

ACTION MINUTES

REGULAR MEETING OF THE CITY COUNCIL TUESDAY, MAY 28, 2019 COUNCIL CHAMBERS, 215 E. BRANCH STREET ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

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

2. ROLL CALL

City Council: Council Members Lan George, Keith Storton, Jimmy Paulding, Mayor Pro Tem Kristen Barneich, and Mayor Caren Ray Russom were present.

Staff Present: City Manager Jim Bergman, City Attorney Heather Whitham, Director of Legislative and Information Services/City Clerk Kelly Wetmore, Director of Public Works Bill Robeson, Director of Community Development Teresa McClish, Director of Recreation Services Sheridan Bohlken, and Accounting Manager Nicole Valentine.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Members of Cub Scout Pack 13, chartered by the Exchange Club of the Central Coast, led the Flag Salute.

5. AGENDA REVIEW

5.a. Closed Session Announcements.

None.

5.b. Ordinances Read in Title Only.

Mayor Pro Tem Barneich moved, Council Member Storton 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. Honorary Proclamation Recognizing Rick Blankenburg for his 50 Years of Dedication to Special Olympics.

Mayor Ray Russom presented an Honorary Proclamation to Rick Blankenburg recognizing his 50 years of dedication to the Special Olympics. Cindy Blankenburg, spokesperson for the Blankenburg family, also introduced her father, Dick Blankenburg, and provided a brief background on their family's involvement with Special Olympics.

6.b. Honorary Proclamation Declaring June 7, 2019 as "Hunger Awareness Day".

Mayor Ray Russom presented an Honorary Proclamation declaring June 7, 2019 as "Hunger Awareness Day". Jordan Cooper, representing SLO Food Bank, accepted the Proclamation.

7. COMMUNITY COMMENTS AND SUGGESTIONS

Mayor Ray Russom invited public comment. Speaking from the public were Linda Osty, who offered an invocation; Victor Lund, commented on the congestion around the High School and issues related to traffic stacking at Grand Avenue and Highway 101; and Stephanie Watkins, expressed concerns regarding verbal attacks and threats she has received for opposing the proposed location of the 5Cities Homeless Coalition's project. No further public comments were received.

8. CONSENT AGENDA

Mayor Ray Russom invited public comment on the consent agenda items. No public comments were received.

In response to a question by Mayor Ray Russom regarding Item 8.d. (Bridge Street Bridge Rehabilitation), staff provided an estimated start date for the project.

Mayor Pro Tem Barneich referred to the Supplemental Memo that had been distributed for Item 8.e. (Monthly Water Supply and Demand) and noted that information in Attachment 3 was corrected to reflect that water use per capita for April 2018 was 99 gallons per day and not 69 gallons per day.

Action: Mayor Pro Tem Barneich moved, and Council Member Storton seconded the motion to approve Consent Agenda Items 8.a. through 8.e., with the recommended courses of action. The motion passed on the following roll-call vote:

AYES: Barneich, Storton, Paulding, George, Ray Russom
NOES: None
ABSENT: None

8.a. Consideration of Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period May 1, 2019 through May 15, 2019.

8.b. Consideration of Statement of Investment Deposits.

Action: Received and filed the report listing of investment deposits of the City of Arroyo Grande, as of April 30, 2019, as required by Government Code Section 53646(b).

8.c. Consideration of Approval of Minutes.

Action: Approved the minutes of the Regular City Council Meeting of May 14, 2019, as submitted.

8.d. Consideration of a Resolution Authorizing the Purchase of Temporary Construction Easements for the Bridge Street Bridge Rehabilitation Project.

Action: Adopted a Resolution entitled: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AUTHORIZING THE PURCHASE OF TEMPORARY CONSTRUCTION EASEMENTS FOR THE BRIDGE STREET BRIDGE REHABILITATION PROJECT**".

8.e. Monthly Water Supply and Demand Update.

Action: Received and filed the monthly Water Supply and Demand Report.

9. PUBLIC HEARINGS

9.a. Consideration of Annual Public Hearing for the Arroyo Grande Tourism Business Improvement District and the Fiscal Year 2019-20 Budget.

Recommended Action: 1) Hold a public hearing to receive testimony regarding the City Council's intention to continue the AGTBID and levy an annual assessment for fiscal year 2019-20; 2) Determine whether a legally sufficient number of protests have been made; 3) If a legally sufficient protest is not made, adopt a Resolution confirming the Advisory Board's report and levying an annual assessment for the AGTBID for the 2019-20 fiscal year; and 4) Adopt a Resolution approving the FY 2019-20 budget for the AGTBID.

Mayor Ray Russom referred to the portion of the report regarding host compliance for short term rentals, stated that she operates a homestay and is already in compliance, and noted for the record that she has a Fair Political Practices Commission (FPPC) ruling that she can participate in consideration of this item.

City Manager Bergman introduced Jocelyn Brennan, CEO, South County Chambers of Commerce, who provided a brief overview of the AGTBID Advisory Board and its activities over the past year and reviewed FY 2019-20 goals and the proposed budget. Ms. Brennan and staff responded to questions from Council regarding the visitarroyogrande.org website and provided additional information about host compliance consultants to assist in the monitoring and compliance of short-term rentals.

City Attorney Whitham noted that this was a public hearing to allow an opportunity for the public to speak regarding the proposal to levy an annual assessment for Fiscal Year 2019-20 and reported that the City had not received any written protests regarding the proposed assessment.

Mayor Ray Russom opened the public hearing. Speaking from the public was Anny Ashbrook, Airbnb owner, who expressed concern that owners are obligated to charge and collect the assessment fee and suggested the City consider contracting directly with Airbnb to collect the assessment for the City. Hearing no further public comments, Mayor Ray Russom closed the public hearing.

Council comments ensued in support of the proposed Resolutions continuing the TBID assessment for FY 2019-20 and approving the FY 2019-20 budget as proposed. Council expressed interest in receiving more information about the host compliance program and other compliance solutions to assist in identifying unpermitted short-term rentals in the City, as well as options for collecting the transient occupancy tax through an automatic payment system, and directed staff to bring this issue back to Council at a future meeting for separate consideration.

Action: Council Member Storton moved to confirm the Advisory Board's annual report and adopt the following Resolutions entitled: ***"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE LEVYING AN ANNUAL ASSESSMENT FOR THE ARROYO GRANDE TOURISM BUSINESS IMPROVEMENT DISTRICT FOR THE 2019-20 FISCAL YEAR"*** and ***"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING THE FISCAL YEAR 2019-20 BUDGET FOR THE ARROYO GRANDE TOURISM BUSINESS IMPROVEMENT DISTRICT"***. Mayor Pro Tem Barneich seconded, and the motion passed on following roll call vote:

AYES: Storton, Barneich, Paulding, George, Ray Russom
NOES: None
ABSENT: None

10. OLD BUSINESS

None.

11. NEW BUSINESS

11.a. Presentation of the Police Department Strategic Plan.

Police Chief Pryor presented the Police Department Strategic Plan 2019-2021 and recognized the AGPD staff, Commander Martinez, Arroyo Grande High School (AGHS) Principal Dan Neff, AGHS Teacher Jefferson Clark, and AGHS student Sidney Pruett for their support and contributions in preparing the document. Chief Pryor responded to questions from Council regarding the School Resource Officer; school security issues; body cam requirements; the special problems patrol team; social media policy; the number of current police officer vacancies; status of recruitment efforts and the proposed recruitment incentive program; long-term sustainability of COPS grant funding; the surveillance camera system; training; staffing; and overtime.

Mayor Ray Russom invited public comment. Speaking from the public was Claudine Lingo, who supported filling police officer vacancies in order to increase police patrol in the neighborhoods. No further public comments were received.

Council comments ensued in support of the two-year Police Department Strategic Plan. The Council also commended the Chief for his vision and for completing the Plan in-house in a cost effective manner, and also commended the Police Department staff and Sidney Pruett for their work on the document.

No formal action was taken on this item. The Police Department Strategic Plan 2019-2021 was received and filed.

Mayor Ray Russom called for a recess at 7:46 p.m. The Council reconvened at 7:52 p.m.

11.b. Discussion by the City Council Related to Revenue Generation.

City Manager Bergman presented the staff report which recommended that the Council receive information about various revenue generating concepts and provide direction to staff.

Staff responded to questions from Council regarding the last time the business license tax was increased; deferred maintenance of City facilities and infrastructure; depreciation of assets; sales tax rates; current staffing levels; public outreach regarding potential ballot measures to fund City services; and economic development efforts as it relates to SB1090 funding the City will receive as a result of the future closure of the Diablo Canyon Power Plant (\$750,000).

Mayor Ray Russom invited public comment. Speaking from the public were Victor Lund, asked if the City has thought about parking revenue or if the City has forecasted what the additional

revenue is going to be from the requirement that the City has to add more properties to the area; Claudine Lingo, commented that the City does not pay for all open space maintenance in the City, commented on the City's current business license rates and taxes and suggested a business tax based on the type of business, and commented that she was not sure a sales tax increase would pass; Jim Guthrie, commented on the narrow passage of Measure O-06, commented on County Measure J and concerns expressed by the public that funding would not be used for roads, and stated he is not in support of a general fund tax; and Jocelyn Brennan, South County Chambers of Commerce, expressed appreciation for the discussion regarding economic development, commented on the business license tax increase in Grover Beach and the concerns received from the business community, and encouraged the Council to work with the business community if the City considers a business license tax increase. No further comments were received.

Extensive Council comments ensued regarding the various revenue generating concepts presented, with a focus on revenue derived from property tax, sales tax, business license tax, and transient occupancy tax, as well as economic development efforts as a key component of increasing General Fund revenue. Emphasis was given on the need to have a strong short range plan, to complete an update to the Strategic Plan, and to refine the City's economic development strategy in order to identify why more revenue is needed for unfunded or underfunded infrastructure and other City services. Discussion included the potential of placing a ½ cent sales tax increase measure on the November 2020 ballot, the timing and steps needed in the process to ensure community engagement, public input, transparency, and accountability measures; and the potential hiring of a consultant to analyze the viability of a future revenue ballot measure.

Following Council comments, City Manager Bergman asked if there was consensus of the Council to direct him to start making early contact with a consultant to get some more information regarding the viability of a potential tax measure on the 2020 ballot, prior to entering into an agreement, and then come back to the Council with additional information.

Action: Mayor Ray Russom moved to direct the City Manager to contact a consultant and bring further information back to the Council. Mayor Pro Tem Barneich asked for confirmation that there was \$25,000 in the budget for this purpose. City Manager Bergman confirmed. Council Member George seconded, and the motion passed unanimously by voice vote.

12. 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 RAY RUSSOM:

- (1)** California Joint Powers Insurance Authority (CJPIA)
- (2)** South San Luis Obispo County Sanitation District (SSLOCSD)
- (3)** Tourism Business Improvement District Advisory Board

(b) MAYOR PRO TEM BARNEICH:

- (1)** Homeless Services Oversight Council (HSOC)
- (2)** South County Homeless Taskforce
- (3)** Zone 3 Water Advisory Board

- (c) **COUNCIL MEMBER PAULDING:**
 - (1) Air Pollution Control District (APCD)
 - (2) Brisco/Halcyon Interchange Subcommittee
 - (3) Council of Governments/Regional Transit Authority (SLOCOG/SLORTA)
 - (4) South County Transit (SCT)

- (d) **COUNCIL MEMBER STORTON:**
 - (1) Brisco/Halcyon Interchange Subcommittee
 - (2) Five Cities Fire Authority (FCFA)
 - (3) Integrated Waste Management Authority Board (IWMA)

- (e) **COUNCIL MEMBER GEORGE:**
 - (1) Community Action Partnership San Luis Obispo (CAPSLO)
 - (2) County Water Resources Advisory Committee (WRAC)
 - (3) Regional Water Initiatives
 - (4) Visit SLO CAL Advisory Board

13. COUNCIL COMMUNICATIONS

Council Member George requested an item be placed on a future agenda to receive a presentation regarding the Hourglass Project. Mayor Ray Russom concurred.

Mayor Ray Russom requested an item be placed on a future agenda regarding an update to the public smoking ordinance to include e-cigarettes. Council Member George concurred.

Mayor Pro Tem Barneich asked for an update on scheduling the PG&E presentation regarding the Wildfire Safety Program. City Manager Bergman stated he is currently working on coordinating a date for the presentation to occur at a future Council meeting.

Mayor Pro Tem Barneich announced the need to identify a location for the warming center for the upcoming winter. Mayor Ray Russom suggested the possibility of utilizing a City facility for a warming shelter.

14. CLOSED SESSION

At 10:16 p.m., City Attorney Whitham announced the City Council would adjourn to closed session to consider the following items:

- a) **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** pursuant to Government Code
Section 54957:
Title: City Manager

- b) **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** pursuant to Government Code
Section 54957:
Title: City Attorney

Adjourned to closed session.

15. RECONVENE TO OPEN SESSION:

At 11:14 p.m., the meeting was reconvened to open session. City Attorney Whitham announced that there was no reportable action.

16. ADJOURNMENT

There being no further business to come before the City Council, Mayor Ray Russom adjourned the meeting at 11:15 p.m.

/s/Caren Ray Russom, Mayor

ATTEST:

/s/Kelly Wetmore, City Clerk

(Approved at CC Mtg 06-25-2019)