

**MINUTES
CITY COUNCIL MEETING
MONDAY, JULY 17, 2006**

CALL TO ORDER Mayor Versaw 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 Lieutenant John Bewick, who was serving in the capacity of Acting Police Chief.

ROLL CALL

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

City Staff: City Manager Perrault, City Attorney Koczanowicz, City Clerk McMahon, Administrative Services Director Chapman, Interim Community Development Director Hansen, Acting Police Chief Bewick, Public Works Superintendent Ford, Assistant Administrative Services Director Byrd, and Human Resources Coordinator Barrett were also present.

CLOSED SESSION ANNOUNCEMENTS

None at this time.

CEREMONIAL CALENDAR

None at this time.

Recess: Upon consensus of the City Council, the meeting was recessed at 6:32 p.m. to conduct the Joint City Council / Improvement Agency Meeting scheduled for this same evening, to receive an overview and presentation on the FY 07 Budget.

Reconvene: At 7:23 p.m., the meeting reconvened with all Council Members present.

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. Bill Senna, on behalf of the Narvacanian Association of Central California, introduced several members of the organization who were seated in the audience, announced the Sister City Celebration on October 7 and barbeque on October 8, and presented Mayor Versaw with a "barong" (shirt) from Manila, Philippines. He described the scholarship program in Narvacan, Grover Beach's sister city, and extended an invitation to the Mayor and City Council to attend the graduation at the University of Northern Philippines in 2007.

Mayor Versaw thanked Mr. Senna, and encouraged everyone to attend the Sister City Celebration events.

- B. Rosabelle Borge Calangan, President of the Narvacanian Association of Central California, invited the Council and the public to attend the 15th Annual Narvacan-Grover Beach Sister City event at the Radisson Hotel in Santa Maria. She then presented complimentary tickets to the Mayor and announced that advertising opportunities were available for the souvenir program with proceeds to go towards the scholarship fund.

No further public comments were 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. 3 was pulled for discussion pursuant to the request of Council Member Ashton. Mayor Pro Tem Lieberman stated he would abstain from voting on the minutes of June 19, 2006 in Consent Agenda Item No. 2, as he was absent from that meeting.

Upon consensus (Mayor Pro Tem Lieberman abstaining on the minutes of June 19, 2006 in Consent Agenda Item No. 2 *only*), the Council unanimously agreed to approve Consent Agenda Item Nos. 1 and 2 as recommended.

1. Treasurer's Report for the Period June 28, 2006 - July 10, 2006.

Action: Approved as submitted.

2. Minutes of the Following City Council Meetings:

- Special City Council Meeting on Monday, June 12, 2006; and
- Regular City Council Meeting of June 19, 2006.

Action: Approved the minutes as submitted (*except* for Mayor Pro Tem Lieberman for the minutes of June 19, 2006 *only*).

Mayor Versaw called for discussion on Consent Agenda Item No. 3.

3. Resolutions for the 2006 General Municipal Election for the Election of Certain Officers of the City

Council Member Ashton requested clarification whether approving the Resolutions in Consent Agenda Item No. 3 meant voting to place a particular issue on the ballot. City Attorney Koczanowicz responded that the Resolutions were procedural in order to conduct the election.

Action: It was m/s by Council Members Ashton/Ekbom to approve Consent Agenda Item No. 3 as recommended. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Ekbom, Shoals, Mayor Pro Tem Lieberman, and Mayor Versaw.

NOES: Council Members - None.

ABSENT: Council Members - None.

ABSTAIN: Council Members - None.

Resolution No. 06-50: A Resolution of the City Council of the City of Grover Beach, California, Calling and Giving Notice of the Holding of a General Municipal Election to be Held on Tuesday, November 7, 2006, for the Election of Certain Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities.

Resolution No. 06-51: A Resolution of the City Council of the City of Grover Beach, California, Requesting the Board of Supervisors of the County of San Luis Obispo to Consolidate a General Municipal Election to be Held on Tuesday, November 7, 2006, with the Statewide General Election to be Held on the Date Pursuant to Section 10403 of the Elections Code.

Resolution No. 06-52: A Resolution of the City Council of the City of Grover Beach, California, Adopting Regulations for Candidates for Elective Office Pertaining to Candidates Statements Submitted to the Voters at an Election.

Resolution No. 06-53: A Resolution of the City Council of the City of Grover Beach, California, Setting Priorities for Filing Written Arguments Regarding City Measures.

Resolution No. 06-54: A Resolution of the City Council of the City of Grover Beach, California, Providing for the Filing of Rebuttal Arguments for City Measures Submitted at Municipal Elections.

REGULAR BUSINESS

4. Proposed Resolution to Place the Issue of Elected Mayor on the 2006 General Municipal Election Ballot.

Mayor Versaw read the title to the foregoing item and deferred to staff for a report. For the information of those present, City Attorney Koczanowicz stated that, based upon Council's direction at prior meetings, the Resolution before the City Council was the final

step to place the issue of a directly elected mayor on the November 2006 ballot. Staff was seeking direction regarding whether to include Section 8 of the draft Resolution which directed the City Attorney to prepare an Impartial Analysis of the measure and transmit it to the City Clerk within ten (10) days of adoption of the Resolution. City Attorney Koczanowicz stated that, in this instance, an Impartial Analysis was not necessary, but was an option for the City Council to determine.

Action: It was m/s Council Member Ekbohm/Mayor Pro Tem Lieberman to delete Section 8 in the Resolution regarding an Impartial Analysis, and adopt Resolution No. 06-55, as amended. The motion carried on the following roll call vote:

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

Resolution No. 06-55: A Resolution of the City Council of the City of Grover Beach, California, Submitting the Question of Elected Mayor to Qualified Electors of the City at the November 7, 2006 General Election.

5. Proposed Resolution to Place the Transaction and Use Tax Measure on the November Ballot.

Mayor Versaw read the title to the foregoing item and deferred to staff for a report. For the information of those present, City Attorney Koczanowicz stated that following Council direction at the July 3, 2006 meeting, adopting the Resolution was necessary to formally place a one-half percent (0.5%) sales tax increase on the November 2006 ballot. The Resolution before the Council complied with all the regulations of the Elections Code and had gained approval of the Board of Equalization, which had reviewed the draft Ordinance. He advised the Council that the Ordinance would come before the Council prior to the November election, as the State Board of Equalization required that the City Council act on the Ordinance before the election occurred. The effect of that action would not become final unless and until the voters approved the measure.

Discussion was held regarding local restrictions on the format of text in the sample ballot and that staff had been in consultation with the Lew Edwards Group regarding the proposed wording of the text. Further discussion was held regarding rearranging the order of the text to place the phrase "sales tax increase" at the beginning of the question.

Council Member Ashton objected to a general tax measure, and advocated instead for a special tax measure for street improvements. Upon question regarding the procedure for a Council Member opposed to the measure to place an opposing statement on the ballot, City Attorney Koczanowicz responded that any Council Member was entitled to submit arguments for or against the measure to the City Clerk.

Further discussion was held regarding telephone survey results that indicated the importance of maintaining vital City services and that the proposed FY 07 Budget included funding for street maintenance and improvements.

Upon question as to the role and responsibility of staff and counsel if the Resolution was adopted at this meeting, City Manager Perrault stated that City resources could not be used either in support of or in opposition to the measure, once it was placed on the ballot. City Attorney Koczanowicz confirmed that Council Members could file arguments, and staff and the consultant would be in the process of distributing information, informing the public of the consequences of passage or failure of the measure. City resources could only be spent to inform the public of budgetary positions. Individuals on their own time were permitted to state a position and advocate on their own behalf. A meeting had been scheduled with the consultant Lew Edwards Group to discuss how the information would be provided to the public, and the consequences of this measure to the City budget.

In reference to the Ordinance, if the Resolution was adopted, staff would schedule the Ordinance with sufficient time to conduct two readings and have it adopted prior to the

November election. City Attorney Koczanowicz requested that the Council propose any changes to the language of the draft Ordinance at tonight's meeting as any changes at a later date would require adoption of another Resolution to amend the Resolution being considered at this meeting. Once the Resolution was adopted, it would be forwarded to the County Elections Official and the State Board of Equalization.

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

Don Fielding, Grover Beach, spoke in support of using funds for street improvements.

Action: It was m/s by Council Member Ekbom/Mayor Pro Tem Lieberman to amend the verbiage of the proposed measure as follows,

"Shall the City of Grover Beach sales tax be increased by one-half percent (0.5%) and a citizens' oversight committee be created to help preserve the safety and character of Grover Beach by funding essential services including the Police and Fire Departments, repair potholes and fix City streets and sidewalks, increase recreation opportunities for seniors and youth, improve City parks and beach access, and other general city services, shall the City of Grover Beach sales tax be increased by one-half percent (0.5%) and a citizens' oversight committee be created."

and adopt Resolution No. 06-56, as amended. The motion carried on the following roll call vote:

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

Resolution No. 06-56: A Resolution of the City Council of the City of Grover Beach, California, Authorizing the Submission to the Qualified Electors of the City a Measure Relating to the Establishment of a Local Transactions and Use Tax (Sales Tax) at the General Election to be Held on Tuesday, November 7, 2006.

PUBLIC HEARINGS

6. Utility User Fee Adjustments.

Mayor Versaw 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, Administrative Services Director Chapman summarized the schedule of increases in Utility User Water Rates based on the Utility User Fee Study prepared by Tuckfield and Associates and presented to the City Council on April 4, 2005 and June 2, 2005. Council was asked to consider a proposed 12% increase in Utility User Water Rates, effective September 16, 2006, which was the second planned increase over a three-year period. This requested increase would not be sufficient to cover the Lopez Water Zone 3 obligations projected by the County for FY 07, which were not negotiable. The effects of the water meter change-out program would not be known until late FY 07, at which time staff would provide an analysis. Administrative Services Director Chapman stated that the 12% increase was necessary to fund planned capital projects. She then responded to questions from the Council.

It was noted that the requested 12% increase was part of the original schedule of increases over a three-year period, which was agreed to by the Council in June 2005. Mayor Versaw, the City Council representative on the Zone 3 board, clarified that the Lopez Lake Zone 3 charges from the County would continue to increase as a result of the old water treatment plant at Lopez Lake having been completely rebuilt, a \$24 million project.

Mayor Versaw 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.

Further discussion was held regarding Alternative 2 in the staff report, to increase the water rates by 12%, effective September 16, 2006, and set an annual increase equal to the prior December year-end Consumer Price Index to be effective on July 1st of each year in order to keep up with inflation. Administrative Services Director Chapman stated that Tuckfield and Associates recommended adding the CPI increase annually, once the scheduled increases were in effect. City Manager Perrault recommended that, even with the CPI adjustment, staff should come back to Council for an annual review. The CPI adjustments would provide some protection. Discussion was then held regarding one of the goals of going to the tiered rate system was promoting water conservation.

Action: It was m/s Mayor Pro Tem Lieberman/Council Member Shoals to adopt Resolution No. 06-57 amending the Master Fee Schedule to increase the water rates by 12%, effective September 16, 2006, and set an annual increase equal to the prior December year-end Consumer Price Index to be effective on July 1st of each year in order to keep up with inflation, using the Los Angeles/Riverside Consumer Price Index (CPI). The motion carried on the following roll call vote:

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

Resolution No. 06-57: A Resolution of the City Council of the City of Grover Beach, California, Amending the Master Fee Schedule.

COUNCIL COMMITTEE REPORTS

Council Member Ekbom stated that he had nothing to report.

Council Member Shoals gave a report on the meeting of the Beachfront Lodge & Conference Center Ad Hoc Committee and a Joint Powers Agreement that should be ready for Council review in the near future.

Council Member Ashton gave a report on meetings of the Housing Trust Fund and the Parks, Recreation & Beautification Commission.

Mayor Pro Tem Lieberman stated that he had nothing to report.

Mayor Versaw did not have anything to report.

CITY COUNCIL AGENDA

None at this time.

COUNCIL COMMUNICATIONS

- A. Council Member Shoals asked if there was interest among the Council to put on a future agenda a resolution supporting Amtrak rail service between San Francisco and Los Angeles using the Coast rail corridor. He had discussed this with the City Manager and provided him with a sample resolution. He requested that it be agendized for Council action in July to facilitate sending a resolution to the legislature to demonstrate that this was a service worthy of funding.

Action: Upon consensus, staff was directed to prepare the draft resolution for Council consideration.

- B. Council Member Ekbom inquired whether there had been any communication from the property owners, the Polins, after the April 3 meeting on the proposed Grand Paseo project at Fourth Street and West Grand Avenue, who were now three months into the nine-month period granted for them to develop a plan.

Interim Community Development Director Hansen responded that there had been contact with the Polins, and some interest indicated on their behalf, but their plans were not specifically known at this time.

CITY MANAGER'S REPORTS AND COMMENTS

None at this time.

CITY ATTORNEY'S REPORTS AND COMMENTS

City Attorney Koczanowicz informed the Council that Assistant City Attorney Donaldson would be attending the Budget Workshops over the next two evenings.

Recess: Upon consensus of the City Council, the meeting was recessed at 8:32 p.m. to reconvene the Joint City Council / Improvement Agency Meeting scheduled for this same evening.

Reconvene: At 8:33 p.m., the meeting reconvened with all Council Members present.

CLOSED SESSION

At 8:33 p.m., the City Council met in Closed Session to consider the following item:

1. **Conference with Labor Negotiators**
Pursuant to Government Code Section 54957.6.
Agency Negotiator: City Manager, James K. Katen, Administrative Services Director, Assistant Administrative Services Director, Human Resources Coordinator, Police Lieutenant, and Police Chief.
Represented Employee Group: Grover Beach Police Officers' Association (GBPOA)

Closed Session Announcements: At 9:01 p.m., Mayor Versaw reconvened the meeting in open session with all Council Members present, and announced there were no reportable actions taken during Closed Session.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Versaw adjourned the meeting at 9:01 p.m.

/s/ LARRY VERSAW, MAYOR

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

(Approved at CC Mtg 8/07/06)