

**MINUTES
CITY COUNCIL MEETING
MONDAY, AUGUST 1, 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 A moment of silence was held in memory of Ron Salsbury, Senior Pastor at New Life Community Church, who passed away after a long battle with cancer.

FLAG SALUTE The flag salute was led by Fire Chief Steve Lieberman.

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, Community Development Director Bruce Buckingham, and Public Works Director/City Engineer Greg Ray were also present.

Also present were Fire Chief Steve Lieberman, Five Cities Fire Authority, and Assistant City Attorney David Hale, as legal counsel for the Five Cities Fire Authority.

CLOSED SESSION ANNOUNCEMENTS

None at this time.

AGENDA REVIEW

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

CEREMONIAL CALENDAR

None at this time.

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. Tony Ingram, Grover Beach resident, introduced his 10-year-old son, Anthony, who was diagnosed at three and a half months of age with Leber's Congenital Amaurosis, or LCA. Mr. Ingram described an upcoming 5K walk/run on the beach to raise public awareness about LCA and raise money to help fund research for a cure.
- B. Jeff Brubaker, San Luis Obispo Council of Governments representative, provided an update on regional funding for transportation projects and a Countywide ballot measure to implement a nine-year, half cent transportation sales tax.

PUBLIC HEARING

None at this time.

CONSENT AGENDA

Upon unanimous consensus, the Council approved Consent Agenda Items Nos. 1, 2, and 3, as recommended.

1. **Treasurer's Report for the Period July 14, 2016 to July 26, 2016.**
Action: Approved the Treasurer's Report as submitted.
2. **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 July 14, 2016 to July 26, 2016.**
Action: Approved the Treasurer's Report as submitted.

3. **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 July 14, 2016 to July 26, 2016.**

Action: Approved the Treasurer's Report as submitted.

REGULAR BUSINESS

4. **Potential Amendments to the Five Cities Fire Authority Joint Exercise of Powers Agreement.**

At this time, Mayor Shoals acknowledged Karen White, Board Member for the Oceano Community Services District and the Five Cities Fire Authority, who was seated in the audience. He then described the proposed amendments to the Joint Exercise of Powers Agreement (JPA). Fire Chief Lieberman provided additional information on the proposed modifications to the terms of the multi-agency agreement for the provision of fire services. Chief Lieberman introduced David Hale, legal counsel for the Fire Authority. Chief Lieberman, Mr. Hale, and City Manager Bronson responded to questions from the Council.

Brief discussion was held regarding facility maintenance and utilities at the Grover Beach fire station, fees for fire services, and the proposed modifications regarding new members, legal counsel, the collection of fees, building ownership, and equipment.

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.

Further Council discussion was held regarding the proposed amendments, as well as future amendments to be scheduled for consideration by each member agency and the Fire Authority Board.

Action: Upon consensus of the City Council, direction was provided to the Council's appointee to the Five Cities Fire Authority Board that the Grover Beach City Council concurred with the proposed amendments to the JPA Agreement as outlined in the attachment to the staff report entitled "Exhibit A: Non-binding Term Sheet for Consideration of Future Amendment to the Joint Exercise of Powers Agreement".

5. **Consideration of a Resolution Placing a Tax Measure for Commercial Cannabis Activities on the November 2016 Ballot.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson summarized Council direction after public meetings held in July for staff to proceed with placing a measure on the November 2016 ballot to levy a tax on commercial cannabis activities that may be permitted to establish within city limits. The proposed measure, if approved, would levy a tax on all commercial cannabis activities, except cultivation, based on a percentage of gross receipts, and a tax on any cultivation activity calculated on the basis of square foot of the license issued, regardless of whether the grower fully utilized the maximum allowed canopy. City Manager Bronson and City Attorney Koczanowicz then responded to questions from the Council regarding the proposed tax measure, as well as tax measures from other California jurisdictions.

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

The following persons commented on the proposed tax measure, and described operational differences between the distribution and cultivation of medical and recreational cannabis products:

- Sam Sweat, Point Bay Distributors;
- Sunni Mullinax, The Monarch; and
- Cynthia Gonzalez, Elite Care.

There were no further public comments received at this time.

Discussion ensued on possible amendments to the text of the proposed ballot measure.

Recess: Upon consensus of the City Council, the meeting recessed at 8:05 p.m.

Reconvene: At 8:12 p.m., the meeting reconvened with all Council Members present.

City Attorney Koczanowicz presented revised wording for the proposed ballot measure that incorporated the Council's comments just prior to the meeting recess. He and City Manager Bronson responded to questions regarding the ballot measure and potential revenues. Additional discussion was held regarding the process for the Planning Commission and City Council to consider land use regulations associated with commercial cannabis activities, and options for the Council to either schedule a special meeting or appoint a subcommittee to prepare an Argument in Support of the proposed measure.

Actions: Upon unanimous consensus of the Council, the Council approved a minor amendment to the text for the proposed ballot measure and appointed Mayor Pro Tem Lee and Council Member Bright to be the Council subcommittee tasked with preparing an Argument in Support of the ballot measure that would then be signed by each member of the City Council and submitted to the City Clerk.

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

- 1) adopt Resolution No. 16-62, as amended, calling for the placement of a measure to implement an annual tax on commercial cannabis activities on the General Municipal Election to be held on Tuesday, November 8, 2016, as called by Resolution No. 16-41;
- 2) adopt Resolution No. 16-63, as amended, setting priorities for filing a written argument regarding a City measure and directing the City Attorney to prepare an impartial analysis;
- 3) adopt Resolution No. 16-64 providing for the filing of rebuttal arguments; and
- 4) adopt Resolution No. 16-65 amending the FY 17 Budget. 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. 16-62: A Resolution of the City Council of the City of Grover Beach, California, Submitting to the Qualified Electors of the City at the General Municipal Election to be held on Tuesday, November 8, 2016, a Proposed Ordinance Amending the Grover Beach Municipal Code to Create Article X, Chapter 16 "Commercial Cannabis Tax" to Implement an Annual Tax on Medical and Non-medical Marijuana Cultivation, Nurseries, Manufacturing, Dispensaries and Testing as Permissible by State and Local Law for the Purpose of Raising Revenue to Fund General Municipal Services. Said Tax to be Set for: 1) Cultivation and Nurseries at an Initial Rate of Twenty-five Dollars (\$25) per Square Foot for the First 5,000 Square Feet of Canopy Space and Then Ten Dollars (\$10) per Square Foot for the Remaining Canopy Space Permitted or Licensed for the Nurseries (Type 4) or Cultivation of Marijuana Subject to Consumer Price Index Increase which may be Imposed Annually on All of the Above Taxes Imposed Upon Cannabis Businesses in the City; and 2) Initial Gross Receipt Tax of Five Percent (5%) on All Other Medical Marijuana Businesses and Ten Percent (10%) on All Other Non-medical Marijuana Businesses When Permissible by State and Local Laws and Providing Staff with Direction Related Thereto.

Resolution No. 16-63: A Resolution of the City Council of the City of Grover Beach, California, Setting Priorities for Filing a Written Argument Regarding a City Measure and Directing the City Attorney to Prepare an Impartial Analysis.

Resolution No. 16-64: A Resolution of the City Council of the City of Grover Beach, California, Providing for the filing of Grover Beach, California, Providing for the Filing of Rebuttal Arguments for City Measures Submitted at Municipal Elections.

Resolution No. 16-65: 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 to Provide \$15,000 for Ballot Costs and \$10,000 for Attorney Fees Associated with the November Election.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Council Member Bright reported on the meetings of the Air Pollution Control District and the Zone Three Advisory Committee.

Council Member Nicolls reported on the meetings of the South County Transit and the South San Luis Obispo County Sanitation District.

Mayor Pro Tem Lee reported on the meeting of the Economic Vitality Corporation.

Council Member Shah reported on the meeting of the Homeless Services Oversight Council, described the SLO Homeshare Program, and provided an update on a planned MASH event in the South County area to assist veterans and connect them with support services.

Mayor Shoals stated that he had no committee reports at this time.

COUNCIL COMMUNICATIONS

- A. Mayor Pro Tem Lee announced details of a public workshop on proposed service area changes for the 805 area code. He also noted positive comments he'd received regarding Measure K-14 street improvements and the Oak Park Boulevard Project. He then requested the Council receive an update on the Utility Rate Study.
- B. Council Member Bright commented on a recent tour she'd taken of the fire station in Grover Beach and noted needed replacements regarding flooring and window coverings.
- C. Council Member Shah praised the Parks and Recreation Department for the Lego Camp held at the Ramona Garden Park Community Center. She also described recently joining the social networking program Next Door, stating it focused on connecting neighborhood groups and encouraged residents to sign up.
- D. Mayor Shoals commended City Manager Bronson for addressing immediate facility needs at City Hall, such as the exterior lighting and landscaping projects.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson described exterior lighting improvements and the installation of drought-tolerant landscaping recently completed at City Hall and thanked Public Works Director/City Engineer Ray and the Public Works staff for their efforts in completing these projects. He then announced details of the National Night Out event to raise community-police awareness on August 2, 2016 at Ramona Garden Park. He also announced the recent establishment of a 5,000 square foot ice cream production facility by Doc Burnstein's Ice Cream in the City's industrial area.

CITY ATTORNEY'S REPORTS AND COMMENTS

City Attorney Koczanowicz informed the Council that he would be traveling out of the country for several days attending to family matters.

CLOSED SESSION

At 8:52 p.m., the Council met in Closed Session regarding the following items:

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

2. **Conference with Real Property Negotiators**
Pursuant to Government Code Section 54956.8
Property: APNs 060-206-029 and 060-263-036
Agency negotiator: City Manager Bronson
Negotiating party: Union Pacific Railroad
Under negotiation: Terms and conditions of potential lease, acquisition/purchase

3. **Public Employee Performance Evaluation**
Pursuant to Government Code Section 54957
Employee: City Attorney

Closed Session Announcements: At 9:37 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 9:38 p.m.

/S/ JOHN P. SHOALS, MAYOR

Attest:

/S/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 10/17/2016)