

**MINUTES
SPECIAL CITY COUNCIL MEETING
MONDAY, JANUARY 8, 2007**

CALL TO ORDER Mayor Lieberman 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 Maria Flores, a sixth-grade student at North Oceano Elementary School.

ROLL CALL

City Council: Council Members Ashton, Nicolls, Versaw, Mayor Pro Tem Shoals, and Mayor Lieberman were present.

City Staff: City Manager Perrault, City Attorney Koczanowicz, City Clerk McMahon, Administrative Services Director Chapman, Community Development Director Hansen, Police Chief Copsey, Interim Fire Chief Hamp, Parks and Recreation Director Petker, Human Resources Coordinator Barrett, Planner III Hetherington, and Recreation Coordinator O'Donnell were also present.

Also present was City Engineer Garing.

CLOSED SESSION ANNOUNCEMENTS Mayor Lieberman read the following announcement:

On Monday, December 18, 2006 after meeting in Closed Session regarding:

Conference with Real Property Negotiators
Property: APN 060-271-016
Agency negotiator: City Manager and City Attorney
Negotiating party: Eric Ekdahl, property owners' negotiator
Under negotiation: Property negotiations regarding price

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

CEREMONIAL CALENDAR

1. Proclamations of Appreciation to 2006 Holiday of Lights Award Winners.

Mayor Lieberman was joined in the presentation by Parks and Recreation Director Petker, Recreation Coordinator O'Donnell, and members of the Parks, Recreation & Beautification Commission – Vice Chair Michele Knapp and Commission Members John Laferriere, Nina Vaughn, and Leah Greeley.

Recreation Coordinator O'Donnell gave a brief historical overview of the event, thanked residents and business owners for their participation, and thanked the Commissioners for their support and assistance. She then thanked and recognized the following individuals who were seated in the audience – Sam Greeley, who took photographs used for event publicity, and Human Resources Coordinator Marnie Barrett, who drove the van for the judging committee.

Proclamations of Appreciation were presented to the following Holiday of Lights winners who were in attendance at the meeting:

- City Council Award: Henry and Donna Cantu, 337 Rockaway Avenue;
- Commissioners Award: Linda Hurley, 667 Ramona Avenue;
- Religious Award: The Latting Family, 600 Redondo Court; and
- Window Painting Award: Sparkclean Laundromat, Masumeh Altheide, owner, 1051 South 13th Street.

The following award winners, who were not present at the meeting, were announced:

- Mayor's Award: Eugene Peters, 766 South 6th Street;
- Simple Elegance Award: Paul and Teresa Drew, 483 North 11th Street; and
- Business Award: Warner's Paint, 1367 West Grand Avenue.

It was announced that Teresa Schmidt, who did the window painting for Sparkclean Laundromat, would receive a certificate.

2. Proclamation of Appreciation to the Tanzillo Family.

Mayor Lieberman read and presented the Proclamation of Appreciation to the Tanzillo Family for decorating their home on Alma Court during the holidays for the past 18 years. Alan, Nini, and Dino Tanzillo accepted the proclamation and expressed their appreciation to the community.

3. Proclamation of Appreciation to Fire Chief Terry Fibich.

Mayor Lieberman read and presented the Proclamation of Appreciation to recently retired Fire Chief Terry Fibich for his two and a half years of service as the Grover Beach Fire Chief. Former Fire Chief Fibich thanked the City Council, spoke about the success of the joint fire management services agreement between the Cities of Grover Beach and Arroyo Grande, and thanked the citizens for their support of that effort. He commended the selection of Interim Fire Chief Doug Hamp during the transition period until the recruitment for a new Fire Chief was completed.

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 A. Wysong, Grover Beach, commended Former Fire Chief Fibich, expressed concerns regarding heavy trucks hauling dirt on 14th Street, and addressed the topics of reverse mortgages and affordable housing.
- B. Elizabeth Doukas, Grover Beach, read a statement on negative campaign activities during her campaign for a seat on the City Council, which she had also spoken about at the November 20, 2006 Council meeting. She also spoke on multi-story buildings and the lack of workforce housing.

There were no further comments received, and the Mayor closed the Public Communications segment for this portion of the meeting.

CONSENT AGENDA

Prior to consideration of the Consent Agenda, Item No. 4 was pulled pursuant to the request of Council Member Ashton, as well as City Manager Perrault. Mayor Lieberman stated that he would abstain from voting on the minutes of November 20, 2006 in Consent Agenda Item No. 5, as he was absent from that meeting. Council Member Nicolls stated that he would abstain from voting on the minutes of November 20, 2006 in Consent Agenda Item No. 5, as he was not yet a Council Member. It was m/s by Mayor Pro Tem Shoals/Council Member Ashton to approve Consent Agenda Item Nos. 5, 6, and 7 as recommended. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Nicolls (except for the minutes of November 20, 2006 in Consent Agenda Item No. 5), Versaw, Mayor Pro Tem Shoals, and Mayor Lieberman (except for the minutes of November 20, 2006 in Consent Agenda Item No. 5).
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Member Nicolls and Mayor Lieberman (only for the minutes of November 20, 2006 in Consent Agenda Item No. 5).

5. Minutes of the Following City Council Meetings - Monday, November 20, 2006; and Monday, December 4, 2006.

Action: Approved the minutes as submitted.

6. Increase in Hourly Wage Scale for Two Part-time Job Classes Due to Increase in the California Minimum Wage.

Action: Adopted Resolution No. 07-01 amending the Classification and Compensation Plan for the part-time salary schedule for the two job classes of Account Clerk (P/T) and the Per Call pay for Paid-Call Firefighter I, which were currently being compensated at below the California minimum wage amount effective on January 1, 2007.

Resolution No. 07-01: A Resolution of the City Council of the City of Grover Beach, California, Amending the Classification and Compensation Plan Resolution No. 02-73 to Revise the Hourly Wage Scale for Two Part-time Job Classes Due to the Recent Increase in the California Minimum Wage.

7. Proposed Reserve Police Officer Salary Scale Increase and Inclusion of a Reserve Police Officer Level III Designation.

Action: In compliance with federal minimum wage regulations effective January 1, 2007, 1) adopted Resolution No. 07-02 amending the Classification and Compensation Plan Resolution for Reserve Police Officer Level I and Level II; and 2) adopted Resolution No. 07-03 adopting the Classification and Compensation Plan for Reserve Police Officer Level III.

Resolution No. 07-02: A Resolution of the City Council of the City of Grover Beach, California, Amending the Classification and Compensation Plan for the Reserve Police Officer Class.

Resolution No. 07-03: A Resolution of the City Council of the City of Grover Beach, California, Adopting the Classification and Compensation Plan to Include the Reserve Police Officer Level III Salary Range.

Mayor Lieberman called for discussion on Consent Agenda Item No. 4.

4. Treasurer's Report for the Period December 13, 2006 - January 4, 2007.

Upon question regarding a \$5,000 payment to the State Controller's Office, City Manager Perrault explained that the Improvement Agency was responsible for providing reports to the State. The report to the State Department of Housing and Community Development regarding housing numbers and dollars spent within the Redevelopment Housing Fund had not been filed on a timely basis due to staffing issues within the Community Development Department. Therefore, a mandatory, nondiscretionary fine was levied. City Manager Perrault stated that the report had since been completed and submitted to the State by an individual specifically retained for that purpose at a cost of \$500, who would prepare the current year's annual report for the same cost.

Action: Upon unanimous consensus, the City Council approved Consent Agenda Item No. 4 as submitted.

REGULAR BUSINESS

8. Travel and Meeting Guidelines Update.

Mayor Lieberman read the title to the foregoing item and deferred to staff for a report. For the information of those present, Administrative Services Director Chapman gave an overview of proposed updates to the City's Travel and Meeting Guidelines, which was necessitated by the recent adoption of Assembly Bill No. 1234, setting expense requirements for elected officials for travel and meetings. Staff recommended that the guidelines, if adopted, would apply to all City employees as well. She clarified that the provision on page 8 of the guidelines regarding Police Department personnel attending California Peace Officer Standards and Training (POST) courses would be allowed at the per diem rate currently approved by POST. In those instances, receipts would not be required since staff would use the POST per diem rate, which would be lower than the City's per diem rate.

There was no Council discussion held. City Attorney Koczanowicz recommended that the guidelines be amended to include the clarification provided by Administrative Services Director Chapman regarding receipts not being required for Police Department personnel attending POST courses.

Action: It was m/s by Mayor Pro Tem Shoals/Council Member Versaw to adopt Resolution No. 07-04 amending the City's travel and meeting guidelines, with the modification as stated by staff. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Nicolls, Versaw, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 07-04: A Resolution of the City Council of the City of Grover Beach, California, Updating Travel and Meeting Guidelines.

PUBLIC HEARINGS

Prior to beginning the Public Hearings, Mayor Lieberman stated that he had been contacted by a number of citizens regarding tonight's scheduled Public Hearing items and hearing procedures. He stated that there would be an opportunity to receive public comment during each item. He pointed out that these items were for General Plan consideration and did not relate to project design criteria such as building height or mass, which would be discussed during the regular planning process at a later stage. The discussion this evening would determine whether the proposed projects would be a good general fit in the areas.

9. Consideration of Planning Commission Recommendation for Approval of a General Development Plan for the Proposed Hilton Garden Inn Hotel.

Application No. 06-034. Applicants: American Properties Management Company.
Location: 950 El Camino Real (APN 060-011-036), Grover Beach.

Mayor Lieberman 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 Hansen gave an overview of the application and the proposed project for a 74,732 sq. ft., one- and three-story hotel facility comprised of 134 hotel guest rooms, a dining area, meeting rooms, outdoor pool area, surface parking, and landscaping.

Community Development Director Hansen noted that staff conducted an analysis for consistency with the General Plan, the Coastal Plan, and zoning requirements, and further noted that the Municipal Code required that the General Development Plan be reviewed by both the Planning Commission and the City Council prior to consideration of a Specific Development Plan. The Planning Commission recommended approval of the General Development Plan, and staff had determined that the General Development Plan was not a project under the California Environmental Quality Act (CEQA). Consequently, the Mitigated Negative Declaration prepared for the project would be before the Planning Commission and the City Council when the Specific Development Plan and the actual project were being considered. Community Development Director Hansen then responded to questions.

Council discussion was held regarding the proposed food service being open to the public, parking, a trail system being proposed near the project site, and whether the Applicant would be interested in participating in the development of that trail system.

Council requested that staff reports in the future regarding large scale projects, such as the proposed hotel being considered, also include copies of Planning Commission minutes and adopted resolutions.

It was again noted that the matter under consideration was the General Development Plan process, as opposed to the Specific Plan process which would occur at a later time. Further discussion was held regarding potential fiscal impacts of the project providing full-time employment opportunities, generation of transient occupancy tax revenue, and commercial taxes from facilities operations. Additional discussion was held related to the environmental review process and a potential development agreement.

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

Applicant Gary White, Arroyo Grande, property owner and joint venture partner with American Properties Management Company, upon question stated that he had not been aware of participation in the creation of a trail system, but was open to suggestions for making the hotel pedestrian-friendly. He then explained the arrangements for the joint venture partnership, hotel developer, property management, and the Hilton franchise.

Prior to receiving further public comment, Mayor Lieberman noted for the record that Council had received a letter from Michael Dutra of Grover Beach commenting on this agenda item.

Michael Dutra, who was present in the audience, distributed the attachment mentioned in his letter that was inadvertently omitted. He then spoke in support of the project.

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

It was noted that the environmental document prepared for the project was available for further public review and comment.

Action: It was m/s by Council Members Versaw/Ashton to adopt Resolution No. 07-05 approving the General Development Plan for Development Permit Application No. 06-034. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Nicolls, Versaw, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 07-05: A Resolution of the City Council of the City of Grover Beach, California, approving a General Development Plan, filed by American Properties Management Company, for Property Located at 950 El Camino Real, Relating to Development Permit Application No. 06-034.

10. Consideration of Planning Commission Recommendation for Approval of a General Development Plan for the Pacific Coast Hotel Mixed-Use Development. Application No. 05-025. Applicant: IGIT, Inc. (formerly Cobalt Construction) Location: 105 West Grand Avenue (APN 060-201-009).

Mayor Lieberman 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, Planner III Hetherington gave an overview of the proposed General Development Plan for a potential 29,189 sq. ft. two- and three-story mixed-use commercial/condominium hotel development, a mixed-use facility consisting of 20 hotel condominium units, 2,855 sq. ft. of commercial space consisting of visitor-serving retail spaces and a 458 sq. ft. café, and a 37-space underground parking garage. He stated that the Planning Commission had recommended approval of the General Development Plan.

Planner III Hetherington pointed out that the location of the project at the northwest corner of Highway One and Grand Avenue had an important fiscal component as it was within the boundaries of the Grover Beach Improvement Agency Area, which would generate an increase in tax increment associated with increased property value. Once the General Development Plan was approved, the project would be required to go through the approval process for a Specific Development Plan, Coastal Development Permit, and a Tentative Map. At that time, there would be a full environmental analysis to be utilized as part of the environmental documentation already conducted. He then responded to questions.

Council discussion was held regarding drainage issues in relation to Meadow Creek, adequate sewer service, potential developer participation in the redesign of that portion of West Grand Avenue during the Meadow Creek bridge reconstruction, and occupancy and management of the project.

Council requested that for future reports, staff display a map to show members of the audience the project location. Upon question, Planner III Hetherington stated that staff had provided notice to Coastal Commission staff and State Parks staff, met with them

on several occasions, and provided all the plans for the project. He explained the permit process in relation to the Coastal Commission.

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

George Garcia, Garcia Architecture & Design, project architect, addressed plans for the sewer connection, described meetings with the Coastal Commission and resulting modifications to the project, and clarified the occupancy provisions.

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

Council commended staff and the Applicant for coordinating their efforts with the Coastal Commission.

Action: It was m/s by Mayor Pro Tem Shoals/Council Member Ashton to adopt Resolution No. 07-06 finding that the proposed use was consistent with the General Development Plan. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Nicolls, Versaw, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 07-06: A Resolution of the City Council of the City of Grover Beach, California, Approving a General Development Plan, Filed by IGIT, Inc., for Property Located at 105 West Grand Avenue, Relating to Development Application No. 05-025.

11. Preliminary Allocation of Funding From the 2007 Community Development Block Grant (CDBG) Funding Cycle - 2007 Action Plan to the San Luis Obispo County Board of Supervisors.

Mayor Lieberman 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 Hansen summarized the funding available through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program. He stated that the City would receive approximately \$113,507 in federal funds for the FY 2007 funding cycle and the County of San Luis Obispo would provide administrative support for the program.

Community Development Director Hansen reviewed the non-profit organizations which had applied for CDBG funds under the communities entitlement program, and stated that the remaining available funding would be allocated to infrastructure improvements on Oak Park Boulevard. He then responded to questions.

Council discussion was held, including clarification of the Oak Park Boulevard sections eligible for improvements, the specific amount of funds to be received, tracking of CDBG funding to the community-based organizations, and estimated total costs for sidewalk improvements on North Oak Park Boulevard. Staff clarified that use of the funds for infrastructure improvements would be for Americans with Disabilities Act (ADA) improvements along North Oak Park Boulevard, which met the qualifying federal guidelines, and that the staff report reference regarding Census Tract 121 and Block 3 of Census Tract 120 was not applicable in this instance.

City Attorney Koczanowicz clarified that a change to the language of the Resolution was recommended so that any reference to "Census Tract 121 and Block 3 of Census Tract 120" would be removed.

Brief discussion was held regarding internal challenges to track and administer the grants, staff costs, and previous Council discussions regarding program administration, establishing a policy for the disposition of funds, and whether funds were to be used for one-time needs or ongoing program costs. It was suggested that this matter be scheduled for discussion and policy determination in order to provide guidelines for future Councils and direction to staff.

Further discussion was held on estimated costs to complete infrastructure improvements on North Oak Park Boulevard. City Engineer Garing responded to questions regarding bids received in June 2006 for North Oak Park Boulevard sidewalk improvements, which had come in at substantially higher amounts than originally estimated. He stated that the project would have to go out to bid again and it was unknown if the new bids would exceed tonight's proposed funding allocation of \$81,402. He also pointed out that so far there was very low contingency fund spending on the Mentone Storm Drain Project, another CDBG-funded project, and that those unspent contingency funds could be re-allocated to fill the funding gap for North Oak Park Boulevard sidewalk improvements.

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

The following persons spoke in support of their respective applications:

- Anna Boyd-Bucy, Big Brothers Big Sisters, explained the mentoring program;
- Jim McNamara, EOC, Director of Home Repair and Energy Conservation programs, stated funds would be used primarily for handicapped accessibility within low-income homes in Grover Beach; and
- Tricia Ritchie, Executive Vice President, Wilshire Foundation, operator of Caring Callers, described the volunteer-based program for seniors.

It was noted that there was no representative present from Life Steps Foundation. There being no further public comments received, Mayor Lieberman closed the Public Hearing.

Action: It was m/s by Council Members Ashton/Nicolls to adopt Resolution No. 07-07, as amended to remove reference to "Census Tract 121 and Block 3 of Census Tract 120", allocating all 2007 Community Development Block Grant (CDBG) program year funds, estimated at \$113,507, in the requested amounts for: 1) Big Brothers Big Sisters Mentoring Program, 2) EOC Minor Home Repair Program, 3) Life Steps Foundation, Inc., Alcohol and Drug Free Living Center, and 4) Wilshire Foundation, Inc., Caring Callers; and 5) Americans with Disabilities Act (ADA) sidewalk improvements along North Oak Park Boulevard. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Nicolls Versaw, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 07-07: A Resolution of the City Council of the City of Grover Beach, California, Approving the 2007 Community Development Block Grant (CDBG) Program and Recommendations for Preliminary Allocation by the San Luis Obispo County Board of Supervisors.

Action: Upon unanimous consensus, staff was directed to return with a report on the matter of program administration of Community Development Block Grant funds, establishing a policy to contain staff costs, and ensuring consistency regarding grant applications.

COUNCIL COMMITTEE REPORTS

Mayor Lieberman asked Council Member Ashton if he would be willing to assume the assignments for the Integrated Waste Management Authority and/or the Refuse Rate Review Committee. Council Member Ashton agreed to take the committee assignment for the Integrated Waste Management Authority from Mayor Lieberman.

Council Member Ashton stated that he had nothing to report. Council Member Nicolls stated that he had nothing to report. Mayor Pro Tem Shoals stated that he had nothing to report. Mayor Lieberman stated that he had nothing to report.

Council Member Versaw gave reports on the Economic Vitality Corporation and the South San Luis Obispo County Sanitation District. He reported that a significant level of DDT had been found during regular testing of effluent at the sanitation plant, resulting in a mandatory fine by the Regional Water Quality Control Board. He noted that this was the first fine imposed in the history of the District.

CITY COUNCIL AGENDA

12. Request to Consider Scheduling Council Discussion Regarding a Letter from the City of Santa Clarita to Determine the Grover Beach City Council's Level of Interest in Responding.

Council Member Versaw stated that in November 2006, while Mayor, he received a letter from the City of Santa Clarita requesting a resolution of support for that City's fight to protest federal circumvention of local control. The issue involved a proposed mega-mining operation on the outskirts of town, which had been approved by the Bureau of Land Management in a process that excluded the City of Santa Clarita.

Brief discussion regarding the request was held.

Action: Upon consensus, staff was directed to contact the League of California Cities to request more complete information, then schedule this matter for future Council consideration.

COUNCIL COMMUNICATIONS

- A. Council Member Nicolls stated that Pismo Beach Mayor Mary Ann Reiss had challenged the Grover Beach City Council to participate in the Grover Beach Rotary-sponsored "bowl-a-thon" on Saturday, January 27, 2007.
- B. Council Member Ashton announced a meeting date change for Neighborhood Watch meetings held at Ramona Garden Park Center, from the second Wednesday of the month to the second Tuesday of the month at 6:30 p.m.
- C. Mayor Lieberman stated that at the last Mayors' Luncheon, cities had been cautioned to monitor the effects of irresponsible spending habits at the State level. He also announced the next League of California Cities Channel Counties Quarterly Division meeting would be held on Friday, February 9, 2007, at the Madonna Inn in San Luis Obispo.

CITY MANAGER'S REPORTS AND COMMENTS

13. Agenda Format Discussion *(Continued from the City Council Meeting of 11/6/06).*

City Manager Perrault, in follow-up to the November 6, 2006 discussion in which the Council had indicated a desire to schedule the Public Hearing portion of the agenda earlier in the meeting, had developed two sample agenda formats for Council consideration to begin using as of February 2007. He explained the addition of an "Agenda Review" item, which would allow the Council's formal action to approve the agenda for the evening, and rearrange items, if necessary.

Brief discussion was held regarding the preference for Version 1 of the sample agendas, with "Public Hearings" following "Public Communications", and "Pulled Consent Agenda Items" to follow "Regular Business".

Action: Upon unanimous consensus, the Council directed staff to use Draft Agenda Version 1 for City Council meetings beginning in February 2007.

14. Report Regarding Safe Routes to Schools Grant Applications.

City Manager Perrault reported on the submission of grant applications on January 2, 2007, for the Safe Routes to Schools Program. Staff had worked with Lucia Mar Unified School District staff to identify two project areas for Grover Beach Elementary School and Grover Heights Elementary School. If the applications were approved, staff would schedule this issue for Council approval of the grant agreements.

Brief discussion was held regarding bicycle access. The Council commended staff for applying for the grants, and specifically for addressing safety hazards on South 13th Street.

Action: The information was received and filed.

CITY ATTORNEY'S AGENDA

City Attorney Koczanowicz advised the Council that since 2007 committee assignments had been established by resolution, the change requested earlier during Council Committee reports would be scheduled for formal action at the next Council meeting under the Consent Agenda.

CLOSED SESSION

At 9:02 p.m., the Council met in Closed Session regarding the following item:

1. Conference with Legal Counsel - Pending Litigation

Pursuant to Government Code Section 54956.9(a)

People of the State of California vs. Kenneth Ray Parson, Case No. M386003

Closed Session Announcements: At 9:48 p.m., Mayor Lieberman convened the meeting in open session with all Council Members present, and announced that there were no reportable actions taken during Closed Session.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Lieberman adjourned the meeting at 9:48 p.m.

/s/ STEPHEN C. LIEBERMAN, MAYOR

Attest: /s/ DONNA L. McMAHON, CITY CLERK

(Approved at CC Mtg 2/05/07)