

CITY COUNCIL
THURSDAY, JANUARY 22, 2009 - 6:15 P.M.
CALISTOGA COMMUNITY CENTER
CLOSED SESSION

CALL TO ORDER

Mayor Jack Gingles called the Closed Session to order at 6:15 p.m. In attendance were the following: Councilmember Placido Garcia, Councilmember Gary Kraus, and Councilmember Karen Slusser, Vice Mayor Michael Dunsford and Mayor Gingles. Also present was City Manager James McCann, Interim Administrative Services Director and Assistant City Attorney Tom Curry.

- 1) Conference with Labor Negotiators (Government Code Section 54957.6)

Agency negotiation: City Manager James McCann and Interim Administrative Services Director David Spilman

Employee Organization: Calistoga Police Officers Association

ADJOURNMENT

Mayor Gingles adjourned the **Closed Session** at 7:00 p.m. to the Regular Meeting of the Calistoga City Council, Thursday, January 22, 2009, 7:00 p.m., Calistoga Community Center, 1307 Washington Street.

Respectfully submitted:

Prepared by: Susan Sneddon, City Clerk

Approved by: Jack Gingles, Mayor

MINUTES
CITY COUNCIL – REGULAR MEETING
THURSDAY, JANUARY 22, 2009 - 7:00 P.M.
CALISTOGA COMMUNITY CENTER

CALL TO ORDER

Mayor Gingles called the Regular Session to order at 7:00 p.m.

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

Also present were, City Manager James McCann, Public Works Director/City Engineer Dan Takasugi, Senior Planner Ken MacNab, Interim Administrative Services Director David Spilman, Assistant City Attorney Tom Curry and City Clerk Susan Sneddon.

ACTION OUT OF CLOSED SESSION

Mayor Gingles announced that there was no reportable action out of Closed Session held this evening and that the Council would resume the Closed Session following the City Council's regular meeting.

ORAL COMMUNICATION

There was no public comment

ADOPTION OF MEETING AGENDA

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

CONSENT CALENDAR

1. **Accounts payable for the period ending Wednesday, January 15, 2009 (\$849,015.40).**
2. **Minutes of the January 6, 2009 regular City Council meeting.**

3. Adoption of **Resolution No. 2009-005** authorizing the acceptance of a donation in the amount of \$500.00 from the Roman Spa Hot Springs Resort.
4. Adoption of **Resolution No. 2009-006** approving the Annual Parade List and authorizing the Public Works Department to apply for Encroachment Permits from Caltrans.

It was **MOVED** by Vice Mayor Dunsford and **SECONDED** by Councilmember Garcia to approve **Items No. 1, 2, 3 & 4** on the Consent Agenda. The Motion was unanimously carried by the following vote:

AYES: Vice Mayor Dunsford, Councilmembers Garcia, Kraus, Slusser and Mayor Gingles

NOES: None

ABSENT/ABSTAIN: None

PUBLIC HEARING

5. Consideration of a request for an exception to the sanitary sewer connection requirement for a proposed four lot rural residential subdivision located on Grant Street (APN 011-390-035).

Pubic Works Director/City Engineer Takasugi introduced this item and summarized his staff report. He stated that staff recommends that the Council hold a public hearing and “consider” this sewer connection exception request, but take no formal action to either approve or deny it at this time; upon completion of the environmental review of the entire proposed subdivision, the application will be brought before the Planning Commission. He stated that the Planning Commission’s recommendations, along with the sewer connection exception request, will then be brought back to the Council for final action.

Mayor Gingles stated that a letter was received from Farella Braun and Martel regarding this item (*Communication A*).

Mayor Gingles opened the public hearing.

There was no public comment.

Mayor Gingles closed the public hearing.

Councilmember Kraus expressed some environmental concerns with the use of septic tanks and noted that environmental regulations for these facilities are rigorous.

Planning and Building Director Gallina reviewed the elements of the pending minor subdivision proposal..

There was Council consensus to allow the request for an exception to the sanitary sewer connection requirement for a proposed four lot rural residential subdivision located on Grant Street (APN 011-390-035) to move forward to the Planning Commission.

GENERAL GOVERNMENT

6. Consideration of a Resolution approving a work program for updating the Housing Element of the City's General Plan.

City Manager McCann introduced this item and complimented Senior Planner MacNab in the excellent job of outlining the proposed work program.

Senior Planner MacNab stated that the City's Housing Element must be updated every 5 years, and the proposed current update is due June 2009. He presented a 10 minutes PowerPoint presentation which provided a detailed overview of the proposed Housing Element update. He stated that staff recommends a Committee be established consisting of two Councilmembers, two Planning Commissioners and three citizens with real estate, development, finance or other relevant housing experience.

Councilmember Slusser stated the need for a complete housing inventory to assist in making future housing projections.

Senior Planner MacNab responded that the proposed work program does include an existing land-use survey that will identify land uses on all properties in the City (both residential and commercial). He stated that within the residential inventory there will be a breakdown of unit types.

Mayor Gingles suggested that Councilmember Garcia and Councilmember Slusser be the Council delegates to the proposed Committee.

Councilmember Kraus stated that he was uncomfortable with having two Councilmembers on the proposed Committee because it would only take one other Council member to pass the proposed Housing Element.

Assistant City Attorney Curry stated the Committee must comply with the Ralph M. Brown Act since two Councilmembers will be assigned to be on the committee.

Senior Planner MacNab stated that Planning Commission has recommended Commissioners Coates and Creager for appointments to the proposed advisory committee.

It was **MOVED** by Mayor Gingles and **SECONDED** by Councilmember Kraus to adopt **Resolution No. 2009-007** approving a work program for updating the Housing Element of the City's General Plan. The Motion was unanimously carried by the following vote:

AYES: Mayor Gingles, Councilmembers Kraus, Garicia, Slusser
and Vice Mayor Dunsford

NOES: None

ABSENT/ABSTAIN: None

7. Discussion regarding options and direction to begin the City Council's strategic planning effort.

City Manager McCann introduced this item and suggested the following two phases for the strategic planning efforts: (1) Council and department heads look at the City's existing capabilities and constraints; focus on more immediate efforts facing the City; and (2) identify larger community wide interests and opportunities soliciting the public's involvement.

Councilmember Kraus stated that he agrees with the proposed options, especially in light of the current economy.

Vice Mayor Dunsford stated his concern in creating additional costs and that he prefers more of an action plan in moving forward and he has concerns in starting a review process similar to what was done with the proposed Urban Design Plan.

Councilmember Kraus stated that when times get tough financially, strategic planning is a good tool in examining the City's core values. He stated that the proposed strategic planning effort would establish a standard focusing on City staffs' accountability in relations to the Council's goals.

City Manager McCann stated that he has surveyed various consultants and their input was that there are a lot of ways to accomplish this; the initial phase should be focused on discussions with the City Council and the department heads.

Councilmember Garcia stated it is paramount that we think of the future and focus on wise financial spending.

There was Council consensus to move forward as recommended by Councilmember Kraus and staff.

8. Update regarding the Fiscal Year 2008/2009 budget and discussion for action regarding the mid-term review and adjustments.

City Manager McCann introduced this item. He stated that the City has a 25% reserve which is healthy especially in light of the existing economic conditions in the region and the world however there are still many challenges ahead. He stated that the revenue received to date for the 2008/2009 fiscal year is above the revenue that was received for the 2007/2008 fiscal year. He stated that a realistic revenue projection for this fiscal year is expected to be higher than last fiscal year's level however it will be below the City's initial projections by approximately \$330,000. He stated that in order to keep operating costs down three vacant personnel positions will remain unfilled. He stated that the department heads have been asked to reduce expenditures and staff is also looking at reducing the budget for General Fund capital projects to address the \$330,000 projected shortfall and to avoid dipping into the City reserves.

Interim Administrative Services Director Spilman summarized his staff report on this item and provided a series of slides.

Councilmember Kraus stated that the City should be wise in financial decisions in light of the state of the economy.

Vice Mayor Dunsford suggested that due to the economic climate the City should continue to keep close communications with the Chamber to obtain feed back from local businesses.

Rex Albright, Chamber of Commerce Chief Executive Director, stated optimistic statistics regarding local tourism and the Chamber is putting more funding towards marketing.

9. Establishing objectives and the appointment of a Council Subcommittee for the Fiscal Year 2009-2010 Community Enrichment Grant Program.

Mayor Gingles recommended that Councilmembers Kraus and Slusser be appointed to the Community Enrichment Grant Enrichment Grant subcommittee.

It was MOVED by Mayor Gingles, SECONDED by Councilmember Kraus adopting Resolution No. 2009-008 establishing objectives and the appointment of Councilmembers Kraus and Slusser to a Council Subcommittee for the Fiscal Year 2008-2009 Community Enrichment Grant Program.

The Motion was carried unanimously.

AYES: Mayor Gingles, Councilmembers Kraus, Garcia, Slusser and Vice Mayor Dunsford

NOES: None;

ABSENT/ABSTAIN: None.

10. Consideration of a Resolution approving an amendment to the Professional Services Agreement with Calistoga Affordable Housing Inc.

Mayor Gingles stated that two letters were received regarding this item; (1) Citizens for Responsible Development (*Communication B*), and; (2) Calistoga Affordable Housing (*Communication C*). In addition he referenced correspondence that he received from James Hunter regarding this item.

City Manager McCann stated that this item is to correct an oversight in the 2007 Professional Services Agreement between the City and Calistoga Affordable Housing (CAH). He stated that there is a section in the agreement which states that CAH cannot own nor have an interest in properties in the City during the terms of this agreement, and in fact they do. He stated that under the agreement CAH is to provide a variety of affordable housing services; some are general services and others are specific services related to the City's Housing Element update. He complimented CAH on services provided to the City and he stated that they concur with the need to correct this matter. He suggested the following options:

- (1) Terminate the agreement; or
- (2) Modify the agreement to permit CAH to carry on with their assistance but freely acknowledge that they have ownership interests in land within Calistoga; or
- (3) Amend the scope of services in the agreement to delete those services which might be more prone to conflicts of interest; or
- (4) Determine that the nature of the work in question pursuant to the scope of services in the agreement does not present the potential or appearance for a conflict of interest given the ownership interests present.

Mayor Gingles and **Vice Mayor Dunsford** both recommended Options (2) and (3) listed and stated that CAH has provided high quality projects for the City's affordable housing needs.

Councilmember Slusser stated that CAH has provided a valuable service and she recommended staff to narrow the scope of service in the agreement.

Councilmember Kraus acknowledged CAH's good service and stated that there is clearly a conflict in the agreement. He suggested the City should terminate the current contract and start over with a new agreement and suitable scope of service to eliminate the existing conflict of interest and to avoid any future conflicts.

Jim Barnes, 1710 Michael Way, referenced *Communication B* and stated that there is a clear conflict of interest in continuing this agreement and urged its termination and the return of all funds paid to CAH under its term.

Bob Fiddamon, Calistoga Affordable Housing, stated once the scope of work in the CAH agreement is modified there would not be a conflict of interest. He stated that any appearance of conflicts of interest should be eliminated in that CAH is a non-profit organization that has assisted the City on various projects over the past five years.

Council discussion ensued regarding this matter

Assistant City Attorney Curry stated there is a provision in the CAH agreement that is being violated and must be addressed. In addition the Council may choose to amend the scope of services to address/avoid potential conflicts of interest.

Councilmember Slusser stated the City must recognize that the public perception of CAH and their role in assisting the City is very different now in that CAH is an active developer. She suggested that there is not a need to terminate the contract but there is a need to amend the scope of services to remove those tasks that may cause potential conflicts of interest; she prefers Option (3).

Vice Mayor Dunsford agreed and suggested that the staff Option (3) be pursued; he added that CAH has been very helpful and a significant benefit to the Community.

Mayor Gingles asked the Assistant City Attorney Curry how to proceed to address the present violation of the terms of the contract.

Assistant City Attorney Curry suggested that it might be best to suspend the operation of the CAH contract and direct staff to return with proposed amendments to address the concerns.

Councilmember Garcia stated the City's affordable housing projects are open for the public viewing and CAH's interest is in favor of the City and is in favor of modifying the scope of services.

Mayor Gingles suggested that CAH services provided to the City should be suspended until the amended agreement is executed.

Jim Barnes, 1710 Michael Way, stated that the agreement should be cancelled and rewritten; he added that the Citizens for Responsible Development are in favor of future affordable housing projects in the City.

There was Council consensus to suspend the CAH agreement; Council directed staff to re-write the agreement to eliminate any perception of conflict of interest, and bring back to Council for approval.

CITY MANAGER REPORTS

City Manager McCann reported on the following:

- Good progress is being made on the Busk Abatement Project which is nearly complete.
- Chateau Mobile Home Park residents have received an increase in their monthly rent; mediation will be initiated pursuant to the City's Rental Stabilization Ordinance.
- Update on the Terrano Development Project; the developer continues to seek financing;
- Update on the Urban Design Plan; the Oversight Committee and Planning Commission will discuss the proposed Urban Design Plan in mid-February, then Council will review in mid-March;
- The Low Vision Group meets on Friday, January 23rd at Rancho de Calistoga;
- Update on the Audible Pedestrian Signal; to be installed at the intersection of Washington Street and Lincoln Avenue/Highway 29 on January 27th;
- The Police Department is now issuing County Dog Licenses;
- The City is looking for lifeguards for the Community Pool; Thank you to Diane Barrett for allowing the City to use their pool facilities to train local lifeguard candidates.

COUNCIL REQUESTS AND IDEAS FOR DISCUSSION

Councilmember Kraus asked for an update regarding recruitment for the Administrative Services Director and the Aquatics/Recreation Manager (**City Manager McCann** provided an update).

Councilmember Slusser asked if mobile home park residents are unable to afford a rent increase would measure he considered to assist them (**Mayor Gingles** said yes)

Mayor Gingles noted the following:

- Councilmember Garcia and he attended the opening of the new American Canyon City Hall;

- A petition from residents has been received in favor of a Senior Center at Logvy Park.
- The Calistoga Art Center is looking for a part time Administrator.

ADJOURN/RECONVENE IN CLOSED SESSION

Mayor Gingles adjourned the **Regular Session** at 9:40 p.m. to the **Closed Session** of the regular meeting of the Calistoga City Council, Thursday, January 22, 2009, Calistoga Community Center, 1307 Washington Street.

CALL TO ORDER

Mayor Jack Gingles called the Closed Session to order at 9:50 p.m. In attendance were the following: Councilmember Placido Garcia, Councilmember Gary Kraus, and Councilmember Karen Slusser, Vice Mayor Michael Dunsford and Mayor Gingles. Also present was City Manager James McCann, Interim Administrative Services Director and Assistant City Attorney Tom Curry.

- 1) Conference with Labor Negotiators (Government Code Section 54957.6)

Agency negotiation: City Manager James McCann and Interim Administrative Services Director David Spilman

Employee Organization: Calistoga Police Officers Association

ADJOURN/RECONVENE IN OPEN SESSION

Mayor Gingles adjourned the Closed Session at 9:58 p.m. and reconvened to the Regular Session held earlier this evening. He stated that there was no reportable action out of the Closed Session.

CITY COUNCIL ADJOURNMENT

Mayor Gingles adjourned the meeting at 10:16 p.m. to the next scheduled regular meeting to the Calistoga City Council, on Tuesday, February 3, 2009, Calistoga Community Center, 1307 Washington Street, 7:00 p.m.

Respectfully submitted:

Prepared by: Susan Sneddon, City Clerk

Approved by: Jack Gingles, Mayor