

**MINUTES**  
**City of San Juan Bautista**  
**SPECIAL MEETING OF THE CITY COUNCIL**  
**May 12, 2009**

- 1. Call to Order:** The meeting was called to order by Mayor Edge at 6:00 p.m.
  - A. Pledge of Allegiance:** Mayor Edge led the Pledge of Allegiance.
  - B. Roll Call:** The following Councilmembers were present: Rick Edge, Priscilla Hill, Ed Laverone, Andy Moore, and Maggie Bilich. Also present: City Manager Steve Julian; City Attorney George Thatcher; City Clerk McIntyre; Deputy City Clerk Paetz; City Project Manager Mark Davis.
- 2. Approval of the Agenda:** Upon motion made by Councilmember Hill, seconded by Councilmember Laverone, and unanimously carried, the agenda was approved.
- 3. Public Comment on Items Not on the Agenda:** Resident Jolene Cosio requested that the Council ensure that persons who hook up to the new sewer line on Old San Juan Hollister Road, and those who require a sewer lift station, pay their share to mitigate costs. Ms. Cosio also noted that she has not yet received a call from the City Manager with answers to her previous questions, nor has she received copies of documents that she has requested.

Ms. Cosio stated that construction crews blocked off traffic on Washington Street for several days without prior notice to the residents. She asked that advance notice be provided about where the crews will be working and locations where traffic access will be limited. The City Manager stated that he was not aware of the problem on Washington Street. Mayor Edge asked about access for emergency vehicles. The City Manager assured that construction equipment can be moved quickly for emergencies.

Resident Richard Ponce expressed concern that the City might be installing new sidewalks in front of El Teatro Campesino. He stated that the City's grant is for restoration projects, and that installing new sidewalks is not a restoration activity, that he believes the City's grant could be in jeopardy.

**4. Discussion Items**

- A. Preliminary Budget Review:** City Manager Julian reported that the 2008-09 budget that he will be presenting to Council on May 26 is a balanced budget. He stated that in the process of preparing the City's 2008-09 draft budget, he researched actual City revenues and expenditures and reorganized the format of the current operating budget and prepared a narrative describing each major budget category and the activities undertaken by the City.

The City Manager presented an in-depth review of the reorganization of the City budget format and noted that the new format allocates expenditures and revenues to the appropriate categories and provides itemized detail; that the

new format is consistent with the standard accounting format for city government. He cited numerous examples, such as the breakdown and separate accounting of the various types of tax revenue; residential, commercial, and institutional water sales and sewer charges with differentiation between sewer collection/treatment and septic collection and disposal services.

City Manager Julian pointed out that the revised format breaks out permit fees in categories such as engineering and plan checking, etc., as well as allocation of costs for various internal City functions in terms of billing, administrative services, use of legal services, etc.

During his review of the revised budget format, the City Manager also pointed out, as an example, that City payments to Bracewell Engineering are now broken out to show charges for obtaining various City licenses, performing State reporting services on behalf of the City, and other costs including repairs. He noted that Bracewell's standard fee has not increased over the past several years.

City Manager Julian stated that it is good practice to have full time employees rather than use contracted services; however, cities as small as San Juan Bautista cannot afford to offer the range of salaries to attract the best qualified personnel in various specialties such as planning, engineering, and legal service. In addition, the cost of statutory benefits for full time employees runs about 31% plus the cost of health benefits.

Councilmember Laverone commented that at one time he looked into the cost of the City having its own police department, and that the total cost ranged from \$0.95 to \$1.5 million. He also noted that the City used a portion of its COPS funding, meant for safety-related law enforcement, to purchase a patrol car to be used by the County Sheriff's Deputies who patrol the City, and that when it is necessary to replace the vehicle, he believes a lease arrangement would be more economical than purchasing a new vehicle.

Councilmember Moore noted that the City has an ongoing expense to rent space at the Windmill Shopping Center and questioned the necessity of the rental. City Manager Julian stated that law enforcement officers serving the community use the space for activities such as writing reports and debriefing each other. He noted that it could also be used as a place to meet with officers to enhance the City's working relationship with the County Sheriff's Department.

City Manager Julian stated that the budget is a blueprint for the City's financial plan for the fiscal year and is subject to fluctuations in revenues and expenses. He noted that the 2008-09 budget currently projects \$1,742,129 in revenue and \$1,502,295 in expenses; that the expense for depreciation of capital items does not represent actual cash flow; that the goal is to maintain a 20% reserve for water and sewer operations.

The City's 2008-09 budget will be presented and reviewed at the May 26 special meeting of the City Council and will follow the same format as the reorganized current budget presented by the City Manager. The City Manager stated that the new format should provide much more transparency and details regarding

revenues and expenditures as well as ensure that individuals' projects are not subsidized by local citizens.

Councilmember Laverone was joined by the Council when he thanked the City Manager for the extensive work he did on the 2008-09 budget in preparation for development of the 2009-10 budget.

The Council heard positive public comments from Jolene Cosio, Tony Boch, and others regarding the detail and clarity of the new budget format.

- B. League of Cities Annual Conference in San Jose:** Councilmember Bilich asked if the Council would send a representative to the Annual League of California Cities Conference, and noted that the registration fee for the conference is \$550. Councilmember Laverone stated that he could take time off in September to attend the conference, and suggested that the Council consider this item during its budget study meeting. The City Manager noted that most of the information presented at the conference pertains to large cities, but some of the workshops provide valuable information for small cities like San Juan Bautista. He suggested that the schedule of workshops offered at the conference be reviewed when it becomes available.

## **5. Presentations, Informational Items, and Reports**

- A. Water Infrastructure Project Report:** Project Manager Mark Davis reported that the Regional Water Quality Control Board renewed the City's wastewater discharge permit for five years at 270,000 gallons per day.

Mr. Davis distributed a progress report from Pavex regarding the reservoir project. He noted that the project is progressing on schedule and is \$80,000 under budget. Mr. Davis stated that he would forward electronic progress reports to the City Council.

During review of the work currently under way, as well as work scheduled to begin in the near future, Mayor Edge asked Mr. Davis to respond to the concern about Washington Street. Mr. Davis stated that crews are installing a main water line under Washington Street and that he was not informed the street would be closed. He stated that a project schedule is published every two weeks, and that he would email the schedule to City Hall for posting.

During discussion of dust control, resident Rachel Ponce stated that the dust problem occurs after 5:00 p.m. and on weekends. She stated that citizens are using their own water to control the dust during those time periods.

Mr. Davis stated that the project budget includes watering for dust control, and that watering is done three times a day on Saturdays and Sundays.

Richard Ponce requested a phone number to call on weekends when there is a dust problem.

Councilmember Laverone stated that the speed limit in the construction zone is 25 mph, and suggested that it be lowered to 15 mph. Mark Davis stated that he would contact MCE about posting the reduced speed limit signs.

Resident Georgana Gularte stated that school buses are still using Franklin Street, and suggested that a sign be posted to direct the buses to Washington Street.

**B. Monthly Financial Statements:** Councilmembers had no questions or comments regarding the monthly financial statement.

Jolene Cosio spoke under public comments and noted that the City has paid \$95,454 to the Project Manager over the past ten months and stated that she does not recall when the Council designated Mr. Davis as Project Manager. Ms. Cosio asked about the expenditure of \$422,000 for engineering services. The City Manager stated that the documentation required to provide accurate answers to Ms. Cosio's questions is not in his hands at the moment. He explained that expenses for engineering include the City Engineer as well as the project engineering firm's onsite inspection services on a daily basis. It was noted that the current budget and accounting format groups items together, however, the new format will provide a more detailed breakdown of expenses and revenues.

**C. Code Enforcement Report:** City Manager Julian reported receiving several calls from City residents complaining about large, unsightly metal located in front yards in the City. He noted that these types of container are commonly rented and placed in front yards for purposes such as moving or hauling associated with cleaning; that time limits for keeping containers are not addressed in the City's code; and that he believes implementation of a permit process with established timelines for use of containers would address the issue.

**D. Library Report:** Councilmembers had no questions or comments regarding the Library Report.

**E. Fire Chief's Report:** No report.

**F. Public Works Report—MCE Corporation:** Councilmember Moore suggested that the City Manager ask staff to water the library lawn in the early morning for water conservation. Jeff Bagley explained that watering begins at 6:00 a.m.; however, there are 15 valves that need to be operated, which is time consuming and, therefore, is not completed until past the noon hour.

**G. Report on Cable Franchise Renewal Activities:** Deputy City Clerk reported that she attended a meeting of representatives from Gilroy and Hollister to hear an update from the Buske Group on its settlement discussion with Charter Cable.

Clerk Paetz stated that the Buske Group has encountered additional tasks as a result of Charter Cable's bankruptcy and transfer of ownership. Therefore, the Buske Group will be submitting a proposal to amend their contract with the three cities, which will not exceed \$15,000 total. Clerk Paetz estimated that

City's share of the \$15,000, based on the number of cable subscribers, to be less than \$2,500. She reported that the amended contract will be presented to the Council for consideration at its May 26 special meeting.

**H. Public Meetings and Committee Reports:** It was reported that AMBAG will meet on April 22. Councilmember Hill commented that her report regarding the water reservoir project being under budget was previously given by Mr. Davis.

**6. Consent Items:** All of the Councilmembers did not receive the April 21 meeting minutes in time to review them; therefore, Item F was removed from the consent action list and deferred to a future meeting.

Upon motion made by Councilmember Hill, seconded by Councilmember Laverone, and unanimously carried, Consent Items A through E were approved.

**A. Affidavit of Posting Agenda**

**B. Resolution 2009-08 for Street Closures**

**C. Resolution 2009-09 for City Staff Holiday Schedule**

**D. Resolution 2009-10 Authorizing San Juan Preschool to Sell Fireworks**

**E. Waiver of Reading Ordinances and Resolutions on Tonight's Agenda Beyond Title**

## **7. Action Items**

**A. Approve Resolution Amending Resolution 2007-52, User and Application Fees:** Attorney Thatcher stated that, in order to meet public notice requirements, this item needs to be continued to the Council's next regular meeting.

Upon motion made by Mayor Edge, seconded by Councilmember Hill, and unanimously carried, the resolution amending Resolution 2007-52 was deferred to the Council's June regular meeting.

**B. Approve Resolution 2009-11 Approving a Negative Declaration, a Tentative Parcel Map and Planned Unit Development for Subdivision of a 14,232 sq. ft. Parcel Located at 1112 Third Street to Create Two Parcels (APN: 002-26-0-047):** City Planner Matthew Sundt referred to a map of the subject property and noted that the City Council originally approved the applicant's request to split his 21,265 sq. ft. parcel into two parcels, one of which is the subject 14,232 sq. ft. parcel, and for which the applicant recently applied for subdivision into two parcels slightly more than 7,000 sq. ft. each. Mr. Sundt noted that the proposed 7,000 sq. ft. parcels meet the RD zoning parcel size of 4,500-8,000 sq. ft.

During his report, Mr. Sundt stated that a Negative Declaration for the project was circulated during the period April 13 to May 4, 2009; no comments were

received; the matter was considered by the Planning Department and recommended for approval subject to 25 specified conditions.

Mr. Sundt responded to the Council's questions about condition #15 (20-foot

width for driveway) and condition #17 (installation of a sewer line for future service to the rear parcel, paid for by applicant with future reimbursement when rear parcel is developed).

Attorney Thatcher recommended that the conditions include a road maintenance agreement for the driveway to be recorded on the property after review by the City Manager and himself. Councilmember Laverone requested that the width and specifications for the driveway be reviewed and approved by the Fire Chief.

Attorney Thatcher noted that Resolution 2009-10 is corrected to include City Council approval of issuance of a Negative Declaration.

Mayor Edge opened a public hearing. There were no public comments, and the hearing was closed. Upon motion made by Councilmember Hill, seconded by Councilmember Laverone, and unanimously carried, the Council approved Resolution 2009-10 as corrected/amended.

**C. Review Community Hall Rules:** By unanimous decision of the Council, review of Community Hall Rules for use was deferred to the May 26 special meeting. Councilmember Laverone suggested that, if the facility use rates are lowered when this item is considered by the Council, that consideration be given to providing rebates to those who paid higher use fees during the time period that the Council has been planning to re-address this issue.

**D. Select Council Member for Newly-Formed Ad Hoc Committee re Mills Act:** Mayor Edge noted that Councilmember Moore was selected at the March meeting. They Mayor also noted that incurring costs for the Mills Act study and its financial implications should be reviewed by Council at its budget study meeting. By unanimous consensus of Council, this agenda items was deferred to the May 26 special meeting.

**F. Discuss and Take Action on New Year's Resolutions Proposed by San Juan Neighbors at their Town Hall Meeting:** Mayor Edge pointed out that there are costs associated with the resolutions proposed by the San Juan Neighbors, and that this agenda item should be addressed during the Council's budget study session. By unanimous consensus of Council, this agenda items was deferred to the May 26 special meeting.

**8. Set Future Agenda Items and Status:** Agenda items to be discussed at the special meeting on May 26 were noted earlier in the meeting.

## **9. Comments**

**A. City Council:** Councilmember Hill reported that there is a Neighborhood Watch meeting at City Hall on May 28 at 7:30 p.m., and that everyone is welcome.

Councilmember Moore reported that the Chamber of Commerce is hosting a car show on Sunday.

Councilmember Laverone commented that the increased number of visitors to the City during the past four weekends is very positive.

B. **City Manager:** City Manager Julian reported that he and City Planner Sundt had a very positive meeting with the County Planning Director and his assistant to talk about opportunities for the City and County to work together on items of mutual interest and concern. He stated that he anticipates completion of a tax sharing agreement with the County in the near future.

C. **City Attorney:** No comments.

**10. Closed Session:** Jolene Cosio stated that her comments are related to closed session agenda item 10.B., negotiations for purchase of the Vacarrazza property. She stated that she does not understand why the City selected the particular site for the sewer treatment plant as well as timelines for bringing in Blue Valve (Central Valley Project) water. Ms. Cosio stated that the original EIR for the water treatment plant mentioned use of a membrane system and mixing water and that the current specifications call for a pellet softening system. Ms. Cosio asked about the general status of the mitigations referenced in the EIR.

The Council adjourned to closed session at 7:45 p.m.

**11. Closed Session Report:** The open meeting was reconvened, and Attorney Thatcher reported that no action was taken by the Council in closed session in regard to the following cases:

- A. San Juan Bautista versus Nyland Family Trust, Case Number CU-07-00178
- B. Negotiating purchase of real property. Property: Vacarrezza Parcel at 850 Mission Vineyard Road

**12. Adjourn:** By unanimous vote of the Council, the meeting was adjourned at 8:10 p.m.

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Mayor Rick Edge

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Linda G. McIntyre, City Clerk