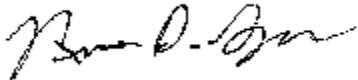


City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Amanda Davis, Deputy City Clerk
DATE: February 21, 2012
SUBJECT: City Council Minutes

APPROVAL FOR FORWARDING:



Richard Spitler, City Manager

DISCUSSION: Minutes of the January 24, 2012 special City Council meeting and the February 7, 2012 regular City Council meeting.

RECOMMENDATION: Approve Minutes.

ATTACHMENTS: Aforementioned Minutes.

1 **MINUTES**

2 **CITY COUNCIL SPECIAL MEETING**
3 **STUDY SESSION**

4 **TUESDAY, JANUARY 24th, 2012– 7:00 P.M.**
5 **CALISTOGA COMMUNITY CENTER**
6

7 **A) CALL TO ORDER**
8

9 **Mayor Gingles called the Special Study Session to order at 7:02 p.m.**

10 In attendance were the following: Councilmember Chris Canning,
11 Councilmember Gary Kraus, Councilmember Karen Slusser, Vice Mayor
12 Michael Dunsford, and Mayor Jack Gingles.
13

14 Also present were Public Works Director/City Engineer Dan Takasugi, City
15 Manager Richard Spitler, Deputy City Clerk Amanda Davis, City Attorney
16 Donald Davis, and Coastland’s City Engineering Manager Paul Wade.
17

18 **B) SALUTE TO THE FLAG**
19

20 **C) ORAL COMMUNICATION ON CONSENT ITEMS OR NON-AGENDA ITEMS**
21

22 **Matt Hickerson, 3225 Lake County Highway**, spoke regarding the
23 Amendment to the Measure A Agreement. He voiced his concerns regarding
24 the Measure A Amendment and its relation to Solage. He referenced the Fair
25 Political Practices Commission.
26

27 **D) ADOPTION OF MEETING AGENDA**

28 It was **MOVED** by **Councilmember Kraus** and **SECONDED** by
29 **Councilmember Canning** to approve the Council Meeting Agenda. The
30 Motion was carried unanimously.
31

32 **E) GENERAL GOVERNMENT**

33 **1) Proposed Solage Local Benefit Districts Reimbursement Agreement**
34

35 **Public Works Director Takasugi** presented the item. He gave a brief history
36 of the item. He stated that this study session was planned in order to discuss
37 the proposed Solage Local Benefit Districts Reimbursement Agreement that
38 relates to certain water, sewer and storm drain improvements installed during
39 the construction of the Solage Calistoga (Palisades) Resort located at 755
40 Silverado Trail. He stated that this Reimbursement Agreement has been in

1 development for a while. He said that there was a public information meeting
2 held in August 2011 where staff, Council and several of the affected property
3 owners discussed the general concept of the item. He said that staff created a
4 Frequently Asked Question list and mailed this to the property owners who
5 will be affected by the agreement. He stated that also present this evening to
6 assist in answering questions are City Attorney Donald Davis with Burke,
7 Williams & Sorensen and Paul Wade, with Coastland Engineering. He stated
8 that staff hopes to bring this back to Council in a public hearing on February
9 7th, 2012.

10
11 **Donald Davis, Attorney for Burke, Williams & Sorensen**, spoke to the
12 item. He discussed the legal framework of the Reimbursement Agreement.

13
14 **Paul Wade, Coastland Engineering**, spoke to the item. Mr. Wade gave a
15 PowerPoint presentation which outlined the basis of the Reimbursement
16 Agreement, the formation process, methodology, cost summary for water,
17 sewer and drainage, and reimbursement trigger conditions. He discussed the
18 history of the Development Agreement and the Reimbursement Agreement
19 identifying the fundamental framework of the project.

20
21 Council discussion ensued.

22
23 **Mayor Gingles** opened the public portion at 7:26 PM.

24
25 **Clarence Luvisi, 285 Rosedale Road**, read into the record a letter written by
26 his brother, Donald Luvisi, regarding the Solage Local Benefits Districts
27 Reimbursement Agreement. His letter discussed his concerns and focused on
28 the triggers for property reimbursement obligations.

29
30 **Clarence Luvisi, 285 Rosedale Road**, expressed his concerns with regard
31 to the lot split, and discussed the methodology of spread review, triggers
32 being kicked in and how to deal with the infrastructure.

33
34 **Matt Hickerson, 3225 Lake County Highway**, spoke to the item. He stated
35 his concerns with there being a possible conflict of interest with Paul Wade
36 because he was a past City of Calistoga employee and is now working as the
37 Engineer for Coastland for this project.

38
39 **Ed Nagle, Kenwood**, stated that he has been a part of this project for 12
40 years. He addressed Mr. Luvisi's comments regarding the easements and lot
41 splits and would like this to be clarified by staff. He discussed the area of
42 influence for sewage with regard to the Calistoga Village Inn and Spa. He
43 stated that he feels that this project was handled properly and audited
44 properly for the improvements that are in place and that they benefit the City
45 of Calistoga.

1 Council and staff discussion ensued regarding the area of influence for
2 sewage related to the Calistoga Village Inn & Spa.

3
4 **Mike Robertson, Robertson Engineering Inc., 2300 Bethards Drive,**
5 **Santa Rosa**, spoke on behalf of the Great Springs Waters of America. He
6 stated that they have questions and concerns with the trigger mechanisms
7 and water, drainage and sewer usage. He requested that staff and Council
8 include Great Springs Waters of America in any future discussions on this
9 matter.

10 **City Attorney Davis** provided further information and clarification regarding
11 how payments are triggered with the Reimbursement Agreement.

12
13 **Steve Butler, Santa Rosa**, is the Attorney that originally negotiated the
14 Reimbursement Agreement on behalf of Solage. He addressed Mr. Luvisi's
15 statements with regard to the lot split questions. He stated that if there is
16 some mechanism that they can work out with city staff that would provide for
17 some partial reimbursement upfront and then keep the balance on the book
18 they are certainly willing to entertain those discussions. He stated that he
19 feels that staff and the City Attorney have done the best they can in trying to
20 fairly allocate what may be returned to Solage as part of this agreement.

21
22 **Councilmember Canning**, stated for the record, that he is a member of
23 Solage health club and that there is no financial benefit to his decision making
24 process on this item.

25
26 **Matt Hickerson, 3225 Lake County Highway**, stated his concerns with
27 Coastland Engineering requesting an amendment to their contract to
28 complete the necessary work associated with the Development Agreement.
29 He wanted clarification on whether the City or Solage would be paying
30 Coastland Engineering for their additional requested contract fees.

31
32 **Ed Nagel, Kenwood**, stated for the record that Solage put in a 3 foot storm
33 drain that routed around the mobile home park and this storm drain benefits
34 the entire area, including the Mobile Home Park that flooded annually.

35
36 **Kevin moss, with Adobe Associates Civil Engineering, 1120 N. Dutton**
37 **Avenue, Santa Rosa**, stated that they did a lot of the design work in the area
38 on the public infrastructure and for Solage. He discussed the preexisting
39 public health safety issues that were caused by sewer being mixed in with
40 runoff and how this was resolved by the development of the Solage Resort.
41 He noted the benefits this provided to the community, and that the cost
42 should be shared for those that are benefitting from this.

43 **Paul Wade** discussed the trigger mechanisms for the Reimbursement
44 Agreement associated with the Luvisi, Helmer and Frediani properties.

1 Council discussion ensued. The Council discussed several questions and
2 concerns they have regarding the Reimbursement Agreement. Council would
3 like staff to re-evaluate the triggers that are currently in the agreement, and
4 would like staff to make note of the following:

- 5
- 6 - Council stated that the reimbursement payments should only be required
7 for actual development that intensifies the existing use, and payment
8 should not be required when discretionary land use entitlements are
9 granted.
 - 10
 - 11 - Council raised concerns on whether or not properties should be allowed to
12 reduce or eliminate the reimbursement obligation for drainage, specifically
13 related to a situation where a development does not intensify drainage
14 beyond pre-development conditions.
 - 15
 - 16 - Council questioned whether a fairer allocation of reimbursement costs for
17 water improvements could be established. Council is very concerned with
18 some of these properties having a significant reimbursement because of
19 their potential development yield at highest and best use. Council is
20 concerned that the entire water reimbursement will be triggered with the
21 addition of one residence or residential addition.
 - 22
 - 23 - Council would like staff to look into why the Silver Rose property was not
24 included in the Water area of benefit and also why the Calistoga Village
25 Inn should or should not be included in the Sewer area of benefit.
 - 26

27 Council is in agreement that it is their hope that the City handles this
28 appropriately and fairly for both Solage and all who are affected by the
29 Reimbursement Agreement.
30

31 **F) ADJOURNMENT**

32 **Mayor Gingles** adjourned the meeting at 8:50 p.m. to the next scheduled
33 regular meeting of the Calistoga City Council, on Tuesday, February 7, 2012,
34 Calistoga Community Center, 1307 Washington Street, 7:00 p.m.
35

36 **Respectfully submitted:**
37

38
39 _____
40 **Prepared by: Amanda Davis, Deputy City Clerk**

41 _____
42 **Approved by: Jack Gingles, Mayor**

1 **MINUTES**

2 **CITY COUNCIL CLOSED SESSION**
3 **TUESDAY, FEBRUARY 7, 2012– 6:00 P.M.**
4 **CALISTOGA COMMUNITY CENTER**

5
6 **A) ORAL COMMUNICATIONS**

7 No public comment.
8

9 **B) CALL TO ORDER**

10 **Mayor Gingles called the Regular Session to order at 6:00 p.m.**

11 In attendance were the following: Councilmember Chris Canning,
12 Councilmember Gary Kraus, Councilmember Karen Slusser, Vice Mayor
13 Michael Dunsford, and Mayor Jack Gingles.

14
15 Also present was City Manager Richard Spitler.
16

17 **C) ADJOURN TO CLOSED SESSION ON THE FOLLOWING MATTERS:**
18

- 19 1. Conference with Legal Counsel – Existing Litigation pursuant to Government
20 Code Section 54956.9 (a)

21
22 Name of Case: Page Construction Company v. City of Calistoga; Arbitration
23 Case No. A-003-2011
24

- 25 2. Conference with Legal Counsel, Existing Litigation pursuant to Government
26 Code Section 54956.9(a)

27
28 Name of Case: Rancho de Calistoga, a California General Partnership v. City of
29 Calistoga; Case No. 26-57311 and Case No. C11-05015
30

- 31 3. Conference with Legal Counsel, Existing Litigation pursuant to Government
32 Code Section 54956.9(a)

33
34 Name of Case: Solano County Water Agency et al. v. Department of Water
35 Resources
36

37 **D) CONVENE TO OPEN SESSION TO REPORT FROM CLOSED SESSION**

38 **Mayor Gingles** announced that there was no reportable action out of tonight's
39 Closed Session.
40

41 **E) ADJOURNMENT**

42 **Mayor Gingles adjourned the Closed Session at 7:00 p.m.** to the regular
43 meeting of the Calistoga City Council, on Tuesday, February 7, 2012 Calistoga
44 Community Center, 1307 Washington Street, 7:00 p.m.

45
46

47 **Respectfully submitted:**

48
49

50 **Prepared by: Amanda Davis, Deputy City Clerk**

51
52

53 **Approved by: Jack Gingles, Mayor**

54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88

MINUTES

**CITY COUNCIL – REGULAR MEETING
TUESDAY, FEBRUARY 7, 2012 - 7:00 P.M.
CALISTOGA COMMUNITY CENTER**

A) CALL TO ORDER

Mayor Gingles called the Regular Session to order at 7:02 p.m.

In attendance were the following: Councilmember Chris Canning, Councilmember Gary Kraus, Councilmember Karen Slusser, Vice Mayor Michael Dunsford, and Mayor Jack Gingles.

Also present were Public Works Director/City Engineer Dan Takasugi, City Manager Richard Spitler, and Deputy City Clerk Amanda Davis.

B) SALUTE TO THE FLAG

C) ACTION OUT OF CLOSED SESSION

Mayor Gingles announced that there was no action out of Closed Session held this evening.

D) ORAL COMMUNICATION ON CONSENT ITEMS OR NON-AGENDA ITEM

None.

E) APPRECIATION AWARDS

- 1) Mayor Gingles** presented a five-year appreciation award to Brandon Gray, Public Works Maintenance Technician. Brandon was not present at the meeting.

F) ADOPTION OF MEETING AGENDA

It was **MOVED** by **Councilmember Kraus** and **SECONDED** by **Councilmember Slusser** to approve the Council Meeting Agenda. The Motion was carried unanimously.

G) COUNCIL REQUESTS AND IDEAS FOR DISCUSSION

89 **Councilmember Slusser** stated that she is the Council's representative, along
90 with Police Chief Mills to the Napa County Gang Task Force Commission. She
91 stated that they will be hosting a Task Force here in Calistoga on February 15th,
92 2012, 4:30 p.m., at the Calistoga Community Center. She said that this program
93 will include two guest speakers who will share stories about their experiences
94 with being involved with gangs.

95
96 **Councilmember Canning** thanked Public Works Director Takasugi for making
97 himself available to attend the annual Chamber of Commerce membership
98 meeting. He stated that Mr. Takasugi presented and discussed the Caltrans
99 paving projects that will be happening in Calistoga.

100
101 **Councilmember Kraus** discussed the dog licensing fees for Calistoga
102 residents. He would like to know what service these fees provide for the citizens
103 of Calistoga. He discussed the dog park issue and wonders if these fees could
104 go towards constructing a dog park in the City of Calistoga.

105
106 **Mayor Gingles** stated the following:

- 107
108
- He requested that staff meet with the dog park committee to discuss the dog
109 park issue.
 - He stated that on February 8th, 2012 at 1:00 p.m. in Sacramento there is a
110 meeting with the California Transportation Committee regarding the re-routing
111 of Hwy 29. He stated that at this meeting they will also discuss bridges
112 throughout the state of California. He said that Calistoga has a bridge that is
113 located on Hwy 29 near Palisades Road that is on the proposal to rebuild,
114 dismantle or move.
 - He stated that a letter (Communication A) was received from Sophie Gullung
115 regarding the swimming pool and the possibility of an early opening.
 - He stated that Bob Vanderford, a long time resident and advocate for the
116 visually impaired in Calistoga, passed away recently.
 - He stated that the City received a letter a week ago indicating that he may
117 have a conflict of interest with some of the decisions he has made regarding
118 Solage. He stated, for the record, that the FPPC and three attorneys have
119 been contacted and there is no conflict.
- 120
121
122
123
124

125 **H) PRESENTATION**

126 None.

127
128 **I) CONSENT CALENDAR**

129
130 **2) Minutes of the January 17th, 2012 regular City Council meeting**

131 **3) Consideration of a Resolution authorizing the use of a City Street for the**
132 **Calistoga Chamber of Commerce Spring Jazz Festival on March 10th, 2012**

133 **4) Consideration of a Resolution Declaring Certain Property Surplus, and**
134 **Authorizing the City Manager to Dispose of Said Property**

135
136 **Councilmember Canning** requested that Item No. 3 be pulled.

137
138 **It was MOVED by Vice Mayor Dunsford and SECONDED by**
139 **Councilmember Slusser to approve Items No.2 and 4 on the Consent**
140 **Calendar. The Motion was carried unanimously.**

141
142 **Councilmember Canning** pulled item to discuss the location of the tent. He
143 stated that there is a business that has expressed some concern with the
144 proposed location of the tent. He stated that the Chamber of Commerce would
145 like the opportunity to mitigate the concern, and if they are unable to mitigate the
146 concern they request the flexibility to move the tent between First and Second
147 Street as they have done traditionally in the past.

148
149 **City Manager Spittler** clarified that the Resolution should be amended to read
150 that the Chamber will close Washington Street from either Lincoln Avenue to
151 First Street or from First Street to Second Street.

152
153 **It was MOVED by Vice Mayor Dunsford and SECONDED by**
154 **Councilmember Kraus to approve Item No. 3 on the Consent Calendar. The**
155 **Motion was carried unanimously.**
156

157 **J) PUBLIC HEARING**

158 **5) Proposed Solage Local Benefit Districts Reimbursement Agreement**

159
160 **Mayor Gingles** stated that there will be no action taken on this item this
161 evening.

162
163 **Public Works Director Takasugi** presented the item. He stated that they would
164 like to continue the public hearing to the March 6th, 2012, City Council meeting.
165 He noted that this item was previously discussed at a special Council Study
166 Session held on January 24th, 2012. He gave a brief explanation of the
167 Reimbursement Agreement's framework. He gave a PowerPoint presentation
168 which outlined the following: the basis for the Reimbursement Agreement, the
169 Development Agreement the City has with Solage, the formation process, cost
170 summaries for water, sewer and drainage, the water, sewer and drainage
171 methodologies and the reimbursement trigger conditions. He discussed the area
172 of benefit and questions of whether certain properties should or should not be
173 included. He stated that staff is currently working with Solage to find an
174 adequate solution to this issue.

175
176 **Commissioner Canning** asked for clarification from staff about the Bald

177 Mountain Development (Silver Rose) project and whether it will be included in
178 the Reimbursement Agreement. **Public Works Director Takasugi** stated that
179 they are working with Solage ownership regarding this issue, but at this time
180 they have not found an adequate resolution.

181
182 **Mayor Gingles** opened the public hearing at 7:24 p.m.

183
184 **Dennis Julio, Calistoga Beverage Company, Stanford, Connecticut**, stated
185 that they were surprised when they received a letter alerting them of this matter
186 months ago, especially since so much time has passed since the development
187 of this project. He stated that they would like to make sure that the triggers are
188 handled consistently for those affected by this Reimbursement Agreement.

189
190 **Steve Butler, Santa Rosa, Attorney speaking on behalf of Solage**, thanked
191 staff, Council and the City Attorney for continuing to work through some of the
192 issues. He noted that with respect to the Luvisi issue, City Attorney Davis drafted
193 some language which would defer payment on minor subdivisions and provide
194 for incremental collection over time. He stated that that language is acceptable
195 to Solage, but their only request is that if collections are to be deferred over time
196 they would like an additional period of time for the term of the agreement to run.
197 He stated that they are currently discussing this with City staff. He addressed the
198 questions raised regarding the area of benefit with regard to the properties in
199 question.

200
201 **Mayor Gingles** asked staff why this public hearing is taking place at the March
202 6th, 2012 meeting, and not taking place on the February 21st, 2012 meeting.

203 **Public Works Director Takasugi** stated that there are some weighty issues
204 that need to be addressed that will take more time than had been originally
205 expected. Staff expects to have more of a resolution by the March 6th, 2012 City
206 Council meeting.

207
208 **Mike Robertson, with Robertson Engineering Inc., 2300 Bethards Drive,**
209 **Santa Rosa, represents Great Springs Waters of America**, requested that
210 they are given the opportunity to be included in discussions between staff,
211 Solage and various property owners regarding the reimbursement agreement
212 and changes thereto. He would like staff to contact him when such discussions
213 are going to take place.

214 **Mayor Gingles** closed the public hearing at 7:33 p.m. reserving the right to
215 reopen it at any given time.

216
217 **Mayor Gingles** asked staff what can be expected at the March 6th, 2012 City
218 Council meeting. **Public Works Director Takasugi** stated that a final draft can
219 be expected at that meeting to be approved by a resolution.

220 **Councilmember Canning** discussed what his expectations are from staff when
221 the final draft is brought back to the Council at the March 6th, 2012 City Council
222 meeting. He stated that if there are properties being eliminated from the benefit
223 area that were originally considered, and there needs to be a very clear
224 explanation as to why those benefit areas are being removed (specifically with
225 regard to the Bald Mountain Development (Silver Rose) property and the Village
226 Inn & Spa). He stated that he would also like a clearer explanation as to what
227 triggers this reimbursement agreement.

228 **Public Works Director Takasugi** asked for feedback from Council with regard
229 to requesting reimbursement from the Developer for engineering and legal costs
230 associated with making any changes to the maps, spread of benefits and
231 reimbursement agreement language per the Development Agreement.
232

233 Council discussion ensued. Council is very concerned with the Bald Mountain
234 Development (Silver Rose) parcel and the Village Inn & Spa parcel not being
235 included in the area of benefit.
236

237 **Mayor Gingles** closed the Public Hearing at 7:51 p.m.

238 **Mayor Gingles** reopened the public hearing at 7:52 p.m. to continue it to the
239 March 6th, 2012 City Council Meeting.

240 **K) GENERAL GOVERNMENT**

241 **6) Status of Possible Spring Opening of the Community Swimming Pool**

242 **Recreation Services Manager Lemen** presented the item. She stated that
243 starting February 13th, 2012, the Calistoga High School will be using the large
244 lap pool for a new High School swim team that was organized. She stated that
245 this presents an opportunity for allowing community usage prior to the regular
246 pool season opening of May 12th, 2012. She stated that in order to do so,
247 additional funding is required, and this will not be provided by the City. She
248 stated that she approached the Calistoga Community Pool Project (CCPP) to
249 discuss ideas and suggestions on how to make this early opening successful or
250 whether it is even feasible. She discussed the classes that would be offered
251 during this early opening.
252

253 **City Manager Spitler** stated for clarification that the recommendation is to have
254 Council authorize him to approve a pre-season community swim program,
255 provided outside funds become available in a timely manner.

256 There was Council consensus that they are in support of the early opening,
257 however, the program will need to be able to pay for itself, as the city is not able
258 to subsidize this with any general fund money.

259 Mayor Gingles opened the item for public comment at 8:06 p.m.

260
261 **Sue Mauro, 1313 Silver Street**, represents a grass roots movement called
262 SwimNow!. She stated that they are spreading the word around the community
263 to gather support for a pre-season opening of a community swim program. She
264 stated that she is in support of the pay-to-play model.

265
266 **Kerry Eddy, 3870 Highway 128**, sated that she is in support of the pay-to-play
267 model. She stated that the Calistoga Pool Advisory Committee (CPAC) was
268 created to investigate, take public input and to advise Council on matters
269 involving the pool. She stated that she urges Council to open the pool earlier
270 and to direct staff to convene the CPAC in a timely manner so that a reasonable
271 and cost effective program recommendation can be found.

272
273 **City Manager Spitler** stated that he is available to meet with CPAC to discuss
274 their ideas, but wants to be clear that the City does not have the money to
275 subsidize the early opening of the pool.

276 **Mayor Gingles** closed the public portion at 8:13 p.m.

277 **Mayor Gingles** stated, for the record, that City Manger Spitler attended the City
278 Manager's Conference in Indian Wells, and it was very well attended and
279 successful.

280 He stated that he attended two court hearings last week. One regarding the
281 Measure A suit, which the City prevailed on. The other hearing was to discuss
282 the public trust item regarding attorney's fees, and this is still pending.

283 **L) ADJOURNMENT**

284 **Mayor Gingles** adjourned the meeting at 8:14 p.m. to the next scheduled special
285 meeting of the Calistoga City Council, on Tuesday, February 21, 2012, Calistoga
286 Community Center, 1307 Washington Street, 7:00 p.m.

288 **Respectfully submitted:**

289

290

291 _____
292 **Prepared by: Amanda Davis, Deputy City Clerk**

293

294

295 _____
Approved by: Jack Gingles, Mayor