

**SPECIAL CONCURRENT MEETINGS OF THE SONOMA CITY COUNCIL  
&  
SONOMA CITY COUNCIL AS THE SUCCESSOR AGENCY TO THE DISSOLVED  
SONOMA COMMUNITY DEVELOPMENT AGENCY**

*Community Meeting Room, 177 First Street West*

**Monday, June 23, 2014**

**5:00 p.m. Closed Session**

**6:00 p.m. Regular Session**

\*\*\*\*

**MINUTES**



City Council  
Tom Rouse, Mayor  
David Cook, Mayor Pro Tem  
Steve Barbose  
Ken Brown  
Laurie Gallian

**CLOSED SESSION**

**1. CALL TO ORDER**

Mayor Rouse called the meeting to order at 5:00 p.m. and invited comments from the public. August Sebastiani stated that as a prospective purchaser of the 32 Patten Street property; he was looking forward to improving the entrance to the City via Broadway. He reaffirmed his interest in the property and his hope to be the successful bidder.

The Council recessed into closed session at 5:04 with all members present. City Manager Giovanatto, Planning Director Goodison, City Attorney Walter and Ryan Snow were also present.

**2. CLOSED SESSION**

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS.** Property: Old Fire Station, 32 Patten Street, Sonoma. Agency Negotiators: City Manager Giovanatto, City Attorney Walter, Councilmembers Cook and Barbose, Planning Director Goodison and Ryan Snow. Negotiating Parties: Mann Property Co., Caymus Capital, The Other Guys-TOG, and Frank Demichele. Under Negotiation: Price, conditions and terms of payment. Pursuant to Government Code §54956.8.

**REGULAR SESSION**

The City Council reconvened in open session and Mayor Rouse called the meeting to order at 6:00 p.m. Toni Castrone, Executive Director of the Sonoma Community Center, led the Pledge of Allegiance.

PRESENT: Mayor Rouse and Councilmembers Barbose, Brown, Cook and Gallian

ABSENT: None

ALSO PRESENT: City Manager Giovanatto, Assistant City Manager/City Clerk Johann, City Attorney Walter, Planning Director Goodison, Public Works Director Takasugi.

**REPORT ON CLOSED SESSION** – Mayor Rouse reported that no action had been taken.

**1. COMMENTS FROM THE PUBLIC**

David Wells reported that a group of interested people had joined together to restart the Sonoma Young Professionals. He said they had been working with the Chamber of Commerce and recently held a kickoff event at the Sonoma Valley Museum of Art. Clm. Barbose suggested the members consider applying for some of the City's commission vacancies.

Rachel Hundley commented regarding the budget workshop held earlier that day. She was happy to see Department Directors embracing technology and she wondered if the City should hire a grant writer.

Jack Wagner also commented regarding the budget workshop and regarding a comment made by City Manager Giovanatto about the very small percentage of property tax that the City receives. He asked where the remainder went. City Manager Giovanatto stated that it was divided between the schools, the County and other special districts.

## **2. COUNCILMEMBERS' COMMENTS AND ANNOUNCEMENTS**

### **Item 2A: Councilmembers' Comments and Announcements**

Clm. Brown announced attendance at the Gay Wine Weekend reception and participation in the Bear Flag reenactment.

Clm. Cook announced attendance at Nascar and that he held open office hours every Wednesday. He said he was happy to see the Sonoma Young Professionals regroup.

Clm. Gallian announced attendance at Flag Day events and the soft opening of the new Redwood Credit Union bank. She thanked emergency responders for their actions in transporting an expectant mother to the hospital and asked that the meeting be dedicated in the memory of Michele Tovar-Dale.

Mayor Rouse announced vacancies on City commissions and announced his attendance at Nascar.

## **3. CITY MANAGER COMMENTS AND ANNOUNCEMENTS INCLUDING ANNOUNCEMENTS FROM SUCCESSOR AGENCY STAFF**

City Manager Giovanatto announced the following: The City had entered into an agreement with the County for fifteen free use days at the Veterans Building for \$15,000. Traffic would be detoured off West Spain on June 25 due to work on a sewer connection. The Council would conduct a public hearing on the 2014/15 budget at a Special Meeting on June 30.

## **4. PRESENTATIONS**

### **Item 4A: Recognition of Gabriel Lanusse's service on the Community Services and Environment Commission.**

Mayor Rouse presented a certificate of appreciation to Gabriel Lanusse for his service on the Community Services and Environment Commission. Mr. Lanusse expressed appreciation for having the opportunity to serve.

## **5. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL**

**Item 5A: Waive Further reading and Authorize Introduction and/or Adoption of Ordinances by Title Only.**

**Item 5B: Approval of the Minutes of the June 2, 2014 City Council meeting.**

**Item 5C: Approval and ratification of the appointment of Joanne Sanders to the Sonoma County Library Commission for an initial two-year term effective August 1, 2014.**

**Item 5D: Ratification of award of a contract to VSS International, Inc., lowest responsible bidder, for the 2014 Citywide Slurry Seal Project No. 1403, in the amount of \$152,151.**

**Item 5E: Authorize the City Manager to sign a Professional Services Agreement with JJACPA, Inc. to provide Professional Auditing Services for the Fiscal Years Ending June 30, 2014; 2015; and 2016.**

**Item 5F: Adoption of an ordinance amending the Development Code to implement Housing Element programs and comply with State law.**

**Item 5G: Adoption of an ordinance establishing additional zoning regulations on wine tasting facilities and wine bars/taprooms.**

**Item 5H: Approval of a Resolution of the City Council of the City of Sonoma Amending Resolution 46-2007 to Reflect Monthly Billing of Water Charges to be Effective upon Implementation of Monthly Billing in the City of Sonoma. (Res. No. 28-2014)**

Clm. Barbose announced he would abstain from voting on the minutes (Item 5B) because he was not at that meeting. It was moved by Clm. Gallian, seconded by Clm. Cook, to approve the consent calendar as presented. The motion carried unanimously except that Clm. Barbose abstained on Item 5B.

Joanne Sanders thanked the Council for appointing her to the Library Commission.

**6. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL AS SUCCESSOR AGENCY**

**Item 6A: Approval of the portions of the Minutes of the June 2, 2014 City Council meeting pertaining to the Successor Agency.**

It was moved by Clm. Gallian, seconded by Clm. Cook, to approve the consent calendar as presented. The motion carried unanimously, Clm. Barbose abstained.

**7. PUBLIC HEARING**

**Item 7A: Discussion, consideration and possible action on an appeal of the Planning Commission's decision to uphold planning staff's interpretation regarding Development Code consistency with the issuance of a Type 67 ABC License for the Cottage Inn & Spa (302 and 310 First Street East).**

Mayor Rouse opened the public hearing. Planning Director Goodison reported that the Cottage Inn & Spa was a Bed and Breakfast/Vacation Rental located at 302 and 310 First Street East, within an area having a zoning designation of Medium Density Residential (R-M). In 2013, the owner of the Cottage Inn & Spa applied for a Type 67 ABC license. If issued by the Department of Alcoholic Beverage Control (ABC), this license would authorize the owner to sell bottles of wine to registered guests of the facility, with the cost billed as an item of the stay. The license application was routed to the Police Department and to the Planning Department. As part of the ABC's licensing process, verification must be provided by the local jurisdiction that the license allowance was consistent with local zoning regulations. After considering the matter, staff concluded that the allowance was consistent with the City's zoning regulations and provided that determination to ABC. Through the ABC's neighbor notification process, staff received inquiries about the proposal from nearby residents Joseph Costello and Jon Diederich. Mr. Deiderich wrote to protest the finding that the issuance of the license was consistent with Sonoma's zoning regulations and requested a formal interpretation, which staff provided in a letter dated March 11, 2014. Mr. Deiderich and Mr. Costello, representing the "North of the Mission Neighborhood Association," subsequently filed an appeal of staff's interpretation, pursuant to section 19.02.030 of the Development Code. The appeal was heard by the Planning Commission at its meeting of May 8, 2014, at which time the Commission voted 7-0 to deny the appeal. That decision was subsequently appealed to the City Council by Joseph Costello (acting in an individual capacity, not on behalf of the North of Mission Neighborhood Association).

Mayor Rouse invited comments from the public. Mr. Costello stated that the retail sale of wine or other alcoholic beverages to guests was not permitted in an R-M zoning district nor did the B&B's Conditional Use Permits issued in 1999 allow such sales. He also stated that he believed that the bed and breakfast inn was a nonconforming use in a Residential-Medium Density zoning district and the sale of wine or other alcoholic beverages to guests were additional uses, which were not allowed in the Development Code. Mr. Costello concluded by saying that the zoning regulations were there to protect the quiet enjoyment and property values of residents and owners and not to facilitate commercial business.

Zack Weinberg, owner of the Cottage Inn & Spa, stated that their intent, in applying for the ABC license, was only to be able to provide their guests with a bottle of wine, upon request. He stated there would be no intensification of use of the property and the wine would only be available to paying guests.

Jack Wagner stated his agreement with staff and that the Council should deny the appeal. Seeing there were no additional comments, Mayor Rouse closed the public comment portion of the hearing.

Mayor Rouse inquired of the City Attorney about Mr. Costello's claim that selling wine was not an allowed use in an R-M zone. Attorney Walter stated that there was an exception in the Code section cited by Costello that allowed the Planning Director to make a determination that the use was allowable. Planning Director Goodison added that if the Council felt that the application intensified the use; then it would not be allowed. It was staff's view that the application did not change the existing or establish a new or expanded use of the property.

Clm. Barbose stated that the use as a Bed & Breakfast had not changed and all that would be different would be the addition of the cost of a bottle of wine to the guest's bill. It was moved by Clm. Barbose, seconded by Clm. Gallian, to deny the appeal and uphold the decision of the Planning Commission. The motion carried unanimously.

## 8. REGULAR CALENDAR – CITY COUNCIL

### **Item 8A: Discussion, consideration and possible action regarding Fiscal Year 2014-15 Budgetary Allocations for Community and Recreational Service Providers [Tier 1 Non-Profits].**

City Manager Giovanatto reported that the Tier 1 nonprofit groups would present their annual requests for funding. She stated that staff had not included any increases in the proposed FY 2014-15 budget but held their funding levels equal to FY 2013-14 which was \$136,400. She stated that in FY 2013-14 Council granted a 5% increase to each agency with exception to Sonoma Community Center, which had not requested an increase. Giovanatto stated that the City Council could provide direction regarding the Community and Recreational Service Provider funding amounts to be granted for Fiscal Year 2014-15. If increases were given, Council would need to (1) direct staff to incorporate into the final budget and (2) direct staff to reduce expenditures in other areas of the General Fund budget or offset the increases through the use of General Fund Reserves.

Dave Pier, Executive Director of the Boys and Girls Club of Sonoma Valley, presented their request for funding in the amount of \$69,000 representing an \$11,000 increase over last year. He described the year-round recreation and education services and programs serving more than two thousand youths each year. Pier said their services were open to any youth six to eighteen years of age regardless of income, religion or ethnic background. The club offered scholarships to youth who could not otherwise afford to participate. The funding requested would provide \$29,000 for their summer recreation program and \$40,000 for the after school recreation program.

Toni Castrone, Executive Director of the Sonoma Community Center, presented their request for funding in the amount of \$32,000 representing a \$5,600 increase over last year. She noted that thanks to funding from the City's former redevelopment agency, they had been able to renovate 90% of the historic building, which had allowed them to continue providing high-quality services. She described the activities and services being provided to the community.

Richard Dale, Executive Director of the Sonoma Ecology Center, presented their request for \$27,000 representing a \$5,000 over last year. He stated the funding would be applied to the after-school recreation and summer programs and the environmental education program. He also described other ongoing programs and activities at the center.

Cynthia Scarborough, Executive Director of Vintage House Senior Center, presented their request for \$36,000 representing a \$6,000 increase over last year. She also requested a second tier of funding in the amount of \$4,000 which, if granted, would bring them up to the FY 07-08 level of \$39,795. Scarborough described the many services provided to seniors with a staff of only 5.75 full time employees supported by over three hundred active volunteers.

Mayor Rouse invited comments from the general public. Steve Kyle commended the Council for their ongoing support of the four groups and encouraged them to approve their funding at the levels requested.

Rachel Hundley stated that the services provided by the nonprofits was of value to the community. She encouraged the Council to find a way to meet their requests. Jack Wagner stated that he understood balancing the budget was tough but he felt the nonprofits should be funded. Fred Allebach stated that funding the nonprofits at the requested levels would send a strong message to the community.

CIm. Barbose stated that the City received some unexpected money at the end of last year and he could think of no better use for some of it than to give it to the Tier 1 nonprofits. CIm. Gallian agreed. CIm. Cook stated he would support the requests but wanted everyone to realize that Measure J tax revenue would sunset and the City still had street repairs, and an unfunded pension liability to consider. He cautioned the nonprofits that it may be different next year. CIm. Brown said he would support funding the requests from reserves. Mayor Rouse said he would go along with the 20% increase in funding from reserves but said that going forward there was a larger discussion that needed to take place regarding the City's financial health.

It was moved by CIm. Barbose, seconded by CIm. Gallian, to approve the funding requests as submitted with the extra 20% coming from the undesignated special projects reserve fund. The motion carried unanimously.

**RECESS:** The meeting recessed from 8:06 p.m. to 8:15 p.m.

**Item 8B: Discussion, consideration and possible action on a request submitted by the Valley of the Moon Vintage Festival Organization for a waiver of Plaza rental fees in the amount of \$3,598.00 for the 2014 Vintage Festival.**

City Manager Giovanatto reported that Maria Toimil, President of the Valley of the Moon Vintage Festival Board, submitted a request for waiver of \$3,598 Plaza rental fees associated with the 2014 festival. In keeping with City practice, upon receipt of the initial request for a fee waiver, staff directed her to the Tourism Improvement District (TID) pursuant to the agreement between the City and TID. Ms. Toimil then submitted a subsequent request and specifically asked that it be placed on a City Council agenda. Giovanatto explained that the amount of fees paid by the Vintage Festival for the two-day event including street use, alcohol permit and Plaza rental and maintenance fees was \$6,685 plus a refundable security deposit of \$2,400 for a total of \$9,085. They have requested a waiver in the amount of \$3,598 which represented the entire amount of Plaza rental fees and a little over half of the total fees charged by the City.

City Manager Giovanatto stated that staff recognized the importance and value of the Vintage Festival to the Sonoma community; however did not recommend a General Fund subsidy of the event for the following reasons: 1) The City Council had not provided a General Fund allocation for event subsidies. 2) It established a precedent for going beyond the funding provided by the TID for special events. 3) This was not a hardship request, as the organization net "profit" was listed as \$24,350 at last year's event which was in turn donated to miscellaneous local beneficiaries. 4) Payment of City fees would not create a deficit funding position for the event.

Clm. Brown asked if the TID had approved their funding request. Ms. Toimil said she did not know if they were going to receive a grant this year but they were granted \$5,000 by the TID last year. Ms. Toimil stated that they were celebrating the 117<sup>th</sup> year and noted that Vintage Festival was California's oldest running festival. She said they operate with an all-volunteer board and donate funds to many of the local nonprofits.

Clm. Cook stated that he voted no on the Film Festival request for a fee waiver because he knew it would be precedent setting; plus, the fee were meant to cover the staff time required for administration of the events. Clm. Cook questioned if the Council kept approving fee waivers, where would it end.

Mayor Rouse stated that Council did this to themselves. On one hand they said to staff "let's make sure we retrieve the cost to each department" when establishing fees and the on the other hand the Council waived fees for the Film Festival. He said that waiving fees was probably a bad idea overall and he was not inclined to approve this request.

Clm. Brown stated that he valued the Vintage Festival but that he would vote against the request just like he did for the Film Festival.

Clm. Barbose stated that he voted in favor of the waiver for the Film Festival but was now seeing the results of that. An additional problem was the recently adopted Council goal to assure service fees were borne by the requester and not City taxpayers.

It was moved by Clm. Gallian, seconded by Clm. Cook, to deny the request for a fee waiver. The motion carried unanimously. Clm. Gallian stated that the issue of fee waivers could be discussed as part of the Special Event Policy review process. She also noted that the fee waiver granted for the Film Festival had some mitigating circumstances.

**Clm. Gallian Excused**

Clm. Gallian explained that she would not be participating in the next two agenda items because her husband was employed by PG&E. She was excused from the meeting at 8:45 p.m.

**Item 8C: Discussion, Consideration and Possible Action to participate in Sonoma Clean Power (SCP) Community Choice Aggregation Program for City of Sonoma electrical accounts.**

City Manager Giovanatto reported that in July 2013 the City Council adopted an ordinance authorizing Sonoma Clean Power (SCP) to implement a community choice aggregation program for residential and commercial accounts currently served by PG&E including all City electric accounts. Direction was given to staff to report back when the City received notice that its accounts were being converted to SCP so that the City Council could make the decision whether to stay with the SCP program for its electrical accounts or to opt out. Giovanatto stated that the City had received notification in May that all of its electrical accounts had become

**Item 8C: Sonoma Clean Power, Continued**

eligible to participate and that SCP service would start automatically unless the City opted out. The current SCP rates were ranging from 4-5% less than rates being charged by PG& E. She said the City maintained 46 electrical accounts for all City facilities. The total average annual electrical charges from PG&E were \$168,900. With an average estimated savings through SCP of 4% the City would realize a savings of \$6,756 plus it would support cleaner, local, renewable energy. She said the City had sixty days from May to opt out without incurring a termination fee.

Mayor Rouse invited comments from the public. Jonna Ramey, SCP Customer Service Director, recommended that the Council stay with SCP because of the 5% savings on energy charges and the greenhouse gas reduction benefit. Jack Wagner and Fred Allebach supported staying with SCP.

It was moved by Clm. Barbose, seconded by Clm. Brown to stay with Sonoma Clean Power. The motion carried unanimously, Clm. Gallian absent.

**Item 8D: Discussion, consideration and possible action to oppose AB 2145 relating to Community Choice Aggregation, requested by Councilmember Barbose.**

City Manager Giovanatto reported that Clm. Barbose had requested this item be placed on the agenda. She stated that under existing law, Community Choice Aggregations (CCAs) operate under a formal opt out process which meant that all utility customers were automatically subscribed to the service provided by the CCA and must take action to opt out if they did not want to participate. AB 2145 would eliminate the opt out provision and require a positive declaration from a customer in order for them to participate in the program. The League of California Cities and other California cities had taken a stance of opposition to AB 2145.

Clm. Barbose stated that the legislation had passed the Assembly. Jonna Ramey stated that SCP Chief Executive Officer Geof Syphers was presently in Sacramento lobbying against the bill. She supported sending a letter urging senators and the Governor not to change the existing opt out method.

It was moved by Clm. Barbose, seconded by Clm. Brown, to authorize the City Manager to send a letter to legislators opposing AB 2145. The motion carried unanimously, Gallian absent.

**9. REGULAR CALENDAR – CITY COUNCIL AS THE SUCCESSOR AGENCY**

**10. COUNCILMEMBERS’ REPORTS AND FINAL REMARKS**

**Item 10A: Reports Regarding Committee Activities.**

Clm. Cook reported attendance at the Sonoma Clean Power meeting.

Clm. Barbose reported attendance at the Waste Management meeting.

**Item 10B: Final Councilmembers’ Remarks - None**

**11. COMMENTS FROM THE PUBLIC - None**

**12. ADJOURNMENT**

The meeting was adjourned at 9:05 p.m. in memory of Michele Tovar-Dale.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma City Council on the 30<sup>th</sup> day of June 2014.

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Gay Johann  
Assistant City Manager / City Clerk