

**MINUTES
CITY COUNCIL MEETING
MONDAY, NOVEMBER 7, 2005**

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.

FLAG SALUTE The flag salute was led by Molliann Jones, a 10-year-old, 5th grade student at Grover Beach Elementary School.

ROLL CALL

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

Staff: Interim City Manager Warne, City Attorney Koczanowicz, City Clerk McMahon, Administrative Services Director Chapman, Interim Community Development Director Hansen, Police Chief Copsey, and Human Resources Coordinator Barrett were also present.

Also present was Consultant Katen.

CLOSED SESSION ANNOUNCEMENTS Mayor Shoals read the following announcements:

On Monday, October 17, 2005, after meeting in Closed Session regarding:

1. Conference with Labor Negotiator
Agency Negotiator: City Manager, James K. Katen, Administrative Services Director, Assistant Administrative Services Director, Human Resources Coordinator, and Fire Chief.
Represented Employee Group: International Association of Fire Fighters (IAFF), Local 4403
2. Conference with Labor Negotiator
Agency Negotiator: City Manager, James K. Katen, Administrative Services Director, Assistant Administrative Services Director, Human Resources Coordinator.
Represented Employee Group: General Employees - (SEIU) Service Employees International Union, Local 620
3. Conference with Labor Negotiator
Agency Negotiator: City Manager and Administrative Services Director
Unrepresented Employee Groups: Management & Confidential Employees
4. Conference with Labor Negotiator
Agency Negotiator: City Manager
Unrepresented Employee Groups: Executive Management
5. Conference with Real Property Negotiators
Properties and Negotiating Parties:
Robert Mosher (Mosher Trust), 549 Oak Park Blvd. (APN 060-122-039)
Leonard Steele & Victor Walker, 1791 Saratoga Ave. (APN 060-122-014)
Leonard Steele & Victor Walker, 473 Oak Park Blvd. (APN 060-124-009)
Jennifer Banks & Steve Holtz, 365 Oak Park Blvd. (APN 060-181-136)
Agency Negotiator: Interim City Manager and City Attorney
Under Negotiation: Acquisition of Public Rights-of-way
6. Conference with Legal Counsel - Pending Litigation
Diamond v. City of Grover Beach - U.S. District Court, Central District, Southern Div., Case No. SACV 04-558 CJC (MANx)
7. Conference with Legal Counsel - Anticipated Litigation
Possible Litigation: Amicus Support, McPherson v. City of Hermosa Beach, Case No. B174240.

8. Conference with Real Property Negotiators
Property: Public right-of-way located at Grand View Avenue and North 6th Street
Agency Negotiator: Interim City Manager and City Attorney
Negotiating party: Grayson & Friedman
Under Negotiation: Sale and Acquisition

the City Council convened into open session, and announced there were no reportable actions taken regarding Closed Session Item Nos. 1-6 and 8. The following reportable action was then announced regarding Closed Session Item No. 7: The City Council authorized amicus brief support on condition that the California Joint Powers Insurance Authority did not have any reservations (5-0 approved).

CEREMONIAL CALENDAR

1. **Grover Beach Student Representative to the Annual League of California Cities Conference, October 5-8, 2005 - Arroyo Grande High School Student Noel Peralta.**

Mayor Shoals announced this item was rescheduled to the November 21, 2005 City Council meeting due to illness.

ORDER OF THE DAY: Upon consensus of the City Council, the Order of the Day was revised to introduce the new Customer Service Representative.

3. **Introduction of New Administrative Services Department Employee - Rebecca Realin, Customer Service Representative.**

Administrative Services Director Chapman introduced Customer Service Representative Rebecca Realin to the City Council and members of the audience.

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

2. **Proclamation of Appreciation to Jacquleen Barnett for Service on the Grover Beach Planning Commission.**

Mayor Shoals read and presented the Proclamation of Appreciation to Jacquleen Barnett for her service on the Grover Beach Planning Commission from August 2, 2002 through September 13, 2005.

ORDER OF THE DAY: Upon consensus of the City Council, the Order of the Day was revised to hear Public Communications.

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. The following persons spoke regarding grievances and pending legal action filed against the owners and management company of Le Sage Riviera Mobile Home Park, alleged that violations of the City's rent control regulations had occurred, and cited examples of problems with the management company when residents attempted to sell their mobile homes:

- Jeanette Homan, resident, Le Sage Riviera Mobile Home Park, Grover Beach, who read a prepared statement and provided incident reports and petitions signed by other residents of the park;
- Todd Trimm, resident, Le Sage Riviera Mobile Home Park, Grover Beach;
- Dick Giles, resident, Le Sage Riviera Mobile Home Park, Grover Beach;
- Jim Erickson, resident, Le Sage Riviera Mobile Home Park, Grover Beach;
- Linda Key, resident, Le Sage Riviera Mobile Home Park, Grover Beach;
- Randy Hill, Lennox Real Estate broker from Pismo Beach; and
- Jerry Gonzalez, resident, Le Sage Riviera Mobile Home Park and mobile home manufacturer.

Mayor Shoals announced he had met the previous day with owners and renters of the Le Sage Riviera Mobile Home Park. At the conclusion of public comments on this matter, Mayor Shoals referred the matter to City Attorney Koczanowicz for suggestions on possible Council actions in order to respond to the concerns raised.

City Attorney Koczanowicz stated he had previously spoken with several of the speakers at tonight's Council meeting, as well as the attorney representing the homeowners association. He then gave a brief overview of rent increases provided for by the Grover Beach Municipal Code and the procedure for tenants with grievances regarding rent increases. He suggested the Council could direct staff to draft a letter to the owners of the Le Sage Riviera Mobile Home Park regarding concerns presented at tonight's meeting. He then responded to questions from the Council.

Upon consensus, staff was directed to: 1) prepare a draft letter for Council consideration at a future meeting that was addressed to the management company of Le Sage Riviera Mobile Home Park outlining the concerns presented at tonight's meeting, and 2) to review the documentation presented by the residents to determine if any Municipal Code violations had occurred.

- B. Bill Nicolls, Parks, Recreation and Beautification Commissioner, requested the Council consider eliminating the restriction prohibiting an individual from holding public office simultaneously on two City commissions.
- C. Steve Thayer, Executive Director for Big Brothers/Big Sisters, requested to speak on Agenda Item 12 regarding reprogramming CDBG funds. He was then advised that public comments would be received when that item was discussed later in the meeting.
- D. Don Fielding, Grover Beach, opposed Commissioner Nicolls' request that the City Ordinance be changed which prohibited an individual from serving on more than one commission at the same time.

City Attorney Koczanowicz responded to Council questions regarding the City's regulations on citizen appointments to advisory bodies.

There were no further public comments received.

RECESS: Upon consensus of the City Council, the meeting recessed at 7:30 p.m.
RECONVENE: At 7:46 p.m., the meeting reconvened with all Council Members present.

PRESENTATIONS

4. SB 1818 and SB 435 (State Density Bonus Law/Affordable Housing) Presentation.

Interim Community Development Director Hansen introduced Dana Lilley, Supervising Planner for the San Luis Obispo County Housing and Economic Development Department.

Referencing a PowerPoint presentation, Mr. Lilley gave an overview regarding the state's Affordable Housing Density Bonus Plan. He then responded to questions from the Council.

CONSENT AGENDA

It was m/s by Council Members Lieberman/Ekbom to approve Consent Agenda Item Nos. 5, 6, 7, 8, 9, and 10 as recommended. The motion carried on the following roll call vote:

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

5. **Treasurer's Report for the Period October 12 - November 1, 2005.**
Action: Approved as submitted.
6. **Minutes of the Following Meetings:**
 - Regular City Council Meeting of September 6, 2005;
 - Special Joint City Council/Improvement Agency Meeting of September 12, 2005;
 - Regular City Council Meeting of September 19, 2005.**Action:** Approved the minutes as submitted.
7. **Amending the Annual Appropriation Resolution Based on the Classification and Compensation Study.**
Action: Adopted Resolution No. 05-88, amending the Annual Appropriation Resolution for Executive Management and Management and Confidential groups based on the Classification and Compensation Study.

Resolution No. 05-88: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 8th Amendment to the Annual Appropriation Resolution No. 05-45 by Providing Funding of \$32,500 Based on the Classification and Compensation Study.
8. **Contract for Executive Recruitment Services with Bob Murray & Associates.**
Action: Approved the contract with Bob Murray & Associates as submitted.
9. **Replacement of the Police Department's Heating, Ventilation, and Air Conditioning Units and the Emergency Radio System.**
Action: Adopted Resolution No. 05-89, amending the Annual Appropriation Resolution.

Resolution No. 05-89: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 9th Amendment to the Annual Appropriation Resolution No. 05-45 by Providing Funding in the Amount of \$63,689 for Replacement of the Police Department's Heating, Ventilation, and Air Conditioning Unit and the Emergency Radio Base Stations.
10. **Appropriation of Proposition 42 Funds.**
Action: Adopted Resolution No. 05-90, amending the Annual Appropriation Resolution for Proposition 42 Funds.

Resolution No. 05-90: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 7th Amendment to the Annual Appropriation Resolution No. 05-45 by Providing Funding in the Amount of \$65,755 for Transportation Congestion Relief Revenues and Expenditures.

REGULAR BUSINESS

ORDER OF THE DAY: Upon consensus of the City Council, the Order of the Day was changed to discuss Item No. 12 prior to Item No. 11.

12. **Policy Discussion on Reprogramming Community Development Block Grant (CDBG) Funds.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Interim City Manager Warne gave an overview of the report regarding the proposal to reprogram all available unspent Community Development Block Grant funds from this fiscal year and all prior fiscal years to infrastructure capital projects to benefit low- and moderate-income residents in Census Tract 121. He then responded to Council questions.

Mayor Shoals stated that, due to a conflict of interest through his employment with RRM Design Group, when the specific CDBG contract with RRM Design Group was scheduled for Council consideration, he would be recusing himself from that issue.

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

The following persons spoke in objection to the proposal to reprogram CDBG funds previously allocated and urged the Council to uphold its previous funding commitments for their respective agencies:

- Steve Thayer, Big Brothers/Big Sisters, San Luis Obispo County;
- Chris Gary, President, Exploration Station; and
- Kayla Owen, EOC Health Services for 40 Wonderful, Senior Health Screening, and TAPP programs.

There were no further public comments received.

Brief discussion was held regarding social service needs, reprogramming CDBG funds, and the challenges of deciding between programs that best served the citizens of Grover Beach versus using available funds towards street repairs and meeting the basic public service needs of the community.

Action: It was m/s by Council Members Lieberman/Ekbom to authorize staff to begin the process of reprogramming all available unspent Community Development Block Grant funds, with the exception of funds previously designated for the EOC, Big Brothers/Big Sisters, and the Exploration Station, to Infrastructure Capital Projects to benefit low- and moderate-income residents in Census Tract 121. The motion carried on the following roll call vote:

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

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

11. Policy Discussion on Potential Sales Tax Ballot Initiative.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Interim City Manager Warne gave an overview of the report and responded to Council questions.

Brief discussion was held regarding placing a one-half percent sales tax initiative on the November 2006 ballot to be used for general purposes, and retaining the services of a consulting firm to develop informational material regarding the proposed initiative, similar to the process used for Measure "O" during the November 2004 election.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. None were received.

Action: Upon consensus, the City Council directed staff to begin the process to place a one-half percent sales tax initiative on the November 2006 ballot and to contact consulting firms regarding preparation of educational materials on the initiative.

PUBLIC HEARING

None at this time.

RECESS: Upon consensus of the City Council, the meeting recessed at 9:10 p.m. to conduct the meeting of the Improvement Agency, which was also scheduled this evening.

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

COUNCIL COMMITTEE REPORTS

Council Members Ashton, Ekbom, and Lieberman stated they had nothing to report at this time.

Mayor Pro Tem Versaw reported on meetings of the Economic Vitality Corporation and the San Luis Obispo County Water Resources Advisory Board.

Mayor Shoals reported on the meeting of the Beach Lodge & Conference Center Ad Hoc Committee.

COUNCIL COMMUNICATIONS

- A. Mayor Pro Tem Versaw suggested that the City Council consider appointing one or two Council Members to be more involved in discussions regarding the Grand Paseo Hotel project proposed to be constructed on property near the intersection of Fourth Street and West Grand Avenue, similar to the Beach Lodge & Conference Center Ad Hoc Committee. He then volunteered to participate during negotiations on this project.

Brief Council discussion was held.

Upon consensus, Mayor Pro Tem Versaw was authorized to be present during negotiations regarding the proposed Grand Paseo Hotel development project.

- B. Council Member Lieberman thanked Interim City Manager Warne, Police Chief Copsey, Fire Chief Fibich, Public Works Superintendent Ford, and their respective department staff members for their support during local filming for a training video produced by the League of California Cities on the topic of the elected official's role during an emergency.

- C. Mayor Shoals stated that he and Mayor Pro Tem Versaw had attended the recent Vision 2050 workshop held in the South County.

He then requested staff look at the issue of tax increment in the industrial areas of the City specifically for mixed-use projects, reminded staff of the Planned Development (P-D) Overlay Zone project still to be completed, stated he would be speaking with the other Mayors in the County regarding the need for a homeless shelter in the South County, and asked if the Council should review the issue of water allocation under the agreement commonly referred to as, the "Gentlemen's Agreement".

CITY MANAGER'S AGENDA

Interim City Manager Warne stated preliminary work on the FY 07 Budget had begun and budget assignments were scheduled to be distributed to all departments within the next few days.

CLOSED SESSION At 10:08 p.m., the Council met in Closed Session to consider the following items:

- 1 **Conference with Labor Negotiator**
Pursuant to Government Code Section 54957.6.
Agency Negotiator: City Manager, James K. Katen, Administrative Services Director, Assistant Administrative Services Director, Human Resources Coordinator.
Represented Employee Group: General Employees - (SEIU) Service Employees International Union Local 620
2. **Conference with Labor Negotiator**
Pursuant to Government Code Section 54957.6.
Agency Negotiator: City Manager, James K. Katen, Administrative Services Director, Assistant Administrative Services Director, Human Resources Coordinator, and Fire Chief.
Represented Employee Group: International Association of Fire Fighters (IAFF), Local 4403

3. **Conference with Real Property Negotiators**
Pursuant to Government Code Section 54956.8
Property: Public right-of-way located at Grand View Avenue and
North 6th Street
Agency Negotiator: Interim City Manager and City Attorney
Negotiating Party: Grayson & Friedman
Under Negotiation: Sale and Acquisition

4. **Conference with Legal Counsel - Anticipated Litigation**
Significant exposure to litigation pursuant to subdivision (b) of
Section 54956.9: One (1) potential case.

Closed Session announcements: At 10:48 p.m., Mayor Shoals convened 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 Shoals adjourned the meeting at 10:48 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest: /s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg December 5, 2005)