

CITY COUNCIL MEETING MINUTES

MINUTES FOR Meeting of April 21, 2020

As Approved by the City Council at their regular meeting of _____.

The public is advised that pursuant to Government Code Section 54957.5 all writings submitted to the City Council are public records and will be made available for review.

Please note that minutes are not verbatim minutes and are meant to be the City's record of a summary of actions that took place at the meeting. City Council video recording are kept for a period of one year from date of meeting.

Notice: All resolutions and ordinances introduced and/or adopted under this agenda are waived of all reading of entire resolution(s) and ordinance(s).

The Sebastopol City Council welcomes you to its meetings that are generally scheduled for the 1st and 3rd Tuesday of every month. Your interest and participation are encouraged and appreciated.

SIMULTANEOUS MEETING COMPENSATION DISCLOSURE (Government Code § 54952.3): Members of the City Council receive no additional compensation as a result of convening a joint meeting of the City Council and Successor Agency to the Former Community Development Agency.

SB 751 Legislative bodies of local agencies must publicly report: (1) any action taken and (2) the vote or abstention on each action taken by each member present for the action at a meeting.

GOVERNOR'S EXECUTIVE ORDER N-29-20
RE CORONAVIRUS COVID-19

CITY COUNCL MEETINGS WILL BE CONDUCTED PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT.

This meeting complies with the Sonoma County Health Officer's COVID-19 Order to Shelter in Place issued on March 17, 2020, and pursuant to California Governor Newsom's Executive Order N-29-20 issued on March 17, 2020.

CORONAVIRUS DISEASE (COVID-19) ADVISORY

To protect our constituents, City officials and City staff, the City requests all members of the public to follow the California Department of Health Services' guidance and the County of Sonoma's Public Health Officer Order for the Control of COVID-19 restricting group events and gatherings and maintaining social distancing.

Consistent with Executive Order N-29-20, in-person participation by the public will not be permitted and no physical location from which the public may observe the meeting will be available. Remote public participation information follows this agenda.

For Items Not on the Agenda: Please submit your comments via email for this meeting to mgourley@cityofsebastopol.org so that the comments may be submitted to the Mayor for reading into the record. Comments should be received by 5:00 pm of Council Meeting Date. All comments should be a maximum of 350 words, which corresponds to approximately 3 minutes of speaking time.

For Items Listed on the Agenda: Members of the public may provide public comment for specific agenda items by sending comments to the City by email at mgourley@cityofsebastopol.org. **Such email comments must identify the Agenda Item Number in the subject line of the email.** Comments should be received by 5:00 pm of Council Meeting Date. All comments should be a maximum of 350 words, which corresponds to approximately 3 minutes of speaking time.

Pursuant to Executive Order N-29-20 Issued by Governor Gavin Newsom on March 17, 2020 and, to the extent applicable, Government Code Section 54953(b), the March 24, 2020 City Council Meeting may include teleconference participation by the City Council Members and City staff. Consistent with Executive Order N-29-20, teleconference locations utilized by City Council Members shall not be accessible to the public and are not subject to special posting requirements.

- No physical location of the meeting will be open to the public; meeting will only be held by teleconference
- Consistent with Executive Orders No.-25-20 and No. N-29-20 from the Executive Department of the State of California and the Sonoma County Health Official's March 17, 2020 Shelter in Place Order, the City Council will not be physically open to the public and City Councilmembers will be teleconferencing into the meeting via Zoom Teleconference and/or Video Communications.

Please visit the City of Sebastopol website at www.CityOfSebastopol.org for the most up-to-date local information on the coronavirus crisis. There are two pages dedicated entirely to the crisis (type "coronavirus" or "shelter in place" in the search bar) where you will find specific resources and answers to many questions that you may have.

The City of Sebastopol is also on Facebook, Twitter, and NextDoor.

The City of Sebastopol thanks you in advance for taking all precautions to prevent spreading the COVID 19 virus.

The public is advised that pursuant to Government Code section 54957.5 all writings submitted to the City Council are public records and will be made available for review.

NOTICE: All Resolutions and Ordinances introduced and/or adopted under this agenda are waived of all reading of entire resolution(s) and ordinance(s).

The Sebastopol City Council welcomes you remotely to its meetings that are generally scheduled for the 1st and 3rd Tuesday of every month. Your interest and participation are encouraged and appreciated.

SIMULTANEOUS MEETING COMPENSATION DISCLOSURE (Government Code § 54952.3): Members of the City Council receive no additional compensation as a result of convening a joint meeting of the City Council and Successor Agency to the Former Community Development Agency

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City Council Regular Meetings are available in real time and archived on Livestream. Important Notice The City of Sebastopol shows both live broadcasts and Video Archive of City Council Meetings over the Internet. Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice.

- Here is the link: <http://bit.ly/sebcctv>

There are times that the meetings may not be live streamed due to technical issues; if that is the case, the meeting will be video-taped and uploaded as soon as possible to the City Web Site.

6:00 pm **CONVENE CITY COUNCIL REGULAR MEETING by Teleconference Only Per Shelter in Place Directive**

CALL TO ORDER: Mayor Slayter called the regular meeting to order at 6:04 p.m.

ROLL CALL:

Present: Mayor Slayter – By video teleconference
 Vice Mayor Glass – By video teleconference
 Councilmember Carnacchi – By video teleconference
 Councilmember Gurney - By video teleconference
 Councilmember Hinton -By video teleconference

Absent: None

Staff: City Manager/City Attorney Larry McLaughlin
 Assistant City Manager/City Clerk Mary Gourley
 Administrative Services Director Ana Kwong

Mayor Slayter read a prepared statement regarding the process of the city council meeting. “This is a meeting that is consistent with Executive Order N-29-20, in-person participation by the public will not be permitted, and no physical location from which the public may observe the meeting will be available. Remote public participation information is available on the city's website. There are technical issues with closed caption, but we are working on that. The City of Sebastopol thanks everyone in our community for continuing to stay at home, and to continue to the health order of social distancing. While I have not been any further than the sidewalk in front of my house, I see an awful lot of folks out there with the required face coverings, even beyond the rules in place of being outside more than six feet apart. A lot of people are just wearing them every time they step outside their house, so I thank the community for that. Also, as I understand it from our supervisor, the county health department is looking at a potential modification to the SIP. There is a lot of pluses and minuses, pros and cons, back and forth going on as far as what modifications may happen. We'll all hear about that as soon as we hear about that.”

SALUTE TO THE FLAG: (Cub Scouts 175 was initially going to lead the Salute to the Flag but could not attend; therefore, Mayor Slayter led the salute to the flag.

PROCLAMATIONS/PRESENTATIONS:

***Proclamations and Presentations have been suspended until further notice.**

PUBLIC COMMENT (At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, unless otherwise permitted under the Ralph M. Brown Act, the merits of the matters presented under this item cannot be discussed or acted upon by the City Council at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Council consideration.)

Public Comment from Suzanne Lande

- In the face of Coronavirus, these times are hard for all of us, Sheltered and Unsheltered.
- Sebastopol City Council, Larry McLaughlin, Mary Gourley and others supporting each of you: Thank You for your effective and very hard work on behalf of our Community !
- As you have shared, Sebastopol has markedly decreased sales tax revenue. Many employees have lost their jobs; many businesses are temporarily or permanently closed. Transient room occupancy tax revenue also diminished.
- Despite serious budget limitation, in addition to Safe Parking, is it possible for Sebastopol to move forward with PLANNING for permanent shelter for the most vulnerable people, especially those who have lived in this community for a long time?
- Is there Homeless Support funding available through California State, Sonoma County, indirectly from Federal fund - Maybe some other community funding?

STATEMENTS OF CONFLICTS OF INTEREST BY MAYOR/CITY COUNCILMEMBERS FOR ITEMS ON THE

AGENDA (This is the time for the Mayor or City Councilmembers to indicate any statements of conflicts of interests for any item listed on this agenda) There were none.

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 the consent calendar items; 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 three minutes on the entire consent calendar and request at that time that an agenda item or items be 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 or Mayor Pro Tern.
- 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 or Mayor Pro Tern.

Mayor Slayter read the consent calendar.

Mayor Slayter questioned if any Councilmember(s) wanted to remove any item(s) from the consent calendar. There were none.

Mayor Slayter asked for Public Comments: There were no public comments for the consent calendar.

Public Comment(s): None

Vice Mayor Glass moved and Councilmember Gurney seconded the motion to approve Consent Calendar Item(s) Number(s) 1, 2 and 3.

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

VOTE:

Ayes: Councilmember Carnacchi, Gurney, Hinton, Vice Mayor Glass and Mayor Slayter

Noes: None

Absent: None

Abstain: None

1. Approval of Minutes of the City Council Meeting of April 7, 2020 (Responsible Department: City Administration)

City Council Action: Approved City Council Meeting of April 7, 2020

Minute Order Number: 2020-083

2. Approval of Resolution of Intention to Levy and Collect Annual Assessments for FY 2020-2021 for the City of Sebastopol's Lighting Special Assessment District, Preliminarily Approving the Engineer's Report and Setting the Date for the Public Hearing in Accordance with Provisions of the Landscaping and Lighting Act of 1972 (Responsible Department: Administrative Services)

City Council Action: Approved Resolution of Intention to Levy and Collect Annual Assessments for FY 2020-2021 for the City of Sebastopol's Lighting Special Assessment District, Preliminarily Approving the Engineer's Report and Setting the Date for the Public Hearing in Accordance with Provisions of the Landscaping and Lighting Act of 1972

Minute Order Number: 2020-084

Resolution Number: 6288-2020

3. Approval of Resolution Approving an SB1 Proposed Projects List for FY 20-21 and Submitting the List to the California Transportation Commission (Responsible Department: Engineering)

City Council Action:

Minute Order Number: 2020-085

Resolution Number: 6289-2020

4. Approval of Extension of Application Deadline for Climate Action Sub-Committee (Responsible Department: Planning)

City Council Action: Approval of Extension of Application Deadline for Climate Action Sub-Committee

Minute Order Number: 2020-086

INFORMATIONAL ITEMS/PRESENTATION: (Please Note: Although informational/presentations items are routinely informational in nature, some informational items may contain request for actions such as support, direction to staff, follow up, based on the presentation/information provided.) **NONE**

PUBLIC HEARING(s): **NONE**

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

5. Discussion and Consideration of Adoption of resolution to defer the payment and reporting of the Transient Occupancy Tax as an Exercise of Emergency Powers Pursuant to the City Emergency Declaration (Responsible Department: Administrative Services)

Administrative Services Director Kwong presented the agenda item recommending the City Council Consider adoption of a resolution to defer the payment and reporting of the Transient Occupancy Tax as an Exercise of Emergency Powers Pursuant to the City Emergency Declaration.

- This item is for the City Council to consider adoption of resolution to defer the payment and reporting of the TOT.
- As you know, the COVID-19 pandemic has created significant and unprecedented financial impact worldwide.
- The statewide shelter in place at home order has significantly impacted consumer behavior and economic activity, as restaurants are serving take-out only, events have cancelled, school is closed, businesses remain closed, and consumers stay at home to slow the spread of the pandemic.
- I will just get to the meat and potatoes of this request is that staff is seeking direction from the City Council whether it is desired to allow TOT deferral to assist hotels in Sebastopol through this time.
- If the City Council supports the TOT deferrals that are recommended City Council adopt the resolution attached to the staff report, which authorizes hotel operators to request to defer their March and April TOT payment, as long as the payments are being made on or before the year end, which is June 30th of 2020.
- Additionally, staff recommends granting authority to the City Manager to defer payment of TOT on written request for the months subsequent to April, and in two-month increments.
- For example, if the hotel operator requested deferral for the month of May and June, the due date for those TOT would be August 31st, which is in the new fiscal year.
- With this recommendation, hotel would defer their monthly reporting of revenue or income that is due.
- The TOT revenue is about six percent of the general fund revenue.
- On average, city will see between 135,000 to 175,000 per quarter, but the two big hotels that we have in our boundaries, this fluctuates based on the season as well.
- For fiscal year 19-20, the city adopted the budget to anticipate that we will get 650,000 dollars in TOT revenue.
- With the lower occupancy rate currently experiencing and expecting to continue due to this pandemic, current and future TOT due to the [inaudible] will be significantly less than the 650,000.
- Staff is anticipating that about 100,000 dollars decrease, to a total of 550,000 in TOT revenue through the end of this fiscal year.
- Alternatively, the City Council could not allow to go forward with the deferral program and prohibit the hotel -- or allow the hotel to continue to submit the TOT.
- With that, staff is recommending that the City Council adopt the resolution for deferral payment.

Mayor Slayter asked for questions of staff.

Councilmember Hinton commented as follows:

- Would the City be approving it just for the local hotels, because Airbnb collects TOT also, and has an agreement with the city that they pay
- This is actually TOT is money that has already been paid by the people that stay in the rooms
- How does that impact work
- Is this across the board or is this just for the local operators

City Manager McLaughlin commented as follows:

- Pertains to hotel operations
- Enter into agreement with City

- Not intended to pertain to Air BnB collectors

Director Kwong commented as follows:

- TOT for City - 12%
- City also collecting on behalf of improvement business area
- Not recommending that at this time deferment for BIA

Councilmember Hinton commented if staff knows if other cities have approved this in their cities or is Sebastopol the only City to review approval of this program or will Sebastopol be the first.

City Manager McLaughlin commented as follows:

- Request was made of Petaluma and Sebastopol
- Understanding that the Petaluma City Manager approved it in Petaluma under her own authority
- City Council should make the decision for Sebastopol

Mayor Slayter commented as follows:

- Did some research online
- Number of communities up and down the State looking at this also
- Not just Petaluma and Sebastopol

Councilmember Gurney commented as follows:

- Checking for understanding as to why we would consider this.
- If we look at the time period, the first months are March and April, and we do not have a whole lot of occupancy during that time.
- The next two months in the cycle would be May and June if we were to go forward with it.
- Who knows if we are going to have any occupancy then as well?

City Manager McLaughlin commented as follows:

- The main reason we brought this forward is that there was a passionate plea made by one of our hotel operators that we consider it.
- That person has hotels basically in Petaluma as well as in Sebastopol and stated that he was in a financial situation where he really needed this help in order to survive in the cash flow situation.
- We have not audited his books.
- We have basically taken that request on faith, but that was why we are bringing this request to you right now.

Councilmember Gurney stated it might mean there were typically projected expenses and the income dropped out, the whole floor and the bottom of the income gone, but there would not be those continuing expenses, I would imagine, if a business was shuttered.

City Manager McLaughlin commented as follows:

- Stated yes, it did take them a while to undo their business operations.
- We have not looked into the exact nature of the operations.
- One of the hotels, I think, closed almost immediately.

- The other one there was a lag time when they did have guests in the hotel, and they had continuing overhead expenses.
- We, frankly, took them at their word for this, that they really needed it.
- Since it is only a deferral and for such a limited period of time, we did feel comfortable taking it to the Council.

Councilmember Gurney commented if someone needs a deferral because they are in a stressful financial situation, how would they be rescued in future months if there were no occupancy.

City staff stated they did not know at this time, but the request before the Council is for a deferment.

Director Kwong stated the city does not have a plan for rescue in future months – if they do not have any occupancy, then we are just not collecting any TOT and remit that to the city.

Councilmember Hinton commented as follows:

- My understanding of the lodging, as least as it affects Sonoma County, just assuming our city is the same, is they still can put up homeless, vital healthcare workers, or other categories
- Are these hotels shuttered for sure, or are they still putting anybody up
- Is it confirmed they are shuttered or can they put up homeless, first responders, etc.

City Manager McLaughlin commented as follows:

- City was in negotiations for a period of time with Mr. Lok regarding his, and he had offered to help house first responders who might have been exposed.
- City thought we might have a need in that area and he had offered it, but he found insurmountable problems with corporate bosses in terms of being able to accomplish that.
- Turned out to be impossible, although he did initially make the offer.
- The other hotel has been basically shut down completely since early on.
- Sought out their possible assistance to house first responders as well.
- Did look at both our hotels, but it turned out to be not possible.
- Not just a problem with our hotels.
- On the other hand, City has been lucky in that we have not required use of hotels for that purpose.

Mayor Slayter opened for public comment. There was none.

Council Deliberations:

Vice Mayor Glass commented as follows:

- I think that even when businesses are completely shuttered, they still have quite a bit of ongoing overhead.
- So, just because you shut your doors, you likely still are having to pay your insurance, you probably have a mortgage.
- There is a lot of ongoing stuff that you have to pay for.
- There's little doubt that they still have ongoing expenses.

- One of the things that I'm really concerned about as that might be the outcome from this pandemic economic situation is that many of our smaller or locally-owned businesses will end up being in such dire financial circumstances because they can't manage their cash flow, because they don't have access to huge credit lines like corporate-owned hotels or corporate-owned businesses, that we end up losing a lot of our local ownership with many of these entities then falling into corporate ownership.
- And to my mind, that's a bad thing for our city, it's a bad thing for local employment, it's a bad thing for keeping money circulating in our community, because the locally-owned businesses are likely - - okay, Kirk Lok owns the Marriot, I think he's the person who requested.
- He is hiring local people to run his advertising, local people to -- you know, not only local workers, obviously he has to hire local workers, but he is participating a lot in our community.
- If he ends up being in such bad cash flow situation that his hotel ends up being acquired as a corporate -owned entity as opposed to a locally-owned franchise, I don't think that's good for our community.
- I totally get -- you know, we cannot give a gift of public funds. We cannot just say, "Hey, don't bother paying ever."
- We can't do that, but I think we can defer monies, and I think it's in the interest of our maintaining a local base to our -- particularly it's a lot of our larger institutions but also our smaller institutions.
- It behooves us to have these businesses stay in our community with local ownership.
- I totally get why he would have a cash flow issue, and I also think that deferring payment is in the interest of the city in the long run because it keeps our locally-owned businesses in business.

Mayor Slayter commented as follows:

- Well, the way I was looking at this -- it seems like most applicants for the federal relief, the PPP in particular, especially those on the West Coast, are all in a state of flux.
- And large corporations on the East Coast who have teams of accountants to fill in forms and get them in ahead of West Coast time I think largely sucked up that first round of relief funds.
- And I understand that part two or part three, whatever, part 3. 5, whatever it was called, has basically been hammered out, and maybe there will be more.
- So, my hunch is that they're hoping that that funding will come through and provide some relief and backfill the funds that then they will owe as TOT to us in lieu of paying them now, down the road.
- I do not know what their actual plans are, that is just a supposition on my mind.
- I agree with the Vice Mayor.

Councilmember Gurney commented as follows:

- For me, this appears that it is a way to assist businesses that are locally-owned.
- This Council has been on record every time the question is asked, do you want local ownership, and we always say, yes, we want local ownership.
- So, this is a way to maintain local ownership in a way that does not significantly affect the city's operations, but it could significantly affect the business's operations.
- City staff has recommended Council approval for deferring March and April until June 30th, and then authorizing the City Manager to continue upon written request for additional two-month periods.

- I am very comfortable with that because I think it is particularly the March and April months that are going to be the most difficult.
- And May and June, I think things are going to be a little more predictable, maybe down to zero, unfortunately.

Councilmember Hinton commented as follows:

- I am in support of it if this is what it takes to juggle the money and keep our local merchants, then I do not see why not.
- I would be willing to authorize it through December of next year for the City Manager to make those approvals, and in two-month increments.
- Hopefully, at that point, we will be done. And if not, then I would be more comfortable having it come back to City Council if we were to go into 2021.

Councilmember Gurney asked for clarification of the request saying that it is okay to accrue the deferral or is it on a rolling two-month deferral.

Councilmember Hinton commented as follows:

- What I am saying is exactly how it was worded; however, I'd like to have an end point where it would have to come back to Council if they wanted to go into next year, which would be 2021.
- So, that gives them until the end of the calendar year
- I do not want to let this roll forever
- Support authorizing the City Manager to continue making this decision upon a request from a hotel operator through the month of December 2020 for the first quarters of the next fiscal year.
That seems fair
- Reminded everybody that TOT is paid by the hotel guest direct – so it is normally sitting in a special account not used.
- We are in special circumstances, but I think to go through December 31st of this year with city management approval sounds good to me, on the two-month rolling like we were talking about.
- To Councilmember Gurney's point, it is likely to be zero for the upcoming months

Councilmember Gurney questioned if the TOT money is in a trust account similar to an attorney trust account rather than the General Fund and it cannot be invaded for any purpose and that it is protected monies.

Vice Mayor Glass commented as follows:

- Stated it is not in a trust fund
- Is in a fund the same way the sales tax monies are account for
- Liability is on the balance sheet

Councilmember Gurney questioned if a hotel operator who runs into financial crisis invade the money set aside and designated as TOT.

Vice Mayor Glass stated that it should be sitting in a balance sheet as liability but does not have to keep it in a trust account.

City Manager McLaughlin stated Vice Mayor Glass is correct.

Councilmember Gurney commented if businesses were to collapse and go bankrupt the City will lose those taxes.

City Manager McLaughlin and Director Kwong discussed the bankruptcy court process.

Councilmember Gurney commented as follows:

- We are really looking just as deferral here for flow March through December at the most, and we may be deferring a lot of zeros in that time.
- Do not see it as great risk, but potential help to the few hotels we have, they both have a good rapport and relationship with the city, and good relationships with community members, can vote for this.

Councilmember Gurney moved and Vice Mayor Glass seconded the motion to adopt the resolution to defer the payment and reporting of the Transient Occupancy Tax as an Exercise of Emergency Powers Pursuant to the City Emergency Declaration.

- Defer payment of TOT for the months of March and April to the date of June 30th, 2020;
- Authorize the City Manager to enter other deferrals upon written request from our hotel operators for a two-month period of time, and
- Authorization would expire December 31st, 2020; and
- Approval is related to the two existing hotels in town and not new hotels coming on line

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

VOTE:

Ayes: Councilmember Carnacchi, Gurney, Hinton, Vice Mayor Glass and Mayor Slayter

Noes: None

Absent: None

Abstain: None

City Council Action: Approved and adopted resolution to defer the payment and reporting of the Transient Occupancy Tax as an Exercise of Emergency Powers Pursuant to the City Emergency Declaration.

- Defer payment of TOT for the months of March and April to the date of June 30th, 2020;
- Authorize the City Manager to enter other deferrals upon written request from our hotel operators for a two-month period of time, and
- Authorization would expire December 31st, 2020; and
- Approval is related to the two existing hotels in town and not new hotels coming on line

Minute Order Number: 2020-087

Resolution Number: 6290-2020

6. Discussion and Information on Request from Councilmember for Waiving of Fees for Property Owners/Managers who have provided financial relief to their tenants (Requestor: Councilmember Carnacchi/Responsible Department: City Manager/City Attorney)

Councilmember Carnacchi presented the agenda item.

- I did not actually draw up the staff report, but I can give a quick overview.
- I think that if we want to accomplish getting the landlords or the property owners to help their tenants, then what we need to do is kind of incentivize them, in some way, to do that.
- But in reading the staff report, I recognize that this does appear that it would be a gift of public funds if we limited it.
- So, I am not so sure where the discussion will go on this.
- But I can say that one property owner that I did talk to, his response was, well, why should we have to pay if the City is suggesting that he work with one of his tenants.
- That was the response, well, why should we be left holding the bag - What benefit is that to us
- I do not know that our letter will have great response if we do not have some sort of incentive there.

City Manager McLaughlin commented as follows:

- City staff did write the staff report in a way where this could serve as a vehicle to this evening for a more general discussion of this and other ideas the council members may have about providing our residents, businesses, or tenants during this time.
- Of course, we do not know the duration of the shelter in place.
- Discussed major issues that I see with respect to this request
- Where possible, all of these ideas should be either referred to the Budget Committee for review and a recommendation, and/or it might go to a council committee to review some of these ideas.
- At the next Council meeting, the Budget Committee will be making a full report back to the City Council to get some direction on where we are going with the budget this year, and other issues that need direction early on.
- Budget Committee has already been active, and will continue to be active, and they could play a possible roll in this.
- Councilmember Carnacchi raises a separate issue which is use of enterprise funds.
- He also raises the indication of gift to public funds
- There would also be some basic implementation issues.
- Discussed gift of public funds - how those arise, what a gift to public funds might be, what it is not.
- People often say, when they hear an idea, that is got to be a gift to public funds, since we are helping some private enterprise, or we are helping some private person.
- Well, that is, most of the time, not actually correct. There can be a significant private benefit to something a city does, and it would still not constitute a, quote, unquote, gift of public funds so long as there is a significant and, hopefully, overriding public benefit to the idea.
- So, there must be a public benefit that is equal to or outweighs the private benefit, but there can also be a significant private benefit as well, and that does not create a gift of public funds.
- The example I used in Sebastopol is our Façade Improvement Program.
- So, the Façade Improvement Program, no doubt about it, helps individual businesses to take advantage of it, and that is some significant help to the business.
- But it also provides a significant public benefit in the beautification and upgrade of city businesses located downtown.
- So, that significant public benefit is what makes that illegal use of public funds, even though we are assisting those businesses directly.

- Other examples include technical assistance. We can give a significant amount of staff time to providing technical assistance to businesses and issues of going through governmental paperwork, permit issues, a lot of issues where city technical staff can help private businesses significantly go through a morass of paperwork, of which this pandemic has brought quite an avalanche, and none of that technical assistance or help by staff time, even though expensive in a way, none of that amounts to a gift of public funds.
- You can even help a business -- and we do not have this situation, but there are communities which have one key industry in their town. If that industry goes under, the town goes under.
- If you have that kind of a situation, you are even allowed to make more significant assistance to that private enterprise, because your town depends on that one business.
- So, each case is decided, basically, on its own fact situation, and much of the time, you can provide a significant amount of assistance without triggering a gift to public funds.
- But you always have to find that significant public benefit that overrides the private benefit.
- And if you find that significant public benefit, you are well on the road to finding that that is not a gift to public funds.
- This raises other issues of implementation, of course. Because any time you're doing something across the board that has the effect of assisting some businesses in town or some property owners in town, you have to ask yourself, is this fair use of city funds and resources - Is this being administered - Is it pertaining equally across the board to all those who are similarly situated
- If it is not, then you have to find a justification for dividing that up, that for some reason, these property owners, these businesses are in a different situation than others who might not be helped by the situation, or they're conferring a significant public benefit in some way
- Finally, with this particular matter, it raises an issue that we have addressed with the Council before, in that its use of enterprise funds - Sewer and water funds in in city are enterprise accounts.
- They are supported and paid for by the fees, paid by the users.
- So, as a city, you are constrained in what you can collect from your users - It has to be the amount of money that is required to keep the system running, to pay for necessary infrastructure, to put
- enough reserves aside for future needs.
- All those things are legitimate business expenses, and they are part of the cost of getting that service if you are a rate payer.
- But what you cannot ask rate payers to do is anything that can be construed as supporting other rate payers.
- Rate payers cannot subsidize other rate payers - That's the fundamental rule in these enterprise accounts.
- So, that is the reason why we have run into significant issues in attempting to put an assistance program of some sort into effect with regard to sewer and water accounts to help needy people.
- It is because of the problem which was identified by the consultants that we always consult with on these enterprise funds, and that is that it can be construed as rate payers subsidizing other rate payers.
- We have other suggestions that are going to come to the Council in the future.
- I think it would be a good idea, or subsequently, for the Council to decide on a process of some sort or put a committee together to look at or prioritize these ideas.
- I will go back to the Budget Committee in this situation and say that we are providing direct information to the Budget Committee of how we see our revenues affected by the pandemic.

- As we get more and more information, we are able to be more and more specific in our forecasting about the impact on city revenues.
- So, probably no one is in a better situation to analyze that on a continuing basis than our Budget Committee would be, but we are bringing that information to the Council at the next Council meeting, along with a forecast of some of our revenue hits, as well as the Budget Committee seeking some short-term direction from the Council about proceeding with next year's budget.
- I would say the Council, in my opinion, is not in a position this evening to be able to approve this particular agenda item

Mayor Slayter asked for questions of staff.

Councilmember Gurney commented as follows:

- Is proposal to waive basic service charge
- Waive all fees for any use
- Need to have something more specific
- What is being proposed to be waived

City Manager McLaughlin commented as follows:

- Read from agenda item
- Provided a run down on other things short term that the City is doing
- Councilmember Carnacchi can elaborate on his proposal

Councilmember Carnacchi commented as follows:

- I was thinking that in the letter, what we would put was that in asking them to waive their sewer and water fee, as part of their triple net, we would say if you are willing to waive 50 percent of your sewer and water fees, the city would cover the other 50 percent, or something of that sort.
- I did not think the City would waive it in whole.
- Originally, I thought that we would offer that as a percentage.

City Manager McLaughlin commented as follows:

- Items presently doing in this area for assistance
- Read from staff report
- Stated that no late charges will be applied to utility bills during the Shelter in Place
- Utility service will not be discontinued for non-payment during the Shelter in Place
- Urging customers to pay what they can - Although City offices are closed to the public, customers are encouraged to pay their bills electronically, by phone or to mail in the payment
- Working with customers for payment plans

Mayor Slayter opened for public comment. There was none.

Council Deliberations:

Mayor Slayter commented as follows:

- Like the idea
- Kind of community local support

- Cannot act on tonight
- Local government should be considering this
- Everyone is struggling
- Discuss what we can we do to help

Councilmember Hinton commented as follows:

- Submitted ideas to the Agenda Review Committee
- Healdsburg passed loan program – small local business loans
- Interested in bringing forth something like that for Sebastopol
- Support our local merchants for long haul
- Loan instead of grant or forgiveness program
- Most landlords are getting waivers and added on to the end of their loans
- Can apply for up to three-month waiver (mortgage holder)
- Why not give tenants a break
- Follow Healdsburg lead
- Local loan - People apply for based on need
- So, that is where I felt like the letter came into play - But adding onto that, I also think we need to develop, possibly follow heels, virtually now, and come up with some sort
- of local loan that people can apply for based on need and really put it to where it is needed.
- I am interested in exploring that.

Mayor Slayter commented as follows:

- So, if a business owner said to me, who owns a building, "What's in it for me," I'm like, well, you guys are already generally getting a break, because my understanding is they can apply for up to a three-month waiver added onto the end of their loan, so why wouldn't they give the tenant a break if they're not having to pay rent at that point.
- I did a little bit of research into the situation that some of the property owners are in, and with mortgages, it has not even institution by institution, it's loan by loan, as to what the rules are as far as deferment.
- And whether principle-only might be deferred, continue to pay interest payments, entirety, if it can go through some sort of loan modification, and it is really coming down to case-by-case basis, not even bank by bank.
- So, I am very interested to see what Healdsburg has done in light of their sudden fiscal responsibility.

Councilmember Gurney commented as follows:

- I think, for me, I would feel much more comfortable talking about this in May or June, after we've had the opportunity to digest the report from the Budget Subcommittee and from the city manager and our administrative services person, so that we have a better idea of where we are, and how and where the impact is landing.
- Is it all small businesses
- Is it Main Street
- Where exactly

- And are we going to be losing employees because we have so much less revenue, or we're deferring revenue
- How this is going to affect the capital improvement projects related to our water and sewer delivery system
- For this evening, it just raises too many issues too early for me to have it be a useful conversation.
- I would like to hear from the Budget Subcommittee at our next meeting and maybe go from there with what we might do for the sorts of ideas that we are kicking around now

Vice Mayor Glass commented as follows:

- I wanted to address that person's comment, the property owner's comment about, you know, well, what's in it for me - Well, what's in it for you is being community spirited.
- And there are a lot of people out there that I think are working with their tenants, that are working with both commercial and residential tenants to accommodate these very extraordinary times.
- So, just because, you know, everybody else is in big trouble with their revenue, it seems to me it is a public-spirited thing to do to try and accommodate your -- basically it is not just your tenant.
- They are your neighbor - They're a member of your community.
- To accommodate them as much as you can without it being really injurious to yourself.
- But this is not a time to be trying to make maximum profits - This is a time to be public spirited.
- And I am not saying that people need to indenture their own personal situation to the point where they jeopardize their own business.
- But, you know, we all are in this together and we have to figure out how to be public spirited.
- And we are a very small city - We do not have infinite resources.
- So, you know, back to that whole thing of what can we do, and I've been talking with staff and others about what can we do in terms of providing technical assistance to our local businesses to help them get assistance from the state and the federal government.
- For one of my clients, I filed a PPP - I worked on, actually, three different PPP applications - They were extremely onerous.
- The one that I did work on actually made it through to the SBA, was 78 pages - I did it in one day.
- And I thought the reason I was able to do that is I am a techy person, and so I have all these kinds of techy skills, because that is my long-term career.
- But, you know, a person that is a restaurant owner on Main Street or a boot maker on Main Street or a bookstore owner on Main Street, that is not what they spend their life doing
- Just the act of actually applying for this state and federal aid is very onerous.
- I have actually done it now, and I know how difficult it is.
- If our city can provide actual technical assistance and help to our local businesses to get funding from the people with the deeper pockets, which is the state and the feds, if we can fund somebody getting trained in helping people to do that, that is a really useful thing for our local businesses.
- It is not a gift of our funds, but it is helping people be effective in being able to utilize the funding that is available from the state and feds

Councilmember Carnacchi commented as follows:

- So, the thing that initially comes to mind is providing the technical support is that I know that later on in the meeting, we are going to have an update on the economic development specialist.

- Does that person have the wherewithal to be able to come on and actually do that kind of service for the local businesses?
- And then the other thought is, with regard to the Subcommittee, I think it might be nice to have a Subcommittee to do hold the Zoom and invite all the businesses in town to comment or be part of it - Ask them what they want, what they need, how the city might be able to help them, and then bring that back to Council.

There was no action taken on this item.

City Council Action: None. No action was taken on this item.

Minute Order Number: 2020-088

7. Discussion and Consideration of City Council Initiative Funds (Requestor: Mayor Slayter)

Assistant City Manager Gourley presented the agenda item recommending the City Council Discuss and Consider approval of the Use of Council Initiative Funds to allocate funding to specific initiatives or projects.

Mayor Slayter commented as follows:

- We have in partnership with Health Action, and there was a story leaked online about the project.
- And it was a bit premature in stating that City Council initiative funds were already devoted, because that takes a vote of three, and I'm not sure that our fine local editor got that piece of the puzzle completely correct - But we're certainly in understanding of that rule.
- I am wishing to devote my entire \$500 to the Mask a Mask Project.
- These are locally produced in Windsor by human beings who make a living wage, high-quality products that are not disposable. - they are built to last and be washed probably hundreds of times.

Vice Mayor Glass commented as follows:

- I did just see the article in the Times, and, yes, that was a little bit premature.
- I made it clear on what my intention was.
- But, also, they did not mention that Health Action is actually committed to providing \$2,000 to work this project, which I think is very generous of them.
- Having these masks available can avoid a tense situation for our merchants, where somebody walks into their business, you know, they show up at 7:30 to get the Half & Half for their coffee, and then somebody tells them, "Hey, you can't come in, you're not wearing a mask," and they're going to be really grumpy - So, this can avoid a grumpy situation and get people on board with the idea of the facial coverings and feeling like our city is supporting our businesses and helping them with this rule that is put out there for the protection of everybody by our county health officers.
- I am really thankful to Mayor Slayter for finding this local company and who is producing these masks – we are not getting them from someplace offshore and we are getting them from Sonoma County
- Devoted \$500 of Council initiative funds towards this project

Mayor Slayter asked for questions of staff. There were none.

Mayor Slayter opened for public comment. There was none.

Council Deliberations:

Councilmember Hinton commented as follows:

- I think it is a great idea.
- I read the article as well, and it sounds like the city has \$2,000 so far from the city and \$2,000 from Health Action.
- I want to devote my \$500 to the High school.
- I was contacted this week by some supporters of Analy High School, who are interested in doing something for the graduates - I have not fully vetted it, and there is nothing planned currently.
- But graduation is June 3rd, and so far, they have not announced anything except for the alumni Association has bought a yard sign for each graduate.
- A lot of people may need technical support - So, if they decide to do the graduation on a Zoom, with kids walking across the stage and everybody celebrating from home, because the public health order has not been extended, I think a lot of people are in a hold pattern.
- So, at this time, I'd like to leave my options open to possibly donate that \$500, or maybe I can pledge it to them now if they need that support to help hold something for the graduates from our high school.
- I originally was going to donate it to Ceres but I think that, in light of kind of what's happening and people reaching out to me this week, that's where I'd like my \$500 funds to go.

City staff discussed the project the City was working on to place banners on Main Street congratulating the high school seniors as well as placing photos of the Sebastopol graduates in business windows.

Councilmember Carnacchi commented as follows:

- Would like to go ahead and utilize my \$500 of funds for Downtown Association to be dedicated to advertising and whatever is going to be necessary to get this thing back on track for the downtown businesses, and maybe part of that advertising would be, hey, we have masks available in all the businesses or something of that sort.
- But I think that it would be well used there

Councilmember Gurney commented as follows:

- Want to get back to this, about the mask idea, I am quite excited about that.
- Do you have cost estimates, and how many thousands – Mayor Slayter stated that they cost \$8 a piece, and we are getting 500.
- Discussed the budget for the masks

Mayor Slayter commented as follows:

- City has funded the project
- Producing of the masks is quite a story
- The company was basically dead in the water and looking at shuttering their doors forever because of business failure, and they very rapidly repurposed their shop and rehired laid off workers when they decided that they had the skill set to do this.
- There is zero downside to any of this, except that maybe they are in Windsor and not Sebastopol. - that is still local.

- Vice Mayor Glass reached out to Health Action who were fully on board

Councilmember Gurney commented as follows:

- I just want to remind people of the challenge.
- My money went to Sebastopol World Friends, and there we have an organization that is based upon travel.
- So, if any group has to reimagine their future right now, and what they're going to do exactly and the tech support they need to do that while we're at home and not flying across the ocean, I think that's going to be really valuable to them.

Council Deliberations:

Councilmember Carnacchi suggested use of local manufacturers.

Mayor Slayter commented as follows:

- Contract executed
- Professionally made
- Smaller quantity has been made locally

Mayor Slayter moved and Councilmember Gurney seconded the motion to approve the use of City Council initiative funds as follows:

\$500.00	SebastopolMasks	Mayor Slayter
\$500.00	SebastopolMasks	Vice Mayor Glass
\$500.00	High School Graduation Project	Councilmember Hinton
\$500.00	Sebastopol Downtown Association	Councilmember Carnacchi

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

VOTE:

Ayes: Councilmember Carnacchi, Gurney, Hinton, Vice Mayor Glass and Mayor Slayter

Noes: None

Absent: None

Abstain: None

City Council Action: Approved the use of City Council initiative funds as follows:

\$500.00	SebastopolMasks	Mayor Slayter
\$500.00	SebastopolMasks	Vice Mayor Glass
\$500.00	High School Graduation Project	Councilmember Hinton
\$500.00	Sebastopol Downtown Association	Councilmember Carnacchi

Minute Order Number: 2020-089

CITY COUNCIL REPORTS:

8. City Manager-Attorney/City Clerk Reports:

- Updates on COVID 19 – this will be a routine report at each council meeting
 - Brought back all employees
 - Employees deemed essential workers (four not initially designated)
 - Some employees utilizing leave for family purposes

- Doing everything as City except offices not open to public
- Not open to public in near future
- Providing good service to the public
- Not know if any other city can say that
- Ahead of the game on that
- Additional enforcement (facial coverings order)
- Effort to be pro-active (send police to businesses ahead of the implementation) paid dividends
- Occasional issues
- Protocols for protections – no instance of confirmed exposures

Budget sub-committee looking at presentation of first estimates of hit to revenues

- No end date to shelter in place - tricky to do estimates
- May 5th Council meeting – budget report to City Council

- Update on Community Vitality/Economic Vitality Consultant
 - Final stages to enter into an agreement
 - Full interview process prior to shelter in place orders
 - Revised work plan
 - Tailored to meet realities of the situation of shelter in place orders
 - Work to be done within basic framework of RFQ
 - Surveys/Meetings for input/business/non-profits
 - Do early on
 - Agenda item for May 5th council meeting
 - Bringing consultant and revised work plan for Council review/discussion/direction
 - Feel confident of selected firm (local)

9. 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).

Councilmember Gurney commented as follows:

- SCTA/RCPA
 - Adopted summary of executive director
 - Re-Up of Measure M
 - Discussed timing
 - Discussed content – adopted the summary, done by executive Director Suzanne Smith, about our past meeting.
 - You will note that there are two really hot topics about the reup on measure M, and I have asked that they be agendized for May 5th so that I could discuss those two topics with you all.
 - One is about timing; do we move forward November 2020 or not?
 - Other is about content, particularly the distribution, the percentages, which way do we go to roads, speaking simply, which way to alternative

- SCCC
 - Helpful meeting with City staff and Board and interim director
 - Discussed rebuild of men's restroom in main hall and kitchen
 - Staff returning May 5th or May 19th

Councilmember Hinton commented as follows:

- Had a budget subcommittee meeting
- Meeting weekly with legislative committee for updates

Mayor Slayter commented as follows:

- Mayors continue to meet every Friday
- Productive conversation

10. Council Communications Received

Mayor Slayter reported as follows:

- Received a lengthy letter from airport manager
- Will scan and get it out to everyone
- Not sure of contents yet -just received today

Councilmember Carnacchi commented as follows:

- I got a comment from a resident about Ragle Road and the pathway in the park, that people are now, because they're out exercising, are walking right along Ragle Road, as opposed to walking on that little side path, so there was some question about whether we could contact the county and ask them to just open up that one section of Ragle Park, where the sidewalk kind of goes alongside the path -- I mean alongside the road.

Mayor Slayter commented as follows:

- The county parks' folks are in conversation with the public health official, as well as city managers group.
- Believe this is a hot topic of conversation in regards to any modification to the shelter in place and what is available for public recreation.
- The blanket closing of all city parks has been problematic for a number of cities, for obvious reasons, and that, I think, is a perfect example of a place where modification needs to be made.
- Asked the City Manager to make sure that that gets carried forward to the city manager meetings in concert with public health and the park people.

The council discussed and approved cancellation of the COVID-19 update scheduled for Wed April 22, 2020.

11. Future City Meeting Dates/Events (Informational Only): (See Agenda and City Web site for Up to Date Meeting Dates/Times)

ADJOURNMENT OF REGULAR MEETING:

Meeting will be adjourned to the next Regular City Council Meeting which will be held on Tuesday, May 5, 2020 at 6:00 pm.

Mayor Slayter adjourned the meeting at 7:38 pm.

Respectfully Submitted:

Mary C. Gourley, Assistant City Manager/City Clerk, MMC

DRAFT