

**MINUTES
CITY COUNCIL MEETING
MONDAY, JUNE 20, 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 Ella Beckstead, a 4 ½ year old Grover Beach resident and ambassador for the Make-A-Wish Tri-Counties' 2016 Wishes in Flight Campaign.

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 Matthew Bronson, 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; Matthew Kowta, BAE; Ron De Carli and James Worthley, San Luis Obispo Council of Governments; Patrick Fenton, Waste Connections; William Skinner, Hitachi Zosen INOVA; and Parks, Recreation & Beautification Commission Chair Jan Ojerholm and Vice Chair James Cooper.

AGENDA REVIEW It was requested that the Order of the Day be amended for the Council to consider Agenda Item No. 11 prior to Agenda Item No. 8.

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

CEREMONIAL CALENDAR

1. Certificates of Appreciation to the 2016 Spring Garden Tour, Plant Exchange and Garden Expo.

Parks and Recreation Program Director Petker, along with the City Council and Parks, Recreation & Beautification Commission Chair Jan Ojerholm and Vice Chair James Cooper, presented Certificates of Appreciation to the following 2016 Spring Garden Tour participants:

- Danny and Lorna Whiteaker, 650 South 9th Street, #B, Grover Beach;
- Susan Ross and Sam Chapman, 402 Oceanview Avenue, Grover Beach; and
- Michael & Lynn Passarelli, 687 North 12th Street, Grover Beach.

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

- Azteca Construction and Azteca Landscaping, 938 Trouville Avenue, Grover Beach;
- Steven Brown, 967 Seabright Avenue, Grover Beach;
- Tim & Maalaea Quirk, 931 Margarita Avenue, Grover Beach;
- Bob Toth, 779 Naples Street, Grover Beach; and
- Vern & Karen Fletcher, 1244 Atlantic City Avenue, Grover Beach.

Certificates of Appreciation were presented to the following 2016 Garden Expo participants:

- Anita Shower, Historian; and
- Norma Guinn, Master Gardener Program.

It was announced that certificates would be sent to the following 2016 Garden Expo participants who were not available to attend the City Council meeting:

- Melody & Luke Huskey, Greener Environments Landscaping Company;
- Julie Andrews-Scott, Certified Farmers' Market Manager;
- Cheryl Powers, State Parks Volunteer; and
- Gina Stanfill, State Parks Volunteer.

PRESENTATIONS

2. Presentation from District Administrator Gerhardt Hubner Regarding the Status of the South San Luis Obispo County Sanitation District.

District Administrator Hubner introduced himself and described his professional background prior to being hired at the Sanitation District. He then presented an overview of the District's organizational structure, outlined significant projects underway, and noted reforms being implemented as identified in a recent study of District operations. Mr. Hubner then provided updates on the treatment plant's Redundancy Project, described progress towards obtaining a permit renewal, and noted potential settlement of a litigation matter stemming from a 2010 spill incident. He 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. Patty Welsh, Arroyo Grande resident, spoke in support of the City adopting regulations to allow the medicinal use of marijuana.
- B. Brad Snook, Surfrider Foundation representative, commented on the South San Luis Obispo County Sanitation District County presentation and spoke in support of pursuing a water reclamation project.

There were no further public comments received at this time.

PUBLIC HEARING

3. Consideration of Formal Adoption of the FY 17 Budget. (Continued Public Hearing from the City Council meeting of June 6, 2016.)

Mayor Shoals read the title to the foregoing item, declared the continued Public Hearing open, and deferred to staff for a report. Administrative Services Director Chapman briefly summarized Council direction received at the June 6, 2016 meeting regarding the proposed budget. Additionally, she noted that the Housing Successor Agency Fund could be utilized to address the request for funding from the San Luis Obispo County Housing Trust Fund. 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.

The following persons spoke in support of specific funding requests as noted below:

- Dr. Conseulo Meux, Executive Director, SLO Noor Clinic, funding to provide free medical, eye, and dental care services for the uninsured. She also announced details of an upcoming fundraiser and distributed flyers with further event information;
- Paulette Messenheimer, Grover Beach resident, funding for repairs at Golden West Park;
- Sharon Brown, Grover Beach resident, funding for repairs at Golden West Park; and
- There was a show of hands from approximately six people who were seated in the audience indicating their support of allocating funds for repairs at Golden West Park.

There were no further public comments received at this time.

Brief discussion was held regarding the proposed budget, whether reasonable alternatives could be implemented to save mature trees with regard to future sidewalk repair projects, and the use of emergency reserves. It was noted that funds had been included in the proposed FY 17 budget to address some of the improvements at Golden West Park.

At this time Mayor Shoals introduced City Manager Bronson to the community and noted that Mr. Bronson had recently commenced his employment with the City on June 15, 2016.

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Bright to:
1) adopt Resolution No. 16-47 setting the FY 17 Appropriation Limit from Tax Proceeds;
2) adopt Resolution No. 16-48 adopting the FY 17 Budget; and 3) adopt Resolution No.

16-49 establishing the number of authorized positions for various departments; and 4) authorized the transfer of \$250,000 from Emergency Reserves to the Grover Beach Lodge project. 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. 16-47: A Resolution of the City Council of the City of Grover Beach, California, Setting the FY 17 Appropriations Limit from Tax Proceeds.

Resolution No. 16-48: A Resolution of the City Council of the City of Grover Beach, California Appropriating the FY 17 Budget.

Resolution No. 16-49: 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 17 Budget.

CONSENT AGENDA

It was moved by Mayor Pro Tem Lee and seconded by Council Member Nicolls to approve Consent Agenda Item Nos. 4, 5, 6, and 7, 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 June 1, 2016 - June 15, 2016.

Action: Approved the Treasurer's Report as submitted.

5. Treasurer's Report for the 2015 Streets Bond Account - \$5,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period June 1, 2016 - June 15, 2016.

Action: Approved the Treasurer's Report as submitted.

6. Treasurer's Report for the 2016 Streets Bond Account - \$8,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period June 1, 2016 - June 15, 2016.

Action: Approved the Treasurer's Report as submitted.

7. Alcoholic Beverage Control Grant Assistance Program Award for FY 17 - Accepting a grant awarded to the Grover Beach Police Department from the California Department of Alcoholic Beverage Control (ABC) for FY 17.

Action: 1) Adopted Resolution No. 16-50 authorizing the Chief of Police to accept the Department of Alcoholic Beverage Control's Grant Assistance Program funds in the amount of \$16,368 for FY 17; and 2) adopted Resolution No. 16-51 for the first amendment to the annual appropriation to record the revenue and appropriation of the Alcoholic Beverage Control Grant Assistance Program.

Resolution No. 16-50: Resolution of the City Council of the City of Grover Beach, California Authorizing the Acceptance of the Department of Alcoholic Beverage Control Grant.

Resolution No. 16-51: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 1st Amendment to the Annual Appropriation Resolution 16-48 to Record the Revenue and Appropriation of the Alcoholic Beverage Control Grant Assistance Program.

ORDER OF THE DAY: Pursuant to Council action during Agenda Review at the beginning of the meeting, the Council considered Regular Business Item No. 11 next.

REGULAR BUSINESS

11. Authorization to Enter into an Agreement with Omega Engineering Consultants for Professional Services Associated with Construction of a New Water Main in North Oak Park Boulevard and Authorization to Issue a Change Order to Souza Construction for Construction of the Water Main.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray noted that there was no existing sewer or water main in El Camino Real to serve future developments along El Camino Real. He then described a proposal received from Urban Commons, the developer of a hotel project at 950 El Camino Real, to construct a new water main between the hotel site and the City's existing water main located in North Oak Park Boulevard. However, in order to prevent subsequent trench work in the City's new roadway project already scheduled to begin on North Oak Park Boulevard, he outlined the option of issuing a project change order, entering into an agreement for professional engineering services with Omega Engineering Consultants for design and construction support related to water system improvements for the hotel, and requiring reimbursement from the developer, Urban Commons, for construction and other costs related to improvements in the water system.

Public Works Director/City Engineer Ray also noted a correction to the staff report due to recently revised construction cost estimates of \$152,000 rather than \$138,000 as noted in the staff report. The amount of additional funding for the project from General Fund reserves would therefore need to be \$190,000 rather than \$173,000, as also noted in the staff report and draft resolution. Public Works Director/City Engineer Ray and City Attorney Koczanowicz 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, questioned the risk of constructing the improvements if the developer didn't complete the project.

There were no further public comments received at this time.

Brief discussion was held regarding available mechanisms to reimburse the City for the public improvements, the benefit of stimulating economic development at strategic locations to attract private investments in the community, and the Council's interest in preserving the condition of newly constructed roadway projects as long as possible.

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

- 1) Adopt Resolution No. 16-52 authorizing the City to enter into a Professional Services Agreement with Omega Engineering Consultants in an amount not to exceed \$13,000;
- 2) Authorize the Mayor to execute the agreement on behalf of the City;
- 3) Amend the draft Resolution to allocate \$190,000 for the project from General Fund reserves rather than \$173,000 as originally indicated in the staff report, and adopt Resolution No. 16-53, as amended; and
- 4) Authorize the City to negotiate and execute a change order with Souza Construction in an amount not to exceed \$152,000 and authorize the City Manager to execute the change order 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. 16-52: A Resolution of the City Council of the City of Grover Beach, California, Authorizing the City to Enter Into a Professional Services Agreement with Omega Engineering Consultants and Authorizing City Staff to Negotiate and Execute a Contract Change Order with Souza Construction.

Resolution No. 16-53: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 2nd Amendment to the Annual Appropriation Resolution No. 16-48 by Providing Funding for CIP 2276, North Oak Park Boulevard Rehabilitation Project.

Action: Upon unanimous consensus, direction was provided for the City Attorney to prepare a reimbursement agreement for the Council's future consideration.

At this time, Mayor Shoals announced that he had an urgent matter requiring his departure from the meeting and that Mayor Pro Tem Lee would preside over the remaining agenda items.

Recess: Upon consensus of the City Council, the meeting recessed at 7:50 p.m.

Reconvene: At 8:00 p.m., the meeting reconvened with all Council Members present, except for Mayor Shoals who had announced just before the break that he would need to leave the meeting.

ORDER OF THE DAY: At this time, the Order of the Day resumed to the agenda as posted with Mayor Pro Tem Lee presiding.

8. Economic Development Strategy - Presentation on Draft Work Completed.

Mayor Pro Tem Lee read the title to the foregoing item and deferred to staff for a report. Community Development Director Buckingham briefly described the work completed thus far by the consulting firm BAE Urban Economics (BAE) to update the City's Economic Development Strategy. He continued his report by outlining the next phase that involved soliciting input from the Council and community stakeholders, and then presenting the draft Economic Development Strategy for further discussion by the Council. He then introduced Matt Kowta, principal with BAE.

Referencing a PowerPoint presentation, Mr. Kowta outlined the project scope and schedule; described existing economic conditions, regional opportunities, various economic projections, and presented a preliminary SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis of the community. He then responded to questions from the Council.

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

Sharon Brown, Grover Beach resident, citing traffic congestion in the San Luis Obispo area during high commute periods, expressed concerns that increasing tourism activities could diminish the community's character and quality of life.

There were no further public comments received at this time.

Discussion ensued regarding issues to be further analyzed, such as homelessness, vacation rentals, shopping center development, developing a pro-forma feasibility analysis for vacant or underutilized properties, as well as surveying community stakeholders.

Action: Upon consensus of the City Council, 1) staff and the consultant were authorized to proceed with conducting the survey of local businesses for a not-to-exceed cost of \$6,000; 2) individual members of the City Council would provide the City Manager with the names of three to four community stakeholders to participate in a telephone survey with the consultant; and 3) provided direction for staff to schedule further discussion with the Council on the development of a pro-forma feasibility analysis of business opportunity types for under-utilized areas or specific building sites.

9. Consideration of Adopting the San Luis Obispo Council of Governments (SLOCOG) Self-Help Transportation Investment Plan.

Mayor Pro Tem Lee read the title to the foregoing item and deferred to staff for a report. City Manager Bronson provided a brief overview of the San Luis Obispo Council of Governments' Self-Help Transportation Funding Initiative and recommendation to request that the San Luis Obispo County Board of Supervisors place the transportation sales tax on the November 8, 2016 General Election Ballot. He then introduced Ron De Carli, Executive Director for the San Luis Obispo Council of Governments.

Mr. De Carli described the decreasing availability of transportation funding at the State and County levels for regional transportation projects such as the Grover Beach Train Station Expansion Project.

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

Sharon Brown, Grover Beach resident, spoke in support of allowing residents the opportunity to decide the matter by placing it on the November ballot.

There were no further public comments received at this time.

Action: It was moved by Council Member Bright and seconded by Council Member Shah to adopt Resolution No. 16-54 approving the 2016 San Luis Obispo County Self-Help Local Transportation Investment Plan and recommendation to the San Luis Obispo County Board of Supervisors to place a 9-year transportation sales tax on the November 8, 2016 General Election Ballot. The motion carried on the following roll call vote:

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

Resolution No. 16-54: A Resolution of the City Council of the City of Grover Beach, California, Approving the 2016 San Luis Obispo County Self-Help Transportation Investment Plan and Recommendation to the San Luis Obispo County Board of Supervisors to Place a 9-Year Transportation Sales Tax Measure on the November 8, 2016 General Election Ballot.

10. Consideration of Amended and Restated Solid Waste Collection, Recycling and Greenwaste Franchise Agreement.

Mayor Pro Tem Lee read the title to the foregoing item and deferred to staff for a report. City Manager Bronson provided an overview of the proposed extension to the City's franchise agreement with South County Sanitary Service, Inc., for a 20-year period for solid waste and disposal, recycling, and greenwaste services, as well as implementation of an organic waste recycling program.

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

The following persons spoke in support of extending the franchise agreement and responded to questions from the Council:

- Patrick Fenton, Waste Connections; and
- William Skinner, Hitachi Zosen INOVA.

Sharon Brown, Grover Beach resident, requested and received information on the projected timeframe when residents could begin utilizing curbside pick up for organic waste material.

There were no further public comments from those in the audience who wished to be heard on this matter.

Action: It was moved by Council Member Shah and seconded by Council Member Nicolls to: 1) adopt Resolution No. 16-55 approving the Amended and Restated Agreement with South County Sanitary Services, Inc., and 2) authorize the Mayor to execute the agreement on behalf of the City. The motion carried on the following roll call vote:

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

Resolution No. 16-55: A Resolution of the City Council of the City of Grover Beach, California, Approving an Amended and Restated Solid Waste Collection Franchise Agreement and Authorizing the Mayor to Execute the Agreement on Behalf of the City.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Council Member Shah reported on the meeting of the Housing Trust Fund.

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

Council Member Nicolls reported on the meeting of the Community Action Partnership of San Luis Obispo County.

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

Mayor Shoals was absent for this portion of the meeting.

COUNCIL COMMUNICATIONS

- A. Council Member Nicolls described correspondence received from Grover Beach resident Daniel Hernandez praising the street construction work being completed on 13th Street and commending City staff and the contractors for the responsive customer service that he had received.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson thanked the City Council for the opportunity to serve the community in the capacity of City Manager.

CITY ATTORNEY'S REPORTS AND COMMENTS

City Attorney Koczanowicz noted that he had missed the last Council meeting due to a family emergency and expressed his appreciation for the Council's comments of support.

CLOSED SESSION

At this time, it was announced that the following Closed Session item would be rescheduled to the next regularly scheduled City Council meeting of July 5, 2016, when all members of the City Council were anticipated to be present.

- ~~1. **Public Employee Performance Evaluation**
Pursuant to Government Code Section 54957
Employee: City Manager~~

ADJOURNMENT

There being no further business to come before the City Council, Mayor Pro Tem Lee adjourned the meeting at 9:31 p.m.

/s/ JEFFREY LEE, MAYOR PRO TEM

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 08/15/2016)