

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY

Regular Meeting – December 17, 2019
5:30 P.M.

CITY COUNCIL CHAMBERS
Sand City Hall, One Pendergrass Way, Sand City, CA 93955

Mayor Carbone opened the meeting at 5:30 P.M.
Invocation was led by Reverend Hellam.
The Pledge of Allegiance was led by Chief Ferrante.

Present: Mayor Mary Ann Carbone
Vice Mayor Blackwelder
Councilmember Cruz
Councilmember Hawthorne
Councilmember Sofer

Staff: Aaron Blair, City Manager
Brian Ferrante, Police Chief
Shelby Gorman, Administrative Assistant
Vibeke Norgaard, City Attorney
Charles Pooler, City Planner

AGENDA ITEM 4 ANNOUNCEMENTS BY MAYOR, CITY MANAGER, CITY ATTORNEY, AND CITY STAFF

Mayor Carbone informed the public of the available City Manager's report. City Manager, **Aaron Blair**, added that there is an Art Committee meeting scheduled for December 18th at 6:00 P.M. that a code enforcement services proposal will soon be provided to the City, that a permit was issued for the Catalina Lofts project, and that a draft Development Map is available to the public covering recent projects.

City Attorney, **Vibeke Norgaard**, brought up the development of an Accessory Dwelling Unit (AD) Ordinance and the progress of the draft development agreement for the South of Tioga Project which should be available in February 2020.

Mayor Carbone mentioned her recent trip to Washington, DC which will be included in her next Mayor's Report. She also mentioned several upcoming events including Sand City and Target's "Shop with a Cop", a Good Samaritan Luncheon, and the Sand City Police Department's present delivery to local in-need children. She further spoke on a handout addressing a League of Women Voters event.

AGENDA ITEM 5 PUBLIC COMMENT

5: 40 P.M. Floor opened for Public Comment

Brian Clark, resident spoke on the Public Safety budget.

5:42 P.M. Floor closed to Public Comment.

AGENDA ITEM 6 CONSENT CALENDAR

- A. There was no discussion of Sand City Council Meeting Minutes, December 3, 2019
- B. There was no discussion of City **Resolution** Approving Amendment #1 to the Measure X Master Programs Funding Agreement between the Transportation Agency for Monterey County and the City of Sand City

Motion to approve the consent calendar items was made by Councilmember Blackwelder, seconded by Councilmember Hawthorne. AYES: Councilmembers Blackwelder, Carbone, Cruz, Hawthorne, Sofer. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 7 CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the consent calendar.

AGENDA ITEM 8 PUBLIC HEARINGS

- A. **Presentation on and Consideration of the Audited Financial Statements for the Year ended June 30, 2019 and Independent Auditors' Report by These Courtney and Mike Nolan of Hayashi & Wayland**

City Manager, **Aaron Blair**, introduced the item and informed the Council that the audit was presented at the November 19th Budget Personnel Committee meeting. The presentation was followed by a short discussion of the audit results and some of the issues to be corrected. Mr. Blair said he does not foresee any significant challenges related to the internal changes that need to be made going forward.

Therese Courtney and **Mike Nolan** of Hayashi and Wayland presented the audit covering the following findings:

The assets of Sand City exceed its liabilities at the close of the year

ended June 30, 2019 by \$28 million. However, approximately \$12 million is a net investment in capital assets, and \$10 million is a noncurrent receivable due from the Successor Agency. The City's total net position increased by \$624,000.

The City's assets over the last four years have been increasing. As of June 30, 2019, assets totaled \$32,161,327. About \$12 million of that is in capital assets, \$10 million in loans from the Successor Agency, \$8 million in investments, \$688,298 in cash and cash equivalents, \$921,698 in receivables, and \$494,423 overfunded in OPEB.

Liabilities as of June 30, 2019 total \$5,885,838, having decreased over the last four years. The City's noncurrent liabilities are approximately \$5 million and \$4.3 million of that is the City's pension. There is also \$543,422 due to TAMC in relation to developer fees the City has received and will pass on to them. Accounts payable is about \$185,000 and accrued liabilities and deferred fees are at about \$28,000.

The City's equity has been increasing to a net position of about \$28 million. About \$16 million of that is unrestricted. Taking into account loans from the Successor Agency, the City is left with about \$6 million to \$7 million available for operations and investment in capital. Net investment in capital assets is about \$12 million. Of the \$176,997 restricted, \$65,000 is restricted for streets, and \$110,000 was granted from FEMA with a specified use.

Revenues for the last four years are continuing to rise, with about \$8 million in total revenues for the year ended June 30, 2019. Revenues came from sales tax (\$5 million), charges for services (\$1.5 million), property taxes (\$76,070), other taxes (\$293,072), operating grants and contributions (\$166,338), capital grants and contributions (\$111,357), investment earnings (\$191,489) and other revenue (\$3,044).

Expenditures of about \$7.4 million include planning (\$445,658), public safety including the fire contract (\$3.4 million), general government (\$1.7 million), public works including expenditures for streets and roads (\$1.5 million), community development (\$145,000), parks (\$12,000) and some small interest on long-term debt (\$2,000).

During the audit, several schedules/ subsidiary ledgers were not properly reconciled that led to misstatements in the general ledger. Internal controls should be in place to provide reasonable

assurance that schedules/ subsidiary ledgers are properly reconciled. City staff has already begun implementing new procedures.

5:58 P.M. Floor opened for Public Comment.

There were no comments from the public.

5:58 P.M. Floor closed to Public Comment.

- 1) Approval of City **RESOLUTION** Accepting the Audited Financial Statements for the Year Ended June 30, 2019 and Independent Auditors' Report

6:00 P.M. Floor opened for Public Comment.

There were no comments from the public.

6:00 P.M. Floor closed to Public Comment.

Motion to approve the Sand City **Resolution** Accepting the Audited Financial Statements for the Year Ended June 30, 2019 and Independent Auditors' Report was made by Councilmember Hawthorne, seconded by Councilmember Cruz. AYES: Councilmembers Blackwelder, Carbone, Cruz, Hawthorne, Sofer. ABSTAIN: None. NOES: None. ABSENT: None. Motion carried.

Councilmember Cruz stepped down from the dais due to a possible conflict by residing within 500 feet of the subject property.

B. Consideration of City Resolution Approving Conditional Use Permit 638 for San Juan Pools within a Portion of a Commercial Unit at 756 California Avenue

City Planner, **Charles Pooler**, presented the item. An application was submitted by Dominico Garneri of San Juan Pools for conditional use permit approval regarding material and equipment storage and accessory office activities of his swimming pool contractor operation within a portion, shared concurrently with Tenji Incorporated, of a new commercial building at 756 California Avenue.

Prior to construction of the new building, the Subject Property was utilized as installation/ maintenance contractor, to store swimming pools, contractor vehicles, and associated materials and equipment. Once construction is complete, the site will provide ten regulation-sized parking stalls and a drive aisle with a single driveway. The Applicant's operation currently has two tractors, three trailers, and four employees who will be at contract job sites throughout most of the work day. Once construction of the new building and site are completed, the

Applicant's tractors and trailers will be off-site and not stored/ parked at the Subject Property. The Applicant intends to use 1,500 square feet, which requires two parking spaces for service commercial use which will result in a parking requirement of two spaces required of Tenji Incorporated. Staff recommends trailer-truck shipments/ deliveries and related loading/ unloading activities be limited to no more than two times per year to be consistent with conditions recommended for the other tenants of this property, unless otherwise granted special written permission by the City.

According to the Applicant, there will be at most ten 1-gallon containers of acid and ten 1-gallon containers of chlorine for pool use maintained onsite. The City's Fire and County's Health Departments did not express concerns with the Applicant's Use.

Staff recommends approval of the Conditional Use Permit for the Applicant, with the conditions/ restrictions proposed by staff and as discussed in this report.

Councilmember Sofer asked if the applicant is required to have placards.

6:07 P.M. Floor opened for Public Comment.

Applicant, **Dominco Garneri**, addressed the Council's question by saying he is not required to have placards with the amount of chemicals he will have onsite.

6:09 P.M. Floor closed to Public Comment.

Motion to approve the Sand City **Resolution** Approving Conditional Use Permit 638 for San Juan Pools within a Portion of a Commercial Unit at 756 California Avenue was made by Councilmember Blackwelder, seconded by Councilmember Hawthorne. AYES: Councilmembers Blackwelder, Carbone, Hawthorne, Sofer. ABSTAIN: Councilmember Cruz. NOES: None. ABSENT: None. Motion carried.

Councilmember Cruz remained removed from the dais due to a possible conflict by residing within 500 feet of the subject property.

C. Consideration of City Resolution Approving Conditional Use Permit 639 for Kelly Print Plus, LLC within a Commercial Unit at 756 California Avenue

City Planner, **Charles Pooler**, presented the item. An application was submitted by Jeffery and Paula Johnson of Kelly Print Plus, LLC for conditional use permit approval regarding office and product storage for their printer brokerage firm within a portion of a new commercial building at 756 California Avenue, Unit A. The Applicant proposes to utilize the entire 3,531 square foot commercial unit for

office and product storage for their printing brokerage firm. Products would be shipped to the Subject Property from individual manufacturers/ printers and then stored by the Applicant until either picked up by, or delivered to, clients. Finished products include brochures, wearables, business cards, and other various printed items. The Applicant will not do printing or item production on-site; rather, the Applicant acts as a liaison between clients and print shops. There are no company vehicles to be stored/ parked at the Subject Property with exception to daytime employee person vehicle parking.

Staff typically recommends, as a permit condition, commercial activities between 7:00 AM to 6:00 PM Monday through Friday and 10:00 AM to 5:00 PM on Saturdays to minimize impact(s) upon residential dwellings. A total of five off-street parking spaces required. These five spaces are sufficient to accommodate the estimated four on-site employees and any customer/ patron that may visit the site with parking left over.

Staff does not anticipate negative impacts from the Applicant's Use. The office and product storage with shipments and deliveries are considered benign activities that do not produce excessive detrimental noise, vibrations, dust, fumes, particulate, or the like.

Staff recommends approval of the Conditional Use Permit for the Applicant, with the conditions/ restrictions proposed by staff and as discussed in this report.

Councilmember Hawthorne asked to address the amount of onsite traffic expected.

6:13 P.M. Floor opened for Public Comment.

The applicant responded to the Council's question by saying there will rarely be any customers onsite.

6:15 P.M. Floor closed to Public Comment.

Motion to approve the Sand City **Resolution** Approving Conditional Use Permit 639 for Kelly Print Plus, LLC within a Commercial Unit at 756 California Avenue was made by Councilmember Hawthorne, seconded by Councilmember Sofer. AYES: Councilmembers Blackwelder, Carbone, Hawthorne, Sofer. ABSTAIN: Councilmember Cruz. NOES: None. ABSENT: None. Motion carried.

Councilmember Cruz returned to the dais.

AGENDA ITEM 9 NEW BUSINESS

- A. Consideration of Successor Agency RESOLUTION Approving an Administrative Budget for Fiscal Year July 2020 through June 2021**

City Manager, **Aaron Blair**, presented the item. The Administrative Budget for the Recognized Obligation Payment Schedule (ROPS) is brought to the Successor Agency Board once per year for approval before seeking approval from the County Oversight Board and then from the Department of Finance.

The Administrative Budget totals approximately \$155,000. Staff is requesting the Agency Board approve the attached budget.

6: 19 P.M. Floor opened for Public Comment.

There were no comments from the public.

6:19 P.M. Floor closed to Public Comment.

Motion to approve the Successor Agency **Resolution** Approving an Administrative Budget for Fiscal Year July 2020 through June 2021 was made by Councilmember Blackwelder, seconded by Councilmember Sofer. AYES: Councilmembers Blackwelder, Carbone, Cruz, Hawthorne, Sofer. ABSTAIN: None. NOES: None. ABSENT: None. Motion carried.

B. Consideration of Successor Agency RESOLUTION Approving the Recognized Obligation Payment Schedule (ROPS) for July 2020 through June 2021 (ROPS 20-21A and ROPS 20-21B)

City Manager, **Aaron Blair**, presented the item. The Recognized Obligation Payment Schedule (ROPS 20-21) covers the period from July 1, 2020 through June 30, 2021. The total requested is \$1,438,051.

6:21 P.M. Floor opened for Public Comment.

There were no comments from the public.

6:21 P.M. Floor closed to Public Comment.

Motion to approve the Successor Agency **Resolution** Approving the Recognized Obligation Payment Schedule (ROPS) for July 2020 through June 2021 (ROPS 20-21A and ROPS 20-21B) was made by Councilmember Hawthorne, seconded by Councilmember Sofer. AYES: Councilmembers Blackwelder, Carbone, Cruz, Hawthorne, Sofer. ABSTAIN: None. NOES: None. ABSENT: None. Motion carried.

Councilmember Cruz stepped down from the dais due to a possible conflict by residing within 500 feet of the subject property.

C. Consideration and Discussion regarding the South of Tioga Park

Dedication/ In-lieu Fee Requirement

The developer was unable to attend and so requested the item be continued.

Motion to continue the Consideration and Discussion regarding the South of Tioga Park Dedication/ In-lieu Fee Requirement was made by Councilmember Sofer, seconded by Councilmember Hawthorne. AYES: Councilmembers Blackwelder, Carbone, Hawthorne, Sofer. ABSTAIN: Councilmember Cruz. NOES: None. ABSENT: None. Motion carried.

Councilmember Cruz returned to the dais.

D. Comments by Council Members on Meetings and Items of interest to Sand City

Councilmember Sofer advised the Council that there will be no Seaside/ Sand City Chamber of Commerce meeting in December.

E. Consideration of Cancelling Future City Council Meeting

PURPOSE: It is proposed that the City Council cancel the City Council meeting scheduled for January 7, 2020 to minimize conflict with the Christmas and New Year's Holiday closure of City Hall, December 24, 2019- January 1, 2020

Motion to cancel the January 7, 2020 City Council meeting was made by Councilmember Blackwelder, seconded by Councilmember Hawthorne. AYES: Councilmembers Blackwelder, Carbone, Cruz, Hawthorne, Sofer. ABSTAIN: None. NOES: None. ABSENT: None. Motion carried.

F. Upcoming Meetings/ Events

Vibeke Norgaard requested a seat at the upcoming Art Council for Monterey County Champion of the Arts Gala.

AGENDA ITEM 10 CLOSED SESSION

6:30 PM

A. City Council/ Successor Agency Board to adjourn to Closed Session regarding:

- 1) Conference with legal counsel – Significant exposure to litigation pursuant Gov. Code Section 54956.9(d)(2): (1 case)
- 2) Conference with legal counsel – Existing litigation (Gov. Code Section 54956.9(d)(1); *Gonzales, LLL et al. v. Monterey Peninsula Unified; City of Sand City and Dennis Alexander, Case No. 19CV000828*)

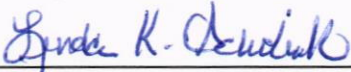
6:42 PM

B. Re-adjourn 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

There was no action taken or direction given in Closed Session.

AGENDA ITEM 11 ADJOURNMENT

Motion to adjourn the City Council meeting was made by Councilmember Blackwelder, seconded by Councilmember Hawthorne to the next regularly scheduled Council meeting on Tuesday, January 21, 2020 at 5:30 P.M. There was consensus of the Council to adjourn the meeting at 6:42 P.M.



Linda K. Scholink, City Clerk