



## MINUTES REGULAR CITY COUNCIL MEETING

March 9, 2021

### 1. CLOSED SESSION

Public comments regarding the Closed Session Agenda were accepted by the City Council at that time.

The following speakers asked Council to finalize sale of the Porter Building to Pájaro Valley Arts:

Eli

Jessica Carrasco

Margarito, District 1

Rosa, District 6

### 1.a CONFERENCE WITH REAL PROPERTY NEGOTIATOR

(Government Code Section 54956.8)

Property: 280 Main Street (APN: 017-182-16)

Negotiating parties: Tamara Vides (for City)

Pajaro Valley Arts

Under negotiation: Price and terms of payment

### 1.b CONFERENCE WITH LABOR NEGOTIATOR

(Government Code Section 54957.6)

Agency negotiator: Nathalie Manning & Matt Huffaker

Employee organization: Service Employees International Union, Local 521 Clerical Technical (SEIU)

### 1.c CONFERENCE WITH LEGAL COUNSEL—PENDING LITIGATION

(Government Code Section 54956.9(b))

1. Initiation of litigation pursuant to subdivision (c) of Section 54956.9: [1 case]

## CITY COUNCIL RESUMED AT 5:30 P.M.

### 2. ROLL CALL

Mayor Dutra, Mayor Pro Tempore Parker, and Council Members Estrada, García, González, Hurst, and Montesino were present via teleconference through Zoom Webinar.

Staff members present via teleconference through Zoom Webinar were City Manager Huffaker, City Attorney Smith, City Clerk Vázquez Flores, Assistant City Manager Vides, Public Works & Utilities Director Palmisano, Police Chief Honda, Fire Chief Lopez, Deputy City Manager Manning, Administrative Services Director Czerwin, Airport Director Williams, Community Development Director Merriam, Interim Library Director Martinez, Innovation & Technology Director Boyes, Parks & Community Services Director Calubaquib, Assistant Public Works & Utilities Director Di Renzo, Police Captain Zamora, Senior Financial Analyst Rodriguez, Assistant City Clerk Ortiz, Older Adult Services Supervisor Nunez, and Interpreter Landaverry.

### 3. PLEDGE OF ALLEGIANCE

**4. INFORMATION ITEMS**

**4.a REPORT OF DISBURSEMENTS**

**4.b WRITTEN REPORTS BY COUNCIL MEMBERS REGARDING ACTIONS TAKEN ON THEIR REGIONAL COMMISSIONS/BOARD MEETINGS THAT MAY AFFECT THE CITY OF WATSONVILLE**

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION JANUARY MEETING HIGHLIGHTS (Council Member González)

**5. PRESENTATIONS & ORAL COMMUNICATIONS**

**5.a ORAL COMMUNICATIONS FROM THE PUBLIC**

Steve Trujillo, District 7, announced that the Cabrillo College Governing Board was conducting a search to rename Cabrillo College. He encouraged the Council and public to participate in the discussion.

Jessica Carrasco asked Council to prioritize the Ramsay Park Master Plan and requested establishment of an outdoor men's and women's soccer league.

Celeste spoke about Mayor Dutra's poor behavior toward her at the previous Policing and Social Equity meeting. She stated she had submitted complaints about the Mayor and staff, but the City had been unresponsive in addressing her complaints.

Dr. Nancy A. Bilicich spoke about her participation in the recent Zone 7, Flood Control and Water Conservation District Meeting. She spoke about the likelihood of FEMA supporting the river levee project and spoke about efforts to deter homeless encampments along the local creeks and levees.

Eli, District 7, requested a town hall meeting to discuss homelessness and affordable housing. She asked that Council prioritize funding for parks and recreation services.

**5.b ORAL COMMUNICATIONS FROM THE COUNCIL**

Member García spoke about her participation in the Housing Santa Cruz County official launch. She requested the City adopt a Health in All Policy Ordinance similar to that of Santa Cruz.

Member Estrada spoke about the importance of International Women's Day and equality for all. He spoke about the success of the Watsonville Film Festival and those recognized at the event.

Mayor Pro Tempore Parker encouraged the public to celebrate Women's History Month. She thanked staff for working in vaccination sites in Watsonville and encouraged everyone to vaccinate themselves against COVID-19. She commended Raquel Pulido for her efforts to improve Ramsay Park Soccer Fields.

Member Montesino thanked Dr. Nancy Bilicich for her work on the Zone 7, Flood Control and Water Conservation District and thanked those who worked on the Ramsay Park Pump Track.

Member González spoke in support of women's soccer leagues and stressed the importance of collaboration between the City and PVUSD to offer school playgrounds as park space for residents.

Member Hurst asked the public to prevent the spread of COVID-19 and vaccinate themselves against it. He spoke about the importance of celebrating International Women's History Month. He spoke about the success of the Watsonville Film Festival and invited the public to future community events.

Mayor Dutra expressed his condolences to those affected by the recent passing of Bill Neighbors and Linda Gordon. He spoke about the grand opening for the Pájaro Valley High School Football Field and the grand opening of the Ramsay Park Pump Track. He spoke about the importance of women's rights.

**5.c MAYOR'S PROCLAMATION RECOGNIZING MARCH 2021 AS WOMEN'S HISTORY MONTH & ENCOURAGING ALL CITIZENS TO REFLECT ON THE GENERATIONS OF WOMEN THAT HAVE MADE AN IMPACT IN OUR HISTORY, AS WELL AS THOSE WHO CONTINUE MAKING AN IMPACT TODAY**

**5.d MAYOR'S PROCLAMATION RECOGNIZING RAFAEL SUAREZ OF FARMERS INSURANCE FOR PROVIDING QUALITY INSURANCE & FINANCIAL SERVICES TO THE COMMUNITY**

**5.e MAYOR'S PROCLAMATION RECOGNIZING PAUL & ANNA LIU & FREEDOM BAKERY FOR PROVIDING DELICIOUS COOKIES & CAKES, BRINGING SMILES TO THE COMMUNITY**

**5.f SERVICE WITH HEART AWARDS  
SERVICE WITH HEART AWARDS: SR. FINANCIAL ANALYST PATRICIA RODRIGUEZ & OLDER ADULT SERVICES SUPERVISOR KATIE NUÑEZ**

**5.g REPORT OUT OF CLOSED SESSION**

City Attorney Smith reported that Council gave direction, but took no final action on Items 1.a. and 1.b. In regards to Item 1.c., he stated Council authorized filing a complaint in Santa Cruz County Superior Court seeking an injunction to remove some unpermitted improvements at 4 Vista Pointe Drive if they were not removed by April 8, 2023.

**6. REPORTS TO COUNCIL -- No Action Required**

**6.a CITY MANAGER'S UPDATE REPORT**

In answering Member García, City Manager Huffaker spoke about process for development of a memorial in honor of those who passed away from COVID-19.

City Manager Huffaker and Assistant City Manager Vides answered questions from Member Estrada regarding COVID-19 vaccination efforts and timeline for the Ramsay Park Soccer Field improvements.

**7. CONSENT AGENDA**

Member García explained the reasons she requested Item 6.c.

Eli spoke in support of Item 6.c and asked Council for further efforts against racism.

Steve Trujillo thanked Council for approving relocation of the George Washington Bust from the City Plaza to the Watsonville Public Library. He spoke in support of Item 6.c. and asked Council for further efforts against racism.

Gabriel Medina spoke in support of Item 6.c. and asked Council for further efforts against racism.

**MOTION:** It was moved by Member Montesino, seconded by Member Estrada and carried by the following vote to approve the Consent Agenda:

AYES: MEMBERS: Estrada, García, González, Hurst, Montesino, Parker, Dutra  
NOES: MEMBERS: None  
ABSENT: MEMBERS: None

**7.a MOTION APPROVING MINUTES OF FEBRUARY 23, 2021**

**7.b AMENDMENTS NO. 2 & NO. 3 TO CONTRACTS WITH HARRIS & ASSOCIATES, INC. FOR ASSISTANCE WITH PERMITTING FOR RAIL TRAIL PROJECT IN A TOTAL AMOUNT OF \$28,776**

- 1) **RESOLUTION NO. 69-21 (CM):  
RESOLUTION APPROVING SECOND AMENDMENT TO CONTRACT WITH HARRIS & ASSOCIATES, INC., FOR DESIGN SERVICES FOR THE RAIL TRAIL LEE ROAD PROJECT, NO. CT-18-01A & RAIL TRAIL WALKER STREET PROJECT NO. CT-18-01B; ADDING TO SCOPE OF WORK TO ASSIST WITH CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) PERMITTING REQUIREMENTS & INCREASING THE AMOUNT BY \$13,992**
- 2) **RESOLUTION NO. 70-21 (CM):  
RESOLUTION APPROVING THIRD AMENDMENT TO CONTRACT WITH HARRIS & ASSOCIATES, INC., FOR DESIGN SERVICES FOR THE RAIL TRAIL LEE ROAD PROJECT, NO. CT-18-01A AND THE RAIL TRAIL WALKER STREET PROJECT NO. CT-18-01B; ADDING TO SCOPE OF WORK TO ASSIST WITH CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) PERMITTING REQUIREMENTS & INCREASING THE AMOUNT BY \$14,78**

**7.c RESOLUTION NO. 71-21 (CM):  
RESOLUTION DECLARING RACISM AS A PUBLIC HEALTH CRISIS**

**8. ITEMS REMOVED FROM CONSENT AGENDA (None)**

**9. PUBLIC HEARINGS, ORDINANCES, & APPEALS**

**9.a AMENDMENT TO CANNABIS TAX ORDINANCE REGARDING TAX RATE**

- 1) **Staff Report by Community Development Director Merriam.**
- 2) **City Council Clarifying & Technical Questions**  
Community Development Director Merriam answered questions from Member García regarding impacts tax rates have on consumers, potential for tax disbursements among departments to change through a ballot measure, and impacts the reduction would have on tax revenues.

Community Development Director Merriam, in answering Member Estrada explained reasoning for recommending reduction in tax rates for cannabis.

Member Dutra requested that staff research impacts legalized cannabis sales had on the illegal cannabis market.

Community Development Director Merriam, in answering Member Hurst, spoke about tax rates for recreational cannabis and medical cannabis.

Community Development Director Merriam answered questions from Member González regarding maximum allowed tax rate for cannabis.

Community Development Director Merriam answered questions from Mayor Dutra regarding lack of adjustments of tax rates for cannabis in other jurisdictions in the County and effects it had on Watsonville’s cannabis sales.

**3) Public Hearing**

Mayor Dutra opened the public hearing.

Crystal González, Community Prevention Partners, stated concerns regarding lowering tax rates for cannabis, while considering rate increases for utilities. She asked that cannabis taxes be set higher to deter oversaturation of cannabis use and access for youth.

Seth Smith spoke in support of staff recommendation and asked for further reduction of tax rates for cannabis.

Eli spoke in support of staff recommendation. She asked for tax disbursements among departments to change through a ballot measure.

Colleen Wallau stated reduction in tax rates for cannabis did not guarantee higher sales for cannabis.

After checking if anyone in the teleconference wanted to speak on the matter, hearing none, Mayor Dutra closed the public hearing.

**4) MOTION:** It was moved by Member Hurst and seconded by Member González to introduce the ordinance listed below.

**5) City Council Deliberation on Motion**

Mayor Dutra stated his concerns in oversaturation of cannabis outlets in Watsonville resulting from a lower tax rate.

**MOTION:** The above motion and ordinance introduction listed below carried by the following vote:

AYES:	MEMBERS:	Estrada, Hurst, González, Montesino, Parker
NOES:	MEMBERS:	García, Dutra
ABSENT:	MEMBERS:	None

**6) ORDINANCE INTRODUCTION AMENDING SECTIONS 3-6.1202 (DEFINITIONS) & 3-6.1206 (AMOUNT OF TAX OWED) OF ARTICLE 12 (WATSONVILLE CANNABIS BUSINESS TAX) OF CHAPTER 6 (TAXATION)**

**OF TITLE 3 (ZONING) OF THE WATSONVILLE MUNICIPAL CODE [Amends Ordinance No. 1330-16 (CM) Pursuant to §3-6.1232]**

**10. NEW BUSINESS**

**10.a DOWNTOWN SPECIFIC PLAN PRESENTATION**

**1) Staff Report by Simran Malhotra with Raimi & Associates**

**2) City Council Clarifying & Technical Questions**

Ms. Malhotra answered questions from Member García regarding outreach efforts conducted as part of the creation of the Downtown Specific Plan.

Ms. Malhotra, in answering Member Hurst, spoke about importance the relationship between landlords and tenants had on the downtown businesses.

In answering Member Montesino, Ms. Malhotra spoke about implementation strategies that would be conducted as part of the implementation of the Downtown Specific Plan.

Ms. Malhotra, in answering Member Estrada, listed ways Council could support efforts for implementation of the Downtown Specific Plan.

Ms. Malhotra answered questions from Member González regarding strategies used to address displacement of tenants in the downtown area and consideration of the Complete Streets Plan as part of implementation of the Downtown Specific Plan.

**3) Public Input**

Steve Trujillo spoke about the need for public restrooms downtown, designated police for downtown, need for transportation to and from the downtown area, and enforcement of speeding in downtown.

Judy Gittelsohn spoke about the need for the rail trail in the downtown area.

Gabriel Medina asked Council to support tenants over landlords. He gave suggestions on how the downtown could be improved. He accused the Council of displacing residents through approval of projects catered to the rich.

Eli spoke about the importance of supporting the arts in downtown.

Eileen Clark-Nagaoka asked for better outreach to residents regarding improvement of the downtown area. She gave suggestions on how to improve downtown.

Colleen Wallau spoke about need for more businesses downtown to create revenues for the City.

Jessica Carrasco spoke about the importance of supporting art in the downtown area. She asked for more funding for Parks & Community Services.

Vanessa Quiroz-Carter asked for increased funding for Parks & Community Services and gave suggestions on how to improve the downtown area.

**10.b ACCEPTING RESULTS OF FINANCIAL ANALYSIS & UTILITY RATES  
RECOMMENDATIONS THEREOF & FIXING TIME FOR PUBLIC HEARING FOR MAY 25,  
2021**

**1) Staff Report by Assistant Public Works & Utilities Director Di Renzo.**

**2) City Council Clarifying & Technical Questions**

Assistant Public Works & Utilities Director Di Renzo answered questions from Member Montesino regarding adverse effects not increasing utility rates would have on City infrastructure.

In answering Mayor Pro Tempore Parker, Assistant Public Works & Utilities Director Di Renzo spoke about risks in not maintaining infrastructure for utilities and potential for unsafe conditions and litigation.

City Manager Huffaker and Public Works & Utilities Director Palmisano answered questions from Member García regarding the stimulus package that would provide funding for cities and the ability to use for utility infrastructure and efforts by the City to ensure utilities were available to residents despite financial challenges.

In answering Member González, Public Works & Utilities Director Palmisano stated those opposing rate increases should mail a signed letter, per Proposition 218. City Manager Huffaker and City Attorney Smith answered questions from Member González regarding inability for the general fund to offset needs stemming from utility infrastructure needs.

In answering Member Montesino, Assistant Public Works & Utilities Director Di Renzo spoke about utility rates charged to customers outside of City limits.

Public Works & Utilities Director Palmisano and Assistant Public Works & Utilities Director Di Renzo answered questions from Member Hurst regarding rate differences between those receiving services within City limits and those outside City limits. Assistant Public Works & Utilities Director Di Renzo listed the challenges in assessing rate increases while delivering on needed improvements with the staffing available.

In answering Mayor Dutra, Public Works & Utilities Director Palmisano spoke about the process outlined in Proposition 218 for utility rate increases and lack of opposition over previous rate increases.

**3) Public Input**

Assistant Public Works & Utilities Director Di Renzo answered questions from Colleen Wallau regarding rate increases approved in the past.

Eli asked that the presentation be made available to the public.

Maceo Hastings Porro, Regeneración Pájaro Valley Climate Action, asked for a more equitable method for increasing rates based on equity.

**4) 1<sup>st</sup> MOTION (Failed):** It was moved by Member Montesino, seconded by Member Hurst to amend the proposed resolution to increase rates for wastewater by 8.5% instead of

7.5%, increase cost for water services by 2% instead of 1%, and increase solid waste rates by 8.5% instead of 7.5% for the first three (3) years and 5% for the following two (2) years.

**5) City Council Deliberation on Motion**

Member Hurst listed reasons costs for utilities were high and why it was important to increase rates further.

Members García and González stated they would support staff recommendation, but asked that further adjustments of rates be postponed until the City received stimulus funding that could help repair infrastructure.

Member Estrada stated the public would not support rate increases higher than those proposed by staff.

**1<sup>st</sup> MOTION:** The above motion failed by the following vote:

AYES: MEMBERS: Hurst, Montesino, Parker  
NOES: MEMBERS: Estrada, García, González, Dutra  
ABSENT: MEMBERS: None

**2<sup>nd</sup> MOTION:** It was moved by Member González, seconded by Member García to approve the resolution listed below.

**MOTION TO AMEND 2<sup>nd</sup> Motion (Failed):** It was moved by Member Montesino, seconded by Member Hurst and failed by the following vote to amend the previous motion by setting rate increases for solid waste by 7.5% for the duration of the proposed rate increase period instead of 7.5% the first three (3) years and 5% the following two (2) years.

AYES: MEMBERS: Estrada, García, González, Hurst, Montesino, Parker  
NOES: MEMBERS: Estrada, García, González, Dutra  
ABSENT: MEMBERS: None

**2<sup>nd</sup> MOTION:** The 2nd motion to approve staff recommendation carried by the following vote:

AYES: MEMBERS: Estrada, Hurst, García, González, Montesino,  
Parker, Dutra  
NOES: MEMBERS: None  
ABSENT: MEMBERS: None

**6) RESOLUTION NO. 72-21 (CM):**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE ACCEPTING THE RESULTS OF THE FINANCIAL ANALYSIS AND UTILITY RATE RECOMMENDATIONS, DIRECTING STAFF TO PROVIDE PUBLIC NOTIFICATION OF THE PROPOSED UTILITY RATES, AND DIRECTING THE CITY CLERK TO GIVE NOTICE THEREOF AND FIXING THE TIME FOR PUBLIC HEARING FOR MAY 25, 2021, PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54354.5 AND CALIFORNIA CONSTITUTION ARTICLE 13D SECTION 6**

**11. EMERGENCY ITEMS ADDED TO AGENDA**



**12. REQUESTS & SCHEDULING FUTURE AGENDA ITEMS**

**13. ADJOURNMENT**

The meeting adjourned at 10:32 p.m.

DocuSigned by:

*Jimmy Dutra*

Jimmy Dutra, Mayor

DS

ATTEST:

DocuSigned by:

*Beatriz Vazquez Flores*

Beatriz Vazquez Flores, City Clerk



This page was left blank intentionally.