

**Minutes
City Council Meeting
January 12, 2016**

CALL TO ORDER: Meeting was called to order at 6:05 pm by Mayor Cullen.

FLAG SALUTE: The flag salute was led by Mayor Cullen

ROLL CALL:

City Council: Council Members Belinda Hendrickson, Michael LeBarre, Darlene Acosta, Mayor Pro Tem Karen Jernigan, and Mayor Cullen
City Staff: City Manager, Steven Adams, Assistant City Attorney David Hale, Assistant Planner Maricruz Aguilar, Community Director Doreen Liberto-Blanck, Principal Planner Don Funk, & Chief of Police, Anthony Sollecito

Mayor Cullen introduced Assistant City Attorney David Hale, and explained City Attorney Martin Koczanowicz had another meeting to attend. Mr. Koczanowicz will be joining Council for Closed session following the regular council meeting.

AGENDA REVIEW: Mayor Cullen announced item 4A- Farmworker Housing in FSC Zone will be moved and discussed following the consent agenda.

CLOSED SESSION ANNOUNCEMENTS: Mayor Cullen explained Council will enter closed session after adjournment of regular council meeting

PRESENTATIONS: None

PUBLIC COMMUNICATIONS:

No Public Comments received.

COUNCIL COMMUNICATIONS:

Mayor Pro Tem Jernigan explained she coordinated a meeting with various non-profit Organizations in as an opportunity to meet with City Managers Adams. Expressed she was happy to report there were about 100 organizations throughout the City and added that's a true testimony of volunteerism establish in the Community. She thanked all those who helped with sand bag event this past Saturday. Asked City Manager to do further research on a city water bill. Council member Hendrickson reported she attended sand bag event, and reported event was a success. Appreciated emergency preparedness efforts. Council member Acosta attended 4C4P meeting, explained that the committee continues to explore outside sources for funding. She thanked Chief Sollecito for all his efforts. Expressed she will continue her individual efforts to have a court house for South County residents. Council member LeBarre attended the MST meeting, more information on recent MST purchase City property. Signatures against water consolidation with Salinas Water District continue to be collected. Mayor Cullen thanked City Manager Adams, Fire Department, and Everyone who volunteer with sand bag event. Invited the Public to attend the State of the City on January 27. Mayor Cullen also announced a brief Tour of City Hall to CloverBuds participants who are between ages 4-7.

CITY STAFF REPORTS AND COMMENTS

City Manager Adams thanked all volunteers who helped with the sand bag event. Happy with event turnout and explained event was all in effort for city to be better prepared. He thanked Council member Jernigan for organizing recent event with city clubs and adds he looks forward in working together and

establishing partnership with city. He explained he will spend numerous of amount of time trying to meet Community Leaders, and various organizations, to try to determine types of opportunities available and hopes to bring ideas on how partnership can be establish. Chief Sollecito explained that as of January 1, 2016 all officers are wearing body cameras. Reports there are currently two potential Police Officer candidates in background stage of application. Happily reports no one on Administrative Leave.

1. SUCCESSOR AGENCY CONSENT ITEMS

- A. Successor Agency Monthly Treasurer's Report- November 2015
- B. Successor Agency Monthly Check Report- November 2015

Action: No discussion. Motion to approve items A & B made by council member LeBarre seconded by council member Acosta.

AYES: Council Members: Acosta, Hendrickson, LeBarre, Mayor Pro Tem Jernigan and Mayor Cullen,

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

2. CONSENT AGENDA

- A. Meeting Minutes of December 8, 2015 Council Meeting.
- B. Monthly Treasurer's Report- November 2015
- C. Monthly Check Register- November 2015
- D. Consideration of HERO Energy and Water Conservation Low- Interest Loan Program
- E. Consideration of Change Order for the 2015 King City Sanitary Sewer Infrastructure Project-Conduit & Pull Boxes
- F. Consideration of Proclamation in celebration of Centennial of the National Park Service and Funding for Celebration Activities.
- G. Acceptance of 2014-2015 Financial Audit Report
- H. Adoption of Draft Initial Study/Mitigation Negative Declaration and approval of a Zoning District amendment of H-S Zoning Boundary at property at located East of Canal Street between Broadway Street and Bassett Street. (Rezone Case No. No. 150-290) Meeting Minutes of: October 20, 2015 7:00 pm, October 27, 2015, November 10, 2015, November 24, 2015.

Council member Acosta expressed she provided very brief minute correction to staff.

Mayor Pro tem Jernigan pulled items F & G. Council Member Hendrickson asked for representative of HERO Program contact information.

Mayor Pro Tem Jernigan explained letter asking community to support the 100th Anniversary of the National Park Services previously signed by council was distributed, and adds more than 600 letters were mailed out to members of the Community. She expressed she is happy message is getting out, to help support people traveling to Pinnacles Park as a way to Economic Development for city. She thanked Rustler Newspaper for printing letter free of charge. She asked Council to present proclamation at next council meeting and added that Karen Dorn will make presentation on Pinnacles National Park if council is on agreement. She also asked Council to consider supporting a mixer type of event during April and adds City can possibly host as one of the Gateway Cities to Park. She expressed she is very interested to have Council support idea. No objections from council received.

Action: Motion to approve items A-F & Item H made by Mayor Pro Tem Jernigan, seconded by Council Member LeBarre. Motion carried 5-0.

AYES: Council Members: Acosta, Hendrickson, LeBarre, Mayor Pro Tem Jernigan and Mayor Cullen,

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

Item G-Mayor Pro Tem Jernigan provided personal views on the audit findings. She expressed that she finds it completely unacceptable for City to be \$950,000 over budget especially in light of memo received on June 23, 2015 from City Manager Michael Powers, informing Council that expenses were expected to come in 5.4 million not 6.3 million in which current audit reflects. She adds these findings confirm the importance of financial advisement and budget workshops. She further expressed the need for Council to be provided with accurate financial information, and explained that although she has met with Financial Director Mike Howard she still has concerns about the details of audit and will not take vote to approve audit without further study. Council member Acosta thanked Financial Director, Mike Howard for willingness to work with Council on all the city financials and suggests that perhaps financial workshops at the moment can interrupt City Manager, Adams efforts to try to improve budget process. She proceeded to thank City Manager, Adams for proposed strategies to improve overall city financials and current budget process. Council member Hendrickson expressed she now has better understanding of the City budget and funding, and expressed she has faith on City Manager Adams and believes Mr. Adams will move City in the right direction. She thanked Mr. Howard for all his time and willingness to provide financial advisement for the benefit of the City. No public comment.

Action: Motion to approve Item G made by Council member LeBarre seconded by Council member Acosta. Motion Caried 4-1.

AYES: Council Members: Acosta, Hendrickson, LeBarre, Mayor Cullen

NOES: Council Members: Mayor Pro Tem Jernigan

ABSENT: Council Members:

ABSTAIN: Council Members:

3. PUBLIC HEARING

- A. Introduction and First Reading of Ordinances 718, 719, & 720 adopting a text amendment amending the King City Municipal Code M-1 and M-2 Zoning Ordinances, The East Ranch Business Park Specific Plan and Related Planning and Zoning documents to regulate Marijuana Cultivation or in the alternative to impose a total ban in all Zoning Districts.

Assistant City Attorney David Hale introduced item and explained council previously directed staff to return with an ordinance that would amend the cannabis regulations in the City of King to allow for cultivation of cannabis in industrial areas, which consists of the M-1 and M-2 zoning districts and the East Ranch Business Park Specific Plan (ERBPSP) area. He then explained newly adopted State Law has created the Medical Marijuana Regulation and Safety Act, which puts into effect a State regulatory scheme for cultivation, distribution, manufacturing and transportation of medical cannabis and added the law also allows for local agencies to develop its own regulations and prohibitions as long as those local laws are in effect by March 1st, 2016. He then explained that in order to maintain local control over all commercial aspects of medical marijuana such as production, transportation and distribution, Council must introduce the necessary Ordinance(s) and conduct the first reading, scheduling second reading and adoption for the next regular Council meeting on January 26th, 2016. He further explained that once in effect, these regulations can be amended by

Council and strongly explained failure to take action as outlined above will result in State law preempting any local regulations and will enable the State to exclusively control licensing for marijuana within City limits.

He proceeded to describe ordinances presented, and briefly explained draft mitigated negative declaration document. He then answered Council's questions on ordinances. Mr. Hale advised Council accept first reading of all three ordinance 718, 719, 720, and clarified Council is not making final decision this evening, and as part of the process of adopting ordinances is accepting first reading of ordinances so that the final approval can move forward. Mr. Hale clarified ordinance allows only commercial cultivation of medical marijuana and all other medical marijuana activity is banned. Discussion on city ban against medical marijuana dispensaries followed. He proceeded to further outlined and described ordinances presented and clarified ordinance 720 specifically allows cultivation of medical marijuana as directed previously by council at the December 8, 2015 Council meeting. Assistant City Attorney Hale suggested council maintain public hearing open until the January 26, 2016. Mayor Cullen clarified that after the second reading, Council will have the ability to amend ordinance as council desires.

Mayor Cullen welcomed public comment. Brian Gesicki Audience Member, expressed concern with council adopting ordinance to ban all aspects of medical marijuana. Council member LeBarre expressed he is concerned with having ban against all aspects of medical marijuana as currently there is business opportunities for city involving cultivation of medical marijuana. Further discussion on second reading of ordinances and action needed on January 26, 2016 followed. Mr. Hale clarified that by presenting ordinance banning all aspects of medical marijuana it provides the ability to maintain local control after March 1, 2016. Mayor Pro Tem Jernigan expressed she believes it is crucial to allow public be aware of proposed ordinances and explains the importance for council to listen to public concerns. Further discussion on council action at December's council meeting followed. Assistant City Attorney Hale, reemphasize to council, that ordinances are presented for first reading and council will not be taking final decision. Mayor Cullen welcomed public comment. Luis Tostado- Resident, Business owner, expressed he believes this is an economic opportunity for the city and asked council to move forward with ordinances. Principal Planner Don Funk answered Council's question on Mitigated Negative Declaration language. City Attorney Hale clarified ordinance indicate to limit transportation of cannabis to only transport product out of city limits. Discussion on staff report exhibits followed. Mayor Cullen called meeting to a Brief recesses.

City Manager Adams apologizes for confusion regarding exhibits and noted staff has been on a strict timeline with the item. Assistant City Attorney Hale further clarified ordinances and notes ordinance 719 bans all aspect of cannabis production or distribution. Mayor Cullen explained Council is not making a final decisions and Council is asked only to conduct first reading of ordinances 718, 719, 720 to allow Council to conduct second reading on January 26 meeting to make a final decision that later on council will have authority to change in the future.

Action: Motion to introduce ordinances 718, 719, 720 by title only and continue the public hearing till the next regular Council meeting on January 26, 2016 made by Council member LeBarre, seconded by Hendrickson. Motion carried 5-0.

AYES: Council Members: Acosta, Hendrickson, LeBarre, Mayor Cullen and Mayor Pro Tem Jernigan

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

4. REGULAR BUSINESS

A. Discussion regarding Pre Application and Potential Municipal Code Change to Allow Code change to Farmworker Housing in FSC Zone.

Mayor Pro Tem Jernigan excused herself and clarified she has a business relationship with Gills Onions. She proceeded to exit room. City Manager Adams introduced the item and provided a project background. He explained the current significant crisis throughout the entire Nation include trying to identify labor sources, and lack of affordable housing. He then explained City has been working very diligently trying to identify feasible locations and possible projects to try to increase farmworker housing and expressed he believes the City has been successful in identifying some promising prospects for the future. He clarified that currently David Gill and Steve Scaroni, Applicants have presented the City with a Pre Application to modify the Meyer Building, an old industrial building located along First Street. He clarified that the Applicant first pursued the strategy to classify project as Lodging, but after working under those terms, too many issues with interpretation resulted with having the Planning Commission not able to make determination; and as a result, city staff has been working with an alternative approach which he has faith will work better. He then explained applicants indicated a desire to make modifications to building and change the use to farmworker housing to essentially allow 216 beds in a barracks-style within building. He proceeded to further describe the proposed modifications as and project timeline as described in staff report. He strongly expressed that project presents stringent deadlines for City Staff. He proceeded to described project details as outlined in staff report. He adds this is not city's normal standard process but giving the significant unique urgency to this situation, staff is trying to be creative with project. City Manager clarified explained Applicants needs for councils feedback to help them make decision on how to move forward with pre application process. Mr. Adams provided description of City's current application process and clarified council action on project itself is not required in tonight's discussion. He then explained the purpose of the pre application is to have opportunity to provide input to applicant on whether council supports overall project concept and to identify specific concerns on project so that ultimately applicant can address concerns in application. Community Development Director Doreen Liberto-Blanck explained she has been working with numerous farmers and other business owners for over a year in efforts to successfully locate farmworker housing in City, and explained for various reasons property isn't available and explains it is very difficult to find. She clarified project application would be on a temporary basis of about 5 years and provided description of project temporary use application, and clarified that under those terms, applicant would be able to request yearly extensions. Ms. Liberto-Blanck noted project review committee has provided comments to applicant as part of Pre-Application process. Discussion on concerns brought by Chief of Police involving supervision and security followed. Applicant David Gill expressed project concerns brought forward from staff will be in considered and doesn't believe there should be any problems. Discussion on staff's recommendations on addressing the concerns brought up by project committee followed. Ms. Liberto-Blanck described upcoming steps for applicant to complete and further review project timeline and added applicant agreed to meet with TAMC regarding Impact Fees. She clarified Staff will expedite process and move forward as quickly as possible. Ms. Liberto-Blanck proceeded to answered Councils questions on requirements. Mr. Gill then answered council's questions on the farmworker program which will be authorized under the H2A VISA through U.S. Department of Labor. Council member LeBarre expressed he has strongly advocated for the need for Agriculture Farm Housing in South County and adds he appreciates having the business owner wanting to create quality of life for its employees. He explained he is content knowing staff has made efforts to expedite process and looks forward to review project application. Council Member Hendrickson added she also supports project and added she appreciates city working with owners in efforts of making project possible. Applicant David Gill answered council's additional questions on project. Discussion on H2A working program regulations followed. He added this location for project is not in ideal location, but agrees building purpose will be a good utilization for empty building, and explained it will be on a temporary use. He further described requirement of H2A program and qualifications for workers.

Community Development Director Doreen Liberto-Blanck clarified as project moves forward public notices will be required to be mailed out to nearby business and residential homes within 300 ft. of property in efforts to make people aware of proposal. Further discussion on project site followed. Mr. Gill explained similar projects have been established in neighboring cities and confirmed the success of program structure. Assistant City Attorney explained Council has the ability to revoke CUP permits if provisions are not being met by applicants. Mr. Gill expressed he believes project could be compliant to terms and requirements, and adds that by following CUP process will delay completion of project but hopes to have project completed by April 1st, 2016. He expressed this project will benefit the Community. Mayor Cullen welcomed public comment. Public comment as follows: Suzanne Krause, Resident and Business Owner: Expressed she supports project and believes it will benefit the Community. Mayor Cullen thanked staff, and council for expressing concerns and asked for clarification on needed action. Applicant David Gill explained no construction will start if project is not approved, and added he would like to get direction from Council if project will be approved based on conditions discussed. He also asked for clarifications on particular issues that might possibly result in denial of applicants occupancy permit. Council member Hendrickson expressed she is in favor of project and trusts staff. Council member Acosta added she believes Applicant will act in Good Faith. Further discussion on city's current overcrowding issues followed. Council member LeBarre expressed he believes project will be beneficial to community and thanks applicant for making investment in the city. Mayor Cullen expressed as of now, considering applicant addresses application requirements and addresses Council concerns, he does not believe there shall be a problem with project. Mr. Gill agreed to have public notices be restricted to 600 feet. City Manager Adams clarified motion needed from council. Action: Motion to direct City Manager to execute an early construction agreement with the applicant and support approach that has been presented by staff to process project application through a development code change and zone change to allow Farm Labor Housing with a conditional use permit per recommendations of Planning Commission made by Council Member LeBarre seconded by council member Hendrickson. Motion carried 4-1.

AYES: Council Members: Acosta, Hendrickson, LeBarre, Mayor Cullen

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members: Mayor Pro Tem Jernigan

B. Consideration of Fiscal Year 2016-2017 Annual Budget Process and Schedule-
City Manager Adams introduced item and provided background information. Mr. Adams explained current budget process and documents format is in need of comprehensive revision so that council is provided with better data to ultimately assist council efforts to make more educational decisions. He then explained new proposed budget process will also allow staff be able to better manage and track budget throughout the year. Mr. Adams added that the City needs to start developing long-range financial planning to be more proactive. He proceeded to explain budget process and proposed schedule as explained in staff report. He adds that in consideration of city's current financial condition staff efforts will be to focus on most critical priorities and added Financial Director will be preparing all personnel and benefit cost for each department, and adds that will result in a detail report with all authorized positions and associated costs. He then explained as part of new process both City Manager and Finance Director will meet and review department requests and explained that the end product will be a budget document that provides comprehensive financial information on revenues, expenditures, and fund balances along with a five year capital improvement plan, and a long range financial plan that will include a plan on how to reduce city debt over time. He noted final budget to be presented in June for possible council's approval. City Manager expressed his goal with proposed process is to place basic fundamentals in place to be able to start building a solid foundation. He further described budget timeline and adds it is staff recommendation to put on hold strategic planning until foundation is set.

Mr. Adams explained it is staff recommendation that after this year's budget, the city transition into a two year budget which will both increase long range financial planning efforts and significantly reduce staff time involved with the budget process. Mr Adams adds he plans to review and bring recommendations on purchasing policy process in the near future. He also adds that staff will draft interloan agreement between the sewer and general budget to formalize the relationship for the funds that were originally borrowed from the sewer fund as this was concern by many. Mayor Cullen thanked City Manager Adams for his analytical review on budget and process. Council thanked City Manager for efforts in establishing timeline and recommendations and expressed they believe these will be positive changes. Mayor Pro Tem Jernigan thanked Finance Director Mike Howard for sharing all knowledge and continuing to guide staff and council to better understand city financials. City Manager Adams answered council's questions.

Action: Motion to approve staff recommendations for the FY2016-17 Annual Budget process, format and schedule made by Council member LeBarre seconded by Council member Acosta.

AYES: Council Members: Acosta, Hendrickson, LeBarre, Mayor Pro Tem Jernigan, Mayor Cullen

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

C. Consideration of Agenda Process Policy and Procedure

City Manager introduced item and explained he along with City Attorney Koczanowicz have worked together to present recommendations for changes on agenda and agenda process. He adds no significant issues found but recommended changes will hopefully improve process. He adds to hope to formalize process in efforts to ensure quality and consistency and believes new staff report outline will facilitate the ability for council to make decisions with information provided. He provided to explain a summary of proposed agenda process changes. Discussion on timing of closed session and councils recommendations on agenda format followed. Mr. Adams answered council's questions on current agenda procedures.

Action: Motion to approve Resolution 2016-4493 made by Council member LeBarre seconded by Council member Acosta.

AYES: Council Members: Acosta, Hendrickson, LeBarre, Mayor Pro Tem Jernigan, Mayor Cullen

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

ADJOURNMENT: There being no further business to come before the City Council, Mayor Cullen adjourned the meeting at 8:58 pm.

Approved Signatures:



Mayor, Robert Cullen
City of King



City Clerk, Steve Adams
City of King