

MINUTES

JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

REGULAR MEETING - May 15, 2007
CITY COUNCIL CHAMBERS
7:00 P.M.

Mayor Pendergrass opened the meeting at 7:01 p.m.

Sergeant Marius Crisan led the Pledge of Allegiance

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

Staff: Kelly Morgan, City Administrator
Jim Heisinger, City Attorney
Steve Matarazzo, Community Development Director
Richard Simonitch, City Engineer
Connie Horca, Deputy City Clerk
Marius Crisan, Police Dept. Sergeant

AGENDA ITEM 4, COMMUNICATIONS

- A. Written communications: An addendum to the Amended Budget on the Capital Improvement Program, was distributed to Council.

7:03 P.M. Floor Opened for Public Comment

- B. Oral communications: John Chappell, a new Sand City resident, local artist and property owner introduced himself to the Council. He produces handmade stone and tile. He has been a contractor for over 30 years, and is presently the manager at the C.L. Frost Company. There are several issues he would like to bring to the Council's attention at a future time, and respectfully thanked the Mayor and Council members for welcoming him to the community.

7:05 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. 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 #72, Sealife Supply (Raising Marine Fish), 740 Tioga Avenue
This item was pulled from consent and considered under agenda item 6 due to possible conflict with Council Member Morris
 - (2) CUP #364, Neff Mill & Cabinet (Woodshop), 527 Redwood Avenue
 - (3) CUP #418, Jaroslov Stepanek (Cabinet Shop), 341-A Orange Avenue
 - (4) CUP #430, Susan Collins (Live/Work), 751 Dias Avenue
 - (5) CDP #06-06, Gostanian (storage yard) 320 Elder Avenue
 - (6) CDP #93-05, Monterey Cabinet & Woodworking (Carpenter Shop),
409 Ortiz Avenue
 - (7) CDP #96-02, Roy Meadows (Mobile Home), 658 Ortiz Avenue
 - (8) CDP #96-03, Mark's Barn (Auto Repair), 654 Ortiz Avenue
 - (9) CDP #00-03, Jack Lee (Metal Workshop), 531-B Orange Avenue
 - (10) CUP #459, Verance Corp (monitor station), 495 Elder Avenue-
 - (11) CUP #475, Motoring Classics (auto gallery), 480 Elder Avenue
 - (12) CUP # 476, Stepanek Construction (woodshop), 414 Orange Avenue
- B. There was no discussion of Police Department Report, April 2007
- C. There was no discussion of Public Work Department Report, April 2007
- D. There was no discussion of City **RESOLUTION** Authorizing Renewal of a Service Agreement with Property Bureau D.B.A. Propertyroom.com to Dispose of Surplus City and Evidence Room Property
- E. There was no discussion of City **RESOLUTION** Authorizing Service Agreement for Auditor Services by Hayashi & Wayland for FY 06-07
- F. There was no discussion of City **RESOLUTION** Authorizing Renewal of The Building Inspection and Plan Check Services Agreement with the City of Monterey
- G. There was no discussion of City **RESOLUTION** Approving a Contract with Pacific Municipal Consultants for Planning Review and Grant Procurement/Administration for FY 07-08

- H. There was no discussion of City **RESOLUTION** Authorizing Award of a Three-Year Master Contract for Maintenance Including Removal and Replacement of Absorption Pillows in Interceptor Tanks 1,2,3, and 4, to Storm Water Inspection and Maintenance Services (SWIMS)
- I. There was no discussion of 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
- J. There was no discussion of City Donations/Contributions
 - 1) Request by Monterey High School "Sober Grand Night" for \$200

Motion to approve Consent Calendar item 5A 2-12. 5B through 5J was made by Council Member Carbone, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAINED. None. Motion carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

{Due to a possible conflict of interest by residing within 500' of the CUP subject area, Council Member Morris abstained and left the dais}

- 5A (1) There was no discussion of CUP #72, Sealife Supply (Raising Marine Fish), 740 Tioga Avenue

Motion to approve Consent Calendar Item 5A (1) was made by Council Member Blackwelder, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Member Morris. Motion Carried.

{Council Member Morris returned to the dais}

AGENDA ITEM 7, OLD BUSINESS

{Due to a possible conflict of interest by residing within 500' of the subject area, Council Member Hubler stepped down from the dais}

- A. Community Development Director, Steve Matarazzo reported on the Status of Gianna's Baking Company Use Permit Extension. A letter was sent out to Mr. Peter Uli on May 8, 2007 requesting that he give a status report on the progress the company has made toward relocation.

Pete Ericksen, Real Estate Broker representing Gianna's Bakery reported that the Salinas property which Gianna's reportedly planned to move into, was not available. In the meantime, other properties in the area were being researched to relocate the bakery. Gianna's has found a building in Castroville, and is expecting to enter into a lease agreement Wednesday or Thursday dependant on the building entitlement. They are expecting to be

completely moved out by October 2007, if the lease agreement is approved.

Mayor Pendergrass thanked Mr. Ericksen for coming to report on the status of Gianna's Bakery.

{Council Member Hubler returned to the dais}

- B. City Administrator, Kelly Morgan reported on the consideration of City **RESOLUTION** Approving an amendment to a communications site lease agreement with T-Mobile. In 2002, Sand City entered into an agreement with Cingular Wireless to erect a cell phone tower inside the new City flag pole and the new school bus stop shelter that would double as an equipment room for the cell phone antenna. The company agreed to a monthly rent of \$1,000. Approximately 2 years ago, the company was transferred to T-Mobile, and in 2007, the 5 year contract comes to an end. Staff received a letter from Md7, a company representing T-Mobile to re-negotiate a new contract since Cingular was purchased by T-Mobile. The terms of the new lease include an adjustment of the rent to a revised figure of \$650 a month, beginning June 1, 2007. On June 1, 2012, the monthly rent would be increased by 10% and to extend the life of the lease up to 5 renewal terms (each term is equal to 5 years). The new lease would consider future technological and network changes such as the expansion of permitted uses and the expansion of the premises at \$1.00 per square foot if the space is available. After reviewing these new lease terms, Sand City Staff negotiated the contract proposal to include that any expansion of the premises would be at a rate of \$1.50 per square foot on a space available basis, the monthly rent would be at \$870 per month, and that the new agreement would be effective December 1, 2007. Staff recommends approval of this new proposal.

After discussion of the City Council and with the suggestion of the City Attorney, there was consensus to add additional language to Schedule I #1 and #2 of the proposed agreement to read at the end of the first sentence of condition #1: *"provided that such equipment is not visible"* and within the first sentence of condition #2: *"and with the permission of the City in its sole and absolute discretion"*.

Motion to approve **City Resolution approving an amendment to a communications Site Lease Agreement with T-Mobile as amended, by title** was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSTAIN: None. ABSENT: None. Motion Carried.

- C. City Engineer Richard Simonitch reported that bids for the Redwood Avenue and Tioga Railroad crossing street improvement is scheduled to go to bid early July with the completion of the project in early August. Sand City is further researching the possibility of reimbursement from Cal-Am for the water main upgrades in Redwood Avenue. In a recent meeting, a discussion regarding the water line easement for the desalination plant seemed formidable to cross the Wiley Building property. There were some issues

involving the easement conflict of the rear parking and the possibility of building over it. Bids for the desalination project facility has been extended another two weeks, with the project plans and estimated costs to be made available to the Council by the first Council meeting in June.

In response to Council Member Morris' question, if the bids are for the entire project, Mr. Simonitch responded that the bids are for the desalination plant itself. This would include the building enclosure, pipes and storage facility.

Mayor Pendergrass commented that he was approached by Allen Stroh, Monterey County Environmental Health Officer, in a Water Management District meeting, who was enthusiastically in favor of Sand City's desalination project with an offer to assist Staff, should Staff request it.

Community Development Director Steve Matarazzo reported that the Coastal Commission did not announce the extension of the desalination permit and that he telephoned Dave Potter to check on this. The desalination permit should be in the Coastal Commission agenda in June, and is likely to be extended without objection.

City Administrator Kelly Morgan commented that the Sand City Annual Bar-B-Que is well underway and the logistics have been finalized.

AGENDA ITEM 8, NEW BUSINESS

- A. City Administrator Kelly Morgan presented the consideration of Amendment #1 to the Combined City/Redevelopment Agency Budget for Fiscal Year 2006-2007. The Budget/Personnel Committee held a meeting on May 7th to consider the Proposed Amendment #1 to the Combined Sand City Budget for FY 2006-07. The cover memo explained the difference between the adopted Budget and the proposed Amendment. This difference is due to two primary factors that were: 1) the continuing delays in major Redevelopment Projects that reduced specified revenues to cover the associated expenses with these large projects and 2) the work schedule for the Desalination Water Project. Presently, the Desalination Project has not reached the construction phase where increased funding will have to be programmed to cover major construction costs. Mr. Morgan briefly reviewed the Comparison of Revenue to Expenditures Summary stating that the Amended Budget for FY 2006-07 has an excess of revenues over regular and special operational expenditures of \$1,003,030. These funds have not been allocated in the FY 2006-07 Budget because of several major public projects involving City/Redevelopment Agency financial commitments. The City/Redevelopment Staff has been careful about committing these funds so that they can accrue and be combined with next year's finances for major pending projects. In the handout regarding the Capital Improvement Program distributed to the Council earlier, Mr. Morgan reported that a meeting was held on May 14th at the Mayor's request for the City Engineer to prepare a more modest cost estimate for the road improvement project on Redwood Avenue, originally estimated at \$705,000. The new estimated \$150,000 street improvement project would provide new paving for travel-parking lanes, rolled

berms for curbs and gutters, and a reduced depth of paving and base rock. It was generally agreed that this reduced project concept would be acceptable with Sand City's financial resources, and should be included in the present Capital Improvement Project, and carried over into the next fiscal year for completion. With this reduced cost estimate, Sand City can reserve most of the Capital Improvement Funds for the Desalination Water Project. If Sand City receives the \$400,000 allocation from the State Prop 1B Bond Program, then more street work can be programmed into future budgets. Mr. Morgan requested that the last paragraph of the revised Capital Improvement Program handout be included in the City/RDA resolutions presented tonight as condition #5 to read: "*The City/Redevelopment Agency Board hereby grants approval to carry over approximately \$1 million from the amended FY 2006-07 Combined Budget and these funds be added to FY 2007-08 Combined Budget to finance the Capital Improvement Program outlined herein.*"

Council Member Morris raised a question on the funding requirement from Graniterock and their contribution to the street improvement for California Avenue.

There was further discussion on the Desal Water Project, and Council Member Morris added that it would seem reasonable to capitalize on an area benefit fee, so these development fees would help to defray the cost of the infrastructure.

Mr. Morgan commented that since the Water Project would consume most of the Capital Improvement Funds, the Water Project also creates the ability for further economic development within the City.

Mayor Pendergrass advised Staff to continue looking for other revenue sources for the Water Project.

Motion to approve **City RESOLUTION Adopting Amendment #1 to the Combined City/Redevelopment Agency Budget for Fiscal Year 2006-2007, as amended, by title** was made by Council Member Carbone, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Morris, Pendergrass. NOES: None. ABSTAINED: None. ABSENT: None. Motion Carried.

Motion to approve **Redevelopment Agency Resolution Adopting Amendment #1 to the Combined City/Redevelopment Agency Budget for Fiscal Year 2006-2007 as amended, by title**, was made by Redevelopment Agency Member Hubler, seconded by Agency Member Carbone. AYES: Agency Members Balckwelder, Carbone, Hubler, Morris, Pendergrass. NOES: None. ABSTAIN: None. ABSENT: None. Motion Carried.

- B. City Engineer Richard Simonitch presented the consideration of City **RESOLUTION** authorizing award of a contract to Superior Electric Company for replacement of two destroyed streetlights on Sand Dunes Drive in Sand City, California. Two street lights on Sand Dunes drive were completely sheared off of the concrete base, damaging the hold-down bolts that are


embedded into the base. The repair work will involve the removal and replacement of the hold-down bolts, with a complete pole and fixture replacement to match the existing light standard. Superior Electric Company has the experience required to accomplish the required work as describe. The estimated cost for the repair is \$8,715.00. The City is pursuing reimbursement for these costs through an insurance claim based on the proposal amount provided by Superior Electric Company and any change orders received. Staff recommends awarding the contract to Superior Electric to perform the work with a contingency amount of \$1,307 (15%) of the bid construction change orders.

Motion to approve **City Resolution authorizing award of a contract for replacement of two destroyed streetlights on Sand Dunes Drive in Sand City, California to Superior Electric Company by title**, was made by Council Member Carbone, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Morris, Pendergrass. NOES: None. ABSTAIN: None. ABSENT: None. Motion Carried.

- C. The Deputy City Clerk brought to the Council's attention that the 2007 League of California Cities Conference registration begins on Monday, May 21st for the annual conference in Sacramento, August 5-8, 2007. She needs confirmation from City Council members by Friday, May 18 if they are planning to attend. Council Member Carbone extended an invitation to the City Council Members and Staff for the upcoming Human Community Services event.

AGENDA ITEM 9, ADJOURNMENT

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Hubler to the next regularly scheduled meeting on June 5, 2007. There was unanimous consensus of the City Council to adjourn at 8:32 p.m.



Connie Horca, Deputy City Clerk