#### **MINUTES**

City Council Regular Meeting 2212 Beach Boulevard Pacifica, CA 94044 October 8, 2007

Mayor DeJarnatt called the meeting to order at 7:05 p.m.

Present:

Councilmembers:

Digre, Lancelle, Vreeland, and DeJarnatt.

Excused:

Councilmembers:

Hinton.

Staff Present:

Stephen Rhodes, City Manager; Cecilia Quick, City Attorney; Ann Ritzma, Administrative Services Director; Lee Diaz, Associate Planner; Raymond Donquines, Assistant Engineer; Jim Saunders, Police Chief; Fernando

Realyvasquez, Police Captain; Kathy O'Connell, City Clerk.

Mayor DeJarnatt led the Salute to the Flag.

Commission Liaison:

Planning Commissioner Leon.

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 09/10/07 to 09/17/07 in the amount of \$1,564,114.51, regular and quick checks numbered 117673 to 117679, 117692 to 117853, and 117862 to 117864; approval of disbursements dated 09/14/07 to 09/17/07 in the amount of \$15,043.00, regular checks numbered 117680 to 117691, and 1177861, approval of disbursements dated 08/15/07 to 09/28/07 in the amount of \$792,527.91, regular and quick checks numbered 81646, 81648, 81650 to 81651, and 117873 to 118026, approval of disbursements dated 09/20/07 to 09/28/07, in the amount of \$64,980.03, regular checks numbered 117865 to 117872 and 118027 to 118031, as set forth in Item #1; Approval of Minutes of regular City Council meeting of September 24, 2007, as set forth in Item #2: Amend the 2006-2007 General Center Childcare Contract with California State Department of Education, as set forth in Item #3; Approval of adoption of Resolution Approving Contracts with California State Department of Education for Purpose of Providing Childcare and Child Development Services for Fiscal Year 2007-2008, as set forth in Item #4; Adoption of Resolution Approving Contract with California Department of Education for Purpose of Resource Funding for Fiscal Year 2007-08. The funds from this Grant are to be used for School-Aged Children in a Title V Program, as set forth in Item #5; Adoption of an Ordinance entitled "An Ordinance of the City Council of the City of Pacifica Reclassifying (RZ-183-04) 801 Fassler Avenue (APN: 022-083-020 & 030) from P-D to P-D with a Development Plan (DP-67-04) for the Development of 29 Residential Units" second reading, as set forth in Item #6; Adoption of a Resolution Securing a Line of Credit with First National Bank of Pacifica, as set forth in Item 7, moved to consideration as Item #10; Approval of Use Agreement with American MEDICAL Response (AMR) for a Mobile Home Placed at the Linda Mar Fire Station, as set forth in Item #8; seconded by Councilmember Lancelle.

Councilmember Digre abstained on Item #6 because she had voted no on the original item.

Mayor DeJarnatt abstained from Item #2 because he was absent from that meeting.

## **ROLL CALL VOTE:**

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

Noes: Councilmembers: None.

Motion carried: 4-0.

## **SPECIAL PRESENTATION:**

Mayor DeJarnatt read a proclamation acknowledging October 21 through 28 as Pacificans' Care Week in Pacifica in honor of their 25<sup>th</sup> anniversary.

**Fred Howard**, President of Pacificans' Care, stated that they would be celebrating their 25<sup>th</sup> anniversary on October 23 at the Community Center and honoring a Pacifican. He mentioned how the organization started and how they helped various organizations in the City.

Mayor DeJarnatt thanked Pacificans' Care for their many years of work in the City.

Mayor DeJarnatt read a proclamation acknowledging October 7 through 13 as National Long Term Care Residents Rights Week.

Councilmember Digre stated that, as an advocate and a parent of a child with developmental disabilities, she used Helen Karr and Tippy Irwin as resources. She was grateful that people like them continued so that sons like hers would be protected.

**Helen Karr** thanked Mayor DeJarnatt for taking time from his schedule to visit their facility today. She also thanked the San Mateo County Long Term Care Ombudsman Executive Director Tippy Irwin for all her work developing the program. She then introduced her.

**Tippy Irwin** stated that she was honored by the proclamation. She introduced the Ombudsman Program, mentioning the one specific right of a restraint free life which they were addressing during this week. She thanked the Council for bringing this to the public's attention.

Mayor DeJarnatt commented on his tour of the rehabilitation center on San Pedro Road earlier in the day, stating that they were doing a great job there.

#### **COUNCIL COMMUNICATIONS:**

Councilmember Lancelle thanked Fred Howard and all the members of the Fog Fest, and specifically thanked Mary Ann Nihart for her work on the Miss Pacifica reception and parade. She also attended the GGNRA Advisory Committee meeting and the Chamber Networking luncheon. She also met with Don Eagleston and Stephanie Vinces and Mike Pacelli regarding the Chamber's efforts in promoting the City's recreational assets. She mentioned the study session on the design for the Walgreens project, which she thought was a very good meeting. She also attended the meeting at the golf course by S.F. Supervisor Jake McGoldrick who was meeting with golfers. She mentioned that Mayor pro Tem Vreeland was also present in support of keeping it as a golf course.

Mayor pro Tem Vreeland stated that he was sorry he couldn't attend the Walgreens study session. However, he talked with some in attendance, and got the sense that there were no decisions made about the design. He suggested that it was important enough to hold another study session when Walgreens came back with actual designs and not leave it with just the Planning Director. He requested the City Council's support in that because he got the impression that it was split down the middle.

City Manager Rhodes stated that they might need a consultation because he understood that the direction of the Council was for a joint session and then for the Planning Director to make the determination.

Mayor pro Tem Vreeland stated that he would talk with staff and the City Attorney, clarifying that it wasn't a decision-making meeting but a study session. He stated that there were only two City Councilmembers present and he didn't see how they could make a decision.

Councilmember Lancelle clarified that the condition of approval stated that there would be a joint study session with the Planning Commission and the City Council to review the alternates that would be brought forward by the architect.

Mayor pro Tem Vreeland asked if the condition of approval was for one session.

Councilmember Lancelle stated that it was for "a" study session.

Mayor pro Tem Vreeland stated that he would like the City Attorney and City Manager to look into it because he thought there would be a range of alternatives to look at with two alternatives chosen. He asked staff to see whether the Council as a body could have more discretion about a fairly large investment in the City. He again asked the City Manager to look into that.

City Manager Rhodes stated that they would look into it.

Mayor pro Tem Vreeland also mentioned the meeting at the Sharp Park Golf Course by Supervisor McGoldrick. He offered him the possibility of meeting with the City Council and a subcommittee of the Supervisors to have a discussion about the golf course. He felt they needed to pursue all available options as they evaluate their study by looking at all 400 acres, which included the old rifle range. He thanked City Clerk O'Connell for the brochure welcoming people to the Council meeting.

Councilmember Digre agreed with Mayor pro Tem Vreeland's comments, stating that they needed to do better at getting the word out to the public about the meetings. She then mentioned that NorCal's sister cities were coming to Pacifica on October 20 at the Community Center, and there was also a fire open house on that date at the Linda Mar Fire Station. She asked if the City's website had information on items such as a child care forum in the County.

City Clerk O'Connell stated that they had a calendar of events on the website, but she wasn't sure what events were on it. She stated that PB&R were good about listing certain events. She would check and make sure that things get on the calendar.

Councilmember Digre stated that she had met several mothers who have sons in Iraq, and she felt that, even if it was far away, our local families were being touched every day.

Mayor DeJarnatt also thanked the City Clerk for the brochure, which was very well done. He stated that it would be displayed at the back table so that any new attendees would get an idea of how the meeting worked. He also thanked the Fog Fest members for doing a stellar job. He stated that there seemed to be more booths this year than previously.

## **ORAL COMMUNICATIONS**

Mayor DeJarnatt opened Oral Communications.

Thomas Clifford, 1122 Sheila Lane, stated that he was speaking as a private citizen regarding sea level rising caused by global warming and its direct impact on Pacifica. He gave the Council maps prepared by NASA which showed what areas would be flooded with the rise of the sea level from global warming. He acknowledged that it wouldn't happen immediately, but felt we had to do something now. He had several suggestions, specifically that the City's building code incorporate the highest level of green building into all new developments, a Commission be formed to study the problem and make recommendations to the City Council, Pacifica should contact the county, state and federal agencies whose job would be to deal with the rising sea level challenges.

Jack Dodson, 1140 Fassler, stated that he was new to Pacifica, but realized that there was more to Pacifica than just the scenery. He felt we also had a lot of wonderful people. He then mentioned the cleanup days which led him to inquire about the street sweeping schedule. He thought, if we all knew what days the vehicle was on our street, we could move our cars and allow for a more thorough cleaning which would, in turn, eliminate some of the trash that went into the storm drains.

Mayor DeJarnatt thanked him for the suggestion. He added that it was Wednesday mornings on his street, but he wasn't sure what the schedule was in other areas. He encouraged people to call the City Manager's office and he would ensure that Yessika Dominguez had a copy of the sweeper's schedule, although he didn't believe it got to all streets in Pacifica.

Councilmember Lancelle thought that was a good idea and she suggested that it might be published in the *Tribune*. She stated that it was on garbage day on her street, which made sense to her.

Mayor DeJarnatt agreed that it would be good to get a schedule. He asked that the City Manager get that to Yessika's desk when she answered the phone.

**Frank Winston, Pacifica**, mentioned the recent events, adding that he took credit for the "weather." He thought the events had attracted people outside of Pacifica, specifically mentioning several activities which took place at the Fog Fest including the reunion, adding that the Historical Society would repeat the reunion on their own as a fundraiser and a fun event for the Historical Society. He mentioned several other events coming up, including some historical facts in connection with the anniversary.

**Therese Dyer, 1408 Crespi Drive**, stated that she was upset with the water department's proposed raise, adding that our sewer rates and garbage rates were also the highest in the county, as well as the City Council's salaries being one of the highest in the county. She stated that the Crespi residents were complaining to her about the increased Samtrans routes which prevented them from sleeping. The buses were causing pollution and were running with few passengers. She planned to attend the Samtrans meeting on behalf of the Crespi residents. She asked the

Council about the truth of a rumor that the City was going to put a new roof on the Chamber building and then sell it.

Mayor DeJarnatt stated that they could not answer her.

Ms. Dyer stated that she would make an appointment with the City Manager.

Tod Schlesinger, Pacifica, asked Mayor DeJarnatt about the procedural issue of the yellow cards. He stated that he found it interesting that the Mayor hadn't seen the information about the standards to which the Council should adhere. He also found it interesting that the City was not going to store the vegetable oil here. He thanked Councilmember Digre for paying attention to him. He stated that they needed an even playing field and they couldn't play favorites, especially with Nancy Hall. He then reminded them that, at the October 22 meeting, he would be reporting on the procedure for the Linda Mar Beach parking lot, stating that he had the paperwork from the Coastal Commission and was working on getting what was needed from California State Park and Rec.

Fred Howard, 1230 Glacier Avenue, felt it was time to clear the record. He stated that the raise for the Council was done by a previous Council. He commented on bringing revenue into the City and the perception that we were lacking in doing that, detailing that we have six new hotels, four schools with housing, etc. While the developers stated they would make the City money, the development required more in public services. He stated that he was tired of people who criticized everything that hadn't been done but wouldn't talk about the things that have been done. He stated that the Council had his support, and he would continue attending the meetings to clear the record.

Mayor DeJarnatt closed Oral Communications.

# **PUBLIC HEARINGS:**

None.

## **CONSIDERATION**

9. Appointment to the Member Agency Committee for HEART (Housing Endowment and Regional Trust of San Mateo County).

Mayor DeJarnatt presented the staff report.

Councilmember Lancelle stated that it was fine if the Mayor wanted to do it, but she was going to offer because she was on the regional housing needs assessment. She added that, if he was willing, she didn't need to add it to her many other activities.

Mayor DeJarnatt stated that he had time and would be willing to do it.

There were no public comments.

Mayor DeJarnatt reiterated that he would take the position.

Mayor pro Tem Vreeland moved that Mayor DeJarnatt be the Council's representative on the committee of HEART of San Mateo County; seconded by Councilmember Digre.

#### **ROLL CALL VOTE:**

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

Noes: Councilmembers: None.

Motion passed: 4-0.

## 10. Secure a Line of Credit with First National Bank of Pacifica.

Administrative Services Director Ritzma presented the staff report.

Councilmember Lancelle clarified that the loan was for a short period of time, and would be repaid when the City received the lump sum from property taxes.

Administrative Services Director Ritzma stated that she was correct, clarifying further that it was the difference between getting a loan that they would take immediately, invest it, pay interest on the entire amount but, with a line of credit, they would take only what they needed, pay the interest for that time period and repay the line of credit.

Councilmember Lancelle recalled that the former Finance Director had brought this to the Council previously.

Administrative Services Director Ritzma reiterated that for the past ten years the City evaluated what the best mechanism was to get through the short term cash flow problem, and it was something they needed to have as a backup in case they didn't make it.

Councilmember Digre stated that the report mentioned that it was our city bank, and she asked that she elaborate on that comment.

Administrative Services Director Ritzma stated that this was the bank with which the City did their business.

Mayor DeJarnatt asked confirmation that a number of other cities did this on a regular basis.

Administrative Services Director Ritzma explained that Pacifica was one of many cities who depended on property tax as their primary source of revenue, and many cities utilized a TRAN, line of credit or loan to bridge that gap.

Mayor DeJarnatt asked, if we utilized this line of credit, whether we would pay a fee of \$3,720 and use \$1 million at most, and whether we anticipated paying it back by the first of the year.

Administrative Services Director Ritzma stated that he was correct, adding that barring any unforeseen disasters, they didn't anticipate using the entire amount and anticipated paying it back as quickly as they get the money from the property taxes.

Mayor DeJarnatt stated that it was plenty of time, allowing an extra ten days or so for that. He stated that, because they would be using half of the \$2 million, the interest fee would be about \$9,000 for the full three months, and using it for that shorter period, looked to be only about \$6,000 in interest.

Administrative Services Director Ritzma agreed that it was about \$3,750 for the fee and \$3,000 in interest if the City used it for a short period of time.

Mayor DeJarnatt stated that it could be as much as \$6,000, making it about \$10,000. He asked if he was correct that the City's Finance Director filed the preliminary application for the step.

Administrative Services Director Ritzma clarified that it was the community TRAN.

Mayor DeJarnatt stated that it was never brought back to Council for deliberation but it worked out fine because this plan appeared to be the best way.

Mayor DeJarnatt opened public comments.

**Tod Schlesinger, Pacifica**, asked Administrative Services Director Ritzma what interest rate the City would pay to First National Bank.

Administrative Services Director Ritzma stated that we would pay .5% below prime.

**Tod Schlesinger** asked what we were earning on the \$2 million in reserve.

Administrative Services Director Ritzma stated that they were two separate funds.

Tod Schlesinger stated that he realized that, but he had been in real estate for 30 years and math was his thing. He stated that they didn't borrow money at prime less .5% when you can take money from yourself at a lower interest rate. He stated that you didn't earn \$2 million at 4% and borrow at 7% and then asked what they were doing borrowing at 7% when they could borrow from themselves at 4%. He again asked what they were doing and asked if he was the only one in the town who understood math. He stated that they couldn't do that because they were costing the taxpayers money. He commented to Councilmember Lancelle that she shouldn't be asking questions about whether she understood it, adding that if they didn't understand it they should resign and let him run the numbers.

City Manager Rhodes stated that he would like to set the record straight because people sometimes believe what was unbelievable. He then explained that the \$2 million was restricted. For the benefit of the public, he explained that what Mr. Schlesinger was proposing was not legal. The #2 million was restricted and they could not put it to this use without violating the covenants of the bonds when it was sold, so it was not available to them. Additionally, if the City borrowed money from themselves, there were restrictions on the interest rate the City had to pay and they couldn't give themselves a "low ball" loan, but were required to make sure that they didn't take it to the detriment of the fund from which it was borrowed. They would have to pay the market rate of interest to the fund from which they borrowed to prevent misuse of funds between the different funds. He concluded that they would like to find the best deal, which was why they thought the line of credit was the way to go, and not having to use it if we didn't need it.

Mayor DeJarnatt stated that the Council understood that, and Mr. Schlesinger didn't.

Administrative Services Director Ritzma stated that she was also going to comment on the restricted funds.

Mayor pro Tem Vreeland stated that the behavior of some people over the past few months continued to slide down the slippery slope. He stated that, if the public wanted to attack the five Councilmembers that was fine, but he felt they shouldn't attack the staff because they were trying to do the best job possible. He asked the City Manager to confirm that the previous speaker had suggested that the Council do something that was illegal.

City Manager Rhodes responded that he was correct.

Mayor pro Tem Vreeland stated that this was a very transparent process. If there were other ways to do this, that was fine, but they should be allowed to have a discussion without a continuous attack. He felt that staff deserved better.

Mayor DeJarnatt stated that he can, and would if necessary, have someone removed. While he would prefer not to do that, that last comment was right on the edge. He stated that he had no problem with the public criticizing the Council, but he asked that they get their facts straight before they did that.

**Jack Dodson, Pacifica**, stated that he had just paid all of his property taxes, and he hoped that the City would get that money back soon. He was happy that the money was going to someplace that he wanted it to go to for a change.

Therese Dyer, Pacifica, stated that she wasn't as sharp as the City Manager or Tod Schlesinger, but since we have been doing this for ten years, she asked if there was a way around it. She asked the reason for this money, whether it was for operations or something else.

Mayor DeJarnatt stated that it was in the staff report if she would like to read it, but they needed it for operations. He stated that it wasn't certain that they would need it. He asked that she read the staff report or call staff or him and they would be happy to explain the items.

**Therese Dyer** asked if we had \$4 million in reserve, what was that being used for.

Mayor DeJarnatt stated that they couldn't get into a discussion at this point, but she could ask them ahead of time after she read the staff report.

Tom Clifford, 1122 Sheila Lane, asked if the credit line had a sunset.

Mayor DeJarnatt stated that the latest date it could be was February but they would likely pay it back long before that.

Mayor DeJarnatt closed public comments.

Councilmember Lancelle stated that many public entities did this as a formality every year because of the timing of property tax distribution. She mentioned the timing of the payments in April and then not again until December and stated that this was not unusual. She stated that it was hard for people to say humiliating things to them when they worked so hard, and it took her breath away and was very undignified. She didn't believe that being ridiculed was a productive way to further conversation. She looked at the Council chamber as a sacred place to come, express an opinion and work together for the betterment of our community. She was disappointed when it became a place to humiliate other people.

Mayor DeJarnatt stated that he has had enough of it himself, but he especially didn't like being criticized vociferously for something that was totally inaccurate. He expects people to get their information correct, then criticize. He felt that most people did that and understood that it was a difficult job.

Councilmember Lancelle moved to adopt a resolution of the City Council of the City of Pacifica to establish a line of credit with First National Bank in the amount of \$2,000,000.00; seconded by Mayor pro Tem Vreeland.

## **ROLL CALL VOTE:**

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

Noes: Councilmembers: None.

Motion passed: 4-0.

Mayor DeJarnatt adjourned the meeting at 8:25 p.m.

Transcribed by Barbara Medina, Public Meeting Stenographer.

Respectfully submitted,

Kathy O'Connell, City Clerk

ADDDOVED: 2.0.

10/22/07 Mayor DeJarnatt and Councilmember Hinton absent

Jim Vreeland, Mayor pro Tem