

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Special Meeting - June 30, 2004
7:00 PM

Mayor Pendergrass opened the meeting at 7:00 p.m.

There was no invocation.

Police Chief Klein led the Pledge of Allegiance.

Present: Councilmember Jerry Blackwelder
Vice-Mayor Mary Ann Carbone
Councilmember Craig Hubler
Councilmember Todd Kruper
Mayor David Pendergrass

Staff: Kelly Morgan, City Administrator
Steve Matarazzo, Community Development Director
J.Michael Klein, Police Chief
Jim Heisinger, City Attorney
Stan Kulakow, City Engineer
Debra Taylor, City Clerk
Linda Scholink, Administrative Services Director

AGENDA ITEM 4, COMMUNICATIONS:

- A. Additional written communications distributed to the City Council this evening included a Herald news article on "A Taxing Proposition" and the November 2004 elections calendar (item 7-D).
- B. The floor was opened at 7:01 p.m., but there were no oral communications from the public.

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 Councilmember may request that any item be placed on the Regular Agenda for separate consideration.

No items.

AGENDA 6, OLD BUSINESS:

- A. City Administrator/Executive Director Morgan presented the City **RESOLUTION Adopting Amendment #2 to the Combined City and Redevelopment Agency Budget for FY 2003-04** in conjunction with agenda item 7-B. Amendment #2 includes the approved transfers of funds for the COP bond payment, and the June 16th payment for the McDonald coastal site from King Ventures. Amendment #1 approved nearly \$600,000 from the reserves to cover FY 03-04, and that transfer has been reduced to \$471,000 from City and Agency reserves in Amendment #2. The total payments due from King Venture by April 1, 2005 (\$281,840) will be returned to the general fund reserves. The John Street property sale will not occur for another couple of months, taking the transaction into the next fiscal year. There will now be a \$470,435 shortfall for FY 2003-04.

Motion to approve Resolution, by title only, was made by Councilmember Carbone, seconded by Councilmember Blackwelder. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- B. Redevelopment Agency **RESOLUTION Adopting Amendment #2 to the Combined City and Redevelopment Agency Budget for FY 2003-04.** (See agenda item 6-A for details.)

Motion to approve Resolution, by title only, was made by Agency member Blackwelder, seconded by Agency member Hubler. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 7, NEW BUSINESS:

- A. City Administrator/Executive Director Morgan presented the City **RESOLUTION Adopting the Preliminary Combined City & Redevelopment Agency Budget for Fiscal Year 2004-2005.** Details of agenda items 7-A, B and C were reported concurrently. Mr. Morgan emphasized that 81.5% of Sand City's general fund revenues are received from property increment tax, and sales/use tax. Another source of revenue is vital because if reserve funds are used, they will be absorbed very quickly. Without another source of revenue, capital improvement projects or special programs (building the desal plant) will not be feasible. Possible alternatives to alleviate the budget crunch could be through drastic cuts of expenditures, possible transaction and use tax increase, or borrow funding. Personnel, capital improvements, development projects, and the desalination project were discussed in more detail. If the Robinette site sells, approximately \$1million will go back into the Redevelopment Agency housing fund. Council/Agency member

Blackwelder asked if the housing set aside funds could be invested to supplement the building costs for the desal plant (to be investigated further by staff). Mr. Matarazzo reported the Proposition 50 grant funding opportunity has not been opened for applications yet.

Motion to approve Resolution, by title only, was made by Councilmember Carbone, seconded by Councilmember Kruper. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- B. Redevelopment Agency **RESOLUTION Adopting the Preliminary Combined City & Redevelopment Agency Budget for Fiscal Year 2004-2005**. Details of this budget was presented under agenda item 7-A.

Motion to approve Resolution, by title only, was made by Agency member Carbone, seconded by Agency member Hubler. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- C. City Administrator Morgan presented the City **RESOLUTION Establishing an Appropriations Limit for Fiscal Year 2004-2005 Pursuant to Article XIII B of the California Constitution**. Based on an increase of City population (+9.22%) and change in per capita income (+3.28), Sand City had the second highest growth rate in Monterey County.

Motion to approve Resolution, by title only, was made by Councilmember Blackwelder, seconded by Councilmember Hubler. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- D. Consideration of new revenue sources and direction to staff. A Herald news article relating to a possible tax proposition for a business improvement district in Monterey, and the Monterey County elections calendar for November 2, 2004 were distributed this evening. City Administrator Morgan reported that staff has met with the Budget Committee and they recommend a one-half of one percent transaction and use tax on the November ballot, not to include a sunset clause. Staff will research if a sunset clause is required. Council directed the City Attorney to research the revenue sharing plan with Seaside as it relates to new revenue. There was discussion of the dissolution of the Redevelopment Agency Plan in 2027 and direction to place a transaction and use tax measure on the November ballot. The ballot measure will be finalized at the July 6th meeting and delivered to the Registrar of Voters by July 16th. Staff recommends a steering committee of the Council be formed to educate the public on this ballot measure.

AGENDA ITEM 8, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Blackwelder, seconded by Councilmember Hubler, to the next regularly scheduled City Council meeting on July 6, 2004, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 7:56 p.m.

Debra Taylor

Debra Taylor, City Clerk