

MINUTES

CITY COUNCIL – CLOSED SESSION

TUESDAY, MAY 1, 2012 - 6:00 P.M.

CALISTOGA COMMUNITY CENTER

A) CALL TO ORDER

Mayor Gingles called the Closed Session to order at 6:00 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 was City Manager Richard Spittler.

B) ORAL COMMUNICATIONS

There was no oral communication.

C) ADJOURN TO CLOSED SESSION ON THE FOLLOWING MATTERS:

1. Employee Organization Calistoga Police Officers Association – pursuant to Government Code Section 54957.6
2. Conference with the City Manager – pursuant to Government Code Section 54957.6

D) RECONVENE TO OPEN SESSION TO REPORT FROM CLOSED SESSION

Mayor Gingles reconvened the regular meeting open session at 7:00 p.m. All Council members were present.

E) ADJOURNMENT

Mayor Gingles adjourned the Closed Session at 7:00 p.m. to the regular meeting of the Calistoga City Council, on Tuesday, May 1, 2012 Calistoga Community Center, 1307 Washington Street, 7:00 p.m.

Respectfully submitted:

Prepared by: Amanda Davis, Deputy City Clerk

Approved by: Jack Gingles, Mayor

42
43
44
45
46
47
48
49
50
51
52
53
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

MINUTES

**CITY COUNCIL – REGULAR MEETING
TUESDAY, MAY 1, 2012 - 7:00 P.M.
CALISTOGA COMMUNITY CENTER**

A) CALL TO ORDER – REGULAR MEETING

Mayor Gingles called the Regular Session to order at 7:08 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 was City Manager Richard Spitler, Planning & Building Manager MacNab, Senior Planner Erik Lundquist, Public Works Director/City Engineer Dan Takasugi, Administrative Services Director Gloria Leon and Deputy City Clerk Amanda Davis.

B) SALUTE TO THE FLAG

C) ACTION OUT OF CLOSED SESSION

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

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

(7:09 p.m.)

Kurt Larrecou, 1707 Michael Way, spoke on behalf of the Calistoga Oversight Group. He feels that the City Manager and current City Council have bankrupt the City and the quality of life for residents, visitors, and businesses. Mr. Larrecou cited the City's inadequate water enterprise fund, sanitary sewer system storage and said there is no legal defined assessment district. He asked for a repeal of the Solage Reimbursement District and storm outfall to the Napa River. He demanded an immediate 24-hour emergency meeting and asked that Council cease and desist any development for one year.

E) ADOPTION OF MEETING AGENDA

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

85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130

F) COUNCIL REQUESTS AND IDEAS FOR DISCUSSION (7:13 p.m.)

Councilmember Slusser thanked those who submitted a completed Upper Valley Waste Management survey. She stated that the deadline to submit was April, 30, 2012. She stated that individual surveys were distributed to city residents including the various mobile home park residents. The results will be available on May 21, 2012 at which time she will report the findings.

Councilmember Canning reported that beginning on May 1st, 2012, the Calistoga Shuttle, aka “Mud Runner” will begin its enhanced services. He discussed the enhanced services which include an extension of hours for weekdays and weekends as well as a reduced shuttle fare.

G) PROCLAMATIONS/PRESENTATIONS/AWARDS (7:22 p.m.)

1) Proclamation announcing the month of May as Mental Health Awareness Month.

Mayor Gingles read the Proclamation into the record.

Indira Lopez, Program Director for the Calistoga Family Center, spoke regarding the Family Center’s services and programs that benefit mental health. She thanked the County and City for their support. **An unidentified speaker** thanked the City for their support of the People Empowering People (PEP) Program.

Alex Pedrosa, Napa County Mental Health Division, briefly spoke about the PEP and invited the Council to visit the County website on mental health activities and services.

2) Appreciation awards to Director of Public Works Dan Takasugi (5 years of service), Plant Operator Dean Alexander (5 years of service), and Police Officer Kristine Romo (10 years of service).

Mayor Gingles presented awards to Director of Public Works Dan Takasugi, Plant Operator Dean Alexander, and Police Officer Kristine Romo.

3) Napa Valley Housing Authority presentation on services to Calistoga.

Andrea Clark, Napa Valley Housing Authority, gave a brief presentation of annual housing activities and services provided by the Napa Valley Housing Authority. She spoke on the Section 8 Housing Voucher program, Family Self Sufficiency Program (FSS), Family Unification Program. She stated that they

131 provide compliance monitoring annually for for-sale and rental affordable
132 housing, as well as technical assistance to City staff.

133

134 **Councilmember Slusser** inquired on refinancing on affordable housing units.
135 Ms. Clark discussed the lienholder and refinancing process and said the
136 Housing Authority reviews the appraised values of the properties, the new loan
137 amounts, and financing structure. **Councilmember Slusser** said that mobile
138 homes traditionally provide affordable housing for seniors and she asked if the
139 Housing Authority has provided assistance for these units. Ms. Clark stated
140 that the Housing Authority can sometimes assist in the space rental for these
141 types of properties. Ms. Clark discussed the high demand for units and the
142 Housing Authority's work to annually contact the waiting list individuals.

143 **Councilmember Kraus** voiced thanks and support of the Housing Authority's
144 services and assistance.

145

146 **H) CONSENT CALENDAR (7:34 p.m.)**

147

148 **4) Minutes of the March 20, 2012 regular City Council meeting.**

149

Mayor Gingles requested that Item Nos. 5 and 6 be pulled.

150

151
152 **It was MOVED by Mayor Gingles and SECONDED by Vice Mayor Dunsford**
153 **to approve Item No. 4 on the Consent Calendar. The Motion was carried**
154 **unanimously.**

155

156 **5) Consideration of a Resolution directing the City Engineer to prepare and**
157 **file a report for the Palisades Subdivision Landscape Maintenance**
158 **District in accordance with Article 4 of Chapter 1 of the Streets and**
159 **Highways Code.**

160

161 **It was MOVED by Mayor Gingles and SECONDED by Councilmember**
162 **Slusser to adopt Resolution No. 2012-028 directing the City Engineer to**
163 **prepare and file a report for the Palisades Subdivision Landscape**
164 **Maintenance District in accordance with Article 4 of Chapter 1 of the**
165 **Streets and Highways Code. The Motion was carried by majority voice**
166 **vote (Councilmember Kraus abstained).**

167

168 **6) Consideration of a Resolution directing the City Engineer to prepare and**
169 **file a report for the Silverado Place Subdivision Landscape Maintenance**
170 **District in accordance with Article 4 of Chapter 1 of the Streets and**
171 **Highways Code.**

172

173 **It was MOVED by Mayor Gingles and SECONDED by Vice Mayor Dunsford**
174 **to adopt Resolution No. 2012-029 directing the City Engineer to prepare**

175 and file a report for the Silverado Place Subdivision Landscape
176 Maintenance District in accordance with Article 4 of Chapter 1 of the
177 Streets and Highways Code. The Motion was carried by majority voice
178 vote (Councilmember Kraus abstained).
179

180 I) PUBLIC HEARING – None
181

182 J) GENERAL GOVERNMENT (7:43 p.m.)
183

184 7) Preliminary report on the status of the City Water and Wastewater
185 Enterprise Funds.

186 City Manager Spitler presented the item, stating the Wastewater and Water
187 Enterprise accounts are designed to be self-sufficient as paid by ratepayers,
188 balance out, and build enough reserve to address capital needs, which did not
189 occur. The Council adopted new rates in 2011; however, there is not enough
190 generated revenue to meet expenses. The Water Fund is doing better than the
191 Wastewater Fund and the City's auditor has stressed the problem that the
192 General Fund can no longer pay for funding. The City is doing better than past
193 years but the problem needs to be solved. The complexity of the problem is
194 such that it warrants a study session and Mr. Spilman will outline a more
195 detailed account of the matter and staff will seek Council direction to address
196 and solve the problem.

197 David Spilman provided an overview of the item, stating that a Citizens and
198 Council Committee was established and initially reviewed operations, costs,
199 capital improvements and development projects from the summer of 2009 to
200 the spring of 2010. Staff developed five year rate studies to June 2015, the
201 Committee recommended rate increases which were adopted after several
202 public hearings and implemented in January 2011. There have been
203 significant changes in usage and actual costs and current rates are inadequate
204 to meet the financial needs of both systems and rate study objectives.

205 Mr. Spilman reviewed a summary of findings of the committee, a comparison
206 of water and wastewater operating revenues and expenses, water used, actual
207 sales showing a 10% decrease, a preliminary projection based on water sales,
208 and projected wastewater flows. He spoke on the role of development in
209 setting rates, stating current new development will bring added revenues to the
210 water and wastewater funds. Improvements needed to both systems over the
211 last ten years are due to replacement of failing infrastructure and compliance
212 with specific State and federal requirements. New development will share
213 improvement costs, existing residences and businesses have a high quality,
214 up-to-date systems that are more reliable, changes in the usage due to new
215 development will shift allocation of costs between users, and the City has
216 charge a one-time connection fee to repay a portion of costs for past and future
217 improvements.

218 **City Manager Spitler** discussed next steps to develop and confirm financial
219 objectives and assumptions for rate study updates, develop draft updates for
220 preliminary review of options and recommendations at a City Council study
221 session, and proceed as directed by the City Council to implement necessary
222 changes which may include a rate change.

223 **Mayor Gingles** asked to have public input, and he voiced support of staff's
224 recommendations.

225 **Councilmember Slusser** pointed to the loss of a large water/wastewater
226 customer leaving Calistoga, increases in wastewater from rainwater seepage
227 into infrastructure, and well water from spas coming into the system. **Mr.**
228 **Spilman** addressed methodologies and preliminary calculations which he
229 believes has caused increases in the well and geothermal water volumes,
230 agreeing that more review is required.

231 Councilmembers voiced the need to move forward quickly, and directed staff to
232 schedule a study session within the next month.

233 **8) Consideration of a Resolution approving the Napa Valley Transportation**
234 **Authority's Transportation Improvement Expenditure Plan for the**
235 **Transportation Sales Tax Measure.**

236
237 **Mayor Gingles** reported that the cities of Napa, Yountville and St. Helena have
238 voted to approve the plan which is meant to indicate support of a sales tax
239 measure on the November ballot.

240 **Public Works Director/City Engineer Dan Takasugi** presented the item,
241 noting changes proposed since the draft ordinance preparation.
242 **Councilmember Canning** questioned and confirmed that air quality grant
243 funds can be used for bike projects.

244 **Vice Mayor Dunsford** noted the NCTPA receives CMAC funds and other fund
245 accounts which would satisfy the 6.67%. Funds are being paid from NCTPA. If
246 NCTPA were not able to match or come up with funding, cities would need to
247 step in. But, based on historical data, there is certainty there would be
248 adequate funding for these projects. He noted the reason why philanthropy
249 and/or state funding shall not be counted towards the percentage is because
250 the Napa Valley Vine Trail supporters want this to be additional funding to what
251 they are already soliciting and to make progress in investing in bike paths.

252 **Public Works Director/City Engineer Dan Takasugi** noted the request of the
253 Council is to approve the expenditure plan which states the City will be given a
254 2.7% share based on its sales tax return to source in the area of streets.

255 **Vice Mayor Dunsford** stated the matter has been a negotiated effort which
256 involved many parties who, in the past, worked against the measure which

257 failed in 2006. The language was revised to reflect taxpayers' wishes who
258 indicated they would take a neutral position.

259 **Councilmember Kraus** clarified that the neutral position was predicated on
260 not pre-bonding against the future tax, which **Vice Mayor Dunsford** confirmed
261 the pre-bonding has also been eliminated.

262 **It was MOVED by Gingles and SECONDED by Vice Mayor Dunsford to**
263 **adopt Resolution No. 2012-030 approving the Napa Valley Transportation**
264 **Authority's Transportation Improvement Expenditure Plan for the**
265 **Transportation Sales Tax Measure. Motion was carried by the following**
266 **vote:**

267
268 **AYES: Mayor Gingles, Vice Mayor Dunsford, and Councilmember**
269 **Canning.**

270 **NOES: Councilmembers Kraus and Slusser.**

271 **ABSTAIN: None.**

272 **ABSENT: None.**

273

274 **9) Consideration of a Resolution authorizing preparation of Municipal Code**
275 **amendments for the implementation of adopted Housing Element**
276 **program actions related to emergency shelters, supportive and**
277 **transitional housing, agricultural employee housing and streamlining of**
278 **the City's Growth Management System program.**
279 **RECOMMENDED ACTION: Adopt Resolution.**

280

281 **Planning & Building Manager MacNab** presented the item, and reviewed
282 code amendments for actions related to emergency shelters by right in the CC
283 district, supportive and transitional housing as a permitted use in R-1, R-2 and
284 R-3 zoning districts, agricultural employee housing for six or fewer persons by
285 right in the R-1 zoning district and limited to those in the agricultural workforce,
286 and streamlining of the City's Growth Management System program to include
287 extending expiration dates of awarded allocations, allowing for rollover of
288 unused/expired allocations between five-year cycles, and preferences to low-
289 income and special needs housing projects. He reviewed next steps as
290 preparing amendments, presenting them at a public hearing before the
291 Planning Commission and a public hearing before the City Council for
292 proposed adoption in July 2012.

293

294 **Councilmember Slusser** questioned and confirmed the General Plan can be
295 changed in 4 years; however, this is a change in the Municipal Code and not
296 General Plan.

297

298 **Mayor Gingles** opened the public comment period. There were no public
299 speakers.

300
301 It was **MOVED** by Vice Mayor Dunsford and **SECONDED** by
302 Councilmember Kraus to adopt Resolution No. 2012-031 authorizing
303 preparation of Municipal Code amendments for the implementation of
304 adopted Housing Element program actions related to emergency
305 shelters, supportive and transitional housing, agricultural employee
306 housing and streamlining of the City's Growth Management System
307 program. The Motion was carried by the following vote:

308 **AYES:** Mayor Gingles, Vice Mayor Dunsford, and Councilmembers
309 Canning and Kraus.

310 **NOES:** Councilmember Slusser.

311 **ABSTAIN:** None.

312 **ABSENT:** None.

313
314 **10) Consideration of setting Special City Council Study Sessions and a**
315 **Public Hearing date for the Fiscal Year 2012/ 2013 Budget Adoption**
316 **Process.**

317
318 **City Manager Spitler** reviewed the following proposed dates for a Special City
319 Council/Study Session and public hearings: Study sessions on May 17 and
320 May 22, 2012; a public hearing on the Draft Budget on June 12, 2012; and
321 adopting the Final Budget on June 19, 2012.

322 It was **MOVED** by Councilmember Kraus and **SECONDED** by
323 Councilmember Canning to set dates as May 17 and 22, 2012 for study
324 sessions; public hearing on June 12, 2012, and consideration for
325 adoption of the Fiscal Year 2012/2013 Budget on June 19, 2012. The
326 Motion was carried unanimously.

327
328 **K) ADJOURNMENT**
329
330 **Mayor Gingles** adjourned the meeting at 8:32 p.m. to the next scheduled
331 Special Meeting of the Calistoga City Council, on Tuesday, May 8, 2012,
332 Calistoga Community Center, 1307 Washington Street, 6:30 p.m.

333
334 **Respectfully submitted:**

335
336
337 _____
338 **Prepared by: Amanda Davis, Deputy City Clerk**

339
340 _____
Approved by: Jack Gingles, Mayor