

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

Regular Meeting – May 15, 2012
7:00 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 7:00 P.M.

The invocation was led by Reverend Robert Hellam.

The Pledge of Allegiance was led by Police Chief Michael Klein.

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

Staff: Steve Matarazzo, City Administrator/Community Development Director
Jim Heisinger, City Attorney
Richard Simonitch, City Engineer
Charles Pooler, Associate Planner
Connie Horca, Deputy City Clerk

AGENDA ITEM 4, COMMUNICATIONS

- A. Written communication distributed to the Council were flyers for upcoming events from the Monterey County Business Council's Small Business Awards, and Monthly Luncheon Meeting, the Monterey County Convention and Visitor's Bureau Luncheon with guest speaker Jim Tunney, Monterey Peninsula Chamber of Commerce Connection and a reminder of no conflicts.
- B. Oral

7:03 P.M. Floor opened for Public Comments.

There was no comment from the Public.

7:03 P.M. Floor closed to Public Comments.

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. 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. There was no discussion regarding the following use permits.
- (1) CUP #72 Sea Life Supply (marine fish), 740 Tioga Avenue
 - (2) CUP #418 Jaroslav Stepanek (woodshop/storage), 341 Orange Avenue
 - (3) CUP #430 Susan Collins (Art Studio), 751 Dias Avenue
 - (4) CUP #476 Stepanek Construction (woodshop), 414 Orange Avenue
 - (5) CUP #494 Arthur Brost (sales), 433 Orange Avenue
 - (6) CDP #93-05 Monterey Cabinet & Woodworking (woodshop), 409 Ortiz Avenue
 - (7) CDP #93-02 Meadows (mobile home), 654 Ortiz Avenue
 - (8) CDP #96-03 Meadows/Marks Barn (auto body), 650 Ortiz Avenue
- B. There was no discussion regarding the approval of the Sand City Council Meeting Minutes, April 4, 2012.
- C. There was no discussion regarding the acceptance of the Police Department Monthly Report, April 2012.
- D. There was no discussion regarding the acceptance of the Public Works Monthly Report, April 2012.
- E. There was no discussion regarding the acceptance of the City/Successor Agency of the Redevelopment Agency's Quarterly Treasury Report, March, 2012.
- F. There was no discussion regarding the approval of the Designation of Voting Delegate and Alternate for the 2012 League of California Cities Annual Conference.
- G. There was no discussion regarding the approval of the City Resolution authorizing renewal of Animal Shelter Services Agreement with the County of Monterey Health Department and Approving Amendment No. 9 to Agreement No. A-09687 for Fiscal Year 2012-2013.
- H. There was no discussion regarding the acceptance of the City/Successor Agency of the former Redevelopment Agency Monthly Financial Report, February, 2012.
- I. There was no discussion of the approval of the City Resolution authorizing Contract Services with Bartel Associates for a cost not to exceed \$12,000 for Actuarial and Legal Services, respectively, as related to the City's Compliance with GASB 45.

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

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled.

AGENDA ITEM 7, PRESENTATIONS

- A. Monterey Peninsula Water Management District's (MPWMD) General Manager Dave Stoldt presented the Water District's involvement regarding Prop 218 and User Process. Within the last 30 years, MPWMD had completed the Peralta Well expansion, Reclamation Project financing and Aquifer Storage and Recovery. He reviewed the three features of Cal-Am's "Monterey Peninsula Water Supply Project" to include desalination, aquifer storage and recovery, and groundwater replenishment. The desalination project would depend upon CEQA requirements, the ease of permitting, water rights, cost of financing and operations as well as additional technical assessment and scoping project alternatives. The aquifer and storage recovery (ASR) project, expected to be completed in 2016, would double the ASR capacity. The groundwater replenishment project is expected to be completed by 2016. In order to have funds to complete these projects, MPWMD started a new collection mechanism last October. The water supply Projects are additive to the existing budget, and this proposed fee would allocate 100% of this new revenue source be used for new water supply costs. He explained that the cost allocation process would come from 3,500 connections based on standard water use by type of property and meter. Examples of how these annual fees will be calculated, the annual total fee per household and the alternative collection costs, were summarized for the Council. He clarified that the Prop 218 process is not a tax; rather its a fee for water service. It would be for the benefit of existing customers; and by law, a vote is not required. Mr. Stoldt added that this would provide a stable and secure mechanism to create a predictable revenue stream. In conclusion, he reported on the key dates when customers will receive the Prop 218 Hearing Notices and the upcoming second reading of the Rate Ordinance.

Mayor Pendergrass commented on why the Regional Water project did not move forward, and Cal-Am's positive effort at exploring water replenishment. He thanked Mr. Stoldt and wished him the best of luck.

- B. Monterey-Salinas Transit (MST) Assistant General Manager Hunter Horvath presented the Senior Taxi Voucher Program and Sand City's participation. At this time last year, the senior taxi discount program was introduced, and has been successful. There were no wheelchair accessible taxies approximately one year ago. The Regional Taxi Authority, of which Sand City is a member, has brought this added feature to taxies in the Peninsula. He distributed a chart that relates to the activities of the surrounding cities who participate in the program. To date, approximately 10 seniors from Sand City have used the program. The citizens who are part of the RIDE program from Sand City have also benefitted from this program. He hopes that the Council will consider a budget allocation to the Senior Taxi Voucher Program for next year. He clarified how the voucher program works, and hopes to reach more seniors within the community.

Mayor Pendergrass commented that this is a positive program, and thanked Mr. Horvath for MST's efforts.

- C. On behalf of Michael LaRussa, Joe Catalago of Waste Management (WM) presented the food waste recovery program. He works in conjunction with a coalition of businesses, restaurants, and sustainable groups to discuss the wants and needs for a food waste/scraps recovery program. Much of the trash generated by hotels around the Peninsula is food waste, which ends up in the landfill. WM is in the process of presenting a 100% voluntary pilot program that would be available to all customers who Waste Management serves. Once the food scraps are re-covered, they will be turned into compost. This program would help the environment, the City's diversion rate. It may increase franchise fees to the City, as may decrease trash bills for the customer. In the next few months Waste Management will begin the recruitment process by sending out letters to all businesses within the customer data base that have multiple bins/carts, informing them about the program. Rates are estimated to be approximately \$200 dollars per service. The cost may vary depending upon the food scraps generated and maintenance of the bins. This pilot program will be presented to various City Councils throughout June, with a program launch date set for August. In December, the pilot program will be reviewed with a full program launch date set for February 2013.

Jeff Lindelfield of Waste Management added that a few Sand City businesses are presently participating. Most notably Costco; and more recently, The Independent Marketplace. Affiliate businesses around the Peninsula have expressed their interest in this program as well. Mr. Lindelfield thanked Joe and Waste Management for being responsive to the needs of the community and the Council for their support.

AGENDA ITEM 8, PUBLIC HEARINGS

- A. Associate Planner Charles Pooler presented an application submitted by John Lockwood to use a commercial building at 710 California Avenue for office, storage, and light manufacturing activities. Lockwood Mechanical specializes in boiler and radiant heating service installations. The location will be used for material and equipment storage and light metal fabrication of metal sheet duct work. The proposed manufacturing can create potential noise impacts; however, the applicant's level of activity would not generate substantial noise, and not pose a nuisance. Hours of operation will be from 7:00 a.m. to 6:00 p.m., Monday through Friday, with occasional Saturday operations. Four parking spaces are required for this use and can be accommodated. Line truck deliveries may occur up to 6 times per year. Double parking along California Avenue should be prohibited. There is adequate length for a truck to park curbside for loading/unloading activity. Staff recommends approval of the conditional use permit.

7:43 P.M. Floor opened for Public Comment.

Mr. Lockwood commented that he would be honored to bring his business into

Sand City. For the last twelve years, he has been operating out of Marina, and desires to move his facilities here where he will be closer to his customers and vendors. This will be a smaller building than the one he presently occupies in Marina. His primary business focus is boiler systems and radiant heating. The applicant stated that he is in agreement with the conditions of the permit.

7:45 P.M. Floor closed to Public Comment.

Motion to approve the **Resolution** by title, approving Conditional Use Permit 549 for Lockwood Mechanical Inc. to operate their Service Contractor Operations at 710 California Avenue was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Member Blackwelder, Carbone, Kruper, Hubler, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

- B. Associate Planner Charles Pooler presented an application by Charles Fisher of the Monterey Sculpture Center to utilize property at 1795 California Avenue as a sculpture manufacturing and casting facility. The site is a 2-story commercial building with office space and open bays. It is surrounded by a 6-foot high chain-link fence with wood slats. There will be compressed gases and other chemicals used and stored on-site. The recommended hours of operation are 7:00 a.m. to 6:00 p.m. daily. The facility operates 5 to 6 days per week with 13 full-time and 2 part-time employees. The location provides ample room for on-site loading/unloading. Curbside parking of large trucks along California Avenue should be prohibited, as it would further interfere with motorist's views. The applicant proposes to modify the existing building by closing off the four open bays, and build two canopy sheds within the yard. The handling and generation of hazardous materials will be part of the operation. The permit should require that all hazardous material be stored and contained per the regulations of the Fire Department and the County Health Department. Manufacturing and daily work activities involve grinding, buffing, sand blasting, welding, and the use of molten wax and metals, that is anticipated to generate noise and dust. The site is highly visible, therefore storage within the yard should not exceed the height of the fence. The existing wood slats in the fencing are not 100% effective at screening and installation of new vinyl slats for improved screening is recommended. Permits within the South of Tioga land use district contain time limits pending future development. Considering the level of investment the applicant intends to put into this property, the Council should consider up to a five year term. It is recommended that all lots of the subject property be merged into a single lot. Staff recommends approval of the permit.

There was Council discussion regarding the dust and material residue that may be generated during the course of operation. Once the business is established, the City Engineer will perform an inspection to ensure that they remain in compliance with the City's Storm Water Management Plan. It was suggested that the applicant improve the aesthetics of the property as they will be located there for at least five years.

7:58 P.M. Floor opened for Public Comment.

On behalf of the Orosco Group, Geary Coats addressed item 24 of the permit

regarding the merger of lots. The property owner is not opposed to this suggestion, but would like to do it as part of the overall plan when the South of Tioga development comes before the Council.

The applicant, Charles Fisher commented that the majority of work will be within the building and he has met Health Department requirements at his present location. He would be pleased to improve the area outside the fence with landscaping. He made two requests of staff; one to amend Condition No. 5 allowing the operation to commence at 6 a.m., and second to maintain the existing barb wire and wood slats. Mr. Fisher stated that he is in agreement with the conditions of the permit.

8:08 P.M. Floor closed to Public Comment.

Staff and Council deliberated on the conditions Mr. Fischer requested. Staff found that allowing the applicant to commence business at 6 a.m. was acceptable considering the surrounding land-uses. Due to the high visibility of this property, improvement of the screening is deemed important and staff recommends that the second sentence in Condition No. 12 be modified to read, "the perimeter fencing shall be improved with the removal of the barbed wire, repair of, and painting of the wood slats in a color to be approved by the Community Development Director". The Council was in consensus to remove Condition No. 24 regarding the lot merger, and delete the related third "whereas".

Motion to approve the City Resolution by title, as amended, approving Conditional Use Permit 548 for Monterey Sculpture Center as an interim temporary use, at 1795 California Avenue was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

AGENDA ITEM 9, OLD BUSINESS

- A. City Engineer Richard Simonitch reported that the Public Works crew has installed the identification numbers requested by P.G. & E. on the street lights on Ortiz Avenue. He mentioned that the Public Works crew has done a great job by doing a majority of the work within the City, saving a considerable amount of City funds. The Tioga driveway permit, where the statuary is located, was finally approved by Cal-Trans. Access restrictions were also removed to facilitate development in the future.

City Administrator Steve Matarazzo reported that the Sand City rate case with the CPUC will be up in June, and the King Ventures Environmental Impact Report should soon be released for public distribution. Sand City's application for Economic Exclusion on the Snowy Plover will also be decided in June.

AGENDA ITEM 10, NEW BUSINESS

- A. City Engineer Richard Simonitch reported that the Management Committee of the Monterey Storm Water Management Program (MSWMP) has recently made several revisions to the MOA Bylaws. More comprehensive revisions to the MOA

will be proposed for consideration by the member agencies governing bodies upon adoption of a new State Phase II General Permit, and commencement of the next permit cycle. During recent discussion with Monterey County regarding the potential for new urbanized areas, Monterey County and the Program Manager discovered that the population originally included in the Bylaws "Table of Populations and votes" was incorrect. There are three changes to the MOA being proposed. The corrected population figures are reflected in the amended Bylaws; and as a result, Monterey County's share of the total program cost increased, and the share for the other member agencies decreased. Second, in addition to population changes, the MRSWMP Management Committee identified a lack of provision in the Bylaws for the selection of officers (Chair and Vice Chair) and their term of service. Thirdly, the Pebble Beach Company, a coordinating entity, was incorrectly included on the "Table of Populations and Votes", which is used in the MRSWMP program cost-share allocation and in weighted voting. As a result of the increased population and cost share for Monterey County, the City of Sand City MRSWMP program cost share will be reduced from \$5,265 to \$4,238 in fiscal year 2012/13.

- B. City Administrator Steve Matarazzo reported that, at the April 27, 2012 Oversight Board meeting, the Board approved the initial Recognized Obligation Payment Schedule (ROPS) for the period of January through June 2012. On May 7th, the second ROPS for the period of July through December 2012 was proposed. There was delayed action at that meeting because the Oversight Board wanted to see backup material for the former Redevelopment Agency's debt to the City of Sand City. On May 11th at 9:36 p.m., staff received an email from the Department of Finance stating that the initial ROPS of April 27 was rejected. The enforceable obligations were not rejected; however, they requested that the enforceable obligation for the year should match or be less than the tax increment the Agency received for fiscal year 2010-11. On May 14th, the Oversight Board revised the initial ROPS to change some of the funding sources for the enforceable obligations, but not the enforceable obligations themselves. They also approved the ROPS for July through December. This translates to positive news as the enforceable obligations were kept intact.
- C. The Mayor reminded the Council of the upcoming Monterey County Business Council's luncheon. There were no additional RSVP's.

AGENDA ITEM II, CLOSED SESSION

8:25 P.M.

- A. City Council /Agency Board to adjourn to Closed Session:
 - 1) To confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9(c) of the Ralph M. Brown Act,
 - a) *Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101), and related cases*
 - b) *Security National Guaranty, Inc. v. California Coastal Commission*
 - c) *Sierra Club v. MPWMD (SNG as real party in interest)*

d) *Cal-Am Application to CPUC No. 10-04-019 for Order Authorizing Recovery of Costs for Lease and operation of the Sand City Desalination Facility*

2) To confer with Legal Counsel regarding significant exposure to litigation pursuant to Section 54956.9(b) of the Ralph M. Brown Act.

3) Labor Negotiations: Council Direction to Labor Negotiator pursuant to Section 54957.6 of the Ralph M. Brown Act, Parties to the Negotiations: City Administrator, Management Staff, Miscellaneous Employees, and the Police Officers Association (POA).

8:58 P.M.

B. 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 City Attorney gave a report on Items IIA (1 -a, b, d). Direction given to Legal Counsel, Item IIA (2).

AGENDA ITEM 12, ADJOURNMENT

Motion to adjourn the Council meeting was made by Council Member Kruper, seconded by Council Member Hubler to the next regularly scheduled Council meeting on June 5, 2012 at 7:00 P.M. There was unanimous consensus of the Council to adjourn the meeting at 9:05 P.M.



Connie Horca, Deputy City Clerk