

MINUTES
SPECIAL JOINT CITY COUNCIL / IMPROVEMENT AGENCY MEETING
MONDAY, JANUARY 23, 2012

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.

ROLL CALL

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

City/Agency Staff: City Manager/Executive Director Perrault, City Attorney/General Counsel Koczanowicz, City Clerk/Agency Secretary McMahon, Administrative Services Director/Finance Officer Chapman, and Community Development Director/Deputy Director Buckingham were also present.

Also present were Bob Fasulkey and Fred Dyste from Digital West, Inc., and Fran Mancia from MuniServices, LLC.

PUBLIC COMMUNICATIONS The Mayor/Chair opened the floor to any member of the public for comment on any items listed in this agenda. No public comments were received at this time.

CITY COUNCIL - CONSENT

City Attorney Koczanowicz requested that Item No. CC-1 be continued due to lack of a Council quorum regarding appointments of City representatives to the Air Pollution Control District.

CC-1. Appointments to the Air Pollution Control District (APCD) - Confirming the appointments of City representatives to the Air Pollution Control District.

Action: Upon consensus, this item was continued to the next regular City Council meeting on February 6, 2012.

CITY COUNCIL / IMPROVEMENT AGENCY - BUSINESS

CC/IA-1. Consideration of Resolutions Related to the Dissolution of the Grover Beach Improvement Agency.

Mayor/Chair Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, City Manager/ Executive Director Perrault provided an overview of legislation requiring the dissolution of redevelopment agencies and the Council's recent action to designate the City as the Successor Agency for the Improvement Agency, thus administering the "wind down" efforts of the Agency under the guidance of an Oversight Board. He then outlined further actions required as part of the dissolution process: 1) determining whether to assume the housing obligations of the Agency or permit the functions to be transferred to the Housing Authority; 2) adopting an amended Enforceable Obligations Schedule by February 1st that covered the second half of the fiscal year; and 3) adopting a Resolution, pursuant to AB 936, indicating that no loans existing between the City and the Agency during the period January 1, 2010 and December 31, 2011 were waived or forgiven. City Manager/ Executive Director Perrault and City Attorney/Agency Counsel Koczanowicz then responded to questions from the Council/Agency Board.

Discussion was held regarding the two affordable housing projects originally planned for the corner of South 10th Street and Farroll Road and the site on Hillcrest Drive in the vicinity of the City's water tanks; redistribution of unencumbered funds in the Housing Fund; proposed legislation that would restore the ability of a designated housing agency to use the remaining balance in the Low- and Moderate-income Housing Fund; potential options for proceeding with the affordable housing projects; and anticipated fiscal impacts. Additional discussion was held regarding financial obligations of the Agency.

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

- Anita Shower, Grover Beach, spoke in support of working with the San Luis Obispo County Housing Authority to construct an affordable housing project in Grover Beach, and described an affordable housing project constructed in Oceano; and
- Liz Doukas White, Grover Beach, expressed concerns regarding fiscal impacts from the dissolution of the redevelopment agency.

There were no further public comments received and the Mayor/Chair closed the public comment period for this item.

Further discussion ensued regarding whether to retain housing assets and functions previously performed by the Agency.

Actions:

By the City Council: It was m/s by Mayor Pro Tem Nicolls/Council Member Peterson to: 1) adopt Resolution No. 12-05 electing to retain the housing assets and functions previously performed by the Redevelopment Agency; and 2) adopt Resolution No. 12-06 declaring that no indebtedness was forgiven for any debts between the Improvement Agency and the City. The motion carried on the following roll call vote:

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

Resolution No. 12-05: A Resolution of the City Council of the City of Grover Beach, California, Electing to Retain the Housing Assets and Functions Previously Performed by the Improvement Agency of the City of Grover Beach Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code.

Resolution No. 12-06: A Resolution of the City Council of the City of Grover Beach, California, Declaring that No Indebtedness was Forgiven for Any Debts Between the Improvement Agency and the City of Grover Beach.

By the Agency Board: It was m/s by Vice Chair Nicolls/Board Member Peterson to: 1) adopt Resolution No. IA-12-02 amending the Enforceable Obligation Schedules for both Agency Project Areas; and 2) adopt Resolution No. IA-12-03 declaring no indebtedness was forgiven for any debts between the Agency and the City. The motion carried on the following roll call vote:

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

Resolution No. IA-12-02: A Resolution of the Improvement Agency of the City of Grover Beach, California, Amending Its Enforceable Obligation Payment Schedule Pursuant to AB 1X 26.

Resolution No. IA-12-03: A Resolution of the Improvement Agency of the City of Grover Beach, California, Declaring that No Indebtedness was Forgiven for Any Debts Between the Improvement Agency and the City of Grover Beach.

CC/IA-2. Presentation of the Grover Beach Municipal Network.

Mayor/Chair Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, City Manager / Executive Director Perrault stated that the City had adopted a Technology Master Plan in February 2010 recommending the development of a municipal fiber network extending throughout the city. Last year, the Agency Board authorized the retention of MuniServices and Digital West to assist with the development of an Implementation Plan. He noted that, although it was originally anticipated to fund initial implementation of the network with

redevelopment funds, the Implementation Plan could still be used as an economic development tool for marketing purposes and a combination of grants/private partner investment could facilitate project funding.

City Manager/Executive Director Perrault then outlined recommendations in the Implementation Plan, as well as the estimated costs and anticipated revenues for Phase I of the network. He noted that if the project was phased and financed appropriately, there were customers interested in the increased speed and connectivity from a municipal fiber network. Also, establishing a point of presence in the existing Pacific Crossing building would position the network to take advantage of a potential trans-Pacific connection.

He then introduced Fran Mancia, Vice President of Government Relations, MuniServices, LLC; Bob Fasulkey, Vice President of Engineering for Digital West, Inc.; and Fred Dyste, Project Manager for Digital West, Inc, who each reviewed aspects of the Implementation Plan and responded to questions from the Council/Agency Board.

Discussion was held regarding the survey and cash flow data collected in preparing the needs analysis; advantages of having a point of presence in Grover Beach; establishing a funding source through subscribers; areas to target for the initial implementation phase; potential development of a Cuesta College satellite campus at 200 South 13th Street; and re-purposing revenues from franchise fees, lease payments or sales tax proceeds for the initial phase. It was also noted that there might be opportunities to partner with Cuesta College and/or the County of San Luis Obispo to access the County's existing fiber cable.

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

Anita Shower, Grover Beach, requested additional information regarding costs.

There were no further public comments received.

Further discussion was held regarding estimated capital and operating costs, establishing a separate enterprise fund, and options for funding the initial project phase. The Council/Agency Board thanked and praised the consultants for the informative presentations and confirmation that a municipal network could feasibly serve as the foundation for a stronger economic base.

Action: Upon consensus (Council/Board Member Molnar absent), the Council / Agency received the report and provided the following direction: 1) bring the Implementation Plan back on a future Council agenda for formal endorsement; 2) re-calculate cost estimates for Phase 1 to include fiber cable on South 13th Street and West Grand Avenue; 3) program approximately \$500,000 as the initial budget for start-up costs; 4) re-direct/re-purpose General Fund revenues from lease payments and/or franchise fees as a project funding source; 5) develop a financing strategy; and 6) develop a marketing plan for the municipal network project.

COUNCIL COMMUNICATIONS

- A. Council Member Peterson stated that she and Council Member Bright had been approached with a request that the City Council consider sending a letter of recommendation regarding a particular candidate for appointment to fill a vacancy on the Port San Luis Harbor District Board of Directors.

Action: Upon consensus of those present, Council Members interested in endorsing a particular candidate could send individual letters.

- B. Council Member Bright stated that she had received a communication from Grover Beach resident Sue Hartman commending the City, and specifically Public Works employee Caesar Zarate, for the quick response and courteous and professional manner in which the City handled an issue regarding her water utility bill.

ADJOURNMENT

There being no further business to come before the City Council / Improvement Agency, Mayor/Chair Shoals adjourned the meeting at 8:18 p.m.

City Council:

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 02/21/2012)

Improvement Agency:

/s/ JOHN P. SHOALS, CHAIR

Attest:

/s/ DONNA L. McMAHON, AGENCY SECRETARY
(Note: Per AB 1X 26, California Redevelopment Agencies were dissolved as of 02/01/2012)