

**MINUTES**  
**JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY**  
**City Council Chambers**  
**Regular Meeting - August 5, 2003**  
**7:00 PM**

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

The invocation was led by Reverend David Just.

Police Chief Klein led the Pledge of Allegiance.

Present: Councilmember Jerry Blackwelder  
Vice-Mayor Mary Ann Kline  
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

**AGENDA ITEM 4, COMMUNICATIONS:**

- A. Additional written communications distributed this evening included an August 3<sup>rd</sup> Herald article about housing on the Monterey Peninsula, written by Mark Weller, H.E.R.E. union representative (item 4-A); staff report and resolution for the City Hall office lighting contract award (item 7-E).
- B. The floor was opened at 7:05 p.m. for oral communications, but there were no comments 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.

- 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 #257, Precision Porsche (Auto Repair), 475-A Olympia Avenue
  - (2) CUP #317, Rick's Auto Upholstery (Auto Upholstery), 713 Dias Avenue
  - (3) CUP #334, Bob Hayes (Auto Repair), 336 Orange Avenue
  - (4) CUP #345, James Obara (Mobile Home), 770 Tioga Avenue
  - (5) CUP #370, Economy Cleaners (Dry Cleaners), 840 Playa Avenue
  - (6) CUP #378, Carmel Glass Company (Glass Contractor), 613-B Ortiz Avenue
  - (7) CUP #388, Sanctuary Rock Gym (Recreation), 1855-A East Avenue
  - (8) CUP #396, McDonald's Restaurant (Fast Food), 990 Playa Avenue
  - (9) CUP #408, Neil & Gael Owens (Open Storage), 1714 Contra Costa
- B. There was no discussion of the July 15, 2003 Minutes.
- C. There was no discussion of the Monthly Fort Ord Reuse Authority (FORA) Report, July.
- D. There was no discussion of the Monthly City/Redevelopment Agency Financial Report, June.
- E. There was no discussion of the May 8 and July 17, 2003 Arts Committee Minutes.
- F. The City Council ratified the Arts Committee Budgets for the West End Event and the general Arts Committee Budget.
- G. There was no discussion of the recommended setback for Sweet Elena's Bakery decorative fencing.
- H. There was no discussion of the City **RESOLUTION Authorizing Signatures for Sand City Bank Documents**. Authorized check signers will be Mayor Pendergrass, Vice-Mayor Kline, Kelly Morgan and Linda Scholink.
- I. There was no discussion of the Redevelopment Agency **RESOLUTION Authorizing Signatures for Sand City Redevelopment Agency Bank**

**Documents.** Authorized check signers will be Chair Pendergrass, Secretary Kline, Kelly Morgan and Linda Scholink.

- J. There was no discussion of the City **RESOLUTION Authorizing Contract Amendment with David Powers & Associates to Increase Water Supply Environmental Impact Report (EIR) Preparation Fee by \$12,900.**

Motion to approve Consent Calendar was made by Councilmember Kline, seconded by Councilmember Kruper. AYES: All Councilmembers. NOES: None. ABSENT: None. ABSTAINED: None. Motion carried.

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

No items.

#### **AGENDA ITEM 7, OLD BUSINESS:**

- A. Arts Committee Chair Todd Kruper gave a progress report on the August 9<sup>th</sup> West End Event and distributed new sweatshirts to Council and staff. Chair Kruper thanked City staff for the assistance with the event; and with the good weather expected they are hoping for a good turnout.
- B. City Administrator Morgan presented the West End promotional advertising programs. The Coast Weekly co-op ad started last week and will run again this week. They dropped their advertising rates to help get the program started with the City and participating businesses. Only \$5,000 is budgeted for advertising and by adding the departmental budgeted contingencies it would supply the needed fiscal year total of \$20,000. Mr. Morgan stated that if the Coast Weekly increases their rates next year, the City will have to reassess its participation and may not be donating 50% of the co-op funding. Staff expects the business to take charge next year, with consideration to budgeting perhaps a smaller amount in FY 2004-05. Mayor Pendergrass said that the businesses seem very excited about the Coast Weekly ad campaign and he feels this also helps to identify the "West End" of Sand City. Councilmember Kruper acknowledged the work by artist Susan Collins in preparing the artwork for the West End banners. Certificates of acknowledgment will be presented at a future Council meeting to those who donated their time and talent.

Motion to approved the increased budget allocation for FY 2003-04 was made by Councilmember Hubler, seconded by Councilmember Kline. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

*[Due to a possible conflict of interest by residing within 500' of the project area, Councilmember Kline abstained, and left the dais.]*

- C. City Engineer Kulakow presented the City **RESOLUTION Authorizing Change Order No. 1 to the Park Avenue Street Improvement Contract with Don Chapin Company**. The original bid for street improvements on Park Avenue was for \$162,832, and was awarded to the Don Chapin Company. Due to certain demands by PG&E, extending the paving work, and reconstructing the driveway at 1895 Park Avenue (Francini property), the project costs increased. This Change Order is for a total of \$29,057.07 with some funds due from property owners: James Wood, new owners of the St John duplex, and Cathy Francini; the Franke estate has paid \$4,728.

Motion to approve Resolution, by title only, was made by Councilmember Blackwelder, seconded by Councilmember Hubler. AYES: Councilmembers Blackwelder, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Councilmember Kline. Motion carried.

*[Councilmember Kline returned to the dais.]*

- D. Progress report on McDonald coastal site and discussion on King Ventures Disposition and Development Agreement (DDA) was presented by Executive Director Morgan. He recently placed telephone calls to King Ventures, but as of this date, no one has called back.
- E. City Engineer Kulakow presented the City **RESOLUTION Awarding the Contract for Installing Overhead Lighting in the Office Area and Police Department of City Hall to the Giacalone Electric Company**. The staff report and resolution were distributed this evening as the bid opening was on July 31<sup>st</sup>. Two bids were received: Superior Electric (\$35,880) and Giacalone Electric (\$24,685). The FY 2003-04 budget has allocated \$25,000 for this project. This will be a major improvement to City Hall and will provide vision-friendly lighting for employees.

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

- F. Progress report on Public Works projects, City water project, South of Tioga project, other redevelopment projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator. City Engineer Kulakow said the crosswalk tinting should be finished by this week. In response to a question by Councilmember Kruper, Mr. Kulakow will contact the builder at the Blas site regarding the trees for the end of Contra Costa. The City may contract to maintain the trees. Mayor

Pendergrass gave an update on the desal subcommittee (Pendergrass and Hubler) meeting with the Marina Coast Water District (MCWD) subcommittee and staff. MCWD will consider the Sand City desal project at their next meeting on August 13<sup>th</sup> at 7:00 p.m. Councilmember Hubler, Kelly Morgan and Stan Kulakow will attend that meeting.

City Attorney Heisinger reported that the Seaside et al v. Monterey Peninsula Water District will be heard in court on Friday. He also reported that the tax default was cured by SNG/Ghandour for 2003-04 and he has the next five years to pay back taxes. The next payment is due April 2004. The first holder of the trust has filed a default sale notice (\$16 million), the second lender is owed approximately \$9 million, and the third lender is owed \$212,000. SNG had filed to stop foreclosure and was denied by the courts. A notice of sale was published and is set to be sold August 25<sup>th</sup>. Mr. Ghandour has two options: 1) pay off the lenders, or 2) file for bankruptcy which would delay foreclosure. This item will be discussed in closed session at the August 19<sup>th</sup> meeting.

#### **AGENDA ITEM 8, NEW BUSINESS:**

- A. City Administrator Morgan gave a progress report on the current State budget crunch.
- B. City Administrator Morgan presented the proposed ballot initiative and fund raising strategy by the League of California Cities. It is estimated to cost \$1.7 million to get an initiative on the ballot to protect city revenues from being confiscated by the state, and then another \$10-15 million to build voter support. Council and staff members made cash donations to be forwarded to CITIPAC.
- C. Consideration of request from Monterey County Elections Department for special election(s) voting facility. The October 7<sup>th</sup> special election will be the gubernatorial recall and the ½¢ tax initiative for Natividad Hospital. The November 4<sup>th</sup> special election will have numerous school, fire measures and/or initiatives and Water District elections. Both special elections fall on Council meeting nights. City Council concurred to decline the use of the Council Chambers as a polling facility for either special election. The Monterey County Elections Department will be notified.
- D. There were no new meetings and events that required RSVPs.


#### **AGENDA ITEM 9, CLOSED SESSION:**

- A. City Council did not adjourn to Closed Session to confer with legal counsel regarding pending litigation pursuant to §54956.9(a) of the Ralph M. Brown Act (1 case) - *Coos Bay v. U.S. Fish & Wildlife*

B. There was no Closed Session.

**AGENDA ITEM 10, ADJOURNMENT**

A. Motion to adjourn was made by Councilmember Kruper, seconded by Councilmember Hubler, to the next regularly scheduled City Council meeting on August 19, 2003, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 8:16 p.m.



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Debra Taylor, City Clerk