

MINUTES

City Council Regular Meeting
2212 Beach Boulevard
Pacifica, CA 94044

April 9, 2007

Mayor DeJarnatt called the meeting to order at 5:45 p.m., stating that all councilmembers were present and announced that the Council would meet in Closed Session. City Attorney Quick announced the business to be discussed:

1. In accordance with Government Code Section 54956.9(a): Conference with legal counsel-existing litigation. Walsh-Nicolas v. City of Pacifica, San Mateo County Superior Court Case No. CIV 453148.
2. In accordance with Government Code Section 54957: Public Employee Appointment: City Manager Recruitment.

Mayor DeJarnatt called the regular meeting to order at 7:13 p.m.

Present: Councilmembers: Digre, Lancelle, Hinton, Vreeland, and DeJarnatt.
Excused: Councilmembers: None.

Staff Present: William C. Norton, Interim City Manager; Cecilia Quick, City Attorney; Maureen Lennon, Finance Director; Michael Crabtree, Planning Director; Scott Holmes, Public Works Director; Mari Brumm-Merrill, PB&R Director; Jim Saunders, Police Chief; Steve Brandvold, Deputy Fire Chief; Maria Aguilar, Assistant Engineer; Ed Vandehey, MIS Manager; Kathy O'Connell, City Clerk.

Mayor DeJarnatt led the Salute to the Flag.

Commission Liaison: None.
Chamber Liaison: None.

CLOSED SESSION:

None.

CONSENT CALENDAR:

Mayor pro Tem Vreeland moved approval of the Consent Calendar, as amended, as follows: Approval of disbursements dated 07/30/07 in the amount of \$1,010,283.72, regular and quick checks numbered 115590 to 115775, as set forth in Item #1; Approval of Minutes of regular City Council meeting of March 26, 2007, as set forth in Item #2; Approval of Resolution Authorizing the Support of the Reauthorization of the Dedicated Motor Vehicle Fee California Government Code Section 65089.11 Et. Seq., as set forth in Item #3; Approval of Side Letter of Agreement to the Memorandum of Understanding with Teamsters Local 856 for Miscellaneous Employees Establishing a Pay Rate for Call Back on Sanitary Sewer Work Related Calls, as set forth in Item #4; Approval of Side Letter of Agreement to the Memorandum of Understanding with Teamsters Local 856 for Miscellaneous Employees Establishing Certification Pay for Tree Trimmers, as set forth in Item #5; Adoption of the Ordinance titled "An Ordinance of the City Council of the City of Pacifica, Amending Chapter 6 of Title 6 of the Pacifica Municipal Code Relating to Sewer

Service Charges,” second reading, as set forth in Item #6; Adoption of the Ordinance titled “An Ordinance of the City Council of the City of Pacifica Adding Article 47, Titled “City of Pacifica Below Market Rate (inclusionary) Program to Title 9, Chapter 4 of the Pacifica Municipal Code,” second reading, as set forth in Item #7; Authorize the City Manager to Enter into an Agreement with G&G Builders, Inc., for \$37,430.00 for the Purchase and Installation of the Fairmont West Playground Equipment, as set forth in Item #8; Fire Suppression Assessment – Fund 8 – Independent Audit, as set forth in Item #9, moved to Consideration as Item #17; Earth Day Volunteers, as set forth in Item #10; Update on Farmers Market, as set forth in Item #11; seconded by Councilmember Lancelle.

Councilmember Hinton stated that, in several places on the bottom of page 13 and top of page 14, “Commissioner” Hinton should be corrected to “Councilmember” Hinton.

ROLL CALL VOTE:

Ayes: Councilmembers: Digre, Lancelle, Hinton, Vreeland, and DeJarnatt.
Noes: Councilmembers: None.

Motion carried: 5-0.

SPECIAL PRESENTATION:

Mayor DeJarnatt read the proclamation on Earthquake Preparedness which was accepted by Police Chief Saunders and Deputy Fire Chief Brandvold.

Police Chief Saunders thanked the Mayor and Council for recognizing Earthquake Preparedness Month and stressed that it actually needed to be on the top of everyone’s list year round.

Deputy Fire Chief Brandvold agreed with Chief Saunders’ comments and encouraged everyone to take a look at their situation and become as prepared as possible.

Mayor DeJarnatt agreed, adding that he had read that there was a 60% chance of a large magnitude quake in the Bay Area in the next 20 to 30 years, mentioning some specific preparations made by his neighborhood.

COUNCIL COMMUNICATIONS:

Councilmember Hinton stated that he attended the Council of Lion’s Police and Fire Award’s impressive ceremony honoring individuals who had done outstanding or courageous things.

Councilmember Digre stated she also attended that ceremony, adding that the San Francisco Fire Chief gave a comprehensive talk. She reminded everyone that Pacifica was ahead of the game in tsunamis and thanked Captain Realyvasquez and the entire Police Department for preparing the City for emergencies. She watched “California Connects” on TV which featured the water situation in California. She mentioned that she, Councilmember Lancelle and Mayor pro Tem Vreeland met with the youth of Pacifica, pointing out the good work done by them on the issue of the shuttle, as well as tobacco and alcohol use by youth. She attended the airport meeting regarding the monitors for airplanes over our City, mentioning that they were not in place but they were going to satellite and she hoped it would be completed soon. She mentioned that she and Councilmember Lancelle met with the elementary and high schools regarding emergencies. She mentioned the officer assigned to the schools, stating that Pacifica was not having the same trouble with drugs as in neighboring cities and she thought it was important to continue to fund that position. She stated that she was concerned about the library situation, worrying that the

strategic plan was only a checklist and there would be no footprint for the type of library we want.

Councilmember Lancelle mentioned that Senator Yee met with the City Council. She thought he was inspirational, and thanked him and welcomed him in our community. She mentioned the Chamber of Commerce's networking luncheon which she thought went very well. She toured Sharp Park Golf Course along with other Councilmembers, City staff and community members. She attended the Vallemar Read-Aloud, and she encouraged the community to volunteer in their local school. Councilmember Lancelle stated that the Chamber of Commerce had a Junior Achievement program, and suggested that anyone with some free time might volunteer. She reported that the Council met with the North Coast County Water District board, stating that it was a very good meeting. She mentioned that she enjoyed the last meeting with the PB&R board.

Mayor DeJarnatt stated that Councilmember Lancelle mentioned all the meetings on which he was going to report, so he merely mentioned that he enjoyed reading to the children. He stated that he was going to speak to a leadership class at IBL to which he was looking forward. He mentioned that they had received a letter from Pacificans for a Sustainable Development regarding potential plan changes to the General Plan and requested that the Planning Director report back on that subject in the next few weeks.

Councilmember Digre asked if they were having a budget meeting on April 18, which was the same night as the 50th birthday baseball game.

Finance Director Lennon stated that the meeting was on the 25th.

Mayor DeJarnatt encouraged the public to attend if they were interested.

Councilmember Digre pointed out that local musicians were highlighted in a coastside magazine.

ORAL COMMUNICATIONS

Mayor DeJarnatt opened Oral Communications.

Chris Porter, 2305 Palmetto Avenue, stated that she was hoping to introduce their new recycling coordinator but he was ill. She stated that he had 25 years' experience with refuse removal and recycling. She then reported on a mailing which lists all their new programs, specifically mentioning the bulky pickup at curbside, which was free except for items with fees, such as refrigerators, etc. She then itemized the other program changes and information listed on the mailing.

Mayor DeJarnatt asked clarification about the pickup of small corded appliances for the week of April 15.

Ms. Porter mentioned various small corded appliances which were included and which would be picked up on the regular pickup day.

Mayor DeJarnatt also asked for clarification on paints.

Ms. Porter clarified that it was latex paint only, but stated that they had the County household hazardous waste day once a month by appointment.

Thom Ball, 104 Hilton Way, called attention to the Library's annual report in the Council packet, stating that the report was available to the public at the library. He mentioned that library usage was strong, and gave details from the report. He stated that this indicated that the community needed a new library. He thanked the Council for their continued support, as well as Friends of the Library and the Pacifica Library Foundation. He also thanked the volunteers and library staff.

Frank Winston, 555 Crespi Drive, stated that the Pacifica Historical Society had sold out their originally allotted tickets for the 50th birthday celebration at AT&T Park, and had received another 100 for sale. He mentioned that Rob Schneider would participate in the ceremony at home plate. He stated that their souvenir 50th anniversary edition would be in the *Pacifica Tribune's* June 27 issue. He also stated that the Pacifica TV station would be doing the marathon, "Footprints of Pacifica," on May 6. He also stated that, by use of a coupon, Denny's would participate in a fundraiser for the Historical Society.

Lynn Adams, 601 Beaumont Blvd., thanked the City Council for their support for Earth Day. She stated that they had 27 community groups volunteering for Earth Day and 11 businesses. She informed the public that they still needed volunteers in groups of twos and fours.

Mayor DeJarnatt asked how they should contact her.

Ms. Adams stated that they could look in the paper or call her at 355-1668.

Jeffrey Simons, 231 Beaumont Blvd., stated that on April 14 the Pacifica Military Moms were sponsoring a Karaoke and raffle night. He then asked if they had addressed the issue of using the old county road property for the Farmers' Market with police or other auxiliary support, mentioning some of his ideas, including possibly leasing property in the quarry for the market.

Mayor DeJarnatt mentioned that this issue wasn't done, and he suggested he return when they discussed it again.

Tod Schlesinger, Linda Mar, mentioned speaking to the Police Chief and stated that the meth and pot problem in Pacifica was rampant. He also stated that he followed up, and Councilmember Lancelle was not in the phone book.

Councilmember Lancelle thanked him for pointing it out and stated that she would correct it for next year, adding that her number was listed in the paper almost every week and was at City Hall.

Mr. Schlesinger commented on the Linda Mar Beach clean up and asked why they were only cleaning up once a year. He suggested that they charge the surfers who use the parking lot every day a fee so that the City would be able to afford to clean the beach on a regular basis. He commented to Councilmember Hinton that he had been asked by several community members to put this issue back on the agenda and bring some closure to the issue. He referred to a quote from Public Works Director Holmes that it was his understanding that the Coastal Commission said the City could charge for parking.

Mayor DeJarnatt clarified that they did clean up the beaches every couple of weeks to every month.

Mayor DeJarnatt closed Oral Communications.

PUBLIC HEARINGS:

None.

CONSIDERATION

12. City of Pacifica 50th Anniversary Banquet Committee update.

PB&R Director Brumm-Merrill made a report.

Mayor DeJarnatt opened public comments.

Shirley Gibbs, 404 Brighton Road, stated that she had lived in Pacifica since before incorporation, and gave a brief report on past anniversary dinners. She then requested that the City waive the fees for the Community Center, authorize them to use the City seal on invitations and correspondence, as well as possibly provide insurance and staff assistance.

Chris Porter, 2305 Palmetto, continued the report, specifically mentioning the Family Day on Sunday and the "Taste of Pacifica" event.

Fred Howard, 1230 Glacier, gave the Council a handout. He then complimented the Historical Society on doing a great job. He mentioned plans for the 50th event at Nick's, Ristorante Portofino and a tent, with the cost being covered by giving a letter from the Mayor to banks asking them to underwrite the event. He mentioned that the new owners of Nick's would also like to make it a weekend event to generate money for local charities and allow more people to participate than the limited number at the Community Center.

Mary Ann Nihart, 146 Hilton Lane, acknowledged everyone's desire to be involved, and she felt the Council needed to figure out how to have an event that gets as many people involved as possible.

Mayor DeJarnatt closed public comments.

Councilmember Digre agreed that it was good to see more people participate, and she suggested that both groups get together and work things out and be on the same page.

Mayor pro Tem Vreeland agreed with Councilmember Digre's comments. He thought the Historical Society's events so far have been wonderful. He acknowledged that people wanted to take things up to the next level, and he was thinking that way also. He thought at Nick's it would be focused in the heart of the redevelopment area and looked toward the future. He thought the intention of all the groups was to celebrate Pacifica's history. He hoped that the present committee would meet with the group at Nick's and figure out how to move it forward.

Councilmember Digre commented on the request to direct staff on how to proceed and waive fees for the Community Center, approve use of staff time and City seal. She thought that was the least the City could do.

Mayor pro Tem Vreeland stated that, if they moved the event, they wouldn't have to waive the fees for the Community Center and they could make sure that use of the City seal was part of the package. He wondered what the Council thought of making it a larger more inclusive kind of event.

Councilmember Lancelle wondered about having a subcommittee to meet with all the interested parties, and work on it over the next few weeks.

Councilmember Hinton thought it was an excellent idea to have this large event at Nick's and Portofino. He stated that the banquet was exclusive and a formal banquet. He thought it was tragic that the City didn't have a facility to avail itself of 400-500 people. He thought the event at Nick's and Portofino was an event in itself and he didn't believe it competed but embellished what the committee was trying to do with a formal banquet. Councilmember Hinton thought they could put the event on Saturday and the original committee could continue with the formal banquet on ~~Sunday~~ Saturday, which would include former Councilmembers. He thought they could go to the event at Nick's/Portofino but he felt the two events weren't mutually exclusive.

Councilmember Digre stated that, if the two groups were willing, she would be pleased to work with them. She stated that she had a bias toward "The Taste of Pacifica" because it broadened the City's economic base and created an opportunity for people to learn more about local businesses. She added that, if it was a need, she would be behind waiving the fees at the Community Center.

Mayor DeJarnatt stated that he would like to see as many people accommodated as possible, and that everyone get along while doing it. He appreciated the work by the 50th anniversary banquet committee, as well as the other ideas. He stated that he had talked with Nick Gust who didn't feel the tent was that great an idea. He would like to see the groups meet, and he thought they might need more than one event. He also didn't have a problem if the City needed to kick in a small amount of money.

Councilmember Hinton reiterated that they weren't mutually exclusive events and he actually thought they would compliment each other. He didn't think there was much coordination needed, because they were at separate locations and were different events. He thought both committees could proceed and they could have a successful weekend.

Mayor pro Tem Vreeland stated that he would like to build on the suggestion of a subcommittee and he would like to volunteer to serve on it with Councilmember Lancelle and meet with the two committees and figure out how it would work out. He thought it should be the City celebrating its 50th anniversary with no perception of any competing events. He would like to serve on the subcommittee and come back in the next two weeks to make recommendations to the Council.

Mayor DeJarnatt thought that sounded fine. He felt there needed to be one official group to deal with everything. He thought that the subcommittee was a fine idea.

Councilmember Lancelle suggested that they develop a weekend worth of events. She understood Mr. Howard's point regarding a limit of 200 people, and that group was not as big as those who would want to attend. She suspected that a lot of people would want to attend. She asked the PB&R Director if the 200 people were in the main room of the Community Center or if they would spill over into the dance studio at the back.

PB&R Director Brumm-Merrill stated that it was in the main room of the Community Center.

Councilmember Lancelle asked if it would be possible to have additional tables in the dance studio.

Councilmember Hinton stated that they were planning to have a bar and hors d'oeuvres in the hallway and the dance studio as a mixer for those who hadn't seen each other in a long time. He stated that they were concerned about having them split because of the program, etc. He mentioned that they had already made arrangements and entered into contracts for the facility.

Mayor DeJarnatt stated that it appeared there was a majority that would like to have a subcommittee meet.

Councilmember Digre stated that, if there were contracts, it might cause a problem. She stated that she would like a definition of what they meant by a private party.

Mayor pro Tem Vreeland asked if he had to make a motion for a subcommittee.

City Attorney Quick stated that they would need a motion for a subcommittee and if the Council wished to waive the fees for the Community Center.

Mayor pro Tem Vreeland stated that he thought they should table the waiver of fees for the Community Center until they had input from the subcommittee. He added that no one should be entering contracts at this point.

Councilmember Hinton stated that they already had.

Mayor pro Tem Vreeland questioned where the Council gave the committee authorization for entering any contracts. He stated that they had no authority to do that.

Councilmember Hinton stated that this needed clarification. He explained that this was a group of people who had gotten together and rented the Community Center and they entered a contract with the caterer as individuals, not as representatives of the City.

Mayor pro Tem Vreeland appreciated the clarification.

Mayor pro Tem Vreeland moved that they establish a subcommittee for the celebration of the 50th anniversary of the City of Pacifica, work with the variety of groups who expressed interest, and return to the Council within 30 days with recommendations; seconded by Councilmember Lancelle.

Councilmember Digre asked Councilmember Hinton if 30 days would be too long because of the contract.

Councilmember Hinton stated that, unless they were told they couldn't have the Community Center, he didn't think it would make much difference.

Councilmember Digre stated that she wanted to be sure all options were open. She was in favor of protecting contracts and she didn't see a problem with giving permission, if needed, to waive the fees. She stated that they were trying to work things out between two groups and she didn't want to start off on the wrong foot.

Mayor DeJarnatt stated that waiving the fees wasn't necessary at this time.

ROLL CALL VOTE:

Ayes: Councilmembers: Digre, Lancelle, Vreeland, and DeJarnatt.

Noes: Councilmembers: None.
Abstain: Councilmember: Hinton.

Motion passed: 4-0-1.

13. Award of Contract to Bay Pacific Pipelines, Inc., for the Monterey Road Sanitary Sewer Improvements Project for \$269,215.00. Authorize Additional Budget Authority of \$216,000.00.

Assistant Engineer Aguilar made a report.

Councilmember Lancelle asked clarification that the entire cost of the developer connection fees and final construction costs would come very close to the cost of the improvement.

Assistant Engineer Aguilar agreed, if you added the connection fees and their fair share.

Councilmember Lancelle stated that it was reassuring to see that the development would ultimately cover the cost of the improvements.

There were no public comments.

Councilmember Lancelle authorized the City Manager to enter into the attached agreement with Bay Pacific Pipelines, Inc., for the Monterey Road Sanitary Sewer Improvements Project for \$269,216 and authorize Budget Authority for \$216,000; seconded by Councilmember Hinton.

ROLL CALL VOTE:

Ayes: Councilmembers: Digre, Lancelle, Hinton, Vreeland, and DeJarnatt.
Noes: Councilmembers: None.

Motion passed: 5-0.

14. Authorize the City Manager to Direct the Contractor to Order the Rock for the Beach Boulevard Seawall Repair and Authorize Budget Authority in the amount of \$600,000.00.

Public Works Director Holmes made a report.

Councilmember Lancelle asked if the amount of \$1,386,525 being requested from FEMA was the total cost of the repair.

Public Works Director Holmes stated that it was the cost of the contract. He stated that the amount awarded was \$1,386,525 and they didn't anticipate going above that amount.

Mayor DeJarnatt asked if it was correct that the void at the concession stand exceeded 200 cubic yards.

Public Works Holmes responded affirmatively. He stated that it was a long day, with 28 trucks of concrete.

Councilmember Lancelle asked if this would address the problems that caused the void to be created.

Public Works Director Holmes responded that it would, further clarifying that there were three reasons for the voids to be created, void opening with repair of face failures and asphalt replacement on top.

There were no public comments.

Councilmember Hinton mentioned that this was not the first one at the pier. He asked if he thought they could seal the retaining walls so that the ocean would not get in.

Public Works Director Holmes stated that they would sooner or later by dumping concrete in the voids. He added that it was a retaining wall that wasn't that effective for ocean environments. He stated that the City would have to continue to maintain the rock face and filling a void with concrete.

Mayor DeJarnatt asked how many times they have done this since the wall was built.

Public Works Director Holmes stated that it has been about ten or 12 times, about every three or four years.

Mayor DeJarnatt asked if he was confident that they could get FEMA to pay for it.

Public Works Director Holmes stated that so far it had been grants and FEMA and they haven't had to use City money.

Councilmember Lancelle moved to authorize the City Manager to direct Contractor to direct the rock supplier to begin quarrying the rock for Beach Blvd. and authorize Budget Authority in the amount of \$1,386,525; seconded by Councilmember Hinton.

Councilmember Hinton stated that there was some risk to it, but he thought it was the only practical way to approach it to get it done as soon as possible. He thought the risk was worth the end result.

Mayor DeJarnatt agreed, and thought they didn't have a lot of choice. He had great confidence in the Public Works Director.

ROLL CALL VOTE:

Ayes: Councilmembers: Digre, Lancelle, Hinton, Vreeland, and DeJarnatt.

Noes: Councilmembers: None.

Motion passed: 5-0.

15. Adoption of Resolution Stating Intention to Revise the City's Sewer Charges Beginning Tax Year 2007-2008 the Proposed Increase is 9.21%.

Public Works Director Holmes made a report.

Councilmember Hinton asked about needing a 9% increase to raise the \$5 million reserve.

Public Works Director Holmes explained that at the time they make the payment in July 2008, the reserve would be close to zero and the first tax increment would push them to \$2 million and close to \$3 million by the end of the 2008/2009 year for the reserve. He stated that the reserves have been low because they were paying for construction of the plant for the last seven or eight

years and the plant needed a big reserve. He stated that they were operating close to the zero level. He stated that they had some electrical fires in pump stations, but could be out \$15 million if it were to occur in the main electrical room.

Councilmember Hinton asked if we were insured for that.

Public Works Director Holmes responded that we probably were but he would have to check.

Councilmember Hinton stated that probably wasn't good business.

City Attorney Quick stated that the wastewater plant was covered, adding that the City had property insurance on all major facilities, including the plant. She stated that the self-insured deductible for damage was \$5,000.

Councilmember Hinton stated that this had come up before and he didn't remember the answer. He felt nervous not to have insurance and to have only a couple of bucks in the bank. After talking with the City Manager, he suggested that they look for another source to build the reserve. He thought that dedicating the sewer connection fees for the reserve would put a little bit of money in even if it wasn't a lot. He thought this would not affect the rates to the users as much. He asked if that was a reasonable request.

Public Works Director Holmes agreed that it was a good idea, adding that they should adjust the rates on what was justifiable.

Councilmember Hinton asked if he meant the connection fees.

Public Works Director Holmes responded affirmatively.

Councilmember Hinton stated that they couldn't expect them to pay for everything that happened in the past. They had to be reasonable or they wouldn't have anything at all.

Councilmember Lancelle referred to the table of minimum annual sewer charges which compared Pacifica to other communities. She thought it was important to recognize that Pacifica's rates were in the middle to low side. She asked clarification that the cost to build this type of project in current dollars was \$250 million.

Public Works Director Holmes stated that was what it cost. He stated that \$250 million was high but it would be for the same size plant as ours.

Councilmember Lancelle asked what our plant cost.

Public Works Director Holmes stated that it was about \$50 million.

Mayor pro Tem Vreeland asked clarification that the increase was based on how the debt was structured in the 1990s and our debt service was going up, similar to a mortgage going up.

Public Works Director Holmes responded affirmatively.

Mayor pro Tem Vreeland stated that they were not changing how it was put together ten years ago, but now the mortgage rates were going up because of the financing.

Public Works Director Holmes responded affirmatively.

Mayor pro Tem Vreeland reiterated that they weren't increasing the reserves or putting money aside for other projects, but were servicing the debt from the original agreement.

Public Works Director Holmes responded affirmatively.

Mayor pro Tem Vreeland stated that he worked on these issues for other cities, and he felt this was a shining example of something the City did right. He asked confirmation that the rates in Hillsborough were \$1,400 a year and Pacifica's were only \$350.

Public Works Director Holmes responded affirmatively.

Mayor pro Tem Vreeland asked clarification that he was asking for this rate increase and assuming a rate increase next year.

Public Works Director Holmes responded that it would be similar.

Mayor pro Tem Vreeland asked what his projections were after that.

Public Works Director Holmes stated that it would probably drop down, although they could do a more detailed revenue program. He stated that the first two years would get us through the increase in payments and then contribute to a reserve to cover expansions and emergencies. He stated that the plant appears to last quite a while but it would need some repairs, such as the digesters. He stated that 40 years down the road the City would have to finance a new one and we needed to start building some reserves.

Mayor pro Tem Vreeland agreed, and asked if he would agree that the present investment in solar and future investment in bio-diesel would further reduce the operating costs and generate larger savings.

Public Works Director Holmes stated that power was close to \$1 million a year; and he felt getting it down to \$500,000 would only help the City.

Mayor pro Tem Vreeland asked the Finance Director if this was the standard process to use for sewer rate reviews.

Finance Director Lennon responded affirmatively.

Mayor pro Tem Vreeland asked if they would go through this process at the same time each year.

Finance Director Lennon responded affirmatively.

Mayor pro Tem Vreeland asked if the only change was the appeal process and that the timing was consistent with the budget schedule.

Finance Director Lennon responded affirmatively.

Councilmember Hinton mentioned a financing structure adjustment based on deferred payment on principal, and he asked if any other "humps" were anticipated in the near future.

Public Works Director Holmes stated that he didn't think so, because they had deferred the principal for five years and they had been raising the rates to make the payments. He stated that this was the last hump in our current financing.

Councilmember Hinton asked if the debt service and indebtedness would be repaid at a constant rate from now on.

Public Works Director Holmes responded affirmatively.

Mayor DeJarnatt asked if any of the comparison cities had built new wastewater plants recently.

Public Works Director Holmes stated that they had not built new plants, but were doing expansions and upgrades.

Mayor DeJarnatt asked clarification that when the upgrades and expansions were in place, their rates would go up substantially as well.

Public Works Director Holmes responded affirmatively.

Mayor DeJarnatt asked if a community the size of Pacifica would finance a \$250 million project with extremely high fees.

Public Works Director Holmes stated that it would have to be through high rates.

Mayor pro Tem Vreeland stated that it was not happening, which was the reason for the crumbling infrastructure of the country, and providing wastewater treatment and safe drinking water was a huge issue facing every city in the country. He stated that it was the elephant in the room no one wanted to talk about, and Pacifica was decades ahead of where we could have been specifically because of a smart Council from 15 years ago and good staff.

Mayor DeJarnatt opened public comments.

Jeffrey Simons, 231 Beaumont Blvd., stated that pricing a house in Hillsborough had very little to do with pricing a house in Pacifica, adding that comparing rates was disingenuous because we existed on different paradigms financially. He calculated that the fees were an increase of \$460,000 and we needed a \$2.1 million increase, and he didn't see how that number extrapolated over another year would make up the deficit. He understood that they did a refinance of the loan and pulled out \$2 million in equity and asked where it went and how it was being paid off. He asked if it would be in a separate fund or the General Fund. He mentioned the Measure Q Parcel Tax and felt proposing a sewer charge of 9% would be extremely prejudicial to that process. He asked why they weren't looking at increasing revenue or use the revenue we have instead of an increase and rather than renovating the chamber for a new City Hall.

Mayor DeJarnatt clarified that the money went into the Enterprise Fund, not the General Fund.

Mary Ann Nihart, 146 Hilton Lane, stated that she was a survivor of the sewer plant wars. She reminded them that it was a difficult decision and battle but they took a very important step in the City to take the lead in the state. She felt we had something to be proud of, and they knew then that they would need to make increases in the sewer tax. She acknowledged the good questions asked by the previous speaker, but she felt the timing made perfect sense because it came up this

time every year. She didn't feel this item and Measure Q were related, and she planned to support that measure as well.

Mayor DeJarnatt closed public comments.

Councilmember Lancelle took notes during Mr. Simons' comments, and asked clarification of the revolving loan and the \$2 million which was withdrawn at the time of refinancing.

Finance Director Lennon stated that it was not the revolving loan, but was an Enterprise Fund loan. She thought Mr. Simon was referring to the refinance of the three COPs, certificates of participation.

Councilmember Lancelle asked if those were the loans for the police station.

Finance Director Lennon stated that two were for the police station and one for the streets.

Councilmember Lancelle reiterated that they financed at a lower rate and were able to take out the \$2 million with no additional cost in terms of financing.

Finance Director Lennon responded affirmatively.

Mayor DeJarnatt commented that the Enterprise Fund was always completely separate from the General Fund.

Councilmember Lancelle stated that she was clarifying for Mr. Simons and anyone else that the Enterprise Fund was completely separate and didn't mix with the General Fund. She also questioned his comment about \$6 million for the City Hall being an accurate statement. She stated that she would be happy to talk with Mr. Simons to clarify information and be sure we were all working with the same set of information. She asked the Finance Director if the timing of Council's review of the wastewater fund and rate increases followed a specific timeline.

Finance Director Lennon stated that it did, explaining that they were on a tight timeline because of so many notifications required to ensure completion of the process by August 10 and get it to the County in time for the issuance of tax bills.

Councilmember Lancelle stated that the Council had supported that measure. She then asked if it was an interest only loan or if we were in negative amortization.

Finance Director Lennon stated that it was four years revolving, so four years of the debt service was wrapped around to the back end but also reserving approximately \$500,000 against the interest.

Councilmember Lancelle observed that the minimum annual sewer charge was \$395 and asked if they were looking at a 9.7% or 9.5% increase which would be approximately \$35 annually.

Finance Director Lennon stated that it would be an additional \$37 per year.

Councilmember Lancelle stated that, for an annual fee of \$500, it would be approximately \$45. She stated that, regarding the comparison of Pacifica and Hillsborough, the sewer fee was based on water usage and used a specific formula, and was not based on the value of the home, no matter how expensive the home. She added that the fees were based on the condition of their

sewer plant, and ours was based on a moderate price. She mentioned this in response to comments made that Pacifica's sewer fees were high, stating that they were not.

Councilmember Digre reminded everyone that there were only two cities in California with such an advanced wastewater treatment plant, with Pacifica being one of them. She also mentioned the fact that the plant provided the City with more usable water.

Mayor pro Tem Vreeland added that Brisbane pays even more, confirming that it was not the value of the house that determined the fee.

Mayor pro Tem Vreeland moved to adopt a Resolution of the City Council of the City of Pacifica Stating its Intention to Revise the City's Sewer Charges Beginning Tax Year 2007-08; seconded by Councilmember Lancelle.

Councilmember Hinton stated that Brisbane was a small community of 3,000 people, and further homes and further people did not increase the operation cost of the sewer plant significantly but the cost of the plant was fixed and it would be lower per person. He stated that the plant was designed with all the amenities, mentioning that tertiary water was a main feature emphasized in building the plant. He felt they owed a great deal of gratitude to the staff and, particularly, the Public Works Director.

Mayor DeJarnatt pointed out that, in looking at the cities checked, there were quite a few cities with larger fees.

Mayor pro Tem Vreeland asked the City Manager if they could move the final action date further back.

City Manager Norton stated that they could adjust it slightly by five or six days, and they would poll the Council about meeting on a special day.

Mayor pro Tem Vreeland stated that he was just making sure that this action didn't preclude that action.

ROLL CALL VOTE:

Ayes: Councilmembers: Digre, Lancelle, Hinton, Vreeland, and DeJarnatt.

Noes: Councilmembers: None.

Motion passed: 5-0.

16. Sharp Park Golf Course.

PB&R Director Brumm-Merrill made a report.

Mayor DeJarnatt opened public comments.

Bill Lepeltik, 258 Monterey, stated that he spoke a couple of weeks ago on this issue and reiterated that it was vital that the City pursue whatever it takes to keep the golf course. He stated that San Francisco had done nothing to market the golf course. He mentioned that there were hotels within minutes of the golf course but he was not aware of any offer of a stay and play package. He thought the City could encourage a new manager to increase the viability of the golf course with a little marketing. He stated that the present operators were hamstrung by limitations put on them by San Francisco. He felt the golf course was an important part of the community.

Fred Howard, 1230 Glacier Avenue, stated that during the Tiger Wood phenomenon a lot of golf courses were built and were now folding because of lack of play. He stated that he felt Sharp Park was a great course to play, and other people would say this was a great course as well. He was on the tour, and he acknowledged that a lot of money would be needed to fix up the golf course. He added that it would have to remain a recreational open space as specified in Fleischacker's will. He felt it was a great asset for the City and they needed to encourage someone to develop the golf course.

Mayor DeJarnatt closed public comments.

Councilmember Hinton felt that the Sharp Park Golf Course was an important and viable asset and they needed to make every effort to keep it in operation. He stated that they needed to stay involved with San Francisco and make them aware that we were interested in maintaining that area as a golf course. He stated that the City was not committing any finances at this point, but we needed to keep our options open and make every effort to find someone to financially support the golf course.

Councilmember Lancelle stated that Councilmember Hinton said it very well, and she was in complete agreement with him. She didn't know how it would be managed, but it was critical that the City stay involved and play a role in the outcome of this.

Mayor pro Tem Vreeland stated that issues that needed to be addressed, which should include San Francisco because they have responsibility for it, were the flooding, protection of the surrounding neighborhood and the disruption of play. He felt that the City was creative about addressing some of the environmental and flood control issues and were able to bring that expertise, and this was our opportunity in partnership with San Francisco to do that.

Mayor pro Tem Vreeland moved to authorize staff to take the next steps in entering into discussions with the City and County of San Francisco, in reference to the Sharp Park Golf Course; seconded by Councilmember Digre.

Councilmember Digre stated that they had the discussions about drainage and she learned that the hotels cannot package Sharp Park now, but we would want to control that so the hotels could do a package. The golf course had to do Crystal Springs now.

Mayor pro Tem Vreeland was not aware of that situation and asked if staff could look into it.

ROLL CALL VOTE:

Ayes: Councilmembers: Digre, Lancelle, Hinton, Vreeland, and DeJarnatt.

Noes: Councilmembers: None.

Motion passed: 5-0.

17. Fire Suppression Assessment – Fund 8 – Independent Audit.

Finance Director Lennon made a report.

Mayor DeJarnatt stated that she didn't have to complete the report, adding that he had pulled this item for a specific reason.

Finance Director Lennon stated that very few expenditures happened this year, and she was asking the Council to accept the independent audit for the record.

Mayor DeJarnatt understood, and stated that there were individuals in the community, including some firefighters, who didn't believe the funds were being spent correctly. He asked if they could transfer the \$900,000 into a separate fund and be able to show that the \$900,000 specifically pays firefighters' salaries.

City Manager Norton responded that the reason it was done in this specific way was that the amount transferred was a set amount based upon anticipated revenue generated from the fire assessments. He stated that, in this particular case, it was \$900,000. Administratively, this makes it easier for the Finance Department to do it, however, as the Mayor indicated, there was another way to do this, specifically to have the salary of a certain number of firefighters come directly out of the fund. He said that the only problem with that was that their salaries and benefits change over a period of time and overtime would be charged against the same fund. That meant that the amounts expended would go up and down. He again stated that they could do that but the amount being transferred would be different based upon the various situations that would occur with the particular firefighters in that fund.

Councilmember Lancelle thought that was a good question. She also agreed that there were a few people who had trouble recognizing that the money was a dedicated source solely for expenses for the firefighters and a small amount for equipment for the fire department. She clarified that the public should understand that the total \$900,000 went to pay salaries of firefighters.

Finance Director Lennon clarified that the \$900,000 did only partially fund the total salary and benefits because the expense for salaries and benefits was close to \$4.9 million.

Councilmember Digre asked if they were aware that part of the issue was the interpretation of why there was overtime.

Mayor DeJarnatt stated that he was interested, and asked her to ask the question again.

Councilmember Digre asked if Council and the Finance Director were aware of the difference of opinions as to what constitutes the source or reason for the overtime.

Finance Director Lennon stated that overtime was a subject outside of the fire assessment because they couldn't charge overtime to the fire assessment; only salary and benefits could be charged to the fire assessment. She stated that was another complication of putting dollars in Fund 8 because, when they had overtime, there was more accounting to be done.

Mayor DeJarnatt asked the City Attorney to let him know if they drift further than they should.

City Attorney Quick stated that they were fine.

Councilmember Hinton asked confirmation that the reason they referred to the \$900,000 as partially paying for the firefighters' salaries was because the salaries were greater than the \$900,000 and it didn't pay the full salaries but that all the money from the assessment did go to pay firefighters' salaries and fire equipment.

Finance Director Lennon responded affirmatively.

Mayor DeJarnatt opened public comments.

Bernie Sifry, Pacifica, stated that transparency was the word. He felt they needed to make it clear to the public that the money was going to the fire department and for their salaries. He stated that there were three battalion chiefs who earned more money than the deputy fire chief, a lot of it due to overtime. He asked if the Council had some control of overtime. He stated that he gave the deputy chief a suggestion of giving the overtime to a captain who makes less money, rather than a battalion chief, with a possible savings of up to \$300,000 a year. He felt it was worthwhile putting a cap on it.

Mayor DeJarnatt stated that he had been trying to control the overtime for seven years.

Mayor DeJarnatt closed public comments.

Councilmember Digre stated that it was one reason she asked the question about overtime. She understood that, prior to the JPA, captains were used. She had talked with City Manager Norton about making an investigation regarding this policy.

Mayor DeJarnatt stated that they might pass this item, as well as ask the City staff to look into this to rein in this cost.

Mayor pro Tem Vreeland suggested that they do exactly this during their budget process.

Councilmember Lancelle reiterated that they needed to discuss this during the budget session. She thought Mr. Sifry made a good suggestion.

Mayor pro Tem Vreeland moved to accept the Fire Suppression Independent Audit of 2005/2006 for the record; seconded by Councilmember Hinton.

Councilmember Hinton stated that he had tried to control overtime for over 30 years and it was a difficult thing to do.

ROLL CALL VOTE:

Ayes: Councilmembers: Digre, Lancelle, Hinton, Vreeland, and DeJarnatt.

Noes: Councilmembers: None.

Motion passed: 5-0.

Mayor DeJarnatt adjourned the meeting at 9:38 p.m.

Transcribed by Barbara Medina, Public Meeting Stenographer.

Respectfully submitted,

Kathy O'Connell, City Clerk

APPROVED: *As Amended; 4-0 (Mayor pro Tem Vreeland absent); 4-23-07*


Pete DeJarnatt, Mayor