

**AGENDA SUMMARY
CITY COUNCIL MEETING
TUESDAY, JUNE 14, 2016**

**SPECIAL MEETING AT 5:00 P.M.
REGULAR MEETING AT 6:00 P.M.
ARROYO GRANDE CITY COUNCIL CHAMBERS
215 E. BRANCH STREET, ARROYO GRANDE**

SPECIAL MEETING 5:00 P.M.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT ON CLOSED SESSION ITEM

CLOSED SESSION

The City Council will immediately recess to a closed session for the following:

- a) CONFERENCE WITH LABOR NEGOTIATOR** pursuant to Government Code Section 54957.6:
Agency Designated Representative: Dianne Thompson, City Manager
Represented Employees: Arroyo Grande Police Officers' Association (AGPOA)

RECONVENE

The City Council will reconvene to open session at 6:00 p.m. and announcement(s) of any reportable action(s) taken in closed session will be made under Item 5.

REGULAR MEETING 6:00 p.m.

1. CALL TO ORDER

2. ROLL CALL

3. MOMENT OF REFLECTION

4. FLAG SALUTE:

Exchange Club of the Central Coast

5. AGENDA REVIEW:

5.a. Closed Session Announcements

The Mayor or City Attorney will announce reportable actions taken, if any, from the following meeting.

May 24, 2016 Regular City Council Meeting:

- a. Conference with Real Property Negotiator pursuant to Government Code Section 54956.8:

Property: 202 Le Point Street, Arroyo Grande

Agency negotiator: Dianne Thompson, City Manager

Negotiating parties: John and Maureen Gutierrez

Under negotiation: Price and terms of payment

- b. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8:

Property: 132 Le Point Street, Arroyo Grande
Agency negotiator: Dianne Thompson, City Manager
Negotiating party: Sunny Jacobson
Under negotiation: Price and terms of payment

c. Conference with Labor Negotiator pursuant to Government Code Section 54957.6:
Agency Designated Representative: Dianne Thompson, City Manager
Represented Employees: Arroyo Grande Police Officers' Association (AGPOA)

d. Conference With Labor Negotiator pursuant to Government Code Section 54957.6:
Agency Designated Representative: Dianne Thompson, City Manager
Unrepresented Employees: Management Employees

e. Conference Involving a Joint Powers Agency – Five Cities Fire Authority pursuant to Government Code Section 54956.96(b):
Discussion concerned:
Conference with Labor Negotiators Pursuant to Government Code Section 54957.6:
Agency Negotiators: Shelline K. Bennett, Law Firm of Liebert Cassidy Whitmore; Debbie Malicoat, Administrative Services Director – Arroyo Grande; Channelle Hubbard, Human Resources Coordinator – Grover Beach
Represented Employees: International Association of Fire Fighters (IAFF) Local 4403
Local agency representative on Five Cities Fire Authority Board: Barbara Harmon
Additional attendee: Dianne Thompson, City Manager

5.b. Move that all ordinances presented for introduction or adoption be read in title only and all further readings be waived

6. SPECIAL PRESENTATIONS:

None.

7. COMMUNITY COMMENTS AND SUGGESTIONS:

This public comment period is an invitation to members of the community to present issues, thought, or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters that are within the jurisdiction of the City Council. The Brown Act restricts the Council from taking formal action on matters not published on the agenda. In response to your comments, the Mayor or presiding Council Member may:

- Direct City staff to assist or coordinate with you.
- A Council Member may state a desire to meet with you.
- It may be the desire of the Council to place your issue or matter on a future Council agenda.

Please adhere to the following procedures when addressing the Council:

- Comments should be limited to 3 minutes or less.
- Your comments should be directed to the Council as a whole and not direct to individual Council member
- Slanderous, profane or personal remarks against any Council Member or member of the audience shall not be permitted.

8. CITY MANAGER REPORT:

Correspondence/Comments as presented by the City Manager.

9. CONSENT AGENDA:

The following routine items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Any Council Member

may request that any item be withdrawn from the Consent Agenda to permit discussion or change the recommended course of action. The City Council may approve the remainder of the Consent Agenda on one motion.

9.a. Consideration Of Cash Disbursement Ratification

Recommended Action: Ratify the listing of cash disbursements for the period May 16, 2016 through May 31, 2016.

Documents: [CC 2016-06-14_09a Cash Disbursements.pdf](#)

9.b. Consideration Of Approval Of Minutes

Recommended Action: Approve the minutes of the Regular City Council Meeting of May 24, 2016, as submitted.

Documents: [CC 2016-06-14_09b Approval of Minutes.pdf](#)

9.c. Consideration Of Fiscal Year 2016-17 Appropriation Limit

Recommended Action: Adopt a Resolution establishing the appropriation limit from tax proceeds for Fiscal Year 2016-17.

Documents: [CC 2016-06-14_09c FY 2016_17 Appropriation Limit.pdf](#)

9.d. Consideration Of Cancellation Of July 12, 2016 City Council Meeting

Recommended Action: Cancel the regularly scheduled Council meeting of July 12, 2016.

Documents: [CC 2016-06-14_09d Cancellation of 07.12.16 CC Meeting.pdf](#)

9.e. Consideration Of Confirmation Of Assessments For Tracts 1769, 2310, And 2236

Recommended Action: 1) Adopt a Resolution confirming landscaping and lighting assessments for all parcels within Tract 1769; 2) Adopt a Resolution confirming the assessments for the Parkside Assessment District for all parcels within Tract 2310 (Parkside Village Subdivision); and 3) Adopt a Resolution confirming the assessments for the Grace Lane Assessment District for all parcels within Tract 2236 (Grace Lane Subdivision).

Documents: [CC 2016-06-14_09e Resolutions_Confirmation of Assessments.pdf](#)

9.f. Consideration Of Resolutions For The 2016 General Municipal Election For The Election Of Certain Officers Of The City

Recommended Action: 1) Adopt a Resolution calling and giving notice of the holding of a General Municipal Election to be held on Tuesday, November 8, 2016, for the election of certain officers of the City; 2) Adopt a Resolution requesting the Board of Supervisors of the County of San Luis Obispo to consolidate a General Municipal Election to be held on November 8, 2016; and 3) Adopt a Resolution adopting regulations for candidates for governing the submittal of a Candidate Statement.

Documents: [CC 2016-06-14_09f Resolutions_General Municipal Election.pdf](#)

9.g. Consideration To Purchase A Water Treatment Plant And Associated Equipment For Well No. 11

Recommended Action: Approve the purchase of a Culligan Cullisorb Filter and associated treatment plant equipment in the amount of \$53,601.08 from Central Coast Water Treatment (\$32,544.53) and Hopkins Technical Products (\$21,056.55).

Documents: [CC 2016-06-14_09g Water Treatment Plant_Equipment Well 11.pdf](#)

10. PUBLIC HEARINGS:

10.a. Consideration Of Reallocation Of Community Development Block Grant Funds From The Grid Alternatives Solar Affordable Housing Project Approved In Year 2011 To Fund The City's Mid-Block Crosswalk Architectural Barrier Removal Project

Recommended Action: Adopt a Resolution approving the reallocation of \$4,169 in

Program Year 2011 CDBG funds from the GRID Alternatives Solar Affordable Housing Project to the City's Mid-Block Crosswalk Architectural Barrier Removal Project.

Documents: [CC 2016-06-14_10a Reallocation of CDBG Funds.pdf](#)

10.b. Consideration Of An Ordinance Amending Sections 16.62.010 And 16.62.050 Of The Arroyo Grande Municipal Code Relating To Medical Marijuana Cultivation And Amending Section 16.62.070 And Adding Chapter 5.95 To Title 5 Of The Arroyo Grande Municipal Code Relating To Medical Marijuana Delivery Services

Recommended Action: Introduce an Ordinance amending Sections 16.62.010 and 16.62.050 of Title 16 of the Arroyo Grande Municipal Code Relating to medical marijuana cultivation and amending Section 16.62.070 and adding Chapter 5.95 to Title 5 relating to deliveries of medical marijuana or medical cannabis products.

Documents: [CC 2016-06-14_10b Ordinance_Medical Marijuana.pdf](#)

11. OLD BUSINESS:

None.

12. NEW BUSINESS:

12.a. Consideration Of Providing Input And/Or Direction To The Five Cities Fire Authority (FCFA) Representative Regarding The FCFA'S Preliminary Budget For FY 2016-17

Recommended Action: Review the preliminary FY 2016-17 budget for the Five Cities Fire Authority and provide input and/or direction to the City Council's appointed FCFA representative.

Documents: [CC 2016-06-14_12a FCFA Preliminary Budget.pdf](#)

12.b. Consideration Of Fiscal Year 2016-17 Budget

Recommended Action: 1) Approve detailed budget adjustments listed in the Budget Update Report; and 2) Adopt a Resolution approving the FY 2016-17 Budget.

Documents: [CC 2016-06-14_12b FY 2016-17 Budget.pdf](#), [12b Attachment 1_Budget Update Report.pdf](#)

13. COUNCIL COMMUNICATIONS:

Any Council Member may ask a question for clarification, make an announcement, or report briefly on his or her activities. In addition, subject to Council Policies and Procedures, Council Members may request staff to report back to the Council at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda.

14. ADJOURNMENT

All Staff reports of other written documentation, including any supplemental material distributed to a majority of the City Council within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the City Clerk's office, 300 E. Branch Street, Arroyo Grande. If requested, the agenda shall be made available in appropriate alternative formats to persons with disability, as required by the Americans with Disabilities Act. To make a request for disability-related modification or accommodation, contact the Legislative and Information Services Department at 805-473-5414 as soon as possible and at least 48 hours prior to the meeting date.

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MEMORANDUM

TO: CITY COUNCIL

FROM: DEBBIE MALICOAT, DIRECTOR OF ADMINISTRATIVE SERVICES

BY: RYAN CORNELL, ACCOUNTING MANAGER

SUBJECT: CONSIDERATION OF CASH DISBURSEMENT RATIFICATION

DATE: JUNE 14, 2016

RECOMMENDATION:

It is recommended the City Council ratify the attached listing of cash disbursements for the period May 16 through May 31, 2016.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is an \$897,190.06 fiscal impact that includes the following items:

- Accounts Payable Checks \$ 433,575.41
- Payroll & Benefit Checks \$ 463,614.65

No or minimal future staff time is projected.

BACKGROUND:

Cash disbursements are made weekly based on the submission of all required documents supporting the invoices submitted for payment. Prior to payment, Administrative Services staff reviews all disbursement documents to ensure that they meet the approval requirements adopted in the Municipal Code and the City's Purchasing Policies and Procedures Manual of February 2000.

ANALYSIS OF ISSUES:

The attached listing represents the cash disbursements required of normal and usual operations during the period. The disbursements are accounted for in the FY 2015-16 budget.

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CONSIDERATION OF CASH DISBURSEMENT RATIFICATION
JUNE 14, 2016
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ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Approve staff's recommendation;
- Do not approve staff's recommendation;
- Provide direction to staff.

ADVANTAGES:

- The Administrative Services Department monitors payment of invoices for accountability, accuracy and completeness using standards approved by the Council.
- Invoices are paid in a timely manner to establish goodwill with merchants.
- Discounts are taken where applicable.

DISADVANTAGES:

No disadvantages have been identified as long as City Council confirms all expenditures are appropriate.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, June 9, 2016. The Agenda and report were posted on the City's website on Friday, June 10, 2016. No public comments were received.

Attachments:

1. May 16 – May 31, 2016 – Accounts Payable Check Register
2. May 27, 2016 – Payroll & Benefit Check Register

CITY OF ARROYO GRANDE
Check Register
5/16/2016-5/31/2016

Check Date	Check #	Vendor Last Name	Description	Acct #	GL Amount
05/20/2016	271084	ICMA RETIREMENT CORP	RETIREE MEDICAL	010.0000.1111	177.85
05/20/2016	271084	ICMA RETIREMENT CORP	RETIREE MEDICAL	010.4099.5136	5,154.85
05/20/2016	271084	ICMA RETIREMENT CORP	RETIREE MEDICAL	220.4303.5136	534.38
05/20/2016	271084	ICMA RETIREMENT CORP	RETIREE MEDICAL	640.4710.5136	45.51
05/20/2016	271085	BRYANT	UTILITY BILL REFUND	640.0000.2301	47.30
05/20/2016	271086	COOK	UTILITY BILL REFUND	640.0000.2301	76.35
05/20/2016	271087	DIFRONZO	UTILITY BILL REFUND	640.0000.2301	106.14
05/20/2016	271088	GOOTEE	UTILITY BILL REFUND	640.0000.2301	87.52
05/20/2016	271089	GRATNER	UTILITY BILL REFUND	640.0000.2301	180.00
05/20/2016	271090	ROMERO	UTILITY BILL REFUND	640.0000.2301	6.96
05/20/2016	271091	SHEPERD	UTILITY BILL REFUND	640.0000.2301	52.06
05/20/2016	271092	ADAMS	PARK DEPOSIT REFUND-RANCHO GRA	010.0000.2206	30.00
05/20/2016	271093	ADARGO	PRESCHOOL REFUND-OVERPYMT SESS	010.0000.4603	50.40
05/20/2016	271094	AIRGAS USA, LLC	OXY/ACETYLENE BOTTLE RENTAL	010.4420.5552	94.90
05/20/2016	271095	ALLIANT INSURANCE SERVICES INC	CRIME INS POLICY RENEWAL-2016-17	010.0000.1302	1,225.00
05/20/2016	271096	AMEC FOSTER WHEELER	CHERRY AVE SPECIFIC PLAN EIR	010.0000.2556	2,565.26
05/20/2016	271097	AMERICAN CARPET CLEANING &	STEAM CLEAN CARPETS-CORP YARD	010.4213.5604	225.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	BLDG MAINT UNIFORMS	010.4213.5143	7.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	BLDG MAINT UNIFORMS	010.4213.5143	7.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	BLDG MAINT UNIFORMS	010.4213.5143	7.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	BLDG MAINT UNIFORMS	010.4213.5143	7.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	CORP YARD MATS	010.4213.5303	21.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	CORP YARD MATS	010.4213.5303	21.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	AUTO SHOP UNIFORMS	010.4305.5143	3.50
05/20/2016	271098	ARAMARK UNIFORM SERVICES	AUTO SHOP UNIFORMS	010.4305.5143	3.50
05/20/2016	271098	ARAMARK UNIFORM SERVICES	AUTO SHOP UNIFORMS	010.4305.5143	3.50
05/20/2016	271098	ARAMARK UNIFORM SERVICES	AUTO SHOP UNIFORMS	010.4305.5143	3.50
05/20/2016	271098	ARAMARK UNIFORM SERVICES	AUTO SHOP TOWELS	010.4305.5303	8.70
05/20/2016	271098	ARAMARK UNIFORM SERVICES	AUTO SHOP TOWELS	010.4305.5303	8.70
05/20/2016	271098	ARAMARK UNIFORM SERVICES	PARKS DEPT UNIFORMS	010.4420.5143	14.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	PARKS DEPT UNIFORMS	010.4420.5143	14.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	PARKS DEPT UNIFORMS	010.4420.5143	14.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	PARKS DEPT UNIFORMS	010.4420.5143	14.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	7.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	7.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	7.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	SOTO SPORTS COMPLEX UNIFORMS	010.4430.5143	55.00
05/20/2016	271098	ARAMARK UNIFORM SERVICES	STREET DEPT UNIFORMS	220.4303.5143	17.50

CITY OF ARROYO GRANDE
Check Register
5/16/2016-5/31/2016

Check Date	Check #	Vendor Last Name	Description	Acct #	GL Amount
05/20/2016	271098	ARAMARK UNIFORM SERVICES	STREETS DEPT UNIFORMS	220.4303.5143	17.50
05/20/2016	271098	ARAMARK UNIFORM SERVICES	STREETS DEPT UNIFORMS	220.4303.5143	17.50
05/20/2016	271098	ARAMARK UNIFORM SERVICES	STREETS DEPT UNIFORMS	220.4303.5143	17.50
05/20/2016	271098	ARAMARK UNIFORM SERVICES	SEWER DEPT UNIFORMS	612.4610.5143	7.07
05/20/2016	271098	ARAMARK UNIFORM SERVICES	SEWER DEPT UNIFORMS	612.4610.5143	7.07
05/20/2016	271098	ARAMARK UNIFORM SERVICES	SEWER DEPT UNIFORMS	612.4610.5143	7.07
05/20/2016	271098	ARAMARK UNIFORM SERVICES	SEWER DEPT UNIFORMS	612.4610.5143	7.07
05/20/2016	271098	ARAMARK UNIFORM SERVICES	WATER DEPT UNIFORMS	640.4711.5143	20.99
05/20/2016	271098	ARAMARK UNIFORM SERVICES	WATER DEPT UNIFORMS	640.4711.5143	20.99
05/20/2016	271098	ARAMARK UNIFORM SERVICES	WATER DEPT UNIFORMS	640.4711.5143	20.99
05/20/2016	271098	ARAMARK UNIFORM SERVICES	WATER DEPT UNIFORMS	640.4711.5143	21.67
05/20/2016	271099	ARAMARK UNIFORM SERVICES	REC DEPT MATS	010.4213.5303	23.80
05/20/2016	271099	ARAMARK UNIFORM SERVICES	REC DEPT MATS	010.4213.5303	23.80
05/20/2016	271100	ARAMARK UNIFORM SERVICES	POLICE DEPT MATS	010.4213.5303	21.00
05/20/2016	271100	ARAMARK UNIFORM SERVICES	POLICE DEPT MATS	010.4213.5303	21.00
05/20/2016	271101	ARAMARK UNIFORM SERVICES	PARKS DEPT MATS/MOPHEADS	010.4213.5303	20.30
05/20/2016	271101	ARAMARK UNIFORM SERVICES	PARKS DEPT MATS/MOPHEADS	010.4213.5303	20.30
05/20/2016	271102	ARAMARK UNIFORM SERVICES	CITY HALL MATS	010.4213.5303	10.50
05/20/2016	271102	ARAMARK UNIFORM SERVICES	CITY HALL MATS	010.4213.5303	10.50
05/20/2016	271103	AT & T	238 451-0183 919 0, RADIO	010.4145.5403	194.39
05/20/2016	271103	AT & T	235 841-3956 806 3, ALARM	220.4303.5303	33.29
05/20/2016	271104	AT&T	BAN#9391033183, 805-473-2198	010.4201.5403	28.06
05/20/2016	271104	AT&T	BAN#9391033184, 805-473-5100	010.4201.5403	232.33
05/20/2016	271104	AT&T	BAN#9391033187, 805-489-6944	010.4201.5403	52.13
05/20/2016	271105	A-TOWN AUDIO VIDEO	EOC AUDIO VISUAL COMMUNICATION	271.4202.6201	1,813.81
05/20/2016	271105	A-TOWN AUDIO VIDEO	EOC AUDIO VISUAL COMMUNICATION	271.4202.6201	8,256.62
05/20/2016	271105	A-TOWN AUDIO VIDEO	EOC AUDIO VISUAL COMMUNICATION	271.4202.6201	1,373.69
05/20/2016	271105	A-TOWN AUDIO VIDEO	EOC AUDIO VISUAL COMMUNICATION	271.4202.6201	3,307.36
05/20/2016	271105	A-TOWN AUDIO VIDEO	EOC AUDIO VISUAL COMMUNICATION	271.4202.6201	9,131.87
05/20/2016	271105	A-TOWN AUDIO VIDEO	EOC AUDIO VISUAL COMMUNICATION	271.4202.6201	660.53
05/20/2016	271105	A-TOWN AUDIO VIDEO	EOC AUDIO VISUAL COMMUNICATION	271.4202.6201	519.59
05/20/2016	271106	AW DIRECT	TIE DOWN STRAPS	220.4303.5601	173.64
05/20/2016	271107	B & B STEEL & SUPPLY, INC	TUBE STEEL FOR RES#4 VAULT LID	640.4712.5609	114.08
05/20/2016	271108	BAKER, MANOCK & JENSEN, PC	SM VALLY WATER RIGHTS ADJ-PROF	640.4710.5575	5,935.16
05/20/2016	271109	BIG BRAND TIRE CO.	4604-RESURFACE LOOSE ROTORS	010.4203.5601	25.00
05/20/2016	271109	BIG BRAND TIRE CO.	4636-OIL CHANGE & TIRE ROTATIO	010.4204.5601	37.91
05/20/2016	271110	BREZDEN PEST CONTROL, INC	PEST CONTROL: CITY HALL	010.4213.5604	275.00
05/20/2016	271111	BRUMIT DIESEL, INC	AIR BRAKE SWITCH FOR PW-51	612.4610.5601	95.82

CITY OF ARROYO GRANDE
Check Register
5/16/2016-5/31/2016

Check Date	Check #	Vendor Last Name	Description	Acct #	GL Amount
05/20/2016	271112	CARD INTEGRATORS CORP	ID CARDS-ESPARZA, CARRENO, KAU	010.4201.5255	103.31
05/20/2016	271113	CARQUEST AUTO PARTS	4635-PARTS	010.4204.5601	33.83
05/20/2016	271114	CDPH-OCF	GRADE 3 RE-EXAM TUCKER SCHMIDT	640.4712.5501	70.00
05/20/2016	271115	CENTRAL COAST FENCE, INC	CORP YARD ELECTRIC GATE	010.4307.5303	159.05
05/20/2016	271116	CENTRAL COAST INDUSTRIES, INC	SERVICE OF PORTABLE RESTROOM	010.4201.5303	25.00
05/20/2016	271117	CENTRAL COAST PRINTING	CRIME PREVENTION FLYER-THEFTS	010.4201.5504	780.48
05/20/2016	271117	CENTRAL COAST PRINTING	SALES TAX ALLOCATION RPT 15/16	218.4101.5201	1,505.72
05/20/2016	271118	CENTRAL VALLEY TOXICOLOGY INC	CVT 16-4368, ADPD CASE #160052	010.4204.5324	150.00
05/20/2016	271119	CHAPARRAL	MAINT AGREEMENT-COPIER	010.4204.5602	187.32
05/20/2016	271119	CHAPARRAL	COPY MACH MAINT-5/14-6/13/16	010.4421.5602	118.00
05/20/2016	271119	CHAPARRAL	COPY MACH MAINT-5/14-6/13/16	010.4421.5602	29.35
05/20/2016	271120	CHARTER COMMUNICATIONS	BUS DARK FIBER-215 E BRANCH	010.4145.5401	26.72
05/20/2016	271120	CHARTER COMMUNICATIONS	CHARTER BUS TV-215 E BRANCH	010.4145.5401	46.53
05/20/2016	271121	COBB TREE CARE INC	KMART WILLOW TREE TO FENCE HEI	010.4420.5255	750.00
05/20/2016	271121	COBB TREE CARE INC	(10) SILK OAKS REMOVED	010.4420.5605	1,700.00
05/20/2016	271122	COLD CANYON LANDFILL, INC	METAL DROP OFF, EVAC OF HAZ MT	220.4303.5613	50.00
05/20/2016	271123	COLLEGE TOWING SOUTH	TOWING SVC-CASE#1600511	010.4204.5324	81.00
05/20/2016	271124	COMPLETE PAPERLESS SOLUTIONS	LASERFISCH SUPPORT RENEWAL TO	010.0000.1302	1,312.50
05/20/2016	271124	COMPLETE PAPERLESS SOLUTIONS	LASERFISCH SUPPORT RENEWAL TO	010.4201.5607	262.50
05/20/2016	271125	COMPLUS DATA INNOVATIONS INC	PKG CITATION PROCESSING FEE-04	010.4204.5303	31.05
05/20/2016	271126	COUNTY OF SAN LUIS OBISPO	CROSS CONNECTION PROGRAM ADMINIS	640.4710.5303	2,359.70
05/20/2016	271127	DEWAR, INC	1000 GALL #2 RED DIESEL CITY YARD	010.0000.1202	2,127.60
05/20/2016	271127	DEWAR, INC	4620 & 4621 FUEL	010.4203.5608	36.91
05/20/2016	271128	DNB INDUSTRIAL SUPPLY	DRILL BIT SET & EXTRACTOR SET	010.4305.5255	215.94
05/20/2016	271128	DNB INDUSTRIAL SUPPLY	GRADE 5 CAP SCREW ASST. 9/16	010.4305.5603	215.95
05/20/2016	271129	DOCTORS MEDPLUS MED CNTR	PRE-EMPLOYMENT PHYSICALS	010.4201.5315	365.00
05/20/2016	271129	DOCTORS MEDPLUS MED CNTR	PRE-EMPLOYMENT PHYSICALS	010.4201.5315	140.00
05/20/2016	271129	DOCTORS MEDPLUS MED CNTR	PRE-EMPLOYMENT PHYSICALS	010.4307.5315	190.00
05/20/2016	271129	DOCTORS MEDPLUS MED CNTR	DMV PHYSICALS	220.4303.5315	150.00
05/20/2016	271129	DOCTORS MEDPLUS MED CNTR	EE PHYSICALS	220.4303.5315	65.00
05/20/2016	271130	DOCUTEAM	DOCUMENT SHREDDING SVC	010.4201.5303	65.00
05/20/2016	271131	ECS IMAGING, INC.	SCANNER WARRANTY 3 YEAR	010.4140.6101	199.00
05/20/2016	271131	ECS IMAGING, INC.	DESKTOP SCANNER	010.4140.6101	995.00
05/20/2016	271131	ECS IMAGING, INC.	SALES TAX	010.4140.6101	79.60
05/20/2016	271132	ENBERG INVESTIGATIONS	PRE-EMPLOY BACKGROUND & POLY	010.4201.5303	975.00
05/20/2016	271133	ESPINOZA	PARK DEPOSIT REFUND-RANCHO GRA	010.0000.2206	30.00
05/20/2016	271133	ESPINOZA	PARK RENTAL FEE REFUND-RANCHO	010.0000.4354	40.00
05/20/2016	271134	FERGUSON ENTERPRISES, INC	5 MFD, HARD START KIT, ULTRLIT	220.4303.5613	63.85

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05/20/2016	271134	FERGUSON ENTERPRISES, INC	(10) 1" M.A. SCH 80 PVC	640.4712.5610	42.09
05/20/2016	271134	FERGUSON ENTERPRISES, INC	(3) 1" AIR/VAC VALVES	640.4712.5610	551.68
05/20/2016	271135	FRANK'S LOCK & KEY	COUNCIL CHAMBERS SVC CALL	010.4213.5604	50.00
05/20/2016	271135	FRANK'S LOCK & KEY	20 KEYS	010.4430.5605	43.20
05/20/2016	271135	FRANK'S LOCK & KEY	B3 TRUCK KEY	220.4303.5601	3.24
05/20/2016	271135	FRANK'S LOCK & KEY	12 PADLOCKS	220.4303.5613	253.74
05/20/2016	271136	FUGRO CONSULTANTS INC	NCMA STAFF EXTENSION FY 2015-2	640.4710.5303	7,061.95
05/20/2016	271136	FUGRO CONSULTANTS INC	NCMA STAFF EXTENSION FY 2015-2	640.4710.5303	9,549.02
05/20/2016	271136	FUGRO CONSULTANTS INC	NCMA STAFF EXTENSION FY 2015-2	640.4710.5303	7,890.00
05/20/2016	271136	FUGRO CONSULTANTS INC	NCMA STAFF EXTENSION FY 2015-2	640.4710.5303	1,577.96
05/20/2016	271137	GARING TAYLOR & ASSOCIATES INC	DESIGN SERVICES WELL #11	640.5944.7501	1,076.25
05/20/2016	271138	GAS COMPANY	GAS SERVICES-1375 ASH ST	010.4145.5401	38.15
05/20/2016	271138	GAS COMPANY	GAS SERVICES-200 N HALCYON RD	010.4145.5401	56.46
05/20/2016	271138	GAS COMPANY	GAS SERVICES-350 S ELM	010.4145.5401	68.82
05/20/2016	271139	GSA-INFORMATION TECH	CJ SYSTEM ACCESS & DATA LINES-	010.4204.5607	3,443.74
05/20/2016	271140	HARVEY'S HONEY HUTS	1375 ASH TRAILER MOUNT-04/16	010.4420.5552	86.08
05/20/2016	271141	HEFFERNAN	2016 BUSINESS LIC REFUND	010.0000.4050	31.00
05/20/2016	271142	HINDERLITER, DE LLAMAS	AUDIT SVCS-SALES TAX	010.4120.5303	180.87
05/20/2016	271142	HINDERLITER, DE LLAMAS	CONTRACT SVCS-2ND QTR 2/3	010.4120.5303	650.00
05/20/2016	271142	HINDERLITER, DE LLAMAS	CONTRACT SVCS-2ND QTR 1/3	218.4101.5303	325.00
05/20/2016	271143	IMPACT ABSORBENTS INC	SPILL KITS (3)	640.4712.5255	135.77
05/20/2016	271144	JACOBSON	PROPERTY TAX 12-13 TO 15-16 FY	218.4101.5803	1,066.34
05/20/2016	271145	LUCIA MAR UNIFIED SCHOOL DIST	ROOM USE FEE 03/16-OCEAN VIEW	010.4425.5303	300.00
05/20/2016	271146	MAIN LINE ENGINEERING CONSTR TN	LIFT STATION NO 1 REPAIR	612.5851.7001	2,226.01
05/20/2016	271147	MARAVIGLIA	PARK DEPOSIT REFUND-ELM ST	010.0000.2206	30.00
05/20/2016	271148	MIER BROS LANDSCAPE PRODUCTS	GOR HAIR-CEDAR-HOOSGOW PARK	010.4420.5605	259.20
05/20/2016	271148	MIER BROS LANDSCAPE PRODUCTS	GOR HAIR-CEDAR-LEPOINT PKG LOT	010.4420.5605	423.36
05/20/2016	271148	MIER BROS LANDSCAPE PRODUCTS	GOR HAIR-CEDAR-LOHAN ALLEY	010.4420.5605	259.20
05/20/2016	271148	MIER BROS LANDSCAPE PRODUCTS	GOR HAIR-CEDAR-LOHAN ALLEY	010.4420.5605	464.40
05/20/2016	271148	MIER BROS LANDSCAPE PRODUCTS	9 CUYD GOR HAIR-FOREMASTER	226.4306.5303	408.24
05/20/2016	271148	MIER BROS LANDSCAPE PRODUCTS	9 CUYD GOR HAIR-FOREMASTER	226.4306.5303	408.24
05/20/2016	271149	MINER'S ACE HARDWARE, INC	DOOR STOP-BLDG	010.4201.5604	10.79
05/20/2016	271149	MINER'S ACE HARDWARE, INC	PATROL SUPPLIES	010.4203.5255	3.78
05/20/2016	271149	MINER'S ACE HARDWARE, INC	PATROL SUPPLIES	010.4203.5255	9.61
05/20/2016	271149	MINER'S ACE HARDWARE, INC	SUPPLIES FOR STRAWBERRY BANNER	010.4420.5605	66.58
05/20/2016	271149	MINER'S ACE HARDWARE, INC	OFFICE SUPPLIES-BATTERIES, PLU	220.4303.5613	53.09
05/20/2016	271150	MNS ENGINEERS INC	PROF SVCS-TRACT 3054, 1029 ASH	010.4301.5303	600.00
05/20/2016	271151	MORSE	PARK DEPOSIT REFUND-STROTHER#1	010.0000.2206	30.00

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05/20/2016	271152	NAPZOK	REIMBURSEMENT-PLUMBING RETROFI	226.4306.5303	160.00
05/20/2016	271153	OCEANO COMMUNITY SERVICES	PUBLIC WORKS WEEK BBQ-24 X \$10	010.4307.5303	240.00
05/20/2016	271154	OMNI MEANS LTD	DESIGN SERVICES W BRANCH SIGNAL	350.5603.7501	663.30
05/20/2016	271155	ON TRAC	DELIVERY CHARGE	010.4201.5208	18.71
05/20/2016	271156	PACIFIC GAS & ELECTRIC CO	ELECTRIC-105 SHORT ST	010.4145.5401	39.71
05/20/2016	271156	PACIFIC GAS & ELECTRIC CO	ELECTRIC-1501 HUCKLEBERRY	010.4145.5401	17.77
05/20/2016	271156	PACIFIC GAS & ELECTRIC CO	ELECTRIC-201 NELSON ST	010.4145.5401	92.53
05/20/2016	271156	PACIFIC GAS & ELECTRIC CO	ELECTRIC-BLDG A	010.4145.5401	115.45
05/20/2016	271156	PACIFIC GAS & ELECTRIC CO	ELECTRIC-SHORT ST	010.4145.5401	42.88
05/20/2016	271156	PACIFIC GAS & ELECTRIC CO	ELECTRIC-W BRANCH/OLD RANCH RD	010.4145.5401	171.48
05/20/2016	271156	PACIFIC GAS & ELECTRIC CO	ELECTRIC-1375 ASH ST	640.4712.5402	76.96
05/20/2016	271157	PAPER CONNECTION	COPY PAPER-CITY HALL	010.4102.5255	205.35
05/20/2016	271158	PORTER	QUILTING SESS#2 WINTER, MON &	010.4424.5351	3,402.00
05/20/2016	271159	PROFORCE LAW ENFORCEMENT	TASERS	010.4201.6201	(1,666.53)
05/20/2016	271159	PROFORCE LAW ENFORCEMENT	TASERS	010.4201.6201	1,969.73
05/20/2016	271159	PROFORCE LAW ENFORCEMENT	TASERS	010.4201.6201	1,666.53
05/20/2016	271160	QUINN COMPANY	TILLER RENTAL	220.4303.5603	71.06
05/20/2016	271161	RECWEST OUTDOOR PRODUCTS INC	DUMOR CAST BENCH FOR ANGELA RI	220.4303.5613	1,907.80
05/20/2016	271162	RETAIL ACQUISITION & DEV., INC	RADIO BATTERIES	010.4203.5255	467.10
05/20/2016	271163	RICE	PARK DEPOSIT REFUND-STROTHER#2	010.0000.2206	30.00
05/20/2016	271164	RICHETTI COMPLETE WATER	REVERSE OSMOSIS RENTAL	010.4201.5303	15.00
05/20/2016	271165	SAN LUIS OBISPO	SWAT UNIFORMS	010.4203.5272	1,006.56
05/20/2016	271166	SAN LUIS PAPER CO	LINERS, SUPROX, TP, GLOVES	220.4303.5201	1,136.88
05/20/2016	271166	SAN LUIS PAPER CO	WIPES	220.4303.5255	123.69
05/20/2016	271167	SCHOFIELD ELECTRIC INC	REMOVE BROKEN & INSTALL NEW	010.4213.5604	300.00
05/20/2016	271167	SCHOFIELD ELECTRIC INC	REMOVE BROKEN & INSTALL NEW	010.4430.5605	1,260.36
05/20/2016	271168	SECURITY LINES US	UPDATE & REFURBISH 5 CAMERA PO	010.4201.6201	4,000.00
05/20/2016	271168	SECURITY LINES US	UPDATE & REFURBISH 5 CAMERA PO	271.4202.6201	13,671.88
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	ELM-1.5" SCH 40 PIPE	010.4420.5605	12.55
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	ELM-IRRIG FITTINGS	010.4420.5605	6.62
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	I40 ULTRA ELM ST (3)	010.4420.5605	174.04
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	PARTS STOCK	010.4430.5273	101.10
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	SOTO SOLENOID, DIA (20) PGP UL	010.4430.5605	559.03
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	SOTO-(4) I 40, RISER EXTENSION	010.4430.5605	259.37
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	FOREMASTER DRIP TUBING	226.4306.5303	56.38
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	FOREMASTER EDGING	226.4306.5303	66.53
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	FOREMASTER TUBING	226.4306.5303	22.46
05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	FOREMASTER-IRRIGATION PARTS	226.4306.5303	39.50

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05/20/2016	271169	SITEONE LANDSCAPE SUPPLY LLC	FPOREMASTER DRIP MISC PARTS	226.4306.5303	25.35
05/20/2016	271170	SLO COUNTY SHERIFF'S DEPT	FY15/16 CONTRACT FOR DISPATCH	010.4201.5303	176,419.50
05/20/2016	271171	SLO COUNTY TAX COLLECTOR	PROP TAX 007,192,060 (103 BRAN	751.4555.5551	464.32
05/20/2016	271172	SOUTH COUNTY AREA TRANSIT	FIVE CITIES SHUTTLE-01/16-03/1	225.4553.5511	3,807.46
05/20/2016	271173	STATEWIDE SAFETY & SIGNS INC	CRAFCO DETACK (2)	220.4303.5613	107.39
05/20/2016	271174	TRANSUNION RISK	INVESTIGATIVE SVCS-04/16	010.4204.5303	25.00
05/20/2016	271175	UNITED STAFFING ASSOC.	TEMP STAFFING: PARKS DIVISION	010.4420.5303	1,537.07
05/20/2016	271175	UNITED STAFFING ASSOC.	TEMP STAFFING: PARKS DIVISION	010.4420.5303	1,099.92
05/20/2016	271176	VALKO	ART CLASSES:WINTER 2016	010.4424.5351	298.40
05/20/2016	271177	VENCO POWER SWEEPING INC	MONTHLY SWEEPS	010.4307.5303	1,666.40
05/20/2016	271177	VENCO POWER SWEEPING INC	MONTHLY SWEEPS	220.4303.5303	6,665.60
05/20/2016	271178	VERDIN MARKETING INK	SWMP PSAS	350.5778.7001	474.80
05/20/2016	271179	VERIZON WIRELESS	PHONE CHARGES	010.4305.5403	31.90
05/20/2016	271180	WATER SYSTEMS CONSULTING INC	MONTHLY WATER SUPPLY AND DEMAND U	640.4710.5303	378.00
05/20/2016	271181	WATERBOYS PLUMBING	RGP TOILET REPAIR-LABOR	010.4430.5605	190.00
05/20/2016	271181	WATERBOYS PLUMBING	RGP TOILET REPAIR-PARTS	010.4430.5605	87.75
05/20/2016	271182	WELLS FARGO BANK	TRUSTEE FEE ACCT#22318900	286.4103.5555	2,000.00
05/20/2016	271183	WILSON ELECTRIC COMPANY INC	OAK PARK & EL CAMINO REAL	010.4307.5303	60.00
05/20/2016	271183	WILSON ELECTRIC COMPANY INC	OAK PARK & JAMES WAY	010.4307.5303	60.00
05/20/2016	271183	WILSON ELECTRIC COMPANY INC	OAK PARK & WEST BRANCH	010.4307.5303	75.00
05/20/2016	271183	WILSON ELECTRIC COMPANY INC	SIGNAL MAINT-04/16, 11 INTERSE	010.4307.5303	1,320.00
05/20/2016	271184	WITMER-TYSON IMPORTS INC	MONTHLY K-9 TRAINING	010.4203.5322	500.00
05/20/2016	271185	WOOD RODGERS INC	BRISCO INTERCHANGE CONSULTING SER	350.5642.7501	7,694.50
05/27/2016	271186	2NDNATURE, LLC	STORMWATER CONSULTING SERVICES	218.4101.5303	2,916.00
05/27/2016	271187	AQUA-METRIC SALES CO(DBA)	WATER METERS AND REPLACEMENT	640.4712.5207	8,262.01
05/27/2016	271188	ARROYO GRANDE IN BLOOM INC	BARK FOR CAR CORRAL, FIRE RESI	010.4420.5605	205.20
05/27/2016	271189	ARROYO GRANDE LIONS CLUB	VOL APPREC DINNER: SUPPLIES	010.4001.5504	157.90
05/27/2016	271189	ARROYO GRANDE LIONS CLUB	VOL APPREC DINNER: SUPPLIES	010.4201.5504	157.90
05/27/2016	271189	ARROYO GRANDE LIONS CLUB	VOL APPREC DINNER: SUPPLIES	010.4307.5303	157.90
05/27/2016	271189	ARROYO GRANDE LIONS CLUB	VOL APPREC DINNER: SUPPLIES	010.4424.5252	311.76
05/27/2016	271190	BACKYARD IMPROVEMENT CTR	SWINGING BRIDGE MTRLS	350.5620.7001	1,261.00
05/27/2016	271191	BANK OF AMERICA	2016 EXECUTIVE FORUM	010.4001.5501	570.00
05/27/2016	271191	BANK OF AMERICA	GOOGLE/YELP WORKSHOP	010.4001.5504	530.40
05/27/2016	271191	BANK OF AMERICA	VOL BANQUET	010.4001.5504	82.53
05/27/2016	271191	BANK OF AMERICA	GRAND AWARDS: RETIRMENT PLAQUES	010.4101.5319	142.56
05/27/2016	271191	BANK OF AMERICA	2016 EXECUTIVE FORUM	010.4101.5501	570.00
05/27/2016	271191	BANK OF AMERICA	ORAL BOARD LUNCH - IT	010.4120.5303	49.73
05/27/2016	271191	BANK OF AMERICA	ORAL BOARD LUNCH - PLANNING	010.4130.5316	77.88

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05/27/2016	271191	BANK OF AMERICA	AGGB CHAMBER LUNCHEON	010.4130.5501	18.00
05/27/2016	271191	BANK OF AMERICA	APA	010.4130.5501	19.00
05/27/2016	271191	BANK OF AMERICA	CA ASSOC FOR LOCAL ECON. DEVL	010.4130.5501	60.00
05/27/2016	271191	BANK OF AMERICA	EMBASSY SUITES	010.4130.5501	579.88
05/27/2016	271191	BANK OF AMERICA	IT: STAR TECH	010.4140.5602	40.18
05/27/2016	271191	BANK OF AMERICA	VOL. BANQUET	010.4201.5504	82.54
05/27/2016	271191	BANK OF AMERICA	IT: STAR TECH	010.4201.6001	60.00
05/27/2016	271191	BANK OF AMERICA	GRAND AWARDS:STORAGE ROOM DOOR	010.4213.5604	6.50
05/27/2016	271191	BANK OF AMERICA	TC NAME PLATE:SAGE	010.4301.5201	18.00
05/27/2016	271191	BANK OF AMERICA	COUNTY RECORDER'S OFFICE	010.4301.5255	23.00
05/27/2016	271191	BANK OF AMERICA	OFFICE DEPOT	010.4301.5255	313.19
05/27/2016	271191	BANK OF AMERICA	VOL BANQUET-PW	010.4307.5303	82.53
05/27/2016	271191	BANK OF AMERICA	JOB POSTING-SUMMER STUDENT INT	010.4307.5316	15.00
05/27/2016	271191	BANK OF AMERICA	PESTICIDE APPLICATORS	010.4420.5501	160.00
05/27/2016	271191	BANK OF AMERICA	SHANK'S LAWN EQUIPMENT	010.4420.5603	99.63
05/27/2016	271191	BANK OF AMERICA	OFFICE DEPOT-OFFICE SUPPLIES	010.4421.5201	121.90
05/27/2016	271191	BANK OF AMERICA	CREDIT-RESIDENCE INN MARRIOTT	010.4421.5501	(7.00)
05/27/2016	271191	BANK OF AMERICA	SPECIAL EVENTS-FATHER/DAUGHTER	010.4424.5252	41.14
05/27/2016	271191	BANK OF AMERICA	SCHOOL YEAR SUPPLIES	010.4425.5255	1,482.64
05/27/2016	271191	BANK OF AMERICA	SNACK SUPPLIES	010.4425.5259	405.37
05/27/2016	271191	BANK OF AMERICA	CITY OF SANTA MARIA LANDFILL	640.4712.5610	105.85
05/27/2016	271191	BANK OF AMERICA	CAFE ANDREINI-DPAB	751.4555.5508	36.00
05/27/2016	271191	BANK OF AMERICA	ECLAIR BAKERY-DPAB	751.4555.5508	41.25
05/27/2016	271192	BARROW	REIMB-PRESCHOOL SUPPLY	010.4423.5253	118.42
05/27/2016	271192	BARROW	REIMB-SPECIAL EVENT SUPPLY	010.4424.5252	69.00
05/27/2016	271193	BATTERY SYSTEMS	PW-36 BATTERIES	010.4305.5601	202.42
05/27/2016	271194	BOB'S EXPRESS WASH	CAR WASH-PD ADMIN	010.4201.5601	24.00
05/27/2016	271194	BOB'S EXPRESS WASH	CAR WASH-PATROL	010.4203.5601	155.00
05/27/2016	271194	BOB'S EXPRESS WASH	CAR WASH-PD SUPPORT SVCS	010.4204.5601	65.00
05/27/2016	271194	BOB'S EXPRESS WASH	CAR WASH-PW	010.4420.5601	18.00
05/27/2016	271194	BOB'S EXPRESS WASH	CAR WASH-PW	220.4303.5601	9.00
05/27/2016	271194	BOB'S EXPRESS WASH	CAR WASH-PW	640.4712.5601	10.00
05/27/2016	271195	BOHLKEN	REIMB FOR SPECIAL EVENT SUPPLIES	010.4424.5252	52.60
05/27/2016	271196	BREZDEN PEST CONTROL, INC	QRTL PEST CONTROL:REC DEPT	010.4213.5604	120.00
05/27/2016	271197	CA ST DEPT OF CORRECTIONS	CMC ADM/INMATE PAY/MILEAGE COS	220.4303.5613	2,937.35
05/27/2016	271198	CAGAN	REIMB FOR VEHICLE PARTS	010.4203.5601	49.88
05/27/2016	271199	CARQUEST AUTO PARTS	4609-BRAKE PARTS	010.4203.5601	55.07
05/27/2016	271199	CARQUEST AUTO PARTS	PW-36 & PARTS ROOM-MINIATURE L	010.4305.5601	13.50

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05/27/2016	271199	CARQUEST AUTO PARTS	PW-36-RED BATT CABLE	010.4305.5601	8.54
05/27/2016	271200	CENTRAL COAST FENCE, INC	FENCE INSTALLED-SWINGING BRIDG	350.5620.7001	4,500.00
05/27/2016	271201	CENTRAL COAST PLAYGROUNDS	KINGO PARK-NEW SURFACE & DECK	350.5515.7001	16,170.38
05/27/2016	271202	CENTRAL COAST PRINTING	RECREATION: SUMMER FLYERS	010.4102.5255	382.35
05/27/2016	271203	CHARTER COMMUNICATIONS	IT BROADBAND CONNECTION	010.4140.5303	250.00
05/27/2016	271203	CHARTER COMMUNICATIONS	BUS. DARK FIBER-REC DEPT	010.4145.5401	710.64
05/27/2016	271203	CHARTER COMMUNICATIONS	BUS. TV-300 E BRANCH	010.4145.5401	50.76
05/27/2016	271203	CHARTER COMMUNICATIONS	BUS. TV-REC DEPT	010.4145.5401	12.72
05/27/2016	271203	CHARTER COMMUNICATIONS	FORENSICS INTERNET	010.4204.5607	79.99
05/27/2016	271203	CHARTER COMMUNICATIONS	PD INTERNET	010.4204.5607	179.98
05/27/2016	271203	CHARTER COMMUNICATIONS	BUS TV-COPR YARD	010.4307.5303	45.43
05/27/2016	271204	CORRAL	ARCON INTR COURSE PER DIEM	010.4203.5501	80.00
05/27/2016	271205	CRAFCO, INC	EQUIP RENTAL-CRACK SEAL	220.4303.5613	3,780.00
05/27/2016	271206	DEWAR, INC	4620 & 4621 FUEL	010.4203.5608	49.69
05/27/2016	271207	DOLLMAN	ARCON INSTR COURSE PER DIEM	010.4203.5501	80.00
05/27/2016	271208	FERGUSON ENTERPRISES, INC	WELL #9 PRESSURE RELIEF VALVE	640.4712.5610	171.04
05/27/2016	271209	FIGUEROA'S TIRES	PW-59 NEW TIRES	220.4303.5601	560.95
05/27/2016	271210	GROVER BEACH	CORP YARD SEWER BILL	612.0000.4751	80.27
05/27/2016	271211	HEACOCK TRAILERS & TRUCK	PW-56 TRAILER-JACK	220.4303.5603	172.80
05/27/2016	271212	LEVEL 3 COMMUNICATIONS LLC	ACCT#334830, SHORETEL CITY HAL	010.4145.5403	540.19
05/27/2016	271212	LEVEL 3 COMMUNICATIONS LLC	ACCT#334830, SHORETEL-PD	010.4201.5403	540.19
05/27/2016	271213	MINER'S ACE HARDWARE, INC	DOOR HOLDS, BULB	010.4213.5604	51.79
05/27/2016	271213	MINER'S ACE HARDWARE, INC	TIGERTAIL PARK-VALVE, PVC CAPS	010.4420.5605	28.68
05/27/2016	271213	MINER'S ACE HARDWARE, INC	PAINT, BRUSH, LIGHT CONTROL	010.4430.5605	33.18
05/27/2016	271213	MINER'S ACE HARDWARE, INC	PAINT, BRUSHES-REC	010.4430.5605	53.70
05/27/2016	271214	NORCAST TELECOM NETWORKS	ACCT#12180-METRO INTERNET CIRC	010.4140.5303	346.14
05/27/2016	271215	OCEAN AIR	RELOCATE DOWNSPOUT-CORP YARD	010.4307.5303	350.00
05/27/2016	271216	PACIFIC GAS & ELECTRIC CO	ELECTRIC	010.4145.5401	5,786.45
05/27/2016	271216	PACIFIC GAS & ELECTRIC CO	ELECTRIC-300 E BRANCH	010.4145.5401	1,077.64
05/27/2016	271216	PACIFIC GAS & ELECTRIC CO	ELECTRIC	010.4307.5402	1,237.51
05/27/2016	271216	PACIFIC GAS & ELECTRIC CO	ELECTRIC	217.4460.5355	21.23
05/27/2016	271216	PACIFIC GAS & ELECTRIC CO	ELECTRIC	612.4610.5402	1,439.70
05/27/2016	271216	PACIFIC GAS & ELECTRIC CO	ELECTRIC-232 CRANBERRY- LIFT S	612.4610.5402	298.44
05/27/2016	271216	PACIFIC GAS & ELECTRIC CO	ELECTRIC	640.4711.5402	3,935.90
05/27/2016	271216	PACIFIC GAS & ELECTRIC CO	ELECTRIC	640.4712.5402	5,223.15
05/27/2016	271217	PAVEMENT ENGINEERING INC	PAVEMENT MANAGEMENT PROGRAM	350.5638.7501	8,680.00
05/27/2016	271218	PITNEY BOWES, INC	POSTAGE METER LEASING	010.4201.5208	144.50
05/27/2016	271219	SAN LUIS PAPER CO	CREDIT-WYPAL	220.4303.5255	(97.91)

CITY OF ARROYO GRANDE
Check Register
5/16/2016-5/31/2016

Check Date	Check #	Vendor Last Name	Description	Acct #	GL Amount
05/27/2016	271219	SAN LUIS PAPER CO	9" CORE, LINERS	220.4303.5613	485.21
05/27/2016	271220	SITEONE LANDSCAPE SUPPLY LLC	IRRIG REPAIR MTRL	220.4303.5613	69.55
05/27/2016	271220	SITEONE LANDSCAPE SUPPLY LLC	RETANG AND ROUND BOX	220.4303.5613	36.04
05/27/2016	271221	SLO COUNTY AUDITOR-CONTROLLER	PARKING CITATION REVENUE DISTR	010.0000.4203	341.50
05/27/2016	271222	SLO COUNTY NEWSPAPERS	SUMM ORD NO 677	010.4002.5301	157.30
05/27/2016	271222	SLO COUNTY NEWSPAPERS	SUMM ORD-SHELTERS	010.4002.5301	154.88
05/27/2016	271222	SLO COUNTY NEWSPAPERS	PUB HEARING APPEAL-CASE#16-002	010.4130.5301	152.46
05/27/2016	271222	SLO COUNTY NEWSPAPERS	PUB HEARING TPM 15-002 & PUD 1	010.4130.5301	169.40
05/27/2016	271223	STATEWIDE SAFETY & SIGNS INC	SAFETY VESTS	010.4307.5303	286.20
05/27/2016	271223	STATEWIDE SAFETY & SIGNS INC	CRAFCO DETACK (2)	220.4303.5613	107.39
05/27/2016	271224	SUNSET NORTH CAR WASH	CAR WASHES-STREETS DEPT	220.4303.5601	62.88
05/27/2016	271225	U.S. BANK EQUIPMENT FINANCE	COPY MACH LEASE PYMT	010.4201.5803	375.38
05/27/2016	271226	UNITED STAFFING ASSOC.	TEMP STAFFING: PARKS DIVISION	010.4420.5303	803.79
05/27/2016	271226	UNITED STAFFING ASSOC.	TEMP STAFFING: PARKS DIVISION	010.4420.5303	1,029.41
05/27/2016	271227	VERIZON WIRELESS	ACCT 472480460-00001, IPADS	010.4145.5403	444.38
05/27/2016	271227	VERIZON WIRELESS	ACCT#208620661-00001, DEPT CEL	010.4201.5403	705.76
05/27/2016	271228	WALLACE GROUP A CALIF CORP	PROGRAM MANAGEMENT-FOG PROG	612.4610.5303	3,334.70
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	260.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	510.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	778.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	260.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	340.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	288.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	760.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	250.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	46.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	765.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	265.00
05/27/2016	271229	WATERBOYS PLUMBING	CITY PLUMBING RETROFIT PROGRAM	226.4306.5303	799.00
05/27/2016	271230	WILSON ELECTRIC COMPANY INC	STREET LIGHT MANT-INSTALL CIRC	010.4307.5303	2,749.06
05/27/2016	271231	WINEMA INDUSTRIAL &	GAS DETECTOR CALIBRATION	612.4610.5603	80.00
05/27/2016	271231	WINEMA INDUSTRIAL &	HARD HAT VISOR GUARDS & SHIELD	640.4712.5255	47.30
					433,575.41

CITY OF ARROYO GRANDE
DEPARTMENTAL LABOR DISTRIBUTION
PAY PERIOD
5/6/2016 - 5/19/2016
05/27/16

BY FUND	
General Fund	296,624.06
Streets Fund	12,236.46
FCFA	127,801.99
Sewer Fund	5,110.47
Water Fund	21,841.67
	<u>463,614.65</u>

OVERTIME BY DEPARTMENT:

Administrative Services	-
Community Development	-
Police	13,826.74
Fire	17,459.23
Public Works - Maintenance	247.78
Public Works - Enterprise	373.44
Recreation - Administration	-
Recreation - Special Events	-
Children In Motion	-
	<u>31,907.19</u>

BY ACCOUNT		
5101	Salaries Full time	247,237.18
5102	Salaries Part-Time - PPT	8,832.70
5103	Salaries Part-Time - TPT	31,329.60
5105	Salaries OverTime	31,907.19
5106	Salaries Strike Team OT	-
5107	Salaries Standby	612.30
5108	Holiday Pay	3,212.76
5109	Sick Pay	3,246.52
5110	Annual Leave Buyback	-
5111	Vacation Buyback	-
5112	Sick Leave Buyback	-
5113	Vacation Pay	7,784.87
5114	Comp Pay	3,422.57
5115	Annual Leave Pay	3,781.03
5116	Salaries - Police FTO	101.45
5121	PERS Retirement	39,140.81
5122	Social Security	23,691.35
5123	PARS Retirement	598.09
5126	State Disability Ins.	1,177.15
5127	Deferred Compensation	841.67
5131	Health Insurance	49,429.98
5132	Dental Insurance	3,997.84
5133	Vision Insurance	927.28
5134	Life Insurance	464.03
5135	Long Term Disability	562.08
5143	Uniform Allowance	-
5144	Car Allowance	637.50
5146	Council Expense	-
5147	Employee Assistance	-
5148	Boot Allowance	-
5149	Motor Pay	71.20
5150	Bi-Lingual Pay	25.00
5151	Cell Phone Allowance	582.50
		<u>463,614.65</u>

ACTION MINUTES

REGULAR MEETING OF THE CITY COUNCIL TUESDAY, MAY 24, 2016 COUNCIL CHAMBERS, 215 EAST BRANCH STREET ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

Mayor Hill called the Regular City Council Meeting to order at 6:00 p.m.

2. ROLL CALL

City Council: Council Members Jim Guthrie, Tim Brown, Kristen Barneich, Mayor Pro Tem Barbara Harmon and Mayor Jim Hill were present.

Staff Present: City Manager Dianne Thompson, City Attorney Heather Whitham, Deputy City Clerk Kitty Norton, Director of Administrative Services Debbie Malicoat, Community Development Director Teresa McClish, Public Works Director Geoff English, and Police Chief Steven Annibali.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Janet Wood, representing Arroyo Grande Rotary Club, led the Flag Salute.

5. AGENDA REVIEW

5.a. Closed Session Announcements.

None.

5.b. Ordinances Read in Title Only.

Council Member Brown moved, Council Member Barneich seconded, and the motion passed unanimously that all ordinances presented at the meeting shall be read by title only and all further readings be waived.

6. SPECIAL PRESENTATIONS

6.a. Introduction of New City Employees Jill McPeek, Capital Improvement Project Manager and Jason Hodges, Information Technology Specialist.

City Manager Thompson introduced new full-time Capital Improvement Project Manager Jill McPeek, Information Technology Specialist Jason Hodges and the promotion of Planning Manager Matt Downing and provided a brief overview of their backgrounds and experience.

6.b. Recognition of Retirements: Commander Kevin McBride and Police K-9 Gregor; Introduction and Oath of Office: Police Officer Elia Esparza; Promotional Ceremony: Police Officers Zak Ayala, Jeremy Burns, and Stephen Doherty to Senior Police Officers; Sr. Police Officers Shane Day and Jason Castillo to Police Sergeants and Sergeant Michael Martinez to Police Commander.

City Manager Thompson introduced Chief Annibali who recognized Commander Kevin McBride for his 32 years of service with the Arroyo Grande Police Department; K-9 Gregor for his 6 years of service and provided an overview of his accomplishments; and introduced new full-time Police Officer Elia Esparza, and highlighted her educational and professional background. Deputy City Clerk Norton then administered the Oath of Office to Officer Esparza. Chief Annibali continued with the promotion of Police Officers Zak Ayala, Jeremy Burns, and Stephen Doherty to Senior Police Officers; Shane Day and Jason Castillo to Police Sergeants, and Sergeant Michael Martinez to Police Commander.

Mayor Hill called for a break at 6:26 p.m. The Council reconvened at 6:36 p.m.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Mayor Hill invited public comment. Speaking from the public were Linda Osty, who offered an invocation; Aaron Henkel, Arroyo Grande, expressed concern regarding the "Keep Clear" sign on the private development of the property at E. Grand Avenue and S. Elm Street, and the conditions of the bike lane in front of the High School as it relates to traffic signals; Patty Welsh, expressed concern regarding the lack of grocery stores in the City and of the efforts being made to retain one; Julie London, Arroyo Grande, expressed concern with the Council Policy item and would like to see more cohesiveness within the City; Beatrice Spencer, Arroyo Grande, spoke about issues related to the Mayor's efforts on other boards as it relates to his letter to the Federal Trade Commission (FTC); Michael Drees, Arroyo Grande, spoke regarding his concerns related to the Mayor's letter to the FTC; Cynthia Alarcio, Arroyo Grande, spoke regarding the FTC letter and did not feel that a preference was shown to the owners of Spencer's Market; Colleen Drees, Arroyo Grande, expressed concern regarding other Council Members not being notified of the FTC letter by the Mayor; Tom Goss, Arroyo Grande, expressed concerns regarding the FTC letter; LeAnn Akins, noted that Spencer's Fresh Market was the only bidder of preference; Speaker (declined to state name) expressed concern regarding the comments toward staff and Council and encouraged citizens to volunteer; Steve Hollister, Arroyo Grande, spoke regarding the FTC letter; Nick Tompkins, explained the purchase of Haggan from Albertsons and suggested working with the owners of the building; Ashley Acres, Arroyo Grande, spoke on behalf of Adam Verdin and spoke about transparency and leadership; and Shirley Gibson, Halcyon, expressed concern regarding the precedence that the FTC letter is creating.

8. CITY MANAGER REPORT:

City Manager Thompson provided a status report on items recently considered by the Planning Commission, Traffic Commission, and Historic Resources Committee; reported that the Swinging Bridge has re-opened; announced the next Coffee with the City Manager event will be held at Red Dirt Coffee House on June 6, 2016 at 8:00 am; announced that Special Meetings will be held on June 13 and 27, 2016 regarding City Council goal setting; reported on economic development; spoke on the efforts being made to secure a grocery store at the vacant Haggan site; spoke on business outreach that is being conducted and activities happening in the City that help promote economic development, as well as cultural and special events; and commented on upcoming agenda items.

Staff responded to Council Member Barneich's concerns regarding the amount of items on the upcoming agenda, and Mayor Pro Tem Harmon informed staff the Five Cities Fire Authority

Budget also needed to be added as an item for discussion. It was suggested that further discussion be held during an upcoming meeting between Mayor Hill, Mayor Pro Tem Harmon and City Manager Thompson to set the June 14, 2016 agenda.

In response to a question by Mayor Pro Tem Harmon regarding Walmart adding groceries to their store, City Manager Thompson responded that there has not been an inquiry on the matter.

In response to a question by Council Member Brown regarding pedestrian traffic on the Swinging Bridge, City Manager Thompson responded that a sign has been posted as to the limit of pedestrians crossing the bridge.

9. CONSENT AGENDA

Mayor Hill requested that Items 9.c., 9.h. and 9.i. be pulled.

Mayor Hill invited public comment. Speaking from the public were Beatrice Spencer, referred to Item 9.a. (Cash Disbursements) and questioned what work had been performed for fees paid to Wood Rogers, the invoice from Arroyo Grande Village Improvement Association for watering, and Bank of America charges for professional services for goal setting; Patty Welsh referred to Item 9.i. (Temporary Use Permit for Beer and Food Festival) and expressed concern that the event will outgrow the location and suggested that the City pursue other locations; and April McLaughlin, expressed concern with the City not contracting with local businesses.

Action: Council Member Guthrie moved, and Council Member Barneich seconded the motion to approve Consent Agenda Items 9.a. through 9.j., with the exception of Items 9.c., 9.h. and 9.i. with the recommended courses of action. The motion passed on the following roll-call vote:

AYES: Guthrie, Barneich, Harmon, Brown, Hill
NOES: None
ABSENT: None

9.a. Consideration of Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period May 1, 2016 through May 15, 2016.

9.b. Consideration of Investment Deposits.

Action: Received and filed the report listing the current investment deposits of the City, as of April 30, 2016, as required by Government Code Section 53646(b).

9.d. Consideration of Approval of Minutes.

Action: Approved the minutes of the Special and Regular City Council Meetings of May 10, 2016, as submitted.

9.e. Consideration to Declare Surplus Property.

Action: Adopted a Resolution entitled: ***"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING EQUIPMENT AS SURPLUS PROPERTY AND AUTHORIZING ITS DONATION"***.

9.f. Consideration to Approve an Agreement for Uniform Laundry Services with Aramark Uniform Services.

Action: 1) Approved an Agreement with Aramark Uniform Services for uniform laundry services in the amount of \$35,694.21 for a three-year term; 2) Authorized the Mayor to

execute the Agreement with Aramark Uniform Services for uniform laundry services; and 3) Authorized the City Manager to extend the Agreement for two additional one-year terms at the option of the City.

9.g. Consideration to Approve the Purchase of a Replacement Pump and Pipe Column for Well No. 4.

Action: Approved the purchase of a replacement vertical turbine pump and pipe column for Well No. 4 in the amount of \$22,000 from Filiponi & Thompson Drilling.

9.j. Consideration of Annual Report and Adoption of Resolution of Intention for Levy of Annual Assessment for Arroyo Grande Tourism Business Improvement District.

Action: 1) Received and approved the annual report of the Arroyo Grande Tourism Business Improvement District Advisory Board (AGTBID); 2) Adopted a Resolution entitled: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING ITS INTENTION TO CONTINUE THE ARROYO GRANDE TOURISM BUSINESS IMPROVEMENT DISTRICT, TO CONTINUE THE BASIS FOR AND TO LEVY THE ASSESSMENT FOR THE DISTRICT, AND TO SET A DATE FOR THE PUBLIC HEARING ON THE DISTRICT AND THE ASSESSMENT FOR THE 2016-17 FISCAL YEAR”***; and 3) Set the date for the public hearing for June 28, 2016.

ITEMS PULLED FROM THE CONSENT AGENDA

Mayor Hill referred to Items 9.h. and 9.i regarding publication requirements due to the Times Press Recorder closing. City Attorney Whitham advised that with regard to Item 9.h., condition of approval #18 can be modified to state that notice is to be published in The Tribune instead of the Times Press Recorder, and that Item 9.i. did not have the same publication provision due to there being no street closures involved.

Staff responded to questions from Council regarding items 9.c., 9.h., and 9.i., including the non-profit application and fee waiver, and the Police Department’s involvement in that process.

Upon Mayor Hill’s request, staff responded to public comment questions regarding the Brisco closure costs (Wood Rogers). Also upon Mayor Hill’s request, staff responded to public comment regarding the use of local vendors, noting that other questions regarding payments made will be researched and responded to at a later date.

Mayor Hill invited public comment on Items 9.c., 9.h., and 9.i. Speaking from the public were Aaron Henkel, who commented on Item 9.c. regarding the work schedule for managers; and April McLaughlin who commented on Items 9.h. and 9.i. regarding the fee waiver process and the closing of streets for events. No further comments were received.

9.c. Consideration of a Resolution Revising and Amending the Definition of Work Week in the Personnel Regulations.

Action: Mayor Hill moved to adopt a Resolution entitled ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING AND ADOPTING REVISED AND AMENDED PERSONNEL REGULATIONS”***. Mayor Pro Tem Harmon seconded, and the motion passed unanimously by the following roll call vote:

AYES: Hill, Harmon, Guthrie, Brown, Barneich
NOES: None
ABSENT: None

9.h. Consideration of Temporary Use Permit Case No. 16-004 to Authorize the Use of City Property, the Closure of City Streets, and Waiver of Application Fees for the 27th Annual Arroyo Valley Car Club Sunset Cruise on July 29, 2016 and Car Sho on July 30, 2016.

Action: Council Member Guthrie moved to adopt a Resolution entitled **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING TEMPORARY USE PERMIT 16-004; AUTHORIZING THE USE OF CITY PROPERTY AND THE CLOSURE OF CITY STREETS FOR THE 27TH ANNUAL ARROYO VALLEY CAR CLUB SUNSET CRUISE ON JULY 29, 2016 AND CAR SHO ON JULY 30, 2016”** with the amendment to Condition No. 18. to be published in The Tribune. Council Member Barneich seconded, and the motion passed unanimously by roll call vote.

AYES: Guthrie, Barneich, Brown, Harmon, Hill
NOES: None
ABSENT: None

9.i. Consideration of Temporary Use Permit No. 16-005; Authorization to Use City Property and Waiver of Application Fees for a Beer and Food Festival on October 22, 2016; Location - Heritage Square Park; Applicant – Arroyo Grande Village Improvement Association; Representative - Bob Lund.

Action: Council Member Guthrie moved to adopt a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING TEMPORARY USE PERMIT NO. 16-005; AUTHORIZING THE USE OF CITY PROPERTY FOR BEER AND FOOD FESTIVAL ON OCTOBER 22, 2016; LOCATED AT HERITAGE SQUARE PARK; APPLIED FOR BY THE ARROYO GRANDE VILLAGE IMPROVEMENT ASSOCIATION”**. Council Member Barneich seconded, and the motion passed unanimously by roll call vote.

AYES: Guthrie, Barneich, Brown, Harmon
NOES: Hill
ABSENT: None

10. PUBLIC HEARINGS

None.

11. OLD BUSINESS

11.a. Consideration of a Resolution Establishing a Policy Regarding Council Communications.

City Manager Thompson presented the staff report and recommended that the Council adopt a Resolution establishing a policy in the City Council Operations Manual regarding Council communications relating to correspondence, legislative communications, speaking

engagements, and media relations, with a modification to replace “City resources” with “City letterhead” in the last paragraph of the correspondence section.

Staff responded to questions from Council regarding email correspondence between City Council Members. Staff also responded to questions from Council regarding responses to requests for action from the League of California Cities.

Mayor Hill invited public comment. Speaking from the public were Patty Welsh, expressed confusion about the recommended action; Tom Goss, Arroyo Grande, supported the item; Colleen Martin, Arroyo Grande, commented on the need for the Council to have a retreat; John Keen, Arroyo Grande, commented on correspondence from the League of California Cities and encouraged the Council to evaluate any potential responses; Beatrice Spencer, Arroyo Grande, asked why the necessity to respond to the League’s requests now and was confused regarding this item being agendized; April McLaughlin, Arroyo Grande, expressed concern about changing wording from city letterhead to city resources; Aaron Henkel, Arroyo Grande, commented that the Council should make the decision together on the League requests; Caren Ray, Arroyo Grande, stated the Council should make decisions together as a body, expressed concern regarding the use of the term letterhead as opposed to the use of title; and LeAnn Akins, Arroyo Grande, regarding no direction to staff to bring back a resolution. No further public comments were received.

Council comments ensued regarding how the agenda item and resolution regarding letters to the League of California Cities was put on the agenda, the benefit of sharing emails of opinion with other Council Members on League issues as well as other board and committee issues; the potential of a refresher regarding the wearing of dual hats on different boards, commissions and committees; and the benefit of weighing in on League issues only as time allows.

Action: Council Member Guthrie moved to adopt a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ESTABLISHING A POLICY REGARDING COUNCIL COMMUNICATIONS”**, as modified to include changes to the Council Communication Policy replacing “City resources” with “City letterhead” and striking the legislative communications paragraph and continuing with the current practice of bringing to Council requests from the League as time allows. Council Member Barneich seconded, and the motion passed on the following roll-call vote:

AYES: Guthrie, Barneich, Harmon
NOES: Brown, Hill
ABSENT: None

12. NEW BUSINESS

None.

13. CITY COUNCIL REPORTS

The Mayor and Council Members provided brief reports from the following committee, commission, board, or other subcommittee meetings that they attended as the City’s appointed representative.

- (a) MAYOR HILL:**
 - (1) South San Luis Obispo County Sanitation District (SSLOCSD)
 - (2) Brisco/Halcyon Interchange Subcommittee
 - (3) Oversight Board to the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency
 - (4) California Joint Powers Insurance Authority (CJPIA)
 - (5) Other

- (b) MAYOR PRO TEM HARMON:**
 - (1) County Water Resources Advisory Committee (WRAC)
 - (2) Air Pollution Control District (APCD)
 - (3) Five Cities Fire Authority (FCFA)
 - (4) Other

- (c) COUNCIL MEMBER GUTHRIE:**
 - (1) San Luis Obispo Council of Governments/Regional Transit Authority (SLOCOG/RTA)
 - (2) South County Transit (SCT)
 - (3) Tourism Committee
 - (4) Brisco/Halcyon Interchange Subcommittee
 - (5) Economic Vitality Corporation (Attended as Alternate)

- (d) COUNCIL MEMBER BROWN:**
 - (1) Integrated Waste Management Authority Board (IWMA)
 - (2) Economic Vitality Corporation (EVC)
 - (3) Other

- (e) COUNCIL MEMBER BARNEICH:**
 - (1) Zone 3 Water Advisory Board
 - (2) Homeless Services Oversight Council (HSOC)
 - (3) Other

Mayor Hill invited public comment. Speaking from the public were Aaron Henkel, stated he would like a Five Cities Fire Authority (FCFA) cost comparison to include current costs and future liabilities; Julie London, asked for clarification of the bus passes from Social Services and commented about a brochure regarding disposal of prescription medicine; Patty Welsh, requested clarification regarding the qualification for vouchers, and commented on the FCFA Budget; Rudy Xavier, Arroyo Grande, thanked the Council for their action in adopting the communication policy; Beatrice Spencer, questioned how to dispose of prescription medicine; and April McLaughlin, Arroyo Grande, questioned the Tourism Committee's decision for a bus wrap photo and expressed dissatisfaction with the South San Luis Obispo County Sanitation District cancelling its last meeting. No further public comments were received.

14. COUNCIL COMMUNICATIONS

In response to public comment, Mayor Pro Tem Harmon stated that the FCFA preliminary budget is posted for the May 20, 2016 meeting; and that she would like to place the FCFA budget on the agenda for the June 14, 2016 City Council meeting.

Mayor Hill commented on the closure of the Times Press Recorder and thanked April Charlton for her work in covering the City over the years.

15. CLOSED SESSION

At 10:35 p.m., City Attorney Heather Whitham announced the City Council would adjourn to closed session to consider the following items:

- a) **CONFERENCE WITH REAL PROPERTY NEGOTIATOR** pursuant to Government Code Section 54956.8:
Property: 202 Le Point Street, Arroyo Grande
Agency negotiator: Dianne Thompson, City Manager
Negotiating parties: John and Maureen Gutierrez
Under negotiation: Price and terms of payment

- b) **CONFERENCE WITH REAL PROPERTY NEGOTIATOR** pursuant to Government Code Section 54956.8:
Property: 132 Le Point Street, Arroyo Grande
Agency negotiator: Dianne Thompson, City Manager
Negotiating party: Sunny Jacobson
Under negotiation: Price and terms of payment

- c) **CONFERENCE WITH LABOR NEGOTIATOR** pursuant to Government Code Section 54957.6:
Agency Designated Representative: Dianne Thompson, City Manager
Represented Employees: Arroyo Grande Police Officers' Association (AGPOA)

- d) **CONFERENCE WITH LABOR NEGOTIATOR** pursuant to Government Code Section 54957.6:
Agency Designated Representative: Dianne Thompson, City Manager
Unrepresented Employees: Management Employees

- e) **CONFERENCE INVOLVING A JOINT POWERS AGENCY- FIVE CITIES FIRE AUTHORITY** pursuant to Government Code Section 54956.96(b):
Discussion will concern:

CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code Section 54957.6:
Agency Negotiators: Shelline K. Bennett - Law Firm of Liebert Cassidy Whitmore; Debbie Malicoat- Administrative Services Director- Arroyo Grande; Channelle Hubbard- Human Resources Coordinator- Grover Beach
Represented Employees: International Association of Fire Fighters (IAFF) Local 4403
Local agency representative on Five Cities Fire Authority Board: Barbara Harmon
Additional attendee: Dianne Thompson, City Manager

Mayor Hill invited additional public comment prior to the closed session. Speaking from the public was Patty Welsh, who commented on the need for medical marijuana to help those in the City with a need. No further public comments were received.

Adjourned to closed session.

16. RECONVENE TO OPEN SESSION:

Mayor Hill reconvened the meeting to open session at 10:44 p.m. City Attorney Whitham announced that the City Council unanimously decided to move forward to exercise the City's option to purchase the property located at 202 Le Point Street and 132 Le Point Street; provided direction regarding the Arroyo Grande Police Officers' Associations' labor negotiation to the City Manager; provided direction regarding the management employees' labor negotiation to the City Manager; and provided direction regarding the International Association of Fire Fighters labor negotiation to the City's representative on the Five Cities Fire Authority Board.

17. ADJOURNMENT

Mayor Hill adjourned the meeting at 10:47 p.m.

Jim Hill, Mayor

ATTEST:

Kitty Norton, Deputy City Clerk

(Approved at CC Mtg _____)

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MEMORANDUM

TO: CITY COUNCIL

FROM: DEBBIE MALICOAT, DIRECTOR OF ADMINISTRATIVE SERVICES

SUBJECT: CONSIDERATION OF FISCAL YEAR 2016-17 APPROPRIATION LIMIT

DATE: JUNE 14, 2016

RECOMMENDATION:

It is recommended the City Council adopt the attached Resolution establishing the appropriation limit from tax proceeds for Fiscal Year 2016-17.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There are no fiscal or personnel impacts.

BACKGROUND:

Annually, the City is required to calculate the expenditure appropriation limit from tax proceeds to determine compliance with Propositions 4 (Gann Initiative) and 111 (Spending Limitation Act of 1990). This calculation is based on the previous year's appropriation limit (\$19,465,437) multiplied by the per capita personal income percentage increase (5.37%) and multiplied again by the population percentage change (0.30%). The State Department of Finance provides both the population change and the per capita personal income change for the previous fiscal year.

ANALYSIS OF ISSUES:

The City is responsible for dividing citywide revenues between tax and non-tax revenue and applying the formula to the cumulative appropriation limit. For Fiscal Year 2016-17, the appropriation limit has been calculated to be \$20,572,263.

This calculation means that the City cannot receive more than \$20,572,263 in tax-based revenues in Fiscal Year 2016-17. The estimated tax-based revenues for the Fiscal Year have been calculated to be \$14,445,114, approximately \$6.1 million less than the appropriation limit. Therefore, the City is in compliance with Article XIII B of the California Constitution.

**CITY COUNCIL
CONSIDERATION OF FISCAL YEAR 2015-17 APPROPRIATION LIMIT
JUNE 14, 2016
PAGE 2**

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

- Adopt the Resolution establishing the appropriation limit
- Do not adopt the Resolution;
- Provide direction to staff.

ADVANTAGES:

By adopting the Resolution establishing the appropriation limit for Fiscal Year 2016-17, the City will be in compliance with Propositions 4 and 111.

DISADVANTAGES:

There is no disadvantage identified in relation to this recommendation.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, June 9, 2016. The Agenda and report were posted on the City's website on Friday, June 10, 2016. No public comments were received.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING A TAX PROCEEDS EXPENDITURE APPROPRIATION LIMIT FOR FISCAL YEAR 2016-17

WHEREAS, Sections 7900 et seq. of the Government Code provide for the effective and efficient implementation of Article XIII B of the California Constitution; and

WHEREAS, Government Code Sections 7901 through 7914 provide that each year, the governing body of each local jurisdiction shall, by resolution adopted at a regularly scheduled meeting, establish the annual adjustment factors to be used and the tax proceeds expenditure appropriation limit.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Arroyo Grande as follows:

1. The California per capita income and the population of San Luis Obispo County, California are recognized as the annual adjustment factors for Fiscal Year 2016-17.
2. The appropriation limit for Fiscal Year 2016-17 is hereby set at twenty million, five hundred seventy two thousand, and two hundred sixty three dollars (\$20,572,263).
3. Documentation used in the determination of the tax proceeds expenditure appropriation limit is attached hereto as Exhibit A and incorporated herein by this reference.
4. This Resolution is effective on its date of adoption.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this ____ day of June, 2016.

**RESOLUTION NO.
PAGE 2**

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

EXHIBIT A

CITY OF ARROYO GRANDE
CALCULATION OF APPROPRIATION LIMIT FROM TAX PROCEEDS
 FOR FISCAL YEAR 2016-17

Appropriation limit for 2015-16 \$ 19,465,437

Multiplied by the appropriation limit change factors:

Per Capita Personal Income Change:	5.37%			
Conversion to ratio:		$\frac{5.37\% + 100}{100}$	=	1.0537

Population Change:				
2015	17,678			
2016	<u>17,731</u>	0.30%		
Change	53			
Conversion to ratio:	$\frac{53}{17,731}$	$\frac{.30\% + 100}{100}$	=	<u>1.00300</u>

APPROPRIATION LIMIT FOR FISCAL YEAR 2015-16 \$ 20,572,263

ESTIMATED 2016-17 PROCEEDS OF TAXES SUBJECT TO APPROPRIATION LIMIT \$ 14,445,114

Amount under/(over) limit \$ 6,127,149

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MEMORANDUM

TO: CITY COUNCIL

FROM: DIANNE THOMPSON, CITY MANAGER

SUBJECT: CONSIDERATION OF CANCELLATION OF JULY 12, 2016 CITY COUNCIL MEETING

DATE: JUNE 14, 2016

RECOMMENDATION:

It is recommended the Council cancel the regularly scheduled Council meeting of July 12, 2016.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is some minimal cost savings due to reduced staff time and related supplies associated with meeting preparation.

BACKGROUND:

On August 14, 2007, the City Council considered the concept of establishing a policy of designating a summer month for cancellation of Council meetings. The purpose was to designate a month "dark" from Council meetings in the summer so the City Council and staff could coordinate their vacations during this period. Staff recommended the month of July because it was the only full month in which school is not in session and it includes the July 4th holiday.

ANALYSIS OF ISSUES:

The City Council meets twice a month on the second and fourth Tuesdays. When the Council established the policy of designating a summer month for cancellation, concerns were expressed regarding the impact on other meeting agendas and potential delays to important items. Therefore, it was suggested that one meeting be cancelled in July as a compromise. The City Council concurred and a policy was established to cancel the first meeting in July of each year. It is recommended this year to observe the policy by cancelling the July 12th meeting.

**CITY COUNCIL
CONSIDERATION OF CANCELLATION OF JULY 12, 2016 CITY COUNCIL
MEETING
JUNE 14, 2016
PAGE 2**

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Cancel the July 12, 2016 City Council Meeting;
- Cancel the July 26, 2016 City Council Meeting;
- Direct staff to make changes to the current policy; or
- Provide other direction to staff.

ADVANTAGES:

Cancelling the July 12, 2016 meeting provides the City Council and staff an opportunity to plan a vacation during the summer months without being absent from a meeting or being concerned about missing an item that is important for their vote or input.

DISADVANTAGES:

Cancellation of a regular meeting may result in heavier agendas at the prior and following meetings.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The agenda was posted in front of City Hall on Thursday, June 9, 2016 and on the City's website on Friday, June 10, 2016.



MEMORANDUM

TO: CITY COUNCIL

FROM: DEBBIE MALICOAT, DIRECTOR OF ADMINISTRATIVE SERVICES

SUBJECT: CONSIDERATION OF CONFIRMATION OF ASSESSMENTS FOR TRACTS 1769, 2310, AND 2236

DATE: JUNE 14, 2016

RECOMMENDATION:

It is recommended the City Council:

1. Adopt a Resolution confirming landscaping and lighting assessments for all parcels within Tract 1769;
2. Adopt a Resolution confirming the assessments for the Parkside Assessment District for all parcels within Tract 2310 (Parkside Village Subdivision);
3. Adopt a Resolution confirming the assessments for the Grace Lane Assessment District for all parcels within Tract 2236 (Grace Lane Subdivision).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The City created three assessment districts to provide landscaping and other specified maintenance. The assessments are placed on the affected property owner's tax roll each year. The total amount of revenue to be received from the assessment districts in Fiscal Year 2016-17 is \$56,376.

The staff time for the administration of the assessments is minimal and will be reimbursed annually through the City's Cost Allocation plan.

BACKGROUND:

On June 9, 1992, Landscaping and Lighting Assessment District No. 1 was created to provide landscaping and lighting improvements and maintenance for Tract 1769. The annual assessment was \$100 per parcel located within Tract 1769 (a total of \$3,000). The Tract 1769 landscaping and lighting assessment must be confirmed by the Council each year.

On November 8, 2005, at the request of Parkside Village LLC, the sole owner and developer of the Parkside Village Subdivision (Tract 2310), the City Council approved the formation of the Parkside Village Assessment District. At the June 26, 2012 meeting, Council approved a Supplement to the Engineer's Report to reduce the assessment for the Parkside Village Assessment District. The assessment is adjusted annually by the April Consumer Price Index (CPI), which was 2.0% in 2016. The annual assessments vary from \$434 to \$714 per parcel for a total of \$42,770 annually.

**CITY COUNCIL
CONSIDERATION OF CONFIRMATION OF ASSESSMENTS
JUNE 14, 2016
PAGE 2**

On November 28, 2006, at the request of Vista Roble LLC, the sole owner of the Grace Lane Subdivision (Tract 2236), the City Council approved the formation of the Grace Lane Assessment District. This assessment is also adjusted annually by the April CPI or 1.8% in 2016. The annual assessment ranges from \$522 to \$694 per parcel for a total annual assessment of \$10,606.

ANALYSIS OF ISSUES:

All of the above referenced assessments must be confirmed each year. The assessments will be added to the tax roll of the affected property owners and collected by the San Luis Obispo County Tax Collector.

ALTERNATIVES:

The following alternatives are presented for the City Council's consideration:

- Approve staff recommendations;
- Do not approve staff recommendations;
- Modify staff recommendations and approve;
- Provide direction to staff.

ADVANTAGES:

By confirming the assessments, the City will continue to receive the funding to maintain the landscape districts.

DISADVANTAGES:

There is no disadvantage identified in this recommendation.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, June 9, 2016. The Agenda and report were posted on the City's website on Friday, June 10, 2016. No public comments were received.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF ARROYO GRANDE CONFIRMING A LANDSCAPING
AND LIGHTING ASSESSMENT FOR TRACT 1769**

WHEREAS, on June 9, 1992, the City Council of the City of Arroyo Grande ordered the formation of Arroyo Grande Landscaping and Lighting Assessment District No. 1, within Tract 1769, containing 30 single-family home sites located at Farroll Avenue and Oak Park Boulevard; and

WHEREAS, the Landscaping and Lighting Assessment District No. 1 was established under the provisions of the Landscape and Lighting Act of 1972 (California Streets and Highways code Sections 22500 et seq.); and

WHEREAS, pursuant to Streets and Highways Code Section 22130, the City Council is authorized to levy this assessment; and

WHEREAS, pursuant to Streets and Highways Code Section 22646, the assessments herein confirmed by the City Council shall be collected on the secured tax roll and collected at the same time and in the same manner as County taxes are collected; and

WHEREAS, it is the intention of the City Council of the City of Arroyo Grande to levy assessments totaling \$3,000 (\$100 per assessable parcel) for Landscaping and Lighting Assessment District No. 1 for the Fiscal Year 2016-17.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

1. That the above recitals are true and correct and incorporated herein.
2. That the assessments shown on Exhibit "A", attached hereto and incorporated herein by this reference, are confirmed as true and correct.
3. Immediately after adoption, a certified copy of this Resolution shall be filed with the County Auditor.
4. The assessments shall be collected at the same time and in the same manner as County taxes are collected, and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments. After collection by the County, the remaining amount of the assessments, after deducting compensation due the County for collection, shall be paid to the City.

RESOLUTION NO.
PAGE 2

On motion by Council Member _____, seconded by Council Member _____,
and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

The foregoing Resolution was passed and adopted this ____ day of _____, 2016.

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

EXHIBIT A

SAN LUIS OBISPO COUNTY TAX SYSTEM		
TRACT 1769 ASSESSMENTS		
FOR TAX ROLL YEAR 2016-17		
FUND	ASSESSMENT #	CHARGE
1765	077253001	\$ 100.00
1765	077253002	\$ 100.00
1765	077253003	\$ 100.00
1765	077253004	\$ 100.00
1765	077253005	\$ 100.00
1765	077253006	\$ 100.00
1765	077253007	\$ 100.00
1765	077253008	\$ 100.00
1765	077253009	\$ 100.00
1765	077253010	\$ 100.00
1765	077253011	\$ 100.00
1765	077253012	\$ 100.00
1765	077253013	\$ 100.00
1765	077253014	\$ 100.00
1765	077253015	\$ 100.00
1765	077253016	\$ 100.00
1765	077253017	\$ 100.00
1765	077253018	\$ 100.00
1765	077253019	\$ 100.00
1765	077253020	\$ 100.00
1765	077253021	\$ 100.00
1765	077253022	\$ 100.00
1765	077253023	\$ 100.00
1765	077253024	\$ 100.00
1765	077253025	\$ 100.00
1765	077253026	\$ 100.00
1765	077253027	\$ 100.00
1765	077253028	\$ 100.00
1765	077253029	\$ 100.00
1765	077253030	\$ 100.00
TOTAL		\$ 3,000.00

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF ARROYO GRANDE CONFIRMING THE
ASSESSMENTS FOR THE PARKSIDE VILLAGE
ASSESSMENT DISTRICT (TRACT 2310)**

WHEREAS, the owner (Parkside Village, LLC) of Lots 1 through 67, Tract 2310, requested the City form a maintenance assessment district, commonly referred to as the Parkside Village Assessment District to provide means to finance the costs of maintenance, operation, and service of certain specified improvements; and

WHEREAS, on November 8, 2005, the Arroyo Grande City Council adopted Resolution No. 3888 ordering the formation of the Parkside Village Assessment District, confirming assessments, assessment district diagram, and approving the levying of assessments for Tract 2310 (Parkside Village); and

WHEREAS, the Parkside Village Assessment District was established under the provisions of the Landscape and Lighting Act of 1972 (California Streets and Highways code Sections 22500 et seq.); and

WHEREAS, pursuant to Streets and Highways Code Section 22130, the City Council is authorized to levy this assessment; and

WHEREAS, pursuant to Streets and Highways Code Section 22646, the assessments herein confirmed by the City Council shall be collected on the secured property tax roll and collected at the same time and in the same manner as County taxes are collected; and

WHEREAS, assessments for the Parkside Village Assessment District must be confirmed by the City Council for each fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

1. That the above recitals are true and correct and incorporated herein.
2. That the assessments for the 2016-17 fiscal year shown on Exhibit "A", attached hereto and incorporated herein by this reference, are confirmed as true and correct.
3. Assessments shall be adjusted annually by modifying the adopted value up or down in conformance with the Consumer Price Index for the Los Angeles region. The factor for the adjustment of the assessments shall be calculated using the April index and established by the Director of Administrative Services, utilizing the following formula:

$$\text{Factor} = 1 + \frac{\text{Current Index} - \text{Prior Year Index}}{\text{Prior Year Index}}$$

RESOLUTION NO.

PAGE 2

4. Immediately after adoption, a certified copy of this Resolution shall be filed with the County Auditor.
5. The assessments shall be collected at the same time and in the same manner as County taxes are collected, and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments. After collection by the County, the remaining amount of the assessments, after deducting compensation due the County for collection, shall be paid to the City.

On motion by Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this ____ day of _____, 2016.

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

EXHIBIT A

SAN LUIS OBISPO COUNTY TAX SYSTEM						
TRACT 2310 ASSESSMENTS						
FOR TAX ROLL YEAR 2016-17						
FUND	ASSESSMENT #	CHARGE		FUND	ASSESSMENT #	CHARGE
1893	077255002	\$ 434.00		1893	077255038	\$ 714.00
1893	077255003	\$ 434.00		1893	077255039	\$ 714.00
1893	077255004	\$ 434.00		1893	077255040	\$ 714.00
1893	077255005	\$ 434.00		1893	077255041	\$ 714.00
1893	077255006	\$ 434.00		1893	077255042	\$ 714.00
1893	077255007	\$ 434.00		1893	077255043	\$ 714.00
1893	077255008	\$ 434.00		1893	077255044	\$ 714.00
1893	077255009	\$ 434.00		1893	077255045	\$ 714.00
1893	077255010	\$ 434.00		1893	077255046	\$ 714.00
1893	077255011	\$ 434.00		1893	077255047	\$ 714.00
1893	077255012	\$ 434.00		1893	077255048	\$ 714.00
1893	077255013	\$ 434.00		1893	077255049	\$ 714.00
1893	077255014	\$ 434.00		1893	077255050	\$ 714.00
1893	077255015	\$ 714.00		1893	077255051	\$ 714.00
1893	077255016	\$ 714.00		1893	077255052	\$ 714.00
1893	077255017	\$ 714.00		1893	077255053	\$ 714.00
1893	077255018	\$ 714.00		1893	077255054	\$ 714.00
1893	077255019	\$ 714.00		1893	077255055	\$ 714.00
1893	077255020	\$ 714.00		1893	077255056	\$ 714.00
1893	077255021	\$ 714.00		1893	077255057	\$ 714.00
1893	077255022	\$ 714.00		1893	077255058	\$ 714.00
1893	077255023	\$ 714.00		1893	077255059	\$ 714.00
1893	077255024	\$ 714.00		1893	077255060	\$ 714.00
1893	077255027	\$ 714.00		1893	077255061	\$ 714.00
1893	077255028	\$ 714.00		1893	077255062	\$ 714.00
1893	077255029	\$ 714.00		1893	077255063	\$ 714.00
1893	077255030	\$ 714.00		1893	077255064	\$ 714.00
1893	077255031	\$ 714.00		1893	077255065	\$ 714.00
1893	077255032	\$ 714.00		1893	077255066	\$ 714.00
1893	077255033	\$ 714.00		1893	077255067	\$ 714.00
1893	077255034	\$ 714.00		1893	077255068	\$ 714.00
1893	077255035	\$ 714.00				
1893	077255036	\$ 714.00		TOTAL		\$ 42,770.00
1893	077255037	\$ 714.00				

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF ARROYO GRANDE CONFIRMING THE
ASSESSMENTS FOR THE GRACE LANE ASSESSMENT
DISTRICT (TRACT 2236)**

WHEREAS, the owner (Vista Roble, LLC) of Lots 1 through 19, Tract 2236, petitioned the City to form a maintenance assessment district, commonly referred to as the Grace Lane Assessment District to provide means to finance the costs of maintenance, operation, and service of certain specified improvements; and

WHEREAS, on November 28, 2006, the Arroyo Grande City Council adopted Resolution No. 3976 ordering the formation of the Grace Lane Assessment District, confirming assessments, assessment district diagram, and approving the levying of assessments for Tract 2236 (Grace Lane Subdivision); and

WHEREAS, the Grace Lane Assessment District was established under the provisions of the Landscape and Lighting Act of 1972 (California Streets and Highways code Sections 22500 et seq.); and

WHEREAS, pursuant to Streets and Highways Code Section 22130, the City Council is authorized to levy this assessment; and

WHEREAS, pursuant to Streets and Highways Code Section 22646, the assessments herein confirmed by the City Council shall be collected on the secured property tax roll and collected at the same time and in the same manner as County taxes are collected; and

WHEREAS, assessments for the Grace Lane Assessment District must be confirmed by the City Council for each fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

1. That the above recitals are true and correct and incorporated herein.
2. That the assessments for the 2016-17 fiscal year shown on Exhibit "A", attached hereto and incorporated herein by this reference, are confirmed as true and correct.
3. Assessments shall be adjusted annually by modifying the adopted value up or down in conformance with the Consumer Price Index for the Los Angeles region. The factor for the adjustment of the assessments shall be calculated using the April index and established by the Director of Administrative Services, utilizing the following formula:

$$\text{Factor} = 1 + \frac{\text{Current Index} - \text{Prior Year Index}}{\text{Prior Year Index}}$$

RESOLUTION NO.

PAGE 2

4. Immediately after adoption, a certified copy of this Resolution shall be filed with the County Auditor.
5. The assessments shall be collected at the same time and in the same manner as County taxes are collected, and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments. After collection by the County, the remaining amount of the assessments, after deducting compensation due the County for collection, shall be paid to the City.

On motion by Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this ____ day of _____, 2016.

**RESOLUTION NO.
PAGE 3**

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

EXHIBIT A

SAN LUIS OBISPO COUNTY TAX SYSTEM		
TRACT 2236 ASSESSMENTS		
FOR TAX ROLL YEAR 2016-17		
FUND	ASSESSMENT #	CHARGE
1895	007019002	\$ 522.00
1895	007019003	\$ 522.00
1895	007019004	\$ 522.00
1895	007019005	\$ 522.00
1895	007019006	\$ 522.00
1895	007019007	\$ 522.00
1895	007019008	\$ 522.00
1895	007019035	\$ 522.00
1895	007019036	\$ 522.00
1895	007019037	\$ 522.00
1895	007019012	\$ 522.00
1895	007019014	\$ 522.00
1895	007019015	\$ 522.00
1895	007019016	\$ 522.00
1895	007019017	\$ 522.00
1895	007019034	\$ 694.00
1895	007019033	\$ 694.00
1895	007019025	\$ 694.00
1895	007019030	\$ 694.00
TOTAL		\$ 10,606.00



MEMORANDUM

TO: CITY COUNCIL

FROM: KELLY WETMORE, DIRECTOR OF LEGISLATIVE AND INFORMATION SERVICES/CITY CLERK

SUBJECT: CONSIDERATION OF RESOLUTIONS FOR THE 2016 GENERAL MUNICIPAL ELECTION FOR THE ELECTION OF CERTAIN OFFICERS OF THE CITY

DATE: JUNE 14, 2016

RECOMMENDATION:

It is recommended the City Council: 1) Adopt a Resolution calling and giving notice of the holding of a General Municipal Election to be held on Tuesday, November 8, 2016, for the election of certain officers of the City; 2) Adopt a Resolution requesting the Board of Supervisors of the County of San Luis Obispo to consolidate a General Municipal Election to be held on November 8, 2016; and 3) Adopt a Resolution adopting regulations for candidates for governing the submittal of a Candidate Statement.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Estimated costs for the November 2016 General Municipal Election are included in the Fiscal Year 2016-17 Budget in the amount of \$17,000. This amount is based on historical election costs for candidates only and does not include costs associated with a ballot measure. An additional appropriation of approximately \$4,000 to \$5,000 would be needed should the Council add a ballot measure to the election at a future meeting.

BACKGROUND:

State law establishes the dates when general law cities conduct municipal elections for the purpose of electing members of the City Council. The office of Council Member is a four-year term, with terms expiring at staggered intervals (i.e., terms of office for two members of the City Council are scheduled to expire every two years). The office of Mayor is a two-year term pursuant to voter approval in 1982. The California Elections Code establishes procedures and requirements for conducting a General Municipal Election. As the first step in the election process, certain Resolutions must be adopted by the City Council.

**CITY COUNCIL
CONSIDERATION OF RESOLUTIONS FOR THE 2016 GENERAL MUNICIPAL
ELECTION
JUNE 14, 2016
PAGE 2**

ANALYSIS OF ISSUES:

Pursuant to Municipal Code Section 1.08.010, the City of Arroyo Grande will conduct a General Municipal Election on the same day as, and consolidated with, the Statewide General Election. The Statewide General Election is held on the first Tuesday after the first Monday in November in even numbered years. This year, the date of the Statewide General Election is Tuesday, November 8, 2016. The request for consolidation must be submitted to the County Board of Supervisors no later than August 12, 2016 (at least 88 days prior to the date of the election).

By consolidating the election with other jurisdictions in the County, costs to the City to conduct the election are substantially reduced. Following the election, the County invoices the City for its proportional share of the costs. The estimated cost of \$17,000 for the 2016 General Election has been included in the FY 2016-17 Budget. This estimate is based on approximately 11,000 registered voters, and the cost per vote-by-mail ballot. Also included in the City's election costs are charges related to the printing of candidate statements, also known as "campaign statements", in the Voter Information Pamphlet/Sample Ballot ("Sample Ballot"). It is recommended that the word count for the statements be set at 200 words per statement, which is consistent with previous elections. Since 2008, the City has sought full cost recovery from the candidate for the publication of a candidate statement, since the publication of a candidate statement is optional and not a requirement. This is a consistent practice among California cities. The City requires an initial deposit at the time a candidate files his/her nomination papers. Candidates are then invoiced (or sent a refund) after the County calculates the share of costs for printing/mailing of the sample ballots for each agency and candidate.

In 2016, the terms of Council Member Jim Guthrie, Council Member Kristen Barneich, and Mayor Jim Hill are expiring.

The nomination period for candidates running for a seat on the City Council for both City Council Member and Mayor is Monday, July 18, 2016 through Friday, August 12, 2016. If an incumbent does not file nomination papers and qualify by the close of the nomination period, the filing period extends (for non-incumbents *only*) for five (5) days pursuant to State law.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Adopt the Resolutions pertaining to the 2016 General Municipal Election; or
2. Do not adopt the Resolutions and provide alternative direction to staff.

ADVANTAGES:

Adoption of the proposed Resolutions will meet the provisions required by the California Elections Code for calling and giving notice of a General Municipal Election, requesting

**CITY COUNCIL
CONSIDERATION OF RESOLUTIONS FOR THE 2016 GENERAL MUNICIPAL
ELECTION
JUNE 14, 2016
PAGE 3**

the services of the County to conduct a consolidated election, and setting forth regulations for candidates pertaining to the filing of candidate statements.

DISADVANTAGES:

There are no identified disadvantages related to adoption of the proposed Resolutions as they are required by State law in order to conduct a Consolidated General Municipal Election in the City.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

No prior public notification is required for this item. A Notice of Election will be published pursuant to the timeline prescribed by the Elections Code. The Agenda was posted in front of City Hall on Thursday, June 9, 2016. The Agenda and report were posted on the City's website on Friday, June 10, 2016.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

WHEREAS, under the provisions of the laws relating to General Law Cities in the State of California, a General Municipal Election shall be held on November 8, 2016, for the election of Municipal Officers.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Arroyo Grande, California, on Tuesday, November 8, 2016, a General Municipal Election for the purpose of electing a Mayor for the full term of two years, and two Members of the City Council for the full term of four years.
2. That the ballots to be used at the election shall be in form and content as required by law.
3. That the City Clerk is authorized, instructed and directed to coordinate with the County of San Luis Obispo County Clerk-Recorder to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.
4. That the polls for the election shall be open at seven o'clock a.m. on the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to Election Code Section 10242, except as provided in Section 14401 of the Elections Code of the State of California.
5. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.
6. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in the time, form and manner as required by law.
7. That in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the County of San Luis

RESOLUTION NO.

PAGE 2

Obispo County Clerk-Recorder, the City Council, in accordance with Election Code Section 15651(a), shall set a date and time and place and summon the candidates who have received the tie votes to appear and will determine the tie by lot.

8. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.
9. The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 14th day of June, 2016.

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN LUIS OBISPO TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

WHEREAS, the City Council of the City of Arroyo Grande called a General Municipal Election to be held on Tuesday, November 8, 2016, for the purpose of the election of a Mayor and two (2) Members of the City Council; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same, and that the County Elections Division of the County of San Luis Obispo canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

1. That pursuant to the requirements of Section 10403 of the Election Code, the Board of Supervisors of the County of San Luis Obispo is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 8, 2016, for the purpose of the election of a Mayor and two (2) Members of the City Council.
2. That the Elections Division of the County Clerk-Recorder's Office is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the Statewide election.
3. That the Board of Supervisors is requested to issue instructions to the Elections Division of the County Clerk-Recorder's Office to take any and all steps necessary for the holding of the consolidated election.
4. That the City of Arroyo Grande recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any such additional costs.

RESOLUTION NO.

PAGE 2

5. That the City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the Elections Division of the San Luis Obispo County Clerk-Recorder's Office.
6. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 14th day of June, 2016.

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ARROYO GRANDE ADOPTING REGULATIONS FOR
CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO
CANDIDATES STATEMENTS SUBMITTED TO THE VOTERS
AT AN ELECTION TO BE HELD ON TUESDAY, NOVEMBER
8, 2016**

WHEREAS, Section 13307 of the Elections Code of the State of California provides that the governing body of any local agency may adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the Candidates Statement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

1. **GENERAL PROVISIONS.** That pursuant to Section 13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an Election to be held in the City of Arroyo Grande on November 8, 2016, may prepare a Candidate's Statement on an appropriate form provided by the City Clerk. The Statement may include the name, age, and occupation of the candidate and a brief description of no more than **200 words** of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in typewritten form in the office of the City Clerk at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.
2. **FOREIGN LANGUAGE POLICY.**
The San Luis Obispo County Clerk-Recorder's Office shall have translated into Spanish only those statements as requested by the candidate, and print any translation(s) of candidates who so request printing in the voter pamphlet.
3. **PAYMENT.**
 - a) The candidate shall be required to pay for the cost of printing the candidates statement in English in the voter's pamphlet.
 - b) The candidate shall be required to pay for the cost of translating and printing the candidates statement into the foreign language as specified in Section 2 above, pursuant to State law.
 - c) The San Luis Obispo County Clerk-Recorder's Office shall estimate the total cost of printing, handling, translating, and mailing the candidates statements filed pursuant to this Section, and the City Clerk shall require each candidate filing a statement to pay in advance to the City his or her estimated pro rata share as a condition of having his or her statement included in the voter's pamphlet. In the event the estimated payment is required, the estimate is just an approximation of the actual costs that varies from one election to another election and may be significantly more or less than the estimate, depending on the actual number of

RESOLUTION NO.

PAGE 2

candidates filing statements. Accordingly, the City Clerk is not bound by the estimate and may, on a pro rata basis, bill the candidate for additional actual expense or refund any excess paid, depending on the final actual cost. In the event of underpayment, the Clerk may require the candidate to pay the balance of the cost incurred. In the event of overpayment, the City Clerk shall prorate the excess amount among the candidates and refund the excess amount paid within thirty (30) days of the receipt of the final invoice from the County.

4. **ADDITIONAL MATERIALS.** No candidate will be permitted to include additional materials in the sample ballot package.
5. That the City Clerk shall provide each candidate or the candidate's representative a copy of this Resolution at the time nominating petitions are issued.
6. That all previous Resolutions establishing Council policy on payment for candidates statements are repealed.
7. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted on this 14th day of June, 2016.

JIM HILL, MAYOR

ATTEST:

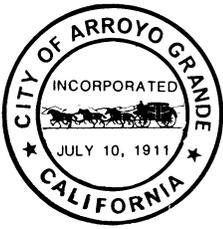
KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY



MEMORANDUM

TO: CITY COUNCIL

FROM: GEOFF ENGLISH, PUBLIC WORKS DIRECTOR

BY: SHANE TAYLOR, UTILITIES MANAGER

SUBJECT: CONSIDERATION TO PURCHASE A WATER TREATMENT PLANT AND ASSOCIATED EQUIPMENT FOR WELL NO. 11

DATE: JUNE 14, 2016

RECOMMENDATION:

Approve the purchase of a Culligan Cullsorb Filter and associated treatment plant equipment in the amount of \$53,601.08 from Central Coast Water Treatment (\$32,544.53) and Hopkins Technical Products (\$21,056.55).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The Capital Improvement Program budget currently includes \$254,664 for the project.

BACKGROUND:

On August 11, 2015, City Council rejected construction bids for Water Well No. 11 treatment plant construction, well equipment and piping installation project PW 2010-07. The lowest bid was \$146,000 above the engineer's estimate of \$317,500.

ANALYSIS OF ISSUES:

In meeting with the City's consulting engineering firm, Garing, Taylor & Associates, it was determined to revise the bid documents and solicit new construction bids.

The new bid documents have been prepared along with changes in the technical specifications. Part of the recommended changes to the Well No. 11 project are to have the City purchase the water treatment plant and associated equipment directly from the manufacturer and then provide it to the successful bidder on the future Well No. 11 project.

The above action will lower the cost and expedite the project. This recommended purchase is in accordance with the City's Purchasing Policy and Procedures Manual (page 16) Bidding Exceptions: #2: The merchandise or service is available from only one source. The Culligan Cullsorb filter is only available from Central Coast Water

**CITY COUNCIL
CONSIDERATION TO PURCHASE A WATER TREATMENT PLANT AND ASSOCIATED
EQUIPMENT FOR WELL NO. 11
JUNE 14, 2016
PAGE 2**

Treatment and the treatment plant equipment is only available through Hopkins Technical Products. Letters regarding the sole source providers is attached.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Approve staff's recommendation to purchase;
- Do not approve the purchase; or
- Provide direction to staff.

ADVANTAGES:

By purchasing the specialized equipment and treatment plant directly, the project will be less costly. The contractors that bid the project will have a shorter completion schedule since they will not be waiting for the plant and equipment to be delivered which is estimated to be 12 to 14 weeks.

DISADVANTAGES:

No disadvantages are identified.

ENVIRONMENTAL REVIEW:

The City Council adopted Resolution No. 4584 approving a Negative Declaration for the project in accordance with CEQA Guidelines.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, June 9, 2016. The Agenda and staff report were posted on the City's website on Friday, June 10, 2016. No public comments were received.

Attachments:

1. Letter dated May 20, 2016 from Central Coast Water Treatment regarding Sole Source Provider
2. Letter dated June 1, 2016 from Central Coast Water Treatment regarding the Filter
3. Letter dated May 10, 2016 from Hopkins Technical Products regarding the Treatment Plant Equipment
4. Letter dated May 18, 2016 from ProMinent Fluid Controls, Inc. regarding Hopkins Technical Products, Inc. as being the sole source provider of the treatment plant equipment
5. City of Arroyo Grande City Council Report dated August 11, 2015



May 20th, 2016

City of Arroyo Grande
1375 Ash St
Arroyo Grande, Ca 93420

To Whom It May Concern:

Our team is the premier sole provider for commercial DI water, commercial softeners, and other various water treatment needs on the Central Coast.

We are a Culligan dealer and specialize in our field.

Please let us know if you have any questions. We look forward to treating your water concerns.

Sincerely,

CCWT



June 1, 2016

City Of Arroyo Grande
 ATTN: Shane Taylor
 1375 Ash Street
 Arroyo Grande, CA 93420

Shane:

It was a pleasure speaking with you about your water treatment needs.

The following is the cost to filter the raw water before use:

HG-4825 HI-Flo 50 ASME Code Cullorb Filter, Including pressure Differential Switch and (2) 3" Static Mixers		\$25,918.50
Setup and Startup		\$ 3,000.00
	Tax	\$ 2,073.48
	Freight	\$ 1,552.55
	<u>Total</u>	<u>\$32,544.53</u>

Note: equipment based on water analysis from clinical laboratory of San Bernardino work order #1212231

Note: price includes bedding and start up

Note: price does not include installation

If you have any questions please don't hesitate to call.

It's always a pleasure to help serve you with your water quality needs.

Sincerely,

A handwritten signature in cursive script that reads "Dave Woods".

Dave Woods
 Culligan CCWT
 966 Huber St.
 Grover Beach 93433
 805-481-4590
 805-441-6642



May 10, 2016

Quote #: HTP-16111

City of Arroyo Grande
1375 Ash Street
Arroyo Grande, CA 93421

Subject: City of Arroyo Grande – Well 11 TCP

Attention: Shane Taylor

We are pleased to offer you the following equipment for your favorable consideration.

Well 11
Treatment Plant Equipment

1. ProMinent Fluid Controls Gamma L Series Chemical Metering Pump.
Model #: GMXA1602NPE9M000UD113100EN, Qty. 4

- a. Maximum Capacity: 0.34 GPH.
- b. Maximum Pressure: 232 PSI.
- c. Liquid End Material: Acrylic/PVC/EPDM
- d. Power Requirements: 120 Vac, 60 Hz, Single Phase.
- e. Signal Input: 4 – 20 mADC
- f. Signal Output: Fault Alarm.

Qty. 4 @...\$ 1,294.04 each...\$ 5,176.16

2. ProMinent Fluid Controls Universal Control Cable.
Part #: 1001300.

- a. Cable Length: 6 – Foot.

Qty. 4 @...\$ 34.87 each...\$ 139.48

City of Arroyo Grande

Quote #: HTP-16111

May 10, 2016

Page three

- ii. Low Pressure Regulator: Included.
- iii. Needle Valve: for flow Adjustment

Qty 1 @...\$ 6,430.66 each. NOTE: SENSUS IPERL FLOW METERS ARE SUPPLIED BY OTHERS AND ARE NOT INCLUDED.

6. Saf-T-Flo Chemical Injector for Sodium Hypochlorite

Part #: EB-145-B-P-3-CV-V

- a. Corporation Stop Size: 3/4-Inch
- b. Ball Valve and Compression Nut: Bras (No Lead)
- c. Solution Tube: 3/8-Inch PVC.
- d. Length of Solution Tube: 3-Inches.
- e. Tip Configuration: Saf-T-Flo Viton.
- f. Check Valve Seal: Viton

Qty. 1 @...\$ 397.74 each

7. Saf-T-Flo Chemical Injector for Caustic Soda and Aqueous Ammonia

Part #: EB-145-B-P-3-CE-E

- a. Corporation Stop Size: 3/4-Inch.
- b. Ball Valve and Compression Nut: Brass (No Lead).
- c. Solution Tube: 3/8-Inch PVC.
- d. Length of Solution Tube: 3-Inches.
- e. Tip Configuration: Saf-T-Flo EPDM.
- f. Check Valve Seal: EPDM

Qty. 3 @...\$ 397.74 each...\$ 1,193.21

8. ProMinent Fluid Controls Pressure Gauge with Isolator

Part #: 7746186

City of Arroyo Grande
Quote #: HTP-16111
May 16, 2016
Page five

Terms:

Net 30 days.
Quote is valid for 60 days.
State and Local taxes are included.
F.O.B.: Factory.
Freight: Allowed to jobsite, included above.
Delivery: 4 to 5 weeks ARO.

If you have any questions, or if we can be of further service, please do not hesitate to contact us at (925) 240-2160.

Sincerely,

Richard M. Hopkins
General Manager
Hopkins Technical Products, Inc.

May 18, 2016

Paul Marsalek
City of Arroyo Grande
1375 Ash Street
Arroyo Grande, CA 93421

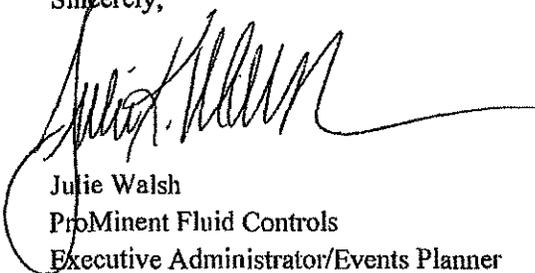
Dear Paul:

Hopkins Technical Products, Inc. is our exclusive sales representative for the state of California and our Authorized Service Provider for the Western United States.

Hopkins Technical Products, Inc. is the only company in California who is authorized by ProMinent Fluid Controls, Inc. to sell directly to local, county and state governments as well end users, contractors and/or system integrators. Be advised that ProMinent Fluid Controls, Inc. will honor new equipment warranties only when purchased and serviced through an authorized representative.

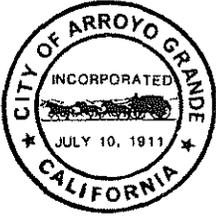
Please feel free to contact me with any questions or contact Hopkins Technical Products, Inc. directly at (925)240-2160 for assistance.

Sincerely,



Julie Walsh
ProMinent Fluid Controls
Executive Administrator/Events Planner
Ph: (412) 446-4733
Fx: (412) 787-7147
juliew@prominent.us

Cc: R. Hopkins
A. Cercone



MEMORANDUM

TO: CITY COUNCIL

FROM: GEOFF ENGLISH, PUBLIC WORKS DIRECTOR

BY: MIKE LINN, ASSISTANT CITY ENGINEER

SUBJECT: CONSIDERATION TO REJECT CONSTRUCTION BIDS AND SOLICIT NEW CONSTRUCTION BIDS FOR THE MUNICIPAL WATER WELL NO. 11 TREATMENT PLANT CONSTRUCTION, WELL EQUIPMENT AND PIPING INSTALLATION PROJECT, PW 2010-07

DATE: AUGUST 11, 2015

RECOMMENDATION:

It is recommended the City Council:

1. Reject all construction bids received on July 14, 2015 for the subject project; and
2. Direct staff to revise the bid documents and solicit new construction bids for the subject project at a future date.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The Capital Improvement Program budget includes \$285,200 for the subject project.

BACKGROUND:

The existing well is located on the south side of La Canada Street approximately 800 feet north of the intersection with James Way and was drilled and developed to provide irrigation water for the Rancho Grande project. The well was constructed in 1992 with a PVC casing that is 6 inches in diameter and 305 feet deep. The City acquired the well in 2009 as a condition of approval of Tract 1998 to help mitigate impacts of the project on the City's water supply.

On August 24, 2010, Council approved a Consultant Services Agreement (CSA) with Garing, Taylor & Associates to rehabilitate the existing irrigation well and provide the appropriate treatment facilities for conversion of the well for domestic use. Council has since approved three additional amendments to the CSA for additional testing, environmental determination, and future construction support.

On May 13, 2014, Council approved the design improvements for the project, and adopted Resolution No. 4584 to approve a Negative Declaration for the project, in accordance with CEQA guidelines.

**CITY COUNCIL
CONSIDERATION TO REJECT CONSTRUCTION BIDS AND SOLICIT NEW
CONSTRUCTION BIDS FOR THE MUNICIPAL WATER WELL NO. 11 TREATMENT PLANT
CONSTRUCTION, WELL EQUIPMENT AND PIPING INSTALLATION PROJECT, PW 2010-07
AUGUST 11, 2015
PAGE 2**

ANALYSIS OF ISSUES:

On July 14, 2015, four bids were opened for the subject project (see Attachment No. 1). The lowest bid, from Brough Construction, Inc., was in the amount of \$463,728. Although staff determined the bidder to be responsible, the lowest bid was approximately \$146,000 above the Engineer's Estimate of \$317,500.

On July 29, 2015, staff met with Garing, Taylor & Associates to review the unit prices for the construction bids, and explore whether cost savings could be achieved through changes in the project design. The group concluded the following:

- Construction activity is accelerating and many qualified contractors were apparently too busy to submit bids. Rebidding the project during the fall or winter months may increase the number of potential bidders and provide lower prices.
- The pricing for the premanufactured water treatment facility was considerably higher than originally quoted during the project design. Garing, Taylor & Associates will investigate having the City purchase the water treatment facility separately to furnish to the selected contractor for final installation.

Based on the discussions, staff recommends rejecting all construction bids, exploring potential design savings including the purchase of the water treatment facility as a separate contract, and rebidding the construction project at a future date.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendation to reject all construction bids and solicit new construction bids at a future date for the subject project;
2. Do not award a construction contract for the project; or
3. Provide direction to staff.

ADVANTAGES:

Many qualified local contractors did not submit bids as the current construction climate is accelerating. Rebidding the project during the winter months may increase the number of qualified bidders and result in competitively lower prices.

DISADVANTAGES:

Construction activity continues to increase coming out of the recession and there are no guarantees that more favorable prices will be obtained.

ENVIRONMENTAL REVIEW:

The City Council adopted Resolution No. 4584 approving a Negative Declaration for the project in accordance with CEQA guidelines.

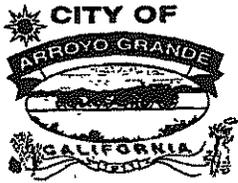
**CITY COUNCIL
CONSIDERATION TO REJECT CONSTRUCTION BIDS AND SOLICIT NEW
CONSTRUCTION BIDS FOR THE MUNICIPAL WATER WELL NO. 11 TREATMENT PLANT
CONSTRUCTION, WELL EQUIPMENT AND PIPING INSTALLATION PROJECT, PW 2010-07
AUGUST 11, 2015
PAGE 3**

PUBLIC NOTIFICATION AND COMMENTS:

The agenda was posted at City Hall on Thursday, August 6, 2015. The agenda and staff report was posted on the City's website on Friday, August 7, 2015. No public comments were received as of the time of preparation of this report.

Attachment:

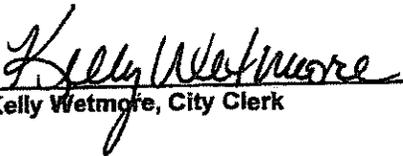
1. Bid Opening Log Sheet



**CITY OF ARROYO GRANDE
BID OPENING LOG SHEET**

**DEADLINE: TUESDAY, JULY 14, 2015 - 2:00 PM
PROJECT NAME: MUNICIPAL WELL NO. 11 PROJECT
PROJECT NO. PW 2010-07
ENGINEER'S ESTIMATE: \$317,500.00**

<u>SUBMITTED BY:</u>	<u>TOTAL</u>
V. Lopez Jr. & Sons Santa Maria, CA	\$564,436.60
Speiss Construction Co., Inc Santa Maria, CA	\$529,076.00
Brough Construction Inc. Arroyo Grande, CA	\$463,728.00
Whitaker Construction Group, Inc. Paso Robles, CA	\$521,345.00


Kelly Wetmore, City Clerk



c: Director of Public Works
Capital Projects Engineer
Interim City Manager



MEMORANDUM

TO: CITY COUNCIL

FROM: TERESA MCCLISH, COMMUNITY DEVELOPMENT DIRECTOR

BY: KELLY HEFFERNON, ASSOCIATE PLANNER

SUBJECT: CONSIDERATION OF REALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FROM THE GRID ALTERNATIVES SOLAR AFFORDABLE HOUSING PROJECT APPROVED IN YEAR 2011 TO FUND THE CITY'S MID-BLOCK CROSSWALK ARCHITECTURAL BARRIER REMOVAL PROJECT

DATE: JUNE 14, 2016

RECOMMENDATION:

It is recommended the City Council adopt a resolution approving the reallocation of \$4,169 in Program Year 2011 CDBG funds from the GRID Alternatives Solar Affordable Housing Project to the City's Mid-Block Crosswalk Architectural Barrier Removal Project.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The proposed \$4,169 reallocation from 2011 CDBG funds to the City's CDBG Mid-Block Crosswalk Architectural Barrier Removal Project will further the City's goal of providing safe paths of travel within the public right of way, and will have a minimal impact on staff time. The City retains \$5,180 for Year 2015 CDBG funds for Administration.

BACKGROUND:

Every three (3) years, the City considers participation in the Housing and Urban Development (HUD) designated Urban County CDBG Program. The City has been participating in this program since the early 1990's. The City Council approved a Cooperation Agreement with the County in July 2014 for the joint participation in the CDBG Program for fiscal years 2015 through 2017. The City, as a participant in this program, receives an annual formula-based allocation of CDBG funds, which are available for a variety of Community Development activities as long as the activities meet at least one of three national objectives. The objectives are:

1. Benefit low- and moderate-income persons;
2. Aid in the prevention or elimination of slums or blight; or
3. Address urgent community development needs that pose a serious or immediate threat to public health or welfare.

In 2011, the City approved an allocation of \$4,169 from CDBG funds for GRID Alternatives to install solar panels on affordable single family housing units within the

CITY COUNCIL

CONSIDERATION OF REALLOCATION OF CDBG FUNDS FROM THE GRID ALTERNATIVES SOLAR AFFORDABLE HOUSING PROJECT APPROVED IN YEAR 2011 TO FUND THE CITY'S MID-BLOCK CROSSWALK ARCHITECTURAL BARRIER REMOVAL PROJECT

JUNE 14, 2016

PAGE 2

City. GRID Alternatives has had difficulty finding deed restricted affordable housing units within the City that qualify for this program since no new deed restricted units have been approved in recent years. The City is in jeopardy of losing the \$4,169 if this funding is not spent or reallocated by the end of 2016. GRID Alternatives is in support of the proposed reallocation.

In 2015, the City awarded \$59,194 of CDBG funds to the Mid-Block Crosswalk Architectural Barrier Removal Project to improve American with Disabilities Act (ADA) accessibility at key locations in the City. If the City Council approves the proposed reallocation, the total funding for this Project will be \$63,363.

ANALYSIS OF ISSUES:

The City's Mid-Block Crosswalk Architectural Barrier Removal Project will involve the installation of accessible curb ramps in compliance with the ADA. The new curb ramps will be located at various locations in the commercial and residentially zoned areas as well as areas around schools, parks, and public facilities. Specific locations include:

- East Grand Avenue at Alder Street
- Ash Street at Spruce Street
- Huasna Road at Rosewood Lane (Strother Park)
- Valley Road at Tiger Tail Drive

The reallocation of CDBG funds for this Project meets the following CDBG criteria:

1. Consistency with federal regulations and laws;
2. Community support (for example, approval of project by a City Council);
3. Seriousness of community development need proposed to be addressed by project;
4. Degree to which project benefits low-income and very low-income families or persons;
5. Cost effectiveness of funds requested and leveraging of other funds; and
6. Organization's experience or knowledge regarding CDBG or HOME requirements.

The City's approved CDBG Cooperation Agreement for years 2015 through 2019 include funding for projects that have unspent balances. These funds must be reallocated to avoid a potential loss of this funding. These projects are listed below, divided between administrative and City Council reallocations.

The administrative reallocations are considered minor amendments according to HUD and require City Manager approval. A letter from the City Manager was sent to San Luis Obispo County on March 23, 2016 listing these reallocations to the Soto Field Phase II Project. City Council reallocations are considered major amendments per

**CITY COUNCIL
 CONSIDERATION OF REALLOCATION OF CDBG FUNDS FROM THE GRID
 ALTERNATIVES SOLAR AFFORDABLE HOUSING PROJECT APPROVED IN YEAR
 2011 TO FUND THE CITY'S MID-BLOCK CROSSWALK ARCHITECTURAL BARRIER
 REMOVAL PROJECT
 JUNE 14, 2016
 PAGE 3**

HUD and therefore require Council approval by Resolution. Both the minor and major reallocations are included in the attached Resolution for consistency and clarity. The CDBG allocations that Council approved on March 8, 2016 remain unchanged (see Attachment 1 for approved list of 2016 CDBG projects).

CDBG Administrative Reallocations

Program Year	Project Name	Beginning Balance	Reallocation	Ending Balance	Comments
2010	Hoosegow ADA	15,556	15,556	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field Phase II	\$0	\$15,556	\$15,556	Reallocate funds to project
2011	Hoosegow ADA	\$7,887	\$7,887	\$0	Eliminate project and reallocate funds
	Women's Business Ctr.	\$1,370	\$1,370	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field Phase II	\$0	\$9,257	\$9,257	Reallocate funds to project
2012	Hoosegow ADA	\$5,000	\$5,000	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field, Phase II	\$0	\$5,000	\$5,000	Reallocate funds to project
2013	Administration	\$2,318.20	\$2,318.20	\$0	Reallocate funds
	Hoosegow ADA	\$10,000	\$10,000	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field Phase II	\$0	\$12,318.20	\$12,318.20	Reallocate funds to project
2014	Administration	\$6,392	\$6,392	\$0	Reallocate funds
	Hoosegow ADA	\$5,000	\$5,000	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field Phase II	\$0	\$11,392	\$11,392	Reallocate funds to project
	Soto Field Phase II	\$40,269	\$0	\$40,269	Project exists - no change
	Total <u>Reallocation to Soto Field Phase II</u>		\$53,523.20		

CITY COUNCIL

CONSIDERATION OF REALLOCATION OF CDBG FUNDS FROM THE GRID ALTERNATIVES SOLAR AFFORDABLE HOUSING PROJECT APPROVED IN YEAR 2011 TO FUND THE CITY'S MID-BLOCK CROSSWALK ARCHITECTURAL BARRIER REMOVAL PROJECT

JUNE 14, 2016

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Program Year	Project Name	Beginning Balance	Reallocation	Ending Balance	Comments
	Total <u>Allocation</u> to Soto Field Phase II			\$93,792.20	

Recommended City Council Reallocation

Program Year	Project Name	Beginning Balance	Reallocation	Ending Balance	Comments
2011	GRID Alternatives Solar Affordable Housing Project	\$4,169	\$4,169	\$0	Eliminate project and reallocate funds
	Subtotal: Mid-Block Crosswalk Architectural Barrier Removal Project	\$0	\$4,169	\$4,169	Reallocate funds to project
2015	Mid-Block Crosswalk Architectural Barrier Removal Project	\$59,194	\$0	\$59,194	Project exists – no change
	Total <u>Reallocation</u> to Mid-Block Crosswalk Architectural Barrier Removal Project		\$4,169		
	Total <u>Allocation</u> to Mid- Block Crosswalk Architectural Barrier Removal Project			\$63,363	

The cooperative agreement between the County and the City gives discretion regarding allocation of funds. Unless the City's recommendation to the County for funding is clearly in conflict with CDBG regulations, the County will approve the recommendation. Funds for the Project would be immediately available after the Board of Supervisors amends the County's 2015-2019 Consolidated Plan on July 12, 2016.

**CITY COUNCIL
CONSIDERATION OF REALLOCATION OF CDBG FUNDS FROM THE GRID
ALTERNATIVES SOLAR AFFORDABLE HOUSING PROJECT APPROVED IN YEAR
2011 TO FUND THE CITY'S MID-BLOCK CROSSWALK ARCHITECTURAL BARRIER
REMOVAL PROJECT
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ADVANTAGES:

Reallocation of unspent CDBG funds closes out previous program years, which aids in CDBG administration for both the City and County, and aides the Urban County in meeting its CDBG timeliness requirements. These minor and major funding reallocations would be utilized for two separate projects that are consistent with CDBG program goals, and would be spent soon after the funds are made available.

DISADVANTAGES:

No disadvantages have been identified.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Accept staff's recommendation and adopt the resolution;
- Modify staff's recommendation and adopt the resolution;
- Provide direction to staff

ENVIRONMENTAL REVIEW:

The reallocation of CDBG funds is not considered a project under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA).

PUBLIC NOTIFICATION AND COMMENTS:

A public hearing notice was published in the Tribune on Friday, June 3, 2016 and posted at City Hall. The Agenda was posted in front of City Hall on Thursday, June 9, 2016 and posted on the City's website on Friday, June 10, 2016. No public comments were received.

Attachment:

1. Approved list of 2016 CDBG projects

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING REALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FROM THE GRID ALTERNATIVES SOLAR AFFORDABLE HOUSING PROJECT APPROVED IN YEAR 2011 TO FUND THE CITY'S MID-BLOCK CROSSWALK ARCHITECTURAL BARRIER REMOVAL PROJECT

WHEREAS, via a Cooperation Agreement with the County of San Luis Obispo (hereafter referred to as "County") executed in July 2014, the City agreed to become a participant for a period of three years with the County and other cities therein as an "Urban County" under the Federal Department of Housing and Urban Development (hereafter referred to as "HUD") CDBG program; and

WHEREAS, per the Cooperation Agreement, the City retains the authority to determine which projects are to be funded with its allotment of CDBG funds; and

WHEREAS, the City allocated funds during the 2010 through 2014 CDBG program years to various projects; and

WHEREAS, the City desires to reallocate unspent funds from aforementioned CDBG program years to fund the removal of architectural barriers for two (2) previously approved projects, including the Soto Field Phase II Project and the Mid-Block Crosswalk Architectural Barrier Removal Project; and

WHEREAS, on March 23, 2016 the City Manager approved administrative reallocations to fund the Soto Field Phase II Project as shown in Exhibit A; and

WHEREAS, on June 14, 2016, the City Council held a duly noticed public hearing to consider reallocation of CDBG funds from the GRID Alternatives Solar Affordable Housing Project approved in Program Year 2011 to the Mid-Block Crosswalk Architectural Barrier Removal Project as shown in Exhibit B.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande, California, to recommend that the Board of Supervisors for the County of San Luis Obispo adopt the reallocation of the City's CDBG funds from the 2010 through 2014 Action Plans as provided in Exhibits A and B for the purpose of funding the Soto Field Phase II Project and the Mid-Block Crosswalk Architectural Barrier Removal Project.

RESOLUTION NO.
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On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 14th day of June, 2016.

**RESOLUTION NO.
PAGE 3**

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

EXHIBIT A

CDBG Administrative Reallocations

Program Year	Project Name	Beginning Balance	Reallocation	Ending Balance	Comments
2010	Hoosegow ADA	15,556	15,556	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field Phase II	\$0	\$15,556	\$15,556	Reallocate funds to project
2011	Hoosegow ADA	\$7,887	\$7,887	\$0	Eliminate project and reallocate funds
	Women's Business Ctr.	\$1,370	\$1,370	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field Phase II	\$0	\$9,257	\$9,257	Reallocate funds to project
2012	Hoosegow ADA	\$5,000	\$5,000	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field, Phase II	\$0	\$5,000	\$5,000	Reallocate funds to project
2013	Administration	\$2,318.20	\$2,318.20	\$0	Reallocate funds
	Hoosegow ADA	\$10,000	\$10,000	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field Phase II	\$0	\$12,318.20	\$12,318.20	Reallocate funds to project
2014	Administration	\$6,392	\$6,392	\$0	Reallocate funds
	Hoosegow ADA	\$5,000	\$5,000	\$0	Eliminate project and reallocate funds
	Subtotal: Soto Field Phase II	\$0	\$11,392	\$11,392	Reallocate funds to project
	Soto Field Phase II	\$40,269	\$0	\$40,269	Project exists - no change
	Total <u>Reallocation</u> to Soto Field Phase II		\$53,523.20		
	Total <u>Allocation</u> to Soto Field Phase II			\$93,792.20	

EXHIBIT B

City Council Reallocation

Program Year	Project Name	Beginning Balance	Reallocation	Ending Balance	Comments
2011	GRID Alternatives Solar Affordable Housing Project	\$4,169	\$4,169	\$0	Eliminate project and reallocate funds
	Subtotal: Mid-Block Crosswalk Architectural Barrier Removal Project	\$0	\$4,169	\$4,169	Reallocate funds to project
2015	Mid-Block Crosswalk Architectural Barrier Removal Project	\$59,194	\$0	\$59,194	Project exists – no change
	Total <u>Reallocation</u> to Mid-Block Crosswalk Architectural Barrier Removal Project		\$4,169		
	Total <u>Allocation</u> to Mid-Block Crosswalk Architectural Barrier Removal Project			\$63,363	

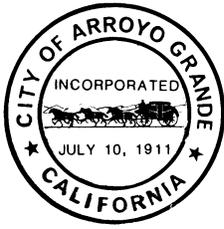
EXHIBIT "A"

2016 ONE YEAR ACTION PLAN

ALLOCATION OF PROGRAM YEAR 2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

Project and Category	2015 Allocation	2016 Requested	Proposed 2016 Allocation
Public Services 15% Cap - \$11,484			
Subtotal	\$0	\$0	\$0
Public Facilities			
City of Arroyo Grande - Removal of Architectural Barriers	\$51,116	\$61,251	\$61,251
Subtotal	\$51,116	\$61,251	\$61,251
Economic Development			
Subtotal		\$0	\$0
Area Benefit 30% Cap - \$22,969			
Subtotal	\$0	\$0	\$0
Administration and Planning 20% Cap - \$15,312			
City Administration	\$4,473	\$5,359	\$5,359
County Administration	\$8,306	\$9,953	\$9,953
Subtotal	\$12,779	\$15,312	\$15,312
Total			\$76,563

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MEMORANDUM

TO: CITY COUNCIL

FROM: TERESA MCCLISH, COMMUNITY DEVELOPMENT DIRECTOR
STEVEN ANNIBALI, POLICE CHIEF
DAVID HIRSCH, ASSISTANT CITY ATTORNEY

SUBJECT: CONSIDERATION OF AN ORDINANCE AMENDING SECTIONS 16.62.010 AND 16.62.050 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA CULTIVATION AND AMENDING SECTION 16.62.070 AND ADDING CHAPTER 5.95 TO TITLE 5 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA DELIVERY SERVICES

DATE: JUNE 14, 2016

RECOMMENDATION:

The Planning Commission recommends that the City Council introduce an Ordinance amending Sections 16.62.010 and 16.62.050 of Title 16 of the Arroyo Grande Municipal Code relating to medical marijuana cultivation and amending Section 16.62.070 and adding Chapter 5.95 to Title 5 relating to deliveries of medical marijuana or medical cannabis products.

IMPACT TO FINANCIAL AND PERSONNEL RESOURCES:

Implementation of the proposed Ordinance will impact staff resources to develop, permit and enforce regulations. Should Council adopt the proposed Ordinance, staff will return with fee information associated with permitting deliveries of medical marijuana in order to offset permitting costs. This item is not identified in the Critical Needs Action Plan.

BACKGROUND:

On October 9, 2015, Gov. Jerry Brown signed a comprehensive package of bills to establish a regulatory structure for medical marijuana. Together, AB 266, AB 243, and SB 643 comprise the Medical Marijuana Regulation & Safety Act (MMRSA). On November 24, 2015, the City Council considered implications of the MMRSA regarding local control and directed staff to prepare an ordinance prohibiting cultivation, delivery and all commercial medical marijuana uses.

On December 1, 2015, the Planning Commission adopted a Resolution recommending that the City Council adopt an Ordinance adding Chapter 16.62 to Title 16 of the Arroyo Grande Municipal Code relating to medical marijuana dispensaries, cooperatives and collectives, cultivation of medical marijuana, and deliveries of medical marijuana or

CITY COUNCIL

CONSIDERATION OF AN ORDINANCE AMENDING SECTIONS 16.62.010 AND 16.62.050 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA CULTIVATION AND AMENDING SECTION 16.62.070 AND ADDING CHAPTER 5.95 TO TITLE 5 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA DELIVERY SERVICES

JUNE 14, 2016

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medical cannabis products. The Commission commented that specific review and re-evaluation of banning all cultivation should be considered in the future.

On January 12, 2016 and January 24, 2016 respectively, the Council introduced and adopted the Ordinance acknowledging that alternatives may be considered in the future but that the Ordinance provided an opportunity to maintain local control given the language in the legislation pertaining to a March 1, 2016 effective deadline. To ensure clarity and consistency for purposes of enforcement, and to ensure local control in consideration of evolving legislation, the Ordinance expressly made clear that cultivation and all medical marijuana dispensaries, cooperatives and collectives are prohibited on all parcels in the City. Enforcement of the Ordinance is on a complaint basis through the Neighborhood Services Division.

On March 8, 2016, the City Council directed staff to revise the Ordinance to allow limited amounts of personal cultivation and limited delivery services. On May 31, 2016, the Planning Commission recommended that the City Council adopt the proposed Ordinance allowing limited cultivation and requiring permits and standards for delivery of medical marijuana.

ANALYSIS OF ISSUES:

The draft Ordinance developed for limited personal cultivation provides for a 50 sq. ft. area with a 10 ft. height limit within a single family residence. It has been crafted to include other restrictions in an attempt to avoid ambiguity and problems with potential neighborhood nuisance issues. Additionally, regulations are included in the proposed Ordinance to allow up to three delivery services through a permit system. In this respect, applicants can be screened and regulations applied and enforced.

Cultivation

Testimony at previous Council hearings expressed concerns and requests related to the ability to legally grow marijuana for medical use. Many communities allow limited cultivation by regulating either the area or number of plants that may be cultivated on a property. The proposed Ordinance generally includes provisions that marijuana may be cultivated in accordance with the following:

- ❖ it is for the personal use of a qualified patient;
- ❖ it is located inside a detached single family dwelling but not within a kitchen, bathroom or occupied bedroom;
- ❖ an area no more than 50 sq. ft. and 10 ft. in height may be devoted for cultivation;

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CONSIDERATION OF AN ORDINANCE AMENDING SECTIONS 16.62.010 AND 16.62.050 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA CULTIVATION AND AMENDING SECTION 16.62.070 AND ADDING CHAPTER 5.95 TO TITLE 5 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA DELIVERY SERVICES

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- ❖ there is compliance with the California building codes;
- ❖ it is not visible from the exterior of the property;
- ❖ lighting for the use is limited;
- ❖ flammable or combustible materials are prohibited for its use; and
- ❖ it shall not adversely affect the health or safety of the occupants of other property in the vicinity and shall not be maintained in a manner so as to constitute a hazard.

Additionally, landlords may prohibit medical marijuana cultivation by tenants. The provisions are intended to allow limited personal cultivation, while including reasonable restrictions to address potentially significant nuisance issues and consequent enforcement considerations that may remain a concern for community residents. The enforcement will remain on a complaint basis.

Deliveries:

One of the provisions in the newly enacted MMRSA, Business and Professions Code section 19340, addresses delivery of marijuana to qualified patients by dispensaries that will be licensed under the new regulations. The statute requires persons who deliver the medical marijuana to carry a copy of the dispensary's license(s) that authorizes the dispensary to deliver, and the delivery person's government-issued identification card (e.g., driver's license). The new State law also requires the dispensary to maintain a copy of the patient's request for delivery in compliance with federal and state laws regarding protecting confidential medical information, and such copies must be made available to law enforcement for inspection upon request. The recipient of the delivery, either the qualified patient or the primary caregiver, must also maintain a copy of the delivery request, to be made available to law enforcement upon request. It is expected that the State will adopt regulations to implement the new scheme for licensing medical marijuana dispensaries by January, 2018. It is also anticipated that the new regulations will address deliveries.

There are a number of considerations relating to deliveries. First, under current law a primary caregiver may deliver medical marijuana to a qualified patient. Primary caregivers, however, are narrowly defined by the courts and must be actively involved in a patient's care and not just providing marijuana. Second, in other jurisdictions that have marijuana dispensaries operating lawfully, the issue of delivery to qualified patients and primary caregivers in neighboring cities might be addressed by the City requiring that they obtain a permit from the City to deliver medical marijuana in the City. There are, however, no legal dispensaries in the San Luis Obispo area, so this approach doesn't work for Arroyo Grande. There are, however, a number of medical

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CONSIDERATION OF AN ORDINANCE AMENDING SECTIONS 16.62.010 AND 16.62.050 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA CULTIVATION AND AMENDING SECTION 16.62.070 AND ADDING CHAPTER 5.95 TO TITLE 5 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA DELIVERY SERVICES

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marijuana delivery services that operate in our area. Delivery services currently operate in a legal gray area, and through the fiction that they are cooperatives or collectives and are just delivering to members/participants in the cooperative or collective. In this respect, the marijuana can only be delivered to a qualified patient. Under the new MMRSA, however, at some point the concept of medical marijuana collectives and cooperatives will eventually be eliminated from the law, when the new laws are implemented by the State. However, this isn't expected until approximately January, 2018. Until that time delivery services will continue to operate as they currently do.

Accordingly, the draft Ordinance has been structured to regulate the manner of delivery, which will allow law enforcement to easily distinguish a lawful delivery of marijuana from a delivery of marijuana that may be part of an unlawful enterprise. Furthermore, by implementing a permit scheme, the City is able to control who engages in delivery of marijuana, both through issuing a permit, and revoking a permit, if necessary.

The proposed Ordinance will provide for procedures for the City to select up to three delivery services that will be permitted to make deliveries of medical marijuana in the City, provided that they meet standards set forth in the Ordinance to protect the health and safety of the community and provided that drivers who deliver medical marijuana receive permits after appropriate background checks conducted by the Arroyo Grande Police Department. The permit consideration includes fairly rigorous criteria that applicants must address including their experience, safety procedures, recordkeeping, quality of their product including testing, labeling and packaging. Additionally, the proposed Ordinance includes provisions for insurance and revocation procedures.

Staff received comments and recommendations from a delivery service company, several of which are incorporated into the proposed ordinance (Attachment 1). Some items to consider include the proposed delivery time restriction to allow deliveries only from 10am -7pm and restricting the location of deliveries to areas outside a radius of 1,000 ft. from schools, public libraries, day care or youth facilities or park and recreations facilities. Although such restrictions may considerably decrease potential nuisance problems and help ensure public safety, they also may make it more challenging for some qualified patients to receive deliveries.

Planning Commission

The Planning Commission's discussion regarding the proposed rules for personal cultivation generally included the location within a residence or garage, the exclusion of multi-family and attached housing types due to increased potential of nuisance issues, and if there was a benefit to allowing personal cultivation of plants as compared to allowing for the delivery of medical marijuana products, the development of which

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otherwise requires rigorous testing and labeling for the purposes of specific medical application.

The Commission meeting also included considerable discussion on the operation of delivery services in terms of delivery locations (including workplaces) and safety of vendors and customers, in that three permits may entail several more drivers, in that there are no permitted “brick and mortar” dispensaries in the area from which the product could be obtained, and if the proposed rules and annual review of permits would maintain competitiveness and quality of services. Discussion also included aspects of medical marijuana versus recreational use and the evolution in the industry of manufacturing and dispensing of medical marijuana. Concerns were expressed regarding the delivery area limitation of 1,000 ft. radius from any public or private school, public library, park, etc., in that it may be too strict and would eliminate large areas of the City. Suggestions during the discussion included that a 500 ft. radius would be a sufficient safeguard. Additionally, concerns were raised regarding the proposed minimum age of delivery service drivers, currently proposed at 18 years, with suggestions of modifying it to 21 years. Ultimately, the Commission voted 3-2 to recommend adoption of the Ordinance as written and requested that the Council review the proposed 1,000 foot delivery radius limit as well as the minimum age of delivery drivers.

To clarify some of the issues discussed at the Planning Commission hearing, as proposed, the Ordinance would not provide for cultivation of medical marijuana inside of garages; there is no state requirement related to deliveries with a radius of 1,000 ft. from schools, libraries, parks, etc., however, there is a 600 ft. radius requirement from schools for medical marijuana dispensaries, cooperatives, collectives and other medical marijuana establishments (Health and Safety Code Section 11362.768) , and there is no restriction of the age of drivers beyond age 18, and delivery to places of work would be up to the employer.

ALTERNATIVES:

- Introduce the proposed Ordinance;
- Modify and introduce the proposed Ordinance;
- Do not introduce the proposed Ordinance;
- Postpone amendment of the current Ordinance until after November 2016;
- Provide other direction to staff.

ADVANTAGES:

Adoption of the proposed Ordinance would provide some opportunity for residents to legally obtain or grow medical cannabis in the City limits for the purposes of medical application. It also continues to preserve the authority of the City with regard to zoning

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CONSIDERATION OF AN ORDINANCE AMENDING SECTIONS 16.62.010 AND 16.62.050 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA CULTIVATION AND AMENDING SECTION 16.62.070 AND ADDING CHAPTER 5.95 TO TITLE 5 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA DELIVERY SERVICES

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powers and local actions taken in accordance with the police power under the State Constitution.

DISADVANTAGES:

Adoption of the proposed Ordinance may cause concerns including the potential public nuisances caused by medical marijuana cultivation, as well as safety concerns in neighborhoods related to both cultivation and delivery. However, the regulations include fairly strict limitations in order to address these concerns.

ENVIRONMENTAL REVIEW:

The proposed Ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

PUBLIC NOTIFICATION:

The Agenda was posted in front of City Hall on Thursday, June 9, 2016. The Agenda and report were posted on the City's website on Friday, June 10, 2016.

Attachments:

1. Elite Care CA – Proposed Requirements for medical marijuana delivery service
2. Radius maps for restricted areas of delivery

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING SECTIONS 16.62.010 AND 16.62.050 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA CULTIVATION AND AMENDING SECTION 16.62.070 AND ADDING CHAPTER 5.95 TO TITLE 5 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA DELIVERY SERVICES

WHEREAS, three bills were enacted by the State of California Legislature in 2015 and signed by the Governor on October 9, 2015, that comprise the Medical Marijuana Regulation and Safety Act (MMRSA): AB 243 (Chapter 688, Statutes of 2015); AB 266 (Chapter 689, Statutes of 2015); and SB 643 (Chapter 719, Statutes of 2015); and

WHEREAS, the MMRSA expressly preserves the authority of cities with regard to their zoning powers and local actions taken in accordance with the police power under the State Constitution; and

WHEREAS, the MMRSA also contains language that provides that if delivery services are to be prohibited, it must be expressly prohibited by local ordinance, if a City wishes to do so; and

WHEREAS, on January 26, 2016 the City Council of the City of Arroyo Grande adopted Ordinance No. 675 which added Chapter 16.62 to Title 16 of the Arroyo Grande Municipal Code prohibiting medical marijuana dispensaries, cooperatives and collectives, and deliveries of medical marijuana, and the cultivation of marijuana within the City; and

WHEREAS, the prohibition on deliveries was based upon the City's prior prohibition of mobile marijuana dispensaries and the MMRSA's provision that any prohibition of delivery services must be expressly provided by local ordinance; and

WHEREAS, the City Council has subsequently determined that it is appropriate and desirable to allow limited and strictly regulated deliveries of medical marijuana and provide that such deliveries are only permitted by licensed services;

WHEREAS, the MMSRA otherwise contains provisions providing for local regulations relating to delivery of medical marijuana; and

WHEREAS, this Ordinance will add provisions to the Arroyo Grande Municipal Code that will provide procedures to select up to three delivery services that will be permitted to make deliveries of medical marijuana in the City, provided that they meet standards set forth in the Ordinance to protect the health and safety of the community and

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provided that drivers who deliver medical marijuana receive permits after appropriate background checks conducted by the Arroyo Grande Police Department; and

WHEREAS, the City Council also desires to amend Chapter 16.62.050 of the Arroyo Grande Municipal Code to permit limited cultivation of medical marijuana as further set forth in this ordinance; and

WHEREAS, the City Council of the City of Arroyo Grande hereby makes the following findings regarding the unregulated cultivation of medical marijuana within the boundaries of the City:

A. The unregulated cultivation of medical marijuana can adversely affect the health, safety and well-being of the City and its residents. Unregulated medical marijuana cultivation increases the risk of criminal activity, degradation of the natural environment, excessive use of electricity which may overload standard electrical systems, and damage to buildings in which cultivation occurs, including improper and dangerous electrical alterations and use, increased risk of fire and fire-related hazards, inadequate ventilation, increased occurrences of home-invasion robberies and similar crimes. Medical marijuana cultivation also creates increased nuisance impacts to neighboring properties because of the strong, malodorous, and potentially noxious odors which come from the plants. Further, the indoor and outdoor cultivation of medical marijuana in or near residential zones increases the risk of such activity and intrudes upon residential uses. Accordingly, except for limited indoor cultivation as provided in this Ordinance, it is the intent of the City to prohibit the cultivation of medical marijuana in the City of Arroyo Grande.

B. Marijuana plants grown outdoors, as they begin to flower and for a period of two (2) months or more during the growing season, produce an extremely strong odor that is offensive to many people and detectable far beyond property boundaries. This strong smell may create an attractive nuisance, alerting persons to the location of the marijuana plants, thereby creating a risk of burglary, robbery, armed robbery, assault, attempted murder, and murder.

C. Fertilizers and pesticides, both legal and illegal, used when marijuana is grown outdoors may unreasonably increase the concentration of such chemicals in storm water runoff thereby impacting local creeks, streams and rivers. Such pollution may negatively affect water quality for downstream users, harm ecosystems, and impact threatened or endangered species.

D. Water for marijuana grown outdoors may be illegally diverted from local creeks, streams, and rivers, thereby unreasonably depriving downstream users

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of beneficial water sources. Such diversions may also impact water supply, harm ecosystems, and negatively affect threatened or endangered species.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES ORDAIN AS FOLLOWS:

SECTION 1. The above recitals and findings are true and correct and are incorporated herein by this reference.

SECTION 2. This Ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including but not limited to Article XI, Section 7 of the State Constitution, Proposition 215, codified as Health and Safety Code Section 11362.5 et seq., the Medical Marijuana Program Act, codified as Health and Safety Code Section 11362.7 et seq. and the MMRSA.

SECTION 3. Section 16.62.010 of the Arroyo Grande Municipal Code is hereby amended in its entirety to read as follows:

16.62.010 - Purpose and findings

A. It is the purpose and intent of this chapter to prohibit medical marijuana dispensaries, cooperatives and collectives, and limit cultivation of medical marijuana pursuant to the City of Arroyo Grande's authority under Section 7 of Article XI of the California Constitution, in order to promote the health, safety, and general welfare of the residents and businesses within the City of Arroyo Grande and prevent adverse impacts which such activities may have on nearby properties and residents, as recognized by the Courts (reference City of Riverside v. Inland Empire Patients Health & Wellness Center., Inc., 56 Cal.4th 729 (2013) and Maral v. City of Live Oak, 221 Cal.App.4th 975 (2013)) and as provided in the Medical Marijuana Regulation and Safety Act (AB 243 (Chapter 688, Statutes of 2015); AB 266 (Chapter 689, Statutes of 2015); and SB 643 (Chapter 719, Statutes of 2015)).

B. Pursuant to the City of Arroyo Grande's police powers authorized in Article XI, Section 7 of the California Constitution, the City has the power to regulate permissible land uses within its boundaries and to enact regulations for the preservation of public health, safety and welfare of its residents and community. Further, pursuant to Government Code Sections 38771 through 38775, municipalities also have the power through the City Council to declare actions and activities that constitute a public nuisance.

C. The City Council finds that Proposition 215, "The Compassionate Use Act of 1996", Senate Bill 420 enacted in 2003, also known as the Medical Marijuana Program and the Medical Marijuana Regulation and Safety Act (AB 243 (Chapter 688, Statutes of 2015); AB 266 (Chapter 689, Statutes of 2015); and SB 643 (Chapter 719, Statutes of

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2015) do not preempt the City's exercise of its traditional police powers in enacting land use regulations, such as this chapter, for preservation of public health, safety and welfare, by prohibiting medical marijuana dispensaries, cooperatives and collectives, and regulating and limiting the cultivation of marijuana within the City."

SECTION 4. Section 16.62.050 of the Arroyo Grande Municipal Code is hereby amended to read as follows:

16.62.050 - Cultivation

A. Except for limited indoor cultivation as provided in subsection C herein, no person or persons owning, leasing, occupying, or having charge or possession of any parcel in the City of Arroyo Grande, including primary caregivers and qualified patients, collectives, cooperatives or dispensaries, shall allow such parcel to be used for the cultivation of marijuana. Cultivation of marijuana in violation of this chapter within the City of Arroyo Grande for any purpose is prohibited, and is expressly declared to be a public nuisance.

B. The prohibition contained in this section is intended to constitute an express prohibition on cultivation as it relates to the provisions of Health and Safety Code Section 11362.777(b)(3), which provides that a person or entity shall not submit an application for a state license to cultivate marijuana under the Department of Food and Agriculture's Medical Cannabis Cultivation Program if the proposed cultivation of marijuana will violate the provisions of a local ordinance or regulation, or if medical marijuana is prohibited by the City.

C. The limited indoor cultivation of marijuana in the City of Arroyo Grande is permitted subject to the following restrictions and standards:

1. The marijuana is cultivated by a qualified patient for his or her personal use.
2. The marijuana is cultivated inside a detached single family dwelling on property where the qualified patient resides on a full-time basis.
3. No more than fifty (50) contiguous square feet of the interior of the dwelling, shall be devoted to the cultivation of medical marijuana. The medical marijuana cultivation area shall not exceed 10 feet in height. These restrictions apply regardless of how many qualified patients are residing on the property.
4. The area used for cultivation complies with California Building, Electrical and Fire Codes as adopted by City of Arroyo Grande.
5. The marijuana cultivation is concealed so that it is not visible from the exterior of the property, the public right-of-way, and/or neighboring properties.
6. All medical marijuana cultivated pursuant to this section shall be for the personal use only of a qualified patient residing on the property and may not be distributed to any other person, collective or cooperative. The qualified patient

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shall not participate in medical marijuana cultivation in any other residential location within the City of Arroyo Grande.

7. The lighting for the cultivation shall not exceed 1200 watts. The use of flammable or combustible products, including but not limited to, propane and butane for cultivation and processing is prohibited.

8. The cultivation of marijuana shall not take place in a kitchen, bathroom or occupied bedroom of the dwelling.

9. The marijuana cultivation shall not adversely affect the health or safety of the occupants of other property in the vicinity by creating dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration or other impacts and shall not be maintained in a manner so as to constitute a hazard due to use or storage of materials, processes, products or wastes.

10. Nothing in this subsection is intended, nor shall it be construed, to preclude any landlord from limiting or prohibiting medical marijuana cultivation by tenants.”

SECTION 5. Section 16.62.070 of the Arroyo Grande Municipal Code is hereby amended to read as follows:

16.62.070 - Deliveries

It shall be unlawful for any person to deliver medical marijuana or medical cannabis products or engage in activities that constitute delivery of medical marijuana or medical cannabis products anywhere within the boundaries of in the City of Arroyo Grande unless the medical marijuana delivery service and each delivery driver is licensed in accordance with the provisions of Chapter 5.95 of this Code.

SECTION 6. Chapter 5.95 is hereby added to Title 5 of the Arroyo Grande Municipal Code to read as follows:

Chapter 5.95 - MEDICAL MARIJUANA DELIVERY SERVICES

5.95.010 - Definitions

For the purposes of this chapter the following words and phrases shall have the meanings respectively ascribed to them by this section:

“City” shall mean the City of Arroyo Grande.

“Chief of Police” shall mean the Chief of Police of the City of Arroyo Grande or his or her designee.

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“City Manager” shall mean the City Manager of the City of Arroyo Grande or his or her designee.

“Marijuana” means all parts of the plant genus Cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin, and includes “cannabis”, “medical cannabis”, “cannabis product” and “medical cannabis product” as defined in Business and Professions Code Sections 19300.5(f) and (ag).

“Marijuana Delivery” or “Delivery” means the commercial transfer of marijuana from one location to another. “Delivery” shall also have the meaning set forth in Business and Professions Code Section 19300.5 (m).

“Marijuana Delivery Driver” shall mean any individual who drives or operates a marijuana delivery vehicle in which marijuana is delivered.

“Marijuana Delivery Service” means a person or persons engaged in the business of owning, controlling or operating one or more marijuana delivery vehicles which transport, carry, or deliver marijuana in such marijuana delivery vehicle, or marijuana delivery vehicles, anywhere within the City of Arroyo Grande.

“Marijuana Delivery Vehicle” means a motor vehicle, as that term is defined in the Vehicle Code of the State of California, used for the transportation of marijuana.

“Person” includes any person, firm, association, organization, partnership, joint venture, business trust, corporation or company.

“Primary Caregiver”. This shall have the meaning set forth in Health and Safety Code Section 11362.7(d).

“Qualified Patient”. This shall have the meaning set forth in Health and Safety Code Section 11362.7(f).

5.95.020 - Marijuana Delivery Service License Required; Limitation on Number of Licenses, Criteria and Granting of Licenses

Every marijuana delivery service shall obtain a marijuana delivery service license from the City prior to any operation within the City. The Chief of Police may grant or cause to be granted up to three marijuana delivery service licenses to operate in the City of Arroyo Grande.

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Marijuana delivery service licenses shall be issued based upon an open application process. The Chief of Police shall give public notice of the opening of a 30 day period during which applications for marijuana delivery services will be accepted by having such notice published in a newspaper of general circulation pursuant to Government Code Section 6061 and posting the notice on the City's website. Applications shall be signed under penalty of perjury that the applicant has personal knowledge of the information being submitted and that it is true.

Granting of marijuana delivery service licenses shall be made at the sole discretion of the Chief of Police. The Chief of Police shall rank the applications received using the criteria contained in this section, based upon those that best meet the needs of the community and will deliver services and operate in a manner that will protect the public health and safety. The highest ranked qualified applicants equal to the number of available medical marijuana delivery service licenses shall be granted licenses pursuant to this chapter. The decision of the Chief of Police shall be final.

When the Chief of Police has reviewed qualified applications within two years of any open application process under the provisions of this section and less than three licenses are active, at the discretion of the Chief of Police, review may be limited to applications previously submitted through the prior open application process.

In addition to the information required in section 5.95.050, applicants shall address the following criteria, which shall be used by the Chief of Police as a basis for granting marijuana delivery service licenses:

- The applicant shall describe their experience in the marijuana delivery service business, including their knowledge of applicable medical marijuana laws and regulations.
- The applicant shall describe its plan and procedures for safely and securely delivering medical marijuana to qualified patients. This shall address procedures for preventing theft or diversion of medical marijuana.
- The applicant shall demonstrate knowledge relating to where and how the marijuana they deliver is cultivated, various strains of marijuana, and its experience, if applicable, growing those strains or comparable agricultural products.
- The applicant shall describe its plan for keeping records required by this chapter.

- The applicant shall describe steps taken to ensure quality, including the purity and consistency of the medical marijuana it delivers to qualified patients. This shall include labeling, packaging and how it ensures consumer safety by testing for biological and chemical contaminants, pursuant to state or federal standards for food, drugs or tobacco. It shall also include details regarding procedures used to prepare any medical marijuana edibles to comply with State food safety requirements, as well as the source of marijuana used in edible products.
- The applicant shall describe their personnel procedures and hiring practices, including the manner in which they ensure that employees are familiar with their procedures for safely and securely delivering medical marijuana, procedures to prevent theft or diversion, as well as the employee's knowledge of applicable medical marijuana laws and regulations. If the applicant maintains an employee handbook, copies shall be provided with the application.

Marijuana delivery service licenses are not transferable. They shall be deemed terminated if the owner or operator who was granted a license discontinues or suspends delivery operations for a period of more than thirty days without permission obtained from the Chief of Police.

When the State Bureau of Medical Marijuana has commenced issuing licenses pursuant to the Medical Marijuana Regulation and Safety Act (Chapter 3.5 (beginning with Section 19300) of Division 8 of the Business and Professions Code, all medical marijuana delivery services operating in the City shall also present proof to the Chief of Police that it has been issued required state license(s). Receipt of a marijuana delivery service license pursuant to this chapter shall constitute express authorization for delivery in the City of Arroyo Grande, as provided in Business and Professions Code Section 19300.5(n).

5.95.030 - Marijuana Delivery Service License Exemptions

A. A primary caregiver engaged in the delivery of marijuana to a qualified patient for which they are the primary caregiver is exempt from a requirement for a marijuana delivery service license.

B. A qualified patient engaged in the transportation of marijuana solely for his or her own personal use is exempt from a requirement for a marijuana delivery service license.

5.95.040 – Fees, Business Licenses, and Term

- A. Every marijuana delivery service licensed by the City shall pay application and license fees as stated in the City's Master Fee Schedule. Upon approval of the marijuana delivery service license application, the marijuana delivery service shall pay the fee as stated in the City's Master Fee Schedule per marijuana delivery vehicle, and the City shall issue a marijuana delivery vehicle license sticker for each properly insured marijuana delivery vehicle. The annual marijuana delivery service license renewal fee shall be as stated in the City's Master Fee Schedule per year, and the annual fee per marijuana delivery vehicle for the license sticker as stated in the City's Master Fee Schedule. Each applicant shall also present to the City the prescribed amount set by the Department of Justice of the State of California for the processing of the applicant's fingerprints.
- B. Each applicant for a marijuana delivery driver's permit shall pay to the City, application fees and annual permit fees as stated in the City's Master Fee Schedule. The annual renewal permit fee shall also be as stated in the Master City's Fee Schedule. Each applicant shall present to the City the prescribed amount set by the Department of Justice of the State of California for the processing of the applicant's fingerprints.
- C. Each marijuana delivery service shall pay all applicable business license fees as required by Chapter 5.02 of this code, and pay any other applicable taxes pursuant to Federal, State and local law.
- D. Term. All licenses and stickers issued to marijuana delivery services and marijuana delivery drivers shall be for the period of no more than one calendar year, and shall expire at midnight on the 31st day of December, subject to annual renewal by the Chief of Police. Initial annual fees shall be prorated based upon when in the year it is issued, however, application fees and annual fees shall not otherwise be subject to reductions or refunds.
- E. Prior to any renewal the Chief of Police shall review the licensee or permittee for satisfactory performance and compliance with the provisions of this Code during the preceding year, and also confirm the continuing validity of all information that was submitted by the licensee or permittee during the initial application process.

5.95.050 – Marijuana Delivery Service License Application

A. In addition to submitting information relating to the selection criteria in section 5.95.020, every application for a marijuana delivery service license submitted in response to an open application process shall contain:

1. Name and address of the applicant.
2. If the applicant is a corporation, the names and addresses of its directors. Copies of any relevant Articles of Incorporation, and any medical marijuana collective/cooperative agreement and membership forms shall be submitted with the application.
3. Area within which the delivery service proposes to operate.
4. Kind and amount of public liability and property damage insurance covering each vehicle to be used for marijuana delivered within the City.
5. Owner's trade name and business address.
6. Listing of all vehicles to be used for marijuana delivery within the City, their make, model (year), license plate number and Vehicle Identification Number.

B. Whenever an employee of a marijuana delivery service files an application for a marijuana delivery driver's permit, or renewal hereof, with the City, the employer marijuana delivery service shall within 10 days after the filing of the application by the employee with the City, submit to the City by first class U.S. mail copies of the results and other records pertaining to the testing of the employee for the use of alcohol and controlled substances conducted pursuant to mandatory controlled substance and alcohol testing certification program required by Section 5.95.200.

5.95.060 - Investigation of Marijuana Delivery Service Application

A. All applications submitted as part of a marijuana delivery service open application process shall be referred to the Chief of Police for investigation in order to determine if the applicant is qualified. The Chief of Police shall obtain a copy of the applicant's criminal record in the United States, if any, and may obtain the criminal record, if any, in any other country, if obtaining such foreign criminal record is feasible.

B. The Chief of Police in making determinations relating to granting medical marijuana delivery licenses may also demand personal references from applicants and may make such further investigation of applicants as deemed appropriate.

5.95.070 - Insurance Requirements

The insurance required before a marijuana delivery service license can be issued shall insure the public against any loss or damage that may result to any person or property from the operation of any marijuana delivery vehicle used by the marijuana delivery service in its business as such. The amount of insurance shall not be less than \$1,000,000.00 per occurrence combined single limit for bodily injury and property damage. The City, its officers, agents and employees shall be named as additional insureds on any policy. Insurance shall include contractual liability to cover liability assumed in contract, shall include a severability of interest or equivalent wording, and shall specify that insurance coverage afforded to the City shall be primary.

5.95.080 - Insurance Certificate Prerequisite to Issuance

No marijuana delivery service license shall be issued until the applicant first files with the City a certificate of insurance, on a form acceptable by the City. Said certificate shall provide evidence of insurance in amounts and with conditions acceptable to the City and shall be approved by the City Manager. The marijuana delivery service insurance shall remain in force during the entire term of the license, and if such insurance is canceled or terminated, it shall be grounds for revocation or suspension of the license until a valid certificate is furnished to the City.

5.95.090 - Hold Harmless Agreement

As a condition of the license, each marijuana delivery service shall execute an agreement indemnifying and holding harmless the City, its officers, agents and employees from any and all damages, claims, liabilities, costs including attorney's fees, suits or other expenses resulting from and arising out of said marijuana delivery service operations. The agreement shall provide that the marijuana delivery service agrees to defend, at its sole expense, any action against the City, its officers, agents and employees and reimburse the City of any court costs and attorney fees that the City may be required to pay as a result of any such action or issuance of the license. The City, may, at its sole discretion, participate at its own expense in the defense of any action, but such participation shall not relieve the licensee of its obligations hereunder.

5.95.100 - Revocation or Suspension of Marijuana Delivery Service License

A marijuana delivery service license or a renewal thereof may be revoked or suspended if the license holder:

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A. Has knowingly made a false statement in a material matter either in his or her application or in any reports or other documents furnished by him or her to the City.

B. Does not maintain and operate his or her marijuana delivery vehicle and other equipment in the manner and in the condition required by law and applicable regulations.

C. Is required to register as a sex offender under the provisions of Section 290 of the California Penal Code.

D. Has been convicted of any offense relating to the use, sale, possession or transportation of narcotics or habit-forming drugs.

E. Has utilized drivers who are under suspension, revocation or probation by the Department of Motor Vehicles for a cause involving the safe operation of a motor vehicle, or have been convicted of any of the following offenses: driving while intoxicated; or reckless driving involving bodily injury.

F. Has been convicted of any offense punishable as a felony, or has been convicted within a 10-year period immediately preceding the crime of theft in either degree.

G. Has been convicted of any offense involving moral turpitude.

H. Utilizes drivers who have been involved in any motor vehicle accident causing death or personal injury.

I. Utilizes drivers who have been involved in three or more motor vehicle accidents.

J. Failed to pay required license fees.

K. Has violated any provision of this chapter or engaged in any conduct that adversely affects the health, welfare or safety of the community.

5.95.110 - Revocation Procedures

A. The City may give notice to a marijuana delivery service of its intention to revoke a marijuana delivery service license. If deemed it will be a hazard to the health, safety or welfare, for the marijuana delivery service to continue operations pending a revocation hearing, the City may suspend the license and all rights and privileges thereunder until the hearing on revocation. The notice shall specify a time and place at

which a hearing will be held before a hearing officer designated by the City Manager. The hearing officer may be a department head, or his or her designee, or other disinterested person. The employment, performance evaluation, compensation and benefits of the hearing officer, if any, shall not be directly or indirectly conditioned upon the determinations made by the hearing officer.

The hearing shall be conducted not less than seven days after the date of the notice, unless the operator agrees to a shorter period of time. Unless the marijuana delivery service consents, a hearing must be held within 14 days of a suspension. The notice shall specify the reasons for the proposed revocation in sufficient detail so as to fully inform the marijuana delivery service of the reasons which have caused the notice to be given, and if the marijuana delivery service license has been suspended the reasons for such suspension. A copy of the notice shall be sent to the Chief of Police.

B. The marijuana delivery service and Chief of Police shall each have the right to be represented by counsel, to call and examine witnesses, cross-examine witnesses, and argue their respective positions. The proceedings shall be informal, and strict rules of evidence shall not apply. All evidence shall be admissible which is of the kind that reasonably prudent persons rely on in making decisions.

C. The hearing officer shall render a recommended decision in writing to the City Manager, and include the reasons therefor. The City Manager may accept, or modify the hearing officer's recommendation and the decision of the City Manager shall be final.

5.95.120 - Marijuana Delivery Service Operating Requirements

A. Deliveries shall be directly to the residence or business address of the qualified patient who possesses an identification card issued pursuant to Health and Safety Code Section 11362.71 et seq. or to that person's primary caregiver. Any other delivery or transaction is prohibited. The qualified patient or primary caregiver shall maintain a copy of the delivery request and make it available to law enforcement officers upon request as required by Business and Professions Code Section 19340(e).

B. No marijuana delivery service shall permit any person other than a marijuana delivery vehicle driver, licensed in accordance with this chapter, to operate any of its marijuana delivery vehicles in which marijuana is delivered within the City.

C. In accordance with the requirements of Business and Professions Code section 19340, during delivery, licensees shall maintain a physical copy of the delivery request and shall make it available to law enforcement officers upon request. Each

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marijuana delivery service shall maintain a written record of every request for delivery, including the name of the requestor, the address for the delivery, the quantity and type of marijuana requested, the date and time the delivery request is received, the marijuana delivery vehicle that is assigned to make the delivery, and the marijuana delivery driver that is assigned to make the delivery.

D. Each marijuana delivery service shall assure that every marijuana delivery driver shall have a copy of the record of the delivery request during the delivery of any marijuana in the City. Employees delivering medical marijuana shall carry a copy of the delivery services license and present it and the employee's identification to law enforcement officers upon request. Deliveries shall only occur between the hours of 10:00 a.m. and 7:00 p.m.

E. Other than displaying required marijuana delivery vehicle license stickers, delivery vehicles shall not contain advertisements for commercial cannabis activities nor shall it advertise the name of the dispensary.

F. Delivery drivers shall not transport medical marijuana in excess of any applicable limits established by the Bureau of Medical Marijuana.

G. Each marijuana delivery service shall maintain, for a minimum of three years, a written accounting or ledger of all cash, receipts, credit card transactions, and reimbursements, (including any in-kind contributions) as well as records of all operational expenditures and costs incurred by the marijuana delivery service in accordance with generally accepted accounting practices and standards typically applicable to business records, which records shall be subject to audit or inspection by the City upon request.

H. Each marijuana delivery service shall keep current the information furnished under Section 5.95.050. The information shall be furnished to the City.

I. No deliveries shall be permitted within 1000 feet of any public or private school, public library, day care facility, youth center, or park and recreation facility.

J. All products delivered shall have been tested in a manner consistent with the procedures described in the marijuana delivery service application, as required by Section 5.95.020.

5.95.130 - Marijuana Delivery Driver's Permit - Required

Every marijuana delivery driver who drives a marijuana delivery vehicle for which a marijuana delivery service license is required or has been issued shall obtain a marijuana delivery driver's permit from the City prior to driving a marijuana delivery vehicle within the City.

5.95.140 - Application

A. Every applicant for a marijuana delivery driver's permit must be employed or have an offer of employment by a licensed marijuana delivery service. Every marijuana delivery driver shall file an application for a marijuana delivery driver's permit on a form supplied by the City.

B. For marijuana delivery drivers employed by a marijuana delivery service, employer marijuana delivery service shall comply with subsection B of Section 5.95.050 of this chapter. An applicant for a marijuana delivery driver's permit shall immediately upon the filing of an application inform the employer of the requirements of this section and of subsection B of Section 5.09.050.

5.95.150 - Referral of Application to Chief of Police

The application for a marijuana delivery driver's permit shall be referred to the Chief of Police, who shall make the same type of investigation as set forth in Section 5.95.060 and approve or disapprove the application.

5.95.160 - Procedure on Disapproval

- A. Within 15 days after notification of disapproval, an applicant may appeal to the City Manager, in writing, from the disapproval of the Chief of Police, giving the reasons in full as to why the permit should be issued in spite of the disapproval. A copy of the appeal shall be sent by applicant to the Chief of Police and City Manager at the same time.
- B. The City Clerk shall set a hearing on the appeal of the applicant, and shall fix a time and a date certain, within 30 days after the receipt of applicant's appeal by the City (or such longer time as applicant shall agree to) to hear and consider the appeal of applicant. The City Clerk shall notify the applicant, Chief of Police and City Manager of the time and place of hearing at least seven days prior to the date of the hearing.

- C. A hearing officer designated by the City Manager shall hear the appeal. The hearing officer may be a department head, or his or her designee, or other disinterested person. The employment, performance evaluation, compensation and benefits of the hearing officer, if any, shall not be directly or indirectly conditioned upon the determinations made by the hearing officer.
- D. All testimony at the hearing shall be given under oath or affirmation. The applicant and Chief of Police shall have the right to be represented by counsel. Applicant and Chief shall each have the right to call and examine witnesses, cross-examine witnesses and argue their respective positions. The proceeding shall be informal, and the strict rules of evidence shall not apply, and all evidence shall be admissible which is of the kind that reasonably prudent persons rely on in making decisions.

The hearing officer shall determine the order of procedure and shall rule on all objections to admissibility of evidence. Applicant and Chief of Police shall each be given a full and fair hearing. The hearing officer shall render a recommended decision in writing to the City Manager, and include the reasons therefore within 10 days after the close of the hearing. The City Manager may accept, or modify the hearing officer's recommendation and the decision of the City Manager shall be final.

5.95.170 - Issuance

Upon receipt of the approval of the City, it shall issue to the applicant a marijuana delivery driver's permit, which shall be in the form of a card containing the permittee's name, photograph and right index fingerprint.

5.95.180 - Notice of Revocation – Suspension - Procedures

The City may give a notice of intention to revoke a marijuana delivery driver's permit, and may suspend such permit pending a hearing, as in the case of a marijuana delivery service license, and the procedures for revocation, and the rights of the parties shall be the same, insofar as applicable as in the case of revocation of a marijuana delivery service license.

5.95.190 - Automatic Suspension of Marijuana Delivery Driver's Permit

Any marijuana delivery driver's permit issued hereunder shall be automatically suspended and be null and void during any period of time that the marijuana delivery driver's State motor vehicle operator's license is suspended, revoked, or for any other reason is invalid or inoperative.

5.95.200 - Mandatory Controlled Substance and Alcohol Testing Program

A. Every marijuana delivery service shall develop and adopt a mandatory controlled substance and alcohol testing certification program in compliance with Government Code Section 53075.5 and in accord with the procedures set forth in Part 40 (commencing with Section 40.1) of Title 49 of the Code of Federal Regulations. A copy of the mandatory controlled substance and alcohol testing certification program adopted pursuant to this section shall be delivered to the Chief of Police and City Manager.

B. The employer marijuana delivery service's mandatory controlled substance and alcohol testing certification program shall contain a provision that, while the employer marijuana delivery service license is in effect, the employer marijuana delivery service shall, upon request of the City, make available for inspection copies of all results and other records pertaining to the testing for the use of alcohol and controlled substances conducted pursuant to the mandatory controlled substance and alcohol testing certification program required by this section.

C. The employer marijuana delivery service's mandatory controlled substance and alcohol testing certification program shall, at a minimum, require every marijuana delivery driver to submit to testing at least once every year and submit to mandatory testing following citation for a moving violation or being involved in a vehicle accident.

D. Failure to comply with the requirements of this section constitutes grounds for denial, revocation or suspension of a marijuana delivery service license pursuant to this chapter. The procedures for denial, suspension or revocation shall be the same as those prescribed for suspension or revocation of a marijuana delivery service license elsewhere in this chapter.

5.95.210 - Grounds for Denial, Revocation or Suspension of Marijuana Delivery Driver's Permit

The granting of a marijuana delivery driver's permit or a renewal thereof may be denied and an existing permit may be revoked or suspended if the permit holder or applicant:

A. Has knowingly made a false statement in a material matter either in his or her application or in any reports or other documents furnished by him or her to the City.

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B. Does not maintain and operate his or her marijuana delivery vehicle and other equipment in the manner and in the condition required by law and applicable regulations.

C. Is required to register as a sex offender under the provisions of Section 290 of the California Penal Code.

D. Has been convicted of any offense relating to the use, sale, possession or transportation of narcotics or habit-forming drugs.

E. Within the three-year period immediately preceding the application has been under suspension, revocation or probation by the Department of Motor Vehicles for a cause involving the safe operation of a motor vehicle, or has been convicted of any of the following offenses: driving while intoxicated; or reckless driving involving bodily injury.

F. Has been convicted of any offense punishable as a felony, or has been convicted within a 10-year period immediately preceding the crime of theft in either degree.

G. Has been convicted of any offense involving moral turpitude.

H. Has been involved within the two years immediately preceding the application in any motor vehicle accident causing death or personal injury.

I. Has been involved in three or more motor vehicle accidents within the year immediately preceding the application.

J. Failed to pay required permit fees.

K. Has violated any provision of this chapter.

5.95.220 - Additional Marijuana Delivery Driver Conditions

In addition to the conditions and grounds for the issuance and retention of a marijuana delivery driver's permit issued pursuant to this chapter, a marijuana delivery driver's permit shall be issued and retained subject to the following conditions:

A. The marijuana delivery driver shall be at least 18 years old prior to issuance of a marijuana delivery driver's permit.

B. Employment, or an offer of employment, as a marijuana delivery driver has been made by a licensed marijuana delivery service.

C. The marijuana delivery driver's permit shall become void upon termination of employment of the marijuana delivery driver.

D. The marijuana delivery service employer shall notify the City upon termination of employment of a marijuana delivery driver.

E. The marijuana delivery driver's permit shall state the name of the marijuana delivery service employer.

F. The marijuana delivery driver shall return the marijuana delivery driver's permit to the City upon termination of employment.

G. The marijuana delivery driver shall not test positive pursuant to the employer marijuana delivery service's mandatory controlled substance and alcohol testing certification program.

5.95.230 - Marijuana Delivery Driver Duties

A. No marijuana delivery driver shall permit any person other than another marijuana delivery vehicle driver, who has been issued a permit in accordance with this chapter, to operate the marijuana delivery vehicle in which marijuana is delivered within the City.

B. Each marijuana delivery driver shall have a copy of the record of the delivery request during the delivery of any marijuana in the City.

SECTION 7. This ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

SECTION 8. A summary of this Ordinance shall be published in a newspaper published and circulated in the City of Arroyo Grande at least five (5) days prior to the City Council meeting at which the proposed Ordinance is to be adopted. A certified copy of the full text of the proposed Ordinance shall be posted in the office of the City Clerk. Within fifteen (15) days after adoption of the Ordinance, the summary with the names of those City Council members voting for and against the Ordinance shall be published again, and the City Clerk shall post a certified copy of the full text of such adopted Ordinance.

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This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage.

SECTION 9. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage.

SECTION 10. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

On motion by Council Member _____, seconded by Council Member _____, and by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

the foregoing Ordinance was adopted this ____ day of _____, 2016.

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER K. WHITHAM, CITY ATTORNEY



Elite Care CA



Proposed Requirements for Medical Marijuana DELIVERY Service

- Allow (2 – 4) delivery-only dispensaries, with no on-site sales
- Review operation, twice annually
- The City Staff shall have access to the entities books, records, accounts and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination.
- No sale shall be within 1000 feet of the following:
 - public or private schools
 - public libraries
 - daycares
 - youth centers (serving youth under 18)
 - parks & recreation facilities
- Delivery Hours 10a – 7p
- All medicine shall be Lab tested
- Submit Seller's Permit
- Submit Ownership Information
 - Articles of Incorporation
 - Collective/cooperative agreement
 - Membership forms
- Submit Insurance Verification
- Submit owners, managers, & driver's valid medical cannabis recommendation

Permit Fees (based on Goleta, CA fees and population averages)

- \$65 for a Delivery Service License
- \$65 for each driver who must obtain a special license

ATTACHMENT 2

**MEDICAL MARIJUANA PROGRAM
DELIVERY SERVICE AREA LIMITATIONS**



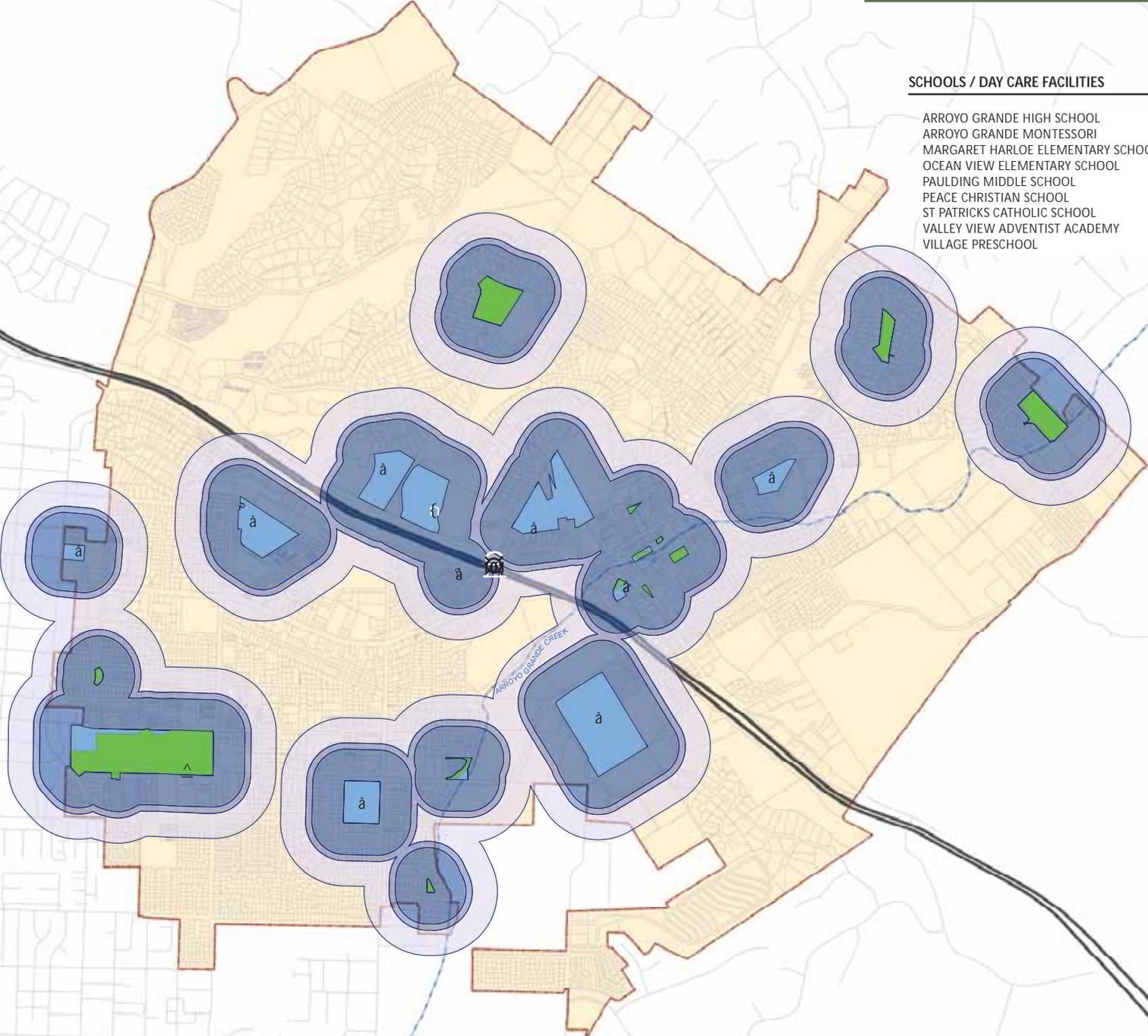
I. No deliveries shall be permitted within 1000 feet of any public or private school, public library, day care facility, youth center, or park and recreation facility.

SCHOOLS / DAY CARE FACILITIES

- ARROYO GRANDE HIGH SCHOOL
- ARROYO GRANDE MONTESSORI
- MARGARET HARLOE ELEMENTARY SCHOOL
- OCEAN VIEW ELEMENTARY SCHOOL
- PAULDING MIDDLE SCHOOL
- PEACE CHRISTIAN SCHOOL
- ST PATRICKS CATHOLIC SCHOOL
- VALLEY VIEW ADVENTIST ACADEMY
- VILLAGE PRESCHOOL

PARKS / RECREATION FACILITIES

- CENTENNIAL PARK
- FIRE-RESISTIVE DEMONSTRATION GARDEN
- HART-COLLETT FIREFIGHTERS MEMORIAL PARK
- HEALTH FITNESS PARK
- HERITAGE SQUARE PARK
- HOOSEGOW PARK
- KINGO PARK
- PARKSIDE PARK
- RANCHO GRANDE PARK
- SOTO SPORTS COMPLEX
- STROTHER PARK
- TERRA DE ORO PARK
- VIRGINIA PARK



	500 feet
	600 feet
	1000 feet
	Property Boundaries
	Parks / Recreation Facilities
	Recreation Services
	Arroyo Grande Library
	Schools / Day Care Facilities
	Arroyo Grande City Limits



*ARTICLE 2.5. MEDICAL MARIJUANA PROGRAM
11362.79. PLACES WHERE MEDICAL USE OF MARIJUANA IS PROHIBITED:
(a) In any place where smoking is prohibited by law.
(b) In or within 1,000 feet of the grounds of a school, recreation center, or youth center, unless the medical use occurs within a residence.
(c) On a schoolbus.
(d) While in a motor vehicle that is being operated.
(e) While operating a boat.

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MEMORANDUM

TO: CITY COUNCIL

**FROM: DIANNE THOMPSON, CITY MANAGER
STEVE LIEBERMAN, FIRE CHIEF**

SUBJECT: CONSIDERATION OF PROVIDING INPUT AND/OR DIRECTION TO THE FIVE CITIES FIRE AUTHORITY ("FCFA") REPRESENTATIVE REGARDING THE FCFA'S PRELIMINARY BUDGET FOR FY 2016-17

DATE: JUNE 14, 2016

RECOMMENDATION:

It is recommended the City Council review the preliminary FY 2016-17 budget for the Five Cities Fire Authority (FCFA) and provide input and/or direction to the City Council's appointed FCFA representative.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The proposed FCFA budget will cost the City \$1,981,217, which has been incorporated into the City's FY 2016-17 Budget Update. This reflects a net increase of \$121,077 (7%) for fire services from FY 2015-16. Approximately 12% of the General Fund budget is allocated for fire services, and equates to a cost per capita of \$112.

BACKGROUND:

Staff was requested to place the FCFA preliminary budget on the agenda, specifically to provide Council the opportunity to provide input and/or direction regarding the preliminary budget to the City's FCFA representative. This request was made in accordance with Section 8 of the City Council Operations Manual entitled "Guidelines for Council Direction on Items from Appointed Boards and Committees."

Council members appointed to serve on regional and local boards and committees are granted authority to make decisions in the best interest of the City as well as the general public and interests served by the specific agency. Section 8 of the City Council Operations Manual provides that prior to an item that meets certain criteria, which is scheduled to be voted on by a board or committee that a member of the City Council has been appointed to, is heard by the board or committee, the item should be placed on the City Council agenda for direction and/or input. The FCFA preliminary budget item meets the criteria as it will result in a financial impact to the City of over \$10,000.

ANALYSIS OF ISSUES:

The FCFA Board of Directors reviewed the preliminary budget for fiscal year 2016-17 at their May 20, 2016 meeting. The Board was generally supportive of the budget and provided

PRELIMINARY FY 2016-17 BUDGET FOR FIVE CITIES FIRE AUTHORITY

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direction to staff to review the policy related to fund reserves, with an effort to build reserves over the next few years.

As provided in the attached staff report to the FCFA Board of Directors, the preliminary budget reflects a number of assumptions, including but not limited to:

- \$66,400 first annual lease payment for replacement fire engine; \$31,900 for Arroyo Grande
- \$50,000 grant match for Self Contained Breathing Apparatus (SCBA) replacements; \$24,000 for Arroyo Grande
- \$25,000 increase in vehicle maintenance; \$12,000 for Arroyo Grande
- \$11,000 increase in software licensing/support; \$5,300 for Arroyo Grande
- 4% salary increase for IAFF-represented employees (working estimate as negotiations are ongoing); \$55,400 for Arroyo Grande
- \$38,300 reduction in Workers Compensation premiums; \$18,400 for Arroyo Grande
- Continued pre-payment of CalPERS costs

The SCBAs are required safety equipment and have reached the end of their useful life as mandated by OSHA. If the Authority is not successful in obtaining the grant, an additional \$430,000 will need to be contributed by the three member agencies in order to replace the equipment. The City of Arroyo Grande's share of this cost would be approximately \$206,000 (48%). The City Council may want to provide direction to the appointed FCFA representative regarding this potential budget increase.

The FCFA preliminary budget does not include the costs associated with fire dispatching, which is contracted to each member agency by the City of Grover Beach. The City's budget does contain these costs and equate to \$71,762. Should a unified agreement between FCFA and the City of Grover Beach be achieved, it is anticipated that the current payment from the City of Arroyo Grande to the City of Grover Beach would simply shift to FCFA with no net increase in cost.

Other budget vulnerabilities include any cost increases associated with recommendations that might arise from the FCFA's strategic planning efforts. In addition, the budget does not provide funding for equipment or apparatus replacements that will be required in the future.

The estimated fund balance at the end of FY 2016-17 is \$338,400, of which \$55,000 was designated by the Board for future vehicle replacement needs. The undesignated fund balance reflects a reserve of approximately 8% of ongoing expenditures, as compared to the Board goal of a 15% reserve.

The FCFA Board will consider adopting the FY 2016-17 budget at their June 17, 2016 meeting.

**PRELIMINARY FY 2016-17 BUDGET FOR FIVE CITIES FIRE AUTHORITY
JUNE 14, 2016
PAGE 3**

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Provide direction to the City Council's representative to the FCFA Board; or
2. Provide direction to staff.

ADVANTAGES:

The City Council has the opportunity to provide input and/or direction on FCFA's proposed budget to the Council's representative on the Board.

DISADVANTAGES:

There are no disadvantages identified to receiving this information and providing input and/or direction to the Council's representative on the Board.

ENVIROMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, June 9, 2016. The Agenda and report were posted on the City's website on Friday, June 10, 2016. No public comments were received.

Attachment(s):

1. FCFA Preliminary Budget

STAFF REPORT

TO: CHAIR AND BOARD MEMBERS

**FROM: STEPHEN C. LIEBERMAN, FIRE CHIEF
DEBBIE MALICOAT, TREASURER**

**SUBJECT: CONSIDERATION OF PRELIMINARY BUDGET FOR FISCAL YEAR
2016-17.**

DATE: MAY 20, 2016

RECOMMENDATION:

It is recommended the Board of Directors receive and provide direction on the preliminary budget for fiscal year 2016-17.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The preliminary budget for fiscal year 2016-17 serves as a guideline to the budget to be adopted in June 2016. The preliminary expenditure total of \$4,184,900 includes the addition of payments for the recently ordered fire engine, grant matching of 10% for Self Contained Breathing Apparatus (SCBA) replacements, an increase in vehicle maintenance and other minor adjustments.

BACKGROUND:

The proposed FY 2016-17 budget of \$4,184,900 reflects changes to individual line item budgets based on staff's review of the ongoing operational needs of the department and foreseeable one-time expenditures. Key assumptions included in the budget are as follows:

- \$66,400 first annual lease payment for replacement fire engine
- \$50,000 grant match for SCBA replacements
- \$25,000 increase in vehicle maintenance
- \$11,000 increase in software licensing/support
- 4% salary increase for IAFF-represented employees (working estimate as negotiations are ongoing)
- \$38,300 reduction in Workers Compensation premiums
- Continued pre-payment of CalPERS costs

**FIVE CITIES FIRE AUTHORITY BOARD OF DIRECTORS
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After applying the allocation formula, the proportional share for each community has remained unchanged at 48% to Arroyo Grande, 33% to Grover Beach and 19% to Oceano CSD. Each jurisdiction's contributions are as follows:

	FY 2015-16	FY 2016-17	Increase \$ / %
Arroyo Grande	\$1,846,134	\$1,981,217	\$135,083 / 7%
Grover Beach	1,284,929	1,401,418	116,489 / 9%
OCSD	754,337	779,965	25,628 / 3%

As previously approved by the Board, a replacement fire engine has been ordered and lease purchase financing has been approved. The previous debt service related to truck 5 is now retired, therefore the payments Grover Beach and OCSD were making to Arroyo Grande will cease. Therefore, the net increase to each jurisdiction is reflected below:

	Increase \$ / %	Previous Debt Pmt	Net Increase
Arroyo Grande	\$135,083 / 7%	\$14,006	\$121,077 / 7%
Grover Beach	116,489 / 9%	11,544	104,945 / 8%
OCSD	25,628 / 3%	5,772	19,856 / 3%

Should there be no unforeseen major expenses in FY 2016-17 the Authority will have an ending fund balance of approximately \$338,400, of which \$55,000 is designated by policy for future vehicle replacement needs. The undesignated fund balance reflects a reserve of approximately 8% of ongoing expenditures. This is below the Board's goal of a 15% reserve.

Looking toward the future

There are several changes that could occur that would result in amendments to the FY 2016-17 budget. First, the Authority's long-term need for unified dispatching service is not addressed in the preliminary 2016-17 budget. Currently Arroyo Grande and Oceano independently contract with Grover Beach for dispatching services. The FCFA budget does not include these costs. It is anticipated that during the fiscal year, staff will move forward with a resolution to this issue, with a goal of shifting existing line item budget amounts from the member communities to the FCFA operating budget and contracting directly with the Grover Beach Police Department for dispatch services.

Second, as the Board is aware, there have been recent efforts to prepare a strategic plan for the organization. Any recommendations or changes that arise as a result of the strategic plan are not anticipated in the current budget and may not be able to be accommodated without amending the budget.

**FIVE CITIES FIRE AUTHORITY BOARD OF DIRECTORS
PRELIMINARY BUDGET FY 2016-17
MAY 20, 2016
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Attachment 1

Lastly, the budget does not provide funding for equipment or apparatus replacements that will be necessary in the future. Should the Five Cities Fire Authority Assistance for Firefighters (AFG) grant application be denied (we should hear in the May/June timeframe), the SCBA inventory will need to be replaced during FY 16/17 at a cost of \$480,000.00 as OSHA has defined equipment replacement requirements. The current fund balance may be sufficient to provide for the repair or replacement of an unanticipated equipment failure; however it is not sufficient to provide for either the emergency replacement for a fire engine, or the ongoing and recurrent need to replace equipment and apparatus.

ALTERNATIVES:

The following alternatives are provided for Board of Directors consideration:

1. Approve staff recommendation;
2. Do not approve staff recommendation; or
3. Provide direction to staff.

ADVANTAGES:

The preliminary FY 2016-17 budget provides for the immediate needs of the Authority.

DISADVANTAGES:

The preliminary FY 2016-17 budget does not provide for the long term needs of the Authority.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in accordance with the Brown Act on Tuesday, May 17, 2016, in front of the following buildings: Arroyo Grande City Hall, 300 E. Branch Street, Arroyo Grande; Headquarters ~ Station 1, 140 Traffic Way, Arroyo Grande; Grover Beach City Hall, 154 S. 8th Street, Grover Beach; Station 2, 701 Rockaway Avenue, Grover Beach; and Oceano Community Services District, 1655 Front Street, Oceano. The Agenda and report were posted on the Authority's website on Tuesday, May 17, 2016. No public comments were received.

ATTACHMENTS:

Preliminary Budget

FIVE CITIES FIRE AUTHORITY
BUDGET SUMMARY
PRELIMINARY BUDGET
For the Fiscal Year Ending June 30, 2017

	Actual		Fiscal Year 2016			Budget
	2014	2015	Original Budget	Amended Budget	Estimated Actual	2017
Beginning Fund Balance	\$ 366,827	\$ 394,289	\$ 216,664	\$ 231,367	\$ 231,367	\$ 338,352
Revenues	4,499,090	3,919,715	3,921,500	4,160,850	4,121,150	4,184,900
Expenditures:						
Salaries & Benefits	3,656,018	3,570,863	3,372,000	3,455,000	3,412,465	3,452,400
Services & Supplies	501,153	442,629	496,500	508,300	487,600	596,600
Equipment Replacement	314,457	69,145	53,000	101,500	114,100	69,500
Debt Service			-	69,000	-	66,400
Total Expenditures	<u>4,471,628</u>	<u>4,082,637</u>	<u>3,921,500</u>	<u>4,133,800</u>	<u>4,014,165</u>	<u>4,184,900</u>
Prior period adjustment						
Change in Fund Balance	<u>27,462</u>	<u>(162,922)</u>	<u>-</u>	<u>27,050</u>	<u>106,985</u>	<u>-</u>
Ending Fund Balance	<u>\$ 394,289</u>	<u>\$ 231,367</u>	<u>\$ 216,664</u>	<u>\$ 258,417</u>	<u>\$ 338,352</u>	<u>\$ 338,352</u>
Designated Reserve	\$ -	\$ -	\$ -	\$ 55,000	\$ 55,000	\$ 55,000
Undesignated Fund Balance	<u>394,289</u>	<u>231,367</u>	<u>216,664</u>	<u>203,417</u>	<u>283,352</u>	<u>283,352</u>
Total Fund Balance	<u>\$ 394,289</u>	<u>\$ 231,367</u>	<u>\$ 216,664</u>	<u>\$ 258,417</u>	<u>\$ 338,352</u>	<u>\$ 338,352</u>

FIVE CITIES FIRE AUTHORITY
PRELIMINARY BUDGET
For the Fiscal Year Ending June 30, 2017

ACT	ACCOUNT NAME	Actual		Current Year Budget Activity			BUDGET	
		2014	2015	Original Budget	Current Budget 2016	Estimated 2016	2017	2017 Budget vs 2016 Amended Budget
REVENUES								
4301	INTEREST	\$ 155	\$ 733	\$ -	\$ 700	\$ 1,400	\$ 700	-
4422	ARROYO GRANDE FIRE REIMBURSEMENT	1,551,420	1,582,448	1,846,134	1,846,134	1,846,134	1,981,217	135,083
4443	GROVER BEACH FIRE REIMBURSEMENT	1,206,660	1,230,793	1,284,929	1,284,929	1,284,929	1,401,418	116,489
4444	OCEANO FIRE REIMBURSEMENT	709,520	723,710	754,337	754,337	754,337	779,965	25,628
4458	STATE GRANT	254,970	-	-	4,318	4,318	-	(4,318)
4491	SAFER GRANT	535,327	100,089	-	-	-	-	-
4462	LOCAL GRANT		47,598	-	9,332	9,332		
4726	FIRE IMPACT FEES	4,116	4,220	500	500	500	1,000	500
4729	FIRE-FIRST RESPONDER SUPPORT	21,231	21,619	20,600	20,600	20,600	20,600	-
4730	FIRE-STRIKE TEAM REIMBURSEMENT	147,191	171,977	-	144,000	144,000	-	(144,000)
4803	SALES-EQUIPMENT/MATERIALS			-	12,000	24,000		
4807	EXPENSE RECOVERY	68,500	36,528	15,000	15,000	31,600	-	(15,000)
4816	PROCEEDS FROM DEBT ISSUANCE			-	69,000			
	GRAND TOTAL REVENUES	\$ 4,499,090	\$ 3,919,715	\$ 3,921,500	\$ 4,160,850	\$ 4,121,150	\$ 4,184,900	\$ 114,382

FIVE CITIES FIRE AUTHORITY

PRELIMINARY BUDGET

For the Fiscal Year Ending June 30, 2017

ACT	ACCOUNT NAME	Actual		Current Year Budget Activity			BUDGET	
		2014	2015	Original Budget	Current Budget 2016	Estimated 2016	2017	2017 Budget vs 2016 Amended Budget
EXPENDITURES								
5101	SALARIES FULL-TIME	1,231,330	1,285,796	1,560,500	1,560,500	1,235,700	1,615,900	55,400
5102	SALARIES PERMANENT PART-TIME	21,650	1,750	42,100	42,100	20,600	43,900	1,800
5103	SALARIES TEMPORARY PART-TIME	403,254	352,662	368,000	368,000	370,400	368,000	-
5105	SALARIES OVERTIME	364,216	463,755	189,300	189,300	373,200	201,800	12,500
5106	SALARIES - STRIKE TEAM OVERTIME	-	-	-	88,000	87,200	-	-
5108	HOLIDAY PAY	62,551	70,202	61,600	61,600	71,865	64,200	2,600
5109	SICK LEAVE PAY	30,122	45,684	-	-	51,300	-	-
5110	ANNUAL LEAVE BUY BACK	6,300	6,393	7,000	7,000	3,600	7,000	-
5111	VACATION BUY BACK	17,916	42,800	40,000	40,000	36,800	40,000	-
5112	SICK LEAVE BUY BACK	4,209	2,557	4,000	4,000	2,800	4,000	-
5113	VACATION LEAVE PAY	30,966	23,866	-	-	49,600	-	-
5114	COMPENSATION PAY	26,623	34,221	-	-	39,100	-	-
5115	ANNUAL LEAVE	4,659	10,016	-	-	18,200	-	-
5121	PERS RETIREMENT	417,332	447,843	448,200	448,200	423,100	487,400	39,200
5122	SOCIAL SECURITY	147,369	162,048	144,200	144,200	155,500	149,400	5,200
5123	PARS RETIREMENT	5,435	4,250	6,200	6,200	5,400	6,200	-
5126	STATE DISABILITY INS. (SDI)	15,418	15,540	10,800	10,800	13,700	11,300	500
5127	DEFERRED COMPENSATION	905	1,895	3,000	3,000	2,500	3,000	-
5131	HEALTH INSURANCE	201,435	259,022	300,300	300,300	299,400	300,300	-
5132	DENTAL INSURANCE	20,157	20,616	20,800	20,800	21,300	20,800	-
5133	VISION INSURANCE	4,382	4,609	5,200	5,200	5,100	5,200	-
5134	LIFE INSURANCE	1,920	2,134	2,400	2,400	2,300	2,400	-
5135	LONG TERM DISABILITY INSURANCE	6,084	6,722	8,400	8,400	7,300	8,400	-
5136	RETIREEES HEALTH INSURANCE	5,121	5,163	-	-	6,700	6,500	6,500
5141	WORKERS COMPENSATION	80,077	106,262	139,300	139,300	101,800	101,000	(38,300)

FIVE CITIES FIRE AUTHORITY

PRELIMINARY BUDGET

For the Fiscal Year Ending June 30, 2017

ACT	ACCOUNT NAME	Actual		Current Year Budget Activity			BUDGET	
		2014	2015	Original Budget	Current Budget 2016	Estimated 2016	2017	2017 Budget vs 2016 Amended Budget
5142	UNEMPLOYMENT INSURANCE	6,270	46,827	5,000	5,000	7,500	5,000	-
5143	UNIFORM ALLOWANCE	4,512	3,249	5,000	-	-	-	-
5147	EMPLOYEE ASSISTANCE PROGRAM	479	913	700	700	500	700	-
	Subtotal Salaries & Benefits	3,120,692	3,426,795	3,372,000	3,455,000	3,412,465	3,452,400	85,400
5201	SUPPLIES - OFFICE	6,979	8,482	7,000	7,000	7,000	7,000	-
5206	SUPPLIES - EMS	5,497	8,770	8,000	8,000	8,000	10,000	2,000
5208	POSTAGE/MAILING	1,550	2,637	1,800	1,800	1,800	1,800	-
5255	SPECIAL DEPARTMENT SUPPLIES	18,157	24,472	20,000	20,000	20,000	20,000	-
5272	PROTECTIVE/SAFETY CLOTHING	22,359	19,094	35,000	44,300	44,300	40,000	(4,300)
5273	SMALL TOOLS	1,714	1,868	3,000	3,000	3,000	3,000	-
5301	ADVERTISING	396	325	1,000	1,000	1,000	1,000	-
5303	CONTRACTUAL SERVICES	185,088	84,457	101,000	101,000	101,000	109,000	8,000
5306	PRINTING SERVICES	1,895	3,015	5,000	5,000	5,000	4,000	(1,000)
5315	PRE-EMPLOYMENT PHYSICALS	1,645	2,172	5,000	5,000	5,000	9,200	4,200
5316	JOB RECRUITMENT EXPENSE	74	237	2,000	2,000	2,000	2,000	-
5324	FORENSIC MANDATE SERVICES	1,759	789	3,000	3,000	3,000	1,800	(1,200)
5325	HAZMAT/SAFETY PROGRAM	3,000	4,329	15,500	15,500	15,500	15,500	-
5401	UTILITIES	35,332	40,553	38,000	38,000	38,000	40,000	2,000
5403	TELECOMMUNICATIONS	11,440	16,397	20,000	20,000	20,000	30,000	10,000
5501	CONFERENCE/TRAINING	18,181	17,294	13,500	13,500	13,500	12,000	(1,500)
	NEW TRAVEL	-	-	-	-	-	3,000	3,000
5503	MEMBERSHIPS & SUBSCRIPTIONS	2,862	2,532	3,700	3,700	3,700	3,700	-
5504	PUBLIC RELATIONS	6,414	3,835	6,000	8,500	8,500	6,000	(2,500)
5508	MISC EXPENSE	2,334	3,324	2,500	2,500	2,500	2,500	-
5553	RENT-BUILDING AND LAND	15,000	15,000	15,000	15,000	15,000	15,000	-
5555	BANK CHARGES		45	300	300	300	300	-

FIVE CITIES FIRE AUTHORITY
PRELIMINARY BUDGET
For the Fiscal Year Ending June 30, 2017

ACT	ACCOUNT NAME	Actual		Current Year Budget Activity			BUDGET	
		2014	2015	Original Budget	Current Budget 2016	Estimated 2016	2017	2017 Budget vs 2016 Amended Budget
5576	LIABILITY INSURANCE-JPA SHARE	16,634	15,886	20,000	20,000	12,900	18,000	(2,000)
5599	WEED ABATEMENT	11,530	7,647	12,000	12,000	12,000	12,000	-
5601	MAINTENANCE - VEHICLES	54,312	90,529	75,000	75,000	75,000	100,000	25,000
5602	MAINTENANCE - OFFICE EQUIPMENT	1,173	704	3,000	3,000	3,500	3,600	600
5603	MAINTENANCE - MACH & EQUIP	14,401	9,098	13,000	13,000	13,000	68,000	55,000
5604	MAINTENANCE - BUILDINGS	7,250	5,924	8,000	8,000	8,000	8,000	-
5605	MAINTENANCE - GROUNDS	23	326	6,000	6,000	6,000	2,000	(4,000)
5606	MAINTENANCE - RADIO COMMUNICATIONS	8,372	11,740	8,200	8,200	8,200	8,200	-
5608	GAS & OIL	45,782	41,148	45,000	45,000	30,900	40,000	(5,000)
Subtotal Services & Supplies		501,153	442,629	-	496,500	508,300	596,600	88,300
5803	LEASE PURCHASE PAYMENTS			-	69,000		66,400	
Subtotal Debt Service		-	-	-	69,000	-	66,400	-
6101	DATA PROCESSING EQUIPMENT	232,667	7,454	10,000	10,000	10,000	10,000	-
6103	COMPUTER LICENSING SOFTWARE	15,007	19,525	33,000	33,000	33,000	44,000	11,000
6201	MACHINERY & EQUIPMENT	66,783	42,166	10,000	10,000	10,000	15,500	5,500
6301	VEHICLES			-	48,500	61,100		
Subtotal Equip Replacement		314,457	69,145	-	53,000	114,100	69,500	16,500

FIVE CITIES FIRE AUTHORITY
PRELIMINARY BUDGET
For the Fiscal Year Ending June 30, 2017

ACT	ACCOUNT NAME	Actual		Current Year Budget Activity			BUDGET	
		2014	2015	Original Budget	Current Budget 2016	Estimated 2016	2017	2017 Budget vs 2016 Amended Budget
SAFER GRANT FUNDED								
5101	SALARIES FULL-TIME	264,077	55,122	-	-	-	-	-
5105	SALARIES OVERTIME	22,394	3,899	-	-	-	-	-
5108	HOLIDAY PAY	15,754	4,222	-	-	-	-	-
5109	SICK LEAVE PAY	5,212	5,718	-	-	-	-	-
5113	VACATION PAY	5,074	18,990	-	-	-	-	-
5114	COMPENSATION PAY	17,766	2,296	-	-	-	-	-
5121	PERS RETIREMENT	96,196	31,511	-	-	-	-	-
5122	SOCIAL SECURITY	26,929	7,345	-	-	-	-	-
5126	STATE DISABILITY INS. (SDI)	3,515	977	-	-	-	-	-
5131	HEALTH INSURANCE	55,408	12,185	-	-	-	-	-
5132	DENTAL INSURANCE	6,478	1,445	-	-	-	-	-
5133	VISION INSURANCE	1,056	263	-	-	-	-	-
5134	LIFE INSURANCE	692	95	-	-	-	-	-
5141	WORKERS COMPENSATION	14,600	-	-	-	-	-	-
5142	UNIFORM ALLOWANCE	-	-	-	-	-	-	-
5147	EMPLOYEE ASSISTANCE PROGRAM	175	-	-	-	-	-	-
Subtotal - SAFER Grant		\$ 535,326	\$ 144,068	\$ -	\$ -	\$ -	\$ -	-
GRAND TOTAL EXPENDITURES		\$ 4,471,628	\$ 4,082,637	\$ 3,921,500	\$ 4,133,800	\$ 4,014,165	\$ 4,184,900	190,200



MEMORANDUM

TO: CITY COUNCIL

FROM: DEBBIE MALICOAT, DIRECTOR OF ADMINISTRATIVE SERVICES

SUBJECT: CONSIDERATION OF FY 2016-17 BUDGET

DATE: JUNE 14, 2016

RECOMMENDATION:

It is recommended the City Council:

- Approve detailed budget adjustments listed in the Budget Update Report; and
- Adopt the attached Resolution approving the FY 2016-17 Budget.

FINANCIAL IMPACT:

The total citywide expenditure budget for FY 2015-16 is \$42.5 million. The total General Fund expenditure budget is \$16.3 million for FY 2016-17.

BACKGROUND:

The City Council adopted the FY 2015-16/FY 2016-17 biennial budget on June 9, 2015. The budget process includes updates at the midpoint of the first year, at the beginning of the second year (along with the appropriation of the second year budget) and at the midpoint of the second year. As presented at the FY 2015-16 Mid-Year Budget Update, the City is facing a mixed fiscal picture. Revenues in many General Fund categories are increasing and economic indicators are generally favorable. However, there are significant revenue challenges in the Water and Sewer enterprise funds as well as the Gas Tax Fund. In addition, expenditures continue to rise and there are significant unmet needs, including infrastructure and maintenance costs that are underfunded.

The projected available General Fund Balance at June 30, 2017 is approximately \$5.2 million, which equates to 32% of appropriations. This is based on revenue and expenditure assumptions that are detailed in the attached Budget Update Report, including recommended adjustments for FY 2016-17.

As the City experiences economic recovery, it will be important to determine the highest priority uses of financial resources. Over the past year, staff has worked to identify important priorities for funding and has identified deficiencies in service, maintenance

**CITY COUNCIL
CONSIDERATION OF FY 2016-17 BUDGET
JUNE 14, 2016
PAGE 2**

and/or investment that will require attention in the short and long-term. The data gathered and analyzed during this Biennial Budget will provide for the Council to make well-informed decisions in the next Biennial Budget. The list of unmet needs far exceeds the City's current ability to fund. Therefore, the following items are recommended as priorities, listed in order of importance: addressing salary inequities necessary to attract and retain a quality workforce, support and implementation of information technology needs, parks and facility infrastructure maintenance and improvements, and stormwater program implementation.

ANALYSIS OF ISSUES:

Budget summaries for all funds are incorporated into the document. The FY 2016-17 proposed budget will continue to fund high quality services provided to the community, and will invest in the future through capital improvements and maintenance activities.

General Fund

The General Fund balance is projected to be approximately \$5.2 million by the end of the biennial budget period. This amount will exceed the City's policy goal of 20% of General Fund expenditures. Staff has requested additional appropriations of \$339,600 to provide for a compensation study, economic development assistance, matching funds for a grant to assist with transportation funding, evaluation and repair of the Swinging Bridge, and part-time staff to assist with tournaments at the Soto Sports Fields (offset by user fees). In addition, the FY 2016-17 budget addresses changes in minimum wage laws for part-time employees, increased costs for fire services, and decreased costs for workers compensation insurance.

Enterprise Funds

Both the Water and Sewer Fund revenues assume that a rate increase will take effect in August 2016 to mitigate loss of revenue due to drought conditions. The Water Fund has a projected available fund balance at the end of FY 2016-17 of \$3.9 million, which remains above the minimum policy goal. The ending fund balance for the Sewer Fund is projected to be \$1.4 million, which also meets the minimum fund balance policy goal. Additional appropriation requests include \$15,000 in the Water Fund and \$12,100 in the Sewer Fund as detailed in the attached report.

Capital Improvement Program

The recommended Capital Improvement Program (CIP) includes the addition of \$57,000 for stormwater and/or drainage improvement projects, a reduction of \$100,000 for the Le Point Street Parking Lot and the appropriation of \$200,000 from the General Fund reserve for the Swinging Bridge. Additional information is provided in the attached report.

Local Sales Tax Fund

Along with recommended changes to the FY 2016-17 Capital Improvement Program mentioned above, an appropriation of \$17,500 is requested for annual stormwater

**CITY COUNCIL
CONSIDERATION OF FY 2016-17 BUDGET
JUNE 14, 2016
PAGE 3**

stream monitoring and \$96,700 is recommended to augment Gas Tax revenue losses in FY 2016-17.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Adopt the Resolution approving the FY 2016-17 Budget;
2. Modify and approve FY 2016-17 Budget;
3. Do not approve the FY 2016-17 Budget;
4. Provide direction to staff.

ADVANTAGES:

The recommendations in the Budget reflect revenue and expenditure strategies that will accomplish the following:

- Maintain key service levels;
- Maintain a substantial investment in improvements to the City's infrastructure and facilities;
- Maintain reserves at or above the City's policy levels; and
- Limit reliance on one-time revenues.

DISADVANTAGES:

The budget does not address all unmet needs and a number of uncertainties exist that could negatively impact revenue projections and status of the proposed budget. These uncertainties include the following:

- Transportation funding from the State
- Transportation funding provided through a local sales tax measure;
- Costs for County animal control facility; and
- Overall economic development activity.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, June 9, 2016 and on the City's website on Friday, June 10, 2016. No comments were received.

Attachment:

1. City of Arroyo Grande Budget Update Report (distributed to Council under separate cover; document available for viewing on the City's website)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING FISCAL YEAR 2016-17 OF THE FISCAL YEAR 2015-16 & 2016-17 BIENNIAL BUDGET AND MAKING APPROPRIATIONS FOR THE AMOUNT BUDGETED

WHEREAS, a proposed Biennial Budget for the City of Arroyo Grande for the Fiscal Years commencing July 1, 2015 and ending June 30, 2016 and commencing July 1, 2016 and ending June 30, 2017 was submitted to the City Council and is on file with the Director of Administrative Services; and

WHEREAS, the City Council also serves as the Board of Directors of the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency; and

WHEREAS, proceedings for adoption of said Budget have been duly taken; and

WHEREAS, the total Budget for FY 2016-17 is \$42,481,082.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES RESOLVE AS FOLLOWS:

SECTION 1. The Budget is adopted as the Biennial Budget for the City of Arroyo Grande for the Fiscal Year commencing July 1, 2016 and ending June 30, 2017.

SECTION 2. At the close of each Fiscal Year, unexpended appropriations in the Operating Budget will be carried forward to the next fiscal year as necessary to underwrite the expense of outstanding purchase commitments. Unexpended appropriations for authorized, but uncompleted projects as approved by the City Council may be carried forward to the next succeeding Budget upon recommendation by the Administrative Services Director and approval of the City Manager.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES: Council Members

NOES: Council Members

ABSENT: Council Members

the foregoing Resolution was passed and adopted this _____ day of _____, 2016.

**RESOLUTION NO.
PAGE 2**

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

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City of
Arroyo Grande



BUDGET UPDATE REPORT
FISCAL YEAR 2016-2017

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City of Arroyo Grande

Budget Update Report - 2016/17

June 14, 2016

Overview

The City is entering the second year of a two year budget. The purpose of this Budget Update Report is to: update revenue projections as economic data becomes available; update expenditures as more accurate costs become available; and to provide estimates for ending fund balances for the first year of the biennial budget. While this report provides a listing of projected fund balances, these projections are estimates as Fiscal Year 2015-16 has not been closed or audited. Because the beginning fund balance for the upcoming fiscal year (FY 2016-17) is the ending balance from the current fiscal year (FY 2015-16), accruals, deferrals, and audit adjustments may impact the projected Fiscal Year 2016-17 fund balance. This information is provided in the following format:

Schedule A: The starting point is the estimated FY 2015-16 ending fund balances, which is also the beginning Estimated Available Fund Balances for FY 2016-17. Combining the beginning Available Fund Balances with the estimated revenues, transfers, and appropriations adopted in the Biennial Budget and amended in this report, provides the estimated ending fund balances.

Following a comprehensive review, adjustments are recommended where actual receipts and disbursements are materially different from the budgeted amounts. Although budget adjustments are recommended in several City funds, the emphasis of the Budget Update Report is on the General Fund. The General Fund is deemed to be the most critical as it provides most services commonly associated with government (i.e., public safety, recreation, parks, building, public works, planning, etc.) and is limited primarily by tax-generated revenues.

Summary of Key Points

- As previously projected, expenditures in the General Fund are expected to exceed revenues during FY 2016-17. Revenues are estimated to increase by \$117,600 from previous projections and expenditures will increase by \$339,600. The General Fund has strong reserves, which are vital to maintaining services when expenditures outpace revenues; however reserves are a one-time resource and can't be relied upon for sustainable operations. The City continues to focus on efforts to improve revenues through economic development and some minor revenue opportunities, while minimizing expenditure increases.

City of Arroyo Grande

Budget Update Report - 2016/17

June 14, 2016

- The City Council has established an Undesignated General Fund Balance goal of 20% of annual appropriation with a minimum goal of 15%. The City's Undesignated General Fund Balance represents the resources available to provide funding for future contingencies such as earthquakes, economic fluctuations, major infrastructure repairs and investment in capital for improved productivity and efficiencies. Inadequate reserves increase financial risk, negatively impact cash flow, and reduce the City's ability to attract and sustain economic development and growth.

The projected available General Fund Balance at June 30, 2017 is \$5.2 million, which is \$200,000 less than the projected fund balance published in the Biennial Budget. The projected fund balance is equal to approximately 32% of expenditures, as compared to the goal of 20%. The projected Fund Balance assumes revenues are received exactly as budgeted, all budget expenditures are made, and all capital transfers required by the CIP Program are completed. Historically, the General Fund expenditures at year-end are traditionally less than budgeted.

- As the City experiences economic improvement, it will be important to determine the highest priorities. Over the past year, staff has worked to identify important priorities for funding and has identified deficiencies in service, maintenance and/or investment that will require attention in the short and long-term. The data gathered and analyzed during this Biennial Budget will provide for Council to make well-informed decisions in the next Biennial Budget. The list of unmet needs far exceeds the City's current ability to fund. Therefore, the following have been identified as priorities: addressing inequities in salaries and benefits as needed to attract and retain a quality workforce, support and implementation of information technology needs, parks and facility infrastructure maintenance and improvements, and stormwater program implementation.

Summary of Budget Assumptions

The budget includes a number of assumptions regarding revenues and expenditures. Most notably, these assumptions include:

- Property Tax revenues will increase by 4.25% or \$175,000 from FY 2015-16.
- Sales & Use Tax revenues will increase by 4% or \$139,700 (after taking into account one-time payments related to ending the "triple flip").
- Transient Occupancy Tax revenues will increase by 3.5% or \$33,600 from FY 2015-16.
- No changes to revenues are assumed as a result of implementation of the fee studies currently underway; any changes resulting from Council adoption of new fees will be reflected with the future Mid-Year Budget Review.

City of Arroyo Grande

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- Costs for Five Cities Fire Authority (FCFA) services reflect the FCFA Preliminary Budget presented to the FCFA Board in May 2016. No assumption is made for additional costs associated with the replacement of self contained breathing apparatus, if the FCFA fails to receive grant funding for this equipment.
- Salary and benefit costs reflect contractually obligated increases (for those units where contracts exist) as well as increases to reflect changes in minimum wage laws. For employee groups whose contracts or resolutions are not yet finalized, an assumption of 2.5% increase in salary is included. Final costs are subject to change, as contract negotiations are currently in process with the Arroyo Grande Police Officers' Association.

Budget Changes Approved To-Date

Various budget changes have been approved by the Council or City Manager, as appropriate, since the approval of the Mid-Year Budget Update, which impact one or both of the fiscal years in the budget. Many revenue assumptions were updated with the Mid-Year Budget Review; however, changes since that time have resulted in additional adjustments to revenue assumptions. Significant changes are discussed in more detail later in this report.

Budget Update Requests

As part of the budget updating process, departments were asked to review their current budgets and determine if any adjustments should be proposed in this report. Departments have been asked to closely monitor their budgets and spend only what is necessary. At this time, staff is recommending minor adjustments to the General Fund departmental budgets that are necessary due to timing considerations, increases that respond to a priority area, and one-time project funding.

General Fund Expenditure Adjustments:

- **Administrative Services** - Staff is requesting \$40,000 to hire a consultant to assist in completing a City-wide compensation study. Understanding how current salary and benefits compare in terms of external markets and internal relationships will assist the City in setting appropriate pay and benefit levels for employees.
- **Community Development** - The City has the opportunity to obtain a grant that will provide professional assistance to position the City to be more competitive in obtaining grant funding for Highway Safety Improvement Projects and other transportation related projects. The City's required 10% grant match of \$7,500 is requested. In addition,

City of Arroyo Grande

Budget Update Report - 2016/17

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obtaining consultant services to develop an economic profile and metrics, a market supply and demand analysis, funding and financing structures, and the initial Economic Development Strategy and Implementation Plan is recommended for \$25,000.

- **Public Works Department** - In conjunction with Recreation Services, \$2,200 is proposed for a part-time employee to provide facility services at the Soto Sports Complex during tournaments. The cost of this additional facility attendant will be fully offset by user fees charged for using the complex to host a tournament. It is anticipated that the part-time employee will assist with a range of duties during tournaments, including but not limited to: monitoring the facility, addressing minor maintenance issues, checking out field preparation equipment, and providing a staff liaison to the tournament hosts.
- **Capital Improvement Projects** - As discussed with the Council on April 12, 2016, it is anticipated that the Swinging Bridge will require design and construction work to repair structural issues with the bridge. An appropriation of \$200,000 is recommended. The Council will receive an update with structural investigation findings and a refined cost estimate in early summer 2016.

Other Funds:

Local Sales Tax Fund: Several new stormwater and/or drainage projects have been identified that need to be corrected in the 2016-17 fiscal year. In total, \$57,000 is requested for these projects as well as an additional \$17,500 annually for stormwater stream monitoring as required by the State. In addition, due to the decrease in Gas Tax funding, staff is recommending reducing the allocation for the Le Point Street parking property by \$100,000 and augmenting the existing street maintenance allocation of \$100,000 to \$196,700. Additional discussion related to Gas Tax and transportation related funding is provided later in this report.

Water & Sewer Funds: The water and sewer utilities operate Supervisory Control and Data Acquisition (SCADA) systems to remotely monitor and control several processes. The system is in need of upgrading, which will cost \$20,000 and is proposed to be funded \$15,000 from the Water Fund and \$5,000 from the Sewer Fund. In addition, the Sewer Fund will require an additional \$7,100 in consultant services to provide for a Sewer System Management Plan (SSMP) audit in FY 2016-17. More information regarding Water and Sewer revenues is discussed later in this report.

In general, revenues and expenditures in all other funds are on target with projections and prior year trends. No other adjustments are recommended at this time.

City of Arroyo Grande

Budget Update Report - 2016/17

June 14, 2016

General Fund Overview

Shown below is an overview of the revenues and expenses for Fiscal Years 2014-15, 2015-16 and 2016-17. The original budget for FY 2015-16 reflects the budget adopted in June 2015. The current budget includes adjustments that have been made since adoption in June 2015, and the amended budget for 2016-17 incorporates the recommendations described in this report.

	<i>GENERAL FUND SUMMARY</i>					
	2014-15 ACTUAL	FISCAL YEAR 2015-16			FISCAL YEAR 2016-17	
		ORIGINAL BUDGET	CURRENT BUDGET	ESTIMATED ACTUAL	CURRENT BUDGET	AMENDED BUDGET
Beginning Fund Balance	\$4,942,735	\$4,468,644	\$ 5,946,521	\$ 5,946,521	\$ 5,572,382	\$ 5,572,382
Total Revenues	16,465,726	15,298,900	15,542,850	15,859,900	15,791,400	15,906,600
Total Expenditures	15,461,940	15,346,870	15,916,989	15,889,421	15,980,020	16,319,655
Total Operating Increases (Decreases)	1,003,786	(47,970)	(374,139)	(29,521)	(188,620)	(413,055)
Available Fund Balance	\$5,946,521	\$4,420,674	\$ 5,572,382	\$ 5,917,000	\$ 5,383,762	\$ 5,159,327

After adjustments are recorded, the June 30, 2017 fund balance in the General Fund will be approximately \$5.2 million, assuming all budget projections are fulfilled. However, at the end of Fiscal Year 2016-17 (June 30, 2017), the City may find that revenues have not met the budgeted projections and not all budgeted appropriations will be spent. Year-end actual expenditures are traditionally less than budgeted amounts. Further adjustments will be made at the future Mid-Year Budget Review in February 2017, as appropriate.

City of Arroyo Grande

Budget Update Report - 2016/17

June 14, 2016

General Fund Revenues

The table shown below presents a comparison of the top ten revenue accounts. Because the top revenue sources account for approximately 90% of total General Fund revenues, changes in these revenue sources can have profound impacts.

Revenue Source	2014-15 Actual	2015-16 Estimated	2016-17 Budget	% Change
Property Tax	\$ 4,260,369	\$ 4,263,100	\$ 4,438,900	4%
Sales & Use Tax*	2,597,249	3,000,000	3,632,400	21%
Triple Flip - VLF	1,360,973	1,419,412	1,486,100	5%
Triple Flip - Sales Tax*	793,725	712,000	-	-100%
Transient Occupancy Tax	922,195	959,100	992,700	4%
Franchise Fees	612,261	581,000	593,000	2%
Children in Motion	394,191	350,000	350,000	0%
Telecomm. Site Leases	215,016	230,000	235,000	2%
Building Permits	340,265	283,283	330,300	17%
Planning Fees	214,385	218,200	247,300	13%
Total	<u>\$11,710,629</u>	<u>\$12,016,095</u>	<u>\$12,305,700</u>	<u>2%</u>

* The Sales Tax Triple Flip ends during 2015-16. Thereafter all amounts are reflected in the Sales & Use Tax category.

- **Sales Tax** - Sales tax revenues in 2016-17 reflect a 4% increase to the sales tax “base” after taking into account the one-time effect of eliminating the “triple flip” that was in effect from 2004 to 2016.
- **Building Permits and Planning Fees** - Revenues are expected to increase due to the payment of fees for projects currently in development. These revenues are realized as development activity occurs and, therefore, are often difficult to predict from year to year. Increases or decreases in any one year may indicate timing issues on specific projects and may not be reflective of long-term trends.
- All other variances are within normal ranges.

City of Arroyo Grande

Budget Update Report - 2016/17

June 14, 2016

General Fund Expenditures

The following chart compares actual expenditures in FY 2014-15 with the current budget for FY 2015-16 and the recommended budget FY 2016-17.

Department/Division	2014-15 Actual	2015-16 Budget	2016-17 Budget
City Manager	\$ 489,673	\$ 389,640	\$ 373,600
Legislative & Info Svcs	720,147	948,055	988,615
Retirees	199,999	205,000	205,000
City Attorney	303,562	248,200	248,200
Administrative Services	736,080	787,640	863,300
Community Development	1,236,029	1,543,080	1,575,940
Non Departmental*	3,776,556	2,681,694	2,924,400
Police	5,498,510	6,209,640	6,287,700
Recreation Services	866,808	1,001,565	1,009,900
Public Works	1,634,576	1,902,475	1,843,000
Total	<u>\$15,461,940</u>	<u>\$15,916,989</u>	<u>\$16,319,655</u>

*Non Departmental expenses include items of city-wide benefit, such as liability insurance premiums, utilities, and fire services

Unknown Factors

There are a number of unknown factors that could have a profound impact on the FY 2016-17 budget. The most significant possible revenue change is for transportation-related projects. As previously discussed with the City Council, revenues from the Statewide Gas Tax are declining due to lower consumption as well as lower prices. In the FY 2015-16 Mid-Year Budget Review, staff reported that Gas Tax revenues were likely to be \$265,000 less than anticipated during the two-year budget period, \$75,000 in FY 2015-16 and \$190,000 in FY 2016-17.

City of Arroyo Grande

Budget Update Report - 2016/17

June 14, 2016

However, the Governor's proposed budget also calls for new transportation revenues, which would, when fully phased in, provide an estimated \$3.6 billion annual increase for State and local transportation programs. As proposed, about half of these revenues would be allocated to the State and half to local agencies. Specifically, the Governor proposes to allocate about \$1.5 billion to rehabilitate State highways, about \$1.4 billion for local streets and roads, \$400 million for transit, \$200 million to improve trade corridors and \$120 million for State highway maintenance. If adopted, this proposal would increase Gas Tax funding to the City in FY 2016-17 by about \$90,000, or roughly half of the anticipated shortfall. It is important to note that this is just a proposed budget from the Governor and it has not been adopted.

Currently, the City uses all Gas Tax revenue received, in addition to some Transportation Development Act (TDA) revenue and Local Sales Tax revenue, to provide for the maintenance of streets, bridges, drainage and sidewalks. It is recommended that the allocation for street maintenance be funded by \$100,000 from TDA and \$196,700 from the Local Sales Tax Fund until the State's budget is adopted and any additional funding is confirmed. The actual amount transferred from the Local Sales Tax Fund will depend on final expenditures in the Streets Fund. City staff will continue to provide fiscally prudent services; however significant reductions in the Streets Fund would result in service level reductions to programs such as street sweeping and drainage maintenance, which are not recommended at this time.

In addition to changes in Gas Tax funding, there is a regional effort in process to fund transportation projects through an additional sales tax measure. The San Luis Obispo Council of Governments is taking the lead role in placing a half-cent sales tax measure on the November 2016 ballot. If approved, this measure is estimated to provide an additional \$7.8 million over nine years for the City. If this occurs, it will dramatically improve the City's ability to provide transportation projects for the community.

Another unknown cost that could materialize during the next year relates to the City's agreement with the County to provide animal control services. The County is currently considering their facility needs related to the animal shelter and discussions are occurring regarding each city's contribution toward the cost of a new facility. At this time, the financial impact is unknown and the budget makes no assumptions regarding the cost of a new animal shelter facility.

City of Arroyo Grande

Budget Update Report - 2016/17

June 14, 2016

Other Funds

Local Use Tax Fund (Fund 218)

Several projects are proposed for funding from the Local Use Tax Fund. Attached to this report is a summary of the programs and projects funded from this source. For 2016-17, new allocations are proposed as follows:

1. Stormwater stream monitoring: An annual appropriation of \$17,500 will be needed to meet stream monitoring required for compliance with the California Water Board's stormwater quality control mandates specified in the City's NPDES Phase II Permit.
2. Open channel maintenance: Environmental review and permitting costs for two open channel maintenance projects is projected to cost \$15,000.
3. Sierra Dr/Hillcrest drainage design: Addressing high-priority storm drainage deficiencies near Sierra and Hillcrest that have a potential to cause localized property damage, will cost \$20,000 for design.
4. Huasna Road drainage: A section of large-diameter corrugated metal pipe (CMP) provides drainage under Huasna Road, near Oro Road. The CMP is in poor condition and requires replacement. Design costs for the project are estimated at \$22,000 in FY 2016-17 and construction costs of \$88,000 are anticipated in FY 2017-18.
5. Phase II City Hall Accessibility and Safety Improvement project: Will provide design services for improvements to the lobby at City Hall at a cost of \$7,500.
6. Augmenting funding for street maintenance activities due to loss in Gas Tax revenues: Will cost an additional \$96,700 in FY 2016-17, unless supplemental funding is provided in the State's 2016-17 budget. It is proposed that a reduction of \$100,000 in the Le Point Street Parking Lot project would offset the additional street maintenance allocation.

Sewer Fund (Fund 612)

The Sewer Fund is projected to have a fund balance of approximately \$1.3 million on June 30, 2017. As presented to the Council on May 10, 2016, the Sewer and Water funds are currently experiencing revenue impacts due to reduced water sales. The budget reflects an assumption of the 10% rate increase discussed with the City Council on May 10, 2016, which would take effect in August 2016. An increase of \$12,100 in appropriations is recommended. Details for this appropriation are listed on page 6 of this report under Budget Update Requests.

City of Arroyo Grande

Budget Update Report - 2016/17

June 14, 2016

Water Fund (Fund 640)

The Water Fund is projected to have a spendable fund balance of approximately \$3.9 million on June 30, 2017. As presented to the Council on May 10, 2016, the Sewer and Water funds are currently experiencing revenue impacts due to reduced water sales. The budget reflects an assumption of the 11% rate increase discussed with the City Council on May 10, 2016, which would take effect in August 2016. An increase of \$15,000 in appropriations is recommended. Details for this appropriation are listed on page 6 of this report under Budget Update Requests.

Attachments

A brief overview of the attached schedules is provided to inform the reader of the purpose of each schedule.

- **Schedule A - Fund Balance.** This schedule is provided to incorporate current year estimated fund balance into the budget year and to summarize the FY 2016-17 budget adopted by the City Council. This schedule includes adjustments that have previously been approved by the City Council and lists the current recommended adjustments in total.
- **General Fund Summary.** This schedule provides a summary of the revenues, expenditures and fund balance with actual results for the prior fiscal year as well as the original FY 2015-17 Biennial Budget and proposed amended balances for FY 2015-16 and FY 2016-17.
- **Local Use Tax Fund Ten Year Expense Plan.** This schedule provides a summary of the revenues, expenditures and anticipated fund balance for the current year and the next nine years.

City of Arroyo Grande
Fund Balance
 All Funds Operating Budget
 2016-17 Budget Update

Schedule A

		Estimated Total Available Fund Balance July 1, 2016						Estimated Total Available Fund Balance June 30, 2017	
			Original Revenues	Adjustment to Revenues	Operating Transfer In	Operating Transfer Out	Budgeted Appropriations	Adjustments to Appropriations	
General Fund									
010	General Fund:	\$5,572,382	\$13,286,400	\$76,300	\$2,543,900	\$245,000	\$15,935,020	\$139,635	\$5,159,327
Special Revenue Funds:									
210	Fire Protection Impact Fees	\$186,101	\$20,500	\$0	\$0	\$0	\$0	\$0	\$206,601
211	Public Access Television	60,534	0	0	0	0	0	0	60,534
212	Police Protection Impact Fees	22,186	3,300	0	0	0	0	0	25,486
213	Park Development Fees	603,522	63,200	2,800	0	0	0	0	669,522
214	Park Improvement Fees	140,873	25,700	0	0	20,000	0	0	146,573
215	Recreation Community Center	24,053	3,800	0	0	0	0	0	27,853
216	Grace Lane Assessment District	67,564	10,600	0	0	3,500	13,300	0	61,364
217	Landscape Maintenance District	7,424	5,900	0	0	2,400	5,700	0	5,224
218	Local Use Tax Fund	225,429	2,241,900	0	0	2,055,200	191,800	17,500	202,829
219	Parkside Assessment District	422,732	43,500	1,000	0	4,600	20,700	0	441,932
220	Streets	0	363,140	960	466,000	92,100	709,200	28,800	0
222	Traffic Signal	684,325	33,000	3,000	0	0	0	0	720,325
223	Traffic Circulation	55,144	200	200	0	0	0	0	55,544
224	Transportation Facility Impact	278,907	160,500	0	0	400,000	0	0	39,407
225	Transportation	0	406,500	(1,500)	0	385,000	20,000	0	0
226	Water Neutralization Impact	10,112	42,000	0	50,000	0	165,350	(63,600)	362
230	Construction Tax	0	0	0	0	0	0	0	0
231	Drainage Facility	0	0	0	0	0	0	0	0
232	In-Lieu Affordable Housing	218,990	100,400	0	0	0	75,000	0	244,390
233	In-Lieu Underground Utility	4,001	0	0	0	0	0	0	4,001
240	Tourism Business Improvement Dis	135,117	190,000	10,000	5,000	3,000	180,000	68,000	89,117
241	Water Availability Fund	1,559,829	48,000	(20,000)	0	0	0	0	1,587,829
250	CDBG Grant Funds	0	60,000	6,610	0	0	66,610	0	0
271	State COPS Block Grant	49,197	100,300	500	0	19,200	100,300	29,700	797
	Total Special Revenue Funds	\$4,756,040	\$3,922,440	3,570	\$521,000	\$2,985,000	1,547,960	\$80,400	\$4,589,690

City of Arroyo Grande
Fund Balance
 All Funds Operating Budget
 2016-17 Budget Update

Schedule A

		Estimated Total Available Fund Balance July 1, 2016	Original Revenues	Adjustment to Revenues	Operating Transfer In	Operating Transfer Out	Budgeted Appropriations	Adjustments to Appropriations	Estimated Total Available Fund Balance June 30, 2017
Capital Project Funds:									
350	Capital Improvement Fund	\$34,838	\$16,023,420		\$2,352,100	\$0	\$18,375,520		\$34,838
	Total Capital Project Funds	<u>\$34,838</u>	<u>\$16,023,420</u>	<u>\$0</u>	<u>\$2,352,100</u>	<u>\$0</u>	<u>\$18,375,520</u>	<u>\$0</u>	<u>\$34,838</u>
Enterprise Funds:									
612	Sewer	\$1,264,176	\$882,000	\$38,000	\$0	\$340,700	\$498,082	(\$11,100)	\$1,356,494
634	Sewer Facility	424,087	33,700	8,300	0	0	0	0	466,087
640	Water Fund	4,228,301	6,058,150	592,750	304,050	5,191,360	1,997,755	44,145	3,949,991
641	Lopez Water	1,428,714	0	0	3,403,860	0	3,403,860	0	1,428,714
642	Water Facility	789,222	60,000	0	0	304,050	0	0	545,172
	Total Enterprise Funds	<u>\$8,134,500</u>	<u>\$7,033,850</u>	<u>\$639,050</u>	<u>\$3,707,910</u>	<u>\$5,836,110</u>	<u>\$5,899,697</u>	<u>\$33,045</u>	<u>\$7,746,458</u>
Trust and Agency Fund:									
286	Successor Agency to the RDA	\$458,028	\$604,480	\$0	\$0	\$69,000	\$465,480	\$0	528,028
751	Downtown Parking	58,522	11,000	0	0	63,600	4,025	300	1,597
	Total Trust & Agency Fund	<u>\$516,550</u>	<u>\$615,480</u>	<u>\$0</u>	<u>\$0</u>	<u>\$132,600</u>	<u>\$469,505</u>	<u>\$300</u>	<u>\$529,625</u>
	Grand Total All Funds	<u>\$19,014,310</u>	<u>\$40,881,590</u>	<u>\$718,920</u>	<u>\$9,124,910</u>	<u>\$9,198,710</u>	<u>\$42,227,702</u>	<u>\$253,380</u>	<u>\$18,059,938</u>

GENERAL FUND SUMMARY

FUND: 010 GENERAL FUND

ITEM	2014-15 ACTUAL	FISCAL YEAR 2015-16			FISCAL YEAR 2016-17	
		ORIGINAL BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	CURRENT BUDGET	PROPOSED BUDGET
Beginning Fund Balance	\$ 4,942,735	\$ 4,468,644	\$ 5,946,521	\$ 5,946,521	\$ 5,572,382	\$ 5,572,382
Revenues:						
Revenues	13,926,223	12,853,200	13,015,450	13,298,200	13,286,400	13,362,700
Transfers In	2,539,503	2,445,700	2,527,400	2,561,700	2,505,000	2,543,900
Prior Year Unexpended Balance		250,000	250,000	250,000	250,000	250,000
Total Revenues	16,465,726	15,548,900	15,792,850	16,109,900	16,041,400	16,156,600
Expenditures:						
Salaries and Benefits	8,707,086	10,195,855	10,284,555	10,260,555	10,593,205	10,512,740
Current Expenses	4,801,378	4,844,000	5,163,175	5,145,775	5,076,500	5,296,600
Debt Service	141,076	206,215	206,215	206,215	206,215	206,215
Capital Outlay	97,077	60,800	132,350	146,182	59,100	59,100
Transfers Out	1,715,323	40,000	130,694	130,694	45,000	245,000
Contingency	-	-	-	-	-	-
Total Expenditures	15,461,940	15,346,870	15,916,989	15,889,421	15,980,020	16,319,655
Total Operating Increases (Decreases)	1,003,786	202,030	(124,139)	220,479	61,380	(163,055)
Prior Year Unexpended Balance	-	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Total Adjustments to Fund Balance	1,003,786	(47,970)	(374,139)	(29,521)	(188,620)	(413,055)
Available Fund Balance	\$ 5,946,521	\$ 4,420,674	\$ 5,572,382	\$ 5,917,000	\$ 5,383,762	\$ 5,159,327

CITY OF ARROYO GRANDE

LOCAL SALES TAX FUND

10-Year Revenue and Expense Plan

Item	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Castillo Del Mar Road Improvements	143,075	-	-	-	-	-	-	-	-	-
East Branch St Streetscape	70,000	97,600	-	-	-	-	-	-	-	-
Fair Oaks/Orchard Rd Intersection Imp	50,000	-	-	-	-	-	-	-	-	-
Halcyon Rd Complete Street Plan Study	19,500	-	-	-	-	-	-	-	-	-
Oak Park Rehabilitation Project	205,000	-	-	-	-	-	-	-	-	-
Brisco Rd Interchange Project	-	200,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Subtotal Transportation	487,575	297,600	350,000							
Pavement Management Program	791,314	700,000	725,000	750,000	775,000	800,000	825,000	850,000	875,000	875,000
Striping and Sidewalk Improvements	94,327	55,000	60,000	115,000	120,000	125,000	130,000	130,000	130,000	130,000
East Grand Ave Sidewalk Imp	-	100,000	100,000	-	-	-	-	-	-	-
Street Maintenance	176,928	196,700	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Construction Management/Inspection	42,700	43,600	44,400	45,300	46,200	47,100	48,100	49,000	50,000	50,000
Paulding Wall Extension	90,400	-	-	-	-	-	-	-	-	-
Alpine St Waterline & Street Imp	74,640	-	-	-	-	-	-	-	-	-
Various Park Improvements	25,000	-	-	-	-	-	-	-	-	-
Soto Complex ADA Improvements Phase II	13,460	-	-	-	-	-	-	-	-	-
Swinging Bridge Reinforcement	42,000	-	-	-	-	-	-	-	-	-
Traffic Way Bridge Improvements	13,605	-	48,200	-	-	-	-	-	-	-
Car Corral Upgrade	21,381	-	-	-	-	-	-	-	-	-
Le Point St Parking Lot	500,000	140,000	-	-	-	-	-	-	-	-
Le Point St Parking Lot Lease	32,000	-	-	-	-	-	-	-	-	-
Subtotal Street/Park Improvements	1,917,755	1,235,300	1,077,600	1,010,300	1,041,200	1,072,100	1,103,100	1,129,000	1,155,000	1,155,000
Clark Properties Drainage Improvements	53,500	-	-	-	-	-	-	-	-	-
Vard Loomis Drainage Improvements	25,000	25,000	-	-	-	-	-	-	-	-
Retention Basin Maintenance	27,200	27,700	28,300	28,800	29,400	30,000	30,600	31,200	31,800	31,800
Platino Ln/Oro Dr Inlet	77,213	-	-	-	-	-	-	-	-	-
Stormwater Stream Monitoring	-	17,500	18,000	18,500	19,000	19,500	20,000	20,500	21,000	21,500
Open Channel Maintenance (Env & Permit	-	15,000	-	-	-	-	-	-	-	-
Sierra/Hillcrest Drainage Design	-	20,000	-	-	-	-	-	-	-	-

Item	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
CMP Replacement - Huasna Rd	-	22,000	88,000	-	-	-	-	-	-	-
Stormwater Annual Permit & Program	14,500	15,000	15,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Subtotal Drainage Improvements	197,413	142,200	149,300	63,300	64,400	65,500	66,600	67,700	68,800	69,300
Fire JPA	137,700	140,500	143,300	146,100	149,100	152,000	155,100	158,200	161,300	161,300
Fire Apparatus	21,200	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800
Police Station Upgrade	116,850	-	-	-	-	-	-	-	-	-
Police Senior Officer Position	167,700	171,100	174,500	178,000	181,600	185,200	188,900	192,700	196,500	196,500
Narcotics Task Force	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Police Firing Range	-	-	-	-	120,000	-	-	-	-	-
Subtotal Public Safety	467,450	364,400	370,600	376,900	503,500	390,000	396,800	403,700	410,600	410,600
City Hall Debt Service	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Document Imaging - carryover	7,500	-	-	-	-	-	-	-	-	-
Council Chambers Upgrade	250,000	-	-	-	-	-	-	-	-	-
Corporation Yard Upgrade	77,795	-	-	-	-	-	-	-	-	-
Elm Street Community Center Upgrade	-	160,000	150,700	150,700	-	-	-	-	-	-
Citywide Solar Panel Project	3,500	-	-	-	-	-	-	-	-	-
Wireless Internet Access	32,450	-	-	-	-	-	-	-	-	-
Electric Vehicle Charging Station	5,000	-	-	-	-	-	-	-	-	-
IT Firewall Replacement	-	30,000	-	-	-	-	-	-	-	-
City Hall Safety Improvement Project	25,000	7,500	-	-	-	-	-	-	-	-
Financial Management System	-	-	-	200,000	-	-	-	-	-	-
Subtotal City Facilities	421,245	217,500	170,700	370,700	20,000	20,000	20,000	20,000	20,000	20,000
Annual Audit and Sales Tax Report	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Subtotal Other	7,500									
Total Expenses	3,498,938	2,264,500	2,125,700	2,178,700	1,986,600	1,905,100	1,944,000	1,977,900	2,011,900	2,012,400
Projected Revenue	2,200,100	2,241,900	2,345,438	2,415,801	2,439,959	2,464,359	2,390,428	2,270,907	2,111,943	2,111,943
Revenue Over/(Under) Expenses	(1,298,838)	(22,600)	219,738	237,101	453,359	559,259	446,428	293,007	100,043	99,543
Estimated Ending Fund Balance	225,429	202,829	422,567	659,668	1,113,027	1,672,286	2,118,714	2,411,721	2,511,764	2,611,307
% Fund Balance of Programmed Expenses	6%	9%	20%	30%	56%	88%	109%	122%	125%	130%