

**MINUTES
CITY COUNCIL MEETING
MONDAY, MAY 16, 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 Emmanuel Reynoso Sandoval, a 9-year-old, 3rd grade student at Grover Beach 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: Interim City Manager James Copsey, City Attorney Martin Koczanowicz, City Clerk Donna McMahon, Police Chief John Peters, Administrative Services Director Gayla Chapman, Public Works Director/City Engineer Greg Ray, Parks & Recreation Program Director Kathy Petker, and Planner II Janet Reese were also present.

Also present were Steve Lieberman, Fire Chief, Five Cities Fire Authority; Matthew Bronson; Tim Williams, Founder/CEO, Digital West Networks; and Ron De Carli, Executive Director, San Luis Obispo Council of Governments.

CLOSED SESSION ANNOUNCEMENTS

City Attorney Koczanowicz read the following announcement:

On Monday, May 2, 2016 after meeting in Closed Session regarding:

1. Public Employment
Pursuant to Government Code Section 54957
Title: City Manager

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

AGENDA REVIEW

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

CEREMONIAL CALENDAR

None at this time.

BUSINESS ITEM - APPOINTMENT OF CITY MANAGER

1. **Employment Contract with Matthew Bronson as the New City Manager for the City of Grover Beach and Authorization of an Amendment to the Classification and Compensation Plan.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Attorney Koczanowicz described the employment agreement with Matthew Bronson to serve as the next City Manager for the City of Grover Beach as of June 15, 2016. He then responded to questions from the Council regarding the terms of the agreement.

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

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Bright to: 1) approve the employment contract with Matthew Bronson; 2) authorize the Mayor to execute it on behalf of the City; and 3) adopt Resolution No. 16-36 authorizing an amendment to the Classification and Compensation Plan. 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. 16-36: A Resolution of the City Council of the City of Grover Beach, California, Amending Resolution No. 02-73 Amending the Salary Range for the Job Class of City Manager.

After being introduced to the community, Mr. Bronson thanked the Council for the opportunity to serve as the next City Manager. He commented on significant City projects regarding infrastructure and economic development, expressed a commitment to fostering an environment of community engagement, and thanked current and former Council Members, as well as the Interim City Manager and former City Managers for their collective efforts towards responsible management of the City's finances. He then introduced his wife, Samantha, and noted that along with their three young children, who were not present at the meeting, looked forward to becoming active members in the community.

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. Paul Bischoff, Grover Beach resident, described recent actions by the Planning Commission regarding his residential development project and requested the Council consider amending the City's regulations on building height limits.
- B. Sharon Brown, Grover Beach resident, encouraged residents to register to vote and to remember to participate in the Presidential Primary Election on Tuesday, June 7, 2016.

PUBLIC HEARING

2. Allocation of Community Development Block Grant (CDBG) Program Income Funds.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Planner II Reese described program income funds the City had received from a loan repayment and outlined the requirement to allocate the funds to an eligible CDBG activity through the Public Hearing process. Staff then responded to questions from the Council.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. No public comments were received at this time, and the Mayor closed the Public Hearing.

Action: It was moved by Council Member Bright and seconded by Council Member Shah to: 1) receive the report; and 2) adopt Resolution No. 16-37 allocating the program income to an existing public infrastructure project - the CDBG Water Line Project (CIP 267). 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. 16-37: A Resolution of the City Council of the City of Grover Beach Allocating CDBG Program Income.

3. Master Fee Schedule Update.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Administrative Services Director Chapman briefly described the process for conducting an annual review of the City's Master Fee Schedule and noted

that, if approved, a majority of the fees would be recalculated based on the Consumer Price Index (CPI) for Los Angeles/Riverside County. Additionally, the fee schedule would become effective May 17, 2016, except for Building and Planning fees, which required a 60-day waiting period and therefore would become effective as of July 16, 2016. She also noted that a full review of the City's water rates was scheduled for City Council consideration upon completion of a Water Rate Study. Staff then responded to questions from the Council.

Discussion ensued regarding the proposed fees, minor typographical corrections in the draft fee schedule, and Council requests for further information regarding certain fees for the Community Development Department and the Parks and Recreation Department.

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 proposed fee for conducting special events.

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 for staff to: 1) incorporate the typographical corrections in the Master Fee Schedule as noted earlier during the Council's deliberations; and 2) adopt Resolution No. 16-38 amending the Master Fee Schedule. 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. 16-38: A Resolution of the City Council of the City of Grover Beach Amending the Master Fee Schedule.

Action: Council direction was then provided for staff to re-examine some of the fees for the Parks and Recreation Department and the Community Development Department and return with the information for further Council consideration of the following:

- 1) *Parks and Recreation Department, Cancellation Fees for Facilities and Events* -
 - a) the deposit amount charged for non-profit groups, and
 - b) the cancellation fee in comparison to the hourly rate charged to non-profit groups;
- 2) *Community Development Department, Deposits* - whether the environmental documents could be prepared in-house by City staff;
- 3) *Dwelling Unit Determinations* - clarification on the multiplier of 2.56 per dwelling unit for a single-family residence;
- 4) *Community Development Department, Interpretation of a Code Section* - clarify the service being provided for this fee; and
- 5) *Subdivision Maps* - compare the City's fee with the fee charged by other agencies.

CONSENT AGENDA

It was moved by Council Member Shah and seconded by Council Member Bright to approve Consent Agenda Item Nos. 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.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

4. Treasurer's Report for the Period April 11, 2016 - May 11, 2016.

Action: Approved the Treasurer's Report as submitted.

5. **Treasurer's Report: 2015 Streets Bond Account - \$5,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period April 11, 2016 - May 11, 2016.**
Action: Approved the Treasurer's Report as submitted.
6. **Treasurer's Report: 2016 Streets Bond Account - \$8,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period April 11, 2016 - May 11, 2016.**
Action: Approved the Treasurer's Report as submitted.
7. **Minutes of the City Council Meeting on April 18, 2016.**
Action: Approved the minutes as submitted.
8. **Consideration to Allow the California Home Energy Renovation Opportunity (HERO) to Administer the Property Assessed Clean Energy (PACE) Program in the City - Request from California Home Energy Renovation Opportunity (HERO) to administer the Property Assessed Clean Energy (PACE) program within Grover Beach, allowing property owners the option to finance eligible energy/water efficiency and renewable energy projects.**
Action: Adopted Resolution No. 16-39 allowing California Home Energy Renovation Opportunity (HERO) to administer the PACE Program in the City.

Resolution No. 16-39: Resolution of the City Council of the City of Grover Beach Consenting to Inclusion of Properties Within the City's Jurisdiction in the California HERO Program to Finance Distributed Generation Renewable Energy Sources, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving the Amendment of the Joint Powers Agreement.

REGULAR BUSINESS

9. **Consideration of a Revised Engineering Agreement with DW Infrastructure, Inc., Authorization to Proceed with the Bid for the Municipal Network Project, and Authorization of an Inter-fund Loan Between the Wastewater Fund and the General Fund to Finance the City's Portion of the Project.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Interim City Manager Copsey provided a brief overview of the Municipal Network Project to bring broadband service to key industrial and commercial areas of the City. In order to proceed towards implementation, a minor revision to the agreement for engineering and design was necessary to reflect a change in the corporate name from "Digital West Networks, Inc" to "DW Infrastructure, Inc.". He then described engineering and design work completed to date, summarized steps for project implementation that involved bidding and determining construction costs, and outlined additional agreements to be scheduled at a later date for Council consideration regarding construction management, a conduit lease with Digital West, and cost sharing with the County of San Luis Obispo. He then presented cost estimates for the infrastructure portion of the project and outlined options for the City to fund its share of infrastructure costs, as well as costs for construction management. Staff then responded to questions from the Council.

Discussion ensued regarding estimated project revenues and costs, the inter-fund loan process, and Digital West being designated as the service provider to end users.

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

Tim Williams, Founder/CEO, Digital West, spoke in support of the proposed project and responded to questions from the Council, noting that the initial phase would focus primarily on businesses and that service to residential areas could be added at a later phase.

Sharon Brown, Grover Beach resident, suggested placing conduit in the streets scheduled for repair with Measure K-14 bond funds in preparation for broadband service.

No further public comments were received at this time.

Mayor Shoals noted that he and Mr. Williams had recently met to discuss this project. He thanked Mr. Williams for partnering with the City on development of the Municipal Broadband Network and praised his dedication to the project.

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Bright to: 1) approve the revised Engineering and Design Agreement with DW Infrastructure, Inc., 2) authorize the Mayor to execute the agreement on behalf of the City; 3) authorize the initiation of the construction bid and CEQA processes for the Municipal Broadband Network; and 4) adopt Resolution No. 16-40 approving the inter-fund loan agreement between the Wastewater Fund and the General Fund. 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. 16-40: Resolution of the City Council of the City of Grover Beach Authorizing a Loan from the Wastewater Fund to the City's General Fund.

10. Grover Beach Lodge and Conference Center Project: Contract Design Services for Public Improvements.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray provided a brief overview of proposed public infrastructure improvements for the Grover Beach Lodge and Conference Center Project. He described the process conducted to solicit and review the proposals received for engineering design of the public infrastructure improvements, as well as the proposals for conceptual architectural design of a stand alone conference center. Of the five proposals received for engineering design, the review committee determined Omni-means was the most qualified proposal. He also noted that CRSA Architecture was selected to prepare a preliminary floor plan, conceptual building elevations, and preliminary construction cost estimates for the stand alone conference center, which would be presented at a future City Council meeting. 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 support of their respective proposals and firm qualifications, and responded to questions from the Council:

- Jeff Emerick, Owner, Garing Taylor & Associates;
- Ron Reilly, Vice President, Garing Taylor & Associates; and
- Joe Weiland, Branch Manager, Omni-Means, who introduced Nate Strong of the same firm who was also available to respond to questions.

The following person also spoke:

- Sharon Brown, Grover Beach resident, requested clarification regarding the City Council's approval of a financing plan for the project.

No further public comments were received at this time.

Council discussion ensued regarding the Request for Proposal being too comprehensive in scope, that the intent of soliciting engineering design proposals was to provide better cost estimates with regard to the public improvements which would then assist with determining the best approach for development of the lodge project. Further discussion was held regarding the qualifications of the engineering firms that submitted proposals, and the well established working relationship between the City and Garing, Taylor and Associates. Discussion was then held regarding using Reserve funds for the additional anticipated costs for engineering design services.

Action: It was moved by Council Member Shah and seconded by Council Member Bright to accept the proposal received from Garing Taylor and Associates for engineering design services in the amount of \$253,000 with the additional funds necessary for engineering

design services to come from Reserve funds. 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 8:55 p.m.

Reconvene: At 9:04 p.m., the meeting reconvened with all Council Members present.

11. Consideration of Key Projects for the City of Grover Beach for the San Luis Obispo Council of Governments (SLOCOG) Self-Help Transportation Funding Initiative.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Interim City Manager Copsey briefly summarized Council direction on April 18, 2016 regarding development of a list of key transportation projects in Grover Beach to be funded by the County-wide supplemental half-cent sales tax measure over a nine-year period, if approved by the voters in November 2016. He then introduced Ron De Carli, Executive Director for SLOCOG.

Mr. De Carli described the feedback received to date from all seven cities within the County that recommended proceeding with placing the half-cent sales tax measure on the November 2016 ballot. He outlined the types of transportation and road repair improvements to be funded from the sales tax measure, if approved by the voters, and 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, spoke in support of placing the measure on the November 2016 ballot and in support of funding repairs for sidewalks and major roadways.

There were no further public comments received at this time.

Discussion ensued regarding refining the list of key transportation projects in Grover Beach; keeping the list more general in nature to allow flexibility over the course of nine years; and deleting the two regional projects from the City's Key Projects list as an alternate funding source had been identified that could potentially fund development of a coastal pathway along Highway 1 and extending the beach boardwalk.

Action: Upon unanimous consensus, the City Council adopted the following Key Projects List to be submitted to SLOCOG for the local funding allocation:

- 1) Construction, repair, and maintenance of local and major roadways;
- 2) Grand Avenue enhancements;
- 3) Sidewalk infill and accessibility improvements;
- 4) Gateway Entry and Way Finding Signs; and
- 5) Grover Beach bike paths per the Bikeway Master Plan.

12. Status Report – Water Supply and Recommendations for Additional Action.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray presented an overview of current water supply conditions, options for the proactive management of remaining supplies, and ongoing conservation efforts. He then responded to questions from the Council.

Discussion was held regarding supplemental water supply options, conditions at Lopez Lake, and the option of purchasing State Water. Additional discussion was held regarding the City's upcoming Water Rate Study.

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 water usage by the Phillips 66 oil refinery located on the Nipomo Mesa.

There were no further public comments received.

Action: Upon unanimous consensus, the City Council provided direction for staff to work with County representatives to evaluate the purchase of emergency State Water.

11:00 p.m. Rule: At 10:24 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, and Mayor Pro Tem Lee.
NOES: Mayor Shoals.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

13. Distribution of the FY 17 Budget Document.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Interim City Manager Copsey provided an overview of the proposed FY 17 Budget in preparation for the budget hearing at the regularly scheduled City Council meeting on Monday, June 6, 2016. He noted that supplemental information had been distributed to the City Council just prior to the meeting regarding anticipated cost increases received from the Five Cities Fire Authority. These costs had not been included in the draft FY 17 Budget document since the Fire Board could potentially revise its proposed budget at its upcoming meeting. Staff then responded to questions from the Council.

Brief discussion was held regarding whether to establish a maximum funding amount for annual requests received from non-profits and partner agencies; CDBG funds recently allocated to three non-profit groups providing services to low-income residents; and current Reserve fund levels. Additional discussion was held regarding reallocating some of the City's Reserve funds to cover anticipated increases for the City's share of costs for the Five Cities Fire Authority.

Action: Upon unanimous consensus, the City Council: 1) received the FY 17 Budget document; 2) authorized funding the FY 17 Budget requests from the Five Cities Fire Authority to be taken from Reserve funds, and 3) deferred further discussion regarding the proposed budget until the City Council meeting on June 6, 2016.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Upon unanimous consensus, the City Council deferred Council Committee reports until the next regularly scheduled City Council meeting.

COUNCIL COMMUNICATIONS

- A. Mayor Pro Tem Lee announced that he, along with Council Members Bright and Shah, attended a fund raiser for 4 ½ year old Ella Beckstead, who was scheduled to lead the City Council in the flag salute on June 20, 2016. He also noted that he and Council Member Shah had also attended a recent installation of officers for the Filipino community.
- B. Council Member Nicolls described a recent meeting hosted by SLO Housing Connection that she and Council Member Shah had attended regarding issues involving the homeless.

- C. Council Member Shah described a pilot program initiated by SLO Housing Connection to count and survey the homeless in the Grover Beach area. She then provided an update on efforts to schedule a MASH event to serve veterans in the South County area and noted that the South County Regional Center in Arroyo Grande was not available on the proposed date for the event.

CITY MANAGER'S REPORTS AND COMMENTS

14. Discussion: Scheduling a Special Meeting/Workshop on June 13, 2016 to Discuss the Economic Development Strategy.

Interim City Manager Copsey suggested scheduling a special meeting/workshop for the Council to discuss updating the economic development strategy.

Brief discussion was held regarding whether to schedule a special meeting/workshop and the availability of individual members of the Council to attend a special meeting.

Action: Upon unanimous consensus, the City Council provided direction for staff to schedule a discussion regarding the Economic Development Strategy at the regularly scheduled City Council meeting on Monday, June 20, 2016.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

At 10:58 p.m., the Council met in Closed Session regarding the following item:

1. **Conference with Real Property Negotiators**
Pursuant to Government Code Section 54956.8
Property: APN 060-206-024 & 060-263-034
Agency negotiator: Interim City Manager Copsey
Negotiating party: County of San Luis Obispo
Under negotiation: Terms and conditions of potential lease

Closed Session Announcements: At 11:12 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 11:13 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:
/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 07/05/2016)