

MINUTES
SPECIAL JOINT CITY COUNCIL / IMPROVEMENT AGENCY MEETING
MONDAY, JULY 6, 2009

CALL TO ORDER Mayor/Chair Shoals called the meeting to order at 7:42 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

ROLL CALL

Council/Agency: Council/Board Members Bright, Mires, Peterson, Mayor Pro Tem/Vice Chair Nicolls, and Mayor/Chair Shoals were present.

City/Agency Staff: City Manager/Executive Director Perrault, City Attorney/General Counsel Koczanowicz, City Clerk/Agency Secretary McMahon, Administrative Services Director/Finance Officer Chapman, Interim Community Development Director/Deputy Director Beck, Police Chief Copsey, Parks and Recreation Director Petker, Public Works Superintendent Ford, Economic Development Specialist Buckingham, and Assistant Administrative Services Director Byrd were also present.

Also present were City Engineer Garing; Mr. Jeff Emerick, owner of Garing Taylor and Associates; and the following representatives from Rick Engineering: Don Druse, Martin Flores, Brandon Maderos, Tom Martin, and Kristin Gause.

PUBLIC COMMUNICATIONS The Mayor/Chair opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council / Improvement Agency, but were not listed on the agenda. No one responded and the Mayor/Chair closed the Public Communications segment for this portion of the meeting.

CONSENT AGENDA

CC/IA-1. Consideration of Resolutions Opposing the State's Proposed Seizure of Street Maintenance and Redevelopment Tax Increment Funds and Authorizing the City / Agency to Cooperate with the League of California Cities.

Mayor/Chair Shoals outlined potential negative fiscal impacts to the City as a result of the State's proposed "borrowing" of \$500,000 to \$600,000 from local property tax, gas tax, and redevelopment agency funds. He encouraged residents to contact local State legislators to voice their concerns.

Actions:

Council: It was m/s by Council Members Mires/Bright to adopt Resolution No. 09-42 expressing opposition to the State's proposed seizure of local funds and authorizing the City Attorney to cooperate with the League of California Cities in supporting litigation against the State if the legislature enacted, and the Governor signed into law, legislation that diverted the City's share of funding from the Highway Users Tax Account (HUTA), also known as the "gas tax", to fund the State General Fund. The motion carried on the following roll call vote:

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

NOES: Council Members - None.

ABSENT: Council Members - None.

ABSTAIN: Council Members - None.

Resolution No. 09-42: A Resolution of the City Council of the City of Grover Beach Authorizing the City Attorney to Cooperate with the League of California Cities, Other Cities, and Counties in Litigation Challenging the Constitutionality of Any Proposed Seizure by State Government of the City's Street Funds.

Agency: It was m/s by Board Members Mires/Bright to adopt Resolution No. IA-09-16 expressing opposition to the State's proposed seizure of local funds and authorizing Agency Counsel to cooperate with the League of California Cities and the California

Redevelopment Association in supporting litigation against the State if the legislature enacted, and the Governor signed into law, legislation that diverted redevelopment tax increment. The motion carried on the following roll call vote:

AYES: Board Members Bright, Mires, Peterson, Vice-Chair Nicolls, and Chair Shoals.

NOES: Board Members - None.

ABSENT: Board Members - None.

ABSTAIN: Board Members - None.

Resolution No. IA-09-16: A Resolution of the City of Grover Beach Improvement Agency Board of Directors Authorizing the Agency General Counsel to Cooperate with the League of California Cities, the California Redevelopment Association, Other Cities, Counties, and Redevelopment Agencies in Litigation Challenging the Constitutionality of any Seizure by State Government of the Agency's Redevelopment Funds.

JOINT CITY COUNCIL / IMPROVEMENT AGENCY - BUSINESS

CC/IA-2. Concept Designs for the West Grand Avenue Enhancement Project.

Mayor/Chair Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, Economic Development Specialist Buckingham provided a brief overview of the West Grand Avenue Enhancement Project to construct landscape medians, pedestrian bulb-outs, and decorative crosswalks, and install street trees and street lights on West Grand Avenue between 2nd Street and 4th Street. He then deferred to representatives from the consulting design firm of Rick Engineering to present several proposed design concepts.

Don Druse, Principal of the San Luis Obispo office of Rick Engineering, introduced members of the design team who were seated in the audience. Martin Flores, Director of the Urban Design Planning Division of Rick Engineering, provided an overview of the proposed design concept, including streetscape and landscape materials, as well as sidewalk and pavement materials that could accommodate future infrastructure repairs. He then responded to questions from the Council/Board.

Brief discussion was held regarding the various plant and hardscape materials being proposed, recapturing rainwater for plant irrigation, and the time frame to submit plans to Caltrans for its review by early August 2009.

Council/Board Member Mires expressed concerns with potential long-term cost increases to irrigate and maintain the number of street trees being proposed, and objected that this might establish a precedent for increasing the number of street trees to be planted on other major street corridors in the City. He also voiced concerns regarding whether the proposed concrete sidewalk material could be successfully color-matched in the future when sidewalk repairs were needed.

The Mayor/Chair invited comments from those in the audience who wished to be heard on this matter. No public comments were received.

Economic Development Specialist Buckingham pointed out that the bike lane would need to be reduced by one foot in order to accommodate the proposed median, and relayed concerns raised by the owner of Mongo's Restaurant, located near the intersection of 4th Street and West Grand Avenue, regarding proposed street trees visually obstructing the restaurant's signage and the placement of a proposed median that would limit vehicle access to the restaurant's parking lot.

Action: Upon consensus, the Council/Agency approved the proposed plant materials, paving system, and 5 x 5 sidewalk scoring pattern as recommended for the West Grand Avenue Enhancement Project; and approved the one foot reduction for the bike lane and four-foot median at the nose on West Grand Avenue and 4th Street.

Recess: Upon consensus of the Council/Agency, the meeting recessed at 8:32 p.m.

Reconvene: At 8:36 p.m., the meeting reconvened with all Council/Board Members present.

CC/IA-3. Consideration of Modifications to the FY 10 Budget.

Mayor/Chair Shoals read the title to the foregoing item and deferred to staff for a report. City Manager/Executive Director Perrault provided an overview of the two-year budget process and the need to refine the budget at this time due to the economic downturn and eminent threat from the State to eliminate certain revenues and take away property tax dollars and redevelopment tax increment.

He then reviewed the following funds and proposed modifications:

General Fund: The FY 10 Budget was balanced due to the contemplated sale of City-owned property to the Improvement Agency; the use of carryover funds from FY 09; maintaining some positions as vacant; holding expenditures for supplies and services to FY 09 Budget levels; decreasing the General Fund contribution for street repairs; hiring an in-house Public Works Director, except for utility-related engineering; and moving \$20,500 in Parks and Recreation General Fund expenditures to a Special Events Fund. He pointed out that staff had prepared a Contingency List of proposed program cuts for the Council/Agency Board's consideration, and noted that most of the items would impact service levels provided by the City. In addition, staff recommended the immediate opening of discussions with all labor groups to review the City's current and projected financial status, and to discuss concessions that would assist with future cost containment.

Community Development Enterprise Fund - Building and Planning: Revenues for Building Permit activity have historically exceeded costs, due in part to the contract for services of a Building Official that was designed to be flexible according to demand. Planning expenditures, however, consistently exceeded Planning Permit revenues. With the current recession in the local construction industry, Planning revenues were down substantially. He then reviewed the recommendation to restructure positions and the allocation of Planning staff in the Enterprise Fund as follows: combining the Community Development Director and the Economic Development Specialist position into one director's position, and reassigning the Planner II and Building/Planning Technician positions to assist with implementation of housing and economic stimulus programs.

Improvement Agency: He reviewed the list of Agency projects budgeted for the coming year, and the recommendation to retain a part-time Economic Development Coordinator that would be funded at a level commensurate with the level of Planner II to support marketing and business retention efforts.

Water Fund: Due to the increased and generally unanticipated costs to operate Lopez Lake, this fund was anticipated to be at a deficit. A broader discussion at the Zone 3 Advisory Board level was therefore recommended regarding the management and governance of the Lopez Lake water source.

Storm Water Fund: The City had filed an appeal of the Regional Water Quality Control Board's decision to enroll the City in its Storm Water Management Permit Program, requesting a stay of the program's implementation. Consequently, no funds were budgeted for this program's implementation.

City Manager/Executive Director Perrault and staff then responded to questions from the Council/Agency.

Brief discussion was held regarding the Council's adopted Goals and the Work Program that was amended in April 2009, the restricted use of enterprise funds, total amounts and appropriate uses for funds held in reserve accounts, various items proposed for elimination in the Contingency List, and funding allocated for the Chamber of Commerce.

The Mayor/Chair invited public comments on this matter.

Sonny Lopez, President of the Police Officers Association, spoke in support of maintaining employee positions and staffing levels, but specifically urged the Council to maintain the two police officer positions that were currently vacant.

P.J. Ferguson, President of IAFF Local 4403, spoke in support of continuing to pursue the consolidation of fire services.

There were no further public comments received.

Further Council/Agency discussion was held regarding various items listed in the proposed Contingency List.

Action: Upon unanimous consensus, the Council/Agency:

- 1) Authorized staff to modify City funds, as recommended, but with the following exceptions to the proposed Contingency List:
 - Provide further information regarding:
 - Reduction of additional General Fund contribution to streets
 - Remove the following items from the proposed Contingency List:
 - Fire Department - Annual membership - County Hazmat Response Team
 - Police Department - Reduce Reserve Officer Hours
 - Police Department - Special Event Overtime
 - Police Department - Eliminate Participation in Bomb Task Force at County Level
 - Police Department - Eliminate Participation in Narcotics Task Force
- 2) Directed staff to open discussions with labor units;
- 3) Directed staff to complete the development of a Contingency Plan to offset possible impacts on the City's budget from the State; and
- 4) Directed staff to schedule this matter for final review and further modification, as necessary, for the next City Council/Improvement Agency meeting to be held on Monday, July 20, 2009.

ADJOURNMENT There being no further business to come before the City Council / Improvement Agency, Mayor/Chair Shoals adjourned the meeting at 10:07 p.m.

City Council:

/s/JOHN P. SHOALS, MAYOR

Attest:

/s/DONNA L. McMAHON, CITY CLERK
(Approved at CC/IA Mtg 11/16/09)

Improvement Agency:

/s/JOHN P. SHOALS, CHAIR

Attest:

/s/DONNA L. McMAHON, AGENCY SECRETARY
(Approved at CC/IA Mtg 11/16/09)