

**MINUTES
CITY COUNCIL MEETING
MONDAY, JULY 18, 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 Police Chief John Peters.

ROLL CALL

City Council: Council Members Karen Bright, Barbara Nicolls, Mariam Shah, and Mayor John Shoals were present. Mayor Pro Tem Jeff Lee was absent.

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.

CLOSED SESSION ANNOUNCEMENTS

City Attorney Koczanowicz read the following announcement:

On Tuesday, July 5, 2016 after meeting in Closed Session regarding:

1. 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

Action: Upon consensus of those present (Mayor Pro Tem Lee absent), the Council adopted the agenda as presented.

CEREMONIAL CALENDAR

1. Proclamation in Support of the Five Cities Relay for Life Event on August 6-7, 2016.

Mayor Shoals read and presented the proclamation to Kristin Welch, a participating team member of the Five Cities Relay for Life Event, who described event details and distributed information to raise money and awareness for the American Cancer Society.

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. Judith Bean, Rotary Club of Grover Beach-Five Cities representative, announced details of upcoming community clean-up days to be held on the second Saturday of the month.
- B. Sharon Brown, Grover Beach resident, described scheduled street repairs in the Golden West Development area and expressed concerns regarding the planned removal of large Pine trees on Janet Avenue and next to the retention basin.

Brief discussion was held by Council and staff acknowledging the importance of addressing needed street improvements as well as saving trees whenever possible. It was confirmed that an arborist was being consulted regarding the condition of the trees relative to the street paving project. Additionally, the Council would be provided with an update on planned tree removals in the Golden West Development area and nearby residents would be notified.

PUBLIC HEARING

None at this time.

CONSENT AGENDA

Brief discussion was held, with staff providing additional information regarding Consent Agenda Item No. 7. It was then moved by Council Member Shah and seconded by Council Member Nicolls 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, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Mayor Pro Tem Lee.
ABSTAIN: Council Members - None.

2. **Treasurer's Report for the Period June 29, 2016 to July 14, 2016.**
Action: Approved the Treasurer's Report as submitted.
3. **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 29, 2016 to July 14, 2016.**
Action: Approved the Treasurer's Report as submitted.
4. **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 29, 2016 to July 14, 2016.**
Action: Approved the Treasurer's Report as submitted.
5. **Minutes of the Special City Council Meeting of Tuesday, April 26, 2016 at 5:30 p.m.; and Special City Council Meeting of Tuesday, April 26, 2016 that immediately followed.**
Action: Approved the minutes as submitted.
6. **Contract with San Luis Obispo County for Animal Care and Control Services for FY 17 - FY 19 - Authorize continuing contract services for animal care and control services with the County of San Luis Obispo for a three-year contract period.**
Action: 1) Adopted Resolution No. 16-60 approving the three-year contract with the County of San Luis Obispo for the continued provision of Animal Care and Control Services from July 1, 2016 to June 30, 2019 in the amount of \$68,048 for the first year; and 2) authorized the Mayor to execute the contract on behalf of the City.

Resolution No. 16-60: A Resolution of the City Council of the City of Grover Beach, California Approving the Contract for Animal Care and Control Services with the County of San Luis Obispo.
7. **Adoption of a Federal Equitable Sharing Agreement - Agreement with the Department of Justice and the Department of Treasury to receive federally-forfeited funds as a participating agency in a multi-agency narcotics task force coordinated by the San Luis Obispo County Sheriff's Office.**
Action: Adopted Resolution No. 16-61 authorizing the Mayor and the Chief of Police to sign a Federal Equitable Sharing Agreement that will allow the City to receive federally-forfeited assets from adjudicated narcotics cases.

Resolution No. 16-61: Resolution of the City Council of the City of Grover Beach Authorizing the Mayor and the Chief of Police to Sign a Federal Equitable Sharing Agreement.

THE GROVER BEACH CITY COUNCIL IN ITS CAPACITY AS THE SUCCESSOR AGENCY TO THE DISSOLVED GROVER BEACH IMPROVEMENT AGENCY.

8. **Appropriation for the San Luis Obispo County Housing Trust Fund for Membership Fee** - Appropriating funds for agency membership to the San Luis Obispo County Housing Trust Fund.

Action: Adopted Resolution No. SA-16-02.

Resolution No. SA-16-02: A Resolution of the City Council of the City of Grover Beach, California, Sitting as the Successor Housing Agency, Appropriating \$5,000 for the San Luis Obispo Housing Trust Fund for the Annual Membership Fee.

REGULAR BUSINESS

9. **Discussion Regarding Potential Ballot Measure for Taxation of Commercial Cannabis Activities in Grover Beach.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Attorney Koczanowicz briefly described the time frame for placing a tax measure on the November 2016 ballot. He then outlined several of the options for a proposed ballot measure that would allow the voters in Grover Beach to decide whether to implement a local tax on commercial cannabis activities. He also referenced a sample ballot measure and sample tax ordinances from other California jurisdictions included with the staff report. Additionally, he noted that California voters may also be considering a statewide initiative to allow the recreational use of cannabis. Staff then responded to questions from the Council.

Discussion ensued regarding various methods for calculating a tax on commercial cannabis activities and the differences between a State excise tax and a city sales tax.

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

The following persons spoke in support of allowing commercial cannabis activities in Grover Beach, commented on the various tax methods, urged compassion for patients seeking cannabis for medicinal purposes; and spoke in support of allowing Grover Beach voters to decide whether to tax local commercial cannabis activities:

- Sam Sweat, Point Bay Distributors;
- Adam Sweat, Point Bay Distributors;
- Sunni Mullinax, The Monarch;
- Sharon Brown, Grover Beach resident; and
- Bradford Peters, Los Osos resident, (did not state the name of his medical marijuana business).

There were no further public comments received at this time.

Further Council discussion was held regarding the different types of commercial cannabis activities, tax rate options, tax rates being considered by other jurisdictions, as well as matters that would be addressed through land use regulations and enforcement. It was noted that if the local ballot measure was approved by Grover Beach voters, the tax rate could not be increased without further voter approval. However, the Council would have the ability to make some adjustments prior to formal adoption of the ordinance.

Action: Upon consensus (Mayor Pro Tem Lee absent), the City Council provided direction for staff to proceed with drafting a proposed tax measure for its consideration at the next regularly scheduled City Council meeting that, if approved by the voters, would place a tax on commercial cannabis activities at the following rate: 5% of gross receipts for medical marijuana businesses and 10% of gross receipts for non-medical marijuana businesses; and on commercial cannabis cultivation and nurseries at \$25.00 per square foot for the first 5,000 square feet of canopy space and \$10.00 per square foot thereafter.

10. Selection of Voting Delegate and Alternate(s) for the 2016 League of California Cities Annual Conference.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson described the annual business meeting held in conjunction with the League of California Cities Annual Conference in Long Beach, California. He noted that the City Council was being requested to appoint a voting delegate and up to two alternates to attend and represent the City at the business meeting.

Brief discussion was held on those Council Members planning to attend the conference.

Action: Upon consensus (Mayor Pro Tem Lee absent), Council Member Shah was selected as the City's voting delegate to attend the annual business meeting at the League of California Cities Annual Conference. Additionally, Mayor Pro Tem Lee and Mayor Shoals were selected as the first and second alternates, respectively.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

It was noted that Mayor Pro Tem Lee was absent from the City Council meeting.

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.

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

Mayor Shoals reported on meetings of the San Luis Obispo Council of Governments, the San Luis Obispo Regional Transit Authority, and the Five Cities Fire Authority. He noted that, due to a work conflict, Council Member Nicolls would be attending the next meeting of the South San Luis Obispo County Sanitation District as the Council's alternate representative. He also commented on progress being achieved by the Joint Authority regarding the Grover Beach Lodge Project.

COUNCIL COMMUNICATIONS

- A. Council Member Shah encouraged her Council colleagues to participate in the upcoming Dune Run Run event in late August.
- B. Council Member Nicolls announced summer programs being offered at the Grover Beach Community Library.

CITY MANAGER'S REPORTS AND COMMENTS

In follow-up to the Mayor's comments during Council Committee Reports, City Manager Bronson provided a verbal update on recent discussions held by the Joint Authority regarding design and public improvements for the Grover Beach Lodge and Conference Center Project. He noted a presentation to the City Council on the conference center design was tentatively scheduled for mid-August. Further, relative to the lodge project, the Pismo Beach City Council had taken action and authorized its staff to proceed with processing the permit application submitted by State Parks to expand the recreational vehicle dump station at the North Beach Campground. The application will therefore be scheduled for consideration by the Pismo Beach Planning Commission in August.

City Manager Bronson then briefly described ongoing progress being achieved regarding the next series of street improvements for the City's Street Rehabilitation Program.

- 11. Discussion Regarding City Council Meeting Schedule for the Remainder of 2016:**
- Cancelling the Regularly Scheduled Meeting of November 7, 2016;
 - Cancelling the Regularly Scheduled Meetings of December 5 and 19, 2016; and
 - Scheduling a Special Meeting in December 2016.

City Manager Bronson suggested the Council consider cancelling the regularly scheduled meeting of November 7, 2016, due to the General Municipal Election the next day. He also suggested the Council consider cancelling the two regularly scheduled meetings in the month of December and instead hold a Special Meeting on Monday, December 12, 2016.

Action: Upon consensus of the City Council (Mayor Pro Tem Lee absent), direction was provided to: 1) cancel the regularly scheduled City Council meetings on November 7, 2016, December 5, 2016, and December 19, 2016; and 2) schedule a Special City Council Meeting on Monday, December 12, 2016.

Additionally, direction was provided for staff to schedule Council consideration of amending the City Council's regular meeting schedule in January 2017 due to the New Year's Day holiday being observed on January 2, 2017, and potentially scheduling Special Meetings on January 9 and January 23, 2017.

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 8:20 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 10/03/2016)