

ACTION MINUTES

REGULAR MEETING OF THE CITY COUNCIL TUESDAY, FEBRUARY 26, 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, City Clerk Kelly Wetmore, Director of Public Works Bill Robeson, Director of Community Development Teresa McClish, Police Chief Beau Pryor, City Engineer Robin Dickerson, Recreation Services Director Sheridan Bohlken, Accounting Manager Nicole Valentine, and Five Cities Fire Authority Fire Chief Steve Lieberman.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Mayor Ray Russom led the Flag Salute.

5. AGENDA REVIEW

5.a. Closed Session Announcements.

Regular City Council Meeting of February 12, 2019:

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: James Bergman, City Manager; Marty Indvik, Lee & Associates
Negotiating Parties: ELA Foods, Inc.
Under Negotiation: Price and terms of payment for sale of property

City Attorney Whitham reported that the Successor Agency directed the Board Chair to execute an Addendum to the Purchase and Sale Agreement extending the government approval contingency.

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 the 110th Anniversary of the Knights of Columbus Arroyo Grande Council 1375.

Mayor Ray Russom presented an Honorary Proclamation recognizing the 100th Anniversary of the Knights of Columbus Arroyo Grande Council 1375. Grand Knight Machiej Makowski and Stephen Hamilton accepted the Proclamation and provided a brief history of the Knights of Columbus.

6.b. Mayor's Commendation Recognizing Five Cities Pediatric Dental Group & Orthodontics.

Mayor Ray Russom presented a Mayor's Commendation recognizing Five Cities Pediatric Dental Group & Orthodontics in recognition of their Title Sponsorship of the 1st Annual Breakfast with Santa event coordinated by the City of Arroyo Grande's Recreation Services Department. Shonna Berry, representing Five Cities Pediatric Dental Group & Orthodontics, accepted the Commendation.

6.c. Recognition of Outgoing Commissioners, Committee, and Board Members.

Mayor Ray Russom recognized outgoing Planning Commissioner Terry Fowler-Payne and Architectural Review Committee Member Coleen Kubel with City plaques in appreciation for their service to the City. She also recognized the following outgoing members who were not present: Planning Commissioner John Mack, and Downtown Parking Advisory Board Members Kevin Delaney and Julie Gonzalez.

7. COMMUNITY COMMENTS AND SUGGESTIONS

Mayor Ray Russom invited public comment. Speaking from the public were: Sissy Pace, who offered an invocation; and Bob Kerwin, representing SCORE, San Luis Obispo Chapter 597, regarding services they provide to small businesses through mentoring and education.

8. CONSENT AGENDA

Mayor Ray Russom referred to the supplemental memorandum regarding Item 8.f. (Accepting Public Improvements for Parcel Map AG 11-0046 Located on White Court) which recommended that the item be continued to a date uncertain in order to resolve issues resulting from recent damage that occurred to the drainage infrastructure at the site.

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

In response to questions by Council Member Storton regarding the sewer lining project (Item 8.h.), Director of Public Works Robeson responded that the life of the sewer lining should last approximately 30-40 years.

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

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

8.a. Consideration of Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period February 1, 2019 through February 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 January 31, 2019, as required by Government Code Section 53646(b).

8.c. Consideration of a Resolution Authorizing the Deposit of City Funds in Various Financial Institutions.

Action: Adopted a Resolution entitled: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AUTHORIZING THE DEPOSIT OF CITY FUNDS IN VARIOUS FINANCIAL INSTITUTIONS”*** and updating the names of designated employees in certain positions authorized to enter into banking or investment arrangements.

8.d. Consideration of Approval of Minutes.

Action: Approved the minutes of the Regular City Council/Successor Agency of the Dissolved Arroyo Grande Redevelopment Agency Meeting of February 12, 2019, as submitted.

8.e. Consideration of Council Appointment to the Architectural Review Committee.

Action: Approved the recommendation of Mayor Ray Russom to appoint Lori Mainini Hall to the Architectural Review Committee.

8.g. Consideration of Time Extension 18-008; One Year Time Extension in Accordance with the Subdivision Map Act and Arroyo Grande Municipal Code; Location – La Canada/Blossom Valley Road (Tract 1998): Applicant – Castlerock Development; Representative – T. Keith Gurnee.

Action: Adopted a Resolution entitled: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING A ONE-YEAR TIME EXTENSION FOR VESTING TENTATIVE TRACT MAP NO. 01-001 AND PLANNED UNIT DEVELOPMENT 01-001 (TIME EXTENSION 18-008); APPLIED FOR BY CASTLEROCK DEVELOPMENT CO.; LOCATED AT JAMES WAY AND LA CANADA”***

8.h. Consideration to Approve Construction Specifications and Environmental Exemption for the Huasna Road/Oro Drive Corrugated Metal Pipe (CMP) and Woodland Drive Sewer Lining Project, PW 2018-01.

Action: 1) Approved the construction specifications for the Huasna Road/Oro Drive Corrugated Metal Pipe (CMP) and Woodland Drive Sewer Lining Project, PW 2018-01; 2) Authorized the City Clerk to advertise for construction bids; 3) Found that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301(b); and 4) Directed the City Clerk to file a Notice of Exemption.

8.i. Monthly Water Supply and Demand Update.

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

ITEMS PULLED FROM CONSENT AGENDA

8.f. Consideration to Adopt a Resolution Accepting Public Improvements for Parcel Map AG 11-0046 Located on White Court. This item was continued to a date uncertain.

9. PUBLIC HEARINGS

None.

10. OLD BUSINESS

10.a. Provide Direction Related to Fire Service within the City of Arroyo Grande.

City Manager Bergman presented the staff report which provided recommendations that the City Council direct the City Manager to: 1) Not agree to the new formula, which will lead to the dissolution of the Five Cities Fire Authority on December 31, 2019; 2) Establish a fully staffed in-house City Fire Department no later than January 1, 2020, but preferably earlier in fiscal year 2019-20; 3) Continue to work with any willing communities to establish a partnership that will avoid duplication of personnel and specialized equipment in order to achieve cost savings compared to an in-house fire department; and 4) Consider outreach efforts with the County of San Luis Obispo to discuss funding options for the Oceano Community Services District.

As part of the report, City Manager Bergman provided an overview of each of the following options: Option #1 - Continue to participate in the FCFA with the current funding formula; Option #2 - Continue to participate in the FCFA with the proposed modified funding formula; Option #3 - If agreement between partner agencies cannot be reached, re-establish an in-house fire department and establish mutual and automatic aid agreements; Option #4 - If agreement between partner agencies cannot be reached, re-establish the Five Cities Fire Authority with Grover Beach (if they are willing); and Option #5 - If agreement between partner agencies cannot be reached, obtain an outside agency to provide fire service. He further provided information regarding discussions he has had with County staff since distribution of the agenda and noted their willingness to meet with City staff and designated elected officials to discuss issues relating to the Five Cities Fire Authority. City Manager Bergman suggested the Council consider using the authority under the Memorandum of Agreement to extend the term of the Agreement to continue discussions regarding the funding formula for the JPA. Following the report, staff responded to a substantial number of questions from Council regarding the options presented.

Mayor Ray Russom invited public comment. Speaking from the public were: Sean McMahon, on behalf of the Five Cities Fire Authority (FCFA), spoke regarding trends related to increased volume in calls for service and the need to increase full time staffing, and supported fully funding the Strategic Plan as the preferred option or contracting services with County Fire, and requested the Council approve a request for an RFP from County Fire to explore the benefits that a regional approach would provide the communities; Barbara Harmon, clarified that the County Report evaluating fire protection service by special districts in unincorporated areas of San Luis Obispo County was just recently presented to the Board of Supervisors, referred to Local Sales Tax Advisory Measure M-06 which identifies the need for funding for public safety equipment and staffing and inquired if 60-70% of Local Sales Tax funds are spent on capital projects, expressed concerns about the cost for dissolution and decreases in insurance ratings, and supported Option 2; Jeff Lee, Grover Beach Mayor, stated he was not speaking on behalf of the City of Grover Beach, stated that the Grover Beach residents identified public safety as its most important priorities and the City Council directed the City Manager to budget Grover Beach's portion of the full Strategic Plan implementation, and that Grover Beach looks forward to working together with its partner agencies to improve the FCFA as an organization; Sharon Brown, Grover Beach resident, supported an extension of time to work out the details of the issue; Mike Hubert, retired

FCFA Fire Chief, provided a history of the formation of the FCFA and explained the original intent was to consolidate services, implement substantial cost efficiencies, reduce redundancies, achieve operational efficiencies, and standardize training and equipment, and stated he believed the current structure is the safest, most cost and operationally efficient model, commented on the lower ISO rating which results in lower insurance rates for commercial and residential properties, commented that it is easier from a regional approach to receive grants, and encouraged the Council to do whatever it could to keep the Fire Authority together; Kay Giliyah, supported keeping the FCFA together, extending the deadline, and continuing discussions with the County; Patricia Price, stated that the City could not afford the current model and spoke in support of a two station model; and Wade Horton, County of San Luis Obispo Administrative Officer, stated that the County has designated an adhoc committee of two Board Supervisors to further explore the challenges Special Districts are facing and they would be willing to sit down with representatives of the City Council to further discuss the challenges and come to a resolution to move forward. No further public comments were received.

Council comments ensued regarding the FCFA Strategic Plan; options presented in the staff report, including potential support for a modified version of Option #2 contingent upon an extension of time to further negotiate the funding formula with the other agencies, including the County; support for the elimination of the assessed value component currently contained in the funding formula; that the General Plan, specifically the Safety Element, is the City's basis for making decisions concerning public safety; that there is strength working with the neighboring communities so there is less reliance on mutual aid; that the Specific Plan requires firefighters to be medics; that the agencies need to share the liability for CalPERS costs; acknowledgment that Arroyo Grande has a larger area of service; acknowledgment that Oceano Community Services District is considering the placement of a parcel tax measure on the March 2020 ballot; that data collection is key to informed decision making; that maintaining a regional approach is favorable for receiving grants; that if the City is moving toward fully funding the Strategic Plan, there will be tough decisions to be made in the future about what will need to be cut; a suggestion to extend the Agreement three months, which coincides with the end of the fiscal year; and support for meeting with the County's ad-hoc committee to continue discussions. Further Council comments included the City's need to explore revenue generation, including tax and fee increases, the potential for bringing ambulance service in-house, that the JPA funding formula should be reviewed every five years, a request for information to be provided to Council regarding the 2006 Local Sax Tax ballot measure, and that information be provided to Council regarding funding for the pavement management program.

Action: Mayor Ray Russom moved to continue this item to a date certain of March 12, 2019 for a decision on whether to extend the discussions with the other entities regarding the funding formula for three months, to July 1, 2019; that the City Mayors and the Chair of the Oceano Community Services District and other appropriate members as permitted by the Brown Act meet with the County, and that the preferred member is Council Member Storton, with Mayor Pro Tem Barneich as a back-up; and further, that the staff report on March 12th include some feedback on the additional items that individual Council Members brought up during their comments. Mayor Pro Tem Barneich seconded the motion, and the motion passed on following roll call vote:

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

11. NEW BUSINESS

11.a. Consideration of Fiscal Year 2018-19 Mid-Year Budget Report.

Accounting Manager Valentine presented the staff report and recommended the Council: 1) Approve detailed budget adjustments and requests for additional appropriations listed in the Mid-Year Budget Report; 2) Approve Schedule A; and 3) Adopt a Resolution approving compensation adjustments for part-time employees and approval of the updated Citywide combined salary schedule. Staff responded to questions from Council.

Mayor Ray Russom invited public comment. Speaking from the public was: Frank Schiro, who requested funding for the Babe Ruth Baseball League due to the increase in fees. No further public comments were received. Brief discussion ensued regarding Mr. Schiro's request, and youth sports fee increases the City has recently implemented.

Action: Council Member Storton moved to approve detailed budget adjustments and requests for additional appropriations listed in the Mid-Year Budget Report; to approve Schedule A; and to adopt a Resolution entitled: ***"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING COMPENSATION ADJUSTMENTS FOR PART-TIME EMPLOYEES AND APPROVAL OF THE UPDATED CITYWIDE COMBINED SALARY SCHEDULE"***. Mayor Pro Tem Barneich seconded, and the motion passed on the following roll-call vote:

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

12. CITY COUNCIL REPORTS

This item was postponed to a future meeting.

13. COUNCIL COMMUNICATIONS

Mayor Pro Tem Barneich requested a future agenda item be scheduled within the next six months to update the Council on the status of the vacation rental and homestay program, if there have been impacts to affordable housing, and to discuss the use of TBID funds for enforcement of non-permitted vacation rentals. Council Member George concurred.

Council Member George referred to the recent public meeting for the Brisco Interchange project and requested that a presentation with information regarding roundabouts be provided at an upcoming meeting. Mayor Pro Tem Barneich concurred. Following further discussion, it was agreed that this information would be provided at the March 12, 2019 or March 26, 2019 Council meeting.

Mayor Ray Russom requested a future agenda item be scheduled regarding the look back at Recreation Services fee increases to see how the fees are impacting the programs. Council Member George concurred. Mayor Ray Russom also announced that SLOCOG will be having a

public outreach meeting in South County at the Hospital Annex Room on March 21, 2019 from 5:00 pm to 8:00 pm regarding the future of El Campo.

Council Member Storton commended Community Development Director McClish for a successful public information meeting regarding the Brisco/Halcyon/101 Interchange project.

14. CLOSED SESSION

None.

15. ADJOURNMENT

Mayor Ray Russom adjourned the meeting at 11:23 p.m.

/s/Caren Ray Russom, Mayor

ATTEST:

/s/Kelly Wetmore, City Clerk

(Approved at CC Mtg 03/12/2019)