



ACTION MINUTES
REGULAR MEETING OF THE CITY COUNCIL

May 23, 2023, 6:00 p.m.
Hybrid City Council Chamber/Virtual Zoom Meeting
215 East Branch Street, Arroyo Grande

Council Members Present: Mayor Ray Russom, Mayor Pro Tem Barneich, Council Member George, Council Member Guthrie, Council Member Secrest

Staff Present: City Clerk Jessica Matson, City Attorney Isaac Rosen, City Manager Whitney McDonald, Administrative Services Director Nicole Valentine, Community Development Director Brian Pedrotti, Recreation Services Director Sheridan Bohlken, Police Chief Michael Martinez, FCFA Chief Steve Lieberman, Interim City Engineer Steve Kahn

This meeting was conducted in a hybrid in-person/virtual format.

1. CALL TO ORDER

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

2. ROLL CALL

City Clerk Matson took roll call.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Mayor Pro Tem Barneich led the flag salute.

5. AGENDA REVIEW

Council concurred to hear Item 10.a. after Item 12.a. and to hear Council Communications after Item 7.

5.a Closed Session Announcements

None.

5.b Ordinances read in title only

None.

6. SPECIAL PRESENTATIONS

6.a Honorary Proclamation Declaring June 2023 as “Pride Month”

Mayor Ray Russom read the Honorary Proclamation Declaring June 2023 as “Pride Month.” Dusty Colyer-Worth, Gala Pride and Diversity Center, accepted the proclamation.

Mayor Ray Russom invited public comment. Speaking from the public was Rev. Rob Keim. No further public comments were received.

No action was taken on this item.

6.b Honorary Proclamation Declaring June 2, 2023 as “World Hunger Day”

Mayor Ray Russom read the Honorary Proclamation Declaring June 2, 2023 as “World Hunger Day.” Molly Kern, SLO Food Bank, accepted the proclamation.

Mayor Ray Russom invited public comment. No public comments were received.

No action was taken on this item.

6.c City Manager Communications

City Manager McDonald provided information regarding future meetings and upcoming items for Council consideration.

Mayor Ray Russom invited public comment. No public comments were received.

No action was taken on this item.

7. CITY COUNCIL REPORTS

The City Council provided brief reports from the following committee, commission, board, or other subcommittee meetings that they attended as the City’s appointed representative.

7.a MAYOR RAY RUSSOM:

1. California Joint Powers Insurance Authority (CJPIA)
2. Central Cost Blue Regional Recycled Water Authority Board
3. San Luis Obispo County Mayor's Meeting
4. South San Luis Obispo County Sanitation District (SSLOCSD)
5. Other

7.b MAYOR PRO TEM BARNEICH:

1. Audit Committee
2. Homeless Services Oversight Council (HSOC)
3. Zone 3 Water Advisory Board
4. Other

7.c COUNCIL MEMBER GEORGE:

1. Five Cities Fire Authority
2. Tourism Business Improvement District Advisory Board
3. Visit SLO CAL Advisory Board
4. Other

7.d COUNCIL MEMBER GUTHRIE:

1. County Water Resources Advisory Committee (WRAC)
2. Council of Governments/Regional Transit Authority/ South County Transit (SLOCOG/SLORTA/SCT)
3. Integrated Waste Management Authority Board (IWMA)
4. REACH Economic Development Roundtable
5. Other

7.e COUNCIL MEMBER SECREST:

1. Air Pollution Control District (APCD)
2. South County Chambers of Commerce Arroyo Grande Business Meeting
3. South County Chambers of Commerce Governmental Affairs Committee
4. Other

8. COMMUNITY COMMENTS AND SUGGESTIONS

Mayor Ray Russom invited public comment. No public comments were received.

9. CONSENT AGENDA

Mayor Ray Russom asked the Council if there were any questions or any items to be pulled from the consent agenda for further discussion.

Council requested Item 9.f. be pulled from the Consent Agenda for separate vote.

Mayor Ray Russom invited public comment. Speaking from the public were Steve Henry, Virginia Roof, Julia Vogue, Carrie McMillen, Becky Musgovian, Patty O'Keefe, No name provided, Gaea Powell, Kay Mallory, Jamie Maraviglia, Denise Dotenola, Jean St. James, No Name Provided, No Name Provided, Andy Spect, Adrian Garcia Spect, Dusty Colyer-Worth, No Name Provided, Sean, Adam Verdin, Alana Logan, Omega Cox, Sandy Fredas, Darcy Cole, and Noah Clark. City Clerk Matson read into the record written comments from Bruce Summers, Elizabeth Fordyce, Jennifer Haydon, Catherine Keith, Carsen Lacey, Brett Harrison, Summer Camacho, and Todd and Heather Placino. No further comments were received.

Staff responded to questions from Council regarding Item 9.g. and made comments on Item 9.f.

No public comments were received.

Moved by Council Member Guthrie
Seconded by Mayor Pro Tem Barneich

Approve Consent Agenda Items 9.a. through 9.j., with the exception of Item 9.f., with the recommended courses of action.

AYES (5): Council Member Guthrie, Mayor Pro Tem Barneich, Council Member Secrest, Council Member George, and Mayor Ray Russom

Passed (5 to 0)

9.a Consideration of Cash Disbursement Ratification

1) Ratified the attached listing of cash disbursements for the period of April 15 through April 30, 2023; 2) Determined that ratifying the cash disbursements is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

9.b Consideration of Fiscal Year 2022-23 Third Quarter Status Report and Request to Approve Four Budget Adjustment Requests

Received, considered, and file the FY 2022-23 Third Quarter Financial Status Report; and approve four Budget Adjustment Requests.

9.c Approval of Minutes

Approved the minutes of the Regular City Council Meetings of April 25, 2023, and May 9, 2023, as submitted.

9.d Consideration of Adoption of a Resolution Declaring a Continued Local Emergency Related to the Ongoing Storm Events

1) Adopted a Resolution entitled: ***"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING A CONTINUED LOCAL EMERGENCY WITHIN THE CITY OF ARROYO GRANDE (MARCH 2023 AND ONGOING STORM EVENTS BEGINNING DECEMBER 27, 2022)"***; and 2) Made findings that adopting the Resolution continuing a local emergency is not a project subject to the California Environmental Quality Act ("CEQA") because the continued declaration in itself has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

9.e Consideration of a Professional Services Agreement with Kosmont Real Estate Services dba Kosmont Realty

1) Authorized the City Manager to enter into the attached agreement with Kosmont Real Estate Services dba Kosmont Realty ("Kosmont") for the continued provision of real estate advisory services associated with 400 W. Branch in the City of Arroyo Grande ("Property"), in substantially final form, subject to minor modifications approved by the City Manager in consultation with the City Attorney. 2) Made findings that approving an agreement is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential

to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

9.g Consideration of the Sidewalk Tile Bands, Tree Well Borders and Crosswalk Improvements in the Village as Components of the 2022 Concrete Repairs Project

1) Approved the selection of Bear Path clay brick pavers in a red flash color, or equal, with a basketweave pattern in the sidewalk bands and tree well surrounds, and a 90-degree herringbone pattern in selected crosswalks in the Village of Arroyo Grande; 2) Found the action exempt from CEQA under a Class 1 Exemption, which applies to which applies to the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures, facilities, mechanical equipment, or topographical features where the project involves negligible or no expansion of existing or former use (State CEQA Guidelines, § 15301), and where none of the exceptions to the Class 1 exemption set forth in State CEQA Guidelines Section 15300.2 apply.

9.h Consideration of an Award of Contract to Main Line Engineering Construction for Construction of the Fair Oaks Avenue Water Line Replacement Project, PW 2023-05

1) Allocated \$71,998.05 from the Water Facility fund to the Fair Oaks Avenue Water Line Replacement Project; 2) Awarded a contract for the Fair Oaks Avenue Water Line Replacement Project to Main Line Engineering Construction in the amount of \$669,435.50; 3) Authorized the City Manager to approve change orders of 10% of the contract amount, \$66,943.55, for unanticipated costs during the construction phase of the Project; and 4) Determined that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines Class 1 Section 15301 Existing Facilities, Class 2 Section 15302 Replacement or Reconstruction, and Class 4 Section 15304 Minor Alterations of Land.

9.i Consideration to Approve the Sewer System Management Plan Revision 2

1) Approved the Sewer System Management Plan - Revision 2; 2) Made findings that approving the Sewer System Management Plan revision is not a project subject to the California Environmental Quality Act ("CEQA") in accordance with Sections 15301, 15302, 15308 of the (CEQA) Guidelines.

9.j April 2023 Monthly Water Supply and Demand Update

Received and filed the Monthly Water Supply and Demand Update.

9.f Consideration of Authorizing the Display of the LGTBQ+ Pride Flag During the Month of June 2023 at Heritage Square Park and at City Hall

Moved by Mayor Pro Tem Barneich
Seconded by Council Member George

Authorized the display of the Pride Flag during the month of June 2023 at Heritage Square Park and at City Hall.

AYES (5): Mayor Pro Tem Barneich, Council Member George, Council Member Secrest, Council Member Guthrie, and Mayor Ray Russom

Passed (5 to 0)

10. **PUBLIC HEARINGS**

10.a **Public Hearing to Consider Adoption of Resolutions Levying an Annual Assessment for the Arroyo Grande Tourism Business Improvement District (AGTBID); Approving the AGTBID FY 2023-24 Budget; and Direction Regarding Amendments to the Board By-Laws**

This item was heard after Item 12.a.

Mayor Ray Russom and Mayor Pro Tem Barneich declared a conflict of interest due to ownership of a vacation rental, and left the meeting.

Council Member George presided over the meeting.

City Manager McDonald presented the report and recommended that Council: 1) Conduct a public hearing to receive public comment and protests regarding the City Council's intention to continue the AGTBID and levy an annual assessment for FY 2023-24; 2) Determine whether a legally sufficient number of protests have been made; 3) If a legally sufficient protest is not made, adopt a Resolution levying an annual assessment for the AGTBID for FY 2023-24; 4) Adopt a Resolution approving the FY 2023-24 operating budget for the AGTBID; 5) Approve changes to the administration of the AGTBID; 6) Provide direction regarding proposed revisions to the AGTBID Advisory Board By-Laws; and 7) Determine that conducting a public hearing to adopt a resolution to levy and collect assessments, adopting a resolution to approve the AGTBID operating budget, and approving changes to the administration of the AGTBID Advisory Board is not subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15061, subd. (b)(2)-(3), 15378.). Staff responded to questions from Council.

Council Member George opened the public hearing. Speaking from the public were John Chagler, and Alexandria Davis. Upon hearing no further public comments, Council Member George closed the public hearing.

City Clerk Matson declared that there were no protests received.

Council discussion ensued regarding changes to the AGTBID Advisory Board and support for staff's recommendations.

Moved by Council Member Guthrie

Seconded by Council Member Secrest

Adopt 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 2023-24 FISCAL YEAR; and "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING THE FISCAL YEAR 2023-24 BUDGET FOR THE ARROYO GRANDE TOURISM BUSINESS IMPROVEMENT DISTRICT".***

AYES (3): Council Member Guthrie, Council Member Secrest, and Council Member George

ABSENT (2): Mayor Ray Russom, and Mayor Pro Tem Barneich

Passed (3 to 0)

Moved by Council Member George

Seconded by Council Member Guthrie

Directed staff to make changes to the administration of the AGTBID bringing it in-house to be administered by the Recreation Services Department; to revise the Board Bylaws as proposed and adding language that the meeting schedule is set by the Advisory Board at the beginning of the year, meeting six (6) times a year or quarterly; to give preference to lodging business applicants interested in serving on the Advisory Board, but not make it a requirement; and that changes go into effect July 1, 2023.

AYES (3): Council Member George, Council Member Guthrie, and Council Member Secrest

ABSENT (2): Mayor Ray Russom, and Mayor Pro Tem Barneich

Passed (3 to 0)

11. **OLD BUSINESS**

11.a **Discuss Terms for a Potential Contract for Fire and Emergency Response Services Between the Five Cities Fire Authority and the Oceano Community Services District**

Mayor Ray Russom called for a brief break at 7:59 p.m. The Council reconvened at 8:05 p.m.

This item was heard after the Consent Agenda Items.

City Manager McDonald presented the report and acknowledged supplemental information. City Manager McDonald and FCFA Chief Steve Lieberman responded to questions from the Council.

Mayor Ray Russom invited public comment. No public comments were received.

Council discussion ensued regarding contract terms with Oceano Community Services District and support for Option A-4.

Moved by Mayor Ray Russom

Seconded by Mayor Pro Tem Barneich

Direct staff to accept the terms proposed by OCSD with the exception of the flexible option for a one year term at a cost of \$1.15 million for twelve months; and at the meet and confer period, starting 90 days before the expiration of the term, that the City's best and final offer be presented for the County to consider.

AYES (5): Mayor Ray Russom, Mayor Pro Tem Barneich, Council Member George, Council Member Guthrie, and Council Member Secrest

Passed (5 to 0)

12. NEW BUSINESS

12.a Review Preliminary FY 2023-25 Biennial Operating Budget

Administrative Services Director Valentine presented the report, acknowledged supplemental information, and recommended that the Council review the preliminary budget and provide feedback to staff in preparation for the public hearing scheduled for June 13, 2023, to consider the Fiscal Years (FY) 2023-25 Biennial Budget. Staff responded to questions from Council.

Mayor Ray Russom invited public comment. Speaking from the public was John Chagler, Dusty Colyer-Worth, and Alexandria Davis. No further public comments were received. City Manager McDonald responded to questions from the public.

Council discussion ensued regarding the appropriation of excess reserve funds. Council Member Secrest expressed support for putting excess reserve funds into the pavement management program; Council Member Guthrie expressed he was not in favor of the two new proposed staff positions and support for putting \$3 million of excess reserves into the pavement management program; Mayor Ray Russom expressed support for putting \$3.7 million from excess reserves into the pavement management program and \$117,000 into the Community Service Grant Program; Council Member George expressed support for putting \$3 million of the excess reserves into the pavement management program and \$117,000 into the Community Service Grant Program; Mayor Pro Tem Barneich expressed support for putting \$117,000 of excess reserves into the Community Service Grant Program; Council Member Secrest concurred; Council Member Guthrie expressed support for putting \$100,000 into the Community Service Grant Program and \$3 million into the pavement management program. Council concurred.

Moved by Council Member George
Seconded by Mayor Ray Russom

Direct staff to move forward with the proposed Fiscal Years (FY) 2023-25 Biennial Budget as presented and to add \$3 million from excess reserves to the pavement management program and \$100,000 split up between FY 23-24 and FY 24-25 to the Community Service Grant Program.

AYES (5): Council Member George, Mayor Ray Russom, Council Member Guthrie, Council Member Secrest, and Mayor Pro Tem Barneich

Passed (5 to 0)

13. COUNCIL COMMUNICATIONS

This item was heard after Item 7.

Mayor Pro Tem Barneich requested staff agendize an item to discuss the City's Formula Business Ordinance. Council Member Secrest and Mayor Ray Russom concurred.

Mayor Pro Tem Barneich reported that Grover Beach's Cabins for Change program found homes for four people.

Council Member George thanked staff and Council for attendance at the AIM Youth Mental Health event.

Council Member Secrest shared regarding the AIM event.

14. ADJOURNMENT

There being no further business to come before the City Council, Council Member George adjourned the meeting at 10:49 p.m.

Caren Ray Russom, Mayor

ATTEST:

Jessica Matson, City Clerk