

**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, 6<sup>th</sup> 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 2<sup>nd</sup> 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 8<sup>th</sup> to 10<sup>th</sup> 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 20<sup>th</sup> and December 4<sup>th</sup>. Additionally, due to a pre-scheduled vacation to celebrate her son's 21<sup>st</sup> 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.

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Attest:

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JOHN P. SHOALS, MAYOR

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DONNA L. McMAHON, CITY CLERK  
(Approved at CC Mtg \_\_\_\_\_)

**MINUTES  
CITY COUNCIL MEETING  
MONDAY, NOVEMBER 20, 2017**

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

**MOMENT OF SILENCE**

**FLAG SALUTE** The flag salute was led by Mayor Shoals.

**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, Administrative Services Director Gayla Chapman, Public Works Director/City Engineer Greg Ray, Parks & Recreation Program Director Kathy Petker, and Planner II Janet Reese were also present.

Also present was Pete Rodgers, Deputy Director, San Luis Obispo Council of Governments.

**CLOSED SESSION ANNOUNCEMENTS**

City Attorney Hale read the following announcement:

On Monday, November 6, 2017 after meeting in Closed Session regarding:

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

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

**AGENDA REVIEW**

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

**PRESENTATIONS**

1. **San Luis Obispo Council of Governments (SLOCOG) Presentation: An Overview of SB1: the Road Repair and Accountability Act of 2017.**

Referencing a PowerPoint presentation, Pete Rodgers, Deputy Director, San Luis Obispo Council of Governments, provided an overview of Senate Bill (SB) 1 the Road Repair and

Accountability Act of 2017. He described the timeframe for transportation investments over the next 10 years, identified funding sources and designated uses for the funds, and outlined the anticipated immediate impact on local streets, roads, and transportation programs within San Luis Obispo County. He also noted the accountability measures for agencies to receive SB1 funds. He then responded to questions from the Council regarding transportation projects and funding. Upon request, he confirmed that he'd provide the City with SLOCOG's two-page fact sheet summarizing transportation projects accomplished in Grover Beach with funding assistance from SLOCOG for posting on the City website.

**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. Sharon Brown, Grover Beach resident, thanked the Council for improvements at Golden West Park and organizing the celebratory ribbon cutting to mark the project's completion.
- B. Steve Green, Grover Beach resident, spoke in support of allowing recreational use of cannabis products within Grover Beach.
- C. Michelle Sween, Grover Beach resident, expressed concerns with conditions along South 4<sup>th</sup> Street just south of Highland Way regarding falling branches and debris from Eucalyptus trees that were impeding traffic and potentially compromise utility lines and cause a power outage; trash was being dumped illegally along the road; pavement conditions were poor; and several homeless encampments were located along the street frontage. She then provided photos of the road conditions directly to the City Manager.
- D. Todd Mitchell, Grover Beach resident, requested the Council consider issuing permits for delivery only services for commercial medical cannabis products and increasing the number of permits allowed for commercial medical cannabis dispensaries from two to up to four.
- E. John Wysong, Grover Beach resident, objected to his property being assessed a weed abatement charge and then subsequently being contacted that he would be receiving a full refund.

There were no further public comments received at this time.

**Action:** Upon consensus of the City Council, direction was provided for the City Manager to speak directly with Ms. Sween regarding her concerns and to schedule Council discussion for a future meeting date on the Eucalyptus trees on South 4<sup>th</sup> Street.

### **CONSENT AGENDA**

Prior to consideration of the Consent Agenda, staff responded to questions from the Council regarding Agenda Item Nos. 3, 5, 6, and 7. It was moved by Council Member Lee and seconded by Council Member Peterson to approve Consent Agenda Item Nos. 2, 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.  
NOES: Council Members - None.  
ABSENT: Council Members - None.  
ABSTAIN: Council Members - None.

2. **Treasurer's Report for the Period October 27, 2017 – November 9, 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 October 27, 2017 – November 9, 2017.**  
**Action:** Approved the Treasurer's Report as submitted.
4. **Minutes of the City Council Meetings on August 21, 2017 and September 7, 2017.**  
**Action:** Approved the minutes as submitted.
5. **Amending the City of Grover Beach Investment Policy –** Amending the City's written policy regarding the deposit and investment practices of public funds to give the City Council flexibility to deviate from the policy in the event such action was determined to be in the best interest of the City, and affirming the change to the Investment Policy.  
**Action:** Adopted Resolution No. 17-55 amending the City of Grover Beach Investment Policy.  
  
**Resolution No. 17-55: A Resolution of the City Council of the City of Grover Beach, California Affirming the Investment Policy for the City of Grover Beach**
6. **Acceptance of the South 4th Street Pavement Repair Project (CIP 2283) -** Accepting the pavement repairs as complete on South 4<sup>th</sup> Street.  
**Action:** Adopted Resolution No. 17-56 accepting the improvements constructed by Souza Construction, Inc. and authorized staff to send the Notice of Completion to Souza Construction, Inc., for the South 4th Street Pavement Repair Project (CIP 2283).  
  
**Resolution No. 17-56: A Resolution of the City Council of the City of Grover Beach, California, Formally Accepting the South 4th Street Pavement Repair Project (CIP 2283).**
7. **South 16th Street and Farroll Road Re-Striping -** Recommendations from Omni-Means, a traffic engineering consultant, regarding sight distance near the intersection of South 16<sup>th</sup> Street and Farroll Road.  
**Action:** Received the information on re-striping near the intersection of South 16<sup>th</sup> Street and Farroll Road, and approved the design to shift the centerline to the south and relocate on-street parking from the south side to the north side of Farroll Road in order to achieve adequate corner sight distance.

**PUBLIC HEARINGS**

**8. 2013 State Community Development Block Grant Report.**

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 Community Development Block Grant program and the funds received during the 2013 cycle, and summarized accomplishments achieved for specific grant-funded activities. She then responded to questions from the Council.

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

Janna Nichols, 5Cities Homeless Coalition, described how the Coalition used the funds to provide rapid rehousing, security deposits, and counseling services. She also described several of the clients served and how they had benefitted from the assistance provided.

Deb Geaslen, Exploration Station, described how the Exploration Station had planned to use the funds, but noted there were fewer participants due to the lack of transportation assistance.

Anthony Wayne Embrey, Grover Beach resident, commented on the recent formation of a neighborhood citizen group and thanked the Police Chief for increasing traffic enforcement in the South 16<sup>th</sup> Street area and placement of the speed radar on South 16<sup>th</sup> Street. He then requested additional police patrols along Trouville Avenue near the Mentone Basin due to overnight parking and other related activities associated with the homeless. He also requested the City consider establishing a parking program in that same vicinity for after hours on-street parking by permit only.

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

**Action:** It was moved by Council Member Nicolls and seconded by Mayor Pro Tem Shah to receive the report summarizing the accomplishments performed under State Community Development Block Grant (CDBG) Agreement 13-CDBG-8961 and authorize staff to send out the disencumbrance letter and the close out certification letter that were attached to the staff report. 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.

**ORDER OF THE DAY:** At this time, Mayor Shoals requested that staff respond directly to the comments received from Mr. Embrey during the Public Hearing portion of the meeting, specifically regarding the neighborhood citizen meeting and the discussion on traffic and safety concerns along South 16<sup>th</sup> Street.

City Manager Bronson briefly described the neighborhood meeting held approximately a month earlier that the Mayor and he had attended. Topics discussed that evening included traffic safety on South 16<sup>th</sup> Street, lighting and security issues around the Mentone Basin and South 16<sup>th</sup> Street Park, and the location of a bus stop. He noted that staff has been working on responding to the issues raised, which included the recent placement of the speed radar trailer on South 16<sup>th</sup> Street and increasing police patrols in the area, which Mr. Embrey referenced, and would continue to research options for activating the use of Mentone Basin. Additionally, it was noted that traffic safety measures would be scheduled for discussion at a future City Council meeting.

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

**9. Introduction and First Reading of an Ordinance Amending Council Compensation.**

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 proposed amendment to the Grover Beach Municipal Code regarding stipends for members of the City Council. He also noted that, per Council direction, estimated costs to provide medical benefits for elected officials would be included in the proposed budget for the next fiscal year, and mobile technology devices for elected officials would be purchased and ready for set up and training for Council Members in early 2018.

Brief discussion was held on whether to place the matter of Council compensation on the ballot.

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

Sharon Brown, Grover Beach resident, requested and received clarification on the proposed ordinance. She objected to stipends or medical coverage being the incentive that motivated individuals to consider running for elective office.

Anthony Wayne Embrey, Grover Beach resident, spoke in support of increasing the stipend amount and offering medical coverage, but objected to extending that coverage to the family members of elected officials.

John Wysong, Grover Beach resident, objected to the proposal to increase Council compensation and objected to providing elected officials with medical coverage.

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

Further Council discussion was held on the proposed ordinance, providing elected officials with compensation that was comparable to other cities in San Luis Obispo County, and some of the uncompensated expenses commonly incurred by elected officials to attend meetings and fulfill the duties of elective office.

Council Member Lee objected to increasing the stipend amount and providing medical coverage to elected officials. He did, however, support providing elected officials with

technology equipment to assist those in public office to efficiently accomplish their duties, citing his frequent use of a tablet device.

Mayor Shoals noted that he would be termed out of office at the end of 2018 and would not be impacted by the proposed change in Council compensation. He acknowledged the proposed stipend was comparable to other cities and equal to the amount provided by the City of Atascadero, but suggested reducing the proposed amount to be at the same stipend amount as the City of Morro Bay.

**Action:** It was moved by Mayor Pro Tem Shah and seconded by Council Member Nicolls to introduce and conduct first reading of Ordinance No. 17-08 amending Council compensation to be \$600 per month for the office of Council Member and \$750 for the office of directly-elected Mayor, and schedule second reading and adoption at the next regularly scheduled City Council meeting. The motion carried on the following roll call vote:

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

**Ordinance No. 17-08: An Ordinance of the City Council of the City of Grover Beach, California, Amending Chapter 2 to Article II of the Grover Beach Municipal Code Regarding Compensation for the City Council (First Reading *only*)**

Recess: Upon consensus of the City Council, the meeting recessed at 7:17 p.m.

Reconvene: At 7:29 p.m., the meeting reconvened with all members of the Council present.

**REGULAR BUSINESS**

**10. 2017-18 First Quarter Financial Report and Major City Goals Report.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Administrative Services Director Chapman provided an overview of the City's financial position after the close of the first quarter of the fiscal year, summarized progress achieved in carrying out the Major City Goals, and noted that a more thorough presentation on the goals would be presented during the mid-year budget review. In conclusion, she outlined plans for the upcoming budget process and noted that it would also include a long-term financial forecast. Staff then responded to questions from the Council.

Brief discussion was held regarding transient occupancy tax revenues, online vacation rentals through services such as Airbnb, facility maintenance costs, and clarification on the format of the new Work Program Implementation Report.

Mayor Shoals invited comments from those in the audience who wished to speak on this matter. No public comments were received at this time.

The Council praised staff for keeping expenses under control, closely tracking progress on the Major City Goals, and planning for the development of a two-year budget in 2019-2020.

**Action:** Upon consensus of the City Council, the first quarter financial report and the Major City Goals implementation report were received.

#### 11. **Water Fund Capital Needs and Funding Options.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson introduced the item. Public Works Director/City Engineer Ray provided an overview on the operating budget for the Water Fund and proposed rate increases that were recommended in March 2017 but were either delayed or postponed per Council direction. He then outlined planned capital projects to address deferred maintenance, aging water infrastructure, and pressure and flow deficiencies in the system. He also noted that some improvements were being delayed until sufficient Water Funds became available. In reference to system components recommended for replacement as a result of Measure K-14 repaving operations, he noted that, due to the increased pace of street projects and significant unknown deficiencies in the water system, actual costs were significantly higher than original estimates.

Administrative Services Director Chapman continued the staff presentation by describing an analysis conducted on the Water Fund. Given the identified capital needs, she outlined several funding options for Council consideration.

Discussion ensued regarding the water system, flow deficiencies for fire suppression, unanticipated costs from emergency repairs, and the life expectancy of the replaced components. Additional discussion was held on the proposed water rates compared with water rates in nearby communities, the merits of each funding option presented by staff, development impact fees, and expediting the Request for Proposals (RFP) process to update the Water and Sewer Master Plans.

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

John Wysong, Grover Beach resident, objected to increasing water rates for residential customers and spoke in support of pursuing alternative methods to conserve and reclaim water.

Anthony Wayne Embrey, Grover Beach resident, requested and received additional information regarding the City's water system and spoke in support of improving the quality of drinking water.

There were no further public comments received at this time.

Upon request, Public Works Director/City Engineer Ray provided an overview on the sources of City water and the extensive testing process and procedures the City follows to ensure the water meets state and federal quality and health standards.

Further discussion was held on options for funding improvements to the water systems and scheduling a future Council discussion on the Capital Improvement Plan, the Sewer Fund, park facilities, development impact fees, and establishing a moratorium on cutting into newly paved streets. Additional discussion was held on continuing the forward momentum and progress on completing Measure K-14 street projects, acknowledging that some projects were deferred due to water infrastructure needs, scheduling further policy discussions on prioritizing funding for water system improvements, and taking steps to ensure Reserve Funds would not drop below the 20 percent minimum threshold. It was also noted that the proposed water rate increases, if implemented, would result in water rates that were below the countywide average.

City Manager Bronson summarized the discussion and announced that the Council was scheduled to have a more comprehensive discussion regarding the budget and closing the gap in the Water Fund during the mid-year budget report in February. At that time, the Council would also have an opportunity to review key needs in the coming fiscal year.

**Action:** Upon consensus, the report was received regarding current and emerging capital needs in the Water Fund and potential funding options for addressing these needs.

#### **COUNCIL COMMITTEE REPORTS**

Council Member Nicolls announced the appointment of a new Chief Executive Officer for the Arroyo Grande & Grover Beach Chamber of Commerce, noted the Council-appointed representative to Community Action Partnership of SLO County (CAPSLO) would be rotating to the City of Arroyo Grande effective January 2018, and announced that she was now a Board Member for the organization Friends of Prado.

Council Member Lee reported on meetings of the Zone Three Advisory Committee and Integrated Waste Management Authority.

Mayor Pro Tem Shah reported on meetings of the Homeless Services Oversight Council and the Air Pollution Control District. Brief discussion was held regarding the "Listening Session" being held by the California Department of State Parks to discuss public works plans for the Oceano Dunes State Vehicle Recreation Area and Pismo State Beach.

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

Mayor Shoals noted the presentation earlier in the meeting from Pete Rodgers from the San Luis Obispo Council of Governments sufficiently covered the information he would have provided during Council Committee Reports. He then reported on meetings of the South San Luis Obispo County Sanitation District and the Five Cities Fire Authority.

**COUNCIL COMMUNICATIONS**

- A. Council Member Nicolls announced details for the Arroyo Grande & Grover Beach Chamber of Commerce’s monthly luncheon in December, noting that it would also be a retirement celebration for the Chamber’s Chief Executive Officer Judith Bean.
- B. Mayor Pro Tem Shah announced details for the City’s Annual Holiday Parade and Santa’s Workshop to be held on Saturday, December 2, 2017.
- C. Council Member Lee announced details for the Dinner for a Cause event to benefit the 5Cities Homeless Coalition on Tuesday, November 28, 2017.
- D. Mayor Shoals requested and received clarification from staff regarding the work being conducted in conjunction with the City’s street rehabilitation program to install sidewalk corner ramps to meet federal accessibility guidelines.

**CITY MANAGER'S REPORTS AND COMMENTS**

City Manager Bronson provided verbal updates on the following matters:

- *Street Rehabilitation* - work had begun earlier that same day with asphalt grinding on South 8<sup>th</sup> Street. Grinding and paving was anticipated to continue for the next several months;
- *Personnel* - Administrative Specialist (Confidential) Lynn Carr retired last week after working in the City Manager’s Office for over 12 years. She was instrumental in assisting with training Deputy City Clerk/Administrative Specialist (Confidential) Cody Westbay, who previously worked for the City of Santa Barbara.
- *Animal Shelter Services* - discussions were on-going among the County and City Managers within the County towards achieving a regional solution for animal shelter services.
- *Golden West Park* - a ribbon cutting ceremony was held to celebrate the completion of the park improvements.
- *Community Survey* - the survey of residents to gauge perceptions on a variety of topics and key issues facing Grover Beach was completed and the survey results will be presented at the City Council meeting on December 4.

**CITY ATTORNEY’S REPORTS AND COMMENTS**

None at this time.

**CLOSED SESSION**

None at this time.

**ADJOURNMENT**

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 9:59 p.m.

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JOHN P. SHOALS, MAYOR

Attest:

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DONNA L. McMAHON, CITY CLERK  
(Approved at CC Mtg \_\_\_\_\_)