

**MINUTES
CITY COUNCIL MEETING
MONDAY, MARCH 19, 2018**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:00 p.m. in the City Hall Council Chamber, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE

FLAG SALUTE The flag salute was initially led by Council Member Shah. Shortly after the Agenda Review, the flag salute was led by Molly Nichols, an 11-year-old, 5th grade student at Grover Heights Elementary School.

ROLL CALL

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

City Staff: City Manager Matthew Bronson, City Attorney David Hale, City Clerk Donna McMahon, Community Development Director Bruce Buckingham, Public Works Director/City Engineer Greg Ray, Parks & Recreation Program Director Kathy Petker, Police Commander Tim Miller, and Capital Improvement Project Manager Erin Wiggin were also present.

Also present were Fire Chief Steve Lieberman, Five Cities Fire Authority; and President/CEO Mike Manchak, Economic Vitality Corporation.

CLOSED SESSION ANNOUNCEMENTS

None at this time.

AGENDA REVIEW

Action: Upon consensus, the Council adopted the agenda as published.

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. John Wysong, Grover Beach resident, commented on the condition of Newport Avenue and further street repairs that were needed. He also objected to having received a water conservation notice and expressed concerns regarding a sufficient local water supply.

No further public comments were received at this time.

CONSENT AGENDA

Upon request from the Council, City Manager Bronson displayed the list of proposed 2018-19 City Council Goals (Consent Agenda Item No. 5) and provided a brief overview. He then responded to questions regarding the 10-block section of residential streets scheduled for rehabilitation and repair located in the northwest quadrant of the city (Consent Agenda Item No. 6).

Action: It was moved by Council Member Peterson and seconded by Council Member Nicolls to approve Consent Agenda Item Nos. 1, 2, 3, 4, 5, and 6, as presented. The motion carried on the following roll call vote:

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

1. **Treasurer's Report for the Period February 23, 2018 - March 9, 2018.**
Action: Approved the Treasurer's Report as submitted.
2. **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 February 23, 2018 - March 9, 2018.**
Action: Approved the Treasurer's Report as submitted.
3. **Treasurer's Report for the 2017 Streets Bond Account - \$15,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period February 23, 2018 - March 9, 2018.**
Action: Approved the Treasurer's Report as submitted.
4. **Minutes of the City Council Meeting on January 8, 2018.**
Action: Approved the minutes as submitted.
5. **Adoption of 2018-19 City Council Goals.**
Action: Adopted the City Council Goals for the upcoming fiscal year 2018-2019 as identified at the February 23, 2018 Council Goals Workshop.
6. **Award of Construction Contract, Street Improvements (CIP 2295-7, Front Street / Carmelde Lane / 1st Street / 2nd Street / Ocean View Avenue)**
Action: Adopted Resolution No. 18-25 awarding the contract for construction of CIP 2295-7, the Measure K-14 Street Rehabilitation Program, to JJ Fisher Construction, Inc., in the amount of \$866,768 for the Base Bid; authorized the City Manager to sign and affirm construction change orders up to an aggregate of \$95,000; and authorized the Mayor to execute the contract on behalf of the City.

Resolution No. 18-25: A Resolution of the City Council of the City of Grover Beach, California, Awarding the Street Rehabilitation and Repair Project (2295-7) Construction Contract to JJ Fisher Construction, Inc.

PUBLIC HEARING

Prior to discussion of Agenda Item No. 7, Council Member Peterson declared a conflict of interest due to both her business and residence being located within 500 feet of the industrial zone approved for commercial cannabis businesses. She then stepped down from the dais and left the Council Chamber.

7. **Second Reading and Adoption of Ordinance Amending Certain Provisions of Chapter 18, Article III of the Grover Beach Municipal Code to Bring the City's Regulations on the Establishment and Operation of Commercial Cannabis Uses Consistent with State Law for the Cultivation, Manufacturing, Dispensation, Transportation, and Testing of Medical Marijuana and Medical Marijuana Products.**

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. City Attorney Hale provided an overview of the proposed changes in order for the City's regulations to be consistent with subsequent changes in state law and to address certain regulations before retail establishments opened for business locally. He noted the first change would allow for qualified individuals 18 years of age or older to purchase medical cannabis products from a M-licensed retailer. The second change would require any cannabis operation to have both a local and a California State license. The remaining changes were to correct code references and renumber some of the subsections. Staff then responded to questions from the Council. It was noted that there were other cannabis-related matters, such as the permitting process and the cannabis tax rate structure as well as further regulatory and land use ordinance amendments, that were scheduled for Council consideration in the coming months.

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

Todd Mitchell, Grover Beach resident, commented on the requirements for minors with a state-issued medical marijuana card to purchase medical cannabis products.

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 Shah to conduct second reading, by title only, and adopt Ordinance No. 18-03 amending certain provisions of Chapter 18, Article III of the Grover Beach Municipal Code to bring the City's regulations on the establishment and operation of commercial cannabis uses consistent with state law for the cultivation, manufacturing, dispensation, transportation, and testing of medical marijuana and medical marijuana products. The motion carried on the following roll call vote:

AYES: Council Members Nicolls, Shah, Mayor Pro Tem Lee, 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).

Ordinance No. 18-03: An Ordinance of the City Council of the City of Grover Beach Amending Subsections (Y) (FF) (GG) (HH) (II) and (JJ) of Section 4000.20; Subsection (A) of Section 4000.40; Subsection (G) of Section 4000.200; Subsection (c) of Section 4000.220; Subsections (A) and (B) of Section 4000.230 and Section 4000.240 of Chapter 18, Article III of the Grover Beach Municipal Code to Revise Definitions and Make Revisions Consistent with Recent State Law Changes.

At this time, Council Member Peterson returned to the dais.

REGULAR BUSINESS

8. Regional Economic Impact Study Participation.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Referencing a PowerPoint presentation, City Manager Bronson provided an overview of a proposed regional economic impact study and the development of a regional economic strategy to analyze the impacts of the closure of the Diablo Canyon Nuclear Power Plant. He also described the proposed cost-sharing model for the County and the cities to fund the study that was based on population, General Fund budget, and number of Diablo Canyon employees residing within the respective jurisdictions. He then responded to questions from Council.

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

Mike Manchak, President/CEO, Economic Vitality Corporation (EVC), provided further details on the proposed funding process for the study, responded to questions from the Council, outlined the study's multi-phased approach, and described how the EVC would work in partnership with the University of California at Berkeley on a broader study authorized by the State Legislature (SB 968) to analyze the impacts of nuclear power plant closures. He also noted that fiscal impacts on funding for the regional study as a result of recently proposed legislation (SB 1090) by Senator Monning and Assembly Member Cunningham were not yet known.

There were no further public comments received at this time.

Discussion ensued regarding the Council's previous support of a regional approach for addressing economic impacts from the closure of the Diablo Canyon Nuclear Power Plant, and the anticipated partnership among public agencies and private sector organizations to fund the proposed regional study to be led by the EVC.

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Peterson to: 1) authorize the City's participation in a regional economic impact study and strategy led by the Economic Vitality Corporation; and 2) for staff to include the City's contribution of \$26,100 for the regional study in the proposed 2018-19 budget. The motion carried on the following roll call vote:

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

9. Five Cities Fire Authority Budget Update.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Referencing a PowerPoint presentation, City Manager Bronson provided an overview of anticipated cost increases for the Five Cities Fire Authority, described the phased transition from a Reserve Firefighter program to full-time Firefighters to ensure sufficient staffing, and outlined proposed budget estimates for the coming fiscal year with projected increases over the next five-year period. He also noted that a shared service delivery model for fire and emergency medical services was generally more cost effective; however, projected cost increases and differing funding capacities by the partner agencies might require modifications to the Joint Powers Agreement or sidebar agreements.

Fire Chief Lieberman provided an historical overview of the fire service program in Grover Beach. City Manager Bronson, Fire Chief Lieberman, and City Attorney Hale then responded to questions from the Council.

Discussion ensued regarding employee and equipment costs, staffing needs, recent discussions on consolidating fire dispatch services, a stand alone fire department being cost prohibitive, and the development of an Acting Battalion Chief Program within the Fire Authority for purposes of succession planning. Recent discussions by the Arroyo Grande City Council as well as the Five Cities Fire Authority's Board of Directors on this same matter were also noted.

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

Patrick Ferguson, President, International Association of Firefighters Local 4403, spoke in support of providing the financial assistance necessary to ensure the Fire Authority's capacity to provide fire and emergency medical services to the community.

There were no further public comments received at this time.

Additional discussion was held on proposed cost increases, maintaining functional and effective fire service levels in Grover Beach, and either funding a status quo budget or addressing staffing needs over the next five-year period as recommended by the Fire Authority's strategic plan. Discussion was also held on reviewing the City's reserve policy before making final budgetary decisions, equipment needs, challenges with staffing a Reserve Firefighter program, and the results of a recent community survey that ranked public safety as a high priority item for residents and business owners.

Action: It was moved by Mayor Shoals and seconded by Council Member Nicolls to provide the following direction to staff:

- 1) Proceed with preparing a draft 2018-2019 budget that includes \$300,000 for maintaining current fire and emergency service levels and transitioning Reserve Firefighters to full-time Firefighters;
- 2) Proceed with the draft strategic plan recommendation to hire three full-time Firefighters on July 1, 2018, with the acknowledgment that such action will require a slight reduction in the City's Reserve Funds;
- 3) Continue working with partner agencies on potential modifications to the Joint Powers Authority agreement, as needed, and in the event the Fire Authority is unsuccessful in obtaining a unanimous vote on a proposed budget, for staff to work with the Fire Chief and legal counsel to identify sidebar agreements to ensure minimum staffing requirements are met for the Grover Beach fire station; and
- 4) Explore revenue generation options that could provide a continuous funding stream for fire suppression and emergency medical services for Grover Beach and provide a report to the Council with recommendations.

The motion carried on the following roll call vote:

AYES: Council Members Nicolls, Peterson, 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 8:04 p.m.
Reconvene: At 8:15 p.m., the meeting reconvened with all Council Members present.

10. Capital Improvement Program Overview and Direction.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson acknowledged City staff members who collaborated in developing the draft Capital Improvement Program document, specifically Public Work Director/City Engineer Greg Ray, Capital Improvement Program Manager Erin Wiggin, Parks and Recreation Program Manager Kathy Petker, and Administrative Analyst Lynn Pearson. He then introduced Public Works Director/City Engineer Ray.

Referencing a PowerPoint presentation, Public Works Director/City Engineer Ray provided an overview of the draft five-year Capital Improvement Program (CIP), noted key projects in the major categories of Parks and Community Services, Public Buildings and Facilities, Streets and Storm Drains, Water, and Wastewater. He then described unfunded capital needs in each of the categories, outlined funding sources and the proposed allocations, and noted the recommendation to increase water rates in order to carry out identified water projects and provide adequate funding for operations and reserves. Staff then responded to questions from Council.

Discussion ensued regarding costs for the Ramona Square parking lot project, the proposed water rate increase, capacity within the Public Works Department to sufficiently oversee CIP projects, coordinating Community Development Block Grant (CDBG) funding with water system and street improvement projects, needed tree replacements at Mentone Basin Park, rehabilitation of 16th Street Park, and monument signs at City facilities.

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.

The Council thanked staff for preparing the report and providing the Council with an early draft to allow additional review time and opportunities for input.

Action: Upon consensus of the Council, direction was provided for staff to place a high priority focus on the following projects identified as Unfunded Needs (page 37 of the draft CIP document):

Parks and Community Services

#6 - Facility Monument Signs, including proceeding with City Hall monument signage

#7 - 16th Street Park Improvements

Streets/Storm Drains

#11 - Annual Tree Project

Additional comments included:

- As opportunities arise, reallocate funds where possible to schedule another series of street improvement projects;
- Schedule a policy discussion on the development of a comprehensive sidewalk plan;
- Prioritize attention on deferred facility maintenance and facility conditioning needs; and
- Consider taking a phased approach to address needed improvements at the City Corporation Yard.

COUNCIL COMMITTEE REPORTS

Council Member Peterson reported on the meeting of the Water Resources Advisory Committee and announced details of an upcoming forum regarding groundwater laws.

Mayor Pro Tem Lee commented on an upcoming Zone Three Advisory Committee meeting and provided a brief update on the status of Lopez Lake and maintenance of the waterlines.

Council Member Nicolls announced details of the next Arroyo Grande & Grover Beach Chamber of Commerce monthly meeting and noted that meetings of the Government Affairs Committee were scheduled to resume. She also commented on an upcoming meeting of the South San Luis Obispo County Sanitation District.

Council Member Shah commented on an upcoming meeting of the Homeless Services Oversight Council and announced that public comments would be received at an upcoming meeting of the Air Pollution Control District Hearing Board.

Mayor Shoals reported on meetings of the San Luis Obispo Council of Governments and the San Luis Obispo Regional Transit Authority. He also commented on an upcoming meeting of South County Transit.

League of California Cities - Policy Committee Reports and Other League Matters

Mayor Pro Tem Lee announced details for the next scheduled meeting of the Transportation, Communication & Public Works Policy Committee.

Council Member Shah announced that the City of Paso Robles was scheduled to host the next Channel Counties Division meeting and that further details would be forthcoming.

COUNCIL COMMUNICATIONS

- A. Mayor Shoals provided a brief summary of the "State of the City" address held at the Ramona Garden Park Center on Friday, March 16, and noted that the event was well-attended.
- B. Mayor Pro Tem Lee announced operational details regarding the 5Cities Homeless Coalition's Warming Shelter and noted that volunteers were still needed. He then described topics discussed at a recent Cuesta College District 3 Luncheon.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson provided an update on the status of the City's grant application for Community Development Block Grant funds for a senior center feasibility study. He then announced the Mayor had been approached by the CEO of the California Mid-State Fair regarding an opportunity for Grover Beach to participate this summer in the fair's "Showcase of Cities" display.

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 9:13 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 5/21/2018)