



MINUTES OF THE REGULAR MEETING OF THE
SOLVANG CITY COUNCIL

Council Chambers
1644 Oak Street
Solvang, CA 93463

February 25, 2019
Monday
6:30 pm

CALL TO ORDER: Mayor Pro Tem Clarke called the meeting to order at 6:30 p.m.

ROLL CALL:

PRESENT: Mayor Pro Tem Clarke, Council Members Djernaes, Johnson, and Waite
(Council Member Djernaes arrived at 6:46 p.m.)

ABSENT: Mayor Toussaint, Council Member Djernaes

STAFF: Rick Haydon, Interim City Manager; Dave Fleishman, City Attorney; Matt van der Linden, Public Works Director; Holly Owen, Planning & Economic Development Director; Fred Lageman, Parks & Recreation Director; Sandra Featherson, Administrative Services Director; Lt. Eddie Hsueh; and Lisa S. Martin, City Clerk

PLEDGE OF ALLEGIANCE

1. **PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL**

Tim Mahoney, Southern California Gas Company

- Announced that the Diablo Canyon plant shutdown will not affect Solvang customers and that So Cal Gas will be utilizing renewable sources such as methane gas to power commercial trucks

Caroline Abate

- Discussed economic, tax, and free trade issues in support of President Trump

Charles Werner, Solvang Chamber

- Congratulated Council on their choice of David Gassaway and hopes he will be as good as the interim City Manager, Rick Haydon, has been

Tracy Farhad, Solvang Conference & Visitors Bureau

- Tourism update
- 27th Annual Taste of Solvang event will be March 15-17, 2019 and ticket sales have been going well

Tracy Beard, Solvang Chamber of Commerce

- The chamber is hosting an educational class – Retail Experience at the Hotel Corque 2/26 from 3 to 6 p.m.

Mitch Williams, Builder

- The topic he intended to speak on is not on the agenda so he will wait on that, but he is excited to see the new council members on the dais

Council Member Djernaes entered the meeting at 6:46 p.m.

Justin Rodriguez, Solvang Resident

- Expressed support of combining the Planning Commission and Board of Architectural Review in an effort to streamline the permit process

CJ Jackson, Alisal Ranch

- Spoke on regional housing needs assessed by the state
- Affordable housing in Solvang has historically been a passionate issue, so it must be planned extensively with a maximum amount of public input
- The City should engage in long range planning to ensure housing sites are acceptable
- An undue amount of pressure is being placed on cities to meet the numbers, which is making it difficult for cities to control and manage what their communities will look like

2. **COUNCIL REQUESTS**

Council Member Djernaes requested that Mitch Williams be allowed to speak in regards to his development project.

City Attorney Fleishman noted that the item is not on the City Council agenda for discussion.

Interim City Manager Haydon expressed that he would be happy to meet with Mr. Williams to discuss his project.

Council Member Djernaes commented that he would like to schedule the item for discussion at a future meeting.

City Attorney Fleishman explained that one or two council members could meet with Mr. Williams to better understand his perceived challenges regarding the approval of his development project.

3. **CITY MANAGER'S REPORT & ADVANCE CALENDAR**

Interim City Manager Haydon gave an informational report.

4. **CORRESPONDENCE RECEIVED BY COUNCIL**

No discussion.

5. **CONSENT AGENDA**

- Approval of Agenda as Presented
- Approval of draft Minutes of the January 28, 2019 City Council Meeting
- Receive and File Sheriff's Department report for January 2019
- Renewal of City Auditor Contract

Approve and authorize the Mayor to execute the amendment which will extend the current contract for auditing services with Mr. Terry Krieg, CPA, by a period of one year covering fiscal year 2018-19, at an annual cost of \$29,850

- e. Solvang (Skytt) Mesa Landscape & Lighting Maintenance District No. 2004-1 Resolution of Initiation and Intention
Adopt Resolution No. 19-1073, initiating the preparation of an engineer's report, approving the Preliminary Engineer's Report, and setting a public hearing for March 25, 2019
- f. Request for Changes to SB Wine Country Half Marathon Special Event
That the City Council approve the proposed changes to the 2019 Santa Barbara Wine Country Half Marathon, thereby allowing the race to start and finish in Solvang

Council Member Johnson pulled item 4d and Council Member Waite pulled item 4f.

Motion made by Council Member Johnson to approve the Consent Agenda with the exception of items d and f, seconded by Council Member Waite, and carried with a roll call vote of 4-0-1 with Mayor Toussaint absent.

Council Member Johnson explained that he pulled item 4d, Auditor Contract, because he realizes that the firm only has one year left, but he would be more comfortable with a fresh look at the city finances.

Motion made by Council Member Johnson to reject the contract amendment and have staff prepare and send out a Request for Proposals for a new auditor, seconded by Council Member Djernaes, and carried with a roll call vote of 3-1-1 with Council Member Waite voting No and Mayor Toussaint absent.

Council Member Waite indicated that she pulled item 4f, Changes to the SB Wine Country Half Marathon, because she would like to hear from SCVB and the Solvang Chamber regarding whether they support the proposed change.

Tracy Farhad, SCVB, commented that she likes the idea as it keeps more people here for a longer period of time.

Tracy Beard, Solvang Chamber, commented that the race begins before 8:00 a.m. and ends around 11:00 a.m. so it doesn't impact the city for an extended period of time, and it is a great event.

Motion made by Council Member Waite to approve Item 4f, seconded by Council Member Djernaes, and carried with a roll call vote of 4-0-1 with Mayor Toussaint absent.

REGULAR AGENDA

6. EMPLOYMENT AGREEMENT WITH NEW CITY MANAGER

Staff report by Interim City Manager, Rick Haydon. The City Council has agreed to terms with David Gassaway, current Community Development Director of the City of Indian Wells, California.

Mayor Pro Tem Clarke opened the item to public comment at 7:23 and, seeing none, closed the item.

Motion made by Council Member Waite to approve the employment agreement, seconded by Council Member Waite, and carried with a roll call vote of 4-0-1 with Mayor Toussaint absent.

David Gassaway addressed the Council and audience and looks forward to becoming part of the Solvang community and its future. Commits to a high ethical standard, a transparent city operation including public engagement, and respect for Solvang's distinctive historical identity.

7. 2019 WATER SUPPLY STATUS REPORT

Staff report by Matt van der Linden, Public Works Director. Gave update on the State water allocation, Cachuma Lake and Oroville and San Luis reservoirs, and the 2019 water supply projection from State water, river wells, upland wells, and ID#1 connections; and future water supply projects.

Council Member Djernaes questioned water costs to customers during times of drought. Is it market based so in times of drought water is more expensive, i.e. supply vs. demand. There doesn't seem to be any market mechanism to pass the higher cost on to the customers.

Council Member Waite commented that we cannot just raise rates, we have to follow strict Proposition 218 regulations.

Matt van der linden explained that water rates remain unchanged to customers unless the rates are increased by the Council in accordance with Prop. 218 regulations. Water doesn't follow typical economics. There are no drought restriction penalty fees in effect at this time, but they did help to stabilize water revenues during the extreme drought.

Discussion ensued regarding water supplies, the cost of the water to the city and to the customers, and how it can be more transparent to the public, as well as a brief discussion as to water banking options.

Mayor Pro Tem Clarke opened the item to public comment at 8:18 p.m. and, seeing none, closed the item.

Motion made by Mayor Pro Tem Clarke to accept the report and approve staff recommendations carried with a verbal response of 4 ayes with Mayor Toussaint absent.

8. COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Staff report by Sandra Featherson, Administrative Services Director.

Overview of the CAFR given by Terry Krieg, CPA.

Council Member Djernaes asked if we could put the CalPERS liability graphic in the CAFR.

Terry Krieg responded that the Governmental Standards Board describes exactly what is to be put in the financial statement. It could possibly be added to the optional Supplemental Information section at the end of the report as it is relevant to the city and is of significant value to the citizens.

Mayor Pro Tem Clarke opened the item to public comment at 8:51 p.m. and, seeing none, closed the item.

Motion made by Council Member Djernaes to accept the report into the record, seconded by Council Member Johnson, and carried with a verbal response of 4 ayes with Mayor Toussaint absent.

9. 2018 FINANCIAL HIGHLIGHTS AND MID-YEAR BUDGET ADJUSTMENTS

Staff report by Sandra Featherson, Administrative Services Director.

Council Member Johnson felt as if he didn't have enough time to digest all of the information in this report. It was difficult to get through the volume of information. Might suggest that the Council get the information more often, possibly quarterly.

Administrative Services Director and Interim City Manager Haydon agreed that quarterly reporting might help the Council to become more familiar with the report and thus be able to review it faster.

Council Member Waite questioned the \$16,000 cost to utilize goats for weed abatement at HCA and \$7,000 cost for a cubicle for the HR Specialist. Administrative Services Director Featherson responded that it was her understanding that the goats did a better job eradicating all of the poison oak than the CCC which were hired before, so the Parks & Recreation Director utilized them again this year. In response to the HR Specialist office area remodel, the position often has to deal with confidential personnel matters, and therefore the added privacy is essential.

Mayor Pro Tem Clarke opened the item to public comment at 9:19 p.m. and, seeing none, closed the item.

Motion made by Council Member Djernaes to approve the budget adjustments, seconded by Council Member Waite, and carried with a roll call vote of 4-0-1 with Mayor Toussaint absent.

10. **COUNCIL MEMBER REPORTS (Oral reports: Each Council Member will give oral reports on their activities in relation to the following committee or agencies. In addition, each member may report on items that will be included on the agenda for such committee or agency and seek guidance from the Council as a whole on such items, including on what position to take on behalf of the City)**

- Santa Barbara County Association of Governments
Council Member Waite reported about updates as to CHP patrols and the 2020 Census, which will occur online with non-profit groups doing door-to-door visits. She is concerned about under reporting due to the online aspect.
Council Member Waite further reported that she attended the LAFCO City Selection Committee meeting and that the Mayor of Goleta was selected to represent the cities, with the Buellton Mayor as the alternate.
- Air Pollution Control Board
- Finance Committee
- Joint Wastewater Committee
- Chumash Tribe
- Water Committee
- Joint Wastewater Committee
Council Member Djernaes reported that he and Mayor Toussaint met with SYCSD and that CSD is concerned about their proportionate costs to upgrade the Solvang wastewater treatment plant.
- Library Advisory Committee
- EMA Groundwater Sustainability Agency

Council Member Johnson questioned if the city had ever considered merging with ID#1 and possibly the other surrounding entities to combine water and wastewater operations and distribution to create a valleywide system.

Council Members Djernaes, Waite and Johnson indicated they would support such a merger of districts/providers.

11. **ADJOURNMENT:** Mayor Pro Tem Clarke adjourned the City Council meeting at 9:28 p.m.



Lisa S. Martin, City Clerk