

ACTION MINUTES

**SPECIAL AND REGULAR MEETINGS OF THE
CITY COUNCIL/SUCCESSOR AGENCY TO THE DISSOLVED
ARROYO GRANDE REDEVELOPMENT AGENCY
TUESDAY, AUGUST 23, 2016
COUNCIL CHAMBERS, 215 EAST BRANCH STREET
ARROYO GRANDE, CALIFORNIA**

SPECIAL MEETING 5:15 P.M.

CALL TO ORDER

Mayor Hill called the Special City Council/Successor Agency Meeting to order at 5:15 p.m.

ROLL CALL

Council Members Jim Guthrie, Tim Brown, Kristen Barneich, Mayor Pro Tem Barbara Harmon and Mayor Jim Hill were present. Acting City Manager/Public Works Director Geoff English, City Attorney Heather Whitham, Director of Legislative and Information Services/City Clerk Kelly Wetmore, and Director of Administrative Services Debbie Malicoat were also present.

PUBLIC COMMENT ON CLOSED SESSION ITEM

None.

CLOSED SESSION

City Attorney Whitham announced the Successor Agency would recess to a closed session for the following item:

SUCCESSOR AGENCY:

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8:

Property: APN: 006-151-027; Located at Faeh Street and El Camino Real

Agency Negotiators: Debbie Malicoat, Finance Officer; Jeff Allen and Marty Indvik, Lee & Associates

Negotiating Parties: AuzCo Development; ELA Food, Inc; Parimal Naran, and Pacifica Investments LLC

Under Negotiation: Price and terms of payment for sale of property

Adjourned to closed session.

RECONVENE

The Successor Agency reconvened to open session at 6:10 p.m. City Attorney Whitham announced that the Successor Agency provided direction to the Agency's negotiator regarding the potential sale of property located at Faeh Street and El Camino Real.

Mayor Hill adjourned the Special Meeting at 6:11 p.m.

REGULAR MEETING

1. CALL TO ORDER

Mayor Hill called the Regular City Council Meeting to order at 6:12 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: Acting City Manager/Public Works Director Geoff English, City Attorney Heather Whitham, Director of Legislative and Information Services/City Clerk Kelly Wetmore, Director of Administrative Services Debbie Malicoat, Community Development Director Teresa McClish, and Police Chief Steven Annibali.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Linda Osty, representing Rotary Club of Pismo Beach, led the Flag Salute.

5. AGENDA REVIEW

5.a. Closed Session Announcements.

August 17, 2016 Special Meeting - City Council:

- a) PUBLIC EMPLOYEE APPOINTMENT pursuant to Government Code Section 54957:
Title: Interim City Manager

City Attorney Whitham announced that the City Council met in closed session on August 17, 2016 and at that time, the City Council provided unanimous direction to staff not to execute the Agreement with Regional Government Services but to instead prepare an Employment Agreement to hire Bob McFall as a Public Employee Retirement System retired annuitant to be brought to the City Council at the next regular meeting.

5.b. Ordinances Read in Title Only.

Council Member Barneich moved, Council Member Guthrie 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

None.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Mayor Hill invited public comment. Speaking from the public in support of preserving the Methodist Campground (Camp Arroyo Grande/Camp Takaniko) were Ken Miles, Executive Director of Campfire; Conrad Niecee; Hallee; Wes Armstrong, Director of Outdoor Skills; Jarrod Swenson; Rebecca McLintock, Office Manager of Campfire; Virginia Roof, Arroyo Grande;

Leland Swenson; Sandy Garcia; Patty Welsh, Arroyo Grande; Deborah Love; and Jan Ratterree. Steve Tallant, spoke of the sale and financial viability of Camp Arroyo Grande and the struggles of the proposed decision to sell the property; Linda Osty, offered an Invocation; Bill Hart, Chair of the Historic Resources Committee, spoke of the historic value of the property and requested the Council keep the zoning as open space and work to facilitate an environment for this property to be purchased and kept as open space in Arroyo Grande; Shirley Gibson, Halcyon, commented on the proposed project at Traffic Way and East Cherry; Linda Osty, commented on the proposed East Cherry project; Heather Brough, commented on the Methodist Campground property and its original intended use; Sherry McCarthy, Arroyo Grande, commented on the Methodist Campground property and its original intended use; and Ella Honeycutt, requested more clarification regarding water use on larger properties.

8. ACTING CITY MANAGER REPORT:

Acting City Manager English noted that in accordance with prior Council direction, staff has forwarded correspondence received supporting the Methodist Campground to the attorney representing the church, and provided information regarding the City's negotiations with the church as it relates to available options to preserve the property; provided an update on Five Cities Fire Authority activity at area fires and an update of the replacement fire engine; announced that the Council Chambers will be under construction through December and that meeting location changes for the City Council, Planning Commission, Traffic Commission, and Parks & Recreation Commission will be posted at the Council Chambers, City Hall, and on the City's website and a press release advising the public of the project and meeting location changes will be issued; reported that a donation was received from the Men's Club for installation of four new permanent pickleball courts at the Soto Sports Complex; announced an Early Warning System Siren Test to be held on Saturday, August 27th; and provided a status report on items recently considered by the Planning Commission, Architectural Review Committee, and Staff Advisory Committee.

9. CONSENT AGENDA

Mayor Hill invited public comment. Speaking from the public were Caren Ray, regarding Item 9.j. (Temporary Use Permit - Harvest Festival) and encouraged all to enter the bake off contest; and Anne McCracken, thanked Ms. Ray for chairing the baking event at the last minute and showed a rendering of this year's Harvest Festival logo and supported approval of the Temporary Use Permit.

Council Member Brown requested that Item 9.c. be pulled.

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

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

9.a. Consideration of Cash Disbursement Ratification.

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

- 9.b. **Consideration of a Resolution Approving a Side Letter of Agreement Modifying the FY 2014-15 through FY 2016-17 Memorandum of Understanding with the Service Employees International Union, Local 620.**

Action: Adopted a Resolution entitled: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING A SIDE LETTER OF AGREEMENT MODIFYING THE FY 2014/15 THROUGH FY 2016/17 MEMORANDUM OF UNDERSTANDING WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 620”***.

- 9.d. **Consideration of Approval of Minutes.**

Action: Approved the minutes of the Regular City Council Meeting of August 9, 2016 and the Special City Council Meeting of August 17, 2016, as submitted.

- 9.e. **Consideration of a Resolution and Employment Agreement Appointing Robert K. McFall to the Position of Interim City Manager.**

Action: Adopted a Resolution entitled: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPOINTING ROBERT K. MCFALL TO THE POSITION OF INTERIM CITY MANAGER AND AUTHORIZING THE MAYOR TO EXECUTE THE EMPLOYMENT AGREEMENT”***.

- 9.f. **Consideration of a Resolution Temporarily Changing the Place of Regular City Council Meetings and Cancellation of the November 8, 2016 Regular City Council Meeting.**

Recommended Action: 1) Adopt a Resolution entitled: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE TEMPORARILY CHANGING THE PLACE OF ITS REGULAR MEETINGS”***; and 2) Cancelled the regular City Council meeting of November 8, 2016.

- 9.g. **Consideration of an Award of Contract to Brough Construction, Inc. for Construction of the 2016 Concrete Repairs Project, PW 2016-09.**

Action: 1) Awarded a contract for the 2016 Concrete Repairs Project to Brough Construction Inc, in the amount of \$25,109; 2) Authorized the Acting City Manager to approve change orders for 10% of the contact amount, \$2,511 for unanticipated costs during the construction phase of the project; and 3) Directed the City Clerk to file a Notice of Exemption.

- 9.h. **Consideration of an Award of Contract to Insituform Technologies, LLC for the Arroyo Grande Creek Sewer Rehabilitation Project, PW 2016-05.**

Action: 1) Awarded a contract for the Arroyo Grande Creek Sewer Rehabilitation project to Insituform Technologies, LLC in the amount of \$145,331; 2) Authorized the Acting City Manager to approve change orders for 10% of the contract amount, \$14,533, for unanticipated costs during the construction phase of the project; and 3) Directed the City Clerk to file a Notice of Exemption.

- 9.i. **Consideration to Reject Bids for the 2016 Street Repairs Project, PW 2016-03.**

Action: 1) Rejected all bids received for the subject project; and 2) Directed staff to solicit new bids after modifications are made to the bid schedule.

- 9.j. **Consideration of Temporary Use Permit Case No. 16-010; Authorizing Closure of City Streets and Use of City Property for the 79th Annual Harvest Festival, Friday and Saturday, September 23 - 24, 2016; Applicant – Anne McCracken.**

Action: Adopted a Resolution entitled: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING TEMPORARY USE PERMIT 16-010, AUTHORIZING CLOSURE OF CITY STREETS AND USE OF CITY PROPERTY FOR***

THE 79th ANNUAL ARROYO GRANDE VALLEY HARVEST FESTIVAL, FRIDAY AND SATURDAY, SEPTEMBER 23-24, 2016”.

- 9.k. Consideration of a Resolution Authorizing the Acting City Manager to Sign and File a Financial Assistance Application for an Assistance Agreement from the State Water Resources Control Board.

Action: Adopted a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AUTHORIZING THE ACTING CITY MANAGER TO SIGN AND FILE A FINANCIAL ASSISTANCE APPLICATION FOR AN ASSISTANCE AGREEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD”.**

ITEMS PULLED FROM THE CONSENT AGENDA

- 9.c. Consideration of a Resolution of the City Council of the City of Arroyo Grande, California, Providing for the Optional Redemption of its General Obligation Bonds, Series A of 2003 (Fire Station Project).

Recommended Action: 1) Adopt a Resolution of the City Council of the City of Arroyo Grande, California, providing for the optional redemption of its General Obligation Bonds, Series A of 2003 (Fire Station Project)”; and 2) Authorize the Mayor, the Acting City Manager and the Director of Administrative Services to take all actions necessary to pay off the 2003 A General Obligation Bonds (2003A GO Bonds).

In response to a request by Council Member Brown for clarification regarding this item, Director Malicoat explained that property tax assessments are based on the best estimates of assessed valuation from the County and it is common for small balances to build up over time due to slight variances in final valuations and supplemental property tax transactions. She explained that assessments were levied in prior years that slightly exceeded the debt service cost of the bonds, thus accumulating the current balance, which can be used to pay off the bonds. She confirmed that the City would no longer levy property taxes in connection with these bonds once they are paid off, and stated that a press release would be issued tomorrow informing residents that the bonds have been paid off.

Action: Council Member Brown moved to adopt a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, PROVIDING FOR THE OPTIONAL REDEMPTION OF ITS GENERAL OBLIGATION BONDS, SERIES A OF 2003 (FIRE STATION PROJECT)”;** and 2) Authorize the Mayor, the Acting City Manager and the Director of Administrative Services to take all actions necessary to pay off the 2003A General Obligation Bonds (2003A GO Bonds). Mayor Hill seconded, and the motion passed on the following roll call vote:

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

10. PUBLIC HEARINGS

None.

11. OLD BUSINESS

None.

12. NEW BUSINESS

12.a. Consideration of a Resolution Amending Exhibit A of Resolution 4659 Relating to Penalties for the Declared Stage 1 Water Shortage Emergency and Consideration of Options for a Potential Development and Annexation Moratorium.

Recommended Action: 1) Adopt a Resolution amending Exhibit A of Resolution 4659 which declared a Stage 1 Water Shortage Emergency; and 2) Provide direction regarding options for a development and annexation moratorium.

Acting City Manager English and Director Malicoat presented the staff report and recommended that the Council adopt a Resolution amending Exhibit A of Resolution 4659 which declared a Stage 1 Water Shortage Emergency, and provide direction regarding options for a development and annexation moratorium. Staff responded to questions from Council.

Mayor Hill invited public comment. Speaking from the public were: Patty Welsh, expressing concern with those who are exceeding water use regulations, stated the penalties should not be lowered until Lopez Lake has more water, that it is not fair to those who are conserving water to reset the penalties, and stated that people who are not conserving are being rewarded; and Colleen Martin, stated it has been difficult to meet water use restrictions due to the large size of her property which contains many mature trees that she does not want to lose due to a temporary drought, supported wiping the slate clean as it relates to penalties and allowing a new start, commented on tiered water rates, and stated that the baseline adjustment form does not address outdoor water use. No further public comments were received.

Action: Council Member Guthrie moved to adopt a Resolution entitled: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING EXHIBIT A OF RESOLUTION NO. 4659 RELATING TO PENALTIES FOR THE DECLARED STAGE 1 WATER SHORTAGE EMERGENCY”***, which provides a reset clause for penalties, and amends the penalties in Part D of Exhibit A to issue a written notice for the first violation, \$50 for the 2nd violation, \$100 for the 3rd violation, and \$200 for subsequent violations. Council Member Barneich seconded, and the motion passed on the following roll-call vote:

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

Community Development Director McClish presented options for a development and annexation moratorium. Staff responded to questions from Council.

Mayor Hill invited public comment. Speaking from the public were: LeAnn Akins, Arroyo Grande, commented on the three conditions that need to be met in order for a moratorium to be triggered, asked if those could be changed, and suggested the Council consider changing the triggers; Frank Schiro, Arroyo Grande business owner, commented he has made significant effort in conserving water and steps taken to install equipment to save money, expressed concern about a building moratorium as it relates to contractors and subcontractors who make their livelihood in residential construction, commented that more can be done to achieve

additional water savings and was not sure a moratorium is the answer, and suggested reinstating conservation programs that have been eliminated; and Susan Flores, commented on sacrifices residents are making in their water conservation efforts, suggested looking at commercial businesses, and did not support including single family residential development in the moratorium. No further public comments were received.

Action: Mayor Hill moved to request staff to provide a proposal for a moratorium to bring back to the Council at a future meeting in the near term. Council Member Brown asked for clarification and specificity on what the proposal for a moratorium would include. Mayor Hill said some generality is wise in that the Council could consider various options and that should include annexations and building beyond a certain point in terms of what is in the existing pipeline. Council Member Brown seconded the motion, and the motion failed on the following roll-call vote:

AYES: Hill, Brown
NOES: Guthrie, Barneich, Harmon
ABSENT: 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). (Alternate attended)
- (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)

(b) MAYOR PRO TEM HARMON:

- (1) County Water Resources Advisory Committee (WRAC)
- (2) Air Pollution Control District (APCD)
- (3) Five Cities Fire Authority (FCFA)

(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

(d) COUNCIL MEMBER BROWN:

- (1) Integrated Waste Management Authority Board (IWMA)
- (2) Economic Vitality Corporation (EVC)
- (3) South San Luis Obispo County Sanitation District (SSLOCSD).

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

14. COUNCIL COMMUNICATIONS

Mayor Hill reiterated that the City Council meetings will be moved to other temporary locations during construction in the Council Chambers and to check the City's website for more information on meeting locations; reminded all that school is back in session and urged everyone to drive safely; thanked Geoff English for serving as the Acting City Manager; and welcomed Bob McFall back as the Interim City Manager.

15. COMMUNITY COMMENTS AND SUGGESTIONS

LeAnn Akins, Arroyo Grande, commented that earlier this year the Council voted on a development issue to not require greywater systems be added to new development in the City, referred to the drought situation that the City and the United States is facing, and expressed concern about continuing to turn a blind eye to the situation that the City is facing.

16. CLOSED SESSION

None.

17. ADJOURNMENT

Mayor Hill adjourned the meeting at 10:16 p.m.

Jim Hill, Mayor

ATTEST:

Kelly Wetmore, City Clerk

(Approved at CC Mtg _____)