

**MINUTES
CITY COUNCIL MEETING
MONDAY, MARCH 21, 2011**

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.

MOMENT OF SILENCE A moment of silence was held in memory of the victims of the recent earthquake and tsunami in Japan.

FLAG SALUTE The flag salute was led by Matthew Cortez, a 9-year old, 3rd grade student attending Grover Beach Elementary School.

ROLL CALL

City Council: Council Members Bright, Molnar, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals were present.

City Staff: City Manager Perrault, City Attorney Koczanowicz, City Clerk McMahon, Administrative Services Director Chapman, Community Development Director Buckingham, and Police Chief Copsey were also present.

Also present was Lisa Wise of Lisa Wise Consulting.

CLOSED SESSION ANNOUNCEMENTS

None at this time.

AGENDA REVIEW

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

CEREMONIAL CALENDAR

1. Proclamation Declaring April 2011 as “Autism Awareness Month”.

Council Member Molnar read and presented the proclamation to Mercedes Meier, Board Member of the Central Coast Autism Spectrum Center. Ms. Meier stated that she was also the parent of a child diagnosed with autism.

2. Proclamation Declaring 2011 as a Year of Celebration of the 100 Year Anniversary of California Women Having the Right to Vote.

Mayor Shoals read and presented the proclamation to Coleen Ehrenberg, Secretary for the San Luis Obispo County Chapter of the League of Women Voters.

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. Adam Hill, 3rd District Supervisor, San Luis Obispo County, provided an update regarding activities of the Board and announced that County funds were pledged towards the purchase of an automated external defibrillator (AED) to be installed at a City facility.
- B. Brad Snook, Volunteer Coordinator, Surfrider Foundation, expressed concerns regarding recent allegations involving the South San Luis Obispo County Sanitation District and the manner in which the District conducted its public meetings.
- C. Jeff Pienack, Chair, Surfrider Foundation, and resident of Oceano, read a letter from the State Water Resources Control Board regarding violations at the South San Luis Obispo County Sanitation District and requested that sampling at the plant’s outfall line be conducted by an independent agency.

- D. John Wysong, Grover Beach resident, expressed concerns regarding the number of handicapped parking spaces at the local grocery store and supported developing an additional grocery store.
- E. Jeff Lee, Chair, Parks, Recreation & Beautification Commission, announced plans for the upcoming Annual Spring Garden Tour and noted that additional sponsors were needed for the Summer Concert series.

PUBLIC HEARINGS

3. Ordinance Regulating Vacation Rentals.

Mayor Shoals 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 Buckingham provided an overview of input received from the City Council and Planning Commission regarding establishing vacation rental regulations. He outlined the Commission's recommendations at its February 15, 2011 meeting to regulate vacation rentals through an administrative process, establish minimum conditions for operation, and allow that type of use only in commercial zones. He noted that, subsequent to the copying and distribution of the agenda packet, additional correspondence regarding this issue had been received and distributed to the Council just prior to the meeting. Staff then responded to questions from the Council.

Brief discussion was held regarding the proposed regulations, the amount of revenue being generated by existing vacation rentals, and whether to allow existing units located in residential areas to continue operating once the proposed regulations were adopted.

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

The following persons spoke in support of limiting vacation rentals to commercial zones and cited ongoing problems with a specific vacation rental unit located in their neighborhood:

- Tom Carter, Newport Avenue resident, Grover Beach;
- Karen Rennick, North 14th Street resident, Grover Beach;
- Janine Carter, North 14th Street resident, Grover Beach; and
- Tricia Witt, North 14th Street resident, Grover Beach, who also referenced a previously submitted petition signed by additional residents in support of prohibiting vacation rentals in residential areas.

The following persons spoke in opposition to limiting vacation rentals to commercial zones, noting that a majority of vacation rentals had no reported conflicts with nearby residents:

- Joe Williams, Grover Beach, stated that his elderly parents relied on vacation rental income from their former home located on Front Street;
- Nick Sartucci, Pismo Coast Management, property manager of a vacation rental unit on North 14th Street; and
- Tony Spinelli, Beach Bum Holiday Rentals and Management, suggested establishing regulations similar to those of San Luis Obispo County and the City of Pismo Beach.

There were no further public comments received at this time.

Council discussion ensued regarding strengthening the proposed regulations to ensure vacation rental units were well-maintained and that full-time residents in close proximity to the units were not unduly disturbed by that type of use; fiscal impacts and limited staff resources to conduct enforcement efforts; the small percentage of vacation rentals that generated complaints to the City; and amending the proposed regulations to allow existing vacation rentals to continue operating in residential areas.

Council Members Bright and Molnar objected to allowing vacation rentals in any residential areas.

Additional discussion was held regarding establishing a temporary overlay zone or “pilot program” to allow vacation rentals in limited areas near the beach that included both high-density residential and commercial areas, and evaluating the effectiveness of any program established after a one-year trial period.

Action: It was m/s by Council Members Bright/Molnar to: 1) introduce and conduct first reading, by title only, of the Ordinance to regulate vacation rentals and allowing that type of use in commercial zones only; and 2) schedule a second reading and adoption at the next regular City Council meeting. The motion failed on the following roll call vote:

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

Further Council discussion was held regarding the majority of vacation rentals being well-maintained and operated without complaints. It was noted that two of the Planning Commissioners were not present at the February 15, 2011 Commission meeting to participate in the discussion regarding the proposed regulations, and that the draft Ordinance did not fully reflect some of the modifications the remaining Commissioners had discussed be incorporated into the proposed regulations. It was noted that a new overlay zone would require additional noticing requirements.

Action: It was m/s by Mayor Pro Tem Nicolls/Council Member Peterson to:

- 1) Continue this item to a date uncertain, which would require a public hearing notice;
- 2) Request staff to prepare information for Council consideration regarding a proposed overlay zone that would allow vacation rentals to be located west of 4th Street;
- 3) Revise the proposed regulations to include a “grandfather clause” allowing existing vacation rentals to continue that type of use;
- 4) Increase the period for calculating violations from 12 to 24 months so that multiple violations over a two-year period would trigger a revocation hearing, and decrease the number of violations from four to require a revocation hearing;
- 5) Require vacation rentals to post conditions of the vacation rental in a visible location and include information such as the maximum number of guests and vehicles, as well as contact information; and
- 6) Require the property be kept in a neat, clean condition and trash cans be brought in after pick-up.

The motion carried on the following roll call vote:

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

Recess: Upon consensus of the City Council, the meeting recessed at 8:30 p.m.

Reconvene: At 8:40 p.m., the meeting reconvened with all Council Members present.

CONSENT AGENDA

It was m/s by Council Member Bright/Mayor Pro Tem Nicolls to approve Consent Agenda Item Nos. 4, 5, and 6 as recommended. The motion carried on the following roll call vote:

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

4. **Treasurer's Report for the Period March 2 - March 16, 2011.**
Action: Approved as submitted.
5. **Minutes of the City Council Meeting of Tuesday, January 18, 2011.**
Action: Approved the minutes as submitted.
6. **Resolution to Authorize the City Manager to Enter into a Contract with Caltrans for Transportation Planning Grants** - Consideration of an opportunity to apply for up to \$300,000 in state grant funds for a transportation planning project by the filing deadline of March 30, 2011.

Action: Adopted Resolution No. 11-24 authorizing the City Manager to enter into a contract with Caltrans, if the grant was awarded to the City.

Resolution No. 11-24: A Resolution of the City Council of the City of Grover Beach, California, Authorizing the City Manager to Enter Into a Contract for a Caltrans Transportation Planning Grant.

REGULAR BUSINESS

7. **Appointment to the Citizen Oversight Committee.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, Administrative Services Director Chapman provided a brief overview of the citizen committee established to review an annual report regarding expenditures of revenues generated from the Transactions and Use Tax, as well as to review budgeted expenditures for the upcoming fiscal year. She stated that two vacancies occurred when two Committee Member terms had expired. In response to City advertisements, two applications were received; however, one applicant had since moved out of the area. As a cost saving measure, the one remaining applicant was not scheduled for an interview before the Advisory Body Screening Committee. Staff recommended that the Council appoint the applicant, Sue Thole, to serve on the Citizen Oversight Committee.

Action: It was m/s by Council Member Bright/Mayor Pro Tem Nicolls to adopt Resolution No. 11-25 appointing Sue Thole to fill the remainder of a four-year term on the Citizen Oversight Committee scheduled to expire on January 15, 2014.

AYES: Council Members Bright, Molnar, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals.

NOES: Council Members - None.

ABSENT: Council Members - None.

ABSTAIN: Council Members - None.

Resolution No. 11-25: A Resolution of the City Council of the City of Grover Beach, California, Appointing Sue Thole to Fill the Remainder of a Four-Year Term on the Citizen Oversight Committee.

Administrative Services Director Chapman then introduced Committee Member Thole to the City Council and members of the audience.

8. **Appointment to the Advisory Traffic Committee.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Police Chief Copsey provided an overview of the Advisory Traffic Committee comprised of staff representatives and one citizen member to provide the Council with recommendations regarding traffic regulations. One vacancy on the Committee occurred when the term for the one citizen member expired. After advertising the vacancy, the only application received to date was that of Paul Brunner who was applying for reappointment to the Committee. Chief Copsey noted that Mr. Brunner had been serving continuously on the Advisory Traffic Committee since December 2007, no interview before the Advisory Body

Screening Committee had been conducted, and that staff recommended the Council re-appoint Mr. Brunner to the Advisory Traffic Committee.

Action: It was m/s by Council Members Bright/Peterson to adopt Resolution No. 11-26 re-appointing Paul Brunner to a two-year term on the Advisory Traffic Committee scheduled to expire on January 15, 2013.

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

Resolution No. 11-26: A Resolution of the City Council of the City of Grover Beach, California, Appointing Paul Brunner to the Advisory Traffic Committee.

Police Chief Copsey re-introduced Committee Member Brunner to the City Council and members of the audience.

Recess: Upon consensus of the City Council, the meeting recessed at 8:46 p.m. to the Improvement Agency meeting, which was also scheduled for this same evening.
Reconvene: At 8:49 p.m., the meeting reconvened with all Council Members present.

COUNCIL COMMITTEE REPORTS

Upon consensus, the City Council deferred all committee reports to the next regularly scheduled Council meeting.

CITY COUNCIL MEMBER ITEMS

None at this time.

COUNCIL COMMUNICATIONS

- A. Council Member Peterson commented regarding a recent sustainable living workshop she had attended at the Ramona Garden Park Center, saying that she was pleased with the information presented, the variety of vendors in attendance, and the high turn-out for a mid-week event. She also thanked the Grover Beach Chamber of Commerce for assisting at a recent event with individuals contacting legislators to voice opposition to the State's proposal to eliminate redevelopment agencies.
- B. Council Member Bright stated that a recent communication to the City Council was received from Clint Weyrick regarding a hate-crime incident in Arroyo Grande requesting the Council take a formal position against such activities. Brief discussion was held regarding scheduling this matter on a future agenda.

Mayor Shoals confirmed that he had received the correspondence and had already responded to Mr. Weyrick. He noted that he also planned to speak with the Arroyo Grande Mayor and Police Chief.

Action: Upon unanimous consensus, the Council authorized scheduling this matter on a future agenda.

- D. Council Member Molnar requested the Council respond to concerns received earlier in the meeting from members of the Surfrider Foundation regarding issues at the South San Luis Obispo County Sanitation District.

Mayor Pro Tem Nicolls, as the City's representative to the Sanitation District, briefly described recent actions taken by the District in response to those concerns, and the Board's decision that no further investigation be conducted.

City Attorney Koczanowicz noted that the Sanitation District was a separate entity and that rules regarding confidentiality for personnel matters needed to be observed.

Action: Upon unanimous consensus, District Administrator John Wallace would be contacted to request a presentation regarding operations at the South San Luis Obispo County Sanitation District on a future City Council agenda.

- E. Mayor Shoals commented on the ongoing fiscal impacts to the City's General Fund after formation of the Five Cities Fire Authority, saying that each of the member agencies would be requested to provide input regarding formation of an assessment district to generate a separate funding source for fire protection services.

Action: Upon unanimous consensus, the issue of potentially forming a Fire Safety Assessment District would be scheduled on a future City Council agenda.

CITY MANAGER'S REPORTS AND COMMENTS

9. Request to Schedule a Special Meeting to Discuss Budget Options.

City Manager Perrault requested that the Council schedule a special meeting workshop to discuss options for addressing anticipated budget deficits.

Action: Upon unanimous consensus, the Council scheduled a special City Council meeting to be held on Monday, April 18, 2011 at 5:00 p.m.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

At 9:04 p.m., the Council met in Closed Session regarding the following item:

- 1. Public Employee Performance Evaluation**
Pursuant to Government Code Section 54957
Employee: City Attorney

Closed Session Announcements: At 9:16 p.m., Mayor Shoals reconvened the meeting into open session with all Council Members present, and he 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 9:17 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:
/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 05/02/2011)