

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

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Regular Meeting- June 15, 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 Robert Hellam.  
The Pledge of Allegiance was led by 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  
Linda Scholink, Director of Administrative Services/City Clerk  
Charles Pooler, Associate Planner

**AGENDA ITEM 4, COMMUNICATIONS**

A. Written communication distributed this evening included two revised resolutions regarding the title conveyance of the Campos property, (Item 8C).

B. Oral

7:03 p.m. Floor Opened for Public Comment

The Mayor asked for the Council's consideration to add pending litigation related to the proposed Regional water project and the upcoming evidentiary hearing before the California Public Utilities Commission (PUC) to closed session. There was Council consensus to add this item to Closed Session.

There were no Public Comments.

7:04 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. Item (3) was pulled from the consent calendar and continued to the next regularly scheduled Council meeting.
  - (1) CUP #377, Hartzell Automotive (auto), 510-A California Avenue
  - (2) CUP #399, Edgewater Center (retail), 915, 925 Playa & 2030 California
  - (3) CUP #419, Carmel Tile & Marble (showroom/storage), 1725 Contra Costa  
(This item was pulled)
  - (4) CUP #495, Kevin Lairson, (assembly), 352-B Orange Avenue
  - (5) CDP # 97-05, Monterey Bay Restaurant Equipment (retail/wholesale), 325 Elder Avenue
- B. There was no discussion of the Sand City Council Meeting Minutes for June 1, 2010.
- C. There was no discussion of the Public Works Monthly Report for May 2010.
- D. There was no discussion of the Police Department Monthly Report for May 2010.
- E. There was no discussion of the City/Redevelopment Agency Treasury Report, for the period ended March 2010.
- F. There was no discussion of City RESOLUTION Authorizing Renewal of a Maintenance Services Agreement with HOPE Rehabilitation Services.
- G. There was no discussion of the City RESOLUTION Calling for November 2, 2010 General Municipal Elections.
- H. There was no discussion of the City RESOLUTION Authorizing the Monterey County Health Department to apply for State Block Grant funding on behalf of Sand City towards the Countywide Used Oil Recycling Program.
- I. There was no discussion of the following City Donation/Contributions:
  - 1) Monterey County Fair - \$500
  - 2) Seaside Parade of Champions - \$500

Motion to approve the Consent Calendar was made by Council Member Carbone, seconded by Council Member Kruper. 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 items pulled from the consent calendar for discussion tonight.

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

Don Bachman, Deputy Executive Director, Transportation Agency of Monterey County, (TAMC,) introduced himself and then Kirsten Houshouer, Associate. Ms. Houshouer presented a visual simulation of the proposed light rail passenger service through Sand City. During the presentation the Council asked about additional bike paths scheduled, and Kirsten responded there were no immediate plans for any additional bike paths. The

actual gates that go up and down, to stop traffic, are estimated to be no more than 30 seconds at a time. The train would be coming through every 15 minutes at peak times, and every 30 minutes at off peak times.

#### AGENDA ITEM 8, PUBLIC HEARING

- A. City Administrator Steve Matarazzo presented for the Council's consideration the second reading of the ordinance to establish guidelines and a uniform system of payment and security clearances for the entire County in regard to the taxicab services provided. He stated this had been approved at the first reading at the previous Council meeting.

7:24 p.m. The Floor was opened for Public Comment.  
There were no comments.

7:24 p.m. The Floor was closed to Public Comment.

Motion to approve the SECOND READING of the **Ordinance** Adding Chapter 5.18 Entitled Taxicabs to the Sand City Municipal Code was made by Council Member Carbone, seconded by Council Member Blackwelder. Roll Call Vote: AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

*{The City Attorney conducted a straw draw that resulted in Council Member Kruper as the participating delegate. Council Members Blackwelder and 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 a coastal development permit application submitted by Maurice Barnett of Fast Life Entertainment Studio. The applicant is asking for permit approval to establish and operate a recording studio at 1815-D Contra Costa Street. The subject property consists of one building at approximately 7,500 square feet of commercial area on the lower level, and two separate offices on the upper level. The use consists of recording sessions and audio editing to create music and sound for the general music industry. There will be professional audio equipment, digital audio workstations, microphones, pre-amplifiers, music keyboards, and computers. The applicant will be the only employee at this time. The applicant's unit is approximately 500 square feet, which requires 2 on-site parking spaces. The subject parcel provides a total of 21 parking spaces. Proposed hours of operation are 9:00 a.m. to 7:00 p.m. Monday through Saturday. Staff recommends that live recording sessions do not start till after 8:00 a.m. Monday through Friday, and only occur between the hours of 10:00 am. and 5:00 p.m. on Saturdays. The applicant did inform staff that he will construct a recording booth. To address concerns regarding noise, staff recommends the permit require either a sound booth or acoustical insulation. Staff recommends approval of the coastal development permit, allowing an audio recording and editing studio at the subject property.

7:35 PM The Floor was opened for Public Comment.

**Maurice Barnett, (Applicant):** Was asked by the Mayor if he agreed with all the conditions of the permit, and he responded yes he did.

7: 37 PM The Floor was closed to Public Comment.

Motion to approve City **RESOLUTION** Approving Coastal Development Permit 10-02 allowing a Recording Studio and Office Use at 1815-D Contra Costa Avenue was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Carbone, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Members Blackwelder and Hubler. Motion Carried.

*{Council Members Hubler returned to the dais}*

- C. The City Administrator presented the proposal of title transfer from the Redevelopment Agency to the City of Sand City for the desalination facility property at 321 Shasta Avenue. Two separate actions by the City Council and the Redevelopment Agency are required following the public hearing. The transfer is being proposed because the lease agreement for operating the desalination facility is between the City of Sand City and California American Water, (CAW). The City Attorney explained that the resolutions passed out this evening have the corrected numbers in them, representing what has been paid in interest and principal. Approval of the resolutions recognizes that the Sand City Redevelopment Agency will remain obligated to pay the debt service for two more years related to the desalination facility. The final costs will be approximately \$600,000. The mutual resolutions of approval recognize these monies as a cost to the Agency which will be credited to the Agency, as a partial repayment of its debt obligation to the City of Sand City.

7:43 PM The Floor was opened for Public Comment.  
There were no comments.

7:43 PM The Floor was closed to Public Comment.

- 2) Motion to approve City **RESOLUTION** as amended agreeing to acquire Title to the Campos Property from the Sand City Redevelopment Agency was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Members Blackwelder. Motion Carried
- 1) Motion to approve Redevelopment Agency **RESOLUTION** as amended authorizing the Conveyance of Title to certain real property to the City of Sand City was made by Agency Board Member Kruper, seconded by Agency Board Member Hubler. AYES: Agency Board Members Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency Board Member Blackwelder. Motion Carried.

*{Agency Board Member Blackwelder returned to the dais}.*

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

- A. City Engineer Richard Simonitch reported to the City Council that the desalination plant was down for maintenance. Two pumps were lost at the beach due to mechanical failure. The pumps were estimated to last approximately two years, and it has been

about that long with a lot of start and stopping, which is harder on the pumps than continuous pumping. We have started installing the decorative fence down on the Bay Avenue project. We are in compliance with ADA in regards to the slopes, but still working on ADA compliance on the platform.

Council Member Carbone said that she had been on the beach, and seen an organization doing some kind of study. She asked staff to follow up and see if additional "No Swimming" signs were needed. The Chief of Police said he had been contacted today by the National Oceanic & Atmospheric Administration (NOAA), and that was the first he was made aware of the activity on the Sand City beach.

Mayor Pendergrass, told the Council that Costco is proceeding with their plans for a gas station.

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

A. The City Administrator explained to the Council that there were two items before them tonight. The Budget Committee met on May 21, 2010, and both the 2009-2010 amendment and the 2010-2011 proposed budget had been considered and reviewed. The 2009-2010 amendment # 2 reflects an additional \$318,500 in net expenditures over budgeted revenues to cover increased desalination expenses and increased engineering expense due to change orders for Bay Street, West End re-paving, additional debt payments from the RDA to the City, and cash out (in-lieu) payments for accumulated time off. The overall budget for fiscal year ending June 30, 2010 will show a deficit of \$1.176 million. Most of this cost is due to one-time capital improvement funding of street improvements and change orders along with engineering supervision related to the desalination facility.

In regard to the 2010-2011 proposed budget, after the Budget Committee had reviewed the budget the City Administrator met with the Police Officers Association (POA) to discuss the deferral for another year of the 2007 Year 3 Salary and Benefits Agreement. Due to these negotiations, both groups of employees have agreed to defer Year 3 salaries and benefits, subject to:

- 1) a 1.8% cost of living increase
- 2) up to an additional \$50.00/month city contribution (50% match) to the voluntary PERS 457 deferred compensation plan, a total up to \$100.00
- 3) a 5% differential pay for the graveyard shift, (Police only)

Based on this, all employees are willing to defer the 3<sup>rd</sup> year salary increase. Of these 3 items, item 1 had been included in the proposed budget that the Budget committee reviewed and recommended to the full Council for approval. If all employees participated in the deferred compensation plan, these two items (items 2&3) would be an additional \$33,200. The upcoming budget also includes a required increase in bond debt service that now includes interest and principal payments for an additional \$400,000. The budget also includes the second year's State take-away or redevelopment funds of \$117,000, and a contingency of \$75,000 for possible desalination costs. California-American Water is scheduled to take over the operation of the plant on July 1, 2010.

Next year's proposed budget is a balanced budget, based on a Redevelopment Agency repayment of \$400,000. This will leave an estimated cash reserve of over \$3 million unencumbered funds. The budget also includes funding of \$50,000 for the parking plan feasibility study. Mr. Matarazzo stated that he would like to do a demo street of either Ortiz or Orange this upcoming year. There is \$50,000 allocated to the relocation of the current public works yard on Sylvan Park to the City property adjacent to the desalination facility. There is an additional \$15,000 for California Consulting. A Fresno based firm that deals exclusively in writing and lobbying for grant monies from State and Federal sources, and who will be making a presentation later this evening. There is \$10,000 for additional planning consulting, reserved for a possible projects needing environmental or design work, possibly the South of Tioga project. There are also unfilled positions that will remain vacant in this year's budget. The freezing of the sergeant position, recently vacated, the unfilled Planning Manager position, and the unfilled administrative assistant position, add up to a savings of about \$350,000. This creates a large impact on a small staff.

In future budget years, to avoid reduction in the reserves, improvement of economic conditions will need to take place; as in re-tenancy of the Circuit City building, the addition of a Costco gas station, major remodeling of the Design Center, and progress on the South of Tioga project. The proposed budget shows that annual recurring revenues are less than annual recurring costs. At some time in the future, the need to increase the transaction and use tax by .5 percent should be considered by the City Council.

The Mayor and Council thanked the staff for their hard work in preparing and delivering the budget in these tough economic times.

- 1) Motion to approve City **RESOLUTION** Adopting Amendment #2 to the Combined City and Redevelopment Agency Budget for Fiscal Year 2009-2010, was made by Council Member Blackwelder, and seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried
- 2) Motion to approve Redevelopment Agency **RESOLUTION** Adopting Amendment #2 to the Combined City and Redevelopment Agency Budget for Fiscal year 2009-2010 was made by Agency Member Carbone, seconded by Agency Member Blackwelder. AYES: Agency Members Blackwelder, Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried
- 3) Motion to approve City **RESOLUTION** Adopting the Proposed Combined City and Redevelopment Agency Budget for Fiscal Year 2010-2011 was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried
- 4) Motion to approve Redevelopment Agency **RESOLUTION** Adopting the Proposed Combined City and Redevelopment Agency Budget for Fiscal Year 2010-2011 was made by Agency Member Blackwelder, seconded by Agency Member Kruper. AYES:

Agency Members Blackwelder, Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried

The City Administrator reported to the City Council that the City is well under the Gann Limit which is set at approximately 9 million. This is a calculation that is done each year as the budget for the next year is being adopted.

5) Motion to approve City **RESOLUTION** Establishing an Appropriations Limit for Fiscal year 2010-2011 Pursuant to Article XIII B of the California Constitution was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried

B. The City Administrator introduced Steve Samuelian, owner of California Consulting, LLC, based out of Fresno. Mr. Samuelian made a presentation to the Council regarding his company. It was founded in 2004, and has quickly established a reputation for hard work and a commitment to success for its clients. California Consulting, LLC has become one of the fastest growing advocacy and grant writing companies in California. With more than 45 clients statewide, California Consulting has developed an expertise in representing public agencies and non-profit organizations. California Consulting has secured over \$1 billion for their clients. The Council said they would be interested in cultural/community and art garden grants, and the City Engineer asked about underground utilities, water meters, and water readiness grants.

The City Administrator asked that the Resolution be increased from \$15,000 to \$17,000 to include reimbursement for "out of pocket" expenses incurred by the consultant.

Motion to approve City **RESOLUTION**, as amended Approving a Contract with California Consulting, LLC to perform Grant-Seeking and Grant-Writing work for a six (6) month period was made by Mayor Pendergrass, and seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried

C. There were no RSVP's for upcoming meetings or events.

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

9:02 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

Urgency Item Added

6) Regional Water Project, CPUC Procedures

9:44 PM

B. 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

- 1) CalAm v. Seaside – No action taken, report given
- 2) State Water Resources Control Board Order WR 2009-0060 – No action
- 3) Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101) – No action taken, report given
- 4) CalAm v. State Water Resources Control Board – No action taken, report given
- 5) Security National Guaranty, Inc. v. California Coastal Commission – No action taken, report given
- 6) Regional Water Project, CPUC Procedures – City Council authorized intervention with other Peninsula Cities into CPUC proceedings and gave direction to City Attorney.

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

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Carbone to the next regularly scheduled Council meeting on July 20, 2010 7:00 p.m. There was unanimous consensus of the Council to adjourn at 9:48 p.m.



Linda K. Scholink, City Clerk