

MINUTES
City of San Juan Bautista
REGULAR MEETING OF THE CITY COUNCIL
December 16, 2008

1. CALL TO ORDER: The meeting was called to order at 6:00 p.m.

A. Pledge of Allegiance: Vice Mayor Edge led the Pledge of Allegiance.

B. Roll Call: Council Members Ed Laverone, Rick Edge, Priscilla Hill, Andy Moore, and Maggie Bilich.

2. APPROVE AGENDA: Upon motion made by Councilmember Laverone, seconded by Councilmember Bilich, and unanimously carried, the meeting agenda was approved as presented.

3. CEREMONIAL ITEMS:

A. Presentation of Plaques Honoring Outgoing City Officers Dias, Paradise, and McIntyre: Plaques for outgoing Mayor Dias and Councilmember Paradise were presented in appreciation of their dedication and service to the City. The Council presented Linda McIntyre with a plaque of appreciation for her service as City Treasurer and welcomed her as the new City Clerk.

B. Installation of New City Clerk Linda McIntyre: City Clerk McIntyre reported that she took the Oath of Office and was sworn into the office of City Clerk earlier in the day by Deputy Clerk Trish Paetz.

C. Selection of New Mayor and Vice Mayor: Upon nomination made by Councilmember Laverone, seconded by Councilmember Hill, and unanimously confirmed, Rick Edge was elected by the City Council to serve in the position of Mayor.

Upon motion made by Mayor Edge, seconded by Councilmember Bilich, and unanimously confirmed, Ed Laverone was elected by the City Council to serve as Vice Mayor.

4. PUBLIC COMMENTS (Items Not on the Agenda): Local resident Jolene Cosio stated that she is disappointed that the City Council was not present at the opening ceremony for the City's infrastructure project.

Ms. Cosio noted that the City recently contracted with various engineers and project managers for the City's water infrastructure project and that the new City Manager has

certifications for large construction project management. Ms. Cosio stated that she does not see a need for the City to continue paying for Mark Davis' consulting fees; that this money could be spent on other City needs such as a copier for the library, a dump truck for the public works maintenance, etc.

Mayor Edge noted that the City does not provide MCE with equipment for contracted public works services; that the Council will be reviewing all contracts for services over the next few months.

5. PRESENTATIONS, INFORMATIONAL ITEMS, AND REPORTS:

A. Water Infrastructure Project Report: Project Manager Mark Davis stated he is pleased to report that the infrastructure project broke ground and has a tentative completion date in late August 2009. Mr. Davis also reported that he will bring a proposal for a pellet softener system, with alternatives, for consideration by the Council in January; that costs for the proposed system as well as alternatives fall within anticipated projections.

In response to a question from resident Tony Boch, the City Manager explained that purchase of new water meters is not part of the infrastructure project; the City has 20 meters on hand.

B. Monthly Financial Statement Reports: It was noted that City financial reports are published on its website and are available for review and copying at City Hall and at the library.

Councilmember Laverone requested that, at a future meeting, the Treasurer provide a breakdown of revenue and expenses by fund, in particular those related to water and sewer.

C. Code Enforcement Report: There were no questions or comments.

D. Library Report: There were no questions or comments.

E. Fire Chief's Report: There were no questions or comments.

F. Sheriff's Report of Monthly Activity: The Sheriff's report has not yet been received by the City.

G. Public Works Report by MCE Corporation: There were no questions or comments.

H. Davidson Sphere of Influence Amendment Application to LAFCO:
Councilmember Hill inquired about the status of a tax sharing agreement pertaining to this item. The City Manager responded that there is no a tax agreement at this point in time.

- I. Status Report on Municipal Services Review:** City Planner Matthew Sundt referred to informational documents which he sent to LAFCo and the County, copies of which are included in the Council meeting packet. He noted that the City has provided water services in the area for the past 100 years; that the City has historically provided water service to approximately 45 properties outside its City limits (several of which are outside the City Sphere of Influence) for many years; that the City is the only water service provider in the area.

During review of the City's municipal services, it was noted that the San Juan Bautista Fire Department has a history of being the first responders to fires in the area of the County between Union Road and Highway 101. In addition, the City's Fire Department volunteer staff respond to fires countywide when the County Fire Department is not able to do so and when backup assistance is needed by the County. There was discussion about the necessity for large developments to institute Mello-Roos proceedings to provide expansion funding for public services.

In response to Mayor Edge's inquiry about whether LAFCo will conduct the municipal service review, the City Manager explained that in larger counties the service is provided by the local LAFCO agency; however, the San Benito County LAFCo does not have adequate staffing; that the LAFCo Director prefers that an independent review be conducted.

The City Manager commented that he believes it is appropriate for LAFCo to cover the cost of an independent review, and that he can provide information and assistance as needed during the review process.

- J. Report on Revenue Sharing Agreement:** This item is addressed under agenda item 7 below.
- K. Report on Cable Franchise Renewal Activities:** Deputy City Clerk Paetz reported that she was unable to attend the most recent meeting regarding the cable franchise; that the consultant, Sue Buske, agreed to bring her up to date on discussions at the meeting and that Ms. Buske continues to gather data regarding the cable franchise audit.
- K. Public Meetings and Committee Reports:** Mayor Edge reported that engineer cost estimate for the San Juan Bautista Bike Trail project is more than \$1.2 million; sources for grant monies are being explored.

Councilmember Bilich reported that the Public Transit Advisory Board made a recommendation to the Council of Governments that, in response to an anticipated \$200,000 transportation funding shortfall, bus service on weekends not be reduced, as that would impact mobility of elderly citizens.

6. CONSENT ACTION ITEMS: Action items B, D, and E were pulled from the consent agenda for individual consideration, per requests made by Mayor Edge and Councilmember Laverone. Upon motion made by Councilmember Laverone, seconded by Councilmember Bilich, the following consent action items A, C, and F were unanimously approved by Council.

A. Waiver of Reading Affidavit of Posting Agenda for December 16, 2008 Regular Meeting

C. Waiver of Reading of Ordinances & Resolutions on Agenda Beyond Title

F. Approval of Resolution 2008-51 Authorizing Continuation of Budget Appropriations for the Period September 20, 2008 through January 20, 2009

6.B. Approve Minutes of October 21, 2008 Regular City Council Meeting: Mayor Edge noted a correction to the spelling of Stephens (not Stevens) on the first page of the minutes. Councilmember Edge advised of a correction to be made under Item 6 of the minutes to indicate that he abstained from approval of the September (not August) meeting minutes as he was not present for that meeting.

Upon motion made by Mayor Edge, seconded by Councilmember Hill, and unanimously carried, the Council approved the October 21, 2008 regular meeting minutes as corrected.

6.D. Adopt Resolution 2008-50 for Street Closures: In response to inquiry by Councilmember Laverone regarding the Hollister Rotary Club's Annual Mission Ten Race, the City Manager reported that the Club plans to continue the practice of distributing notices to residences and appropriately routing traffic.

Upon motion made by Councilmember Laverone, seconded by Councilmember Hill, and unanimously carried, Resolution 2008-50 for Street Closures was approved and adopted as presented.

6.E. Adopt Resolution 2008-50 Establishing Compensation for the Offices of City Clerk and City Treasurer: It was clarified that adoption of this resolution would establish compensation for City Clerk at one dollar per year and \$100 per month for the City Treasurer. The wording of the resolution was corrected by deletion of the word "reduced" in the fourth paragraph beginning with "Whereas."

Upon motion made by Councilmember Laverone, seconded by Mayor Edge, and unanimously carried, Resolution 2008-51 was approved and adopted with the correction made as noted.

7. ACTION ITEMS:

- A. Approve Resolution #2008-52 Declaring a Public Nuisance to Exist on the Parcel Commonly Known as 101 The Alameda and Directing City Manager to Post, Publish and Mail Notice of Hearing to Consider Abatement of Said Public Nuisance:** City Attorney Thacher advised that the owner of Hellbent Custom Motorcycles paid for the cost of a business license; that the business license is categorized as a tax; that it is not a permit to operate illegally in terms of zoning ordinances. He noted that the sale, maintenance, and repair of motorcycles, which appears to be the primary business activity at 101 The Alameda is not permitted by local ordinance and, therefore, is an illegal activity. He explained that there is a process for business owners to submit application to the City to have a specific use considered by the Planning Commission. To date the owner of the business at 101 The Alameda has not submitted an application or paid associated fees to proceed with an appeal.

The City Manager commented that the owner of the business has threatened litigation against the City, and that, therefore discussion and questions regarding this matter would be more appropriately addressed in closed session with the City's legal counsel.

Mr. David Dendeck introduced himself, stating that he has legal documents to give to Mayor Edge as a City representative. He then handed the documents to Mayor Edge. The City's legal counsel perused the documents and stated they include a claim against the City for damages in the amount of approximately \$200,000 based upon various allegations, a Summons, and Petition for Writ of Mandate.

Upon motion made by Mayor Edge, seconded by Councilmember Bilich, and unanimously carried, approved and adopted Resolution #2008-53 as presented.

B. Stephens Annexation:

1) Adopt Resolution 2008-53 Setting Forth Findings, Approving Addendum to Previously Approved Negative Declaration Pursuant to California Environmental Quality Act, and Requesting the San Benito County Local Agency Formation Commission to Take Proceedings to Annex to the City of San Juan Bautista Approximately 49.65 Acres of Unincorporated Territory Within City's Sphere of Influence

AND

2) Introduce Ordinance 2008-04 Amending Section 11.02.040 of San Juan Bautista Municipal Code (Zoning Map & District Locations and Boundaries) for the Purpose of Annexation Application, to Establish a Pre-Zoning Designation of "Agriculture" ("A") to approximately 49.65 Acres of Property Contiguous with the City of San Juan Bautista:

City Manager Julian stated that he recommends the Council defer immediate collection of zoning fee of \$16,497 because the owner of the property, Dr. Stephens, paid \$18,000 for a fiscal analysis which will be used by the City in its negotiations with the County for a tax revenue sharing agreement. The City Manager noted that virtually all cities have in place a tax revenue sharing agreement with their county; however, the City of San Juan Bautista does not; that Dr. Stephens' application for annexation resulted in bringing this state of affairs to the attention of the City.

During discussion it was pointed out that Dr. Stephens offered to pay for the analysis to facilitate progress on his annexation request; that the City assured him that he would be reimbursed over time as property owners requesting annexation in the future are required to pay a fair share of the cost of the financial analysis for tax revenue sharing.

The City Manager noted that the first person requesting annexation should not have to bear the full cost of something that the City should have had in place. He also noted that the annexation will mitigate boundary errors causing bifurcation of Dr. Stephens' property.

Resident Jolene Cosio commented that she does not see how annexation provides any advantage to the City, and that the owner should be required to cover upfront costs for his project.

Mr. Richard Ponce stated that if the property is developed in the future, he feels it is better if all of the property is under the City's control because the City will consider the neighboring residents and will not allow a large development such as Ridgemark.

Councilmember Laverone noted that the fee is primarily to cover administrative time. Councilmember Hill commented that conditions associated with the annexation should be clearly stated in writing. Councilmember Moore stated that he is not comfortable about the Council waiving fees.

Upon motion made by Councilmember Laverone, seconded by Mayor Edge, and carried 3-2, with Councilmembers Hill and Moore voting no, Ordinance 2008-04 was approved for introduction as presented.

Upon motion made by Councilmember Laverone, seconded by Councilmember Bilich, and carried 3-2, Councilmembers Hill and Moore voting no, Resolution 2008-53 was approved and adopted as presented.

C. Mayor's Appointments to Committees: The following appointments of Councilmembers to serve on committees were made by Mayor Edge, with consensus of Councilmembers:

LAFCo (Local Agency Formation Commission): Rick Edge [Hill, secondary]

Revolving Loan Fund: Priscilla Hill

AMBAG(Assoc of Monterey Bay Area Governments):Ed Laverone [Moore, secondary]

COG (Council of Governments): Rick Edge [Bilich, secondary]

WRA (Water Resources Association): Ed Laverone [Edge, secondary]

SB County West Nile Virus: Priscilla Hill

SB County Integrated Waste Mgmt: Andy Moore [Bilich, secondary]

Air Resources Board Alternate for Hollister: Andy Moore

SB County New Court House: Priscilla Hill

- D. Review of Community Hall Facility Use Rules:** During discussion, Councilmember Laverone noted that the Council previously agreed that catering and beverage contracts should first be offered to local and San Benito County non-profit organizations.

Councilmember Hill noted that there needs to be a discussion about the requirements for security and cleaning services when non-profits use the facility for certain types of events. Deputy Clerk Paetz' comment that A-1 Cleaning Service was previously considered. Councilmember Laverone reiterated that he believes first consideration should be given to non-profit organizations that provide benefits to local and county citizens.

The Mayor and Councilmembers agreed with Councilmember Hill's suggested that each of them put their thoughts in writing, solicit input from the public, and bring this item back for discussion at the next Council meeting.

Mayor Edge suggested that written comments be submitted to the City Manager for compilation and that copies be provided to the Council for reference at the next meeting.

- E. Set Study Session Meeting Date for Goal Setting & Priorities for 2009:** The Council discussed topics of a study session to set goals, establish priorities for

2009, and review the budget and considerations for the 2009-2010 budget. The City Manager stated that he will propose a January date for the study session meeting.

- F. Discuss and Direct Staff Regarding Appointments and Schedule for Appointing New Planning Commissioner/ Historic Resources Board (HRB)**

Members: The City Manager noted that since former Mayor Dias' appointee to the Planning Commission/HRB relocated his residence out of the City in September, newly elected Councilmember Bilich, who filled Mr. Dias' seat, now has the responsibility of appointing to the Planning Commission/HRB. And re-elected current Mayor Edge also has the responsibility to appoint a new Planning Commission/HRB Member or re-appoint Erika Spencer. Deputy Clerk Paetz reported that the City has received two applications for the position of Planning Commissioner/HRB Member.

Mayor Edge suggested, and the Council agreed, that action on this item be continued to the next Council meeting to allow council members time to review the applications. Ms. Wanda Guibert, member of the Planning Commission/HRB, stated that she will provide the City Council with recommended HRB member qualifications.

In response to her question about the process for selecting a Planning Commissioner/HRB Member, she was advised that an Ordinance was passed in July 2007 that assigned selection and appointment of the Commissioner/Board Member as a responsibility of the City Council.

- G. Approve Agreement between City and Aromas San Juan School District regarding Water & Sewer Services for Restrooms at San Juan School Sports Field:** During review of this item it was noted that access to State Park funds allowed the City to approve installation of restrooms at Abby Park and to consider approval of this agreement with the Aromas San Juan School District for restrooms on the new sports field at Anzar High School. The City will provide water and sewer service, as well as day to day maintenance of the restrooms and will have joint use of the field. The City Manager reported that cost to the City associated with the agreement is \$25,000 per year.

Resident Tony Boch asked about the design of the restrooms and suggested incorporating sensors for toilet flushing and use of water from the sink.

Upon motion made by Councilmember Hill, seconded by Councilmember Laverone, and unanimously carried, the Council approved the Agreement with Aromas San Juan School District as presented, and authorized the City Manager to execute the Agreement on behalf of the City.

- 8. FUTURE AGENDA ITEMS:** Councilmember Laverone inquired about applications to serve on the Parks & Recreation Committee. Deputy Clerk Paetz reported that no applications were submitted.

Councilmember Bilich suggested that the Council receive a preliminary budget. In response to Councilmember Laverone's inquiry, the City Manager stated that he is

preparing a schedule for the City's infrastructure project as an information item for the City Council.

9. COMMENTS:

A. City Council: Councilmember Laverone noted that the City water invoices will be mailed, resulting in residents receiving two invoices next month.

B. City Manager: None.

C. City Attorney: None.

10. ADJOURN MEETING TO CLOSED SESSION: At 7:48 p.m., the Council adjourned to closed session to confer with legal counsel regarding: litigation filed in San Benito County Superior Court on April 3, 2008, entitled Lance McAlpine v. City of San Juan Bautista; litigation entitled San Juan Bautista v. Nyland Family Trust; and to confer with legal counsel regarding potential litigation.

11. RECONVENE TO OPEN SESSION and REPORT ACTIONS TAKEN IN CLOSED SESSION: The meeting was reconvened in open session, and it was reported that no actions were taken in closed session.

12. Adjourn Meeting: The meeting was properly adjourned 8:15 p.m.