



Council Agenda Report

To: Mayor Farrer and the Honorable Members of the City Council

Prepared by: Heather Glaser, City Clerk

Approved by: Reva Feldman, City Manager

Date prepared: May 11, 2020 Meeting date: May 26, 2020

Subject: Approval of Minutes

RECOMMENDED ACTION: Approve the minutes for the April 27, 2020 Malibu City Council Regular meeting and April 29, 2020 Malibu City Council Special meeting.

FISCAL IMPACT: There is no fiscal impact associated with the recommended action.

WORK PLAN: This item was not included in the Adopted Work Plan for Fiscal Year 2019-2020. This project is part of normal staff operations.

DISCUSSION: Staff has prepared draft minutes for the meetings of April 27, 2020 and April 29, 2020.

ATTACHMENTS:

1. April 27, 2020 Malibu City Council Regular meeting minutes
2. April 29, 2020 Malibu City Council Special meeting minutes

MINUTES
MALIBU CITY COUNCIL
REGULAR MEETING
APRIL 27, 2020
TELECONFERENCED - VARIOUS LOCATIONS
6:30 P.M.

The following meeting was held pursuant to the Governor's Executive Orders N-25-20 and N-29-20 and fully teleconferenced from various locations during the coronavirus disease (COVID-19) pandemic.

MEETING CALL TO ORDER

Mayor Farrer called the meeting to order at 6:35 p.m.

ROLL CALL

The following persons were recorded in attendance via teleconference by the Recording Secretary:

PRESENT: Mayor Karen Farrer; Mayor Pro Tem Mikke Pierson; and Councilmembers Rick Mullen; Skylar Peak; and Jefferson Wagner

ALSO PRESENT: Christi Hogin, City Attorney; Reva Feldman, City Manager; Lisa Soghor, Assistant City Manager; Heather Glaser, City Clerk; Jesse Bobbett, Community Services Director; Yolanda Bundy, Environmental Sustainability Director; Bonnie Blue, Planning Director; Kelsey Pettijohn, Deputy City Clerk; Lilly Rudolph, Contract Planner; and Susan Dueñas, Public Safety Manager

REPORT ON POSTING OF AGENDA

Deputy City Clerk Pettijohn reported that the agenda for the meeting was properly posted on April 24, 2020.

APPROVAL OF AGENDA

MOTION Councilmember Wagner moved and Councilmember Peak seconded a motion to approve the agenda. The question was called and the motion carried unanimously.

ITEM 1 CEREMONIAL/PRESENTATIONS

A. Staff Update on COVID-19

City Manager Feldman stated the majority of City staff was working remotely. She stated employees with job duties that could not be performed outside of City Hall were on leave either utilizing accrued leave or federal funding. She stated the temporary 5% pay increase initially implemented for emergency operations center staff had been discontinued. She stated emergency messaging would be scaled back to once a day. She stated 11 days of COVID-19 testing had been performed at City Hall through the City's partnership with Community Organized Relief Effort

(CORE) and Malibu Medical. She stated 3,000 people had been tested with 48 positive cases. She stated 28 positive cases had been reported to date in Malibu. She stated many positive results were from people who were asymptomatic. She stated the Community Emergency Response Team (CERT) had volunteered over 400 hours to the City since stay-at-home orders had been issued. She thanked CERT and the Volunteers on Patrol (VOP) for their assistance during the COVID-19 pandemic. She encouraged the community to visit www.malibucity.org/virtualrec.

ITEM 2.A. PUBLIC COMMENTS

Jonathan Kaye was not present at the time of hearing.

Barry Haldeman was not present at the time of the hearing.

Kraig Hill discussed the process of tracking and tracing COVID-19 infection. He stated Congress needed act quickly to allow universal vote by mail ballots for the November 2020 Election.

William Winokur stated not everyone was observing guidelines for safety through the COVID-19 pandemic. He discussed lack of enforcement for people experiencing homelessness.

Hamish Patterson questioned how herd immunity would be achieved while everyone was under stay-at-home orders. He expressed concern the City would experience a spike in crime, homelessness, and civil unrest. He discussed the Councilmembers obligation to uphold the Constitution.

ITEM 2.B. COMMISSION / COMMITTEE / CITY MANAGER UPDATES

City Manager Feldman stated the benches were refinished throughout Legacy Park. She stated Legacy Park rehabilitation and park maintenance continued through stay-at-home orders. She stated the temporary skate park was moving along. She stated trail repair at Charmlee Wilderness Park would be aided by volunteer assistance in order to get the Park reopened. She stated staff was moving forward with the Emergency Warning Siren Study. She stated 92 building permits for Woolsey Fire rebuilding had been issued to date. She stated the La Paz project had been permitted and demolition had begun. She stated intermittent closures along Civic Center Way were due to not only the La Paz project but also the Santa Monica College Malibu Satellite Campus project. She stated Southern California Edison (SCE) would replace 38 poles along Malibu Canyon Road, two of which were within the City limits. She announced the City was able to accept electronic payments for fees normally paid in City Hall and that the City could now digitally stamp plans and permits. She stated she was working with the County of Los Angeles on a Safe Parking Program as well as a shelter at the old County Courthouse location for people experiencing homelessness as requested by the Council. She stated the Council would have its first consideration of the Proposed Budget for Fiscal Year 2020-2021 at a Special meeting on April 29, 2020.

In response to Mayor Farrer, City Manager Feldman stated the County of Los Angeles had not yet announced a date for lifting the stay-at-home order. She stated San Francisco had recently extended its stay-at-home orders through the end of May 2020.

ITEM 2.C. SUBCOMMITTEE REPORTS / COUNCIL COMMENTS

Councilmember Wagner discussed fiat money. He stated he had a one-hour Zoom meeting with Pepperdine University President Jim Gash, Assistant City Attorney Rusin, several professors at the university, and students that would participate in establishing an Ombudsman office in Malibu.

Councilmember Mullen thanked CERT, VOPs, City Manager Feldman. He stated homelessness was a statewide long-term problem. He stated human nature was straining at the bridle to get back to normal.

Councilmember Peak indicated agreement with Councilmember Mullen. He stated he hoped everything could get back to normal as soon as possible.

Councilmember Wagner discussed an Ombudsman office in the City. He discussed establishing temporary housing on California State Park property at Topanga. He discussed *Janet Garcia v. City of Los Angeles*.

Mayor Pro Tem Pierson stated stay-at-home orders were hard and an imperfect approach. He stated he requested to be on City of Los Angeles Mayor Eric Garcetti's part of the group outlining reopening as a representative from the beach cities. He stated the City had received a lot of conflicting feedback about the amount and type of communication from the City. He stated staff was working hard to make sure Council meetings were still happening and shorter than normal noticing was due to the ever-changing situation as a result of COVID-19. He expressed concern about problem short-term rental. He stated Mayor Farrer, City Manager Feldman, Planning Director Blue, and he met virtually with the California Coastal Commission (CCC). He thanked everyone involved in making COVID-19 testing happen at City Hall. He thanked the City staff, CERT, VOPs, Arson Watch, the Los Angeles County Sheriff's Department, and other agencies.

Mayor Farrer discussed phased reopening of California. She expressed concern that not opening in a thoughtful way would negate the progress made through stay-at-home orders. She stated there were challenges related to persons experiencing homelessness. She thanked CART and Alex Gittinger with The People Concern. She thanked City Manager Feldman and City staff for working through the challenges everyone was experiencing throughout the COVID-19 pandemic. She thanked Sean Penn and CORE, Dr. Lisa Benya and her staff, and CERT for organizing COVID-19 testing at City Hall. She thanked Jane Albrecht and the Malibu Democratic club for organizing and hosting "A Night In" with Congressman Ted Lieu, State Senator Ben Allen, the presidents of four neighboring Democratic Clubs, Mayor Pro Tem Pierson and herself. She stated she attended a

Las Virgenes-Malibu Council of Governments (COG) virtual meeting. She stated the City's financial conservation was paying off and expressed appreciation the City was able to receive the settlement with SCE for the Woolsey Fire when it did. She stated she attended a meeting with CCC Executive Director Jack Ainsworth and staff.

ITEM 3 CONSENT CALENDAR

MOTION Councilmember Peak moved and Councilmember Mullen seconded a motion to approve the Consent Calendar. The question was called and the motion carried unanimously.

The Consent Calendar consisted of the following items:

- A. Previously Discussed Items
None.
- B. New Items
 - 1. Waive Further Reading
Recommended Action: After the City Attorney has read the title, waive full reading of ordinances considered on this agenda for introduction on first reading and/or second reading and adoption.
 - 2. Approve Warrants
Recommended Action: Allow and approve warrant demand numbers 60043-60162 listed on the register from the General Fund and direct the City Manager to pay out the funds to each of the claimants listed in Warrant Register No. 658 in the amount of the warrant appearing opposite their names, for the purposes stated on the respective demands in a total amount of \$1,561,994.07. City of Malibu payroll check numbers 5096-5099 and ACH deposits were issued in the amount of \$241,407.85.
 - 3. Senate Bill 1 Road Maintenance and Rehabilitation Account Funding and Project List
Recommended Action: Adopt Resolution No. 20-17 approving the Fiscal Year 2020-2021 project list for Senate Bill 1 (Road Repair and Accountability Act of 2017) Road Maintenance and Rehabilitation Account funding.

ITEM 4 ORDINANCES AND PUBLIC HEARINGS

- A. Fiscal Year 2020-2021 Schedule of Fees
Recommended Action: 1) Adopt Resolution No. 20-18 establishing the Fiscal Year 2020-2021 schedule of fees; and 2) Provide recommendation on setting the fee for Planning Department appeals.

Assistant City Manager Soghor presented the report.

Jo Drummond requested the Council not raise the Planning appeal fee from \$500 to \$1,000.

Colin Drummond indicated support for Ms. Drummond's comments. He stated raising the appeal fee would send a message that was inappropriate and did not cater to Malibu residents that were not billionaires or celebrities.

Christopher Cunningham stated raising the Planning appeal fee would give the impression the City was pro-development. He indicated opposition to increasing the appeal fee.

John Mazza questioned why February of each year was used to calculate the cost of living adjustment (COLA) percentage. He discussed the history of the Planning Department appeal fee. He stated public should not be priced out of its ability to participate in the process and appeal a decision. He stated the fee should not favor the wealthy or developers.

Kraig Hill indicated agreement with Mr. Mazza. He discussed the appeal fee. He recommended raising all development fees instead of raising the appeal fee.

Assistant City Manager Soghor stated a February number was used for the COLA percentage was because it was the latest available month of information that could be used before developing the next year's budget. She clarified staff was not recommending full cost recovery for Planning appeals but was requesting direction from the Council.

City Attorney Hogin stated the appeal fee was not set at an amount to discourage appeals and did not favor one side or another. She stated the fee could not be market based since California State law required a fee be no more than the actual cost to the City. She stated a fee of less than full recovery was an offset of the actual cost of considering a matter that may only affect a certain portion of the public. She stated all taxpayers would then share in paying for the remainder of the cost to the City not recovered through the fee.

In response to Councilmember Peak, Planning Director Blue stated there were around six to 12 Planning appeals per year. She stated staff had not examined what surrounding cities charged.

City Manager Feldman stated the Planning appeal fee had not changed in many years and staff could gather additional information to bring back with the budget consideration.

Councilmember Peak indicated support for a slight fee increase to the appeal fee.

Councilmember Wagner stated making the Planning appeal process revenue neutral would not be achievable while still being fair for the entire community.

Councilmember Mullen stated it was important for everyone to be able to participate in the appeal process. He indicated opposition to the fee being raised to

the point of full cost recovery. He indicated support for the fee being possibly raised to up to \$1,000.

Mayor Pro Tem Pierson questioned what other COG cities were charging. He stated he was curious about why the fee had been lowered to \$500 in the past. He indicated support for possibly raising the Planning appeal fee.

Mayor Farrer expressed concern that the cost to the City for a Planning appeal was so much higher than what was being recovered. She indicated support for increasing the fee to \$750.

MOTION Councilmember Peak moved and Councilmember Mullen seconded a motion to: 1) adopt Resolution No. 20-18 establishing the Fiscal Year 2020-2021 schedule of fees; and 2) direct staff to bring back an item to increase the fee for Planning Department appeals from \$500 to \$750.

Councilmember Wagner stated the fee had been previously lowered to \$500 due to requests from the public to lower the fee.

The question was called and the motion carried unanimously.

ITEM 5 OLD BUSINESS

None.

ITEM 6 NEW BUSINESS

A. Malibu Direction on whether to Negotiate with Applicant on a Development Agreement Associated with a Proposed Hotel Development

Recommended Action: 1) Receive presentation by the property owner of 22729 and 22941 Pacific Coast Highway; and 2) Determine whether to direct staff and the City Attorney to negotiate a development agreement that would allow a new overlay zone with a 0.52 floor area ratio for the development of a hotel in exchange for public benefits.

Planning Director Blue presented the staff report.

City Attorney Hogin stated a decision on what the public benefit should be could be decided later. She stated staff was looking for general input from the Council as it did not seem the cash offer proposed warranted the benefits of a development agreement. She requested the Council weigh in on how much and of what type of public benefit it would be interested in, if any.

Norm Haynie stated, if approved, the project would not set a precedent for other projects. He stated the City would realize \$85,000 a month in transient occupancy tax (TOT) and an increase in property tax. He stated a hotel or motel was a different use than average commercial use. He stated the majority of the requested increase

in floor area was already approved and permitted for the existing building. He stated he was requesting 7,000 square feet of additional square footage. He stated the traffic on Pacific Coast Highway would be reduced by 20-40% over the existing building use. He discussed the La Paz project.

Kraig Hill stated the item should be continued due to a wrong address in the staff report. He stated the 72-hour notice provided for the item was not enough. He stated the existing .3 floor area ratio (FAR) was already two and a half times the current allowance and Mr. Haynie was asking for .52 FAR. He discussed developed intensity bonus and stated it did not apply to a commercial hotel. He stated the proposed terms of the agreement were not close enough for the City to consider negotiation yet. He questioned potential public impacts and burden. He stated a larger and ongoing public benefit should be required.

Hamish Patterson stated the item should not be considered during the COVID-19 pandemic. He stated the 72-hour notice provided for the item was not enough. He stated the \$400,000 public benefit was not enough.

Paul Grisanti stated nearly all the square footage of the proposed project was already legally in place. He stated the City was not obligated to approve anything even if it decided to consider negotiating a development agreement. He stated the TOT potential could help wean the City off TOT received from short-term rentals.

City Attorney Hogin stated Mr. Haynie would make an application that would go before the Planning Commission for a public hearing. She stated the matter before the Council was whether to allocate resources to explore a public benefit in exchange for a development agreement. She stated any development agreement drawn up would also be heard by the Planning Commission and the Council.

Councilmember Mullen stated the project had a long way to go before it was decided on. He stated there would plenty of opportunity for public comment on the proposed project in the future.

In response to Councilmember Mullen, City Attorney Hogin requested the Council provide direction on whether a cash payment would be considered or if a different public benefit would be required. She stated TOT was a set percentage but staff could look at profit-sharing or a guaranteed payment amount if TOT did not hit a certain level as part of an agreement structure for a few years after occupancy.

Councilmember Wagner stated the water pressure system on Pacific Coast Highway (PCH) was low. He stated rectifying a deficiency in a Los Angeles County Waterworks District No. 29 (District 29) valve was part of the proposed project and would be a benefit to the public.

In response to Councilmember Peak, Planning Director Blue stated the General Plan allowed Commercial Visitor Serving – 2 (CV-2) a .15 FAR, or .25 FAR with public benefits. She discussed the possibility of an overlay district to apply to the

two parcels Mr. Haynie was developing. She stated an overlay district may not be necessary if the two properties were not being merged and a whole new development was not being considered. She stated most of the additional square footage was being developed on the lower parcel.

Councilmember Peak indicated support for a cash payment split between the General Fund or park improvements. He expressed concern for the size of the project and stated he did not want to set a precedent. He stated he did not think there would actually be a reduction in traffic from the project.

Mayor Pro Tem Pierson stated the project was unique in that most of it was already built. He discussed a cash benefit or recreation benefit.

Mayor Farrer stated she thought a valet was built into the proposed project. She stated the old gas station was a blight in the middle of town. She stated the majority of the project structure was already there. She indicated support for negotiation of a development agreement.

Councilmember Peak stated a final development agreement should come back to Council at a meeting not held during COVID-19 pandemic. He indicated support for a cash amount higher than what had been proposed.

City Attorney Hogin stated the hearings were essential. She stated the most orderly way to handle the process was to vet it through the Planning Commission first and then come to the Council for a public hearing.

MOTION Councilmember Peak moved to allow the City Attorney and staff to negotiate a development agreement with the property owner of 22729 and 22741 Pacific Coast Highway with a public benefit informed by the Council discussion and further with the understanding that the project will undergo robust public hearings after the City is holding in-person meetings.

Councilmember Peak stated a guarantee of TOT would be difficult if there was a downturn in the economy. He indicated support for getting something upfront. Councilmember Peak stated TOT would be remitted on a quarterly basis but a guarantee of 85% occupancy would be difficult for someone to agree to.

Councilmember Mullen stated TOT was a touted benefit of the proposed project.

Councilmember Peak recommended considering a guarantee of 50% occupancy so the business would succeed.

Councilmember Mullen stated a guaranteed amount of yearly TOT was the long-term benefit to the City.

Councilmember Wagner stated infrastructure improvements could be considered as a public benefit.

Councilmember Peak stated infrastructure improvements may be required as a condition of approval by the Fire Department or District 29.

Councilmember Wagner expressed concern over tying infrastructure improvements to conditions of approval.

Councilmember Mullen seconded the motion. The question was called and the motion carried unanimously.

ITEM 7 COUNCIL ITEMS

A. Assembly Bills 2436, 3074 and 2367 – Support (Mayor Farrer)

Recommended Action: At the request of Mayor Farrer, authorize letters of support for: 1) Assembly Bill (AB) 2436, which will help consumers comply with applicable building codes in place after a major property loss; 2) AB 3074, which would require the California Department of Forestry and Fire Protection to update its guidance on or before January 1, 2023 to include creation of an ember-resistant zone within five feet of a structure; and 3) AB 2367, which would create the Wildfire Resilience Task Force, to establish minimum standards for fire-hardened homes and communities.

Mayor Farrer presented the report.

MOTION Councilmember Peak moved and Councilmember Mullen seconded a motion to authorize letters of support for: 1) Assembly Bill (AB) 2436, which will help consumers comply with applicable building codes in place after a major property loss; 2) AB 3074, which would require the California Department of Forestry and Fire Protection to update its guidance on or before January 1, 2023 to include creation of an ember-resistant zone within five feet of a structure; and 3) AB 2367, which would create the Wildfire Resilience Task Force, to establish minimum standards for fire-hardened homes and communities.

Councilmember Mullen thanked Mayor Farrer. He stated the City would keep an eye on the bills as they moved forward.

Councilmember Wagner stated there were some potential deficiencies that could be cleaned up in the bills.

The question was called and the motion carried unanimously.

ADJOURNMENT

At 8:45 p.m., Mayor Farrer adjourned the meeting.

Approved and adopted by the City Council of the
City of Malibu on _____.

KAREN FARRER, Mayor

ATTEST:

HEATHER GLASER, City Clerk
(seal)

MINUTES
MALIBU CITY COUNCIL
SPECIAL MEETING
APRIL 29, 2020
TELECONFERENCED - VARIOUS LOCATIONS
6:00 P.M.

The following meeting was held pursuant to the Governor's Executive Orders N-25-20 and N-29-20 and fully teleconferenced from various locations during the coronavirus disease (COVID-19) pandemic.

MEETING CALL TO ORDER

Mayor Farrer called the meeting to order at 6:02 p.m.

ROLL CALL

The following persons were recorded in attendance via teleconference by the Recording Secretary:

PRESENT: Mayor Karen Farrer; Mayor Pro Tem Mikke Pierson; and Councilmembers Rick Mullen; Skylar Peak; and Jefferson Wagner

ALSO PRESENT: Trevor Rusin, Assistant City Attorney; Reva Feldman, City Manager; Lisa Soghor, Assistant City Manager; Heather Glaser, City Clerk; Yolanda Bundy, Environmental Sustainability Director; Bonnie Blue, Planning Director; Rob DuBoux, Public Works Director; Susan Dueñas, Public Safety Manager; Kelsey Pettijohn, Deputy City Clerk; and Patricia Salazar, Senior Administrative Analyst

APPROVAL OF AGENDA

MOTION Councilmember Peak moved and Councilmember Wagner seconded a motion to approve the agenda. The question was called and the motion carried unanimously.

REPORT ON POSTING OF AGENDA

City Clerk Glaser reported that the agenda for the meeting was properly posted on April 24, 2020.

COUNCIL COMMENTS

Mayor Pro Tem Pierson stated creating the Fiscal Year 2020-2021 budget was very difficult. He stated cuts had been made to existing programs and across all departments. He expressed gratitude for the strong financial position of the City. He stated the priorities set by the City Council were public safety, Woolsey Fire rebuilding, and school district separation. He stated the only way to balance the budget was with significant cuts. He stated the City needed to save General Fund Reserves for potential future disasters.

Mayor Farrer stated Mayor Pro Tem Pierson and she participated in a call with the University of Southern California Sol Price School of Public Policy on local governments'

response to crisis. She stated she participated in a League of California Cities Los Angeles County Division conference call. She stated many neighboring cities were in a worse financial position than Malibu. She expressed gratitude for the strong financial position of the City and that layoffs were not included in the Proposed Budget for Fiscal Year 2020-2021. She expressed optimism that there may be more revenue than projected in the Proposed Budget for Fiscal Year 2020-2021 and the budget could be adjusted as the year went on.

ITEM 1 NEW BUSINESS

A. Proposed Budget for Fiscal Year 2020-2021

Recommended Action: Provide direction to staff on the Proposed Budget and Annual Work Plan for Fiscal Year 2020-2021.

City Manager Feldman stated this was a very difficult budget. She stated this was the 16th budget she had worked on for the City and thanked staff for its work on the budget. She stated Malibu was a contract city and did not have the costs, including ongoing pension costs, associated with fire and law enforcement staff. She stated the City's main revenue source was property tax, which had remained steady after the Woolsey Fire. She stated the City had a strong General Fund Reserve even after the acquisition of vacant land in 2018 and the Woolsey Fire. She stated it was important to maintain reserves because the COVID-19 pandemic was not over and it was important to be prepared for future disasters. She stated Federal Emergency Management Agency (FEMA) reimbursements were still outstanding and reserves would be needed for cash flow. She stated the City was young and had limited ongoing pension costs. She stated sales tax revenue was impacted by closures of restaurants and non-essential businesses due to COVID-19. She stated parking tax, citation, and film permit revenues were down due to the effects of COVID-19. She stated staff began drafting the Proposed Budget for Fiscal Year 2020-2021 by accounting for mandatory expenses including debt service, property insurance, Los Angeles County Sheriff's Department services, water quality programs, and district elections including redistricting after the 2020 Census. She stated each department made significant budget cuts. She stated the City aimed to provide services based on the core values of the community including Woolsey Fire rebuilding, cultural arts, community programs, and environmental sustainability. She stated the City had always maintained an aggressive work plan that would need to be scaled down because of limited resources available in Fiscal Year 2020-2021. She stated the City was able to use some funds from the Woolsey Fire settlement with Southern California Edison (SCE) to fund staff work on rebuilding instead of using consultants, but some normal staff work would have to shift. She stated staff must forecast multiple years out when making plans for a budget and consider future financial burdens, including increasing debt service costs and an increase in cost for Los Angeles County Sheriff's Department services to staff the substation being built on the Santa Monica College Malibu Satellite Campus. She thanked staff for its work and the Council for its support.

Assistant City Manager Soghor presented the staff report. She thanked Accounting

Clerk Brenda Cho, Accounting Technician Joni Hand, Acting Finance Manager Renee Neermann, and the Department Heads for their work on the budget. She stated the Proposed Budget for Fiscal Year 2020-2021 assumed businesses would reopen in limited capacity in summer 2020 and did not account for a second major outbreak of COVID-19. She stated assessed property values had increased and property tax revenue remained strong. She discussed how sales tax projections were impacted by COVID-19. She stated the Proposed Budget for Fiscal Year 2020-2021 assumed deferred sales tax payments would eventually be paid. She stated expenditures were based on Council priorities and the work plan. She stated consultant costs were cut and staff would be needed to complete that work. She discussed the importance of maintaining a high General Fund Reserve in case of future disasters.

Joel Schulman stated the Dumpster Lid Ordinance needed to be implemented because existing dumpster conditions contributed to rodent problems. He stated the budget should account for staff inspecting dumpsters four times a year. He stated it was important to enforce the ordinance and fine violators. He stated the fines should cover staff costs.

Kraig Hill indicated support for Mr. Schulman's comments. He recommended including implementation of the Dark Sky Ordinance for commercial properties, implementation of the Dumpster Lid Ordinance, and development and staffing of an Environmental Commission in the budget and work plan for Fiscal Year 2020-2021. He stated many charts in the budget presentation could be misleading because the y-axis did not start at zero. He indicated opposition to raising the Planning appeal fee to \$750. He stated there were only six appeals in 2019 and the increased fee would provide little revenue but may create a greater burden on appellants. He suggested linking the fee to the consumer price index, creating separate appeal fees for residential and commercial properties, or creating a hardship waiver.

Doug Stewart stated the City had faced two major emergencies within 18 months. He commended staff for its work on the budget. He stated there was five-million-dollar reduction in General Fund revenue compared to Fiscal Year 2018-2019. He commended the City for budgeting for \$16 million in capital improvement projects with grant or Special Revenue funds, prioritizing Woolsey Fire rebuilding and maintaining staffing levels by using money from designated funds. He stated the City faced budgeting challenges such as a \$500,000 increase in cost for Los Angeles County Sheriff's Department services. He stated the City should prepare and budget for a second wave of COVID-19 and other future disasters. He stated not everyone would be happy with the final budget but it would provide a year of stability.

John Mazza was not present at the time of the hearing.

Councilmember Mullen indicated support for Mayor Pro Tem Pierson's and Mayor Farrer's comments. He stated budget cuts meant having to defer some projects

important to the community. He stated the State of California and every state in the United States was in a state of emergency. He stated the COVID-19 pandemic was the second recent major emergency for the City. He stated the City's conservative budgeting prepared it well to weather emergencies. He stated the City was still in the middle of the COVID-19 pandemic and that it was important to maintain reserves for the uncertain future. He stated the fiscal impacts from COVID-19 could be long lasting. He stated the City had unique strengths and challenges. He stated it was beneficial that the City's primary revenue source was property taxes. He stated it was important to continue the Woolsey Fire fee waiver program. He stated it was frustrating for people that implementation may be delayed for projects like the Dumpster Lid Ordinance and Dark Sky Ordinance. He thanked Cami Winikoff for her correspondence and Mr. Stewart for his comments. He stated adjustments were made to every page of the budget due to the COVID-19 pandemic.

Councilmember Wagner stated the majority of the City's revenue came from property taxes and that revenue stream seemed stable. He stated property values remained high because the quality of life in the City was high. He stated the Dumpster Lid Ordinance, Dark Sky Ordinance, and an Environmental Sustainability Commission would help maintain a high quality of life in the City.

Councilmember Peak thanked staff for its work. He questioned if the sales tax revenue projections were conservative enough.

In response to Councilmember Peak, City Manager Feldman stated the Proposed Budget for Fiscal Year 2020-2021 assumed the Los Angeles County stay at home order was lifted May 15, 2020 and businesses would be able to ramp up operations over the summer. She stated staff contacted local businesses and restaurants about current operations and worked with the City's sales tax consultant to calculate a reasonable estimate for revenues. She stated there were many unknowns that made it hard to estimate future revenues. She stated the COVID-19 pandemic could financially impact residents and potentially lower property tax revenue if there were reassessments and foreclosures.

Councilmember Peak expressed concern revenues may be worse than projected and it could take time for them to rebound.

In response to Councilmember Peak, City Manager Feldman stated the implementation of the Dumpster Lid Ordinance and Dark Sky Ordinance created additional costs for businesses. She discussed the loan program to allow businesses to pay back sales tax revenue over 12 months. She stated she did not know of a plan to recover taxes from businesses that close before repaying owed sales tax. She stated the deferred sales tax was being treated as a cash flow issue at this time.

Councilmember Peak stated it was important to be conservative. He thanked City Manager Feldman for her work.

Mayor Pro Tem Pierson stated staff time was a limited resource like money. He commended the City and the Malibu Chamber of Commerce for supporting small business owners. He expressed concern environmental programs were being delayed. He stated he would personally work on preparing the community for climate change.

In response to Mayor Pro Tem Pierson, City Manager Feldman stated staff was in the negotiation stage of school district separation and had hired financial consultants that were funded in the Proposed Budget for Fiscal Year 2020-2021. She stated after the school district separation proposal was heard by the Los Angeles County Office of Education (LACOE) it would need to be presented to the State Board of Education with additional analysis and an Environmental Impact Report (EIR). She stated the additional analysis and EIR were not funded in the Proposed Budget for Fiscal Year 2020-2021. She stated she expected the City's financial situation would improve by the time those expenses were necessary. She stated the school district separation process was fully funded to get to the LACOE hearing.

Mayor Pro Tem Pierson stated the temporary skate park was coming along well.

In response to Mayor Pro Tem Pierson, City Manager Feldman stated the temporary skate park was fully funded from designated funds and would be open in summer 2020. She stated design for the permanent skate park was funded in the Proposed Budget for Fiscal Year 2020-2021. She stated the estimated construction cost and funding for the permanent skate park had not yet been identified. She staff could apply for grants and do robust fund raising for the permanent skate park.

Mayor Pro Tem Pierson stated the City had been able to implement many new programs and regulations through difficult circumstances in recent years.

In response to Mayor Pro Tem Pierson, City Manager Feldman stated the Dark Sky Ordinance had phased compliance. She stated staff was currently working with gas stations on compliance. She stated the next phase included all commercial properties, which would be complicated and require significant staff time. She stated it would also require property owners to spend money improving lighting. She stated any new projects must comply with the Dark Sky Ordinance and all property owners could voluntarily comply early. She recommended bringing back an ordinance to extend the deadlines by 12 months.

Mayor Pro Tem Pierson stated staff time and money were both limited resources.

Mayor Farrer thanked staff for its work on the Woolsey Fire settlement from SCE. She stated there was a lot of uncertainty about the future. She stated some items required funding such as debt service and Los Angeles County Sheriff Department services. She noted the agreement with the Los Angeles County Sheriff Department had a built-in cost of living increase. She thanked staff for forgoing a cost of living increase in order to help balance the budget. She stated Malibu was

the only city impacted by the Woolsey Fire that waived rebuilding fees. She stated waiving rebuilding fees was a good investment in the community but it came with tradeoffs. She stated the Proposed Budget for Fiscal Year 2020-2021 was appropriately conservative. She thanked Ms. Winikoff for her correspondence. She stated the City had to complete mandatory work and hoped to complete as many other valuable but non-essential projects and programs as possible. She stated enforcement of the Dumpster Lid Ordinance would require significant staff time. She stated she would like to see a culture change regarding waste management in the City. She thanked Assistant City Manager Soghor, City Manager Feldman, and the Department Heads for their work on the budget.

City Manager Feldman stated some staff members were being cross trained to complete work that was normally done by consultants. She stated staff operations would be impacted by COVID-19 and requirements to maintain social distancing. She stated some modifications to staff operations, such as accepting submittals electronically, managing an appointment system for City Hall, and cleaning all facilities multiple times a day, created more work for staff that would limit the time it had for normal business. She stated the Dumpster Lid Ordinance was important but implementation would be challenging because the City could not currently coordinate with waste haulers and businesses to identify, install, and purchase the appropriate dumpster lids. She stated it would require significant staff time to complete four site visits a year at 200 dumpster sites and potentially follow-up with code enforcement action. She stated the Proposed Budget for Fiscal Year 2020-2021 included six unfunded vacant positions, which would leave some departments down staffing. She stated an added complication was that staff members could potentially become infected with COVID-19 in the next year, which would further limit what staff could accomplish.

Councilmember Mullen thanked Mayor Pro Tem Pierson for his question about school district separation. He stated school district separation was a top three priority for the Council.

In response to Councilmember Mullen, City Manager Feldman stated covering the \$30,000 shortfall in the Proposed Budget for Fiscal Year 2020-2021 with General Fund Reserves was the easiest solution. She stated the City had to have a balanced budget and staff had extended the budget process to have as much information as possible and potentially find enough revenue to balance. She stated if staff could not find an additional \$30,000 in future revenue projections it would ask the Council to use General Fund Reserves to cover the shortfall. She stated staff had started with a \$1.5 million deficit and had closed it to a \$30,000 deficit. She stated staff was seeking direction on the work plan. She stated staff would monitor revenue projections in the coming weeks and come back in June with an updated budget.

Assistant City Manager Soghor stated the Proposed Budget for Fiscal Year 2020-2021 was based on revenue and expenditures through the end of March 2020. She stated staff would be able to look at updated numbers from April 2020 and get more

information from Los Angeles County and the State of California about expectations for reopening businesses in the future. She stated staff may find an additional \$30,000 in future revenue projections.

Councilmember Mullen stated programs were not being cut, but implementation was being deferred. He stated some programs had fiscal impacts on businesses that should be considered.

MOTION Councilmember Peak moved and Councilmember Mullen seconded a motion to direct staff to bring back a substantially similar Fiscal Year 2020-2021 Proposed Budget to the June 8, 2020 Council meeting.

Councilmember Wagner stated he was still working on creating an Ombudsman's Office with Pepperdine University which would save staff time.

The question was called and the motion carried unanimously.

ADJOURNMENT

At 7:39 p.m., Mayor Farrer moved adjourned the meeting.

Approved and adopted by the City Council of the
City of Malibu on _____.

KAREN FARRER, Mayor

ATTEST:

HEATHER GLASER, City Clerk
(seal)