

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

Regular Meeting – December 15, 2015
5:30 P.M.
CITY COUNCIL CHAMBERS

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

The invocation was led by Reverend Robert Hellam.

The Pledge of Allegiance was led by Police Chief Brian Ferrante.

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, Chief of Police
Linda Scholink, Administrative Services Director/City Clerk
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS

A. Written communication distributed to the Council was a resolution for Agenda item 5D and additional information for Agenda item 7C.

B. Oral

5:33 p.m. Floor opened for Public Comment.

There was no comment from the Public.

5:33 p.m.

AGENDA ITEM 5, CONSENT CALENDAR

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

A. There was no discussion of the Sand City Council Meeting Minutes,

December 1, 2015.

- B There was no discussion of the Public Works Monthly Report, November 2015.
- C. There was no discussion of the Police Department Monthly Report, November 2015.
- D. There was no discussion of the City **Resolution** recognizing Vito Graziano as the 2015 Employee of the Year.
- E. There was no discussion of the City **Resolution** approving a Memorandum of Understanding (MOU) between the Association of Monterey Bay Area Governments (AMBAG) and the City of Sand City for AMBAG to Enter into a Technical Services Contract with Pictometry International Corporation to Provide Services Related to Orthophotography of the Monterey Bay Region.

Motion to approve the Consent Calendar was made by Council Member Kruper, seconded by Council Member Carbone. 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

There were no items pulled from the Consent Calendar.

AGENDA ITEM 7, PUBLIC HEARING

- A. **Presentation on and Consideration of the Audited Financial Statements for the Year ended June 30, 2015 and Independent Auditor's Report by Therese Courtney and Mike Nolan of Hayashi & Wayland (10 minutes)**

- 1) Approval of City RESOLUTON Accepting the Audited Financial Statements for the Year Ended June 30, 2015 and Independent Auditor's Report**

Mike Nolan of Hayashi Wayland presented the audited financial statements for the year ended June 30, 2015. The auditors met with the Budget Committee last week to go over in detail the attached financial statements to review significant accounting rules and operational changes that have impacted the City over the past year. The audit has presented a materially correct and clean opinion of the audited financial statements. Mr. Nolan highlighted the assets of the City that exceeded its liabilities by over \$22M; however \$12M is a net investment in capital assets, with \$10M due from the Successor Agency. A large part of the net assets relate to pension accounting, and for several years past pension accounting was

not included within the financial statements. Due to new accounting rules, the pension obligations are now required to be recorded. The City's unfunded liabilities including other post-employment benefits (OPEB) totals approximately \$3.6M and the City may consider implementing a plan to pay these pension liabilities in order to reduce the amount. The remainder of the financial statements provides financial schedules and additional financial information. He introduced Therese Courtney who reported on the required letter to the governing board. Ms. Courtney commented that the letter indicates the responsibility of the auditors, highlights the fact that the City now has to record pension liabilities, includes an extensive list of accounting standards that the City will need to begin complying with, and pointed out Statement #75 involving OPEB. The governmental standards accounting board (GASB) has required the City to record the OPEB, and beginning in 2018, another large liability involving OPEB will be recorded on the financial statements as well. Several audit adjustments made reflected pension liabilities that had to be booked. There were no disagreements with management, internal controls were in place, and Staff provided the auditors with documentation as needed. In conclusion, Ms. Courtney expressed her thanks to Staff for their help and cooperation.

5:42 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:42 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** by title, accepting the Audited Financial Statements for the Year Ended June 30, 2015 and Independent Auditor's Report was made by Council Member Blackwelder, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

B. FIRST READING: Ordinance of the City of Sand City amending Sand City Municipal Code Title 18 (Zoning Ordinance) to Amend Chapters 18.68, 18.72, and 18.92 and Sections 18.62.111 and 18.74.010, to add Section 18.74.015, and Delete Section 18.62.180

Associate Planner Charles Pooler commented that EMC Planning Group and Staff reviewed the planning department's application process and related fees with the objective to update the fee schedule, and streamline the permitting process. This would include a reimbursement agreement for projects that would involve reviews and consultant expenses. The first reading of the attached draft Ordinance is recommended for Council's approval and adoption.

5:44 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:44 P.M. Floor closed to Public Comment.

Motion to approve the First Reading of the **Ordinance** of the City of Sand City Amending Sand City Municipal Code Title 18 (Zoning Ordinance) to Amend Chapters 18.68, 18.72, and 18.92 and Sections 18.62.111 and 18.74.010, to add Section 18.74.015, and Delete Section 18.62.180 was made by Council Member Carbone, seconded by Council Member Kruper. Roll call Vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

The Mayor thanked Associate Planner Pooler for his hard work and efforts. The audience and Council gave Mr. Pooler a round of applause.

C. Consideration of City RESOLUTION approving a modified Vesting Tentative Map and associated Findings of a Responsible Agency pursuant to the California Environmental Quality Act for the Monterey Bay Shores Resort Development consistent with the Conditions and Requirements of the California Coastal Commission's Coastal Development Permit (CDP) A-3-SNC-98-114

Associate Planner Pooler commented that the California Coastal Commission approved a reconfigured version of the Monterey Bay Shores Project in April 2014 and issued the permit to Dr. Ghandour on November 9, 2015. Dr. Ghandour has submitted an application for certification of the previously approved vesting tentative map together with modifications to the vesting tentative map (VTM) to make it compliant with the coastal development permit issued by the California Coastal Commission. As conditioned by Staff, the VTM will comply with the City's General Plan, Local Coastal Program, Municipal Code, and Coastal Commission Development Permit. Mr. Pooler pointed out the proposed parcel subdivisions and project development for the parcels. Staff has diligently reviewed the submitted map and finds it sufficiently complete pending the inclusion of correction notes and conditions of approval which were outlined in the staff report and draft resolution. A handout was provided to Council with two additional conditions provided, as well as minor corrections that were added to the draft resolution. The final version of the resolution is what has been handed out to Council. Staff recommends approval of the resolution approving the modified vesting tentative map. Mr. Pooler concluded by expressing his thanks to the City Attorney and City Engineer for all the work involved in preparing the documents. The City Engineer mentioned the substantial amount of time that Mr. Pooler contributed to the preparation of the documents as well. There was a round of applause for Mr. Pooler and Staff.

In response to Council Member Blackwelder's question whether City Staff would need help for the permitting process, Associate Planner Pooler

commented that he will be holding a meeting with the City of Monterey's Building Department Staff and City Engineer in January to establish a game plan on the best way to move forward.

5:50 P.M. Floor opened for Public Comment.

Dr. Ghandour expressed his pleasure in being present at tonight's meeting and commented that he has an incredible team of engineers who understand the complexity of the project. The undertaking is not just a construction issue, but involves smart building and sustainability. The project will be a model for other generations, and will not spare costs for the project. After 23 years, it defies imagination. Following a long 17 year journey, what is about to happen in Sand City will result in an amazing iconic project that will leave a legacy for the City. An enormous amount of difficulties and hurdles have been overcome, and what will be constructed will be a great project. Dr. Ghandour concluded with the statement: *"Infinity is closer than you think, maybe it is 25 years, but who would have imagined."* He also thanked Staff and Council for their belief in the project and for standing by him throughout all the years.

The Mayor added that it was quite a bridge to cross, and commended Dr. Ghandour's tenacity and persistence.

6:06 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution by title**, as amended, approving a modified Vesting Tentative Map and associated Findings of a Responsible Agency pursuant to the California Environmental Quality Act for the Monterey Bay Shores Resort Development consistent with the Conditions and Requirements of the California Coastal Commission's Coastal Development Permit (CDP) A-3-SNC-98-114 was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

A round of applause was given for Dr. Ghandour.

AGENDA ITEM 8, 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 Cal-Am is continuing to monitor the high salinity levels at the feed water wells and its inability to meet the brine discharge limits. The desalination plant produced less than 1 acre feet of water for the month of November. Cal-Am is closely monitoring the situation and will inform Staff when the plant will begin operation. The City

Administrator added that Cal-Am is still investigating the issue. Mayor Pendergrass commented that the low production levels may be a mechanical failure somewhere within the system.

The Association of Monterey Bay Area Government (AMBAG) is working with Staff to revise and update the storm drain mapping elements. The Stormwater Program year 3 permit mapping will need to include not only public owned facilities, but also privately owned facilities such as the 'Independents' storm water system. The City Administrator provided authorization to proceed with the Hickory and Dias Street improvements and design of construction documents. The first step would be to engage the surveyor and geo-technical engineer that would involve conducting a survey for design of the streets. A set of biddable construction documents may be presented to the Council in May of 2016 or sooner.

City Administrator Todd Bodem reported that the Oversight Board approved the Long Range Property Management Plan and the Plan will be submitted to the Department of Finance for their review and approval. Council Member Kruper added that the Mayor consider sending an email to the previous City Administrator Kelly Morgan stating that the LRPMP has been approved by the Oversight Board.

AGENDA ITEM 9, NEW BUSINESS

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

Council Member Blackwelder commented that he and the City Council Member Kruper were involved in a rescue at the ocean. As he checked the outfall, a raccoon was identified and they were able to call the SPCA who came to the site to take the raccoon aka: "Rocky" to safety.

Vice Mayor Carbone reported that a damaged boat appeared on the shore wrecked into several pieces. Most of the debris was cleaned and removed. Gift wrapping will occur this Friday in collaboration with the Monterey Fire Department for Christmas gift deliveries scheduled to take place on Saturday. She invited the Council to participate and those who are interested should meet at City Hall by 9:00 a.m.

Council Member Todd Kruper reported that at the last meeting of the Monterey County Convention and Visitors Bureau (MCCVB) the sales team reported that 50,000 nights were booked resulting in a 151% increase from last year. The Monterey County was featured on Travel Magazine, and the travel channel reaching over 1 Million viewers in Europe, the United Kingdom, Africa and the Middle East.

The Mayor reported that he was able to speak with Costco's CEO, Craig Jelinek regarding the proposed gas station. It was communicated to him that the City is very proactive and interested in a gas station. A

conversation also occurred with Mr. Orosco of DBO Development regarding the gas station.

B. Consideration of Holding a Future Special Meeting of the City Council regarding Marijuana Ordinance

The Mayor reported that the Vice Mayor will be unavailable for the regular scheduled Council meeting on January 5th. A Special meeting will need to occur on January 4, 2016 to hear the Marijuana Ordinance. The City Attorney reported that a second reading cannot be held at a Special meeting, and may only be heard at a regular meeting. There was consensus of the Council to hold a Special meeting on Monday, January 4, 2016. The second reading of amendments to Title 18 of the Municipal Code will occur at the January 19, 2016 Council meeting.

C. Upcoming Meetings/Events

The City Clerk reported that 85 people have RSVP'd for the Awards Banquet. She also reminded the Council of the upcoming MPCC Annual Business Excellence Awards Luncheon on January 26, 2016

AGENDA ITEM 10, CLOSED SESSION

The City Attorney deemed that there was no need for Closed Session.

AGENDA ITEM 11, ADJOURNMENT

The Mayor wished everyone a very Merry Christmas and Happy New Year.

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Hubler. There was consensus of the Council to adjourn the meeting at 6:33 p.m. to the next Special City Council meeting scheduled for Monday, January 4, 2016 at 5:30 P.M.

Linda K. Scholink, City Clerk