

CITY OF SANTA MONICA

CITY COUNCIL MINUTES

MARCH 11, 2023

A special meeting of the Santa Monica City Council was called to order by Mayor Davis at 9:06 a.m., on Saturday, March 11, 2023, at the Main Library, Multi-Purpose Room, 601 Santa Monica Blvd., Santa Monica, CA.

Roll Call: Present: Mayor Gleam Davis
Mayor Pro Tem Lana Negrete
Councilmember Phil Brock
Councilmember Oscar de la Torre
Councilmember Christine Parra
Councilmember Caroline Torosis
Councilmember Jesse Zwick

Also Present: City Manager David White
City Attorney Douglas Sloan
City Clerk Denise Anderson-Warren

CONVENE/PLEDGE

On order of the Mayor, the City Council convened at 9:07 a.m., with all members present. Assistant City Attorney Susan Cola led the assemblage in the Pledge of Allegiance.

PUBLIC INPUT ON REMAINING AGENDA ITEMS:

Members of the public Emery Cunningham, Maya Williams, Willa Ross, Micah Quist, Fernanda Casas, Cris Gutierrez, Dan Hall, Jerry Rubin, Jennifer Cowan, Carol Lemlein, Nicole Faries, Judith Meister, Danielle Borgea, Alicia Mignano, Juan Matute, Denise Barton, Julie Taren, Caro Vilaw, Kent Strumpell, Steve Atamian, Angel Villasenor, Ana G. Jara, Kristin McCowan, Ericka Lesley, and Heather Nevell commented on the recommended action.

STAFF ADMINISTRATIVE ITEMS:

11.A. 2023 Council Workshop to Select Council Priorities and Provide Direction on the Fiscal Year 2023-2025 Budget, was presented.

Recommended Action

Staff recommends that the City Council:

1. Receive the FY 2023-24 through FY 2027-28 Five Year Financial Forecast;
2. Consider and approve the proposed organizational priorities;
3. Discuss and provide direction on items that will inform the preparation of the Fiscal Year 2023-2025 budget, including:

- a. A proposed allocation of Measure CS funds;
- b. A Strategic Plan to address homelessness, funded on a one-time basis using Measure CS funds;
- c. A conceptual framework for a new organizational structure to align and focus the City's work on Council priorities, the implementation of newly adopted tax measures including Measure GS, and the Moss Adams Homelessness Study;
- d. Potential reallocation of existing resources to reinvest in restorations and initiatives that align with Council priorities

Questions on the Comprehensive Budget and the Organization Overview and Status Update were asked and answered of staff included: what's a healthy amount for reserves for us to be back where we were prior to the pandemic; how does our reserves compare to other cities in the region; what is the reason the city might get to a 20% reduction in staffing in the next few years; how will this 20% reduction impact the various departments and the impact on the clean and safe priority; how are we planning for the loss of institutional knowledge with the possible 20% reduction in staff; is the city working to attract younger workers with the local high schools and colleges; what is the optimal percentage turnover rate for any organization; has the change in the pension plan affected our ability to recruit; what measures are being considered to make hiring more appealing for the future workforce; what is being considered when Finance creates the 5-year financial forecast; why do the Pier and Beach funds need subsidies, and is there anything we can do differently to make sure we don't need to subsidize those two funds; what is the annual percentage rate for subsidies to the Beach and Pier funds; what is the increase in our debt due to state liabilities this year, and what will it be next year; what have we traditionally paid in advance to pay down our PERS liability, and what's the liability of not paying it down; would there be a long-term budget advantage to contracting out some of the specific city services; has there ever been a study done to see what the cost would be to contract out certain department services; what is our optimum staffing to meet community need versus restoring all the pre-pandemic staffing numbers; what is our cost to provide free afterschool programs, and what is the School District's obligation; is there a breakdown of how last year's surplus is being used; an increase in parking rates on the Pier and Beach, are those already approved and just waiting for approval from the Coastal Commission, or does that still need to be approved by the Council; what would be the costs savings to making our reserves 13%; is development of cannabis locations underway which could bring in revenue from Measure HMP; is the reason we aren't able to provide afterschool access due to the recommended increase in staffing issues as a result of an audit as a result of the sexual abuse case; is our staffing levels higher than other cities in our region because Santa Monica has a beach, Pier and Airport that other cities don't have, as well as the number of tourist that come into our city on a regular basis; what is the

amount of revenue the city receives as a result of tourism; what effect does having a high bond rating have on the amount of our reserves; with staffing demands, are there other state and federal regulations that now require more staffing to provide certain services (i.e. RRR state mandate to have separation of organics); how many additional cases are pending as a result of the Eric Uller sexual assault case; what are our top five revenue generators in terms of categories; for staffing, could the general fund be separated out from Enterprise funds in order to improve the way the numbers are reported out; what is the general fund revenue projection through 2028 compared to the general fund forecast for that same period; how much of the revenue is from one-time funds from the state or federal funding; are the liability claims being included in the forecast, and do we know how much liability there will be for the California Voters Rights Act (CVRA) case going forward.

On order of the Mayor, the Council recessed at 12:00 p.m. for a break, and reconvened at 12:35 p.m. with all members present.

Questions asked and answered of staff on Council Priority Setting and Priority Implementation included: who conducted the survey to determine the priorities; has the city considered obtaining metrics to measure the impact of the priorities and how we're doing; is there a point that youth services and afterschool programs can be included in one of the current priorities; since we haven't met all of our 2021 priorities, does it dilute our focus by adding two more priorities; is there a way to see how staffing is tied to the priorities; what else can be done to make sure seniors needs are simultaneously addressed the same as the youth; can the priority be renamed to Racial Justice Equity & Social Diversity; is it accurate to say Addressing Homelessness, Clean & Safe Santa Monica and Cultivate Economic Recovery and Expand Community and Cultural Amenities are more budget driven, while Racial Equity and Social Diversity and Sustainable & Connected Community are more values; add the word discrimination in the definition of Racial Equity and Social Diversity; and add businesses after the consequences that continue to impact residents to the Racial Equity & Social Diversity definition; would it be consistent to add a sentence that reflects everyone in Santa Monica should have the ability to thrive; how is racial equity going to be baked into recruitment, promotion, and disputes amongst staff; how are our job specs written to rid of racial inequity; how is the city including equity in every avenue throughout the city; and, how is a green economy being created and considered.

Considerable discussion ensues on Council Priority Setting and Priority Implementation limited to, but included: looking at creating a metrics to measure where we are with the priorities; prevention, intervention for youth and students to make sure services are reaching those who need help; need

to address Environmental Justice as part of Environmental and Sustainability issues; citywide before and after school care, as well as libraries are good policies; see that the city is working to dismantle institutional racism; the two additional priorities are important to Santa Monica's identity; add that the city is committed to ways to Learn as part of the Equity definition; important to prioritize youth and afterschool programs to the priorities; maybe create subtitles under the priorities to breakdown and focus on some of the more value oriented priorities; would like more support in ways for the community to have more access to community meetings.

Motion by Mayor Davis, seconded by Councilmember Brock, to affirm the amended priorities from March 2021/FY 21-23. Recommendations with changes to the priorities included: under Cultivate Economic recovery and Expand Community & Cultural ~~Amenities~~ Offerings to revise the definition to: Cultivate economic opportunity and recovery and invest in community and expand cultural amenities programs for all community members, focus on expanding opportunities for youth, teens and seniors.

The motion was unanimously approved by voice vote, by all members present.

Motion by Mayor Davis, seconded by Councilmember Torosis, to establish language and affirm inclusion of two additional priorities with the following changes:

Change the title of Racial Equity & Social Diversity to Racial, Justice, Equity & Social Diversity.

Revise the definition to: The City of Santa Monica acknowledges the effects of generational and institutional racism and discrimination, and its consequences that continue to impact our residents and businesses. These lessons of our history cannot be ignored. The City is committed to advancing racial equity and social diversity to improve the wellbeing of people who live, work, learn, play, and do business in our City and create a community where differences in life outcomes cannot be predicted by race, class, gender, disability or other identities. Everyone in Santa Monica must have an opportunity to thrive.

Sustainable & Connected Community definition was amended to: Ensure that City policies and programs enhance our resources, prevent and remedy harm to the natural environment and human health, and benefit the social and economic wellbeing of the community for the sake of current and future generations.

Questions on Priority Implementation for Budget Direction of staff

included: weren't those two departments separate before the pandemic; in only keeping this as one department, can that money be better used opening libraries or restoring more youth services; if this department is separated into two, how quickly would the city be able to recruit a Director of Housing and Homelessness; does that mean the city doesn't have to wait until July to hire for that position; will there be allocation for a full department, including a staff on day one, if the Council decides to move forward with this reorganization, and how much general fund money will be used to create this department; what are other jurisdictions doing to respond to Housing and Homelessness; how will tech be used and employed to help monitor home sharing enforcement; have Housing Trust Fund dollars historically been used for staffing; when considering the reorganization, was there consideration that Recreation and Parks should be it's own separate department; what programs are being proposed to be restored and are they all being fully restored, and which are those; how does the proposed 450 participates compare to the number of those on the waitlist due to lack of staff; how much money is being allocated from the proposed \$2.5 million; was there consideration of looking at the Human Services grants program to help bring everything back to full restoration; is there anything in this allocation or biannual budget to getting closer to hybrid meeting; is there any programming on how the DEI allocation would be used; is there any consideration to add Safe Streets for school children in the allocation; is the majority of CS funds being used in most of the hotel areas instead of being used the way residents believed when they voted for this measure to address homelessness in other parts of the city; are the allocations using CS funds written in stone or is there any flexibility on them; as part of the DART program, is there plans to expand at Tongva and Palisades Park; does CS funds give the DART and HLP more funds and hours; does the DART and HLP team need more resources for the upcoming year; since the pandemic, without a Community and Cultural department, was there less of an advocacy for Parks and Rec when the department got realigned; as impacts are made with the various teams in certain areas of the city, are we really making a difference in getting people off the street, or are they just being moved around; if there was an increase in intakes at SAMOSHEL, would this help alleviate some of the end of the line issues that come up with the Metro; does continuing the Clean and Safe programs impact all of the downtown parking structures, including the Library; with CS funds, if the city is able to better identify short-term rentals, then could that lead to more TOT revenue; is developing metrics to show progress being made one of the key purposes to addressing one-time allocation to develop the Homeless Strategic plans ; would the allocation be able to open the Virginia Avenue Teen Center for partial restoration; and, are we on any pathway with connecting with a CARE Court program, like the one the State has implemented.

Considerable discussion on the Priority Implementation for Budget Direction ensued but not limited to: the short term rental reinforcement seems short sided, and it seems like a better use would be to redirect money to the additional 311 response system, which would be a better use for the community; want to make sure CS funds are being used the way the residents thought they would be used; concern that the Park and Rec is being well overseen and supervised, as that is of high value to both residents as well as visitors; there needs to be a staff member who can be available to directly address recreational and park issues; supports implementation of proposed FY 23-25 budget items, include CS funding; concern over using CS funds to replace positions that were previously funded by the general fund, and that this will potentially use monies that should go to other priorities; concern that it doesn't make sense to have the CSC department divided into, and if there was any consideration that maybe Rec & Park could fit under an already existing department; support from suspending the paydown pension payments, and supportive of most of the proposed allocation; support of separating CSC into Housing & Homelessness and Recreation and Parks into two different departments; short-term rental is key as well as a good source of revenue; splitting the two departments is necessary, because the city needs someone who is completely knowledgeable of homelessness and housing matters and spending; and, having a separate department head, emphasizing programming for both seniors and the youth as well as expanding programming for arts and cultural services.

Motion by Mayor Davis, seconded by Mayor Pro Tem Negrete, to affirm the allocation Measure CS in accordance with the recommendation of staff.

Substitute motion by Councilmember de la Torre, seconded by Councilmember Brock, to allocate Measure CS funds as recommended by staff, replacing short-term rental enforcement with expanding and strengthening 311 dispatch community access and responsiveness.

Councilmember Parra proposed a friendly amendment to the substitute motion to keep the short-term rental enforcement and add expanding the 311 dispatch.

After more discussion on costs associated with enhancing the 311 dispatch and code enforcement cost, the seconder and maker of the substitute motion withdrew the motion.

The main motion to affirm the allocation of Measure CS funds in accordance with the recommendation of staff was approved by the following vote:

AYES: Councilmembers de la Torre, Torosis, Brock , Parra, Zwick,

Mayor Pro Tem Negrete, Mayor Davis

NOES: None

ABSENT: None

Motion by Mayor Davis, seconded by Councilmember Brock, to confirm direction on the Homeless Strategic Plan. The motion was unanimously approved by the following vote:

AYES: Councilmembers Zwick, Parra, Brock, Torosis, de la Torre,
Mayor Pro Tem Negrete, Mayor Davis

NOES: None

ABSENT: None

Motion by Mayor Davis, seconded by Councilmember Brock, to confirm direction to be aligned with priorities & reallocated/restricted resources for Organizational Realignment. The motion was approved by the following vote:

AYES: Councilmembers de la Torre, Torosis, Broc , Parra, Zwick,
Mayor Pro Tem Negrete, Mayor Davis

NOES: None

ABSENT: None

Motion by Mayor Davis, seconded by Councilmember Torosis, to: 1) reallocate resources in accordance with staff recommendation; 2) use those resources in the manner outlined by staff; and, 3) direct staff to designate 2% of earnings from the Out-of-Home Wayfinding agreement with Big Outdoor to a Diversity, Equity and Inclusion fund, with the use of that fund developed by staff. The motion was approved by the following vote:

AYES: Councilmembers Zwick, Parra, Brock, Torosis, de la Torre,
Mayor Pro Tem Negrete, Mayor Davis

NOES: None


ABSENT: None

ADJOURNMENT


Councilmembers Negrete and Brock were excused at 3:35 p.m.

On order of the Mayor, the City Council meeting adjourned at 3:37 p.m.

ATTEST:

DocuSigned by:

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Denise Anderson-Warren
City Clerk

APPROVED:

DocuSigned by:

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Glean Davis
Mayor