



**Thursday, May 14, 2020**  
**Minutes of the Special Meeting of the City Council**  
**of the City of Palm Springs**

Pursuant to Executive Order N-29-20, by Governor Newsom, this meeting was conducted by teleconference and there was no in-person public access to the meeting location.

**CALL TO ORDER:**

A Special Meeting of the Palm Springs City Council was called to order by Mayor Kors on Thursday, May 14, 2020, at 6:00 p.m.

**PLEDGE OF ALLEGIANCE:**

City Attorney Ballinger led the Pledge of Allegiance.

**ROLL CALL:**

**Present:** Councilmembers Grace Elena Garner, Lisa Middleton, Dennis Woods; Mayor Pro Tem Christy Holstege; and Mayor Geoff Kors

**Absent:** None.

**City Staff**

**Present:** David H. Ready, City Manager; Jeffrey Ballinger, City Attorney; Marcus Fuller, Assistant City Manager; and Anthony J. Mejia, City Clerk, were present at Roll Call. Other staff members presented reports or responded to questions as indicated in the minutes.

**REPORT OF CLOSED SESSION:**

The Special Closed Session of the City Council of May 14, 2020, was called to order by Mayor Kors at 4:30 p.m., with all members present.

The meeting convened into Closed Session to discuss the following items as listed on the Special Closed Session Meeting Agenda:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION, Pursuant to Government Code § 54956.9(d)(1):

4348 Lockwood Avenue LLC et al. v. City of Palm Springs et al.,  
Case No. RIC 1703102, Superior Court of the State of California, County of Riverside

CONFERENCE WITH LABOR NEGOTIATOR, Pursuant to Government Code 54957.6:

City Negotiator: David Ready, City Manager or Designee  
Perry Madison, Director of Human Resources  
Bryan Reyes, Chief of Police  
Peter Brown, Attorney

Employee Organizations: Management Association of Palm Springs  
Palm Springs Firefighters Association  
Palm Springs Fire Management  
Palm Springs Police Management  
Association Palm Springs Police Officers  
Association Public Employees  
Association of Palm Springs All Unrepresented Employees

City Attorney Ballinger reported that the City Council received briefings and provided direction to staff regarding the agendaized Closed Session Items but did not take any reportable action.

**PUBLIC TESTIMONY:**

The following individuals spoke in opposition to staffing reductions for public safety services:

Kristin MacLean  
Mike Casavan, Palm Springs Police Officers Association  
Joe Cook, Palm Springs Police Officers Association  
Dr. Frank Browning, Palm Springs Police Management Association  
William Hutchinson, Palm Springs Police Management Association  
Mike Kovaleff, Palm Springs Police Management Association  
Ben Ryan  
Bridget Miller  
Rick Pantele  
Robert Perotti

The following individuals spoke in opposition to the closure of the City's aquatics center:

Steven Hecht  
Laura Ottesen  
Tom Dolle

The following individuals spoke voiced support for the Palm Springs Animal Shelter (PSAS) and urged the City Council to continue its financial support for the shelter:

Ginny Foat, PSAS Board of Directors  
Tamara Hedges, PSAS Board of Directors  
Tim Watts, PSAS Board of Directors  
Lauren LeBaron, PSAS Board of Directors  
Katherine Smith, PSAS Board of Directors  
Carl Johnson, PSAS Board of Directors  
Keith Zable, PSAS Board of Directors  
Jana Hayes, PSAS Board of Directors  
Bill Ruttan, PSAS Board of Directors  
Louis Smith, PSAS Board of Directors  
Gabrielle Amster, PSAS Executive Director

Sheldon Harmatz, recommended that the City Council cancel all pending construction projects and assess an additional \$1,000 on properties to help maintain core City services.

Linda Barrack, Martha's Village and Kitchen, spoke on the services and programs offered by Martha's Village to help those experiencing homelessness; urged the City Council to maintain funding for homeless services.

Henry Weiss, recommended that the City Council establish a Citywide Public Safety Assessment District to help avoid staffing reductions.

Wendell Phillips, Public Employees Association of Palm Springs General Counsel, opined that staff layoffs will not significantly improve the City's financial condition and recommended that the City Council consider selling assets or utilize reserves.

Maribel Nuñez, California Partnership and Engaged Coachella Valley, urged the City Council to establish a rent relief program for tenants and small businesses.

Liz Loomis, Little Tuscany Neighborhood Organization, suggested that the City Council designate the Boulders and Crescendo properties as open space and dedicate the properties to a land conservancy.

Mark Laue, Action Park Live, spoke in support of the skate park and youth sports, noting that he is willing to extend his contract for management of the skate park.

Erik Lemus, voiced support for a local rent relief program for residential tenants.

Daryl Terrell, recommended that the City Council implement priority-based budgeting.

Edwin Ramoran, representing Bayanihan Desert, urged the City Council to establish a local rent relief program; spoke on the importance of funding local community centers.

Barron Lane, urged the City Council to avoid layoffs, opining that the economy will recover.

Zack Solomon, recommended that the City Council establish a rent relief and mortgage protection program; voiced support for reopening City parks and open air recreational facilities.

Stephen Pabst, spoke on the importance of developing plans for the reopening of children's programming and facilities.

### **CITY COUNCIL AND CITY MANAGER REQUESTS AND UPCOMING AGENDA DEVELOPMENT:**

Councilmember Garner encouraged residents to follow the City's newly launched Spanish-language Facebook page.

Mayor Pro Tem Holstege requested that staff present an update regarding business retention, economic development, and business reopening plans based on the Governor's phased reopening plan; noted that the City continues to request state and federal economic support for smaller, tourism-based cities.

Councilmember Woods reported on his attendance at the Coachella Valley Association of Governments (CVAG) Energy and Environmental Committee meeting; noted that CVAG is advocating for phased reopening based on sub-regions rather the Riverside County as a whole.

Councilmember Middleton reported that the SunLine Transit Agency has presented a balanced budget for fiscal year 2020/21, due to a large federal CARES funding grant.

Mayor Kors spoke on the importance of advocating for federal, state, and county funding; requested that staff agendize an update from the Mayor's Business Transition & Re-Entry Task Force and consideration of signing onto a letter from the County Board of Supervisors to the Governor related to business reopening.

### **DISCUSSION ITEMS:**

#### **CONTINUED DISCUSSION OF POTENTIAL GENERAL FUND BUDGET IMPACTS ASSOCIATED WITH THE NOVEL CORONAVIRUS (COVID- 19); FISCAL YEAR 2019/2020 ADJUSTED BUDGET AND FISCAL YEAR 2020/2021 PRELIMINARY BUDGET REVIEW**

City Manager Ready and Assistant City Manager Fuller narrated a PowerPoint presentation; summarized potential capital projects and Measure J projects which could be delayed or cancelled; reviewed proposed staffing reductions; noted that staff will continue to monitor projected revenues and expenditures on a regular basis and will report back to the City Council.

Mayor Kors recommended that the City Council begin its discussion focused on how much to retain in reserves, including the pension reserve.

Councilmember Middleton opined that reserves should be used for emergencies such as the COVID-19 pandemic; noted that most economists recommend a reserve level between 10-20%, stating that she would be comfortable with a 10% reserve, if necessary; voiced support for regular updates on projected revenues and expenditures to ensure that the City Council is responding to changing economic conditions in real time.

Councilmember Woods spoke in support of taking a multi-faceted approach, including determining where critical services are needed and continuing to advocate for outside funding; opined that using all the reserves would be fiscally irresponsible and there needs to be a minimum level maintained in reserves.

Councilmember Garner voiced support for regular budget updates to ensure that the City Council continues to address unknown conditions which may arise in the future; agreed that reserves should be used in a responsible manner.

Mayor Pro Tem Holstege voiced support for utilizing reserves to address the budget deficit for fiscal year 2019/20 and continuing with regular budget updates; noted that this is an opportunity to realign and address inefficiencies in the City's systems and processes; spoke on the need to maintain reserves while balancing the needs of residents.

The City Council agreed with utilizing approximately \$19 million from reserves to address the budget deficit for fiscal year 2019/20.

Mayor Kors summarized that the City Council desires to retain the CalPERS reserve and maintain a 10% general fund reserve based on the reduced budget; requested that staff determine the minimum reserve level needed to refinance existing bonds; discussed the City's potential of selling real property assets to bring in revenues which could be used to maintain critical services.

In response to City Council inquiry, Assistant City Manager Fuller advised that staff has reviewed all City-owned properties, noting that most properties cannot be disposed of; discussed the potential of selling the Boulders and Crescendo properties, opining that it would take approximately 12-18 months to market and find potential buyers; advised that most developers would likely request a disposition and development agreement as a contingency for purchasing City-owned property.

Mayor Kors and Mayor Pro Tem Holstege voiced support for starting the process of listing the Boulders and Crescendo properties to determine any potential interest in the properties and concurrently seeking community input on future use of the properties.

In response to City Council inquiry, Director Virata recommended offering brokers a hybrid fee and commission as a means of incentivizing the listing of City-owned real property.

Councilmember Middleton urged caution as it relates to the selling of real property, particularly the Boulders and Crescendo properties, without first seeking community input; stated that the community believed that the properties would be retained for open space when the City acquired the properties.

Mayor Pro Tem Holstege opined that the City Council should consider all City-owned properties to determine if there are willing buyers so that the City Council and community can make an informed decision; requested that staff provide a comprehensive list of City-owned properties and to begin discussions with brokers for information gathering purposes.

Councilmember Woods agreed that the City Council should use caution before selling City assets.

Councilmember Middleton stressed that the community should not assume that the City Council has decided whether to sell any of its properties at this time.

In response to City Council inquiry, Assistant City Manager Fuller summarized the options related to completion of the Downtown Park, noting that a modified park design could save approximately \$3.9 million in General funds.

Councilmember Garner spoke on the importance of maintaining existing City services and programs, noting that postponing completion of the Downtown Park may result in savings which could be used to maintain City services.

Mayor Pro Tem Holstege opined that the City Council should seek community input on the future of the Downtown Park; questioned the value of investing in the Downtown Park versus the potential cost saving with a modified park design.

In response to City Council inquiry, City Attorney Ballinger summarized the appropriate uses of Quimby Act funds, noting that the funds are generally restricted for the development of new parks.

In response to City Council inquiry, Assistant City Manager Fuller advised that staff work with the contractors to review the schedule of values in relation to completing the police department substation and public restrooms at the Downtown Park.

Councilmember Middleton and Woods spoke on the possibility of phasing the completion of the Downtown Park and storing purchased materials until such time as additional funding becomes available. Councilmember Middleton recommended continuing the discussion regarding the Downtown Park to the next City Council meeting to provide the community with an opportunity to comment on the subject.

Councilmember Garner spoke in favor of slowing down the project to solicit community input and to allow staff time to find creative funding mechanisms or to community fundraise.

Councilmember Middleton recommended that the City Council explore opportunities for inclusion of public art in the modified Downtown Park design.

Mayor Pro Tem Holstege requested that staff provide detailed information regarding the costs to complete the park, use of Quimby Act funds versus the General Fund, modified park design options, and fundraising opportunities.

Councilmember Middleton voiced support for deferring any Measure J funded projects which can be deferred for at least one year and that any available Measure J funds should be used to ensure that the City can minimize cuts to its operational budget.

Councilmember Woods requested that staff explain potential uses of Measure J funds at a future meeting; spoke on the importance of basic infrastructure maintenance, such as slurry seals, noting that it may reduce maintenance cost in the long term.

Mayor Kors noted that the City Council has some flexibility in regard to the use of the \$10 million state grant to address homelessness; discussed the possibility of utilizing portions of the grant funding to provide homeless support services that would otherwise be eliminated and suggested reviewing such options at the next City Council meeting.

Mayor Pro Tem Holstege suggested initiating conversations with the County of Riverside to see how they can assist with addressing homelessness.

In response to City Council inquiry, City Manager Ready summarized the County reimbursement process for library and animal shelter services.

Councilmember Garner spoke on the need to more closely review proposed program cuts at the Library and Community Centers and suggested that the City work with other cities in the Coachella Valley, the school district, and other stakeholders to help fill funding gaps.

## **RECESS**

The City Council recessed at 9:42 p.m. and reconvened at 10:00 p.m., with all Councilmembers present.

In response to City Council inquiries, City Manager Ready advised that approximately \$2 million is allocated for staff overtime; noted that the City-owned golf course typically takes a small loss or breaks even in most years. Assistant City Manager Fuller noted that there is approximately \$5.5 million in bond debt and that the property was valued less than the current debt service; advised that staff will discuss the current golfing rates with the Golf Course operator, noting that the rates are continuously monitored to remain competitive in the market.

The City Council agreed to add discussion of the City-owned golf course under property negotiations for the next Closed Session agenda.

In response to City Council inquiry, City Manager Ready stated that the City's budget is priority-based, noting that staff will continue to track revenues and will provide the City Council with regular updates going forward; noted that the City Council can take an interfund loan from the Wastewater Treatment Plant, noting that it must be paid back with interest. Finance Director Pauley advised that staff utilizes the services of an investment firm to manage its investment portfolio and opined there is enough liquidity without selling any long-term bonds.

Mayor Pro Tem Holstege requested that staff provide information regarding Measure D funds and a comparison of the City's expenses to other cities.

In response to City Council inquiry, City Manager Ready stated that the skate park is operated by a contractor; noted that if the contract is terminated, the Parks and Recreation Director advises that the skate park could continue to operate with City staff, but without formal programming.

Councilmember Garner expressed interest in determining whether the school district would consider taking over operations of the aquatics center.

Councilmember Middleton agreed with the need to evaluate other alternatives in terms of operating the aquatics center; voiced support for eliminating the City's Sponsorships and Program Grants funding process; requested that staff work with the Coachella Valley Economic Partnership (CVEP) staff to develop funding alternatives to avoid closure of the program.

The City Council took no formal action on this agenda item.

#### **DISCUSSION OF COMMUNITY DEVELOPMENT BLOCK GRANT 2020–2024 FIVE-YEAR CONSOLIDATED PLAN, 2020-2021 ANNUAL ACTION PLAN, CITIZEN PARTICIPATION PLAN, AND CDBG 2020-2021 BUDGET**

Community and Economic Development Director Virata presented the staff report. In response to City Council inquiry, Director Virata advised that the 15% funding cap for public services has been eliminated in relation to the use of CDBG funds.

Councilmember Middleton conveyed support for staff's recommendation to allocate \$100,000 for bathroom improvements at Sunrise and Demuth Parks and funding the City's home repair program.

Mayor Pro Tem Holstege opined that the CDBG funds should be used to address the immediate crisis, noting that small businesses will need financial assistance as well.

Councilmember Garner questioned whether the CDBG funds are sufficient enough to assist small businesses and to what extent they would be impactful; expressed interest in proceeding with the park restroom improvements and HVAC improvements at Demuth Community Center.

Mayor Kors opined that it will be challenging to assist small businesses with the limited amount of available funding; discussed the possibility of offering a local rent relief program.

In response to City Council inquiry, Darryl Stamps, City consultant, advised that the CDBG funds may be used for a rent relief program, but that it would be limited to no more than three-months of assistance and funds must be paid directly to the landlord. Director Virata noted that some cities have elected to have third-party, nonprofit organizations administer the funds for rent relief programs.

Mayor Kors and Councilmember Woods voiced support for proceeding with the proposed park restroom improvements and HVAC improvements at the Demuth Community Center.

Director Virata advised that he will return to City Council with more information regarding the City's allocation of CDBG-CV funds as well as other business assistance programs available.

City Council discussion ensued regarding the importance of continuing the Find Food Bank mobile pantry, proceeding with the proposed park restroom improvements, HVAC improvements at the Demuth Community Center, and developing a cost/benefit analysis in terms of which programs to continue or eliminate.

**ADJOURNMENT:**

At 10:58 p.m., the City Council adjourned in memory of Amy Stephens.

Respectfully submitted,

  
Anthony J. Mejia, MMC  
City Clerk

APPROVED BY CITY COUNCIL: 06/25/2020