

MINUTES

REGULAR MEETING OF THE CITY COUNCIL/REDEVELOPMENT AGENCY TUESDAY, JUNE 10, 2008 COUNCIL CHAMBERS, 215 EAST BRANCH STREET ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

Mayor/Chair Ferrara called the Regular City Council/Redevelopment Agency meeting to order at 7:10 p.m.

2. ROLL CALL

City Council/RDA: Council/Board Members Joe Costello, Jim Guthrie, Ed Arnold, and Mayor/Chair Tony Ferrara were present. Mayor Pro Tem/Vice Chair Chuck Fellows was absent.

City Staff Present: City Manager Steven Adams, City Attorney Tim Carmel, Director of Financial Services Angela Kraetsch, Director of Public Works Don Spagnolo, Director of Parks, Recreation and Facilities Doug Perrin, Chief of Police Steve Annibali, and Associate Planner Jim Bergman.

3. FLAG SALUTE

John Murray, representing Arroyo Grande Lions Club, led the Flag Salute.

4. INVOCATION

Pastor Robert Banker, Open Door Church, delivered the invocation.

5. SPECIAL PRESENTATIONS

None.

6. AGENDA REVIEW

6.a. Ordinances Read in Title Only.

Council/Board Member Costello moved, Council/Board Member Arnold seconded, and the motion passed unanimously that all ordinances presented at the meeting shall be read in title only and all further reading be waived.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

None.

8. CONSENT AGENDA

Mayor Ferrara invited members of the public who wished to comment on any Consent Agenda Item to do so at this time.

Sean St. Denis, SP Maintenance Services, stated he is the City's current street sweeping contractor. He stated after reviewing the street sweeping cost breakdown in the staff report, he observed that with the exception of the equipment purchase costs, the figures are rough estimates. He stated he had sent information to the Council with a breakdown of his actual service costs under the current contract. He acknowledged staff's main priority in the budget shortfall plan is to maintain the City's service levels and he believed that the street sweeping estimates provided in the staff

report would dramatically reduce the City's service level. He further commented on a few cost analysis items in the report, including labor and non-sweeping activity (inspections, fueling, driving to the route, dumping, maintenance, etc.). He stated it wouldn't take long for actual labor costs to exceed staff's estimates. He then referred to the final cost comparison of in-house versus contracted sweeping and noted that the labor cost was taken out; spoke about fuel usage estimates; and referred to low estimates for City hauling and landfill costs, specifically labor expenses associated with handling and separating the street sweeping debris. In conclusion, Mr. St. Denis stated the in-house cost compared to contract prices were calculated at \$23.00/curb mile, stated his current contract is \$20.00/curb mile, and stated he was willing discuss a continuation of his current contract for an additional year. He requested the Council ask more questions about this matter prior to making a decision and welcomed further discussions to share information.

Council Member Arnold pulled Item 8.h. for discussion.

Action: Council Member Costello moved, and Council Member Arnold seconded the motion to approve Consent Agenda Items 8.a. through 8.i., with the exception of Item 8.h., with the recommended courses of action. The motion passed on the following roll-call vote:

AYES: Costello, Arnold, Guthrie, Ferrara
NOES: None
ABSENT: Fellows

8.a. Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period May 16, 2008 through May 31, 2008.

8.b. Consideration of Confirmation of Assessments for Tracts 1158, 1769, 2310, and 2236.

Action: 1) Adopted Resolution No. 4088 as follows: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE CONFIRMING LANDSCAPING ASSESSMENTS FOR ALL PARCELS WITHIN TRACT 1158**"; 2) Adopted Resolution No. 4089 as follows: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE CONFIRMING LANDSCAPING AND LIGHTING ASSESSMENTS FOR ALL PARCELS WITHIN TRACT 1769**"; 3) Adopted Resolution No. 4090 as follows: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE CONFIRMING THE ASSESSMENT FOR THE PARKSIDE ASSESSMENT DISTRICT FOR ALL PARCELS WITHIN TRACT 2310 (PARKSIDE VILLAGE SUBDIVISION)**"; and 4) Adopted Resolution No. 4091 as follows: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE CONFIRMING THE ASSESSMENT FOR THE GRACE LANE ASSESSMENT DISTRICT FOR ALL PARCELS WITHIN TRACT 2236 (GRACE LANE SUBDIVISION)**".

8.c. Consideration of Fiscal Year 2008-09 Appropriation Limit.

Action: Adopted Resolution No. 4092 as follows: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ESTABLISHING THE APPROPRIATION LIMIT FROM TAX PROCEEDS FOR FISCAL YEAR 2008-09**".

8.d. Consideration of Approval of Minutes.

Action: Approved the minutes of the Special and Regular City Council Meetings of May 27, 2008 and the Special City Council/Redevelopment Agency Meeting of May 29, 2008, as submitted.

8.e. **Consideration of Resolutions for the 2008 General Municipal Election.**

Action: Adopted Resolution No. 4093 as follows: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 4, 2008, FOR THE ELECTION OF CERTAIN OFFICERS OF THE CITY"**; 2) Adopted Resolution No. 4094 as follows: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN LUIS OBISPO TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 4, 2008, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE"**; and 3) Adopted Resolution No. 4095 as follows: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON TUESDAY, NOVEMBER 4, 2008"**.

8.f. **Consideration of a Resolution Adopting a Mitigated Negative Declaration and Approving the Construction Plans and Specifications for the Traffic Way Streetscape Project, PW 2007-10.**

Action: Adopt Resolution No. 4096 as follows: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING A MITIGATED NEGATIVE DECLARATION AND APPROVING THE CONSTRUCTION PLANS AND SPECIFICATIONS FOR THE TRAFFIC WAY STREETScape IMPROVEMENT PROJECT"**.

8.g. **Consideration of an Agreement with Enloe Well Drilling to Repair Construction Defects and Perform a Two-Week Continuous Pump Test for the Well No. 10, Phase I Project, PW 2004-07.**

Action: Authorized the Mayor to sign an agreement with Enloe Well Drilling in the amount of \$29,600.00 to install a corrective casing and perform a two-week continuous pump test for the Well No. 10, Phase I Project.

8.i. **Consideration of Renewal of a Cooperation Agreement Between the County of San Luis Obispo and the City of Arroyo Grande for Joint Participation in the Community Development Block Grant Program, The Home Investment Partnerships Program, The Emergency Shelter Grant Program, The American Dream Downpayment Initiative Program, and The Housing Opportunities For Persons With Aids (HOPWA) Program for Fiscal Years July 1, 2009 through June 30, 2012.**

Action: Adopted Resolution No. 4097 as follows: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING THE COOPERATION AGREEMENT"**.

8.h. **Consideration to Authorize Staff to Solicit Bids for a Lease/Purchase Agreement for Street Sweeping Equipment.**

Recommended Action: Authorize staff to solicit bids for a lease/purchase agreement for street sweeping equipment and proceed with implementation of the in-house street sweeping proposal.

Council Member Arnold referred to correspondence sent by Mr. St. Denis regarding his current rate of \$20/curb mile and his willingness to hold that cost in 2008, and then referred to his proposed increase in the fuel surcharge effective July 1st and asked if that surcharge was negotiable. Mr. St. Denis stated that the fuel surcharge is negotiable. In response to further questions by Council Member Arnold, Mr. St. Denis explained that by spreading the cost of his equipment over several agencies that he contracts with, he is able to make a profit; that his contract also includes costs for sweeping parking lots; and that he was open to negotiation in order to continue street sweeping services.

In response to questions by Council Member Arnold, staff explained how the costs outlined in the staff report were developed; and confirmed that insurance costs were not included. Council Member Arnold expressed concern that not all the costs have been presented accurately or completely. City Manager Adams acknowledged Council Member Arnold's concerns and suggested that the Council authorize staff to solicit bids for the street sweeping equipment in order to obtain accurate figures and return to the Council to address the concerns prior to authorizing the equipment purchase, and to direct staff to meet with Mr. St. Denis to compare the costs. Council Member Arnold noted that the current contractor is willing to continue his contract at the existing rates, and expressed concern that this was not a cost effective proposal. He questioned staff about expenses associated with liability for accidents involving street sweeping currently, and if performed in-house. He suggested reviewing the existing street sweeping schedule to see if adjustments could be made, and stated he did not think the City should be adding additional risk in these uncertain budget times if the service is brought in-house.

Council comments ensued in support of examining in more detail some of the issues that have been brought up concerning street sweeping costs; support for obtaining bids for the equipment; support for reviewing the current street sweeping schedules; and shared concern regarding the issue of liability and insurance.

Action: Council Member Arnold moved to authorize staff to solicit bids for a lease/purchase agreement for street sweeping equipment with the understanding that prior to any consideration for approval in changes to the existing program, that an extensive and detailed cost study be prepared. Council Member Costello seconded, and the motion passed on the following roll call vote:

AYES: Arnold, Costello , Guthrie, Ferrara
NOES: None
ABSENT: Fellows

9. PUBLIC HEARINGS

9.a. Consideration of Amended and Restated Solid Waste Collection, Recycling and Greenwaste Franchise Agreement.

City Manager Adams presented the staff report and recommended the Council approve and authorize the Mayor to execute the Amended and Restated Solid Waste Collection, Recycling and Greenwaste Franchise Agreement with South County Sanitary Service, Inc.

Tom Martin, representing South County Sanitary Service, Inc., responded to questions from Council concerning the automated process, administrative tracking, and costs for picking up extra recycling materials.

Mayor Ferrara opened the public hearing, and upon hearing no public comments, he closed the public hearing.

Council comments and discussion ensued concerning the length of the franchise agreement and the associated benefits to the City; acknowledgement of costs related to the proposed expansion of the landfill; support for increasing recycling efforts and encouraging the use of larger recycling bins; acknowledgment that rate increases have been reasonable in the past; that historically, South County Sanitary Service, Inc. has provided good service for the City; and that overall, the proposal is fair and reasonable.

Action: Council Member Costello moved to approve and authorize the Mayor to execute the Amended and Restated Solid Waste Collection, Recycling and Greenwaste Franchise Agreement with South County Sanitary Service, Inc. Council Member Guthrie seconded, and the motion passed on the following roll call vote:

AYES: Costello , Guthrie, Arnold, Ferrara
NOES: None
ABSENT: Fellows

9.b. Consideration of a Resolution Amending the City Master Fee Schedule for the Parks, Recreation and Facilities Department Children in Motion Program.

Parks, Recreation, and Facilities Director Perrin presented the staff report and recommended the Council adopt a Resolution amending the City Master Fee Schedule for the Parks, Recreation and Facilities Department Children In Motion Program.

Staff responded to questions from Council concerning the pros and cons of having the YMCA take over the childcare program; clarification concerning the existing and proposed fee structures; and clarification concerning how the Bright Futures Program is funded.

Mayor Ferrara opened the public hearing, and upon hearing no public comments, he closed the public hearing.

Council comments and discussion ensued regarding the proposed fee structure; that the approach for establishing fixed rates is appropriate in order to eliminate the current subsidy; concern about losing part-time program participants by eliminating the drop-in program; and support for the proposal and that it will make the program more sufficient.

Action: Council Member Guthrie moved to adopt a Resolution as follows: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING THE CITY MASTER FEE SCHEDULE FOR THE PARKS, RECREATION AND FACILITIES DEPARTMENT CHILDREN IN MOTION PROGRAM”***. Council Member Arnold seconded, and the motion passed on the following roll call vote:

AYES: Guthrie, Arnold, Costello, Ferrara
NOES: None
ABSENT: Fellows

9.c. Consideration of a Proposed Ordinance Repealing Section 10.16.060 from Chapter 10.16 (Parking) of Title 10 of the Arroyo Grande Municipal Code Regarding Two-Hour Parking Restrictions in the Village.

Director of Public Works Spagnolo presented the staff report and recommended the Council introduce an Ordinance repealing Section 10.16.060 from Chapter 10.16 (Parking) of Title 10 of the Arroyo Grande Municipal Code to address parking restrictions in the Village.

Council and staff discussion ensued concerning the history of how two-hour parking zones were established in the Village; and concern about two-hour parking in the Village in general as it relates to business owners and employees.

Mayor Ferrara opened the public hearing, and upon hearing no public comments, he closed the public hearing.

Council comments included support for the proposal to clean up the provisions in the Municipal Code as it relates to two-hour parking restrictions and enforcement in the Village; that the clarifications provide more flexibility for enforcement; and a suggestion to revisit two-hour parking restrictions in the Village at some point in the future.

Action: Council Member Arnold moved to introduce an Ordinance as follows: ***“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE REPEALING SECTION 10.16.060 FROM CHAPTER 10.16 (PARKING) OF TITLE 10 OF THE ARROYO GRANDE MUNICIPAL CODE”***. Council Member Costello seconded, and the motion passed on the following roll call vote:

AYES: Arnold, Costello, Guthrie, Ferrara
NOES: None
ABSENT: Fellows

9.d. Consideration of Development Code Amendment 07-001 – Proposed Ordinance Amending Section 16.68.050 of the Arroyo Grande Municipal Code Pertaining to Underground Utilities.

Associate Planner Bergman presented the staff report and recommended the Council introduce an Ordinance amending Municipal Code Section 16.68.050 related to underground utilities.

Mayor Ferrara opened the public hearing, and upon hearing no public comments, he closed the public hearing.

Council comments included acknowledgement of staff's work on the proposed Ordinance and that it has been reviewed and revised several times; that the Ordinance provides both applicants and the City greater flexibility in implementing the City's underground utility requirements including the

availability of in-lieu fees; that the Ordinance provides for appeals to the City Council; and support for introducing the Ordinance as proposed.

Action: Council Member Arnold moved to introduce an Ordinance as follows: **“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING SECTION 16.68.050 OF THE ARROYO GRANDE MUNICIPAL CODE REGARDING UNDERGROUND UTILITIES”**. Council Member Guthrie seconded, and the motion passed on the following roll call vote:

AYES: Arnold, Guthrie, Costello, Ferrara
NOES: None
ABSENT: Fellows

10. CONTINUED BUSINESS ITEMS

None.

11. NEW BUSINESS ITEMS

11.a. Fiscal Year 2007-08 Third Quarter/Budget Update Report. [COUNCIL/RDA]

Financial Services Director Kraetsch presented the staff report and recommended the Council/RDA Board: 1) Approve detailed budget adjustments listed in the Third Quarter budget report; 2) Approve Schedules A, B and Budget Shortfall Recommendations; and 3) Approve (Deny) requests for additional appropriations in the General Fund.

Council/RDA Board asked questions of staff concerning the County's sales tax audit and whether the City performed a reverse audit; the status of the Hampton Inn project; and whether all the proposed measures would be implemented if the Council approved the budget update report. Staff responded that the City's consultant, Hdl Associates, monitors, audits, and reports the City's sales tax revenue; that the Hampton Inn project has experienced delays due to contractor issues and that City staff has scheduled meetings with the developer to ensure the project progresses; and that several of the proposed measures would come back to the Council at a future date for consideration and final approval, such as the Multi-Dwelling Fire & Life Safety Inspection Program and the street sweeping proposal. In response to questions about proposed measures impacting Public Works and Parks Maintenance personnel, City Manager Adams explained how the two part-time positions would be funded from the Local Sales Tax fund.

Mayor/Chair Ferrara invited comments from those in the audience who wished to be heard on the matter, and upon hearing no public comments, he closed the public comment period.

Council/Board Members Arnold and Costello commented in support of staff's recommendations, with the understanding that the street sweeping issue and certain other measures would be reexamined and reviewed in more detail. Council Member/Vice Chair Guthrie expressed concern that there were not enough contingencies; concern about the status of the Reserve Fund; concern about the use of the Local Sales Taxes for funding positions; and that he was not comfortable supporting the proposed plan. Mayor/Chair Ferrara stated it was the best plan under the circumstances; that the City had experienced several years of predictable revenue; that the proposed measures are necessary; and supported staff's recommendations.

Action: Council/Board Member Arnold moved to approve detailed budget adjustments listed in the Third Quarter budget report; approve Schedules A, B and budget shortfall recommendations; and approve requests for additional appropriations in the General Fund. Council/Board Member Costello seconded, and the motion passed on the following roll-call vote:

AYES: Arnold, Costello, Ferrara
NOES: Guthrie
ABSENT: Fellows

11.b. Consideration to Authorize an Award of Bid for Police Fleet Leasing Program.

Police Chief Annibali presented the staff report and recommended the Council authorize the award of bid for the police fleet leasing program to McPeck Dodge of Anaheim, California; Ford Motor Credit Company of Dearborn, Michigan; Huntington Beach Honda of Huntington Beach, California and Sparta Commercial Services of New York, New York in the total amount of \$124,680.

Staff responded to questions from Council concerning how many vehicles the Department would be acquiring at once; how vehicle rotation would work; how long the proposed Dodge Charger model has been available; clarifications concerning warranty and maintenance costs, and clarification concerning lending agencies. Chief Annibali responded that the Department would acquire 19 vehicles; would rotate vehicles every four years; explained that the City would own the equipment at the end of the lease; stated that staff and pool vehicles may be retained longer than four years; that the Dodge Charger has been out for approximately 3 years and has been successful in many police agencies; that larger fleets are moving toward this vehicle; and that the vehicles include a full factory bumper to bumper warranty.

Mayor Ferrara invited comments from those in the audience who wished to be heard on the matter, and upon hearing no public comments, he closed the public comment period.

Council discussion ensued concerning the resale value of the existing fleet; that the lease proposal would provide for a better operation of the fleet; that the vehicles are covered under full warranty; that the proposed Dodge vehicle is a proven model; a suggestion to look into alternative methods for lease financing due to the proposed agency's interest rates; and support for approving the police fleet leasing program.

Action: Council Member Costello moved to authorize the award of bid for the police fleet leasing program to McPeck Dodge of Anaheim, California; Ford Motor Credit Company of Dearborn, Michigan; Huntington Beach Honda of Huntington Beach, California and Sparta Commercial Services of New York, New York in the total amount of \$124,680. Council Member Guthrie seconded, and the motion passed on the following roll-call vote:

AYES: Costello, Guthrie, Arnold, Ferrara
NOES: None
ABSENT: Fellows

12. CITY COUNCIL MEMBER ITEMS

None.

13. CITY MANAGER ITEMS

None.

14. COUNCIL COMMUNICATIONS

Council Member Arnold thanked everyone for the success of Father/Daughter Date Night held last weekend. He said it was an exceptional event and thanked Parks, Recreation and Facilities staff for their efforts in putting on the event.

Council Member Guthrie reported that he attended the Ocean Oaks Senior Center Open House and stated there was a good turnout of people who expressed a lot of ideas for programs and activities at the Center.

Mayor Ferrara reported that the America In Bloom judges arrived a week ago Sunday and stayed through Wednesday. He said a good program was presented and a very good response from the judges was received. He thanked Bob Lund, Jim Bergman, and the many volunteers who participated in the week's activities and further thanked the many Arroyo Grande In Bloom volunteers for their efforts over the past year and their demonstration of pride for the City. He announced that the America In Bloom awards ceremony would be held in October.

15. STAFF COMMUNICATIONS

None.

16. COMMUNITY COMMENTS AND SUGGESTIONS

None.

17. ADJOURNMENT

Mayor/Chair Ferrara adjourned the meeting at 9:40 p.m.

/s/ Tony Ferrara, Mayor/Chair

ATTEST:

/s/ Kelly Wetmore, City Clerk/Agency Secretary

(Approved at CC Mtg 06/24/08)