

MINUTES
SPECIAL MEETING OF THE CITY COUNCIL
CITY OF SAN LUIS OBISPO
TUESDAY, FEBRUARY 24, 2009 – 6:30 P.M.
COUNCIL HEARING ROOM, 990 PALM STREET
SAN LUIS OBISPO, CALIFORNIA

ROLL CALL:

Council Members

Present: Council Members John Ashbaugh, Andrew Carter, Jan Howell Marx, Vice Mayor Allen K. Settle and Mayor Dave Romero

City Staff

Present: Ken Hampian, City Manager, Jonathan Lowell, City Attorney, Shelly Stanwyck, Assistant City Manager, and Audrey Hooper, City Clerk, were present at Roll Call. Other staff members presented reports or responded to questions as indicated in the minutes.

ANNOUNCEMENT OF CLOSED SESSION TOPIC

City Attorney Lowell announced following Closed Session:

CONFERENCE REGARDING PROPERTY NEGOTIATIONS

Pursuant to Government Code § 54956.8

PROPERTY: APN 002-436-009

NEGOTIATING PARTIES:

City of San Luis Obispo: Jay Walter

Landowner: Michael L. Blum Trust

NEGOTIATIONS: Possible acquisition of property, terms and price

PUBLIC COMMENT ON CLOSED SESSION ITEM

Mayor Romero called for public comments. None were forthcoming and the meeting adjourned to the Closed Session.

CLOSED SESSION REPORT

City Attorney Lowell reported on the Closed Session at the commencement of the 7:00 p.m. Special Meeting as indicated below.

The Special Meeting adjourned at 7:00 p.m.

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CITY OF SAN LUIS OBISPO
TUESDAY, FEBRUARY 24, 2009 – 7:00 P.M.
COUNCIL CHAMBER, 990 PALM STREET
SAN LUIS OBISPO, CALIFORNIA

ROLL CALL:

Council Members

Present: Council Members John Ashbaugh, Andrew Carter, Jan Howell Marx, Vice Mayor Allen K. Settle and Mayor Dave Romero

City Staff

Present: Ken Hampian, City Manager, Jonathan Lowell, City Attorney, Shelly Stanwyck, Assistant City Manager, and Audrey Hooper, City Clerk, were present at Roll Call. Other staff members presented reports or responded to questions as indicated in the minutes.

CLOSED SESSION REPORT

City Attorney Lowell reported that Council met in Closed Session to discuss real property negotiations for property identified as APN 002-436-009 (Landowner, Michael L. Blum Trust). Council provided direction. No further reportable action was taken.

BUSINESS ITEMS

B1. 2008-09 MID-YEAR BUDGET REVIEW.

City Manager Hampian introduced this item, following which Regional Public Affairs Manager Dave Mullinax discussed the status of the State budget, the Federal stimulus plan, and the ballot for the May 19 special election which will contain seven initiatives on the ballot to assist in resolving California's fiscal difficulties. He and City Manager Hampian also discussed the steps being taken to pursue funding for the City from the economic stimulus package, as well as the importance of maintaining a prudent reserve.

Director of Finance & Information Technology Statler presented an overview of the City's financial condition. He, City Manager Hampian and Public Works Director Walter responded to questions.

Assistant City Manager Stanwyck presented the status of the Major City Goals and Objectives. Staff responded to questions.

Public Comments

No comments were forthcoming.

---end of public comments---

ACTION: Moved by Carter/Marx to approve revenue and expenditure changes presented in the accompanying Mid-Year Budget Review document; motion carried 5:0.

Council recessed at 8:25 p.m. and the meeting reconvened at 8:37 p.m. with all Council Members present.

B2. COST OF SERVICES AND USER FEE STUDY.

Director of Finance & Information Technology Statler presented the agenda report and responded to questions.

Public Comments

Leslie Halls, Past President of San Luis Obispo Property Owners Association and Executive Director of SLO County Builders Exchange, disagreed with the staff recommendation and suggested that the fee structure needs to be reformed. Two of her ideas included: 1) establishing a pre-application fee of \$250 or \$300, which could be credited back to the applicant when a project moved forward; and 2) raising appeal fees to achieve full cost recovery.

Steve Barasch, speaking as a resident, expressed concern regarding the methodology used to develop the baseline study. He suggested that fees could be raised across the board with reasonable cost of living adjustments. He also suggested that consideration should be given to doing stepped fee increases.

Mike Spangler, Past President of SLO Property Owners Association, explained why he thought this is an inappropriate time to increase development fees.

---end of public comments---

Council Member Ashbaugh supported the study and raised the possibility of phasing in some of the proposed increases over multiple years and of being sensitive to the impact these fees will have on the development industry.

Council Member Carter spoke in support of enacting the fees in one step and suggested that the appeal fees need to be more realistic. He also suggested that there should be a more aggressive approach to raising Parks & Recreation fees.

Vice Mayor Settle explained why he is not supportive of the proposed fees or accelerating the implementation of them before Council has been presented with proposals for balancing the budget. He expressed concern regarding the methodology of the study, as well as the potential for discouraging businesses if the fees are increased. He supported the current appeal fee.

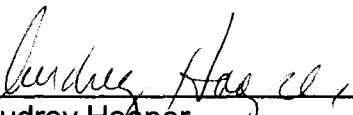
Council Member Marx suggested that raising recreation fees should be done cautiously. She expressed concern about raising the fee for appeals of Tree Committee actions and suggested that appeal fees should be raised on a case-by-case basis. She made a number of suggestions for increasing revenue and concurred with Vice Mayor Settle's comments regarding the potential for discouraging local businesses with an increase in fees.

Mayor Romero expressed concern regarding a number of the proposed fees and suggested that it is important to take into consideration what other cities are charging, particularly related to fees for encroachment, curb, gutter and sidewalks. He supported increasing the appeal fee. He suggested that consideration of these fees should be given at the time the budget is considered.

City Manager Hampian summarized Council's comments, indicating that there is consensus not to expedite the implementation of these fees, but to wait until there is more clarity related to the budget and how the proposed fees would be used to assist in balancing the budget. He said staff will develop some hypothetical examples of the impact of the proposed fees on development and return to Council on April 14 with specific recommendations regarding the fee increases. An increase to the appeal fee will be discussed more on April 14.

ACTION: The results of the study were presented. No further action was required.

There being no further business to come before the City Council, Mayor Romero adjourned the meeting at 10:25 p.m..



Audrey Hooper
City Clerk

APPROVED BY COUNCIL: 04/07/09