

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - December 5, 2000
7:00 PM

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

Pastor Steve Snyder led the invocation.

Police Chief Klein led the Pledge of Allegiance.

Present: Councilmember Blackwelder
Vice Mayor Kline
Councilmember Hubler
Councilmember Wishon
Councilmember Kruper
Mayor Pendergrass

Staff: Kelly Morgan, City Administrator
Steve Matarazzo, Community Development Director
Jim Heisinger, City Attorney
Stan Kulakow, City Engineer
Debra Taylor, City Clerk

AGENDA ITEM 4, COMMUNICATIONS:

- A. There was no additional written material distributed to City Council this evening.
- B. The floor was opened, but there were no Oral Communications.

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 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 #186, Gene's Import Auto Body (Auto Body), 581-A Shasta Avenue
 - (2) CUP #236, Gene's Import Auto Body (Auto Body), 534 Shasta Avenue

Motion to approve Consent Calendar was made by Councilmember Wishon, seconded by Councilmember Kline. AYES: All members. NOES: None. Motion carried.

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

No items.

AGENDA ITEM 7, SWEARING-IN CEREMONY OF NEW CITY COUNCIL:

- A. City Clerk Debra Taylor performed the swearing-in ceremony of newly elected Sand City officials: Mayor David Pendergrass, Councilmembers Mary Ann Kline and Todd Kruper. Councilmember Michele Wishon stepped down, and new Councilmember Kruper took his position at the dias.

AGENDA ITEM 8, PRESENTATION(S):

- A. Mayor Pendergrass presented the City **RESOLUTION Commending Michele Wishon's Public Service for the City of Sand City** upon her retirement from the City Council.

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

Michele Wishon thanked her peers for their help, guidance and friendship over the years.

- B. CRAIG RIDDALL: Made the presentation of the Arts Committee report on their kick-off/introduction event that was held on August 19th at Deakins Studios. There was also discussion of the committee format. The following have been recommended as the official Sand City Arts Committee members: Heinz Hubler, Marlana Torey, Todd Kruper, Jeff Smith, and Brian Gingerich. The other volunteers would be considered as "Friends of the Sand City Arts Committee" and would not be subject to Brown Act regulations as the regular committee is required to uphold. A Sand City Arts Festival is being proposed for spring. An invoice for the kick-off event was given to City staff. Certificates of thanks were sent to all volunteers.

RAY MAGSALAY: As events develop, they want to honor people who donate their time/services. Gateway Industries is the 2000 recipient who volunteered to hang kick-off invitations/notices on door knobs. A ribboned staff with Gateway's recognition was created by Mr. Magsalay. Each year a new name will be added to another ribbon.

Mayor Pendergrass thanked the entire committee and all the volunteers for their work to date. He is glad that members came to a consensus with City staff to abide by Brown Act regulations and form a more formal committee. A resolution will be prepared for the January 2, 2001

- (3) CUP #286, Gene's Import Auto Body (Roof Sign), 531-A Shasta Avenue
 - (4) CUP #374, Worley Iron Works (Metal Art Fabrication), 337 Olympia Avenue
 - (5) CUP #394, D'Motorsports (Auto/Machine Manufacturing), 477 Redwood Avenue
- B. There was no discussion of the November 21, 2000 Minutes.
- C. There was no discussion of the City **RESOLUTION Canvassing the November 7, 2000 General Election**. All candidates ran unopposed. With the retirement of Councilmember Wishon, the new City Council/Redevelopment Agency now consists of Mayor David Pendergrass, Vice-Mayor Mary Ann Kline, and Councilmember Todd Kruper. Measure F (increase of Transient Occupancy Tax to a maximum of 14% by the City Council) was approved by a majority vote with 41 in favor and 29 against the measure.
- D. There was no discussion of the request of the matching contribution opportunity in the Seaside Rotary Club Foundation program. The Seaside Rotary has developed a proposal to provide a 1/3 matching amount, if the member can contribute 1/3 and obtain the other 1/3 of the \$1,000 from his/her employer. The Council authorized this \$333 expenditure. City Administrator Morgan is a member of the Rotary Club.
- E. There was no discussion of the City **RESOLUTION Authorizing the Acceptance of Contract Change Orders No. 3 & 4 to the Don Chapin Company for Street Improvements for Ortiz & Redwood Avenues and Hickory & Holly Streets, Contract No. 00-01**. Change Order No. 3 will be for all work items in the contract in the amount of \$10,843.78, and Change Order No. 4 will be to provide additional paving work at Ortiz & Holly, and Holly & Dias to prevent erosion, in the amount of \$11,674.
- F. There was no discussion regarding authorizing approval to advertise for bids for the Ortiz Avenue tree planting program, with a January 9, 2001 bid deadline. (The agenda had erroneously stated January 4th deadline.) A recommendation regarding the bids and award will be scheduled for the January 16, 2001 Council meeting. It is anticipated that planting work will start on or about February 1, and be completed by the end of February 2001.
- G. There was no discussion of the approval reappointing Sand City representative Mayor Pendergrass to Monterey Regional Waste Management District/Authority Board of Directors for a term ending January 2004.

meeting to recognize the members of the Sand City Arts Committee.

- C. Presentation by auditors Hayashi & Wayland (Therese Courtney), of the Sand City audited Financial Statements for Fiscal Year 1999-2000. Ms Courtney went over the fine details of the audit with the Budget Committee and City staff, and an overview was given to the entire Council this evening. The City had only a small deficit of \$14,268 during this fiscal year which is basically breaking even. The City and Agency has received a "clean report" from the auditors which means that Sand City had a solid financial situation during FY 1999-2000. More revenues were received than had been budgeted and there were less expenditures. The budget for Public Safety was \$45,000 over due to salary increases and overtime; and Public Works was under budget due to capital improvement projects not being completed. The pass through monies were also not budgeted correctly. This will be added as a budgeted line item next year.

City Administrator Morgan reported that the regular revenues/annual budget is just under \$5 million. Any new development projects will push that figure higher. Not all budgeted Public Works capital improvement projects were expended in the preceding fiscal year and have been carried over into this year's budget which may end up showing a deficit. When enough funds are available, another large public works project will be scheduled. The Public Safety overage was partly due to benefits not previously being budgeted departmentally, which will be included by each department in next year's audit. There was also a shortage of Police personnel, requiring overtime hours, as well as salary increases. There have been two \$100,000 grants received by Public Safety for this year, and a \$100,000 grant may be available next year as well. One grant is for technology improvements and the other grant can be used for new police officers. The State said that the grant for new officers may be available for the next four years. Budgets will be monitored carefully for all departments.

Mayor Pendergrass complimented the Budget Committee, staff and the consultant for a job well done.

- (1) City **RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2000 and Independent Auditors' Report**

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

(2) Redevelopment Agency **RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2000 and Independent Auditors' Report**

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

AGENDA ITEM 9, PUBLIC HEARING(S):

- A. Community Development Director Matarazzo presented the public request to submit grant topics as part of the Community Development Block Grant (CDBG) public participation process. The Community Development Department anticipates applying for another Planning and Technical Assistance (PTA) grant in relation to its continuing feasibility study to supply desalinated water to the City for development and redevelopment purposes. The City was awarded an initial PTA grant in March 2000 for the first phase of the study, and will soon seek another \$35,000 from the PTA program to begin design study of the reverse osmosis plant unless better ideas are generated tonight. Without a water source there will be no development. The Coastal Commission is currently mentioning concerns about so many potential desal facilities being proposed in California and they want a regional solution. The City's EIR should also address dismantling or integrating the desal plant in the future. To date the test results on the well are favorable. A \$2 million Economic Development Administration (EDA) grant is still being considered by the City. When the desal design and cost estimates are ready the City will formally apply for the grant.

7:41 PM Floor Open for Public Comment

TERRY RYAN (VP CalAm): CalAm is aware of the water problems on the Monterey Peninsula. CalAm will work with the City in any way possible on the desal project.

7:43 PM Floor Closed to Public Comment

Council gave consensus to make application for this Planning and Technical Assistance grant.

- B. **SECOND READING: Ordinance Adopting Revisions to Municipal Code Chapter 18.88: Flood Protection** was presented by City Attorney Heisinger. The first reading of the ordinance was introduced at the November 21st Council meeting and is a "housekeeping" item to stay current with FEMA regulations. Bay Avenue is the only impacted area. City staff will file a notice of exemption with Monterey County.

7:45 PM Floor Open for Public Comment

No comments.

7:46 PM Floor Closed to Public Comment

Motion to approve second reading of Ordinance, by title only, was made by Councilmember Hubler, seconded by Councilmember Kline. Roll call vote - AYES: Councilmembers Blackwelder, Kline, Hubler, Kruper, Pendergrass. NOES: None. ABSTAIN: None. Motion carried.

- C. **SECOND READING: Ordinance Amending Chapter 2.16 of the Municipal Code by adding Section 2.16.020, Reserve Officer** was presented by City Attorney Heisinger. The first reading was introduced at the November 21st public hearing and specified authority to reserve officers.

7:48 PM Floor Open for Public Comment

No comments.

7:48 PM Floor Closed to Public Comment

Motion to approve second reading of Ordinance, by title only, was made by Councilmember Kline, seconded by Councilmember Blackwelder. Roll call vote - AYES: Councilmembers Blackwelder, Kline, Hubler, Kruper, Pendergrass. NOES: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 10, OLD BUSINESS:

- A. Community Development Director Matarazzo gave an update on coastal projects. The Monterey Bay Shores (MBS) project will be heard at the Coastal Commission next week in San Francisco, mainly to consider habitat and water issues. Mayor Pendergrass, Steve Matarazzo and Jim Heisinger will attend the hearing. Staff does not expect Mr. Ghandour to get a postponement, especially since the Water District denied his permit last month. On a separate issue, the Coastal Commission staff have made preliminary comments on the City's draft General Plan. Basically, they complimented that Sand City's housing element was concentrated on the east side of Highway One, not the west side. They do note that all projects require water and they hint that the City wait for a regional water solution, if possible.
- B. Progress report on Public Works projects, City water project, and other Sand City development projects by City Engineer Kulakow. This evening Council authorized advertising for bids on the street tree planting. The project is expected to be completed in February 2001. The "Plan B" water alternative report has just been received in which a separate, large regional desal facility is being proposed for building in Sand City which staff will report more on a later date.

AGENDA ITEM 11, NEW BUSINESS:

- A. Report by Community Development Director Matarazzo on substandard housing units in Sand City. There are many mixed-use buildings in Sand City. As contract fire department, the Monterey Fire Department does annual inspections to determine code adherence and fire safety of Sand City's buildings. Only two commercial businesses have been given "cease and desist" orders until brought up to code. Staff is encouraging property owners to work with the City for compliance, because the City will be liable if action is not taken in situations where there are risks to human safety. City Attorney Heisinger reported that Monterey Fire Department is doing a good job. If the City continues the practice of mixed-use buildings, stringent fire codes will have to be incorporated.
- B. Consideration Joint Powers Financing Authority (JPFA) **RESOLUTION Confirming JPFA Officers.** This is an annual statement that must be submitted to the Secretary of State. The Statement of Facts has been amended since last year to add the new members on the JPFA.

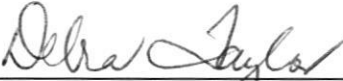
Motion to approve Resolution, by title only, was made by Board member Kline, seconded by Board member Hubler. AYES: All members. NOES: None. ABSTAIN: None. Motion carried.

- C. Due to the holiday season and possible lack of quorum, Mayor Pendergrass recommended cancelling the December 19, 2000 Council/Redevelopment Agency meeting. There was consensus of the Council/Agency, and will reconvene at the regularly scheduled meeting on January 2, 2001.

AGENDA ITEM 12, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Blackwelder, seconded by Councilmember Kruper, to the next regularly scheduled City Council meeting on January 2, 2001, 7:00 p.m. There was unanimous Council consensus to adjourn at 8:05 p.m.

There was a public reception in honor of retiring Councilmember Michele Wishon and the newly elected City Council: Mayor David Pendergrass, Councilmembers Mary Ann Kline and Todd Kruper.



Debra Taylor, City Clerk