

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

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

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Mayor Pendergrass opened the meeting at 5:31 P.M.

The invocation was led by Reverend Ron Mason.

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

Present: Council Member Blackwelder  
Council Member Carbone {excused absence}  
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  
Connie Horca, Deputy City Clerk

**AGENDA ITEM 4, COMMUNICATIONS**

A. There was no written communication distributed to the Council .

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.

The Mayor expressed his appreciation to the City Administrator for his report.

**AGENDA ITEM 5, CONSENT CALENDAR**

A. There was no discussion of the Sand City Council Meeting Minutes, October 18, 2016.

- B. There was no discussion of the June 28, 2016 Public Safety Committee Meeting Minutes.
- C. There was no discussion of the City/Successor Agency Treasury Report, September 30, 2016.
- D. There was no discussion of the Budget/Personnel Committee Meeting Minutes for June 1, 2016, June 7, 2016, and September 7, 2016.
- E. There was no discussion of the City Donation/Contribution to the Spirit of Salinas Irish Dancers (Annie the Owl Program) for \$400.
- F. There was no discussion of the Fort Ord Reuse Authority (FORA) Report, October 14, 2016.

Motion to approve the Consent Calendar items was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Carbone. 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 MEETING**

- A. Public Meeting to Discuss and Accept Public Comment regarding an Ordinance increasing the Rate of the City's Transient Occupancy Tax (TOT) from Eight Percent (8%) to a rate of Twelve Percent (12%)**

Mayor Pendergrass commented that no action will be taken tonight. The Council will be receiving comments regarding an Ordinance to increase the rate of Sand City's Transient Occupancy Tax (TOT) rate.

Dr. Ed Ghandour commented that there have been several studies conducted regarding average daily and inflation rates, and their impacts to cities. He mentioned a study by Dean Runyon titled, "California Travel Impacts by County" that was published in April 2016. The average TOT in Monterey County is 10.3%; however, it was reported that the Monterey Peninsula jurisdictions average TOT is above 11%. He expressed his belief in competitive advantage and suggested that an increase to the TOT would adversely affect the competitive advantage to the City. An increase in the TOT would result in a lower occupancy rate. The proposed Monterey Bay Shores Project will be considered a five star resort and in competition with surrounding hotels in the area. He recommended that the City maintain a freeze of the current TOT rate for five years allowing the resort to stabilize before considering an increase.

There was Council discussion regarding the hotels competitiveness with other hotels such as the Clement, Monterey Marriott, Carmel Valley Ranch and Pebble Beach. He mentioned that there is a “cause and effect” of raising the TOT rate, possible decrease in tax revenues as a result of lower occupancy due to a higher than 8% TOT, financing concerns, and occupancy affect of surrounding hotels in the area.

In response to Council Member Kruper’s question regarding financing for construction of the project, Dr. Ghandour replied that financing for a multimillion dollar project does have a large impact in the construction of the project and may affect daily rates, construction costs, occupancy rates, and availability of funds. There is a challenge in finding a lender who will finance a large project in a flat economy.

The Mayor commented that raising the TOT to 10% would meet the average of surrounding cities within the area; however, the budget and personnel committee recommends 12% as a commensurate amount compared to other jurisdictions. Dr. Ghandour added that the new generation of millennials tend to be more frugal in their spending habits and they research for the best rates available. The City would receive a large portion of revenues from sales and TOT rates from higher occupancy rates and market share should the TOT remain competitive.

City Attorney Heisinger commented that the First Public Hearing is scheduled for the first meeting in December, the Council would have the option of introducing an ordinance to increase or consider changing the TOT rate.

Council Member Kruper explained that as Sand City’s representative to the Monterey County Convention and Visitors Bureau (MCCVB) each participating City shares 3% of the TOT to assist in marketing and other costs to promote tourism. City Administrator Bodem clarified that the amount paid to MCCVB would be based on the amount of revenue collected and will provide additional information to the Council on that amount. Council Member Kruper advocated for a similar contribution to the MCCVB for marketing Sand City tourism should a hotel get built. The City Attorney added that the Council has the decision to participate as a member of MCCVB and the amount would be determined if and when the City decides to enter into an agreement as a participating jurisdiction.

## **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 the desalination plant produced 15 acre feet for the month of October and is presently operable. The City

received a response letter from the California Coastal Commission (CCC) to the City's response to the notice of incomplete Coastal Development Permit (CDP). The CCC would like the City to provide additional information on three items. An agreement has been reached between the City's legal counsel and the Transportation Agency for Monterey County's (TAMC's) legal counsel relating to the language for the maintenance and right-of-entry stormwater control measures for the Porsche site improvement project. The final map for the Bungalows at East Dunes Project has been approved. A final subdivision improvement agreement has been accepted by the developer and Staff hopes to execute the agreement this week and schedule Council approval of the final map at a future Council meeting. Staff did communicate to the developer that the site needs to be maintained while construction of the retaining wall is performed. DBO Development has received the sale documents for the Carroll Property and is presently reviewing them with their legal counsel.

City Administrator Todd Bodem elaborated on the three items the Coastal Commission requested from the City which involves the status of the waste facilities discharge permit issued by the State Quality Water Control Board (something the City will not be doing and is irrelevant to the permit), erosion of the project components, and method used to abandon well #3.

## **AGENDA ITEM 9, NEW BUSINESS**

### **A. Consideration of City RESOLUTION Authorizing the Creation of an Administrative Sergeant/Commander Position as an Integral Part of the Restructuring of the Police Department and Amending the Police Salary Schedule to add the Administrative Sergeant/Commander Position**

Chief Ferrante clarified that the Administrative Sergeant/Commander position will be unfrozen and incorporated into the Commander position. The position indicated in the description of the resolution will be identified as a Commander position. It was discussed at a prior Council meeting when the department was researching grants to mitigate overtime costs. The position fits well into the service model for the department. Unfortunately, the grant to the City was denied; however, at the time the position was proposed, it makes sense to reinstate the Commander position to decrease overtime costs and this position be unfrozen. It is expected that the annual overtime costs, and decrease with the hiring of a new lateral transfer officer and promotion of a sergeant to the Commander position. Sergeant Graziano has been considered for promotion to Commander and Officer Michael Mount to the Sergeant position.

In response to Mayor Pendergrass' concern regarding the hiring of additional reserve officers, Chief Ferrante confirmed that the reserve officer program is incorporated into the department's structure and will be maintained. The department has one reserve, and two in process.

City Administrator Todd Bodem specified changes to amend the title and body of the resolution to remove references to Administrative Sergeant in the title, the first, second, fourth and fifth WHEREAS and within the NOW THEREFORE BE IT RESOLVED sections of the resolution, with these titles referred only to as Commander.

Motion to approve the City **Resolution by title, as amended**, authorizing the Creation of an Commander Position as an Integral Part of the Restructuring of the Police Department and Amending the Police Salary Schedule to add the Commander Position was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Carbone. Motion carried.

Mayor Pendergrass commended members of the personnel committee for their wise choice of a Police Chief. Council Member Blackwelder added that the City has the best police force on the Peninsula and praised Chief Ferrante on his continued work with the department.

**B. Consideration of Prospective Police Officer Pay Grade**

Police Chief Ferrante reported that a lateral transfer officer has been identified whom the department would like to hire. He is a veteran officer from the City of Seaside who has been on their force for over 15 years. This officer comes highly recommended, has adequate training, and was one of the first officers on scene during the officer shooting incident last September. The department would like to bring him in at the Step 5 pay grade, which is less than what he is currently making. He would be a great addition to the department and will be contributing necessary skills and expertise to the Sand City's police force.

Mayor Pendergrass reiterated that this individual will be taking a pay cut and desires to join the City's Police department. No formal resolution was presented before the Council. A motion to accept Staff's recommendation was made by Council Member Blackwelder, seconded by Council Member Kruper. There was consensus of the Council to approve the motion as recommended.

**C. Consideration of City RESOLUTION Authorizing the City Administrator to Execute an Agreement with Fasulo Investigations for Code Compliance Services within the City of Sand City at a Cost not to exceed \$12,000 for Fiscal Year 2016-2017**

Mayor Pendergrass expressed his concerns regarding code enforcement and that it should not entail ransacking the City to find fault. Specific guidelines should designate the Chief as the primary point of contact. Council Member Blackwelder added that it is not the intent of the City to be draconian in an effort to remain compliant. There are structures and

homes that are not safe and one primary duty of the code enforcement contractor would be to ensure that these buildings are code compliant.

Chief Ferrante addressed the Mayor's concern that code enforcement would be based on direction and input. The primary goal in executing an agreement with Mr. Fasulo is to have compliance rather than initiate action and creating animosity. He would address major situations and ensure safety of the City. The department's goal is to bring the code enforcement individual onboard to collaborate with himself and Mr. Pooler to ensure that buildings and structures are in compliance with the City's codes.

There was discussion regarding issues relating to trucks parked in undesignated areas, hazards, and what may seem prevalent in the overall safety of the community's residents and citizens, and Mr. Fasulo's work schedule.

Chief Ferrante commented that the City would contract based on need and Mr. Fasulo will initially be given additional hours to identify most of the problems and there will be no set number of hours. A process and procedure would be implemented regarding any actions that need to be taken to address the goals pertaining to code compliance. Mr. Fasulo comes with years of experience and is also contracted with the City of Carmel.

City Attorney Jim Heisinger commented that as stated within the contract the City Administrator will provide Mr. Fasulo a work order to address issues. He has a good reputation within the City of Carmel who had experienced several different code enforcement officers, and Mr. Fasulo has managed to hold the job for several years which speaks highly of his services.

6:34 P.M. Floor opened for Public Comment.

Sand City Resident Dierdre Bascou commented that a code enforcement officer is a good idea as Sand City is a mixed-use community. She expressed her concerns regarding several issues with neighbors along Orange Avenue who conduct business operations on Sundays, and other situations that are detrimental to the City. She suggested that the City consider introducing Mr. Fasulo through the website or a newsletter explaining the services that he will be providing.

Sand City Resident Steve Wilson added that contracting for code compliance services has been a long time coming. He concurred with Ms. Bascou's comments and added that this individual would be helpful to ensure that businesses are in compliance with their permits prior to their annual renewal. Mr. Wilson further addressed the issues regarding trucks parking on the sidewalks. He thanked the Council and expressed his appreciation to them for considering Mr. Fasulo's services.

6:40 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution by title**, authorizing the City Administrator to Execute an Agreement with Fasulo Investigations for Code Compliance Services within the City of Sand City at a Cost not to exceed \$12,000 for Fiscal Year 2016-2017 was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Carbone. Motion carried.

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

Council Member Kruper reported on the activities of the Ordinance 152 Oversight Board meeting, results of the Monterey County Convention and Visitors Bureau's Quarterly Forum, actions taken by the Public Safety Committee at their last meeting, and the upcoming Emergency Operations Plan (EOP) meeting.

Council Member Hubler commented on his conversation with the Mayor regarding the Arts Committee and his involvement in furthering the arts. He thanked the Mayor and Council for their support.

Council Member Blackwelder reported on the Vibrancy Plan meeting that resulted in topics revolving around the vision for Sand City. One way to possibly introduce this vision would be through a charrette that depicts what the City would look like in the future. This can be introduced at the City's barbeque with renderings, and a few weeks later, a presentation can be scheduled at the Independent.

The Mayor commented on what makes the City great is the contribution of every individual and continued efforts of everyone involved.

**E. Upcoming Meetings/Events**

There were no RSVP's from the Council.

**AGENDA ITEM 10, ADJOURNMENT**

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Kruper to the next regularly scheduled Council meeting on Tuesday, November 15, 2016 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 6:50 p.m.

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Connie Horca, Deputy City Clerk

