

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

Regular Meeting – December 4, 2018
5:30 P.M.
CITY COUNCIL CHAMBERS

Mayor Carbone opened the meeting at 5:30 p.m.

The Pledge of Allegiance was led by Police Chief Brian Ferrante.

Present: Mayor Mary Ann Carbone
Vice Mayor Blackwelder
Council Member Hubler
Council Member Hawthorne

Staff: Vibeke Norgaard, City Attorney
Leon Gomez, City Engineer
Brian Ferrante, Police Chief
Linda Scholink, Director of Administrative Services/City Clerk
Charles Pooler, City Planner

AGENDA ITEM 4, ANNOUNCEMENTS BY MAYOR AND CITY ADMINISTRATOR

Mayor Carbone announced that her Mayor's monthly report should be available by the next Council meeting and that City Hall will be closed on Wednesday, December 5, 2018 to observe the National Day of Mourning in remembrance of former President George H.W. Bush.

AGENDA ITEM 5, PUBLIC COMMENT

5:34 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:34 P.M. Floor closed to Public Comment.

AGENDA ITEM 6, CONSENT CALENDAR

- 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. There was no

discussion of the following use permits.

- (1) CUP #186,236,286, Gene's Auto Body (automotive shop),
531-A Shasta/ 524-A Elder Avenue
- (2) CUP #394, Frank D'Aquanno (automotive), 477 Redwood Avenue
- (3) CUP #425, Glastonbury, Inc. (equipment store & rent), 495-A Elder
Avenue
- (4) CUP #480, Pacific Art Corp (office, video production), 1793 Catalina
Avenue
- (5) CDP #07-07, Ga-Ga (hair salon), 490 Orange Avenue
- (6) CUP #422, Garza Plumbing (contractor), 351-A Orange Avenue
- (7) CUP #574, Ringer Electric (Photo Studio), 613-C Ortiz Avenue
- (8) CDP#17-08, Unskripted Design (service), 2-C John Street

- B. There was no discussion of the Sand City Council Meeting Minutes,
November 20, 2018.
- C. There was no discussion of the City/Successor Agency Monthly Financial
Report, October 2018.
- D. There was no discussion of the City **Resolutions** approving Health Care
Benefits 1) fixing the Employer Contribution at an Equal Amount for
Employees and Annuitants under the Public Employees' Medical and
Hospital Care Act, and 2) authorizing Health Care Benefit Changes for the
2019 Contract Year.
- E. There was no discussion of the Sand City Joint Powers Financing
Authority (JPFA) **Resolution** Confirming its Officers.
- F. There was no discussion of the City **Resolution** adopting a Challenge
Grant Amount of \$387 to Match Other Cities of Monterey County in
Seeking a Long Term Solution to Homelessness.
- G. There was no discussion of the City **Resolution** Ratifying the Canvassing
of the November 6, 2018 General Municipal Election.
- H. There was no discussion of the City Donation/Contribution to Arts Habitat
for \$250.

Motion to approve the Consent Calendar was made by Council Member Hawthorne, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hawthorne, Hubler. 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, SWEARING-IN CEREMONY OF NEW CITY COUNCIL

{Council Member Hubler stepped down from the dais}

- A. Swearing-in Ceremony of Elected Officials:**
1) Mary Ann Carbone, Mayor
2) Jerry Blackwelder and Elizabeth Sofer, Council Members

The City Clerk Linda Scholink performed the swearing in ceremony of newly elected officials Mayor Mary Ann Carbone and Council Members Jerry Blackwelder and Elizabeth Sofer.

AGENDA ITEM 9, PUBLIC HEARING

- A. Presentation on and Consideration of the Audited Financial Statements for the Year ended June 30, 2018 and Independent Auditor's Report by Therese Courtney of Hayashi & Wayland (10 minutes)**

Therese Courtney from Hayashi and Wayland presented the audited financial statements for the year ended June 30, 2018. She commented that there were no management issues or problems when conducting the audit. The Gann limit approved for fiscal year 17-18 were incorrect limits and corrections by resolution were made. Ms. Courtney reported on the highlights of the fiscal year. The assets of the City of Sand City exceeded its liabilities at the close of the year ended June 30, 2018 and the total net position increased by \$1.3 million, \$831,000 of which is due to a land transfer from the Successor Agency. The assets and liabilities do not include \$543,000 that is due to the Transportation Agency for Monterey County (TAMC) in regards to a development project. A prior period adjustment in the amount of \$1.9 million was made to increase the beginning net position due to the implementation of GASB 75.

She explained the government wide financial statement highlights such as the loan due from the successor agency, cash and cash equivalents, net OPEB assets, and non-current receivables. Ms. Courtney also reported on the revenues and expenses of governmental activities that included investment earnings, property taxes, sales and transactions taxes, interest on long-term debt, community development, operating grants and receivables, capital grants which has stayed almost the same in the last three years. The highest expenses were from the public safety department, then public works. She explained the assets, liabilities and fund balances of the balance sheet which depicts the City's cash position, and concluded with the schedule of revenues, and expenditures and changes in fund balances. The fund balances depict what is available for the City to use, what is spendable and non-spendable.

5:52 P.M. Floor opened for Public Comment.

There were no comments from the Public.

5:52 P.M. Floor closed to Public Comment.

1) Approval of City RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2018 and Independent Auditor's Report

Motion to approve the City **Resolution** accepting the Audited Financial Statements for the Year Ended June 30, 2018 and Independent Auditor's Report was made by Council Member Blackwelder, seconded by Council Member Hawthorne. AYES: Council Members Blackwelder, Carbone, Hawthorne, Sofer. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 10, OLD BUSINESS

- A. Engineering and Public Works Department Summary Report including the Sand City Water Supply Project, Storm Water Management Program, City Projects: West Bay St. Coastal Access Repair Project, Carroll Property Parking, TAMC Parcel Landscaping Project, Calabrese Park Improvement Project, Private Development Projects including the South of Tioga Project, and Grant Updates. Community Development and Planning Department updates by the City Administrator/City Planner**

City Engineer Leon Gomez reported that the desalination plant produced 22.3 acre feet of water. An update was provided from Cal-Am regarding the elevated levels of E coli in Bay well #1. They have sent a statement which they requested that staff read. It stated: *"while no definite conclusion can be drawn from the investigation we (Cal-Am) are confident that it is not from a consistent or a constant source such as a leaking holding tank. As a result, we tentatively believe that the event was not related to the waste water transfer station at the end of West Bay Street. We will continue to monitor the situation and are ready to respond with a contingent sampling plan should the event return."*

P.G.& E. estimated that the undergrounding of utilities for Contra Costa and Catalina Streets is approximately \$2 million, that is \$1,000 a linear foot and is twice as much as previously reported. These costs continue to increase. Currently, the City has approximately \$225,000 available for underground existing utilities. This number includes the 5 year borrow that's allowed by the California Public Utilities Commission. If the City is interested in moving the project forward PG&E will or can provide us the contact information for communities that have Rule 20(a) credits that they may be willing to trade and or sell to cities.

Mr. Gomez explained why the cost estimate was rather high due to the amount of residential and commercial services that require panel conversion. Mr. Meurer suggested that costs may possibly be offset by having the property owners take care of the lateral connections from the P.G.&E main. There was Council discussion regarding several options/ideas to cut costs. Council Member Hawthorne suggested that Staff find out exactly what is required for the project in order to assess whether the price can be reduced closer to the \$500 per linear foot as previously quoted.

The contractor for the Bougue residence (1843 Park Avenue) installed the BMP's on November 20th following notification of Staff's concerns. The site has been maintained in fairly good shape since then. Staff has been in coordination with the engineer of the South of Tioga project for the Phase I project regarding overall demolition of the project site, public improvements, and rough grading of the pad, storm drains, final map, etc.

An email was received from the Monterey Peninsula Water Management District regarding the Monterey Bay Shores Ecoresort and the two wells that exist at the site. As part of the adjudication of the Seaside groundwater aquifer and basin, the two wells are required to remain for monitoring purposes. According to MPWMD, the wells would have to be either protected in place or reconstructed fairly near to its current location. This issue would need to be discussed between City Staff and the developer Mr. Ghandour.

Staff worked diligently to get the City of Seaside sewer main project public notice published. The City of Seaside had to reject the contractor and hope to receive submittals this week with modifications, and revised to reflect an updated project schedule. Hopefully, the work can commence before the holidays. If not, then the project would need to be pushed back to January 2019. Staff reached out to Monterey County regarding the Calabrese Park Improvement Project. The process was originally going to be a 30 to 40-day process, which at this time has exceeded the time originally mentioned. Staff is waiting to hear back on the status of where they are at, before the City can move forward on that grant per the County's revised schedule.

Mr. Gomez further reported on the status of the West Bay Street project that still needs a procurement policy in order to use the grant funds awarded. City Planner Pooler reported that the developer of the Catalina Lofts project's building permit has not yet been issued because they still have to acquire the water permits. A Design Review Committee (DRC) meeting was held last week on Thursday to review an application for a new house on Park Avenue and that will be coming forward to the Council on December 18th. A grant application submitted to Caltrans is requesting an amount of \$163,000 to perform a sustainable transportation plan, which may further require the City to update its General Plan. The South of

Tioga R2 pad plans for Architectural Review was received today. This would allow Staff to begin preparing the staff reports for architectural review and then to the City Council for conditional use permit approval for the development of that site. The developer has been informed to not expect any approvals before Christmas and that he will have to wait until early 2019 before public hearings can be scheduled. Staff's intent is to have EMC perform a majority of work. EMC Planning Group has also provided Staff with the draft copies of the Vibrancy Plan which is still under review. Council Member Blackwelder requested a copy of the plan from Staff.

AGENDA ITEM 11, NEW BUSINESS

A. Consideration and Discussion of Appointment of a Sand City Elector to Fill Vacancy on the Sand City Council resulting from the Resignation of Kristen McDaniel

Interim City Administrator Fred Meurer commented that the right answer on how to add a Member to the City Council position would be how to fill the vacancy to keep the community moving forward. He suggested making it situational as opposed to articulating a policy that's going to come back and present an issue in the future. The City just held an election and candidates that ran in that election are perspective individuals that can fill the vacancy.

One option would be to appoint the person that was in the election and have that person fulfill the term. The Mayor and many Council Members have received input from Members of the public who have expressed their interest to serve the City as a Council Member during this term. Another option would be to receive letters of interest from those who expressed interest to serve on the City Council. The Council needs to decide the best option, to discuss the alternatives, and move forward with their option.

6:22 P.M. Floor opened for Public Comment.

Sand City resident Kelly Morgan commented that it would not be a bad idea for the City Council to open this up for other people to express their interest. Individuals in Sand City are aware that it is just not something that is pending and is being debated at the City Council level. He urged the Council to accept letters of interest and allow people to submit names.

Craig Hubler commented that it has been a great pleasure and an honor to serve as a Council Member these many years. He would be glad to continue serving if the Council decides to appoint him to that position. He acknowledged his pleasure on the election of Ms. Sofer and that she will be working with a fabulous staff of individuals. It's been a real blessing to have some great people who care in helping us as a Council and as a City.

to grow. If the Council should so choose he would be more than willing to continue serving as a Council Member.

Public Member Fatima Shake commented that she is present tonight to congratulate the Mayor on her re-election, and the good job the City is doing with its new projects.

Roy Meadows commented that the City had a procedure to allow the residents of the community who were interested in serving on the Council to submit their interest, and be interviewed by the Council. This process has worked well in the past and should be continued.

6:25 Floor closed to Public Comment.

There was Council discussion regarding the best option to fill the Council vacancy. It was expressed that accepting letters of interest would allow the residents the opportunity to possibly serve the City as a Council Member and not disenfranchising them from the process.

City Attorney Norgaard commented that the Council has until December 19th to hear interested applicants and the Council can make a decision before then. Otherwise, under the Charter and after 45 days from the resignation of Council Member McDaniel, the Mayor may appoint an elector to fill the vacancy. The Charter has a procedure that clearly outlines the process by which the vacancy can be filled. There was further Council discussion on the best process and procedure to move forward with filling the vacancy taking into consideration the time constraints and rules outlined in the Charter.

Motion to accept applications from interested electors and conduct interviews, and the Mayor to make the appointment was made by Council Member Hawthorne, seconded by Council Member Blackwelder. There was consensus of the Council approving the motion.

B. Consideration of City RESOLUTION Adopting the Goals and Policies and Appraisal Standards for Community Facility Districts within Sand City

City Planner Charles Pooler reported that the overall South of Tioga project had been approved, as well as the vesting tentative map and the rights that were granted along with project approval for a hotel and 2 residential components. There were concerns regarding negative fiscal impacts to the City generated by the project and due to that, the City Council had approved a contract with NBS on March 20th to prepare a fiscal impact analysis (FIA) in regards to forming a community facilities district or CFD for the South of Tioga project. The City has to establish its goals and policies that are related to the formation of the CFD, which is similar to a general plan. Before the Council is a resolution to adopt those

goals and policies so the City can begin moving forward with setting up the CFD for the South of Tigoa project. Three main steps are involved which includes 1) a meeting of intent that the Council holds to announce the City's intent to establish the CFD for the South of Tioga area, 2) a resolution of intentions is presented and when that resolution is adopted, there is no change to the CFD after passage of the resolution; whereby, Staff would need to discuss with the developer of that site to go over any details involved; and 3) once adopted, the City has 30 to 60 days to take council action at a public hearing, and then 90 days after that public hearing the property owners would have to take their vote. Every property owner gets one vote per acre and a voting meeting would take place involving those property owners. Sara Mares from NBS consulting has been providing education on the process, and assisting staff with compiling materials. Ms. Mares has been very easy to understand and is extremely helpful in putting a lot of the material together. Sara will be available to provide a presentation to the Council at a future meeting. Staff recommends the Council take action to approve the attached resolution.

Mr. Meurer added that the consultant has prepared a cost benefit analysis in terms of services needed to support this new development and the actual services that will be needed for the area.

City Planner Pooler responded to Council Member Blackwelder's inquiry regarding what the developer will actually construct which is the curb, street, and gutter to California Avenue. There was Council and Staff discussion regarding aspects of the project such as the lighting and traffic impacts.

6:56 P.M. Floor opened for Public Comment.

There was no comment from the Public.

6:56 P.M. Floor closed for Public Comment.

Motion to approve the City **Resolution** adopting the Goals and Policies and Appraisal Standards for Community Facility Districts within Sand City was made by Council Member Blackwelder, seconded by Council Member Hawthorne. AYES: Council Members Blackwelder, Carbone, Hawthorne, Sofer. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

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

Council Member Blackwelder reported on the changes occurring at the Waste Management District and that they will be conducting community outreach to inform the public of what can be recycled. They will also be providing cut-outs that can be taped to the lids of the recyclables bin to remind people of what materials can be recycled. The Mayor mentioned

her email she sent to Staff regarding organic waste. Mr. Pooler reported on the topic regarding waste issues involving contractors that were discussed at his TAC meetings with the Waste Management District.

D. Consideration of Cancelling Future City Council meeting

PURPOSE: It is proposed that the City Council cancel the City Council meeting scheduled for January 1, 2019 to minimize conflict with the Christmas and New Year's Holiday closure of City Hall, December 25, 2018 – January 1, 2019

Motion to cancel the Tuesday, January 1, 2019 City Council meeting was made by Council Member Hawthorne, seconded by Council Member Sofer. There was consensus of the Council to cancel the January 1, 2019 Council meeting.

E. Upcoming Meetings/Events

The Mayor announced the City's Annual Awards Banquet that will be held this Friday and that several businesses will also be recognized for the years they have provided the community with outstanding service.

AGENDA ITEM 12, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Sofer, seconded by Council Member Blackwelder to the next regularly scheduled Council meeting on Tuesday, December 18, 2018 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 7:50 p.m.



Linda K. Scholink, City Clerk