

**MINUTES**  
**JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY**

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Regular Meeting – March 2, 2010  
7:00 P.M.  
CITY COUNCIL CHAMBERS

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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 Sergeant Vito Graziano.

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  
Michael Klein, Police Chief (arrived at 7:12 p.m.)  
Linda Scholink, Director of Administrative Services/City Clerk  
Charles Pooler, Associate Planner

**AGENDA ITEM 4, COMMUNICATIONS**

- A. Written communication distributed this evening included a letter from Ruthie Watts requesting a sponsorship and RSVP for the support Haiti event (5E); a revised Executive Summary prepared by Bartel Associates (7A) and an invitation to the 39<sup>th</sup> annual peace officers of the year awards (10B). The City Administrator also distributed bound copies of the certified Housing Element.
- B. Oral
- 7:03 p.m. Floor Opened for Public Comment  
No Public Comment
- 7:03 p.m. Floor Closed to Public Comment

**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, February 16, 2010.
- B. There was no discussion of the Fort Ord Reuse Authority (FORA) Report, February, 2010.
- C. There was no discussion of the City **RESOLUTION** authorizing and directing the City Administrator to enter into a Right of Entry Permit Agreement with the State of California Department of Parks and Recreation, allowing public access and maintenance over, on and through those portions of the Bay Avenue Coastal Access Project improvements that reside on the lands of the State of California.
- D. There was no discussion of the City **RESOLUTION** Authorizing Participation in a Multi-Agency Agreement for the Maintenance and Operation of a County-Wide Mobile Data Communication System.
- E. There was no discussion of the donation to the American Red Cross Haiti Relief Fund for \$500.

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

#### **AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**

There were no pulled items.

#### **AGENDA ITEM 7, PRESENTATIONS**

- A. The City Administrator introduced John Bartel, from Bartel and Associates, who was highly recommended and generally considered to be the Pied Piper of OPEB. Mr. Bartel reported the background and implications of Government Accounting Standards Board (GASB) Statement 45. The GASB 45 statement went into effect this year for Sand City. This "statement" requires public sector entities to produce actuarial valuations for their "Other Post Employment Benefits (OPEB) and report these liabilities in their financial reports. On June 21, 2004, the Governmental Accounting Standards Board approved Statement No. 45, accounting standards for other (than pensions) post employment benefits. To consider a retiree healthcare plan funded for GASB 45 purposes, assets must be set aside in a trust that cannot be legally used for any purpose other than to pay retiree healthcare benefits. The report in the agenda packet is based on financial reporting standards established under GASB 45, and assumes the City will implement GASB 45 for the 2009-2010 fiscal years. Historically the City has accounted for retiree healthcare benefits as they were paid, estimated to be approximately \$54,000 for the 2009-2010 fiscal year. GASB will require the City account for this promise on an accrual basis (as benefits are earned).

The plan fund status is equal to the Actuarial Accrued Liability less plan assets. When assets equal liabilities, a plan is considered on track for funding. To consider a retiree healthcare plan funded for GASB 45 purposes, assets must be set aside in a trust that cannot legally be used for any purpose other than to pay retiree healthcare benefits. Currently, the City's retiree healthcare plan is not currently funded. Mr. Bartel prepared two valuation scenarios; 1) No Pre- Funding and 2) Full Pre- Funding. GASB 45 does not require an agency make up any shortfall (unfunded liability) immediately.

In the handout tonight, an additional paragraph was added that compares Sand City to approximately 250 other agencies. The normal cost is much higher for Sand City; the City's average current age and hire age are 10 years greater than the averages at other agencies. The City currently pays up to 100% of retiree and 50% of one dependent PERSCare Northern California health premium. The costs drop when you are Medicare eligible at age 65. The average age of Sand City's employees is 50 years plus.

He went on to explain how this is their best estimate of the future. With such a small organization, any change can make a noticeable effect. If employees retire at a later date than what was included in the actuarial study, then the liability is overstated. If they retire earlier than assumed, then the liability is understated. The way the benefit is currently set up in Sand City, is an employee could work for another agency for 20 years, and come to Sand City and work 6 months, and that employee would be eligible for lifetime health benefits from Sand City. He explained to the City Council that this policy can be changed through a "cafeteria plan" for new hires, where the benefit can be based on the PEMCA minimum. It is not an easy process to change, but it can be done. It changes from a direct check to a reimbursable plan, and would take additional staff time to process. As far as funding this liability, the less money you put away today, the more you will owe in the future. The liability will grow, and that obligation will be reflected in the City's financial statements.

The City Administrator stated that most cities are faced with these unfunded liabilities, and the County City Managers have had discussions on consolidating the fire services and eventually police services to reduce those costs. They are also looking at a two tier benefits package for existing and future employees. The City Administrator recommended that the City Council continue with its pay-as-you-go policy for funding these obligations in the current year and next fiscal year, until the City's revenues improve.

## **AGENDA ITEM 8, PUBLIC HEARINGS**

- A. The Associate Planner Charles Pooler presented an application for Council consideration permitting Jennifer Lenz at 840 Tioga Avenue for an interim use to operate a U-Haul truck and trailer business with accessory office and sales of packing supplies. The applicant is aware that this property is targeted as a part of the South of Tioga Redevelopment area and that her use of the site is temporary.

The site was the former solid waste transfer facility for Waste Management and was also temporarily utilized for a Budget Truck rental operation under the purview of a use permit that has since expired. Hours of operation are 8:00 a.m. to 5:00 p.m. Monday through Friday and 9:00 a.m. to 3:00 p.m. on Saturdays. Vehicle drop offs are to be

within that time period. The number of vehicles stored on site varies depending upon the exchange of vehicles between different U-Haul establishments. The zoning code does not address parking for a vehicle rental operation. Therefore staff recommends the permit require one parking for each of the rental vehicles and trailers on site. There is to be no vehicle maintenance on the property.

Use of the site as an interim use until redevelopment is reasonable. Staff recommends approval for a term of one year, whereby the permit terminates unless extended by the City Council in 90-day increments.

Council Member Blackwelder stated that he had concerns with the existing trash accumulating on the site.

7:46 p.m. Floor Opened for Public Comment

**Jennifer Lenz, (applicant):** in response to Council Member Blackwelder's concerns, Ms. Lenz explained to the City Council that she had spoken to the property owner recently about the accumulated trash on the property, and the property owner agreed to clean it up. She also responded to the Mayor's, that she was in agreement with the conditions of the permit.

The City Attorney made some language changes to condition # 3 in regards to termination.

7:48 p.m. Floor Closed to Public Comment

Motion to approve the **RESOLUTION** as amended, Conditional Use permit 503 for Jennifer Lenz for Operating a U-Haul Truck and Trailer Rental Business at 840 Tioga Avenue as an Interim Use until the South of Tioga Redevelopment Project is ready to Proceed was made by Council Member Hubler, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

## **AGENDA ITEM 9, OLD BUSINESS**

- A. City Engineer Richard Simonitch reported that he is looking into the rehabilitation of street lights along Sand Dunes Drive as directed by City staff. He said that the current lights are deteriorating due to the marine environment. The Bay Avenue Coastal access is coming along even though rain delays have slowed things down. Garcia Construction is a good company to work with, and we are hoping to begin paving next week.

The City Administrator reported that he had spoken with the Engineer from the California Department of Public Health, and he assured him that the Monterey office would have all the paper work they need on their desks by this Thursday, and there will be no remaining issues or concerns. The desalination plant will not start its continual 4 weeks running until the DPH issues the permit.

The City Attorney stated that he would be attending the Leagues' City Attorney conference in Santa Barbara.

Staff was instructed to work on an Ordinance for parking around the City, and to address the utility trailers that seem to be moving from one spot to another.

The Mayor told the Council that the County Mayor's would be coming to Sand City this Friday for their March meeting, and staff has arranged a desalination tour for those Mayors that would like to attend.

## **AGENDA ITEM 10 A, NEW BUSINESS**

- A. The City Administrator presented the Resolution allocating certain housing set aside funds to the supplemental educational augmentation fund (SERAF). The State has required all redevelopment agencies to pay part of its educational costs. That State budget requires all agencies to pay a combined \$1.7 billion dollars to the State this year, to help balance its budget. The Sand City Redevelopment Agency's share of that cost is \$568,092. The California Redevelopment Association (CRA), representing all California redevelopment agencies, has sued the State on this proposed take of local funding, and the matter is now in court. Should the CRA win the case, all agencies will be reimbursed funds previously sent to the County Auditor as required by the legislation related to SERAF. The City Administrator recommended that the Agency Board approve the resolution allocating \$ 568,092 of the RDA's housing set-aside funds to pay the SERAF obligation. The City has also been instructed to make this payment at the last date possible. This borrowing will need to be re-paid to the housing set-aside account no later than June 30, 2015.

Motion to approve the **RESOLUTION** of the Redevelopment Agency of Sand City allocating certain housing set aside funds to the Supplemental Educational Augmentation Fund (SERAF) and making findings related thereto was made by Agency Board Member Blackwelder, seconded by Agency Board Member Carbone. AYES: Agency Board Members Blackwelder, Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

- B. The City Clerk requested RSVP's for several events. Council Member Hubler announced the "Call to Artists" on March 20, 2010 from 4-8 at Sylvan Design located at 613 Ortiz Avenue.

## **AGENDA ITEM 11, CLOSED SESSION**

8:15 PM

- A. The City Council /Agency Board adjourned to Closed Session to confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9(c) of the Ralph M. Brown Act,

- 1) *CalAm v. Seaside*
- 2) *State Water Resources Control Board Order WR 2009-0060*
- 3) *Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101)*
- 4) *CalAm v. State Water Resources Control Board*
- 5) *Security National Guaranty, Inc. v. California Coastal Commission*

- B. Pursuant to Section 54957 of the Ralph M. Brown Act, Public Employee Performance Evaluation: City Administrator

8:47: PM

- C. The City Council/Agency Board readjourned 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.

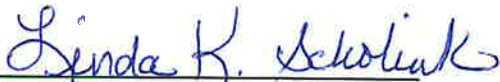
A.

- 1) Report Given
- 2) No action
- 3) Report Given
- 4) No Action
- 5) No Action

- B. The City Council gave the City Administrator a satisfactory evaluation.

### **AGENDA ITEM 12, ADJOURNMENT**

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Kruper to the next regularly scheduled Council meeting on March 16, 2010 at 7:00 p.m. There was consensus of the Council to adjourn the meeting at 8:49 p.m.



Linda K. Scholink  
City Clerk