

**CITY OF NEVADA CITY
DRAFT SUMMARY MINUTES
CITY COUNCIL MEETING OF JULY 14, 2010**

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- City Council Meetings are available on DVD. To order, Contact City Hall - cost is \$15.00 per DVD.
- Closed Session Meetings are not recorded.

Regular meeting called to order at 6:30 p.m.

ROLL CALL

Present: Councilmembers Harris, Coffman, McKay, Vice Mayor Bergman, Mayor Senum

PLEDGE OF ALLEGIANCE

PRESENTATION/PROCLAMATION:

- 1) 2010 4th of July Parade – Best Overall Fire Department Plaque presented to Chief Goodspeed.
- 2) John Parent and Niel Locke, 800 Lindley Ave – Presented a proclamation and a variety of gifts to Barbara Coffman, exiting City Councilmember.

BUSINESS FROM THE FLOOR – PUBLIC COMMENT (Per Government Code Section 54954.3)

Laurie Oberholtzer, 310 Nevada St – Representing the Friends of Sugarloaf, thanked the City Council over the years for their diligence to acquiring Sugarloaf and hope they can final the sale of Sugarloaf in Closed Session tonight.

Greg Archbald, 630 E Broad St – Stated his love for Nevada City; indicated that Sugarloaf is visible from every point of view in town; wants it preserved and would like to see the Prop 40 funds be used to purchase Sugarloaf.

Kriss Halpern, Manager of the company that owns Sugarloaf property – Stated that the company is now ready to sell Sugarloaf and the offer from the City Council has been accepted and they're prepared to open escrow.

Conley Weaver, 237 Boulder St – Thanked the City Council for their diligence to acquire Sugarloaf; he distributed a copy of a newspaper article from The Union dated December 4, 2004 written by him regarding the preservation of Sugarloaf.

Cat Cook, 519 Silva Ave – Stated that Sugarloaf could be an asset to Nevada City and would like to see it purchased by the City of Nevada City.

Monica Bishop, 16712 Indian Flat Rd – Stated that she supports the purchase of Sugarloaf; it is a great connector to open space; has hiked there since her youth.

Gary Johnson, 210 Drummond St – Stated that the seed has germinated to acquire this property; the Prop 40 money and opportunity is now and encourages the purchase.

Ted Toal, 427 S Pine St – Stated that Sugarloaf is perfect for hiking with a beautiful view from the top; urges Nevada City to acquire for open space; the citizen's will be grateful.

Greg Schiffner, 640 Zion St – Thanked the City Council and wished them good luck in acquiring Sugarloaf and asked that they don't turn it down.

Kathryn Doolittle, resident Cement Hill Rd – Referencing 504 Broad St (Grandmere's Inn): The property has become bank-owned and the bank had the water turned off. Requested consideration from the City Council to turn water on so the yard could be cared for; this is a landmark property; requested the City Council address similar properties in Nevada City in this bank-owned situation.

Action: Mayor Senum directed staff to bring properties of this nature (e.g. bank foreclosures unmaintained properties involving water shut-off) to the next City Council meeting to address possible solution.

1. COUNCILMEMBERS REQUESTED ITEMS AND COMMITTEE REPORTS:

Councilmember Coffman

- Reminded that GeoTourism packets are now available in City Hall. Nominations are accepted to August 31st for GeoTourism sites in our region.

Vice Mayor Bergman

- Calanan Park - A community meeting scheduled Thursday, July 29th at 6:00 p.m., Council Chambers to get public input to formulate final recommendation to bring back to Council including funding.

2. CONSENT ITEMS:

- A. Police Department Activity Report for May, 2010
- B. Fire Department Activity Report for June, 2010

Action: Motion by Bergman, seconded by Harris to approve Consent Items A and B.
(Approved 4 – 1, Coffman abstain)

3. APPROVAL OF MINUTES:

- A. Regular City Council Meeting Minutes for June 23, 2010

Action: Motion by McKay, seconded by Bergman to approve Regular City Council Minutes for June 23, 2010 as presented.
(Approved 5 – 0)

4. REORGANIZATION OF CITY COUNCIL

- A. Outgoing Comments of Mayor Senum

- Mayor Senum turned the meeting over to Councilmember Coffman for her exiting speech.
- Councilmember Coffman thanked the citizens of Nevada City, staff, City Councilmembers, Planning Commissioners and everyone that makes Nevada City a great city. She stated that it's not just one person that makes it, it's the emphasis of team effort; the Planning Commission has become more user friendly; Brenda and Mary (front office staff) deserve a big thank you along with Dept of Public Works, Police Dept and Fire Dept.
- Mayor Senum stated she agreed with Councilmember Coffman and added that Nevada City is still strong in this economy. Events during her year serving as Mayor include the California Preservation Historical Conference, the 50th Anniversary of the Nevada City Classic, Google 95959, 150th Anniversary Celebration of the Nevada City Fire Dept; the hard work of staff to the City Council and much more. She thanked the citizen's of Nevada City for their support during her mayoral term.

- B. Resolution No. 2010-42 – Reciting the Fact of Election and Entering the Statement of Election Results

Action: Motion by Bergman, seconded by Harris to approve Resolution 2010-42, A Resolution of the City Council of the City of Nevada City Reciting the Fact of Election and Entering the Statement of Elections.
(Approved 4 – 1, abstain Coffman)

- C. Swearing-in of Sally Harris Returning City Council Member – Niel Locke, City Clerk

- City Clerk Locke recited the Oath of Office to Sally Harris, incumbent Councilmember.

D. Mayor Senum will Read into the Record a Prepared Statement by Duane Strawser who is Unable to Attend Due to Business Commitments.

- Mayor Senum read the prepared statement provided to the City Council prior to the meeting. In brief, Councilmember Strawser was sworn in on July 9, 2010 before leaving for his business trip. His statement indicates that he accepts the responsibility of being elected to the Nevada City City Council and thanked local citizens who entrusted him to this position with their votes. He looks forward to working with the rest of the City Councilmembers and City Staff. Councilmember Strawser has chosen to appoint current Nevada City Planning Commissioner Dix Sullivan to continue his excellent service to the community and he has accepted the appointment to continue serving as a fair and experienced Commissioner.

E. Seating of New Councilmember and Reorganization of City Council. Nominations for Mayor and Vice Mayor – Deputy City Clerk, Corey Shaver

- Deputy City Clerk Shaver read into the record: Pursuant to Resolution 2007-34, as modified, Mayor Pro Tem Robert Bergman would automatically succeed to the Mayoral position should he accept; Deputy City Clerk Shaver asked Mayor Pro Tem Robert Bergman if he accepted.

- Mayor Pro Tem Bergman accepted the Mayor succession and stated that he looked forward to continue to work hard and work together; on a personal note he would like to put energy towards the arts and education. Mayor Bergman stated that per Resolution No. 2007-34 the Vice Mayor (Mayor Pro Tem) is selected and would assume the Mayor Pro Tem position. Councilmember Strawser has been selected as Mayor Pro Tem should he accept; the announcement will be made at the next City Council Meeting.

F. Recess

- Mayor Bergman called a 10 minute recess.

5. DEPARTMENT REQUESTED ACTION ITEMS ANDUP DATE REPORTS.

A. Administration & Finance

Subject: Consider City Attorney, Hal DeGraw's Review of Bed and Breakfast Regulations

- City Attorney DeGraw indicated that there has been public interest recently of whether the former Grandmere's Inn can be purchased and re-opened as a Bed & Breakfast (B&B) since it was converted to a private residence. After voter approval of ballot initiative Measure G in 1994 repealing the ordinance allowing B&B's guest facilities in residential zoning, he made further review and determined that the initiative does not repeal the ordinance; both cancel each other out. Currently there are no regulations regarding B&B's; asking Council tonight to provide direction to staff if the Council desires to adopt regulations allowing former B&B guest facilities to be established.

- City Planner Siegfried stated that the existing B&B's are non-conforming uses; Grandmere's Inn is an example to get B&B status back due to its recent interest; suggested creating a specific ordinance to be established to include noise for possible outdoor special events held at the B&B's.

- Councilmember McKay stated that a Conditional Use Permit goes with the use of the operation and questioned the City's responsibility for telling potential buyers what they can and can't do.

Public Comment

Andy Howard, Owner of the Emma Nevada House at 528 E Broad St and City Treasurer – Stated that he is the interested party in reopening the Aaron A. Sargent House to a B&B and hopes the Council will go forward fairly rapidly with a procedure so he could move forward with a transaction.

Evans Phelps, Owner Outside Inn - Stated she has been in the lodging business 13 years; Nevada City needs more lodging; asks the City Council to please do what they can to open Grandmere's again. Indicated that the Emma Nevada House is an excellent B&B and is profiting in this economy; asks the Council to consider broadening other types of lodging and she offered to assist on a committee should one be formed. Hope to get Grandmere's out of foreclosure and back into business. Noted that the Broad Street Inn (formerly Bella Rosa) is not a B&B; it offers lodging for \$99.00/night and is different market than a B&B.

Glenda Zanone, 503 Nevada St – Agreed with Evans Phelps regarding Grandmere's. Stated that measure G was the last thing passed by the voters and encourages Council to pay attention to what it says; hope residential zoning does not become commercialized with allowing B&B's; keep the neighborhoods residential.

Sherry Flannigan, Cement Hill Rd – Supports the idea of the Sargent House becoming a B&B again and thanked the City Council for being open to B&B's and for hiring City Attorney Hal DeGraw.

- Councilmember Harris asked City Planner Siegfried what can be done in the R-1 zone.
- City Planner Siegfried indicated that R-1 zoning is for single family residences, allowing two dogs and two cats. Business type uses in R-1 zoning would require application for a conditional use permit (except Administrative Home Occupation).
- Councilmember Harris indicated that though she appreciates the City Attorney's due diligence in his review and interpretation regarding the current B&B status, she is concerned and hesitant to take a different direction than what the citizen's voted for in 1996 (Measure G). She indicated that she feels that anything significant should go back to the voters even though a legal technicality has been found. She stated that Grandmere's is a special situation and if the neighboring properties are in support of the Sargent House becoming a B&B again she would like to hear from those neighbors; suggests that if Council moved forward tonight with direction to staff, to address Grandmere's individually since time is of the essence.
- Councilmember McKay stated that he concurs with Councilmember Harris. In regards to the City Attorney, he stated that Hal DeGraw is clear, concise, unbiased and appreciates his expertise. He indicated that the intent of Measure G is important; need to honor Measure G and the voters; he agrees to look into Grandmere's separately.
- Councilmember Senum stated that she too respects the voters and their wishes; misses the Grandmere's Inn and agrees to address getting the Grandmere's back in business and work with the purchasers and move forward.
- Mayor Bergman concurs with City Attorney's memo but in the long run should reiterate or consider proposal to the voters; agrees to treat Sargent House separately at this time.

Direction: Staff to draft an ordinance to provide that they acquire use permit specifically to the Sargent House becoming a B&B business again and come back to Council; and provide public noticing to all of the neighbors within a 300' radius.

B. Public Works

Subject: Consider bid of Nixon-Egli Equipment Company for an Allainz 3000 Street Sweeper in the Amount of \$164,034 plus Applicable plus Applicable Sales Tax with 100% CMAQ Funds – Verne Taylor, Director of Public Works

Action: Motion by McKay, seconded by Senum to award bid to Nixon-Egli Equipment Co. for an Allainz 3000 street sweeper in the amount of \$164,034 plus applicable sales tax with 100% CMAQ Funds.
(Approved 4 – 0, Strawser absent)

C. City Attorney

Subject: Report on funding Available for Recreational Purposes (Proposition 40 and County Recreation Mitigation fees) – Hal DeGraw

- City Attorney DeGraw referred to his staff report enclosed in the packet which provides definitions of the Proposition 40 Funds and County Recreation Mitigation Fees and the funding available. He indicated this report is for informational purposes so the Council understood what funds could be used.
- Councilmember Harris indicated she received two e-mails on this topic: 1) From Alan & Betty Rogers: Requesting support from City Council of using the Prop 40 funds for the purchase of Sugarloaf; 2) From Bob Wycoff, City Historian: Strongly urged the City Council to acquire Sugarloaf.
- Councilmember McKay indicated he received an e-mail from Charles Woods in support of the City acquiring Sugarloaf.
- Mayor Bergman indicated that he received a letter from Augustine del Valle in support of Nevada City acquiring Sugarloaf Mountain.

Action: Reviewed and Filed

D. City Clerk

Subject: Debriefing Report on the California Preservation Conference

- Niel Locke, City Clerk reported there were two de-briefings:

Local: Good = Everyone worked well together, transportation, signage, volunteers; Bad = Communication with California Preservation Foundation; Ugly = none

California Preservation Foundation, Executive Secretary: Found the conference favorable and received the highest ratings presented in 34 years (rated 4.84 out of a scale 1-5, 5 being the highest); attendees loved being able to wander Nevada City to look, eat and shop; free forums were poorly attended which was disappointing; observed there was animosity between the two communities.

6. OLD BUSINESS:

NONE

7. NEW BUSINESS:

A. Subject: Designation of Voting Delegate and Alternate to the League of Cities Annual Conference & Business Meeting – September 15-17, 2010 in San Diego.

Action: Motion by Harris, seconded by Senum to nominate Councilmember Strawser to attend the conference and Mayor Bergman to be alternate and authorize the Mayor to sign the League's form affirming the names selected by the City Council.

(Approved 4 – 0, Strawser absent)

8. CORRESPONDENCE:

A. Letter of Appreciation from Sierra Services for the Blind on Bill's Falconi's Presentation and Stories of the Gold Rush and Local History.

B. Letter by the City Manager to the Legislature About Another Local Parking Citation Surcharge.

C. Notice of Public Hearing of Proposed Annexation to the Nevada Irrigation District on July 15, 2010.

D. Invitation to the Center of the Arts, Gene Crowe Photographs Documenting the Reconstruction of the Elks Building after the 2002 Fire and Other Images of the Downtown Sights and Sites on Display through July 24th.

9. ANNOUNCEMENTS

- Councilmember McKay - Farmer's Market is on Saturdays.
- Mayor Bergman – Calanan Park Meeting on July 29th at 6:00 p.m. at City Hall.

10. CITY MANAGER'S REPORT

Action: Received and filed.

11. CLOSED SESSION:

Adjournment to Closed Session for the Following Purposes:

Conference with real Property Negotiator – Pursuant to Government Code section 54956.8

- i. Property: APN 36-020-26 Commonly Known as Sugarloaf
- Negotiating Parties: City Manager Gene Albaugh on Behalf of the City of Nevada City
Andrew Cassano on Behalf of the Mull Family, etal.
- Under Negotiations: Price and Terms of Sale

- ii. Conference with City Attorney Pursuant to Government Code section 59956.9 regarding Pending Litigation.
Bob Austin & Associates v. City of Nevada City Court Case Number L75454

Reconvene: City Attorney DeGraw announced the following out of Closed Session:

- i. Property – The negotiations for acquisition of the Sugarloaf property – With several changes, the City was accepting the counteroffer of the owners to sell the Sugarloaf property to the City for \$450,000 subject to certain City requested conditions/contingencies involving clearing title and securing State and County approval of funding. The changes requested in the counteroffer were to require owners to use their best efforts to secure a deeded easement and to provide that, rather than being assured they could have access to the property for special events, the current owners would have the same availability as the general public to the property after title passed to the City, with the commitment that they may make a request to use the same for special events and the City will consider their request and make a good faith response. Kriss Halpern accepted those changes on behalf of the owners, cautioning that the sale would still need to be approved by the probate court. Instruction was give to proceed with the sale and the Mayor was authorized to sign a summary of the agreement. General discussion followed about not wanting to open the existing gate for general access by cars.
- ii. Austin v. City of Nevada City – Staff will proceed as directed

Action: Motion made by Harris, seconded by Senum to adjourn the meeting at 9:12 p.m.
(Approved 4 – 0, Strawser absent)

Robert Bergman, Mayor

ATTEST:

Niel Locke, City Clerk