

**MINUTES OF MENDOTA  
REGULAR CITY COUNCIL MEETING**

---

**Regular Meeting**

**January 23, 2018**

Meeting called to order by Mayor Castro at 6:00 p.m.

Flag salute led by Mr. Joseph Amador.

**Roll Call**

**Council Members Present:** Mayor Rolando Castro, Mayor Pro Tem Victor Martinez, Councilors Jesse Mendoza, Oscar Rosales, and Robert Silva.

**Council Members Absent:** None.

Invocation led by Mr. Joseph Amador.

**FINALIZE THE AGENDA**

1. Adjustments to Agenda.
2. Adoption of final Agenda.

A motion was made by Mayor Pro Tem Martinez to adopt the agenda, seconded by Councilor Rosales; unanimously approved (5 ayes).

**PRESENTATION**

1. Fausto Hinojosa from Price, Paige, & Company to present the results of the 2016/2017 audit.

Fausto Hinojosa from Price, Paige, & Company presented the results of the 2016/2017 audit including a summary of the independent auditor's report; management's responsibility of preparing and presenting the financial statements according to the accounting principles generally accepted in the country; the auditor's responsibility to share their opinions on the financial statements based on the audit that they perform;

management's duty to design controls that would protect the city's financial system, and assessing the risks and implementing audit procedures; the audit process; the auditor's opinion being an unmodified audit opinion; that the audit is acceptable based on general audit principles; and the condition of the various funds that the city has, including the impacts of revenues and expenditures for each fund.

Discussion was held on the condition of the general fund; the way public safety costs affect the budget; and pursuing a tax for public safety in the future.

Mr. Hinojosa thanked Finance Director Marquez and City Manager DiMaggio for their assistance.

### CITIZENS ORAL AND WRITTEN PRESENTATIONS

None offered.

### APPROVAL OF MINUTES AND NOTICE OF WAIVING OF READING

1. Minutes of the regular City Council meeting of December 12, 2017, and the special City Council meeting of December 15, 2017.
2. Notice of waiving of the reading of all resolutions and/or ordinances introduced and/or adopted under this agenda.

A motion was made by Councilor Rosales to approve items 1 and 2, seconded by Mayor Pro Tem Martinez; unanimously approved (5 ayes).

### CONSENT CALENDAR

1. JANUARY 09, 2018 THROUGH JANUARY 17, 2018  
WARRANT LIST CHECKS NO. 043461 THRU 043507  
TOTAL FOR COUNCIL APPROVAL = \$290,472.09
2. Proposed approval of letters to be sent to congressional representatives in support of Deferred Action for Childhood Arrivals ("DACA") and Temporary Protected Status ("TPS").
3. Proposed adoption of **Resolution No. 18-07**, authorizing the City Manager to execute Amendment I to Community Development Block Grant ("CDBG") Agreement 17-113 for the 7<sup>th</sup> Street and Derrick Avenue Reconstruction Project, providing additional CDBG funds to offset the City's costs.
4. Proposed adoption of **Resolution No. 18-08**, acknowledging receipt of the annual audit of city funds.

A motion was made by Councilor Silva to adopt items 1 through 4 of the Consent Calendar, seconded by Mayor Pro Tem Martinez; unanimously approved (5 ayes).

## **BUSINESS**

1. Council receive presentation on the proposed conceptual design for a Bass Avenue subdivision.

Mayor Castro introduced the item and City Manager DiMaggio stated that Mr. Hair would not be attending the meeting. Mr. Hair requested that a statement that he provided be read, and that the rendition of the proposed subdivision be shared with the Council.

City Manager DiMaggio read Mr. Hair's statement including that KSA Inc. has provided affordable housing in Mendota for the past 10 years; the amount of homes that were built in the Las Palmas subdivision; that KSA Inc. had been looking for additional property to provide additional housing; rezoning a property that he acquired along Bass Avenue; what the current zoning of the property allows; the amount of homes that will be developed, including a park and a commercial site; paying for traffic mitigation at the corner of Barboza Street and Bass Avenue; helping the city fund a new soccer field, including discussing the possibility of creative funding measures through the development agreement; and helping the city with the annexation of land on the westside of the city.

City Manager DiMaggio reported that staff had met with Mr. Hair's team to discuss various issues regarding the development of the subdivision; that the current zoning of the property allows for the development of apartments without the approval of the Planning Commission or City Council; Mr. Hair's proposal having a positive impact on traffic; the need to signalize the intersection of Barboza Street and Bass Avenue; Mr. Hair providing the conceptual design of the proposed subdivision; developing upscale homes with larger lots on the property; the development of a neighborhood park; Mr. Hair bringing in a broker to meet with staff to develop the commercial lot; the effort that Mr. Hair has made in the development of the commercial site; the new contract city planner working on the project; the process of moving forward with the subdivision; and Mr. Hair taking the comments of the City Council.

Discussion was held on the need for upscale housing within the city; the need for commercial area on the east side of the city; the construction of a light signal on Bass Avenue; the creation of addition traffic on Bass Avenue as the result of the additional housing; the city negotiating the development agreement; potential conditions that could be included in the development agreement; the amount of development impact fees that would need to be paid; and whether the Council is interested in working out an agreement with Mr. Hair to develop a new soccer field.

City Manage DiMaggio stated that he would meet with Mr. Hair to further discuss the development, and that he would pass the Council's comments to Mr. Hair.

2. Council discussion and consideration of the development agreement between the City and Canna-Hub regarding the development of property for commercial cannabis operations.

Mayor Castro introduced the item and City Manager DiMaggio summarized the report including that the cannabis overlay district was established; a process that was established for interested applicants to apply for a conditional use permit; that Canna-Hub had entered into a purchase agreement for a property located within the overlay district; Canna-Hub being required and that they had been working on a development agreement; the establishment of a sub-committee; staff and the sub-committee had met with Canna-Hub to develop a development agreement; the direction that staff received from the sub-committee to continue negotiations with Canna-Hub; highlighted important key elements in the development agreement; the sub-committee being interested in adding an excise tax, but Cann-Hub increasing the tax per square footage instead; the fiscal impact that the development will have; the CUP being considered by the Planning Commission at a special meeting; the impact that the potential expansion of the development would have; and the agreement providing the framework for the development.

Discussion was held on the amount of revenue that the city would receive from the development; the amount of potential tenants that Canna Hub has; the business model of Canna-Hub; and whether the revenue that the city would receive is guaranteed, regardless of the amount of tenants that have leased space.

**Tim McGraw (Canna-Hub)** – congratulated Councilor Silva on the dedication of Robert Silva Plaza, and reported on the length and content of negotiations with staff; the amount of tenants that are interested in leasing a space; how the development is financed; the amount of demand for leasing; and ensuring that tenants are responsible.

City Attorney Kinsey clarified when the payment of fees would begin.

Discussion was held on the progress that Canna-Hub has made in Williams, Ca; the amount of the city tax per square foot that is included in the agreement; that Canna-Hub would make their best effort to hire local residents; the variety of positions that will be available; how transactions are tracked; whether the product will be subject through quality testing; the positive relationship between Cann-Hub and the city; who will conduct the hiring of personnel; the site being fully secured; the status of escrow; working with local contractors; when the development would break ground; why the increase of the city tax is reviewed every six years; the costs of business licenses; the rent fees; the impact that business will have on the community; the design of the building; the public's opinion of the development; and potential conditions that can be included in the CUP when the development expands.

A motion was made by Councilor Rosales to adopt Resolution No. 18-09, seconded by Mayor Pro Tem Martinez; unanimously approved (5 ayes).

3. Council receive report on the Police Department building feasibility.

Mayor Castro introduced the item and City Manager DiMaggio summarized the report including State Senator Cannella's efforts to successfully acquire funding for the police department; Council requesting that staff revisit the issue; the two options that staff developed, the police-only option and the civic center option; both options being designed to be constructed at the city's property at 7<sup>th</sup> Street and Riofrio Street; the funding being insufficient to fund either option; the need to acquiring financing to construct either option; the average construction costs for either option; the civic center option being the recommended option; ways that either option would be funded; and staff recommending the civic center option due to development costs and use perspective; and the recommended council direction.

Discussion was held on how either option would be financed; the costs associated with each option; whether the options are feasible; the need for a new community center; what the most efficient option is; staff developing a comprehensive financing plan; the benefits of converting debt of rent into the debt service of an asset; the importance of the city to progress; and the benefits of utilizing the current City Hall for other purposes.

A motion was made by Mayor Pro Tem Martinez to direct staff to develop a comprehensive financing plan for combined facility option and return to the Council within 90-days, seconded by Councilor Silva; unanimously approved (5 ayes).

### **DEPARTMENT REPORTS AND INFORMATIONAL ITEMS**

1. Administrative Services
  - a) Monthly Report

Administrative Services Director Lekumberry summarized the report including that she continued to conduct labor compliance employee interviews for the 7<sup>th</sup> and Derrick project; updated the city's employment application; the AB 1825/AB 1661 training that was held in December; an injury that occurred in December; and the worker's compensation Year End Summary for 2017; and the average number of Senior Center attendees.

Discussion was held on the revenues and expenditures of the Senior Center, and the amount of individuals that attend the center.

2. Public Works
  - a) Monthly Report

Planning & Public Works Director Gonzalez stated that he would answer any questions that the Council may have.

Discussion was held on sending a thank you letter to Mr. Stefanopoulos for letting the city utilize his property, and the Council congratulated Assistant Engineer Osborn for the

birth of his new baby.

3. City Attorney
  - a) Update

Nothing to report.

Discussion was held on the status on the rescinding of the Cole Memo,

4. City Manager

City Manager DiMaggio reported on the purpose of the Reach 2B project; the Bureau of Reclamation needing to use the bridge for the project; applying for a federal grant to acquire funding to reconstruct the bridge; what the city needs to submit to qualify for the funding; the likelihood that the city would receive the grant; and proposes that the Council hold a special meeting to consider the contract with Provost & Pritchard.

Discussion was held on the importance of reconstructing the bridge; designing the bridge that will last about 75 years; holding a special City Council meeting on Tuesday, January 30<sup>th</sup> at 12 pm to consider the item; and the possibility of holding a Town Hall meeting to discuss immigration laws and enforcement in the future.

### **MAYOR AND COUNCIL REPORTS AND INFORMATIONAL ITEMS**

1. Council Member(s)

Councilor Mendoza thanked staff for their work; congratulated Councilor Silva on the dedication of the Robert Silva Plaza; and commented on the issues with the immigration laws and enforcement.

Councilor Rosales requested that staff look into the possibility of holding a Fourth of July firework show; congratulated Councilor Silva on the dedication of Robert Silva Plaza; and thanked staff for their work.

Discussion was held on the upcoming joint meeting with the Mendota Unified School District Board of Trustees, and the upcoming Coffee with a Cop and Councilmember event that will be held on February 20<sup>th</sup> from 3 pm – 5 pm at Westside Youth Inc.

Councilor Rosales inquired on the possibility of part-time officers receiving benefits.

Discussion was held on the costs that the city pays to provide benefits for full-time employees; negotiations that staff has done with the Mendota Police Officer's Association; and the structure of the personnel of the police department.

Councilor Silva thanked everyone who attended the dedication ceremony of Robert Silva Plaza.

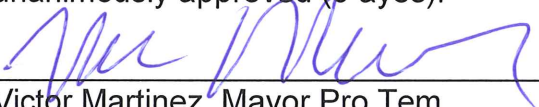
Mayor Pro Tem Martinez thanked staff for their work, and the members of the public for their participation.

2. Mayor

Mayor Castro congratulated Councilor Silva; inquired on the possibility of adding street bollards to the front of Robert Silva Plaza; and thanked staff for their hard work.

**ADJOURNMENT**

With no more business to be brought before the Council, a motion for adjournment was made at 7:47 p.m. by Councilor Silva, seconded by Mayor Pro Tem Martinez; unanimously approved (5 ayes).

  
\_\_\_\_\_  
Victor Martinez, Mayor Pro Tem

ATTEST:

  
\_\_\_\_\_  
Matt Flood, City Clerk

