

**MINUTES
CITY COUNCIL MEETING
MONDAY, AUGUST 1, 2011**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:30 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 Council Member Molnar.

ROLL CALL

City Council: Council Members Bright, Molnar, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals were present.

City Staff: City Manager Perrault, City Attorney Koczanowicz, City Clerk McMahon, Public Works Director/City Engineer Ray, Police Chief Copsey, Parks & Recreation Director Petker, Planner II Reese, and Human Resources Coordinator Barrett were also present.

Also present were Brandon Maderos and Don Druse from Rick Engineering.

CLOSED SESSION ANNOUNCEMENTS

City Attorney Koczanowicz read the following announcement:

On Monday, July 18, 2011 after meeting in Closed Session regarding:

1. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code Section 54956.9(a)
Sipple v. City of Alameda, et al CV BC462270

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

AGENDA REVIEW

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

CEREMONIAL CALENDAR

1. **APWA Public Works Project of the Year Award for the West Grand Avenue Enhancement Project.**

Brandon Maderos and Don Druse from Rick Engineering presented the City with the American Public Works Association Central Coast Chapter Project of the Year Award for the West Grand Avenue Enhancement Project.

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, objected to recent cuts to address the City's budget deficit.
- B. Jeff Pienack, Chair, Surfrider Foundation, expressed concerns regarding operations at the South San Luis Obispo County Sanitation District.
- C. Brad Snook, Volunteer Coordinator, Surfrider Foundation, expressed concerns regarding the organizational structure and operations of the South San Luis Obispo County Sanitation District.
- D. Robert Reed, Grover Beach, expressed concerns regarding the condition of streets in residential areas.

- E. Jennifer Blonder, Secretary, Surfrider Foundation, expressed concerns regarding operations at the South San Luis Obispo County Sanitation District.

Upon request of the City Council, City Manager Perrault outlined the steps taken to carry out the Council's direction to reduce the General Fund budget deficit. He also described funding sources to complete the West Grand Avenue Enhancement Project, specifically noting that the federal funds were restricted in use for construction of pedestrian and transportation enhancements only, which therefore could not be used for street improvements in other areas of the City.

PUBLIC HEARINGS

Prior to discussion of Item No. 9, Mayor Pro Tem Nicolls declared a conflict of interest due to his residence being located within 500 feet of the subject area. He then stepped down from the dais and left the Council Chambers.

2. **Appeal of Planning Commission Denial to Construct a Second Story Addition.**
Project Location: 828 North 5th Street (APN 060-491-045); Application No. 08-018.
Applicants/Appellants: Michael and Jennifer Poelking. (Continued Public Hearing from the City Council Meeting of July 18, 2011.)

Mayor Shoals read the title to the foregoing item, declared the continued Public Hearing open, and deferred to staff for a report. Planner II Reese provided an overview of the appeal filed regarding the Planning Commission's denial of a proposed two-story addition to an existing single story, single-family residence. She noted that the Planning Commission's denial was based on the project's height and scale being incompatible with the surrounding structures. The Applicants appealed the decision, referencing area homes that were similar to their proposed project. Staff then responded to questions from the City Council regarding the Planning Commission's decision and confirmed that the architectural review board for the homeowners association had approved the proposed project.

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

The following person spoke in support of the proposed project:

- Mike Poelking, Applicant/Appellant, displayed photos of existing two-story homes in the neighborhood.

Recess: Due to technical difficulties with the meeting telecast, the City Council meeting recessed at 7:06 p.m.

Reconvene: At 7:15 p.m., the meeting reconvened with all Council Members present, except for Mayor Pro Tem Nicolls who had previously recused himself from this agenda item due to a conflict of interest.

The following persons spoke in support of the proposed project (continued):

- Mike Poelking, Applicant/Appellant, resumed his comments;
- Geoffrey Augustt, Central Coast Drafting, project designer, who displayed color renderings and described the proposed project;
- Jennifer Mandalay-Poelking, Applicant/Appellant, displayed photos of existing two-story homes in the neighborhood;
- Gary Fowler, San Luis Obispo;
- Jeff Downing, resident on North 5th Street, Grover Beach;
- Larry Nystrom, resident on Pacifica Drive, Grover Beach;
- Carla Muller, resident on North 5th Street, Grover Beach;
- Barbara Nicolls, resident on North 5th Street, Grover Beach; and
- Delisa Shimon, resident on North 5th Street, Grover Beach.

The following persons spoke in opposition to the proposed project:

- Anita Shower, Grover Beach, stated the project conflicted with the CC&Rs (codes covenants and restrictions) for the Mar Brissa Homeowners Association; and
- Robert Reed, Grover Beach, objected to the project's size and impacts to the views from his home, as well as not being provided with a copy of the association's CC&Rs.

Chris Long, Chair, Planning Commission, briefly described the Planning Commission's decision to deny the project, citing recently adopted policies in the Land Use Element regarding the size and scale of a development being compatible with the neighborhood.

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

Upon question from the Council, City Attorney Koczanowicz explained that the City did not enforce private development CC&Rs and that a comment regarding the Grover Beach Municipal Code pertained to an entire subdivision, but was not relevant regarding an individual parcel.

Council Member Peterson stated that, although she was sympathetic to the Applicants, she considered the Mar Brissa development to be carefully and well-designed with smaller homes at the upper end to be compatible with existing homes near the entrance into the development and larger homes on the downhill side. She observed that there were large homes located above the proposed project; however, that particular street included single family homes with unique styles not governed by a cohesive development, such as Mar Brissa. She therefore supported the Planning Commission's decision.

Council discussion ensued regarding CC&Rs, how the subdivision was originally planned, the architectural review process, whether consideration of the "neighborhood area" regarding compatibility should have extended beyond the boundaries of the subdivision to include Ocean View Avenue and North 6th Street, and that view protection for individual private properties would not necessarily be cause to deny a project.

Action: It was m/s by Council Members Molnar/Bright to adopt Resolution No. 11-47 *overturning* the Planning Commission's decision and approving Site and Architectural Plans for Application No. 08-018. The motion carried on the following roll call vote:

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

Resolution No. 11-47: A Resolution of the City Council of the City of Grover Beach, California Overturning the Planning Commission Decision and Approving Site and Architectural Plans for Application No. 08-018 (828 North 5th Street).

At this time, Mayor Pro Tem Nicolls returned to the dais.

Recess: Upon consensus of the City Council, the meeting recessed at 8:07 p.m.
Reconvene: At 8:17 p.m., the meeting reconvened with all Council Members present.

3. Request to Amend Taxicab Rates for 234-Taxi, LLC.

Applicant: 234-Taxi, LLC; Amy Simpson, Owner.

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, Police Chief Copsey provided an overview of the request from 234 Taxi, LLC, for a rate change for the "flag drop" or pick-up charge from \$3.00 to \$4.00. He noted that a rate increase for 234 Taxi, LLC, was recently approved by the City of San Luis Obispo, and that each taxicab company was required to submit its own request for a rate change. He then responded to questions from the Council and reviewed comparative rate information for the two taxicab companies authorized to operate within city limits.

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 for this item.

Action: It was m/s by Mayor Pro Tem Nicolls/Council Member Bright to adopt Resolution No. 11-48. The motion carried on the following roll call vote:

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

Resolution No. 11-48: A Resolution of the City Council of the City of Grover Beach Amending the Master Fee Schedule for Taxicab Rates - 234-Taxi, LLC.

4. Consideration of Approving a Change in Franchise Grantee from Charter Communications to CCO SOCAL I, LLC.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. City Attorney Koczanowicz provided an overview of the request to change the name of the franchise grantee due to the corporate restructure of Charter Communications. He stated that the operational structure and manner in which business would be conducted would remain the same, and that this would only be a change in the legal entity. He responded to questions from the Council and introduced Lisa Ludovici of Charter Communications.

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

Lisa Ludovici, Government Relations Manager, Charter Communications, explained the company's internal consolidation efforts for tax purposes and confirmed that Charter Communications did not have an exclusive agreement to provide cable service in the city.

Action: It was m/s by Council Member Bright/Mayor Pro Tem Nicolls to adopt Resolution No. 11-49. The motion carried on the following roll call vote:

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

Resolution No. 11-49: A Resolution of the City Council of City of Grover Beach, California, Consenting to and Approving of the Assignment of the Cable Franchise and System from Charter Communications to CCO SoCal I, LLC.

5. Introduction and First Reading of Ordinance Regarding Continuation of the Redevelopment Agency.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. City Manager Perrault provided an overview regarding two recent legislative bills, AB 1X 26 and 27. The first bill dissolves redevelopment agencies and the second bill provides an opportunity for redevelopment agencies to continue operations by making certain payments to the State Controller's Office. The initial one-time payment was estimated at \$380,000 and would be payable in two installments, the first due in January and the second in May 2012. Annual payments thereafter were estimated to be \$88,000. City Manager Perrault noted that a lawsuit had been filed in the California Supreme Court challenging the validity of the two bills. However, the outcome of the lawsuit would not be determined before the deadline for cities to enact an Ordinance to continue redevelopment agencies. City Manager Perrault and City Attorney Koczanowicz then responded to questions from the Council.

Brief discussion was held regarding the time line to enact the proposed Ordinance, potential outcomes if the stay was granted, potential funding sources to meet the payment obligations, as well as negative consequences for economic development efforts without a redevelopment agency.

Upon question, City Attorney Koczanowicz confirmed that an Ordinance was "enacted" upon second reading and adoption, which was not the same as the "effective date".

Action: It was m/s by Mayor Pro Tem Nicolls/Council Member Peterson to introduce Ordinance No. 11-03, by title only, and schedule second reading and adoption at the next regular City Council. The motion carried on the following roll call vote:

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

Ordinance No. 11-03: An Ordinance of the City Council of the City of Grover Beach, California, Determining it Will Comply with the Voluntary Alternative Redevelopment Program Pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in Order to Permit the Continued Existence and Operation of the Redevelopment Agency of the City of Grover Beach. (First Reading only.)

CONSENT AGENDA

It was m/s by Council Member Peterson/Mayor Pro Tem Nicolls to approve Consent Agenda Item Nos. 6, 7, 8, and 9 as recommended. The motion carried on the following roll call vote:

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

6. Treasurer's Report for the Period July 13 - 28, 2011.

Action: Approved as submitted.

7. Minutes of the City Council Meeting of Tuesday, July 5, 2011.

Action: Approved the minutes as submitted.

8. Consideration of a Resolution Revising the Early Retirement Incentive Program - Revising the Early Retirement Incentive Program to allow qualified retiring employees to select one or more of the three cost-saving program options, subject to approval of the City Manager.

Action: Adopted Resolution No. 11-50.

Resolution No. 11-50: A Resolution of the City Council of the City of Grover Beach, California, Revising the Early Retirement Incentive Program and Rescinding Resolution No. 09-49.

9. Authorization to Send a Letter of Opposition Regarding SB 588 (Evans) - Letter opposing proposed legislation that would allow the California Coastal Commission to impose civil administrative penalties for alleged violations of the Coastal Act ranging from \$5,000 to \$50,000 without a judicial review and sufficient due process.

Action: Authorized the Mayor to execute the letter on behalf of the City.

REGULAR BUSINESS

10. Consideration of Appointment to the Parks, Recreation & Beautification Commission.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, Parks & Recreation Director Petker stated that a scheduled vacancy had occurred on the Parks, Recreation & Beautification Commission when the term of Commission Chair Jeff Lee expired on May 31, 2011. After advertising the vacancy, Commission Chair Lee was the only person to have submitted an application for consideration. Therefore, no interview was scheduled before the Advisory Body Screening Committee. She also noted that Commission Chair Lee had agreed to continue serving on the Commission until the Council had made its determination regarding the appointment.

There was no discussion held.

Action: It was m/s by Council Members Bright/Peterson to adopt Resolution No. 11-51 appointing Jeff Lee to a four-year term on the Parks, Recreation & Beautification Commission, scheduled to expire on May 31, 2015. The motion carried on the following roll call vote:

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

Resolution No. 11-51: A Resolution of the City Council of the City of Grover Beach, California, Appointing Jeff Lee to a Four-year Term on the Parks, Recreation & Beautification Commission.

The Council thanked Parks, Recreation & Beautification Commission Chair Lee for his service to the City and his willingness to continue serving on the Commission. He was then re-introduced to the City Council and members of the audience.

11. Consideration of Appointment to the Planning Commission.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Perrault stated that a scheduled vacancy had occurred on the Planning Commission when the term of Planning Commission Chair Chris Long expired on May 31, 2011. After advertising the vacancy, Commission Chair Long was the only person to have submitted an application for consideration. Therefore, no interview was scheduled before the Advisory Body Screening Committee. He also noted that Commission Chair Long had agreed to continue serving on the Planning Commission until the Council had made its determination regarding the appointment.

There was no discussion held.

Action: It was m/s by Council Members Peterson/Molnar to adopt Resolution No. 11-52 appointing Chris Long to a four-year term on the Planning Commission, scheduled to expire on May 31, 2015. The motion carried on the following roll call vote:

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

Resolution No. 11-52: A Resolution of the City Council of the City of Grover Beach, California, Appointing Chris Long to a Four-year Term on the City of Grover Beach Planning Commission.

The Council thanked Planning Commission Chair Long for his contributions as a member of the Planning Commission and his willingness to continue serving on the Commission. He was then re-introduced to the City Council and members of the audience.

12. Water Shortage Contingency Plan Stage of Action.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray stated that, due to substantial rainfall over the past two years, the City's water supply sources were nearing full recovery from the recent four-year drought. In 2010 the Council had enacted a Stage II Voluntary Water Shortage Condition, and at the beginning of the 2011 "rainfall year" (July 1st through June 30th) chose to continue the Stage II condition. He then provided an overview of the various stages of a declared water shortage and specific actions to be taken during each stage. He noted that a series of above-average rainfalls might be needed to fully recover from a drought condition. Additionally, factors such as potential saltwater intrusion and Lopez Reservoir levels should also be considered before making a final determination regarding the appropriate stage of action. He then described legislative mandates to reduce water consumption, City-sponsored programs to conserve water and reduce consumption, and

noted that the City's tiered water rates had resulted in significant water consumption reductions. He then responded to questions from the Council.

Action: It was m/s by Council Members Peterson/Molnar to adopt Resolution No. 11-53 declaring a Stage I Water Shortage condition. The motion carried on the following roll call vote:

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

Resolution No. 11-53: A Resolution of the City Council of the City of Grover Beach, California, Declaring a Stage I Water Shortage Condition in Accordance with the Adopted Water Shortage Contingency Plan.

PULLED CONSENT AGENDA ITEMS

None at this time.

Recess: Upon consensus of the City Council, the meeting recessed at 9:12 p.m. to the Joint City Council / Improvement Agency meeting, which was also scheduled for this same evening.

Reconvene: At 9:43 p.m., the meeting reconvened with all Council Members present.

COUNCIL COMMITTEE REPORTS

Council Member Bright reported on the meeting of the Air Pollution Control District (APCD).

Council Member Molnar stated she had nothing to report.

Mayor Pro Tem Nicolls reported on the meeting of the San Luis Obispo Countywide 10-Year Plan to End Chronic Homelessness, and recent activities at the San Luis Obispo County Sanitation District. He also responded to questions regarding recent District actions to approve separate contracts for administration and engineering functions, and confirmed that the District's response to the Grand Jury would be completed by the end of the month.

Council Member Peterson noted that her committee report regarding the San Luis Obispo County Visitors & Conference Bureau had been provided earlier during the Joint City Council /

Improvement Agency meeting. She also stated that unfortunately she was not available to attend a recent evening event sponsored by the Economic Vitality Corporation.

Mayor Shoals announced that Transit Manager Ed King for the Regional Transit Authority (RTA) had accepted a position in Santa Monica and commended Mr. King for the significant accomplishments during his tenure at RTA. He then reported on meetings of: 1) the Five Cities Fire Authority regarding polling efforts to assess public sentiment on the formation of a special district, and 2) the Joint Authority regarding progress on the Grover Beach Lodge and Conference Center Project. He noted the Planning Commission had recently recommended approval of the project design and final Environmental Impact Report to the Council.

CITY COUNCIL MEMBER ITEMS

13. Selection of Voting Delegate and Alternate for the 2011 League of California Cities Annual Conference.

City Manager Perrault reviewed the League's request that each member agency designate a voting representative and alternate to participate in the business session of the League of California Cities Annual Conference to be held September 21-23, 2011. He noted that Mayor Shoals, Mayor Pro Tem Nicolls, and Council Member Peterson were registered to attend this year's conference.

Brief Council discussion was held.

Action: Upon unanimous consensus, Mayor Shoals was designated the voting delegate, and Mayor Pro Tem Nicolls and Council Member Peterson were designated as alternates.

COUNCIL COMMUNICATIONS

- A. Council Member Molnar stated she planned to share observations with the City Manager regarding other cities she had visited during her recent vacation through several mid-west states. She then announced contact information and posting requirements for individuals to request that PG&E delay installation of a SmartMeter.
- B. Mayor Shoals stated that he had attended the last three Sizzlin' Summer Concerts and was pleased to observe the increased attendance.
- C. Council Member Bright described positive comments received from out-of town visitors who regularly attended the Sizzlin' Summer Concert series.

CITY MANAGER'S REPORTS AND COMMENTS

None at this time.

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 10:00 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 09/19/2011)