



**MINUTES OF THE REGULAR MEETING OF
THE SOLVANG CITY COUNCIL**

Council Chambers
1644 Oak Street
Solvang, CA 93463

March 30, 2020
Monday
6:30 p.m.

CALL TO ORDER: Mayor Toussaint called the meeting to order at 6:30 p.m.

ROLL CALL:

PRESENT: Mayor Ryan Toussaint, Mayor Pro Tem Robert Clarke, Council Members
Chris Djernaes, Daniel Johnson, and Karen Waite (via teleconference)

STAFF: Xenia Bradford, City Manager and Chip Wullbrandt, City Attorney.

PLEDGE OF ALLEGIANCE

Led by Mayor Pro Tem Clarke.

1. PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL

Mayor Pro Tem Clark read a public comment submitted by the Solvang Retailers Association with a request to be read into the record, in which the Association complains about some landlords failing to comply with the City's recently adopted tenant rent moratorium ordinance.

City Attorney Chip Wullbrandt commented that the uncodified ordinance expires at the end of May and that the Council would need to revisit that issue if the ordinance were to be extended or if the Council wished to make any changes to it.

City Manager Xenia Bradford reported on COVID-19 information resources on the City's website, provided brief update on COVID-19 infection statistics both locally and at the County levels; stated that the County of Santa Barbara Health Officer order is from April 24 through May 31; that the County is partnering with REACH to develop a strategy for reopening. Further, City Manager Bradford reported on various local announcements including of the recent visitor to Solvang Mr. Big Black Bear who was seen roaming around the empty streets of Solvang.

Callers – None

2. EXECUTIVE, PIO REPORTS & ADVANCE CALENDAR

Acting City Manager/Administrative Services Director Bradford provided an update on COVID-19 in Santa Barbara County; updated the Council on impacts on City operations including lay-offs; read a statement into the records relative to the lay-off; commented that TOT and sales tax pay for 60% of General Fund services; provided an update on the City's loan program, and spoke of the uncertainty in recovery efforts and the federal stimulus package.

3. CONSENT AGENDA

- a. Approval of Agenda as Presented.
- b. Approval of Draft Minutes of the April 13, 2020 Special City Council Meeting and Draft Minutes of the April 13, 2020 Regular City Council Meeting
- c. Receive and File Santa Barbara County Sheriff's Office Monthly Report for March 2020
- d. Receive and File Santa Barbara County Fire Department Quarterly Report for January 2020 through March 2020
- e. Receive and File the VisitSYV Annual Final Report for 2019
- f. City Attorney Invoices Approval
- g. Sunny Fields Playground Notice of Completion
- h. Santa Ynez Valley Transit Title IV Plan Update

The City Council entertained a presentation by Shelby Sim, Executive Director of the Visit SYV and answered questions from the City Council.

Motion made by Mayor Toussaint to approve the Consent Agenda, except for item f pulled by Council Member Djernaes, seconded by Council Member Johnson, and carried with a roll call vote of 5-0.

- f. City Attorney Invoices Approval

There was no discussion on this item only several motions relative to it.

Mayor Toussaint opened public comments at 6:58 p.m.

There were no public comments.

Mayor Toussaint closed public comment at 6:58 p.m.

Mayor Toussaint moved to appoint an ad-hoc committee for developing cost-control methods and budget recommendations regarding the City's legal costs, seconded by Mayor Pro Tem Clarke, and carried with a roll call vote of 5-0. Motion amended to include the appointment of Mayor Toussaint and Council Member Johnson to seat on the ad-hoc committee with the motion maker and motion seconder concurring with said amendment.

Motion made by Mayor Toussaint to approve the City Attorney Invoices, seconded by Council Member Djernaes and carried with a roll call vote of 5-0.

REGULAR BUSINESS AGENDA

4. CALPERS UNFUNDED LIABILITY POLICY DIRECTION AND CONSULTANT CONTRACT APPROVAL

- a. Receive staff report on unfunded liabilities, CalPERS funding status, and COVID-19 market impacts and provide policy direction to address unfunded liabilities; and
- b. Authorize the City Manager to enter into a contract with Joe Nation for financial analysis and with Renne Public Law Group for legal analysis to address CalPERS unfunded liabilities.

City Manager Xenia Bradford stated that this item is on the agenda at the previous request of Council; stated that the City's total unfunded liability is 5.3 million as of June 30, 2018 due to assessed loss during the Great Recession; that these numbers do not include significant market losses due to COVID-19 (as of March 22, had lost \$69 billion).

The City Council entertained a detailed presentation by Joe Nation, Financial Analyst with Stanford University and Jon Holtzman, with the Renne Public Law Group both of whom answered Council's questions.

Mayor Toussaint opened public comments at 7:35 p.m.

There were no public comments.

Mayor Toussaint closed public comment at 7:35 p.m.

Motion made by Mayor Toussaint to accept staff's recommendation, seconded by Mayor Pro Tem Clarke, and carried with a roll call vote of 5-0.

5. **COVID-19 UPDATE AND POLICY DIRECTION**

Receive staff report on COVID-19 impacts to the City, status of health order and strategy for re-opening, and provide staff with further policy direction.

City Manager Xenia Bradford presented a brief report relative to the issues surrounding COVID-19 and the County as well as the Governors orders and answered Council's questions.

The City Council entertained a presentation from Scott Shumake and Dean from People Helping People who presented on options to bring more food into the area in order to support the local food banks; the City Council considered and discussed the request for financial assistance from People Helping People.

Mayor Toussaint opened public comments at 8: 00 p.m.

There were no public comments.

Mayor Toussaint closed public comments at 8:00 p.m.

Motion made by Council Member Djernaes, to approve the request submitted by People Helping People in the amount of \$30,000 over the long-term, seconded by Mayor Pro Tem Clarke, and carried with a roll call vote of 5-0.

A substantive discussion ensued with respect to the issue of re-opening the local economy and the impacts of the Governor's and County mandates upon the community; dissenting viewpoints were offered by Council Members relative to the important question of whether or not Solvang should reopen at this particular point in time. A letter from a Mr. Andy Caldwell was read into the record by Mayor Pro Tem Clarke in which the author advocates strongly for the constitutional right of self-governing and in favor of reopening the local economy(ies).

RECESS AND RECONVENE

Mayor Toussaint called for a recess at 8:00 p.m. The assembly reconvened at 8:12 p.m. with all Council Members, present.

Motion made by Council Member Djernaes, to authorize the City Manager to use \$50,000 as seed money to start the program, seconded by Mayor Toussaint and carried with a roll call vote of 5-0.

City Manager Xenia Bradford continue with her presentation and asked representatives from NDC to report about their proposal; commented that they can help with stabilization programs, PPE, EILD, new funding approved by the federal government, alternative city funded micro loan program with underwriting, recovery

programs, revolving loans, and economic development strategies.

RECESS AND RECONVENE

Motion made by Mayor Toussaint, to continue the meeting after 9:30 p.m. following a brief recess, seconded by Council Member Djernaes, and carried with a roll call vote of 5-0.

Mayor Toussaint called for a recess at 9:30 p.m. The assembly reconvened at 9:40 p.m. with all Council Members, present.

6. NATIONAL DEVELOPMENT COUNCIL CONTRACT APPROVAL

Approve contract with National Development Council for a period of twelve months in the amount of \$50,000 to provide the City with services to establish business assistance loan programs, assist with funding and financing of development projects, and assist with COVID-19 financial recovery and reimbursements.

City Manager Xenia Bradford presented a brief report detailing the amount of money, the scope of work and the structure of the fee, which is a monthly retainer.

Mayor Toussaint opened public comments at 9:45 p.m.

There were no public comments.

Mayor Toussaint closed public comments at 9:45 p.m.

Motion made by Council Member Johnson to approve the item contract with NDC, seconded by Mayor Pro Tem Clark, and carried with a roll call vote of 5-0.

7. PRELIMINARY 2020-22 FINANCIAL PLAN FORECAST AND POLICY RECOMMENDATIONS

Receive staff report on revenue and expenditures estimates for the 2020-22 Financial Plan and provide staff with policy direction for development of Preliminary Financial Plan.

City Manager Xenia Bradford presented the staff report indicating that this is a detailed forecast; that staff is almost done with the proposed budget for the next fiscal year, which also includes a component outlining Capital Improvement Project (CIP) forecast; spoke about the uncertainty due to COVID-19 and the need to watch expenditures; commented on the uncertain conditions with revenue projections even with federal and state reimbursements; given the financial conditions with the state budget, it is questionable if cities will get reimbursed at all.

An extensive discussion ensued relative to various aspect of the budget including revenue estimates, cash flows, fees for service and the level of costs-recovery that the City stands to lose; commented about sales tax payment deferrals, which are allowed by the State, and which the city will not receive in the amount of approximately \$600,000; spoke about the actions that the Council has already taken relative to the 2020-22 Financial Plan, which includes reduction of ongoing expenditures by one-million in non-essential services, entered into a contract with IDK for the 2020-21 fiscal year with expenditures directly tied to TOT capped at 12%; directed staff to address unfunded liabilities, limited grant program to humanitarian services only with focus on senior services, and directed staff to enter into negotiations with Everjoh Museum for ongoing partnership and support of Solvang's heritage and branding.

Mayor Toussaint opened public comments at 10:30 p.m.

There were no public comments.

Mayor Toussaint closed public comments at 10:30 p.m.

Motion made by Council Member Johnson with the caveat of having Council Member Djernaes go over budget estimates and actuals and present his analysis at the next meeting, seconded by Mayor Pro Tem Clarke, and carried with a roll call vote of 4-0.(Council Member Waite experiencing technical issues with connection).

8. **AB1234 REPORT OUT, COUNCIL COMMENTS AND REQUESTS**

Council Member Johnson reported having attended a Board of Supervisors meeting.

9. **ADJOURNMENT** – Mayor Toussaint adjourned the meeting at 10:45 p.m.

Minutes Prepared by:

DocuSigned by:

Daryl Betancur

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DARYL A. BETANCUR, MMC
Deputy City Clerk

In accordance with Solvang Municipal Code Section 1-4-16 (Ord. 14-305), minutes of the City Council of the City of Solvang are prepared in action style.