

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

Regular Meeting – June 20, 2017
5:30 P.M.
CITY COUNCIL CHAMBERS

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

The Invocation was led by Reverend Jason Yarbrough.

The Pledge of Allegiance was led by

Present: Mayor Carbone
Vice Mayor Blackwelder
Council Member Hubler
Council Member McDaniel {excused absence}
Council Member Hawthorne {arrived at 5:35 p.m.}

Staff: Todd Bodem, City Administrator
Jim Heisinger, 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, COMMUNICATIONS

A. Written communication distributed to the Council was information regarding the Cemex pipes.

B. Oral

5:33 P.M. Floor closed to Public Comment.

Sand City resident Carol Meadows thanked the Council for the trash cans and portable restrooms along Tioga Avenue. The trash cans appear to be full and have been put to good use.

Public Member Adam Merry commented on his opposition to the South of Tioga project because it would displace the Rock Gym.

Public Member Casey Warken commented that the Rock Gym adds a positive resource to the area and brings a diversity of people to the City.

Public Member Galen Wangberg expressed his opposition to the South of Tigoa project as the Rock Gym primarily draws MIS students, the military and local community. The business provides a safe environment, is encouraging and a place for the community to gather.

5:38 P.M. Floor closed to Public Comment.

AGENDA ITEM 5, CONSENT CALENDAR

- A. There was no discussion of the May 30, 2017 Special Council Meeting Minutes.
- B. There was no discussion of the June 6, 2017 Sand City Council Meeting Minutes.
- C. There was no discussion of the Public Works Monthly Report, May 2017.
- D. There was no discussion of the Police Department Monthly Report, May 2017.
- E. There was no discussion of the City **Resolution** authorizing an Increase to the Fire Protection Services between the Cities of Monterey and Sand City.
- F. There was no discussion of the City **Resolution** authorizing Renewal of a Maintenance Services Agreement with HOPE Rehabilitation Services for Fiscal Year 2017-2018.
- G. There was no discussion of the City **Resolution** authorizing an Animal Sheltering Agreement with the Society for the Prevention of Cruelty to Animals for Monterey County (SPCA).
- H. There was no discussion of the City **Resolution** authorizing the City Administrator to Enter into a Master Programs Funding Agreement between the City of Sand City and the Transportation Agency for Monterey County.

Motion to approve the Consent Calendar was made by Council Member, Hubler, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Hawthorne. NOES: None. ABSENT: Council Member McDaniel. ABSTAIN: None. Motion carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the Consent Calendar.

AGENDA ITEM 7, PRESENTATION

A. Presentation by John C. Baker, Regulatory Analyst Executive Division Local Government Liaison for the California Public Utilities Commission (CPUC) on CPUC Organization Review {10 minutes}

Regulatory Analyst John Baker from the California Public Utilities Commission (CPUC) reported that the CPUC is the California State Agency that regulates essential services including electricity, water, natural gas, telecommunications, and rail and transportation. Californians spend more than \$50 billion annually for services from industries regulated by the CPUC that includes rates and services of energy companies, private water companies, consumer protection and public programs for telecommunications companies and rail safety for companies such as Caltrans, BART, and the San Diego Trolley. Mr. Baker continued that the CPUC's role and responsibility is to ensure that regulated services are delivered in a safe reliable manner, including conducting investigations, inspections, and audits, developing and implementing policies for the rapidly changing communications and broadband markets, as well as ensuring that California's investor-owned water utilities deliver clean, safe, and reliable water to their customers at reasonable rates. The CPUC's job is to assist local government, businesses, and community members to coordinate with their local offices to help educate and inform the community in making smart energy and telecommunication choices. It is the CPUC's goal to create and foster sound relationships with customers in order to allow two way communications, enabling them to implement the CPUC's external and internal policies. Mr. Baker presented the CPUC's outreach actions to include holding public participation hearings, establishing a call center to answer questions about utility service, bills and dispute resolution, and the creation of a statewide team of Outreach Officers to provide assistance and information on consumer programs and services. He encouraged everyone to use less power during the solar eclipse that will occur on August 21 from 9:00 a.m. to 11:00 a.m. as there will be an 8,754 megawatt reduction in energy.

Mr. Baker answered inquiries regarding the use of air conditioners during the hottest days of the year, possible energy credits, and how the CPUC regulates telecommunication and differentiates cable and internet use.

Mayor Carbone thanked Mr. Baker for the presentation and information he provided.

AGENDA ITEM 8, PUBLIC HEARING

This item will be continued to a future meeting due to a possible conflict of interest by residing within 500' of the subject property {Council Members Blackwelder and Hawthorne} resulting in a lack of a quorum.

A. Consideration of City RESOLUTION Approving Conditional Use Permit 615 for Randall Swanson Authorizing an Art Gallery with Accessory Office and Storage at 495-B Elder Avenue.

This item to be considered at a future Council meeting.

{Council Member Hawthorne stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}

B. Consideration of City RESOLUTION Approving Conditional Use Permit 616 for Aaron Valdez to Operate an Upholstery Workshop at 352-B Orange Avenue

City Planner Charles Pooler presented an application submitted by Aaron Valdez (the "Applicant") to establish an upholstery workshop within a 1,375 square foot unit of an existing commercial building at 352-B Orange Avenue. The Property has a 1-story commercial building divided into four units; with 2 units fronting Orange Avenue and 2 units fronting Olympia Avenue. The Applicant will service or produce a multitude of items, including furniture, canopies, tents, wetsuits, seatbelts, restaurant booths, seats, sails, and shoes, depending upon client needs. Vehicles may be brought in on occasion for wrapping steering wheels, re-upholstering car seats, or fixing convertible tops. Vehicle upholstery work/service will be by scheduled appointment only. The Applicant will perform upholstery services both on-site and at customer locations. Materials are usually ordered as needed for specific jobs, and on-site material inventory storage will be minimal. Staff recommends the standard business hours applied to other businesses required of this use, to operate only between 7:00 a.m. to 6:00 p.m. Monday through Friday and 10:00 a.m. to 5:00 p.m. on Saturdays with no operation on Sundays or City recognized holidays. Office activity beyond these hours is allowable. The Applicant's light manufacturing use will require two (2) on-site parking spaces. The Orange Avenue frontage provides five parking spaces. There is adequate on-site parking for the Applicant to satisfy this requirement. Weekly shipments are anticipated via Fed-Ex, UPS, USPS, or similar service. No large truck deliveries are intended and should have little to no impact on traffic circulation. Staff is not anticipating negative impacts from the Applicant's workshop, provided all storage is maintained within the building and that the operation be limited to servicing no more than one vehicle on-site at any one time. The scale of operation is not anticipated to generate excessive levels of noise, vibrations, odors, fumes, or the like. Staff recommends approval of a conditional use permit for the Applicant, with the conditions/restrictions proposed by staff.

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.

In response to the Mayor's question whether the applicant was in agreement with the conditions of the conditional use permit, Mr. Valdez replied that he was in agreement with permit conditions.

Motion to approve the City **Resolution** approving Conditional Use Permit 616 for Aaron Valdez to Operate an Upholstery Workshop at 352-B Orange Avenue was made by Council Member Blackwelder, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler. NOES: None. ABSENT: Council Member McDaniel. ABSTAIN: Council Member Hawthorne. Motion carried.

{Council Member Hawthorne returned to the dais}

{Mayor Carbone stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}

Vice Mayor Blackwelder proceeded with leading the meeting.

C. Consideration of SECOND READING: City ORDINANCE Amending Title 18 of the Municipal Code to Reclassify Certain Property Bounded by Fell Street, Ocean Avenue and Abutting Private Property (APN 011-182-002 & 003) from Heavy Commercial (C-2) to Medium Density Residential Planned Unit Development (R2-PUD)

At the May 16, 2017 Council meeting, the City Council adopted an ordinance for first reading, to change the zoning designation of a 75' x 75' property fronting the 1800 block of Ocean View Avenue from a non-coastal C-2 (Heavy Commercial) designation to a R2-PUD (Medium Density Planned Unit Development) designation, and adopt the PUD regulations to reflect and accommodate the approved Dayton residential project. Approved land entitlement permits for the Dayton residential project are not effective unless and until the aforementioned zoning change is approved.

This ordinance requires adoption/approval for second reading. If approved, the amendments will become effective 30-days thereafter. Staff recommends adoption (for second reading) of the attached ordinance.

6:05 P.M. Floor opened for Public Comment.

There was no comment from the Public.

6:05 P.M. Floor closed to Public Comment.

Motion to approve the Second Reading: **Ordinance** amending Title 18 of the Municipal Code to Reclassify Certain Property Bounded by Fell Street,

Ocean Avenue and Abutting Private Property (APN 011-182-002 & 003) from Heavy Commercial (C-2) to Medium Density Residential Planned Unit Development (R2-PUD) was made by Council Member Hawthorne, seconded by Council Member Hubler. Roll Call Vote AYES: Council Members Blackwelder, Hubler, Hawthorne. NOES: None. ABSENT: Council Member McDaniel. ABSTAIN: Council Member Carbone. Motion carried.

{Mayor Carbone returned to the dais}

AGENDA ITEM 9, OLD BUSINESS

A. Progress report on Public Works projects, Successor Agency Oversight Board, South of Tioga project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator

City Engineer Leon Gomez reported that the desalination plant produced 15 acre feet of water through June 17, 2017.

On June 6, 2017 Cal-Am's environmental consultant, Denise Duffy & Associates (DDA) performed updated biological surveys along Sand Dunes Drive, West Bay Street, Vista Del Mar, and Tioga Avenue. The survey area covered the road rights-of-way extending to 20 feet beyond the right-of-way and south along Sand Dunes Drive to the City limits. This expanded area of coverage will ensure that both the area of geophysical work for the new intake wells have been surveyed. In addition, DDA met with Coastal Commission staff to discuss the process for moving forward with the geophysical work. It appears that the Coastal Commission will require the City to prepare and submit a "Construction Plan" that will cover both the geophysical work and the new intake wells. Since the geophysical work is required to be performed in order to site the new wells, the plan will only need to provide estimated locations for the new wells.

City staff has been informed that the work plan developed in May/June 2017 regarding the Proposition 1 Technical Assistance Grant was submitted to the State Water Board and that water board staff have provided input and comments. The next step is to start on the work plan tasks and preliminary engineering analysis.

The contract for the Hickory Street Improvement project has been executed by both the City and the contractor, Monterey Peninsula Engineering (MPE). The City Engineer has also registered the project on the Department of Industrial Relations web site and provided the project number to MPE for submittal of all certified payroll. MPE has provided three material submittals to the City Engineer for review and will be

submitting a project schedule to the City Administrator. Staff anticipates that construction will begin soon.

On June 12, 2017 the City Administrator, City Clerk, and City Engineer met with the Federal Emergency Management Assistance (FEMA) Contract Program Delivery Manager to discuss the City's request for public assistance to repair the observation platform and small infiltration basin system at the end of West Bay Street. It appears that the City is eligible to receive funding to cover the repair work, including City staff and consultant time for the design, processing, bidding, and coordination involved with the project, and is important that time associated with this project is well documented. FEMA will contact City Staff to setup a site inspection at a future date.

Construction of the homes for the Bungalows at East Dunes Phase 2 on lots 3-10 continues at a rapid pace. The City Engineer has been driving by periodically to review site conditions, and the City Administrator has reminded the developer to please maintain a clean work area along the public streets fronting the development.

The developer's engineer for the Monterey Bay Shores project has submitted updated site and utility plans for the proposed utility work within California Avenue. The City Engineer will be reviewing the submittal with City staff in order to respond to the developer/engineer with City requirements for issuance of an encroachment permit. One condition will be that the developer provide verification of approvals from Caltrans, Cal-Am, Seaside County Sanitation District (SCSD), PG&E, and Comcast.

City Administrator Todd Bodem reported that he was informed by the Police Chief that the City's Code Enforcement Officer Al Fasulo will not be renewing his contract and that the City will be recruiting for a new code enforcement officer.

AGENDA ITEM 10, NEW BUSINESS

A. Consideration of City RESOLUTION Adopting Amendment #1 to the City Budget for Fiscal Year 2016-2017

City Administrator Todd Bodem reported that the Budget/Personnel Committee met on June 9, 2017 to review the fiscal year 2016-17 budget. The changes are highlighted in bold in the packet. The proposed total revenue is 7,600,440. A few proposed projects are still pending development such as the South of Tioga and Monterey Bay Shores. Staff does not anticipate Cal-Am to pay for the new wells. The \$116,000 TAMC-RSTP funds will not be utilized this year. Anticipated expenditures will be an estimated \$200,000 for the Hickory Street project. The largest City expenditure is for the Other Post Employment Benefit (OPEB) obligation that was set aside and placed into a trust fund. For Fiscal Year 16-17

there was an approximate increased amount of over 1.6 million.

Council Member Hawthorne commented on the pending revenues and expenditures such as the desalination plant wells and that the City should review expenditures to find ways of saving money. Vice Mayor Blackwelder added that Staff does look at the budget quarterly to assess the City's financial standing.

There was Council discussion regarding future obligations, the importance of funding the liabilities, and how it must be reflected in the audits.

6:25 P.M. Floor opened for Public Comment.

There was no comment from the Public.

6:25 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** adopting Amendment #1 to the City Budget for Fiscal Year 2016-2017 was made by Council Member Hubler, seconded by Council Member Hawthorne. AYES: Council Members Blackwelder, Carbone, Hubler, Hawthorne. NOES: None. ABSENT: Council Member McDaniel. ABSTAIN: None. Motion carried.

B. Consideration of Proposed City Budget for Fiscal Year 2017-2018 and Appropriations Limit for FY 2017-2018

1) Approval of City RESOLUTION Adopting the Proposed City Budget for Fiscal year 2017-2018

City Administrator Todd Bodem reported that the Budget/Personnel Committee met on June 9, 2017 to review the proposed Fiscal Year 2017-2018 Budget. Once the development projects are underway and implemented, it should improve the City's finances. Applications have been submitted for the South of Tioga project. The recurring revenues account is the City's largest source of income which includes the desalination plant lease payments. Another revenue source that has not been added is the Measure X Funds providing for an additional \$20,000 in revenues. The proposed FY 2017-2018 revenue is anticipated to be \$7,546,390. The City's largest expenditure is in salary and benefits and does not include a cost of living adjustment. A salary increase of 3.3% will occur in the public safety department due to contractual obligations. The proposed FY 2017-2018 expenditure is \$8,088,252 less the total revenue of \$7,526,390 which leaves a shortfall of \$544,062. Historically, the City has found ways to balance the budget by the end of the fiscal year.

6:34 P.M. Floor opened for Public Comment.

There was no comment from the Public.

6:34 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution as amended**, adopting the Proposed City Budget for Fiscal Year 2017-2018 was made by Council Member Hawthorne, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Hawthorne. NOES: None. ABSENT: Council Member McDaniel. ABSTAIN: None. Motion carried.

2) Approval of City RESOLUTION Establishing an Appropriations Limit for Fiscal Year 2017-2018 pursuant to Article XIII B of the California Constitution

City Administrator Todd Bodem reported that each year the Council must approve an Appropriations Limit with adjustments made annually. Calculations are based on population factors, and the City used the Monterey County population factor. The recommended change resulted in \$10,820,678. Staff recommends approval of the attached resolution approving that same amount.

6:37 P.M. Floor opened for Public Comment.

There was no comment from the Public.

6:37 P.M. Floor closed for Public Comment.

Motion to approve the City **Resolution** establishing an Appropriations Limit for Fiscal Year 2017-2018 pursuant to Article XIII B of the California Constitution was made by Council Member Blackwelder, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Hawthorne. NOES: None. ABSENT: Council Member McDaniel. ABSTAIN: None. Motion carried.

C. Consideration of City RESOLUTION Adopting a Fee Increase to \$700 to recoup Costs for the Processing, Review, and Approval of Voluntary Lot Mergers within Sand City and to Authorize the Distribution and Utilization of the New Voluntary Lot Merger Application, Forms, and Documents

City Engineer Leon Gomez reported that the City has many property owners that own 25x25 foot lots providing a challenge to development standards. Staff deemed it necessary to review proposed developments on these lots especially for projects that come before the City Council for two homes on these small lots. It was identified that the City's lot merger documents needed to be reviewed. Staff worked on revisions to develop and establish new City standard documents for the processing of lot mergers. The final set, attached as Exhibit A to the staff report reflects the

new City documents. It was further identified that a fee increase was necessary and that the fee increase should recoup the time needed to process the documents.

City Attorney Jim Heisinger provided a summary of the historical data regarding the development proposals that occurred years ago. This project was encouraged to bring the City's forms up to date, keep fees low, and to make it as un-bureaucratic for the property owners as possible.

Council Member Hawthorne expressed that the City has needed to do this for several years and the new fee being charged is a reasonable amount compared to other cities. Mayor Carbone received confirmation from the City Engineer that the fee increase of \$700 dollars is a reasonable amount.

6:50 P.M. Floor opened for Public Comment.

There were no comments from the Public.

6:50 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** adopting a Fee Increase to \$700 to recoup Costs for the Processing, Review, and Approval of Voluntary Lot Mergers within Sand City and to authorize the Distribution and Utilization of the New Voluntary Lot Merger Application, Forms, and Documents was made by Council Member Hawthorne, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Hawthorne. NOES: None. ABSENT: Council Member McDaniel. ABSTAIN: None. Motion carried.

D. Comments by Council Members on Meeting and Items of Interest to Sand City

Council Member Hubler reported that he met with executives from the Pacific Grove Arts Center who expressed their interest in relocating to Sand City and rebranding themselves. They have a great Staff and have taken part in the West End Celebration for several years. There will also be a bronze pour on Saturday, June 24, from 5:00 p.m. to 8:00 p.m. at Monterey Sculpture Center. Larry Fischer has donated a sculpture which he will be giving away.

E. Consideration of Cancelling the July 4, 2017 due to the Independence Day Holiday

There was consensus of the City Council to cancel the Tuesday, July 4, 2017 Council meeting due to the Independence Day Holiday.

F. Upcoming Meetings/Events

There were no RSVP's from the Council.

AGENDA ITEM 11, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Hubler, to the next regularly scheduled Council meeting on Tuesday, July 18, 2017 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 6:54 p.m.



Linda K. Scholink, City Clerk