

# MINUTES

## Joint Meeting of the Scotts Valley City Council and Redevelopment Agency Board of Directors

**Date: May 5, 2010**

**POSTING:**

The agenda was posted on 4-30-10 at City Hall and the SV Senior Center, and on 4-30-10 at the SV Library, by the City Clerk.

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**CALL TO ORDER** 6:00 p.m.

**PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE**

**ROLL CALL**

Present:

Mayor Reed  
Vice Mayor Bustichi  
Council Member Aguilar  
Council Member Johnson  
Council Member Lind

City Manager Ando  
Public Wks Director Anderson  
Police Chief Weiss  
Interim Community Dev Dir Westman  
City Clerk Ferrara

Absent:

City Attorney Powell

**COMMITTEE REPORTS** VM Bustich reported that the Santa Cruz Metropolitan Transit District (SCMTD) has public hearings scheduled throughout the County for input on proposed service changes and/or reductions. He stated that the public hearing in Scotts Valley will be held at the Scotts Valley Community Center on June 2, 2010 at 4:30 pm and 6:00 pm. He stated that a list of all public hearings is on the City of Scotts Valley website at [www.scottsvalley.org](http://www.scottsvalley.org) and the SCMTD website at [www.scmtd.com](http://www.scmtd.com).

CM Lind reported that LAFCO met and approved their final budget and the annexation of 190 Old Coach Road to Scotts Valley.

CM Aguilar read a statement from the League of California Cities regarding the Sacramento Superior Court ruling upholding the fiscal year 2009-2010 State budget bill redirecting \$2.5 billion in local redevelopment funds to fill the State's budget deficit, which the League called an elaborate court sanctioned shell game with public funds. The League stated that this ruling will have devastating implications for the job creation programs of local redevelopment agencies, which in turn could help revive the State's weakened economy and generate needed local tax revenue, and an appeal is forthcoming. She stated that additional information is available at [www.savelocalservices.com](http://www.savelocalservices.com), which is the Local Taxpayer, Public Safety, and Transportation Act of 2010 that is will stop the State of California from raiding local revenues.

Mayor Reed reported that the Library Joint Powers Board met and voted on two matters: (1) they approved their preliminary budget for 2010-2011, which does not include any branch closures or reduced hours; and (2) they decided to establish a subcommittee to look at fiscal sustainability of the library system, because they are looking at budget deficit of \$1.4 million next year. He stated that restructuring will have to happen and invited members of the public to participate on the fiscal sustainability subcommittee by contacting the Library Main Branch and/or the Friends of the Library.

**PUBLIC COMMENT**

Jeanne Shada, Scotts Valley Arts Commission, thanked Council for their support over the last ten years, and reviewed the many programs they have been involved in and supported over the years. She stated that the Arts Commission is starting a Junior Arts Advocates group and introduced two students from Scotts Valley High School who are part of the Junior Arts Advocates. Jeanne Shada also announced that there is an opening on the Arts Commission and they are looking for members.

Annika Gustafson, Scotts Valley High School (SVHS) student and Junior Arts Advocate, stated that for the second year in a row, they will have a student art booth at the Art & Wine Festival. Amy McDowell, SVHS student and Junior Arts Advocate, stated that the Art & Wine Festival will be held August 14 and 15. She stated that since this is the second year for the student art booth, they have more interest and they will be able to have a larger variety of art. Annika announced that the Junior Arts Advocates will be in the 4<sup>th</sup> of July parade to promote the utility box art on Scotts Valley Drive and Mt. Hermon Road.

**ALTERATIONS TO  
CONSENT AGENDA**

***M/S: Aguilar/Lind***  
***To approve the Consent Agenda.***  
***Carried 5/0***

**Consent Agenda:**

- A. Approve Joint City Council/RDA meeting minutes of 4-21-10
- B. Approve check register – 4-19-10
- C. Approve second reading and adoption of Ordinance No. 150.2 amending Scotts Valley Campaign Reform Act to allow contributions from business entities and to eliminate expenditure ceilings

**ALTERATIONS TO  
REGULAR AGENDA**

***M/S: Aguilar/Lind***  
***To approve the Regular Agenda.***  
***Carried 5/0***

**REGULAR AGENDA**

1. **Consideration of Resolution No. 1849 approving Design Review No. DR05-021.3 for a planned sign program for the Scotts Valley Corners Shopping Center located at 6004 & 6006 La Madrona Drive // APN 021-141-17**

ICDD Westman presented the written staff report and responded to questions from Council.

Corbett Wright, applicant, stated that he met with some of the neighboring properties regarding the proposed sign, stated that the snow fencing currently up was for the higher sign, and responded to questions from Council. He stated that he is leaving it to the Council's discretion whether to use Scotts Valley Corners on the sign or not. He stated that including Scotts Valley Corners on the sign does not help the businesses.

VM Bustichi stated that he does not see a compelling reason to include Scotts Valley Corners on the sign and recommended leaving it off since it does not help the businesses.

CM Aguilar and CM Lind agreed with VM Bustichi.

CM Johnson stated that he does not see the necessity for this size of a sign. He stated that he would like to see more consistency on the sign because he does not feel it is aesthetically pleasing.

Mayor Reed agreed with CM Johnson's comments. He stated that he does not feel there is a community benefit in having a sign this size.

VM Bustichi questioned the reasons for the different lettering colors and asked if Mr. Corbett would be willing to agree to reduce the amount of font colors.

Mr. Wright stated that would be acceptable. He also stated that the existing sign is 100 square feet, and the new sign, without Scotts Valley Corners on it, will only be 30 square feet larger than it is now.

ICDD Westman stated that Council could approve up to two lettering colors and leave the design approval to the Community Development Director. She stated that the following condition number 8 could be added to the conditions of approval:

8. *The sign will be consistent with Plan B, and the lettering colors will be limited to two, with the design approval of the Community Development Director.*

***M/S: Bustichi/Lind***

***To approve Resolution No. 1849 approving design review no. DR05-021.3 for a planned sign program for the Scotts Valley Corners Shopping Center located at 6004 & 6006 La Madrona Drive // APN 021-141-17 & 021-141-25, as amended above with the addition of condition number 8. Carried 3/2 (NOES: Johnson, Reed)***

**2. 2010-2011 Budget**

**a. Review of 2010-2011 General Fund Revenue Budget**

CM Ando presented the written staff report and responded to questions from Council. He stated that this item is for discussion purposes only at this time.

**b. Review of 2010-2011 General Fund Budget**

CM Ando presented the written staff report and responded to questions from Council. He stated that this item is for discussion purposes only at this time.

CM Aguilar questioned if the half-consultant for the Winter Shelter is still working to get Federal and/or State grants for their Homeless Partnership program and homeless shelter, and if so, how much they have acquired in the last fiscal year. CM Ando stated that he will check with the County.

CM Lind stated that she had forwarded an email regarding possible funds available for the homeless through United Way. CM Ando stated that he will follow-up on this.

CM Aguilar questioned the \$3 million owed from the RDA to the General Fund. She stated that she would like to know how much is in the RDA fund, how much of the monies are needed for RDA bond payments, and how much could be used to pay the General Fund. CM Ando responded that he will provide that information to CM Aguilar.

**3. Consider placing a ballot measure on the November 2010 ballot to extend the Measure C sales tax**

CM Ando presented the written staff report and responded to questions from Council. He stated that two-thirds vote of the Council would be required, which is 4 of 5 Council Members. He stated that a revised question had been submitted by the City Attorney as follows:

*Shall the existing one-quarter of one percent sales tax rate be continued to maintain general services including public safety, parks, and street improvements, until such time as it is repealed by a majority vote of Scotts Valley registered voters?*

CM Aguilar stated that she wanted to bring the question forward for Council discussion, because she feels that since the voters originally passed the ballot measure, the voters should make the decision on whether to extend the tax or not.

Mayor Reed stated that he spoke with CA Powell regarding this issue and she had told him that the people do not need action by the City Council if they choose to initiate a tax or end a tax, they can do it on their own.

Paul Bach, Scotts Valley Responsible Local Development Political Action Committee (RLDPAC), spoke regarding the City's budget, spoke in favor of Measure C (the sales tax) going to the voters for consideration, and asked what the alternative would be to balance the budget if additional cuts are not possible.

Mayor Reed stated that the City is not in danger of "running out of money" at this time, because we are extremely frugal and we have resources to fall back on, specifically our General Fund and RDA reserves that are approximately \$5 million, which is approximately 60% of the annual General Fund budget. He stated that the voters have it in their power to initiate a tax measure or deny a tax that has already been approved, and Council approval is not required.

CM Aguilar expressed concerns about the possibility of asking police officers to take furloughs, the high cost of hiring and retaining police officers, and the morale of the police department. She stated that the electorate can bring a petition forward with 750 signatures of registered voters, but she was trying to save them the time, energy, and money, and streamline the process. She stated is also very concerned about the budget impacts that have occurred over the years by the State and that are continuing to happen. CM Aguilar stated that she brought this forward because she is concerned about the future and well-being of the Scotts Valley community.

Mayor Reed stated that he was a volunteer campaign manager for Measure C before he was on the Council, and went over the reasons for Measure C and its establishment as a temporary tax. He stated that he feels Measure C passed by 72% because it was a temporary tax. He stated that he feels the City is in a very different financial situation today than it was in 2004-05, because the City did not have the General Fund reserves that it has now, and he does not feel this is the right time to request an extension.

CM Aguilar stated that she was open to having a sunset clause again on the proposed sales tax extension. She stated that although Measure C was a bridge to the future, the bridge is not built at this time, and the City has continued to have cutbacks even with Measure C in place and the City continuing its frugality.

VM Bustichi stated that the City currently has over ten times the amount of surplus that it had in 2004-05, when taking into consideration the General Fund and the RDA funds that are owed to the General Fund. He stated that he feels Measure C has been a bridge to the future because we have created a stronger economic base for the City. He stated that the City may need it in the future; however, he does not feel we can ask for an extension at this time, because we do not need it today. He stated that there are plans for the future such as using RDA funds that are owed to the General Fund to get us through the difficult times and waiting for results of the lawsuit we have with the County, in addition to continuing to be frugal, and working on economic development for the City.

CM Lind stated that she worked on the Measure C campaign and she feels that Measure C passed because it was a temporary tax with a sunset clause. She is concerned that trust was placed in the City with the approval of Measure C, and she does not feel it is necessary to ask for an extension at this time; however, she would be willing to consider it in the future if it is needed.

CM Johnson stated that he likes that CM Aguilar is looking for solutions to the budget problems; however, he does not feel it is needed right now. He stated that he feels this is a credibility issue, and the City will know more in a years time whether we need it or not, and if we may need one-half percent or one-quarter percent. He stated that because of these reasons, at this time, he is not in favor of placing this on the November 2010 ballot.

**4. Future Council/RDA agenda items**

None.

**ADJOURNMENT**

The meeting adjourned at 8:15 p.m.

Approved:

  
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Jim Reed, Mayor / Chair

Attest:

  
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Tracy A. Ferrara, City Clerk / Secretary