MINUTES

CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
COUNCIL CHAMBER
Thursday, February 7, 2019
7:00 PM

1. **CALL TO ORDER**

Mayor Oglesby called the meeting to order at 7:05 PM.

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**

PRESENT: Campbell, Pacheco, Kispersky, Wizard, Oglesby
ABSENT: None

3. **INVOCATION AND PLEDGE OF ALLEGIANCE**

Council Member Kaspersky led the Pledge of Allegiance and there was a moment of silence observed for the invocation.

4. **REVIEW OF AGENDA**

No changes were requested.

5. **PUBLIC COMMENT**

Mayor Oglesby invited comments from the public.

- Dennis Volk requested that the City Council consider adding to a City Council agenda to discuss issues with the Short Term Rental (STR) ordinance specifically citing issues with the longer than expected implementation process and the start date for collection of the Transient Occupancy Tax, as it relates to the application process.
- Mel Mason spoke to his disappointment about the appointment process and ultimate decision, citing he believes Regina Mason should have been selected and that we should review the process if this happens in the future.
- Ruthie Watts invited the Council to the NAACP Black History Event that will be hosted in City Hall at 3 PM on February 17th.
- Betty Lusk spoke in support of the great Police response to keep our children safe over the last two days. She invited the Council and the public to the 2019 free Health Fair Conference the first Saturday in March co-sponsored by the City of Seaside and the Monterey Chapter of the Delta Sigma sorority chapter.
- Ann Marie Pagan spoke to the STR tax dollars that are supposed to be allocated for affordable housing and neighborhood improvements, two vital components that the City needs, and discouraged changing the regulations. She also questioned the status of the financial audit.
- Kate Mulligan spoke about the STR permitting process expressing frustration about the lack of information, rumors and veiled threats if there is no compliance. She plans on checking the legality of the claim in small claims court.
- A resident expressed the same issue of the STRs citing a letter he received as

vague or confusing.

- Martha Henry spoke to being diligently involved in the process, including contacting City Hall on numerous occasions. She indicated at no time was she told to collect the taxes and requested consideration of adjusting the date of collection due to the extended implementation period.
- Liu Yuen thanked the City for all the assistance of jointly developing regulations for the STR ordinance but expressed that tax should not be collected until after the license was acquired. She spoke in support of Air B&B collecting taxes.
- Cookie Sienadro spoke to her participation in the STR public hearings and thanked the Council for the ability to have STR Regulations. She did say the implementation was confusing and was unclear when the TOT collection was to begin and cited the challenges to collect the TOT after the guest has stayed and encouraged the agreement with Air B&B to assist with those that are new to this.
- A resident spoke to the lack of information she received proactively, or when she called.
- Helen Rucker reminded the Council and the public of past meetings with discussions of possible homeless shelters located in Seaside. She announced there will be a meeting at the Oldemeyer Center on Wednesday at 6:00 PM sponsored by Council Members Pacheco and Wizard to be a community listening session. She encouraged anyone with questions or concerns or positions to come to the meeting and share their perspective.
- Bobby Maxwell, President of the Seaside Police Activities League encouraged people to attend the youth basketball games on Saturdays at Seaside High and also he spoke as chair of the Parks and Recreation Commission inviting the public to a meeting Monday at 5:30 PM to give their input regarding the future of Ellis Park.
- Peter Keiser spoke to his respect for an invocation at the start of the meeting and prayed for the meeting. He also suggested that we modify the waste management agreement to allow the waste collector drivers be allowed to add cards on the carts as Christmas greetings.
- Jim Orosco from Greenwaste said that the agreement says that they are not to solicit or accept demands directly to the customers. The way the franchise agreement was written he informed them they could put out Christmas cards, but with no request for funds.
- An STR operator spoke in support of previous comments about the TOT, and expressed concern about the language for a business license that there would also be a 3% tax on gross sales and does not think that was communicated until after the fact. She hoped the discussion would be placed on the agenda at a future meeting.
- Regina Mason expressed frustration regarding the appointment process, that she should have been selected due to her 30 years of social service and the lives she has changed.
- Susan Selex spoke to being Regina Mason's campaign manager and friend and wanted to make the Council aware of a conversation with a council member believing that the individual discriminated by ageism.

Mayor Oglesby responded to public comments made and City Attorney Freeman said the financial audit is still under review and when it is done it will be public.

6. PUBLIC AGENCY COMMUNICATIONS

- Alvin Edwards Director of the Monterey Peninsula Water Management District Division 1 spoke to the listening session held on January 7th regarding the feasibility of the Cal Am water. He reported that for Division 1 the priority was immediate savings, operation costs, and future capital projects to be cheaper. The full report on the feasibility study is online and the listening sessions were recorded for future viewing.
- George Riley Director of The Monterey Peninsula Water Management District Division 2 also spoke to the success of the listening sessions and that direct interaction from the public was positive. The feasibility and the timeline for the report are anticipated for release August or September. He spoke to desires to interact and work in cooperation with the City as Seaside has the most complicated water issues on the peninsula, including voter disenfranchisement.

7. PRESENTATIONS

A. PRESENTATION OF THE 2018 BUSINESS OF THE FOURTH QUARTER AWARD

Mayor Oglesby and Neighborhood Improvement Committee Member Bennett acknowledged the Business of the Quarter as Mal's Market and Dennis Volk accepted the award and spoke to the benefit of the community market.

B. PRESENTATION OF THE JANUARY 2019 HOUSE OF THE MONTH AWARD

Mayor Oglesby and Neighborhood Improvement Committee Member Bennett provided the house of the month award to the winning household.

C. PRESENTATION OF THE 2018 HOUSE OF THE YEAR AWARD

Mayor Oglesby and Neighborhood Improvement Committee Member Bennett provided the House of the Year award to the winning household.

D. MONTEREY ONE WATER TO PROVIDE AN UPDATE ON THE PURE WATER MONTEREY PROJECT

Monterey One Water General Manager Paul Sciuto presented an update on the Pure Water Monterey project and other water saving and augmentation projects. He explained the project as a water re-use project, to clean the water, inject into the Seaside basin then deliver to the water delivery organization producing up to 3,500 acre feet per year (AFY) of advanced, purified, recycled water for injection into the Seaside Groundwater Basin. Additional identified sources will help increase tertiary treated water for agricultural irrigation up to 4,400 AFY. If and when a drought would occur, this is intended to give an additional 1,000 AFY reserve to increase available water during dry years.

There are four components to the Pure Water Program, a $120 Million project: 1) source water diversion structures 2) advanced water purification facility 3) conveyance pipeline and 4) injection wells. The sources of water are agricultural drainage water, agricultural wash water, secondary treated waste water and urban storm water runoff. He detailed the different purification processes and spoke to the requirements of safety and purity prior to injection into the basin. He assured the Council that the water quality is cleaner than what is in the basin and noted the testing and oversight of monitoring done at State level is very stringent.

Mr. Sciuto then indicated the conveyance pipeline is 98% complete, the injection wells are due to be completed in June and water will start flowing by July this year. The Monterey Pipeline to convey water outside of the service basin was completed last year. He did briefly speak to the state permits and the CPUC request to look at a possible expansion to add 2,500 AFY, but due to the Cal Am MPWSP EIER CPCN, they are on hold and the CDO is still in effect. Sources waters are consistent and solid, treatment is complete and safe. Mr. Sciuto answered questions from the Council.

Council member Wizard questioned if conversations with the SCSD have occurred to which Mr. Sciuto said no due to the direction by the CPUC for Monterey One Water to work with the water purchase agreement from Cal Am.

E. REPORT ON THE IMPLEMENTATION OF THE SHORT TERM RENTAL ORDINANCE

City Manager Malin provided an overview of the adoption of the Short Term Rental (STR) Ordinance July 2018 taking effect August 2018 and to the process to implement the program. Mr. Malin provided statistics on the number of applications submitted, payments expected and the total number of approved licenses. Citing the nightly average of $120 for a Seaside short term rental, there are either 50 either approved or in process. He spoke to the path of compliance that included public outreach such as letters to suspected STRs informing of the regulations and information regarding the permitting process. He also reported that during the Seaside Chats community meeting the community requested to start an STR newsletter, to automate Air B&B payments and to potentially extend the start date for Transient Occupancy Tax (TOT) collection of STRS. Finally He reported that to date, we have collected $2.1 million in TOT since August 2018 in total, from all hotels and STRs. The Council asked questions from the City Manager.

Council Member Kispersky asked the percentage of STRs that have paid their required TOT, to which he said it was less than 10%. On question, it was affirmed that any STR was supposed to be incompliance by August 5, 2018 and the City Council is scheduled to review the process again July 2019 to discuss if they want to open it for future opportunities. The Council spoke about the implementation process and staff affirmed it took more time than anticipated but that it is fully up and running now and they discussed the opportunity to partner with Air B&B to collected taxes. Council Member Pacheco requested that this be brought back before the Council at a future date to consider changing the effective date to January 1, 2019 for collecting taxes from STRs.

F. REPORT ON THE IMPLEMENTATION OF THE CANNABIS ORDINANCE

Economic Development Manager Gloria Stearns spoke to the background and passage of legislation for the legalization of cannabis and provided an update on the progress of the permitted Seaside dispensaries, noting four have officially opened and of those Higher Level of Care and Sugar Leaf have been open and are operating in full compliance including community benefit. The Reef and Plantacea have recently opened but the community benefits are in progress. Urban Leaf plans to open in March of 2019 and Rare Earth is expected to be open August or sooner this year.

Ms. Stearns reported that the 2017-2018 projected tax and application revenue was budgeted at $350,000 but the actual collected was $119,000. These numbers were lower due to the delayed opening of the stores because significant investment was required to begin operating. The 2018-19 budget is $400,000 and actual revenue received to date is $162,000. The Police Department cited no pertinent issues related to the dispensaries. In addition to the dispensaries, eight locations have been approved by the Zoning Administrator for manufacturing or testing. She also noted that state regulations have changed since our ordinance was adopted such as hours of operation and classification of Hemp, which our dispensaries are complying with. Finally she spoke to the issue of delivery being legal in California, noting anyone who is licensed can deliver into Seaside, which can decrease our tax revenue for Seaside. Ms. Stearns answered questions from the Council regarding manufacturing permits, delivery regulations, permit length, expected revenues and the amount of repair/amount of investment that was needed for the facilities. On question, City Attorney Freeman indicated that the length of the permit was for one year, but if an applicant can show they have made progress on compliance there would be a due process hearing prior to rescinding any permits.

The Council agreed to collect more data prior to discussions about future actions or changes to the ordinance.

G. REPORT ON CHANGES TO THE TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY AND PURCHASING CARD POLICIES AND PROCEDURES FOR STAFF

Finance Director Kimberley Drabner reported on the changes staff is making to the travel and purchasing policy to provide additional guidance for staff. The policy clarifies allowed and disallowed purchases, clarifies documentation requirements, establishes uniform travel and business expense reimbursement policies and claim procedures. It also streamlines the pre-approval and reconciliation of travel as well as the procurement card policy. There were some conflicts between policies and the changes remove those conflicts and new forms have been developed and implemented to make it a clearer process. Notable changes include shifts from actual meal reimbursement to a GSA per diem amount as authorized by the IRS, exclusions for allowance for travel related meals without an overnight stay, clarified timing for reimbursement to city for personal expenses included on purchasing card and elimination of purchasing card usage for travel related meals. Ms. Drabner answered questions from the Council.

Council Member Kispersky requested feedback from staff to see if they are satisfied with the changes to the process. On question, it was clarified that this was a policy for employees and not the Council. City Manager Malin affirmed that as we move forward, everyone will be held accountable for their actions.

8. CONSENT AGENDA

City Clerk Milton-Rerig requested that on Item C, the appointed Council Member to the Mosquito Abatement District be listed as Council Member Campbell as the primary and Council Member Kispersky as the alternate as well as Council Member Kispersky as the alternate for the Homeless Leadership Council.

On motion by Mayor Pro Tem Dave Pacheco and seconded by Council Member Jason Campbell and passed by the following vote the City Council approved the Consent Agenda with the exception of item F.

RESULT:	**Approved**
AYES:	Ian Oglesby, Dave Pacheco, Jason Campbell, Jon Wizard, Alissa Kispersky
NOES:	None

A. APPROVE MINUTES FROM JANUARY 17 AND JANUARY 24, 2019

Action: Approved

B. APPROVE AND FILE CITY CHECKS

Action: Approved

C. ADOPT RESOLUTION TO APPROVE REVISED APPOINTMENTS TO OUTSIDE AGENCIES FOR 2019

Action: Approved as amended.

D. APPROVE RESOLUTION ADOPTING CITY HALL AND AVERY GALLERY USE POLICY

Action: Approved

E. APPROVE A POLICY GOVERNING PUBLIC RECORD GRAPHIC DESIGN GUIDELINES AND USE OF CITY SEAL AND LOGO

Action: Approved

F. APPROVE THE TRAFFIC ADVISORY COMMITTEE (TAC) RECOMMENDATIONS

Council Member Wizard questioned if staff obtained approval to use the Bureau of Land Management logo to which City Engineer Rield said we do not meet the criteria therefore it will be removed from the design and the sign would be the standard recreation brown, with an arrow and a city logo. The Council discussed the placement of the signs, the potential of future access and entry points for the National Monument, legibility of the signs and asked staff to find out the criteria to make us eligible to use the logo.

Mayor Oglesby invited comments from the public.

- Felix Bachofner spoke to the standards for signs and requested that they comply with sign travel requirements.

The Council discussed the design of the proposed sign as it relates to the City logo.

On motion by Council Member Jason Campbell and seconded by Mayor Pro Tem Dave Pacheco and passed by the following vote the City Council Approved the item as presented without the BLM or the City logo on the front, but adding a decal on the back if desired, to be placed on Seaside dirt.

RESULT:	**Approved**
AYES:	Ian Oglesby, Dave Pacheco, Jason Campbell, Jon Wizard, Alissa Kispersky
NOES:	None

G. APPROVE A RESOLUTION TO APPROPRIATE $82,000 FOR IMPROVEMENTS TO HIGHLAND OTIS PARK

Action: Approved and passed Resolution

H. APPROVE A RESOLUTION MODIFYING THE POSITION ALLOCATION LIST TO ADD ONE ACCOUNTANT II AND AUTHORIZE THE FINANCE DIRECTOR TO MAKE THE NECESSARY BUDGET ADJUSTMENTS

Action: Approved

9. BUSINESS ITEMS

A. CONSIDER ADOPTION OF A RESOLUTION REQUESTING A COST-BASED RATE ADJUSTMENT CALCULATION OF THE FRANCHISE AGREEMENT GREENWASTE RECOVERY, INC. EFFECTIVE JULY 1, 2019 FOR COLLECTION OF SOLID WASTE, RECYCLING, AND ORGANICS; AUTHORIZE STAFF TO ENTER AN AGREEMENT WITH HF&H CONSULTANTS, LLC IN AN AMOUNT NOT TO EXCEED $70,000; AND AUTHORIZE THE FINANCE DIRECTOR TO MAKE THE NECESSARY BUDGET ADJUSTMENTS.

Finance Director Kimberly Drabner explained the intent of the item to ask Greenwaste to do a cost based rate assessment, as listed as an eligible provision in the franchise agreement. This process requires Greenwaste to open their books for an audit for the actual cost of operations to more accurately forecast the cost of operations. Possible outcomes do not guarantee that rates will go down, but there may be costs behind those additional revenues Greenwaste has received. The benefit of doing this at this time is that the City of Marina and the Pebble Beach community services have already voted to do this and if we agree, the cost would be shared on a proportional basis with the other agencies.

Council Member Campbell questioned the actual vs forecasted revenues to which Jeff Lindenthal from the Monterey Waste Management District answered questions from the Council and explained the planning errors regarding the Fort Ord military community that were not included in their original projections. The Council discussed the evaluation process and timing.

Mayor Oglesby invited comments from the public and had no requests to speak.

B. <u>CONSIDER ADOPTION OF A RESOLUTION TO APPROVE AN AMENDMENT TO A CONTRACT WITH TORTI-GALLAS TO COMPLETE A SPECIFIC PLAN AND ENVIRONMENTAL IMPACT REPORT ASSOCIATED WITH THE CAMPUS TOWN PROJECT</u>

Economic Development Manager Kurt Overmeyer explained that there was a settlement agreement with Marina Coast Water District that required the City to revise the EIR to update seven separate chapters. Additionally, new CEQA regulations were adopted by the State of California that must also be incorporated because the EIR had not circulated prior to the December 31 deadline. Traffic studies had to be redone due to the change in measurement to vehicles miles traveled.

The applicant's attorney also asked to do an extraordinary amount of traffic impact analysis regarding mitigation measures. Mr. Overmeyer assured the Council that the cost for the contract is reimbursed by the Developer. The Council asked for an update on the schedule for circulation to which Mr. Overmeyer indicated the EIR will begin circulating in six weeks. He explained the circulation deadlines and public review process and responses.

Mayor Oglesby invited comments from the public and had no requests to speak.

The Council urged staff to assertively monitor consultant to ensure they meet the contracted timelines to ensure projects stay on schedule and that we stay business friendly.

On motion by Council Member Jon Wizard and seconded by Council Member Alissa Kispersky and passed by the following vote the City Council adopted a resolution approving the contract amendment as presented.

RESULT:	**Approved**
AYES:	None
NOES:	None

C. <u>CONSIDER ADOPTION OF A RESOLUTION TO APPROVE A CONTRACT AMENDMENT WITH RAIMI AND ASSOCIATES FOR ADDITIONAL TASKS REQUIRED TO COMPLETE THE GENERAL PLAN AND ENVIRONMENTAL IMPACT REPORT</u>

Economic Development Director Kurt Overmeyer explained the same justification for the previous item indicating that the lawsuit and the new CEQA laws require additional updates. The General Plan is a more substantial document than a specific plan and staff believes there will be more public comments that will be received for incorporation. He also clarified that the City is paying the cost of this project, not a developer.

Mayor Oglesby invited comments from the public and had no requests to speak.

On motion by Mayor Pro Tem Dave Pacheco and seconded by Council Member Jon

Wizard and passed by the following vote the City Council adopted the Resolution approving the contract amendment as presented.

RESULT:	**Approved**
AYES:	Ian Oglesby, Dave Pacheco, Jason Campbell, Jon Wizard, Alissa Kispersky
NOES:	None

D. CONSIDER ADOPTION OF A RESOLUTION TO APPROVE A CONTRACT FOR SEASIDE CIVIC CAMPUS CONCEPT FEASIBILITY STUDY WITH STUDIO GANG ARCHITECTS AND DENISE DUFFY AND ASSOCIATES

City Manager Malin presented the item as a unique opportunity for the city. The item is a proposed feasibility study for determining the potential for a Civic Campus near the intersection of Broadway and General Jim Moore Blvd. This was prompted by the Monterey County Judges interest in a location for a Family Justice Center. The feasibility request includes determination if a facility be built for $1,000 per square foot and the identification of any significant environmental challenges. He spoke to the revised general plan zoning for that area which delineates 30 acres for public/institutional use. Mr. Malin then spoke to the growing nature of our City which is outgrowing the current facility. This is a great opportunity to leverage the City needs and find synergies with the Judge's needs. He then detailed the extensive successful portfolio of the consultant Studio Gang. The timeline for the study would be six weeks and the proposed costs will not exceed $132,000. The Council questioned what the next steps would be, how to get the architectural documents, the different elements of feasibility study, the economic benefits of having a county courthouse building and the possibility for this to be a landmark for the City of Seaside.

Mayor Oglesby invited comments from the public.
Felix Bachofner reminded the Council of previous plans for the last 25 years to relocate the library which is still undone and the project was also to generate more municipal space for the City. He expressed concern that if the City cannot afford to build a library, they can't afford to build a City Hall. Do the economic analysis first and do not raise taxes.

Mayor Oglesby spoke to the need to express interest citing the VA hospital as an example where Seaside was not prepared with information and did not express enough interest therefore it was located in Marina. Mayor Pro Tem Pacheco agreed with Mr. Bachofner that we still need a library, but if this synergy can move the city forward, it is better to do something rather than sitting back and doing nothing. Council Member Wizard spoke to the benefits of sharing the cost of the infrastructure. The Council agreed it would be an appropriate use of the land.

On motion by Council Member Jason Campbell and seconded by Mayor Pro Tem Dave Pacheco and passed by the following vote the City Council approved the item as presented.

RESULT:	**Approved**
AYES:	Ian Oglesby, Dave Pacheco, Jason Campbell, Jon Wizard, Alissa Kispersky
NOES:	None

10. MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND

REPORTS ON COMMITTEE ASSIGNMENTS

On motion, it was unanimously approved to extend the meeting past 10:30 pm.

City Attorney Freeman spoke to working for the city for over 30 years and made an official announcement to retire in June 2019. Council Member Wizard requested to agendize a discussion regarding impact fees in the City of Seaside and to agendize a report regarding affordable housing fund replenishments and gains and housing affordability strategies. Council Member Campbell spoke to the needed changes to the recycling rates and that we should get information out how keeping the recycling clean. Council Member Pacheco requested for clarification as it relates to the Brown Act and requested training to be able to be in compliance and communicate with the residents. Mayor Oglesby requested to agendize a discussion on our pension obligations, he requested the development of protocol for interactions between Council members and developers or others who have pending business with the City he requested to Agendize the discussion of a potential homeless shelter, safe parking place, warming shelter, or other solution on the February 21st agenda. Mayor Oglesby also requested some benches to be installed at Beta Park.

11. ADJOURNMENT

On motion, the meeting was adjourned at 11:19 pm.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk

Ian N. Oglesby, Mayor