

MINUTES

Meeting of the Scotts Valley City Council

Date: June 20, 2012

POSTING:

The agenda was posted on 6-15-12
at City Hall, the SV Senior Center, and
the SV Library, by the City Clerk.

CALL TO ORDER 6:00 p.m.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

Present:

Mayor Lind	City Manager Ando
Council Member Aguilar	City Attorney Powell
Council Member Bustichi	Comm Dev Dir/Deputy City Mgr Kates
Council Member Reed	Public Wks Director Anderson
	Police Chief Weiss
	City Clerk Ferrara

Absent: Vice Mayor Johnson

SPECIAL SET MATTER Mayor Lind presented a Mayor's proclamation to Carrie Stevens, Program Manager of Big Brothers/Big Sisters Santa Cruz County, for Big Brothers/Big Sisters Day and their 30-year Anniversary

COMMITTEE REPORTS

CM Aguilar reported that AMBAG met and approved the continuing cooperative agreement with the Santa Cruz County Regional Transportation Commission and the Monterey County Transportation Commission, which provides a contract between the agencies and AMBAG on what each agency will be doing to coordinate transportation projects, research, and studies in our region. She also reported that AMBAG approved a study of the freight goods movement within the region, and stated that the draft report is available on the website at www.ambag.org.

CM Reed reported that the Library Board met and discussed authorizing \$47,000 from the Weyland Trust, which is approximately \$140,000 that was set aside to be used solely for capital improvements or book purchases for a library in Felton. He stated that the money will be used to take the lot that the Verutti family has offered for a Felton library, get the lot split, go through the entitlement process, and then turn it over the County once that is completed. He also reported that the Board discussed the funding model questions that are being discussed in Sacramento, regarding what to do with the former redevelopment agency payments and how those are passed on to the surviving jurisdictions.

CM Reed reported that the Joint City/School Subcommittee met and discussed several items including safety regulations as related to playground equipment, school safety, and behavior at the Scotts Valley Library.

Mayor Lind reported that the Sign Subcommittee met to review the research for the community directional sign program they are working on, and the progress of finding funding for the program.

PUBLIC COMMENT

Frank Kertai, resident of Monte Fiore development and President of the Heritage Parks Association, representing both himself and his community of eighty-one properties, read the attached statement (Attachment A) regarding the Monte Fiore development.

Todd Shaver, 3014 Granite Creek Boulevard, expressed concerns regarding a sewer line near his property, and questioned the validity of a DNA test that was performed on runoff on their property.

Ron Shaver, 3014 Granite Creek Boulevard, expressed concerns regarding a sewer line near his property, and questioning the validity of a DNA test that was performed on runoff on their property.

ALTERATIONS TO CONSENT AGENDA

***M/S: Bustichi/Aguilar
To approve the Consent Agenda.
Carried 4/0/1 (ABSENT: Johnson)***

Consent Agenda:

- A. Approve check register – 6-7-12
- B. Approve cancellation of November 21, 2012 regular City Council meeting due to conflict with furlough day
- C. Approve Resolution No. 1139.16 adopting the City of Scotts Valley Investment Policy dated June 20, 2012
- D. 2012/2013 Budget Adoption:
 - (1) Approve Resolution 630.32 approving the budget for the City of Scotts Valley for Fiscal Year 2012/2013 and making appropriations for the amounts budgeted
 - (2) Approve Resolution No. 1501.19 approving the continued collection of the Utility Users' Tax for the budget Fiscal Year 2012/2013
- E. Approve the Affordable Housing Agreement with Castle Companies (Scotts Valley Land LLC) for Woodside a residential land division with 6 moderate affordable housing units and 1 low income affordable dwelling unit
- F. Approve Contract for Professional Services between the City of Scotts Valley and WRA Environmental Consultants for the Vine Hill School Road and Tabor Drive Sidewalk and Bike Lanes construction project in the amount of \$12,538

ALTERATIONS TO REGULAR AGENDA

CM Ando requested that Closed Session be removed from the agenda as it is no longer necessary to discuss this item.

CM Aguilar requested that Item 3 be removed from the regular agenda for future consideration.

M/S: Bustichi/Aguilar

To approve the Regular Agenda as amended removing Item 3 from the regular agenda and removing the closed session item.

Carried 4/0/1 (ABSENT: Johnson)

REGULAR AGENDA

1. **Skypark Open Space Maintenance Assessment District No. 1: Resolution No. 1555-SP-23; Annual Engineers Report Skypark**

CM Reed stated that he lives within this assessment district and recused himself from consideration of this item.

PWD Anderson presented the written staff report and responded to questions from Council. He stated that no action from the Council is required at this time. PWD Anderson stated that this public meeting is being held to accept public testimony and that Council will consider approval of Resolution No. 1555-SP-23 at the public hearing set for July 18, 2012.

2. **Pinewood Estates Landscape Maintenance Assessment District; Resolution No. 1213.25; Annual Engineer's Report Pinewood**

PWD Anderson presented the written staff report and responded to questions from Council. He stated that no action from the Council is required at this time. PWD Anderson stated that this public meeting is being held to accept public testimony and that Council will consider approval of Resolution No. 1213.25 at the public hearing set for July 18, 2012.

No questions from Council or comments from the public.

- ~~3. **Consider approval of Resolution No. 1877 of the City Council of the City of Scotts Valley setting forth the commitment to obesity prevention**~~

4. **Consider first reading and introduction of Ordinance No. 141.3 amending Scotts Valley Municipal Code Title 2, Chapters 2.16, 2.20 and 2.21 regarding meetings of various commissions**

CDD Kates presented the written staff report and responded to questions from Council.

M/S: Aguilar/Bustichi

To approve first reading and introduction of Ordinance No. 141.3 amending Scotts Valley Municipal Code Title 2, Chapters 2.16, 2.20 and 2.21 regarding meetings of various commissions, and waive the reading thereof.

Carried 4/0/1 (ABSENT: Johnson)

5. **Consider approval of Resolution No. 1666.1 amending the bylaws of the Scotts Valley Arts Commission**

CDD Kates presented the written staff report and responded to questions from Council.

M/S: Aguilar/Reed

To approve Resolution No. 1666.1 approving the amended Bylaws of the Scotts Valley Arts Commission.

Carried 4/0/1 (ABSENT: Johnson)

6. **Future Council agenda items**

None.

CONVENE TO CLOSED SESSION

~~The City Council convened to closed session to discuss the following items:~~

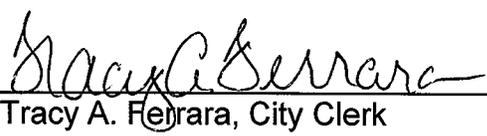
- ~~1. Pursuant to Government Code Section 54957.6, the City Council met in closed session to confer with the labor negotiation regarding employee negotiations with SEIU, Mid Management Group and Management.~~

ADJOURNMENT The meeting adjourned at 6:40 p.m.

Approved:


Donna Lind, Mayor

Attest:


Tracy A. Ferrara, City Clerk

20120620 Scotts Valley City Council Meeting Kertai Public Comments

Good Evening. My name is Frank Kertai. I am a resident of the Monte Fiore development of Scotts Valley and President of the Heritage Parks Association. I am here representing my community of eighty-one properties.

Over the past year I have provided members of this City Council and City Staff documentation regarding design and construction defects that have been identified in the Monte Fiore development. **These defects affect all 81 property owners as they are common area issues.** This documentation shows that the developers did not meet the conditions of their development agreement. It also shows that the Monte Fiore development was not built according to City approved plans and specifications. The estimated cost to mitigate the issues identified is approximately the amount of the original construction bonds. Although the city released the original bonds in **2005**, because of on-going issues, the City required the developers to put in place a \$414k performance bond.

We made Ryland and Kauffmann & Brown aware of the design and construction defects and they refused to appropriately address the issues. In order to protect our interests, we initiated a legal action with **Case No. CISCV166510** in the Superior Court of the State of California for the Court of Santa Cruz.

Today I wish to thank City Staff for their efforts in providing us with historical documents related to the Monte Fiore development. City Clerk Tracy Ferrara and Public Works Director Ken Anderson are to be commended for their efforts in locating and forwarding these documents to us. I also thank each City Council member that has spent their personal time meeting with current Board Members of the Heritage Parks Association regarding our concerns and the defect issues that have been identified. **Special thanks to Council Member Dean Bustichi for his comments at the last City Council meeting explaining why the City has not taken any additional action regarding this matter.**

I understand why the city would be reluctant to get in the middle of a civil legal matter between developers and homeowners. And as a general city policy, this is a good one. It seems to me, however, that there should be exceptions to this rule.

The design and construction defect issues we have brought to your attention are the result of the developers and subcontractors not meeting their obligations to the City with respect to their Development Agreements. Monte Fiore was *not* built per City approved plans and specifications. There is an existing bond in place between the developer and the City with our development as a third party beneficiary.

The intent of the performance bond is clear --its sole purpose is for performance related issues regarding the construction of the Monte Fiore development. The developers have not performed per their agreements.

Just as Ryland asked the City to release the construction bonds in 2005, we ask you to call in the performance bond today to help mitigate the defects that have been identified by reputable soils and civil engineers. If the city is would prefer to hire their own independent experts, I am sure our HOA Board would be willing to work with the City in this regard. A public hearing was held in 2005 to evaluate whether the City should release the original construction bonds. It seems appropriate and fair that another public hearing be held as to whether the performance bond should be called in or released, given the seriousness nature and financial impacts of the issues we have made you aware of.

Managing development is clearly a responsibility of the City. The Scotts Valley Municipal code describes these responsibilities, including a section on enforcement.

In his comments at the last meeting, Council Member Bustichi talked of the City Council's fiduciary responsibility to the entire city. I would point out that the City Council also has a fiduciary responsibility to the property owners and taxpayers of the Monte Fiore development.

I appeal to you to reconsider your decision regarding this matter.

Respectfully,

Frank Z. Kertai / President Heritage Parks Association