

MINUTES

JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

Regular Meeting – December 16, 2008
CITY COUNCIL CHAMBERS
7:00 P.M.

Mayor Pendergrass opened the meeting at 7:02 p.m.

Police Chief Klein led the Pledge of Allegiance

Present: Council Member Blackwelder
Council Member Carbone
Mayor Pendergrass
Council Member Hubler
Council Member Morris

Staff: Steve Matarazzo, City Administrator
Jim Heisinger, City Attorney
Richard Simonitch, City Engineer
Michael Klein, Police Chief
Linda Scholink, Director of Administrative Services/City Clerk

AGENDA ITEM 4, AGENDA AMENDMENTS

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

- A. The Mayor requested an Urgency Agenda Item (11.A.A), City Resolution Approving a Donation of a Mobile Office Unit located at 320 Elder Avenue from Gostanian General Building Corporation, be added to the agenda.

Motion to approve the addition of Urgency Agenda item 11 AA under New Business was made by Council Member Hubler, seconded by Council Member Morris. AYES: Council Members Carbone, Hubler Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Member Blackwelder. Motion Carried.

{Council Member Blackwelder returned to the dais}

AGENDA ITEM 4, COMMUNICATIONS

- A. Written communications distributed to the Council earlier today under separate cover was the staff report and purchase agreement on the Carroll property, agenda item 11 C.
- B. Oral

7:05 P.M. Floor Opened for Public Comment

No comments from the public. The Mayor reported to the Council on the employee luncheon held the previous Friday. He expressed his appreciation of staff, and handed out the holiday gifts to the Council and staff that were unable to attend that luncheon. He also thanked Michael Morris for his service and dedication to the City of Sand City.

7:07 P.M. Floor Closed to Public Comment

AGENDA ITEM 5, SWEARING-IN CEREMONY OF NEW CITY COUNCIL

- A. Motion to approve City **RESOLUTION** Canvassing the November 4, 2008 General Election was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.
- B. Swearing-in Ceremony of Elected Officials as a result of the November 4, 2008 General Election:

Newly elected Councilmember Todd Kruper was sworn into office by City Clerk, Linda Scholink. Also sworn in were re-elected Mayor David K. Pendergrass and Vice Mayor Mary Ann Carbone. Todd Kruper took his seat with the Council, as Michael Morris stepped down.

Mayor Pendergrass acknowledged outgoing Councilmember Michael Morris. Council and staff thanked Mr. Morris for his insight and attention to detail over the years.

AGENDA ITEM 6, CONSENT CALENDAR

- A. There was no discussion of the December 2, 2008 Sand City Council Meeting Minutes.
- B. There was no discussion of the Public Works Monthly Report for November 2008.
- C. There was no discussion of the Police Department Monthly Report, for November 2008.
- D. There was no discussion of City **RESOLUTION** Reappointing David Pendergrass to the Monterey Regional Waste Management District Board of Directors.

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- E. There was no discussion of the Ratification of Sand City Representatives & Responsibilities.
 - (1) Selection of Vice Mayor & Redevelopment Agency Vice Chair
 - (2) Appointment of City Representative's to City Committees and various Agency's/Organizations.
 - F. There was no discussion of the City **RESOLUTION** Authorizing the Engagement of the Zumbrun Law Firm to represent the City in the Action Styled the Center for Biological Diversity vs. Dirk Kempthorne, et. al.
 - G. There was no discussion of the City Donation/Contribution
 - 1) Request by Dorothy's Place - \$100

Motion to approve the Consent Calendar was made by Council Member Carbone, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler Kruper and Pendergrass. 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, PRESENTATIONS

- A. City Administrator Matarazzo reviewed some of the highlights included in his staff memo to the Council. He said that the total net assets had increased by \$3.3 million for the year. He cautioned the Council by reminding them that the bond receipts had been recognized in this audit as income and the expenses related to this revenue would be reflected in the next fiscal year audit. Next year's audit will reflect the sales tax reduction that we are currently experiencing. The debt service looks bad because of the increase in debt but the majority of that debt is due to the amount the Redevelopment Agency owes the City. At the end of the Redevelopment Agency, the City can choose to forgive that debt. The property tax went up about 8% this year, which is good news compared to the surrounding cities.

Sunny Wong from Hayashi & Wayland reported on the audited financial statements for the Year Ended June 30, 2008 and the Independent Auditor's Report. She reported to the Council that she and Therese Courtney had met with the Budget Committee in November, and had gone over the audit in detail. The audit reported a clean opinion, which is the best report the City can get. She said the summary on page 4 of the audit has a good comparison of the previous year and this current reporting period. She said that items worth noting are that the City/Agency increased its assets by 3.3 million, which translates into increased

revenues and decreased expenses. Another accomplishment was the issuing of new bonds, and the City began reconstruction of the desalination plant that will bring in additional revenue when completed. She said there was management letters included in the audit, and there were no material deficiencies. The new pronouncements were included in the report. She said that through the audit process they experienced excellent cooperation with management.

The City Administrator explained to the Council that the addition of Devon to the Finance Department has helped immensely, and the auditor also noted that Devon was very helpful throughout the audit process. Council Member Blackwelder thanked staff and complimented Devon on her contribution to the City. Council member Carbone thanked the City Administrator for ensuring the job evaluations were completed. Mayor Pendergrass acknowledged and thanked staff for their hard work.

- (1) Motion to approve City **RESOLUTION** Accepting the Audited Financial Statements for the Year Ended June 30, 2008 and Independent Auditors' Report was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.
- (2) Motion to approve of Redevelopment Agency **RESOLUTION** Accepting the Audited Financial Statements for the Year Ended June 30, 2008 and Independent Auditors' Report was made by Agency Board Member Kruper, seconded by Agency Board Member Hubler. AYES: Agency Board Members Blackwelder, Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

AGENDA ITEM 9, PUBLIC HEARINGS

{Due to a possible conflict of interest by residing within 500' of the subject property, Council members Blackwelder and Hubler stepped down from the dais}

- A. The City Administrator presented the resolution approving the negative declaration prepared for the purchase of property at 525 Ortiz Avenue.
- 7:25 P.M. The Floor was opened to Public Hearing.
- There were no comments from the public.
- 7:25 P.M. The Floor was closed to Public Hearing.
- Motion to approve City RESOLUTION Approving Negative Declaration on the City Purchase of Property located at 525 Ortiz Avenue (Carroll Trust)

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was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Carbone, Pendergrass and Kruper NOES: None. ABSENT: None. ABSTAIN: Council Members Blackwelder and Hubler. Motion Carried

{Council Members Blackwelder and Hubler returned to the dais}

AGENDA ITEM 10, OLD BUSINESS

- A. City Engineer Richard Simonitch reported to the Council that PG&E is scheduled to relocate 2 poles on Elder between Catalina and Contra Costa, (at no cost to the City) in mid-February. After the poles have been moved the street can be reconstructed. They should be able to go out to bid in mid-February.

Testing on the desalination plant has been delayed until March, which amounts to about a six week delay; due to the redesign of programmable computer equipment at the beach wells. This could cause scheduling problems with the design build contractor, but allow time to establish the water hookup fee program. The City will need to talk with Cal-Am because we are about 60 days passed our original plans. Originally we were to begin testing at the end of December and be on line the beginning of March. Now we will begin testing the beginning of March. The City Engineer will be attending a meeting on December 23rd with PG&E (rebate team), to tour the desalination plant. The Regional Water Quality Control Board, (RWQCB) Permit for the Waste discharge was obtained on December 5th.

The City Administrator explained to the Council that the RWQCB permit in San Luis Obispo was obtained by unanimous vote with the cooperation of Monterey Coast Keepers and the Surf Rider Foundation.

AGENDA ITEM 11, NEW BUSINESS

- A. Mayor Pendergrass brought to the City Council's attention the date of the next scheduled Council Meeting on January 6th, 2009. The preparation of the agenda packet would have to be prepared when City Hall is closed for the Holiday season and most staff is scheduled off. There was Council consensus to cancel the regularly scheduled meeting on January 6th to the next regularly scheduled meeting for January 20th.

{Council/Agency Member Blackwelder stepped down due to a possible conflict of interest by residing within 500' of the subject property}

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- A.A. City Administrator Matarazzo presented the Resolution accepting the donation of a mobile office unit being offered by Gregory Gostanian. The mobile trailer is located at 320 Elder Avenue. City staff have inspected the mobile office, and determined that it can be used for a corporation yard office and other municipal purposes.

Motion to approve City **RESOLUTION** approving a Donation of Mobile Office Unit located at 320 Elder Street from Gostanian General Building Corporation was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Member Blackwelder. Motion Carried

- B. City Administrator, Matarazzo, brought before the City Council that Gostanian Construction has been renting a portion of the desalination plant facility site for more than a year. He would like to remain on the site until February 2010. The existing location of the trailer has been determined by the City Engineer to not cause a problem with the completion and maintenance of the desalination plant. The resolution would extend the term of the lease to February 28, 2010 under the same terms and conditions as previously given, and accept the public donation of the office trailer.

After a recent discussion with Mr. Gostanian, the City Administrator reported to the Council that Mr. Gostanian is requesting a rental reduction because of the limited space he is able to use due to the increase of square footage the desalination plant needs. Mr. Gostanian is requesting a lease reduction from \$1001. per month to \$716. per month.

Motion to approve Redevelopment Agency **RESOLUTION** as amended regarding the lease fee, Authorizing a Commercial Lease Agreement Extension to February 28, 2010 between the Sand City RDA, as the Lessor, and the Gostanian General Building Corporation, as the Lessees for the Temporary Use of Agency Property (APN 011-243-002 & 006), and Existing Fenced Yard for the Storage of a Mobile Office Trailer and Related Business Activities was made by Agency Board Member Kruper, seconded by Agency Board member Carbone. AYES: Agency Board Members Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency Board Members Blackwelder. Motion Carried

{Due to a possible conflict of interest by residing within 500' of the project area, Agency Board member Hubler stepped down from the dais and joined Agency Board member Blackwelder}

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- C. Executive Director Matarazzo recommended a continuance of this item stating he had recently spoken with Mr. Carroll and there were some minor details that still needed to be worked out.

Motion to **continue** the Redevelopment Agency **RESOLUTION** Approving a Real Property Purchase Agreement and Authorizing the Executive Director to Complete Escrow Documentation and Accept the Grant for Property located at 525 Ortiz Avenue (Primary Address), AKA. Carroll Trust Property to the January 20, 2009 meeting was made by Agency Board Member Carbone, seconded by Agency Member Kruper. AYES: Agency Members Carbone, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency Members Blackwelder and Hubler. Motion Carried.

{Agency Board Members Blackwelder and Hubler returned to the dais}

- D. The City Attorney presented to the Council the confirmation of officers for the Sand City Joint Powers Authority Confirming its Officers. The Bylaws require the Directors of the Authority to hold an annual meeting confirming their officers.

Motion to approve the JPFA **RESOLUTION** Approving the Sand City Joint Powers Financing Authority Confirming its Officers was made by JPFA Member Blackwelder, seconded by JPFA Member Hubler. AYES: All JPFA Members. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried

- E. The City Clerk reminded the Council of the upcoming Awards Banquet.

AGENDA ITEM 12, CLOSED SESSION

7:50: P.M.

- A. The Agency Board adjourned to Closed Session to confer with Legal Counsel:

1) Regarding existing litigation in accordance with Section 54956.9 of the Ralph M. Brown Act, The Center for Biological Diversity v. Dirk Kempthorne.et.al

7:56 P.M.

- B. The Agency Board Readjourned 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

The City Attorney updated the Agency Board and no action was taken.

AGENDA ITEM 13, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Kruper to the next regularly scheduled Council meeting on January 20, 2009 at 7:00 P.M. There was unanimous consensus of the Council to adjourn at 7:58 p.m. and proceed with the reception in honor of the newly elected City Council.

Linda K. Scholink, City Clerk

