

MINUTES
SPECIAL MEETING OF THE CITY COUNCIL
CITY OF SAN LUIS OBISPO
THURSDAY, JUNE 11, 2009 - 4:00 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, and Audrey Hooper, City Clerk, were present at Roll Call. Other staff members presented reports or responded to questions as indicated in the minutes.

PUBLIC HEARINGS

Finance and IT Director Statler discussed the process that would be followed during this meeting and provided an overview of the enterprise funds.

1. LAGUNA LAKE GOLF COURSE FUND RATE REVIEW.

Parks and Recreation Director Kiser presented the agenda report. She, Recreation Manager Fitzgerald and Golf Course Supervisor Bunty responded to questions.

Vice Mayor Settle stated for the record that reclaimed and well water is being used at the golf course.

Mayor Romero opened the public hearing.

The following people spoke in support of the golf course operations and expressed concern regarding raising the rates.

Dan Hinz

Ruth Starr

Butch Breeden

Joan Scholz (Ms. Scholz's written statement is on file in the City Clerk's office.)

June Minikel

Patty Roberts

Harriet Torry

Joe Johnson

Mary Parker

Elizabeth Brier
Barbara Gillespie
Gary Fowler
Carolyn Smith
Willie Long
Patrick Munroe
Richard Van Humbeck

Mayor Romero closed the public hearing.

Discussion followed during which staff explained why it would not be feasible to add the golf course to the General Fund as a program.

Council Member Marx stated that she would reluctantly support the staff recommendation, but would like to see a cap on the General Fund contribution and would like to see more fund-raising efforts on the parts of the golfers.

Vice Mayor Settle opposed the staff recommendation because he did not believe this is the appropriate time to raise fees that will impact the seniors or youth of this community.

ACTION: Moved by Ashbaugh/Marx to, as recommended by the Parks & Recreation Commission: 1. Adopt a resolution implementing improved cost recovery by increasing green fees by \$2.00 per round in 2009-10 and by \$1.00 per round in 2010-11; and authorizing the Golf Course Supervisor to increase the cost of food and merchandise items by 10% and rental charges by \$1.00 per use in 2009-10. 2. Conceptually approve the Golf Fund budget for 2009-11, with final action on June 16, 2009, with adoption of the 2009-11 Financial Plan; motion carried 4:1 (Settle opposed).

ACTION: Moved by Carter/Ashbaugh to direct staff to return by the Spring of 2010 with an evaluation of the revenue "best practices" identified in the rate review along with the possibility of selling beer and wine via a concessionaire and formation of a formal volunteer fund-raising group; motion carried 4:1 (Settle opposed).

2. PARKING ENTERPRISE FUND REVIEW 2009.

Director of Public Works Walter introduced this item, following which Parking Services Manager Horch presented the agenda report. He and Deputy Director of Public Works Bochum responded to questions.

Mayor Romero opened the public hearing. No comments were forthcoming and Mayor Romero closed the public hearing.

Discussion ensued during which staff responded to questions which Council discussed the proposed meter rates, as well as the possibility of charging for parking on Sundays.

CLOSED SESSION

1. DETERMINATIONS OF NEED FOR IMMEDIATE ACTION
Pursuant to Government Code § 54954.2

ACTION: Moved by Ashbaugh/Carter to determine, pursuant to Government Code Section 54954.2, that a need arose after the agenda was posted to hold a Closed Session conference with the City's real property negotiator concerning property located at 3591 Sacramento Drive, Unit 53; motion carried 4:0:1 (Settle abstained).

2. CONFERENCE REGARDING PROPERTY NEGOTIATIONS
Pursuant to Government Code § 54956.8

PROPERTY: 3591 Sacramento Drive , Unit 53
NEGOTIATING PARTIES:
City of San Luis Obispo: Michael Codron, Jonathan Lowell
Landowner: J. Douglas
NEGOTIATIONS: Possible acquisition of property, terms and price;
direction for resale of property

The Closed Session adjourned and the public hearings reconvened at 7:02 p.m. All Council Members were present.

CLOSED SESSION REPORT

City Attorney Lowell reported that Council determined, on motion by Ashbaugh/Carter that, pursuant to Government Code Section 54954.2, a need arose after the agenda was posted to hold a Closed Session conference with the City's real property negotiator concerning property located at 3591 Sacramento Drive, Unit 53; motion carried 4:0:1 (Settle abstained). The conference was then held regarding negotiations for real property located at 3591 Sacramento Drive, unit 53. Council provided specific direction to its real property negotiators. Implementation of Council's direction will involve some later Council action and be listed on future meeting agendas. There was no further reportable action.

PUBLIC HEARINGS

3. **TRANSIT ENTERPRISE FUND REVIEW 2009.**

Director of Public Works Walter introduced this item, following which Transit Manager Webster, and Deputy Director of Public Works Bochum presented the agenda report. They responded to questions.

In response to Vice Mayor Settle's request for the record, Transit Manager Webster confirmed that the City's multi-year agreement with Cal Poly was for five years and does

not contain a clause for reopening it during that period of time if the City's costs increase.

Mayor Romero opened the public hearing. No comments were forthcoming and Mayor Romero closed the public hearing.

ACTION: Moved by Settle/Marx to: 1. Conceptually approve the Transit Fund budget for 2009-11, with final action on June 16, 2009, with the adoption of the 2009-11 Financial Plan. 2. Approve the 2008-09 Program of Projects as amended by the San Luis Obispo Council of Governments on April 8, 2009. 3. Authorize the City Manager to negotiate and approve a one year contract extension with First Transit, Inc. to perform operations and maintenance for FY 2009-10; motion carried 5:0.

4. **2009 WATER FUND REVIEW AND ADOPTION OF WATER RATES FOR 2009-11.**

Utilities Director Mattingly, Water Division Manager Henderson, and Senior Administrative Analyst Bishop presented the agenda report and responded to questions.

City Clerk Hooper reported that with the two protests that were received at the commencement of this public hearing, a total of 160 written protests had been received.

Mayor Romero opened the public hearing.

The following people spoke in opposition to increasing the rates:

Terry Mohan, San Luis Obispo (Mr. Mohan also submitted a protest letter at this hearing.)

Diana Schmiett, San Luis Obispo (Ms. Schmiett also submitted a protest letter at this hearing.)

Sandra Lakeman, San Luis Obispo
Kathleen Ruiz, San Luis Obispo

Mayor Romero closed the public hearing.

Council Members spoke on the history of the City's water, the Nacimiento water project, and the need for the increase and staff responded to questions.

ACTION: Moved by Ashbaugh/Marx to: 1. Adopt a resolution increasing water service charges by twelve percent (12%), effective July 1, 2009, and eleven percent (11%) effective July 1, 2010, since there was not a majority protest against such increases. 3. Conceptually approve the Water Fund budget for 2009-11, with final action on June 16, 2009, with adoption of the 2009-11 Financial Plan; motion carried 5:0.

5. **2009 SEWER FUND REVIEW AND ADOPTION OF SEWER RATES FOR 2009-11.**

Utilities Director Mattingly, Wastewater Division Manager Hix, and Senior Administrative Analyst Bishop presented the agenda report. They and Finance and Information Technology Directory Statler responded to questions.

In response to Vice Mayor Settle for the Record, Wastewater Division Manager Hix explained that the City is considering reasonably priced alternatives to generating its own electricity and photovoltaics is being studied for that purpose.

City Clerk Hooper reported that all of the protests against an increase in water rates also included sewer rates. Including the two protests received at the commencement of this public hearing on water rates, a total of 160 written protests had been received.

Mayor Romero opened the public hearing. No comments were forthcoming and Mayor Romero closed the public hearing.

ACTION: Moved by Marx/Carter to: 1. Adopt a resolution increasing sewer service charges by 9.3% effective July 1, 2009, and nine percent (9%) effective July 1, 2010, since there was not a majority protest against such increases. 2. Conceptually approve the Sewer Fund budget for 2009-11, with final action on June 16, 2009, with adoption of the 2009-11 Financial Plan; motion carried 5:0.

There being no further business to come before the City Council, Mayor Romero adjourned the meeting at 10:03 p.m.



Elaina Cano
Interim City Clerk

APPROVED BY COUNCIL: 07/07/09