

**MINUTES
CITY COUNCIL MEETING
MONDAY, JULY 23, 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 Pro Tem Lee.

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 McMahan, 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

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. The following individuals spoke in *opposition* to San Luis Obispo County Measure G:

- Patrick Vowell, San Luis Obispo resident;
- Bradly Brumana, Paso Robles resident;
- Bob Wilson, Grover Beach resident;
- Christine Halley, who was not present, but submitted correspondence verbally acknowledged by the Mayor;
- Joseph Rouleau, San Luis Obispo County resident;
- Peter Byrne, Paso Robles resident; and
- Gary Kirkland, San Luis Obispo County resident.

The following individuals spoke in *support* of San Luis Obispo County Measure G:

- Charles Varni, Oceano resident, who also distributed business cards for the organization, Coalition to Protect San Luis Obispo County;
- Stacey Avelar, Grover Beach resident;
- Kate Christensen, San Luis Obispo County resident;
- Richard Robinson, San Luis Obispo County resident;
- Dominique Dashwood, San Luis Obispo resident;
- Laura Sheehan, San Luis Obispo County resident;
- Kay Gore, Arroyo Grande resident; and
- Savanna Cooper, Grover Beach resident.

The following individual urged the Council to *remain neutral* on Measure G:

- Jack Hardy, Grover Beach resident.

B. Adam Hill, District 3, San Luis Obispo County Supervisor, introduced his new Legislative Assistant Nicole Nix to the City Council and staff.

CONSENT AGENDA

Pursuant to requests from Mayor Shoals and Mayor Pro Tem Lee, respectively, Item Nos. 6 and 7 were pulled from the Consent Agenda. It was moved by Mayor Pro Tem Lee and seconded by Council Member Shah to approve Consent Agenda Item Nos. 1, 2, 3, 4, 5, and 8, as recommended. The motion carried on the following roll call vote:

1. **Treasurer's Report for the Period June 29, 2018 - July 13, 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 June 29, 2018 - July 13, 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 June 29, 2018 - July 13, 2018.**
Action: Approved the Treasurer's Report as submitted.
4. **Federal Equitable Sharing Agreement** – Agreement to receive forfeited funds from the seizure of assets determined to be proceeds of illegal drug transactions.
Action: Adopted Resolution No. 18-74 authorizing the Mayor and the Chief of Police to sign an agreement that will allow the City to receive federally forfeited assets from adjudicated narcotics cases, pursuant to the Federal Equitable Sharing Program.

Resolution No. 18-74: 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.

5. **Acquisition of Three New Police Patrol Vehicles and Equipment** – Municipal lease-purchase agreement to finance vehicle fleet needs for the Police Department.
Action: Adopted Resolution No. 18-75 authorizing the City Manager to enter into an agreement with Government Capital Corporation to finance the purchase of three new patrol vehicles, emergency equipment, and vehicle computers/video cameras.

Resolution No. 18-75: A Resolution of the City Council of the City of Grover Beach, California, Authorizing the City Manager to Enter into a Lease Purchase Agreement with Government Capital Corporation.

8. **Grover Beach Police Officers' Association Memorandum of Understanding for 2018-2021** - Amended Memorandum of Understanding with the Grover Beach Police Officers' Association.
Action: Adopted Resolution No. 18-76 amending the compensation structure of the Grover Beach Police Officers' Association Memorandum of Understanding (MOU) and authorized the City Manager to work with the bargaining group to finalize non-compensation language in the MOU.

Resolution No. 18-76: A Resolution of the City Council of the City of Grover Beach, California, Approving a Memorandum of Understanding with Grover Beach Police Officers' Association (GBPOA) from July 1, 2018 to June 30, 2021.

PULLED CONSENT AGENDA ITEMS

6. **Professional Services Agreement for City Attorney Services.**

City Attorney Hale introduced Molly Thurmond to the City Council and staff, summarizing her qualifications to serve as Assistant City Attorney, as needed.

Ms. Thurmond provided additional background information.

No Council discussion was held on this item and no public comments were received at this time.

Action: Upon unanimous consensus, the Council approved the Amendment to the City Attorney's Professional Services Agreement.

Mayor Pro Tem Lee declared a conflict of interest regarding Consent Agenda Item No. 7 due to his employment with the County of San Luis Obispo.

7. **Amendment #1 to Memorandum of Agreement for Countywide Animal Services Shelter** – Consideration of an amendment to the Memorandum of Agreement (MOA) between the County of San Luis Obispo and all seven incorporated cities in the County to share in the cost of a new animal shelter.

No Council discussion was held on this item, and no public comments were received on this agenda item.

Action: It was moved by Council Member Peterson, and seconded by Council Member Shah to authorize the City Manager to execute Amendment #1 to the Memorandum of Agreement for Allocation of Construction and Financing Costs for a Countywide Animal Services Shelter. The motion carried on the following roll call vote:

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

PUBLIC HEARING

9. **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. Project location: 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 presented the staff report and outlined proposed project modifications. He noted the amendments were consistent with the City's Development Code standards and would not result in new significant environmental impacts.

City Manager Bronson continued the staff presentation, describing the updated project schedule and modified financial support from the City. In conclusion, it was noted that the proposed project amendment would retain all major project components; however, the amount of meeting space would be reduced and there would be minor changes to the site plan. It was also noted that the Planning Commission recommended the Council approve the amendment to the Coastal Development Permit and one-year time extension. Staff then responded to questions from the Council and confirmed that construction of a standalone conference center could still be considered in the future.

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

Elizabeth Doukas, Grover Beach resident, objected to the City incurring costs associated with the project and the proposed project modifications.

Anita Shower, Grover Beach resident, objected to the proposed project modifications and the City incurring costs associated with the project.

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

Upon request, City Manager Bronson further clarified the City's revised financial commitment to the modified project and noted infrastructure improvements to be completed by the developer.

Upon request, Kevin Pearce, District Superintendent, California State Parks Oceano Dunes Off-Highway Motor Vehicle Recreation Area, described the State's review process for the proposed project amendment.

Council discussion ensued regarding project modifications, taking steps to avoid further project delays, scheduling further discussion on the City's financial support of the project, and requiring that it be directly correlated to satisfactory performance by the developer.

Action: Upon motion by Mayor Pro Tem Lee, seconded by Council Member Peterson, the Council adopted Resolution No. 18-77 approving an amendment to Development Application 10-03 to amend the Coastal Development Permit and Use Permit and adopted Resolution No. 18-78 approving a one-year time extension for the Grover Beach Lodge project. 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.

Resolution No. 18-77: A Resolution of the City Council of the City of Grover Beach Approving an Amendment to Development Application 10-03 to Amend the Coastal Development Permit and Use Permit for the Grover Beach Lodge Project.

Resolution No. 18-78: 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 Project.

Recess: Upon consensus of the City Council, the meeting recessed at 7:16 p.m.

Reconvene: At 7:25 p.m., the meeting reconvened with all Council Members present.

REGULAR BUSINESS

10. Placement of a Transient Occupancy Tax Measure on the November 2018 Ballot.

Mayor Shoals read the title to the foregoing item, and deferred to staff for a report. City Manager Bronson presented the staff report on Council consideration of placing a measure on the November 2018 ballot to increase the City's Transient Occupancy Tax (TOT) rate on hotel accommodations within the city from 10 percent to 12 percent. He then responded to questions from the Council. It was noted that formation of a Tourism Business Improvement District (TBID) was a separate matter initiated by hoteliers, not the City. Additionally, only one hotel generated the majority of annual TOT revenue and, when contacted about the proposed TOT rate increase, the hotel's representative expressed no objection to the proposed measure.

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

Jocelyn Brennan, President/CEO, Arroyo Grande & Grover Beach Chamber of Commerce, spoke in support of increasing the TOT to an amount that provided some margin for future consideration of forming a TBID. She then responded to questions from the Council regarding TBID administration in other jurisdictions within the County.

Stacy Korsgaden, Vice Chair, Arroyo Grande & Grover Beach Chamber of Commerce, thanked the City for the recent opportunity for Chamber representatives to meet with City representatives to discuss the proposed TOT rate increase. She then spoke in support of increasing it to no more than 11 percent.

No further public comments were received at this time.

Discussion ensued regarding increasing the TOT rate and that a future Council, if the measure was approved by voters, could determine whether to incrementally phase in the increase.

Council Member Peterson commented that she operated a local vacation rental, described the rates being charged, noted negative comments received due to those rates, and objected to increasing the TOT to 12 percent, stating it was too high of an increase.

Action: Upon motion by Council Member Shah, seconded by Council Member Nicolls, the Council: 1) adopted Resolution No. 18-79 calling for the placement of a measure to increase the transient occupancy tax on the General Municipal Election to be held on Tuesday, November 6, 2018; 2) adopted Resolution No. 18-80 setting priorities for filing a written argument regarding a City measure and directing the City Attorney to prepare an impartial analysis; and 3) adopted Resolution No. 18-81 providing for the filing of rebuttal arguments. The motion carried on the following roll call vote:

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

Resolution No. 18-79: 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 6, 2018, a Proposed Ordinance Amending Chapter 6 of Article X of the Grover Beach Municipal Code to Increase the Transient Occupancy Tax Rate from 10% to 12% for the Purpose of Raising Revenue to Fund General Municipal Services.

Resolution No. 18-80: 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. 18-81: A Resolution of the City Council of the City of Grover Beach, California, Providing for the Filing of Rebuttal Arguments for City Measures Submitted at Municipal Elections.

11. Placement of a Business Tax Certificate Tax Measure on the November 2018 Ballot.

Mayor Shoals read the title to the foregoing item, and deferred to staff for a report. City Manager Bronson presented the staff report on Council consideration of placing a measure on the November 2018 ballot that would restructure the City's Business Tax Certificate (BTC) program. In response to further outreach conducted with the business community, the proposed rate structure was amended to be a flat rate, ranging from \$60 to \$950 and based on building square footage, rather than the gross receipts methodology presented at the June 19 Council meeting. Further, due to a legal determination on existing cannabis regulations within the city, a revision to the proposed ballot language was being suggested. He noted that copies of the revised ballot language had been distributed to the Council with the following revisions (deleted text denoted with ~~strike-out~~ font, added text denoted with double underline font):

"To provide funding for maintaining fire and police services, repairing streets, maintaining parks, and other general city services; shall the City of Grover Beach adopt an ordinance amending the annual Business Tax Certificate rate from \$55 to a range of \$60 to \$950 based on building square footage ~~and a separate rate of 5% of gross receipts for licensed cannabis delivery services~~ and a separate flat rate of \$60 for businesses located outside Grover Beach, providing \$90,000 annually in unrestricted funding with all funds staying in Grover Beach?"

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

Stacy Korsgaden, Vice Chair, Arroyo Grande & Grover Beach Chamber of Commerce, thanked the Council for providing Chamber representatives the opportunity to provide input on the proposed measure. She spoke in support of the proposed rate structure, but requested the Council consider removing the annual Consumer Price Index adjustment.

No further public comments were received at this time.

Brief discussion was held on the proposed measure, potential impacts on small business owners, the revised tax rate methodology, and removing the annual Consumer Price Index adjustment.

Mayor Pro Tem Lee objected to revising the Business Tax Certificate rate structure due to the direct impacts on local business owners.

Action: Upon motion by Council Member Nicolls, seconded by Council Member Shah, the Council: 1) adopted the Resolution calling for the placement of a measure to restructure the Business Tax Certificate on the General Municipal Election to be held on Tuesday, November 6, 2018; 2) adopted the Resolution setting priorities for filing a written argument regarding a City measure and directing the City Attorney to prepare an impartial analysis; and 3) adopted the Resolution providing for the filing of rebuttal arguments. The motion carried on the following roll call vote:

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

Brief discussion was held on the action taken on this matter. Upon request, City Attorney Hale described the appropriate steps needed if members of the Council voting in favor of the matter were interested in reconsidering the action taken.

Action: It was moved by Council Member Shah, seconded by Mayor Shoals to *reconsider* the previous motion. Upon consensus, the motion carried to reconsider the previous motion on the measure to restructure the Business Tax Certificate program.

Action: Upon motion by Council Member Nicolls, seconded by Council Member Shah, the Council: 1) *amended* the proposed Business Tax Rate measure to delete the reference to an annual Consumer Price Index adjustment; 2) adopted Resolution No. 18-82, as amended, calling for the placement of a measure to restructure the Business Tax Certificate on the General Municipal Election to be held on Tuesday, November 6, 2018; 3) adopted Resolution No. 18-83, as amended, setting priorities for filing a written argument regarding a City measure and directing the City Attorney to prepare an impartial analysis; and 4) adopted Resolution No. 18-84 providing for the filing of rebuttal arguments. The motion carried on the following roll call vote:

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

Resolution No. 18-82: 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 6, 2018, a Proposed Ordinance Repealing Chapter 2, Article X of the Grover Beach Municipal Code and Adopting a New Chapter 2, Article X Relating to Business Tax Certificate to Restructure the Business Tax Certificate Rate for the Purpose of Raising Revenue to Fund General Municipal Services.

Resolution No. 18-83: 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. 18-84: A Resolution of the City Council of the City of Grover Beach, California, Providing for the Filing of Rebuttal Arguments for City Measures Submitted at Municipal Elections.

Prior to consideration of Agenda Item No. 12, Council Member Nicolls declared a conflict of interest due to her residence being located within the Mar Brisa Subdivision. She then stepped down from the dais and left the Council Chamber.

12. Request for City Maintenance of Mar Brisa Subdivision Lift Station and Storm Water Basin.

Mayor Shoals read the title to the foregoing item, and deferred to staff for a report. Public Works Director/City Engineer Ray provided an overview of the additional information received from the Mar Brisa Homeowners' Association related to their request for the City to take over maintenance of the private sewer lift station and drainage basin.

Brief discussion was held on the request, and whether taking on maintenance responsibility would benefit the City and/or equitably benefit residents who did not reside within the Mar Brisa subdivision.

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

Carol Florence, consultant, representing the Board of Directors for the Mar Brisa Homeowners' Association, spoke in support of the request and responded to questions from the Council. She also introduced Homeowners' Association Board Members Bill Nicolls, Sheri Weiland, Carla Mueller, and Michael Audet, who were seated in the audience and available to respond to questions.

Elizabeth Doukas, Grover Beach resident, objected to the association's request, noting Mar Brisa was a privately-owned and gated community.

Anita Shower, Grover Beach resident, objected to the request and suggested the association re-assess property owners to cover maintenance costs.

No further public comments were received at this time.

Further Council discussion was held on the request and contractual maintenance obligations of the homeowners' association. Members of the Council commented that no evidence had been provided indicating general public benefit would be derived from the City taking on maintenance responsibility of the privately-owned lift station and storm water basin.

Action: Upon consensus of the Council, the additional information regarding a request from the Mar Brisa Homeowner's Association to assume maintenance of the Mar Brisa Subdivision sewer lift station, storm water basin, and sewer and storm water collection systems was received and filed.

Council Member Nicolls returned to the dais.

Recess: Upon consensus of the City Council, the meeting recessed at 9:03 p.m.

Reconvene: At 9:10 p.m., the meeting reconvened with all Council Members present.

13. Industrial Sewer Connections Policy Direction.

Mayor Shoals read the title to the foregoing item, and deferred to staff for a report. Public Works Director/City Engineer Ray provided an overview of options intended to facilitate connection to the City sewer system for those properties located in the industrial area south of Farroll Road. Staff then responded to questions from the Council.

Brief discussion was held on developed properties located in the industrial area that were still on septic systems, and that the City had no current maintenance records of privately owned septic systems. It was also noted that projects located in the industrial area would not be eligible to apply for Community Development Block Grant funds, due to income requirements for those grant funds.

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.

Discussion ensued regarding anticipated private investments for the City's industrial area, incentivizing economic development for that area, potential funding options, and the options presented by staff to encourage new and existing businesses to connect to the City sewer system. Additional discussion was held on the capital improvement project to upgrade existing sewer mains, as well as plans to update the Sewer Master Plan.

Action: Upon consensus, the information was received and direction was provided for staff to schedule this matter for further Council consideration.

14. Selection of Voting Delegate and Alternate(s) for the 2018 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 presented the staff report for the Council to consider appointing one of its members and up to two alternates to represent the City at the annual business meeting held during the League of California Cities Annual Conference.

Brief Council discussion was held. No public comments were received on this item.

Action: Upon unanimous consensus, Council Member Shah was selected to serve as the voting delegate and Council Member Nicolls and Mayor Pro Tem Lee were selected as alternate voting delegates for the upcoming annual business meeting to be held at the League of California Cities Annual Conference.

COUNCIL COMMITTEE REPORTS

Council Member Shah reported on the meeting of the Homeless Services Oversight Council.

Council Member Nicolls reported on the meeting of the South San Luis Obispo County Sanitation District.

Mayor Pro Tem Lee reported on the meeting of the Zone 3 Advisory Committee.

Mayor Shoals reported on meetings of the San Luis Obispo Regional Transit Authority and South County Transit, and commented on the anticipated termination of the existing South County Area Transit Joint Powers Authority.

COUNCIL COMMUNICATIONS

- A. Mayor Pro Tem Lee announced details of a meet and greet reception to be held for Dr. Jill Stearns, the new Superintendent/President of Cuesta College.
- B. Mayor Shoals commended staff for the City's display at this year's MidState Fair Showcase of Cities event in Paso Robles.
- C. Council Member Nicolls described strong participation levels and student achievements at the Grover Beach Community Library's summer reading challenge.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson announced the City received official notification that the application for \$2.6 million in Community Development Block Grant (CDBG) funds from the California Department of Housing and Community Development would be fully funded. He then described projects and activities included in the City's grant application for water line replacement, housing assistance funding, and a senior center feasibility study.

He also described progress on the Grover Beach Train Station Expansion Project and announced that a groundbreaking ceremony was scheduled to be held on Wednesday, August 22 at 11:00 a.m.

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 10:09 p.m.

/s/ _____

JOHN P. SHOALS, MAYOR

Attest:

/s/ _____

DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 11/19/18)