

**MINUTES
CITY COUNCIL MEETING
MONDAY, OCTOBER 16, 2017**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:00 p.m. in the City Hall Council Chamber, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE A moment of silence was held in memoriam for Joyce Anderson, co-owner of Central Coast Printing, a Grover Beach business, who was also described as an ardent supporter of local theater arts and a former part-time City employee in the Parks and Recreation Department.

FLAG SALUTE The flag salute was led by Parks & Recreation Program Director Petker.

ROLL CALL

City Council: Council Members Jeff Lee, Barbara Nicolls, Mayor Pro Tem Mariam Shah, and Mayor John Shoals were present. Council Member Debbie Peterson was absent.

City Staff: City Manager Matthew Bronson, City Attorney David Hale, City Clerk Donna McMahon, Police Chief John Peters, Administrative Services Director Gayla Chapman, Community Development Director Bruce Buckingham, Public Works Director/City Engineer Greg Ray, and Parks & Recreation Program Director Kathy Petker were also present.

CLOSED SESSION ANNOUNCEMENTS

City Attorney Hale read the following announcement:

On Monday, October 2, 2017 after meeting in Closed Session regarding the following items:

1. Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8
Property: APN 060-206-029
Agency negotiator: City Manager Bronson
Negotiating party: Union Pacific Railroad
Under negotiation: Price and Terms and Conditions of Payment Regarding Lease or Acquisition
2. License/Permit Determination
Pursuant to Government Code Section 54956.7
Applicants: Seven (7) Applicants

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

AGENDA REVIEW Mayor Shoals requested amending the Order of the Day to consider Regular Business Item No. 8 immediately following Regular Business Item Nos. 9 and 10.

Action: Upon consensus (Council Member Peterson absent), the Council adopted the agenda as amended.

CEREMONIAL CALENDAR

1. **Proclamation Declaring the Week of October 23-31, 2017 as, “Red Ribbon Week” –** Police Chief Peters.

Council Member Lee read and presented the proclamation to Police Chief Peters.

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. Elizabeth Doukas, Grover Beach resident, expressed concerns regarding a request for public records she had previously submitted to the City and provided additional copies of that same request. She then expressed concerns regarding the condition and quality of street repair work completed on Park View Avenue.

There were no further public comments received at this time.

CONSENT AGENDA

Prior to consideration of the Consent Agenda, members of the Council commented on the report submitted by the Citizen Oversight Committee (Consent Agenda Item No. 5) that confirmed Measure K-14 funds had been properly spent on street improvement projects. The Council also expressed its appreciation to all those who served on the Committee. In reference to Consent Agenda Item No. 6, staff provided clarification regarding street segments scheduled for improvement. It was moved by Council Member Nicolls and seconded by Mayor Pro Tem Shah to approve Consent Agenda Item Nos. 2, 3, 4, 5, and 6, as recommended. The motion carried on the following roll call vote:

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

2. **Treasurer's Report for the Period September 22 – October 5, 2017.**
Action: Approved the Treasurer's Report as submitted.
3. **Treasurer's Report for the 2016 Streets Bond Account - \$8,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period September 22 – October 5, 2017.**
Action: Approved the Treasurer's Report as submitted.
4. **Minutes of the City Council Meeting on June 19, 2017.**
Action: Approved the minutes as submitted.
5. **Citizen Oversight Committee – 2016-17 Street Bonds Report** – Report from the citizen committee tasked with reviewing Measure K-14 bond proceeds collected and expended as authorized by the voter-approved bond measure for street rehabilitation and reviewing the status of projects financed from bond proceeds.
Action: The 2016-17 Citizen Oversight Committee – Street Bonds Measure K-14 Report was received and filed.
6. **2017-1 Street Rehabilitation and Repair Project (CIP 2295-7): Award of Professional Design Engineering Services** – Awarding a contract for engineering design services for smaller street projects that allow for more continuous street improvements.
Action: 1) Adopted Resolution No. 17-46 authorizing the City to enter into a Consulting Services Agreement with Cannon for design phase services, bidding phase services, and post-design services during the construction phase associated with the CIP 2295-7 Street Rehabilitation and Repair Project; and 2) authorized the Mayor to execute the agreement on behalf of the City.

Resolution No. 17-46: Resolution of the City Council of the City of Grover Beach, California, Authorizing the City to Enter into a Consultant Services Agreement with Cannon to Provide Professional Design Engineering Services on Project 2017-1, Measure K-14 Street Rehabilitation and Repair Program (CIP 2295-7) Design, Bidding, and Construction Phase.

PUBLIC HEARING

None at this time.

REGULAR BUSINESS

7. Appointments to the Parks, Recreation & Beautification Commission.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Parks & Recreation Program Director Petker provided an overview of recommendations from the Advisory Body Screening Committee regarding applicants interested in being appointed to serve on the Parks, Recreation & Beautification Commission. The Council expressed its appreciation to all of the applicants for their interest in serving on the Commission.

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

Paul Press briefly described his professional background and experience, which included serving on a Parks and Recreation Commission in his former community.

Chris Long thanked the Council for the opportunity to serve the community as a member of the Commission.

There were no further public comments received at this time.

Action: It was moved by Council Member Lee and seconded by Mayor Pro Tem Shah to: 1) accept the Screening Committee's recommendations; 2) adopt Resolution No. 17-47 authorizing the appointments of Chris Long and Paul Press to serve the remainder of the four-year terms of office, expiring on March 31, 2021, on the Parks, Recreation & Beautification Commission; and 3) in the event of an unscheduled vacancy on the Parks, Recreation & Beautification Commission, appoint Jerry Pastor to serve the remainder of the vacant Commission term without requiring Mr. Pastor to go through another interview process. The motion carried on the following roll call vote:

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

Resolution No. 17-47: A Resolution of the City Council of the City of Grover Beach, California, Appointing Chris Long and Paul Press to serve on the Parks, Recreation & Beautification Commission, and Designating Jerry Pastor as the Next Eligible Candidate in the Event of an Unscheduled Vacancy on the Parks, Recreation & Beautification Commission.

ORDER OF THE DAY: Upon consensus of the City Council under Agenda Review, the Order of the Day was amended to consider Agenda Item Nos. 9 and 10 prior to Agenda Item No. 8.

Prior to discussion of Agenda Item No. 9, Council Member Nicolls declared a conflict of interest due to her residence being located within 500 feet of the subject property. She then stepped down from the dais and left the Council Chamber.

9. Request for City Maintenance of the Mar Brisa Subdivision Lift Station and Storm Water Basin.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray provided an overview of the request from the Mar Brisa Homeowner's Association for the City to take over facility maintenance of the privately-owned sewer lift station and drainage basin. He then responded to questions from the Council.

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

Carol Florence, representative for the Mar Brisa Homeowner's Association, spoke in support of the request from the association and requested the Council provide direction for staff to further assess the matter and schedule it for Council consideration. Ms. Florence responded to questions from the Council and confirmed additional information as outlined in the staff report could be provided in a timely manner.

The following persons spoke in opposition to the request from the homeowner's association and either objected to rate payers contributing towards maintenance of infrastructure serving a gated community or taking on maintenance responsibilities for new facilities when there were deferred maintenance issues for existing City-owned facilities:

- Elizabeth Doukas, Grover Beach resident;
- John Wysong, Grover Beach resident; and
- Anthony Wayne Embrey, Grover Beach resident.

There were no further public comments received at this time.

Brief discussion was held on the estimated time frame for staff to receive and assess additional information from the homeowner's association, other competing priorities

impacting staff workloads, and whether there would be public benefit gained with assuming operation and maintenance of the lift station and storm water basin.

Action: Upon consensus of the City Council (Council Member Peterson absent and Council Member Nicolls absent from this agenda item only due to a conflict of interest), direction was provided for staff to proceed with obtaining additional information from the Mar Brisa Homeowner's Association as outlined in the staff report and scheduling the matter for further Council consideration. Additionally, direction was provided for staff to:

- 1) research whether there was any precedent in Grover Beach or other municipality for taking on maintenance responsibilities of a privately-owned lift station and storm water basin; and
- 2) obtain information from the homeowner's association to assist staff's analysis of the request that:
 - a) identified what the public benefit would be for the City to take over maintenance responsibilities of the Mar Brisa lift station and storm water basin;
 - b) verified the capacity of the basin relative to 100-year storm runoff from the tract and water entering the tract from offsite;
 - c) determined whether the basin would be eligible for potential land sale or added development rights if the City obtained the parcel;
 - d) identified what the City's "hard costs" would be for maintenance of the lift station and storm water basin;
 - e) confirmed whether all of the Mar Brisa property owners were aware of the change in the level of service that would be provided if the City took over maintenance responsibilities; and
 - f) identified what circumstances had changed since the homeowner's association request to the City in 2007 that prompted this current request, other than the recession was over and there was more economic stability.

Recess: Upon consensus of the City Council (Council Member Peterson absent and Council Member Nicolls absent due to a conflict of interest on Agenda Item No. 9 only), the meeting recessed at 7:00 p.m.

Reconvene: At 7:10 p.m., Council Member Nicolls returned to the dais and the meeting reconvened with all Council Members present, except for Council Member Peterson who was absent from this meeting.

10. Ramona Square Parking Lot Improvements.

Mayor Shoals 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 provided an overview of proposed improvements to the parking lot located between the 900 block of West Grand Avenue and the 900 block of Ramona Avenue, commonly referred to as "Ramona Square". He then responded to questions from the Council.

Brief discussion was held regarding the range of costs and construction options for repairing the parking lot, as well as potential accessibility upgrades and funding options. It was noted that the City owned only 23 percent of the total parking area and the remainder was privately-owned with easements granted for parking to the City.

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

Brad Forde, Ramona Square property owner, spoke in support of proceeding with the design phase of the parking lot improvements and expressed concerns there would be delays if the project was privately-funded.

There were no further public comments received at this time.

Discussion ensued regarding the proposed improvements, the larger public benefit gain that extended beyond the Ramona Square parking lot, including serving the nearby Transit Center and accommodating the high volume of visitors attending the Summer Concert Series at Ramona Garden Park. Additional discussion was held on refining project costs once construction bids were received, alternative funding options, securing a funding commitment from Ramona Square property owners, and enhancing outreach efforts to ascertain the level of property owner commitment prior to proceeding with project construction.

Action: Upon consensus of the City Council (Council Member Peterson absent), direction was provided for staff to:

- 1) proceed with the design phase for full rehabilitation of the Ramona Square parking lot;
- 2) prior to going out to bid for construction of the parking lot, develop and enter into a reimbursement agreement with each Ramona Square property owner;
- 3) construct the improvements in phases in order to minimize impacts to businesses; and
- 4) return to the Council for further direction if the City does not receive full and complete funding commitments from all Ramona Square property owners.

8. Resolution Confirming a List of Projects Funded by SB 1: The Road Repair and Accountability Act.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray presented a list of projects eligible to receive state funding through recently adopted legislation to address basic road maintenance, rehabilitation, and critical safety needs through a newly created Road Maintenance and Rehabilitation Account (RMRA). He then responded to questions from the Council regarding this new funding source and the deadline for identifying the list of streets. He stated it was also important to note that there were initiatives being circulated for the November 2018 ballot to repeal SB 1.

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

Action: It was moved by Council Member Lee and seconded by Mayor Pro Tem Shah to adopt Resolution No. 17-48 amending the FY 2017-18 budget to confirm the incorporation of a list of projects funded by SB 1: The Road Repair and Accountability Act and to prioritize the list of streets identified for improvement as follows: 1) South Oak Park Boulevard; 2) West Grand Avenue; 3) North 4th Street; 4) El Camino Real; 5) Farroll Road; and 6) The Pike. The motion carried on the following roll call vote:

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

Resolution No. 17-48: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 1st Amendment to the Annual Appropriation Resolution No. 17-34 to Amend Capital Improvement Project 2283 Major Street Maintenance Program to Include Road Maintenance and Rehabilitation Account Funds and Expenditures.

Recess: Upon consensus of the City Council (Council Member Peterson absent), the meeting recessed at 7:59 p.m.

Reconvene: At 8:08 p.m., the meeting reconvened with all Council Members present, except for Council Member Peterson who was absent from this meeting.

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

11. Statement of Facts and Findings for Determination of the Commercial Medical Cannabis Dispensary Eligibility Ranking List and Proposed Ordinance Changes.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson provided an overview of the Council's preliminary determination on a final eligibility ranking list for commercial medical cannabis dispensary pre-applications and the identification of seven eligible pre-applications and the top two applicants. He noted the subsequent discovery of a rating calculation error that revealed a three-way tie for second place. The Council was therefore requested to affirm the initial determination of the top two applicants or make an alternative determination and formally adopt a Resolution establishing the final eligibility list. Additionally, City Manager Bronson reviewed proposed changes to the commercial medical cannabis land use and regulatory ordinances to address inconsistencies in the current ordinances, incorporate State statutory and regulatory changes and, in response to Council comments, increase the maximum number of dispensary permits that could be issued from two to four. Staff then responded to questions from the Council.

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

Todd Mitchell, Grover Beach resident, Trident Management Solutions, spoke in support of increasing the number of dispensary permits issued, exhausting the list of seven eligible pre-applications before accepting additional cannabis dispensary applications, and clarifying certain terms relative to commercial cannabis use permits. He also submitted his comments in writing.

Paulette Messenheimer, Grover Beach resident commented on the selection process and disagreed with the determination on the top two applicants. She then thanked the Council for recent improvements completed at Golden West Park.

Amber Baxter, (did not state city of residence), spoke in support of 805 Beach Breaks.

Warren Hamrick, architect, representing 805 Beach Breaks, spoke in support of the proposed Statement of Facts and Findings for the Commercial Medical Cannabis Dispensary Eligibility Ranking List, and complemented City staff and the City's contract planner for their assistance during the pre-application process.

Anthony Wayne Embrey, Grover Beach resident, expressed concerns if medical cannabis dispensaries were allowed to locate near residential areas.

Craig Smith, architect, representing Natural Healing Center and House of Holistics, requested the Council consider every aspect of the applications in making its final determinations.

There were no further public comments received at this time.

Upon request, City Manager Bronson displayed a chart of the Council's ratings of the seven eligible pre-applications and explained the process that determined the top two applicants and two alternative applicants.

Further Council discussion was held on the proposed ordinance change to allow up to four dispensary permits, the process for applicants to obtain a use permit prior to operation, the estimated time frame for review of the applications by the Planning Commission and City Council, and whether to allow all of the qualified applicants to proceed through the review process. Discussion was also held on concerns raised earlier by Todd Mitchell, applicant for Trident Management Systems, requesting the ordinance further clarify the definitions for "Manufacturer 2 / Type 7", "Distributor / Type 11", and "Retailer / Delivery Only", as well as whether to extend the time period for looking back at an applicant's history for convictions during the background investigation of an applicant.

Referencing a supplemental one-page document distributed to the Council just prior to the meeting, City Attorney Hale briefly described proposed amendments for each ordinance and noted a typographical correction on the list regarding item No. 6 "Revise Section 4000.160 (A)(4) change the application information on prior ~~litigation~~ conviction from five (5) years to ten(10)". (Corrected term denoted with double underline font.)

Action: Upon consensus (Council Member Peterson absent), direction was provided for staff to proceed with making the proposed changes to the Commercial Medical Cannabis Land Use Ordinance and Regulatory Ordinances and to provide further clarification on the terms listed in the document received at this meeting from Todd Mitchell.

Action: It was moved by Mayor Pro Tem Shah and seconded by Mayor Shoals to adopt the Resolution approving a Statement of Facts and Findings for determining the commercial medical cannabis dispensary eligibility ranking list with the top two applicants identified as: Natural Healing Center and The Monarch, and the two alternative applicants identified as: 805 Beach Breaks and Milkman. The motion failed on the following roll call vote:

AYES: Mayor Pro Tem Shah and Mayor Shoals.
NOES: Council Members Lee and Nicolls.
ABSENT: Council Member Peterson
ABSTAIN: Council Members - None.
RECUSED: Council Members - None.

Action: It was moved by Council Member Lee and seconded by Council Member Nicolls to amend the Statement of Facts and Findings determining the commercial medical cannabis dispensary eligibility ranking list with the top applicant identified as: Natural Healing Center

and the second top applicants identified as: The Monarch, 805 Beach Breaks, and Milkman, and adopt Resolution No. 17-49, as amended. The motion passed on the following roll call vote:

AYES: Council Members Lee and Nicolls, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Member Peterson
ABSTAIN: Council Members - None.
RECUSED: Council Members - None.

Resolution No. 17-49: A Resolution of the City Council of the City of Grover Beach Approving Findings and a Statement of Facts Regarding a Cannabis Dispensary Eligibility List.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

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

Mayor Pro Tem Shah reported on the meeting of Visit SLO CAL.

Council Member Nicolls, as the alternate representative, reported on the meeting of the South San Luis Obispo County Sanitation District.

Mayor Shoals reported on the meeting of San Luis Obispo Council of Governments.

Council Member Peterson was absent from this meeting.

COUNCIL COMMUNICATIONS

- A. Mayor Shoals described a neighborhood meeting that he and City staff had attended at 16th Street Park and outlined topics discussed regarding potential traffic safety improvements for South 16th Street, transient issues at 16th Street Park, improving the street lighting at 16th Street Park and the surrounding area, alternate uses for Mentone Basin, water rates and penalties, recent street repair projects, and lane transitions and parking concerns along the section of South Oak Park Boulevard near the Von's market. At this time Mayor Shoals invited comments from Mr. Wayne Embrey who had assisted in organizing the meeting.

Wayne Embrey, Grover Beach resident, thanked Mayor Shoals, City Manager Bronson, and Commander Miller for attending the neighborhood meeting and commented on how the discussions that evening were well received. He then praised the Council for the manner in which business was conducted this evening. Mr. Embrey then described his efforts to reduce water consumption and similar actions taken by his neighbors and requested the Council reconsider the penalties being assessed for violations of the mandatory water conservation measures.

- B. Council Member Lee congratulated Grover Beach residents Clint Weirick, Jared "Jay" Jordan, and Jessica Matson for successful completion of the Leadership San Luis Obispo Program Class of XXVI.
- C. Mayor Pro Tem Shah spoke in support of scheduling the following items for discussion: traffic safety improvements on South 16th Street, sports field conditions and lighting at South 16th Street Park and the Mentone Basin, and whether to install security cameras at these two facilities similar to those installed at Ramona Garden Park.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson commented on the success of the City's recent Movie in the Park event held at Ramona Garden Park and provided an update on Golden West Park Improvements and plans to hold a ribbon cutting ceremony. In response to public comment earlier in the meeting, he described the process conducted to notify and work with all water utility customers, both property owners and tenants, to achieve compliance with the City's water conservation goals.

At this time City Manager Bronson noted that Council Member Lee would have a conflict of interest regarding his next topic - the Countywide Animal Shelter project. Council Member Lee acknowledged his employment with the San Luis Obispo County Public Works Department and his direct involvement with the Animal Shelter project. He therefore declared a conflict of interest, stepped down from the dais, and left the Council Chamber.

City Manager Bronson stated that his comments were time sensitive, due to the upcoming October 31 deadline for cities to withdraw from the Countywide agreement to jointly finance and construct a replacement animal services shelter. He stated that the cities of Paso Robles and Atascadero were scheduled on October 30 to consider alternate arrangements for animal services. Further, if the two North County cities chose to withdraw from the agreement, the Council may need to hold a special meeting to consider the fiscal impacts for Grover Beach and discuss potential alternative actions for the replacement of a regional animal services shelter.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

At 9:43 p.m., Council Member Lee returned to the dais and the Council met in Closed Session regarding the following item:

1. Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8
Property: APN 060-381-010, 011
Agency negotiator: City Manager and City Attorney
Negotiating party: Pacifica Companies
Under negotiation: Discussion of price and conditions of payment

Closed Session Announcements: At 10:29 p.m., Mayor Shoals reconvened the meeting in open session with all Council Members present (except for Council Member Peterson who was absent from this meeting), 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 10:30 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 2/5/2018)