

**ACTION MINUTES**

**SPECIAL MEETING OF THE CITY COUNCIL  
TUESDAY, APRIL 10, 2018  
COUNCIL CHAMBERS, 215 E. BRANCH STREET  
ARROYO GRANDE, CALIFORNIA**

**1. CALL TO ORDER**

Mayor Hill called the Special City Council Meeting to order at 5:00 p.m.

**2. ROLL CALL**

Council Members Barbara Harmon, Tim Brown, Mayor Pro Tem Caren Ray, and Mayor Hill were present. Council Member Kristen Barneich was absent.

Staff members present were City Manager Jim Bergman, City Attorney Heather Whitham, and Executive Assistant /Deputy City Clerk Jessica Matson.

**3. FLAG SALUTE**

Mayor Hill led the flag salute.

**4. PUBLIC COMMENT**

None.

**5. CITY COUNCIL CLOSED SESSION**

- a) **CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION**  
pursuant to Government Code Section 54956.9(d)(1):  
Name of Case: Santa Maria Valley Water Conservation District v. City of Santa Maria, et al. and related actions, Santa Clara Superior Court, Case No. CV 770214.

Council Member Barneich arrived to the meeting at 5:04 p.m.

Adjourned to closed session.

**6. RECONVENE TO OPEN SESSION:**

The Council reconvened to open session at 5:57 p.m. City Attorney Whitham announced that there was no reportable action.

**7. ADJOURNMENT:**

The Special Meeting was adjourned at 5:58 p.m.

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**Jim Hill, Mayor**

**ATTEST:**

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**Jessica Matson, Deputy City Clerk**

**(Approved at CC Mtg \_\_\_\_\_)**

## **ACTION MINUTES**

**REGULAR MEETING OF THE CITY COUNCIL/SUCCESSOR AGENCY TO THE  
DISSOLVED ARROYO GRANDE REDEVELOPMENT AGENCY  
TUESDAY, APRIL 10, 2018  
COUNCIL CHAMBERS, 215 E. BRANCH STREET  
ARROYO GRANDE, CALIFORNIA**

### **1. CALL TO ORDER**

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

### **2. ROLL CALL**

City Council/Board: Council/Board Members Barbara Harmon, Kristen Barneich and Tim Brown, Mayor Pro Tem/Vice Chair Ray, and Mayor/Chair 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, Director of Community Development Teresa McClish, Associate Planner Kelly Heffernon, and Five Cities Fire Authority Fire Chief Steve Lieberman.

### **3. MOMENT OF REFLECTION**

### **4. FLAG SALUTE**

Mike Drees, representing South County Historical Society, led the Flag Salute.

### **5. AGENDA REVIEW**

#### **5.a. Closed Session Announcements.**

#### **Special City Council Meeting of April 10, 2018:**

- a) **CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION** pursuant to Government Code Section 54956.9(d)(1):  
Name of Case: Santa Maria Valley Water Conservation District v. City of Santa Maria, et al. and related actions, Santa Clara Superior Court, Case No. CV 770214.

City Attorney Whitham announced that the City Council met in closed session at a Special Meeting on April 10, 2018 at 5:00 p.m. to discuss the above item, and that there was no reportable action.

#### **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. Proclamation in Recognition of the San Luis Obispo Museum of Art.**

Mayor Hill presented a Proclamation recognizing the San Luis Obispo Museum of Art. Betsy Keiser, representing San Luis Obispo Museum of Art, accepted the Proclamation and presented a video of the museum.

### **6.b. Honorary Proclamation Declaring April 2018 as “Sexual Assault Awareness Month”.**

Mayor Hill presented an Honorary Proclamation declaring April 2018 as “Sexual Assault Awareness Month”. Sebonay Campus and Jennifer MacMartin, representing RISE, accepted the Proclamation.

## **7. COMMUNITY COMMENTS AND SUGGESTIONS**

Mayor Hill invited public comment. Speaking from the public were Linda Osty, who offered an invocation; Charles Barney, Oceano, regarding threats to groundwater resources and contamination of the Santa Maria Groundwater Basin and urged the Council to insist that the fringe areas remain part of the basin so that they can be under the authority of the Sustainable Groundwater Management Act; Coleen Kubel, commented on an apparent Brown Act violation by the Sanitation District due to a meeting that was held outside the jurisdiction of the Sanitation District; Teresa Wolf, commented on the activities of the Coastal Thrivers organization for sexual assault survivors; Patricia Price, commented on an apparent Brown Act violation by the Sanitation District due to a meeting that was held outside the jurisdiction and improper noticing of the meeting; Jim Bursheim, County Superintendent of Schools, thanked the Council for the support of the Community Service Officer and spoke about a meeting that will be held to discuss ways to be proactive in providing school safety and encouraged the Councils continued support; Brad Snook, representing Surfrider Foundation, commented on the fracking initiative and moratorium on new oil wells, and commented on issues relating to the Sanitation District, including its apparent Brown Act violation; Shirley Gibson, Halcyon, commented on the apparent Brown Act violation by the Sanitation District and inquired whether alternate meeting locations had been sought out; Mary Lucey, Oceano, commented on issues relating to the Sanitation District; and Patty Welsh, requested that the Council attend the Sanitation District meetings. No further comments were received.

## **8. CITY MANAGER/DIRECTOR REPORT**

### **8.a. Request for Discussion and Direction to Staff to Prepare a Letter to the County of San Luis Obispo in Support of the 5Cities Homeless Coalition’s Request for Reconsideration of the Community Development Block Grant Allocations in the 2018 Action Plan Draft Allocations as it Relates to Funding for South County Homeless Services.**

City Manager Bergman provided background information regarding the 5Cities Homeless Coalition’s request that the County reconsider its CDBG funding allocations in the 2018 Action Plan and requested direction from Council on sending a letter in support of the Coalition’s request.

Mayor Hill invited public comment. Speaking from the public was Janna Nichols, representing 5Cities Homeless Coalition, who provided information and statistics regarding the increase in homeless services over the prior year and responded to questions from Council.

Following brief discussion, the Council directed staff to send a letter to the County supporting the 5Cities Homeless Coalition's request that the Board of Supervisors reconsider the funding allocations in the 2018 Action Plan as it relates to providing more equitable funding in the South County for homeless services.

City Manager Bergman announced that the draft project report and environmental documents for the Brisco Road/Halcyon Interchange project have been signed and are available for public review, and invited the community to a public workshop to be held on April 26, 2018 in the City Council Chambers to review the project. He also reported that City staff met with students from Arroyo Grande High School's Friday Night Live Club and County staff regarding the hazards of secondhand smoke and potential updates to the Municipal Code to prohibit smoking in public places.

### **9. CONSENT AGENDA**

Council Member Brown requested that Items 9.c. and 9.i. be pulled; Council Member Barneich requested that Item 9.e. be pulled; and Mayor Pro Tem Ray requested that Items 9.f. and 9.h. be pulled.

Mayor Hill invited public comment on the consent agenda items. Speaking from the public was Carol Florence, Oasis Associates, representing ELA Foods, stated that the applicant finds no factual basis for the findings as presented in support of the denial with prejudice regarding noise, traffic, and neighborhood compatibility; however, moving forward, and in the spirit of collaboration, she noted that this evening the Council would be discussing disposition of this property in closed session and requested the Council's consideration of correspondence sent to the City Council. No further comments were received.

**Action:** Council Member Barneich moved, and Council Member Harmon seconded the motion to approve Consent Agenda Items 9.a., 9.b., 9.d., 9.g., and 9.j., with the recommended courses of action. The motion passed on the following roll-call vote:

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

#### **9.a. Consideration of Cash Disbursement Ratification.**

**Action:** Ratified the listing of cash disbursements for the period March 16, 2018 through March 31, 2018.

#### **9.b. Consideration of a Resolution Adopting the Amended and Restated 457 Deferred Compensation Plan and Trust Document and Including Optional Provisions.**

**Action:** Adopted a Resolution entitled: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE TO ADOPT THE AMENDED AND RESTATED 457 DEFERRED COMPENSATION PLAN AND TRUST DOCUMENT AND INCLUDING OPTIONAL PROVISIONS**".

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

**Action:** Approved the minutes of the Regular City Council Meetings of March 13, 2018, and March 27, 2018, as submitted.

9.g. **Consideration of Adoption of Resolutions Ordering the Preparation and Filing of Annual Engineer's Reports for the Parkside Village Assessment District, Grace Lane Assessment District, and Landscaping and Lighting District No. 1, within Tract 1769, for Fiscal Year 2018-2019.**

**Action:** Adopted Resolutions entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ORDERING THE PREPARATION AND FILING OF THE ANNUAL ENGINEER'S REPORT FOR THE PARKSIDE VILLAGE ASSESSMENT DISTRICT FOR FISCAL YEAR 2018-2019"**; **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ORDERING THE PREPARATION AND FILING OF THE ANNUAL ENGINEER'S REPORT FOR THE GRACE LANE ASSESSMENT DISTRICT FOR FISCAL YEAR 2018-2019"**; and **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ORDERING THE PREPARATION AND FILING OF THE ANNUAL ENGINEERS REPORT FOR THE ARROYO GRANDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 1, WITHIIN TRACT 1769, FOR FISCAL YEAR 2018-2019"**.

9.j. **Consideration of Amendment No. 1 to an Affordable Housing Agreement Between the City of Arroyo Grande as Housing Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency and Habitat for Humanity for San Luis Obispo County.**

**Action:** 1) Approved Amendment No. 1 to the Affordable Housing Agreement to allow a three (3) year time extension to commence the project; and 2) Authorized the Mayor to sign the Amendment.

**ITEMS PULLED FROM CONSENT AGENDA**

9.c. **Consideration of Subordination Agreement Between the City and Courtland-Arroyo Grande, L.P.**

**Recommended Action:** Approve and authorize the City Manager to execute a Subordination Agreement between the City and Courtland-Arroyo Grande, L.P. to facilitate refinancing of the project by the owners.

In response to a question by Council Member Brown regarding the status of the loan, City Attorney Whitham acknowledged that the loan has been paid off, and provided clarification regarding regulatory requirements that require the subordination agreement.

**Action:** Council Member Barneich moved, and Mayor Pro Tem Ray seconded the motion to approve and authorize the City Manager to execute a Subordination Agreement between the City and Courtland-Arroyo Grande, L.P. to facilitate refinancing of the project by the owners. The motion passed on the following roll-call vote:

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

- 9.e. Consideration of Annual Report and Adoption of Resolution of Intention for Levy of Annual Assessment for Arroyo Grande Tourism Business Improvement District. Recommended Action:** 1) Receive and approve the annual report of the Arroyo Grande Tourism Business Improvement District (AGTBID) Advisory Board; 2) Adopt a Resolution of Intention to levy and collect assessments within the AGTBID area for Fiscal Year 2018-19 at the same rate as in Fiscal Year 2017-18; and 3) Set the date for the public hearing for May 22, 2018.

Council Member Barneich referred to information in the annual report relating to marketing activities for the Harvest Festival and expressed concern about the Festival becoming larger than a small City festival.

Jocelyn Brennan, Arroyo Grande Grover Beach Chamber of Commerce Executive Director, commented that last year's marketing activity for the Harvest Festival was limited to social media posts, and stated that moving forward, the AGTBID Board would be looking for direction from the Council regarding advertising of future events.

**Action:** Council Member Barneich moved, and Council Member Brown seconded the motion to 1) Receive and approve the annual report of the Arroyo Grande Tourism Business Improvement District (AGTBID) Advisory Board; 2) Adopt 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 2018-19 FISCAL YEAR;*** and 3) Set the date for the public hearing for May 22, 2018. The motion passed on the following roll-call vote:

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

- 9.f. Consideration of a First Time Extension to the Contract with Waterboys Plumbing, Inc. for the Plumbing Retrofit Program. Recommended Action:** 1) Approve the first time extension for the Plumbing Retrofit contract to Waterboys Plumbing, Inc. in the amount of \$76,895.00; and 2) Authorize the Mayor to execute the time extension.

In response to questions by Mayor Pro Tem Ray regarding the numbers in the financial impact section of the staff report, staff provided clarification that while the contract identifies a specific dollar amount, the amount is based on an estimate of the retrofit activity that will occur, explained that the City is contracting for a per unit price for specific services, that there is not a guarantee that there will be a certain amount of retrofit activity during the course of the contract, and that \$76,895 is a not to exceed amount for the contract. Mayor Pro Tem Ray suggested presenting financial information in a table format in the future.

Mayor Hill invited public comment. No public comments were received.

**Action:** Mayor Pro Tem Ray moved, and Council Member Barneich seconded the motion to: 1) Approve the first time extension for the Plumbing Retrofit contract to Waterboys Plumbing, Inc. in the amount of \$76,895.00; and 2) Authorize the Mayor to execute the time extension. The motion passed on the following roll-call vote:

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

**9.h. Consideration of Temporary Use Permit 18-005; Authorization for the Sale of Beer and Wine at the 2018 Heritage Square Park Summer Concert Series Events and Application Fee Waiver; Location – Heritage Square Park; Applicant – South County Historical Society; Representative – Paul Provence.**

**Recommended Action:** Adopt a Resolution approving Temporary Use Permit No. 18-005 to allow the sale of beer and wine at the 2018 Heritage Square Park Summer Concert Series and denying the request for an application fee waiver.

In response to concerns and questions by Mayor Pro Tem Ray regarding the sale of alcohol during the Summer Concert Series, staff provided information regarding signage, compliance with State Alcoholic Beverage Control (ABC) regulations, fencing, and monitoring and enforcement related to alcohol consumption. Brief discussion ensued and Mayor Pro Tem Ray suggested adding conditions to the permit to provide for a debriefing and evaluation following the first few events and requiring a colored cup with the sale of alcohol in order to discourage attendees from bringing alcohol into the event and to assist the event organizers with monitoring and enforcement.

Mayor Hill invited public comment. Speaking from the public was Paul Provence, representing South County Historical Society, who commented on signage that would be placed at the event and also stated that if ABC requires fencing for the event, then they would not be able to proceed with the sale of alcohol due to the high costs associated with temporarily fencing the area. No further public comments were received.

**Action:** Mayor Hill moved, and Mayor Pro Tem Ray seconded the motion to adopt a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING TEMPORARY USE PERMIT NO. 18-005; AUTHORIZATION FOR THE SALE OF BEER AND WINE AT THE 2018 HERITAGE SQUARE PARK SUMMER CONCERT SERIES; APPLIED FOR BY THE SOUTH COUNTY HISTORICAL SOCIETY AND THE ARROYO GRANDE ROTARY CLUB”**, as amended with the condition that a post event debriefing with the Staff Advisory Committee be held after the first or second event as deemed necessary by staff, and further, to require the use of easily identifiable cups. The motion passed on the following roll-call vote:

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

- 9.i. Consideration of a Resolution Denying with Prejudice Conditional Use Permit 16-008; Construction of an Approximately 2,650 Square-Foot Fast-Food Restaurant with Drive-Thru; Location – 727 El Camino Real (Western Corner of El Camino Real, Faeh Avenue, and Bell Street); Applicant – ELA Foods, Inc.; Representative – Oasis Associates.**

**Recommended Action:** Adopt a Resolution denying with prejudice Conditional Use Permit 16-008.

Council Member Brown recused himself from voting on this item as he was absent from the March 27, 2018 City Council meeting when the project was considered.

**Action:** Council Member Barneich moved, and Mayor Pro Tem Ray seconded the motion to adopt a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DENYING WITH PREJUDICE CONDITIONAL USE PERMIT 16-008; LOCATED AT 727 EL CAMINO REAL; APPLIED FOR BY ELA FOODS, INC.”**. The motion passed on the following roll-call vote:

**AYES:** Barneich, Ray, Harmon, Hill

**NOES:** None

**ABSENT:** Brown (recused)

## **10. PUBLIC HEARINGS**

None.

## **11. OLD BUSINESS**

None.

## **12. NEW BUSINESS**

Council Member Barneich announced she would recuse herself and step down for this item due to a conflict of interest resulting from her position as a private citizen on the Board of the 5Cities Homeless Coalition.

- 12.a. Consideration of a Request to Allocate \$7,500 from the City’s General Fund to the 5Cities Homeless Coalition to Assist with 2017-18 Warming Center Operations.**

City Manager Bergman presented the staff report and recommended that the Council consider appropriating \$7,500 from the City’s General Fund unappropriated fund balance to the 5Cities Homeless Coalition to assist with their 2017-18 warming center operations.

Janna Nichols, representing 5Cities Homeless Coalition, reviewed the increased attendance, costs, staffing, and services incurred this year at the warming center as compared to last year, and responded to questions from Council.

Mayor Hill invited public comment. No public comments were received.



**Action:** Mayor Hill moved to appropriate a “not to exceed” amount of \$7,500 from the City’s General Fund unappropriated fund balance to the 5Cities Homeless Coalition to cover the shortfall. Mayor Pro Tem Ray seconded, and the motion passed on the following roll-call vote:

**AYES:** Hill, Ray, Brown, Harmon

**NOES:** None

**ABSENT:** Barneich (recused)

Council Member Barneich returned to the dais.

**12.b. Consideration of Pavement Treatment Alternatives for the 2018 Street Repairs Project, PW 2018-04.**

City Attorney Whitham announced she would recuse herself from this item due to ownership of real property in proximity to James Way and left the room.

Public Works Director Robeson presented the staff report and recommended that the Council review alternative treatment options for the 2018 Street Repairs project and select Alternative 1, digouts and overlay, as the preferred alternative. Staff responded to questions from Council.

Mayor Hill invited public comment. Speaking from the public was Kevin Tardiff, who commented that he did not believe the 20 year plan would work, that a leach field is needed in this area, and drainage issues need to be corrected.

Council comments ensued in support of Alternative 1; however, Mayor Hill expressed a preference for Alternative 2 in order to do a full depth reclamation of the road due to its present condition.

**Action:** Council Member Harmon moved to approve Alternative 1 (digouts and overlay) and add that there is an investigation to leach lines or fields as part of that process, as the preferred alternative. Council Member Barneich seconded, and the motion passed on the following roll-call vote:

**AYES:** Harmon, Barneich, Brown, Ray

**NOES:** Hill

**ABSENT:** None

Mayor Hill called for a break at 8:37 p.m. The Council reconvened at 8:42 p.m.

**12.c. Consideration of a Resolution Approving the City Council Handbook.**

Director of Legislative and Information Services/City Clerk Wetmore presented the staff report and recommended that the Council adopt a Resolution approving the City Council Handbook.

Mayor Hill invited public comment. No public comments were received.

**Action:** Mayor Pro Tem Ray moved to adopt a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING THE CITY COUNCIL HANDBOOK”**. Mayor Hill seconded, and the motion passed on the following roll-call vote:

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

#### **12.d. Consideration of a Voluntary Early Retirement Program.**

City Manager Bergman introduced the item and Administrative Services Director Malicoat presented the staff report and recommended that the Council approve the Voluntary Early Retirement Program and appropriate up to \$365,000 in unappropriated General Fund, Water Fund and Sewer Fund balances to support the Program, depending on employee participation. Staff responded to questions from Council.

Mayor Hill invited public comment. No public comments were received.

**Action:** Council Member Harmon moved to approve the Voluntary Early Retirement Program and appropriate up to \$365,000 in unappropriated General Fund, Water Fund and Sewer Fund balances to support the Program, depending on employee participation. Mayor Hill seconded, and the motion passed on the following roll-call vote:

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

#### **13. COUNCIL COMMUNICATIONS**

Council Member Brown referred to earlier public comments regarding the South San Luis Obispo County Sanitation District, stated there were some misrepresentations stated, and encouraged members of the City Council to attend the Sanitation District meetings.

Council Member Barneich announced that tickets are for sale for the Fiesta at Fin’s fundraiser to be held on May 1, 2018 from 5:00 to 9:00 p.m. She also announced the upcoming We Heart AG volunteer event and stated that more volunteers are needed for maintenance activities around the City.

Mayor Hill stated that the City submitted a letter to the South San Luis Obispo County Sanitation District specifically asking for timeline and progress on its audit, reported that the auditor will be present at the May 16, 2018 meeting to make the findings on the 2015-16 audit; and also disputed several public comments made earlier in the meeting regarding the South San Luis Obispo County Sanitation District.

#### **14. COMMUNITY COMMENTS AND SUGGESTIONS**

None.

**15. CLOSED SESSION**

At 9:19 p.m., City Attorney Whitham announced the Successor Agency would adjourn to closed session to consider 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 Avenue and El Camino Real
Agency Negotiators:	Debbie Malicoat, Finance Officer; Marty Indvik, Lee & Associates
Negotiating Parties:	ELA Foods, Inc.
Under Negotiation:	Price and terms of payment for sale of property

Adjourned to closed session.

**16. RECONVENE TO OPEN SESSION:**

At 10:14 p.m., the meeting was reconvened to open session. City Attorney Whitham announced that the Successor Agency voted 4-1, with Board Member Brown dissenting, to extend the government approval contingency one year and to add a contingency requiring the buyer to submit a pre-application directly to the City Council for a fully noticed meeting on the same.

**17. ADJOURNMENT**

Mayor/Chair Hill adjourned the meeting at 10:15 p.m.

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**Jim Hill, Mayor/Chair**

**ATTEST:**

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**Kelly Wetmore, City Clerk/Secretary**

**(Approved at CC Mtg \_\_\_\_\_)**

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