

MINUTES

JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

Regular Meeting – February 17, 2009
7:00 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 7:03 p.m.

Invocation was led by Reverend Robert Hellam

The Pledge of Allegiance was led by Police Chief Michael Klein

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

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

AGENDA ITEM 4, COMMUNICATIONS

- A. There were no written communications distributed this evening.
- B. Oral

7:04 P.M. Floor opened for Public Comment

Captain DJ Skelton from the Defense Language Institute and President/Founder of Parado Sports, a catalyst for supporting post-traumatic war syndrome care since 2007, explained to the City Council that he would be coordinating a fundraiser at the Sanctuary Rock Gym on March 28, 2009. The event will be catered, and some of the top local leaders and athletes will be in attendance.

Council Member Blackwelder thanked him for his service to this Country.

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

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 Council member 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 permit conditions. There was no discussion of the following conditional use permits and coastal development permits.
- (1) CUP #212, Nicholas Olivio (Music Recording Studio), 1745 Hickory Street.
 - (2) CUP #241, Joe Bonano (Automotive), 475-A Olympia Avenue.
 - (3) CUP #448, Mike Houser (Screen Print Shop), 542 Ortiz Avenue.
 - (4) CUP 471, Peninsula Plumbing (contractor) 749 Dias Avenue
 - (5) CDP #93-01, Max Wholesalers (Picture Frame Supply), 325 Elder Avenue
 - (6) CDP #98-01, James Davi (Paint Contractor), 1815-E Contra Costa Street
 - (7) CUP 07-01, Sato Racing (wholesaler), 2B John Street
 - (8) CDP 08-01, Kelly Lynn Olsen (Nail Salon), 490-B Orange Avenue
- B. There was no discussion of the February 3, 2009 City Council Meeting Minutes.
- C. There was no discussion of the Police Department Report, January 2009.
- D. There was no discussion of the Public Works Monthly Activity Report, January 2009.
- E. There was no discussion of the City/Redevelopment Agency Financial Report, January 2009.
- F. There was no discussion of the City **Resolution** honoring Hebard Olsen as the Monterey Peninsula Branch- NAACP President's Award Recipient.
- G. There was no discussion of the City **Resolution** recognizing Hal Ginsburg as the NAACP Spirit of Partnership Award Recipient.
- H. There was no discussion of the City **Resolution** honoring Leon Panetta as the Monterey Peninsula Branch-NAACP "Ties that Bind" Award Recipient.

Motion to approve the Consent Calendar was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAINED: None.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the consent calendar.

AGENDA ITEM 7, OLD BUSINESS

- A. The City Engineer updated the City Council on the desalination project, reporting the plant has been completed and looks great. All the pumps have been installed. There are a few plumbing and wiring changes. The design/build contractors have about 2-3 weeks left. Once things dry out from the rain, the parking lot should be completed. He has another meeting with Cal-Am on Friday.

Sand City had originally drilled four wells, where only three had the quality and quantity of water needed. The City has three operating wells, and Cal-Am would like to have four. This maybe an unexpected expenditure and he will have more to report after the next meeting on Friday.

The City Engineer also explained that CDM would like to put a Sand City logo on the building. Staff was asked to work with the City Engineer to get the appropriate artwork to CDM. He also said that he had looked at the 90' outflow line and it looked fine today and no flooding was occurring.

The City Attorney questioned the date construction began and the testing dates in the lease. He asked if we were going to meet the March 31, 2009 completion date. The City Engineer responded that it would depend on the Department of Health and whether they required two weeks of testing or 60 days of testing, or some time in between.

The Mayor asked about what progress is being made on the street work. The City Engineer replied that PG&E was scheduled to move the poles, but with the rain they have not been able to get started.

There was Council discussion on the editorial in the Herald stating that Sand City should be no more. Everyone agreed that all of the positive facts relating to Sand City were not included in the editorial and it should be rebutted.

The City Administrator told the Council that by the next Council meeting he should have an update on the recommended water charge from the consultants, Willdan Financial Services.

Council Member Hubler relayed to the City Council that the Art Committee was working with Sweet Elena's to host an event on March 28, 2009 to showcase the local artists. He also stated that he was very happy that Todd Kruper will be joining the Art Committee, and that the West End event is tentatively set for August 22nd.

AGENDA ITEM 8, NEW BUSINESS

- A. City Administrator Steve Matarazzo presented a mid-year budget review power point presentation beginning with the totals and balances of the combined fiscal years 07-08 and 08-09. The comparison of revenues and expenditures summary illustrates that, between the two years, the combined balance would be a positive \$680,006. The reason to show these two years together is to illustrate that the City/Agency received bond funding in fiscal year 07/08, and a large part of the expenditures were fiscal year 2008/2009.

The City Administrator reviewed another chart that showed the adopted budget for fiscal year 2008-2009 and the amended proposed budget for fiscal year 2008-2009. The first part of the year the City/Agency showed a deficit of \$4,671,850.00, and the amendment before you tonight shows a deficit of \$5,351,856; which is due mostly to the increase in cost for the desalination project. The CDM contract when completed is still about \$2 million less than the other bids that were received by the City for the desalination project. The Carroll Property acquisition is another expenditure increase of \$100,000. There is an additional payment to Educational Revenue Augmentation, (ERAF) for \$117,000 that was imposed by the State. The City Council approved a preliminary budget for fiscal year 2008-2009 in June of 2008. At that time it was anticipated that the upcoming year would see a downturn in sales tax due to the continuing competition from other retailers in the area. We originally predicted a 5% decrease in sales tax revenues. We have changed that to a 10% decrease. Property/Increment tax was estimated to increase about 7 percent. The amended budget shows an increase in interest earned due to the Agency paying the City back interest on debt owed to the City. The operating revenues show a slight increase and operating expenditures show a slight decrease in the amendment. The decrease in expenditures is due partly to the department heads tightening up their departmental expenditures, the contingency funds being reduced, and the records retention project, the new financial software, and the NGEN Radio project being taken out of the budget.

The Mayor stated Sand City has been smart and is using consultants and contract services when possible, and kept an eye on our budgets. He said we have tax-sharing agreements and we are building a desalination plant. The City has come a long way, been very mindful, and making good decisions along the way.

Council Member Kruper commended the staff on the preparation of a very concise and easy to understand budget amendment. The Mayor explained to the Council that the Personnel/Budget Committee had reviewed the amended budget in detail and were recommending approval to the City Council.

1) Motion to approve the City **Resolution** adopting Amendment #1 to the combined City and Redevelopment Agency Budget for fiscal year 2008-2009 was made by Council Member Carbone, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

2) Motion to approve the Redevelopment Agency **Resolution** Adopting Amendment #1 to the combined City and Redevelopment Agency Budget for fiscal year 2008-2009 was made by Agency Board Member Kruper, seconded by Agency Board Member Hubler. AYES: Agency Board Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

- B. The City Clerk brought to the Council's attention the upcoming events and meetings.

AGENDA ITEM 9, CLOSED SESSION

The City Attorney advised there was no reason for closed session.

- A. City/Agency Board to adjourn to Closed Session to confer with Legal Counsel Regarding existing litigation in accordance with Section 54956.9 (a) of the Ralph M. Brown Act, The Center for Biological Diversity v. Dirk Kempthorne.et.al
- B. Readjourn 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

AGENDA ITEM 10, 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 March 3, 2009 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 7:47 p.m.

Linda K. Scholink City Clerk