

**MINUTES  
CITY COUNCIL MEETING  
MONDAY, SEPTEMBER 21, 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 Aubrie Knollenberg, a 9-year-old, 4<sup>th</sup> grade student at Fairgrove Elementary School.

**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 was Fire Chief Steve Lieberman, Five Cities Fire Authority.

**CLOSED SESSION ANNOUNCEMENTS**

City Attorney Koczanowicz read the following announcement:

On Tuesday, September 8, 2015 after meeting in Closed Session regarding:

1. Conference with Real Property Negotiators  
Pursuant to Government Code Section 54956.8  
Property: APN 060-381-010, 011  
Agency negotiator: City Manager and City Attorney  
Negotiating party: Pacifica Companies  
Under negotiation: Terms and conditions of potential lease.
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. Public Employee Performance Evaluation  
Pursuant to Government Code Section 54957  
Employee: City Manager

the City Council reconvened into open session, and announced there were no reportable actions taken.

**AGENDA REVIEW**

At this time, City Attorney Koczanowicz noted that the "conflict of interest" section at the bottom of page 1 on Consent Agenda Item No. 6 was marked in error, and that Mayor Shoals had no conflict of interest regarding that agenda item.

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

**PRESENTATION**

**1. Presentation on Civil Discourse by the League of Women Voters.**

Marguerite Bader, President, League of Women Voters of San Luis Obispo County, and Sharon Kimball, 1<sup>st</sup> Vice President, League of Women Voters of San Luis Obispo County and Director of the Civil Discourse Task Force, briefly described the League's efforts to promote citizen participation in local government and outlined best practices in civil discourse. An informational brochure and sample resolution regarding civil discourse were distributed to the Council.

The Council thanked the League representatives for the informative presentation and acknowledged Marilee Hyman, the League's Immediate Past President, who was seated in the audience.

**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. Sharon Brown, Grover Beach resident, described activities at a recent Beach Clean Up day event and praised the efforts of all the participants.
- B. Jim Harrison, Nipomo resident, expressed concerns regarding the crosswalks on West Grand Avenue near the entrance to the beach, noting the surface was too slippery for equestrian use.

There were no further public comments received and the Mayor closed this portion of the public comment period.

### **PUBLIC HEARING**

None at this time.

### **CONSENT AGENDA**

Prior to consideration of the Consent Agenda, Mayor Shoals announced that he would abstain from Consent Agenda Item No. 4 as he was not present at the City Council meeting of August 17, 2015. It was moved by Mayor Pro Tem Lee and seconded by Council Member Bright to approve Consent Agenda Item Nos. 2, 3, 4, 5, 6, 7, and 8, as recommended. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Shah, Mayor Pro Tem Lee, and Mayor Shoals (except for Item No. 4).  
NOES: Council Members - None.  
ABSENT: Council Members - None.  
ABSTAIN: Mayor Shoals (for Item No. 4 *only*, as he was absent from the City Council meeting on August 17, 2015).

- 2. **Treasurer's Report for the Period September 1, 2015 - September 15, 2015.**  
**Action:** Approved the Treasurer's Report as submitted.
- 3. **Treasurer's Report for the Streets Bond Account (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period September 1, 2015 - September 15, 2015.**  
**Action:** Approved the Treasurer's Report as submitted.
- 4. **Minutes of the City Council Meeting on August 17, 2015.**  
**Action:** Approved the minutes as submitted.
- 5. **Second Reading and Consideration of Adoption of Ordinance No. 15-04, Amending the Grover Beach Municipal Code to Remove Residency Restrictions for PC 290 Registrants** - Adopting an Ordinance which would eliminate the local residency restrictions for Penal Code (PC) 290 registrants from the Grover Beach Municipal Code (GBMC), reverting to state law for these purposes.  
**Action:** Conducted second reading, by title only, and adopted Ordinance No. 15-04 amending the GBMC to remove residency restrictions for PC 290 registrants.

**Ordinance No. 15-04: An Ordinance of the City Council of the City of Grover Beach, California, Amending Grover Beach Municipal Code Sections of Article III, Chapter 16 - Residency Requirements for Penal Code 290 Registrants.**

(Note: As previously announced under "Agenda Review", there was no conflict of interest for Mayor Shoals regarding Item No. 6.)

6. **Consideration of Entering into an Agreement for City Manager Recruitment Services with William Avery & Associates** - Retaining the services of a professional recruiting firm for the recruitment of a new City Manager due to the pending retirement of City Manager Robert Perrault.

**Action:** Authorized retaining the firm Avery & Associates to conduct the City Manager recruitment, authorized the City Attorney to finalize the agreement, and authorized the Mayor to execute the agreement on behalf of the City.

7. **Consideration of Entering into an Agreement for Operational Review Services with Management Partners** - Entering into an agreement with Management Partners to perform an organizational review of City management and operations.

**Action:** Authorized retaining the firm Management Partners to conduct an organizational review, authorized the City Attorney to finalize the agreement for professional services, and authorized the Mayor to execute the agreement on behalf of the City.

8. **Consideration of an Agreement with Compensation and Benefit Adjustments for Executive Management Employees** - Entering into an agreement with Executive Management employees for a three-year period commencing on July 1, 2015 and ending on June 30, 2018.

**Action:** 1) Adopted Resolution No. 15-50 ratifying the Agreement with the Executive Management employee group; and 2) adopted Resolution No. 15-51 amending the Classification and Compensation Plan for job classes in the Executive Management group.

**Resolution No. 15-50: A Resolution of the City Council of the City of Grover Beach, California, Approving the Agreement with the Executive Management Employee Group Amending the Compensation and Benefit Package for the Three-year Period Ending on June 30, 2018.**

**Resolution No. 15-51: A Resolution of the City Council of the City of Grover Beach, California, Amending Resolution No. 02-73 to Adjust Salary Ranges for Certain Executive Management Job Classes.**

## **REGULAR BUSINESS**

9. **Report Regarding the Phillips 66 Project and Rail Traffic / Safety through Grover Beach.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Perrault briefly described the Phillips 66 Rail Spur Project and noted that the County of San Luis Obispo Planning Department had not yet released the Final Environmental Impact Report on the project. He then outlined the project's potential impacts on the Grover Beach community and concerns regarding the City's readiness to manage and respond to potential impacts resulting from a derailment. He also described concerns identified by the League of California Cities regarding rail safety and the transport of hazardous materials. Staff responded to questions from the Council, with Police Chief Peters and Fire Chief Lieberman responding to questions regarding local emergency response readiness.

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

Liisa Stark, Director, Public Affairs, Corporate Relations, Union Pacific Railroad, briefly described the obligation for railroads to transport materials. She also outlined Union Pacific's efforts to prevent derailments, as well as its readiness to respond to emergencies. Ms. Stark then distributed informational flyers regarding commodities and crude oil shipped by rail, along with fact sheets regarding Union Pacific Railroad's Safety Department.

The following persons spoke in **support** of transporting heavy crude oil by rail and/or the Phillips 66 Rail Spur Project. Some individuals also described safe operating procedures conducted at the Phillips 66 Santa Maria Refinery located on the Nipomo Mesa:

- Jim Anderson, Maintenance Superintendent, Phillips 66 employee;
- Hans Mager, San Luis Obispo resident;
- Kellen Costelow, Grover Beach resident and Phillip 66 employee;
- Tyler Menane, San Luis Obispo resident;
- Susan McIntosh, Atascadero resident;
- Justin Turner, Los Osos resident and Phillips 66 employee;
- Jorge Jaime, San Luis Obispo resident and Phillips 66 employee;
- Al Fonzi, Atascadero resident and 5<sup>th</sup> District Chair of the San Luis Obispo County Republican Party;
- Mike Carroll, Orcutt resident and Phillips 66 employee;
- Virlon Smoot, Arroyo Grande resident;
- Rick Bacon, Nipomo resident;
- Dane Senser, San Luis Obispo resident;
- Pearl Castro, Atascadero resident;
- Shannon Dooley, Pismo Beach resident and Phillips 66 employee;
- Darin Grandfield, Pismo Beach resident and Phillips 66 employee;
- Juan Hernandez, Nipomo resident and Phillips 66 employee;
- Rachel Penny, Arroyo Grande resident and Phillips 66 employee;
- Tracy Castilleja-Herrera, Santa Maria resident;
- Ray Jackson, Arroyo Grande resident and Phillips 66 employee;
- Eric Oetjen, resident of Vacaville, California; and
- Sean Quigley, San Luis Obispo resident and Phillips 66 employee.

The following persons spoke in **opposition** to transporting heavy crude oil by rail and the Phillips 66 Rail Spur Project, citing environmental, economic, and/or health concerns:

- Thomas Ryan, Nipomo resident;
- Martin Akel, Nipomo resident;
- Charles Varni, Oceano resident;
- Kim Johnson, Grover Beach resident;
- Laurel Williams, Grover Beach resident;
- Jerry Pastor, Grover Beach resident;
- Johanna Rubba, Grover Beach resident;
- Erin Lares, Grover Beach resident;
- Stacey Avelar, Grover Beach resident;
- Lee Carter, Grover Beach resident;
- Janaé Shaper Brolin, Grover Beach resident;
- Sherri Stoddard, Los Osos resident;
- Valerie Love, Center for Biological Diversity, resident of Berkeley, California;
- John Anderson, Nipomo resident;
- Kevin Beauchamp, Nipomo resident;
- Kay Gore, Arroyo Grande resident;
- Gina Whitaker, Arroyo Grande resident;
- Rich Robinson, Arroyo Grande resident;
- Gary McKible, Nipomo resident;
- Laurance Shinderman, Nipomo resident;
- Candia Katich, Grover Beach resident;
- Mark Nelson, Grover Beach resident;
- Mary Eister, Arroyo Grande resident; and
- Lizza Demsetz, San Luis Obispo resident.

The following person also spoke:

- Reginald Corella, San Luis Obispo resident, expressed empathy for both sides of the issue.

The following person had already left the Council Chambers when her name was called:

- Johnna Bramblett, Grover Beach resident, did not speak, but indicated her opposition to the Phillips 66 Rail Spur Project on the speaker request form.

There were no further public comments received at this time.

Recess: Upon consensus of the City Council, the meeting recessed at 9:27 p.m.

Reconvene: At 9:40 p.m., the meeting reconvened with all Council Member present.

Council discussion ensued on the proposed rail project and the concerns raised regarding rail safety in Grover Beach.

Ms. Stark, Union Pacific Railroad representative, responded to questions from the Council regarding rail speeds through San Luis Obispo County, rail cars, preventative maintenance, safety inspections conducted by Union Pacific Railroad, emergency response teams and resources available to local agencies, as well as safety measures being implemented to improve rail service.

Mr. Anderson, Phillips 66 representative, responded to questions regarding the current method of oil transport to the refinery via pipeline.

Council Member Shah displayed a flyer that she had received at home regarding the Rail Extension Project and “protecting jobs”, but noted the flyer did not specifically indicate jobs located in Grover Beach that would be protected. Additional Council discussion was held on whether to send a letter to the federal government expressing the City’s concerns regarding rail safety, as well as whether to send a letter to the County Planning Commission prior to the release of the Final Environmental Impact Report on the Phillips 66 project.

**Action:** Upon unanimous consensus of the City Council, direction was provided for:

- 1) staff to prepare a letter for the Mayor’s signature to the federal government expressing the City’s concern for the safe transport of hazardous materials, including crude oil, and the need for additional regulatory action to improve rail safety;
- 2) the Mayor to execute the letter to the federal government on behalf of the City Council;
- 3) staff to prepare a draft letter to the San Luis Obispo County Planning Commission for Council consideration at the next regular City Council meeting that:
  - a) acknowledged the high priority placed on safety at the current Phillips 66 Santa Maria Refinery; and
  - b) expressed the Council’s opposition to the Phillips 66 Rail Spur Project based on the potential rail safety impact the project could have on the City and its residents.

**Recess:** Upon consensus of the City Council, the meeting recessed at 10:29 p.m.

**Reconvene:** At 10:37 p.m., the meeting reconvened with all Council Members present.

**11:00 p.m. Rule:** At 10:29 p.m., 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.

**10. Consideration of Parks, Recreation and Beautification Commission Recommendations Regarding Playground Equipment in Ramona Garden Park.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Parks and Recreation Program Director Petker presented recommendations from the Parks Recreation & Beautification Commission regarding the location and/or installation of playground equipment at Ramona Garden Park. She then responded to questions from the Council.

Discussion was held regarding the proposed location for the equipment; alternate locations; potential impacts playground equipment could have on other park uses, such as the City-sponsored summer concert series; restrictions for the grant funds to be used exclusively for purchasing playground equipment; and further analysis needed to determine the feasibility of alternate locations in the park for placement of the playground equipment.

**Action:** Upon unanimous consensus, the City Council referred the matter back to the Parks, Recreation and Beautification Commission to further investigate: 1) the feasibility of alternate locations for the playground equipment to ensure compatibility with other uses at Ramona Garden Park; and 2) the costs for alternate locations for the playground equipment. Further, for staff to bring the matter back to the City Council for consideration if additional funding was necessary.

**11. Authorization to Enter Into a Consulting Service Agreement with Wallace Group for Design Services Associated with the North Oak Park Boulevard Rehabilitation Project.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray described the scope of work outlined in the City's Request for Proposals to design street improvements on North Oak Park Boulevard, as well as for additional design work for modifications to the Oak Park Boulevard / West Grand Avenue intersection and between Oak Park Boulevard and the eastern City limit. Of the proposals received, he noted that Wallace Group was determined to be the most qualified and responsive firm for the project. He then outlined the original budget for the project, anticipated expenditures, and estimated budget shortfalls for the base scope of work, as well as the design options. Staff then responded to questions from the Council.

Council discussion was held regarding the scope of work, project funding, participation from adjoining agencies, and a pending Phillips 66 oil pipeline construction project requiring the company's participation in street rehabilitation costs for Oak Park Boulevard.

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

Ron Reilly, Grover Beach resident and Vice President, Garing Taylor & Associates, described the current bidding environment as benefitting larger engineering firms. He requested the City: 1) establish a list of qualified on-call engineering consultants; 2) consider options for smaller, local engineering firms to bid competitively on City projects; and 3) consider whether the preliminary design for North Oak Park Boulevard that was submitted years ago by Garing Taylor & Associates could be utilized for the current project, noting the potential to reduce project costs.

Dacé Morgan, Director of Civil Engineering and Transportation, Wallace Group, spoke in support of establishing a list of qualified on-call engineering consultants to assist the City with expediting Public Works projects. She then described the detailed scope of work that was submitted in the proposal from Wallace Group.

No further public comments were received at this time.

Brief discussion was held regarding the project's scope of work, proceeding with the base scope of work in order to expedite the commencement of improvements being constructed on Oak Park Boulevard, and having staff further review the design scope options to determine opportunities for reducing project costs.

**Action:** It was moved by Mayor Pro Tem Lee and seconded by Council Member Bright to:

- 1) Adopt Resolution No. 15-52 authorizing the City to enter into a Consulting Services Agreement with Wallace Group in the amount of \$177,573 for the base scope of work only;
- 2) Adopt Resolution No. 15-53 amending the Annual Appropriation Resolution approving the transfer of \$72,000 in funding from CIP 283 to this project to fund the base scope of work associated with the North Oak Park Boulevard Rehabilitation Project; and
- 3) Authorize the Mayor to execute the agreement on behalf of the City, based on final review of the Consulting Services Agreement by the City Attorney.

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. 15-52: Resolution of the City Council of the City of Grover Beach, California, Authorizing the City to Enter into a Consultant Services Agreement with Wallace Group to Provide Professional Design Engineering Services on the North Oak Park Boulevard Rehabilitation Project (CIP 276), Design, Bidding, and Construction Phase.**

**Resolution No. 15-53: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 6<sup>th</sup> Amendment to the Annual Appropriation Resolution No. 15-26 to Provide Funding for Design Services Associated with the North Oak Park Boulevard Rehabilitation Project.**

Additionally, direction was provided for staff to review options for securing design services relative to Option 1a - Geometric Improvements at West Grand Avenue and Option 1b - Pavement Improvements, including the West Grand Avenue/Oak Park intersection and West Grand Avenue east to the City limit, and to bring that information to the City Council for its consideration.

#### **PULLED CONSENT AGENDA ITEMS**

None at this time.

#### **COUNCIL COMMITTEE REPORTS**

Council Member Bright stated that she had no committee reports at this time.

Council Member Nicolls stated that she had no committee reports at this time.

Council Member Shah reported on the meeting of Visit San Luis Obispo County and noted that volunteers were needed for the upcoming Savor the Central Coast event.

Mayor Pro Tem Lee stated that he had no committee reports at this time, but announced details of the upcoming Five Cities Homeless Coalition's Empty Bowls fundraiser.

Mayor Shoals reported on the meeting of the South San Luis Obispo County Sanitation District.

#### **COUNCIL COMMUNICATIONS**

None at this time.

#### **CITY MANAGER'S REPORTS AND COMMENTS**

City Manager Perrault requested the Council, at a future meeting, consider scheduling a special workshop towards the end of the calendar year regarding roles and responsibilities of elected officials during a local emergency.

#### **CITY ATTORNEY'S REPORTS AND COMMENTS**

City Attorney Koczanowicz announced that he would be attending the California Joint Powers Insurance Authority's Risk Management Conference scheduled to be held later in the week.

### **CLOSED SESSION**

At 12:11 a.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: City Manager Robert Perrault, Special Counsel Che Johnson, Administrative Services Director Gayla Chapman, Assistant Administrative Services Director Eve Byrd, and Human Resources Coordinator/Deputy City Clerk Channelle Hubbard  
Represented Employee Group: Grover Beach Police Officers' Association (GBPOA)
  
2. **Conference with Labor Negotiators**  
Pursuant to Government Code Section 54957.6.  
Agency Negotiator: City Manager Robert Perrault, Special Counsel Che Johnson, Administrative Services Director Gayla Chapman, Assistant Administrative Services Director Eve Byrd, and Human Resources Coordinator/Deputy City Clerk Channelle Hubbard  
Represented Employee Group: General Employees - (SEIU) Service Employees International Union, Local 620
  
3. **Conference with Real Property Negotiators**  
Pursuant to Government Code Section 54956.8  
Property: APN 060-381-010, 011  
Agency negotiator: City Manager and City Attorney  
Negotiating party: Pacifica Companies  
Under negotiation: Terms and conditions of potential lease.

**Closed Session Announcements:** At 12:34 a.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 the Closed Session.

### **ADJOURNMENT**

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 12:35 a.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK  
(Approved at CC Mtg 10/19/2015)