

**MINUTES  
CITY COUNCIL MEETING  
MONDAY, MARCH 7, 2016**

**CALL TO ORDER** Mayor Shoals called the meeting to order at 6:34 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 Darianna Leon, 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.  
(Note: Council Member Bright left the meeting at 10:38 p.m.)

City Staff: Interim City Manager James Copsey, 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, Five Cities Fire Authority, and Albert Peché, A.M. Peché & Associates.

**CLOSED SESSION ANNOUNCEMENTS**

None at this time.

**AGENDA REVIEW**

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

**PRESENTATIONS**

**1. Presentation from the Five Cities Fire Authority - Mid-year Status Report.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, Fire Chief Lieberman presented an overview of fire services provided over the past year. He outlined the Agency's goals and objectives for the coming year, updated the Council regarding the Agency's budget, and described areas where improved efficiencies had been achieved. Additionally, he noted areas of concern with regard to fleet maintenance and recruitment efforts. Chief Lieberman then responded to questions from the Council.

**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. Beth Raub, Executive Director, Boys and Girls Club, introduced herself to the City Council and members of the audience. Ms. Raub then described programs and activities offered through the Boys and Girls Club and announced details of an upcoming fund raising event.
- B. John Wysong, Grover Beach resident, described two separate personal vehicle incidents involving the California Highway Patrol and then the Grover Beach Police Department. Additionally, he commented on attending an Arroyo Grande City Council meeting to request assistance with street repairs and pedestrian safety features on Oak Park Boulevard.
- C. April McLaughlin (did not state a specific city of residence), expressed concerns regarding a recent presentation at the South San Luis Obispo County Sanitation District by John Wallace and the District's release of a certain report.
- D. Christine Horn, Grover Beach resident, expressed concerns regarding the lack of affordable housing and the absence of a day use center to serve the homeless in the South County.

## **PUBLIC HEARING**

None at this time.

## **CONSENT AGENDA**

Prior to consideration of the Consent Agenda, Item No. 5 was pulled pursuant to requests from Council Member Bright and Mayor Pro Tem Lee. Upon request from the Council, staff responded to questions regarding the Treasurer's Report (Consent Agenda Item No. 2) and the Treasurer's Report for the Streets Bond Account (Consent Agenda Item No. 3). Upon unanimous consensus, the City Council approved Consent Agenda Item Nos. 2, 3, and 4, as recommended.

2. **Treasurer's Report for the Period February 9, 2016 through March 1, 2016.**  
**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 February 9, 2016 through March 1, 2016.**  
**Action:** Approved the Treasurer's Report as submitted.
4. **Minutes of the Following City Council Meetings:**
  - Regular City Council Meeting on December 21, 2015;
  - Regular City Council Meeting January 4, 2016; and
  - Special City Council Meeting on January 14, 2016.**Action:** Approved the minutes as submitted.

**ORDER OF THE DAY:** Upon consensus of the City Council, at 7:21 p.m. the Order of the Day was amended to consider pulled Consent Agenda Item No. 5 at this time.

### **5. Authorization to Proceed with a Utility Rate Study.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Administrative Services Director Chapman described the proposed agreement to conduct a Utility Rate Study. Staff then responded to questions from the Council.

Discussion was held regarding the proposals received, insurance requirements for contract services, and the proposed scope of work to be completed.

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 information regarding the format of the proposed contract.

No further public comments were received at this time.

Further Council discussion ensued regarding the terms of the proposed contract, the selection process conducted in determining the recommended consultant, the balance in the Water Fund, whether to delay two Water Fund Capital Improvement Projects until the following year, re-negotiating the terms of the proposed contract, and deferring Council action on this item until the next regularly scheduled City Council meeting.

**Action:** Upon unanimous consensus, the City Council:

- 1) Continued this item to the next regularly scheduled City Council meeting; and
- 2) Provided direction for staff to:
  - a) Prepare the necessary Resolution for consideration by the Council at the next regularly scheduled City Council meeting to amend the FY 16 Budget and to defer funding two Capital Improvement Projects (the Meter Replacement Program and Reservoir Maintenance) until FY 17; and
  - b) Renegotiate the terms of the proposed contract to eliminate any reference to additional contingency costs and to include a specific "not to exceed" dollar amount.

**ORDER OF THE DAY:** At this time, the Order of the Day resumed to the agenda as posted.

**Recess:** Upon consensus of the City Council, the meeting recessed at 7:48 p.m.

**Reconvene:** At 7:56 p.m., the meeting reconvened with all Council Members present.

**REGULAR BUSINESS**

**6. Consideration of a Declaration of a Shelter Crisis Pursuant to Government Code Section 8698 et seq. and Consider Designating Certain Public Facilities for the Homeless.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Interim City Manager Copsey reviewed the request from the Homeless Services Oversight Council for the City Council to declare a shelter crisis and designate certain public facilities as shelters. He noted that over the past three days of rainy weather on the Central Coast, the warming shelter located in the South County area operated at less than fifty percent capacity. Staff then responded to questions from the Council.

Discussion was held regarding options available to the Council, whether to declare a shelter crisis, and the City's designated Emergency Shelter Overlay Zone located in the industrial area south of Farroll Road.

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

Janna Nicolls, 5Cities Homeless Coalition, described the process conducted to operate a temporary warming center in the Social Services building located in Arroyo Grande, with transportation to the center provided from specific locations in the South County. Use of the building was funded through donations from the faith community and a grant from one of the larger local churches. She also noted that a local church in Grover Beach had expressed an interest in providing a more permanent warming center. She then responded to questions from the Council.

The following persons also spoke in support of declaring a shelter crisis:

- Martin Meltz, warming shelter volunteer and Pismo Beach resident;
- Edie Hatton, former Grover Beach resident; and
- Betsy Ehrler, People's Kitchen representative.

There were no further public comments received at this time.

Further discussion was held regarding whether existing City facilities would be suitable for this type of use; a recent discussion at the countywide Mayors' meeting regarding this issue; potential opportunities for housing grant funds; whether to proceed with issuing a declaration, but without identifying a specific facility; and collaborating with neighboring agencies and social service organizations to open a day use center in the South County.

**Action:** It was moved by Council Member Bright and seconded by Mayor Pro Tem Lee to declare a shelter crisis per Government Code 8698 et seq., but not to designate any public facilities as shelters for the homeless at this time. 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.

**Recess:** Upon consensus of the City Council, the meeting recessed at 8:51 p.m.

**Reconvene:** At 9:00 p.m., the meeting reconvened with all Council Members present.

**7. North Oak Park Boulevard Rehabilitation Project: Award of Construction Contract.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray provided a summary of the bids received for the rehabilitation of Oak Park Boulevard from West Grand Avenue to the northern city limits.

He then responded to questions from the Council.

Discussion was held regarding overall project costs, costs for engineering design, funding sources, whether funding from state or regional sources could be allocated to other future street projects, the design scope for the base bid of the project, and the three bid additives.

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

John Wysong, Grover Beach resident, requested installation of a pedestrian crosswalk and traffic calming measures on North Oak Park Boulevard.

Sharon Brown, Grover Beach resident, requested and received additional information regarding project management costs.

There were no further public comments received.

It was noted that this project focused on rehabilitating the roadway, but did not include traffic controls, and that an assessment of traffic calming measures could be conducted at a later date. Additional discussion was held regarding the draft Resolution and revising the dollar amount indicated in the Water Fund.

**Action:** Upon consensus of the City Council, direction was provided for staff to bring a revised Resolution to the next regularly scheduled City Council meeting amending the FY 16 Budget to provide additional funding for the project.

**Action:** It was moved by Council Member Bright, seconded by Council Member Nicolls to:

- 1) Adopt Resolution No. 16-17 awarding the Base Bid and Bid Additive Groups "A", "B" and "C" to Souza Construction, Inc., in the amount of \$1,350,000;
- 2) Authorize the City Manager to sign and affirm change orders to the project in amounts up to \$135,000 to be deducted from contingency;
- 3) Authorize the Mayor to execute agreements with the Cities of Arroyo Grande and Pismo Beach for reimbursement of Bid Additive Group "B"; and
- 4) Authorize the Mayor to execute the construction 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. 16-17: Resolution of the City Council of the City of Grover Beach, California Awarding Construction Contract for the North Oak Park Boulevard Rehabilitation Project, CIP 276.**

It was also noted that the agreements with the Cities of Arroyo Grande and Pismo Beach were not included with the staff report, but preliminary drafts were being reviewed by legal counsels from both agencies. Additionally, a demand for payment would be issued in the coming days to Phillips 66 for costs related to its construction project on Oak Park Boulevard.

**8. Adoption of a Resolution Authorizing the Issuance of General Obligation Bonds in the Amount of \$8 Million and Authorizing Necessary Actions Related to the Issuance.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Interim City Manager Copsey briefly outlined the actions necessary to ensure the sale of bonds to fund the ongoing Street Repair and Rehabilitation Program in accordance with Measure K-14, which was approved by the voters in 2014. He also noted a correction on page 2 of the staff report and noted that the City had received a rating of "AA" for the last bond issuance.

Upon request, Albert Peché, A.M. Peché & Associates, the City's financial advisor, briefly outlined the costs for issuing the bonds, described the bond issuance process, and responded to questions from the Council.

Discussion was held regarding the appropriate size of the bond, financial implications to property owners with a larger bond issuance, and the requirement to spend the funds within a specified time period.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. There were no public comments received at this time.

**Action:** It was moved by Mayor Pro Tem Lee and seconded by Council Member Nicolls to adopt Resolution No. 16-18 authorizing the Bond Issue and authorizing certain actions related to the issuance of bonds. 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. 16-18: Authorizing the Issuance and Sale of Not to Exceed \$8,000,000 Principal Amount of General Obligation Bonds to Finance Improvements to Streets, and Authorizing Actions Related Thereto.**

**ORDER OF THE DAY:** At this time, the Order of the Day was amended to consider Agenda Item Nos. 10 and 11 next, followed by Agenda Item No. 9.

**10. Authorization to Participate in a Regional Proposition 1 Stormwater Grant Application and Development of a Stormwater Resources Plan.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray briefly described the recommendation to participate in a stormwater grant application with other member agencies by signing a Letter of Support for the grant application. 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.

Sharon Brown, Grover Beach resident, requested and received additional information regarding the condition of the City's existing stormwater infrastructure.

There were no further public comments received at this time.

**Action:** Upon unanimous consensus, the Council authorized the Mayor to sign the Letter of Support on behalf of the City for the Regional Water Quality Control Board Proposition 1 Grant Application.

**11. Discussion Regarding Acceptance of a Community Development Block Grant (CDBG) Economic Development Grant for \$2,135,000 related to the Grover Beach Lodge Project.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Interim City Manager Copey briefly described the Community Development Block Grant (CDBG) Economic Development grant that was awarded to the City to fund public improvements related to the Grover Beach Lodge and Conference Center project. However, the approved grant application was not based on the entitled project with a standalone conference center, but instead included a smaller conference/meeting space located within the main hotel building. In order to accept the grant, the City would need to postpone or eliminate the construction of the standalone conference center that is a part of the entitled project. He then responded to questions from the Council.

Brief discussion was held regarding alternate funding options, and obtaining more accurate cost estimates for the public infrastructure improvements and the conference center in order to pursue viable alternate funding options.

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

Sharon Brown, Grover Beach resident, spoke in support of the Grover Beach Lodge Project, but expressed concerns with the City constructing and operating a conference center.

There were no further public comments received.

Additional discussion was held regarding whether to accept or cancel the grant, the potential economic benefits to be gained from a standalone conference center compared to a project that consisted only with development of a hotel.

Council Member Shah spoke in support of accepting the grant and proceeding with the construction of a hotel project.

**Action:** It was moved by Mayor Pro Tem Lee and seconded by Council Member Nicolls to cancel the CDBG Economic Development grant related to the Grover Beach Lodge public improvements and await further direction regarding financing upon receipt and further discussions of the architectural and engineering cost estimates. The motion carried on the following roll call vote:

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

**At 10:37 p.m., Council Member Bright left the Council Chambers and was absent from the remainder of the City Council meeting.**

11:00 p.m. Rule: At 10:38 p.m., it was moved by Mayor Pro Tem Lee and seconded by Mayor Shoals to continue the meeting past 11:00 p.m. The motion carried on the following roll call vote:

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

Recess: Upon consensus of the City Council, the meeting recessed at 10:39 p.m.

Reconvene: At 10:48 p.m., the meeting reconvened with all Council Members present, except for Council Member Bright.

#### **9. Status Report Regarding Capital Improvement Projects.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray provided an update regarding changes to the City's major Capital Improvement Projects that have occurred since the last report provided to the City Council. He then responded to questions from the Council.

**Action:** The report was received and filed (Council Member Bright absent).

**ORDER OF THE DAY:** At this time, the Order of the Day resumed to the agenda as posted.

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

Pulled Consent Agenda Item No. 5 was considered earlier in the meeting.

## **COUNCIL COMMITTEE REPORTS**

Council Member Bright was absent at this time.

Council Member Shah deferred her committee reports until the next City Council meeting.

Council Member Nicolls deferred her committee reports until the next City Council meeting.

Mayor Pro Tem Lee deferred his committee reports until the next City Council meeting.

Mayor Shoals responded to comments received earlier in the meeting under the Public Comment Period regarding a presentation to the South San Luis Obispo County Sanitation District Board of Directors by John Wallace and the District's release of the "Knutsen report".

## **COUNCIL COMMUNICATIONS**

- A. Council Member Nicolls inquired and received confirmation that the Council was scheduled to receive a presentation on May 2<sup>nd</sup> regarding the Home Share Program.
- B. Mayor Pro Tem Lee announced details of an upcoming golf tournament fund raiser to benefit the 5Cities Homeless Coalition.
- D. Council Member Shah announced that the Grover Beach Community Library Book Sale was being postponed to a later date. She then announced details of the new "Reading to Rover" program that was introduced by Council Member Nicolls.
- E. Mayor Shoals described a request received from a Port San Luis Harbor Commissioner to present information to the City Council regarding a marine sanctuary proposal.

**Action:** Upon consensus of the City Council, staff was authorized to schedule the Harbor Commissioner's presentation on a marine sanctuary proposal at an upcoming City Council meeting.

Mayor Shoals then briefly described discussions held at a recent meeting of the Coast Rail Coordinating Council regarding the high speed rail project. He requested Council consensus to consider sending a letter in support of SB 1197 (Cannella), which addressed intercity rail corridors and extensions.

**Action:** Upon consensus of the City Council, staff was authorized to schedule Council consideration of sending a letter in support of SB 1197 (Cannella).

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

### **12. Discussion: Scheduling an Item for Council Discussion at Either a Regular or Special Meeting Regarding Roadway Widths in Preparation for the Next Phase of Measure K-14 Street Rehabilitation and Repair Projects.**

Interim City Manager Copsey suggested potential dates for scheduling Council discussion regarding roadway widths.

Brief discussion was held regarding available options for notifying residents and property owners of the special meeting and providing the Council with estimated notification costs. Mayor Pro Tem Lee volunteered to assist with the distribution of door hanger notices.

**Action:** Upon consensus of the City Council, staff was authorized to schedule the meeting on either Tuesday, April 12, 2016 at 6:00 p.m. or Thursday, April 14<sup>th</sup> at 6:00 p.m.

### **13. Discussion: Scheduling the Next Workshop to Discuss Homeless/Transient Issues in the City.**

Interim City Manager Copsey suggested potential dates for scheduling another workshop to discuss homeless/transient issues.

Brief discussion was held regarding including information on the workshop in the next Chamber of Commerce newsletter, and scheduling the meeting at a more convenient time for the business community.

**Action:** Upon consensus of the City Council, staff was authorized to schedule the workshop on either Tuesday, April 19, 2016 at 5:30 p.m. or Tuesday, April 26, 2016 at 5:30 p.m. at the Ramona Garden Park Center.

**CITY ATTORNEY'S REPORTS AND COMMENTS**

None at this time.

**CLOSED SESSION**

None at this time.

**ADJOURNMENT**

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 11:21 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK  
(Approved at CC Mtg 04/18/2016)