

MINUTES

JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

Regular Meeting-June 16, 2009
7:00 P.M.
CITY COUNCIL CHAMBERS

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

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 (excused absence)
Michael Klein, Police Chief
Linda Scholink, Director of Administrative Services/City Clerk

AGENDA ITEM 4, COMMUNICATIONS

- A. Written communication: Distributed to the City Council this evening included:
- Agenda Item 8A- Review of Businesses, Permits, and Dumpsters memo from Charles Pooler
 - Agenda Item 9B-Modified Budget Summary Chart for Fiscal Year 2009-2010
 - Agenda Item 9C-Exhibit A- Revision to MOU
 - Invitation to Ralph Bailey & Bill Reichmuth Retirement Celebration
- B. Oral
- 7:03 p.m. Floor Opened for Public Comment.
There were no comments from the public.
- 7:03 p.m. Floor Closed to Public Comment.

AGENDA ITEM 5, CONSENT CALENDAR

- A. There was no discussion on the Conditional Use Permits (CUP) and Coastal Development Permits (CDP) listed below.
- (1) CUP #377, Hartzel Automotive (Auto Training Center/Offices), 560 California Avenue

- (2) CUP #300, Edgewater Center (regional Commercial Center), Playa & California Avenues
 - (3) CUP #419, Carmel Tile & Marble Company (Wholesale), 1725 Contra Costa
 - (4) CUP #460, Matt Lemarque (weight training), 625 California Avenue
 - (5) CDP #97-05, Monterey Bay Restaurant Equipment (Wholesale), 325 Elder Avenue
- B. There was no discussion of the May 19, 2009 Sand City Council Meeting Minutes.
 - C. There was no discussion of the Public Works Department Monthly Report for May 2009.
 - D. There was no discussion of the Police Department Monthly Report for May 2009.
 - E. There was no discussion of the City **RESOLUTION** Authorizing Renewal of a Maintenance Services Agreement with Hope Rehabilitation Services.
 - F. There was no discussion of the Designation of Voting Delegate and Alternate for the 2009 League of California Cities Annual Conference, September 16-18, 2009 in San Jose.
 - G. There was no discussion of the City/Redevelopment Agency Monthly Financial Report for May 2009.
 - H. There was no discussion of the Donation to the Monterey County Film Commission for \$500.
 - I. There was no discussion of City **RESOLUTION** Authorizing the Execution of an Agreement between the City and Monterey-Salinas Transit regarding Transit Service and Bus Shelter Maintenance.

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. ABSTAIN: None. Motion Carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled.

AGENDA ITEM 7, PUBLIC HEARINGS

{Council Member Hubler stepped down from the dais due to a possible conflict by residing within 500" of the proposed properties}

- A. Associate Planner Pooler presented for consideration coastal development permits issued to various businesses utilizing sections of the railroad right-of-way as fenced storage yards. Five permits were issued to businesses within Seaside abutting the railroad tracks. These permits were originally given 2-year time limits, with time extensions thereafter. These permits with extensions are now coming to termination. Staff recommends approval of the attached resolution, granting a 1-year time extension on the coastal development permits to the end of July 2010. I have received letters requesting 2-year extensions.

Richard Cartell, (representing Peter Blackstock); Stated the original permit was for two years, and they would prefer two year extensions. The property is being used for inventory storage, and the properties are being well maintained.

Sam Linder, (representing Jaguar/Landrover); They have a lease with TAMC that is a 5 year lease with 3-10 year extensions. With the exception of TAMC bringing in some sort of light rail transportation, they would prefer a 2-year permit extension.

The Council discussed extending these permits to two year terms rather than the one year term that was recommended; they were in agreement to extend the permits on the east side of the railroad to two year terms.

7:20 P.M. Closed to Public Comment

Motion to approve City **RESOLUTION** as Amended Approving Two Year Time Extensions to Coastal Development Permits (CDP 02-04, CDP 03-03, CDP 04-01, CDP 04-03, CDP 04-04, and CDP 05-03); allowing continuation of those storage yards within the Railroad Right-of-Way for Businesses in the City of Seaside was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Member Hubler. Motion Carried.

{Council Member Hubler returned to the dais}

AGENDA ITEM 8, OLD BUSINESS

- A. The City Administrator updated the City Council on the status of Waste Management dumpsters visible from the public right of way. In the past, city staff has sent letters to property/business owners regarding the City's policy to eliminate the visual blight created by dumpsters being left in the public rights-of-way following trash collection. These notices have not produced notable changes. City staff has considered amending our current franchise agreement to be more like Carmel's, which requires the service provider to be responsible for placing the trash receptacles within trash enclosures or other "out of sight" areas.

The District Manager and the City Administrator did a field inspection to view the problem together. Following the review, it was determined that Sand City could not have the same service as Carmel because, in most cases, the businesses that contribute to the blight problem do not have a readily available screened location to place the trash receptacles. City staff has begun to review existing use permits to determine if they can be used to enforce trash receptacles being screened from view or contained within the buildings.

Associate Planner Pooler had done a "windshield survey" of businesses in the West End District with their site address and land use permit numbers. Most of the conditional use permits and coastal development permits reviewed by staff contain a condition regarding waste receptacles not to be stored outside except on trash collection days. For those uses not in compliance with their permits regarding their trash dumpsters, notifications will be sent to both property owner and business of their violation and there is the potential for citations.

Council Member Blackwelder stated that when you have mixed uses, you are mixing residential with businesses and you need to keep it tidier. Screening makes a difference, and each permit should be reviewed individually based on the unique circumstances involved. Mayor Pendergrass asked that staff follow up with the use permits. Council agreed that it was important to follow up with the businesses that do have permits, and deal with the dumpsters that are left in the right of way, or the streets. Council asked staff to continue to update the permits as they change business use, and include conditions that require appropriate waste/trash screening and placement.

- B. The City Administrator visited the desalination plant on Shasta, and it is currently in the testing phase. Clean water is being produced. At one point the water was running into the street, but is now running under the freeway into the discharge well. Currently all the water is going to the discharge well, which is 33% more water than was projected. When the desalination plant is up and running after the permit process, 2/3 rds of the water, or 66% will be running through the discharge well, not 100%. Everything is running fine right now; there are two Cal-Am employees at the building site, keeping an eye on the plant activities.

Council Member Kruper requested that the hole that was dug as a temporary perk pond be filled in, to avoid any liability issues. The Chief said that the hole is surrounded by fencing, which should limit the liability. The City Administrator requested the hole be filled in as soon as possible.

The City Administrator recently received a call from Ed Ghandour, wondering if he had met with Commissioner Potter. The City Administrator responded that he had not, probably due to the fact that Potter's appointment to the Coastal Commission has yet to be confirmed by the Assembly Speaker.

The City Attorney addressed the additional hand out this evening, which was a letter from Jon D. Rubin, Attorney for California American Water, regarding the notice of intent to file a petition for writ of mandate. Cal-am intends to challenge the District's decision to deny developer Ed Ghandours' Application, at least in part, because the decision and findings are based on an unlawful interpretation of State Water Resources Control Board Order 95-10.

AGENDA ITEM 9, NEW BUSINESS

- A. The Director of Administrative Services reviewed amendment # 3 to the Budget for fiscal year 2008-2009. She explained, due to the State situation and the hard economic times we are facing, she felt it was important to do one more amendment to be more reflective of what has taken place within funding shifts the last several months. There were some accounting reclassifications that have been clarified and each line item was reviewed carefully and changed accordingly. The overall change to the budget for fiscal year 2008-2009 reflected an additional shortfall of almost \$750,000.
 - 1) Motion to approve City **RESOLUTION** Adopting Amendment #3 to the Combined City and Redevelopment Agency Budget for Fiscal Year 2008-2009 was made by Council Member Kruper, 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 Redevelopment Agency **RESOLUTION** Adopting Amendment #3 to the Combined City and Redevelopment Agency Budget for Fiscal Year 2008-2009 was made by Agency Member Blackwelder, seconded by Agency Member Kruper. AYES: Agency Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

The Mayor thanked staff for all their hard work during these difficult economic times.

- B. The City Administrator had previously presented this budget in draft form at a previous Council meeting. After careful review, the proposed combined budget for Fiscal Year 2009-2010 is before you tonight. The City Administrator explained to the City Council that he was more concerned with the state of the State rather than the state of the economy. Revenues for the upcoming year are projected to be less this fiscal year due to the closing of Circuit City and a reduction in property tax revenues due to the foreclosure of the Design Center and declining property values. The revenues in this budget are considered conservative. With the cooperation of all City employees, salaries will be frozen during the next fiscal year (other than step increases). Reinstatement of salary increases approved in 2007 will occur when economic conditions improve substantially. Overall revenues for FY 2009-2010 are projected to be \$10,155,668, down approximately 10 percent from last year's figures. Projected expenditures for next fiscal year are approximately \$10,448,380; leaving an approximate shortfall of \$300,000. Other cost reductions worth mentioning are the elimination of the Monterey-Salinas Transit, (MST) contract for the maintenance of the bus shelters at the Edgewater transit transfer station for a savings of approximately \$28,000. The Hope Services contract has been reduced by 50%, which is a approximate cost savings for the City of \$43,000. This reduction will give additional responsibilities and work to the public works department. The salary freeze will save the City approximately \$240,000 this fiscal year in salaries and benefits. The Fire contract with the City of Monterey has been reduced by almost \$17,000. These additional savings total approximately \$325,000 in expenditures.

Fiscal year 2009-2010 includes some planned capital improvements. The primary funding for next year will start with the street overlay work in the West End District. The City has received Prop 1B funds, and will be moving forward on this project as soon as possible. We should be going out to bid in the next month. The other project the City Administrator would like to move forward on is the beach access improvements that are required as part of the Sand City Water Supply Project. The City will need to move forward on the Redevelopment 5-Year Implementation Plan. This will be the fourth plan in this series, effective from 2010 through 2014. During the past 5 year period, the City has accomplished two major projects: the Design Center Mixed Use project, which resulted in 10 affordable rental housing units; and the completion of the Sand City Water Supply Project. There is anticipated staff review of the development application for the South of Tioga Redevelopment Project and the continued design development of an enlarged Civic Center building. These projects have all been allotted nominal amounts of dollars in the proposed 2009-2010 budget.

This year's recommended budget could not have been completed without the cooperation of the employees agreeing to increased work loads and salary

freezes. It also required the City Council's guidance to continue to use limited funding from existing City reserves to insure City operations are maintained at an acceptable standard without further staff reductions. The City Administrator stated one of his major concerns is what the State is up to. They are looking at cities and redevelopment agencies for more funding. He is looking at the future optimistically, but will continue to review the budget over the next year.

- 1) Motion to approve City **RESOLUTION** Establishing an Appropriations Limit for Fiscal Year 2009-2010 pursuant to Article XIIIB of the California Constitution was made by Council Member Kruper 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 City **RESOLUTION** Adopting the Proposed Combined City and Redevelopment Agency Budget for Fiscal Year 2009-2010 was made by Council Member Blackwelder, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.
 - 3) Motion to approve Redevelopment Agency **RESOLUTION** Adopting the Proposed Combined City and Redevelopment Agency Budget for Fiscal Year 2009-2010 was made by Agency Board Member Blackwelder, seconded by Agency Board Member Kruper. AYES: Agency Board Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.
- C. Consideration of a 5-Year Contract with the City of Monterey for Fire Protection and Plan Check Services and a First Year Contract amount of \$258,600. Although the City of Monterey and the City of Seaside have both showed an interest in providing fire services for the City of Sand City staff is recommending continuation with the City of Monterey, due to the long working relationship that has been established with satisfaction.

8:23 P.M. Floor Opened for Public Comment

Jerry Wombaker, Fire Chief, City of Seaside: He stated that the proposed Seaside contract for fire service represented a potential difference of approximately \$128,000 between the City of Monterey. They currently contract with the City of Del Rey Oaks, and have an automatic aid agreement. He explained to the Council that they have a quicker response time than the City of Monterey. He asked the City Council to consider the contract being presented by the City of Seaside. The City of Sand City could probably save an additional \$47,000 by terminating calls when the police department determined that it is not a medical emergency.

8:30 P.M. Floor Closed to Public Comment

The Mayor suggested that the Council follow staff recommendation and continue with the City of Monterey due to the excellent service and relationships during the long term association. The Council agreed and Council Member Blackwelder motioned to approve the agreement with the City of Monterey, seconded by Council Member Kruper. Council Consensus, motion carried. Staff was asked to come back with a resolution. The motion to approve the Monterey Fire Services contract was approved unanimously.

- D. The City Administrator referred to the 2007 approved 3-year compensation package that affects all employee groups. Due to the economic circumstances, the third year compensation increases outlined in that agreement are recommended to be deferred until economic conditions improve. The MOU's in the Council's agenda packet include language recognizing the third year "freeze" on salaries. At this time nearly all employees or their representatives have agreed to the freezes, and are supportive of the salary freeze in order to avoid layoffs and/or furloughs.

Motion to approve City **RESOLUTION** Approving Amendments to Existing Memorandums of Understanding with the Police Officers Association and other Sand City Employees

- 1) Non-Exempt Employees
- 2) Management Employees
- 3) Police Officers Association

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

- E. The City Clerk received responses on the upcoming meetings and events.

AGENDA ITEM 10, CLOSED SESSION

The City Attorney stated that closed session was not needed.

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 July 7, 2009 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 8:50 p.m.

Linda K. Scholink, City Clerk