

**MINUTES
CITY COUNCIL MEETING
MONDAY, MAY 3, 2010**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:35 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE

FLAG SALUTE The flag salute was led by Matthew Peck, an 11-year-old, 5th grade student from Fairgrove Elementary School.

ROLL CALL

City Council: Council Members Bright, Mires, Mayor Pro Tem Nicolls, and Mayor Shoals were present. Council Member Peterson was absent.

City Staff: City Manager Perrault, Assistant City Attorney Donaldson, City Clerk McMahon, Administrative Services Director Chapman, Community Development Director Buckingham, Public Works Director/City Engineer Ray, Fire Chief Hubert, Human Resources Coordinator Barrett, Police Lieutenant Peters, Battalion Chief Heath, and Administrative Secretary/Public Safety Pearson were also present.

Also present were City Engineer (Sewer/Water) Garing; Parks, Recreation & Beautification Commission Vice Chair Jeff Lee; Clayton Tuckfield of Tuckfield and Associates; and Ellen Curtis of Whizbang.

CLOSED SESSION ANNOUNCEMENTS

Assistant City Attorney Donaldson read the following announcement:

On Monday, April 19, 2010 after meeting in Closed Session regarding:

1. Conference with Legal Counsel – Existing Litigation
Pursuant to Government Code Section 54956.9(a)
Santa Maria Valley Water Conservation District v. City of Santa Maria, etc., et al,
and Related Cross-Actions: Santa Clara Superior Court Case No. CV 770214

the City Council reconvened into open session and announced there were no reportable actions taken.

AGENDA REVIEW

Action: Upon consensus (Council Member Peterson absent), the Council adopted the agenda as presented.

CEREMONIAL CALENDAR

1. **Drawing to Select Monthly Winners of the Local Economic Stimulus Program Shop Local, Shop Loyal Campaign - "Shop & Dine Grover Beach".**

Administrative Services Director Chapman briefly described the "Shop & Dine Grover Beach" Program to encourage residents to support local businesses by shopping and dining in Grover Beach. Parks, Recreation & Beautification Commission Vice Chair Lee assisted with the random drawing. The names of the following Shop & Dine Grover Beach winners were announced: Joel Anderson, Gracia Bello, Bruce Brown, Cheryl Gilbride, Christine Heon, Chris Lopez, Richard Peterson, Barbara Schanz, Jason Spears, and Jay Wells.

2. **Proclamation Declaring the Week of May 9 - 15, 2010 as "National Police Week".**

Mayor Pro Tem Nicolls read and presented the Proclamation to Police Lieutenant Peters, who thanked the Council and announced a ceremonial event to be held in Atascadero on May 12, 2010 in honor of "National Police Week".

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. Jeff Lee, Vice Chair, Parks, Recreation & Beautification Commission, provided an overview of upcoming Parks and Recreation events scheduled for May - June 2010.

PUBLIC HEARINGS

3. 2010 Weed Abatement Protest Hearing.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Fire Chief Hubert reported that property inspections had been completed and 289 lots were found to be in violation of the Weed Abatement Program. He stated that abatement notices had been sent to property owners, re-inspections for compliance would begin on May 25, 2010, and abatements would begin the week of June 3, 2010.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. There was no response and he closed the Public Hearing.

Action: Upon consensus (Council Member Peterson absent), the Council: 1) made the finding that there were no defensible protests, and 2) ordered the abatement of the noticed lots and properties.

4. Review and Consideration of Recommendations for Potential Rate Adjustments Contained in the Utility Rate Study.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. For the information of those present, Administrative Services Director Chapman stated that the last Water Rate Study had been conducted in 2005, and the last increase in water rates occurred in February 2007 and July 2007. She pointed out that estimated costs for the operation and maintenance of Lopez Lake had increased significantly more than originally anticipated, and expenses for FY 10 were anticipated to exceed revenues by \$499,517. She stated that, in October 2009, the Council authorized a Utility Rate Study be conducted to accurately reflect the cost of operating the water delivery system. She then introduced Clayton Tuckfield of Tuckfield and Associates to review the study's findings.

Mr. Tuckfield described the objectives of the study to: 1) analyze the revenue and revenue requirements for the Water Fund, 2) develop a reliable five-year financial plan to meet on-going and future obligations, and 3) create a schedule of water service rates that was fair and equitable, would meet targets in the financial plan, and would address water conservation.

He reviewed implementation steps completed as a result of the study conducted in 2005, and described the significant increases in operation and maintenance, as well as capital costs, related to the Lopez Water entitlement that resulted in a Water Fund budget deficit. Water Fund reserves had therefore been used over the last three years, and the City would need to borrow from the Water Conservation Fund in order to meet this year's deficit. He stated that by the end of this fiscal year, there would be insufficient operating and capital reserves. He then reviewed a proposed Water Fund financial plan and water rate structure that projected an increase of 30% in revenue would be necessary for FY 11 and 2% increase for FY 12. These increases would meet anticipated expenditures and the required "coverage test" that was calculated each fiscal year for Lopez Bonds. He displayed a bar graph, which was also included in the study, that indicated the proposed rates compared favorably with other jurisdictions in San Luis Obispo County.

He then described the process required for the Council to consider a water rate increase in compliance with the requirements of Proposition 218, providing residents and property owners the opportunity to protest the proposed rate increase. Mr. Tuckfield and Administrative Services Director Chapman 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 was no response and he closed the Public Hearing.

Discussion was held regarding the proposed increases; cost estimates that were originally provided by the County in 2005; potential impacts to commercial rate payers; and that if not for recent cost increases from Zone 3 / Lopez Lake, an increase in the water rates would not be necessary at this time. Further discussion was held regarding potential alternatives to increasing the water rates, including borrowing from the Water Conservation Fund and extending repayment of the funds, as well as scheduling formal meetings of Zone 3 member agencies to address options for controlling costs for Zone 3 / Lopez Lake.

Action: Upon consensus (Council Member Peterson absent), the Council: 1) authorized staff to proceed with scheduling a Proposition 218 hearing regarding proposed increases in water rates on Monday, June 21, 2010; 2) requested staff to provide the Council with information regarding options in the event of a successful protest hearing; and 3) requested staff to contact other Zone 3 member agencies to schedule a joint meeting regarding Zone 3 / Lopez Lake cost increases.

CONSENT AGENDA

It was m/s by Council Members Bright/Mires to approve Consent Agenda Item Nos. 5, 6, 7, and 8, as recommended. The motion carried on the following roll call vote:

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

5. **Treasurer's Report for the Period for April 14 - 29, 2010.**

Action: Approved as submitted.

6. **Minutes of the City Council Meeting of November 16, 2009.**

Action: Approved the minutes as submitted.

7. **Second Reading and Adoption of Ordinance to Amend the PERS Formula for Sworn Members of the Grover Beach Police Officers' Association** - Formal adoption of the Ordinance amending the contract with California Public Employees Retirement System (CalPERS) to provide enhanced retirement benefits (Local Safety 3% at Age 55 Modified Retirement Formula and Military Service Credit) to sworn members of the Grover Beach Police Officers' Association as negotiated in the 2007-2010 Memorandum of Understanding.

Action: 1) Conducted second reading, by title only, of Ordinance No. 10-02; and 2) adopted Resolution No. 10-23 amending the Classification and Compensation Plan, effective on June 14, 2010.

Ordinance No. 10-02: 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. (Second Reading.)

Resolution No. 10-23: A Resolution of the City Council of the City of Grover Beach, California, Amending Resolution No. 02-73 to Adjust the Salary Ranges for the Sworn Job Classes of Police Chief, Police Lieutenant, Police Sergeant, Senior Police Officer/Corporal, and Police Officer.

8. **FY 09 - FY 10 Ramona Specific Plan Phase II Improvements** - Accepting improvements constructed on Ramona Avenue between North 8th and North 9th Streets that consisted of street reconstruction, storm water improvements, decorative crosswalks, accessibility improvements, additional parking for commuters and facility use, seal coat striping, and stop bars. Upon acceptance, Notice of Completion and final retention would be forwarded to California Coastal Development, Inc.

Action: Adopted Resolution No. 10-24 accepting the construction work performed by California Coastal Development, Inc., for the Ramona Specific Plan Phase II Improvements.

Resolution No. 10-24: A Resolution of the City Council of the City of Grover Beach, California, Formally Accepting Construction of the Ramona Specific Plan Phase II.

REGULAR BUSINESS

None at this time.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Council Member Bright reported on the meeting of San Luis Obispo County Economic Vitality Corporation (EVC).

Council Member Mires reported on the meeting of San Luis Obispo County Water Resources Advisory Board (WRAC).

Mayor Pro Tem Nicolls reported on meetings of the South San Luis Obispo County Sanitation District, the San Luis Obispo Countywide 10-Year Plan to End Chronic Homelessness, and the Klaproad Initiative Task Team.

Mayor Shoals reported on meetings of San Luis Obispo Council of Governments (SLOCOG) and the Fire and Emergency Services Oversight Committee.

CITY COUNCIL MEMBER ITEMS

None at this time.

COUNCIL COMMUNICATIONS

- A. Council Member Mires suggested sending a letter to the Governor's Office requesting that he reconsider the special election scheduled for late August to fill the 15th District Senate seat vacated by former Senator Maldonado and consolidate it with the November 2, 2010 General Election, citing the costs that would be incurred for the County to conduct two special elections in June and then again in August as an unnecessary expenditure of public funds.

Action: Upon consensus (Council Member Peterson absent), the Council authorized the Mayor to sign a letter on behalf of the City objecting to the costs that would be incurred with conducting a special election in August to fill the seat vacated by Senator Maldonado.

- B. Mayor Shoals suggested holding a "Grover Beach Clean Up Day" and recruiting volunteers and members from the business community to remove debris and weeds from City sidewalks. He recommended holding this initial volunteer event on a Saturday morning in mid-June.

Action: Upon consensus (Council Member Peterson absent), the Council authorized scheduling and advertising for volunteers to assist with a "Grover Beach Clean Up Day" on a Saturday.

CITY MANAGER'S REPORTS AND COMMENTS

9. **Status Report Regarding the Oak Park Undergrounding Project and the Train Station Expansion Project.**

In reference to the Oak Park Boulevard Undergrounding Project, City Manager Perrault described the project that the Council had authorized in December 2002 when it formed

the underground district to underground overhead utilities through the use of Rule 20A funds. The original schedule was to have work completed by October 2006, but it had been delayed by PG&E due to a number of scheduling and funding issues. With the consent of PG&E, work finally commenced and was coordinated by AT&T in the fall of 2009 and was completed in January 2010. The City was later informed that, prior to undergrounding the overhead lines, electrical panels serving individual private customers needed to be converted to receive power from an underground source. Further, the City was responsible for communicating this requirement to property owners. Staff therefore was in the process of notifying property owners of this requirement. He also noted that PG&E would reimburse customers up to \$1,500 for the conversion. He stated final undergrounding could not be completed until all panels had been converted.

In reference to the Train Station Expansion Project, City Manager Perrault stated that the City had a Memorandum of Understanding with the County of San Luis Obispo to take the lead on development of this project. He stated a biological assessment and the preliminary site design had already been completed, funding was designated in the FY 11 Capital Improvement Program for an environmental review, and that staff would be seeking additional grant sources to assist with funding the project.

Brief Council discussion was held regarding the projects, with staff responding to questions.

Action: The information was received and filed.

CITY ATTORNEY'S REPORTS AND COMMENTS

10. **Discussion Regarding Potential Ballot Measure to Change Mayoral Term From Two to Four Years and/or Discuss Other Changes in Term Limits for Elected Officials.**

Assistant City Attorney Donaldson provided an overview of the requirements to place a ballot initiative before the voters to change the term for the office of Mayor from two years to four, as approved by the voters in November 2006. He noted that, if such a measure were placed on the November 2010 ballot and approved, it would be effective for the Mayor elected in the November 2012 election, who would then be the first to serve a four-year term. He also described the requirements for placing a ballot initiative before the voters regarding term limits, as previously approved by the voters in November 1996.

Brief Council discussion was held regarding changing the mayoral term, but not changing term limits for elected officials. It was noted that the Council had received a comment from Helen McIver, Grover Beach resident, objecting to changing the Mayoral term without voter approval.

Action: Upon consensus (Council Member Peterson absent), the Council authorized staff to prepare ballot language to increase the mayoral term from two years to four.

CLOSED SESSION

None at this time.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 8:17 p.m.

/s/JOHN P. SHOALS, MAYOR

Attest:

/s/DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 10/18/2010)