

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

Regular Meeting – June 5, 2012
7:00 P.M.
CITY COUNCIL CHAMBERS

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

The invocation was led by Reverend Carl Kelleher.

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

Present: Council Member Blackwelder (excused absence)
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 a list of conflicts for tonight's meeting, flyers for the Seaside-Sand City Chamber of Commerce Business Luncheon and the JAZZ Bus Rapid Transit Groundbreaking Ceremony.

B. Oral

7:05 P.M. Floor opened for Public Comment.

George Riley from Citizens for Public Water, an advocacy group for rate payers, commented that the San Clemente Dam is coming down. He distributed a handout titled "The Protest and Compromise on the San Clemente Dam Financing". He explained that a cost is associated with this project. The CPUC proposed financing of \$75 million by ratepayers over a 20 year period. After intense lobbying by Cal-Am, a new rushed proposal would charge ratepayers \$154 million, by paying Cal-Am's share and adding profit. The Citizens for Public Water initiated a petition drive protesting this rate increase. A public appeal process is being conducted via email; and a major ratepayer protest is underway, demanding action to compromise on cost sharing. He encouraged the Council to send an email before June 12th summarizing the features for a compromise. A

sample email was provided with the handout.

7:10 P.M. Floor closed to Public Comment.

Mayor Pendergrass commented that Agenda Item 5D will need to be continued to the next Council meeting due to a lack of a quorum.

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 regarding the approval of the Sand City Council Meeting Minutes, May 1, 2012.
- B. There was no discussion regarding the approval of the Sand City Council Meeting Minutes, May 15, 2012.
- C. There was no discussion regarding the approval of the City Resolution authorizing renewal of Vehicle Maintenance Services with City of Monterey for Fiscal Year 2012-2013.
- D. The proposed City Resolution to grant the City Administrator authorization to execute a water assignment agreement and assign water from the Sand City Water Entitlement to property at 637-A Ortiz Avenue was pulled from the Consent Calendar and continued to the June 19, 2012 Council meeting.
- E. There was no discussion regarding the acceptance of the Fort Ord Reuse Authority (FORA) Report. May 2012.
- F. There was no discussion regarding the acceptance and approval of the City/Successor Agency to the Redevelopment Agency Monthly Financial Report, March 2012.
- G. There was no discussion regarding the approval of the City Donations/Contributions to Seaside Parade of Champions for \$500, United Way Monterey County for \$500, and to Community Human Services, Genesis House Remodel for \$500.

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

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

Agenda item 5D was pulled from the Consent Calendar and will be continued to the June 19, 2012 Council Meeting.

AGENDA ITEM 7, PUBLIC HEARINGS

- A. Associate Planner Pooler presented an application submitted by Tim Jensen of the Monterey Peninsula Regional Park District (MPRPD) requesting a time extension of their Coastal Development Permit (CDP 10-04) to continue ongoing efforts for sand replenishment of eroding dunes by replacing sand loss on the bluff. The subject property is owned by the Regional Park District. The applicant requests' to install a 4-foot tall no-climb wire fence along the trail using their own metal stake poles, and signs explaining the restoration project and directing the public to use the beach access at Playa Avenue. These signs need City review for placement, frequency, and size prior to installation. The bike trail will need to be closed when vehicles and equipment are transporting and dumping sand. The applicant should be held liable of any damage incurred to the bike trail during this project. Staff recommends approval of a 2-year time extension until August 2014.

Mayor Pendergrass commented that the bike path is a joint effort between the Park District and the City, and suggested that both agencies work in collaboration for this project.

7:18 P.M. Floor opened for Public Comment.

There was no comment from the Public.

7:18 P.M. Floor closed to Public Comment.

Motion to approve the City Resolution approving a Two-Year Time Extension to Coastal Development Permit (CDP) 10-04 allowing the Monterey Peninsula Regional Park District (MPRPD) to continue Sand Nourishment and Replenishment of Eroding Dunes was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Blackwelder. ABSTAIN: None. Motion carried.

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

- B. Associate Planner Charles Pooler presented an application for coastal development and conditional use permit approval that was submitted by Dan Currier to utilize a 3,000 square foot commercial unit located at 1815 Contra Costa Street. This building is divided into three units on the ground level and two offices on the upper level. The applicant performs specialized powder coating on various materials and objects. Customers will include artist, interior designers, and automotive restorers; however a majority of the work order will be performed via the internet and delivery service. The location requires a minimum of five off-street parking spaces, based upon the manufacturing use. The site has adequate parking. Hours of operations will be from 9:00 a.m. - 6:00 p.m., Monday through Friday with no weekend activity. Traffic impacts are not expected as deliveries will be made via UPS, Fed-Ex, and US Postal Service. The applicant will use and store flammable materials such as paints and solvent. The Monterey County Health Department has been informed of this application, and

the applicant should be required to submit a material Safety Data Sheet. The powder coating and gold plating electrolysis process are not expected to generate negative impacts. Chrome plating will be conducted within an existing spray booth at the rear of the unit. The applicant needs to coordinate this activity with the Monterey Bay Unified Air Pollution Control Agency. As long as fumes and odors from this activity are contained, Staff does not foresee a problem. Staff recommends approval of the attached conditional use permit with a correction to the first Whereas, to change the name from John Craft to Dan Currier.

7:25 P.M. Floor opened for Public Comment.

The applicant Dan Currier commented that he is looking forward to conducting business in Sand City. There are many opportunities and a need for this type of business in the area. He requested to make a correction on the use permit to indicate that the activity is not a chrome plating process, but actually a paint application that looks like chrome. It is a 3 stage paint process that assimilates the look of chrome, but is not a plating process. The applicant stated that he is in agreement with the conditions of the permit.

There was further discussion whether Mr. Currier's business will be open to walk in clients and artists within the community. Mr. Currier added that any work requiring restoration would be conducted within the building, and kept to a minimum.

Business/Property Owner James Davi commented that he is excited to learn of Mr. Currier's business coming in. The location and existing facilities are perfect for this type of use as the building already contains the necessary equipment. The business would be a great asset and contribution to the Sand City community.

7:32 P.M. Floor closed to Public Comment.

Motion to approve the City Resolution by title, as amended, approving Conditional Use Permit 550 and Coastal Development Permit 12-04 for Coastal Custom Creation's Manufacturing Operation at 1815 Contra Costa Street was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Blackwelder. ABSTAIN: Council Member Hubler. Motion carried.

{Council Member Hubler returned to the dais}

AGENDA ITEM 8, OLD BUSINESS

- A. City Engineer Richard Simonitch reported that the desalination plant is presently undergoing minor maintenance and retrofit, and should resume normal operations by next Monday. P.G. & E. powered up the lights at 600 Ortiz, and found that there was a significant load. This presented a mystery as there are no documents, plans or records available to indicate where these wires are hooked up. Staff is working with the property owner to investigate this issue, and to find out where the switches are located. Mr. Taormina received an encroachment permit from Cal-Trans to widen his driveway on the Tioga parcel. Construction

should commence some time this month.

City Administrator Steve Matarazzo reported that he and the City Attorney had a conference call with Cal-Am and the Division of Ratepayers of the California Public Utilities Commission regarding the Sand City Desalination Plant. Based on the conference call, it appeared that the CPUC may not require a separate rate for new connections in Sand City.

Mayor Pendergrass commented that Police Chief Michael Klein was recognized with a Resolution by the County of Monterey Mental Health Commission for his contribution, hard work and efforts as a committee member. The Mayor extended his congratulations to the Chief.

AGENDA ITEM 9, NEW BUSINESS

- A. City Administrator Steve Matarazzo reported that at the Oversight Board meeting of June 4, 2012 two items were discussed. The Oversight Board requested to review the debt the former Redevelopment Agency owes the City. The Board was satisfied with the administrative costs of the enforceable obligation, but wanted clarification on the additional cost of \$9 million dollars regarding the Seaside payments over the 25 year term, plus interest rates charged during that term. Staff will have further explanation on how the Seaside Agreement was structured for the July 2, 2012 Board meeting. There was also discussion regarding former Redevelopment Agency owned properties. The Board wanted to know if the Carroll Property at 525 Ortiz may be sold. Selling the property may be complicated due to the defeasance of bonds, paying bond holders off, and property value reduction. Members of the public were at the Oversight Board meeting to express their concerns regarding the Community Garden property. They requested, per Staff's recommendation, that the Community Garden be transferred to the City as it is a public use. There was no objection to the request from the Oversight Board, however they expressed that Legal Counsel should help them with this decision. Staff clarified to members of the public that if the property were to be sold, the City would likely purchase it, although they would not want to repurchase it. Each Board member agreed that in the interim, the property remain as a Community Garden.
- B. City Administrator Steve Matarazzo reported, as part of next years budget that Staff recommends upon his retirement Chief Michael Klein be rehired on a part-time basis. The Chief possesses unique skills as Public Works Supervisor and Chief of Police. The City would like to retain him in those roles on less than half-time basis as required by the California pension rules. He has agreed to do so, and would start July 1, 2012. Chief Klein will be performing the same duties as he is presently doing, but on a part-time basis. Staff recommends approval of the attached resolution and contract.

There was Council discussion regarding adequate supervision during the daytime shift, and if suitable, backup be provided should a sergeant call in sick. Chief Klein commented that he will retain a very flexible schedule as required by PERS rules and regulations. He will be available via phone should a need occur within the department. Chief Klein stated that he is in agreement with the terms of the contract.

Motion to approve the City **Resolution** by title, approving a one-year part-time contract with J. Michael Klein to perform Supervisory Duties related to the positions of Public Works Manager and Chief of Police was made by Mayor Pendergrass, seconded by Council Member Hubler. AYES: Council Members Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Blackwelder. ABSTAIN: None.

- C. The Deputy City Clerk brought to the Council's attention upcoming events. Council Member Kruper and Mayor Pendergrass confirmed their attendance to the Monterey County Convention and Visitors Bureau Annual Luncheon on June 20, 2012.

AGENDA ITEM 10, CLOSED SESSION

7:53 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) To confer with Legal Counsel regarding the initiation of litigation pursuant to Section 54956.9(c) of the Ralph M. Brown Act; 1 case.

4) 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)

8:53 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 Council gave direction to Legal Counsel to enter into a settlement agreement (Agenda Item 10A(1a)). Report given by Legal Counsel (Agenda Items 10A(1b-d), 10A(2), 10A(3)). Report given by labor negotiator (Agenda item 10A(4)).

AGENDA ITEM 11, 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 19, 2012 at 7:00 P.M. There was unanimous consensus of the Council to adjourn the meeting at 8:54 P.M.



Connie Horca, Deputy City Clerk