

**MINUTES
CITY COUNCIL MEETING
MONDAY, JUNE 5, 2017**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:00 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 former Pismo Beach Mayor Rudy Natoli.

FLAG SALUTE The flag salute was led by Mayor Pro Tem Shah.

ROLL CALL

City Council: Council Members Jeff Lee, Barbara Nicolls, Debbie Peterson, Mayor Pro Tem Mariam Shah, and Mayor John Shoals were present.

City Staff: City Manager Matthew Bronson, City Attorney David Hale, Planner II Janet Reese, 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 Todd Smith, Cannon and Associates.

CLOSED SESSION ANNOUNCEMENTS

None at this time.

AGENDA REVIEW Mayor Shoals recommended amending the order of business to have the Public Hearing for Agenda Item No. 8 considered immediately after Regular Business Agenda Item Nos. 9, 10, and 11.

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

PRESENTATIONS

1. Opportunities for a San Luis Obispo County YMCA Facility in Grover Beach.

YMCA Chief Executive Officer Monica Grant presented information regarding the results of a county-wide study that evaluated potential sites for a YMCA facility. She then responded to questions regarding YMCA participants and programs offered and described opportunities for agencies to partner with the YMCA on further facility planning efforts.

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. Natalie Risner, San Luis Obispo resident, described actions being taken by a local community group to protect the groundwater from oil industry expansion efforts.
- B. Patty Welsh, Arroyo Grande resident, urged members of the public to exercise decorum when expressing opinions at government meetings.

CONSENT AGENDA

Prior to consideration of the Consent Agenda, a supplemental item to Consent Agenda Item No. 5 was displayed of a map that depicted the locations of water lines to be replaced as part of the water line upgrade project.

It was moved by Council Member Peterson and seconded by Council Member Lee to approve Consent Agenda Item Nos. 2, 3, 4, and 5, as recommended. The motion carried on the following roll call vote:

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

2. **Treasurer's Report for the Period May 4, 2017 – May 30, 2017.**
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 May 4, 2017 – May 30, 2017.**
Action: Approved the Treasurer's Report as submitted.
4. **Minutes of the Special City Council Meeting on February 27, 2017.**
Action: Approved the minutes as submitted.
5. **Acceptance of the Upgrade of 2" and 4" Water Line Project (CIP 4267) –** Accepting the improvements constructed to upgrade certain City water lines.
Action: Adopted Resolution No. 17-27 formally accepting the Upgrade of 2" and 4" Water Line Project (CIP 4267) and authorized staff to send the "Notice of Completion" to Brough Construction.

Resolution No. 17-27: A Resolution of the City Council of the City of Grover Beach, California, Formally Accepting the Upgrade of 2" and 4" Water Line Project (CIP 4267).

PUBLIC HEARINGS

6. **Development Application 10-03 – Request for a One-Year Time Extension for the Grover Beach Lodge and Conference Center Project Located at 55 West Grand Avenue.** **Applicant:** Pacifica Companies.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Community Development Director Buckingham provided an overview of the request to approve a one-year time extension for a Coastal Development Permit and Site and Architectural Plans associated with Development Permit 10-03 for the Grover Beach Lodge Project.

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

The following persons expressed concerns regarding whether the project site would provide sufficient space for equestrian staging and/or described overcrowded conditions in the existing parking lot area during weekends:

- Linda Clarke, Arroyo Grande resident;
- Chris Smith, Arroyo Grande resident; and
- Anne Dunbar, Arroyo Grande resident, representing Ride Nipomo.

David Pecci, Pismo Beach resident, spoke in support of constructing a conference center that could accommodate larger conventions and vendor areas.

There were no further public comments received and the Mayor closed the Public Hearing.

Action: It was moved by Council Member Lee and seconded by Council Member Nicolls to adopt Resolution No. 17-28 to approve a one-year time extension for Development Application 10-03 consisting of a Coastal Development Permit and Site and Architectural Plans. The motion carried on the following roll call vote:

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

Resolution No. 17-28: A Resolution of the City Council of the City of Grover Beach Approving a One-Year Time Extension for Development Application 10-03 for the Grover Beach Lodge and Conference Center Project.

Additionally, upon consensus of the Council, direction was provided for the City Manager to be designated as the point of contact for equestrian groups, and for City staff to contact Coastal Commission staff to discuss the potential of designating an area south of West Grand Avenue specifically for equestrian use.

7. Resolution of Intention and First Reading of Ordinance Amending the California Public Employees Retirement System (CalPERS) Contract for Local Safety Members.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. City Manager Bronson provided an overview of the proposed amendment to the City's contract with CalPERS to amend the cost sharing agreement for classic local police members. 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. There were no public comments received and the Mayor closed the Public Hearing.

Action: It was moved by Council Member Lee and seconded by Council Member Peterson to: 1) adopt Resolution No. 17-29; 2) approve an amendment to the CalPERS Contract; and 3) conduct first reading, by title only, of Ordinance No. 17-07 amending the agreement with CalPERS for Local Safety Classic members and schedule second reading and adoption at a regular City Council meeting not less than 20 days following this meeting, pursuant to Government Code Section 20471. It was noted that second reading of the Ordinance would be scheduled for the regular City Council meeting on July 17, 2017. The motion carried on the following roll call vote:

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

Resolution No. 17-29: Resolution of Intention to Approve an Amendment to Contract Between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Grover Beach, California.

Ordinance No. 17-07: An Ordinance of the City Council of the City of Grover Beach Authorizing an Amendment to the Contract Between the City Council of the City of Grover Beach, California, and the Board of Administration of the California Public Employees' Retirement System. (First Reading only.)

ORDER OF THE DAY: Upon consensus of the City Council under Agenda Review, the Order of the Day was amended to consider Regular Business Agenda Item Nos. 9, 10, and 11 prior to Public Hearing Agenda Item No. 8.

Prior to discussion of Agenda Item No. 9, Council Member Peterson declared a conflict of interest due to both her residence and business being located within 500 feet of the subject property. She then stepped down from the dais and left the Council Chambers.

REGULAR BUSINESS

9. Medical Cannabis Dispensary Pre-Application Process.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Community Development Director Buckingham provided an overview of the proposal to establish a pre-application process and selection criteria for commercial medical cannabis dispensaries. 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.

Todd Mitchell, Grover Beach resident, Medicinal Greens, described steps his company had taken in order to operate a commercial cannabis business in Grover Beach and spoke in favor of the proposed pre-application process.

Loretta Walker, Grover Beach property owner, objected to allowing cannabis uses within city limits.

Paula Richardson, Grover Beach business owner, objected to cannabis dispensaries being located in the industrial area and inquired whether a felony conviction would be a disqualifying factor during the review process.

Debbie Peterson, speaking as a Grover Beach resident and business owner, suggested revising the submittal requirements for applicants regarding proof of sufficient capital and operating costs and adding environmentally sustainable business practices as a factor for evaluating and ranking applicants.

There were no further public comments received at this time.

Discussion ensued with staff responding to questions from the Council regarding the proposed pre-application process, the information that would be requested, and the points to be assigned to each of the evaluation criteria.

Action: It was moved by Council Member Lee and seconded by Council Member Nicolls to: 1) remove the “environmental benefits” criteria, and move the points to “local enterprise”; 2) set the deadline for submitting applications to 4:00 p.m. on July 10, 2017; 3) adopt Resolution No. 17-30 establishing a dispensary pre-application process for commercial medical cannabis businesses; and 4) adopt Resolution No. 17-31 amending the Master Fee Schedule to include a dispensary pre-application fee. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.
RECUSED: Council Member Peterson (*due to a conflict of interest*).

Resolution No. 17-30: A Resolution of the City Council of the City of Grover Beach Establishing a Commercial Medical Cannabis Dispensary Pre-Application Process.

Resolution No. 17-31: A Resolution of the City Council of the City of Grover Beach Amending the Master Fee Schedule.

Recess: Upon consensus of the City Council, the meeting recessed at 8:06 p.m.
Reconvene: At 8:16 p.m., Council Member Peterson returned to the dais and the meeting reconvened with all Council Members present.

10. Ramona Square Parking Lot Improvements.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray provided information and cost estimates for the reconstruction and ongoing maintenance of the parking lot located at Ramona Square. He then introduced Todd Smith of Cannon and Associates. Mr. Smith and staff responded to questions from the Council.

Discussion ensued regarding ownership, usage, and the condition of the parking lot, as well as potential long-term funding options and the estimated time frame and potential benefits of establishing a parking assessment district.

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

Brad Forde, Ramona Square property owner, spoke in support of the City contributing towards the cost of parking lot improvements and proceeding quickly towards completing the improvements.

Loretta Walker, Ramona Square property owner, inquired whether property owners had been informed of the potential formation of an assessment district.

There were no further public comments received at this time.

Discussion ensued regarding funds previously collected for maintenance of the parking lot, a community meeting held with Ramona Square businesses and property owners to discuss parking lot improvements, as well as clarification from staff on the formal process for establishing an assessment district. Additional discussion was held on establishing a fair and equitable method for apportioning costs, cost sharing methods, whether other transportation funds could be a source for project funding, parking lot access and easements, and whether it was feasible to proceed with repairing the parking lot prior to resolving the funding sources.

Action: Upon consensus, direction was provided for staff to develop further alternatives for Council consideration regarding:

- the City proceeding with repairing the parking lot prior to a final determination on cost sharing responsibilities by affected property owners;
- the City potentially providing the initial funds for parking lot repairs;
- options for property owners to reimburse the City for some or all of the initial repair costs;
- proceeding with the development of an assessment district for the long-term maintenance of the parking lot; and
- the estimated per parcel assessment based on either per square foot ownership or parking demand and for the new assessment district to encompass only the area of the parking lot designated for improvement.

11. County Groundwater Sustainability Agency.

Mayor Shoals read the title to the foregoing item. City Manager Bronson provided an overview of the County's proposal to create a new Groundwater Sustainability Agency (GSA) and the request for cities to consider sending a letter to the County Board of Supervisors regarding the use of County general funds on a GSA. It was noted that in addition to the letters of concern included with the staff report, the City had received a letter from the City of Morro Bay that was subsequently distributed to 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.

Council Member Peterson distributed copies of a map with the locations of community service districts in the County and cost summaries for groundwater basins. She recommended against sending a letter of concern to the County, stating the County's funding proposal would not have an impact on Grover Beach.

Discussion was held on funding sources for the Flood Control District, unfunded State mandates, potential impacts to Grover Beach, whether the creation of a new GSA was a matter for the City to address, and whether time was of the essence due to pending budget discussions at the County level.

Action: Upon consensus of a majority of the Council, direction was provided for staff to prepare a position letter for the Mayor's signature and addressed to the County Board of Supervisors expressing the City's concerns with the formation and funding for the County of San Luis Obispo Groundwater Sustainability Agency to manage certain portions of groundwater basins.

ORDER OF THE DAY: Upon consensus, under Agenda Review, the Order of the Day was amended to consider Public Hearing Agenda Item No. 8 at this time.

PUBLIC HEARING

8. 2017-18 Proposed Budget.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. City Manager Bronson provided an overview of the proposed budget for the coming fiscal year, highlighted key accomplishments, and outlined the approach taken in developing the proposed budget to develop catalyst economic

development projects, improve infrastructure and facilities, and strengthen organizational capacity. He also noted the proposed budget was revised to a more user-friendly format. Staff then responded to questions from the Council.

Brief discussion was held regarding information contained in the budget document, the format being at the broader policy level, potentially increasing the stipend amount for elected officials to encourage individuals to consider running for elective office, the status of agreements with employee labor groups, and funding requests from non-profit organizations.

Upon request, Bob Lloyd, AGP Video, responded to questions regarding services for video-on-demand and webstreaming of government meetings.

Further discussion was held on increasing the stipend amount for Council Members, funding video-on-demand services for government meetings, enhancing public communication efforts in both print and digital format, and the proposed consultant services for a community survey, department strategic plan, and financial forecast. Additional discussion was held on reviewing the fee structure for business tax certificates and transient occupancy tax as a future ballot measure, establishing a tree replacement program, providing further incentives for economic development, and actions being taken by other cities to reduce pension liabilities. Additionally, the Council commended staff on the improved design and budget format.

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: Upon unanimous consensus, the City Council continued the Public Hearing to the regular City Council meeting of Monday, June 19, 2017 to finalize the budget for Council adoption.

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

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Council Member Nicolls, as the alternate representative, reported on the meeting of the Economic Vitality Corporation.

Mayor Pro Tem Shah reported on meetings of the Air Pollution Control District, Homeless Services Oversight Council, and Visit SLO CAL.

Council Member Lee stated that he had no committee reports at this time.

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

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

COUNCIL COMMUNICATIONS

- A. Mayor Pro Tem Shah commented on a recent news story congratulating a 30-year employee of a Grover Beach business.
- B. Council Member Lee announced details of upcoming community events - Summer Concert Series and Ukelele Festival, and commended participants of the Spring Garden Tour.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson provided an update on the removal of the Monterey Cypress tree at Ramona Garden Park due to public safety concerns and noted that the Parks, Recreation & Beautification Commission would be discussing recommendations for a replacement tree.

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 10:38 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 10/02/2017)

Respectfully submitted:

/s/ JANET REESE, PLANNER II