

**MINUTES
CITY COUNCIL MEETING
MONDAY, JANUARY 4, 2016**

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, Public Works Director/City Engineer Greg Ray, and Parks & Recreation Program Director Kathy Petker were also present.

CLOSED SESSION ANNOUNCEMENTS

None at this time.

AGENDA REVIEW

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

CEREMONIAL CALENDAR

1. **Awards of Excellence Recognizing the 2015 Employees of the Year: “Most Valuable” - Sonny Gerber, Police Department; and “Overall Outstanding” - Lynn Pearson, Public Works Department.**

City Manager Perrault described the annual employee recognition program and introduced Police Sergeant Sonny Gerber and Administrative Analyst Lynn Pearson. Mayor Shoals presented each employee with recognition awards.

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. The following persons expressed concerns regarding neighborhood safety due to an illegal encampment of transients and homeless individuals near North 4th Street and the Meadow Creek area, citing incidents of illegal drug activity, theft, trespassing, noise disturbances, and negative environmental impacts:
 - Maalaea Quirck, Margarita Avenue resident;
 - Sharon Biddle, Charles Street resident;
 - Brad Snook, Surfrider Foundation representative;
 - Martin DeLeon, Charles Street resident;
 - Paul Holden, Margarita Avenue resident;
 - Mike Lewis, Margarita Avenue resident; and
 - Debbie Peterson, former Mayor and former Margarita Avenue resident, who also submitted photos and a map depicting the general area of the illegal campsites.

Upon request, City Manager Perrault summarized actions taken by the City and legislation adopted by the City Council to address aggressive panhandling, transients, and illegal encampments. He also described the multi-agency effort scheduled to occur later in the month to clean up the illegal encampment located south of the Train Station. Police Chief Peters encouraged members of the public to contact the Police Department to report suspicious activities observed in parks, residential areas, and businesses. He also provided contact information for those interested in the Neighborhood Watch Program. City Attorney Koczanowicz described actions taken by other communities in response to similar issues and noted cities were required to adhere to certain procedures with regards to personal property.

PUBLIC HEARING

2. Introduction and First Reading of an Ordinance Amending the Grover Beach Municipal Code to Ban Commercial Cultivation of Cannabis.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. City Attorney Koczanowicz provided an overview of the proposed Ordinance to ban the cultivation of commercial medical marijuana. He then responded to questions from the Council.

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

The following persons spoke in opposition to the proposed Ordinance and requested the City establish guidelines regulating the commercial cultivation of cannabis:

- Tanner Stevens, Arroyo Grande resident;
- Jack Stevens, Arroyo Grande resident and owner of a medical marijuana delivery service, who also submitted his comments and contact information in writing;
- Doug Kopcha, San Luis Obispo resident;
- Cynthia Gonzales, former San Francisco resident and owner of a medical marijuana delivery service;
- Charles Doster, Los Osos resident;
- Angelo Cattaneo, San Luis Obispo resident; and
- Denis Rizzo, resident of Italy and representative of a social media organization based in Colorado regarding marijuana, who also described published reference materials on the subject and noted that he would provide complimentary copies to the Council.

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

Discussion ensued regarding the proposed Ordinance; the deadlines for local jurisdictions to adopt regulations or be subject to state jurisdiction and licensing regulations; allowable uses by qualified caregivers and qualified patients; and that if the Ordinance is adopted, the Council retains the ability to consider other aspects of the medical marijuana industry in the future and amend the City's regulations accordingly. The Council also expressed interest in receiving a more comprehensive analysis of the issue and scheduling further discussion on medical marijuana regulations, with an opportunity for additional input from local residents.

City Attorney Koczanowicz noted that if the Council subsequently chose to allow commercial cultivation of cannabis within city limits, input from the Planning Commission would be required.

Further discussion was held regarding terminology and minor corrections to the proposed Ordinance.

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

- 1) amend the draft Ordinance as follows (in the seventh paragraph on page 1, deleted text denoted with ~~strikeout~~ font and added text denoted with double underline font):
"Whereas, on October 9, 2015, California Governor Brown approved the Medical Marijuana Regulation and Safety Act ("MMRSA"), which ~~goes~~ went into effect on January 1, 2016, and establishes a comprehensive State licensing and regulatory framework...";
- 2) conduct the first reading, by title only, of Ordinance No. 16-01, as amended; and
- 3) schedule second reading and adoption for the City Council meeting of January 19, 2015.

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.

Ordinance No. 16-01: An Ordinance of the City Council of the City of Grover Beach, California, Amending Article III, Chapter 1.2 of the Grover Beach Municipal Code to Prohibit the Commercial Cultivation of Marijuana in Every Zone in the City Excepting Therefrom Cultivation for Medical Use by a Qualified Patient or Primary Caregiver and Amending Ban on Dispensaries. (First Reading Only.)

Action: Upon unanimous consensus, direction was provided that at the mid-year budget review, the Council would consider adding to the Work Program an Ordinance amendment regarding commercial dispensaries, cultivation, and delivery systems of cannabis.

City Manager Perrault confirmed that at the City Council meeting on February 1, 2016, the Council would receive a mid-year review of the FY 16 Budget, including a comprehensive review of tasks and a status update on the approved Work Program. At that time the Council would have an opportunity to prioritize this additional request.

Recess: Upon consensus of the City Council, the meeting recessed at 8:09 p.m.

Reconvene: At 8:22 p.m., the meeting reconvened with all Council Members present.

CONSENT AGENDA

Prior to consideration of the Consent Agenda, Item No. 6 was pulled pursuant to the request of Mayor Pro Tem Lee. Upon unanimous consensus, the City Council approved Consent Agenda Item Nos. 3, 4, and 5, as recommended.

3. Treasurer's Report for the Period December 15, 2015 through December 30, 2015.

Action: Approved the Treasurer's Report as submitted.

4. Treasurer's Report for the Streets Bond Account (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period December 15 through December 30, 2015.

Action: Approved the Treasurer's Report as submitted.

5. Minutes of the City Council Meeting on November 16, 2015.

Action: Approved the minutes as submitted.

REGULAR BUSINESS

7. Appointments to the Citizen Oversight Committee - Street Bonds (Measure K-14).

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Perrault briefly reviewed the requirements for citizen members to be appointed to the three-member independent audit/citizen committee tasked with reviewing expenditure reports relative to the activities funded with proceeds from the sale of bonds for street rehabilitation and repair. He noted the third application was received in December and all three applicants were present in the Council Chambers.

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Bright to: 1) appoint Anne Holden, Paula Tripp, and Terry Wingate to serve on the Citizen Oversight Committee – Street Bonds (Measure K-14) for four-year terms of office; and 2) adopt Resolution No. 16-01 confirming the three appointments. 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. 16-01: A Resolution of the City Council of the City of Grover Beach, California, Appointing Anne Holden, Paula Tripp, and Terry Wingate to Serve on the Citizen Oversight Committee - Street Bonds (Measure K-14).

At this time newly appointed Committee Members Holden, Tripp, and Wingate introduced themselves to City Council and members of the audience.

8. Grover Tech Center – Request For Waiver of Drainage Standards.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Engineer/Public Works Director Ray briefly reviewed the request to waive drainage standards for the remaining buildings to be constructed at the Grover Tech Center located on the west side of Front Street between Ramona and Newport Avenues. Staff then responded to questions from the Council.

Discussion ensued regarding the project being entitled in 2001 and the absence of a Vesting Tentative Map, which subjected the project to subsequent amendments to the City's development standards, specifically drainage standards revised in 2006. Additional discussion was held regarding circumstances under which exceptions to the development standards could be applied, flooding within the project area that could potentially be exacerbated with further development, and future planned drainage improvements on West Grand Avenue between Highway One and 4th Street.

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

Murry Wilson, applicant's representative, distributed information on the project with photos of completed project improvements and other site work completed above grade, spoke in support of the applicant's request, and responded to questions from the Council.

Brad Forde, applicant, responded to questions from the Council regarding completed and future planned improvements at the Grover Tech Center, and noted that he was unaware and not advised by staff that recording a final map would protect the partially developed project from being subject to future changes in the development code.

There were no further public comments received.

Council Member Shah and Mayor Pro Tem Lee announced they had individually spoken with the applicant regarding the project.

Further discussion was held regarding whether the project was subject to subsequent amendments to the development code, and whether completion of project improvements by the developer as well as drainage improvements constructed in the surrounding area exempted the applicant from the requirement to construct further drainage improvements.

Action: It was moved by Mayor Pro Tem Lee and seconded by Mayor Shoals based on the findings that:

- (a) all of the drainage improvements required under the conditions of the project when approved and entitled in 2001 have been completed by the developer prior to 2006, when the new requirements were imposed; and
- (b) the City has completed additional storm drainage improvements in the West Grand Avenue and Highway One area, which removed some of the drainage issues and public health and safety concerns in the project area;

the City Council determines that:

- (a) the project is exempted from having to meet the new 2006 drainage requirements; and
- (b) the applicant may proceed with pulling building permits without the 2006 drainage requirements being imposed.

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.

PULLED CONSENT AGENDA ITEMS

6. 2015-2 Street Rehabilitation and Repair Project: Award of Construction Contract.

Upon request, Public Works Director/City Engineer Ray provided an overview of the recommendation to award the construction contract for the next set of street improvements funded with Measure K-14 bond proceeds. He then responded to questions from the Council regarding the construction schedule and confirmed that impacted residents would be notified prior to commencement of construction.

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

Brian Shiffrar, CalPortland representative, described the phased construction process and estimated schedule for completing the street improvements. He then responded to questions from the Council and noted the additional steps required to be completed during the pre-construction phase.

No further public comments were received at this time.

Brief discussion was held regarding fewer waterline improvements being required during this construction phase, and specific streets segments designated for "light maintenance". Additional discussion was held regarding whether to require the use of changeable message boards or allocate funding to purchase and maintain the equipment.

Mayor Shoals requested staff re-examine pavement conditions on Encinitas Court, Pebble Street, as well as Saratoga Avenue. He also noted that his residence was located on Encinitas Court.

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Bright to: 1) adopt Resolution No. 16-02 awarding the 2015-2 Street Rehabilitation Project construction to CalPortland Construction in the amount of \$1,950,751.80; 2) authorize the City Manager to sign and affirm change orders to the project in amounts up to \$400,000 to fund the 13th Street improvement modifications and other construction changes; and 3) authorize the Mayor to execute the contract on behalf of the City. 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. 16-02: Resolution of the City Council of the City of Grover Beach, California, Awarding the 2015-2 Street Rehabilitation and Repair Project Construction Contract Capital Improvement Project No. 295-2.

COUNCIL COMMITTEE REPORTS

It was noted that no Council committee reports were being provided at this time since no Board/Committee meetings had recently been held.

COUNCIL COMMUNICATIONS

- A. Council Member Shah described efforts to open a South County warming center to serve the homeless during inclement weather and announced that volunteers were still needed to staff the warming center.
- B. Mayor Pro Tem Lee provided further information regarding the South County warming center. He then announced details of an informational meeting to be held in San Luis Obispo regarding the proposed Phillips 66 Rail Spur Project.

- C. Council Member Bright commented on the positive feedback she had received regarding the PG&E street light project, but noted that residents were now commenting on increased traffic speeds in residential areas, such as Brighton Avenue.
- D. In reference to a mailer sent by the South San Luis Obispo County Sanitation District, Mayor Shoals confirmed that he would provide the Council with additional information regarding the District's proposed rate increase.

Upon question, City Manager Perrault confirmed that the Council would soon be considering the next bond issuance for street rehabilitation and repair, as well as the status of the Oak Park Boulevard Street Rehabilitation Project.

CITY MANAGER'S REPORTS AND COMMENTS

None at this time.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

At 10:07 p.m., the Council met in Closed Session regarding the following items:

- 1. **Conference with Legal Counsel - Existing Litigation**
Pursuant to Government Code Section 54956.9(d)(1)
Diamond v. City of Grover Beach, SLO County Superior Court Case No. 15CV-0028
- 2. **Public Employment**
Pursuant to Government Code Section 54957
Title: City Manager

Closed Session Announcements: At 10:41 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 10:42 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 03/07/2016)