

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

Regular Meeting – November 3, 2009
7:00 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 7:00 p.m.

The invocation was led by Reverend Carl Kelleher.

Police Chief Michael Klein led the Pledge of Allegiance.

Present: Council Member Blackwelder
 Council Member Carbone
 Council Member Hubler (excused absence)
 Council Member Kruper
 Mayor Pendergrass

Staff: Steve Matarazzo, City Administrator
 Jim Heisinger, City Attorney
 Richard Simonitch, City Engineer
 Michael Klein, Police Chief
 Connie Horca, Deputy City Clerk

AGENDA ITEM 4, COMMUNICATIONS

A. There were no written communications distributed.

B. Oral

7:03 p.m. Floor opened for Public Comment.

Daniel Maniscalco (Monterey Peninsula resident) addressed the Council with regard to opening a medical cannabis dispensary in Sand City. He distributed informational materials to the Council on the operating requirements and local regulations involved in operating an establishment with a medical status. He reported that there is presently no legal dispensary in the Monterey Peninsula and that patients need to travel to Santa Cruz to have their prescriptions filled. Mr. Maniscalco would like the Council to consider placing his request to open a dispensary on a future agenda, and expressed his thanks to the Council for their attention.

7:06 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. There was no discussion of the October 6, 2009 Sand City Council Meeting Minutes.
- B. There was no discussion of the October 20, 2009 Sand City Council Meeting Minutes.

Motion to approve the Consent Calendar was made by Council member Blackwelder, seconded by Council member Carbone. AYES: Council members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council member Hubler. ABSTAIN: None. Motion Carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled.

AGENDA ITEM 7, PRESENTATIONS

- A. Mayor David Pendergrass presented a Certificate of Appreciation to Mike Rosales and Cub Scout Pact #68 for their many years of support and participation in the Annual Coastal Commission Beach Clean Up Day done on behalf of the City of Sand City. Vice Mayor Mary Ann Carbone also presented a gift certificate for a day of whale watching along the bay to Mr. Rosales and the cub scouts for being faithful every year for the past seven years.

Mr. Rosales commented that it has been a pleasure to be able to contribute to the community in this way. It helps to teach the cub scouts the value of caring for the environment and the meaning of community involvement through volunteering for this annual event.

AGENDA ITEM 8, OLD BUSINESS

- A. City Administrator Steve Matarazzo presented a resolution approving an amendment to the contract with David J. Powers & Associates, Inc. for the preparation of an Environmental Impact Report for the Collection at Monterey Bay Resort Hotel Project. The EIR consultant has expressed that the project has been delayed for a number of reasons causing the EIR preparation to remain uncompleted. A revised cost for the completion of the project has been proposed by the consultant for \$273,276. The remainder of the cost is to be paid by King Ventures. Staff recommends the approval of the attached resolution approving the contract amendment with David J. Powers and Associates.

Motion to approve the City **Resolution** approving amendment to the contract with David J. Powers & Associates, Inc. for the preparation of environmental impact report

for the Collection at Monterey Bay Resort Hotel Project was made by Council member Blackwelder, seconded by Council member Kruper. AYES: Council members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council member Hubler. ABSTAIN: None. Motion Carried.

- B. City Engineer Richard Simonitch reported that bids for the Coastal Access Project have been released and are due by December 1st, with construction expected to begin some time in January of 2010. The Prop 1B street improvement project is progressing with no significant change orders, and only a few minor delays due to utilities in the street.

The desalination plant is waiting for final approval from the California Department of Public Health so water can be delivered to customers. Other than a few minor repairs at the desalination plant, the project is proceeding well.

Council Member Kruper asked about the wells on the beach.

Mr. Simonitch responded that there has been success at the Bay Street wells. There are still bubbles in the aquifer, which has been redesigned so that it will not be sucked into the wells. Once this redesign is completed there should be no bubbles in the wells.

City Administrator Steve Matarazzo reported that Sand City's "immaterial amendment" on a replacement well will be considered at the Coastal Commission meeting tomorrow at 9:00 am, which is available to watch via webcast. Once approved, the well permit will be approved by Monterey County.

City Attorney Jim Heisinger reported that the Cal-Am Lease has been signed with the original rent amount maintained during the first 15 years of the lease. Since the desalination plant will not be fully operational until the end of this year, another year was added to the lease agreement. Mr. Heisinger congratulated City Staff for compiling over ten years of bills and receipts showing all the accumulated cost for the water supply project.

Mayor Pendergrass paraphrased the purpose and goal of Sand City's Water Supply Project to those in the audience. He is hopeful that the Governor of California will attend the ribbon-cutting ceremony once the desalination plant is fully operational.

City Administrator Steve Matarazzo reported that the Council was to receive the Housing Element this month. He was recently informed that PMC's consultant working on the project had been laid off. Staff is scheduling a meeting with an area representative of the State, and should have something before the Council at a future meeting in December.

AGENDA ITEM 9, NEW BUSINESS

- A. City Administrator Steve Matarazzo presented a City Resolution to approve a

purchase and sale agreement regarding Sand City's Proposition 1A receivable from the State of California. This year, the State of California's Budget process authorized the State to "borrow" eight percent of property tax revenues from all local agencies within California. The State authorized a bond program entitled "Proposition 1A Securitization Program". Most cities have adopted this program since it provides that local agencies will receive their monies now instead of waiting for another 3 years; at which time the State may extend the borrowing period. Staff recommends approval of the resolution and adoption of the securitization program.

City Attorney Jim Heisinger commented that he has reviewed the securitization program. In summary, instead of the State borrowing money from the City, it will be borrowed from the public at large via a bonded indebtedness.

Motion to approve the City **Resolution** approving the Form of and authorizing the execution and delivery of a Purchase and Sale Agreement and related documents with respect to the sale of the seller's Proposition 1A receivable from the State; and directing and authorizing certain other actions in connection therewith was made by Council member Carbone, seconded by Council member Kruper. AYES: Council members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council member Hubler. ABSTAIN: None. Motion Carried.

- B. Information Only: Article on Jim Sinegal, Costco CEO "Building an Empire from the Employees Up". Mayor Pendergrass commented that this is an interesting read depicting the origins of Costco and how Mr. Sinegal has made this corporation a successful retail establishment.
- C. The Deputy City Clerk brought to the Council's attention the upcoming meetings and events. There were no RSVP's. Council Member Kruper expressed his interest in attending the Monterey Peninsula Chamber of Commerce's upcoming mixers.

AGENDA ITEM 10, CLOSED SESSION

7:40 p.m.

- A. City Council /Agency Board to adjourn to Closed Session to confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9(c) of the Ralph M. Brown Act,
 - 1) *CalAm v. Seaside*
 - 2) *State Water Resources Control Board Order WR 2009-0060*
 - 3) *Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101)*
 - 4) *CalAm v. State Water Resources Control Board*

8:03 p.m.

- 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

Items (1 – 4), Council gave direction to City Attorney.

AGENDA ITEM 11, 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 November 17, 2009 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 8:04 p.m.

Connie Horca, Deputy City Clerk

