

M I N U T E S  
REGULAR MEETING OF THE CITY COUNCIL  
CITY OF SAN LUIS OBISPO  
THURSDAY, MAY 31, 2007 - 7:00 P.M.  
COUNCIL CHAMBER, 990 PALM STREET  
SAN LUIS OBISPO, CALIFORNIA

ROLL CALL:

Council Members

Present: Council Members Paul Brown, Andrew Carter, Allen Settle, Vice Mayor  
Christine Mulholland and Mayor Dave Romero

City Staff:

Present: Ken Hampian, City Administrative Officer; Jonathan Lowell, City Attorney;  
Audrey Hooper, City Clerk; Shelly Stanwyck, Assistant City Administrative  
Officer; Bill Statler, Finance Director; John Moss, Utilities Director; Jay  
Walter, Public Works Director; Betsy Kiser, Parks and Recreation Director;  
Tim Bochum, Deputy Public Works Director; Gary Henderson, Water Division  
Manager; Dave Hix, Wastewater Division Manager; Robert Horch, Parking  
Services Manager; Kathe Bishop Senior Administrative Analyst; Todd Bunty,  
Golf Course Supervisor; Linda Fitzgerald, Recreation Manager

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BUSINESS ITEMS

Finance Director Statler commenced the presentations with a review of the budget schedule and introductory comments.

1. LAGUNA LAKE GOLF COURSE FUND RATE REVIEW.

Parks and Recreation Director Kiser presented the staff report. She, Golf Course Supervisor Bunty,  
Utilities Director Moss and Finance Director Statler responded to questions.

Public Comments

No comments were forthcoming.

---end of public comments---

**ACTION:** Moved by Settle/Mulholland to adopt the following Parks & Recreation Commission recommendation: 1) Review and accept the 2006-07 annual golf fund financial and rate review. 2) Conceptually approve the proposed operating program changes and Capital Improvement Plan requests contained in the 2007-09 Financial Plan, pending final review and adoption on June 19, 2007. 2) Authorize General Fund operating transfer for \$414,400 for 2007-08 and \$271,700 for 2008-09. 3) Adopt Resolution No. 9902 (2007 Series) approving the recommended fee increase, effective July 1, 2007, and adding Friday to the weekend rate, therefore increasing the first nine-hole rate for Fridays by \$1.00; motion carried 4:1 (Carter opposed).

The agenda was reordered to consider items 4 and 5 at this time.

4. WATER FUND REVIEW FOR 2007-09.

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

Council Member Mulholland discussed the negative environmental impact of plastic water bottles. She suggested that, in light of the City's excellent water quality, Council and staff consider eliminating its use of bottled water.

By consensus, Council directed staff to investigate Council Member Mulholland's suggestions and provide Council with a memorandum on its findings.

Public Comments

Terry Mohan, San Luis Obispo, spoke in opposition to the proposed water rate increase and the Nacimiento project.

Gary Fowler, San Luis Obispo, also spoke in opposition to the proposed increase and the Nacimiento project.

---end of public comments---

Council Members Brown, Settle, Carter and Mayor Romero spoke in support of the Nacimiento project and supported the CAO recommendation.

ACTION: Moved by Settle/Brown to: 1) Review and accept the 2007 annual water fund financial review. 2) Conceptually approve the proposed operating program changes and capital improvement plan requests contained in the preliminary 2007-09 Financial Plan, pending the June 19, 2007, final budget review and adoption. 3) Conceptually approve increasing water service charges by thirteen percent (13%), effective July 1, 2007, and thirteen percent (13%) effective July 1, 2008, pending final budget review and rate setting adoption on June 19, 2007; motion carried 4:1 (Mulholland opposed).

5. SEWER FUND REVIEW FOR 2007-09.

Utilities Director Moss, Wastewater Division Manager Hix, and Senior Administrative Analyst Bishop presented the staff report. They and Finance Director Statler responded to questions.

In response to Council Member Brown's inquiry for the record, Wastewater Division Manager Hix confirmed that there is no place down river where the creek is being used as a direct water source.

Public Comments

None were forthcoming.

---end of public comments---

**ACTION:** Moved by Carter/Brown to: 1) Review and accept the 2007 annual sewer fund financial review. 2) Conceptually approve the proposed operating program changes and capital improvement plan requests contained in the preliminary 2007-09 Financial Plan, pending the June 19, 2007, final budget review and adoption. 3) Conceptually approve the proposed volume based sewer rate structure as considered by Council on May 1, 2007, pending final budget review and rate structure adoption on June 19, 2007. 4) Conceptually approve increasing sewer service charges by eleven percent (11%) effective July 1, 2007, and ten percent (10%) effective July 1, 2008, pending final budget review and rate setting adoption on June 19, 2007; motion carried 5:0.

Council recessed from 9:27- 9:37 p.m. and the meeting reconvened with all members present.

2. TRANSIT FUND REVIEW FOR 2007-09.

Public Works Director Walter introduced this item, following which Deputy Public Works Director Bochum presented the staff report. He and Public Works Director Walter and responded to questions.

Public Comments

None were forthcoming.

---end of public comments---

**ACTION:** Moved by Mulholland/Settle to: 1) Review and accept the 2007-09 Transit Enterprise Fund Review. 2) Conceptually approve the proposed operating program changes and capital improvement plan requests contained in the preliminary 2007-09 Financial Plan, pending the June 19, 2007, final budget review and adoption; motion carried 5:0.

3. PARKING FUND REVIEW FOR 2007-09.

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

Public Comments

None were forthcoming.

---end of public comments---

Council Member Carter explained why he believes it is important to increase the parking in-lieu fee now to ensure that the parking fund is healthy over the long term.

Vice Mayor Mulholland explained why she thinks the in-lieu fee is set too low.

Council Members Settle and Brown spoke in support of the staff's recommendation.

Council Members Brown and Settle spoke in support of staff's recommendation.

Mayor Romero also spoke in support of staff's recommendation, but discussed his concerns regarding proceeding too quickly with the Palm-Nipomo parking structure.

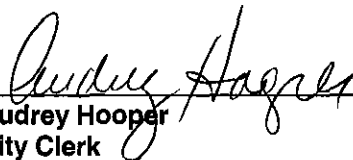
It was moved by Settle/Brown to approve staff's recommendation.

Following discussion regarding the parking in-lieu fees, it was moved by Carter/Brown to amend the original motion to direct staff to return with a discussion on the subject of parking in-lieu fees within the next six months, prior to the next major downtown development.

**ACTION:** Original motion moved by Settle/Brown to: 1) Review and accept the 2007-09 Parking Enterprise Fund Review. 2) Conceptually approve the proposed operating program changes and capital improvement plan requests contained in the preliminary 2007-09 Financial Plan, pending the June 19, 2007, final budget review and adoption. Amending motion moved by Carter/Brown, agreed to by Settle as the maker of the motion to include direction to staff to return with a discussion on the subject of in-lieu fees within the next six months; both motions carried 5:0.

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There being no further business to come before the City Council, Mayor Romero adjourned the meeting at 11:00 p.m. to Tuesday, June 5, 2007, in the Council Chamber, 990 Palm Street, San Luis Obispo.

  
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Audrey Hooper  
City Clerk

APPROVED BY COUNCIL: 06/19/07