGH I PRODUCED A LOT OF THE DOCUMENT. AND THEN, PAGES ONE THROUGH SIX ARE THE STAFF REPORT AND PAGES 31 THROUGH 49 ARE SPECIFICALLY MARY AND EYES RECOMMENDATIONS FOR EVERYONE TONIGHT, WE HAVE 12 RECOMMENDATIONS, TOTAL, ON THOSE PAGES.

OKAY, ALL RIGHT, SO, YOU'RE GOING TO BEGIN, THEN?

I -- YES, I AM GOING TO BEGIN. BEFORE I START, I WOULD LIKE TO THANK COUNCILMEMBER CARTER FOR HIS LEADERSHIP IN STARTING THIS COMMITTEE, AND STAFF, FOR ALL THE TIME AND EFFORT THEY HAVE PUT INTO IT. I ALSO WANT TO THANK MY COLLEAGUES, MARY, GREG, AND OLIVER -- WHO IS NOT HERE, BECAUSE HE IS TRAVELING -- WHO HAVE DEVOTED COUNTLESS VOLUNTEER HOURS TO THIS EFFORT, TOGETHER WITH STAFF, I BELIEVE OUR GROUP HAS MORE COLLECTIVE KNOWLEDGE ABOUT THE WATER AND SEWER INFRASTRUCTURE AND THEIR FINANCES THAN ANY OTHER PREVIOUS GROUP. WE ARE THE FIRST CITIZENS OVERSIGHT COMMITTEE FOR WATER AND SEWER, AND WE ARE ALSO THE FIRST ADVOCATES FOR WATER AND SEWER RATEPAYERS. DUE TO A FOUR MINUTE LIMIT, I WILL BE REDUCING MY PRESENTATION TO LESS SLIDES THAN ARE UP HERE, SO WE WILL JUST BE JUMPING AROUND A LITTLE BIT. SO, PLEASE START THE SLIDES. NEXT SLIDE, PLEASE.

SORRY, I JUST WANT TO SAY, THERE IS A COUPLE PICTURES, THEY ARE FROM THE APPLE BLOSSOM FESTIVAL. [INAUDIBLE - LOW VOLUME] VERY GOOD. OKAY, GO AHEAD.

THOUGH -- OKAY. SO, A GRAND JURY REPORT WAS RECENTLY ISSUED THAT SHOWS THE CITY OWES ENTERPRISE FUNDS ABOUT \$5.5 MILLION DUE TO PROP 218 VIOLATIONS WHICH MEANS UNDOCUMENTED AND UNEXPLAINED COST TO THE ENTERPRISE FUND. THIS SLIDE SHOWS HISTORIC CHARGES OF THE FINANCE DEPARTMENT TO WATER AND SEWER RATEPAYERS. YOU WILL NOTE THAT IN 2015, RATEPAYERS PAID APPROXIMATELY \$300,000 FOR FINANCIAL SERVICE ADMINISTRATION AND IN EIGHT YEARS, IT TRIPLED TO \$100,000, DESPITE THE FACT THAT THAT NUMBER OF UTILITY CUSTOMERS AND THE SERVICE PROVIDED REMAINED STABLE ACROSS THAT EIGHT-YEAR PERIOD. THIS APPEARS TO BE A PROP 218 VIOLATION AS THERE IS NO DATA TO SUPPORT THE TRIPLING OF COST. IN ADDITION, PROP 26 REQUIRES THE CITY SHOW DATA TO JUSTIFY THE COST. NEXT SLIDE, PLEASE. AND THEN, THIS IS A SLIDE OF LEGAL COSTS FROM 2014 AND 2015. NEXT SLIDE, PLEASE. FOR DECADES, THE CITY ATTORNEY WAS IN HOUSE AND ON SALARY. YOU CAN SEE FROM 2017 TO 2023, ATTORNEYS FEES WERE BETWEEN \$10,000 AND \$20,000. IN FISCAL YEAR, THEY RANDOMLY JUMPED TO AROUND \$184,000 AND IN FISCAL YEAR 2025, THEY ARE EVEN HIGHER, \$189,000. THERE IS NO REASON FOR THIS -- NO LAWSUITS, NOTHING. IN THOSE TWO YEARS, THE CURRENT ATTORNEYS CONTRACTED BILLING IN SIX MINUTE INCREMENTS AND THERE SHOULD BE INVOICES TO BACKUP THESE CHARGES. I HAVE ASKED, ON NUMEROUS OCCASIONS, TO GET THESE INVOICES, AND THEY HAVE NOT BEEN PRODUCED. THEREFORE, WE ARE RECOMMENDING A REFUND TO THE ENTERPRISE FUND OF \$350,000. PLEASE JUMP FORWARD TO THE WATER BUDGET SLIDE. NEXT. NEXT. NEXT.

NEXT. OKAY. HERE IS OUR BUDGET FROM THE THIRD QUARTER. YOU WILL SEE A LINE FOR SALARIES AND WAGES FOR CONTRACTED SERVICES AND FOR COST ALLOCATION. WE ARE RECOMMENDING ALL EMPLOYEE TIME FOR WATER AND SEWER BE TRACKED AND GO INTO SALARY AND WAGES, FOR TRANSPARENCY AND TO AVOID PROP 218 VIOLATIONS. WE RECOMMEND ALL CONTRACTED SERVICES GO INTO CONTRACTED SERVICES. NEXT SLIDE, PLEASE. NEXT SLIDE. NEXT SLIDE. WE ALSO SEE PROBLEMS WITH THE CURRENT COST ALLOCATION MODEL. IN 2014, YOU CAN SEE THAT 26% ALLOCATION FOR CITY COUNCIL -- WHICH IS SUBSTANTIAL, MORE THAN A QUARTER OF ALL THE TIME FOR CITY COUNCIL SPENT ON WATER AND SEWER -- AND 15% FOR CITY CLERK. NEXT SLIDE, PLEASE. OUR CURRENT MODEL SHOWS CITY COUNCIL AT 61% AND CITY CLERK AT 37%. WHY? WHAT HAS CHANGED? WE FEEL THESE PERCENTAGES ARE NOT REFLECTIVE OF TIME SPENT ON WATER AND SEWER, AND THEREFORE, THE CHARGES TO THE ENTERPRISE FUND SHOULD BE BASED ON TIME TRACKING. LAST SLIDE, PLEASE. JUST -- YOU CAN JUST JUMP ALL THE WAY TO THE END. OH, YEAH, JUST KEEP -- GOING -- GOING -- GOING -- YOU DID A LOT OF HOMEWORK.

YEAH. OKAY, HERE. SO, WE HAVE 12 TOTAL RECOMMENDATIONS, WE WERE ASKED TO HIGHLIGHT FOUR. SO, OUR NUMBER ONE RECOMMENDATION IS NONE OF THE CURRENT COST ALLOCATION PLANS WORK BECAUSE THERE IS INCONSISTENCY WITH ALLOTMENTS AND NOTHING IS BACKED UP BY TIME TRACKING. NUMBER TWO, YOU NEED TO IMPLEMENT TIME TRACKING SOFTWARE IMMEDIATELY, SO THAT TIME CHARGED TO WATER AND SEWER IS BACKED UP BY DATA. AND, BY THE WAY, SPRINGBOARD, THE CITY'S CURRENT SOFTWARE PROGRAM HAS A TIME TRACKING MODULE WITHIN THE THAT COULD BE ACTIVATED. WE ALSO BELIEVE NO RATE INCREASES SHOULD BE IMPLEMENTED IN JULY AND THAT THE TIERED WATER PRICING IS ILLEGAL AS IT IS NOT BASED ON ANY DATA, WHICH THE LAW REQUIRES. BASED ON OUR FINDINGS, WE BELIEVE THE CURRENT RATES ARE NOT ACCURATE AND DO NOT INCLUDE THE CAPITAL IMPROVEMENT COST OF THE UPDATED WATER PLAN, THE GRAND JURY REPORT FINDING INACCURATE TIME TRACKING. AND THEN, FINALLY, AS I ALREADY STATED, WE BELIEVE THAT ENTERPRISE FUNDS ARE OWED, IN ADDITION TO THE \$5.5 MILLION FOUND BY THE GRAND JURY, \$350,354 FOR EXCESSIVE ATTORNEYS FEES IN THE LAST TWO YEARS. WE LOOK FORWARD TO CONTINUING OUR WORK ON THE OVERSIGHT COMMITTEE, AND WE WOULD LIKE TO HELP THE CITY RESOLVE ISSUES PRESENTED IN THE GRAND JURY REPORT. AND THAT IS ALL I HAVE TO SAY. THANK YOU.

HELLO. I JUST WANT TO COME OUT OF EVERYTHING THAT WAS JUST PRESENTED, THIS SLIDE IS THE MOST IMPORTANT, OBVIOUSLY. TWO NUMBERS YOU REALLY HAVE TO REMEMBER, THAT IS 12 AND FOUR, WE HAD 12 RECOMMENDATIONS THAT WE WOULD LOVE FOR YOU ALL TO MAKE SURE THAT YOU READ, AND UNDERSTAND. BUT, THESE FOUR ARE OUR TOP, TOP RECOMMENDATIONS THAT WE LOVE TO IMPLEMENT, SLOWLY, GOING FORWARD, AS WE HAVE DONE OUR DUE DILIGENCE TO BRING THIS FORWARD TO YOU TODAY. YEAH. I THINK THAT WAS IT. I HOPE YOU LIKED THE PRESENTATION. THANK YOU.

OKAY, THANK YOU.

MY PRESENTATION IS ONE MINUTE. MY BILL LAST MONTH FOR WATER AND SEWER WAS \$6684. SO, I HAVE SKIN IN THE GAME. OUR FAMILY OWNS IT IN TOWN. THE OTHER GENTLEMAN AND I LOOKED MAINLY AT THE INFRASTRUCTURE OF YOUR WATER AND SEWER SYSTEM. DO YOU BELIEVE YOUR WATER SUPPLY IS ADEQUATE FOR SEBASTOPOL, OR NEAR PROJECTION. WE BELIEVE THE WATER DISTRIBUTION SYSTEM IS IN GOOD SHAPE, BUT YOUR SEWER SYSTEM IS A RUSTY BUCKET. AND IS IN DESPERATE NEED OF UPGRADING, REPAIRS. ONE OF THE MEASURES OF IT IS, WHEN YOU HAVE RAINY WEATHER THAT FLOWS THROUGH THE PUMP STATION, IT TRIPLES, SO YOU GO FROM 400,000 GALLONS PER DAY DURING DRY WEATHER, TO 1.2 MILLION GALLONS PER DAY, AND IT COSTS A HUGE AMOUNT OF MONEY ELECTRICALLY TO PUMP THAT UP TO SANTA ROSA'S LONG FACILITY. THE TRIPLED AMOUNT ALL HAS TO BE TREATED AND WE GET CHARGED FOR THAT. TWO THIRDS OF IT IS RAINWATER. SO, THE SYSTEM IS LEAKING AND YOU REALLY NEED TO IDENTIFY THE WEAKEST POINTS, AND OVER THE NEXT 10 YEARS, AGAIN, REPLACING THE SEWER SYSTEM AT THE WORST PLACES. I DO WANT TO SAY, YOUR PUBLIC WORKS TEAM IS FANTASTIC, A GOOD CREW, HERE. SO, WE THANK YOU FOR THAT, HELPING COOPERATION, THERE. ALL RIGHT, THANK YOU.

YES, WE JUST LEARNED RECENTLY OF THE GRAND JURY AIRPORT OF THE CITY AND SEWER, AND SITUATION. SO, JUST WANT TO SAY, THIS IS REALLY IMPORTANT, WE ARE PASSIONATE ABOUT IT, WE LOVE OUR COMMUNITY, AND THERE ARE JUST MORE EYES ON IT THAN EVER, I THINK, SO, THANK YOU SO MUCH.

ALL RIGHT, THANK YOU VERY MUCH. SO, ARIANNA? JUST ANYTHING TO PRESENT, FOR YOUR PRESENTATIONS?

THESE ARE JUST QUESTIONS FOR YOU TO RECEIVE.

AND COUNCILMEMBER CARTER, YOU ARE ON THE COMMITTEE, CORRECT? I JUST DIDN'T KNOW IF YOU HAD ANYTHING TO SAY BEFORE WE GO TO QUESTIONS. I FIGURED AS MUCH. OKAY. ALL RIGHT. SO, NOW, BACK TO THE DAIS FOR ANY QUESTIONS, DOES ANYONE HAVE --

I DON'T HAVE ANY SPECIFIC QUESTIONS AT THIS TIME, BUT I JUST WANT TO SAY THANK YOU VERY MUCH, IT IS CLEAR WITH EVERYTHING AT LEAST THAT I HAVE LEARNED, WITH THE HOURS OF DEDICATION, THANK YOU, I WILL MAKE SURE I IMPART THAT TO OLIVER WHEN HE IS HERE.

WE THANK YOU, TOO, BECAUSE I SERVED ON THE SCHOOL BOARD OF THE COMMUNITY AND WE VERY RARELY GET THANK YOU'S, SO APPRECIATE THAT.

ANY OTHER QUESTIONS? I HAVE A QUESTION, IF NOT SO, THE TOP FOUR RECOMMENDATIONS, I AM JUST ASKING CITY STAFF, WHERE DO WE GO FROM THERE? WHAT DO YOU DO WITH THIS, AFTER YOU ACCEPT IT AND YOU HAVE THE TOP FOUR? WHAT IS THE NEXT --

THE RECOMMENDATION IS FOR THE COUNCIL TO CONSIDER AS YOU ARE GOING THROUGH THE BUDGET, SO THE COUNCIL CAN, WHEN THEY ARE GOING THROUGH THE BUDGET, CONSIDER THE RECOMMENDATION, SO THERE IS NO ACTION TO BE TAKEN TONIGHT.

KNOW, I KNOW. I AM ASKING JUST OUT OF CURIOSITY, WHAT YOUR THOUGHTS WERE AS FAR AS STAFF?

IT IS AS GOING THROUGH THE BUDGET, SO THE RECOMMENDATIONS FOR THE COMMITTEE, SOME OF THE ITEMS WE ARE PUTTING INTO PLACE ALREADY, THERE ARE ITEMS THAT THEY HAVE RECOMMENDATIONS ON THAT WE WILL PROBABLY BRING BACK LATER IN THE FALL. WE HAVE TALKED ABOUT THE COMMITTEE WITH THAT, AS WELL. SO, AS YOU ARE GOING THROUGH THE BUDGET, TO CONSIDER, LIKE, THE TRACKING TIME, WE ARE NOT GOING TO BE ABLE TO GET THAT DONE, NOW. BUT, WE ARE GOING TO BE ABLE TO, PROBABLY WITHIN THE NEXT SIX MONTHS, WHEN WE COME BACK, I BELIEVE IT IS SEPTEMBER, OCTOBER, WHEN WE HAVE THE COMMITTEE MEETING AGAIN, TO BE ABLE TO BRING SOME OF THESE ITEMS BACK AND REVIEW IT IN SIX MONTHS.

DO YOU KNOW WHAT THE TRACKING COSTS ARE, THAT SOMEONE ALLUDED TO?

WE DO NOT. I HAVE NOT REACHED OUT TO SPRING BERG. I BELIEVE IT WILL PROBABLY BE A PLUG-IN MODEL, SO I DON'T KNOW, I HAVEN'T ASKED STAFF, ANNA, HAVE YOU REACHED OUT TO THEM? I KNOW WE ARE ALSO LOOKING AT CIVIC PLUS, AN ASSET MANAGEMENT AND WE WERE GOING TO SEE IF THERE IS TIME IN THAT, AS WELL.

OKAY, BECAUSE I'M JUST LOOKING AT THIS TRYING TO FIGURE OUT THE TOP FOUR FOR THE BUDGET, WHAT ARE WE CONSIDERING, ANYTHING THAT HAS A COST TO IT, THERE REALLY ISN'T ANYTHING ELSE.

SO, THERE ARE A COUPLE OPTIONS THAT ARE IN THERE, WHERE THERE IS A DISCUSSION ABOUT THE WATER, SO YOU HOLD OFF TO SEE ABOUT THE TIERED RATES. THAT IS ONE OF THE RECOMMENDATIONS. YOU CAN CONSIDER THAT, AS WELL, AS WE ARE GOING THROUGH THE BUDGET NOW, OR WE CAN LOOK AT THAT AS WE ARE GOING THROUGH IT, WHEN WE HAVE MORE INFORMATION. I DON'T HAVE THOSE FIGURES OFFHAND TONIGHT TO DISCUSS THAT IN THE BUDGET, THE TIERED GRADES. WE HAVE TO ANALYZE WHAT THAT IS GOING TO LOOK LIKE.

OKAY, THAT'S WHAT I WAS WONDERING. I MEAN, I REMEMBER THE WHOLE DISCUSSION AND IT WASN'T SOMETHING WE COULD SIMPLY FIGURE OUT HERE WITH OUR BUDGET TIME, SO JUST WANT TO BE CLEAR SO WE KNOW WHAT WE ARE DOING, I GUESS. SO -- OKAY. ALL RIGHT. SO, IF WE DON'T HAVE ANY QUESTIONS, THANK YOU ALL, SO MUCH. DID YOU HAVE SOMETHING ELSE FOR ME?

YEAH, I JUST WANTED TO SAY, THE ELIMINATION OF TIERED RATES HAS NO IMPACT ON THE GENERAL FUND.

ALL RIGHT.

SO, IT'S NOT -- IT WOULDN'T BE -- IT WOULD BE A BUDGET FOR THE ENTERPRISE FUND, AND NOT THE GENERAL FUND.

CORRECT. ALL RIGHT. THANK YOU, ALL, SO MUCH, TRULY. APPRECIATE IT. SO, NOW THAT WE ARE DONE WITH QUESTIONS, IF WE DON'T HAVE ANY, WE WILL GO TO PUBLIC COMMENT.

THANK YOU, MAYOR. THIS IS PUBLIC COMMENT. IT IS A TWO MINUTE TIME LIMIT, WE WILL DO CHAMBERS FIRST, THEN GO OUT TO ZOOM.

WHAT IS THIS?

AHOY, COUNCILMEMBERS! I COME BEFORE YOU NOT AS A MERE RATEPAYER, BUT AS A HUMBLE PIRATE OF THE MUNICIPAL SEAS, HERE TO CONGRATULATE CITY MANAGEMENT ON SOME TRULY LEGENDARY PLUNDER. FOR MORE THAN 20 YEARS, THE COST ALLOCATION PLAN LAY UNTOUCHED LIKE A DUSTY TREASURE MAP. AND YET, SOMEHOW, THE ENTERPRISE FUND KEPT SURRENDERING THEIR GOLD TO THE GENERAL FUND. ARR, THAT TAKES A VISION! THAT TAKES NERVE! THAT TAKES A CREW WILLING TO LOOK AT WATER AND SEWER RATE PAYERS AND SAY, "THERE BE TREASURE BELOW DECK." NOW, SOME LANDLUBBERS MAY POINT TO THE JURY COMMITTEE REPORT, WITH ITS TALK OF OVER ALLOCATIONS, DEFERRED MAINTENANCE, AND MILLIONS MOVE FROM WATER AND SEWER, BUT I SAY, WHY TROUBLE OURSELVES WITH THE GRAND JURY? PIRATES RECOGNIZE ONLY MARITIME LAW, AND UNDER MARITIME LAW, WHOEVER GRABS THE TREASURE FIRST, GETS TO CALL IT, "COST RECOVERY." LET US NOT FORGET, THE PRIOR FEATS OF PIRACY, RATEPAYERS HIT WITH MASSIVE INCREASES. ATTORNEYS FEES, SAILING THROUGH THE FOG, ENGINEERING CHARGES, DRIFTING LIKE GHOST SHIPS. A SEWER LOAN CHARGED TO THE MAST, TO TELL WHICH SAILOR WAS ACTUALLY WORKING ON WATER OR SEWER, OR POLISHING THE CAPTAINS BOOTS. AND NOW, THAT WE ARE FULLY HEARING FROM THIS FINANCE SUBCOMMITTEE, THE COUNCIL ALREADY CHARTED A COURSE IN MAY, OLD MOVE! WHY WAIT FOR THE LOOKOUTS WHEN THE SHIP IS ALREADY AIMED AT THE REEF? SO, I URGE YE, EITHER HOIST THE BLACK FLAG PROUDLY, AND ADMIT THE ENTERPRISE FUNDS ARE BEING USED AS A STOLEN TREASURE, OR CHANGE COURSE. TRACK THE TIME. DIRECT BILL THE WORK. RECONCILE THE PAST. ANSWER THE GRAND JURY. AND STOP ASKING RATEPAYERS TO KEEP BILLING THE CHEST. KYLE, THAT'S TWO MINUTES.

-- PRETENSE IT'S NOT A PIRACY AND APPEARS IN THE BUDGET.

KYLE, THAT'S TWO MINUTES.

THANK YOU, KYLE.

THANK YOU FOR YOUR PUBLIC COMMENT. LEE, CAN YOU UNMUTE YOURSELF, PLEASE? YES.

CAN YOU SEE THE TIMER?

I CAN.

GO AHEAD, PLEASE.

THAT WAS GREAT ENTERTAINMENT. WE PROBABLY NEED THAT TONIGHT. THE -- I AM EXCITED ABOUT THIS. IF YOU READ MY PUBLIC COMMENT, YOU KNOW THAT, IT HAS BEEN FOUR YEARS SINCE I HAVE WORKED ON THIS PARTICULAR ISSUE, AND THIS IS THE MOST SUBSTANTIVE PRESENTATION I HAVE SEEN AT A CITY COUNCIL MEETING. AN OPPORTUNITY FOR YOU GUYS TO LEARN WHAT IS GOING ON AND UNDERSTAND IT BETTER. IF YOU HAVE WATCHED SOME OF THE ENTERPRISE MEETINGS THEMSELVES, YOU MAY HAVE ALREADY LEARNED A GREAT DEAL. THE MEETINGS HAVE BEEN ENORMOUSLY SUBSTANTIVE, AND THE INFORMATION PROVIDED AND DISCOVERED -- I MEAN, EVEN BY CITY STAFF, SOMETIMES, HAS BEEN TERRIFIC. I AM GOING TO BEAT A DEAD HORSE, HERE. BUT, AT THIS POINT, LOOKS LIKE THIS IS GOING TO GO 20 MINUTES -- THAT IS ABOUT 8% OF THE TIME THIS MEETING IS GOING TO LAST. THE RATEPAYERS ARE PAYING FOR TWO HOURS OF THIS MEETING, THEY PAY FOR TWO HOURS OF EVERY MEETING THAT YOU HAVE, AND YOU KNOW YOU DON'T SPEND THIS MUCH TIME ON WATER AND SEWER AT EVERY MEETING, LET ALONE TWO HOURS. THAT IS THE EVIDENCE THAT THERE IS SOMETHING WRONG WITH THE RIGHT LEVEL AND THE INPUTS THAT WENT INTO IT, AND THAT IS WHAT YOU GUYS HAVE TO DIG INTO AND SOLVE. SOMEBODY HAS TO. THANK YOU.

THANK YOU, LEE, FOR YOUR PUBLIC COMMENT. NEXT, I WILL COME BACK INTO CHAMBERS, IF THERE'S ANYONE IN CHAMBERS WHO WOULD LIKE TO MAKE A PUBLIC COMMENT? SEEING NONE. I WILL GO BACK OUT TO ZOOM. IF THERE IS ANYONE ON ZOOM WHO WOULD LIKE TO MAKE A PUBLIC COMMENT, PLEASE RAISE YOUR HAND VIRTUALLY? SEEING NONE, PUBLIC COMMENT IS CLOSED. OH, SORRY, MARY, CAN YOU UNMUTE YOURSELF, PLEASE?

YES.

THANK YOU. CAN YOU SEE THE TIMER?

I JUST THINK IT IS UNBELIEVABLE, AND, REALLY WRONG THAT KATE AND MARY GOT ONLY A FEW MINUTES TO EXPLAIN SOMETHING SO IMPORTANT. IT IS OBVIOUS, THAT THEY HAD A LOT MORE IN THAT POWERPOINT PRESENTATION, AND I THINK IT WOULD BE -- IT WOULD HAVE BEEN SUPER IMPORTANT FOR ALL OF YOU TO SEE THAT. THAT'S IT, THANKS.

THANK YOU FOR YOUR PUBLIC COMMENT. NEXT, I WILL COME INTO CHAMBERS. SEEING NONE. I WILL GO BACK OUT TO ZOOM, IF THERE IS ANYONE ON ZOOM WHO WOULD LIKE TO MAKE IT PUBLIC COMMENT, PLEASE RAISE YOUR HAND VIRTUALLY. SEEING NONE. PUBLIC COMMENT IS CLOSED.

ALL RIGHT, THANK YOU.

I HAVE A QUESTION?

SURE, GO AHEAD.

I HAVE A QUESTION FOR THE FINANCE SUBCOMMITTEE ABOUT THE TIERED RATES. SO, YOU SAID YOU WOULD LIKE TO END THOSE. AND MY UNDERSTANDING IS, THE WHOLE RATE STRUCTURE IS -- YOU KNOW, THAT COVERS A LOT OF THE COSTS OF INFRASTRUCTURE REPAIRS. SO, THE WHOLE RATE STUDY WAS SET UP AND I DIDN'T VOTE FOR IT, BUT IN A WAY, THAT DOESN'T MATTER, YOU KNOW? BECAUSE THOSE TIERED RATES ARE PART OF WHAT THEY ARE EXPECTING THEM TO USE FOR THE REPAIRS, ET CETERA. SO, CAN YOU EXPLAIN A LITTLE BIT MORE ABOUT WHY YOU WANT TO END THE TIERED RATES?

AND WE WILL NEED YOU TO COME UP TO THE MIC SO THAT PEOPLE ONLINE CAN HERE, PLEASE.

THE PRO-PROP 218 AND PROP 26, THE RATES NEED TO BE SET ON ACTUAL COSTS TO THE WATER AND SEWER FUNDS. AND IF YOU LOOKED AT THE DATA THAT I JUST PRESENTED, THE COSTS REALLY AREN'T JUSTIFIED. SO, I THINK THE RATES ARE BASICALLY ILLEGAL BECAUSE THEY HAVE BEEN FED INPUTS THAT DON'T ACTUALLY MATCH TRUE SERVICES, SO PROP 218 SAYS NOTHING ABOUT CONSULTANTS OR COST ALLOCATION PLANS. IT ONLY SAYS THAT THERE IS A 1:1 CORRESPONDENCE BETWEEN WORK THAT IS DONE FOR THE WATER AND SEWER ENTERPRISE FUNDS, AND THE -- BASICALLY, RATEPAYERS ARE A DISTINCT CLASS FROM TAXPAYERS. SO, WHEN YOU AND I PAY OUR WATER AND SEWER BILLS, THEY ARE GOING INTO A SEPARATE FUND THAN A TAX FUND. FEES PAID FOR WATER AND SEWER CANNOT SUBSIDIZE ANY GENERAL ADMINISTRATION FOR THE CITY. AND SO, THEREFORE, IF YOU CAN'T COORDINATE THE WORK TO THE EXPENSE, IT'S NOT JUSTIFIED, BECAUSE IT THEN LOOKS LIKE A SUBSIDY TO THE CITY, WHICH IS WHY YOU WOULD LIKE TO USE THAT EXAMPLE FROM THE FINANCE ADMINISTRATION. THERE IS NO WAY THAT THAT FEE INCREASE TO 300% OVER EIGHT YEARS, BECAUSE YOU HAVE THE EXACT SAME AMOUNT OF CUSTOMERS. AND THAT ALSO SAYS THAT NO ONE WAS GRANTING IN THE OVERSIGHT TO THE ENTERPRISE FUNDS WHATSOEVER, BECAUSE IF YOU ARE RUNNING A BUSINESS AND YOU HAVE AN EXPENSE THAT WENT UP, TRIPLED, OVER EIGHT YEARS WITH NO INCREASE OF SERVICE, YOU WOULD SAY, THERE IS A PROBLEM GOING ON, HERE. SO, EVEN THOUGH WE HAVE BEEN PAYING FOR A CITY MANAGER AND CITY COUNCIL TIME, THERE HAS BEEN ZERO OVERSIGHT.

I JUST WANT THE CLARITY ABOUT THE TIERED RATES.

SO, TIERED RATES --

SO, YOU SAID YOU HAD 12 RECOMMENDATIONS, BUT FOUR WERE YOUR TOP PRIORITIES AND ONE OF THOSE WAS THE TIERED RATES, BECAUSE THAT'S THE PART I WANT TO UNDERSTAND.

EXACTLY. BECAUSE I BELIEVE THEY ARE ILLEGAL BECAUSE THERE IS NO DATA TO BACK THEM UP, SO YOU RUN THE RISK OF A CLASS-ACTION LAWSUIT BECAUSE YOU ARE RUNNING WATER FEES THAT HAVE NO DATA TO BACK THEM UP.

SO, COULD WE GET A COMMENT FROM OUR ATTORNEY, ON THE TIERED RATES, AND THE LEGALITY OF THE TIERED RATES, PLEASE? THE TIERED RATES.

YES, THAT IS CORRECT, THAT TIERED RATES, IF THERE ARE DIFFERENCES IN RATES, THEY NEED TO REPRESENT DIFFERENCES IN THE COST OF PROVIDING THAT SERVICE, SO THE HIGHER RATE SHOULD BE BASED ON, YOU KNOW, FOR EXAMPLE -- NOT SAYING THIS IS WHAT IS IN OUR RATE STUDY -- BUT, FOR EXAMPLE, THE CITY NEEDS TO PURCHASE ADDITIONAL WATER TO MEET THE HIGHER DEMAND. AND THAT IS WHY A DIFFERENT TIER HAS A HIGHER RATE, BECAUSE THERE ARE COSTS ASSOCIATED WITH THAT HIGHER RATE.

AND WE ARE NOT PURCHASING WATER, CORRECT?

THAT WAS JUST A --

I WAS JUST POINTING THAT OUT.

THAT WAS JUST AN EXAMPLE OF HOW WE STRUCTURE TIERED RATES.

SO, IN YOUR OPINION, ARE THE TIERED RATES ILLEGAL?

I'M NOT GOING TO MAKE THAT IN THIS MEETING. I WAS NOT HERE WHEN WE REVIEWED OUR EXISTING -- YOU KNOW, WHEN THAT RATE STUDY WAS APPROVED. CERTAINLY, IF THE COUNCIL WANTS ME TO LOOK AND REVIEW THAT, THAT IS SOMETHING I CERTAINLY CAN DO.

IT SEEMS TO ME, THAT IF YOU TAKE AWAY THE TIERED RATES, THEN YOU ACTUALLY NEED TO DO A FULL ON NEW RATE STUDY. YOU CAN'T JUST TAKE AWAY THE TIERED RATES WITHOUT DOING A NEW RATE STUDY, BECAUSE IT WILL AFFECT THE RATES, WHICH COULD AFFECT INFRASTRUCTURE REPAIRS, ET CETERA. SO, TO ME, THAT SEEMS IMPORTANT TO RECOGNIZE.

TO MEET THE COSTS IN THE STUDY, YOU WILL PRESUMABLY NEED TO RAISE THE LOWER RATE BECAUSE YOU ARE NO LONGER GETTING THAT REVENUE FROM THE HIGHER TIERS, SO YOU WOULD NEED TO RAISE THE BASE RATE.

GOING BACK TO WHAT WE DID PREVIOUS, BEFORE THESE TIERED RATES. LIKE, IT WAS AN AVERAGE RATE, RIGHT? GO AHEAD.

CAN I INTERJECT? WHAT WE ARE PROPOSING, JUST TO CLARIFY, IS TO STOP THE TIERED RATES AND JULY INCREASES UNTIL TIME TRACKING CAN BE DONE AND AN ACTUAL RATE STUDY, BASED ON ACTUAL EXPENSES THAT ARE REAL AND JUSTIFIED BY DATA AND ALSO INCORPORATING THE WATER MASTER PLAN UPDATE, AND ALSO ANY REFUNDS THAT MIGHT BE COMING BACK TO THE ENTERPRISE FUNDS DUE TO A GRAND JURY REPORT. SO, ONE LEGAL WAY THAT YOU CAN INCREASE RATES IS DURING PG AND A PEAK TIMES, WHICH IS 4 A.M. TO 9 A.M. EVERY DAY BECAUSE PG&E INCREASES THEIR RATES AT THAT POINT AND THAT IS SOMETHING THAT YOU CAN TRACK AND IS JUSTIFIABLE.

I -- THIS ALL SPARED A QUESTION FOR ME. SO, YOU SAID YOU HAD 12, RIGHT? 12 PRIORITIES?

CORRECT.

WHAT DID YOU UTILIZE TO NARROW IT DOWN TO FOUR AND ARE WE MISSING ANYTHING IN THERE THAT IS IMPORTANT?

I, PERSONALLY, THINK ALL 12 ARE IMPORTANT, BUT WE WERE ASKED TO NARROW IT DOWN TO FOUR, WHICH IS WHAT WE DID, BECAUSE WE FEEL THIS IS THE MOST IMMEDIATE REMEDY TO BOTH RATEPAYERS, AND ALSO ROUSED THE CITY SOME WIGGLE ROOM, IN TERMS OF -- SO, FOR INSTANCE, REFUNDING THE EXCESS OF ATTORNEY'S FEES, IF WE DO REMOVE THE TIERED RATES, TO PROVIDE SOME CUSHION IN THE WATER FUND, FOR INSTANCE. SO, BUT, YEAH, I MEAN, WE HAVE SPENT A LOT OF TIME PUTTING A LOT OF RECOMMENDATIONS TOGETHER WITH A LOT OF INFORMATION. THERE IS A LOT OF INFORMATION ABOUT THE SISTER COLÓN. THERE IS ZERO DUE DILIGENCE DONE ON THAT AND IT BURDENED THE RATEPAYERS WITH A 75% OF THE LOAN REPAYMENT WITH NO REAL BENEFIT TO THE RATEPAYERS, WHATSOEVER. THAT WAS NEVER EVEN SENT OUT FOR AN RFP BECAUSE IT WAS DONE UNDER KIND OF A STATE LAW THAT ALLOWS CITIES TO NOT GO OUT FOR AN RFP IF IT IS, YOU KNOW, AND I CAN SHAVING THING. I, PERSONALLY, THINK THE CITY SHOULD GO BACK AND TRY TO GET THEIR MONEY BACK, BECAUSE THEY PAY -- YOU GUYS PAID DOUBLE FOR YOUR SMART METERS AND SPRINGWATER SPRINGS DID FOR A SIMILAR SERVICE. SO, THERE IS A LOT OF ISSUES THAT HAVE KIND OF HISTORICALLY GONE AWRY BECAUSE THERE HAS BEEN NO OVERSIGHT. SO, ALL I CAN SAY IS THAT, YOU KNOW, THE 12 RECOMMENDATIONS, WE FEEL THAT THEY

ARE ALL VERY VALID AND THAT WE GAVE IT -- IF YOU READ THE STAFF REPORT, WE ACTUALLY GAVE A TIMELINE, THE FIRST SIX MONTHS AND THE SECOND SIX MONTHS. AND -- GO AHEAD.

SO, AS A RATEPAYER IN SEBASTOPOL FOR MANY, MANY YEARS, I DON'T WANT TO OVERPAY, EITHER. SITTING HERE ON CITY COUNCIL, I WEAR A DIFFERENT HAT, AND I HAVE BEEN TOLD THAT COST ALLOCATIONS, WHICH WE HAVE BEEN INSTRUCTED TO FOLLOW FROM CONSULTANTS, IS THE STANDARD IN CALIFORNIA FOR UTILITIES. SO, I AM LEARNING, TOO. THIS IS A PRESENTATION TONIGHT. I APPRECIATE THE WORK THAT YOU ALL HAVE DONE, BUT I ALSO JUST WANT TO UNDERSTAND MORE FROM A WIDE VARIETY OF SOURCES SO THAT WE CAN FIGURE OUT WHAT THE BEST THING IS FOR OUR COMMUNITY, AND WHETHER, AS YOU HAVE KIND OF ALLUDED TO, OR THE GRAND JURY, WHETHER WE HAVE DONE SOMETHING WRONG. BECAUSE, OBVIOUSLY, WE HAVE -- I MEAN, YOU DON'T REALLY HAVE TO REPLY, BECAUSE I ALSO WANT -- YOU ARE PRESENTING AS A COMMITTEE, SO I DON'T WANT IT TO BE ONE-SIDED AND PUT ANYBODY ON THE SPOT.

YEAH, YEAH. THERE IS NO OVERSIGHT, WHATSOEVER, OF THE WATER AND SEWER ENTERPRISE FUND, WHICH IS WHY THE PLEASANT HILL LOOP -- WHICH WAS LISTED IN THE WATER MASTER PLAN IN 2005 -- WAS NEVER COMPLETED, AND IT IS 21 YEARS LATER, AND IT IS A CRITICAL PIECE OF WATER INFRASTRUCTURE, BECAUSE IF THERE IS A BREAK IN THE MAIN, THAN 75% OF THE CITY LOSES ITS WATER. SO, WHILE COUNCIL HAS MANY, MANY HATS TO WEAR, ONE OF THEM DOESN'T APPEAR TO BE OVERSIGHT OF THE WATER AND SEWER FUNDS, OR THE CAPITAL IMPROVEMENTS. SO, I HOPE THAT YOU GUYS TAKE THIS SERIOUSLY, BECAUSE THERE ARE SEVERAL INFRASTRUCTURE ISSUES THAT ARE ACTUALLY QUITE CRITICAL, INCLUDING, LIKE, SEISMIC RETROFITTING OF OUR WATER STORAGE TANKS. SO, ANY OTHER QUESTIONS?

YEAH, I HAD ONE MORE, AND ANYONE FROM THE COMMITTEE -- WHAT ARE YOUR NEXT STEPS? YOU HAVE PUT THIS TOGETHER, YOU HAVE PRESENTED IT TO US, BUT AS A COMMITTEE, WHAT ARE YOU --

I AM GOING TO EMAIL MARY TOMORROW AND SEE IF WE CAN GET A MEETING BEFORE AUGUST AND THAT IS OUR NEXT STEP.

OKAY, I JUST WANT TO UNDERSTAND --

IT IS MORE -- UNFORTUNATELY, OUR PURVIEW, OUR POWER IS VERY LIMITED, RIGHT? WE CAN ONLY MAKE RECOMMENDATIONS, JUST LIKE THE GRAND JURY CAN ONLY MAKE A RECOMMENDATION TO YOU.

RIGHT.

I MEAN, IT SEEMS -- SO, IT IS MORE UP TO YOU GUYS KIND OF TAKING RESPONSIBILITY AND MOVING FORWARD WITH SOME OF THESE STEPS. I MEAN, NUMBER ONE IS TIME TRACKING. I MEAN, WHAT MODERN COMPANY OR ORGANIZATION DOES NOT TRACK TIME? I MEAN, IT'S STANDARD. ANY CONSULTANT TRACKS TIME.

OKAY.

SO, I MEAN, THAT WOULD BE MY NUMBER ONE THING AND YOU ALL ARE ALREADY USING A SOFTWARE PROGRAM THAT INCLUDES A TIME TRACKING MODULE. SO, YOU KNOW, THAT PART OF IT SEEMS PRETTY EASY. SO, THAT'S MY FINAL -- YEAH.

OKAY. THANK YOU SO MUCH. TRULY APPRECIATE ALL THE WORK. DID YOU -- ANYONE ELSE -- DID YOU HAVE ANOTHER -- YOU LOOK LIKE YOU WERE GOING TO SAY SOMETHING.

YEAH, I THINK THIS IS -- I THINK THE CITY MADE A MISTAKE BY NOT DOING A COST ALLOCATION PLAN FOR, I DON'T KNOW HOW MANY YEARS IT WAS THAT THEY DIDN'T DO IT, AND THAT HAS KIND OF GOTTEN US INTO THIS MESS, BUT I DON'T THINK IT WAS ANYTHING NEFARIOUS, OR INTENTIONAL. THE CITY HAS RELIED ON, LIKE COUNCILMEMBER HINTON WAS SAYING, CONSULTANTS WHO DO THIS WORK, TO DO THE COST ALLOCATION PLAN. AND, UNFORTUNATELY, THERE WAS A LAG IN TERMS OF, IT DIDN'T GET DONE SOON ENOUGH TO CATCH SOME OF THIS. AND THE CITY IS WORKING TO MAKE CORRECTIONS. THE CITY HAS PULLED TOGETHER THE ENTERPRISE OVERSIGHT COMMITTEE. WE HAVE MADE ADJUSTMENTS TO THE BUDGET. WE HAVE MADE ANOTHER ADJUSTMENT THIS YEAR, ALL THE COST ALLOCATION PLAN IS BASED ON THE FINANCES FROM TWO YEARS AGO, AND I THINK THE CITY IS MAKING AN EFFORT TO MAKE A CORRECTION AND -- BUT, I DON'T LIKE TO SEE THE CITY BEING LOOKED AT AS IF THEY

ARE DOING SOMETHING NEFARIOUS, BECAUSE I DON'T THINK THAT IS IT, AT ALL. THANK YOU.

GO AHEAD.

IT'S TO A COMMENT, IT WASN'T JUST THE CONSULTANTS, WE DO RELY ON STAFF, RIGHT? WE PAY THEM A GOOD SALARY. WE ARE RELYING ON THEIR EXPERTISE. AND FROM MY UNDERSTANDING, BASICALLY JUST GETTING ONTO CITY COUNCIL, I REMEMBER LARRY McLAUGHLIN, NEVER HAVING AN ATTORNEY, GENERAL MANAGER, SPECIFICALLY ASKED THE QUESTION, EXCEPT WHY DIDN'T YOU GO IN FOR AN EARLIER, UPDATED COST ALLOCATION PLAN? I REMEMBER HIM GOING ONLINE, ON TAPE, I'M SURE IT'S SOMEWHERE, IT WAS NOT NECESSARY. SO, AGAIN, I'M HAPPY TO TAKE OWNERSHIP, TOO, BUT I ALSO WANT TO MAKE SURE EVERYONE UNDERSTANDS, ANYONE CAN SIT ON THIS SEAT BUT I THINK WE HAVE A RIGHT TO RELY ON FULLY EDUCATED STAFF AND THEIR RECOMMENDATIONS TO US, SO THAT IS MY POINT, WHERE IS LIKE, MAYBE WE SHOULD REACH OUT AND AGAIN FIND OUT FROM THAT FORMER STAFF WHY HE THOUGHT GOING 20 YEARS WITH AN OLD, OUTDATED STUDY WAS THE WAY TO GO. SO, THAT -- I JUST WANT TO MAKE SURE I PUT THAT OUT THERE.

GO AHEAD.

I JUST WANT TO TELL THE PIRATES THAT WE ARE WRITING THE SHIP. ALL RIGHT, SO, IT'S VERY DIFFICULT TO GO INTO THE PAST. IS MY MIC WORKING?

YES, IT IS.

IT'S VERY DIFFICULT TO GO TO THE PAST. WHAT WE HAVE NOW, IS CLEAR SITES. WE HAVE VISION, WE UNDERSTAND HOW TO GO FORWARD IN A MUCH BETTER WAY, AND TO DO ANYTHING SUDDEN WOULD BE QUITE A SHOCK TO THE BUDGET OR ANYTHING LIKE THAT, BUT NOW THAT WE UNDERSTAND A LITTLE BIT BETTER, YOU KNOW, NOW THAT WE HAVE AN OVERSIGHT COMMITTEE THAT IS HELPING US OUT, WE CAN GO FORWARD IN A BETTER WAY, AND I DON'T THINK THAT THIS WILL BE SOMETHING THAT WE CAN DO OVERNIGHT OR IN ONE YEAR, BUT I DEFINITELY THINK IT IS SOMETHING THAT WE CAN STUDY, AND GET VERY INVOLVED WITH, AND SLOWLY INCREMENTAL CHANGE THAT NEEDS TO HAPPEN.

OKAY. ANYONE ELSE? OKAY. I HAVE A COMMENT. YOU KNOW, LOOKING BACK, I AM ONE OF THE PEOPLE WHO FOUGHT HARD AGAINST THESE TIERED RATES. I WAS ABSOLUTELY, ADAMANTLY OPPOSED TO IT AND FOUGHT VERY HARD WITH THIS, IT WAS A SPLIT COUNCIL WHEN ALL OF THIS HAPPENED BECAUSE I WAS NOT SUPPORTIVE OF IT, BECAUSE I DID NOT BELIEVE THAT IT WAS ACTUALLY FAIR, OR LEGAL TO THE REST OF THE RESIDENCE, ESPECIALLY PENALIZING FAMILIES, AND EVERYONE ELSE, YOU KNOW, WHO MIGHT USE, YOU KNOW, SUDDENLY BUMP UP TO THAT NEXT YEAR. I MEAN, I SEE IT IN MY BILL EVERY DAY, I HAVE A KID WHO TAKES TWO LONG SHOWERS. BUT, SO, I WAS ADAMANTLY OPPOSED TO THAT, AND I ALSO, JUST -- YOU KNOW, IN OUR LAST VOTE, A LOT HARDER FOR US TO DO TRACKING AND MORE DUE DILIGENCE WITH ACTUAL COSTS VERSUS ALLOCATION. BUT, I AM ONLY ONE VOICE AND I WAS VOTED DOWN, BUT I JUST WANT TO SAY, THANK YOU TO THE COMMITTEE FOR DOING THIS WORK, BECAUSE I TRULY BELIEVED, YOU KNOW, WE DO HAVE TO RELY ON STAFF TO DO THINGS, BUT I ALSO THINK THAT AS WE SIT UP HERE AND GET ELECTED AND PROMISED THE PEOPLE, THE RESIDENTS, HERE, THAT WE WILL FIGHT FOR YOU. SO, I AM GOING TO SPEND SOME MORE TIME ON THIS AND FIGURE OUT IF WE NEED TO BRING SOMETHING BACK OR WHAT WE NEED TO DO, BECAUSE THIS STILL IS JUST A THORN IN MY SIDE EVERY DAY BECAUSE I'M FIGHTING SO HARD AGAINST IT, SO I BELIEVE THAT I WOULD PREFER TO SEE US BACK DOING THE RATES THE WAY WE DID IN THE FIRST PLACE, WHICH WAS EQUAL ACROSS THE BOARD, SO, ANYWAYS, THOSE ARE MY COMMENTS FOR NOW, AND I JUST REALLY APPRECIATE EVERYONE GETTING INVOLVED WITH THIS. I REMEMBER TALKING ABOUT THIS WHEN I RAN, FOUR YEARS AGO. SO, HERE WE ARE, AGAIN, IN ANOTHER ELECTION SEASON. SO, ANYWAYS, THAT'S ALL THE COMMENTS I HAVE. MARY, YOU JUST NEED US TO RECEIVE THIS, AND --

YES, THIS IS AN INFORMATIONAL ITEM.

OKAY. OKAY. ALL RIGHT. WELL, THEN, WE ARE GOING TO MOVE ON. THANK YOU, AGAIN, EVERYONE.

I NEED A MOMENT.

OKAY, SURE.

SO, SURE. WE NEED TO TAKE A BIO BREAK FOR FIVE MINUTES, SO, LET'S SEE. WE WILL BE BACK AT 7:50. THANK YOU.

THE RECORDING HAS STOPPED.

OH! LET'S LOOK HERE, AND SEE. I DON'T KNOW, ARE THEY -- IT DOESN'T CLOSE UNTIL 8:00, RIGHT? OR, DID IT CLOSE AT 7:00? YEAH, THEY WILL POST WHAT THEY HAVE, SO FAR. SO -- ARE WE --

THIS MEETING IS BEING RECORDED.

IS IT OKAY IF WE MOVE ON TO THE OTHER ITEMS, SO WE CAN GET OUT OF HERE BEFORE MIDNIGHT? ALL RIGHT, SO, WE ARE BACK AT THE DAIS HERE FOR OUR NEXT ITEMS, WE ARE STILL ON THE INFORMATIONAL PRESENTATION ITEMS. WE HAVE NUMBER SIX, CALPERS PENSION OBLIGATION UPDATE. INFORMATION PRESENTATION FROM NHA TO UPDATE THE CITY COUNCIL ON THE CITY PENSION OBLIGATIONS. AND I BELIEVE, ADMINISTRATIVE SERVICES, ANNA, YOU ARE DOING THIS?

YES, THANK YOU, MADAM MAYOR. MIKE MEYER IS FROM NSA AND HE MANAGED THE FISCAL AND SUSTAINABILITY GROUP AND HAS WORKED WITH 150 CITIES ON PENSION STRATEGY AND POLICY DEVELOPMENT AND MIKE AND HIS TEAM HAVE HELPED THE CITY A FEW YEARS BACK. IF YOU RECALL, WE CALLED TOGETHER WITH THE COMPREHENSIVE FISCAL SUSTAINABILITY PROJECTS, AND HE IS ON ZOOM TO UPDATE THE COUNCIL TONIGHT, REGARDING THE UNFUNDED PENSION LIABILITY. SO, I WILL TURN THAT OVER TO YOU, MIKE.

MIKE, THANK YOU FOR COMING HERE. I WOULD LIKE TO REMIND YOU THAT WE TRY TO KEEP OUR PRESENTATION AT 10 MINUTES. SO --

YES, MIKE IS WELL AWARE. THANKS.

THANK YOU, AND GOOD EVENING, MAYOR AND HONORABLE CITY COUNCILMEMBERS. I AM GOING TO SHARE THE PRESENTATION, HERE. IF THERE IS ANY AUDIO OR VISUAL ISSUES, JUST LET ME KNOW. I WILL SKIP OVER THE INTRODUCTION, SO THANK YOU FOR THAT, ANNA. AS YOU RECALL IN THE AGENDA PACKET, WE HAVE A PRETTY ROBUST PRESENTATION, IT'S ABOUT 30-40 SLIDES, AS WELL AS A STAFF REPORT THAT TRACKS SOME OF THE INFORMATION. I WILL HIT SOME OF THE KEY HIGHLIGHTS TO KEEP IT UNDER 10 MINUTES, BUT OF COURSE, HAPPY TO ANSWER ANY QUESTIONS AT THE END RELATED TO ANY OF THE INFORMATION IN THE SLIDE DECK. SO, ONE OF THE REASONS WE ARE HERE TONIGHT IS TO PROVIDE THE UPDATE, IT HAS BEEN QUITE A FEW YEARS SINCE THE CALPERS SITUATION, THE CITY CURRENTLY HAS A \$17.2 MILLION UNFUNDED ACCRUED LIABILITY WITH CALPERS, SO THAT IS THE DEPTH YOU HAVE WITH CALPERS. GOOD NEWS IS, THAT NUMBER, WE PROJECT, WILL COME DOWN WHEN THE NEW REPORTS ARE RELEASED LATER THIS SUMMER AND THAT IS BECAUSE THEY BEAT THEIR TARGET RATE FOR INVESTMENT RETURNS LAST FISCAL YEAR, WHEN THEY EARNED 12.1%. AS YOU ARE PROBABLY AWARE, THE CITY HAS BEEN VERY PROACTIVE, IN TERMS OF GETTING AHEAD OF RISING PENSION COSTS. YOU HAVE SET ASIDE FUNDS IN THE PENSION ACCOUNT AS WELL AS THAT 115 TRUST, TOTALS ABOUT \$3.2 MILLION, THERE. SO, OUR OBJECTIVE WITH THIS PRESENTATION WAS REALLY TO PROVIDE A MYRIAD OF SCENARIOS, IN TERMS OF USING MORE OR LESS OF THE TRUST TO HELP ALLEVIATE THE BURDEN OF RISING PENSION COSTS ON THE GENERAL FUND, AND HOPEFULLY, THAT WILL HELP GUIDE THE COUNCIL AND STAFF ON NEAR-TERM AND LONGER-TERM BUDGET DECISIONS AND POLICY. JUST TO DEFINE WHAT THE UAL IS, IT IS THE DIFFERENCE BETWEEN THE ACCRUED LIABILITY, WHICH IS WHAT YOU WOULD NEED IN YOUR ACCOUNT TO BE FULLY FUNDED, 100% FUNDED, AND THAT NUMBER IS SHOWN IN THE NAVY BLUE ON THE RIGHT, THERE. VERSUS WHAT YOU ACTUALLY HAVE IN ASSETS BEING INVESTED BY CALPERS AND THAT IS THE DARK GRAY BAR, SO THAT DIFFERENCE IN THE LIGHT GRAY IS YOUR DEBT WITH CALPERS, THEY CHARGE YOU A 6.8% INTEREST RATE ON THAT DEBT AND DESPITE THE SHEER MAGNITUDE OF THAT DEBT -- WHICH IS LARGE FOR ALL AGENCIES ACROSS THE STATE -- IS THE REQUIRED REPAYMENT SCHEDULE ON THAT. SO, IT'S NOT AS SIMPLE AS A LEVEL PAYMENT LIKE YOUR 30 YEAR MORTGAGE ON YOUR HOUSE. IT'S ACTUALLY, YOU KNOW, CLOSE TO 70 DIFFERENT MORTGAGES, THEY ALL HAVE DIFFERENT TERMS, SO WHEN YOU STACK THEM ALTOGETHER, THAT IS WHAT THE CITY PAYS EACH YEAR TO CALPERS AND IT IS VERY IRREGULAR, SO IT MAKES BUDGETING QUITE CHALLENGING. SLIDE HERE ON NINE SHOWS A SEVEN YEAR HISTORY OF THE UAL, AND REALLY WANT TO HIGHLIGHT HOW VOLATILE

THIS NUMBER IS, AND IT IS QUITE DEPENDENT ON HOW CALPERS DOES WITH THEIR RETURNS AND THE STOCK MARKET, IN GENERAL. SO, IF YOU LOOK AT THE FAR LEFT, IN 2019, CITY HAD A \$13.8 MILLION UAL. IT CAME DOWN QUITE A BIT IN 2021, DOWN TO \$10.5 MILLION. AND THAT IS BECAUSE, IF YOU LOOK AT THE BOTTOM, THERE, CALPERS EARNED OVER 22% THAT YEAR. HOWEVER, IF YOU JUST GO TO RIGHT IN THE MIDDLE, THERE, IN 2022, THEY LOST -7.5% WITH THEIR INVESTMENT, SO THAT UAL SPIKED UP TO \$16.6 MILLION. IT HAS HOVERED BETWEEN \$17 MILLION AND \$18 MILLION THE LAST COUPLE OF YEARS, BUT AS I MENTIONED BEFORE, WE DO PROJECT THAT TO GO DOWN CLOSER TO \$15 MILLION. IN OTHER GOOD NEWS, CALPERS IS ON TRACK AGAIN TO BEAT THEIR TARGET RETURN. SO, HOPEFULLY IN A YEAR OR SO, WE WILL SEE THAT \$15 MILLION NUMBER GO DOWN, AS WELL, BUT WE WON'T KNOW THOSE TERMS UNTIL JUNE 30th OF THIS YEAR. CHART HERE ON 10 I THINK IS VERY ILLUSTRATIVE OF HOW CHALLENGING THESE -- THE REPAYMENT OF THAT UAL DEBT HAS BEEN ON THE CITY'S BUDGET AND WILL CONTINUE TO BE. SO, IF YOU LOOK AT THE FAR LEFT, THERE, THE COMBINED COST THAT THE CITY WAS PAYING TO CALPERS IN 2018 WAS ABOUT \$1.2 MILLION. IF YOU FAST-FORWARD TO THE CURRENT FISCAL YEAR, IT HAS NEARLY DOUBLED, SO IT IS ABOUT \$2.6 MILLION AND THEN MOVING FORWARD, THAT WILL GROW TO OVER \$2.5 MILLION BY THE END OF THE DECADE. SO, WE HIGHLIGHTED THE AMOUNT OF CUMULATIVE COST INCREASES IN THE RED TRIANGLE, IT IS ABOUT \$2.6 MILLION OVER THE NEXT DECADE, OR SO. AND WANT TO REITERATE THIS IS A SNAPSHOT IN TIME, SO EVERY YEAR MOVING FORWARD, THESE BLUE BARS ARE GOING TO CHANGE, BASED ON HOW CALPERS DOES WITH THEIR INVESTMENTS, AS WELL AS ANY OTHER ASSUMPTIONS THAT THEY MAY MAKE. WANT TO ALSO CALL OUT WHAT IS IN BOLD THERE ON THE BOTTOM LEFT, JUST BECAUSE THIS IS A METRIC THAT WE ARE GOING TO CARRY THROUGH THE REST OF THE PRESENTATION, BUT JUST WANTED TO COMPARE HOW LARGE THOSE PENSION RESERVES ARE, AS IT RELATES TO YOUR ANNUAL CALPERS BUDGET. AND THAT IS ABOUT 150%, WHICH IS QUITE STRONG. SLIDE 12 IS A SUMMARY OF ALL THE TOOLS IN THE TOOLKIT THAT AGENCIES HAVE AT THEIR DISPOSAL FOR MANAGING PENSION COSTS. WE ARE GOING TO FOCUS IN ON THAT NAVY BLUE ONE, WHICH IS, BY FAR, THE MOST COMMON STRATEGY, WHICH IS PAYING EXTRA. SO, GOING KIND OF ABOVE AND BEYOND YOUR ANNUAL BILL, WHICH IS WHAT YOU HAVE BEEN DOING IN TERMS OF SETTING ASIDE MONEY INTO THAT 115 TRUST. AND SO, AGAIN, WHAT WE WANTED TO DO, WAS SHOW THE COUNCIL SOME DIFFERENT, SOME BROAD OPTIONS, USING THOSE TRUST MONIES, TO HELP ALLEVIATE THE BURDEN ON THE CITY'S GENERAL FUND AND UTILITY FUNDS TO HELP HANDLE THESE RISING PENSION COSTS. AND SO, SCENARIOS ONE AND FOUR, I WOULD SAY, ARE ON THE MORE AGGRESSIVE SIDE. THEY ASSUME A FULL DEPLETION OF THE TRUST OVER ABOUT A NINE YEAR PERIOD. SO, AGAIN, THE BENEFIT HERE IS THAT YOU ARE REALLY ABLE TO CREATE MORE RELIEF FOR THE CITY'S FUNDS BECAUSE YOU ARE USING MORE OF THE TRUST, THE DOWNSIDE IS THAT YOU ARE LEFT WITH NOTHING IN THE TRUST IN NINE YEARS, AND THAT MIGHT BE SOMETHING TO CONSIDER, GIVEN THAT THERE COULD BE FUTURE ECONOMIC UNCERTAINTY. WE WANTED TO SHOW THE COUNCIL A COUPLE OF OPTIONS THAT ARE A LITTLE MORE CONSERVATIVE. SO, SCENARIOS TWO AND THREE ALSO ASSUME THAT SOME OF THOSE FUNDS ARE USED TO HELP KIND OF SHAPE THAT MOUNTAIN PEAK IN PAYMENTS, BUT WE DID ASSUME THAT YOU MAINTAIN A CERTAIN LEVEL OF ASSETS THROUGH THAT PERIOD TO HELP DEAL WITH FUTURE SHOCK. SO, SCENARIO TWO ASSUMES THAT \$2.2 MILLION IS LEFT IN THE RESERVES AFTER A TEN-YEAR PERIOD, AND THREE ASSUME TO KEEP IT AT THE SAME LEVEL. [CAPTIONERS TRANSITIONING] I'M GOING TO SKIP OVER THESE NEXT FOUR SLIDES BECAUSE THEY ARE ALL SUMMARIZED ON SLIDE 19 HERE. THEY REPRESENT THE CURRENTSCHEDULE WITH CALPERS. EVERYTHING ABOVE THE DOTTED LINES COME IN FROM THE 115 TRUST. YOU LOOK AT THE BOTTOM LINES THERE, THOSE ARE THE MORE AGGRESSIVE SCENARIOS, ONE AND FOUR. BECAUSE YOU'RE USING MORE OF THE TRUST, YOU'RE ABLE TO REALLY BRING DOWN THE NET IMPACT OF THE CITY'S FUNDS DOWN TO 1.2, 1.3 MILLION. THAT'S QUITE A BIT LOWER OF THE CURRENT YEAR BUDGET OF 1.5 MILLION. WHAT WE WOULD SAY IS MORE BALANCED SCENARIOS, NUMBER TWO AND THREE, ARE SHOWN IN PURPLE AND BLUE THERE AND KEEP THOSE ABOUT THE STATEMENT AS FISCAL YEAR 2026 LEVELS AND ABOVE THAT YOU ARE USING 115 TRUST MONIES WHEN YOU SEND THAT BILL TO

CALPERS. SO THERE IS NOT A RIGHT ANSWER HERE. OUR GOAL IS TO PROVIDE THE COUNCIL WITH OPTIONS AND THINGS TO THINK ABOUT MOVING FORWARD IN TERMS OF THE CURRENT BUDGET CYCLE GIVEN ALL THE SCENARIOS. IF YOU LOOK AT THE WITHDRAW FROM THE TRUST FOR THE NEXT FISCAL YEAR THEY ARE DIFFERENT BY HUNDREDS OF THOUSANDS OF DOLLARS AND THAT'S A SIZEABLE IMPACT ON THE BUDGET DECISIONS. THE TABLE ON SLIDE 20 SOME OF THE BACKUP ON THE CHARTS I THINK THE SECOND ROW IS A GOOD COMPARISON THAT SHOWS SCENARIOS ONE AND FOUR THAT YOU GET THE MOST COST REDUCTION B 4 MILLION OVER FIVE AND 10 YEARS AND 2.3 IN SCENARIO TWO BUT THE TRADE OFF UNDER SCENARIOS TWO AND THREE YOU DOMAIN TAKEN A SIZEABLE AMOUNT IN THAT TRUST SO THE REMAINING BALANCE IS SHOWN IN THE FOURTH ROW THERE, 2.2 MILLION TO 3.3 MILLION FOR SCENARIOS TWO AND THREE. SO TO WRAP IT UP, AS YOU ARE WELL AWARE, THE CITY HAS BEEN QUITE PROACTIVE IN DEALING WITH RISING PENSION COSTS. I KNOW IT HAS HISTORICALLY PREPAID THE UAL EACH YEAR WHICH DOES SAVE MONEY IN THE BUDGET, CLOSE TO 50,000 FOR FISCAL YEAR '26. THE 115 BALANCE IS QUITE STRONG AS IT RELATES TO YOUR ANNUAL BUDGET FOR CALPERS. SO BECAUSE OF THAT IN OUR OPINION I DO THINK USING SOME OF THOSE RESERVES IS JUSTIFIED, OBVIOUSLY UP TO THE CITY COUNCIL AND STAFF ON HOW MUCH, AND THAT COMES DOWN TO OTHER BUDGETARY CONSTRAINTS AND OTHER PRIORITIES AS WELL. SO ON THE THIRD BULLET THERE, I WANT TO BE CLEAR THAT OPTIONS ONE AND FOUR, THE MORE AGGRESSIVE SCENARIOS DO CALL FOR WITHDRAW, THE NEXT FISCAL YEAR OF OVER 400,000 AND ON AVERAGE, 450,000 OVER THE NEXT DECADE. OBVIOUSLY, IF THE CITY IS ABLE TO MEET ITS '27 OBLIGATIONS TO CALPERS WITHOUT DIPPING INTO THE TRUST, THAT COULD BE A PROVEN DECISION THAT ENSURES YOU'RE MAXIMIZING THOSE ASSETS FOR THE FUTURE. BUT IF YOU ARE DEPENDENT ON DIPPING INTO THAT TRUST THE NEXT BUDGET CYCLE, DEFINITELY MIGHT WANT TO CONSIDER OPTIONS TWO AND THREE OR SOME VARIATION OF THOSE GIVEN THAT THOSE ARE A MORE BALANCED APPROACH USING SOME OF THE FUNDS FOR BUDGET RELIEF BUT ALSO ENSURING THAT YOU KEEP MONEY IN THERE TO DEAL WITH FUTURE UNKNOWNNS SUCH AS A STOCK MARKET DOWNTURN. THERE'S LEGISLATION WORKING THROUGH THE SYSTEM RELATED TO PENSIONS AS WELL THAT COULD DRIVE UP COSTS IN THE FUTURE. SO YOU JUST NEVER KNOW WHAT WILL HAPPEN WITH CALPERS. THEN VERY LAST LOW AS I MENTIONED BEFORE THIS UAL DOES CHANGE EVERY SINGLE YEAR SO IT'S IMPORTANT TO REVISIT IT EVEN IN A VERY SIMPLE WAY EACH BUDGET CYCLE BECAUSE THOSE CHARTS WE LOOKED AT BEFORE WILL BE CHANGING SLIGHTLY FROM YEAR TO YEAR. AND AGAIN WE ARE NOT AN INVESTMENT ADVISER. I WANT TO GO ON RECORD SAYING THAT, AND I KNOW THE NEXT PRESENTATION IS DONE BY YOUR INVESTMENT ADVISER BUT IT'S JUST VERY IMPORTANT THAT IF YOU ARE LOOKING AT A STRATEGY THAT ASSUMES SPECIFIC AMOUNTS OF WITHDRAWALS OR THAT YOU HAVE GOALS IN MIND IT'S VERY IMPORTANT TO BE SHARING THAT INFORMATION WITH THEM BECAUSE THEY'LL BE ABLE TO TAKE THAT AND OPTIMIZE YOUR INVESTMENT TO MAXIMIZE EARNINGS WITHIN SOME OF THOSE CONSTRAINTS. SO WITH THAT I WILL STOP AND OPEN IT UP TO QUESTIONS.

ALL RIGHT. GO AHEAD, COUNCILMEMBER .

THANK YOU. I WAS CONFUSED ON THIS WHOLE AGENDA ITEM ABOUT WHAT WE WERE TASKED TO DO SO I SENT AN EMAIL TO MARY. WHEN I READ WAS WE WERE SUPPOSED TO COME PREPARED TO OFFER UP OUR THOUGHTS ON SCENARIOS -- WHAT I READ WERE TWO AND THREE BUT APPARENTLY, IT'S TWO OR THREE AND MAYBE WE DON'T REALLY HAVE TO WEIGH IN THAT MUCH AND WE DEFINITELY DON'T HAVE TO WEIGH IN NOW WITH OUR TIMING OF WHEN WE SHOULD. BUT I JUST WANT TO CLARIFY FROM STAFF, WHAT WAS YOUR EXPECTATION FROM TONIGHT WHERE WE ARE IN THE BUDGETARY PROCESS? SO THE ITEM TONIGHT WAS TO GIVE YOU THE INFORMATION, WHETHER OR NOT DEPENDING ON THE BUDGET WHICH WAS THE NEXT ITEM, WHETHER OR NOT THE COUNCIL WANTED US TO CONSIDER US TO REVIEW THIS AM SO IT'S INFORMATION TONIGHT. AS WE LOOK AT THE TWO ITEMS AS MIKE STATED OPTIONS ONE OR THREE WOULD BE THE RECOMMENDATION. WE ARE NOT SURE WHERE THE BUDGET GOES TONIGHT IF WE EVEN WANT TO DO THAT. SO JUST TO HAVE IT IN THE BACK OF YOUR MIND AS WE GO INTO THE BUDGET HEARING, THE OVERALL BUDGET THAT THIS IS AN OPTION. IF THE COUNCIL WANTED DURING THE BUDGET HEARING TO SEE WHAT IT

LOOKED LIKE WE WOULD BRING IT BACK AS AN AGENDA ITEM AT THE NEXT MEETING IF YOU WANTED TO CONSIDER ONE OF THOSE OPTIONS BUT AS OF NOW WE HAVE NOT INCLUDED THAT INTO THE BUDGET BUT IF THE COUNCIL WANTED TO LOOK AT THE WITHDRAW THAT IS SOMETHING WE COULD CONSIDER DURING THE BUDGET PORTION OF IT. THIS IS TO PROVIDE INFORMATION AS WE GO INTO THE BUDGET PRESENTATION. I HAVE A COUPLE OF OTHER QUESTIONS. I'LL WAIT.

GO AHEAD, VICE MAYOR.

THE BUDGET COMMITTEE RECOMMENDED THIS IN THE MIDDLE OF MAY WOULD NOT 150 TO 232,000 A YEAR TO PAY BACK SOME OF THOSE PENSION COSTS, AND THAT THAT WOULD PRESERVE THE BULK OF THE TRUST SO WE HAVEN'T TAKEN ANYTHING FROM THAT 115 TRUST YET, AND I THINK THAT'S ABOUT -- AT LEAST WE'VE GOT A QUARTER MILLION IN INTEREST. SO FAR, WE HAVE TAKEN NONE, SO FAR. THIS WAS RECOMMENDED BY BOB LELAND TO START DRAWING DOWN THE 115 TRUST. SO OUR RECOMMENDATION WAS TO DO ANYWHERE BETWEEN 115 AND 230 AND THAT WOULD PRESERVE THE INITIAL INVESTMENT.

CAN I IF A FOLLOW-UP QUESTION?

SURE.

SO WOULD IT BE TWO OR THREE? BECAUSE YES, I DID HEAR EARLIER THAT YOU GUYS WERE GOING WITH TWO. I WANT TO DO THREE. SO YOU SAID BETWEEN 115 AND 230. WHICH WOULD THAT FALL UNDER, SCENARIO TWO OR THREE?

IT DEPENDS ON THE YEAR.

OH, SO THEY WOULD BE ONE OR THE OTHER. OKAY.

LIKE THE FIRST YEAR, YOU COULD TAKE MORE BECAUSE YOU HAVEN'T TAKEN ANY FOR A COUPLE YEARS. MAYBE THE NEXT YEAR, I WOULD TAKE THE 150.

OKAY.

LIKE THAT.

OKAY. ANY OTHER QUESTIONS?

I HAVE A QUESTION. SO I JUST WANT TO BE CLEAR BECAUSE IN THE ACT, WE ARE TOO FAR DOWN. MY BUDGET WITH THE BUDGETARY IS THE INCREASED WAGES. IT JUST IS. INCREASED COLA AND INCREASED THIS AND THAT AND I WANT TO LOOK AT WHAT ADVICE WE HAVE FROM THE PAID CONSULTANT ABOUT WHAT IT DO WITH THE UNION WHEN IT COMES TO I WANT MORE MONEY, I WANT MORE MONEY, I WANT MORE MONEY FOR OUR PEOPLE. I THINK OUR PEOPLE SHOULD BE BUMPED UP A CATEGORY. IT'S TOO LATE. WHAT WE OWE THESE RETIREES ARE LOCKED IN. NO GOING BACK IN THE COST SHARING. WE ARE UNDER A FISCAL STATE OF A DECLARATION OF EMERGENCY AND HAVE BEEN FOR YEARS AND WE ARE IN 1.6 MILLION IN EXCESS OF WHAT THE REVENUE IS. THERE IS NO GOING BACK. IT IS DONE. SO GIVEN WHERE WE ARE, WHAT IS YOUR OVERALL ADVICE, MR. CONSULTANT AS VICE MAYOR MAURER PUT FORTH. SHOULD WE WITHDRAW THIS BUDGETARY CYCLE? I WANT TO HEAR FROM YOU BECAUSE WE PAY YOU A LOT OF MONEY AS WELL, SO WHAT IS YOUR ADVICE?

YES. THANK YOU FOR THAT QUESTION. MY ADVICE IS WE DON'T HAVE -- WE'RE HERE TO PROVIDE OPTIONS. WE HAVE A LOT OF CLIENTS AND A LOT OF STATES ARE DRAWING DOWN THE 115 TRUST QUICKLY BECAUSE THEY HAVE CHALLENGES AND OTHER COMPETING NEEDS LIKE CAPITAL INVESTMENTS, AND THEY DECIDE THAT IS MORE IMPORTANT. I THINK WE WANT TO ILLUMINATE THE FACT THAT THERE IS A DOWNSIDE TO DRAWING THE TRUST DOWN TOO EARLY. AS I MENTIONED, WE'RE LOOKING AT A SNAPSHOT IN TIME, SO THE 150 TO 230 NUMBER, THAT'S GOING TO CHANGE EVERY YEAR, AND THAT'S WHY WE WANT TO ENCOURAGE COUNCIL AND STAFF TO LOOK AT THIS AS A PERCENTAGE OF OVERALL BUDGET BECAUSE THAT WILL REALLY TRACK WHAT HAPPENS WITH CALPERS MOVING FORWARD SO WE'RE TALKING ABOUT A \$15 MILLION UAL. IF CALPERS GOES OUT AND HAS A 0% YEAR WITH THEIR EARNINGS AND THAT COULD HAPPEN, AND IT HAS HAPPENED SEVERAL TIMES IN THE PAST YOU MIGHT BE LOOKING AT A \$20 MILLION UAL. IF YOU HAVE DRAWN DOWN YOUR RESERVES TOO QUICKLY YOU WON'T HAVE THE THE AMMUNITION TO DEAL WITH THE SPIKES. OPTIONS TWO OR THREE PROVIDE A NICE BALANCED APPROACH. WE HAVE A LOT OF CLIENTS WITH POLICIES THAT TARGET 100 TO 150% RANGE. WE HAVE SOME THAT ARE HIGHER THAN THAT. WE ARE NOT INVOLVED IN THE BUDGET DECISION CAPITAL PLAN SO WE WANTED TO GIVE THE COUNCIL SOME OPTIONS AND TALK ABOUT THE TRADE-OFF.

WHAT I AM HEARING IS YOU ARE NOT GOING TO MAKE A SPECIFIC RECOMMENDATION FOR US. YOU HAVE NOT SPENT TIME WITH THE BUDGET COMMITTEE. HAVE NOT CRUNCHED OUR NUMBERS. AND IT DOESN'T SOUND LIKE YOU CONSIDER US IN ANY OTHER DIFFERENT CATEGORY THAN THE OTHER 100 CLIENTS YOU HAVE. WE ARE STILL UNDER A STATE OF DECLARED FISCAL EMERGENCY. WITH ALL THAT INFORMATION IT SOUNDS LIKE YOU ARE STILL NOT GOING TO PROVIDE US ANY ADVICE. IT SOUNDS LIKE ON YOUR ANALYSIS YOU WOULD RECOMMEND OPTIONS TWO OR THREE OR STARTING WITH 150 THIS YEAR AND WORKING UP TO 230 AS WE NEED TO IN THE YEARS. IS THAT A FAIR ASSESSMENT OF WHAT I JUST HEARD YOU SAY?

YEAH. WE WERE NOT HIRED TO BE PART OF THE BUDGETARY AND FORECASTING PROCESS. SO I WOULD SAY ALL THOSE OPTIONS ARE DECENT CONSIDERATIONS. IF YOU WERE CONSIDERING PULLING OUT \$2 MILLION OF THE 3.2, THAT MAY FEEL A LITTLE EXTREME BUT OUR FOCUS WAS GIVING THE COUNCIL AN UPDATE ON THE UAL AS WELL AS PROVIDING OPTIONS ON HOW YOU MIGHT WANT TO THINK ABOUT USING THE TRUST. GO AHEAD.

I WANTED TO CLEAR UP CONFUSION. COUNCILMAN ZOLLMAN SAID WE WERE IN A 1.7 MILLION DEFICIT. I SHOULD ASK YOU TO CLARIFY WHAT YOU MEANT BY THAT.

I SAID THAT AT THE END OF THE LAST COUNCIL MEETING BECAUSE THAT'S THE PUBLIC COMMENT BASED ON HIS COMMENT ON THE BUDGET HEARING. SINCE NOW I HAVE HEARD AND READ THE BUDGET WE ARE GOING TO CONSIDER IT'S LIKE A \$900,000 DEFICIT AND WE WILL HEAR A PRESENTATION FROM BOB LEE HAND AND WE ARE 1.3 MILLION ON THE DEFICIT.

FROM THE BUDGET COMMITTEE PERSPECTIVE, ONE MEMBER OF THE BUDGET COMMITTEE I WANT TO GIVE YOU THE PERSPECTIVE. WE HAVE A POLICY RESERVE BETWEEN 15 AND 20% IN THE RESERVE. AT THE END OF THIS YEAR WE HAVE A 1.5 MILLION SURPLUS. SOME OF THAT WAS SLATED FOR ROADS AND SOME DIDN'T GET SPENT YET SO THERE IS SO MECHANISM THAT SHOWS THAT AS REVENUE ON THIS SIDE. SO WHAT HAPPENS IS THERE'S EXPENSES BEING PAID THAT THEN SHOW UP AS A DEFICIT FOR THIS YEAR. LAST YEAR WE HAD A 1.2 MILLION SURPLUS. THIS YEAR WE HAVE A 960,000 DEFICIT. SO AT THE END OF THIS YEAR WE TECHNICALLY HAVE A 36% RESERVE LEVEL. UH-HUH.

AND AT THE END OF THIS FISCAL YEAR WE'LL HAVE A 25% RESERVE LEVEL SO THAT'S STILL 5% OVER WHAT WE HAVE A POLICY SAYING WE SHOULD HAVE. AND THERE WAS OTHER THINGS THAT ACCOUNTED FOR THE SURPLUS BUT IF YOU LOOK AT IN TWO YEARS WE ACTUALLY DO HAVE A BALANCED BUDGET. THIS 1.67 MILLION DOWN IS NOT ACCURATE SO I WANT TO CLARIFY THAT BECAUSE -- AND THE WHOLE POINT ABOUT BEING IN THE STATE OF EMERGENCY -- AND I HAVEN'T BROUGHT THIS BACKUP FOR REVIEW BECAUSE WE DO HAVE A STRUCTURAL DEFICIT. WE HAVE A FINANCIAL STRUCTURAL DEFICIT MOVING FORWARD AND WE NEED TO BE MINDFUL OF ALL DECISIONS.

AND NOT TO GO BACK AND FORTH BUT --

WE VERY ANOTHER COUNCILMEMBER WITH A QUESTION.

I WANTED TO SPEAK TO THE LOGIC OF A MORE CONSERVATIVE APPROACH BETWEEN THE TWO AND THREE OPPOSED TO THE ONE AND THE FOUR. I THINK THERE HAD BEEN SOME ADVICE TO DRAW THAT DOWN TO BE ABLE TO SUB-CLIENT SOME OF OUR BUDGET DEFICIT TO WORKOUT THE REVENUE SIDE BUT THEN WE WOULD MISS THE OPPORTUNITY OF CREATING CAPITAL FROM THAT CAPITAL. AND IF WE DON'T NEED -- IT'S THE COST OF MONEY AND THE OPPORTUNITY COST OF LIKE BEING ABLE TO CREATE WEALTH LIKE IF THE STOCK MARKET GOES UP AND ALL THESE THINGS, THEN IT'S BETTER TO HAVE MONEY MAKING MONEY THAN IT IS TO PAY DOWN THINGS WHERE WE ALREADY HAVE A SAVINGS ACCOUNT. SO IT'S AN OPPORTUNITY TO MAKE MONEY THIS WAY WHICH IS HELPFUL. BUT THERE WILL ALWAYS BE AN OPPORTUNITY TO WITHDRAW MONEY AND OUR OPPORTUNITY TO MAKE MONEY IN THE STOCK MARKET IF NEED BE SO THAT'S WHY I, YOU KNOW, I FEEL LIKE HE CAME TO A MORE CONSERVATIVE PLACE.

I HAVE A QUESTION.

I DO, TOO.

SINCE I HAVEN'T HAD A CHANCE. I WONDER FROM OUR CITY MANAGER WHO YOUR THOUGHTS ARE ON THESE, THE DIFFERENT OPTION IF YOU HAVE ANY.

SO MY RECOMMENDATION -- WELL, MY THOUGHTS, MY OWN PERSONAL THOUGHTS AND WE HAVE MIKE ON THERE AS WELL, BUT FOR ME, BEFORE WE MAKE THAT RECOMMENDATION TO MOVE FORWARD IS TO ACTUALLY GO THROUGH THE BUDGET TO SEE IF THIS IS SOMETHING WE WANT TO DO. I AGREE. I THINK KEEPING IT IN THERE BEFORE WE NEED TO DO IT IS MORE BENEFICIAL TO THE CITY RATHER THAN PULLING IT OUT AND LOOKING AT WHAT BOB FORECAST FOR THE FINANCIAL, I THINK WILL PROVIDE INFORMATION. TONIGHT'S ITEM IS JUST THE BUDGET COMMITTEE DID REVIEW IT. THEY HAVE THE RECOMMENDATION BUT THIS IS TO HAVE YOUR -- THIS IS TO GIVE YOU ADDITIONAL INFORMATION AS WE ARE GOING INTO THE BUDGET. IS THIS SOMETHING YOU WANT TO LOOK AT? IF THERE ARE ADDITIONAL ITEMS IN THE BUDGET SAY, 500,000 TO BE FUNDED, IS THAT WHAT I WANT TO LOOK AT OR THE RESERVES? I AM MORE CONSERVATIVES IF WE COULD KEEP IT IN THERE AND REFER IT THAT WOULD BE MY RECOMMENDATION.

THEY WOULD KEEP US AT WHAT PERCENTAGE?
OF THE RESERVE?

YEAH.

IF WE GO THE WAY THE BUDGET IS RIGHT NOW, .5.

.5.

SO JUST TO BE CLEAR ABOUT MY CONFUSION, ANA SUPPORT AN EMAIL JUNE 1 AT 3:26, A SUMMATIONS OF WHAT WE WILL HEAR FROM BOB LELAND. AT THE VERY BOTTOM FOR NUMBER FOUR, THE CITY'S FINANCIAL FORECAST HIGHLIGHTS SEVERAL IMPORTANT CONCERNS. BOB LELAND WILL PRESENT A SECTION. THE CITY IS EXPECTED TO FACE AN ONGOING ANNUAL SHORTFALL OF 1.4 MILLION ON AVERAGE. SO I'M LIKE THAT TRACKS IN WHAT FORMER MAYOR DIANA RICH AND I HEARD DISCUSSED WITH THE MEMBERS OF THE STAFF THAT WE ARE REALLY BURNING THROUGH \$1.6 MILLION A YEAR IN EXCESS MUCH OUR FORESEEABLE REVENUE. AND WHEN I'M READING THIS, I AM LIKE THAT ACTUALLY MAKES SENSE. I WANT TO POINT THAT OUT WITH WHERE I'M COMING AT WITH THE NUMBERS FOR THE DEFICITS.

OKAY. GO AHEAD.

I WANT TO THROW ANOTHER WAY OUT THERE ABOUT MY DISTRUST OF CALPERS INVESTING. AND, YOU KNOW, WE'RE DOING A FAIR JOB. YOU'LL HEAR ABOUT IT IN THE NEXT PRESENTATION ABOUT HOW WE'RE DOING IN THE STOCK MARKET. BUT IF THE STOCK MARKET DOES POORLY AND CALPERS OVERLY EXPOSED A PRIVATE EQUITY THAT DOESN'T DO AS WELL YOU SAW IN THE GRAPH, SUDDENLY, OUR EXPOSURE IS MORE -- MORE OBLIGATION IS QUICK. THIS ISN'T ALL OUR FAULT. THIS IS CALPERS. AND THEY ARE TRYING TO ADJUST TO THEIR UPS AND DOWNS. RIGHT? SO THAT'S WHY I'M THINKING MAYBE CONSERVATIVE IS HELPFUL.

OKAY. ANYONE ELSE'S QUESTIONS? OTHERWISE, WE'LL GO TO PUBLIC COMMENT.

THANK YOU, MAYOR. THIS IS PUBLIC COMMENT ON THE INFORMATIONAL ITEM REGARDING CALPERS. IF YOU WOULD LIKE A PUBLIC COMMENT I WILL DO CHAMBERS FIRST AND THEN I WILL GO OUT TO ZOOM. IF ANYONE WOULD LIKE TO MAKE A PUBLIC COMMENT, PLEASE RAISE YOUR HAND. LEE, CAN YOU UNMUTE YOURSELF, PLEASE? LEE, YOU CAN UNMUTE YOURSELF, PLEASE?

THERE YOU GO.

THERE YOU GO. CAN YOU SEE THE TIMER?

YEAH. I ONLY NEED ONE MINUTE. I JUST WANTED TO SAY THE COUNCILMEMBERS AND MYSELF BECAUSE I AM A FREQUENT COMMENTER ABOUT THE 1.6 MILLION AND I AM LOOKING AT THE FORECAST IN THE BUDGET THAT WAS PRESENTED TO THE BUDGET COMMITTEE SO THAT WAS THE BUDGET THAT WE KNEW ABOUT BEFORE TONIGHT'S MEETING, IF, Y28 WHICH IS I GUESS 27-28, FY 28-291.632 MILLION DEFICIT. THAT'S WHY I GOT THE 3.6. THE CURRENT BUDGET I THINK IT'S 1.3 WHICH IS CLOSE TO THE 1.4 WHICH WAS IN ANA'S MEMO, I GUESS. THE NUMBERS ARE MOVING AROUND BECAUSE THE BUDGET IS BEING CHANGED AS IT EVOLVES. THE POINT IS IT'S A PRETTY BIG NUMBER IT HAS TO ADDRESS. TO SAY IT GOES ON YEAR AFTER YEAR SPENDING A COUPLE MILLION EXTRA DOLLARS BECAUSE YOU GOT IT IN THE SAVINGS ACCOUNT ISN'T A SUSTAINABLE WAY TO OPERATE A BUSINESS. THAT WAS EXACTLY WHAT PART OF THIS COUNCIL DID WITH THE SEWER FUND. THEY WERE RUNNING A DEFICIT EVERY YEAR AND NO ONE DID ANYTHING ABOUT IT AND FINALLY THEY RAN OUT OF MONEY AND HAD TO PAY \$1

MILLION TO PAY THE BILLS. SO THAT'S WHERE I AM COMING FROM AND MIGHT BE WHERE COUNCILMEMBER ZOLLMAN IS COMING FROM. THANK YOU.

THANK YOU, LEE FOR THE PUBLIC COMMENT. NEXT BACK TO THE CHAMBERS, AND ANYONE IN THE CHAMBERS? SEEING NONE, I WOULD LIKE TO GO BACK OUT TO ZOOM AND IF THERE IS ANYONE WHO WOULD LIKE TO MAKE A COMMENT VIRTUALLY? SEEING NONE, PUBLIC COMMENTS ARE CLOSED.

SO THIS IS JUST INFORMATIONAL. I HAVE NOT CHANGED MY POSITION. WE OWE A DUTY TO THESE PEOPLE WHO DEDICATED THEIR LIVES AND I DON'T FREELY LIKE MESSING AROUND ON SPENDING TOO MUCH ON STAFF SALARY AND THIS AND THAT AND ESSENTIALLY NOT LIVING WITHIN OUR MEANS. I AM 100,000% NOT GOING WITH THIS SCENARIO. I WANT SCENARIO THREE WHICH IS THE MOST CONSERVATIVE TO ALLOW US TO WITHDRAW SOME WE DECIDE WE NEED TO WITHDRAW IN THIS BUDGETARY CYCLE. I AM NOT ABOUT SHORT CHANGING PENSIONERS OR SETTING US UP FOR DEFAULT OR BANKRUPTCY LIKE THE CITY OF VALLEJO DID BECAUSE THEY COULDN'T KEEP THEIR STUFF STRAIGHT.

OKAY. YES. GO AHEAD.

YES. IF ANA COULD SHOW US ON WHAT PAGE IS THE LONG-TERM FORECAST FOR THE BUDGET?

IT'S NOT IN THERE.

IT'S ON PAGE 265 OF YOUR AGENDA ITEM NUMBER EIGHT.

I THINK THEY ARE LOOKING IN THE BUDGET BOOK. I GOT THE BUDGET BOOK, DIDN'T SEE IT, EMAILED YOU AND YOU SAID IT SHOULD BE IN 189. IT'S NOT IN THE BUDGET BOOK.

IT'S 1 181 IN THE BUDGET BOOK.

IF I MAY, BEFORE WE CLOSE OUT THIS ITEM, THE SCOPE OF WORK FOR NSA IS TO PROVIDE THE COUNCIL WITH AN UPDATED POLICY. AND IT'S BEEN A COUPLE OF YEARS LIKE COUNCILMEMBER CARTER STATED. THE UNFUNDED PENSIONS ARE MOVING WILDLY EVERY SINGLE YEAR. SO I UNDERSTAND THAT MIKE IS HERE TO GIVE THE COUNCIL A COUPLE OF SCENARIOS TO CONSIDER AND IT'S UP TO MIKE TO WEIGH IN ON THE SCENARIOS IN THE BUDGET HEARINGS AND I WANTED TO SAY THAT IS THE SCOPE OF WORK. HE'S NOT INVOLVED WITH THE BUDGET PROCESS. IT'S JUST STAFF AND THE BUDGET COMMITTEE. SO LIKE THE CITY MANAGER ALSO SAID WE WOULD LIKE TO KEEP AS MUCH MONEY IN THE TRUST AS WE CAN AS IT'S MAKING GO RETURNS. SO WITH THAT, I'LL JUST STOP.

OKAY. THANK YOU. THIS IS INFORMATION AS AS WE MOVE FORWARD. ANYONE ELSE HAVE COMMENTS?

WELL, UNLESS I'M CRAZY, DID YOU SAY 181?

I HAVE THE SAME QUESTION. IT'S LIKE RIGHT BEFORE L.

JUST TO CLARIFY, DID BOB LELAND DO 181? ITS WE HAVE A STRUCTURAL DEFICIT MOVING FORWARD BUT IN THE CHART IT DOESN'T SHOW THAT. IT SHOWS IT FOR TWO YEARS AND THEN GOES DOWN TO 800. BUT STILL IN FISCAL YEAR 32, WE HAVE A 15% RESERVE.

I WILL LET BOB PICK THIS UP. BOB, ARE YOU ONLINE?

I AM.

THANK YOU.

HERE I AM. I THINK THE ISSUE LOOKING AT THE PAGE IN THE BUDGET, STAFF RAN THE FORECAST ASSUMING THE BARLOW HOTEL. THE SLIDES THAT I HAVE THAT I'M GOING TO SHOW YOU, MY BASELINE ASSUMPTIONS DOES NOT INCLUDE THE BARLOW HOTEL BECAUSE IT ISN'T THERE YET BUT WE SHOW AN ALTERNATIVE WITH IT. SO IF YOU ASSUME NO BARLOW HOTEL AND THE REPAYMENT OF THE SEWER LOAN AND ALL THE OTHER BASELINE ASSUMPTIONS, THEN YOU DO WIND UP WITH THE SHORTFALL WE'RE TALKING ABOUT WHICH IS OVER \$1.3 MILLION A YEAR FOR COMING YEARS. OBVIOUSLY IF THE HOTEL COMES IN IT'S A WHOLE NEW BALL GAME AND WE'LL TALK ABOUT THAT.

QUESTION?

GO AHEAD.

IN THE PROJECTIONS WAS THE HOTEL AT FULL THE AMOUNT OR HALF?

WELL, THERE'S TWO WAYS TO LOOK AT IT. ONE IS WHAT LEVEL OF AVERAGE DAILY RATE DO YOU WANT TO ASSUME? THE DEVELOPER HAS A VERY HIGH LEVEL, POTENTIALLY OPTIMISTIC. ON THE FORECAST WE ARE GOING ON THAT ASSUMPTION AND WHETHER THE

CITY WOULD GET IN THE POSITION OF SHARING WITH THE DEVELOPER. IF THAT WAS THE CASE, OBVIOUSLY THAT WOULD DIMINISH WHAT TOT WOULD OTHERWISE BE GENERATED BY THE HOTEL.

ANYONE ELSE? OKAY. THANK YOU VERY MUCH FOR THAT. YOU JUST WANT US TO RECEIVE THIS ITEM. RIGHT? I THINK WE CAN RECEIVE IT AND MOVE ON FROM HERE AND THANK YOU FOR DOING THE PRESENTATION AND EVERYTHING.

THANK YOU.

THANK YOU. LET'S SEE, MOVING ON ITEM NUMBER SEVEN, AGAIN, ANOTHER INFORMATIONAL ITEM, THE 115 PENSION TRUST UPDATE. ANA?

SO I WILL SEGUE RIGHT INTO THE 115 TRUST AND WILL UPDATE THE COUNCIL ON HOW THE TRUST HAS BEEN DOING. WITH THAT I AM GOING TO TURN THIS OVER TO MARK. GO AHEAD, MARK.

WONDERFUL. THANK YOU VERY MUCH. GOOD EVENING, MAYOR, COUNCIL. APPRECIATE BEING HERE TONIGHT AND SHARING WITH YOU SOME OF THE INFORMATION THAT WE'VE BEEN PROVIDING THE FINANCE COMMITTEE. BUT TO LET YOU ALL KNOW THAT THE 115 TRUST HAS BEEN FUNDED, AS YOU ALL ARE AWARE AND CURRENTLY AT THE END OF MAY, THERE WAS A BALANCE OF \$2,279 MILLION. WHILE THINKING ABOUT WHAT TO DO WITH THE DOLLARS, THERE WERE \$479,000 OF EARNINGS SINCE THE MONEY WAS PUT IN AND A ROUGHLY ANNUALIZED RATE OF RETURN SINCE THE MONEY WAS DEPOSITED IN A VERY CONSERVATIVE PORTFOLIO. YOU ARE CURRENT 40% EQUITIES AND 60% FIXED INCOME, I.E. BOND. WE WERE CONSERVATIVE AT 20% EQUITIES AND WE DID NOT MAKE THAT SWITCH UNTIL THE LATE OF THE FOURTH QUARTER OF 2025. SO THE PORTFOLIO HAS DONE EXTREMELY WELL COMPARED TO CALPERS WHICH IS ROUGHLY 70% EQUITIES AND 30% FIXED INCOME INSIDE YOUR DEFINED BENEFIT PLAN. IN ADDITION THERE WAS MONEY SET ASIDE MANY YEARS AGO -- \$1 MILLION -- AS YOU WERE CONSIDERING FUNNELING ADDITIONAL DOLLARS WHO THE 115 WHICH IS THE MILLION YOU SEE THERE AND AT THE END OF MAY IT'S \$1.89 MILLION AND IT'S CONTEMPLATED IF SOME OF THE DOLLARS COULD GO INTO THE 115 TRUST OR STATE UNDER CODE 53601 WHICH LIMITS WHAT YOU CAN INVEST IN TO PROTECT THE CITY. THOSE CURRENT YIELDS RIGHT NOW ARE APPROXIMATELY 4%. INTEREST RATES ARE STILL HIGH. WHERE A PORTFOLIO SUCH AS THE ONE WE JUST REFERENCED CAN DO 10, 12, 15, 16% BUT IT CAN LOSE 10, 12, 15, 16% IN A DOWN MARKET. SO THAT'S WHERE YOU SIT RIGHT NOW. THE PLAN HAS BEEN WORKING. WHEN LOOK BEING AT ANY TYPE OF DISBURSEMENT AS MIKE MENTIONED WE WANT TO KNOW AHEAD OF TIME BECAUSE WE CAN HELP MANAGE WHAT ASSETS WE DO LIQUIDATE ON A TIMELINESS BASIS. ANY QUESTIONS REGARDING HOW THE PORTFOLIO HAS BEEN PERFORMING AND/OR ANY OTHER QUESTIONS REGARDING THE 115 TRUST? ANY QUESTIONS HERE? YOU HAVE A QUESTION?

I CAN'T REMEMBER IF WE DISCUSSED MOVING SOME OF THAT INTO THE 115 TRUST SO THAT IT CAN DO BETTER.

WE DID. IN FACT, AS YOU HAVE BEEN HAVING YOUR DISCUSSIONS THIS EVENING REGARDING THE SUBJECT MATTER WE TALKED ABOUT ZERO OR PUTTING THE WHOLE MILLION IN AND TALKED ABOUT PUTTING HALF A MILLION IN THE 115 TRUST. AS YOU WERE WORKING THROUGH ALL OF THESE DISCUSSIONS AND ANALYTICS THAT YOU'VE BEEN DISCUSSING FOR THE LAST HOUR OR SO.

YEAH. I REMEMBER THIS DISCUSSION. I WAS A BIG PROPONENT OF PUTTING IT ALL IN, THE WHOLE 2 MILLION, 800,000. AND HAD WE DONE THAT WE PROBABLY WOULD HAVE GOTTEN A LOT MORE. IF WE NEED MONEY I AM INTERESTED IN IT NOT HANGING OUT IN A NON-FUND PENSION PAYMENT. SO.

OKAY.

ANYONE ELSE? OKAY. PUBLIC COMMENT?

THANK YOU, MAYOR. SO THIS IS FOR PUBLIC COMMENT ON THE DISCUSSION OF THE 115 TRUST. IF YOU WOULD LIKE TO MAKE A PUBLIC COMMENT. I WOULD LIKE TO COME TO CHAMBERS FIRST. SEEING NONE, OUT TO ZOOM. LEE CAN YOU UNMUTE YOURSELF? OKAY. CAN YOU SEE THE TIMER?

MARK LEFT OUT THE SLIDE THAT WAS THE MOST IMPORTANT, THE RETURNS, THE RETURN FOR THE PORTFOLIO IN 40% EQUITIES, I THINK IN THE LAST YEAR, 15, 17% -- HE WILL CORRECT ME.

WE CAN PULL THAT UP --

WAIT A SECOND. WE HAVE TO FINISH THE PUBLIC COMMENT.

I WAS IN SHOCK. I THOUGHT POSSIBLY HE WAS CONNING YOU, AND IN FACT, IT IS CORRECT. SO HE SHOULD SPEAK TO THAT. THANK YOU.

THANK YOU, LEE. AND NEXT TO CHAMBERS. SEEING NONE, BACK OUT TO ZOOM. ANYONE LIKE TO MAKE YOUR COMMENT, PLEASE RAISE YOUR HAND VIRTUALLY. SEEING NONE, MARK, PLEASE GO AHEAD.

THANK YOU. I APOLOGIZE. WE WILL GO TO THE RATE OF RETURN THAT LEE WAS REFERENCING, AND THE BOTTOM COLUMN AS OF MAY 6, SO IT'S BETTER THAN THEN AND IT'S 15.35 AND TO THE RIGHT, A 10.45 COMPOUNDED RATE OF RETURN. LEE, THOUGH WE'RE AT 50-60 TODAY, JUST SEVEN MONTHS AGO WE WERE AT A 20-80. SO SINCE THE INCEPTION, SO, YES. MOVING WITH THE MARKET AND YOU WERE AT THE MEETING WITH REFERENCE MOVING WITH THE MARKET AS ALL OF YOUR ASSETS ARE LIQUID, THAT HAS BEEN THE KEY TO THIS AND MOVING WHETHER IN GROWTH VALUE, INTERNATIONAL, THAT HAS BEEN THE REASON FOR THE SUCCESS.

ALL RIGHT. THANK YOU. ANYONE HAVE ANY COMMENT?

I JUST WANT TO THANK YOU ON THE GOOD RETURN AND CONGRATULATIONS? I DON'T KNOW. THANK YOU. APPRECIATE IT.

ANYONE ELSE? ALL RIGHT. THANK YOU VERY MUCH. THANK YOU FOR THE PRESENTATION AND THE UPDATE AND WE WILL CONCLUDE OUR INFORMATIONAL PRESENTATIONS HERE. ALL RIGHT. DOING OKAY, EVERYONE? OKAY. SO AS I MENTIONED EARLIER, WE ARE GOING TO MOVE INTO THE PUBLIC HEARINGS BUT WE WILL BE MOVING ITEM 11 UP TO THE FRONT OF THE LINE HERE JUST BECAUSE OF THE DEADLINE. IT NEEDS TO BE TAKEN CARE OF BEFORE THE NEXT MEETING AND I WANT TO GET TO IT GIVEN HOW LONG THE BUDGET CAN TAKE. SO MOVING THAT UP, NUMBER 8 WILL BE CONSIDERATION OF ADOPTING RESOLUTION AUTHORIZING THE ACCEPTANCE OF CALIFORNIA OFFICE OF EMERGENCY SERVICES CAL OES GRANT FUNDING FOR THE REPLACEMENT OF THE CITY'S 911 CALL TAKING EQUIPMENT AND APPROVING A BUDGET AMENDMENT FOR UP FRONT COSTS OF \$7,071.92. WILL OUR CHIEF BE GIVING THE PRESENTATION? THANK YOU. COME ON UP.

GOOD EVENING.

GOOD EVENING.

THIS PARTICULAR ITEM FOR AUTHORIZATION OF THE -- READING IT FROM THE SUBJECT LINE TO ACCEPT THE CAL OES SYSTEM UPGRADE, A GRANT THAT IS CAL DATED THROUGH THE NUMBER OF CALLS WE RECEIVE IN THE CITY AND I BELIEVE OUR JURISDICTION IS THE SAME AND WE ARE TITLED TO \$365,000 UPGRADE TO THE DISPATCH CONSOLES. BASICALLY, THEY ARE ANSWERING -- THE ANSWERING POINT SERVICE IS AN AWESOME OPPORTUNITY FOR BETTER EQUIPMENT. IT WON'T COST THE CITY OTHER THAN THE INITIAL COST OF \$7,071.92 FOR A LIMIT OF PERIOD OF TIME, AND A REMINDER OF THE \$365,000 WOULD BE COVERED DIRECTLY BY THE CAL OES TO THE VENDING OF THE EQUIPMENT. THERE ARE A FEW CONDITIONS OF THE EQUIPMENT IN THAT GRANT MOST OF US WE ARE ALREADY DOING AND ARE REQUIRED TO DO AND WANTED TO ANSWER 90% OF THE 911 CALLS IN 60 SECONDS AND WE ABSOLUTELY DO THAT AND MORE, AND THE OTHER IS TO MAINTAIN THE EQUIPMENT OUT OF THE GRANT REQUIREMENT. I THINK THAT BASICALLY SUMS UP THE TWO THINGS THAT WERE THE -- THAT WE ARE ALREADY DOING AS PART OF OUR OPERATIONS, AND THAT'S ABOUT IT. ANY QUESTIONS? I HAVE A QUICK QUESTION. JUST REMIND ME, WHEN GOING OUT FOR THIS GRANT AND ALL OF THAT, WHAT WAS THE -- I MEAN, WHEN WOULD THE SYSTEM CHANGE?

I DON'T KNOW WHEN THEY ACTUALLY WOULD DO THAT, UPDATE THE EQUIPMENT. I THINK IT'S VERY SHORT NOTICE TO GET THIS IN AND IT WAS LEFT ON THE AGENDA AND DIDN'T WANT AN OPPORTUNITY TO GET IT BEFORE THE COUNCIL. IT WAS A GOOD OPPORTUNITY TO SAVE THE MONEY ON THE EQUIPMENT.

OH, SURE. I WAS JUST CURIOUS. I CAN LOOK INTO THAT.

I CAN ALSO LOOK INTO THAT.

NO. I AM JUST CURIOUS. THANK YOU.

WE CAN GO TO PUBLIC COMMENT FOR THE GRANT FUNDING FOR THE CAL OES CITY'S 911 REPLACEMENT SYSTEM. IF YOU WOULD LIKE TO MAKE A PUBLIC COMMENT, I WILL GO TO CHAMBERS FIRST. SEEING NONE, ANYONE OUT AT ZOOM WHO WOULD LIKE TO MAKE A

PUBLIC COMMENT, RAISE YOUR HAND VIRTUALLY. SEEING NONE, PUBLIC COMMENT IS CLOSED.

ANY COMMENTS BACK HERE? OKAY. I'M SORRY.

I'LL MOVE THE MOTION TO AUTHORIZE THE CITY MANAGER TO ACCEPT CAL-OSHA -- SORRY, CAL OES FOR FUNDING FOR THE BUDGET AMENDMENT FOR \$7,071.92 FOR UP FRONT COSTS TO BE REIMBURSED BY THE GRANT.

I'LL MOVE IT.

SECOND.

MOVED BY COUNCILMEMBER HINTON AND SECONDED BY MAYOR McLEWIS FOR THE REPLACEMENT TO THE CITY'S 911 CALL PROCESSING EQUIPMENT AND AUTHORIZING ALL NECESSARY DOCUMENTS TO BE SIGNED BY THE CITY MANAGER AND THE BUDGET UP FRONT COSTS OF \$7,071.92. MOTION PASSES UNANIMOUSLY.

ALL RIGHT. WONDERFUL. THANK YOU FOR ALL ACCOMMODATING THAT CHANGE. NOW WE ARE GOING TO WHAT WOULD BE ITEM NUMBER 9, UNDER THE PUBLIC HEARING AND THAT IS PUBLIC HEARING FISCAL YEAR 26-27 BUDGET. THE ITEM IS TO CONDUCT A PUBLIC HEARING TO GATHER COMMUNITY INPUT FOR AN OPPORTUNITY FOR RESIDENTS TO VOICE THEIR OPINION AND CONCERNS AND SUGGESTIONS THAT MAY HELP TO SHAPE THE PUBLIC. UPON CONCLUSION OF THE HEARING, STAFF RECOMMENDS THAT THE CITY COUNCIL CONTINUE THE ITEM TO JUNE 16th'S COUNCIL MEETING FOR CONSIDERATION OF ADOPTION OF FY 2026-27 BUDGET. I BELIEVE -- ANA, ARE YOU DOING THIS? OKAY.

GOOD EVENING, MAYOR AND COUNCILMEMBERS AGAIN. THE ITEM BEFORE IS YOU THE BUDGET HEARING FOR THE PROPOSED JULY 1, 2026 TO JUNE 30, 2027. LET ME SHARE THE SCREEN. SO TONIGHT'S BUDGET DISCUSSION COVERS A VARIETY OF TOPICS AS YOU CAN SEE ON THIS AGENDA. CITY WIDE, OVERALL, THE OVERVIEW WHERE THE CITY GETS THE MONEY, WHERE THE CITY SPENT ITS MONEY, AND THE FINANCIAL POSITION, MEASURE U OVERVIEW. AS YOU HAVE SEEN BOB ON ZOOM EARLIER FOR THE OTHER ITEM, HE WILL BE HERE TO TAKE OVER THE FINANCIAL FORECAST SECTION. SO -- AND THEN AFTER THAT I WILL PICK UP WHERE HE LEFT OFF AND WE ARE GOING TO TALK ABOUT THE STAFFING LEVEL, THE ENTERPRISE FUND SUMMARY AND THE SPECIAL REVENUE FUNDS AND INSURANCE FUND AND BRING IT BACK TO COUNCIL FOR QUESTIONS AND DO A PUBLIC HEARING AND JUST ASIDE NOTE, THE BUDGET COMMITTEE MEMBERS ARE VICE MAYOR MAURER, COUNCILMEMBER CARTER AND THE CITY MANAGER AND MYSELF. SO IN THIS SLIDE, IT PROVIDES THE CITY WIDE SNAPSHOT OF ALL THE FUNDS, SHOWING TOTAL REVENUE AND TOTAL EXPENDITURES. THE KEY TAKEAWAY IS THE GENERAL FUND EXPENDITURE BUDGETED HIGHER THAN REVENUE SO THE PURPLE COLOR IS REVENUE AND THE BLUE COLOR IS EXPENSES. SOME FUNDS LIKE THE WASTEWATER AND OVERALL, THE SLIDESHOWS WHERE THE FINANCIAL AND HIGH LEVEL ACROSS ALL FUNDS, NOT JUST GENERAL FUND. AND FROM THIS SLIDE, IT SHOWS THE GENERAL FUND REVENUE MIXED AND WHAT IS THE CITY RELIES ON TO OPERATE. THE TWO LARGEST SOURCES ARE THE SALES TAX AND PROPERTY TAX WHICH MAKE UP THE MAJORITY OF THE ONGOING REVENUE. THE REMAINING REVENUES COMES FROM LICENSES AND PERMITS AND TRANSIENT OCCUPANCY TAX AND OTHER SOURCES LIKE FEES AND INTERNAL CHARGES. TOO MUCH. AND IN THIS SLIDE IT SHOWS GENERAL FUND ALLOCATED ACROSS ALL DIFFERENTS GIVING A SENSE WHERE THE CITY RESOURCES ARE FOCUSING ON. POLICE IS THE LARGEST, PUBLICWORKS AND REFLECTING THE CITY'S EMPHASIS ON PUBLIC SAFETY AND THE CORE INFRASTRUCTURE. THE REMAINING BUDGET IS SPREAD ACROSS ADMIN SERVICES, FIRE, TRANSFERS AND PLANNING COMMUNITY PROGRAMS. IN THIS SLIDE THIS IS THE KEY FOR THE FINANCIAL POSITION AS THE VICE MAYOR WAS EXPLAINING EARLIER. THIS PICTURE GIVES THE CURRENT YEAR IN 25-26 THE GENERAL FUND WILL HAVE A POSITIVE POSITION. BUT IN THE UPCOMING BUDGET WHICH WE WILL HAVE A DEFICIT. SO COMBINING TWO YEARS, IT'S BEING -- THERE IS A POSITIVE BALANCE OUT OF THAT.

OKAY. I WOULD REALLY LIKE TO SEE -- WHO CAME UP WITH THIS NIFTY IDEA OF COMBINING YEARS? LIKE I WAS ON THE BUDGET COMMITTEE, NO ONE COMBINED YEARS. SO IT WAS THE INTENT TO MAKE THINGS LOOK LIKE GREATER AND BETTER? WHERE WAS THIS MEANING TO COMBINE YEARS?

YOU WANT ME TO -- OKAY.

WE HAD A PRETTY EXTENSIVE CONVERSATION ON THE BUDGET COMMITTEE ABOUT THIS, ABOUT THE FACT THAT IT WAS A DEFICIT YEAR, THAT THE COUNCIL HAD A GOAL OF A BALANCED BUDGET. SO -- BUT WHEN YOU LOOK AT IT IN THE TWO YEAR -- ACROSS TWO YEARS, IT IS A BALANCED BUDGET. IT'S JUST NOT A BALANCED BUDGET THIS YEAR. ONE OF KEY THINGS THAT I THINK IS IMPORTANT -- AND MAYBE ANA, YOU CAN SPEAK TO THIS -- HOW MUCH OF THAT SURPLUS -- NO. HOW MUCH OF THE DEFICIT IS FOR ROADS THAT WASN'T SPENT, FOR OTHER CIP PROJECTS THAT WEREN'T SPENT YET? THAT'S PART OF THE REASON WHY WE HAVE A 960,000 DEFICIT. I THINK IT'S LIKE 500 FOR ROADS.

510.

SO 5 10,000 OF THAT IS FOR ROADS THAT DIDN'T GET SPENT. THAT'S PART OF THE DEFICIT THIS YEAR. I KNOW. IT MADE SENSE TO ME.

SO WHAT -- IT'S NOT TO COMBINE YEARS TO MAKE THINGS ROSY. WE -- THE COMMITTEE AND STAFF DID TALK ABOUT -- IT IS COUNCIL'S GOAL TO ADOPT OR TO BRING IN A BALANCED BUDGET. IN THIS COMING YEAR, 26-27 WE DON'T HAVE A BALANCED BUDGET. HOWEVER IN THE CURRENT YEAR WE ARE IN RIGHT NOW THAT IS ENDING IN A COUPLE WEEKS WE DO HAVE QUITE THE SURPLUS. SO WHEN YOU DO LOOK AT THINGS TOGETHER YOU ARE IN A POSITIVE POSITION. BUT WE HAVE A DEFICIT AS FAR AS THE OVERALL PICTURE.

SO WHAT I'M HEARING YOU SAY IS NOTHING CHANGED. AND IT WAS BECAUSE WE HAD THE OVER ANTICIPATED REVENUE BUT NOTHING REALLY HAS CHANGED. CORRECT?

OUR REVENUE IS NOT -- WE DO HAVE MEASURE U BUT MEASURE U HAS A POLICY THAT IS DESIGNATED 40% TO ROADS. SO AS FAR AS REVENUE'S CONCERNED, THERE IS CHANGE. REVENUE DID INCREASE BECAUSE OF THE TAXES BUT AS FAR AS THE OTHER REVENUE IT HAS BEEN FLAT. YOU'RE CORRECT. IT HASN'T BEEN THAT MUCH THAT CHANGED BUT OTHER EXPENSES HAVE GONE UP. YOU KNOW, WAGES AND THERE ARE SAVINGS. I MEAN -- STAFF ARE TRYING TO LIVE WITHIN OUR MEANS. WE CUT WHERE WE CAN. THE BIGGEST COST IN THE BUDGET IS WAGES, PENSION COST AND INSURANCE WHICH IS COMPLETELY OUT OF THE CITY CONTROL AS FAR AS THE INSURANCE AND THE PENSIONS AS YOU HAVE HEARD. WE HAVE NO CONTROL HOW THEY SEND THE BILL TO THE CITY.

YOU ARE SAYING WE ARE LOOKING ROSY THIS YEAR AND NEXT YEAR WE ARE NOT. SO THAT'S WHY WE'RE DOING IT. WHAT IS MAKING US LOOK ROSY THIS YEAR?

YES. WHAT MAKES THE CITY HAVING A SURPLUS IS THE VACANCY. THE BIGGEST ONE IS THE CITY MANAGER'S OFFICE. YOU HAVE NOT HAD A CITY MANAGER FOR AT LEAST -- 11 MONTHS?

10, 11 MONTHS. YOU ALSO HAVE OTHER HAVE VACANCIES IN THE POLICE DEPARTMENT. WE ARE NOT SPENDING -- LIKE THE VICE MAYOR JUST SAID, WE ARE NOT SPENDING THE ALLOCATED 40% OF MEASURE U WHICH IS \$800,000 IN ROADS. WE ARE CARRYING THAT OVER TO THE NEXT YEAR. IT'S ROAD AND OTHER CAPITAL PROJECTS NOT JUST ROAD.

WE WILL BE SPENDING LAST YEAR'S MONEY AND 40% ON THAT. I WANT THAT TO BE VERY CLEAR. OKAY. OKAY. GO AHEAD.

I FEEL COMPELLED TO RESPOND BACK. I HEARD ANA SAY THE PREDICTAMENT WE ARE IN IS ALSO INSURANCE AND WE HAVE NO CONTROL OVER INSURANCE. THAT'S NOT TRUE. OH, WE DO HAVE CONTROL OVER GENERAL LIABILITY AND WHETHER OUR WORKERS ARE SAFE ON THE JOB, WHETHER THEY DO THEIR JOB, WHETHER THEY DO IT APPROPRIATELY BECAUSE EVERY TIME THEY DON'T, IT JACKS UP OUR INSURANCE RATE. SO I WANT TO BE REALLY, REALLY CLEAR THAT WE DO HAVE A LOT OF CONTROL WITH OUR INSURANCE PAYMENTS. MY STATEMENT, WOULD THAT BE A FAIR ASSUMPTION? WOULD THAT BE FAIR AS YOUR UNDERSTANDING AS WELL, ANA?

CAN I ASK A QUESTION? ARE WE TALKING ABOUT THE SAME THINGS? I AM TRYING TO UNDERSTAND.

WHAT I HEARD WITH THE INSURANCE IS WE HAVE NO CONTROL AT ALL. I AM LIKE, OH, THAT IS SO NOT TRUE.

I THINK WHAT THE ADSTRAIGHTIVE SERVICES DIRECTOR IS SAYING THAT -- BUT YOU ARE CORRECT, COUNCILMEMBER ZOLLMAN THAT, WORKMANS' COMP. INCREASES. GENERAL LIABILITY INCREASES. SO WE ARE WORKING WITH THE POLICIES AND WE ARE WORKING WITH CERA BUT IT REDUCES THE POLICIES WITH WHAT WE HAVE GOING ON HERE AND I THINK WHAT SHE IS REFERRING TO AND WHAT WE DON'T HAVE CONTROL OVER IS THE MASSIVE MEDICAL PREMIUM INCREASE.

BECAUSE THAT'S HAPPENING EVERYWHERE. AND I WANTED TO CLARIFY THAT. OTHER QUESTIONS BEFORE WE CONTINUE THE PRESENTATION? GO AHEAD.

SO ANYWAY, MOVING ON TO MEASURE U. I KNOW THIS IS A REALLY HOT TOPIC BECAUSE THERE IS A POLICY ATTACHED TO MEASURE U. IN THIS SLIDE I AM SHOWING THE REVENUE THAT WAS RECEIVED OR PROJECTED TO RECEIVE IN MEASURE U.

YOU CAN INCREASE THAT SIZE? I NEED LIKE A MAGNIFYING GLASS. I DON'T KNOW ABOUT ANYONE ELSE. IT'S LIKE I WISH MY EYES WERE THAT GREAT.

I AM NOT SURE HOW TO INCREASE.

THAT PAGE 7, ANA? IS THAT PAGE 7?

YES.

OKAY. I JUST FOUND IT IN THE PRESENTATION.

I'M SORRY. I COULDN'T FIGURE OUT HOW TO INCREASE THAT. SO ANYWAY, THIS IS THE 26-27 MEASURE U OVERVIEW. SO IN THIS SLIDE I HAVE PUT TOGETHER ALL THE PROJECTED REVENUE THAT WILL BE COLLECTED FROM MEASURE U AND FROM THERE EACH YEAR, THE 40% OF THE POLICY IS BEING ALLOCATED FROM THAT PROCEEDS AND TO YOUR RIGHT-HAND SIDE, THE PROJECT THAT 40% PAID FOR AND AS I MENTIONED, THE 800,000 THAT IS ALLOCATED IN THE CURRENT YEAR, 25-26, FOR THOSE PROJECTS, SOME OF THEM ARE NOT GOING TO BE COMPLETE IN THIS YEAR AND THEY ARE GOING TO BE CARRIED OVER 500,000 IN THE NEXT FISCAL YEAR. AND IN THE NEXT FISCAL YEAR, THERE IS AN ALLOCATED 40% OF THE PROJECTED MEASURE U, AND IF YOU ADD THEM TOGETHER THAT'S A MILLION DOLLARS OF MEASURE U THAT WILL GO TOWARDS PROJECTS.

OKAY.

SO WITH THAT I'M GOING TO TURN THIS OVER TO BOB TO GO OVER A NUMBER OF SLIDES REGARDING THE FINANCIAL FORECAST. I WILL PICK IT BACK UP AFTER HE FINISHES.

ALL RIGHT. THANK YOU, ANA. GOOD EVENING, MADAM MAYOR AND COUNCILMEMBERS. GOOD TO SEE YOU ALL AGAIN. MY ROLE TONIGHT IS TO WALK YOU THROUGH THE FORECAST. SO THIS SLIDE WILL GIVE YOU A QUICK SUMMARY. THERE ARE FOUR KEY FACTORS, ONE OF WHICH BEING RECESSION. WE'RE ASSUMING A MODERATE RECESSION AROUND FISCAL YEAR 28. WE'RE ASSUMING WHETHER OR NOT MEASURE U IS RENEWED BEYOND THE 10-YEAR FORECAST WE'RE SHOWING BECAUSE THE LAST YEAR REVENUE WOULD BE RECEIVED UNDER MEASURE U IS FISCAL YEAR 37. SO LOOKING AT THE CHARTS, KEEP IN MIND WHETHER OR NOT MEASURE U IS RENEWED MAKES A DIFFERENCE AS TO WHETHER THE FORECAST GETS EVEN WORSE THAN WHAT WE ARE SHOWING. AND THEN THE IMPACT OF THE BARLOW HOTEL AND FINALLY, IF THE SEWER LOAN IS REPAYED. THE CITY IS FACING A STRUCTURAL IMBALANCE. WE TALKED ABOUT THAT EARLIER IN THE EVENING. OBVIOUSLY, ONGOING REVENUES ARE NOT KEEPING PACE WITH ONGOING EXPENSES UNDER THE STATUS QUO. UNDER THE BASELINE SCENARIO I AM GOING TO SHOW YOU THE AVERAGE ANNUAL SHORTFALL OVER 1.3 MILLION. THE RESERVES ARE IN STEADY DECLINE AND WILL BE BELOW THE MINIMUM POLICY LEVELS AROUND FISCAL YEAR 30 AND WITHOUT ACTION RESERVES WILL BE IN DEFICIT BY FISCAL YEAR 36. WE ARE GOING TO SHOW YOU DIFFERENT SCENARIOS TO SHOW YOU HOW THE OUTCOME CAN CHANGE. ONE IS IF THE SEWER LOAN IS NOT REPAYED. OBVIOUSLY, THAT SITUATION WOULD BE THAT THE DEFICIT WOULD BE LARGER. IF THE BARLOW HOTEL IS BUILT, ON THE OTHER HAND, IT SIGNIFICANTLY REDUCES THE GAP. BUT UNDER OUR MORE CONSERVATIVE ASSUMPTION AS TO WHAT THE AVERAGE DAILY RATE WOULD BE, IT WON'T ELIMINATE IT. YOU ASSUME A MORE OPTIMISTIC OUTCOME IN THE RATES THEY ARE ABLE TO CHARGE IT WILL IN FACT BRING IN BALANCE OBSERVE THE RESERVE LEVEL. AND THEN IN ALL CASES, THE RESERVE DECLINES OVERTIME WITHOUT SOME KIND OF CORRECTIVE ACTION. THE CITY HAS TO ACT INCREASING REVENUE OR REDUCING EXPENSES. WE'RE ASSUMING SINCE YOU ALREADY MAXED OUT SALES TAX, THE PRIME MEANS OF BRING THE BUDGET INTO BALANCE WOULD BE A REDUCTION OF PROACTIVE ADJUSTMENTS. THE SOONER YOU START, THE BETTER SUCH AS NEXT YEAR. LET'S GO AHEAD AND GO TO THE NEXT SLIDE. AND WE'LL TALK ABOUT THE FORECAST VARIABLES. NOW, WE'RE ASSUMING A MODERATE RECESSION STARTING FISCAL 28. THAT'S THINGS GO SOUTH JULY 1 OF 27. WE ARE ASSUMING A SEVEN-YEAR CYCLE, AND THE TIME AND MAGNITUDE OF RECESSION WILL VARY. WE DON'T HAVE A CRYSTAL BALL BUT OVER THE LAST 100 YEARS T HAS BEEN AN AVERAGE OF A SEVEN-YEAR CYCLE, LONGER SOMETIMES AND SHORTER IN OTHERS, AND THERE IS CERTAINLY ENOUGH

UNCERTAINTY IN THE WORLD POTENTIALLY. MANY SAID IF IT WERE NOT FOR A MASSIVE NEARLY \$800 BILLION IN ARTIFICIAL INTELLIGENCE WE WOULD BE IN A RECESSION ALREADY. WE ARE ASSUMING NO STAFFING GROWTH AND 3 AND A QUARTER% WAGE GROWTH. THE 3 AND A QUARTER IS THE NET GROWTH FROM COLAS FROM STEP INCREASES AND FROM OFFSETTING SAVINGS FROM EMPLOYEE TURNOVER, AND THAT'S WHEN SOMEONE TERMINATES AT A HIGHER STEP AND THE POSITION IS REFILLED AT A LOWER STEP. WE MAKE THE ALLOWANCE FOR RECLASSIFICATIONS AND PAY ADJUSTMENTS. WE ARE ASSUMING THE TOTAL WAGE GROSS 3.25%. THOSE ARE BUDGETARY AND IT IS UP TO YOU EVERY YEAR THE STAFFING GROWTH THAT YOU WANT TO HAVE. IF THERE IS STAFFING GROWTH THAT WORSENS THE FORECAST AND IF LABOR NEGOTIATIONS TURN OUT TO BE GREATER THAN 3.25% ON AVERAGE WAGE GROWTH, THAT WOULD ALSO WORSEN THE FORECAST. THE KEY ISSUE IS THE VACANCY RATE AND WE ARE ASSUMING LOW, 1% AND THAT IS -- WE JUST HAD A DISCUSSION. ANA TALKED ABOUT THE POLICE AND CITY MANAGER POSITION. WE ARE ASSUMING THAT THOSE VACANCIES GET FILLED. GIVEN THE REALISTICALLY LOW NUMBER OF POSITIONS THAT THE CITY HAS, WE'RE ASSUMING THAT THE CITY WILL BE KEEPING THE VAST BULK OF THOSE FILLED AND THAT THE VACANCY RATE OF ABOUT 1% IS APPROPRIATE TO ASSUME FOR THE LONG. OBVIOUSLY, IF THE RATE OF VACANCY IS HIGHER, IT WILL REDUCE EXPENSES IN THE NEAR TERM UNTIL WE GET TO THE POINT OF ACTUALLY FILLING THOSE POSITIONS. NOW, IN TERMS OF THE BARLOW HOTEL, THE FIRST UNCERTAINTY IS WILL IT BE BUILT? THE BASELINE FORECAST EXCLUDES THE HOTEL BUT I WILL SHOW YOU THE SCENARIO THAT DOES INCLUDE IT. THE DEVELOPER'S PLAN IS FOR A \$600 AVERAGE ROOM RATE. THE FORECAST IS MORE CONSERVATIVE WITH \$350 AVERAGE ROOM RATE AND RAMPING UP OVER THE YEARS' TIME TO THE EXTENT IT'S HIGHER THAT WILL IMPROVE THE FORECAST. IF YOU TAKE A LOOK AT NAPA AND SONOMA COUNTIES, THERE ARE HOTELS AT A \$600 ROOM RATE AND ABOVE. THERE ARE A NUMBER OF THEM IN NAPA UP TO CALISTOGA. THAT IS FURTHER AWAY FROM SEBASTOPOL BUT THERE ARE ALL THE \$600 ROOM RATE OR MORE IN SONOMA, SANTA ROSA AND FURTHER NORTH BUT IT'S NOT THE NORM. THERE ARE MORE HOTELS THAT ARE IN THE, SAY, 300 TO 400, \$500 RANGE. SO THE QUESTION WILL BE, WILL IT BE SUCCESSFUL? WHAT DOES IT TAKE FOR THE DEVELOPER TO GET THE FINANCING FOR THAT KIND OF HOTEL? APPARENTLY, THE DEVELOPER DOES NOT HAVE IT YET. THERE ARE POTENTIALLY SOME DISCUSSION THAT IS THE CITY AND THE DEVELOPER WILL BE HAVING ON THAT. BUT WE'RE ASSUMING AT THIS POINT IF THE CITY WOULD CHANGE 100% OF WHAT IS GENERATED FROM THE HOTEL, SO IT'S A QUESTION OF WHAT THE ROOM RATE AND OCCUPANCY RATES ARE. AND IN TERMS OF THE SEWER FUND WE ARE ASSUMING THAT THE LOAN PAYMENT WILL BE MADE TO THE GENERAL FUND AND THAT'S ONE-TIME REVENUE AND NOT ONGOING BUT WE ARE ASSUME SOMETHING THAT IS REPAID IN THE COMING YEAR. THE BASELINE FORECAST CONCLUDES THE ALTERNATE SCENARIO THAT ASSUMES NO REPAYMENT. AND AGAIN, WHETHER THE MEASURE U SALES TAX IS ULTIMATELY RENEWED SIGNIFICANTLY AFFECTS OF THE FORECAST STARTING AFTER 38, THE CURRENT FORECAST.

ONE SECOND.

BOB? BOB?

WE HAVE A COUPLE OF QUESTIONS FOR YOU.

GO AHEAD.

OKAY. SO DOES -- I'M LOOKING AT PAGE 181 OF OUR BUDGET BOOK. IT DOES THE CITY OF SEBASTOPOL GENERAL FUND FORECAST. ARE WE LOOKING AT THE SAME PAGE? ARE YOU ON THAT PAGE?

I'M NOT ON IT BUT I KNOW WHAT IT IS. A LITTLE MISCOMMUNICATION BETWEEN STAFF AND ME. MY BASELINE FORECAST ASSUMES NO HOTEL WHICH YOU ARE BASICALLY LOOKING AT THERE ON PAGE 181, IS WHAT I CALL ALTERNATE. YOU WILL SEE WHAT THAT FORECAST LOOKS LIKE MOMENTARILY.

SO IS IT POSSIBLE THAT WE CAN GET THE ALTERNATE, THE ORIGINAL? YOU SAID THERE WERE SEVERAL VERSIONS OF THE FORECAST? I HAVE ONLY SEEN THIS ONE IN THE BUDGET BOOK. SO IS IT POSSIBLE TO GET THOSE?

OH, SURE.

I DON'T KNOW IF THEY WERE SUPPORT TO US OR WHAT.

I DON'T KNOW IF THEY WERE SENT TO YOU BUT CAN I GENERATE THEM EASILY ENOUGH. BASICALLY YOU WANT WHAT IS ON 181 FOR EACH OF THE SCENARIOS?

YEAH, AND THEN I HAVE A QUESTION. DOES THIS FORECAST INCLUDE A DRAWDOWN OF THE 115 TRUST OF 150 TO 230,000?

YEAH. I'M GETTING TO THAT. I OKAY A STAB IN THE DARK AND CAME UP WITH OPTIONS TWO, NHA. THEY HAVE FOUR. YOU DISCUSSED THOSE EARLIER. WE TALKED ABOUT THAT A COUPLE OF YEARS AGO BUT A MIDDLE RANGE PROBABLY IS THE MORE PRUDENT APPROACH RIGHT NOW. I DO WANT TO EMPHASIZE, ONCE YOU PULL THE TRIGGER IT'S NOT AUTOMATIC YEAR AFTER YEAR. YOU CAN MAKE A DECISION EVERY YEAR HOW MUCH IF ANY YOU WANT TO DRAWDOWN. SO IN THE TERMS OF WHAT YOU WANT TO DRAWDOWN, THE 228,000 TO 230,000 RANGE AND I THINK THAT'S A RANGE TO CONSIDER FOR THE ORIGINAL DRAWDOWN -- GO AHEAD.

I'M SORRY. IS IT IN THE FORECAST?

IT IS.

SO THE DRAWDOWN IS INCLUDED FROM THIS FORECAST THAT WE HAVE IN THE BUDGET BOOKS?

THAT'S RIGHT. IF YOU DON'T DO IT -- LET'S SAY THAT YOU DON'T DRAW IT DOWN AT ALL. THE AVERAGE OVER THE NEXT NINE YEARS IS \$232,000 A YEAR, I THINK THE FIRST DRAW IS 212,000 UNDER THAT SCENARIO.

IF WE DIDN'T DO IT, THEN IN 2028, WE WOULD BE 1.5 DEFICIT.

YEAH. YOU'RE JUST -- YOU'RE JUST THAT MUCH TO THE WORSE.

I JUST WANT TO MAKE SURE I'M LOOKING AT THE RIGHT NUMBERS.

THAT'S RIGHT. SO THE AMOUNTS THAT I'M GOING TO SHOW YOU IN TERMS OF WHAT YOU WOULD HAVE TO CUT ON -- STARTING IN FISCAL 27, YOU WOULD JUST ADD 212,000 TO THAT. BUT, YEAH. THE FORECAST ASSUMES THERE IS THAT DRAWDOWN.

AND THE WASTEWATER LOAN, HOW MUCH IS THAT? IS THAT IN THE FORECAST WE HAVE IN OUR BUDGET BOOKS? AND HOW MUCH IS THAT PER YEAR?

THAT IS RIGHT NOW, THE MILLION ONE IS THE AMOUNT THAT IS -- YOU KNOW, THE AMOUNT OF THE INITIAL LOAN. AND WE'RE ASSUMING ABOUT \$220,000 A YEAR JUST TO PAY THAT FROM THAT STARTING IN FISCAL 28.

SO THAT'S IN THIS FORECAST?

YES, IT IS. BUT AGAIN, I'M GOING TO SHOW YOU AN OPTION.

ANY OTHER QUESTIONS? NO?

I'M GOING TO GO BACK AND -- LET'S GO TO SLIDE 10, I BELIEVE IT IS. THAT'S THE ONE. I'LL PAGE THROUGH IT.

THE ONE, BOB?

THAT'S THE ONE. OKAY. I WILL SHOW YOU A FEW THINGS HERE. THE CHART ON THE LOWER LEFT IS A COMBINATION OF TOTAL REVENUE, THE GREEN DOTTED LINE, AND TOTAL EXPENSE, THE RED SATURDAY SOLID LINE AND YOU CAN SEE HOW THOSE TRENDED GOING BACK FROM 2015 AND THE THING I WANT TO POINT OUT HERE YOU SEE THE PEAK IN REVENUE CONSIDERING IN 22 AND 23. THAT WAS ONE-TIME PANDEMIC-RELATED REVENUE AND IT'S NOT ONGOING. SO THAT DROPPED OFF. AND THEN YOU SEE BEGINNING TO GROW AGAIN IN REVENUE, PRETTY MUCH FLATTENING OFF, A LITTLE TAPERING OFF IN FISCAL 28 WHICH IS THE RECESSION WE'RE TALKING ABOUT. AND IT GROWS AGAIN AND TAPERS OFF AGAIN IN 24 AND 25. AND YOU CAN SEE THE GAP. IT'S THE DIFFERENCE BETWEEN THE RED AND THE GREEN LINE. THAT'S HIGHLIGHTED DOWN AT THE BOTTOM WITH THE BARS, THE BLACK BARS, THE YEARS OF SURPLUS. THE RED BARS ARE YOUR SHORTFALL. AND IN 26, HERE'S THAT MILLION TWO SURPLUS AND IN FISCAL 27, THE 960,000 SHORTFALL AND THAT GROWS OVER THE NEXT FEW YEARS, TAPERS OFF A BIT WITH THE RECOVERY FROM THE RECESSION AND GETS BIGGER AGAIN IN THE MID-30s WHEN WE ASSUME THE NEXT RECESSION WILL COME ALONG. SO IT'S THIS GAP THAT'S THE PROBLEM. THAT'S GOING TO DRAWDOWN THE BALANCE. IF YOU TAKE A LOOK AT THE CHART IN THE UPPER RIGHT-HAND CORNER, THESE ARE REVENUES AND I HAVE TAKEN SIX CATEGORIES OF REVENUE TO LET YOU EYEBALL WITH THE TRENDS OF THOSE AGAIN. THE BLUE LINE IS PROPERTY TAX. WHILE THERE WERE UPS AND DOWNS ESPECIALLY DURING THE GREAT RECESSION, IN THE PAST YEARS, IT'S BEEN PRETTY STABLE. WE ARE ASSUMING IT WILL BE PRETTY STABLE GOING FORWARD. THE ONE THAT WOBBLES IS THE SALES TAX AND IT WOBBLES FOR A COUPLE REASONS. ONE IN 2012 WE

HAD THE INITIAL LOCAL SALES TAX INCREASE. WE HAD UPS AND DOWNS SINCE THEN, ONE OF THEM HERE AROUND 2020 WHICH WAS THE INITIAL PANDEMIC IMPACT. AND IT GREW. IT'S TAPERED OFF OVER THE LAST FEW YEARS AND I HAVE TO TELL YOU THAT'S PRETTY MUCH THE CASE STATE WIDE. THE SALES TAX BOOMED DURING THE PANDEMIC. PEOPLE SAT HOME AND BOUGHT STUFF AND THEN IT JUST KIND OF TAPERED OFF SINCE THEN. NOW, YOU CAN SEE THE BIG INCREASE. AND THE INCREASE HERE IS FROM THE PASSAGE OF MEASURE U. THAT, OF COURSE, IS BRINGING IN A HIGHER LEVEL OF REVENUE. YOU CAN SEE IT DIP WITH THE RECESSION ONCE AND THEN AGAIN. AND THE UTILITY USER TAX IS STABLE AND A LOWER LEVEL OF REVENUE. SO THERE ISN'T MUCH GOING ON THERE, AND THE SAME WITH THE TOT. IT DIPPED DURING THE PANDEMIC, STABLE GOING FORWARD. AND THE CROSS PLAN, THE REASON WHY IT WAS HIGHER AND THE REASON IT WAS HIGHER, WILL GENERAL FUND -- NOW, THE GENERAL AND ADMINISTRATIVE EXPENSE IS DOWN BY 800,000 AND THE NEXT OF THE GENERAL FUND IS DOWN BY 800,000. SO ON THE A WASH. THERE IS NO DIFFERENCE AND THAT'S WHY YOU SEE THE REVENUES DIP HERE AND FINALLY UNDER THE OTHER REVENUES YOU HAD A COUPLE OF SPIKES WITH THE INTERGOVERNMENTAL REVENUE ESPECIALLY RELATED TO THE PANDEMIC. AND YOU CAN SEE THAT LEVELING OFF. IN TERMS OF THE LOWER RIGHT-HAND CORNER GENERAL FUND EXPENSES, THAT IS PERSONNEL AND YOU CAN SEE HOW THAT TAPERED OFF DURING THE GREAT RECESSION FROM '09 TO '13. AND IT TAPERED OFF, AND THE REASON IS THE HIGHER LEVEL OF VACANCY. IN THE BUDGET FOR FISCAL 27 IS WHAT'S PROPOSED, THE 1% VACANCY RATE AND THEN THE GROWTH THEREAFTER. O & M COSTS FLUCTUATES A LITTLE MORE. THE AMOUNTS ARE NOT STEADY AND IT'S NOT SPENT EVENLY THROUGHOUT THE YEAR. THERE WAS A BOOST BACK IN 2021. OTHERWISE, WE ARE GOING WITH THE FISCAL 27 BUDGET AND INFLATIONARY GROWTH THEREAFTER. CAPITAL GROWTH IS SMALL AND WE ARE LOOKING AT A MODEST LEVEL GOING FORWARD. THERE REALLY ARE NOT A LOT OF MOVING PARTS HERE. PERSONNEL IS REALLY PRETTY MUCH THE WHOLE BALL GAME. WHEN IT COMES TO CUTS, THERE ARE THINGS THAT YOU CAN LOOK AT WITH O & M. AND IT'S PRETTY SMALL POTATOES. NEXT SLIDE, PLEASE.

CAN I ASK A PHILOSOPHICAL QUESTION?

SURE.

WHEN YOU'RE TALKING ABOUT THE RECESSION ON THE SLIDE PRIOR -- IT'S UNDER THE MAJOR FORECAST WHERE YOU SAID MODERATE RECESSION STARTING FISCAL YEAR 28, HOW DO YOU QUANTIFY THAT? LIKE YOU FIGURE THIS IS A MODERATE RECESSION. HOW DO YOU QUANTIFY THAT?

WELL, WE'VE TAKEN A LOOK AT ALL THE RECESSIONS GOING BACK TO THE 1960s, AND LOOKING AT CALIFORNIA CITIES AND COMING UP WITH THE NORMAL BASELINE AND THE NORMAL ECONOMIC GROWTH GENERATED IN THE CITIES AND COMPARE IT TO WHAT ACTUALLY HAPPENED IN THE RECESSION. I DON'T HAVE A CHART IN FRONT OF ME BUT IF YOU LOOK AT THOSE, ABOUT HALF OF THE RECESSIONS, THE NET REVENUE LOST TO LOCAL AGENCIES IS ABOUT 5%. GENERALLY OVER ONE YEAR, SOMETIMES, OVER A COUPLE OF YEARS. THERE WERE, HOWEVER -- AND THOSE ARE WHAT WE CALL A MODERATE RECESSION. THE GREAT RECESSION, OBVIOUSLY, WAS MUCH HIGHER. IT WAS 30 TO 40% LOSS. AND THE LOSS IN THE '70s AND '80s ALSO WERE KIND OF IN BETWEEN, MORE LIKE 10 TO 15% LOSS. SO WE'RE LOOKING AT A 5% LOSS. WE'RE NOT LOOKING AT ANYTHING LIKE THE GREAT RECESSION. WE CAN MODEL WHAT HAPPENS IF SOMETHING LIKE THE GREAT RECESSION OCCURS BUT WE'RE MAINLY INCLUDING THE RECESSION FORECAST. WHAT HAPPENS ABOUT HALF THE TIME WITH THE RECESSION, IF THAT OCCURS, DOES THE CITY HAVE THE RESERVES TO HOLD UP UNDER THAT ALL THINGS BEING EQUAL? SO WE SHOW THE DECLINE AND EVEN THOUGH THERE IS ULTIMATELY THE RECOVERY, WITHOUT CUTBACKS, THE CITY IS, YOU KNOW, GOING TO DRIVE ITS RESERVES INTO A DEFICIT IN FUTURE YEARS. SO WE ARE GOING TO GET TO THAT STARTING ON THE NEXT SLIDE. BUT THAT'S THE MODERATE RECESSION, A 5% LOSS OF REVENUE.

THANK YOU. I'M SORRY.

I HAVE A QUESTION FOR THE GENERAL FUND PERSONNEL. NOT REALLY SURE WHAT THAT IS BASED ON WHETHER IT'S THE COST OF LIVING INCREASE. I KNOW THE SLIDE BEFORE, YOU SAID SOMETHING ABOUT THE HIGHER AND LOWER -- BUT DOES THIS

ASSUME A CERTAIN COST OF LIVING EXPENSE INCREASE BECAUSE WE ARE FULLY STAFFED AND I ASSUME WE ARE HIRING MORE PEOPLE? HOW IS THIS INCREASED? THE TWO PRIMARY WAYS. FIRST OF ALL, THERE WILL BE COST OF LIVING INCREASES. THERE WILL BE IN CERTAIN YEARS, A DIFFERENT POSITION RECLASSIFIED TO A HIGHER LEVEL OR A LABOR MARKET ADJUSTMENT. AND THEN THERE ARE THE STEP INCREASES, THE MERIT INCREASES. THE PERSON BELOW TOP STEP GETS A 5% INCREASE AND THE PERSON AT THE TOP STEP IS NOT REALLOCATED TO A HIGHER STEP LIKE A WORKER 2 VERSUS A WORKER 1, IF THEY ARE AT A TOP STEP THEY DON'T GET ANY INCREASE. AND LATER ON THAT YOU MIGHT HAVE A TOP STEP PERSON WHO HAS BEEN THERE A WHILE AND THAT PERSON LEAVES AND THERE IS A VACANCY AND IN THE SHUFFLE, SOMEONE AT A LOWER STEP IS PROMOTED. IT DOESN'T MEAN YOU REDUCED SOMEONE'S PAY RATE BUT IT MEANS THAT THEY CAME UP IN AT A LOWER STEP AND WILL WORK THEIR WAY UP THE LADDER EACH YEAR AND THAT'S WHAT THE LOOK IS. AND IF YOU LOOK AT THE LOWER RIGHT HAND CORNER, YOU CAN SEE THE LINE AND THERE ARE DIPS AND IF YOU IMAGINE THE LINE IN THE UPPER LEFT-HAND CORNER TO THE UPPER RIGHT-HAND CORNER, THAT WAS A PRETTY STABLE RATE OF GROWTH OVERTIME. SO WE'RE NOT LOOKING AT ANY OTHER OUT OF THE ORDINARY GIVEN WHAT THE CITY IS EXPERIENCING.

I WONDER BECAUSE IT DID FLATTEN OUT FROM 19-- 1900? -- 2019.

YEAH. IT'S A LITTLE FLAT HERE AND DIPS A LITTLE, AND THAT BASICALLY WOULD HAVE GONE STRAIGHT ACROSS THE TOP HAD IT NOT BEEN FOR THE VACANCIES.

OKAY. THANK YOU.

ALL RIGHT. LET'S GO TO THE NEXT SLIDE. ALL RIGHT. BASELINE FORECAST. A LITTLE BIT OF THIS IS REPETITIVE BUT I WANT TO SHOW WHAT YOU WE HAVE DONE IN THE PAST IS SHOWN YOU A COMBINATION OF THE UNASSIGNED BALANCE WHICH IS THE BLUE BARS AND THE PENSION TRUST ACCUMULATED IN THE ORANGE BARS. SO YOU CAN SEE THAT COMBINATION -- THAT'S ALL MONEY THAT ULTIMATELY COULD BE USED TO THE BENEFIT OF THE CITY AND NHA REPORT WAS VERY WELL DONE. MIKE WALKED ME THROUGH THE IMPLICATIONS OF WHAT THE DIFFERENT DRAWDOWNS WERE ON THE PENSIONS TRUST. WE ARE COMPARING THAT TO TWO POTENTIAL GOALS, 15% GOAL, 15% OF EXPENSE AND A 20% OF EXPENSE. IDEALLY, YOU WANT TO KEEP THE BLUE BAR ABOVE 15%. IT'S EVEN BETTER IF YOU KEEP IT ABOVE 20%. SO YOU CAN SEE THAT WAS THE CASE UP UNTIL NOW. THE BLUE BAR WAS AT 20%. NOW, THE AMOUNT -- YOU CAN SEE IT DECLINING HERE. IT'S IN FISCAL 36. IF YOU IMAGINE TWO MORE YEARS OUT HERE, MEASURE U IS NOT RENEWED, THEN, OBVIOUSLY, THIS IS GOING TO DROP EVEN FURTHER IN THE FUTURE YEARS AND A RECESSION, WE TALKED ABOUT THAT ALREADY. THE AVERAGE SHORTFALL DURING THIS PERIOD IS ABOUT 1.3 MILLION. I MENTIONED THAT THE PENSION TRUST ASSUMES THE SCENARIO 2, NHA. BUT THAT'S UP TO YOU. IF YOU ASSUME ZERO DRAWDOWN, THEN INSTEAD OF GETTING ABOUT \$212,000 NEXT YEAR IN RESOURCE FROM THE TRUST, YOU WOULDN'T BE GETTING ANYTHING, AND ON AN ON-BASES, SCENARIO 2 IS ABOUT \$232,000 A YEAR OVER NINE OR 10 YEARS AND IF YOU DON'T GET THAT YOU HAVE TO CUT EXPENSES BY THAT AMOUNT. IT'S A TRADE-OFF. AND IT ASSUMES IF THE SEWER LOAN IS REPAID AND NO BARLOW HOTEL.

I'M SORRY. WE HAVE A QUESTION HERE.

SURE.

YEAH. IN 27, NOT TO BEAT A DEAD HORSE, YOU PUT IT AT 1.3. BUT WE ARE ALREADY GOING TO BE AT .9. THAT'S WHAT WE BELIEVE IT WOULD BE?

NO. THAT'S WHAT I HAVE, TOO. I HAVE 960,000 AS THE SHORTFALL. THE MILLION THREE IS AN AVERAGE OVERTIME. IT ACTUALLY GETS WORTHY TO 1.1, 1.3 OR 4, AND 1.6, AND THEN IT DROPS DOWN A BIT BUT IT'S AN AVERAGE OF 1.4 MILLION FOR FISCAL 26.

SO WORSE CASE SCENARIO THAT'S INCREASING IT IS AVERAGE OF 1.3 BUT IT DOESN'T MEAN -- LIKE IF WE KNOW THERE WILL BE LIKE 80 MORE RESIDENTS COMING ONLINE WHICH ARE BEING BUILT RIGHT NOW THAT ARE GOING TO AFFECT OUR TOP LINE, OUR -- OUR TAXES AND OUR PROPERTY TAXES, IS THAT IN THERE? WE HAVE HISTORICAL GROWTH BUT IF WE GOT 80 UNITS ALL AT ONCE, THAT WOULD BE HIGHER. SO AT THIS POINT -- LET ME TAKE A QUICK LOOK. WE ARE -- IT'S THE CANOPY. IT'S BEING BUILT, YOU KNOW.

YEAH. I -- YOU KNOW, OUR CURRENT GROWTH RATE IN THE GENERAL FUND IS, YOU KNOW, IT'S ABOUT -- ON AN ONGOING BASIS, IT AVERAGES 4% A YEAR AND THAT MATCHES UP -- LET'S TAKE A LOOK AT THE LAST SEVERAL YEARS, YOU KNOW, AND IT'S BEEN ANYWHERE FROM 2% TO 10% JUST DEPENDING. SO IT CAN, YOU KNOW, THE PROPERTY TAX COULD GO HIGHER. THE THING WITH THE PROPERTY TAX IS THAT UNLIKE THE SALES TAXES OR THE TRANSIENT OCCUPANCY TAX KEEPING A HIGHER SHARE OF THE REVENUE, THE TAXES -- IT'S A 1% TAX AND THE CITY'S GETTING JUST A FRACTION OF THAT. IT'S IN THE 12 TO 15% RANGE. IT DOESN'T MAKE A HUGE DIFFERENCE. OF COURSE, ONCE YOU GET INTO A PARTICULAR SUBDIVISION IF THERE IS A PARK WITH THAT AND THE CITY PAYS TO MAINTAIN THE PARK, IT COULD BE EXPENSES. AT THIS POINT, WE HAVEN'T TRIED TO BUILD IN A COST BENEFIT ANALYSIS FOR THAT PARTICULAR PROJECT. AS IT PROCEEDS AND WE HAVE A BETTER SENSE OF TIMING WITH THE MAGNITUDE OF THE -- OF THE VALUE OF THE DEVELOPMENT, WE CAN MAKE THE ADJUSTMENT WITH THE FORECAST OF THE FUTURE HERE.

WE HAVE ANOTHER QUESTION.

I AM VERY CONFUSED. THE BUDGET COMMITTEE SAID WE ARE GOING TO BE \$900,000 IN THE HOLE. AND THEN I GET AN EMAIL FROM ANA THAT I REVVED TO EARLIER SAYING 1.4 MILLION. AND ON THIS SLIDE, IT'S 1.3. I GUESS I'M CONFUSED WITH THE NUMBERS.

I CAN SHOW YOU THE DIFFERENCE BETWEEN THE 1.4 AND THE 1.3. THE LAST MINUTE, ANIMAL CONTROL COSTS CAME IN \$40,000 LESS, AND THAT WAS ENOUGH TO TAKE SOMETHING ROUNDED UP TO 1.4 TO 1.3 AND WE CHANGED THE SLIGHT -- SLIDE AT THE VERY LAST MINUTE. WHAT I'M DOING IS TAKING AN AVERAGE OF FISCAL 27 THROUGH FISCAL 36. IT GETS WORSE IN FUTURE YEARS. THERE IS NOTHING ACCURATE ABOUT 960,000 AS A SHORTFALL FOR FISCAL 27. THAT'S JUST THE GAP SLOWS, AND THEREFORE THE AVERAGE OVER THAT PERIOD OF TIME.

OKAY.

SO THE LAST POINT, IT WOULD SICK \$7 10,000 A YEAR OF ADDITIONAL REVENUE OR REDUCED SPENDING OR A COMBINATION THEREOF IN ORDER TO BRING THE BALANCE OVERTIME TO 20% BY FISCAL 36. I WILL SHOW YOU THAT IN JUST A MOMENT. BUT FIRST, I WANT TO SHOW YOU THESE ALTERNATIVES. LET'S GO TO THE NEXT SLIDE. ALTERNATIVE ONE IS ALTERNATE THE SAME THING BUT NO SEWER LOAN REPAYMENT. IN THAT CASE, INSTEAD OF THE DEFICIT, THE BLUE BAR BEING \$4.4 MILLION IN FISCAL 36 NOW IT GROWS TO 5.5 MILLION. THE ADDITIONAL REVENUES FROM SPENDING CUTS RISES TO \$8 10,000. ANA, THE NEXT SLIDE TAKING THE BASELINE ON THE LEFT AND ALTERNATE ONE ON THE RIGHT AND THIS IS WHAT HAPPENS AFTER YOU MAKE THOSE CHANGES, 7 10,000 TO THE ONE ON THE LEFT AND 810,000 ON THE RIGHT AND YOU CAN SEE IT'S VERY HEALTHY. THE BALANCES EXCEED THE GOAL ALL THE WAY TO FISCAL 36 IN BOTH CASES. BUT THAT'S HOW MUCH IT TAKES IN TERMS OF A CUT FOR AN INCREASED RESOURCE OF SOME SORT OR A COMBINATION THEREOF TO WORKOUT. THESE ASSUME THAT SCENARIO 2 THAT IF YOU DIDN'T DO THAT AND YOU ARE CERTAINLY FREE TO DO BUT IF YOU DON'T DO THAT, THEN IT JUST ADDS AN AVERAGE OF 232,000 A YEAR TO EACH OF THESE NUMBERS. NOW TWO MORE ALTERNATIVES TO SHOW YOU. LET'S GO TO THE NEXT SLIDE. ALL RIGHT. NOW WE BRING THE BARLOW HOTEL IN. AND 83 ROOMS, WE ARE ASSUMING A \$350 DAILY RATE, MORE IN LINE WITH HIGH-END HOTELS NOT SUPER HIGH-END IN NAPA AND SONOMA COUNTY AND WE ARE ASSUMING A 70% OCCUPANCY RATE AND RAMP UP BUSINESS OVER FIVE YEARS AND WE ARE NOT EVEN THERE. THE DEVELOPER ASSUMES \$600 AVERAGE DAILY RATE AND 65% OCCUPANCY. YOU CAN SEE THE UNSIGNED BALANCE IS DROPPING BUT OVERALL WE DON'T GO BELOW 15% UNTIL THE LAST TWO YEARS. SO THIS GIVES YOU HEAD ROOM FOR IMPROVEMENT. IF THE HOTEL COMES IN BETTER THAN I THINK WHAT IS PRETTY CONSERVATIVE ASSUMPTION -- THE MOST PRUDENT ASSUMPTION IS NO HOTEL BECAUSE YOU DON'T WANT TO COUNT YOUR CHICKENS BEFORE YOU CATCH. BUT I THINK 350 IS MORE PRUDENT AND CONSERVATIVE BUT IF IT COMES IN BETTER YOU HAVE UPSIDE POTENTIAL HERE, AND AGAIN, KEEP IN MIND WE ARE ASSUMING 3.25 TOTAL WAGE GROWTH AND NO NEW POSITIONS. SO TO THE EXTEND THAT EITHER OF THOSE WIND UP WITH THE REALITY BEING HIGHER THAN THAT, OBVIOUSLY, THAT WILL PUT A DOWNWARD PRESSURE ON. IF YOU DID BETTER ON THE HOTEL, MAYBE YOU COULD BE OFFSETTING THAT. YOU KNOW, THIS IS NOT A BAD OUTCOME. IT GIVES YOU THE CONSERVATIVE TAKE ON WHAT THE BARLOW HOTEL COULD DO FOR YOU. NOW, IF YOU

WANTED TO GET THE BLUE BAR UP TO 20%, IT WOULD TAKE \$150,000 A YEAR OF ADDITIONAL REVENUE. SO OBVIOUSLY, THAT'S MORE THAN THE 8 10,000 OR IF YOU DID NOTHING, THIS IS THE WAY IT WOULD LOOK. IF YOU LOOK AT THE LAST ALTERNATIVE, THREE, THAT WOULD SHOW BUT THE BARLOW HOTEL BUT NO SEWER LOAN REPAYMENT. AND OBVIOUSLY, THAT'S LOWERED BY A MILLION ONE BECAUSE THAT'S THE LOAN THAT WOULD HAVE OTHERWISE BEEN REPAID. HEARD FROM TO GET THESE BLUE BARS UP TO THE 20% LINE, YOU WOULD HAVE TO CUT 250,000 A YEAR OR, AGAIN, A COMBINATION OF CUTS AND REVENUE. SO THAT IS WHAT -- THAT IS WHAT IT LOOK LIKE. AND IF YOU GO TO THE VERY LAST SLIDE, IT JUST SHOWS YOU WHAT ALTERNATIVES TWO AND THREE LOOK LIKE, ALTERNATIVE TWO, 150,000 INCREASE AND YOU COME RIGHT IN AT 20%. SAME WITH ALTERNATIVE THREE, 250,000 INCREASE AND AGAIN, YOU COME IN AT 20%. SO THAT SHOWS YOU THE BEFORE AND AFTER MAKING THE BUDGET ADJUSTMENTS. IT GIVES YOU THE RANGE OF THE BUDGET ADJUSTMENTS NEEDED REGARDING THE HOTEL AND THE -- WHETHER OR NOT THE SEWER LOAN IS REPAID AND THE OTHER VARIABLE, REALLY, THATRY DISCUSSED EARLIER IS THAT YOU COULD EITHER DO NOTHING WITH THE PENSION TRUST IN WHICH CASE THE ORANGE BARS WOULD STAY HIGHER INTO THE FUTURE HERE, AND YOU WOULD THEN HAVE TO JUST TAKE EACH OF THE NUMBERS YOU HAVE SEEN AND ADD AN AVERAGE OF \$232,000 TO IT SO YOU REPLACE THE MONEY THAT WOULD BE COMING IN FROM THE TRUST WITH EITHER CUTS OR IF YOU CAN FIND SOME OTHER REVENUE TO HELP FILL IN THAT GAP. SO THAT CONCLUDES MY PRESENTATION ON THIS FORECAST. AND FOLLOWING ME, ANA WILL FINISH WITH OTHER INFORMATION. SO IF ANYBODY HAS QUESTIONS ON THE FORECAST I CAN'T SEE YOU ON THE SCREEN. I CAN HEAR YOU BUT I CAN'T SEE YOU VERY WELL. JUST CALL IT OUT.

ANY QUESTIONS? I APOLOGIZE, EVERYONE. I NEED TO TAKE A QUICK BATHROOM BREAK BETWEEN THE PRESENTATIONS. I'M SORRY. WE'LL BE BACK IN JUST A COUPLE MINUTES. I'M SORRY. I JUST WANTEDS TO -- TRYING TO -- I MEAN, ANY -- ANY RESULTS? GO AHEAD.

DURING THAT BREAK, I GUESS WHAT I'M LOOKING FOR BETWEEN NOW AND REALISTICALLY, 10:30 AND FINISHING THE BUDGET THE NEXT TIME, WITH THE CONSULTANT, IF I WANTED TO DO MY OWN CALCULATIONS BECAUSE I WANTED TO GO WITH SCENARIO NUMBER TWO OR ACTUALLY SCENARIO NUMBER THREE WHICH IS THE MORE CONSERVATIVE ONE AND ASSUMING NO WATER REPAYMENT. WHAT -- WHAT GRAPH WOULD I LOOK AT? WE TALK ABOUT THE RESERVE LEVEL, 15 OR 20%. WHAT GRAPH WOULD YOU POINT ME TO?

IS IT RECORDING? WE CAN JUST DO THAT. OKAY.

BOB, CAN YOU HEAR COUNCILMEMBER ZOLLMAN'S QUESTION?

BOB?

I THINK HE'S OFF.

CAN YOU HEAR US, BOB? CAN YOU TELL IF HE'S ON THERE?ANYONE SEE THE .

CAN YOU SEE IF HE'S STILL ON ZOOM?

HE'S STILL ON ZOOM.

HE'S NOT BACK YET.

OH, THE STAFF BECAUSE THAT'S WHAT I REALLY WANT TO KNOW BETWEEN NOW AND WHEN WE SHOW UP AGAIN TO FINISH THIS BUDGET. I WANT TO FIND OUT WHAT THE RESERVE LEVEL WOULD BE WITH SCENARIO 3, NO WATER REPAYMENT AND NO HOTEL. UNLESS YOU KNOW OFF THE TOP OF YOUR HEAD, THAT'S WHAT I WOULD LIKE TO KNOW NEXT TIME.

OH, I'M SORRY. I WAS WAITING TO SEE IF WE HAVE A RESOLUTION HERE. GO AHEAD.

WHEN WE ALL FIRST MET BOB WE GOT TO SIT DOWN WITH HIM WITH A CALCULATOR AND ACTUALLY PUT OUR SCENARIOS IN. I WOULD REQUEST -- I KNOW THE STAFF HAS DONE THAT, BUT I HAVE SOME SCENARIOS I'D LIKE TO SEE. IT MAKES SENSE TO ME THAT A HOTEL ISN'T GOING TO GENERATE A \$600 ROOM RATE. THERE'S A LOT OF THINGS THAT IF WE COULD HAVE THIS EVEN 15 MINUTES WITH BOB LELAND AND PUT OUR OWN INDIVIDUAL SCENARIOS IN SO WHEN WE ARE PREPARED WHEN WE COME BACK NEXT TIME, I WOULD ASK FOR THAT.

IF WE COULD DO THAT TONIGHT IN THE REMAINING 40 MINUTES -- LET'S FACE IT. 10:30, LET'S CALL IT. SO IF YOU CAN'T LIKE WALK THROUGH THE VARIOUS SCENARIOS, AND I CAN DO MY HOMEWORK BETWEEN NOW AND NEXT TUESDAY, THEN COULD WE HAVE 15

MINUTES OF OUR OWN TIME WITH BOB LELAND VIA ZOOM? AND THEN WHAT HE COULD VIEW THE SNAPSHOT OF THE SCENARIOS WE RAN THROUGH AND EMAIL IT OUT TO ALL OF US.

TO ANSWER YOUR QUESTION, THE SCENARIO ONE, NO HOTEL AND NO LOAN.

WHAT PAGE ARE YOU ON?

I'M ON PAGE -- I'M ON SLIDE NUMBER 12.

CAN WE -- CAN WE ADDRESS THE -- CAN WE DO THIS WITH BOB? I DON'T WANT TO SIT HERE AND GO THROUGH THE SCENARIOS. I DON'T FEEL LIKE THAT'S EFFECTIVE USE OF OUR TIME? IS THAT SOMETHING WE CAN COMMIT TO? BOAR BOB IS NOT HERE TO SAY YES.

JUST TO SAY THAT, WHEN WE RUN THE SCENARIOS, THE LIGHT BULB GOES ON AND WE ARE RUNNING OUR OWN SCENARIOS. I DON'T WANT TO SIT HERE AND DO THIS, EITHER. I CAN ARRANGE FOR A MEMBER TO MEET WITH BOB.

THANK YOU. AND IF HE DOES IT LIKE WITH ALL THE SCENARIOS BEFORE WE SHOW UP NEXT TUESDAY.

I AM NOT QUITE SURE --

ANYONE THAT ASKS THE QUESTION, IT COMES BACK TO US ANONYMOUSLY AND WE ALL HEAR THE QUESTION AND THE ANSWER AND CAN WE DO THAT WITH THE SCENARIOS AS WELL? CAN BOB KEEP TRACK OF THEM AND SEND THEM BACK AND WE DON'T KNOW WHO CREATED WHICH SCENARIO BUT WE ALL HAVE -- WE HAVE TRANSPARENCY OF ALL THE DIFFERENT SCENARIOS THAT ARE RUN. DOES THAT MAKE SENSE?

SURE.

SORRY, ALEX, I DIDN'T MEAN TO TAKE YOUR --

I DID KNOW WHAT YOU MEANT. IT SOUNDS MORE LIKE ANONYMOUS?

YEAH. ANONYMOUS, YEAH. I DIDN'T MEAN TO TAKE YOUR THUNDER.

I THINK WE HAVE BOB BACK. SO THE QUESTION, BOB, IS THAT THE CITY COUNCIL WOULD LIKE TO MEET WITH YOU INDIVIDUALLY GOING THROUGH THE DIFFERENT SCENARIOS.

SURE.

THEN YOU WOULD DO A COMPILATION WITH ALL THE MEETINGS WITH EACH COUNCILMEMBER AND SEND OUT A ONE-WAY COMMUNICATION BUT NOT IDENTIFY ANY PERSON THAT IS ASKING FOR WHATEVER SCENARIO.

ALL OF THEM WOULD BE ANONYMOUS.

I GOT YOU. SO A COMPILATION OF WHAT EVERYBODY SAID BUT NOT INDICATE WHO SAID IT. GOT IT.

FOR THE SCENARIOS AND LOOKING AT ALL THE SCENARIOS AND IT MIGHT TRIGGER A LIGHT BULB FOR OTHER PEOPLE.

YEAH, SURE. JUST HAVE TO FIND TIME. AND STAFF, FIGURE OUT HOW TO SET THAT UP AND GIVE ME SOME OPTIONS.

REALISTICALLY, HOW MUCH TIME DO YOU THINK IT WILL TAKE TO DO SCENARIOS? I KNOW IT DEPENDS ON HOW MANY.

SCENARIOS WE CAN DO ON THE FLY. I THINK I HAVE A PRETTY GOOD IDEA OF THE RANGE OF THINGS YOU ARE LOOKING AT. THE MODELS ARE FLEXIBLE. WE SHOULD GET AN IDEA TO SCREEN SHARE AND WON'T BE ABLE TO DO IT IN PERSON BUT I CAN DO IT ONLINE. AND I CAN SHOW YOU WHAT THE IMPACT IS. I CAN'T IMAGINE IT WILL TAKE MORE THAN HALF AN HOUR FOR EACH PERSON.

I APPRECIATE THE CONSERVATIVE NUMBERS FOR THE HOTEL. THE HOTELS HERE, THE MOST I HAVE EVER SEEN RUN IS 270 A NIGHT.

THE FAIRFIELD INN IS A WHOLE DIFFERENT LEVEL OF WHO -- HOTEL TO KNOW THAT WHAT'S PROPOSED.

OH, AGREE. SO WHERE ARE WE AT? WE TOOK A QUICK BREAK.

BOB'S GOING TO TAKE THE PRESENTATION. I DID ASK HIM TO HANG AROUND A BIT SO WHEN WE BRING THE WHOLE BUDGET BACK TO COUNCIL, IF THERE ARE ANY ADDITIONAL QUESTIONS IF YOU THINK ABOUT IT, HE IS GONE THROUGH THEM.

OKAY.

SO NOW WE GET TO THE CITY PERSONAL. AS YOU SEE HERE, THERE ARE 56 FULL-TIME EQUIVALENTS, AND THAT IS THE LEVEL THAT IS GOING TO MAINTAIN. WE CONTINUE TO HAVE POSITIONS BEING FROZEN, ONE IN THE POLICE AND ONE IN THE PUBLIC WORKS. THIS IS THE WATER FUND REVENUE, AND PRIMARILY, IT'S A SINGLE-FAMILY AND

COMMERCIAL USER, SMALL PORTION OF FEES AND PENALTIES. THIS IS WATER EXPENSES INCLUDING CONTACT SERVICES AND UTILITIES AND THE COST ALLOCATION PLAN IS PART OF THIS. WHAT IS DIFFERENT THIS YEAR IS THE ATTORNEY COSTS WERE ALLOCATED TO WATER AND SEWER DIRECTLY. HERE IS THE WASTEWATER REVENUE, MAINLY RESIDENTIAL AND COMMERCIAL CHARGES. THERE IS MINIMAL FOR OTHER REVENUES. SO THIS IS THE WASTEWATER EXPENSES, AND THE BIGGEST COST OUT OF THIS WASTEWATER EXPENSE IS JUST THE SUBREGIONAL, THE SANTA ROSA CITY PERSONAL THAT THE CITY PAYS TO PROCESS OUR WASTEWATER AND ALSO IN THIS WASTEWATER FUND, IT'S ALSO INCLUDING A PORTION OF COSTS IN THE EXPENSE AS WELL. SO THIS IS ALL THE RESTRICTED FUNDS WHICH IS THE SPECIAL REVENUE FUNDS, GAS TAX, PARK FEES, AND THESE ARE -- THESE ARE FEES FOR SPECIFIC PURPOSES, AND THE CITY MAINTAINS 25 DIFFERENT FUNDS. YOU CAN FIND THESE IN YOUR BUDGET BOOKS ON PAGE 127 TO 159. THIS IS -- THIS SLIDE IS THE INSURANCE FUND. AND THE INSURANCE FUND IS ON PAGE 160 TO 161 AND THE CITY IS PART OF THE JOINT POWER AUTHORITY, THE JPA FOR THE RISK POOL. IT HOUSES HOW WORKERS' COMP AND GENERAL LIABILITY, AND THESE COSTS ALLOCATE ACROSS THE BOARD TO ALL DEPARTMENTS. AND I THINK WITH THAT, I AM GOING TO BRING THIS TO A CLOSE. IT'S ANYTHING -- GOING BACK TO THE COUNCIL FOR DISCUSSION AND CONDUCT A PUBLIC HEARING.

I SEE YOU NODDED OUR HEAD AT TIMES. I'VE BEEN LOOKING THROUGH THIS BOOK. THE UTILITIES?

YEAH.

UNDER THE CITY PARTNER.

WHICH TAB? I'M SORRY. I'VE BEEN LOOKING AND LOOKING. OH, IT'S UNDER -- OKAY. THAT'S THE ONE I WASN'T LOOKING UNDER. I GUESS I DIDN'T THINK IT WOULD BE UNDER -

45?

OKAY. WELL, THE ONLY REASON I'M BRINGING IT UP -- OKAY. ALL RIGHT. THE QUESTION I HAVE IS HOW DO YOU WANT TO GO THROUGH ALL OF THIS? QUESTIONS OR LIKE GROUP BY GROUP? WE'VE DONE IT DIFFERENTLY EACH YEAR SO ANY THOUGHTS?

I HONESTLY DO TRUST MY COLLEAGUES WHO SPEND HOURS AND HOURS AND HOURS ON THE BUDGET. I MEAN, WHAT I READ, I MEAN, RIGHT NOW I'M GOOD WITH WHAT IT IS THAT THEY'RE PROPOSING. I JUST REALLY WANT TO FIGURE OUT WHAT MONEY WE COULD HAVE AVAILABLE BY WAY OF CASH FLOW SHOULD EMERGENCIES COME UP. THAT'S BASICALLY MY SCENARIOS. BUT HONESTLY, WHEN I READ THIS, I DIDN'T SEE ANYTHING THAT WAS HORRIBLE WITH WHAT THEY ARE PUTTING OUT FOR THE BUDGET RECOMMENDATION. WHATEVER IS COMING OUT OF THE BOOK, I ASSUME THE TWO OF YOU AGREE AND THEN IT'S UP TO US TO FIGURE OUT HOW WE WANT TO DO THIS IN THE NEXT 40 MINUTES.

WELL, I MEAN, I KNOW THAT THERE'S ONE ITEM THAT I WOULD LIKE TO MAKE SURE WITH THE PLACEHOLDER. I DID HAVE -- I ASKED THE CITY MANAGER SOME QUESTIONS BECAUSE I REALLY DIDN'T UNDERSTAND THAT. HE COULDN'T GET SPECIAL THINGS REQUESTED UNLESS THEY WERE WITH THE 5-0 VOTE. SO I WANT TO GO -- I KIND OF WANT TO GO THROUGH IT, I GUESS, AND SEE ABOUT SOME -- I DON'T KNOW IF YOU CALL THEM SPECIAL PROJECTS BUT ASK ABOUT SOME CERTAIN LINES AND POINT THEM OUT SO THAT I REALLY UNDERSTAND WHAT ANY OF THE -- WHAT I CALL THE EXTRAS MIGHT BE. [Inaudible]

BETWEEN NOW AND WHEN THEY SHOW UP AGAIN, AND I SAID I'M GOOD.

I DON'T WANT TO BE RUSHED THROUGH THIS BECAUSE OF THE TIME CONSTRAINT. WE HAVE, YOU KNOW, I MEAN EVERYONE'S GOT A DIFFERENT VIEW ON THIS. THE QUESTION I HAVE -- I'M JUST LOOKING AT THE BIG PICTURE WITH THE AGENDA AND THE ITEM THAT WE HAVE AFTER THAT AND WHETHER OR NOT THAT IS SOMETHING THAT CAN BE -- SORRY. I LOST MY PAGE HERE FOR THE AGENDA. NUMBER 10, ARE WE ABLE TO PUSH THAT? I AM -- REALISTICALLY, I'M LOOKING AT WHERE WE'RE AT WITH ALL THIS. RIGHT. OKAY. I JUST WANT TO MAKE SURE FOR THAT. AND THEN IT'S NOT REALISTIC TO GET THROUGH ALL OF THIS AND THE CAPITAL IMPROVEMENT PROJECT TONIGHT. THERE IS NO WAY WE ARE GOING TO DO THAT. THE QUESTION I HAVE, WE HAVE DIFFERENT IDEAS OF, YOU KNOW, WHERE WE WANT TO ASK FOR THINGS. SO I WOULD LIKE TO DO THIS EXPEDITIOUSLY BUT DO YOU WANT ME TO GO THROUGH EACH SESSION OR MAKE IT

WHERE WE MAKE IT OR BRING UP SPECIFIC THINGS YOU WANT AND THEN THE NEXT TIME WE GO THROUGH THAT VERY QUICKLY, EACH SECTION? SO BY SECTION TONIGHT AND THEN WE GO THROUGH THE --

I MEAN, I'M HAPPY TO BRING IT UP IF THAT'S HOW WE WANT TO DO IT.

DOES IT REQUIRE RESEARCH? I WANT TO BE COGNIZANT OF THAT.

I'M INTERESTED OF GETTING THE FUNDING FOR THE EIFD STUDIES IN HERE. I KNOW THAT'S A CARRYOVER FROM LAST YEAR. AND I DON'T HAVE IT CLOCKED IN BECAUSE OF OUR PRIORITY, SO I -- SO THAT'S SOMETHING THAT I WANT TO DISCUSS. I WOULD LIKE TO LOOK AT THE CITY COUNCIL AND SEE BASED ON PROJECTIONS ABOUT COUNCILMEMBERS'S MONTHLY STIPEND, WHETHER THAT WAS DISCUSSED HERE BECAUSE IT'S IN PLAY. SO THE ITEMS THAT COME TO MIND. BUT THERE MIGHT BE REGULARS AS I HEAR FROM OTHER COUNCILMEMBERS.

SO DO WE WANT TO JUST GO -- I NEVER LIKE RUSHING THROUGH A BUDGET. IT MAKES ME CRAZY WITH MY ORGANIZATION. IF EVERYONE WANTS HIGH LEVEL AND THEN WE MOVE ON AND THEN I GET A DOZEN QUESTIONS AND DETAILED WHY AND I WANT LIKE TO DO WHAT WE HAVE DONE IN THE PAST AND START HERE VERY QUICKLY. GO AHEAD.

I HAD ONE THING THAT CAME UP TODAY. I WAS WORKING ON THE MUSEUM TALKING TO THEM ABOUT A SCULPTURE, AND THIS WAS A VOTE THAT WE TOOK, AND IT WAS A 5-0 VOTE, AND I HAVE BEEN WORKING ON TRYING TO FIGURE OUT SOMETHING. SO WE WERE TALKING ABOUT A MURAL. AND TALKING WITH THIS WOMAN FROM THE MUSEUM ABOUT THE POSSIBILITY OF A MURAL. I DON'T KNOW HOW MUCH IT WOULD COST FOR AN ARTIST TO DO THAT BUT SHE SUGGESTED \$10,000 FOR A MURAL. I WANTED TO BRING THAT UP FOR PART OF A DISCUSSION.

OH, I'M SORRY.

I WANTED TO ASK MARY A CLARIFYING QUESTION ABOUT WHAT COUNCILMEMBER HINTON BROUGHT UP WITH THE EIFD. THERE WERE 15,000 IN RESIDUAL THAT WAS IN THERE. WHAT DO YOU THINK THE POLICY IS FOR BRINGING THIS UP? IT'S NOT IN THE BUDGET BUT I GUESS IN SIX MONTHS, THE COUNCILMEMBER RAISED -- [Inaudible]

I DON'T REMEMBER THAT.

IT WAS TAKEN OUT -- [Inaudible]

AND SO THAT'S OUR PREROGATIVE FOR TONIGHT OR WHATEVER THE WORD IS.

DO YOU HAVE YOUR MIC ON, MARY? I AM NOT SURE PEOPLE CAN HEAR YOU.

SO THE ITEM TONIGHT IS TO DISCUSS THE BUDGET. IF THERE ARE OTHER ITEMS TO COME FORWARD THIS IS THE OPPORTUNITY FOR THE COUNCIL AND THE COMMUNITY TO DISCUSS WHAT IS IN THE BUDGET. SO IT'S -- IF THERE IS AN ITEM THAT NEEDS FURTHER REVIEW, THEN WE NEED TO REVIEW IT BEFORE IT COMES BACK. SO, IF THAT IS SOMETHING THAT THE COUNCIL WANTED TO LOOK AT, INCLUDING-ON THAT WOULD BE -- HOW ARE WE GOING TO DO THAT? I MEAN, WE ALREADY VOTED ON THIS STUFF AND IT WASN'T PRIORITIZED AND NOW WE'RE GOING TO VOTE ON IT AGAIN? I AM TRYING TO UNDERSTAND.

I AM LIKING TO MAKE A COMMENT BECAUSE THE 5-0 VOTE IS NOT A WIN VOTE. IT TAKES 3-2. AND EVEN THOUGH WE PRIORITIZE THE 5-0 VOTE, IT DOESN'T MEAN THOSE ARE THE ONLY THINGS THAT MAKE THE BUDGET.

THAT'S TRUE, AND I WANT TO ASK ALEX, BY THE WAY OF PUBLIC COMMENT, ARE WE GOING TO GET IN TROUBLE IF WE BURN THROUGH TO 10:30 AND WE DON'T HAVE PUBLIC COMMENT?

WE NEED TO TAKE TIME FOR PUBLIC COMMENT AND VERY BRIEFLY THE TWO OTHER -- OKAY. SO IT'S ALMOST 10:00. LIKE WE SAID, PUBLIC COMMENT, AND THEN WHAT ELSE? CONTINUE SOME OF THE OTHER ITEMS? LET'S BE REALISTIC HERE. I SEE ALL THE CONCERN. I KNOW WHY I HAD QUESTIONS. I AM TRYING TO BE REALISTIC HERE. WE HAVE THE PUBLIC COMMENTS TO GET THROUGH AND OBVIOUSLY, THE CONTINUATION OF THE OTHER ITEM AND HOW TO DID IT IN TIME AND EVERYTHING SO THAT ANYTHING ELSE OTHER THAN THAT?

NO. THE ONLY THING I WAS GOING TO ANNOUNCE AT THE END, IS THE GRAND JURY IS OUT THERE AND THE CITY WILL BE MAKING A RESPONSE AT THE AUGUST 4 MEETING AND WE'LL BE REVIEWING THE REPORT AND BRINGING IT BACK AT THE MEETING. THAT WAS THE ONLY THING FOR THE CITY MANAGER BUT THE OTHER THINGS WILL HAVE TO BE CONTINUED.

SO A QUESTION FOR YOU, ANA. BOB FINISHED THE PRESENTATION. WHAT ELSE DO YOU NEED? OR NOW WE'RE IN --

THIS IS NOW BACK TO THE COUNCIL.

I JUST WANT TO MAKE SURE WE ARE GETTING EVERYTHING. IT'S 10:00 AND WE NEED ABOUT 15 MINUTES FOR ALL THE OTHER STUFF, 10, 15 MINUTES AT LEAST.

MY THOUGHT WAS TO GO THROUGH SOME OF OUR PERSONAL THINGS AND GO THROUGH ONE BY ONE.

I APPRECIATE YOU BRINGING UP THE I FD THING. I WOULD LIKE TO HAVE A -- WHATEVER THAT WORD IS AND THROW OUT SOME TO THINK ABOUT IT AND BRING IT BACK THE NEXT TIME WE MEET.

LET'S DO THIS LIST BY EXCEPTION RIGHT NOW AND OF COURSE, WE CAN ALWAYS EMAIL THE STAFF BETWEEN NOW AND THE NEXT MEETING NOW AND WHAT NEEDS TO COME UP THAT IS NOT IN HERE AND THAT WILL PROBABLY TAKE US TO WHERE WE NEED TO TAKE CARE OF THE OTHER ITEMS. I -- I AM NOT PLANNING TO BE HERE PAST 10:30 EITHER. SO WHO'S GOING TO TAKE NOTE OF ALL THOSE THINGS? IS THAT YOU, ANA? OR -- OKAY. DO YOU WANT ME TO GO THROUGH -- DOES EVERYONE WANT TO GO PERSON BY PERSON AND SAY IF YOU HAVE THINGS OR DO YOU WANT ME TO -- THAT SEEMS LIKE THE MOST EFFICIENT WAY. WE ALREADY HAD VICE MAYOR MAURER -- YOU ALREADY HAD THE MURAL THAT YOU BROUGHT UP. OKAY. AND THAT WAS THE 10K. ANA IS KEEPING TRACK OF IT.

WE HAD ACTUALLY VOTED ON A POTENTIAL SCULPTURE. AND IN TALKING WITH THE MUSEUM, THERE WAS ONE ON OPTION. AND IT'S VERY COMPLICATED. YOU HAVE TO GET THE SCULPTOR. IT'S DIFFICULT WITHOUT THE COUNCIL APPROVAL AHEAD OF TIME. I THINK THE ONLY THING THEY WOULD WORK IS THE MURAL. SO THERE ARE STEPS THAT WE NEED TO TAKE. MAYBE IT COULD GO OVER TO THE PUBLIC ARTS COMMITTEE TO ASK THEM TO DO THIS BUT YOU HAVE TO CHOOSE A PANEL. YOU HAVE TO GET AN ARTIST IT DO IT. IN FACT, THEY HAVE AN ARTIST ON STAFF. THEY HAVE WRITTEN TO US AND THERE ARE STEPS LIKE WE DON'T HAVE A BUDGET. WE DON'T KNOW WHAT WE CAN OR DON'T DO.

AND YOUR SUGGESTION --

THEY SUGGESTED \$10,000 THAT PROBABLY WOULD GO TO THE PUBLIC ARTS COMMITTEE FOR THIS SPECIFIC TASK.

OKAY.

AND THEN FOR ME, THE THINGS I WOULD LIKE RESEARCHED DEFINITIVE OF WHERE WE ARE AT, THE LETTER THAT WAS OUT FOR ALMOST A YEAR BECAUSE FIRST THEY NEVER GOT IT. THEN WE HEARD THEY DID GET IT. I WANT TO KNOW IF THEY WILL BE AMENABLE WITH SITTING DOWN WITH US AND DISCUSSING THE WAGES DRIVING THIS WHOLE SHIP. SO THEY'RE EITHER ONBOARD BETWEEN NOW AND THE NEXT COUNCIL MEETING OR THEY'RE NOT. IF THEY'RE NOT, FIB WANTS SPECIFICS YES, THEY WANT TO SIT DOWN WITH US IN THE OPEN SESSION AND DISCUSS OR NO AND IF THEY SAY NO I WANT IT IN WRITING WHY THEY SAY NO. AND SECOND, STAFFING, I AM NOT OKAY WITH THE CURRENT LEVEL OF STAFFING. CAN WE LOSE POSITIONS? WE CAN'T JUST KEEP MARCHING FORWARD AS BOB SAID SO I WANT RESEARCHING IF THERE ARE AVAILABLE POSITIONINGS THAT ARE NOT FILLED IN THE NEXT YEAR, AND THE THIRD ONE, EIFD. SO THAT'S WHAT I WOULD LIKE TO DO NOW.

OKAY. COUNCILMEMBER HINTON?

WELL, I WAS LOOKING AT THE CITY COUNCIL SALARIES AND TRYING TO FIGURE OUT IF THIS NEW PROPOSAL IS BEING ACCOUNTED FOR, AND IF THAT IS COMING BACK, THEN I WANT -- THAT'S LIKELY MOVING FORWARD, THEN I THINK WE NEED AN ACCURATE PLACEHOLDER IN THE COUPLE BUDGET. THAT WAS MY QUESTION THERE.

I WON'T SPEAK TO THAT NOW.

OKAY. OKAY. THANKS AND THEN I AM INTERESTED IN EIFD COMING IN AS A PLACEHOLDER FOR \$75,000. I WILL SAY THAT I ACTED ON THIS WITH MY CO-CHAIR HERE CARTER AND WE MET WITH LINDA HOPKINS, AND WE HAVE WORK TO DO BUT WITHOUT A PLACEHOLDER, WE CAN'T MOVE FORWARD. AND SO THE REST OF THE DISTRICT HAS DONE -- IS ALREADY IN THE MAPPING PHASE. SO WE HAVE THE OPPORTUNITY TO LOOK AT THE MAP THEY'VE DRAWN AND THEN IF WE FUND IT, DRAW A MAP FOR OURSELVES THAT MIGHT INCLUDE A LITTLE BIT OUTSIDE THE CITY LIMITS. SO I WOULD LIKE A

PLACEHOLDER AND IF COUNCIL ULTIMATELY DOES NOT SUPPORT IT, THEN THAT MONEY CAN GO BACK INTO THE FUND.

I JUST WANT TO MENTION THAT THAT MONEY IS SORT OF REFUNDABLE.

IT IS REFUNDABLE.

IT GOES IN THERE BUT THEN IT COMES BACK AS IT GETS PAID. AND I WOULD -- I DON'T KNOW.

OKAY. AND FOR ME PERSONALLY I DON'T HAVE ANY PERSONAL PROJECTS I WANT OTHER THAN I AM GOING TO TELL YOU THAT I JUST HAD ABDOMINAL SURGERY TWO WEEKS AGO AND IT WAS A NIGHTMARE DRIVING ON THESE STREETS AND DRIVING, I THINK WE NEED TO LOOK AT THE ROADS AND THE CLAIMS FOR THE TIRES AND THE INFORMATION THAT WE HAVE GOTTEN, SO I'M JUST SAYING. THAT'S MY ONLY THING. ROADS AND WELL. GO AHEAD.

I HAVE CONCERNED ABOUT THE EIP AND \$75,,000 TOWARDS THAT. MY CONCERNS ARE THE MONEY THAT THE GENERAL FUND WILL BE LOSING EVERY YEAR AGO TOWARDS A SPECIFIC PROJECT, WHETHER WE CAN AFFORD THAT PROJECT OR NOT, WHETHER WOODY CAN AFFORD TO TAKE THAT MONEY. THESE FORECASTS DON'T INCLUDE TAKING THAT CERTAIN PERCENTAGE OFF THE TOP. SO THAT MEANS THAT WE HAVE TO EVEN EARN -- I MEAN, WE'RE LOOKING AT NOT HAVING ENOUGH REVENUE. ARE WE REALLY GOING TO THEN SPEND MONEY AND LOSE MORE REVENUE FOR US CAUSING HAVOC FOUR YEARS DOWN THE ROAD? I FEEL STRONGLY CONFLICTED ON THIS. DO WE REALLY WANT TO DO THAT? I UNDERSTAND THE COUNTY IS PITCHING IN TO HELP US DO UNKNOWN PROJECTS FOUR YEARS DOWN THE ROAD BUT CAN WE AFFORD TO DO IT WHEN WE DON'T HAVE THE REVENUE RIGHT NOW?

I WILL SAY --

CAN WE SUSTAIN OUR OWN CITY BUSINESS? WE DON'T INCREASE OUR TOP LINE.

I UNDERSTAND. SO IS THIS THE RIGHT TIME TO SUPPORT AN EFID AND SEND MONEY OFF THE TOP IN TERMS OF OUR REVENUE WHEN WE DON'T HAVE THE REVENUE TO KEEP GOING? WE'RE IN A STRUCTURAL DEFICIT. AND THAT'S WHAT I WANT TO ASK YOU, VOTE WHOEVER SUPPORTS IT. IS THIS SERIOUSLY THE WAY IT'S GOING TO GO? AND I I WOULD LIKE YOU TO ADDRESS THE WHY ON THAT.

TONIGHT. I WAS ASKING FOR A PLACEHOLDER. IF WE ARE GOING INTO A DEBATE FOR THIS I'M HAPPY TO GO INTO A DEBATE BUT I THOUGHT WE WERE GOING FOR A PLACE HOLDER AND IT'S 10 AFTER 10. I DON'T THINK IT'S FAIR TO GET INTO THIS AT THE DIRECTIONS OF THE MAYOR. WE CAN DEBATE IT.

I THINK WE SHOULD WAIT UNTIL NEXT WEEK WITH OUR THOUGHTS AND CONCERNS ABOUT IT. BUT AS IT IS, WE ONLY HAVE FIVE MINUTES LEFT.

WE ARE GOING TO TALK ABOUT IT NEXT TIME?

PARDON ME?

WE ARE GOING TO TALK ABOUT IT NEXT TIME.

YEAH. YEAH. THAT'S MY INTENTION. I WANTED US TO HAVE THE ONE OFF.

WE ARE NOT VOTING ON THE MURAL, EITHER?

NO. I AM JUST PUTTING THIS OUT THERE, AND I HAVE TO PUT OUT THE SPONSOR OF THE ORGANIZATION THAT I RUN FOR, SO I ALWAYS LIKE TO PUT THAT OUT THERE. IT'S A COMPLETELY DIFFERENT DIVISION AS A WHOLE COMPANY BUT I WANT TO SAY THAT, AND I WAS DIGGING THROUGH AND TRYING TO FIGURE OUT WHERE IT WAS AT AND BRING IT UP. I DIDN'T WANT TO FORGET IT. DID YOU HAVE ANYTHING ELSE? ARE YOU GOOD WITH WHAT WE HAVE? SO I WANT TO MAKE SURE EXACTLY WHAT -- WE ARE GOING TO CONTINUE THIS ITEM AND DO PUBLIC COMMENT ON THIS.

YES. PUBLIC COMMENT AND THEN THE MEETING ON JUNE 16th, CONTINUE THE OTHER TWO PUBLIC HEARINGS THAT WERE SCHEDULED.

OKAY. SO MARY, IF YOU WANT TO DO PUBLIC COMMENT.

THANK YOU, MAYOR. SO THIS IS PUBLIC COMMENT FOR THE PUBLIC HEARING ON THE BUDGET. IF YOU WOULD LIKE TO DO A PUBLIC COMMENT, I WILL DO THE CHAMBERS AND THEN OUT TO ZOOM. LEE, CAN YOU UNMUTE YOURSELF AND SEE THE TIMER?

YES.

GO AHEAD.

LOOKING AT THE BUDGET, JUST A BUNCH OF NUMBERS, IT'S ALMOST IMPOSSIBLE TO UNDERSTAND. I THINK YOU BROUGHT THE ISSUES TO THE SURFACE. THAT WAS GREAT.

AND I THINK THE FIRST LINE WITH THE HORIZONTAL BAR CHART THAT SHOWED THE FUND BALANCES, THERE IS ALSO A SIMILAR CHART AS NUMBERS IN THE CENTRAL SECTION OF THE STAFF REPORT AND EARLY IN THE BUDGET AND IT SHOWS THE WATER FUNDING IS IN DEFICIT AND I DON'T THINK IT IS. AT LEAST NOT IN THE BUDGET. THE NUMBERS IN THE CHARTS ARE DIFFERENT FROM THE BUDGET FOR SEWER AND WATER. THERE ARE ALSO ERRORS IN THE PERCENT COLUMNS ALSO. FOR THE FORMULA. AND AS FAR AS THE REVENUE PIE CHART, I THINK LUMPING THE COST ALLOCATION INTO OTHER IS NOT TRUE TRANSPARENCY. IT WOULD BE CLEARER IF IT'S SEPARATED OUT. AND I THINK IT LIKE T.O.T. AND THE REVENUES IS PART OF HOW YOU SUSTAIN THE CITY. AND PAYING BACK THE SEWER LOAN, BOB HAD \$220,000. \$20,000 WAS THE INTEREST CHARGE THAT YOU VOTED NO THE TO CHARGE. I THINK THE WHOLE THING SHOULD BE A NON-STARTER. IT WAS FOR THE COST ALLOCATION PLAN AND THEY WERE CREATED TO CHARGE RATEPAYERS FOR THE PLANNING DEPARTMENT, THE FIRE DEPARTMENT, THE BUILDING INSPECTOR, THINGS THAT YOU DON'T DO ANYMORE AND GOING BACK AND CHARGING THEM FOR THINGS YOU DON'T CHARGE THEM FOR ANYMORE DOESN'T MAKE SENSE. AND MARY ADD INTO YOUR COVER LETTER AND ACKNOWLEDGE PUTTING SOMETHING TOGETHER TO FIX IT. MY TIME'S UP, THANKS.

THANK YOU, LEE. AND COMING BACK TO THE CHAMBERS. SEEING NONE. BACK OUT TO ZOOM. ANYONE ON ZOOM WHO WOULD LIKE TO MAKE A PUBLIC COMMENT, PLEASE RAISE YOUR HAND VIRTUALLY. SEEING NONE, THE PUBLIC COMMENT IS CLOSED ON THIS ITEM.

ALL RIGHT. THANK YOU VERY MUCH. THAT PUTS US TO -- I APOLOGIZE. MY PAGES HAVE GOTTEN ALL OUT OF ORDER.

MAYOR, IF YOU COULD MAKE A CONTINUATION FOR THIS ITEM AS WELL.

I AM TRYING TO FIND MY PAPERS HERE. I WILL MAKE A MOTION TO CONTINUE THIS FOR THE NEXT MEETING.

I'LL SECOND.

IS THAT WHAT YOU NEED, MARY?

YES. MOVED BY MAYOR McLEWIS AND SECONDED BY COUNCILMEMBER ZOLLMAN AND CONTINUED TO THE JUNE 16th MEETING. MOTION PASSES UNANIMOUSLY.

ALL RIGHT. THANK YOU.

WE'LL COME TO THE PUBLIC HEARING FOR THE CAPITAL IMPROVEMENT BUDGET. AND THEN, WHAT DO YOU NEED FROM US, MARY, TO KEEP IT GOING?

WE NEED TO MAKE A MOTION TO CONTINUE THIS ITEM TO THE CITY COUNCIL MEETING ON THE 16th AT 6:00.

SO MOVED.

SECOND.

SO MOVED BY MAYOR McLEWIS AND SECONDED BY COUNCILMEMBER ZOLLMAN TO CONTINUE THE CIP PUBLIC HEARING HERE TO THE JUNE 16th MEETING. MOTION PASSES UNANIMOUSLY.

ALL RIGHT. AND THEN NUMBER 10, PUBLIC HEARING FISCAL YEAR 2026-27, STREETLIGHTING ASSESSMENT DISTRICT, ADOPT A RESOLUTION APPROVING THE ANNUAL ENGINEER'S REPORT CONFIRMING THE ASSESSMENT DIAGRAM AND AUTHORIZING THE LEVY OF ANNUAL ASSESSMENTS OF FISCAL YEAR 2026-27 FOR THE CITY OF SEBASTOPOL STREETLIGHTING SPECIAL ASSESSMENT DISTRICT. I MOVE TO CONTINUE THIS ITEM UNTIL THE NEXT CITY COUNCIL MEETING WHICH WAS ON WHICH DATE, MARY?

JUNE 16th.

YES. THAT IS MY MOTION.

AND SECOND?

SECOND.

SO MOVED BY MAYOR McLEWIS AND SECONDED BY COUNCILMEMBER ZOLLMAN TO CONTINUE THE PUBLIC MEETING TO BE MOVED TO THE JUNE 16th MEETING. MOTION PASSES UNANIMOUSLY.

OKAY. DO WE NEED TO DO THE FINAL PUBLIC COMMENT?

YES.

ALL RIGHT.

SOS SO THIS IS THE OPPORTUNITY FOR THE SECOND PUBLIC COMMENT PERIOD. IF YOU DID NOT COMMENT IN THE FIRST PUBLIC COMMENT, THIS IS THE TIME TO MAKE A PUBLIC COMMENT FOR AN ITEM NOT ON THE AGENDA. AND THE TIME LIMIT IS TWO MINUTES. I WILL GO TO THE CHAMBER. GOING OUT TO ZOOM, PLEASE RAISE YOUR HAND VIRTUALLY. THERE IS NO PUBLIC COMMENT.

ALL RIGHT. WOULD YOU LIKE TO PROVIDE STAFF UPDATES? THERE IS AN ITEM TO ASK FOR FUTURE CITY COUNCIL MEETINGS.

I'M SORRY. WOULD ANYONE LIKE TO ADD ANYTHING TO THE NEXT MEETING? OKAY. STAFF UPDATE. OH, I'M SORRY.

I'M NOT SURE HOW I WOULD ADD IT BUT ARE WE GOING TO GET AN UPDATE ON THE MAJORITY OF OUR PUBLIC SPEAKERS TONIGHT, THE A&M BARBECUE? WHERE DO WE TAKE THAT TO THE NEXT STEP? SHOULD WE BE -- SHOULD I KNOW REQUESTING AN AGENDA ITEM I GUESS IS MY QUESTION.

IS THE QUESTION WOULD BE WHAT IS THE AGENDA ITEM THAT WOULD -- WHAT WOULD BE--WE WOULD NEED TO CONSIDER WHATEVER THE TOPIC IS?

I WOULD LIKE A STAFF UPDATE. I WOULD LIKE SOME SORT OF PRESENTATION ON WHAT WE COULD DO. I MEAN, WE HAVE HEARD FROM MORE PEOPLE THAN WE'VE SEEN IN A LONG TIME IN OUR CHAMBERS TONIGHT. AND I DON'T KNOW -- I DON'T KNOW THE UPDATE. YEAH.

I THOUGHT MARY PROVIDED AN UPDATE. SHE HAD THE A&M GUY -- BUT WHERE DO WE GET THE UPDATE FROM THERE? I WOULD LIKE TO HAVE SOME SORT OF PRESENTATION OR WHAT THE CITY IS GOING TO DO. I DON'T KNOW.

CAN YOU SEND US A REPORT AFTER YOU HAVE THESE MEETINGS? A ONE-WAY COMMUNICATION?

YES. WE CAN GIVE THE COUNCIL AN UPDATE. I MEAN WE CAN GIVE KNOW UP DATE AFTER THE CITY MANAGER'S REPORT AS WELL. BUT IF THERE IS A SPECIFIC ACTION THAT YOU'RE ASKING FOR -- THAT NEEDS TO BE GENERATED ---

YEAH. I MEAN, I GUESS IT DEPENDS ON THE CITY ATTORNEY IF THERE IS AN ACTION, AND I WOULD LIKE TO SEE IT COME TO THE AGENDA SO WE COULD TAKE ACTION IF THAT IS SOMETHING THAT WE COULD NEGOTIATE.

WELL, WE'LL CERTAINLY -- MARY INDICATED EARLIER THAT THERE WOULD BE NO FURTHER ENFORCEMENT ACTION WHILE THEY ARE WORKING TOGETHER ON COLLABORATING ON THE SOLUTION. ANY ENFORCEMENT ACTION THAT WOULD BE TAKEN, THE BUSINESS OWNER WOULD APPEAL THAT AND THE APPEAL WOULD COME TO THE CITY COUNCIL TO ACT ON THAT. LET'S SAY MARY DECIDES TO ISSUE A FINE IN THE FUTURE. THEY HAVE A RIGHT TO APPEAL THAT FINE, AND THAT WOULD COME TO YOU TO MAKE A DECISION ON THAT FINE.

IS THERE OTHER POSSIBLE ACTIONS?

THE COUNCIL COULD PROVIDE DIRECTION TO CHANGE ZONING AND GO THROUGH THAT PROCESS.

I THINK FOR NOW I'M GOING TO HOLD. BUT I AM INTERESTED IN GETTING A RESOLUTION, AND I WOULD LIKE THAT ONE COMMUNICATION SO WE COULD DECIDE IF WE SHOULD BE REQUESTING ACTION IN THE FUTURE.

OKAY. ANYONE ELSE? ALL RIGHT. SO ANY CITY MANAGER UPDATES? ANYONE?

NONE FURTHER FROM HERE.

OKAY. DOES ANYONE WANT TO DO AN UPDATE FOR WHAT YOU HAVE BEEN UP TO? EVERYONE MUST BE TIRED. DOES ANYONE HAVE ANY -- OKAY.

WE HAD A FIELD TRIP TO PEPPER WOOD WITH THE RUSSIAN RIVER WATERSHED ASSOCIATION AND EPIC. SO WE LEARNED ABOUT FIRE SUPPRESSION, FIRE -- YOU KNOW, HOW THEY START FIRES INTENTIONALLY. THERE'S A WORD FOR. -- FOR IT. I'M TIRED. PRESCRIBED BURN, CONTROLLED BURN.

CONTROLLED BURN. THEY HAD A VIDEO CONTEST. THEY HAD THREE WINNERS, AND ONE OF THE WINNERS WAS FROM ANNALY HIGH SCHOOL AND PEPPER WOOD IS NOT OPEN TO THE PUBLIC IN GENERAL BUT THEY HAVE -- LIKE YOU CAN'T JUST DRIVE UP THERE TO GO HIKING AROUND BUT THEY DO HAVE DAYS WHERE YOU CAN COME AND DO THIS CLASS OR THAT CLASS. IT'S A BEAUTIFUL PLACE. YEAH. THAT'S ALL I HAVE TO SAY.

LOTS OF --

WAIT. I JUST WANT TO ADD ONE THING. WE LEARNED ABOUT THIS GRASS. IT'S CALLED THE PURPLE NEEDLE GRASS. THIS GRASS IS ABOUT THIS TALL. IT'S A NATIVE GRASS. AND THIS GRASS GROWS ROOTS THAT ARE LIKE 22 FEET DEEP. IT'S A GRASS. IT'S AS DEEP AS AN OAK TREE. AND THIS GRASS IS VERY IMPORTANT, AND WHY IT'S IMPORTANT IS BECAUSE IT -- IT CAN HOLD THE HILLSIDE. RIGHT? SO YOU DON'T HAVE LIKE A LANDSLIDE OR SOMETHING BUT WHAT HAPPENS IS IN THE SPRINGTIME WHEN THERE HASN'T BEEN ANY FIRES IS THESE NON-NATIVE GRASSES WILL GROW REALLY BIG AND OVERSHADOW THESE OVER NATIVE GRASSES AND THAT'S A PROBLEM BECAUSE YOU ARE LOSING NATIVE GRASSES THAT ARE PRETTY POWERFUL AND AMAZING. SORRY.

NO. A LOT OF ONGOING COALITION WITH THE MEETINGS AND SUBMEETINGS AND NOLAN WHO WAS HERE EARLIER DECIDED TO COME UP WITH ENOUGH MONEY TO USE THE SAME CONSULTANT CHARGED WITH PROVIDING AN OVERALL REVIEW OF HOW SHE THOUGHT THEY WERE DELIVERING HOMELESS SERVICES AND THAT WENT OUT TO ALL VIA EMAIL. THAT CONSULTANT WILL BE USED WITH THE SUBGROUP OF US CHARGED WITH USING THE AGENCY AS A WHOLE AND HOW IT WORKS WITH OTHER AGENCIES WITHIN THE COUNTY AND THEN MAKE A RECOMMENDATION HOW TO MAKE THE COUNTY BE THE LEAD AGENCY OR SWAP IT OUT AND PUT A NONPROFIT IN. THAT'S WHERE WE ARE WITH THAT.

ANYONE ELSE?

I SHOULD SAY THAT WE MET WITH LINDA AND TALKED ABOUT THE EFID AND I ATTENDED AN EFID MEETING IN GUERNEVILLE AND LEARNED MORE ABOUT IT. I THINK THAT'S IT. SO WE'RE ADJOURNED. THANK YOU ALL. [Event Concluded]