

**MINUTES
CITY COUNCIL MEETING
MONDAY, NOVEMBER 6, 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

FLAG SALUTE The flag salute was led by Gabriel Madrigal, an 11-year-old, 6th grade student at Grover Beach Elementary School.

ROLL CALL

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

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

Also present were Albert Reyes, Nossman LLP, and Albert Peché, AM Peché & Associates.

CLOSED SESSION ANNOUNCEMENTS

City Attorney Hale read the following announcement:

On Monday, October 16, 2017 after meeting in Closed Session regarding:

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

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

AGENDA REVIEW

Mayor Shoals stated that due to his employment with PG&E he had a conflict of interest with Regular Business Item No. 11. He therefore requested to have Agenda Item No. 11 moved to the end of the Regular Business Items.

Action: Upon unanimous consensus, the Council adopted the agenda as amended.

CEREMONIAL CALENDAR

1. **Proclamation Declaring the Month of November 2017 as, “National Hospice Palliative Care Month”.**

Mayor Pro Tem Shah read and presented the proclamation to Jessie Wathen, Outreach Communications/Events Assistant, Hospice San Luis Obispo County.

2. **Introduction of New City Employees.**

City Manager Bronson introduced Accountant Heidi Stockert. Police Chief Peters introduced Part-time Detective Jerry Cornell and Part-time Property/Records Technician Tracy LeVeque. Parks & Recreation Program Director Petker introduced Part-time Administrative Assistant I Brooke Serafine.

PRESENTATIONS

None at this time.

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, read a statement regarding a code compliance matter involving a single family residence. As her comments extended beyond the three-minute time limit, Mayor Shoals requested that she submit a copy of her statement to City staff for distribution to the Council.
- B. Sunni Mullinax, The Monarch, spoke in support of her company's application to the City for a commercial medical cannabis permit and described recent personnel changes at the company.
- C. John Wysong, Grover Beach resident, expressed concerns regarding adequate water supplies. He also objected to commercial truck traffic on Oak Park Boulevard.
- D. Patrick Shannon, The Monarch, described plans to ensure the safety of their proposed facility and the surrounding area.
- E. Lauren Shannon, The Monarch, described her role in the company and how their services would benefit the community.
- F. Todd Mitchell, Trident Management Solutions, suggested re-evaluating all commercial medical cannabis pre-applications if significant factors had changed for the applicants that might impact the Council's ranking order.

CONSENT AGENDA

Prior to consideration of the Consent Agenda, Mayor Shoals announced that he would abstain from Consent Agenda Item No. 5 as he was absent from the City Council meeting of July 17, 2017. Staff responded to questions regarding Consent Agenda Item Nos. 3 and 6. It was then moved by Council Member Peterson and seconded by Council Member Lee to approve Consent Agenda Item Nos. 3, 4, 5, 6, and 7 as recommended. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Peterson, Mayor Pro Tem Shah, and Mayor Shoals (except for Item No. 5 *only*).
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Mayor Shoals (for Item No. 5 *only*, as he was absent from the City Council meeting of July 17, 2017).

- 3. **Treasurer's Report for the Period October 5, 2017 - October 27, 2017.**
Action: Approved the Treasurer's Report as submitted.
- 4. **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 October 5 - 27, 2017.**
Action: Approved the Treasurer's Report as submitted.
- 5. **Minutes of the City Council Meetings on July 17, 2017 and August 7, 2017.**
Action: Approved the minutes as submitted.
- 6. **Acceptance of the Golden West Park Improvements (CIP 1001) - Consider improvements constructed at Golden West Park, which included replacement of concrete, landscaping, and installation of park amenities.**
Action: Adopted Resolution No. 17-50 formally accepting Golden West Park Improvements (CIP 1001), authorized the City Manager to sign the Notice of Completion, and provided direction for staff to send the Notice of Completion to F. Loduca Company.

Resolution No. 17-50: A Resolution of the City Council of the City of Grover Beach, California, Formally Accepting the Golden West Park Improvements (CIP 1001).
- 7. **Federal Equitable Sharing Agreement - Entering into an agreement with the Department of Justice and the Department of Treasury to receive federally-forfeited funds as a participating agency in a multi-agency narcotic task force coordinated by the San Luis**

Obispo County Sheriff's Office.

Action: Adopted Resolution No. 17-51 authorizing the Mayor and the Chief of Police to sign a Federal Equitable Sharing Agreement that will allow the City to receive federally-forfeited assets from adjudicated narcotics cases, pursuant to the Federal Equitable Sharing Program.

Resolution No. 17-51: A Resolution of the City Council of the City of Grover Beach, California, Authorizing the Mayor and the Chief of Police to Sign a Federal Equitable Sharing Agreement.

PUBLIC HEARINGS

8. Introduction and First Reading of an Ordinance to Regulate the Use of Expanded Polystyrene Products.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. City Manager Bronson provided an overview of the request to regulate the use of expanded polystyrene products or "EPS", sometimes called Styrofoam™, and often used for take-out food packaging. He responded to questions from the Council regarding the date the new regulations were proposed to become effective and outreach efforts to local businesses. He also noted members of SLO Foam Free were in the audience and could respond to questions from the Council regarding enforcement efforts conducted in other communities with similar regulations.

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

The following persons spoke in support of the proposed Ordinance:

- Deene Shahinian, Grover Beach resident;
- Savanna Cooper, Grover Beach resident;
- Janine Rands, San Luis Obispo resident and representative for SLO Foam Free, who described EPS restrictions enacted in other communities and submitted suggested revisions to the draft Ordinance;
- Dr. Kathleen Curtis, Grover Beach resident;
- Cynthia Replogle, Oceano resident; and
- Judith Bernstein, Grover Beach resident, who requested clarification on whether "up to 15 percent more than the purchase cost" meant per item or the overall cost in the definition of "affordable".

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

Discussion ensued regarding the proposed regulations; minimizing impacts to local businesses; amending specific terms in the draft ordinance, if necessary; and whether to revise the ordinance to include single-use plastic straws and cutlery offered to customers only upon request. Additional discussion was held on allowing businesses a hardship exemption.

Action: Upon unanimous consensus, the City Council continued the Public Hearing and first reading of the proposed Ordinance to the regular City Council meeting of December 4, 2017 at 6:00 p.m. and requested that staff review the information submitted earlier in the meeting from SLO Foam Free for potential changes to the proposed ordinance.

Recess: Upon consensus of the City Council, the meeting recessed at 7:18 p.m.

Reconvene: At 7:26 p.m., the meeting reconvened with all Council Members present.

9. State Community Development Block Grant (CDBG) Application.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Planner II Reese provided an overview of the CDBG program, described the selected projects/activities included in the application per Council's previous direction, noted subsequent clarifications received from the State regarding the application, and described the cost for preparation of the application for CDBG grant funds. Staff then responded to questions from the Council.

Brief discussion was held regarding a senior center feasibility study and the services proposed by the 5Cities Homeless Coalition for eviction prevention and rapid re-housing assistance.

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

Mike Byrd, President, 5Cities Homeless Coalition, stated that he, along with Coalition staff and board members, were present to answer any questions from the Council.

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

Council Member Lee stated that he was a member of the Board of Directors for the 5Cities Homeless Coalition, but did not participate in any of the Board's discussions regarding the Coalition's application to the City for grant funds.

Members of the Council expressed their appreciation and support for the services provided by the 5Cities Homeless Coalition.

Action: It was moved by Council Member Lee, seconded by Council Member Nicolls to:

- 1) adopt Resolution No. 17-52 approving the submission of the application for up to \$2,558,021 for the following activities, inclusive of general administration and activity delivery:
 - *public improvements* - water line improvements - \$1,958,021;
 - *public services* - subsistence payments - \$410,000;
 - *public services* - security deposits - \$90,000;
 - *planning and technical activity* - senior center feasibility study - \$100,000; and
- 2) adopt Resolution No. 17-53 authorizing the budget amendment.

The motion carried on the following roll call vote:

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

Resolution No. 17-52: A Resolution of the City Council of the City of Grover Beach, California, Approving an Application for Funding and the Execution of a Grant Agreement and Any Amendments Thereto from the 2017 Allocation of the State CDBG Program.

Resolution No. 17-53: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 2nd Amendment to the Annual Appropriation Resolution No. 17-34 to Provide Funding to Prepare the Community Development Block Grant Application.

REGULAR BUSINESS

10. Measure K-14 Street Repair Bond Issuance and Street Repair Update.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson provided an overview of the bond measure approved by voters in November 2014 to repair and resurface local streets and outlined the actions necessary to issue General Obligation Bonds and have the funds available shortly thereafter for street repair projects.

City Manager Bronson introduced the City's Bond Counsel Albert Reyes and Financial Advisor Albert Peché, stating they were available to respond to questions from the Council. He then introduced Public Works Director/City Engineer Ray who provided an update on street repair work currently underway.

City Manager Bronson continued the staff presentation by outlining recommendations for allocating funds from the next bond issuance for field maintenance crew hours in support of street repair work, project management functions, and communications support to raise public awareness and better convey the complexity of designing and executing the more significant street improvements. In conclusion, he noted corrections to the draft resolution as follows (added text denoted with double underline font, deleted text denoted with ~~strikeout~~ font):

- Page 3: “Interest Payment Date” - means the first day of each March and September, commencing on March 1, 2018 ~~September 1, 2018~~.
- Page 5: In Section 2.02(e) - the first mandatory sinking fund redemption date should be September 1, 2019 ~~2018~~.
- Page 16: Section 6.05 - revise the paragraph to add that ongoing expenses of the Paying Agent should be paid from ad valorem property taxes on an annual basis.

City staff and Mr. Peché responded to questions from the Council regarding property taxes, assessed property values, and the anticipated strong bond rating for the next bond issuance. Additional discussion was held on the overall street construction schedule, impacts to work loads for field maintenance crews, increasing the utilization of in-house staff resources for project management duties, and scheduling further Council discussion on staffing needs, costs, and fiscal impacts to the General Fund.

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

Todd Mitchell, Grover Beach resident, requested prioritization of Manhattan Avenue from 8th to 10th Street for street repair, noting the street’s proximity to an elementary school. He also commented that he was incurring engineering costs to install curb, gutter and sidewalk for his property on Highland Way, which had already been re-paved several years earlier.

There were no further public comments received at this time.

Council discussion continued on scheduling further discussions regarding staffing needs and improving the City’s overall communication efforts, analyzing alternate funding sources other than Measure K-14 bond funds to address those needs, and focusing bond proceeds primarily on street repair projects.

Action: It was moved by Council Member Lee and seconded by Council Member Nicolls to: 1) amend the Resolution authorizing the issuance of \$15,000,000 in General Obligation bonds for Measure K-14 street repairs to include the corrections described earlier by the City Manager and adopt Resolution No. 17-54, as amended; and 2) approve actions related to the issuance of the bonds. The motion carried on the following roll call vote:

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

Resolution No. 17-54: Authorizing the Issuance and Sale of Not to Exceed \$15,000,000 Principal Amount of General Obligation Bonds to Finance Improvements to Streets, and Authorizing Actions Related Thereto.

ORDER OF THE DAY: Per consensus of the Council under Agenda Review earlier in the meeting, the Council considered Agenda Item No. 12 at this time.

12. Economic Development Project Incentives.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson described one of the Council’s major goals regarding economic development and reviewed significant projects in various stages of development that would support the City’s economic growth. He then described requests for City support received from developers for two separate hotel projects on El Camino Real. He requested policy direction on the appropriate role of the City with regard to providing incentives to support major economic development projects to guide discussions and negotiations between City staff and respective developers and property owners. Additionally, he outlined approaches commonly used by cities to support major economic development projects. Staff then responded to questions from the Council.

Discussion ensued regarding the various tools to support economic development projects and applicable labor law restrictions.

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

Elizabeth Doukas, Grover Beach resident, objected to committing City funds to support private hotel developments and spoke in support of funding street repairs, waterline improvements, reducing water rates, and code enforcement.

There were no further public comments received at this time.

Upon request, City Manager Bronson described City water rates, mandatory water conservation measures, and the revised penalty structure for non-compliance. He also described recruitment efforts underway to fill the full-time Code Compliance Officer position which had previously been performed on a part-time basis with existing staff resources.

Discussion continued regarding the use of public funds to incentivize private investment in the community, but not to the detriment of the General Fund, and establishing parameters to assist with identifying qualifying projects. It was noted that once the commitment was made to support a project, the City should require the private developer to provide some form of assurance that performance would be completed in a timely manner.

Action: Upon unanimous consensus, staff was authorized to proceed with drafting a policy for providing City support for major economic development projects and to schedule a workshop to further discuss and refine the draft policy as follows for:

Private Development Projects - Types and Thresholds:

- proposed for key commercial and/or industrial areas,
- determined to be feasible and fiscally responsible with regard to timing and implementation,
- large-scale, and
- estimated to generate significant tax revenue from property, sales, and/or transient occupancy taxes.

Incentives - To Facilitate Private Development:

- installing infrastructure improvements,
- revenue repayment or deferral,
- fee payment or deferral,
- direct funding support,
- development or reimbursement agreements, and
- streamlining the permit process.

Prior to discussion of Agenda Item No. 11, Mayor Shoals declared a conflict of interest due to his employment with PG&E. He then stepped down from the dais and left the Council Chamber.

11. Update of the Overhead to Underground Utility Conversion Program (Rule 20A).

Mayor Pro Tem Shah 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 program and how it was funded. He noted that four project areas had previously been identified for undergrounding utilities, but the only project currently recognized by PG&E was the Ramona Avenue and South County Transit Hub area. He described existing conditions for that project area, outlined the process for taking a project from identification to construction, and stated that the cost of the Ramona Avenue and South County Transit Hub project exceeded available funding. He noted options included re-prioritizing future underground utility projects or reducing the scope of the South County Transit Hub project to fit within the available funding. Staff then responded to questions from the Council.

Discussion ensued regarding estimated delays if the Council chose to proceed with a project other than the Ramona Avenue and South County Transit Hub, estimated costs to place utilities underground, other options for funding an underground utility conversion project such as borrowing credits from another agency, forming an assessment district, re-evaluating in-lieu and development impact fees, and researching the feasibility of forming public-private partnerships. Additional discussion was held on minimizing impacts to those street segments that have already been re-paved. It was noted that a separate utility underground conversion process was being applied to the segment of West Grand Avenue from Highway One to the beach, near the site of the Grover Beach Lodge Project.

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

Further Council discussion was held on the purpose of the underground utility conversion program to improve view corridors on a broader scale in public spaces such as commercial areas, other projects areas previously identified by the Council, other major corridors and areas in the city that could benefit from placing the utilities underground, City funds already designated for West Grand Avenue near the beach, and the wider public benefit gain with improving the Ramona Avenue and South County Transit Hub area rather than a residential street.

Action: Upon consensus (Mayor Shoals absent due to a conflict of interest), direction was provided for staff to: 1) work with PG&E to reduce the project scope and proceed with an electrical underground project focused on the Ramona Garden Park and the South County Transit Hub; and 2) concurrently explore other options for converting overhead utilities to be placed underground in conjunction with the budget process and the Capital Improvement Program.

ORDER OF THE DAY: At 10:01 p.m., the Order of the Day resumed to the agenda as posted and Mayor Shoals returned to the dais.

COUNCIL COMMITTEE REPORTS

Council Member Lee stated that he had no committee reports at this time.

Council Member Nicolls reported on meetings of the Community Action Partnership of San Luis Obispo County and South County Transit. She also announced that her term as a member of the Board of Directors for Community Action Partnership of San Luis Obispo (CAPSLO) would end in December and the next appointee was scheduled to be selected by the Arroyo Grande City Council.

Council Member Peterson reported on the meeting of the San Luis Obispo County Water Resources Advisory Committee.

Mayor Pro Tem Shah stated there was no meeting of the Homeless Services Oversight Council due to lack of a quorum.

Mayor Shoals described transportation funding challenges facing the San Luis Obispo Council of Governments and recent decisions by the Coast Coordinating Rail Council that will have an impact on Amtrak's Pacific Surfliner. He then reported on meetings of the San Luis Obispo Regional Transit Authority, the South San Luis Obispo County Sanitation District, and announced topics scheduled for discussion at the next San Luis Obispo Countywide Mayors Meeting to be held in Grover Beach. He also described ongoing discussions being coordinated by the San Luis Obispo Chamber of Commerce after the recent trip to the Boulder and Denver, Colorado areas to build upon regional partnerships.

COUNCIL COMMUNICATIONS

- A. Council Member Peterson announced that she was scheduled to have surgery that, depending on the outcome, would likely result in her absence from the regularly scheduled City Council meetings on November 20th and December 4th. Additionally, due to a pre-scheduled vacation to celebrate her son's 21st birthday, she would be absent from the first meeting in January 2018 that was now scheduled on January 8. She noted that, due to a vehicle accident, she was absent from the meeting when the Council discussed and rescheduled the January meetings.
- B. Mayor Pro Tem Shah inquired whether there was any interest by her Council colleagues in scheduling a discussion to clarify the order in which the second ranked top applicants for a commercial cannabis permit would be processed. It was noted that direction had already been provided for staff to return to the Council to consider amending the Land Use Ordinance to allow up to four commercial medical cannabis permits. It was further noted that the existing Land Use Ordinance only allowed issuing two permits.

Action: Upon consensus, the Council authorized scheduling further discussion to clarify the order in which the second ranked top applicants for a commercial cannabis permit would be processed.

In response to an earlier comment from a member of the public regarding a code enforcement concern who then made reference to harassment by individuals in the film

industry, Mayor Pro Tem Shah objected to being compared to a victim of harassment. She noted that the Grover Beach City Council was comprised of a majority of female elected officials and praised the positive and professional manner in which the Council conducted the City's business.

Mayor Pro Tem Shah also thanked all those who attended and supported the recent Chemistry of Cocktails fundraiser to benefit the Exploration Station.

- C. Council Member Lee noted that the Warming Shelter had been open over the weekend; announced details for a Dinner for a Cause event to be held on Tuesday, November 28 at Fin's Seafood Restaurant; and commented that the new San Luis Obispo County Airport terminal was now open.
- D. Mayor Shoals commented on a Cub Scout Troop he had worked with during the Grover Beach Clean Up Day event and that he would be inviting them to attend a future City Council meeting. He also described a recent conversation he had with a member of the public interested in starting a Youth Activity League and/or Juvenile Diversion Program.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson commended the Grover Beach Police Department and the Police Officer's Association for their recent \$7,000 donation to the Hearst Cancer Research Center as a result of the Police Department's Pink Patch Project. He then announced a ribbon cutting ceremony to celebrate the completion of the Golden West Park Improvement Project was scheduled to be held at 11:30 a.m. on Friday, November 17.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

At 10:33 p.m., the Council met in Closed Session regarding the following items:

1. **Conference with Legal Counsel - Existing Litigation**
Pursuant to Government Code Section 54956.9(d)(1)
Friends of Oceano Dunes, Inc v California Coastal Commission et al.
SLO County Superior Court Case No. 17CV-0576
2. **Public Employee Performance Evaluation**
Pursuant to Government Code Section 54957
Employee: City Attorney

Closed Session Announcements: At 10:58 p.m., Mayor Shoals reconvened the meeting in open session with all Council Members present. It was announced that 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 10:59 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 2/20/2018)