

**MINUTES
CITY COUNCIL MEETING
MONDAY, JUNE 15, 2015**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:30 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE

FLAG SALUTE The flag salute was led by Mayor Pro Tem Lee.

ROLL CALL

City Council: Council Members Karen Bright, Barbara Nicolls, Mariam Shah, Mayor Pro Tem Jeff Lee, and Mayor John Shoals were present.

City Staff: City Manager Robert Perrault, City Attorney Martin Koczanowicz, City Clerk Donna McMahon, Police Chief John Peters, Administrative Services Director Gayla Chapman, Community Development Director Bruce Buckingham, Public Works Director/City Engineer Greg Ray, and Parks & Recreation Program Director Kathy Petker were also present.

Also present were Fire Chief Steve Lieberman and Battalion Chief Riki Heath, Five Cities Fire Authority, and Engineering Consultant John Hollenbeck, Hollenbeck Consulting.

AGENDA REVIEW

Action: Upon unanimous consensus, the Council adopted the agenda as presented.

CEREMONIAL CALENDAR

1. Proclamation Commending Grover Beach Elementary School for Attaining Certification in the International Baccalaureate (IB) Primary Years Programme.

Mayor Shoals read and presented the Proclamation to Grover Beach Elementary School Principal James Snyder, Lucia Mar Unified School District Board President Vicki Meagher, and School Board Member Dee Santos.

2. Plaque of Appreciation to Arroyo Grande 2nd Ward, the Church of Jesus Christ of Latter-Day Saints, for Volunteer Assistance Landscaping, Refurbishing and Cleaning at Grover Heights Park.

Parks & Recreation Program Director Petker described the Grover Heights Park project and displayed pictures of the many volunteers who had assisted with completing the project over a period of several weeks. Mayor Shoals read and presented the "Plaque of Appreciation" on behalf of the City of Grover Beach to Dr. Richard Norman.

3. Certificates of Appreciation to the 2015 Spring Garden Tour Participants.

Parks & Recreation Program Director Petker and Recreation Coordinator O'Donnell, along with the City Council and Parks, Recreation & Beautification Commission Vice Chair Geraldine Roseboro and Commissioner Debbie Johnston presented Certificates of Appreciation to the following 2015 Spring Garden Tour participants:

- Steven Handel & Mary Guernsey, 1165 Encinitas Court;
- Mary Olveira, 1132 S. 16th Street;
- Diane Otto, 601 Hermosa Court;
- Tim & Maalaea Quirk, 931 Margarita Avenue; and
- Dee Santos, 850 Atlantic City Avenue (Plant Exchange) and Vicki Meagher and Jeanne Storton ("City History" display).

It was noted that certificates would be sent to the following participants who were not available to attend the City Council meeting:

- Walter & Lisa French, 1042 Atlantic City Avenue;
- Pami Castro, 998 Saratoga Avenue;
- Azteca Landscape & Construction, Cecilia Salano & Jacob Sanchez, 938 Trouville Ave;

- Bob Toth, 779 Naples Street; and
- Ron & Mary Valenti, 339 Ocean View Avenue.

PUBLIC COMMUNICATIONS The Mayor opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council, but were not listed on the agenda.

- A. John Wysong, Grover Beach resident, requested a higher priority be placed on rehabilitating North 16th Street. He also objected to the City issuing permits for hotel developments during extended drought conditions.
- B. Steve Green, Grover Beach Resident, expressed concerns regarding the application of penalties under the City's Water Conservation Program.

It was noted that the City Council had just held a special workshop to discuss the City's Water Conservation Program. Mr. Green was requested to speak directly with City staff for additional information.

There were no further comments received at this time. Brief discussion was held regarding the recently prioritized list of streets scheduled for rehabilitation. It was noted that North 16th Street was included on that list.

PUBLIC HEARINGS

4. Application for Certificate of Public Convenience and Necessity for Central Coast Taxi Applicant: Samuel Orr, Central Coast Taxi.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Police Chief Peters provided an overview of the application from Central Coast Taxi for a Certificate of Public Convenience and Necessity and the proposed fare schedule to operate a taxicab service in Grover Beach.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

Sharon Brown, Grover Beach resident, requested and received additional information regarding the requirements for considering an additional taxi cab service.

There were no further public comments received and the Mayor closed the Public Hearing.

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Nicolls to: 1) determine there was a public convenience and need for the taxi company Central Coast Taxi, and 2) adopt Resolution No. 15-24 granting a Certificate of Public Convenience and Necessity to Samuel Orr to operate Central Coast Taxi within the Grover Beach city limits. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Shah, Mayor Pro Tem Lee, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 15-24: Resolution of the City Council of the City of Grover Beach Granting a Certificate of Public Convenience and Necessity, and Authorizing the Schedule of Fares for Central Coast Taxi.

5. Consideration of Formal Adoption of the FY 16 Budget.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Referencing a PowerPoint presentation, City Manager Perrault provided an overview of the proposed budget for the coming fiscal year, and briefly described the anticipated revenues and planned expenditures for each major budget unit.

He stated that the strongest emphasis in the coming fiscal year was being placed on the Capital Improvement Program, which included a significant amount of voter-approved bond

funding for the Street Rehabilitation and Repair Program, as well as planned improvements for Oak Park Boulevard, water line upgrades, the Municipal Broadband Network, sidewalk improvements, and Train Station improvements. He noted that the proposed budget did not include employee compensation adjustments, as any potential adjustments were subject to the meet and confer process that had not yet been completed. Further, the proposed budget did not include allocations to groups or organizations that annually request a contribution from the City. In reference to the Water Fund, he stated that revenues were forecast to continue declining as a result of ongoing conservation efforts, and that costs associated with an upcoming Utility/Use Study were also not included in the budget.

In conclusion, he outlined three additional unfunded items requiring further Council consideration: a management review of the City organization, additional engineering staff, and recruitment for the next City Manager. Staff then responded to questions from the Council.

Brief discussion was held regarding the budget document, proposed expenditures, City programs, billing procedures, and increasing costs as a result of stormwater monitoring requirements. Typographical corrections were also noted in the draft document (deleted text indicated with ~~strike-out~~ font) as follows:

- page 2 - FY 16 Budget Companion Document - update the names of elected officials; and
- page 8 - Citywide - "The current budget does not fall within the City's financial policy."

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

The following persons spoke in support of their respective agency requests for funding:

- Kayla Anderson, Economic Vitality Corporation;
- David Conn, Five Cities Diversity Coalition;
- Joe Whitaker, San Luis Obispo Service Corps Of Retired Executives (SCORE);
- Dr. Rubert Chowins, Noor Clinic;
- Jerry Rioux, Housing Trust Fund; and
- Judith Bean, Arroyo Grande & Grover Beach Chamber of Commerce.

Sharon Brown, Grover Beach resident, noted a typographical error in the draft Resolution, stating that the total amount listed for "Fund 20" was for "Street Rehabilitation and Repair", not "Underground Utilities".

There were no further public comments received and the Mayor closed the Public Hearing.

Recess: Upon consensus of the City Council, the meeting recessed at 8:39 p.m.

Reconvene: At 8:50 p.m., the meeting reconvened with all Council Members present.

Council discussion ensued regarding the City's reserve funds, the code enforcement program and whether to dedicate additional funding for a more proactive program, including a separate line item in the budget document for the City's collection of sewer utility fees on behalf of the South San Luis Obispo County Sanitation District, economic development, marketing, and the City's participation in the Savor the Central Coast event. Additional discussion was held regarding contributions to groups or organizations requesting financial support and whether to set a maximum funding limit for future allocations. Further discussion was held regarding completing a Utility/Use Study before the end of the calendar year, revising the City's sign regulations, and establishing milestones to assess progress on capital improvement projects and Council goals.

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Shah to adopt Resolution No. 15-25 setting the FY 16 Appropriation Limit from Tax Proceeds. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Shah, Mayor Pro Tem Lee, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 15-25: A Resolution of the City Council of the City of Grover Beach, California, Setting the FY 16 Appropriations Limit from Tax Proceeds.

Action: It was moved by Mayor Pro Tem Lee and seconded by Mayor Shoals to adopt Resolution No. 15-26 adopting the FY 16 Budget. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Shah, Mayor Pro Tem Lee, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 15-26: A Resolution of the City Council of the City of Grover Beach, California Appropriating the FY 16 Budget.

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Bright to adopt Resolution No. 15-27 establishing the number of authorized positions for various departments. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Shah, Mayor Pro Tem Lee, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 15-27: A Resolution of the City Council of the City of Grover Beach, California Establishing the Number of Authorized Positions in the Various Departments of the City for the FY 16 Budget.

Action: Upon unanimous consensus of the City Council, direction was provided for staff to return to the Council with the necessary budget amendments at the first City Council meeting in July to fund the following additional items for FY 16:

- 1) a management review = \$40,000;
- 2) additional engineering staff = \$100,000;
- 3) recruitment for the next City Manager = \$30,000;
- 4) an additional \$15,000 for economic development in the City Management Department for a revised total of \$40,000;
- 5) a total of \$27,643 in financial contributions to outside agencies and groups as follows: Economic Vitality Corporation = \$ 5,000; Arroyo Grande & Grover Beach Chamber of Commerce = \$ 5,000; SLO SCORE = \$ 2,500; Savor the Central Coast = \$ 2,500; Housing Trust Fund = \$5,000; SLO Noor Foundation = \$5,000; Homeless Services Oversight Council = \$2,143; and Five Cities Diversity Coalition = \$500;
- 6) a Utility/Use Study = \$40,000;
- 7) Parking Assessment District = \$25,000 towards an analysis and the preparation of estimates to establish an assessment district for parking lot improvements in the downtown area at the Ramona Business Square.

CONSENT AGENDA

It was moved by Council Member Bright and seconded by Council Member Nicolls to approve Consent Agenda Item Nos. 6, 7, 8, and 9, as recommended. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Shah, Mayor Pro Tem Lee, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

6. Treasurer's Report for the Period May 26, 2015 - June 10, 2015.

Action: Approved the Treasurer's Report as submitted.

7. Treasurer's Report for the Streets Bond Account (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period May 26, 2015 - June 10, 2015.

Action: Approved the Treasurer's Report as submitted.

8. **Amending the Guidelines for Compliance with the Affordable Care Act and Authorizing the City Manager to Create and Implement Certain Administrative Policies** - Amending previously established guidelines pursuant to the requirements of the Affordable Care Act (ACA), and delegating the authority to the City Manager to implement certain safe harbors through an administrative policy to meet the affordability standards of the ACA.

Action: Adopted Resolution No. 15-28 amending the guidelines for compliance with the Affordable Care Act.

Resolution No. 15-28: A Resolution of the City Council of the City of Grover Beach Amending the Compliance Guidelines for the Affordable Care Act.

9. **Second Reading and Adoption of Ordinance Allowing the Use of Non-motorized Scooters in the South County Skate Park. Applicant: City of Grover Beach**—Amendment to the Grover Beach Municipal Code, deleting Section 2516 from Article II Chapter 5 and adding Chapter 4 to Article VI Section 6400 Skate Park Facility Usage and Fines as now depicted in Section 2516 to allow the use of non-motorized scooters in the South County Skate Park, 1750 Ramona Avenue.

Action: Conducted second reading, by title only, and adopted Ordinance No. 15-02.

Ordinance No. 15-02: An Ordinance of the City Council of the City of Grover Beach, California, Amending the Grover Beach Municipal Code to Delete Section 2516 (Skate Park Facility Usage and Fines) of Article II Chapter 5 and Add Chapter 4 to Article VI Section 2516 to Allow the Use of Non-motorized Scooters in the South County Skate Park.

REGULAR BUSINESS

None at this time.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Council Member Bright reported on the meeting of the Air Pollution Control District.

Council Member Shah reported on meetings of the Arroyo Grande & Grover Beach Chamber of Commerce, Visit San Luis Obispo County, and the League of California Cities Community Services Policy Committee Meeting that was held in Sacramento.

Council Member Nicolls reported on meetings of the South County Transit and the San Luis Obispo County Water Resources Advisory Committee.

Mayor Pro Tem Lee stated that he had no committee reports at this time.

Mayor Shoals stated that he had no committee reports at this time. However, he provided a brief update regarding a change in legal representation at the South San Luis Obispo County Sanitation District and described discussions regarding the billing process for member agencies.

COUNCIL COMMUNICATIONS

- A. Council Member Nicolls briefly described her attendance at the Newly Elected Officials Academy. She noted that one of the session topics focused on government tort claims. She requested Council consensus to schedule a discussion regarding recent correspondence threatening litigation against the City.

Upon request, City Attorney Koczanowicz described the process for handling claims against the City. He confirmed that the matter could be scheduled for discussion in Closed Session, but noted that he would be unavailable to participate in the discussion in person on July 6th, however, he could be available to participate telephonically.

Action: Upon consensus, Council direction was provided to schedule the matter of potential litigation under Closed Session at the City Council meeting of July 6, 2015.

- B. Mayor Pro Tem Lee requested Council consensus to add milestone dates to the adopted Goals and Work Program for FY 16.

Action: Upon consensus of the City Council, a discussion regarding adding milestone dates to the Goals and Work Program would be scheduled for a discussion by the City Council in either late July or early August.

- C. Mayor Shoals noted that he and City Manager Perrault had attended a meeting of the Joint Authority in Sacramento regarding the Grover Beach Lodge Project. He then outlined pending project issues that were discussed.

He announced that the League of California Cities Annual Conference would be held September 30 - October 2 in San Jose, California, and encouraged his colleagues to notify the City Clerk as soon as possible regarding interest in attending this year's conference.

Mayor Shoals reported that he had attended a recent regional workshop hosted by the Economic Vitality Corporation regarding infrastructure and sustainable communities.

He then commented on seeing new banner displays in the parking lot at the San Luis Obispo County Regional Airport, one of which included a banner promoting the Grover Beach community. City Manager Perrault briefly described Council Member Shah's involvement in bringing the promotional opportunity to his attention, as she was the City's representative to Visit SLO County. He noted the short time frame in which the City was required to respond to the promotional offer, and he confirmed that funds allocated for economic development and marketing purposes were utilized to purchase the banner.

11:00 p.m. Rule: It was moved by Mayor Pro Tem Lee and seconded by Council Member Nicolls to continue the meeting past 11:00 p.m. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Shah, Mayor Pro Tem Lee, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

CITY MANAGER'S REPORTS AND COMMENTS

10. Status Report Regarding the Oak Park Boulevard Street Improvement Project.

City Manager Perrault briefly described the Oak Park Boulevard Rehabilitation Project to rehabilitate Oak Park Boulevard from West Grand Avenue to the northern city limit. The majority of the project's budget would be through federal funding, available to the City by July 1st. Additionally, discussions with Phillips 66 were ongoing for coordinating this street improvement project with a separate pipeline transmission project by Phillips 66. He then outlined the project schedule for design, bidding, award of contract, and commencement of construction on Oak Park Boulevard which, depending upon weather conditions, might be delayed until February 2016. Staff then responded to questions from the Council.

Brief discussion was held regarding proposed options to reduce the project schedule and expedite the commencement of construction, which could result in escalated costs. It was noted that the Oak Park Boulevard Street Improvement Project was not a Measure K-14 bond-funded project. Additional discussion was held regarding the more stringent requirements for federally-funded projects.

Action: No formal action taken, informational presentation only.

11. Discussion Regarding Identifying a Date to Schedule a Joint City Council and Parks, Recreation & Beautification Commission Meeting.

City Manager Perrault reviewed previous discussions with the Council regarding scheduling a joint meeting with the Parks, Recreation & Beautification Commission.

Brief discussion was held regarding a potential meeting date.

Action: Upon unanimous consensus, the Council authorized scheduling a Joint City Council and Parks, Recreation & Beautification Commission on Thursday, July 9, 2015 at 6:30 p.m.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

At 10:54 p.m., the Council met in Closed Session regarding the following items:

1. **Conference with Labor Negotiators**
Pursuant to Government Code Section 54957.6.
Agency Negotiator(s): City Manager Robert Perrault, Police Chief John Peters; Administrative Services Director Gayla Chapman, Assistant Administrative Services Director Eve Byrd, Human Resources Coordinator/Deputy City Clerk Chanelle Hubbard, and/or Commander Tim Miller (may include some or all of the above)
Employee Group: All employee groups (represented and unrepresented)
2. **Conference with Legal Counsel - Existing Litigation**
Pursuant to Government Code Section 54956.9(d)(1)
Lopez v. City of Grover Beach, et al CV 120210
3. **Conference with Legal Counsel – Existing Litigation**
Pursuant to Government Code Section 54956.9(d)(1)
Santa Maria Valley Water Conservation District v. City of Santa Maria, etc., et al, and Related Cross-Actions: Santa Clara Superior Court Case No. CV 770214

Closed Session Announcements: At 11:19 p.m., Mayor Shoals reconvened the meeting in open session with all Council Members present. It was announced that there were no reportable actions taken during Closed Session.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 11:20 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 08/03/2015)