



CITY OF HUGHSON
CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA

AGENDA
MONDAY, NOVEMBER 24, 2014 – 7:00 P.M.

CALL TO ORDER: Mayor Matt Beekman

ROLL CALL: Mayor Matt Beekman
Mayor Pro Tem Jeramy Young
Councilmember Jill Silva
Councilmember George Carr
Councilmember Harold Hill

FLAG SALUTE: Mayor Matt Beekman

INVOCATION:

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Members of the audience may address the City Council on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the City Council cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

2. PRESENTATIONS: NONE.

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1: Approve the Minutes of the Regular Meeting of November 10, 2014.
- 3.2: Approve the Warrants Register.
- 3.3: Approve the Treasurer's Report for the Month of October.
- 3.4: Waive the Second reading and Adopt Ordinance No. 2014-05, Amending the Hughson Municipal Code Chapter 17.02.012.B – Zoning Districts, Commercial Zones, Allowed Uses.
- 3.5: Approve the Economic Development Committee's (EDC) Recommendation to Award Business Incentive Funds for a Proposed New Business (Shami's Dogs) Located at 2224 Santa Fe Avenue.
- 3.6: Approve the Economic Development Committee's (EDC) Recommendation to Award Business Incentive Funds for a Proposed New Business (The Magnolia Farmhouse Market) Located at 6941 Hughson Avenue.
- 3.7: Accept the Quarterly City of Hughson Legislative Report.

4. UNFINISHED BUSINESS:

- 4.1: Discuss and Consider Direction to City Staff Regarding the Current Agricultural Lease Between the City of Hughson and Michael Noeller for Approximately Twelve (12) Acres of City-owned Property Adjacent to the Waste Water Treatment Facility along Leedom Road.

5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.

6. NEW BUSINESS: NONE.

7. CORRESPONDENCE:

- 7.1: Update of the Hatch and Santa Fe Signal Project.
- 7.2: Planning Commission Agenda for November 18, 2014.
- 7.3: Economic Development Committee Agenda for November 24, 2014.

8. COMMENTS:

- 8.1: Staff Reports and Comments: (Information Only – No Action)

City Manager:

City Clerk:

Community Development Director:

Director of Finance:

Police Services:

City Attorney:

8.2: Council Comments: (Information Only – No Action)

8.3: Mayor’s Comments: (Information Only – No Action)

9. CLOSED SESSION TO DISCUSS THE FOLLOWING: NONE.

10. REPORT FROM CLOSED SESSION: NONE.

ADJOURNMENT:

WAIVER WARNING

If you challenge a decision/direction of the City Council in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

UPCOMING EVENTS:

November 27-28	▪ Thanksgiving Holiday – City Hall will be Closed
November 29	▪ Downtown Christmas Festival, www.hughsonchamber.org
December 8	▪ City Council Meeting, City Hall Council Chambers, 7:00 P.M.
December 9	▪ Parks & Recreation Meeting, City Hall Council Chambers, 7:00 P.M.
December 16	▪ Planning Commission Meeting, City Hall Council Chambers, 6:00 P.M.
December 24-Jan1	▪ Winter Closure- City Hall Closed, will reopen Friday, January 2, 2015

RULES FOR ADDRESSING CITY COUNCIL

Members of the audience who wish to address the City Council are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. **Filling out the card is voluntary.**

AFFIDAVIT OF POSTING**DATE:** November 21, 2014 **TIME:** 5:00pm**NAME:** Dominique Spinale **TITLE:** City Clerk**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Hughson City Council meets in the Council Chambers on the second and fourth Mondays of each month at 7:00 p.m., unless otherwise noticed.

Council Agendas: The City Council agenda is now available for public review at the City's website at www.hughson.org and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Questions: Contact the City Clerk at (209) 883-4054



CITY OF HUGHSON AGENDA ITEM NO. 3.1 SECTION 3: CONSENT CALENDAR

Meeting Date: November 24, 2014
Subject: Approval of the City Council Minutes
Presented By: Dominique Spinale, Assistant to the CM/City Clerk

Approved By: _____

Staff Recommendation:

Approve the Regular Meeting Minutes of November 10, 2014 session.

Background and Overview:

The draft minutes of the November 10, 2014 meetings are prepared for the Council's review.



**CITY OF HUGHSON
CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA**

**MINUTES
MONDAY, NOVEMBER 10, 2014 – 7:00 P.M.**

CALL TO ORDER: Mayor Matt Beekman

ROLL CALL:

Present: Mayor Matt Beekman
Mayor Pro Tem Jeramy Young
Councilmember Jill Silva
Councilmember George Carr
Councilmember Harold Hill

Staff Present: Raul L. Mendez, City Manager
Daniel J. Schroeder, City Attorney

Jaylen French, Community Development Director
Dominique Spinale, Assistant to the City Manager/City Clerk
Lisa Whiteside, Finance Manager
Sam Rush, Public Works Superintendent

FLAG SALUTE: Mayor Matt Beekman

INVOCATION: Mayor Matt Beekman

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

No Public Comments.

2. PRESENTATIONS: NONE.

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1: Approve the Minutes of the Regular Meeting of October 27, 2014.
- 3.2: Approve the Warrants Register.
- 3.3: Consider the Appointment of Hans Picinich to the Parks and Recreation Commission.
- 3.4: Authorize the City Manager to Execute the Purchase Price Agreement on Behalf of the City of Hughson for the Purchase of 19.65 Acres of Real Property Owned by the Hughson Unified School District near the Corner of Whitmore Avenue and Seventh Street.

Mayor Beekman pulled Consent Calendar Item 3.4 for discussion.

BEEKMAN/HILL 5-0 motion passes to approve Consent Calendar Items 3.1, 3.2, and 3.3.

Mayor Beekman pulled Item 3.4 for consistency, as at the October 13 Council meeting, he voted 'no' on pursuing the purchase of the 19.65 acres for the Seventh Street Community Park. He motioned for a separate vote on this item.

BEEKMAN/SILVA 4-1-0-0 (BEEKMAN- Nay) motion passes to Authorize the City Manager to Execute the Purchase Price Agreement on Behalf of the City of Hughson for the Purchase of 19.65 Acres of Real Property Owned by the Hughson Unified School District near the Corner of Whitmore Avenue and Seventh Street.

4. UNFINISHED BUSINESS:

- 4.1: Discuss and Approve the Revised City of Hughson Goals and Objectives.

City Manager Mendez presented the Staff Report on this item. The Council deliberated on this item and reviewed certain items listed for additional clarification.

Mayor Pro Tem Young recommended that the Council and Staff conduct a workshop similar to ones conducted in past years, to further identify specific goals and focus on prioritizing them. Staff will schedule a workshop for early 2015, inviting the commissions, committees, school district, and fire district.

- 4.2:** Discuss and Consider Direction to City Staff Regarding the Current Agricultural Lease Between the City of Hughson and Michael Noeller for Approximately Twelve (12) Acres of City-owned Property Adjacent to the Waste Water Treatment Facility along Leedom Road.

City Manager Mendez presented the Staff Report on this Item. The Council deliberated on this item and asked Staff to research whether the land can be sold by the City and the methodology used for separating the Noeller's trees from the City's trees when processing the almonds.

This item was continued to the November 24, 2014 Council meeting.

5. PUBLIC HEARING TO CONSIDER THE FOLLOWING:

- 5.1:** Introduce and Waive the First Reading of Ordinance No. 2014-05, Amending the Hughson Municipal Code (HMC), Section 17, Zoning Ordinance, to Remove Current Prohibition Regarding Restaurant Related Drive-Throughs.

Director French presented the Staff Report on this Item. City Clerk Spinale advised that some updates were made to the Ordinance by City Attorney Schroeder, including amending it to read the section as "repealed".

Mayor Beekman opened and closed the Public Hearing at 8:13 P.M. No comments were made.

HILL/YOUNG 5-0 motion passes to Introduce and Waive the First Reading of Ordinance No. 2014-05, amending the Hughson Municipal Code Chapter 17.02.012.B – Zoning Districts, Commercial Zones, Allowed Uses, as Amended.

- 5.2:** Consider Resolution No. 2014-34, approving the Determination that Right-of-Way on Fourth Street Between Hughson Avenue and Charo Street is Unnecessary for Present and Prospective Public Use; and Vacate Said Right-of-Ray (ROW) through Resolution, Contingent on Commencement of Building Construction on the Proposed Site as Approved by the City.

Director French presented the Staff Report on this Item. City Clerk Spinale advised that the legal descriptions of this area was drafted as Exhibit A and Exhibit B, as once vacated, the property will be split in half and shared with the two surrounding parcels, creating two legal descriptions (Attachment A).

Mayor Beekman opened and closed the Public Hearing at 8:30 P.M. No comments were made.

Attorney Schroeder recommended adding a sunset provision into the Resolution that the work must be completed in 18 months or the abandonment expires.

SILVA/CARR 5-0 motion passes to adopt Resolution No. 2014-34, approving the Determination that Right-of-Way on Fourth Street Between Hughson Avenue and Charo Street is Unnecessary for Present and Prospective Public Use; and Vacate Said Right-of-Ray (ROW) through Resolution, Contingent on Commencement of Building Construction on the Proposed Site as Approved by the City, as amended by the City Attorney.

6. NEW BUSINESS:

- 6.1:** Approve Selection of Willdan Engineering for City Engineering Services Resulting from the City's Request for Proposal (RFP) Process and Direct Staff to Enter into Contract Negotiations with Selected Firm.

Director French presented the Staff Report on this Item. Council deliberated on this item.

Tony Marshall with MCR Engineering, the City's current City Engineer, spoke to the Council regarding this Item.

Peter Rei with Willdan Engineering spoke to the Council regarding this item.

BEEKMAN/CARR 5-0 motion passes to Approve Selection of Willdan Engineering for City Engineering Services Resulting from the City's Request for Proposal (RFP) Process and Direct Staff to Enter into Contract Negotiations with Selected Firm.

7. CORRESPONDENCE:

- 7.1:** Update of the Hatch and Santa Fe Signal Project.
- 7.2:** Planning Commission Meeting Special Agenda from November 6, 2014.
- 7.3:** Parks and Recreation Meeting Agenda for November 12, 2014.

8. COMMENTS:

- 8.1:** Staff Reports and Comments: (Information Only – No Action)

City Manager:

City Manager Mendez updated the Council on the Trunk, Tent and Treat Event on October 31, that City Hall will be closed November 12 for Veterans Day, the United Samaritans Annual Legacy of Hope Event is November 15, and The Community Thanksgiving Dinner is November 22.

City Clerk:

Community Development Director: Director French updated the Council on the status of Starn Park and its playground structure.

Director of Finance:

Police Services:

City Attorney: Attorney Schroeder advised that Deputy City Attorney Monica Streeter will staff the November 24 meeting.

8.2: Council Comments: (Information Only – No Action)

Councilmember Carr reminded Council about the Arts & Crafts Fair November 22-23 at Hughson High School.

Councilmember Silva congratulated Mayor Beekman and Councilmember Carr and Councilmember Hill on their re-election to the City Council.

Mayor Pro Tem Young updated the Council on the Christmas Festival on November 29.

Councilmember Hill updated the Council on his attendance at the Trunk or Treat and Treat Event on October 31 and a Veterans Event he attended at CSU, Stanislaus.

8.3: Mayor’s Comments: (Information Only – No Action)

Mayor Beekman updated the Council on his attendance at the Trunk, Tent, or Treat Event on October 31, the Stan COG Executive Meeting, and advised that the Mayor’s Meeting is scheduled for November 13 at the Golden Bowl Chinese Restaurant in Hughson.

9. CLOSED SESSION TO DISCUSS THE FOLLOWING: NONE.

10. REPORT FROM CLOSED SESSION: NONE.

ADJOURNMENT:

CARR/BEEKMAN motion passes to adjourn the meeting at 9:00 P.M.

MATT BEEKMAN, Mayor

DOMINIQUE SPINALE, City Clerk



CITY OF HUGHSON AGENDA ITEM NO. 3.2

SECTION 3: CONSENT CALENDAR

Meeting Date: November 24, 2014
Subject: Approval of Warrants Register
Enclosure: Warrants Register
Presented By: Lisa Whiteside, Finance Manager

Approved By: _____

Staff Recommendation:

Approve the Warrants Register as presented.

Background and Overview:

The warrants register presented to the City Council is a listing of all expenditures paid from November 14 through November 20, 2014.

Fiscal Impact:

There are reductions in various funds for payment of expenses.

REPORT.: Nov 20 14 Thursday
 RUN....: Nov 20 14 Time: 13:01
 Run By.: KATHY DAHLIN

City of Hughson
 Cash Disbursement Detail Report
 Check Listing for 11-14 Bank Account.: 0100

PAGE: 001
 ID #: PY-DP
 CTL.: HUG

Check Number	Check Date	Vendor Number	Name	Net Amount	-----Payment Information-----	
					Invoice #	Description
45520	11/14/2014	SHA01	SHAPE INCORP.	\$ (1,541.22)	119582u	Ck# 045520 Reversed
45802	11/14/2014	ABE02	ABEL'S AUTO REPAIRS	\$ 20.00	B41113	GATOR REPAIR
45803	11/14/2014	ABS00	ABS PRESORT	\$ 773.81	96016	STATEMENTS 11/14
45804	11/14/2014	ADK00	ADKINS ELECTRIC	\$ 1,405.00	406	ELECTRICAL WORK ON LIFT STATION
45805	11/14/2014	ALL05	ALLIED ADMINISTRATORS	\$ 2,467.03	B41113	DELTA DENTAL 12/2014
45806	11/14/2014	AZE01	AZEVEDO'S AUTO SERVICE	\$ 316.59	56870	REPAIR CROWN VIC
45807	11/14/2014	BAR07	BARCO PRODUCTS	\$ 486.10	101400411	PET LITTER BAGS FOR PARKS
45808	11/14/2014	CEN14	CENTRAL JANITOR'S SUPPLY	\$ 494.98	555158	SANITARY SUPPLIES
45809	11/14/2014	CLA03	CLARK'S PEST CONTROL	\$ 102.00	16272225	PEST CONTROL
				\$ 57.00	16296878	PEST CONTROL
			Check Total:	\$ 159.00		
45810	11/14/2014	EXP00	EXPRESS PERSONNEL SERVICE	\$ 1,132.40	148751191	EXTRA HELP 10/19/14
				\$ 917.84	149044513	EXTRA HELP 10/26
			Check Total:	\$ 2,050.24		
45811	11/14/2014	EZN00	EZ NETWORK SOLUTIONS	\$ 228.69	28578	BACKUP DRIVE FAILED
				\$ 341.06	28713	OFF SITE STORAGE
				\$ 2,695.10	TS28660	IT SERVICES 11/2014
			Check Total:	\$ 3,264.85		
45812	11/14/2014	FAR03	FARMERS BROTHERS COFFEE	\$ 110.14	60614563	COFFEE
45813	11/14/2014	FON00	ANTHONY FONTANA	\$ 91.46	B41113	REIMB BOOT PURCHASE
45814	11/14/2014	GEO00	GEORGE REED, INC	\$ 205,949.60	1670	5TH ST SIDEWALK INFILL PROJECT 8/2014
				\$ 37,553.01	1697	5TH ST SIDEWALK INFILL PROJ
			Check Total:	\$ 243,502.61		
45815	11/14/2014	GEO01	GEOANALYTICAL LABORATORIE	\$ 200.00	A4J1402	WWTP QUARTERLY
				\$ 2,052.03	A4J1415	DW WEEKLY, MONTHLY, QUARTERLY
				\$ 55.00	A4J2101	WWTP TESTING
				\$ 30.00	A4J2102	DW TESTING
				\$ 30.00	A4J2801	DW TESTING
				\$ 55.00	A4J2803	WWTP TESTING
			Check Total:	\$ 2,422.03		
45816	11/14/2014	GRA01	GRAND FLOW	\$ 423.64	129592	REMINDER NOTICES
				\$ 556.58	129804	#10 WINDOW ENVELOPE
			Check Total:	\$ 980.22		
45817	11/14/2014	HOM01	THE HOME DEPOT CRC	\$ (60.25)	65870C	RETURN INV #68375
				\$ 785.04	68375	LIGHT STRIP, CABLE STAPLE, BOX, COVER, CORD
				\$ 177.34	72346	SQUEEGEE, SCRUBBER, BUCKET, DUSTER
				\$ 179.36	5583532	LIGHTS FOR 3RD ST
			Check Total:	\$ 1,081.49		

45818	11/14/2014	HUG11	HUGHSON FARM SUPPLY	\$	(5.19)	H114457C	EDGER BLADE
				\$	25.70	H115732	ROUND TUBING, DUSTPAN, CLAMP
				\$	34.96	H117131	SOLAR FLEX, COVR
				\$	3.15	H117149	WASHER, NUT
				\$	30.95	1H100027	PARTS TO REPAIR SPRAYER
			Check Total:	\$	89.57		
45819	11/14/2014	HUG34	VALLEY PARTS WAREHOUSE, I	\$	13.85	129300	METER REPAIR
				\$	66.19	131392	OIL
				\$	227.26	131736	PAINT & SUPPLIES FOR WATER DEPT
				\$	23.66	132049	WIPERS FOR VAC TRUCK
				\$	(17.24)	132518C	CORD DEPOSIT, BATT CABLE
			Check Total:	\$	313.72		
45820	11/14/2014	IND07	INDUSTRIAL TOOL BOX	\$	71.88	38551	STREET DEPT SUPPLIES
				\$	104.22	38639	SAFETY EQUIP
			Check Total:	\$	176.10		
45821	11/14/2014	MIS01	MISSION UNIFORM SERVICE	\$	867.81	B41114	UNIFORM SERVICE
45822	11/14/2014	OFF06	OFFICE TEAM	\$	295.68	41582655	EXTRA HELP 10/24
				\$	665.28	41613614	EXTRA HELP 10/31
			Check Total:	\$	960.96		
45823	11/14/2014	REG00	REGIONAL GOVERNMENT SERVI	\$	2,357.44	4517	CONTRACT SERVICES 10/14
45824	11/14/2014	SAF01	SAFETLITE	\$	291.80	309835	BLUE REFLECTOR MARKERS
45825	11/14/2014	SEE01	SEEGER'S	\$	236.78	115357	SHUT OFF DOOR HANGERS
45826	11/14/2014	SHA01	SHAPE INCORP.	\$	1,541.22	A119582	REPLACE IMPELLER OF LIFT MOTOR-REPLAC CHECK
45827	11/14/2014	STE07	STEELEY, JARED WATER & WA	\$	2,050.00	35795	CONSULTANT SERVICES 10/14
45828	11/14/2014	UNI11	UNIVAR USA, INC	\$	591.69	SJ652778	CHLORINE WELL #8
45829	11/14/2014	USA02	USA MOBILITY	\$	11.64	X0190776K	PAGER SERVICE
45830	11/14/2014	WAR00	WARDEN'S OFFICE	\$	1,309.74	B41114	OFFICE SUPPLIES
45831	11/14/2014	WIL05	WILLE ELECTRIC	\$	194.21	S16142132	ADAPTERS FOR STREETS
				\$	188.75	S16193411	LIGHT BULBS
			Check Total:	\$	382.96		
45832	11/14/2014	EMP01	STATE OF CALIFORNIA	\$	1,221.16	B41114	PAYROLL TAXES
45833	11/14/2014	HAR02	THE HARTFORD	\$	454.66	B41114	DEFERRED COMPENSATION
45834	11/14/2014	PER01	P.E.R.S.	\$	8,663.63	B41114	RETIREMENT
45835	11/14/2014	STA23	CaPERS SUPPLEMENTAL INCO	\$	370.00	B41114	DEFERRED COMPENSATION
45836	11/14/2014	UNI07	UNITED WAY OF STANISLAUS	\$	2.00	B41114	UNITED WAY
45837	11/20/2014	AFL01	AFLAC	\$	1,000.68	445001	AFLAC
45838	11/20/2014	ARR00	ARROWHEAD MOUNTAIN SPRING	\$	36.64	14K002566	BOTTLED WATER
45839	11/20/2014	ATT01	AT&T	\$	2,709.37	B41119	PHONE
				\$	21.34	C41119	PHONE
			Check Total:	\$	2,730.71		
45840	11/20/2014	BRE01	W.H. BRESHEARS	\$	769.81	256949	UNLEADED
45841	11/20/2014	CNA00	CNA SURETY	\$	121.80	B41119	SURETY BOND

45842	11/20/2014	CON14	CONDOR EARTH TECHNOLOGIES	\$ 3,530.25	69716	GW MONITORING & REPORTING
				\$ 2,891.45	69745	MS4 SW GENERAL PERMIT SUPPORT
			Check Total:	\$ 6,421.70		
45843	11/20/2014	ENV01	ENVIRONMENTAL MGMT	\$ 1,788.93	26997	STREET SWEEPING 11/14
45844	11/20/2014	EXP00	EXPRESS PERSONNEL SERVICE	\$ 917.84	149415648	EXTRA HELP
45845	11/20/2014	HUG03	HUGHSON CHRONICLE	\$ 278.60	105707	LEGAL #9315 (ARSENIC NOTICE)
				\$ 79.60	105708	LEGAL #9325 NOTICE OF PUBLIC HEARING PLANNING COM
				\$ 79.60	105709	LEGAL #9326 (PUBLIC HEARING DRIVE-THRU)
				\$ 79.60	105710	LEGAL #9327 PUBLIC HEARING VACATE RIGHT OF WAY
			Check Total:	\$ 517.40		
45846	11/20/2014	HUG08	CITY OF HUGHSON	\$ 2,924.28	B41120	LLD WATER SERVICE
45847	11/20/2014	HUG11	HUGHSON FARM SUPPLY	\$ 9.63	H117945	LOCK, CLAMP
				\$ 27.65	H1116485	ROLLER FRAM, BRUSH SET
			Check Total:	\$ 37.28		
45848	11/20/2014	LEG01	LEGAL SHIELD	\$ 51.80	B41117	LEGAL SVCS
45849	11/20/2014	MOD01	THE MODESTO BEE	\$ 140.47	10252014	PUBLIC HEARING NOTICE
45850	11/20/2014	OFF06	OFFICE TEAM	\$ 591.36	41688178	EXTRA HELP 11/7
45851	11/20/2014	OPE01	OPERATING ENGINEERS LOCAL	\$ 322.00	B41117	LOCAL UNION #3 DUES
45852	11/20/2014	PAC05	PACIFIC PLAN REVIEW	\$ 6,708.56	B41119	INSPECTIONS & PLAN REVIEW 10/14
45853	11/20/2014	POS01	POSTAGE BY PHONE	\$ 700.00	B41117	POSTAGE BY PHONE
45854	11/20/2014	RIC04	RICOH USA, INC	\$ 1,340.15	93587668	COPIER LEASE
45855	11/20/2014	SAN05	SAN JOAQUIN VALLEY	\$ 240.00	N106526	14/15 ANNUAL PERMITS TO OPERATE #N4006
				\$ 479.00	N106969	14/15 ANNUAL PERMITS TO OPERATE #N7599
			Check Total:	\$ 719.00		
45856	11/20/2014	SEE02	SEE CLICK FIX	\$ 3,600.00	6830	SCF CRM PLUS LICNESE ANNUAL
45857	11/20/2014	SHO02	SHORE CHEMICAL COMPANY	\$ 1,251.95	41405	CHLORINE
45858	11/20/2014	SHR02	SHRED-IT CENTRAL CA	\$ 129.34	940444553	SHREDDING SERVICE
45859	11/20/2014	STA12	SWRCB ACCOUNTING OFFICE	\$ 5,826.00	SW0090273	ANNUAL PERMIT FEE #FS50M2 CITY HALL
				\$ 14,929.00	WD0103300	ANNUAL PERMIT FEE #5C5001 WWTP
			Check Total:	\$ 20,755.00		
45860	11/20/2014	TUR10	TURLOCK JOURNAL	\$ 39.00	B41120	ANNUAL RENEWAL
			Cash Account Total:	\$ 333,592.91		
			Total Disbursements:	\$ 333,592.91		



CITY OF HUGHSON AGENDA ITEM NO. 3.3

SECTION 3: CONSENT CALENDAR

Meeting Date: November 24, 2014
Subject: Approval of the Treasurer's Reports – October 2014
Presented By: John Padilla, City Treasurer

Approved By: _____

Staff Recommendation:

Review and approve the City of Hughson Treasurer's Report for October 2014.

Summary:

The City Treasurer is required to review the City's investment practices and approve the monthly Treasurer's report. Enclosed is the City of Hughson's Treasurer's Report for October 2014. As of October 2014, the City of Hughson's total cash and investment balance is \$10,969,456.24 and is in compliance with the City's investment policy. The City has sufficient cash flow to meet the City's expected expenditures for the next six months.

Background and Overview:

The Treasurer report for October 2014 reflects the most current representation of the City's funds and investments and provides a necessary outlook for both past, present, and future investment and spending habits. While investments and funds differ from time to time, it is the goal of the City to maintain safety and stability with its funds, while additionally promoting prudence and growth.

Enclosed is the City of Hughson Treasurer's Report for October 2014 along with supplementary graphs depicting the percentage of the City's total funds, a breakdown of the October 2014 Developer Impact Fees, and an additional line plot graph further demonstrating the Developer Impact Fees. This graph depicts the Developer Impact Fees' actual balance for the past five years, and continues with a projection based on the average rate of change for each fund over the next few years. After review and evaluation of the report, City staff has researched funds with a significant deficit balance and submit the following detailed explanation:

Public Facilities Development Streets Fund:

The Public Facilities Development Streets Fund currently reflects a negative balance of (\$461,068.61), reflecting a positive difference of \$146,543.72 or a 24.12% increase from the previous year. The deficit is a result of the Euclid Bridge Project, which was constructed in Fiscal Year 2006/2007, for approximately \$1.3 million. The project was completed in anticipation of funding from Developer Impact Fees collected from new development. Unfortunately, the housing market declined significantly and the new development never materialized. Once the economy strengthens and new building starts again, the City can recognize additional developer impact fees and reduce the deficit more quickly.

Water Developer Impact Fee Fund:

The Water Developer Impact Fee Fund currently reflects a negative balance of (\$504,074.23), reflecting a positive difference of \$57,395.70 or a 10.22% increase from the previous year. After extensive review, City staff discovered that the remaining deficit is attributable to settlement arrangements that were made in Fiscal Year 2008/2009 and Fiscal Year 2009/2010 for the Water Tank on Fox Road near Charles Street. During that period, the City paid out \$650,000 in settlements. This account will be in a deficit position until additional development occurs and developer impact fees are collected to cover those costs.

Based on a staff review of 2012 Water Development and Street funds, the City would need development in the Feathers Glen (42 units) and Euclid South (69 units) subdivisions, or about 110 units to be built to see a positive balance in the Water and Street Development funds. These units reflect the areas that are most likely to see development. There are currently 19 units being developed in the Fontana Ranch North subdivision.

Transportation Capital Project and CDBG Public Works Street Projects Fund:

The Transportation Capital Project Fund currently reflects a negative balance of (\$321,892.90), reflecting a positive difference of (\$50,113.15) or a 13.47% increase from the previous year. The CDBG Public Works Street Project Fund currently reflects a negative balance of (\$87,381.74), reflecting negative difference of (\$30,157.50) or a 52.70% decrease from the previous year. The City currently has 4th and 5th Street projects that are complete and awaiting reimbursement from CMAQ and CDBG funds.

Fiscal Impact:

As of October 2014, the total cash and investments balance for the City of Hughson is \$10,969,456.24. This compares to October 2013's total cash and investments balance of \$9,224,405.10, demonstrating a \$1,745,051.14 or an 18.92% increase.

**City of Hughson
Treasurer's Report
October 2014**

	MONEY MARKET	GENERAL	REDEVELOPM ENT**	TOTAL
Bank Statement Totals	\$ 7,749,669.89	\$ 740,694.93	\$ 206,393.66	\$ 8,696,758.48
Adjustment-Direct Deposit Payroll	\$ -			\$ -
Outstanding Deposits +	\$ 8,919.83		\$ -	\$ 8,919.83
Outstanding Checks/transfers -	\$ -	\$ (261,674.55)	\$ -	\$ (261,674.55)
ADJUSTED TOTAL	\$ 7,758,589.72	\$ 479,020.38	\$ 206,393.66	\$ 8,444,003.76
Investments: Various				\$ 1,018,459.28
Multi-Bank WWTP				\$ 1,428,376.82
Investments: L.A.I.F.		\$ 39,370.79	\$ 39,245.59	\$ 78,616.38

TOTAL CASH & INVESTMENTS **\$ 10,969,456.24**

<u>Books - All Funds</u>	<u>October 2013</u>	<u>October 2014</u>	<u>Difference</u>
2 Water/Sewer Deposit	34,972.21	36,831.68	1,859.47
4 Sale of Vehicle	0.00	0.00	0.00
5 AB939 Source Reduction	0.00	2,396.28	2,396.28
7 Public Safety Augmentation	0.00	0.00	0.00
8 Vehicle Abatement	10,373.14	16,058.51	5,685.37
11 Traffic Congestion Fund	58,780.37	103,710.86	44,930.49
13 Redevelopment - Debt Service	-40,688.13	7,864.47	48,552.60
14 Redevelopment - Housing	0.00	0.00	0.00
15 Redevelopment - Capital Projects	0.00	0.00	0.00
17 Federal Officer Grant	6,620.00	6,620.00	0.00
18 Public Safety Realignment	17,871.85	32,351.76	14,479.91
19 Asset Forfeiture	6,995.43	6,995.43	0.00
25 Gas Tax 2106	3,269.29	-13,284.31	-16,553.60
30 Gas Tax 2107	11,535.09	21,766.93	10,231.84
31 Gas Tax 2105	3,094.55	29,699.56	26,605.01
35 Gas Tax 2107.5	9,172.14	3,672.14	-5,500.00
40 General Fund	489,682.56	813,075.76	323,393.20
401 General Fund Contingency Reserve	671,775.89	673,069.06	1,293.17
43 Trench Cut	73,173.40	75,611.40	2,438.00
48 Senior Community Center	8,183.26	7,622.57	-560.69
49 IT Reserve	46,579.29	50,856.40	4,277.11
50 U.S.F. Resource Com. Center	-2,292.39	-182.26	2,110.13
51 Self-Insurance	87,032.49	73,703.49	-13,329.00
52 CLEEP(California Law Enforcement Equipment Program)	0.00	0.00	0.00
53 SLESF (Supplemental Law Enforcement Services Fund)	77,754.28	-40,362.75	-118,117.03
54 Park Project	400,190.07	472,320.51	72,130.44
60 Sewer O & M	1,449,168.31	2,857,336.25	1,408,167.94
61 Sewer Fixed Asset Replacement	2,091,030.09	2,333,942.07	242,911.98
66 WWTP Expansion 2008	1,264,878.96	4,627.02	-1,260,251.94
70 Local Transportation	147,268.09	203,854.33	56,586.24
71 Transportation	-372,006.05	-321,892.90	50,113.15
100/200 LLD's and BAD's	12,921.81	78,273.30	65,351.49
80 Water O & M	84,346.26	321,684.61	237,338.35
82 Water Fixed Asset Replacement	409,934.30	519,768.76	109,834.46
88 PW CDBG Street Project	-57,224.24	-87,381.74	-30,157.50
80 Water Reserve-USDA GRANT	21,524.50	21,524.50	0.00
90 Garbage/Refuse	-1,306.96	160,198.39	161,505.35
91 Misc. Grants	0.00	0.00	0.00
92 98-EDBG-605 Small Bus. Loans	93,585.12	93,595.60	10.48
94 96-EDBG-438 Grant	403.43	403.43	0.00
95 94-STBG-799 Grant	157,646.63	159,041.07	1,394.44
96 HOME Program Grant (FTHB)	35,041.19	35,041.19	0.00
97 96-STBG-1013 Grant	131,827.29	138,574.54	6,747.25
98 HOME Rehabilitation Fund	0.00	40,000.00	40,000.00
Developer Impact Fees ***	1,781,291.58	2,030,468.33	249,176.75
TOTAL ALL FUNDS:	9,224,405.10	10,969,456.24	1,745,051.14
Break Down of Impact Fees ***			
10 Storm Drain	194,982.80	269,801.14	74,818.34
20 Community Enhancement	64,639.77	73,992.65	9,352.88
41 Public Facilities Development	1,494,268.35	1,340,077.69	-154,190.66
42 Public Facilities Development-Streets	-607,612.33	-461,068.61	146,543.72
55 Parks DIF	267,148.54	378,208.16	111,059.62
62 Sewer Developer Impact Fees	929,334.38	933,531.53	4,197.15
81 Water Developer Impact Fees	-561,469.93	-504,074.23	57,395.70
Break Down of Impact Fees ***	1,781,291.58	2,030,468.33	249,176.75

I hereby certify that the investment activity for this reporting period conforms with the Investment Policy adopted by the Hughson City Council, and the California Government Code Section 53601. I also certify that there are adequate funds available to meet the City of Hughson's budgeted and actual expenditures for the next six months.

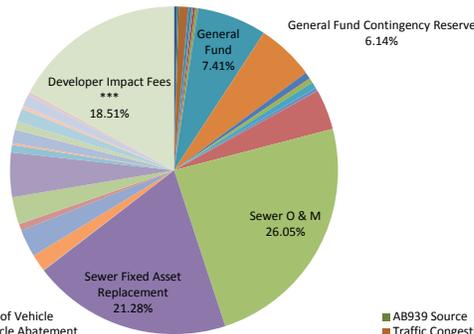
John Padilla

Date

Treasurer's Report - Charts and Graphs
October 2014

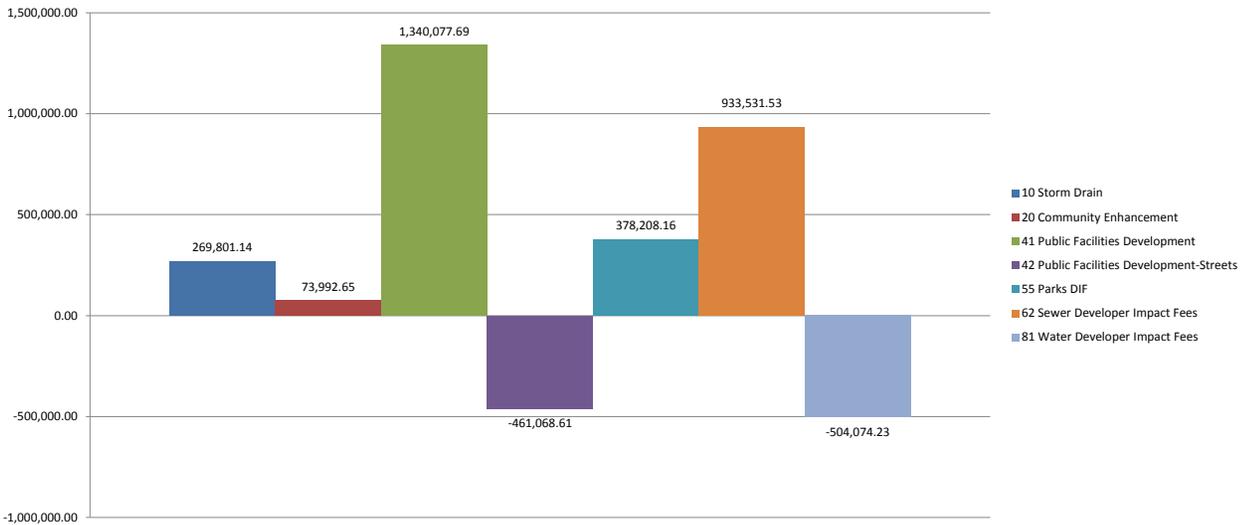
Percentage of all Funds for October 2014

Note:
Data displayed represents largest percentage of City funds.
All other funds represent less than 5% of the City's total Cash and Investments.

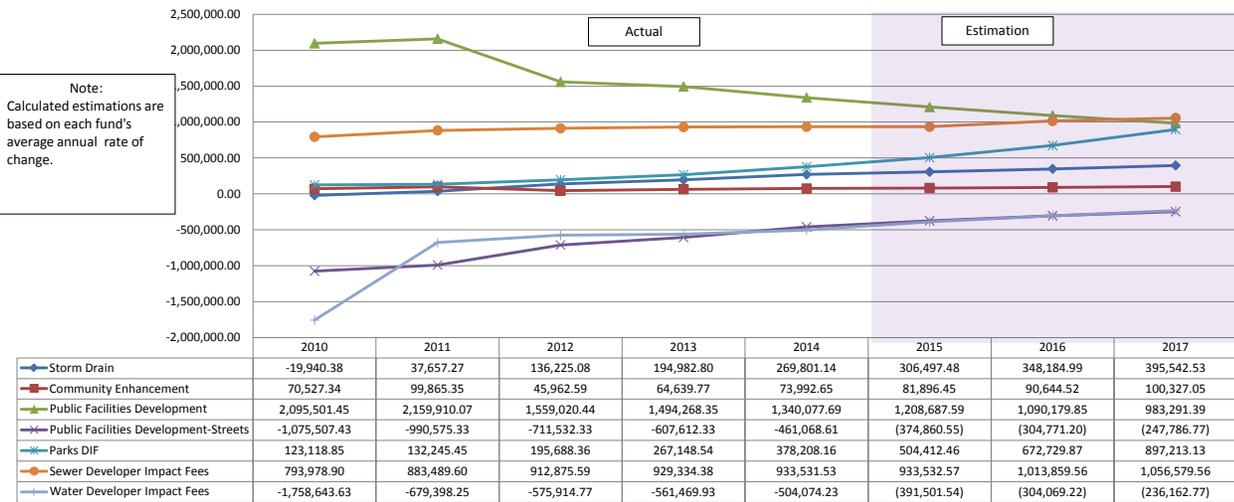


- Water/Sewer Deposit
- Public Safety Augmentation
- Redevelopment - Debt Service
- Federal Officer Grant
- Gas Tax 2106
- Gas Tax 2107.5
- Trench Cut
- U.S.F. Resource Com. Center
- SLESF (Supplemental Law Enforcement Services Fund)
- Sewer Fixed Asset Replacement
- Transportation
- Water Fixed Asset Replacement
- Garbage/Refuse
- 96-EDBG-438 Grant
- 96-STBG-1013 Grant
- Sale of Vehicle
- Vehicle Abatement
- Redevelopment - Housing
- Public Safety Realignment
- Gas Tax 2107
- General Fund
- Senior Community Center
- Self-Insurance
- Park Project
- WWTP Expansion 2008
- LLD's and BAD's
- PW CDBG Street Project
- Misc. Grants
- 94-STBG-799 Grant
- HOME Rehabilitation Fund
- AB939 Source Reduction
- Traffic Congestion Fund
- Redevelopment - Capital Projects
- Asset Forfeiture
- Gas Tax 2105
- General Fund Contingency Reserve
- IT Reserve
- CLEEP(California Law Enforcement Equipment Program)
- Sewer O & M
- Local Transportation
- Water O & M
- Water Reserve-USDA GRANT
- 98-EDBG-605 Small Bus. Loans
- HOME Program Grant (FTHB)
- Developer Impact Fees ***

October 2014 Breakdown of Developer Impact Fees



5 Year Trend & Estimate for Developer Impact Fees for the Month of October





CITY OF HUGHSON AGENDA ITEM NO. 3.4

SECTION 3: CONSENT CALENDAR

Meeting Date: November 24, 2014
Subject: Consider Amending the Hughson Municipal Code to Remove the Prohibition Regarding Restaurant Related Drive-Throughs
Presented By: Jaylen French, Community Development Director
Approved By: _____

Staff Recommendation:

Waive the second reading and adopt Ordinance No. 2014-05, amending the Hughson Municipal Code (HMC), Section 17, Zoning Ordinance, to remove the current prohibition regarding restaurant related drive-throughs.

Background and Overview:

During staff's work on two potential restaurants in the City, staff discovered that HMC Section 17.02.012.B.1.b. prohibits drive-through windows for restaurant uses.

In reviewing the history of the HMC, past amendments, and in talking with staff and others associated with the City, staff could not determine when or for what specific reasons the prohibition had been adopted. It is unclear if the intent was for environmental reasons, to preserve the small town feel and atmosphere of Hughson or for other reasons.

Previously, City staff brought this issue before the City's Economic Development Committee (EDC) on August 25, 2014 as a discussion item. The purpose of that item was to gauge the EDC member's interest in preserving or removing the drive-through window prohibition, and to discuss the potential benefits and downsides to allowing this use. These include, but are not limited to:

Potential Benefits of Prohibition

- Reduce Noise Impacts
- Lessen Traffic and Traffic Congestion
- Reduce Air Pollution (This issue is questioned by many professionals)
- Preserve Small Town Feel and Atmosphere
- Preserve Current City Image

Potential Detriments of Prohibition

- Inconvenience for the Elderly, Families with Small Children, and the Disabled
- Revenue Seepage to Other Communities
- Provide more Space/Land for Parking

After a lengthy discussion, the EDC members favored carrying the proposed amendment to remove the drive-through window prohibition through the City approval process, i.e. before the Planning Commission and then onto the City Council.

On October 21, 2014, this item was brought before the Planning Commission to review and consider amending the HMC and to begin the process to determine if the proposed amendment is consistent with the Hughson General Plan. The Commission was in favor of moving forward with the proposed amendment

On November 6, 2014, a public hearing was held before the Planning Commission to receive public input regarding the proposed amendment. Ultimately, there was no testimony for or against the proposed amendment. Subsequently, the Planning Commission deliberated and rendered a formal recommendation to the City Council that the amendment is consistent with the General Plan, is in the best interest of the City, and to adopt the proposed amendment, removing the prohibition on restaurant related drive-throughs from the Municipal Code.

Staff provided the Commission with the following assessment of the General Plan consistency: After reviewing the General Plan and performing other research, staff is of the opinion that the proposed amendment is not inconsistent with the General Plan and therefore consistent.

On November 10, 2014, the City Council introduced and waived the first reading of the proposed Ordinance. In addition, a public hearing was held before the Council to receive public testimony regarding the proposed HMC amendment. No public testimony was provided.

Discussion:

The intent of this item is to consider amending the Hughson Municipal Code to remove the restaurant related drive-through prohibition.

The Council may approve, modify or disapprove the amendment. If approved, the Amendment will be adopted through ordinance and the amendment will take effect 30 days thereafter.

As expressed in the attached proposed Ordinance, staff proposes that the amendment would simply remove the one sentence in Section 17.02.012.B.1.b, which states, "Drive-through windows for restaurants are prohibited."

Fiscal Impact:

There is no fiscal impact associated with the proposed Code amendment.

**CITY OF HUGHSON
CITY COUNCIL
ORDINANCE NO. 2014 - 05**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HUGHSON
AMENDING MUNICIPAL CODE CHAPTER 17.02.012.B – ZONING DISTRICTS,
COMMERCIAL ZONES, ALLOWED USES**

WHEREAS, the City Council of the City of Hughson previously added Chapter 17.02.012.B. to the Hughson Municipal Code, pertaining to allowed uses in Commercial Zoning Districts; and

WHEREAS, the City of Hughson desires to amend its municipal code to repeal the prohibition to restaurant related drive-through windows.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF HUGHSON DOES ORDAIN AS FOLLOWS:

Section 1. Chapter 17.02.012.B.1.b is hereby repealed.

Section 2. Chapter 17.02.012.B is amended in part to read as follows:

“17.02.012.B. Allowed Uses. The uses allowed in commercial districts shall be provided in Table 17.02.032.

1. Exceptions

a. Car washes are only allowed with recycled water systems.”

Section 3. This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the city or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 4. If any provision of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The city council hereby declares that it would have adopted this ordinance irrespective of the validity of any particular portion thereof.

Section 5. This ordinance shall become effective thirty (30) days after its final passage.

Section 6. Within fifteen (15) days after its final passage, the City Clerk shall cause this ordinance to be posted in full accordance with Section 36933 of the Government Code.

The foregoing ordinance was introduced and the title thereof read at the regular meeting of the City Council of the City of Hughson held on, November 10, 2014, and by a unanimous vote of the council members present, further reading was waived.

On motion of COUNCILMEMBER _____, seconded by COUNCILMEMBER _____, the foregoing ordinance was duly passed by the City Council of the Hughson City Council at a regular meeting thereof held on November 24, 2014, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

MATT BEEKMAN, Mayor

ATTEST:

DOMINIQUE SPINALE, City Clerk



CITY COUNCIL AGENDA ITEM NO. 3.5

SECTION 3: CONSENT CALENDAR

Meeting Date: November 24, 2014
Subject: Consider Approving the Business Incentive Fund Request for a Proposed New Business (Shami's Dogs) at 2224 Santa Fe Avenue
Enclosure: Project History Memorandum
Presented By: Jaylen French, Community Development Director

Approved By: _____

Staff Recommendation:

Approve the Economic Development Committee's (EDC) recommendation to award Business Incentive Funds for a proposed new business (Shami's Dogs) at 2224 Santa Fe Avenue.

Background and Overview:

On September 23, 2013, the City Council approved the expansion of the Hughson Business Assistance Programs through the creation of a new incentive element for existing and new business. The following are the general parameters:

Purpose: (1) attract business to Hughson, (2) retain business in Hughson (3) occupy vacant commercial/industrial property, (4) promote sustainability through business plan development, (5) promote certain business types in Hughson.

Incentive: Assistance from \$1,000 to \$30,000 for general business use, operating capital, rehabilitation of building, business fee reimbursement, etc.

Recommended Funding Source: \$30,000 from the General Fund.

Criteria: (1) locate to vacant commercial/industrial building, (2) develop a business plan, (3) participation in pre-development meeting, (4) enter into lease agreement, (5) provide minor recordkeeping (in the initial year), (6) create or retain jobs.

For some time, City staff has been working with Mr. Ashur and Mrs. Shami Youkhana on a proposed restaurant located at 2224 Santa Fe Avenue; the existing site is commonly referred to as the former Husky Burger. Mr. and Mrs. Youkhana are proposing a restaurant, called Shami's Dogs, which will sell primarily hot dogs and other packaged foods and drinks.

The proposed business has had a few evolutions since discussions began with City staff, but the latest direction appears agreeable to both Mr. and Mrs. Youkhana as well as the City. During these discussions, many issues have been resolved as described in the Project History Memorandum attached to this staff report. In short, the most significant issue has been the City's requirement for a grease interceptor—to protect the City's considerable investment in the wastewater treatment plant (WWTP) and the associated distribution infrastructure—prior to approval of the restaurant. In the end, Mr. and Mrs. Youkhana and the City have been successful in working through all issues and are nearing the business opening.

On September 22, 2014, the EDC discussed and ultimately approved business incentive funds for the proposed business.

Discussion:

Over the course of the first several business incentive fund requests, the EDC has further developed parameters or guidelines which dictate how the funds, specifically the grant portion, should be used. First, that funds are directed toward physical improvements to a building or site, so that these improvements benefit the overall City and have a lasting effect. Second, that funds are paid, through an invoice process, directly to the contractor responsible for the work. Consistent with those guidelines, this recommendation is for the installation of a grease interceptor and the repaving of the existing parking lot. These improvements will improve the aesthetic quality of the lot and make the site more viable and valuable long term.

This item is intended to seek approval of the EDC recommendation to award \$6,000 in business incentive funds, in the form of a grant, to a proposed business located at 2224 Santa Fe Avenue. The recommendation is that \$3,000 be dedicated for the installation of the grease interceptor, which costs \$7,500 total; and \$3,000 for the repaving of the existing parking lot.

Should the funds be approved, Mr. Youkhana will seek three bids to perform the described work and will submit these bids to the EDC and the City for approval. The work will then be performed and the approved funds will pay the cost or a portion of the invoice.

Note: Mr. Youkhana has expressed interest in installing the grease interceptor as soon as possible so that he can open the business and reduce the number of months of paying rent without generating revenue. Staff expressed that any work done prior to council approval of the funds would be at his own risk. Mr. Youkhana began work to install the grease interceptor at the proposed business within the last week.

Fiscal Impact:

Per the adopted Fiscal Year 2014-2015 Final Budget, \$30,000 has been allocated for the purposes of providing business incentive funds. If approved, this would be the first funds distributed this fiscal year and will leave a remaining balance of \$24,000 in the City's business incentive program.



Background and History

2224 Santa Fe Avenue – Proposed Shami’s Dogs

This memorandum shall provide a brief history of the application/development process for the property at 2224 Santa Fe Avenue. The business is being referred to as Shami’s Dogs. The purpose of this memorandum is to provide background on the progress made thus far, as well as the efforts of Mr. and Mrs. Youkhana and City of Hughson staff.

Near the end of 2013 while in discussions with Mr. and Mrs. Youkhana regarding the subject property, the City of Hughson required that a grease interceptor be installed as part of the approval of the proposed restaurant. The intent of this requirement was to help protect the City’s significant investment in the new wastewater treatment plant the City’s wastewater pipe system.

In February 2014, Mr. Youkhana submitted an initial request for \$5,000 in incentive funds for a grease interceptor and a \$15,000 loan for various improvements to the property. The EDC reviewed the funding request and sought additional information including, 1) financial ability to repay a loan, 2) collateral pledged, 3) formal business plan, 4) professionally prepared plans for restaurant equipment, 5) submittal of business license, and 6) development schedule.

In response to the EDC’s request for additional information, Mr. Youkhana, with help from the Small Business Development Center (SBDC), submitted a Business Plan and much of the other requested information to the Economic Development Committee (EDC) in March 2014 with the same funding request. Subsequent to this meeting, the EDC required additional information, including 1) business license, 2) detailed financial information, 3) lease agreement, and 4) basic assurances for loan repayment. As of the April EDC meeting, the City had not received this information.

In May 2014, Mr. and Mrs. Youkhana modified the business to a juice bar to avoid the requirement of a grease interceptor. Staff approved this approach and informed Mr. and Mrs. Youkhana that they could move forward by completing a business license. In June 2014, Mr. Youkhana approached staff and stated that he no longer wanted to pursue the juice bar idea and would like to return to hamburgers and hot dogs.

To avoid the need for a grease interceptor, Mr. Youkhana proposed utilizing a mobile food truck parked outside of the subject property to act as a contained kitchen, thus avoiding grease entering the City’s system. For several weeks, staff researched the issue to try to find a way to make the proposal work. Ultimately, the City granted initial approval contingent upon County Health (DER) and contingent upon approval by the Planning Commission with conditions of approval. Ultimately, this path was not explored by Mr. and Mrs. Youkhana.

In July, Mr. Youkhana entered into an unofficial business partnership with another individual who was interested in starting a restaurant at the subject property. That partnership ended in late-July. In the meantime, Staff preformed more research on grease receptacles.

In late-August or early September staff stated that Mr. Youkhana could submit a professional proposal on a grease receptacle that would protect the City's wastewater treatment plant and other infrastructure. Staff has since reviewed this proposal and has granted approval to move forward.

At the September 2014 EDC meeting, Mr. Youkhana requested \$6,000 in business incentive funds for the purposes of paving the parking lot (\$3,200) and to repair the patio and paint the outside of the building (\$2,800). As requested, the preference is that contractor's invoices are provided directly to the City or submitted by the applicant versus the City providing incentive funds in a lump sum. According to documentation provided, Mr. and Mrs. Youkhana have invested approximately \$16,200 into the subject property.

Subsequently, Mr. Youkhana stated that due to the unexpected cost of the grease interceptor that he would like to utilize \$3,000 of the initially recommended funds for the grease interceptor. The total cost of the interceptor and work is approximately \$7,500. Mr. Youkhana will pay \$4,500 and will utilize \$3,000 in business incentive funds for this work. The parking lot is still proposed to be paved using the remaining \$3,000 in business incentive funds. Mr. Youkhana stated that he will personally paint and repair the patio, meaning he will not seek a contractor to perform the work.

Mr. Youkhana expressed interest in installing the grease interceptor so that he can open the business. Staff shared with him that he could do this at his risk since the Council has not approved the business incentive funds request. Recently, Joe Torres Plumbing and Mr. Youkhana submitted a building permit application and subsequently installed the grease interceptor. This was approved by our building inspector. The next step in the process is to complete the other repairs and then seek a business license from the City.

History at a Glance

- November/December 2013 City required grease interceptor at subject property
- February 2014 First submittal to EDC for incentive/loan funds
- March 2014 Second submittal to EDC for incentive/loan funds
- May 2014 Proposed restaurant modified to juice bar
- June 2014 Request to utilize mobile food truck on-site as contained kitchen
- July 2014 Business partner involved in subject property
- August/September 2014 City allowed applicant to submit professional proposal on grease receptacle
- October 2014 City received three proposals for grease interceptor installation
- November 2014 Grease interceptor installed and approved by building inspector



CITY COUNCIL AGENDA ITEM NO. 3.6

SECTION 3: CONSENT CALENDAR

Meeting Date: November 24, 2014
Subject: Consider Approving the Business Incentive Fund Request for a Proposed New Business (The Magnolia Farmhouse Market) at 6941 Hughson Avenue
Presented By: Jaylen French, Community Development Director
Approved By: _____

Staff Recommendation:

Approve the Economic Development Committee's (EDC) recommendation to award Business Incentive Funds for a proposed new business (The Magnolia Farmhouse Market) at 6941 Hughson Avenue.

Background and Overview:

On September 23, 2013, the City Council approved the expansion of the Hughson Business Assistance Programs through the creation of a new incentive element for existing and new business. The following are the general parameters:

Purpose: (1) attract business to Hughson, (2) retain business in Hughson (3) occupy vacant commercial/industrial property, (4) promote sustainability through business plan development, (5) promote certain business types in Hughson.

Incentive: Assistance from \$1,000 to \$30,000 for general business use, operating capital, rehabilitation of building, business fee reimbursement, etc.

Recommended Funding Source: \$30,000 from the General Fund.

Criteria: (1) locate to vacant commercial/industrial building, (2) develop a business plan, (3) participation in pre-development meeting, (4) enter into lease agreement, (5) provide minor recordkeeping (in the initial year), (6) create or retain jobs.

In early September, City staff was approached by Ms. Mary Ruff regarding a potential business in the City of Hughson. After some discussion and site

selection, Ms. Ruff proposed The Magnolia Farmhouse Market, which will be a floral and gift shop located in the space occupied by the former Flowers, etc. shop in the first floor of the Oddfellows Hall. The Magnolia Farmhouse Market will sell vintage and rustic collectibles, primitives and cards, gifts and balloons for special occasions as well as offer fresh floral arrangements for delivery or pick-up.

On October 27, 2014, the EDC discussed and ultimately approved business incentive funds for the proposed business.

Discussion:

The EDC has further developed parameters or guidelines which dictate how the business incentive funds, specifically the grant portion, should be used. First, that funds are directed toward physical improvements to a building or site, so that these improvements benefit the overall City and have a lasting effect. Second, that funds are paid, through an invoice process, directly to the contractor responsible for the work.

This item is intended to seek approval of the EDC recommendation to award \$4,000 in grant funds for the installation of a compressor for a refrigerator unit (to store fresh flowers) and other equipment for the building/business; and \$4,000 in a low interest loan for other purposes, including supplies, fixtures, lighting, marketing, materials, city fees, etc.

The City utilizes Evergreen Note Servicing to assist with loans under its business assistance programs. The annual interest rate is estimated at 1%, as averaged by the California State Treasurer via its Local Agency Investment Fund (www.treasurer.ca.gov/pmia-laif/historical/quarterly.asp). Repayment terms will be negotiated with the applicant although two-year repayment is preferred.

Ms. Ruff submitted a detailed cost estimate/request for funds to the EDC, which outlined all additional needs—on top of the costs that she has taken on. In summary, this totaled \$8,000.

Should the funds be approved, Ms. Ruff will seek three bids to perform the work for the grant portion and then submit these to the EDC/City for approval. The work will then be performed and the funds will be used to pay the contractor's invoice. In regards to the loan portion, the City will enter into an agreement with Ms. Ruff to define the terms of the loan.

Fiscal Impact:

Per the adopted Fiscal Year 2014-2015 Final Budget, \$30,000 has been allocated for the purposes of providing business incentive funds. If approved, this would be the first or second request distributed this fiscal year. The first, for \$6,000, is dependent on approval during the same Council meeting—November 24, 2014. If both requests are approved by the City Council, a remaining balance of \$16,000 will be available in the City's business incentive program.



CITY OF HUGHSON AGENDA ITEM NO. 3.7 SECTION 3: CONSENT CALENDAR

Meeting Date: November 24, 2014
Subject: Consideration of the Quarterly City of Hughson
Legislative Report
Enclosures: 1) League of California Cities (LOCC) Bill Final Update
2) LOCC New Mayors and Council Members Academy
3) CALAFCO Adopted Positions Legislative Session
Presented By: Raul L. Mendez, City Manager

Approved By: _____

Staff Recommendation:

Accept the Quarterly City of Hughson Legislative Report.

Background and Overview:

On March 24, 2014, the Hughson City Council adopted Resolution No. 2014-10, establishing the City of Hughson's Legislative Program. The Legislative Program contains General Principles (Home Rule, Annexation, Right of Way and Unfunded Mandates) and focuses on key policy areas: Environmental/Utilities and Public Works/Transportations/Telecommunications. The Legislative Program is intended to be a fluid document that is revisited periodically to enable the City Council and staff to react and respond when appropriate to legislative issues as they arise throughout the year in a timely manner. The document is made available to State and Federal elected representatives so that they are made aware of the issues that are important to Hughson and can advocate on those issues on the City's behalf.

Historically, the City of Hughson has conducted legislative advocacy through its work by designated members of the City Council with organizations such as the League of California Cities (LOCC) and the California Local Agency Formation Commission (CALAFCO). Due to limited staffing resources, this model has served the City of Hughson well. Occasionally, the City of Hughson is asked to consider taking positions of support or opposition on Federal and State Legislation and such requests are handled on a case-by-case basis by the Hughson City Council through its regular or special meetings.

Under the new model, the City Manager and staff conduct the initial review of legislative requests. If determine to be consistent with the City's Legislative Program they are further research and then discussed with the Mayor and Mayor Pro Tem prior to bringing forward for consideration by the full City Council. Matters

not brought forward are shared with the City Council in a quarterly legislative report by the City Manager. The work by designated members on the Hughson City Council on the LOCC and CALAFCO continue as traditionally done. This approach ensures that staffing resources are utilized wisely to only conduct extensive work and analysis on those legislative matters consistent with the adopted Hughson Legislative Program.

The following is a summary of key legislative activity since the reporting. City staff will prepare this report on a quarterly basis to keep the City Council and public informed of discussions and actions occurring at the Federal or State level.

League of California Cities

Legislative Session – Fiscal Year 2013-2014 – Final Report

California Governor Edmund G. Brown Jr. took action on 33 League of California Cities priority bills that made it to his desk this past Legislative Session. Overall, the Governor signed 15 League-supported bills, signed four League-opposed bills, vetoed 11 League-supported bills and vetoed 3 League-opposed bills.

Enclosure 1 is the comprehensive list provided to the City of Hughson by League of California Cities Central Valley Division Representative Stephen Qualls.

The following is a short list of signed legislation of interest to the City of Hughson:

AB 1147 (Bonilla): Massage Therapy Establishments: Revises and recasts current law pertaining to massage therapy under SB 731 (Oropeza, Statutes of 2008) and gives tools to local governments to address establishments that are masquerading as massage businesses while engaging in human trafficking and prostitution. ([Signed by the Governor 9/18/2014](#))

AB 1690 (Gordon): Local Planning: Housing Elements: Provides some additional flexibility for jurisdictions that did not identify adequate sites in their housing elements by allowing very low and low-income housing in mixed use areas if certain criteria are met. ([Signed by the Governor 9/30/2014](#))

SB 614 (Wolk): Local Government Jurisdictional Changes: Infrastructure Financing: Authorizes a tax increment financing mechanism that can be used, at the option of the affected agencies and subject to the approval of a local agency formation commission (LAFCO), to provide the necessary upgrades of sewer, water and other systems needed to improve the living conditions within a disadvantaged unincorporated community. ([Signed by the Governor 9/29/2014](#))

During the past Legislative Session, the City of Hughson submitted two letters of support—AB 1262 (Correa) – Medical Marijuana and SB 614 (Local Government Jurisdictional Changes): Infrastructure Financing.

Additionally, based on recently enacted State legislation, the City of Hughson made changes to the Hughson Municipal Code to bring it current. Examples in the

last year included amendments to the City's informal bidding process, rules for operation of massage establishments and water conservation measures.

Strategic Goals for 2015

On November 13-14, 2014, League Officers and Directors of the Divisions, Departments, Diversity Caucuses, Policy Committees and Board of Directors met in Sacramento, CA and adopted the following Strategic Goals for 2015. Mayor Pro Tem Young participated in these discussions.

1. Expand Economic Development Tools and Reduce Regulation. Advocate for new tax increment financing and other economic development tools, and support reductions in burdensome and overlapping state regulations, to support job creation and a stronger economy.
2. Implement Additional Pension, Other Post-Employment Benefits (OPEB) and Related Reforms to Help Reduce Unfunded Liabilities and Insolvency Risks. Support responsible implementation of recent pension reforms by CalPERS, and urge the adoption of additional pension, OPEB and related reforms by the legislature and cities to better manage the long-term growth of unfunded pension and OPEB liabilities and reduce the risk of fiscal and service level insolvency by cities.
3. Modernize the Financing of Critical Infrastructure Maintenance and Construction Programs. Provide state and local governments with new and innovative revenue options and resources to finance critical infrastructure maintenance and construction needs for our transportation (streets, roads, rail & transit), water supply, wastewater, stormwater, and other critical infrastructure systems.
4. Update the Local Government Tax Structure to Respond to the "New Economy." Consistent with the constitutional protections for property, sales and local taxes contained in Propositions 1A and 22, develop policy options, where feasible, for responding to the erosion of the major local government revenue sources resulting from the expansion of e-commerce, increased consumption of retail services rather than goods, changing patterns of commerce, and innovations in technology.

Upcoming New Mayors and Council Members Academy

On January 14-16, 2015, the League of California Cities will host the New Mayors and Council Members Academy in Sacramento, CA. The event announcement is attached for City Council reference (Enclosure 2).

California Association Local Agency Formation Commission

The California Association Local Agency Formation Commission is also involved on legislative advocacy at the state level and during the past Legislative Session focused efforts on local government finance, public water systems and

groundwater management. Overall, the Governor signed 3 CALAFCO-supported bills, vetoed 2 CALAFCO-supported bills and signed 3 CALAFCO-watched bills.

Enclosure 3 is the comprehensive list from their website of the status of legislation where CALAFCO adopted a formal position during the 2014 Legislative Session. Bills noted included one or two-year bills.

Mayor Beekman is involved with CALAFCO through his work on the Stanislaus Local Agency Formation Commission. At the recent CALAFCO Annual Conference, Mayor Beekman moderated a panel on Groundwater Management.

The following is a short list of signed legislation of interest to the City of Hughson:

AB 1739 (Dickinson) Groundwater management: Would require all groundwater basins designated as high-or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, with specified exceptions. This bill would require a groundwater sustainability agency to certify that its plan complies with the requirements of this bill no later than January 31, 2020, and every 5 years thereafter. ([Signed by the Governor 9/16/2014](#))

SB 1168 (Pavley) Groundwater Management: Current law requires the Department of Water Resources to identify the extent of monitoring of groundwater elevations that is being undertaken within each basin or sub basin and prioritize groundwater basins and sub basins. This bill would require the department, pursuant to these provisions, to categorize each basin and sub basin as either high priority, medium priority, low priority, or very low priority. The bill would require the Department of Fish and Wildlife, in collaboration with the department, to identify those basins and sub basins where species and ecosystems are vulnerable to existing or future groundwater conditions. ([Signed by the Governor 9/14/2014](#))

Locally, Stanislaus County is exploring the issue of groundwater exportation and management through the work of the recently commissioned Water Advisory Committee composed of representatives from various public and private sectors. Through the work of the Water Advisory Committee, and recent State legislation, an amendment to the Stanislaus County groundwater exportation ordinance adopted in September of 2013 is scheduled to be considered by the Board of Supervisors during their November 25, 2014 regular meeting.

Fiscal Impact:

Implementation of the City of Hughson's Legislative Program is managed by existing staff and through existing budgeted allocations.



And that's a Wrap! League Priority Bill Update

The Governor has taken action on the 33 League priority bills that made it to his desk this legislative session. Overall, the Governor signed 15 League-supported bills, signed four League-opposed bills, vetoed 11 League-supported bills and vetoed three League-opposed bills.

The following list reflects the Governor's actions:

Signed Support Bills (15)

[AB 380 \(Dickinson\): Spill response for railroads.](#)

Summary: Requires rail carriers to submit to the Office of Emergency Services (OES) commodity flow data for a specified period, by county and track route for the 25 largest hazardous material commodities moved through the state. For local governments, the bill requires the OES to disseminate information necessary for developing emergency response plans to each unified program agency, including designated local public agency first responders. ([Signed by the Governor 9/25/2014](#))

[AB 388 \(Chesbro\): Juveniles.](#)

Summary: Makes licensed residential care facilities such as group homes, runaway and homeless shelters more accountable to its residents and the community at large. ([Signed by the Governor 9/29/2014](#))

HOT [AB 1147 \(Bonilla\): Massage therapy.](#)

Summary: Revises and recasts current law pertaining to massage therapy under SB 731 (Oropeza, Statutes of 2008) and gives tools to local governments to address establishments that are masquerading as massage businesses while engaging in human trafficking and prostitution. ([Signed by the Governor 9/18/2014](#))

[AB 1439 \(Salas\): Unfair business practices: contests and sweepstakes.](#)

Summary: Prohibits the operation of gambling themed, or simulated gambling electronic video monitors, in a business establishment that gives cash or other prizes of value. ([Signed by the Governor 9/26/2014](#))

[AB 1690 \(Gordon\): Local planning: housing elements.](#)

Summary: Provides some additional flexibility for jurisdictions that did not identify adequate sites in their housing elements by allowing very low and low-income housing in mixed use areas if certain criteria are met. ([Signed by the Governor 9/30/2014](#))

[AB 1826 \(Chesbro\): Solid waste: organic waste.](#)

Summary: Phases in a mandatory commercial organic recycling program to reduce the volume of organic material deposited into landfills. ([Signed by the Governor 9/28/2014](#))

HOT AB 1839 (Gatto): [California Film and TV Tax Credit.](#)

Summary: Extends the California Film Commission incentive program by five years, lifts the per-film budget tax credit limitation so that larger films may qualify, and offers new incentives to specific film and television production activities. ([Signed by the Governor 9/18/2014](#))

AB 2170 (Mullin): [Joint powers authorities: common powers.](#)

Summary: Clarifies that joint powers authorities may exercise any power common to the contracting parties, including levying fees and taxes. ([Signed by the Governor 9/17/2014](#))

AB 2374 (Mansoor): [Substance abuse: recovery and treatment services.](#)

Summary: Requires the Department of Health Care Services to create a death investigation policy to ensure the timely reporting by the licensees in the event of the death of a resident. The bill would also prohibit the department from approving an organization that registers counselors that does not determine whether a counselor has had a registration or certification revoked. ([Signed by the Governor 9/29/2014](#))

SB 614 (Wolk): [Local government: jurisdictional changes: infrastructure financing.](#)

Summary: Authorizes a tax increment financing mechanism that can be used, at the option of the affected agencies and subject to the approval of a local agency formation commission (LAFCO), to provide the necessary upgrades of sewer, water and other systems needed to improve the living conditions within a disadvantaged unincorporated community. ([Signed by the Governor 9/29/2014](#))

HOT SB 628 (Beall): [Enhanced infrastructure financing districts.](#)

Summary: Creates an alternative to existing Infrastructure Finance District (IFD) law called "Enhanced Infrastructure Finance District Law (EIFD)" that can be used by specified local agencies to develop infrastructure funded by tax increment revenue subject to conditions that are less cumbersome than the requirements of existing IFD law, which has been little used. ([Signed by the Governor 9/29/2014](#))

SB 1064 (Hill): [Public Utilities Commission: railroads: natural gas pipelines: safety.](#)

Summary: Enacts provisions relating to how the California Public Utilities Commission (PUC) handles safety recommendations/advisories from the National Transportation Safety Board (NTSB) and the Federal Transit Administration (FTA) for PUC-regulated rail facilities. ([Signed by the Governor 9/25/2014](#))

SB 1077 (DeSaulnier): [Vehicles: road usage charge pilot program.](#)

Summary: Requires the California Transportation Commission (CTC), in consultation with the California State Transportation Agency to study the feasibility of implementing a road usage charge as an alternative to the current gas tax. ([Signed by the Governor 9/29/2014](#))

SB 1251 (Huff): [California Public Employees' Pension Reform Act of 2013: joint powers authority: employees.](#)

Summary: Clarifies that if employers are forming a joint powers authority (JPA), existing employees who move to the new agency are not considered "new" employees and are offered PERS benefit plans or formulas that were previously available to them. ([Signed by the Governor 9/28/2014](#))

SB 1274 (Hancock): [Recycling: used mattresses.](#)

Summary: Ensures that urban and rural local governments, among others, recover costs associated with illegally disposed of used mattresses. ([Signed by the Governor 9/16/2014](#))

Signed Opposed Bills (4)

AB 1522 (Gonzalez): [Employment: paid sick days.](#)

Summary: Requires employers, including cities, to provide one hour of paid sick leave for every 30 hours worked. ([Signed by the Governor 9/10/2014](#))

[HOT AB 1705 \(Williams\): Public contracts: payment.](#)

Summary: Prematurely extends the sunset date on the five percent cap on retention proceeds for public works projects and places scarce resources for schools, hospitals, parks, fire houses, and other public infrastructure at risk. Extending the sunset date before properly vetting the impact of the retention cap will be problematic when no examples of the need for the cap have been presented. ([Signed by the Governor 9/27/2014](#))

[HOT AB 2188 \(Muratsuchi\): Solar energy: permits.](#)

Summary: Requires cities and counties to adopt a new, costly ordinance that would essentially create a separate and unequal permitting and inspection process specifically for residential solar installations of less than 10 kilowatts. ([Signed by the Governor 9/21/2014](#))

[HOT SB 556 \(Padilla\): Providers of health and safety labor or services: identification.](#)

Summary: Creates costly uniform, vehicle, and badge requirements for local agencies providing health and public safety services through contracted employees. ([Signed by the Governor 9/29/2014](#))

Vetoed Oppose Bills (4)

[AB 2052 \(Gonzalez\): Workers' compensation.](#)

Summary: Increases city employer costs by expanding the listing of peace officers that qualify for various workers compensation presumptions. ([Vetoed by the Governor 9/29/2014](#))

[HOT AB 2126 \(Bonta\): Collective bargaining: mediation and fact-finding.](#)

Summary: Allows any issue within the scope of representation to be submitted for PERB fact-finding and requires PERB to select mediators if one is not agreed to within five days. This measure would impose significant costs on local agencies and remove balance points in the existing collective bargaining process, by creating leverage and delay mechanisms to the detriment of public employers and their responsibility to make responsible decisions for local taxpayers. ([Vetoed by the Governor 9/30/2014](#))

[AB 2378 \(Perea\): Workers' compensation: temporary disability payments.](#)

Summary: Increases costs to local agencies by providing an additional year of temporary disability eligibility to public safety personnel; therefore providing up to three full years of temporary disability payments: one year at full salary (Section 4850 time), and two years at two-thirds salary. ([Vetoed by the Governor 9/29/2014](#))

[SB 388 \(Lieu\): Public safety officers and firefighters: investigations and interrogations.](#)

Summary: Permits officers and firefighters who are not under investigation – mere witnesses – to have a union representative present when being interviewed about another employee that is being formally investigated. ([Vetoed by the Governor 9/29/2014](#))

Vetoed Support Bills (11)

[AB 47 \(Gatto\): Emergency services: hit-and-run incidents.](#)

Summary: Authorizes local police to issue a regional Yellow Alert to identify drivers suspected of committing a hit-and-run when a person has been killed or has suffered serious bodily injury due to the incident. ([Vetoed by the Governor 9/30/2014](#))

[HOT AB 1399 \(Medina\): California New Markets Tax Credit.](#)

Summary: Creates a California New Markets Tax Credit program by allocating up to \$200 million over seven years in tax credits to attract private capital as well as federal matching funds to spur investment and create jobs in low-income communities throughout California. ([Vetoed by the Governor 9/29/2014](#))

[HOT AB 1521 \(Fox\): Local government finance: property tax revenue allocations: vehicle license fee adjustments.](#)

Summary: Restores funding stability to cities that annexed inhabited territory since 2004 and re-establishes a foundation that supports future annexations on inhabited areas consistent with sustainable and compact growth policies. ([Vetoed by the Governor 9/28/2014](#))

[AB 1532 \(Gatto\): Vehicle: accidents.](#)

Summary: Increases the penalties for hit-and-run violations to either an infraction punishable by a fine not exceeding \$250, or a misdemeanor punishable by imprisonment in the county jail for 6 months, or by a fine not exceeding \$1,000, or by both, and requires the Department of Motor Vehicles to immediately suspend the driver's license of a convicted driver for 6 months. ([Vetoed by the Governor 9/30/2014](#))

HOT [AB 1999 \(Atkins\): Personal income and corporation taxes: credits: rehabilitation.](#)

Summary: Authorizes up to a 25 percent state income tax credit on the expenses for the rehabilitation of certified historic structures, subject to an aggregate cap of \$50 million. ([Vetoed by the Governor 9/29/2014](#))

HOT [AB 2280 \(Alejo\): Community Revitalization and Investment Authorities.](#)

Summary: Authorizes the creation of a new entity at the local level called a Community Revitalization Investment Authority (CRIA) that would provide a narrowed redevelopment option for the most disadvantaged, rural and poorest areas of our state. ([Vetoed by the Governor 9/29/2014](#))

[AB 2328 \(John A. Pérez\) California Service Corps](#)

Summary: Provides enhanced opportunities for recent graduates of community college and those with bachelor's degrees to gain valuable work experience in local agencies by service in the proposed California Service Corps. This voluntary program would be funded with private funds. ([Vetoed by the Governor 9/25/2014](#))

HOT [AB 2493 \(Bloom\): Redevelopment dissolution: housing projects: bond proceeds.](#)

Summary: Authorizes access to redevelopment bond proceeds issued in 2011 for infrastructure and housing projects that were in the planning stages before redevelopment dissolution. ([Vetoed by the Governor 9/29/2014](#))

HOT [AB 2577 \(Cooley\): Medi-Cal: ground emergency medical transportation services: supplemental reimbursement.](#)

Summary: Allows local agencies that provide ground emergency medical transport (GEMT) to Medi-Cal recipients to recapture up to \$400 million statewide in lost reimbursements via the use of an intergovernmental transfer. ([Vetoed by the Governor 9/29/2014](#))

HOT [SB 69 \(Roth\): Local government finance: property tax revenue allocation: vehicle license fee adjustments.](#)

Summary: Restores fiscal stability and funding via property tax to four recently incorporated cities that were severely affected by state sweep of remaining city VLF in 2011. ([Vetoed by the Governor 9/28/2014](#))

HOT [SB 1129 \(Steinberg\): Redevelopment: successor agencies to redevelopment agencies.](#)

Summary: Cleans-up and clarifies redevelopment dissolution law. Authorizes the use of available 2011 bond funding to produce quality projects with high-paying construction jobs, expedite the approval and implementation of long range property management plans enabling affected communities to complete local projects, and provide additional certainty for agencies receiving a finding of completion. ([Vetoed by the Governor 9/29/2014](#))

2015 New Mayors AND COUNCIL MEMBERS ACADEMY

**Wednesday, January 14
— Friday, January 16**

Hyatt Regency Sacramento

**Registration and Housing Deadline:
Tuesday, December 30, 2014**



www.cacities.org/events

 www.facebook.com/leagueofcities

 Follow @CaCitiesLearn



Wednesday, January 14

Registration Open

8:00 A.M. – 4:00 P.M.

Effective Advocacy & Key City Issues

9:30 – 10:15 A.M.

The most knowledgeable League staff will lead you in establishing practical skills to develop persuasive arguments and testimony that will serve your city's interest.

Basics Boot Camp

10:30 – 11:45 A.M.

After a few council meetings you discover that sitting on the “target” side of the dais means, among other things, you must be prepared for anything. Equip yourself with the necessary tools by reviewing some basic rules for new mayors and council members.

GENERAL LUNCHEON

Your League and How To Use It

12:00 – 1:30 P.M.

As a city official, you are the League. Its success, along with yours, depends on your involvement and leadership. Receive an introduction to the services of the League of California Cities, how you can access them, and how you can become involved.

Your Legal Powers and Obligations

2:00 – 3:45 P.M.

You were elected to make things happen in your city. Learn the breadth, as well as the limitations, of your powers as a city official. Acquire a basic understanding of the legal authorities and restrictions under which cities and city officials operate with a focus on the Brown Act.

Policy Role in Land Use Planning

4:00 – 5:00 P.M.

Land use planning is one of the most important aspects of a city official's responsibilities. It involves the establishment and implementation of the policies articulated in the city's general plan and its zoning code. Learn about devices and processes in land use planning such as the California Environmental Quality Act (CEQA). This knowledge will help you foster a solid working relationship with your city's planning commission and planning staff.

Legislative Reception

6:00 – 7:00 P.M.

This is a great opportunity for newly elected city officials to gather and meet with Assembly Members and Senators from throughout the state.

Thursday, January 15



Registration Open

7:30 A.M. – 12:00 P.M.

Networking Breakfast

7:30 – 8:30 A.M.

Relationship Between City Council and City Manager Staff

8:30 – 10:00 A.M.

As an elected official, there are various competing values that drive you and your colleagues. Your success on the council requires an effective relationship with your city manager, city attorney, and staff, in which everyone's values are respected and represented. Learn how to work together while cultivating each of your diverse roles.

Communications and the New Media

10:15 – 11:45 A.M.

With public perceptions of today's government at all-time lows, the question must be asked – how do people learn so much, so fast about government? With such a variety of almost immediate informational sources (internet, podcasting, social media, the blogosphere, etc.), elected officials need to be quick on their feet and develop the necessary skills to address issues. Discover what cities should be doing to communicate with their constituents in the 21st Century and the new forms of media that must be embraced.

GENERAL LUNCHEON

El-Circo — How to Conduct an Effective and Respectful Council Meeting

12:00 – 2:00 P.M.

Enjoy the always popular skit contrasting the wrong and the right way to conduct your city council meetings.

Financial Responsibilities, City Revenues Workshop

2:15 – 4:45 P.M.

Cover your responsibilities as elected officials in exercising fiduciary accountability and transparency in open government. Discuss the local government financial cycle, elected official financial oversight duties, state and local funding relationships, and identify the four stages of fiscal meltdown. This session stresses the importance of structurally balanced budget tips for setting city council goals and the need for financial policies. Learn to avoid micromanagement and complacency management.

Evening on Your Own

5:00 P.M.

Friday, January 16



New Mayor and Council Member Roundtable Networking Breakfast

8:00 – 9:15 A.M.

Meet fellow mayors and council members from your regional division, as well as your regional public affairs manager. Take advantage of the opportunity to enjoy breakfast with your peers while discussing with seasoned veterans what it's really like being an elected official.

How to Build and Maintain the Public's Trust: Practical Ethics and the Law

9:45 – 11:45 A.M.

State law requires elected and appointed officials to receive training in specified ethics laws and principles every two years.

Newly elected and appointed officials must receive this training within one year of becoming a public servant. This lively, example laden, two-hours will make this mandatory training more tolerable — if not outright enjoyable. Sign-in begins at 9:15 a.m. and you must be present for the full two hours to receive the certification of attendance at 11:45 a.m. (Planned with the Institute for Local Government).

Speaker: Mike Martello, Volunteer Attorney, Institute for Local Government

Adjourn

NOON

For speaker information, go to www.cacities.org/MayorsCouncilEd

Sessions are subject to change

GENERAL INFORMATION

All attendees must register for the conference online prior to reserving a hotel room. Registration is not complete until full payment is received. The League is unable to accept purchase orders. Once registration is complete, you will be directed to the housing reservations page.

- For online registration, go to www.cacities.org/events and select "New Mayors and Council Members Academy".

Registration must be received by Tuesday, December 30. After this date, please register onsite.

Costs/Fees

Full registration includes electronic access to all program materials, admission to all sessions, two breakfasts, two lunches, and a Wednesday evening legislative reception.

Full Conference

Elected Officials and Staff	\$550
Non-Member City Elected Officials and City Staff	\$1550
Spouse Registration (Wednesday reception only)	\$35

The spouse fee is restricted to persons who are not city or public officials, are not related to any Partner or sponsor, and would have no professional reason to attend the conference. It includes admission to meals/reception only. There is no refund for the cancellation of a spouse registration. It is not advisable to use city funds to register a spouse.

Cancellations

Refunds will be made for cancellations submitted in writing to mdunn@cacities.org and received by **Tuesday, December 30**, subject to a \$75.00 processing charge. There are no refunds for cancellations after this date. Substitutions can be made onsite.



If you require special accommodations related to facility access, transportation, communication and/or dietary requests, please contact our Conference Registrar at mdunn@cacities.org by Tuesday, December 30.

HOTEL INFORMATION & RESERVATIONS

Hotel reservation changes, date modifications, early check-out, or cancellations made prior to **Tuesday, December 30** must be done through the online reservation link you received when registering for the conference. Use your confirmation/acknowledgement number to access your reservation to make changes. Once the December 30 deadline has passed, please contact the hotel directly with any changes or cancellations. Please note that hotel cancellations after the housing deadline has passed may incur a financial penalty or a minimum one-night room charge or attrition fees.

Hyatt Regency Sacramento

1209 L Street, Sacramento, CA 95814

Hotel Rate (per night): \$169 – Single/Double Occupancy (plus tax and fees)

Valet parking: \$25 per day/Self-parking \$17 per day (subject to change without notice)

**Please DO NOT book outside of the League hotel block. This will cause an increase in event costs, liabilities and higher registration rates.*

PLEASE NOTE: *The information you provide to the League when registering for a League conference or meeting may be shared with the conference or meeting hotel(s). The hotel(s) will also share with the League the information you provide to the hotel(s) when you make your hotel reservation for the conference or meeting. The information shared between the League and the hotel(s) will be limited to your first name, last name and dates/length of stay in the hotel.*



1400 K Street, Suite 400
Sacramento, CA 95814

**Join us for the 2015 New Mayors
and Council Members Academy**

For speaker information, go to www.cacities.org/MayorsCouncilEd



Adopted Positions for the 2014 Legislative Session

The CALAFCO adopted positions on proposed legislation are posted here during the legislative session. Bills noted below are either one or two year bills. Click on Position Letter for the CALAFCO letter. Click on introduced bill or amended bill for the current language.

SUPPORT

AB 1521 (Fox) - Local government finance: property tax revenue allocations: vehicle license fee adjustments. Summary: Beginning with the 2004-05 fiscal year, current law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a vehicle license fee property tax compensation fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions, for the 2014-15 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

[Vetoed by Governor \(September 28, 2014\)](#)

[Amended Bill \(June 17, 2014\)](#)

[CALAFCO Support Letter \(February 2014\)](#)

AB 1527 (Perea) - Public Water Systems: drinking water. Summary: Would require the State Department of Public Health, in administering programs to fund improvements and expansions of small community water systems and other water systems, as specified, to promote service delivery alternatives that improve efficiency and affordability of infrastructure and service delivery, as specified. This bill contains other related provisions and other existing laws.

[Vetoed by Governor \(September 28, 2014\)](#)

[Amended bill \(June 9, 2014\)](#)

[CALAFCO Support if Amended \(May 2014\)](#)

[CALAFCO Support Letter \(June 2014\)](#)

AB 1729 (Logue) Local Government: agriculture land: subvention payments. Summary: Would appropriate \$40,000,000 to the Controller from the General Fund for the 2014-15 fiscal year to make subvention payments to counties to reimburse counties for property tax revenues not received as a result of these contracts. The bill would make legislative findings and declarations related to the preservation of agricultural land.

[Amended bill \(March 20, 2014\)](#)

[CALAFCO Support Letter \(March 2014\)](#)

AB 2156 (Achadjian) Local agency formation commissions: studies. Summary: Would

include joint powers agencies and joint powers authorities among the entities from which the local agency formation commission is authorized to request land use information, studies, and plans, for purposes of conducting specified studies, and also would include joint powers agreements in the list of items the commission may request in conducting those studies. The bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

[Chaptered bill \(June 4, 2014\)](#)

[CALAFCO Support Letter](#)

[CALAFCO Governor Request for Signature \(May 2014\)](#)

AB 2762 (Committee on Local Government) Local Government Omnibus Bill. CALAFCO Sponsored. Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 does not apply to pending proceedings for a change or organization or reorganization for which the application was accepted for filing prior to January 1, 2001, as specified. The act authorizes these pending proceedings to be continued and completed under, and in accordance with, the law under which the proceedings were commenced. This bill would repeal those provisions relating to pending proceedings for a change or organization or reorganization for which an application was accepted for filing prior to January 1, 2001, and make other conforming changes.

[Chaptered bill \(July 9, 2014\)](#)

[Amended bill \(May 6, 2014\)](#)

[CALAFCO Support Letter \(March 2014\)](#)

SB 69 (Roth) - Local government finance: property tax revenue allocation: vehicle license fee adjustments. Summary: Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions for a city incorporating after January 1, 2004, for the 2014-15 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

[Amended Bill \(June 16, 2014\)](#)

[CALAFCO Support Letter \(February 2014\)](#)

[Vetoed by Governor \(September 29, 2014\)](#)

SB 1230 (Committee of Governance and Finance) Validations. Summary: This bill would enact the First Validating Act of 2014, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

[Chaptered bill \(May 29, 2014\)](#)

[CALAFCO Support Letter \(April 2014\)](#)

WATCH WITH CONCERNS

AB 1739 (Dickinson) Groundwater management. Summary: Would require all groundwater basins designated as high-or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, with specified exceptions. This bill would require a groundwater sustainability agency to certify that its plan complies with the requirements of this bill no later than January 31, 2020, and every 5 years thereafter.

[Chaptered bill \(September 16, 2014\)](#)

[Amended bill \(June 17, 2014\)](#)

[CALAFCO Letter of Concern \(June 2014\)](#)

SB 614 (Wolk) Local government: jurisdictional changes: infrastructure financing.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires a local agency or school district that initiates proceedings for a change of local government organization or reorganization by submitting a resolution of application to a local agency formation commission to also submit a plan for providing services within the affected territory, as specified. This bill would instead require, if a proposal for a change of organization or reorganization is submitted to a local commission, that the applicant submit a plan for providing services within the affected territory.

[Chaptered bill \(September 29, 2014\)](#)

[Amended bill \(June 16, 2014\)](#)

[CALAFCO Letter of Concern \(June 2014\)](#)

SB 1168 (Pavley) Groundwater Management. Summary: Current law requires the Department of Water Resources to identify the extent of monitoring of groundwater elevations that is being undertaken within each basin or subbasin and prioritize groundwater basins and subbasins. This bill would require the department, pursuant to these provisions, to categorize each basin and subbasin as either high priority, medium priority, low priority, or very low priority. The bill would require the Department of Fish and Wildlife, in collaboration with the department, to identify those basins and subbasins where species and ecosystems are vulnerable to existing or future groundwater conditions.

[Chaptered bill \(September 14, 2014\)](#)

[Amended bill \(June 17, 2014\)](#)

[CALAFCO Letter of Concern \(June 2014\)](#)

Groundwater Management Proposed Legislation (AB 1739 - Dickinson, and SB 1168 - Pavley) and Governor's Proposal [Draft Comparison Document by OPR](#), dated June 19, 2014 and released June 30, 2014.



CITY COUNCIL AGENDA ITEM NO. 4.1

SECTION 4: UNFINISHED BUSINESS

Meeting Date: November 24, 2014
Subject: Discussion of Agricultural Lease Between the City of Hughson and Michael Noeller for Approximately Twelve (12) Acres of City-Owned Property Adjacent to the Waste Water Treatment Facility Along Leedom Road
Enclosures: Agricultural Lease with Michael Noeller (January 2010)
Presented By: Raul L. Mendez, City Manager

Approved By: _____

Staff Recommendation:

Discuss and consider direction to City staff regarding the current agricultural lease between the City of Hughson and Michael Noeller for approximately twelve (12) acres of City-owned property adjacent to the Waste Water Treatment Facility along Leedom Road.

Background and Overview:

On September 27, 2010, the Hughson City Council adopted Resolution No. 2010-61, approving the agricultural lease with Michael Noeller on City property adjacent to the Waste Water Treatment Facility on Leedom Road. At that time, the City Council determined the subject property was not needed for use and instead directed staff to explore revenue generating options.

In 2008, the City of Hughson purchased a total of approximately 32 acres of land from Francis Noeller to provide for the land needed to expand the Waste Water Treatment Facility on Leedom Road. The total acreage purchased would meet the City's needs of the expansion project and also allot additional acreage for the future.

At the time of purchase, the twelve (12) acres abutting the Waste Water Treatment Facility on the west were planted with almonds and became the subject of the farm lease. Michael Noeller, the nephew of Francis Noeller, expressed interest in farming the property and the City entered into negotiations for the terms of the agricultural lease.

In conversation with Mr. Noeller at that time, it was indicated that there was a block of trees (approximately eight acres) planted in the year 2000 that consisted of two varieties of almonds: Butte and Padre. Another block of trees (approximately four acres) were planted in 1975 and these trees consisted of the two varieties as well: Non Pareil and Price. Normally, trees this old are pulled and new trees planted. However, Mr. Noeller indicated that the cost of pulling old trees was in the range of \$8,000 to \$9,000 and at that time it took nearly ten years to pay back. A five year lease was being contemplated at that time so the decision was made to maintain the current practice of only replacing trees as they die or fall over. About a quarter of the trees in this block had already been replaced in this way.

City staff researched lessee/lessor percentages for these types of arrangements and found that the industry standard based on discussions with Roger Duncan, an agricultural advisor for the U.C. Extension Office at the Stanislaus County Department of Agriculture, was an 80%/20% split. It should be noted that peach agricultural leases at that time were usually an 85%/15% split because the costs associated to farm a peach orchard exceeds those of a nut orchard.

Based on the information gathered at that time, the City of Hughson entered into a five year agricultural lease agreement with Michael Noeller for the term of January 1, 2010 to December 31, 2014. The lease agreement specified that the land would be used exclusively as an orchard for producing almonds and crops would be harvested and sold for the best available price. The Lessee would pay all expenses incurred in connection with maintenance and operation of the land, any improvements subject to the lease terms and all taxes, assessments, license fees and other charges levied and assessed against the property. The Lessee further agreed to care for the property and trees using good farming practices.

Evaluation of the Current Agricultural Lease:

During the October 27, 2014 regular meeting of the Hughson City Council, City staff presented its preliminary findings and research associated with the current agricultural lease with Mr. Noeller to begin to evaluate its effectiveness and to understand some of the challenges experienced since its execution.

At that time, City staff shared some general information from the Agricultural Marketing Resource Center regarding almond farming practices, tree varieties, production and yields.

The following updated information was provided by the California Grown Nut Company used by Noeller Farms for almond processing. Almond weight statistics (in lbs.) is for meats after deducting inedibles, foreign materials, and excess moisture.

Leedom Orchard	2010	2011	2012	2013	2014*
Butte/Padre	6,133	7,817	11,425	9,150	8,944
Nonpariel	1,391	1,929	2,059	1,362	2,734
Price	1,813	1,471	1,326	911	1,918
Total	9,337	11,217	14,810	11,423	13,596

**Updated 11/07/14*

Meeting with Michael Noeller:

On October 13, 2014, City staff had met with Mr. Michael Noeller to discuss the current arrangement and the expiring agreement. The meeting was held on-site at the subject property (See Figure 1 below). Mr. Noeller appreciated City staff's efforts to reach out to him to gather information and gain a historic perspective. Mr. Noeller shared that the condition and yield of the almond orchard had improved since inception of the agreement. He shared that the newer trees (planted in 2000) were producing as expected. He commented that older trees (planted in 1975) were more of a challenge due to their age and pre-existing condition. Other items discussed included replacement of trees, redevelopment of the older area of the orchard, pest control, drought conditions, rural water allocations and opportunities that may be available from the State to install drip irrigation systems.

Additional Information and Follow-up:

The City Council raised several questions during the discussion on October 27, 2014 and November 10, 2014. City staff responded to questions as able and indicated that they would conduct additional follow-up and research and bring back additional clarifying information at the subsequent meeting. The following is a summary of the additional details collected.

Figure 1 (Revised) – Not to Scale

City staff revised the figure that denoted the subject property from a birds-eye view to better reflect the twelve acres and location of the tree variety.



Condition of the Almost Orchard

Land Acreage vs Tree Acreage

In previous reports, it was indicated that the City owns approximately twelve (12) acres of property on the subject site. Mr. Noeller contacted City staff on November 6, 2014 to point out that a distinction needs to be made when basing yields on the acreage and specifically differentiating land versus tree acreage. He believed it was important that the City Council know that although the City property consists of approximately (12) twelve acres, approximately (8) eight acres is actually planted in almond trees. Mr. Noeller estimated the Butte and Padre consisting of 3.73 tree acres and the Non Pareil and Price consisting of 3.88 tree acres.

Average Almond Yield Figures

City staff contacted the University of California Cooperative Extension in Stanislaus County to obtain average almond yield figures for comparison purposes. Average almond yields in Stanislaus County were 2,240 lbs/acre in 2011; 2,180 lbs/acre in 2012; 2,420 lbs/acre in 2013 (Stanislaus County Crop Reports). These figures include young orchards just coming into bearing as well as old orchards which are no longer very productive. The average lifespan of an almond orchard is about 25 years.

Based on this information, one would expect an orchard planted in 2000 to be producing at or above the County average and the orchard planted in 1975 to be significantly below the County average. Mr. Noeller estimated, based on the City's tree acreage, the yield of the Butte and Padre at 1,605 lbs/acre and Non Pareil and Price at 1,239 lbs/acre.

Waste Water Treatment Facility

Capacity

As previously reported, the twelve acres that are the subject of this lease agreement were purchased as part of the 32 acres needed for expansion of the Waste Water Treatment Facility. A question of capacity was posed by the City Council at the prior meeting. Specifically, if the property was needed for future expansion to meet local needs at full build out in accordance with the City's General Plan.

The capacity at the Waste Water Treatment Facility is 1.8 million gallons per day. At current peak usage, the plant processes 1.2 million gallons per day—yet this is in very isolated instances—perhaps 10-20 times total per year. On average, the WWTP processes .8 million gallons per day or:

800,000 gallons per day/7,000 population = 114.286 gallons per day per capita.

Therefore, the City could grow to nearly 15,750 population (or more than double) under the existing WWTF, without the need for additional land for percolation ponds. According to the General Plan, the build out population is estimated at just

over 15,000 (2025). The date is not realistic and includes significant land east of Geer Road which has subsequently been removed from the City's Sphere of Influence.

Further, City staff has contacted Carollo Engineers who assisted the City of Hughson with construction of the new Waste Water Treatment Facility and they indicated that the twelve acres were value engineered out during design of the facility since capacity of the new plant could be handled with five ponds on other City acreage. Carollo Engineers did indicate that if the City chose to sell the subject property it would have no additional capacity for the future growth above what was designed and would not be able to expand the plant until evidence was provided to the Central Valley Regional Water Quality Control Board that capacity to discharge the water was available.

State Reporting

The City of Hughson is required to report surface and groundwater monitoring undertaken at the City of Hughson Wastewater Treatment Facility in compliance with the State's monitoring and reporting program. To assist with the process, several monitoring wells were installed in and around the facility. There is a monitoring well currently in place at the subject property and access and easement needs to be maintained for monitoring use.

School Agricultural Lease

The City Council suggested exploring a possible partnership with the Hughson Unified School District for the farming of the property by the Hughson High School Agricultural Department. City staff reviewed the current property license agreement between the District and a local farmer for existing property across from the High School and its general provisions. The following is a summary of the main components for reference purposes only.

The License Fee is 20% of the net Almond Revenue on the property as Licensor's "crop sharing." Net Almond Revenue is defined as proceeds from the sale of the almonds after Licensee has deducted his costs. Licensor will donate the remaining 80% net revenue to the Hughson High School FFA. The premises are licensed to be used for almond growing and processing. It is understood that District students may be allowed to assist with certain parts of the Almond crop production.

In order to develop such a program at the subject property the City and School District will need to address issues of transportation, liability, etc. Also, a farmer willing to embrace the cooperative arrangement will be necessary.

Since the last City Council meeting, City staff has contacted the Hughson Unified School District to discuss this option. The District Superintendent contacted the High School Principal and Agricultural Department staff to explore this partnership opportunity. After consulting with the local farmer that assists the District with its current school farming operation it was determined that they weren't able to take on the farming of additional acreage and particularly in a remote location. Thus, at

this time the District has no interest in establishing a farming partnership with the City of Hughson at the Leedom Orchard.

Sale of Public Property

As of the preparation of the last staff report, City staff was still exploring sale of the subject property and some associated elements. The City will need to follow the parameters in the Government Code pertaining to disposal of surplus public property which would take several months to complete. The property would need to be appraised to determine a value. Since it is believed that the subject property was purchased with enterprise funds, any proceeds from the sale of the property would be limited and have to be deposited back into the correct enterprise fund account. City staff will need to ensure that the sale of the property does not in any way violate the City's permit to operate a waste water system or the adopted master plan document for that infrastructure.

Based on additional research, City staff has confirmed that the purchase of the original 32 acre property for expansion of the Waste Water Treatment Facility was done so using funds in the City's sewer fund for capital improvements. The State Revolving Loan secured by the City of Hughson in the amount of \$23,100,000 for expansion of the Waste Water Treatment Facility, in September 2009, was specifically for infrastructure improvements and property acquisition was not an eligible expense. As such, the City of Hughson purchased the subject property in December 2008 in order to secure the loan funding from the State Water Resource Control Board.

Thus, it appears that the sale of the subject property is an option as no specific restrictions were identified since the last Council discussion on this item.

Next Steps

During the November 10, 2014, City staff began formulating some possible options for Council consideration. These are listed here for reference along with relevant information.

- Lease Extension – option to allow City staff to further explore other options (Request for Proposals or Sale of Property). Would require cooperation from current lessee and provide opportunity to clarify lease agreement elements.
- Request for Proposal – option would allow for City to gauge local interest in farming Leedom Orchard or leasing for other purpose. Per legal opinion provided by City Attorney, the Right of First Refusal in the purchase agreement has expired due to Waste Water Treatment Facility improvements completed on subject property. Would provide opportunity to address items in current lease agreement that require clarification if farming continues (replanting, best practices, percentage split, monitoring, etc.).

- Sale of Property – option that could generate additional revenue through sale proceeds for the Sewer Enterprise Fund. This option has planning and policy considerations for the City Council
- Partnership with the School District – currently not viable option based on recent discussion with Hughson Unified School District.

Per the request by the City Council, City staff has invited Mr. Michael Noeller to the November 24, 2014 regular meeting and he has agreed to attend to answer questions and provide clarification as needed. City staff has requested information from Mr. Noeller pertaining to crops grown and sale of the crops and he has agreed to gather information that he may have available and bring to the meeting for discussion.

Fiscal Impact:

The current agricultural lease provides that the City receives 20% of the almond crop proceeds. Other costs of the farming operation are to be paid by the tenant. The 20% of the crop as compensation is the standard farm lease percentage in this area. To date, the total revenue generated from farming the twelve (12) acres of property is estimated at \$100,084.05. Of this amount, and per the executed agricultural lease agreement, \$20,016.81 has been received by the City of Hughson and a projected \$80,067.24 by Noeller Farms. The City's figure is gross revenue based on actual receipts. It is important to note that revenue from the 2014 harvest is still pending due to the timing involved from processing to payment.

LEASE

CITY OF HUGHSON, a Municipal Corporation, (hereinafter called "Landlord") and MICHAEL NOELLER (hereinafter called "Tenant") agree as follows:

1. Landlord leases to Tenant that certain real property which is an approximate twelve (12) acres, more or less, block of land currently planted to an orchard on Leedom Road in Hughson, California. (hereinafter "Property"). The Property is located in Stanislaus County and is identified as assessor's parcel numbered APN 018-064-026. The Property is further shown in exhibit "A" to this Lease.
2. The term of this Lease is for five years commencing on January 1, 2010 and terminating on December 31, 2014.
3. The land shall be used exclusively as an orchard for the purpose of producing almonds.
4. Crops shall be harvested and sold for the best available price. The Tenant shall use reasonable discretion in selecting the buyer or buyers for the crops. The Tenant will attempt to have Landlord's payment for crops made directly to Landlord, in accordance with the percentages specified in Paragraph 9 of this Lease. In the event Landlord's percentage share from the sale of the crops is paid to Tenant, Tenant agrees to remit Landlord's share in full within ten (10) days of payment.
5. The Tenant shall pay all expenses incurred in connection with the maintenance and operation of the land and any improvements covered by this Lease, including but not limited to all charges for labor and material, together with any and all other charges connected with the care, cultivation, harvesting and sale of the crops

produced upon said premises, except as otherwise noted herein. Tenant shall indemnify Landlord for any charges or expenses billed or otherwise directed to Landlord as a result of any of the above-described activities of Tenant. Notwithstanding the foregoing, Landlord shall pay for any charges, expenses or damages incurred or caused by Landlord or its employees, representatives or contractors.

6. Tenant shall pay before delinquency all taxes, assessments, license fees, and other charges ("taxes") that are levied and assessed against any property belonging to Tenant installed or located in or on the Property, or on any activity of Tenant, and that become payable during the term. Landlord shall pay before delinquency all taxes that are levied and assessed against the Property and that become payable during the term. Upon request, each party shall furnish the other party with satisfactory evidence of these payments.

7. The Tenant agrees to care for the Property and the trees thereon in a good farmer-like manner, and to cultivate, fertilize, fumigate, irrigate, prune and spray said trees in accordance with established horticultural practices for almonds in this area. Tenant shall be solely responsible for all matters related to any crop being grown on the Property.

8. Neither Tenant nor Landlord shall be liable for failure of any crop due to an Act of God or other causes beyond the control of Landlord or Tenant.

9. Landlord and Tenant shall receive, respectively, the following percentages of prices paid for the crops produced:

Landlord 20%; Tenant 80%.

10. A Memorandum of Lease may be executed and recorded in Stanislaus

County.

11. This Lease shall not be sold, assigned, or sublet by the Tenant, without Landlord's written consent, which will not unreasonably be withheld, conditioned or delayed.

12. In the event Tenant is declared bankrupt or becomes subject to a receiver, the Landlord may, at its option, immediately terminate and cancel this lease.

13. Tenant shall at all times comply with all federal, state and local laws, ordinances, rules and regulations applicable and relevant to the operation of Tenant's business on the Property.

14. Tenant agrees that it will indemnify and hold Landlord harmless and free from any and all claims for damages which may be suffered by any person or persons occupying, visiting or coming upon the Property, except for damages or injuries arising from the negligent act of Landlord, or its employees, agents, representatives or contractors, and will have Landlord named as an additional named insured on a general liability insurance policy in the amount of at least One Million Dollars (\$1,000,000.00). Landlord shall be provided a certificate of such insurance. Failure to provide such certificate within ten (10) days of the commencement of any term shall be grounds for immediate termination of the Lease.

15. All notices between the parties shall be served by depositing the same in the United State Post Office, certified mail, addressed to Tenant at 6400 Leedom Road, Hughson, CA 95326, or to Landlord at PO Box 9 Hughson, CA 95326, or at such other address(es) as designated by the parties in writing.

16. In the event of default, written notice shall be given to the defaulting party

setting forth the nature of the default and providing thirty (30) days after written notice to cure said default. Upon default and failure to cure, the non-defaulting party may, at its option, terminate the Lease and obtain damages for the default or continue the Lease and obtain damages for the default. In the event any suit be brought by any party against the other to recover for any breach of the agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, in addition to any other relief that the court may allow.

17. Tenant agrees not to commit waste on the Property.

18. Landlord shall have the right to inspect all records relevant to the crops grown on the Property and to the sale of the crops, at Tenant's place of business, upon five (5) days written notice.

19. Upon expiration or termination of this Lease, Tenant agrees to execute such document or documents as may be necessary to cancel any Memorandum of Lease on the public record.

TENANT:

Michael Noeller
MICHAEL NOELLER 8/16/10

LANDLORD:

City of Hughson

By

Ramon Bawanan
RAMON BAWANAN
MAYOR

State of California)
)
)
County of STANISLAUS)

On Aug. 16, 2010, before me, Lori R. Paul,
a Notary Public, personally appeared MICHAEL NOELLER, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Lori R. Paul



State of California
County of Stanislaus
City of Hughson

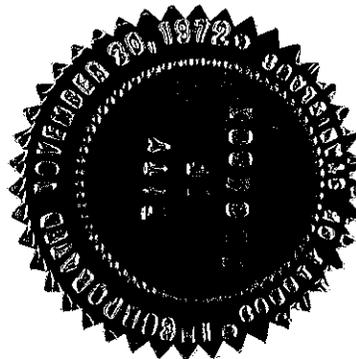
On October 27, 2010, before me, the undersigned, a City Clerk in the City of Hughson in and for said City, personally appeared Ramon Bawan, personally known to me (or proved to me on the basis of satisfactory evident) to be the person (s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State Of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

WITNESS my hand and official seal.



SIGNATURE:

Michele P Winterbottom
City Clerk of the City of Hughson

*****OPTIONAL*****

This certificate must be attached
to the Document Described at Right:

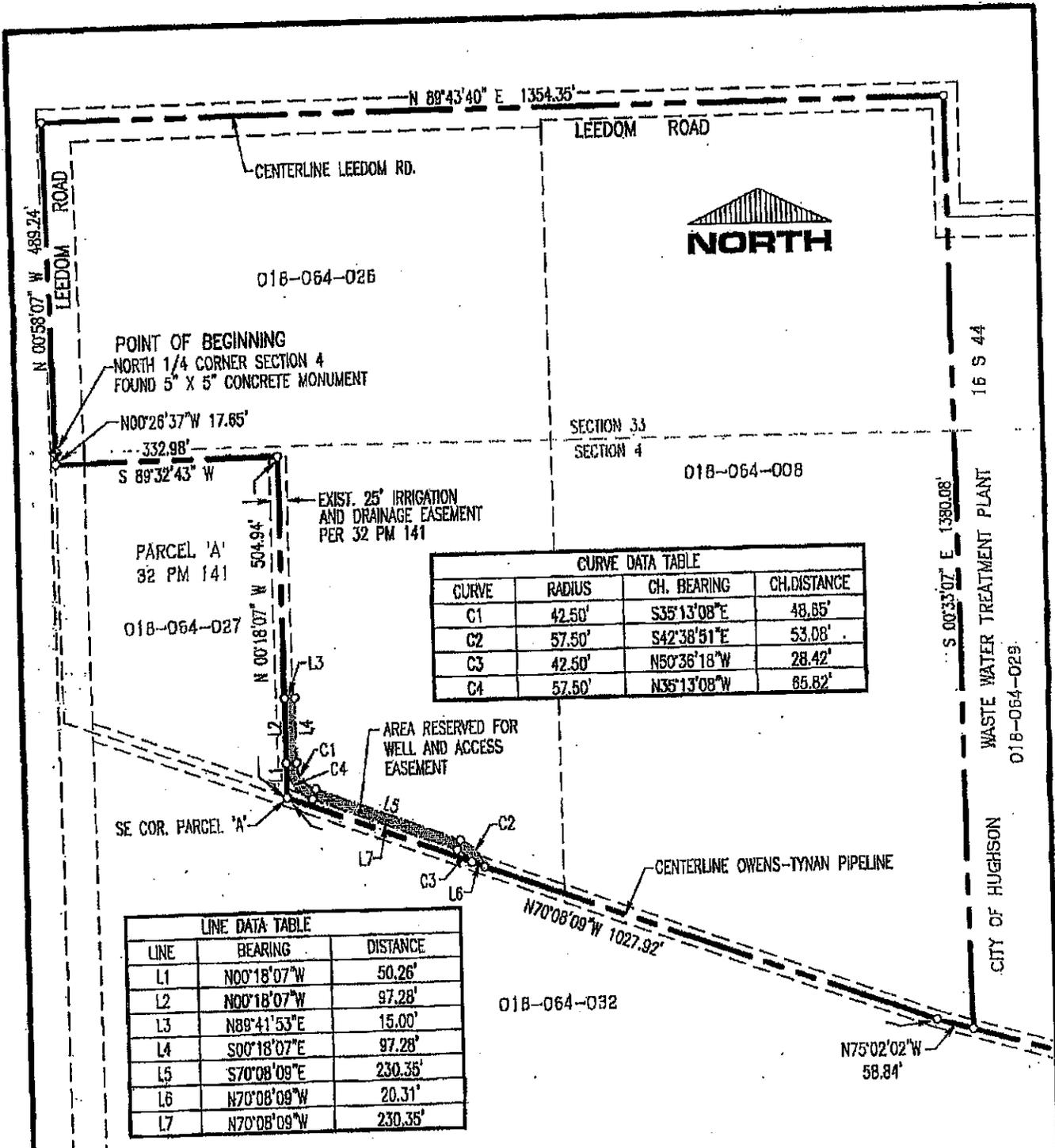
TITLE OR TYPE OF DOCUMENT(s):
FARMING LEASE - AGREEMENT BETWEEN CITY OF
Leedom Road Lease - LEASE - WASTE WATER
TREATMENT PLANT 018-064-026 FOR ORCHARD
FARMING - 5 YEAR LEASE AGREEMENT

No. of PAGES 4 DATE OF DOCUMENT(2): September 27,
2010

September 27, 2010

SIGNER(S) OTHER THAN NAMED ABOVE: Michael
Noeller - August 16, 2010

Though the date requested here is not
required by law, it could prevent
fraudulent reattachment of this form.



CURVE DATA TABLE

CURVE	RADIUS	CH. BEARING	CH. DISTANCE
C1	42.50'	S35°13'08"E	48.85'
C2	57.50'	S42°38'51"E	53.08'
C3	42.50'	N50°36'18"W	28.42'
C4	57.50'	N35°13'08"W	65.82'

LINE DATA TABLE

LINE	BEARING	DISTANCE
L1	N00°18'07"W	50.26'
L2	N00°18'07"W	97.28'
L3	N88°41'53"E	15.00'
L4	S00°18'07"E	97.28'
L5	S70°08'09"E	230.35'
L6	N70°08'09"W	20.31'
L7	N70°08'09"W	230.35'

	OWNER: FRANCIS NOELLER	DATE: 10-08-08	DRAWN BY: KAH	SHEET 1 OF 1	
	A.P.N. 018-064-026	SCALE: 1"=200'	JOB NO. 07-041-001		
	AREAS	ACRES	SQ. FT.	CITY OF HUGHSON	
	PROPERTY ACQUISITION	31.904		WWTP UPGRADES & EXPANSION PROJECT	
WELL & ACCESS EASEMENT		6,464	PROPERTY ACQUISITION		
			A PORTION OF THE SE 1/4, SEC. 33, T.3 S., R.10 E. AND THE NE 1/4, SEC. 4, T.4 S., R.10 E., M.D.M. COUNTY OF STANISLAUS STATE OF CALIFORNIA		

M:\07-041-001\Noeller Purchase All.dwg, Layout1, 10/8/2008 2:08:21 PM, kteeney

Exhibit "A"

CITY OF HUGHSON
CITY COUNCIL

RESOLUTION NO. 2010-61

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON APPROVING A FARMING LEASE WITH MICHAEL NOELLER ON UNUSED CITY PROPERTY ABUTTING THE WASTEWATER TREATMENT PLANT ON LEEDOM ROAD AND AUTHORIZE THE MAYOR TO SIGN THE LEASE

WHEREAS, the City of Hughson has purchased approximately thirty two (32) acres from the Noellers to provide for sufficient expansion capabilities at the City's wastewater treatment plant (WWTP), and

WHEREAS, approximately twelve acres are not presently needed for the expansion project underway at the WWTP but will be needed for expansion of the plant in the future, and

WHEREAS, the City wishes to produce some revenue from this unused property and has entered into negotiations with the Noellers to farm the property in almonds, and

WHEREAS, the City has agreed that the cost of the farming operation will be paid by the Noellers and when the Noellers sell the almond crop the City will receive 20% of the revenue, and

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hughson does hereby approve the lease with Michael Noeller and authorizes the Mayor to sign the lease.

It is hereby certified that the foregoing Resolution No. 2010-61 was duly introduced and adopted by the City Council of the City of Hughson at its regular meeting held on this twenty seventh day of September, 2010 by the following roll call votes: (3-2)

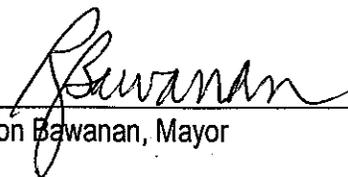
Ayes in favor: Councilmembers Silva, Carr and Mayor Bawanan

Noes: Council Members Young and Beekman

Absent: None

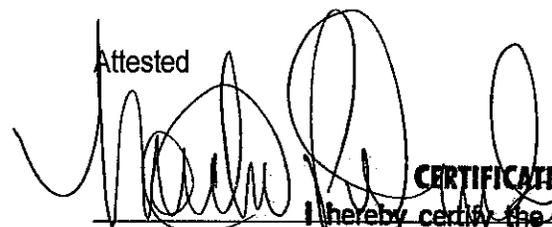
Abstain: None

Approved



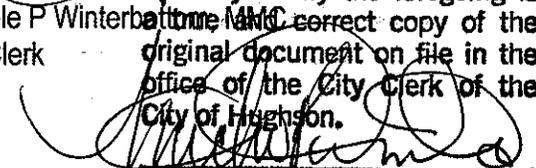
Ramon Bawanan, Mayor

Attested



Michele P Winterbottom
City Clerk

CERTIFICATION
I hereby certify the foregoing is
a true and correct copy of the
original document on file in the
office of the City Clerk of the
City of Hughson.



Michele P Winterbottom
City Clerk

Dated: October 27, 2010



CITY OF HUGHSON
PLANNING COMMISSION MEETING
 City Hall Council Chambers
 7018 Pine Street, Hughson, CA

AGENDA
TUESDAY, NOVEMBER 18, 2014 – 6:00 P.M.

CALL TO ORDER: Chair Julie Ann Strain

ROLL CALL: Chair Julie Ann Strain
 Vice Chair Karen Minyard
 Commissioner Sanjay Patel
 Commissioner Mark Fontana
 Commissioner Ken Sartain

FLAG SALUTE: Chair Julie Ann Strain

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Members of the Audience may address the Planning Commission on any item of interest to the public pertaining to the City and may step to the podium, State their name and City of Residence for the record (requirement of Name and City of Residence is optional) and make their presentation. Please limit presentations to five minutes. Since the Planning Commission cannot take action on matters not on the Agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

2. PRESENTATIONS: NONE.

3. NEW BUSINESS:

- 3.1: Approve the Minutes of both the Regular Meeting of October 21, 2014 and the Special Meeting of November 6, 2014.
- 3.2: Review and Discuss a New Housing Development Type in the City of Hughson: Cottage-Style Housing Development.

4. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.

5. INFORMATIONAL ITEMS:

5.1: Interview Panel’s Selection/Recommendation on Housing Element Update Consultant.

6. CORRESPONDENCE: NONE.

7. COMMENTS:

7.1: Staff Reports and Comments: (Information Only – No Action)

Community Development Director:

City Clerk:

City Attorney:

7.2: Commissioner Comments: (Information Only – No Action)

ADJOURNMENT:

WAIVER WARNING

If you challenge a decision/direction of the Planning Commission in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

UPCOMING EVENTS:

November 22	▪ Community Thanksgiving Dinner, Senior Community Center, 2-6:00 P.M.
November 22-23	▪ 20 th Century Club Arts & Crafts Fair, 9:00am-4:00pm, Hughson High School
November 27-28	▪ Thanksgiving Holiday – City Hall will be Closed
November 29	▪ Downtown Christmas Festival, www.hughsonchamber.org

RULES FOR ADDRESSING PLANNING COMMISSION

Members of the audience who wish to address the Planning Commission are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. **Filling out the card is voluntary.**

**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a Planning Commission meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

AFFIDAVIT OF POSTING

DATE: November 14, 2014 **TIME:** 5:00pm
NAME: Dominique Spinale **TITLE:** City Clerk

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson Planning Commission shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Hughson Planning Commission meets in the Council Chambers on the *third Tuesday* of each month at 6:00 p.m., unless otherwise noticed.

PC Agendas: The Planning Commission Agenda is now available for public review at the City's website at www.hughson.org and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Questions: Contact the City Clerk at (209) 883-4054



CITY OF HUGHSON
ECONOMIC DEVELOPMENT COMMITTEE MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA

AGENDA
MONDAY, NOVEMBER 24, 2014 - 5:30 P.M.

CALL TO ORDER:

ROLL CALL:

Mayor Matt Beekman
Councilmember George Carr
Councilmember Jeramy Young
Business Member Marie Assali
Business Member Jim Duarte

Staff to be Present:

Raul L. Mendez, City Manager
Jaylen French, Community Development Director
Dominique Spinale, Assistant to the City Manager/City Clerk

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Members of the audience may address the City Council on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the City Council cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

2. NEW BUSINESS:

- 2.1:** Approval of Minutes of the October 27, 2014 EDC Regular Meeting.
- 2.2:** Update on Business Assistance Program (Perks Coffee, Shami Dogs, Magnolia Farmhouse Market).
- 2.3:** Update on Hughson Christmas Festival (November 29, 2014)

2.4: Discuss Recent Business Ideas for Downtown Hughson.

3. EDC COMMENTS:

ADJOURNMENT:

WAIVER WARNING

If you challenge a decision/direction of the City Council in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

RULES FOR ADDRESSING CITY COUNCIL

Members of the audience who wish to address the Economic Development Committee are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the Committee. **Filling out the card is voluntary.**

AFFIDAVIT OF POSTING

DATE: November 21, 2014 **TIME:** 5:00pm
NAME: Dominique Spinale **TITLE:** Assistant to City Manager/City Clerk

AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
NOTIFICATION FOR THE CITY OF HUGHSON

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

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- General Information:** The Economic Development Committee meets in the Council Chambers on the fourth Monday of each month at 5:30 p.m., unless otherwise noticed.
- EDC Agendas:** The Economic Development Committee agenda is now available for public review at the City's website at www.hughson.org and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.
- Questions:** Contact the City Clerk at (209) 883-4054