

MINUTES

City Council Regular Meeting
2212 Beach Boulevard
Pacifica, CA 94044

May 12, 2008

Mayor Vreeland called the meeting to order at 6:15 p.m., stating that all councilmembers were present except for Councilmembers DeJarnatt and Hinton and announced that the Council would meet in Closed Session. City Attorney Quick announced the business to be discussed:

1. PURSUANT TO GOVERNMENT CODE SECTION 54956.8: Conference with real property negotiator: Discussion concerns price and terms. Agency negotiator attending session: Stephen Rhodes. Property: 2270-2286 Palmetto Avenue, Pacifica, APN 016-294-570. Negotiating parties: City of Pacifica and Jama and Monica Houman.
2. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(b): Conference with legal counsel-anticipated litigation. One potential case.

Mayor Vreeland called the meeting to order at 7:08 p.m.

Present: Councilmembers: Digre, Lancelle, and Vreeland.
Excused: Councilmembers: DeJarnatt and Hinton.

Staff Present: Steve Rhodes, City Manager; Cecilia Quick, City Attorney; Ann Ritzma, Administrative Services Director; Dave Gromm; Van Ocampo, Deputy Director Public Works/City Engineer; Kathy O'Connell, City Clerk.

Mayor pro Tem Lancelle led the Salute to the Flag.

Commission Liaison: None.
Chamber Liaison: None.

CLOSED SESSION:

None.

CONSENT CALENDAR:

Mayor pro Tem Lancelle moved approval of the Consent Calendar, as amended, as follows: Approval of disbursements dated 04/17/08 to 04/25/08 in the amount of \$448,434.94, regular and quick checks numbered 120407 to 120576, as set forth in Item #1; Approval of Minutes of regular City Council meeting of April 28, 2008, as set forth in Item #2; Adoption of League of California Cities Campaign to Save Tax Funds by Ending Discrimination by Bond Rating Agencies in the Grading of Municipal Bonds, as set forth in Item #3; Acceptance of Annual Audit for Fire Assessment Fund – Fund 08, as set forth in Item #4; seconded by Councilmember Digre.

ROLL CALL VOTE:

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

Motion carried: 3-0.

Mayor Vreeland confirmed with the City Manager that Item #6 regarding the Fireworks Ordinance would be continued to the next Council meeting in two weeks.

City Manager Rhodes responded affirmatively.

SPECIAL PRESENTATION:

John Maloney, President of the Pacifica Library Foundation, stated that they were delighted to update the Council, staff and public on their progress. He gave a brief summary of the creation, progress and evolution of the Foundation in addressing the task of building a 21st century library in Pacifica. He stated that they appointed two co-chairs to undertake the effort, Susan Getchel Wallace and Stephanie Vincas. While Stephanie was unable to be present, Susan would be introducing their project and describe some of its components.

Susan Getchel Wallace stated that, to undertake this project and be successful, they had to understand the community needs and how information was shared; therefore, Pacifica Connected was conceived. She then defined the project and shared the components of the first of three phases, which included gathering information from all sectors of the community on its needs.

Caroline Barba, representing Friends of the Library, concluded the presentation by describing their various projects and fundraising events.

Mayor Vreeland thanked them for all their efforts in helping the community look toward the future.

Mayor pro Tem Lancelle agreed with the Mayor's comments, adding that she also appreciated their work.

Mayor Vreeland asked them to let the Council know when they were ready with another presentation to allow the community to see their progress.

Councilmember Digre stated that the theme, Pacifica Connected, was a wonderful theme to live by and be encouraged by, not only for the present but for the future.

COUNCIL COMMUNICATIONS:

Mayor pro Tem Lancelle reported on the Pacifica's Golf Task Force meeting, as well as the San Francisco Golf Task Force meeting. She thought Pacifica's Task Force meeting was a good meeting, adding that it was an interesting process. She stated that she would share details with anyone who wanted to contact her. She mentioned that she was at the Mori Point restoration day, helping them as well as reporting to them on the Golf Task Force's activities. She stated that she had also attended the youth led town hall, for which she commended the youth of Pacifica, as well as the Partnership for a Safe and Healthy Pacifica. She mentioned that the Farmers Market had opened the previous Wednesday and would be there every Wednesday, for which she was happy. She mentioned that Barbara Arietta was at the meeting tonight and was selling Giants baseball tickets for Pacifica night on June 30. She reported that the West Sharp Park Advisory Committee would be meeting Thursday with the consultant and the public to discuss proposals. She also reported that the Beach Coalition was meeting and were interested in looking at a Styrofoam ban in Pacifica. She stated that she would give the City Attorney the information she received so that the City Attorney could be looking at what was being done in other communities.

City Attorney Quick stated that it was an excellent idea, suggesting that Mayor pro Tem Lancelle direct staff to bring an agenda item at the next meeting for the Council to officially give direction.

Mayor pro Tem Lancelle responded that she would like to do that.

Councilmember Digre concurred with that suggestion. She reported that Jackie Speier was present in Daly City and gave a state of affairs. She also mentioned that Jerry Hill, running for assemblyman, was in Pacifica. She commented that we seemed to be voting often, but she felt that it was a good thing to make sure we were registered to vote. She mentioned all the propositions that would be on the next ballot, encouraging everyone to become educated and vote, mentioning that was one reason she was excited about what the Library Foundation was doing regarding Pacifica Connected with a forum to listen and not be silent. She commented on how valuable Pacifica's local history was, and how it can be used as an economic engine and be tied in with the library, etc. She mentioned that the Livability Project was having an Open House coming up.

Mayor Vreeland mentioned that the Open House was the 24th.

Councilmember Digre mentioned paying honor to our teens who met and lobbied for public transportation and then read from a report regarding growth of ridership on public transportation. She encouraged everyone to use local transportation to shop in Pacifica.

Mayor Vreeland mentioned that the City got the permits for Beach Boulevard at the last Coastal Commission meeting.

City Manager Rhodes confirmed that fact.

Mayor Vreeland stated that it was the final step and they hoped to get the rock later this summer and start work in the July/August time frame. He thanked staff for responding to concerns regarding Sea View Tire and Brake with a comprehensive report. He let the Council know that he had signed several letters, specifically one to Caltrans to request their assistance in expediting several projects and possible disposition of their surplus property and one to McDonald's to congratulate them for their commitment to green building, adding that they will be one of the first green built McDonald's in California. He thought that and two other green projects were exciting. He encouraged everyone to check out the Livability Garden. He mentioned that Councilmember DeJarnatt was absent because he was under the weather, but he was going to come to participate in Item #5 regarding sewer fees. He encouraged everyone who hasn't gone to the Farmers Market to go because it was turning into a wonderful community event, and both the merchants and the residents were pleased.

Councilmember Digre reminded the public that the next budget meeting was on May 21 in Council chambers at 7:00 p.m.

ORAL COMMUNICATIONS

Mayor Vreeland opened Oral Communications.

Noel Blincoe, Pacifica, stated he was reporting on a sighting that he and Karen Rosenstein had of the San Francisco gartersnake which came from Calera Creek onto the asphalt walk. He explained that it happened because the shield skirt on the fence between the creek and the walkway, which prevented the snake from coming onto the walkway and then into the meadow,

has been badly torn. He felt it was important to get the shield fixed and had already reported it to Van Ocampo. He stated he would like the Council and City Manager to take a position to eliminate use of the machines in the quarry until the gartersnake was returned to the creek. He was sure staff was doing everything they can, but he felt they should move forward quickly.

Mayor Vreeland acknowledged that he had spoken with the City Manager also, and assured him that staff was looking into it. He then asked the City Manager or staff to follow up with Mr. Blincoe to keep him updated.

Mayor pro Tem Lancelle thought it was a good idea. She also suggested that they look at permeable pavers being placed on the other side of the creek, which would attract them there instead of the asphalt walkway. She suggested that staff look into that as well.

Tod Schlesinger, Pacifica stated that he didn't think Mr. Blincoe was a certified herpatologist, and spending City money based on his word was ludicrous and he advised the Council against that. He then stated that his topic was the budget following the bankruptcy in Vallejo. Based on the study session indicating that 63% of the City's budget was being spent on police and fire, and the fact that 75% was apparently the bankruptcy level based on Vallejo's situation, he thought that the City would be filing for bankruptcy in two years.

Cynthia Kaufman, Pacifica, stated that she worked with the Pacifica Climate Committee. She stated that she was happy to see the subject of a possible green building task force on the agenda. She also wanted to address the sewer item.

Mayor Vreeland explained that oral communications was for items that were not on the agenda. He stated that comments on agenda items would have to be done during those items, and he would call her back.

Ms. Kaufman stated that unfortunately she had to leave.

Jeff Simons, 231 Beaumont Blvd., stated that he was speaking on Consent Item #3, about the supposed discrimination in municipal bonds and was restating his objection. He stated that anytime the City issued a statement on behalf of the City, it should be open to public discourse and not on the consent calendar. He then commented that he found the language harsh, polarized and misdirected. He stated that, since Moody's had publicly stated they would adjust the City's bond rating comparable to corporate bonds, he didn't see the need for an inflammatory letter. He felt the City could improve the bond rating through prompt and timely repayment of bonds and provide a stable and diverse revenue stream. He then mentioned specifics by which the City could improve their ratings rather than belt tightening and finger pointing.

Mayor pro Tem Lancelle commented that attached to the staff report was a memo from the League of California Cities, and explained that it was not only Pacifica that had a concern about the bond rating. This clarification was so that the public didn't assume that the City had done this on their own.

Mayor Vreeland stated that, historically, the Council was supportive of what the League of California Cities had asked because they worked on behalf of cities in the entire state and Pacifica was requested by the League to consider this. He appreciated Mayor pro Tem Lancelle's clarification.

Frank Winston, Pacifica, stated that having a museum and a library side by side increased awareness of the community, and they would be working with Pacifica Connect. He stated that the Historical Society had been invited by the Farmers Market to have a booth there where the public would have a chance to hear music and buy wares from the Farmers' Market, as well as memorabilia of Pacifica. He stated that he would also be addressing the Rotary Club on the history of Pacifica in June. He then again mentioned the tickets for both a Giants game and tote bag. He then mentioned promotions in July and August, commenting that Pacifica was full of history and the Historical Society was glad to share that with the public.

Jack Dodson, 1140 Fassler Avenue, stated that he had attended the concert at the Sanchez Concert Hall, and mentioned that they finally had a new expensive state of the art sound system.

Bernie Sifry, Pacifica, stated that, for transparency, he would like to know how Councilmembers vote in Closed Session. He asked the City Attorney to let him know where in the Brown Act it said that how each member voted didn't have to be made public.

City Attorney Quick stated that, while she normally didn't respond to comments by the public, she wanted to clarify that her report had stated that three voted aye, Mr. Vreeland abstained and Mr. Hinton had an excused absence. She had also explained to Mr. Sifry that no where in the Brown Act did they actually have to take the vote in public; they only needed to report the vote results.

Mr. Sifry agreed but added that, in reporting the vote, the minutes didn't say how the individuals voted.

Mayor Vreeland appreciated his comments, and he hoped that would be reflected in the minutes.

Clorinda Campagna, 1 Gypsy Hill Road, reminded everyone about the Historical Society Cookbook. She had a few with her in case anyone wanted to look at it, and she hoped that members of the community would purchase one, adding that it benefitted the Little Brown Church.

Mayor Vreeland stated that they looked beautiful, mentioning that he thought they would also be for sale at the Farmers Market and Flory's.

Ms. Campagna stated that they would be at Flory's, Chamber of Commerce, Carla's Clutter, as well as other locations.

Mayor Vreeland mentioned Books Old and Rare as an added location.

Mayor Vreeland closed Oral Communications.

PUBLIC HEARINGS:

5. Public Hearing on Proposed Ordinance Amending Section 6-6.404 and Section 6-6.406 of the Pacifica Municipal Code (Sewer Rates).

Admin. Services Director Ritzma presented the staff report.

Mayor pro Tem Lancelle asked clarification about comparing our rates with other cities in the County and where our ranking was among the cities.

Admin. Services Director Ritzma stated that we were in the lower portion, with a few fees less than ours and many well above ours.

Mayor pro Tem Lancelle asked which city had the highest rate.

Admin. Services Director Ritzma stated that it was Hillsborough.

Mayor pro Tem Lancelle asked what their fee was.

Admin. Services Director Ritzma stated that it was \$1,517.

Mayor pro Tem Lancelle thought our fee was approximately \$300 last year.

Admin. Services Director Ritzma stated that it was \$385.

Mayor pro Tem Lancelle stated that we were now raising it to \$400.

Admin. Services Director Ritzma stated that it was \$456.

Mayor pro Tem Lancelle thought it was fairly moderate.

Admin. Services Director Ritzma stated that it left the City mid range in the county.

Mayor pro Tem Lancelle understood that our plant was fairly new and provided for tertiary treatment. She asked if other cities had tertiary plants.

Dave Gromm stated that more plants were looking toward tertiary. He stated that Half Moon Bay was talking about going tertiary, but that was not included in their present proposed increase and would result in even more increases. He stated that San Francisco was planning tertiary upgrade to their ocean plant and South San Francisco had just completed a \$40 million upgrade with no tertiary, then mentioned other cities with expensive upgrades but not many cities with tertiary.

Mayor pro Tem Lancelle asked about South San Francisco's upgrades.

Dave Gromm stated that their increase was only for the upgrade of the plant for capacity.

Mayor pro Tem Lancelle asked about the cost of the City's plant.

Admin. Services Director Ritzma responded that it was \$51 million.

Mayor pro Tem Lancelle recalled staff mentioning some funding sources, such as the state revolving fund loan and asked what the other was.

Admin. Services Director Ritzma stated that it was Sewer Revenue Bond.

Mayor pro Tem Lancelle asked if it was only available for a certain period of time or on an ongoing basis.

Admin. Services Director Ritzma explained that there were several cities involved at that time.

Mayor pro Tem Lancelle thought the timing was very fortunate for the City. She asked if the plant being built in Petaluma was the same as Pacifica's.

Admin. Services Director Ritzma stated that it was approximately the same size, with the same tertiary concept.

Mayor pro Tem Lancelle asked clarification that theirs was costing over \$100 million to build compared to our rate and asked what the anticipated rate increase was in going forward from this year.

Admin. Services Director Ritzma stated that we would begin to pay both on the principal and the interest on the loan and would be meeting our requirement on debt service. Others would be changes in regulatory requirements, repair or maintenance to the plant, as well as annual increases in labor.

Dave Gromm mentioned the collection systems upgrades over the next few years.

Mayor pro Tem Lancelle asked if it included beginning to establish a reserve.

Admin. Services Director Ritzma stated that they were budgeting fully for depreciation to anticipate the beginning of replacement parts as it ages.

Mayor pro Tem Lancelle thought it seemed fiscally responsible. She wondered if anyone saw the *San Mateo Times* today.

Admin. Services Director Ritzma stated that they left copies at the back table.

Dave Gromm pointed out that it was about the \$339 million cost mentioned earlier and two cities were clearly identified as areas where the rates would increase.

Mayor pro Tem Lancelle thought we had done very well.

Councilmember Digre asked if the increase from one year to the next was \$72.20.

Admin. Services Director Ritzma stated that it would be the minimum rate.

Councilmember Digre asked if tertiary meant that the quality of the recycled water would enable the City to save money.

Dave Gromm confirmed that, adding that it could be used for the golf course, highway vegetation, etc.

Councilmember Digre mentioned the need for repairs and asked about the consequence of putting that off.

Dave Gromm mentioned that the consequences would be the plant being overrun by water.

Councilmember Digre asked if that translated into having unhealthy situations oozing from pipes, etc.

Dave Gromm confirmed that, reiterating that it would be like partially treated water going into the ocean.

Admin. Services Director Ritzma added that, when the system was not repaired correctly, water infiltrated the collection system and overwhelmed the plant.

Councilmember Digre clarified that they were talking about fecal matter, etc.

Dave Gromm stated that the treatment plant was designed to take a lot of the INL. He stated that the capacity was there and the City only needed to fix the infrastructure to raise the capacity.

Mayor Vreeland asked if the increase of \$2.1 million was to pay back the state revolving loan fund from 1995.

Admin. Services Director Ritzma stated that it was the refinancing of the wastewater revenue funding bonds and state revolving fund.

Mayor Vreeland asked if the original debt undertaken for construction of the plant was in 1995.

Admin. Services Director Ritzma responded affirmatively.

Mayor Vreeland thought the increase from the original debt was coming to the City in 2004 because there was a deferral on the payment for the SRF loan.

Admin. Services Director Ritzma confirmed that information.

Mayor Vreeland asked her if that meant the City got in debt for \$46 million plus \$5 million to construct the facility when they moved the plant from the old facility to the quarry and they would start paying off the SRF loan in ten years.

Admin. Services Director Ritzma explained that the payment was refinanced in 2004 and was pushed out to 2008 on the principal.

Mayor Vreeland understood the actions in 2004, but the original payment that would increase was from a decision made in 1995 to fund the original plant.

Admin. Services Director Ritzma responded affirmatively.

Mayor Vreeland reiterated that this increase was always part of the discussion that took place in the 1990s when the plant was constructed.

Admin. Services Director Ritzma agreed that they were always going to have to pay on that.

Mayor Vreeland reiterated that the payment was part of the calculation that took place when they moved the plant to the current location.

Admin. Services Director Ritzma agreed that the decisions made in the mid-1990s in terms of the overall cost of the plant were going to have to be paid for at some point.

Mayor Vreeland stated that he mentioned this to put it in a historical perspective in comparison to the stories regarding the cost to other cities today for their increased rates.

Admin. Services Director Ritzma agreed that they would double or triple.

Mayor Vreeland again mentioned it to put it into perspective compared to the doubling of rates for other cities. He asked if our rate increase was the cost of actually providing the service in town.

Admin. Services Director Ritzma responded affirmatively.

Mayor Vreeland mentioned that the City was fined for some sewer spills in the past, adding that they were able to take that fine and turn it into a supplemental environmental project.

Dave Gromm responded that he was correct.

Mayor Vreeland again clarified that, instead of sending the money to Sacramento, they turned the first fine into purchase of part of the beach restoration project and the second one was working with California in helping homeowners reduce the cost of the construction of sewer laterals to the main laterals in Linda Mar.

Dave Gromm agreed, adding that they were allowed to spend up to \$170,000. He stated that they just got the confirmation letter from the state.

Mayor Vreeland stated that, instead of giving the fine to Sacramento, they negotiated with the state to keep the fine locally to address a local problem to increase the sewer capacity.

Dave Gromm confirmed that, adding that they were also attacking a huge problem, because the laterals from homes were the majority of the INI.

Mayor Vreeland mentioned that the impact of treating sewage was the operational cost, and he asked about the magnitude of potential savings in connection with the installation of the solar voltaics and the new UV lighting.

Dave Gromm stated that the savings with the solar voltaics was approximately 17% on PG&E and the UV project was a huge savings, although he didn't have the exact number, but they were spending approximately \$400,000 plus a year for the power for the ultraviolet light disinfection system and the new system could bring them down to under \$100,000 a year.

Mayor Vreeland asked clarification that it would go from over \$400,000 to under \$100,000.

Dave Gromm responded affirmatively.

Mayor Vreeland asked if those decisions made to increase efficiency and reduce operating costs were what was keeping the rates down to 3-5% in the next five years.

Dave Gromm confirmed that, adding that those kind of projects always had an impact on the rates.

Mayor Vreeland mentioned that because that was what they were trying to do. They knew the payment was coming but the day to day funding was having impacts.

Dave Gromm confirmed that information.

Councilmember Digre referred to getting the money for citizen laterals, and asked for clarification on how it would be used for citizens.

City Manager Rhodes stated that staff needed to bring that to Council with the detailed program and he would prefer to wait. Since they finally got approval from the state, they would come forward to the Council for approval of the plan, which looked like a joint partnership between the City and property owner.

Councilmember Digre stated that it would be a benefit to the property owner rather than having to do it all by themselves.

City Manager Rhodes responded affirmatively.

Mayor Vreeland added that it had taken the City over a year to get approval to do this.

Dave Gromm again confirmed that.

Mayor Vreeland thanked them. He mentioned that the City report was on the back table for anyone who hadn't seen the report previously, which laid out the comparable costs of sewer rates in other cities on the peninsula.

Mayor Vreeland opened the Public Hearing.

Bernie Sifry, Pacifica, stated that he had a few points he liked to bring out. Scott Holmes promised that the 9% last year and 9% this year would be it. He questioned him on that thinking then, and now concluded that we were allowed to be fooled. He asked if this part of the budget had ever been audited. He asked the Council the last time they voted on this what the homeowners could expect from this, and was told nothing could be added to the letters. He thought this program needed to bring the homeowners in. He was asking again how much this would reduce the debt when it came back next year, what kind of upgrades would be done, and how fines would be prevented. He felt we needed to know what happened to the money and what was going to happen to this money.

Mayor pro Tem Lancelle thought that the idea of having an annual report to homeowners about the fund and what project had been done, etc. was interesting.

Therese Dyer, 1408 Crespi Drive, stated that it was a sad night that the majority of Pacificans didn't vote against the sewer tax. She didn't think this would be the end of our troubles. She mentioned that the homeowners would have to foot the bill for all the projects over the next ten years with a Council that didn't approve any development in any form. She wished they could have published the ordinance sooner. She asked why they were having four meetings a month in the old sewer plant and paying the big bucks for a state of the art plant that didn't work. She asked about selling the Chamber building to defray some of the cost.

Sandra Varga, Pacifica, stated that she owned several properties and operated a partnership and several businesses and she didn't like paying for the ineptness of City government and sewer authorities. She felt they should have planned this out 50 years ago. She felt there was inadequate time to raise a committee to get the property owners to sign in opposition to this increase. She felt the increase was unjust and unreasonable. She was asking the City not to approve it or to modify it. She also asked everyone to take a look at their tax bill. She felt that

there was a limit to what people can pay for ineptness. She stated that they were also being asked to approve the parcel tax, N, for the school. She felt the two would put us in a lethal situation. She asked that they wake up and try to earn some money for the City. She liked the idea of selling property or creating a business interest in the Council building for the City to collect the rent.

Paul Jones, Pacifica, pointed out that there was no such thing as a free flush. He thought that expecting the City to operate a system that was partially built over 50 years ago and resulted in fines was not a realistic expectation. He supported the rate hike and felt it was reasonable, considering what other cities were spending. He felt the City did a great job with an award winning plant. He agreed that no one wants to pay more but felt it was ludicrous to think the fairies would magically come and take care of the problems. He stated that eight years previously he had gone into the storm drain systems with the former Public Works Director, and he found signs of raw sewage leaking into the storm drains and into San Pedro Creek. He supported this action.

Christian Pencox, 135 Gordon Way, stated that it was clear to him that the City was struggling in generating the necessary revenues to maintain streets and other public services that other towns take for granted. He was tired and reiterated the comments made about the various parcel taxes. He understood that the majority of the increase was because of the payment that was due, but he challenged the budget makers to look at what can be cut. He thought there might be opportunities to cut back in other areas of the budget and get creative to generate other forms of revenue. He thought it was time to open our eyes to new ideas. He felt it was the Council's fiduciary responsibility to take action and fortify the City's financial future. He was opposed to new tax, including the sewer tax increase.

Kathy Meeh, 1276 Alicante Drive, stated that she was for development on whatever land was left to offset some additional costs so that the City might actually pay back the citizens of Pacifica. She felt the \$2 million increase was not a one-time increase but would stay with us. She also mentioned that there was going to be depreciation on the plant. She stated that the Council knew about the balloon payment and nothing had been done about it. She mentioned that comparing this City to other cities was not a good comparison because this City didn't have growth as in other cities. She referred to the document sent to homeowners, and envisioned them throwing it aside as junk mail. She asked whether there were impartial people brought in, and she asked how they trusted this.

Sarah McIntosh, Pacifica, stated that she was present to oppose the minimum charge on the sewer. While she understood that the \$450 was based on what three people would use, there was the same charge for only one person, and she objected to it. She mentioned that we were asked to conserve water, sewer usage and garbage, but still caught with a minimum charge. She felt she should pay for what she gets and no more. She didn't ask for discounts but, if they were offered, she accepted them. She read a quote which basically said we take from those with too little and give to those who have too much. She requested that they not go for a minimum charge which can only be harmful to those with one or two residences.

Jeff Simons, 231 Beaumont Blvd., stated that Paul Jones was wrong. There were money fairies who live in the back of Vallemar and push the button on Highway 1 and stall the traffic. He remembered Councilmember DeJarnatt saying that they only have to figure out the two months with the most water flow and stop using their water and they will be fine. He felt that the real issue was the \$700,000 per year which was the responsibility of this City Council. He felt they were robbing Peter to pay Paul and now they wanted the citizens to pay back Peter. He felt that

they could have gotten the required signatures if they had the time. He didn't care about what was happening in other cities. He felt they had to stop blaming everyone else, pointing fingers and saying woe is us. He felt they had to do things differently.

Theresa Rajewski, Pacifica, stated that the information sheet looked like junk mail, and she wouldn't have taken the time to read it if she wasn't retired. She thought they should have had an ad in the *Pacifica Tribune* or *San Mateo Times*. She mentioned this to her friends and was responsible for the letters that ensued. She objected to the sewer charge. She then mentioned that she wrote a letter protesting the amount due on her sewer bill which fell on deaf ears. She stated that she conserved water to reduce the dollar amount for the next year, and then was being penalized because the rate increased when less water was used. She wondered if the homeowners would go broke before the City and questioned where the City's revenue would come from then. She thought that the cost of construction and maintenance of the new sewer plant had already been factored into city taxes and she wondered why. She mentioned all the various increased costs, and felt that it was ludicrous to consider a proposal that would put another financial burden on the homeowners of Pacifica.

Julia Boyle, Pacifica, echoed everything that had been said. She mentioned the increased cost of her tax bill. She felt the Council was responsible for the situation because they were "no growth" and she felt they needed to make decisions to work with people willing to build in this community, giving examples of projects that might help.

Ken Miles, 111 Nataqua Avenue, stated that PG&E, water, garbage rates, gas, food were all going up. He stated that there was a recession, and there was also Measure N and Measure O, and the expectation of fire and police asking for more money next year. He didn't think anyone was paying attention to the recession or the rate of inflation which was why people were upset. He felt things were going to get worse and that government officials were hurting the people. He mentioned the sewer treatment plant's problems, and wondered why we had all the potholes and a broken sewer and were still paying for rates. He felt we could fix it through bonds or a vote in June, or another type of Prop. 13 to keep taxes in line.

Dinah Verby, Pacifica, stated that no one liked paying taxes, but thought many people speaking in protest would be complaining when the sewage treatment plant fails and when other City services are not delivered. She stated that people voted to incorporate the City, and they now had to provide services and the services needed to be paid. She felt the City was suffering from the effects of inflation just as the rest of us, with the cost of business going up. She felt this was an unfortunate fact of life. She supported the efforts the Council was making to do the fiscally responsible but unpopular thing. She felt the fiscally prudent thing to do was to make sure the City was funded now and in the future for emergencies. She mentioned that anything we buy eventually develops problems, has to be repaired and maintained. She stated that no one protesting the increase had come up with a way to keep it operational. She was present to support this.

Fred Howard, 1230 Glacier Avenue, commented on listening to everyone beat up on the City Council. He stated that he was quiet while they spoke and he deserved the same respect. He stated that many Councils make mistakes on not deriving enough revenue for floods in the 1980s. He stated that the sewer treatment plant was not simple to operate and required revenue to operate correctly. He stated that the old sewage treatment plant was actually a fresh water treatment plant. He also stated that the City Council was trying to do something with the Chamber property. He felt that, if we don't pay for it, we would have problems, and it unfortunately costs. He was encouraged that the Council can make the decision. He commented on people saying to

build more houses, but he felt that, no matter how many houses or hotels you build, they still have to use the sewer treatment plant which costs to operate. He stated that he understood the letter sent out to homeowners.

Mayor Vreeland asked that the audience be respectful. He stated that these people weren't saying things when others were speaking.

Robine Runneals, Lakeview Avenue, stated that in 1984 or 1985 a group of neighbors gathered signatures to support the building of a new tertiary treatment plant in the quarry. She referred to people stating that they needed more time to gather more signatures, and stated that a small group in the 1980s did it quickly. She appreciated the time they were taking to explain the rate increase. She mentioned that the increase would be a financial burden, but everything was a financial burden now, everywhere. She felt it was the overall economy of the country, not the Council's fault now or the Council in the 1980s that made the decision to build the sewer plant in the quarry. She stated that, as much as she didn't want to pay another \$170 to support the sewer plant, she understood why it has to happen. She felt they were paying for an excellent sewage plant. She didn't mind paying knowing that they weren't pumping the sewage out into the ocean as they were doing 20 years ago. She understood it and supported it.

Frank Vella, 659 Linda Mar Blvd., stated that hundreds of signatures have been collected in protest of the increase in the sewer fee, which would affect everyone. He stated that, although the City mailed out the notices, many residents didn't know this rate increase was happening. He thought that, even if it wasn't required, a notice should have been published in the *Tribune*. He mentioned all the ongoing costs to the City such as lawsuits, and he felt that the legal costs were out of control. He asked if the City had any thoughts on obtaining income by creating revenue. He asked if we could come up with other ways of supporting our City without taxing our citizens.

Karen Dwyer-Meadow, 316 Manor Drive, stated that community members have spoken and coupled the parcel tax for education with the sewer tax. She felt it was important to understand that the sewer tax was not related to the parcel tax which was to maintain the quality of education needed for our children. She explained the purpose of Measure N and asked the community not to confuse the purpose of Measure N with the sewer tax but to keep the two issues separated.

Eileen Manning-Villar, 201 Juanita Avenue, stated that she was the co-chair of the Measure N campaign. She was present to go on record that Measure N was entirely separate from the sewer matter being discussed. She explained the reason for Measure N being on the ballot and the fact that it needed 67% support in order to pass. She mentioned that anyone 65 and over who owned their own home can apply for and will qualify for an exemption.

LeRoy Berry, Pacifica, stated that he didn't see how they needed a raise based on the high rate he was paying for his water bill.

Mary Ann Nihart, 146 Hilton, stated that the task before the Council was not a simple one. She stated that it was predicted when they approved the plant. She stated that the one thing that made sense was Mr. Sifry's comment about having communication on an ongoing basis, so that people understand that rates and cost go up. She stated that this particular rate increase was predicted, and she didn't know how it was missed. She knew about it in March and had asked the Finance Officer about it. She stated that it had been discussed in a public meeting, in budget hearings, and she was puzzled although she had often said the same thing. She appreciated everyone's efforts, but she also knew what the Council had to do tonight.

Janet Kennedy, Fassler Avenue, stated that the City had not promoted any economic development which she thought was a possible solution to help pay for things. She thought we probably have to have this increase now, but we should have been planning all along for the future to develop what we can to pay for this. She thought they shouldn't have incorporated 50 years ago but remained an unincorporated area of San Mateo County.

Mayor Vreeland closed the Public Hearing.

City Attorney Quick asked that the Mayor take a break to allow the Finance staff to tabulate the final protest.

Mayor Vreeland called a brief recess, then resumed the meeting.

City Clerk O'Connell asked that the record reflect that Councilmember DeJarnatt was now present.

Mayor Vreeland stated that they had just completed the public comment hearing and asked what staff needed to announce before he opened up for questions from the Council.

City Clerk O'Connell stated that the City had received 491 protest letters, e-mails, informal petitions purporting to be protests and other signed writings indicating opposition to the proposed fee. She stated that all of these documents were included in the written record of this proceeding and were available to members of the City Council. She stated that the documents were signed by 471 people. She added that a majority protest against the fee would exist if the City had received written protest from the record owners of a majority of the parcels subject to the proposed fee. With 12,667 parcels subject to the proposed fee, a successful majority protest would require the receipt of protests from 6,355 plus one parcel. She stated that, even if every signature received on the purported protest document represents a valid protest, the documents received would only represent 3.88% protest. Consequently there was no majority protest against the proposed fee and the City Council may act to impose the fee.

Mayor pro Tem Lancelle understood that people weren't happy and it was very difficult. She thought it was nice to have someone to blame for the way things are, but she felt it was hard to be the target. She stated that it could be just as easily someone else in the seat, and she felt that, if you didn't like a particular thing, in addition to criticizing it, you needed to talk about solutions, because that was what the Council needed to do with help. She commented that this Council, which was supposedly no growth, had approved four developments, mentioning some specific projects. She felt that the Council cared about what the public thought, had approved projects, worked hard to move the town forward, addressed the Palmetto area, worked on saving the golf course, and established City operated childcare on school sites. She stated that they were open if the public had ideas to help them. She explained that, while we can invite businesses to come here, they weren't interested because we were off the beaten path. She stated that the Council wasn't no growth. They have approved projects, and were moving forward with an economic development strategy. She was aware that these were hard times. She asked everyone who cared to continue to care. She stated that they worked hard and wanted to involve the public.

Councilmember Digre felt these things were difficult and wondered how they could continue if someone in their family got sick. She thought that in 1999 there was consideration for a hotel conference center, and she didn't know what Councilmember was supposedly responsible for that not happening. She acknowledged that there was pain but she was concerned about the lack of decorum. She agreed that they should be better at getting information out. She was in favor of it,

but it costs money. She was also in favor of audits. She agreed on an economic developer but she had a fear because she wondered about how much we were willing to pay for that and how good the person would be. She stated that there were 7 or 8 things that came forward for the Council site alone. She also mentioned the site where Nick's was. She stated that not one of the Councilmembers had anything to do with that not happening. She was sorry for their pain, and wished there was another way of doing this.

Councilmember DeJarnatt stated that he was sorry that he was only present for this one item. He agreed with some of the speakers but things have to be paid for, and he has to pay for it also. He stated that they inherited the plant. He thought it was a good plant, but maybe it would have been better not to go with new technology, but that was easy to say in retrospect. He was gratified by the fact that it wasn't costing \$110 million as in Petaluma for a comparable plant. While he recognized that it was a lot, he didn't feel that they had a choice because it had to be paid for.

Councilmember DeJarnatt 1) moved that the Ordinance entitled "Ordinance of the City Council of the City of Pacifica Amending Sections 6-6.404 and 6-6.406 of Chapter 6, Title 6, (Sewer Charges) of the Pacifica Municipal Code to Revise and Increase the City's Sewer Charges" be read by title only and that further reading be waived; and 2) move introduction of the ordinance; seconded by Mayor pro Tem Lancelle.

Mayor pro Tem Lancelle asked if there was any appeal process for hardship.

Admin. Services Director Ritzma stated that there was in the municipal code a way to direct a letter to the City Manager.

Mayor pro Tem Lancelle felt that was important to get that information out if there was a need for someone to ask for some relief.

Admin. Services Director Ritzma reiterated that she thought there was but she would have to check on it.

City Clerk O'Connell clarified that, in her earlier statement that the number of successful protests required was 6,355 plus 1 parcel was incorrect. The correct number was 6,335 plus 1.

City Attorney Quick asked Councilmember DeJarnatt if he had familiarized himself with the staff report before coming.

Councilmember DeJarnatt stated that he read the whole thing and watched the entire proceedings from home and came down when they announced the break.

Mayor Vreeland stated that he had a question so that he could respond to some of the comments raised by the people in the audience. He asked Director Ritzma about the comment that they thought it was inappropriate to look at other cities' costs because it was apples and oranges. He asked her what the figures were in the chart.

Admin. Services Director Ritzma stated that the numbers came from a report published by the State Water Resources Board.

Dave Gromm stated that the State Water Resources Board put out a report every year on sewer charges in California.

Admin. Services Director Ritzma added that the number reported was an annual minimum service charge.

Mayor Vreeland concluded that it was apples to apples.

Admin. Services Director Ritzma stated that, according to the report, it was.

Mayor Vreeland then referred to the number of projects the Council had approved. He stated that the one project that had come up a number of times was the quarry. He asked whether having homes and a hotel there would have an impact on the rate increase.

Dave Gromm stated that there would be a need for more money to treat it, and it would result in an increase.

Mayor Vreeland acknowledged that they would have to do more analysis, but thought it appeared more people would be paying higher fees because there would be more sewage with a unit cost per sewage for each house.

Dave Gromm responded affirmatively.

Mayor Vreeland acknowledged that people would have different opinions on this. He felt, if there were solutions for a better way to do this, they were all open to that. He mentioned that, in 1995, the Council decided to fund the plant and knew there would be this bump up in payment. He stated that they restructured that four years ago because of taking advantage of some positive economic opportunities. He reiterated that they knew it was coming, and the previous Council in 1995 knew it was coming. He stated that there wasn't a way to grow ourselves out of the sewage costs. He asked if he was correct.

Dave Gromm responded affirmatively.

Mayor Vreeland reiterated that the charts were apples to apples, and on the issue of growing our way out of a sewage issue, the cost was the cost.

Councilmember DeJarnatt mentioned that he had heard the suggestion that building residential housing would help us out of a financial dilemma, and his opinion was that, if building more housing was the answer, we wouldn't have a problem because we had plenty of housing. That wasn't the answer. He didn't believe you could build your way out of the problem with housing unless they were very large, very expensive houses. He acknowledged that commercial would help somewhat, but residential housing just wouldn't do that. He stated that all the cities were broke and, if they had a lot of residential development and not as much commercial such as Pacifica, they were generally worse off than the rest. He felt that the only thing that was positive about providing new houses was the one-time building fees which the City got up front, mentioning that Connemara was \$800,000. The problem in cities such as Pleasanton was getting hooked on the one time fees and finding it difficult to break the chain and stop the process. He also recognized that there were probably not that many people in Pacifica who wanted to build a lot more houses.

Mayor pro Tem Lancellle stated that she would like to follow up on the suggestion of Mr. Sifry about the newsletter to let the public know what was going on.

ROLL CALL VOTE:

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

Motion passed: 4-0.

Councilmember DeJarnatt left the meeting.

CONSIDERATION

6. Introduce Proposed Fireworks Ordinance, Developed by the Fireworks Task Force, in the City of Pacifica.

This item was continued to the next Council meeting.

7. Approval of Creation of Green Building Task Force.

City Manager Rhodes presented the staff report.

Mayor Vreeland opened the public comments.

Dinah Verby, Pacifica, stated that she was in support of the item. She mentioned that green building had been talked about recently in various proposals and projects before the Council and Planning Commission. She thought there was widespread support in the community. She stated that her organization, Pacificans for Sustainable Development, wholeheartedly supported the formation of a Green Building ordinance. She asked how they decided the makeup of the committee or if it could be tweaked in some manner.

Kathy Meeh, 1276 Alicante Drive, stated that Pacificans for Progress also supported green development. She stated that they were looking forward to the City providing a cross section of people on this committee. She appreciated seeing that there were realtors, architects, and developers and people other than the Open Space Committee.

Mayor Vreeland closed the public comments.

Mayor Vreeland asked that they make this a recommendation to allow flexibility based on the number of applications.

City Manager Rhodes stated that they could do that, but he was thinking how to state it in the resolution.

Mayor Vreeland stated, if they decide to move forward and have success in the endeavor, he thought it needed to be as wide as possible as in the General Plan. He thought, if they decide to move forward, the success of both endeavors would be based on the diversity of the Task Force. He felt it was an opportunity to bring some of the groups together to discuss it, and he would like to have some flexibility. He suggested that it state that a recommended size could include but not be limited to any specific number.

City Attorney Quick stated that the Council had discretion to make up the Task Force however it deemed fit and come back with a resolution and, as they go forward, the resolution could always be amended. She felt it was flexible and could be changed depending on response.

Mayor Vreeland suggested that they state that the size of the task force was 12 members which could include but not be limited to the stakeholder representatives as follows.

City Attorney Quick clarified that the maximum was a specific number and the Council determine the makeup.

Mayor Vreeland asked whether, if they had 30 applications, they might move it to 15 from 12 and could take that action at that point.

City Attorney Quick agreed.

Mayor Vreeland stated that he didn't want to be bound to any specifics but have a very wide net as they moved forward.

City Attorney Quick stated that they could go for the applications first and bring the resolution forward at that time. She reiterated that the Council had complete discretion.

Mayor pro Tem Lancelle stated that when they had a task force previously they had an outpouring of talent and they decided to expand the size of the committee. She would want to have the flexibility to do that. She suggested that they state 12 but not limited to that number.

City Manager Rhodes stated that staff understood the goal and suggested that the Council let them figure out how to bring it back to them. He understood the need to leave it flexible.

Mayor Vreeland stated that they could take action this night.

Councilmember Digre wondered about having a definition of what green building was.

Mayor pro Tem Lancelle moved approval of a creation of Green Building Task Force and direct staff to return at the next meeting with a Resolution establishing the Task Force; seconded by Councilmember Digre.

ROLL CALL VOTE:

Ayes: Councilmembers: Digre, Lancelle, and Vreeland.

Noes: Councilmembers: None.

Motion passed: 3-0.

8. Award of Contract to Top Grade Construction, Inc., for the Imperial Park Slope Drainage Repair Project.

Public Works Deputy Director Ocampo presented the staff report.

There were no public comments.

Councilmember Digre was happy to hear that they checked out references. She liked to be assured that it was pretty thorough, and asked if he felt confident.

Public Works Deputy Director Ocampo responded affirmatively.

Councilmember Digre moved to award contract to Top Grade Construction, Inc., for the construction of the imperial Park Slope Drainage Repair Project; should that contractor not

complete contract award requirements, authorize staff to re-advertise this project; approve construction management contract with Cotton, Shires & Associates, Inc.; authorize the City Manager to execute all necessary documents associated with this project; and approve budget authority in the amount of \$520,962,00 from the General Fund to be reimbursed by FEMA; seconded by Mayor pro Tem Lancelle.

Mayor pro Tem Lancelle thanked the Public Works Director in working with FEMA to get the reimbursements and managing the project.

Mayor Vreeland thanked him as well.

Public Works Deputy Director Ocampo stated that the FEMA projects were their top priority now, and were doing them one project at a time to be sure they were completed.

City Attorney Quick asked if the motion was seconded.

Mayor pro Tem Lancelle believed that she had, then added that she wanted to make a comment.

ROLL CALL VOTE:

Ayes: Councilmembers: Digre, Lancelle, and Vreeland.

Noes: Councilmembers: None.

Motion passed: 3-0.

9. Authorization of General Fund and General Capital Improvement Fund Budget Adjustments.

Admin. Services Director Ritzma presented the staff report.

There were no public comments.

Mayor pro Tem Lancelle asked if the resource officer was on the police budget.

Admin. Services Director Ritzma stated that it was on a separate fund.

Mayor Vreeland asked clarification that they had done this in the years past, catching up the actual costs with what was budgeted.

Admin. Services Director Ritzma stated that they could move things between line items, but when moving fund to fund, they needed Council authorization. It was also helpful for them to know and get the money in the right lines to watch trends over time.

Mayor Vreeland asked whether she had any concerns about the transfers.

Admin. Services Director Ritzma stated that she did not.

Councilmember Digre moved to authorize the transfer of \$90,000 of the budgeted \$167,000 from the General Capital Improvement Fund (Fund 22) to the General Fund (Fund 01) for Non-Departmental Contract Legal Services. Authorize the addition of \$77,000 to the General Capital Improvement Fund (Fund 22) for the distribution of contract legal services. Authorize the addition of \$104,500 to the General Fund (Fund 01) expenditures for police services; seconded by Mayor pro Tem Lancelle.

ROLL CALL VOTE:

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

Motion passed: 3-0.

10. Appointment of Citizen to Fill Vacancy on the Open Space Committee.

City Clerk O'Connell presented the staff report.

There were no public comments.

Mayor pro Tem Lancelle moved to appoint Dan Briesach to the Open Space Committee; seconded by Councilmember Digre.

Mayor Vreeland thanked Dan for applying and felt he would be a wonderful addition to the Open Space Committee.

ROLL CALL VOTE:

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

Motion passed: 3-0.

Mayor Vreeland asked the City Clerk if she would be sending a letter congratulating him on the appointment.

City Clerk O'Connell responded that they would.

Mayor Vreeland welcomed him and stated that, if the Council could be of assistance, he should let them know.

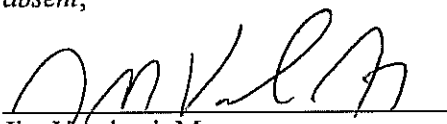
Mayor Vreeland adjourned the meeting at 10:15 p.m.

Transcribed by Barbara Medina, Public Meeting Stenographer.

Respectfully submitted,

Kathy O'Connell, City Clerk

APPROVED: 4-0; 5/27/08 Councilmember DeJarnatt abstained; Councilmember Hinton absent;



Jim Vreeland, Mayor