

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

Regular Meeting – December 6, 2016
5:30 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 5:30 P.M.

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, Police Chief
Linda Scholink, City Clerk
Charles Pooler, Associate Planner

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.

Dan Nelson, Deputy Director of the Romero Institute commented that they are a non-profit 501c3 organization that focuses on how the Monterey Bay region can become more energy efficient. The Monterey Bay Community Power Project is a region-wide collaborative designed to investigate renewable energy. This project is utilized in Sonoma County and now has the capacity to generate energy locally. The program began three years ago by 21 local jurisdictions within the area and is now unfolding. It would create the ability for the Monterey Peninsula and partner jurisdictions to create their own power instead of relying on Pacific, Gas & Electric. The Joint Powers Agency (JPA) Board would set rates and purchase power on the open market. The surplus revenue can be used for local build out. Mr. Nelson distributed additional information to the Council. Out of 21 jurisdictions who have considered the program, 19 have already joined. A resolution of intent would allow Sand City a voice at the table, and would be a significant benefit to the City. Mr. Nelson concluded that representatives from

Santa Cruz can give a formal presentation to answer any questions, and he encouraged Sand City to consider joining the program.

Mayor Pendergrass commented that the Council may consider agendaing this item at a future Council meeting.

5:35 P.M. Floor closed to Public Comment.

AGENDA ITEM 5, SWEARING-IN CEREMONY OF NEW CITY COUNCIL

A. Approval of City RESOLUTION Providing for the Appointment of Nominated City Officials as if Elected at the November 8, 2016 Municipal Election

The Mayor commented that the November 8, 2016 Election results were certified last Friday.

Motion to approve the City **Resolution by title**, providing for the Appointment of Nominated City Officials as if Elected at the November 8, 2016 Municipal Election 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. Swearing-in Ceremony of Appointed Officials: David K. Pendergrass, Mayor, Mary Ann Carbone and Todd Kruper, Council Members was performed by Linda Scholink, City Clerk.

AGENDA ITEM 6, CONSENT CALENDAR

A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending continued operation of the Use Permits to the City Council based on the finding that these uses are in compliance with their permits.

- (1) CUP #186,236,286, Gene's Auto Body (automotive shop), 1531-A Shasta/ 524-A Elder Avenue
- (2) CUP #394, Frank D'Aquanno (automotive), 477 Redwood Avenue
- (3) CUP #425, Glastonbury, Inc. (equipment store & rent), 495-A Elder Avenue
- (4) CUP #480, Video Ranch (office, video production), 1793 Catalina Avenue
- (5) CDP #07-07, Ga-Ga (hair salon), 490 Orange Avenue
- (6) CUP #422, Garza Plumbing (contractor), 351-A Orange Avenue
- (7) CUP #574, Ringer Electric (Photo Studio), 613-C Ortiz Avenue
- (8) CUP #575, Mattress Nation (wholesale/storage), 495-B Elder Avenue
- (9) CDP #01-05, Guistiniani (Masonry contractor), 698 Ortiz Avenue

B. There was no discussion of the Sand City Council Meeting Minutes, November 15, 2016.

- C. There was no discussion of the City/Successor Agency Monthly Financial Report, October 2016.
- D. There was no discussion of the City **Resolution** authorizing Health Care Benefit Changes for the 2017 Contract Year.
- E. Approval of City **Resolution** re-Appointing David Pendergrass to the Monterey Regional Waste Management Board of Directors.
- F. Approval of City **Resolutions** Honoring:
 - 1) Officer David DuCoeur in Recognition of his Life Saving Actions while assisting a victim of Assault on the State Parks Beach Area
 - 2) Officer Brandon Segovia in Recognition of his Life Saving Actions while assisting a victim of Assault on the State Parks Beach Area
- G. There was no discussion of the City Donation/Contribution to the Salvation Army Christmas for \$300.

Motion to approve the consent calendar items 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.

AGENDA ITEM 7, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the Consent Calendar.

AGENDA ITEM 8, PUBLIC HEARING

- A. **Presentation on and Consideration of the Audited Financial Statements for the Year ended June 30, 2016 and Independent Auditor's Report by Therese Courtney and Mike Nolan of Hayashi & Wayland (10 minutes)**

Mike Nolan of Hayashi and Wayland reported that the letter contained within the packet states the results of the audit. As part of the Audit a meeting was held with Budget Committee representatives to review the financial statements in detail and to address any specific items of concern contained in the audit. Changes that occurred within the year involved pension standards and employee benefits. New accounting standards had a substantial impact on the financial accounting and will be explained in detail by Ms. Courtney. There were no significant transactions made this year, no difficulties were encountered while performing the audit, and a clean opinion was presented in the attached letter. Internal controls are operating as described. The financial statements are materially correct and in accordance with General Accounting Standards Board (GASB).

Ms. Courtney reported on page 12, the statement of activities that depicts how the City did for the fiscal year. There was a change in net position, and a profit of \$699,000. On page 11, the statement of net position depicts the total assets of approximately \$31 million with total liabilities of \$ 7.8 million, leaving a net position of \$23 million. However, out of the \$23 million, \$12 million is invested in fixed assets that are not of use. Of the \$13 million in unrestricted funds available for use, \$10 million is in note receivables from the Successor Agency, leaving the City with less than \$1 million available for use. A few years ago, government accounting standards required the City to show its full retirement liabilities on the books. Beginning in 2018, the full Other Post-Employment Benefits (OPEB) liabilities will need to be reflected on the books. That current liability is approximately \$4 million. Many government agencies are in the red, and even though Sand City will not be in the same situation, it will need to be seriously reviewed.

5:45 P.M. Floor opened for Public Comment.

There were no comments from the Public.

5:45 P.M. Floor closed to Public Comment.

1) Approval of City Resolution Accepting the Audited Financial Statements for the Year Ended June 30, 2016 and Independent Auditor's Report

Motion to approve the City **Resolution by title**, accepting the Audited Financial Statements for the Year Ended June 30, 2016 and Independent Auditor's Report was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

B. SECOND READING: ORDINANCE Amending Title 15 of the Sand City Municipal Code to Adopt the 2016 California Building Code and Appendices H, I, J; the 2016 California Historical Building Code; the 2016 California Existing Building Code; the 2016 California Residential Code; the 2016 California Plumbing Code, the 2016 Electrical Code; the 2016 Mechanical Code; the 2016 California Green Building Standard Code including Appendix G and I; the 2016 California Fire Code; and the 2016 International Property Maintenance Code Except Section 111

Associate Planner Charles Pooler commented that at the November 15, 2016 Council meeting, the City Council adopted for first reading an ordinance to update Title 15 of the City's Municipal Code with the latest versions of the California Building, Fire, and other related construction safety codes. Staff recommends adoption (for second reading) of the attached ordinance.

5:47 P.M. Floor opened for Public Comment.
There was no comment from the Public.

5:47 P.M. Floor closed to Public Comment.

Motion to approve the Second Reading of the **Ordinance by title**, amending Title 15 of the Sand City Municipal Code to Adopt the 2016 California Building Code and Appendices H, I, J; the 2016 California Historical Building Code; the 2016 California Existing Building Code; the 2016 California Residential Code; the 2016 California Plumbing Code, the 2016 Electrical Code; the 2016 Mechanical Code; the 2016 California Green Building Standard Code including Appendix G and I; the 2016 California Fire Code; and the 2016 International Property Maintenance Code Except Section 111 was made by Council Member Blackwelder, seconded by Council Member Hubler. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

C. FIRST READING: ORDINANCE Amending Chapters 18.04, 18.06, 18.08, 18.10, 18.12, 18.13, 18.21, and 18.59 of the Sand City Municipal Code Title 18 (Zoning Ordinance) and the Official City Zoning Map to Implement Policies of the 2015-2023 (5th Cycle) Housing Element as Conditionally Certified by the State Department of Housing and Community Development

Associate Planner Charles Pooler reported that the City's Housing Element update was completed and certified by the State Department of Housing and Community Development this year. The Housing Element meets the statutory requirements of State Housing Element Law. This certification was conditioned upon the City taking specific action to address the un-accommodated housing needs from the prior cycle. Pursuant to the government code, any jurisdiction that failed to identify or make available adequate sites to accommodate all of the previous cycle's housing needs must zone or re-zone adequate site to accommodate all of the previous cycle's unmet housing needs within the first year of the following housing element's cycle. Therefore, in order for the City's updated 2015-2023 Housing Element to remain in compliance, the City must make specific amendments to the zoning ordinance and map. Amendment actions proposed are intended to implement compliance with HCD and maintain certification of the City's Housing Element.

Mr. Pooler presented a power-point presentation that detailed several chapters and sections that needed updating such as those areas that need to be zoned for residential, zoning text amendments to comply with various State laws that need to be adopted, deleting the 2 bed limitation for homeless shelter, and the bonus incentive to increase density from 25% to 35%. These amendments and changes are depicted in the attached ordinance as strike-through's and highlighted in red. Mr. Pooler further reported on future amendments that will be brought to the Council

in February regarding the rezoning of project areas such as the South of Tioga and East Dunes area.

5:55 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:55 P.M. Floor closed to Public Comment.

Motion to approve the First Reading **Ordinance** amending Chapters 18.04, 18.06, 18.08, 18.10, 18.12, 18.13, 18.21, and 18.59 of the Sand City Municipal Code Title 18 (Zoning Ordinance) and the Official City Zoning Map to Implement Policies of the 2015-2023 (5th Cycle) Housing Element as Conditionally Certified by the State Department of Housing and Community Development was made by Council Member Kruper, seconded by Council Member Hubler. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None ABSTAIN: None. Motion Carried.

D. FIRST READING: ORDINANCE of the City Council of Sand City to Increase the Rate of Transient Occupancy Tax Imposed in Sand City from Eight Percent to Twelve Percent

City Administrator Todd Bodem commented that on July 18, 2000, the Council approved a ballot measure to increase the rate of hotel occupancy. Measure L was approved by the people and the measure states that the rate can be changed or set by the City Council. The rationale for the 12% was based on the average of what other jurisdictions charge along the Peninsula.

5:59 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:59 P.M. Floor closed to Public Comment.

Motion to approve First Reading **Ordinance by title**, of the City Council of Sand City to Increase the Rate of Transient Occupancy Tax Imposed in Sand City from Eight Percent to Twelve Percent was made by Council Member Carbone, seconded by Council Member Hubler. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

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 the desalination plant produced 7 acre-feet for the month of December so far and is currently inoperable. Cal-Am is discussing with their legal counsel, options to pursue a modification to the plant's discharge permit to allow for increased salinity, and would need to update the environmental studies performed for the original project. The City Engineer and City Administrator worked with EMC to prepare and submit a 2nd response to the Coastal Commission's (CC) request for additional information, and Staff is hopeful that this response will allow the CC to finalize the coastal development permit application.

The "Save the Whales" organization replaced missing or illegible storm water awareness emblems on storm drain catch basins within the City on Monday, December 5th at no cost to the City as part of the StormWater Management Program. Staff is working with the Regional Storm Water Management Program on mapping requirements for the upcoming trash amendment and for the overall effectiveness assessment of the City's municipal program.

The City Engineer and Associate Planner have provided review comments to the 2nd submittal of the site improvement plans, stormwater control and landscape plans for the Porsche site improvements project. The City Engineer will be working with the applicant's design engineer to address the remaining comments in order to obtain final approval and building permits. The encroachment permit for construction of the Bungalows at East Dunes Phase 2 public improvements project is anticipated to be approved this week with an estimated construction schedule to be received from the developer. The City Engineer is currently reviewing plans for the mixed-use project at 414 Orange Avenue.

City Administrator Todd Bodem reported that in conversation with Dr. Ghandour, the Department of Fish and Game have dropped their imposition on the habitat area and Dr. Ghandour has sent a letter to the Coastal Commission requesting a grading permit. He also reported on the Transportation Agency of Monterey County (TAMC) and parking in lieu fees to be received by the City. The City is pushing for retention of the 25 acre conservation easement; however, the Coastal Commission would have the final deciding factor on who gets it. The City Attorney commented that the question is which public agency would have the right to enforce the developer's obligations under the easements. Dr. Ghandour would prefer that it be the City due to the good working relationship already established. Coastal Staff would prefer that it be the Monterey Peninsula Regional Parks District. Associate Planner Pooler added that it would be to the City's advantage to maintain control over our City as much as possible.

There was discussion regarding communication with Regional Parks regarding the City's interest of the easement. Staff contacted both the Parks District and Mike Watson of the Coastal Commission expressing the

City's interest in the property. The Mayor commented that there should be no further intrusion regarding what was previously agreed too, and directed Staff to push for City control.

Associate Planner Pooler reported that the Jerry Stepanek project (414 Orange) is in plan check. The building department is aware of the project, and Mr. Stepanek has submitted his landscape plans. His water allocation calculations should appear on the December 20th Council meeting agenda. San Juan Pools has submitted their construction plans for their project on California Avenue and is currently under plan check review. There has been a slight delay of the proposed project for the 2 lots that was formerly Mr. Hyles property. A few inconsistencies appeared on the floor plan and further review of the project is currently in progress.

AGENDA ITEM 10, NEW BUSINESS

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

Mayor Pendergrass commented that last Friday's Tree Lighting Ceremony had the best public turn out. The Monterey Fire Department ushered Mr. & Mrs. Santa to City Hall on the fire truck, and there was a lot of participation at the event.

Council Member Kruper reported on the devastation of the Oakland fire, and commended the Council for creating a system within the City for artist/residents who prefer a live-work place to reside, and also thanked them for their participation in making Sand City one of the best live-work communities. The Public Safety Committee meeting involved discussion regarding the Emergency Operations Center, Carroll Property, landscaping plans for the City, and body worn cameras. The minutes should be forthcoming.

Council Member Hubler reported that there has been interest in holding another Open House at Monterey Sculpture Center sometime early next year. This would be a positive event to hold as the business may not be there next year. The Open House may also feature one of the artists who takes advantage of utilizing resources at the foundry.

B. Consideration of Cancelling Future City Council meeting

PURPOSE: It is proposed that the City Council cancel the City Council meeting scheduled for January 3, 2017 to minimize conflict with the Christmas and New Year's Holiday closure of City Hall, December 23, 2016 – January 2, 2017

There was consensus of the Council to cancel the January 3, 2017 Sand City Council meeting.

C. Upcoming Meetings/Events

There were no RSVP's from the Council

AGENDA ITEM 11, 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, December 20, 2016 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 6:20 p.m.


Linda K. Scholink, City Clerk