

**MINUTES  
CITY COUNCIL MEETING  
TUESDAY, FEBRUARY 19, 2013**

**CALL TO ORDER** Mayor Peterson 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 Gabriel Allen, a 10-year-old, 4<sup>th</sup> grade student at Grover Beach Elementary School.

**ROLL CALL**

City Council: Council Members Jeff Lee, Bill Nicolls, Mayor Pro Tem Karen Bright, and Mayor Debbie Peterson were present.

City Staff: Acting City Manager/Police Chief Jim Copsey, Deputy City Attorney Karen Feld, City Clerk Donna McMahon, Administrative Services Director Gayla Chapman, Community Development Director Bruce Buckingham, Public Works Director / City Engineer Greg Ray, Parks & Recreation Program Director Kathy Petker, and Planner II Janet Reese were also present.

Also present was Fire Chief Joel Aranz of the Five Cities Fire Authority.

**CLOSED SESSION ANNOUNCEMENTS**

Deputy City Attorney Karen Feld read the following announcement:

On Monday, February 4, 2013 after meeting in Closed Session regarding:

1. Conference with Labor Negotiators  
Pursuant to Government Code Section 54957.6.  
Agency Negotiator(s): City Manager, Administrative Services Director, Assistant Administrative Services Director, Human Resources Coordinator, Police Chief, and/or Commander (may include some or all of the above)  
Employee Group: All employee groups (represented and unrepresented)

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

**AGENDA REVIEW** Brief discussion was held to consider Agenda Item No. 9 as the first item of business, prior to Agenda Item No. 5.

**Action:** Upon unanimous consensus, the Order of the Day was amended to consider Agenda Item No. 9 regarding "Receipt of Letters of Interest for Appointment to the City Council" prior to Agenda Item No. 5.

**CEREMONIAL CALENDAR**

1. **Proclamation Designating Tuesday, February 26, 2013, as "World Spay Day".**

Mayor Peterson and members of the City Council read and presented the proclamation to Mary Buehnerkemper of The Feline Network of the Central Coast.

**PUBLIC COMMUNICATIONS** At this time Mayor Peterson recognized former Mayor Jack Kean, who was seated in the audience. The Mayor then 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. Brad Snook, Chair, Surfrider Foundation, expressed concerns regarding operations of the South San Luis Obispo County Sanitation District.
- B. John Wysong, Grover Beach, expressed concerns regarding City water meters and objected to the closure of City offices for employee furloughs.

- C. Mary Buehnerkemper, Grover Beach business owner, expressed concerns regarding the lack of available customer parking impacting her downtown business during the construction of street improvements on West Grand Avenue.

Mayor Peterson invited Ms. Buehnerkemper and any other interested business owner to attend meetings of the "Grover Beach Alliance", a group of local business owners, to discuss parking issues in the downtown area.

## **PUBLIC HEARING**

### **2. Select Program(s) for Inclusion in the State Community Development Block Grant (CDBG) Application.**

Mayor Peterson 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, Community Development Director Buckingham provided an overview of the Community Development Block Grant "non-entitlement" program and the two-step Public Hearing process to discuss potential projects. He outlined the criteria used to evaluate applications, described the categories of eligible activities, and presented a list of potential projects for consideration. He stated that, although the City could apply for a maximum of three activities with total funding not to exceed \$2 million, the following Capital Improvement Program projects were *not* CDBG-eligible activities: 1) sewer lines in the south industrial area, 2) the West Grand Avenue storm drain extension from 4<sup>th</sup> to 12<sup>th</sup> Streets, and 3) street paving, unless associated with installing water, sewer or storm drains. He then responded to questions from the Council.

Discussion ensued regarding the list of proposed projects, as well as other activities that might be eligible, such as the installation of conduit for fiber optic cable and assistance for small business startups.

Mayor Peterson invited comments from those in the audience who wished to be heard on this matter. No public comments were received and the Mayor closed the Public Hearing.

Further Council discussion was held to narrow down the list of potential projects for inclusion in the City's grant application. It was noted that separate financing options were being explored for infrastructure improvements related to the Grover Beach Lodge and Conference Center project.

**Action:** Upon unanimous consensus, the Council authorized staff to proceed with preparing an application that included the following CDBG-eligible activities for a total application of up to \$2 million:

- 1) *A Public Improvement Project* - to upgrade substandard water lines (up to \$1.5 million);
- 2) *Two Planning and Technical Assistance Projects* - the Economic Development Strategy Update and either the Conceptual Street Plan for North and South 13<sup>th</sup> Street or the Housing Element Update (up to \$100,000); and
- 3) *Two Housing Projects* - Housing Rehabilitation for both owner- and tenant-occupied dwellings (up to \$300,000), and Homeownership Assistance (up to \$100,000).

## **CONSENT AGENDA**

Upon request, Mayor Peterson invited comments from the public regarding Consent Agenda Item No. 4 (a deed-restricted unit located at 375 South 8<sup>th</sup> Street).

The following individuals spoke regarding a landlord-tenant dispute:

- Steve Gold, tenant, 375 South 8<sup>th</sup> Street;
- Mike Miller, co-owner of the property at 375 South 8<sup>th</sup> Street; and
- Jason Vork, property listing agent.

There were no further public comments received at this time.

Deputy City Attorney Feld noted that the affordable housing agreement between the City and the homeowner was not an issue scheduled for discussion this evening. Therefore, any concerns regarding an alleged breach of contract was a separate matter that legal counsel could not respond to until there was sufficient opportunity to review the agreement and specific circumstances.

Brief Council discussion was held regarding the current market value of the unit, similar circumstances in neighboring communities regarding selling deed-restricted affordable housing units, and that neither the City nor the Housing Trust Fund were interested in purchasing the subject property at this time.

Community Development Director Buckingham confirmed that the owner had satisfied the terms of the agreement regarding a "good faith effort" to sell the unit for a period of 90 days.

**Action:** Upon consensus, the Council requested a written summary regarding the City's requirements for affordable housing units and the City's options in the event of a breach of contract.

Deputy City Attorney Feld confirmed that the information would be provided.

**Action:** It was m/s by Council Member Lee/Mayor Pro Tem Bright to approve Consent Agenda Items Nos. 3 and 4, as recommended. The motion carried on the following roll call vote:

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

**3. Minutes of the Regular City Council Meeting of Monday, December 17, 2012; and Special City Council Meeting of Monday, January 14, 2013.**

**Action:** Approved the minutes as submitted.

**4. Authorization for Removal of Moderate-income Deed Restriction in Lieu of Not Exercising the Option to Purchase** - Consideration of removing the deed restriction for a moderate-income, owner-occupied household in order to allow the owner to sell the unit at fair market value to a buyer of any income class. Subject Property: 375 South 8<sup>th</sup> Street.

**Action:** Adopted Resolution No. 13-05.

**Resolution No. 13-05: A Resolution of the City Council of the City of Grover Beach Authorizing Removal of Moderate-income Deed Restriction in Lieu of Not Exercising the Option to Purchase for 375 South 8<sup>th</sup> Street.**

**ORDER OF THE DAY:** Pursuant to Council consensus during review of the posted agenda, Agenda Item No. 9 was considered next.

**REGULAR BUSINESS**

**9. Status Report Regarding Receipt of Letters of Interest for Appointment to the City Council.**

Mayor Peterson read the title to the foregoing item and deferred to staff for a report. For the information of those present, Acting City Manager/Police Chief Copsey announced the names of the 13 qualified Grover Beach residents who had submitted letters of interest in being appointed to serve the remainder of the four-year term vacated by Council Member Molnar: Greg Alex, Dr. Ronald Arnoldsen, Gary Clatterbuck, Debra Colbert, Jack Kean, Evan Larson, Chris Long, Glenn Marshall, Robert Mires, Mariam Shah, Anita Shower, Riley Royce Smith, and Kevin Woolley. He then described options for conducting candidate interviews.

Mayor Peterson 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 a preferred method for conducting interviews with all of the candidates, and providing an opportunity for members of the public to comment on candidate qualifications.

It was noted that the Council had previously selected the date of Monday, February 25, 2013 to conduct Council candidate interviews, which coincided with a Special City Council

meeting already scheduled for that same evening. Further, copies of candidate letters would be distributed to the City Council and made available to the public in the coming days when the agenda packet was finalized for that meeting.

**Action:** Upon consensus, the report was received and filed.

**ORDER OF THE DAY:** At this time, the Order of the Day resumed to the agenda as posted.

**5. Consideration of Standardizing the Process of Weed Abatement and the Procedures for the Sale of Safe and Sane Fireworks Within the Five Cities Fire Authority Jurisdictional Boundaries.**

Mayor Peterson read the title to the foregoing item and deferred to staff for a report. For the information of those present, Fire Chief Aranaz provided an overview regarding the Five Cities Fire Authority's request to standardize the dates for weed abatement and the sale of Safe and Sane fireworks. He pointed out that the proposed amendments, if approved, would not become effective until 2014, would not change the collections for weed abatement among the three entities making up the Five Cities Fire Authority, nor would they change or alter the fees collected or the groups eligible to sell Safe and Sane fireworks within the respective boundaries of the three entities. He then responded to questions from the Council.

Mayor Peterson invited comments from those in the audience who wished to be heard on this matter. No public comments were received at this time.

Mayor Peterson stated that she had recently been contacted by Sue Hartman, a Grover Beach resident, who wanted to relay her thanks and appreciation to the Fire Chief for assistance recently provided to her family by Fire Authority personnel.

**Action:** Upon unanimous consensus, the Council: 1) authorized the Five Cities Fire Authority to pursue standardization of the weed abatement process and the procedures for the sale of Safe and Sane fireworks throughout the Authority's jurisdictional boundaries; and 2) directed the City Attorney to return with the necessary amendments to the Grover Beach Municipal Code and related actions to reflect the processes established by the Five Cities Fire Authority.

**6. Discussion and Direction to the South San Luis Obispo County Sanitation District Representative Regarding Potential Increase of Board Members and Alternating Location of District Meetings.**

Mayor Peterson read the title to the foregoing item and deferred to staff for a report. For the information of those present, Acting City Manager/Police Chief Copsy briefly reviewed the request from Mayor Peterson, as the City's representative to the South San Luis Obispo County Sanitation District, to consider increasing the number of Board Members appointed to the District and rotating the location of District meetings among member jurisdictions. He noted that any changes regarding the Board might require an amendment to the City's agreement with the District, as well as legislative action regarding sanitation district boards.

Brief Council discussion was held regarding the proposed changes.

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

Brad Snook, Chair, Surfrider Foundation, suggested resolving operational and management issues at the Sanitation District prior to making any changes to the Board's structure. He also suggested installing better signage for the District's current meeting location.

There were no further public comments received.

Council Member Nicolls objected to changing the Board's structure or meeting location.

Council Member Lee suggested first clarifying whether the newly appointed Board Members would be voting or non-voting members or technical staff. He had no objections to either keeping the status quo or making the proposed changes.

Mayor Pro Tem Bright objected to changing the meeting location, but supported increasing the number of Board Members. She suggested including a community member at-large.

**Action:** No formal action was taken regarding this item and Mayor Peterson stated that she would share the comments at the next District Board meeting.

## 7. Mid-year Budget Review for FY 13.

Mayor Peterson read the title to the foregoing item and deferred to staff for a report. For the information of those present, Administrative Services Director Chapman provided an overview of revenues and expenditures to date and outlined several recommended mid-year budget corrections. She stated that the FY 12 Budget had closed with an estimated deficit; however, the current fiscal year was balanced. Higher revenues were anticipated and expenditures were projected to be near budgeted levels.

She also noted a correction to page 3 of the staff report regarding the Water Enterprise Fund - *"This year we are expecting an estimated \$374,725 in cash reserves at the end of the fiscal year. This meets the current reserve requirement of 10% ~~5%~~ of operating expenditures."* (Added text denoted with double underline, deleted text denoted with ~~strikeout~~.) Staff then responded to questions from the Council.

Brief discussion was held regarding Capital Improvement Program projects and costs, and whether the City's application for a CDBG grant to fund waterline upgrades might be successful and when the determination on the application was anticipated. Additional discussion was held regarding the anticipated life expectancy of original water mains, the anticipated structural deficit for FY 14, and further explanations regarding specific expenditures.

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

Anita Shower, Grover Beach, described a specific incident regarding the installation of water mains in the early 1950s.

There were no further public comments received at this time.

Further Council discussion ensued regarding previous rate increases for the Water and Wastewater Funds, and whether authorizing a Water Utility rate increase based on the Consumer Price Index (CPI) of 2% would provide adequate funding or whether to proceed with a Proposition 218 hearing process for a 10% Water Utility rate increase to fund significantly more waterline improvements.

**Action:** It was m/s by Council Members Nicolls/Lee to adopt Resolution No. 13-06 amending the Annual Appropriation Resolution. The motion carried on the following roll call vote:

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

### **Resolution No. 13-06: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 4<sup>th</sup> Amendment to the Annual Appropriation Resolution No. 12-60 by Providing Funding Various Amendments to the FY 13 Budget.**

**Action:** It was m/s by Council Members Nicolls/Lee to authorize a Proposition 218 hearing process to begin for a proposed 10% Water and Storm Water rate increase. The motion failed on the following roll call vote:

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

**Action:** It was m/s by Mayor Pro Tem Bright/Council Member Lee to adopt Resolution No. 13-07 amending the Master Fee Schedule to increase Water and Storm Water rates based on the CPI of 2.0%. The motion carried on the following roll call vote:

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

**Resolution No. 13-07: A Resolution of the City Council of the City of Grover Beach Amending the Master Fee Schedule for Water & Storm Water Rates.**

**8. City Hall Parking Lot Improvements: Amendment to the Annual Appropriation Resolution No. 12-60.**

Mayor Peterson read the title to the foregoing item, and deferred to staff for a report. For the information of those present, Public Works Director/City Engineer Ray displayed site plans as he described proposed improvements for the south parking lot and surrounding sidewalk at City Hall. He outlined estimated costs, optional enhancements, and identified funding sources for the improvements. He then responded to questions from the Council.

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

Robert Robert, Grover Beach, volunteered the assistance of the Rotary Club Five Cities Eco to install landscaping and irrigation improvements.

There were no further public comments received.

Further Council discussion was held regarding the proposed improvements, optional enhancements, and investigating whether a wireless connection for the public kiosk might be more cost effective.

Upon question, Public Works Director/City Engineer Ray confirmed that the City could proceed with landscaping and irrigation improvements without a budget amendment.

**Action:** It was m/s by Council Member Nicolls/Mayor Pro Tem Bright to adopt Resolution No. 13-08 amending the Annual Appropriation Resolution to allocate \$64,000 of additional funding from various sources to CIP No. 263, the City Hall Improvements Project, for construction of parking lot and sidewalk improvements only. The motion carried on the following roll call vote:

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

**Resolution No. 13-08: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 4<sup>th</sup> Amendment to the Annual Appropriation Resolution No. 12-60 by Providing Additional Funding for City Hall Improvements.**

**COUNCIL COMMITTEE REPORTS**

Mayor Pro Tem Bright reported on the meeting of the Housing Trust Fund.

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

Council Member Nicolls stated that he had nothing to report at this time.

Mayor Peterson provided an update on the Grover Beach Lodge and Conference Center Project, and reported on meetings of the San Luis Obispo Council of Governments and South San Luis Obispo County Sanitation District.

**CITY COUNCIL MEMBER ITEMS**

None at this time.

**COUNCIL COMMUNICATIONS**

- A. Council Member Lee announced upcoming Skate Park events regarding a "Clean Up Day" on Saturday, February 23, 2013 and a "soft opening" scheduled for Friday, March 1, 2013.

**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 Peterson adjourned the meeting at 9:53 p.m.

/s/ DEBBIE PETERSON, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK  
(Approved at CC Mtg 03/18/2013)