

**MINUTES**  
**JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY**  
**OF THE REDEVELOPMENT AGENCY**

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Regular Meeting – March 1, 2016  
5:30 P.M.  
CITY COUNCIL CHAMBERS

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Mayor Pendergrass opened the meeting at 5:30 p.m.

The Mayor announced that Reverend Kelleher has moved back to Kentucky and will no longer be able to perform the invocation for the City Council meetings.

The Pledge of Allegiance was led by Sergeant Vito Graziano.

Present: Council Member Blackwelder  
Council Member Carbone  
Council Member Hubler  
Council Member Kruper  
Mayor Pendergrass

Staff: Todd Bodem, City Administrator  
Jim Heisinger, City Attorney  
Leon Gomez, City Engineer  
Brian Ferrante, Police Chief  
Linda Scholink, Administrative Services Director/City Clerk  
Charles Pooler, Associate Planner

**AGENDA ITEM 4, COMMUNICATIONS**

A. Written communication distributed to the Council was a revised resolution for Agenda Item 5F.

B. Oral

5:32 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:32 P.M. Floor closed to Public Comment.

**AGENDA ITEM 5, CONSENT CALENDAR**

*{Agenda item 5F was pulled from the consent calendar and considered under Agenda item 6}*

- A. There was no discussion of the February 16, 2016 Council Meeting Minutes.
- B. There was no discussion of the City/Successor Agency Treasury Report, December 2015.
- C. There was no discussion of the Fort Ord Reuse Authority (FORA) Board Report, February 2016.
- D. There was no discussion of the Budget/Personnel Committee Meeting Minutes, January 11, 2016.
- E. There was no discussion of the City **Resolutions** Honoring the Monterey Peninsula Chamber of Commerce's 2015 Award Recipients for:
  - 1) Citizen of the Year – John Mahoney
  - 2) Ruth Vreeland Memorial Public Official of the Year – Honorable Ralph Rubio
  - 3) Robert C. Littlefield Award for Lifetime Achievement – Michael Troutman
- F. Approval of City **Resolution** authorizing the City Administrator to Enter into a Contract with Reade Company LLC., to Update the City of Sand City's Emergency Operations Plan was pulled from the consent calendar for consideration under Agenda item 6.

Motion to approve the Consent Calendar items 5A-E was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

## **AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**

City Administrator Todd Bodem commented that changes made to the resolution included the addition of the completion date and that the amount is allocated within the budget.

Motion to approve the City **Resolution** as amended, authorizing the City Administrator to Enter into a Contract with Reade Company LLC., to update the City of Sand City's Emergency Operations Plan was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

## **AGENDA ITEM 7, PRESENTATION**

- A. **Presentation by Bartel & Associates on Sand City Retiree Healthcare**

## Plan

The Mayor introduced Mr. John Bartel of Bartel and Associates, and thanked him for coming.

Mr. Bartel presented the valuation summary of June 30, 2015 for the Sand City Retiree Health Care Plan. He explained that the Other Post-Employment Benefit's (OPEB) is the highest cost benefit other than the City's current retirement benefits. The City is in compliant with the General Accounting Standards Board (GASB 45) reporting requirements, which the City implemented in fiscal year 2009-10. He reported on the benefit summary including the surviving spouse benefit, PEMCHA admin fee, and City Pay-As-You-Go costs. As a retiree from CalPERS, the city pay's the medical premium for the employee and up to 50% for the dependent. The city currently has a separate bank account for OPEB funds. It is recommended that those funds be placed in an irrevocable trust account. Should the City continue to participate in a pay-as-you-go plan, the liability is estimated to be near or at \$9M within the next ten years. He mentioned that the CalPERS contract provides three different options of placing funds in an irrevocable trust, and explained the costs and percentages related to the annual required contributions (ARC) for pre-funding and funding amounts. On June 2, 2015, the GASB Board approved GASB Statement No.75 "Accounting and Financial Reporting for Post-Employment Benefits other than Pensions" that will replace GASB 45 and will take effect beginning fiscal year 2017-18 for the City. Mr. Bartel suggested that it would be prudent for the City to have a trust set up prior to the changes that will take place.

The Mayor thanked Mr. Bartel for the informative presentation and requested that Staff work with Mr. Bartel, and the Budget/Personnel Committee to move forward. He also announced that Sergeant, Marius Crisan a former Sergeant, passed away on Monday.

## AGENDA ITEM 8, PUBLIC HEARING

*{Vice Mayor Carbone stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}*

### **A. Consideration of a Coastal Development Permit and a Site Plan Permit of a Single Family Residential Dwelling on a 25-Foot Wide Lot at 1843 Park Avenue (APN 011-181-029)**

Associate Planner Charles Pooler presented an application submitted by Mark Hyles regarding development of a single 1,064 square foot, 2-story residential dwelling on a 1,875 square foot lot at 1843 Park Avenue. This lot is half of a fenced commercial open-storage yard and this application is a redesign of a project previously considered and denied by the City Council in July of 2015. The redesigned project will be a 2-bedroom and 2

1/2 bath dwelling. The project proposes an open carport for two covered parking spaces. The front entry is behind the carport. A six foot fence is proposed on both sides of the carport, and 6x6 columns are shown supporting a cantilevered carport roof and upper level bedroom. The floor plan does not indicate where the water heater, furnace, or laundry machines are intended. Staff has repeatedly advised the applicant to combine both abutting 25-foot wide lots/parcels. Direction was based on good site design, public comments on previous projects in the East Dunes, and previous actions of the City Council. Mr. Pooler further reported on the site plan setbacks, architectural design, entry, and whether the projects esthetic would remain consistent with other projects.

The Design Review Committee (DRC) held a public hearing on February 19<sup>th</sup> to consider the Project's architecture. Staff gave a presentation describing design issues, proposed carport, recessed entry, lack of pedestrian access due to the carport, project massing, and its consistency with other projects approved for the East Dunes. The DRC commented that if both lots were combined for a duplex, it would enable the applicant's desired 2 units and address concerns previously mentioned. Committee members commented that the design is not appealing or enticing. The DRC took action to deny the Project's design based upon the issues discussed. The property does not have sufficient water credit to accommodate the project, and water needs to be allocated from the City's Water Entitlement estimated to be 0.241 acre feet. The property does not provide curb, gutter, sidewalk, drive-apron, or street pavement along its frontage. Street improvements are required for new construction projects. Approval of the project should specify the applicant provide the necessary street improvements up to the centerline of the street right-of-way. Overall, the project addresses the minimum requirements of the CZ-R2 zoning and the City's Local Coastal Program, related to the subject property. This project does not visually accentuate the living areas, location of the main entry behind the carport, clear pedestrian parking, and disproportionate massing. In those regards, the project is not conducive towards the preferred architectural design for the East Dunes. Staff recommends a denial and the applicant is encouraged to redesign the project to encompass both abutting lots under his ownership. Staff generally supports the Applicant's intent to develop a single family dwelling that eliminates a commercial storage yard; however, staff does not support the design as proposed. If Council concurs with staff's conclusion and recommendation, a resolution with appropriate findings for denial will be prepared for consideration/action at the next Council meeting. If the Council disagrees with Staff's analysis and conclusion, and decides to support the Applicant's project, then a resolution to adopt a land use entitlement permit with suggested conditions of approval will be prepared for Council action in the near future.

6:29 P.M. Floor opened for Public Comment.

The applicant Mark Hyles commented that he tried his best to meet a majority of the City's requirements for new development for the proposed project.

6:29 P.M. Floor closed to Public Comment.

There was Council discussion regarding the proposed project, its insufficiency to meet the City's overall general plan for the future of the East Dunes area, and the Design Review Committee's comments at their last meeting indicating that this development is not deemed appropriate within that neighborhood.

Motion to have Staff prepare a resolution of denial for the proposed project, to be considered for Council action at the next regularly scheduled Council meeting was made by Mayor Pendergrass, seconded by Council Member Carbone. There was consensus of the Council that a resolution for denial be prepared.

*{Vice Mayor Carbone returned to the dais}*

*{Council Member Hubler stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}*

**B. Consideration of City RESOLUTION approving Coastal Development Permit 16-01 Allowing a Stone Sculptor Studio at 1729 Holly Street**

Associate Planner Charles Pooler presented an application submitted by Jean Luc-Preti to operate a sculpture workshop at 1729 Holly Street. The applicant fabricates custom design specialty stone products related to restorations of historical architecture, figurative sculptures and statues, interior/exterior ornaments, and features for gardens and landscaping. Equipment used includes a small router, grinder, sander, air compressor, dust collector and propane forklift. Hand chisels and hammer are also used for intricate details. The light manufacturing artist workshop is considered compatible with the CZ-MU-P zoning. The proposed use requires 2 parking spaces that can be adequately provided along the Redwood Avenue frontage. Stone shipments are anticipated to take place every three weeks. Outgoing deliveries will occur via the applicant's truck. Staff recommends that loading/unloading activities be allowed at the Holly Street loading zone. Staff expects noise and dust to be the two primary negative impacts. In regards to the dust, the applicant propose to use a 2.5 horsepower dust collector, and in regard to noise, the applicant stated that he will not use large stone cutters that are typical of tile and stone counter top manufacturers. This operation with the roll-up door being kept closed when power tools are in use, will not pose a nuisance. Staff recommends approval of a Coastal Development Permit to the applicant.

6:44 P.M. Floor opened for Public Comment.

The applicant Jean Luc-Preti commented that due to noise issues and a complaint by a council member, he was unable to perform a job resulting in the loss of that account. His current space is smaller and the new location would provide twice the amount of space. Mr. Preti confirmed that he has proper equipment to perform necessary work including an adequate dust collector.

In response to the Mayor's inquiry whether Mr. Preti was in agreement with the conditions of the permit, Mr. Preti responded that he was in agreement with permit conditions.

6:48 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** approving Coastal Development Permit 16-01 Allowing a Stone Sculptor Studio at 1729 Holly Street was made by Council Member Carbone, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Members Hubler. Motion carried.

*{Council Member Hubler returned to the dais}*

## **AGENDA ITEM 9, OLD BUSINESS**

### **A. Progress report on Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator**

City Engineer Leon Gomez reported that staff held a meeting on Friday, February 26, 2016 to continue discussion regarding new feed wells and Hydrogeologic modeling. Hydrometrics has provided a 'draft' hydrogeology response to the California Coastal Commission (CCC) notice of incomplete CDP to the City and Cal-Am for review. Cal-Am obtained a sample of the 367 Shasta Avenue well. The sample was tested and determined to be fresh water. The Salinas Pump Company will install a small pump in order to operate the well for a longer period of time to obtain a more representative sample of actual aquifer conditions. Once representative data is obtained, Cal-Am will provide it to Hydrometrics in order to update the Hydrogeologic model Cal-Am anticipates that connecting the well to the concentrated discharged would blend down the salinity and maintain plant operations. This will serve as an interim solution until new more permanent feed wells are constructed.

Mr. Gomez continued to report that Staff prepared and submitted information indicating the completion of certain Phase II permit requirements to the Regional Water Quality Control Board on Monday,

February 29, 2016. A total of eight documents were submitted to the RWQCB with exhibits and supporting information. Staff has prepared preliminary improvement plans for repair of the Bay Avenue inlet, and will have a draft engineer's estimate for City review later this week. The City surveyor will be providing base maps to the City Engineer this week for preliminary engineering design regarding the Hickory Street improvement project.

There was Council discussion regarding the costs of constructing new wells, who would pay for them, and where they would be located. It was suggested that the City change its application from five (5) wells to three (3). The Mayor directed Staff to move forward and process the suggested changes for construction of three wells.

Associate Planner Charles Pooler reported that Woodman Development submitted plans for lots 2 & 3 for the Bungalows project. Dr. Ghandour had also submitted plans for preliminary grading of the Monterey Bay Shores project to the City Engineer and expects to begin pouring the foundation sometime in October. The Housing Element Update of Sand City's General Plan and negative declaration is scheduled for the next City Council meeting.

City Administrator Bodem reported that he will be attending a Planning Conference from Wednesday through Friday.

## **AGENDA ITEM 10, NEW BUSINESS**

### **A. Consideration and Approval of City RESOLUTION Adopting Amendment #1 to the City Budget for Fiscal Year 2015-16**

Mayor Pendergrass stated that the Council reviewed the attached amendment to the City's fiscal year 2015-16 budget, that it was thoroughly reviewed by the Budget/Personnel Committee at their last meeting, and is being recommended for approval by the City Council. He reported on the increase in revenue due to sales taxes as reported in the HDL report, and that major expenses were due to the City's Other Post-Employment Obligations (OPEB).

7:24 P.M. Floor opened for Public Comment.

There was no public comment.

7:24 P.M. Floor closed to Public Comment.

The Mayor thanked Staff for the good work in preparing the amendment to the fiscal year 2015-16 budget.

Motion to approve the City **Resolution** adopting Amendment #1 to the

City Budget for Fiscal Year 2015-16 was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

**B. Comments by Council Members on Meetings and Items of interest to Sand City**

Council Member Kruper reported on the Ordinance 152 Committee meeting that may result in the increase of user fees and/or parcel taxes.

Council Member Hubler reminded the Council of the upcoming Portrait of an Artist show that will be held at the Independent on March 19 & 20, 2016 with approximately 23-25 artists from Sand City featured at the show. The portraits will be on display at Sweet Elena's Bakery following the show, at Gil's Gourmet, and then at the City Hall Council Chambers.

Vice Mayor Carbone reported on her attendance at the Mosquito Abatement District meeting, spending time with Nancy Amadeo, and Marina's aspiration to file a 501c (3) application for the arts.

Council Member Blackwelder commented that he met with Staff, representatives from EMC planning group, the Orosco Group, and an architectural firm from Oakland regarding the South of Tioga (SOT) sites. Discussion revolved around future development of the SOT, and included future plans to construct restaurants at the bottom floor of the Independent.

**C. Upcoming Meetings/Events**

The Mayor reminded the Council of the upcoming Monterey Peninsula Chamber of Commerce's Annual Awards Dinner scheduled for March 12, 2016. The City Clerk confirmed those planning to attend.

**AGENDA ITEM 11, CLOSED SESSION**

7:47 P.M.

**A. City Council /Agency Board to adjourn to Closed Session:**

**1) To confer with Legal Counsel regarding pending litigation in accordance with Government Code Section 54956.9(d)(1):**

- a) Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101), and related cases*
- b) Seaside v. Sand City (No. M120996) and related cross action*
- c) Seaside v. Sand City (King Ventures) (No. M126354)*

**2) To confer with and instruct Agency Real Property Negotiator**

**regarding price and other terms of sale of property owned by the Successor Agency to Sand City Redevelopment Agency; Government Code Section 54956.8 to the Orosco Group or its nominee.**

*Property Address/Description: Carroll Property, APN: 011-196-004 Lots 13 & 14  
APN: 011-196-019 Lots 15 & 17  
APN: 011-196-013 Lots 16 & 18  
Agency Negotiator: Todd Bodem, Executive Director Successor Agency*

**B. Public Employee Performance Evaluation pursuant to Section 54957(b)(1) of the Ralph M. Brown Act, position: City Administrator**

8:38 P.M.

**C. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act**

The Council received a report from the City Attorney on Item 11A1(c) and direction was given to the agency negotiator regarding real property (Item 11A2). There was Council discussion regarding the City Administrators performance evaluation (Item 11B).

**AGENDA ITEM 12, ADJOURNMENT**

Motion to adjourn the City Council meeting was made by Council Member Kruper, seconded by Council Member Hubler to the next regularly scheduled Council meeting on Tuesday, March 15, 2016 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 8:40 p.m.

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Linda K. Scholink, City Clerk