

ACTION MINUTES

REGULAR MEETING OF THE CITY COUNCIL TUESDAY, FEBRUARY 13, 2018 COUNCIL CHAMBERS, 215 E. BRANCH STREET ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

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

2. ROLL CALL

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

Staff Present: City Manager Jim Bergman, City Attorney Heather Whitham, Director of Legislative and Information Services/City Clerk Kelly Wetmore, Director of Administrative Services Debbie Malicoat, Chief of Police Beau Pryor, Director of Community Development Teresa McClish, Interim Director of Recreation Services Bohlken, Director of Public Works Bill Robeson, Five Cities Fire Authority Fire Chief Steve Lieberman, and City Engineer Robin Dickerson.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Members of Cadette Girl Scout Troop 41049 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 and Oath of Office – Police Officer Bradley Hogan.

Chief of Police Pryor introduced Police Officer Bradley Hogan and provided an overview of his educational and professional background. City Clerk Wetmore administered the Oath of Office, and Chief Pryor facilitated the badge pinning ceremony.

6.b. Update on Regional Sustainability Groundwater Project.

Community Development Director McClish provided an update on the Regional Groundwater Sustainability Project (RGSP), to be known going forward as the Central Coast Blue project. Ben Fine, City of Pismo Beach Public Works Director, announced that a Demonstration Facility is in operation as a pilot plant for recycled water treatment options to identify the optimal treatment approach before the full scale design and construction of the project. Mr. Fine responded to questions from Council about the project.

Mayor invited public comment. Members of the public commenting on the project were Kenneth Price and Jim Guthrie. No formal action was taken on this item.

7. COMMUNITY COMMENTS AND SUGGESTIONS

Mayor Hill invited public comment. Speaking from the public were Joe Whitaker, representing 5 Cities Diversity Coalition, regarding a Grant application that they have submitted to the City for funding consideration, provided an overview of the Coalition's mission, and commented on the Public Art Diversity Project that was recently completed in the City; Kathleen Minck, 5 Cities Diversity Coalition, provided an update on the 5 Cities Diversity Coalition's activities and its focus to educate the community on topics of diversity; Linda Osty, offered an invocation and thanked Council Member Barneich and the high school students who are offering the "Teens Helping Seniors Tech Clinic"; Patty Welsh, referred to the Bellasera housing tract and expressed concern about stagnant water near the site that is attracting frogs and mosquitos; Ken Price, SLO Bike Club Safety Director, stated he would like the City's Police Department to take a stronger stance on distracted drivers as it relates to safety for bicyclists, and also commented on the dry weather this year and urged the Council to get ahead of the drought conditions. No further comments were received.

8. CITY MANAGER REPORT:

City Manager Bergman introduced Public Works Director Bill Robeson, who responded to concerns from the public regarding the Bellasera housing tract, announced that at the City Council meeting on February 27th, an update on water supply and mandated restrictions will be presented, and also provided an update on the new play structure that is being installed at Strother Park. City Manager Bergman introduced Police Chief Beau Pryor, who spoke about a grant the Department received for programs to address youth homelessness.

9. CONSENT AGENDA

Staff responded to questions by Mayor Hill regarding Item 9.c. regarding the annual escalator provision for the lease payment, and Item 9.f. regarding the use of water neutralization fees for a decomposed granite pathway at Parque Pequeno.

Mayor Hill invited public comment on the consent agenda. No public comments were received.

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

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

9.a. Consideration of Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period January 1, 2018 through January 31, 2018.

9.b. Consideration of Approval of Minutes.

Action: Approved the minutes of the Regular City Council Meeting of January 23, 2018, as submitted.

- 9.c. Consideration of Approval of Water Tank Lease Agreement with Verizon Wireless-Huebner Lane (Reservoir #4).**
Action: Approved and authorized the Mayor to execute a Water Tank Lease Agreement and Memorandum of Lease between the City and AirTouch Cellular, dba Verizon Wireless, for use of approximately 146 square feet of property located on Huebner Lane and space on the City's water tank for use as a wireless communication facility.
- 9.d. Consideration of Acceptance of the 2017 Street Repairs Project, PW 2017-04 .**
Action: 1) Accepted the project improvements as constructed by Souza Construction, Inc. in accordance with the plans and specifications for the 2017 Street Repairs Project, PW 2017-04; 2) Directed staff to file a Notice of Completion; and 3) Authorized release of retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed.
- 9.e. Consideration of Acceptance of the 2017 Street Resurfacing Project, PW 2017-05.**
Action: 1) Accepted the project improvements as constructed by American Asphalt South, Inc. in accordance with the plans and specifications for the 2017 Street Resurfacing Project, PW 2017-05; 2) Directed staff to file a Notice of Completion; and 3) Authorized release of retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed.
- 9.f. Consideration of Acceptance of the 2017 Concrete Repairs Project, PW 2017-06.**
Action: 1) Accepted the project improvements as constructed by R. Burke Corporation in accordance with the plans and specifications for the 2017 Concrete Repairs Project, PW 2017-06; 2) Directed staff to file a Notice of Completion; and 3) Authorized release of retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed.
- 9.g. Consideration of Approval of a Change Order to the Contract with RK&G Construction Inc. for Additional Work Related to the City of Arroyo Grande and Woman's Club Community Center Site Accessibility Improvements Project, PW 2016-10.**
Action: 1) Approved Contract Change Orders with RK&G Construction Inc. in the amount of \$9,559.36; and 2) Reallocated \$9,559.36 of Local Sales Tax Funds from the Concrete Repairs program account to cover the subject project expenses.
- 9.h. Consideration of a Resolution Approving the Installation of a Replacement Domestic Well on Property Zoned Residential Estate Requested by Rick Pierce; APN 007-781-008; 687 Printz Road, Arroyo Grande.**
Action: Adopted a Resolution entitled: ***"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING THE INSTALLATION OF A REPLACEMENT DOMESTIC WELL ON PROPERTY ZONED RESIDENTIAL ESTATE REQUESTED BY RICK PIERCE; APN 007-781-008; 687 PRINTZ ROAD ARROYO GRANDE"***.
- 9.i. Consideration of Time Extension 17-008; One Year Time Extension in Accordance with Arroyo Grande Municipal Code; Location – 1271 & 1281 James Way; Applicant – Russ Sheppel; Representative – James Coleman, Steadfast Companies.**
Action: Adopted a Resolution entitled: ***"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING A ONE-YEAR TIME EXTENSION FOR AMENDED CONDITIONAL USE PERMIT 15-001, VARIANCE 15-001, AND LOT LINE ADJUST 16-001 (TIME EXTENSION 17-008); APPLIED FOR BY RUSS SHEPPEL; LOCATED AT 1271 & 1281 JAMES WAY"***.

10. PUBLIC HEARINGS

10.a. Consideration of Development Code Amendment Case No. 18-001; Amendments to Title 16 of the Arroyo Grande Municipal Code Regarding Design Requirements for Post Construction Stormwater Compliance; Location - Citywide; Applicant - City Of Arroyo Grande.

Community Development Director McClish provided introductory comments. City Engineer Dickerson presented the staff report and recommended that the City Council introduce an Ordinance amending Title 16 of the Arroyo Grande Municipal Code regarding Design Requirements for Post Construction Stormwater Compliance. Staff responded to questions from Council.

Mayor Hill opened the public hearing. Upon hearing no public comments, Mayor Hill closed the public hearing.

Mayor Hill requested that the City Attorney read the full title of the Ordinance. City Attorney Whitham read the full title of the Ordinance as follows: ***“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING SECTION 16.08.010 OF TITLE 16 REGARDING DESIGN REQUIREMENTS FOR POST CONSTRUCTION REQUIREMENTS”***.

Council Member Harmon expressed concern that this is going to be another layer of increased costs related to affordable housing, is another example of an unfunded State mandate, and that while she understands the concern related to the water, process, and flow, it is an increased cost for developers, will increase compliance requirements, and places a burden on staff. Mayor Hill shared the concerns expressed and acknowledged it is another unfunded mandate that will likely have an impact on staff and additional cost to the City beyond its control; however, he commented that the cost of non-compliance would far exceed the cost of compliance.

Action: Council Member Brown moved to introduce the Ordinance as read in title by City Attorney Whitham. Mayor Pro Tem Ray seconded, and the motion passed on the following roll-call vote:

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

11. OLD BUSINESS

None.

12. NEW BUSINESS

12.a. Consideration of Adoption of a Resolution to Revise the Arroyo Grande Tourism Business Improvement District Advisory Board By-Laws Related to the Composition of the Board and the Meeting Schedule; and Appointment of New Advisory Board.

City Manager Bergman presented the staff report and recommended that the Council: 1) Adopt a Resolution revising the AGTBID Advisory Board By-Laws by expanding its allowable membership to up to nine (9) members and substitute the regular quarterly meetings for monthly meetings; and 2) Appoint the three (3) current AGTBID Advisory Board members and the six (6) Tourism Marketing Committee members to constitute the new AGTBID Advisory Board.

Mayor Hill invited public comment. Speaking from the public were Jim Guthrie, in favor of combining the TBID Board with the Chamber's Tourism Marketing Committee, but expressing concern with the change to monthly meetings as it relates to the amount of staff time needed to support the Board; and Jocelyn Brennan, commented that monthly meetings are needed for the first year as there are many business items to be considered and that quarterly meetings could be implemented in the future. There being no further public comments, Mayor Hill closed the public comment period.

Action: Mayor Pro Tem Ray moved to adopt a Resolution entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE REVISING THE ARROYO GRANDE TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD BY-LAWS REGARDING ADVISORY BOARD MEMBERSHIP AND MEETING SCHEDULE"**. Council Member Brown seconded, and the motion passed on the following roll-call vote:

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

Action: Mayor Pro Tem Ray moved to appoint the three current Board Members, Dave Kastner, Troi Hoffman, and Chuck Fellows, and in addition, to appoint Ken Dalebout, Vivian Krug, Bob Lund, Mike Panchal, Michael Joseph Scott and Greg Steinberger to constitute the new AGTBID Advisory Board. Council Member Brown seconded, and the motion passed on the following roll-call vote:

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

12.b. Consideration of Budget Priorities.

City Manager Bergman presented the staff report and recommended that the Council provide direction on priorities for the FY 2018-20 Biennial Budget. Staff responded to questions from Council.

Mayor Hill invited public comment. Speaking from the public were Robert Olsen, who thanked the Council and staff for the presentation, commented that a recession is long overdue, and asked the Council to keep that in mind as they plan for the future; Jim Guthrie, expressed support for increased reserves, encouraged the Council not to lose track of unfunded infrastructure, stated that all City functions should be reviewed, and administrative procedures should be reviewed for cost savings; and Mike Drees, expressed disappointment that more people were not in attendance, commented on the need to also review essential services, and suggested looking at volunteer organizations to fill staffing gaps. Hearing no further public comments, Mayor Hill closed the public comment period.

Council comments ensued regarding the concepts presented for development of the preliminary 2018-20 Budget, including issues facing the City relating to CalPERS pension obligations and funding for the Five Cities Fire Authority as it relates to appropriate staffing levels; moving toward full cost recovery for providing City services; economic development and making it easier for businesses to locate and do business in the City; that a review and potential restructuring of the City's commissions and boards may be warranted; whether the school district could offset the full cost for the school resource officer; whether fire investigations can be done by insurance companies; that the public views the City's childcare programs as an essential service; that the responsibility for sheltering people lies with the County and State, however, warming shelters should be provided in the City; that it is important to evaluate the services that everyone uses versus the services that not all people in the community use; that reviewing core and non-essential services is the right approach; that the current City Council goals are out of date and need to be re-set; that the Reserve Policy should be reviewed so that General Fund reserves over the established fund balance goal can be identified for a specific use; that General Plan policies and goals should be utilized during the budget process; that police services, as well as roads and infrastructure, are top priorities; and that it is important to encourage public participation in the budget development process.

Mayor Hill called for a break at 9:49 p.m. The Council reconvened at 9:55 p.m.

Council directed staff to move forward with the proposed concepts for developing a draft 2018-20 budget as follows: 1) Correct and reverse the expenditure/revenue gap within two years by making services more efficient, more effectively recovering the true cost of services, and/or reducing non-core and non-essential services and attempting to shift the provision of these wanted and needed public services to entities that are better able to perform them; 2) Increase revenues through strategic economic development efforts that encourage development of numerous vacant and underutilized parcels to not only fulfill desired retail and service needs of the community but also to ensure wise fiscal benefits to the City to fund inevitable cost increases of providing core and essential services; 3) Reduce exposure to volatility of pension payments from potential future actions by CalPERS such as further reduction of the discount rate or re-amortization of unfunded liabilities; and 4) Once long-term economic and fiscal sustainability is achieved, start to build a community vision of future wants (i.e. long-term use of Camp Arroyo Grande, better sports facilities and fields, etc.) and identify new revenue sources to build and support these efforts such as increased taxes or bond measures.

Brief discussion ensued to seek clarification from Council regarding the priority of cost recovery for special events and use of the sports fields/complex. It was determined that further analysis and information would be necessary before specific direction could be provided.

No formal action was taken on this item.

13. COUNCIL COMMUNICATIONS

Mayor Hill announced that the "Hope for the Homeless" Golf Tournament will be held on Saturday, March 3rd from 8:00 am to 1:00 pm at the Pismo Beach Le Sage Golf Course and that all proceeds will benefit the 5 Cities Homeless Coalition. He stated for non-golfers, there will be a post event BBQ for \$10 provided by Fin's Restaurant.

Council Member Brown announced that he judged the Lions Club speech contest last week for high school students and commended the students for their skill and participation.

Council Member Barneich commented on calls she has received regarding the water situation and that she is pleased there will be a full report provided at the next Council meeting. She also commented on the Homeless Youth Program which helped 75 kids this past year in South County and thanked Chief Pryor for his participation.

14. COMMUNITY COMMENTS AND SUGGESTIONS

City Attorney Whitham commented that she had the opportunity to be a scorer in the Mock Trial Program and had the pleasure of scoring Paulding Middle School versus Laguna Middle School 8th graders and commended all the participants for a wonderful job. She noted this event is open to the public for anyone who wants to attend.

15. CLOSED SESSION

At 10:05 p.m., City Attorney Whitham announced the City Council would adjourn to closed session to consider the following item:

- a) **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 and Section 54956.9(e)(3): One Case

Adjourned to closed session.

16. RECONVENE TO OPEN SESSION:

At 10:24 p.m., the Council reconvened to open session. City Attorney Whitham announced that there was no reportable action taken.

16. ADJOURNMENT

Mayor Hill adjourned the meeting at 10:25 p.m.

/s/Jim Hill, Mayor

ATTEST:

/s/Kelly Wetmore, City Clerk

(Approved at CC Mtg 03-13-2018)