

MINUTES
SPECIAL JOINT CITY COUNCIL / IMPROVEMENT AGENCY MEETING
WEDNESDAY, AUGUST 18, 2010

CALL TO ORDER Mayor/Chair Shoals called the meeting to order at 6:30 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

FLAG SALUTE The flag salute was led by Mayor Pro Tem/Vice Chair Nicolls.

ROLL CALL

Council/Agency: Council/Board Members Bright, Mires, Mayor Pro Tem/Vice Chair Nicolls, and Mayor/Chair Shoals were present. Council/Board Member Peterson was absent.

City/Agency Staff: City Manager/Executive Director Perrault, City Attorney/General Counsel Koczanowicz, and City Clerk/Agency Secretary McMahon were also present.

PUBLIC COMMUNICATIONS The Mayor/Chair opened the floor to any member of the public for comment on any items listed on the agenda.

- A. Bill Senna, Oceano, on behalf of the Narvacanian Association of Central California, invited the City Council and members of the public to attend events scheduled for the 19th Annual Sister City Celebration to be held from Saturday - Sunday, September 25 - 26, 2010.

CITY COUNCIL - BUSINESS

CC-1. Appointment of Nominees to the Grover Beach City Council and Cancellation of the November 2, 2010 Consolidated General Municipal Election.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, City Attorney Koczanowicz provided an overview of the General Municipal Election scheduled to be held on Tuesday, November 2, 2010 for the election of candidates for the office of Mayor and two seats on the City Council. He then reviewed the following options available to the City Council, pursuant to state law, when the number of qualified candidates by the close of business on the 83rd day prior to the election did not exceed the number of offices to be filled: 1) appoint to the office the person that was nominated; 2) appoint to the office an eligible elector if no one had been nominated; or 3) hold the election. He then described estimated savings of \$10,000 if the election was cancelled and reviewed the two draft resolutions attached to the staff report. He also described potential conflicts of interest for Mayor Shoals and Mayor Pro Tem Nicolls, recommending that they recuse themselves from participating in their own appointments as nominees.

Brief Council discussion was held regarding the lack of additional candidates interested in running for local elective office, as well as other cities that cancelled their local elections under similar circumstances.

Mayor Shoals invited public comments on this matter.

Anita Shower, Grover Beach, requested and received information from the City Attorney regarding the process for write-in candidates.

Action: Upon consensus (Council Member Peterson absent), the Council selected the following course of action: to appoint the persons nominated and cancel the Consolidated General Municipal Election.

At this time Mayor Shoals stated that he would recuse himself from participating in consideration of the appointment to the office of Mayor, but remained at the dais.

Mayor Pro Tem Nicolls presided over the meeting and invited public comments on this matter.

John Wysong, Grover Beach, objected to cancelling the General Municipal Election and eliminating the opportunity for residents to vote for candidates for Mayor and City Council.

Anita Shower, Grover Beach, spoke regarding the process for write-in candidates.

Action: It was m/s by Council Member Mires/Bright to adopt Resolution No. 10-60 providing for the appointment to the office of Mayor the nominated candidate John P. Shoals. The motion carried on the following roll call vote:

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

Resolution No. 10-60: A Resolution of the City Council of the City of Grover Beach, California, Providing for the Appointment to the Office of Mayor for the City of Grover Beach that was to be Elected at the General Municipal Election on Tuesday, November 2, 2010.

Brief Council discussion was held regarding running for local elective office.

At this time Mayor Pro Tem Nicolls stated that he would recuse himself from participating in consideration of appointments to the offices of City Council.

Mayor Shoals invited public comments on this matter. No public comments were received.

Action: It was m/s by Council Members Bright/Mires to adopt Resolution No. 10-61 providing for the appointments to the offices of City Council the nominated candidates Bill Nicolls and Phyllis A. Molnar. The motion carried on the following roll call vote:

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

Resolution No. 10-61: A Resolution of the City Council of the City of Grover Beach, California, Providing for Appointment to the Offices of City Council for the City of Grover Beach that were to be Elected at the General Municipal Election on Tuesday, November 2, 2010.

IMPROVEMENT AGENCY - BUSINESS

IA-1. Consideration of a Request to Authorize the Development and Implementation of a Revolving Loan Collateral Program.

Chair Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, Executive Director Perrault described the Improvement Agency's authority to develop programs to promote economic development within the Agency's project areas. He also noted the establishment of a Business Loan Program was identified as an action step in the City's adopted Economic Development Strategy.

Executive Director Perrault then described a proposed Revolving Loan Collateral Program to secure loans issued by a local bank to businesses located within the Agency's project areas. Essentially, the Agency would place up to \$30,000 in Agency funds with a local bank to be used as collateral for small business loans of \$5,000 to \$10,000 to Grover Beach-based businesses for a maximum loan period of 24 months. Agency funds would be placed in a security with a local bank that would earn interest at a rate at least equal to or better than the Agency would receive if the funds were deposited with the State's Local Agency Investment Fund. He noted that discussions had already been initiated with a Rabobank representative, who had expressed an interest in the program and would issue and administer the loans. He also described proposed criteria to determine whether a business was eligible and qualified to receive a loan. Executive Director Perrault and Agency Counsel Koczanowicz then responded to questions from the Agency Board regarding the screening process to be conducted by the bank, program details that were still being developed, and options for recovering bad debts.

Chair Shoals invited public comments on this matter. There was no response received and he closed the public comment period for this item.

Action: It was m/s by Vice Chair Nicolls/Board Member Bright to adopt Resolution No. IA-10 authorizing the development and implementation of a Revolving Loan Collateral Program. The motion carried on the following roll call vote:

AYES: Board Members Bright and Mires, Vice Chair Nicolls, and Chair Shoals.
NOES: Board Members - None.
ABSENT: Board Member Peterson.
ABSTAIN: Board Members - None.

Resolution No. IA-10: A Resolution of the City of Grover Beach Improvement Agency Board of Directors Authorizing the Executive Director to Develop and Implement a Revolving Loan Collateral Program.

COUNCIL COMMUNICATIONS

- A. Council Member Bright thanked Mayor Shoals for his work and professionalism as Mayor.
- B. Council Member Mires stated that he had enjoyed serving as a member of the City Council and participating in the many City accomplishments over the past two years. He also thanked the other members of the City Council for the courteous manner in which City business was conducted.
- C. Mayor Pro Tem Nicolls thanked Council Member Mires for his work and support on the City Council, and he expressed his disappointment that Council Member Mires chose not to run for elective office. He then welcomed incoming Council Member-elect Molnar and also praised Mayor Shoals for his leadership.
- D. Mayor Shoals announced plans for a "Grover Beach Beautiful Day" event to be held on Saturday, August 21, 2010 at 8:00 a.m. at the corner of Ramona Avenue and North 9th Street. He invited the other members of the City Council and the public to join him and Mayor Pro Tem Nicolls in planting trees and groundcover in the planters located directly in front of the Exploration Station on Ramona Avenue. He stated clean-up efforts would also include Ramona Garden Park in preparation for the upcoming Stone Soup Music Faire, and that future volunteer beautification efforts would focus on areas along the City's major corridors, such as Highway 1, North 4th Street, West Grand Avenue, and Oak Park Boulevard.

ADJOURNMENT

There being no further business to come before the City Council / Improvement Agency, Mayor/Chair Shoals adjourned the meeting at 7:12 p.m.

City Council:

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 12/6/2010)

Improvement Agency:

/s/ JOHN P. SHOALS, CHAIR

Attest:

/s/ DONNA L. McMAHON, AGENCY SECRETARY
(Approved at IA Mtg 02/07/2011)