

**MINUTES
SPECIAL CITY COUNCIL MEETING
TUESDAY, JUNE 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 led by Mayor Shoals.

ROLL CALL

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

City Staff: City Manager Matthew Bronson, City Attorney David Hale, 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, Parks and Recreation Program Director Kathy Petker, and Accountant Heidi Stockert were also present.

Also present were Parks, Recreation & Beautification Commission Chair Walt French, Parks, Recreation & Beautification Commissioners Paul Press and Cynthia Price, and former Parks, Recreation & Beautification Commissioner Maalea Quirk.

AGENDA REVIEW

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

CEREMONIAL CALENDAR

1. Certificates of Appreciation to Spring Garden Tour Participants.

Parks and Recreation Program Director Petker was joined by Parks, Recreation & Beautification Commission Chair French, Commissioners Press and Price, and former Commissioner Quirk in presenting Certificates of Appreciation to the following Spring Garden Tour Participants:

- James and Sue Knight, 186 North 12th Street,
- Susie and Jason Farrar, 485 South 12th Street,
- Mark and Teresa Popkin, 1021 Margarita Avenue,
- Missy Harris, 1554 Long Branch Avenue, and
- Tim & Maalea Quirk, 931 Margarita Avenue.

The following Spring Garden Tour Participants were announced, but were not present:

- JD and Tina O'Meara, 1674 Trouville Avenue.

2. Certificate of Appreciation to Former Parks, Recreation & Beautification Commissioner Maalea Quirk.

The City Council was joined by Parks, Recreation & Beautification Commission Chair French, Commissioners Press and Price, and Parks and Recreation Program Director Petker in presenting a Certificate of Appreciation to former Commissioner Quirk.

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 need for additional truck route signs, objected to commercial trucks on Brighton Avenue, and commented on open space weed abatement methods being conducted in neighboring jurisdictions.

No further public comments were received at this time.

CONSENT AGENDA

Prior to consideration of the Consent Agenda, Item Nos. 7, 8, 9, and 11 were pulled pursuant to requests from Mayor Pro Tem Lee (regarding Consent Agenda Item Nos. 7, 8, and 11) and Mayor Shoals (regarding Consent Agenda Item No. 9). It was moved by Mayor Pro Tem Lee and seconded by Council Member Nicolls to approve Consent Agenda Item Nos. 3, 4, 5, 6, 10, and 12 as recommended. 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 Member Peterson.
ABSTAIN: Council Members - None.

3. **Treasurer's Report for the Period May 25, 2018 – June 11, 2018.**
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 May 25, 2018 – June 11, 2018.**
Action: Approved the Treasurer's Report as submitted.
5. **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 May 25, 2018 – June 11, 2018.**
Action: Approved the Treasurer's Report as submitted.
6. **Minutes of the City Council Meeting on April 2, 2018.**
Action: Approved the minutes as submitted.
10. **Amendments to the Police Department Trainee Program Compensation Plan and Hiring Incentive Program** - Recommended changes to both the Police Officer Trainee Program and Police Department Hiring Incentive Program to assist with recruitment efforts currently underway.
Action: Adopted Resolution No. 18-53 amending the Compensation Plan for the Police Officer Trainee Program and amending the Police Officer Hiring Incentive Program.

Resolution No. 18-53: Resolution of the City Council of the City of Grover Beach, California, Amending Resolution No. 15-65 for the Police Officer Trainee Program and Amending Resolution No. 16-46 Amending the Police Officer Hiring Incentive Program.
12. **Grover Beach Police Management and Confidential Employee Group Memorandum of Understanding for 2018-2021** – Consideration of entering into a three-year successor Memorandum of Understanding (MOU) for cost of living adjustments for sworn and non-sworn members.
Action: Adopted Resolution No. 18-54 amending the Grover Beach Police Management and Confidential Employee Group Memorandum of Understanding for a three-year term.

Resolution No. 18-54: A Resolution of the City Council of the City of Grover Beach, California, Ratifying a Memorandum of Understanding with Grover Beach Police Management and Confidential Employee Group from July 1, 2018 to June 30, 2021.

PULLED CONSENT AGENDA ITEMS

7. **Use of Transportation Development Impact Fees** – Amending the FY 2017-18 budget to allocate Transportation Development Impact Fees for the South 13th Street Project, which will result in additional funding for future Street Rehabilitation and Repair projects.

Staff responded to questions from the Council regarding appropriate uses for funds collected through Development Impact Fees. Members of the Council expressed interest in discussing future street projects, such as lane configurations on South Oak Park Boulevard near the Von's Shopping Center.

Action: Upon motion by Mayor Shoals, seconded by Mayor Pro Tem Lee, the Council adopted Resolution No. 18-85 to appropriate \$110,000 in Transportation Development Impact Fee funding for the South 13th Street repair project, with guidance that it be considered as part of a future discussion on specific streets and at that time the Council could determine whether improvements on South Oak Park Boulevard would be an appropriate use of the funds. 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 Member Peterson.
ABSTAIN: Council Members - None.

Resolution No. 18-85: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 3rd Amendment to the Annual Appropriation Resolution No. 17-34 to Allocate Transportation Development Impact Fees to the South 13th Street Rehabilitation Project.

8. Award of Construction Contract, CIP 3312 Train Station Expansion Project, Federal Aid No. CML-5359(020) - Consideration of bids received for expansion of the Grover Beach Train Station.

Upon request, City Manager Bronson provided a brief overview of the regional transportation project to expand the current Amtrak train station site in Grover Beach to incorporate a bus passenger loading/unloading area, bus passenger shelter, and approximately 40 additional parking spaces. He briefly reviewed funding sources for the project and noted the City's efforts led by Mayor Shoals to close the project's funding gap with requests submitted for additional funding to the San Luis Obispo Council of Governments and the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency.

Mayor Shoals described how the proposed project would improve safety and access for both bus and rail services. He then described successful outcomes from the City's requests for funding before the San Luis Obispo Council of Governments on June 6, 2018, and the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency on June 18, 2018, that secured an additional \$800,000 towards the project.

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.

Action: Upon motion by Mayor Pro Tem Lee, seconded by Council Member Nicolls, the Council adopted Resolution No. 18-56 awarding the contract for construction of CIP 3312 Train Station Expansion Project to The J.F. Will Company, Inc., in the amount of \$2,267,354.32 for the Base Bid; authorized the City Manager to sign and affirm construction change orders up to an aggregate of \$226,735.00; and authorized the Mayor to execute the contract on behalf of the City. 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 Member Peterson.
ABSTAIN: Council Members - None.

Resolution No. 18-56: Resolution of the City Council of the City of Grover Beach, California, Awarding the Train Station Expansion Project (CIP 3312), Federal Aid No. CML-5359(020), Construction Contract to Contractor.

9. Award of Construction Management Contract for CIP 3312, Train Station Expansion Project.

Upon request, Public Works Director/City Engineer Ray provided a brief overview of the award of contract for construction management, inspection, and materials testing associated with CIP 3312 Train Station Expansion Project, contingent upon final review and approval from Caltrans.

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.

Action: Upon motion by Mayor Pro Tem Lee, seconded by Council Member Nicolls, the Council adopted Resolution No. 18-52 and, upon final approval from Caltrans, authorized the City to enter into a Professional Services Agreement with Cannon Corporation for construction management, inspection, and materials testing associated with CIP 3312, Train Station Expansion Project; and authorized the Mayor to execute the agreement on behalf of the City. 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 Member Peterson.
ABSTAIN: Council Members - None.

Resolution No. 18-52: Resolution of the City Council of the City of Grover Beach, California, Authorizing the City to Enter into a Professional Services Agreement with Cannon Corporation, to Provide Construction Management and Materials Testing Services Associated with the Construction of CIP 3312 Train Station Expansion Project.

11. Agreement with the Five Cities Fire Authority for Emergency Communication Services - Consideration of entering into a short-term agreement with the Five Cities Fire Authority to provide emergency communication services.

With staff responding to questions from the Council, brief discussion was held regarding the proposed agreement and plans to migrate fire dispatching services to a dedicated fire/emergency medical aid dispatching center managed by the County of San Luis Obispo/CAL FIRE beginning on October 1, 2018.

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.

Action: Upon motion by Council Member Shah, seconded by Council Member Nicolls, the Council adopted Resolution No. 18-58 approving the agreement with the Five Cities Fire Authority to provide emergency communication services from July 1, 2018 until October 1, 2018 and authorized the Mayor to execute the agreement on behalf of the City. 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 Member Peterson.
ABSTAIN: Council Members - None.

Resolution No. 18-58: Resolution of the City Council of the City of Grover Beach Approving an Agreement with the Five Cities Fire Authority for Fire, Rescue and Emergency Medical Aid Dispatching Services.

PUBLIC HEARING

13. Amendment to Development Application 10-03 – Request to Amend the Coastal Development Permit and Use Permit and Approve a One-Year Time Extension for the Grover Beach Lodge - Consideration of recommendations from the Planning Commission on the request for an amendment to the Coastal Development Permit and Use Permit to eliminate the standalone conference center and make minor modifications to the site and building, and for a one-year time extension for the Coastal Development Permit.

Project location: 55 West Grand Avenue; Applicant: Pacifica Companies.

City Attorney Hale noted that this item was originally scheduled as a Public Hearing item; however, due to recent information regarding a performance construction schedule and internal meetings with the applicant, Pacifica Companies, he recommended continuing the Public Hearing to July 23, 2018, to allow City staff and State Parks representatives to address certain unresolved project issues. Upon question, he confirmed the Council had the discretion to receive public comments, but recommended the Council refrain from discussing the proposed project at this time.

Brief discussion was held on allowing staff and the City's State Parks partners further time to sufficiently evaluate proposed changes to the project and allowing members of the public in attendance this evening the opportunity to comment on this agenda item.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and invited public comments on this item.

Linda Clarke, Arroyo Grande resident, expressed concerns regarding sufficient access and parking for equestrians during project construction and once the project was completed.

Robert Perrault, Grover Beach resident and former Grover Beach City Manager, spoke in support of the proposed modifications, the requested time extension, and proposed parking for equestrian use. He requested the City continue to solicit input from the equestrian community during the final design phase and, separate from the Lodge Project itself, to proceed with implementation of an equestrian parking area.

Kathleen Phelps, Arroyo Grande resident, Back Country Horsemen of California, Los Padres Unit, requested the project include adequate space for equestrian parking and staging and also spoke in support of an equestrian space located south of West Grand Avenue.

Pamela Krahl, San Luis Obispo resident, Arabian Horse Club, Ride Nipomo, and the Rocky Mountain equestrian group, spoke in support of providing adequate parking and a staging area for equestrian use.

John Wysong, Grover Beach resident, commented on insufficient water supplies.

Dave Ekbohm, Grover Beach resident and former Grover Beach Mayor, spoke in support of maintaining both vehicle and pedestrian access to the beach.

Patty Fuller, Nipomo resident, noted that she'd already submitted written comments to the Council in support of an equestrian parking and staging area to be located on the south side of Grand Avenue.

Jennifer Miller, Nipomo resident, spoke in support of ensuring continued access to the beach for all user groups.

No further public comments were received at this time.

Members of the Council expressed their appreciation for the comments received.

Action: Upon consensus, the Council continued the Public Hearing to a Special City Council meeting on Monday, July 23, 2018 at 6:00 p.m.

Recess: Upon consensus of the City Council, the meeting recessed at 7:11 p.m.

Reconvene: At 7:21 p.m., the meeting reconvened with all members of the City Council present, except for Council Member Peterson who was absent from this meeting.

REGULAR BUSINESS

14. Adoption of 2018-19 Budget.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson provided an overview of the proposed budget for the coming fiscal year and summarized budget items the Council had requested further clarification on at its

meeting on June 4. Additionally, he outlined revisions to the proposed budget pursuant to Council direction at that same meeting.

In conclusion, City Manager Bronson noted the proposed budget represented a fiscal approach that would maintain current service levels, continue to make targeted investments to address Council Goals, and retain reserves consistent with the Council's goal of at least 20% of operating expenditures. However, he also noted projected funding gaps between revenues and expenditures over the next two to three years that would require the use of reserves below minimum policy levels in order to maintain service levels. Further, without additional ongoing revenues for core City services, reductions in service levels could occur. 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.

Dave Ekbohm, Grover Beach resident and former Grover Beach Mayor, expressed concerns regarding the use of reserves, escalating costs for fire services and emergency medical aid, and questioned whether a ballot measure to fund fire services and emergency medical aid by the Oceano Community Services District would succeed. He then spoke in support of taking action to increase reserve fund levels.

No further public comments were received at this time.

Discussion ensued regarding the proposed budget, setting aside funds for the development of educational/community outreach/juvenile diversion or youth activity programs focused on the legalized cannabis industry and potentially partnering with representatives of the local cannabis industry to develop such a program. Members of the City Council described the Council's deliberate and conscious approach with regard to balancing the needs of the community and City staff with maintaining responsive public safety service levels while also investing in the City's infrastructure, equipment, and economic development efforts.

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

- 1) amend the proposed budget to add \$10,000 for the marketing line item in the proposed budget for community outreach associated with a cannabis outreach initiative, and adopt Resolution No. 18-59, as amended, adopting and appropriating funds for the FY 2018-19 budget;
- 2) adopt Resolution No. 18-60 setting the 2018-19 Appropriations Limit from Tax Proceeds,
- 3) adopt Resolution No. 18-61 establishing authorized positions in City departments for FY 2018-19, and
- 4) adopt Resolution No. 18-62 updating the City's Financial Policies.

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 Member Peterson.
ABSTAIN: Council Members - None.

Resolution No. 18-59: A Resolution of the City Council of the City of Grover Beach, California Appropriating the FY 2018-19 Budget.

Resolution No. 18-60: A Resolution of the City Council of the City of Grover Beach, California, Setting the FY 2018-19 Appropriations Limit from Tax Proceeds.

Resolution No. 18-61: 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 2018-19 Budget and Establishing the 2018-19 Salary Schedule.

Resolution No. 18-62: Resolution of the City Council of the City of Grover Beach, California, Updating the Financial Policies of the City of Grover Beach.

15. Policy Direction on Transient Occupancy Tax and Business Tax Certificate Revenue Measures.

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 prospective revenue measures to provide additional ongoing funding for core City services through an increase in the City's Transient Occupancy Tax (TOT) and changing Business Tax Certificate (BTC) rates. Both tax increases were proposed to be general taxes to fund needs as identified by the Council and would thus require majority vote approval (50% +1). 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. No public comments were received at this time.

Action: Upon consensus (Council Member Peterson absent), the Council provided the following direction to staff:

- 1) draft language for two ballot measures for Council consideration to:
 - a) increase the Transient Occupancy Tax (TOT) rate from 10% to 13%; and
 - b) modify the Business Tax Certificate (BTC) structure from a flat \$55 rate to the variable fee format based on level of gross receipts; and
- 2) for the revised BTC structure to require licensed commercial cannabis businesses with a physical premise outside the city, but delivering to an address within the city, to pay for a BTC based on the sales activity occurring in the city.

16. San Luis Obispo County Regional Code of Civility.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson provided an overview of recent discussions among representatives throughout San Luis Obispo County on the concept of regionalism. One aspect from the discussion developed into the proposal for local government agencies to formally adopt a Code of Civility, setting a common expectation of how all public business would be conducted in the region at both the City Council and regional levels.

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

Ann Havlik and Cindy Marie Absey, Co-presidents, League of Women Voters of San Luis Obispo County, described programs offered by the League of Women Voters and praised the manner and level of courtesy displayed, as well as civil discourse exemplified, by the City Council this evening.

No further public comments were received at this time.

Brief discussion was held on the importance of a healthy democracy, encouraging public input, and also adhering to a code of conduct and civility in order to create policies that benefit the greater good and foster an environment that encourages future potential leaders.

The Council thanked the League of Women Voters for their civil discourse/public education and community outreach programs.

Mayor Shoals announced details of a Code of Civility signing event with every mayor in San Luis Obispo County and the Chair of the Board of Supervisors scheduled for Thursday, June 21, 2018, at the City/County Library in San Luis Obispo.

Action: Upon motion by Mayor Pro Tem Lee and seconded by Council Member Shah, the Council endorsed a San Luis Obispo County Regional Code of Civility to complement the City's existing Policies and Procedures for Conduct and Decorum at City Council meetings. 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 Member Peterson.
ABSTAIN: Council Members - None.

COUNCIL COMMITTEE REPORTS

None at this time.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson expressed his appreciation and commended the Council and City staff on the collaborative effort demonstrated over the past six months in preparing the budget document that culminated in its adoption this evening.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

COUNCIL COMMUNICATIONS

- A. Mayor Pro Tem Lee announced the Cuesta's Promise Program was recently extended to a two-year, tuition free-program for local high school graduates.
- B. Council Member Nicolls announced that the South San Luis Obispo County Sanitation District had hired a new District Administrator who was scheduled to begin on July 2, 2018.

CLOSED SESSION

None at this time.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 8:36 p.m.

/s/

JOHN P. SHOALS, MAYOR

Attest:

/s/

DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 10/15/2018)