

CITY COUNCIL MINUTES

August 24, 2009

Mayor Cannella called the meeting to order at 7:00 p.m. with the following in attendance:

ROLL CALL Council Members Durossette, Lane, Ochoa, Vierra, Mayor Cannella

INVOCATION by Michael Brinton, Assistant City Engineer

PLEDGE OF ALLEGIANCE to the flag led by Mayor Cannella

APPROVAL OF THE MINUTES of the regular meeting of July 27, 2009.

MOTION: Approve the minutes of the regular meeting of July 27, 2009.

MOVED: Moved by Lane/seconded by Durossette

VOTE: Motion passed unanimously (5/0)

CITIZEN COMMUNICATIONS

- o Len Shepherd, resident, spoke in support of Public Safety.

APPROVAL OF AGENDA AS POSTED AND CERTIFICATION OF POSTING

MOTION: Approve the minutes of the regular meeting of July 27, 2009.

MOVED: Moved by Lane/seconded by Ochoa

VOTE: Motion passed unanimously (5/0)

APPOINTMENTS TO BOARDS/COMMISSIONS – None.

CONFLICT OF INTEREST DECLARATION

Mayor Cannella and Vice Mayor Vierra declared a conflict with Item No. 6. Their firms have done business with Ceres Unified School District in the last 12 months. Mayor Cannella declared a conflict with Item No. 7 stating that his firm worked with the developer approximately 18 months ago and although he legally did not have a conflict, he felt it would be in the best interest of the City to declare a conflict.

CONSENT CALENDAR

1. General Correspondence – **Information Only**
 - a. Public Works Dept. Monthly Report for July 2009.
 - b. Building Division Monthly Report for July 2009.
 - c. Information Technology Division Monthly Report for July, 2009.
 - d. Redevelopment Agency Monthly Report for June, 2009.
2. Register of Audited Demands for period covering July 31 - August 7, 2009.
3. **Resolution No. 2009-86** authorizing acceptance of the U.S. Department of Justice, Bureau of Justice Assistance *Recovery Act: Edward Byrne Memorial Justice Assistance Grant (JAG)*.
4. **Resolution No. 2009-87** rejecting all proposals received for the City of Ceres Housing Element update and authorizing staff to revise Requests for Proposals (RFP) to include provisions to address Assembly Bill 170 (Air Quality) and re-circulate that RFP to the planning consultant list. **PULLED FOR FURTHER DISCUSSION**

5. **Resolution No. 2009-88** approving an agreement for financial advisory services with Northcross, Hill & Ach, Inc. to coordinate consultants in preparation of Water Revenue Bonds and Sewer Revenue Bonds and authorizing the City Manager to execute the agreement. **PULLED FOR FURTHER DISCUSSION**
6. **Resolution No. 2009-89** authorizing an agreement for the continuation of a School Resource Officer MOU with Ceres Unified School District to provide law enforcement services to the School District. **Continued from 8/10/09. PULLED DUE TO CONFLICT OF INTEREST**

MOTION: Approve Consent Calendar Item 1a-d, 2 and 3 as recommended by staff.

MOVED: Moved by Lane/seconded by Ochoa

VOTE: Motion passed unanimously (5/0)

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

4. **Resolution No. 2009-87** rejecting all proposals received for the City of Ceres Housing Element update and authorizing staff to revise Requests for Proposals to include provisions to address Assembly Bill 170 (Air Quality) and re-circulate that RFP to the planning consultant list.

Vice Mayor Vierra recommended that the Housing Element Update and the AB170-Air Quality element be divided into two separate tasks. Vice Mayor Vierra volunteered to donate his time to help update the General Plan to address the items related to Air Quality. He has checked with the City Attorney and there does not appear to be a conflict.

Mayor Cannella asked Vice Mayor Vierra why he felt he would be qualified to assist with the AB170 Air Quality Element.

Vice Mayor Vierra responded that he is the current Chair of the San Joaquin Valley Air Pollution Control District Board and is familiar with the air quality issues in the valley.

Council directed staff to revise and re-circulate the Housing Element Update RFP and complete the AB170 (Air Quality) element separately with the assistance of Vice-Mayor Vierra. Should the City Attorney find any conflict with the Vice Mayor's assisting on the project, then staff should issue an RFP for the Air Quality element.

MOTION: Approve **Resolution No 2009-87** rejecting all proposals received for the City of Ceres Housing Element update and authorizing staff to revise the Housing Element RFP re-circulate the RFP to the Planning consultant list. The AB170 element will be completed as a separate component with the assistance of Vice Mayor Vierra. Staff to issue an RFP for Air Quality only if necessary.

MOVED: Moved by Lane/seconded by Ochoa

VOTE: Motion passed unanimously (5/0)

NOTE: *Subsequent to the Council Meeting, City Attorney Lyons has determined that no conflict exists with regard to Vice Mayor Vierra volunteering to assist on the AB170 (Air Quality) component of the Housing Element Update.*

5. **Resolution No. 2009-XX** approving an agreement for financial advisory services with Northcross, Hill & Ach, Inc. to coordinate consultants in preparation of Water Revenue Bonds and Sewer Revenue Bonds and authorizing the City Manager to execute the agreement.

Mayor Cannella asked Glenn Gebhardt, City Engineer, to briefly explain the bonding process.

Mr. Gebhardt responded that the rate schedule that the City passed earlier this year, anticipated, in order to finance some of the key capital improvements necessary, a bond issuance to generate revenue to finance those improvements. Based on revenue that the City will collect we would basically be taking out a loan and issuing non-taxable debt. We are doing two separate, issuances: one for water and one for sewer which are independent systems.

A portion of the tasks to be performed by Northcross, Hill and Ach, Inc. will be to manage the various consultants working on the bond issuance. In addition to that, they will be developing and managing the credit presentation to the rating agencies. Currently the City has not gone through that process and in order to get the rated bonds, we need to have a very extensive discussion with the few rating agencies that are left. The role of Financial Advisor is to know everything about everything that we are doing. They need to know how all the other steps relate to the City's financial plan, to the enterprise funds and to all the other projects that we are proceeding with.

Mayor Cannella asked what the bond amount is for each enterprise.

Mr. Gebhardt responded that for the Water Enterprise, the bond amount is between \$4m and \$5m and Sewer is approximately \$7m.

Council expressed concerns that the fee Northcross, Hill and Ach is proposing is high given the amount of the bonds. They further expressed concern that did not go through the RFP process.

Mr. Gebhardt responded that the detail required when you do a bond issuance is about the same regardless the amount of the bond. What is intricate in this City, other than the Redevelopment Agency, we have not issued bond indebtedness in a very long time and it is a very complex process. It involves a number of different players, including Bond and Disclosure Counsel, Underwriters, Trustees, Rating Agencies and Bond Insurance Companies.

There was no representative from Northcross, Hill and Ach present and Council felt they had too many unanswered questions to act on the item.

MOTION: Continue **Resolution No. 2009-XX** approving an agreement for financial advisory services with Northcross, Hill & Ach, Inc. to coordinate consultants in preparation of Water Revenue Bonds and Sewer Revenue Bonds to the City Council Meeting of September 14, 2009.

MOVED: Moved by Vierra/seconded by Lane

VOTE: **Motion passed unanimously (5/0)**

6. Resolution No. 2009-89 authorizing an agreement for the continuation of a School Resource Officer MOU with Ceres Unified School District to provide law enforcement services to the School District. **Continued from 8/10/09.**

Mayor Cannella and Vice Mayor Vierra recused themselves from the dais.

MOTION: Approve **Resolution No. 2009-89** authorizing an agreement for the continuation of a School Resource Officer MOU with Ceres Unified School District to provide law enforcement services to the School District.

MOVED: Moved by Durossette/seconded by Ochoa

VOTE: **Motion passed with Mayor Cannella and Vice Mayor Vierra abstaining. (3/0/2)**

Vice Mayor Vierra rejoined the meeting.

UNFINISHED BUSINESS - None

PUBLIC HEARING

7. Public Hearing to consider a proposal for a General Plan Amendment (GPA) 08-21, Mitchell Road Corridor Specific Plan Amendment (MRCSPA) 08-22 and an appeal of a Specific Plan Site Plan (SPSP) 08-24. The GPA and MRCSPA propose to re-designate a 4.82 +/- acre parcel from LDR, Low Density Residential to HC, Highway Commercial, while the SPSP proposes the development of 59,400 square feet of retail/office use on that parcel.

Resolution No. 2009-90 adopting the Mitigated Negative Declaration for the project.

Resolution No. 2009-91 approving a General Plan Amendment (08-21 GPA) to change the General Plan Land Use Designation of Low Density Residential (LDR) to Highway Commercial (HC) at 2936 Roeding Road.

Resolution No. 2009-92 approving a Mitchell Road Corridor Specific Plan Amendment (08-22 MRCSPA) to change the Specific Plan Designation of Low Density Residential (RL-7) to Highway Commercial (HC) at 2936 Roeding Road.

Resolution No. 2009-93 reversing the Planning Commission denial and approving a Specific Plan Site Plan for the Development of 59,400 square feet of retail/office at 2936 Roeding Road.

Tom Westbrook, Acting City Planner, addressed Council explaining that on July 20, 2009, the Planning Commission voted on a recommendation that the City Council approve the proposed GPA, MRCSPA and SPSP. The actual vote was 2/2/1 (Commissioner Kachel and Kline voted no; Commissioner Del Nero was absent). The vote lacked majority approval so it failed resulting in a denial by the Planning Commission. During that meeting, residents from the surrounding neighborhood spoke in both support and opposition.

7:41 p.m. The Public Hearing was opened.

Those speaking in support of the General Plan Amendment:

- Jim Wyatt, resident
- Mahesh Renshaw, American USA Homes (property owner)
- Marsha Harris, resident
- Hugo Mollina, resident
- Dirk Wyatt, resident
- Tim Dearhorn, Project Architect

Those speaking in opposition of the General Plan Amendment:

- William Kent, resident

8:07 p.m. There being no one else wishing to speak, the Public Hearing was closed.

After some discussion, Council felt that this would be the best use of the parcel at this location and the project will help create jobs for the community.

MOTION: Approve **Resolution No. 2009-90** adopting the Mitigated Negative Declaration for the project.

MOVED: Moved by Lane/seconded by Durossette

VOTE: **Motion passed with Mayor Cannella abstaining. (4/0/1)**

MOTION: Approve **Resolution No. 2009-91** approving a General Plan Amendment (08-21 GPA) to change the General Plan Land Use Designation of Low Density Residential (LDR) to Highway Commercial (HC) at 2936 Roeding Road.

MOVED: Moved by Lane/seconded by Ochoa

VOTE: **Motion passed with Mayor Cannella abstaining. (4/0/1)**

MOTION: Approve **Resolution No. 2009-92** approving a Mitchell Road Corridor Specific Plan Amendment (08-22 MRCSPA) to change the Specific Plan Designation of Low Density Residential (RL-7) to Highway Commercial (HC) at 2936 Roeding Road.

MOVED: Moved by Lane/seconded by Durossette

VOTE: **Motion passed with Mayor Cannella abstaining. (4/0/1)**

MOTION: Approve **Resolution No. 2009-93** reversing the Planning Commission denial and approving a Specific Plan Site Plan for the Development of 59,400 square feet of retail/office at 2936 Roeding Road.

MOVED: Moved by Lane/seconded by Ochoa

VOTE: **Motion passed with Mayor Cannella abstaining. (4/0/1)**

Mayor Cannella rejoined the meeting.

8. Public Hearing to consider a proposal to change general plan land use designation from Low Density Residential (LDR) to Office (O) and a rezoning to change the zoning designation from Single-Family Residential (R-1) to Administrative Professional (A-P) to allow an existing residence to be converted to an office building at 2334 6th Street.

Resolution No. 2009-94 adopting the Negative Declaration for the project.

Resolution No. 2009-95 approving the General Plan Amendment (GPA 09-06) for the property at 2334 6th Street, to change its General Plan land use designation from Low Density Residential (LDR) to Office (O).

Ordinance No. 2009-994 approving a Rezone (RZ 09-07) for the property at 2334 6th St., changing its zoning designation from Single-Family Residential (R-1) to Administrative Professional (A-P).
First Reading and Introduction.

James Michaels, Associate Planner introduced the staff report stating that on July 20, 2009, staff presented to the Planning Commission, a project which included a proposal to convert an existing residence, located at 2334 6th Street, to an office building. Staff informed the Commission that the current residential zoning and General Plan designations for the site prohibits office development, allowing the proposed development first requires their recommendation of approval of both a General Plan Amendment and a rezoning to the City Council.

The Planning Commission has recommended by a 4-0 vote in favor of the General Plan Amendment and Rezone based on the following:

- The proposal establishes an office use that provides opportunity to support a healthy balance of the existing commercial businesses along Whitmore Avenue (to the south and east of the project site), and promotes a high quality product for the overall layout of the site while maintaining compatibility with surrounding land uses.

- The proposed development is an alternative use that provides economic opportunities that would otherwise be prohibited. Allowing the conversion from a residential use to an office use will increase the value of the property and promote the generation of additional revenues for the City.
- The proposal will modify existing General Plan and Zoning designations to office uses, which are more compatible with the existing commercial designations of the properties located on the block from 6th Street to Moffett Road.
- The project is designed to meet all development standards of the A-P zone district to which the proposal is requesting to change.

8:19 p.m. Mayor Cannella opened the Public Hearing

Those speaking in favor of the project:

- Max Garcia, GDR Engineering

8:21 p.m. There being no one else wishing to speak, the Public Hearing was closed.

MOTION: Approve **Resolution No. 2009-94** adopting the Negative Declaration for the project.

MOVED: Moved by Vierra/seconded by Lane

VOTE: Motion passed unanimously. (5/0)

MOTION: Approve **Resolution No. 2009-95** approving the General Plan Amendment (GPA 09-06) for the property at 2334 6th Street, to change its General Plan land use designation from Low Density Residential (LDR) to Office (O).

MOVED: Moved by Vierra/seconded by Ochoa

VOTE: Motion passed unanimously. (5/0)

MOTION: Waive full reading and have **Ordinance No. 2007-994** read by number and title only.

MOVED: Moved by Vierra/seconded by Lane

VOTE: Motion passed unanimously. (5/0)

The City Clerk read **Ordinance No. 2007-994** by number and title only.

MOTION: Approve **Ordinance No. 2009-994** approving a Rezone (RZ 09-07) for the property at 2334 6th St., changing its zoning designation from Single-Family Residential (R-1) to Administrative Professional (A-P) for First Reading and Introduction.

MOVED: Moved by Vierra/seconded by Lane

VOTE: Motion passed unanimously. (5/0)

9. Public Hearing regarding the issuance of \$16,000,000 of Tax Exempt "Private Activity Bonds" pursuant to Section 147(f) of the Internal Revenue Code and adopt **Resolution No. 2009-96** approving the issuance of Multi-family Housing Revenue Bonds by the California Statewide Communities Development Authority (CSCDA) solely for the purposes of Internal Revenue Code 147(f).

Bryan Briggs, Redevelopment/Economic Development Manager, explaining that on August 11, 2008, the City Council adopted a resolution approving the issuance of multi-family revenue bonds by the California Statewide Communities Development Authority on behalf of Intercontinental Affordable

Housing Inc. Intercontinental Affordable Housing, Inc. has entered into a purchase agreement to purchase Casa Grande Apartments, a 100 unit, project-based, Section 8 apartment complex constructed in 1971.

The applicant is proposing to rehabilitate the existing units and construct 36 new affordable units. One of the financing sources the applicant is applying for are tax-exempt private activity bonds from California Statewide Communities Development Authority.

Intercontinental Affordable Housing will be solely obligated for the repayment of the tax-exempt revenue bonds. The City does not have any financial liability or obligations with respect to the repayment of the bonds.

The applicant was asked by Redevelopment Agency staff to pursue all available funding sources prior to seeking Agency funding assistance. This application for revenue bonds will bring approximately 50% of the total project costs, if approved for the full request, which will reduce the amount of “gap financing” the applicant will be seeking from the Redevelopment Agency.

Mayor Cannella reiterated that the City does not have any financial liability or obligation with respect to repayment of the bonds. The requirement of Council Approval is a formality to make the Applicant eligible for the bonds. If the applicant should default on the loans, the property is the collateral and it has nothing to do with the City of Ceres.

Mr. Briggs confirmed.

8:32 p.m. Mayor Cannella opened the Public Hearing

8:32 p.m. There being no one wishing to speak, the Public Hearing was closed.

MOTION: Approve **Resolution No. 2009-96** approving the issuance of Multi-family Housing Revenue Bonds by the California Statewide Communities Development Authority (CSCDA) solely for the purposes of Internal Revenue Code 147(f).

MOVED: Moved by Lane/seconded by Durossette

VOTE: **Motion passed unanimously. (5/0)**

NEW BUSINESS

10. Resolution No. 2009-97 approving an agreement with Triton Water Technologies Inc., for Consultant & Professional Services for City-wide Water Meter Retro-fit Project in the amount of \$276,800.00 plus 10% contingency and amending the FY 2009/10 Budget to appropriate funds.

Phil Scott, Public Works Director, provided Council with an overview of the staff report stating that on May 26, 2009, Council authorized the issuance of a Request for Proposal for Consultant and Professional Services Provider for City-wide Water Meter Retro-fit Project. The rationale for this RFP was to provide for professional consultant services to handle the different facets of this project.

The Scope of work includes the requirement that the Consultant shall coordinate a survey of the meter status within the City, design specifications to identify the correct meter and Automated Meter Reads (AMR), prepare and issue bids for purchase and installation of meters and AMR's. The Consultant would then assist the City in obtaining and evaluating bids. The Consultant shall also collect data, load meter information which is integrated with the billing system, ensure accurate billing and water consumption and provide training to both field and office staff in operation and maintenance of the system. They will also continue to provide assistance during mock billing after the installation to assure the system is operating properly.

From June 2010 through December 2010, the water bill will show how much water is used based on the meter reading and the amount that customer would be charged based on that volume and the planned meter rate, the bill itself would still be at a flat rate during this period.

Council asked if this would be a drive-by automated meter reading. Staff responded that it would be.

Council then asked if the fixed network technology would be more efficient. Mr. Scott responded that it is still an emerging technology and more expensive than the drive-by automated meter reading.

Suzy McMullen, representing Tritan Water Technologies, confirmed that the fixed network is about 10-15% more than the existing drive-by automated meter reading technology. She also stressed that the software is still an emerging technology however, some companies are doing both, starting with the AMR and upgrading later to the fixed network technology.

Council requested an alternate bid including the fixed network technology so we can see if it is something the City would like to do. Ms. McMullen agreed to include options for the Council to choose from.

MOTION: Approve **Resolution No. 2009-97** approving an agreement with Triton Water Technologies Inc., for Consultant & Professional Services for City-wide Water Meter Retro-fit Project in the amount of \$276,800.00 plus 10% contingency and amending the FY 2009/10 Budget to appropriate funds.

MOVED: Moved by Vierra/seconded by Lane

VOTE: **Motion passed unanimously. (5/0)**

11. Resolution No. 2009-XXX approving an agreement with Lew Edwards Group for Consultant & Professional Services related to Public Relations for City-wide Water Meter Retro-fit Project in the amount of \$41,500 plus 10% contingency; approving the appropriation of \$44,250 for public relations related project costs; and approving the attached Budget Amendment for a total of \$89,750.00.

Phil Scott, Public Works Director, presented to Council a brief overview of the staff report. Mr. Scott stated that on May 26, 2009 the City Council authorized staff to issue a Request for Proposal for a Consultant and Professional Services Provider for the City-wide Water Meter Retro-fit Project. Per Council's request the Public Relations component of the Meter Retro-fit project was listed as an optional task. After evaluating the proposals including a proposal from Lew Edwards Group, staff felt that it would best serve the City's interest to enter a separate agreement with the Lew Edwards Group.

This project includes a survey of the meter status at each house within the City, and the installation of a meter and an Automated Meter Reader (AMR) at each residence. In some cases this can be accomplished simply by opening an existing meter box and replacing a section of pipe within the box with a new meter and AMR. In other cases the process could be more invasive and could include excavation and necessitate briefly shutting off the water to a residence. To address this, it was deemed vitally important to have a good public relations plan to accompany the Meter Retro-fit project in order to properly notify and educate the public on what activities might take place in front of their homes and provide advance notice of when it may occur.

Jessica Reynolds, representing the Lew Edwards Group, addressed Council with an outline of some of the components of their proposal for an Outreach and Public Information project.

The Goals of the Community Outreach Program include:

- Reassuring the Public
- Informing the Public of the specifics of the work to be done.
- Anticipating questions, Issues or problems when possible and effectively responding.
- Educating the community about how this Program will save consumers money, and place it within the community's broader water conservation goals.

The Action Steps to accomplish the Goals are:

- Set the Context
- Prepare to Launch
- Imbed and Disseminate Information
- Respond, Reassure and Satisfactorily address

Council felt the cost of the services was too high and discussed with Ms. Reynolds various cost saving approaches including a shortened term of service, engagement of community partners, consolidation of material distribution (i.e. doorhangers) with Triton Technology and the Consultant drafting and designing ready print materials, but the City being responsible for the production of the informational materials.

Ms. Reynolds stated that the Lew Edwards Group would be more than willing to work with staff in identifying areas where the work might be redistributed and recalculate their bid.

MOTION: Continue the item to the City Council Meeting of September 14, 2009 to give the Lew Edwards Group and staff the opportunity to examine cost saving measures.

MOVED: Moved by Durossette/seconded by Lane

VOTE: **Motion passed unanimously. (5/0)**

COUNCILMEMBER REFERRALS – None.

REPORTS – None.

9:20 p.m. There being no further business, Mayor Cannella adjourned the meeting.

Anthony Cannella, Mayor

Cindy Heidorn, CMC
City Clerk