

MINUTES
JOINT CITY COUNCIL/SUCCESSOR AGENCY
FOR FORMER REDEVELOPMENT AGENCY

October 22, 2013

City of Watsonville
Council Chambers
275 Main Street, 4th Floor

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4.2	Motion Approve Minutes	11.0	Adjournment.

5:30 P.M.

10.0 CLOSED SESSION

(City Council Conference Room, 275 Main Street, 4th Floor)

- (a) Mayor Hurst called for Public Comments regarding the Closed Session agenda. **(None)**
- (b) Closed Session Announcement
The City Council recessed to discuss those items listed on the Closed Session Statement attached to the Agenda as follows:

A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Government Code Section 54956.9)

- 1. Pending litigation pursuant to subdivision (d)(1):
 - a) Name of case: Emilio Martinez, Kathleen Morgan-Martinez and Kenneth Adelman v. City of Watsonville, City Council of the City of Watsonville — Santa Cruz County Superior Court (Case No. CV169473)

**JOINT CITY COUNCIL/SUCCESSOR AGENCY
FOR FORMER REDEVELOPMENT AGENCY**

B. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Government Code Section 54956.9)

1. Pending litigation pursuant to subdivision (d)(1):

- a) Name of case: City of Watsonville and Successor Agency to the Redevelopment Agency of the City of Watsonville v. California Department of Finance et al. — Sacramento County Superior Court
(Case No. 34-2013-80001523)

6:30 P.M.

1.0 ROLL CALL

Mayor Hurst, Mayor Pro Tempore Cervantez, and Council Members Bilicich, Coffman-Gomez, Dodge, Hernandez, and Montesino were present.

Staff members present were City Manager Palacios, City Attorney Smith, City Clerk Vázquez Flores, Deputy City Manager Maldonado, Public Works & Utilities Director Palmisano, Interim Police Chief Medina, Fire Chief Bisbee, Administrative Services Director Vega, Parks & Community Services Director Espinoza, Library Director Heitzig, Redevelopment & Housing Director Davison, Assistant Public Works & Utilities Director Rodriguez, Assistant Parks & Community Services Director Blachly, Building Official Hicks, Airport Manager Williams, Principal Planner Boyle, Recreation Coordinator Miranda, Neighborhood Outreach Coordinator Chimal, Life Safety Officer Griesinger, Deputy City Clerk Ortiz, and Interpreter Landaverry.

2.0 PLEDGE OF ALLEGIANCE

3.0 PRESENTATIONS & ORAL COMMUNICATIONS

3.1 ORAL COMMUNICATIONS FROM THE PUBLIC & CITY COUNCIL

Jeff Rangel, Brocade Communications System, invited the Council and the public to participate in the Silicon Valley Turkey Trot in Downtown San Jose to benefit local charities.

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Steve Bennet spoke about the benefits the Second Harvest Food Bank would receive if enough local residents participated in the Silicon Valley Turkey Trot.

Member Dodge stated that the Santa Cruz Metropolitan Transit District authorized for a bus to leave from the Metro Station in Santa Cruz toward downtown San Jose on Thanksgiving Day in an effort to help local residents attend the Silicon Valley Turkey Trot. He thanked the Youth City Council for attending the Council meeting and spoke about his attendance at the American Public Transportation Association Conference.

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Member Coffman-Gomez commended the California Grill for raising \$12,000 for Cancer groups. She thanked the Community Action Board for their help in the Community Restoration Project of painting alleyways throughout the City.

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Member Bilicich thanked residents and City staff for wishing her well as she had recently had surgery. She commended Administrative Analyst Padilla for her work in creating the 28 Best Practices Brochure. She invited the public to attend the Zone 7, Flood Control and Water Conservation meeting in Santa Cruz and said vans would be provided for transporting people to and from the meeting site.

Public Works & Utilities Director Palmisano said that the public was being encouraged to attend the Zone 7 meeting in Santa Cruz to stress the importance of holding all Zone 7 meetings in Watsonville.

Member Hernandez commended Administrative Analyst Padilla for her work and asked for copies of the 28 Best Practices Brochure to be distributed to the Planning Commission and Youth City Council. He suggested that Council have a presentation of Elyse Destouts' video showcasing the 4th of July parade. He also encouraged the public to read *For the Love of Cities* by Peter Kageyama.

Member Montesino spoke about the PVUSD teachers' contract negotiations and stressed the importance of supporting them as they had a deep impact in the community.

Mayor Pro Tempore Cervantez spoke about the screening of the film *Girl Rising* on Oct 11, 2013, International Day of the Girl. She thanked several organizations for organizing the event.

Mayor Hurst wished Rhea DeHart a happy birthday. He spoke about several events he attended over the previous weeks. He invited the public to participate in the pumpkin carving activities at the Youth Center and encouraged the residents to be safe on Halloween. He also invited the public to attend the Wine and Roses event on November 1, 2013. He thanked Deputy City Manager Maldonado and Redevelopment and Housing Director Davison for their many years of service.

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Member Dodge invited the Pájaro Valley Unified School District to use the City Council Chambers in an effort to allow for more public attendance and participation.

3.2 MAYOR'S PROCLAMATION DECLARING OCTOBER AS *FILIPINO AMERICAN HISTORY MONTH*

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3.3 MAYOR'S PROCLAMATION DECLARING OCTOBER 20–26, 2013, *FREEDOM FROM WORKPLACE BULLIES WEEK*

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3.4 MAYOR'S PROCLAMATION DECLARING OCTOBER 24, 2013, AS *WORLD POLIO DAY*

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3.5 PRESENTATION BY THE WATSONVILLE YOUTH CITY COUNCIL REGARDING ITS *ACTIVITIES—10 Minutes*

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Member Hernandez suggested holding a joint meeting between the City Council and Youth City Council.

3.6 REPORT OUT OF CLOSED SESSION

City Attorney Smith reported that Council received reports on both items on the Closed Session Agenda, but took no action.

4.0 CONSENT AGENDA

Public Input on any Consent Agenda Item (None)

MOTION: It was moved by Member Dodge, seconded by Member Montesino, and carried by the following vote that Consent Agenda be approved:

AYES:	MEMBERS:	Bilicich, Cervantez, Coffman-Gomez, Dodge, Hernandez, Montesino, Hurst
NOES:	MEMBERS:	None
ABSENT:	MEMBERS:	None

4.1 MOTION APPROVING SUCCESSOR AGENCY MINUTES OF SEPTEMBER 10, 2013

4.2 MOTION APPROVING COUNCIL MINUTES OF OCTOBER 8, 2013

**4.3 RESOLUTION NO. 146-13 (CM):
 RESOLUTION AWARDED \$210,000 BID TO ALL PHASE EXCAVATING & CONSTRUCTION INC., FOR CITYWIDE FIBER OPTICS PHASE I, PROJECT NO. ST-13-07 & AUTHORIZING \$480,000 BUDGET APPROPRIATION FOR PHASE 1 & 2: \$182,400 FROM WATER ENTERPRISE FUND, \$182,400 FROM LIBRARY ENTERPRISE FUND, \$76,800 FROM GENERAL FUND FOR POLICE DEPARTMENT PORTION, \$19,200 FROM GENERAL FUND FOR FIRE DEPARTMENT PORTION, & \$19,200 FROM AIRPORT ENTERPRISE FUND**

6.0 NEW BUSINESS

6.1 ANALYSIS OF FINANCIAL ALTERNATIVES REGARDING THE STATE DEPARTMENT OF FINANCE’S DEMAND FOR PAYMENT DUE TO DISSOLUTION OF REDEVELOPMENT AGENCY

(a) Staff Report

The report was given by Administrative Services Director Vega.

(b) City Council Questions

Administrative Services Director Vega and Redevelopment & Housing Director Davison answered questions from Member Bilicich regarding funding for the Civic Plaza building and the lawsuit with the State Department of Finance (DOF).

City Manager Palacios clarified that capital improvement projects would not be delayed as a result of the loan from the Water Enterprise Fund.

In answering Member Dodge, City Manager Palacios stated that the City was being proactive in preparing a contingency plan in case the DOF won the \$4.6 million lawsuit and the City was forced to pay.

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5789/4924

Administrative Services Director Vega answered questions from Member Coffman-Gomez in case the City needed to pay the State. He added that the State proposed a payment plan if the City could not pay the entire amount at once. He stated he was confident they would win the lawsuit and not have to pay the DOF.

City Manager Palacios stated the City had previously won a \$1.8 million lawsuit against the State.

Member Coffman-Gomez stated that there were 400 lawsuits against the state at the time.

Mayor Hurst stressed the importance of having a contingency plan.

Redevelopment and Housing Director Davison explained for Member Dodge what the Bulk Rate Parking Discount Program was.

Administrative Services Director Vega, in answering Member Bilicich, stated that the Local Agency Investment Fund (LAIF) interest rate would increase every quarter.

(c) Public Input (None)

(d) City Council Discussion

Member Dodge clarified that Council was approving a contingency plan and not approving payment to the State. He thanked Redevelopment and Housing Director Davison for her work.

Member Bilicich stated her disagreement in using Water Enterprise Funds to pay the State. She added that the General Fund should be used to pay the State.

Member Coffman-Gomez thanked staff for their thoroughness and spoke in favor of the motion.

City Manager Palacios explained the reasons the State was demanding payment of the \$4.6 million. He explained the reasons staff was recommending using Water Enterprise Funds instead of General Fund money.

**(e) RESOLUTION NO. 147-13 (CM):
RESOLUTION AUTHORIZING CITY MANAGER TO ENTER INTO A
CONTINGENT INTER-FUND LOAN FROM CITY'S WATER ENTERPRISE
FUND TO THE GENERAL FUND & IMPACT FEE FUNDS IN THE NET
AMOUNT OWED TO THE STATE AFTER RESIDUAL REPAYMENTS
FROM THE STATE PLUS INTEREST AT THE PREVALENT LAIF RATE
SHOULD THE STATE BE SUCCESSFUL IN ITS DEMAND FOR PAYMENT**

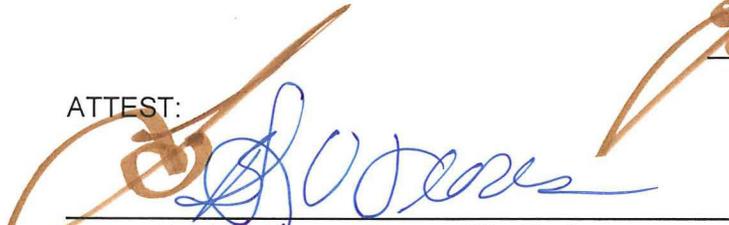
MOTION: It was moved by Member Coffman-Gomez, seconded by Member Dodge, and carried by the following vote that the above resolution (e) approved:

AYES: MEMBERS: Cervantez, Coffman-Gomez, Dodge, Hernandez,
Montesino, Hurst
NOES: MEMBERS: Bilicich
ABSENT: MEMBERS: None

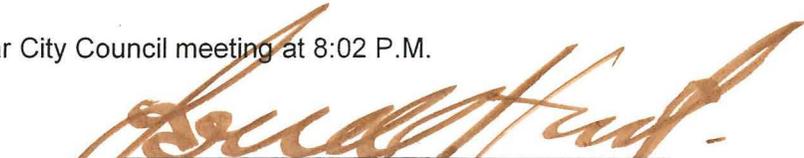
11.0 ADJOURNMENT

The meeting adjourned to a regular City Council meeting at 8:02 P.M.

ATTEST:



Beatriz Vázquez Flores, City Clerk



Lowell Hurst, Mayor/Chair