

Regular Session Meeting Minutes
SAN JUAN BAUTISTA CITY COUNCIL
Tuesday, September 16, 2008
City Hall

- 1. Call to Order:** The meeting was called to order at 6:00 p.m. by Mayor George Dias.

Pledge of Allegiance: Mayor Dias led the Pledge of Allegiance.

Roll Call: Council Members Present: Mayor George Dias, Council Members Ed Laverone, Robert Paradice, and Priscilla Hill. Absent: Councilmember Rick Edge; absence excused by unanimous vote of Council.

City Staff and Professional Services Persons Present: Acting/Interim City Manager Stephen Julian, City Planner Matthew Sundt; City Treasurer, Linda McIntyre; Fire Chief Scott Freels; Project Manager Mark Davis; City Attorney Thacher, City Clerk Trish Paetz; and Laura Wiener-Smolka, Minutes Clerk.

Members of the Public Signing in as Present: Jolene Cosio, Richard Ponce, Rachel Ponce, Georganna Goularte, Emily Renzel.

- 2. Approval of the Agenda:** Upon motion made by Mayor Dias, seconded by Councilmember Hill, and unanimously carried unanimously 4-0 (Councilmember Edge absent), the agenda was approved with modification to move Items 6.a. and 6.b. to follow Item 4. Presentations.
- 3. Public Comment on Items Not on the Agenda:** Local resident Georganna Goularte commented that she is hoping the City will go forward with the Parks and Recreation Advisory Committee.

Richard Ponce, 4th Street resident, complained that City staff erroneously issued a business license to Hellbent Motorcycles, causing local residents to be disturbed by loud motorcycle noise. Mr. Ponce stated he has not been able to view a copy of the business license or the required fire department inspection. He commented that citizens are concerned that the City is incurring attorney fees related to revocation of the license and the appeal process.

Mr. Ponce expressed concern that the appeal hearing has been postponed to November, which is well beyond the 10-day timeline prescribed in the City's Municipal Code. He asked that a special meeting be called to address the matter. '

Jolene Cosio, local resident, thanked the City Clerk and City Treasurer for providing her with requested financial data. She stated that the records show that the City's expenditures for a part time planner and part time project manager are the same as the City of Hollister pays for the same services on a full time basis. Ms. Cosio suggested reducing City expenses by limiting contracted services to only services on an as needed basis.

Ms. Cosio, Rachel Ponce, and Emily Renzel spoke about the motorcycle business causing disturbance to the City's residents, and that its business license was issued in error and is null and void; that the business owner failed to act in due diligent before making a capital investment in the rental property; that the landlord failed to ensure the tenants' business was in keeping with the Municipal Code and General Plan; that the business' appeal hearing is scheduled to be heard by the Planning Commission 63 days after it was filed, which is beyond the timeline prescribed in Municipal Code 11.25110, which could result in a default. .

The City Attorney explained that the Planning Commission met last week and denied the business license; the owner obtained legal counsel and filed an appeal; and that the business owner's attorney could not be present for the hearing until November and waived the Municipal Code timeline. He noted that the business owner is entitled to be represented by an attorney, and that accommodating the attorney's schedule was a courtesy and not required.

In response to questions by Council, the City Attorney explained that the Council has the option to call a special meeting for the purpose of ordering the business to shut down its operations. Councilmember Paradise asked if the City could be liable for the business owner's loss of business. Mayor Dias stated that he will confer with the City Attorney and if a special meeting is necessary, the business owner will be notified.

Councilmember Laverone stated that the property rented by the motorcycle business belongs to his parents; that he has no financial interest in the property; he has voiced his personal opinion against the loud motorcycle noises associated with the motorcycle business; and that he will excuse himself from City Council discussions and decisions regarding the matter, to avoid any public perception of possible conflict of interest.

4. Presentations, Informational Items, and Reports

A. Water Infrastructure Project Report: Project Manager Mark Davis reported on data from recent tests conducted on wells 1, 2, and 3, and stated that the City will be able to meet current State and Regional Board regulations. Councilmember Paradise noted that Well #3 is more than thirty years old. Mr. Davis stated that it went into operation in 1973, and confirmed that has the original casings. He commented that the well is capable of pumping 300 to 400

gpm, as are wells 1 and 2; that in this case it is a function of the pump size. Mr. Davis stated that a summary report is being prepared for presentation to the Council.

B. Monthly Financial Statement Reports: There were no questions or comments made regarding the report.

C. Code Enforcement Report: No questions or comments.

D. Library Report: No questions or comments.

E. Fire Chief's Report: No questions or comments.

F. Sheriff's Monthly Activity Report: No questions or comments

G. Public Works Report - MCE Corporation: No questions or comments.

H. Davidson Sphere of Influence Amendment Application to LAFCO:

The City Manager reported that he is continuing to work on this item; however, the key issue is to accomplish a tax sharing agreement with the County. He stated that the County does not want to lose property tax revenue, and noted that there are no counties in the State that do not share revenue with cities within their boundaries. Mr. Julian commented that the State continues to impose unfunded mandates on cities and counties, expecting them to use their local revenue to pay the costs to comply. The City Manager stated that he expects to make progress as meetings continue with the County.

I. Status Report on Municipal Services Review and Revenue Sharing Agreement: The City Manager noted that this item was covered under the previous item discussion.

J. Report on CLG Grant: No comments.

K. Report on Cable Franchise Renewal Activities: City Manager Julian reported that he was unable to attend a recent meeting regarding the cable franchise, and City Clerk Paetz attended on his behalf. Ms. Paetz reported that consultant, Sue Lusky, explained the new state rules and spoke about noncompliance issues regarding Charter Cable's service. An audit will be conducted.

L. Committee Reports and Provide Future Direction by the Full City Council: No comments.

6. Action Items

A. Approve Resolution 2008-34 Authorizing the Issuance and Sale of Water and Wastewater Revenue Certificates of Participation in the Principal Amount of not to Exceed \$11.3 Million to Provide Financing for Water and Wastewater System Improvements, and Approving Related Documents and Actions:

The Council received information from Doug Dove of Bartle Wells Associates , and Ralph Homes from E.G. DeLa Rosa, a bond underwriting firm. He explained that the City has a positive investment grade rating that qualifies the City to authorize issuance and sale of 35-year revenue bonds, known as Certificates of Participation, up to \$11.3 million, to fund \$5.4 million in water system improvements, \$4 million in wastewater improvements of which \$1.5 million is for sewer main replacement, and \$415,000 current debt. . .

The action to approve issuance and sale of the Certificates of Participation results in the City meeting its deadline to qualify to receive \$880,000 in matching grant monies from Cal Trans grant for storm drain/street improvement projects.

It was noted that water system improvements include \$1.2 million for a water reservoir and \$3.5 million to replace the City's aged two-inch water distribution line and achieve adequate water supply for fire flows in the community.

Current interest rates are 6.25 percent for \$11.065 million to fund \$9.8 million in projects and related costs such as \$200,000 for issuance and certification of the bonds; which will be sold in \$5000 denominations to various types of investors. Estimated annual debt service is \$760,000; the City will be required to set aside one year of interest in reserve.

Chuck Adams, Jones Hall Law Firm in San Francisco, stated that virtually all water and waste water facilities in the state are financed in this manner.

Several residents asked questions and expressed concerns. Jolene Cosio stated she thinks the City's revenue figures are flawed has concerns about the City's ability to pay the debt service in future years. Rachel Ponce stated she thinks the citizens should understand that increases in water and sewer bills will be paying for this. Jack Evans asked if the City could lose ownership and control of its water.

It was explained that bond holders have no claim to the City's water; their claim is to the City's water and sewer service revenues, which includes the two scheduled increases January 1, 2009 and 2010, as well as future increases based on standard cost of living adjustments. It was pointed out that the City must meet new discharge requirements which include reducing salinity; that the City of Hollister's rates will increase to \$125 to meet requirements; Sunnyslope County Water District, which serves Ridgemark, will be issuing \$30 million in bonds for the same purpose.

In response to Councilmember Paradise's question regarding an extended drought period or nonperformance of a City well, Mark Davis stated that the water reservoir will hold ample capacity and the City's wells are located in different aquifers.

Upon motion made by Councilmember Hill, seconded by Councilmember Laverone, and carried 3-0 with yes vote of Mayor Dias (Councilmember Paradise voting no; Councilmember Edge absent), the Resolution #2008-34 was approved as presented.

B. Approve Resolution 2008-35 Supporting Improvements to Highway 152 as the Major Route to Address Regional Transportation Traffic:

Mayor Dias reported that recently there has been a positive movement, and he asked County Supervisor Botelho to explain. Supervisor Botelho stated that he and Supervisor Loe agreed on a draft resolution, which was presented to and adopted by the Board of Supervisors on September 9, to support improvements to Highway 152 as the major transportation route to Highway 5. The resolution urges state officials to designate improvements to Highway 152 from Highway 101 to the Pacheco Y as a high priority project, to be completed in less than ten years.

Supervisor Botelho stated that there is growing support by agencies in surrounding cities and counties, including Merced County, and he believes this cohesive effort is key to moving the project forward.

Upon motion made by Mayor Dias, seconded by Councilmember Paradise, and unanimously carried 4-0 (Councilmember Edge absent) Resolution #2008-35 was approved in support of improvements to Highway 152 as the major route to address regional transportation traffic.

5. **Consent Items:** Item E was removed from Consent for separate consideration. Upon motion made by Councilmember Hill, seconded by Councilmember Paradise, and unanimously carried 4-0 (Councilmember Edge absent), the Council approved consent action items A through D and F as presented.

A. Approve Affidavit of Posting Agenda

B. Approve Minutes for June 17, 2008 Regular City Council Meeting

C. Approve Minutes for July 15, 2008 Regular City Council Meeting

D. Approve Resolution 2008-36 Acceptance of Deed:

F. Waive Reading of Ordinances and Resolutions on Tonight's Agenda Beyond Title

- 5.E. **Approve Resolution 2008-## for Street Closures:** Councilmember Hill referred to the request for street closures on November 1 for a festival event. She asked if permits and other requirements were in place. The City Manager stated that

he has not received a certificate of insurance or signed approval of the street closure plan by the fire chief.

Laurie Elder, organizer of the event, stated that she is working on meeting the requirements. She spoke about local support and pledges to help cover initial costs, benefits to the City and local merchants, as well as profits being designated for St. Francis Retreat. Several local residents made comments in favor of the festival.

Council members expressed concern about final arrangements not being in place; that as many as 30,000 people are anticipated; the possibility of crowds of people arriving on the wrong day due to confusing publicity about whether it is a one-day or two-day event; adequate security in terms of one law enforcement officer or licensed security person on duty for every 1250 people present; as well as issues related to parking, traffic control, garbage, restroom facilities, alcohol consumption, and plans to block emergency fire and medical access by closing The Alameda with construction of a main entertainment stage.

Ms. Elder stated that she mentioned 30,000 people as an expression of her enthusiasm about the event and its potential to grow over the years; that she doesn't think 30,000 people is realistic this year. She assured the Council that she can have everything in place and meet City requirements when she receives the remainder of \$17,000 in pledges, which is dependent upon City approval of the event and street closures.

Councilmember Laverone made a motion that the Council authorize the City Manager to give final approval when all requirements for the event have been met. The motion was seconded by Councilmember Hill, and failed to pass with tied vote 2-2, Mayor Dias and Councilmember Paradise voting no (Councilmember Edge absent). No further motions were made; no action was taken by the Council on this item.

7. Set Future Agenda Items and Status: Parks and Recreation Advisory Committee; Well Water Testing Analysis .

8. Comments

- A. City Council:** None.
- B. City Manager:** None
- C. City Attorney:** It was noted that two seats o

9. Closed Session: At 7:45 p.m., the meeting was adjourned to closed session.

9. B. Reconvene Open Meeting and Report on Actions Taken in Closed Session: The meeting was reconvened, and Mayor Dias reported that no actions were taken in closed session.

10. Adjournment: Upon motion made, seconded, and unanimously carried 4-0 (Councilmember Edge absent), the meeting was adjourned at 8:00 p.m.