Mayor Fonzi called the meeting to order at 5:00 p.m.

1. PUBLIC COMMENT – CLOSED SESSION - None
2. CALL TO ORDER

a. Conference with Labor Negotiators (Govt. Code Sec. 54957.6)
   Agency designated representatives: Wade McKinney, City Manager
   Employee Organizations: Atascadero Firefighters Bargaining Unit;
   Atascadero Police Association; Service Employees International Union,
   Local 620; Mid-Management/Professional Employees; Non-Represented
   Professional and Management Workers and Confidential Employees

3. ADJOURN

CLOSED SESSION REPORT

City Attorney Brian Pierik announced that there was no reportable action taken.

REDEVELOPMENT AGENCY SPECIAL MEETING: 6:00 P.M.

CITY COUNCIL REGULAR SESSION: Immediately following the conclusion of the
Redevelopment Agency Special Meeting

Mayor Fonzi called the meeting to order at 6:55 p.m. and Council Member Béraud led
the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Clay, O’Malley, Kelley, Béraud and Mayor Fonzi
Absent: None
Others Present: City Clerk / Assistant to City Manager Marcia McClure Torgerson
Staff Present: City Manager Wade McKinney, Assistant City Manager Jim Lewis,
Administrative Services Director Rachelle Rickard, Community
Development Director Warren Frace, Public Works Director Russ
Thompson, Community Services Director Brady Cherry, Police
Chief Jim Mulhall, Fire Chief Kurt Stone, and City Attorney Brian
Pierik.

APPROVAL OF AGENDA: Roll Call

MOTION: By Council Member Béraud and seconded by Council Member
Clay to approve the agenda.
   Motion passed 5:0 by a roll-call vote.
A. CONSENT CALENDAR:

1. **City Council Special Meeting Draft Minutes (Topic: City Treasurer Reports) – January 7, 2010**
   - Recommendation: Council approve the Draft Special Meeting Minutes of January 7, 2010. [City Clerk]

2. **City Council Special Meeting Draft Minutes (Topic: Employees and Labor Relations) – January 7, 2010**
   - Recommendation: Council approve the Draft Special Meeting Minutes of January 7, 2010. [City Clerk]

3. **City Council Meeting Draft Minutes – January 12, 2010**
   - Recommendation: Council approve the Draft Meeting Minutes of January 12, 2010. [City Clerk]

4. **Investment Policy**
   - Fiscal Impact: Quarterly reports will save approximately 64 hours of staff time annually, or roughly $3,000.
   - Recommendation: Council adopt the Draft Resolution amending the City of Atascadero Investment Policy. [Administrative Services]

5. **Lease Agreement with Community Redevelopment Agency**
   - Fiscal Impact: The City of Atascadero will tender $31,133.00 each month of the Agreement for a total of $1,058,522.00 over the term of the lease. The City expects to be reimbursed by FEMA for the lease payments made during the term.
   - Recommendation: Council authorize City Manager to execute the renewed Lease Agreement between the City of Atascadero and the Atascadero Community Redevelopment Agency. [City Manager]

6. **Second Reading - Water Efficient Landscape Ordinance - Title 8 Building Code Text Amendment - PLN 2010-1352 (City of Atascadero)**
   - Fiscal Impact: Staff time for review of landscape plans and Landscape Documentation Packages, and to verify landscape installation can be absorbed with existing staff for now.
   - Recommendation: Council adopt on second reading, by title only, draft Ordinance A approving an amendment to Title 8, the Building Code, of the Atascadero Municipal Code, to establish a Water Efficient Landscape and Irrigation Ordinance as required by the State of California. [Community Development]
7. **Authorization for Participation in California FIRST State Energy Program Grant**

   - **Fiscal Impact:** There is no fiscal impact to the City. State Energy Program funds will be used to offset California FIRST program start-up costs. If grant funds are not received, the County of San Luis Obispo may pay the fees with the County EECBG funds, or these costs will be absorbed as part of the financing charged to individuals participating in the program in the form of higher borrowing costs. While higher borrowing costs would not result in a direct impact to cities and counties, it could negatively impact the level of participation if the cost to finance energy improvements is higher.

   - **Recommendation:** Council adopt Draft Resolution A, authorizing Sacramento County, as the lead collaborative entity, to apply for funds on behalf of the City of Atascadero for energy efficiency and conservation activities in association with the California FIRST Program, a Statewide AB 811 Energy Efficiency Financing Program. [Community Development]

8. **Arts in Public Places Policy Amendment**

   - **Fiscal Impact:** None.

   - **Recommendation:** Council approve the Arts in Public Places policy as amended. [Community Services]

9. **Authorization to Obtain State & Federal Level Summary Criminal History Information**

   - **Fiscal Impact:** No cost, but will provide minimal cost savings for the next three to seven years.

   - **Recommendation:** Council adopt the Draft Resolution authorizing the Fire Chief, or his designee from the Atascadero City Fire Department, to access State and Federal level summary criminal history information for all sworn personnel of the Atascadero City Fire Department. [Fire]

10. **Road Project Funding – Project Authorization**

    - **Fiscal Impact:** The adoption of these Resolutions will allow future authorizations and/or funding reimbursements to be received by the City on these projects.

    - **Recommendation:** Council adopt the draft Resolutions, authorizing the City Manager or his designee to execute CalTrans documents for specific Federal-Aid projects. [Public Works]
MOTION: By Council Member Clay and seconded by Council Member Kelley to approve the Consent Calendar.


UPDATES FROM THE CITY MANAGER

City Manager Wade McKinney announced that the City is approaching our accreditation hearing for the Zoo and are very optimistic. We are planning a reception in April to celebrate. Peter Hilf, one of the partners of Colony Square, has orchestrated a donation from a Foundation that he is involved with, of $50,000 towards the Zoo entrance features.

Colony Square is making good progress. Also, Galaxy Theater would like to showcase their theater in Tulare to the City Council in March. If the Council decides to go to Tulare, Staff will call a Special Meeting of the City Council.

Staff is still waiting for the WalMart project plans to be submitted at any time.

Staff did receive the re-submittal of the La Plaza plans. Mr. McKinney clarified that the La Plaza Project no longer includes the entire block, it is now the cinema project which only includes from the Main Street building through the former Thrift Shop property. He asked for consensus of the Council for a joint City Council and Planning Commission Workshop to work through the submittal that the City currently has on file.

There was Council consensus to set up a Joint Special Meeting for the City Council and the Planning Commission.

Mayor Fonzi announced that all the Council Members share in the appreciation to Mr. Hilf for the generous donation of $50,000 for the Zoo entrance.

COMMUNITY FORUM:

Tom Gaddis, member of the Atascadero Ministerial Association, led those present in prayer.

Mitch Paskin spoke about his request for a road to be cut from Oak Ridge Estates to Los Altos Road to address the traffic increases.

Grenda Ernst, Friends of the Library, reminded everyone about the Dancing with the Stars fundraising event coming up in March.
Steve Martin, Executive Director for Main Street, updated the Council on events Main Street is working on for Atascadero.

Joanne Main updated the Council on Chamber events coming up next month.

Livia Kellerman asked if Atascadero is really going to have two theaters.

Tom Lewis thanked the Council for moving forward with preserving the Printery. He also invited everyone to the Historical Society’s annual E.G. Lewis dinner on March 6th at the Community Church.

**Mayor Fonzi closed the COMMUNITY FORUM period.**

Mr. McKinney explained that Atascadero currently has a theater project under construction and another theater project being proposed. Both of these projects are not City projects, they are private projects. It is permitted to allow two theaters in Atascadero and is up to the property owners as to what they want to build.

Mr. McKinney stated that Atascadero, like most cities, is plagued with many dormant projects. Staff has concerns about the Oak Ridge Estates project. Staff will be submitting a report to the Council regarding the requirements of the developer.

**B. PUBLIC HEARINGS:** None.

**C. MANAGEMENT REPORTS:**

1. **Resolution of Support for the Designation of the “Faces of Freedom” Veterans Memorial**
   - **Fiscal Impact:** Staff believes that the designation of the “Faces of Freedom” as the official County Veterans Memorial will have a long term positive impact on Atascadero’s economy due to increased tourism drawn to the area by the Memorial.
   - **Recommendation:** Council adopt the Draft Resolution of support, to be presented to the San Luis Obispo County Board of Supervisors, for the designation of the “Faces of Freedom” Veterans Memorial to be declared the official San Luis Obispo County Veterans Memorial. [Community Services]

Community Services Director Brady Cherry gave the staff report and answered questions from the Council.
PUBLIC COMMENT:

Chuck Ward shared letters of support for Atascadero’s Veterans Memorial to be designated as the official County Veterans Memorial.

Mike Brennler thanked Mr. Ward and the veterans for their work on this issue and urged the Council to approve this request.

Tom Lewis also thanked Mr. Ward and expressed his support for this request.

Mayor Fonzi closed the Public Comment period.

MOTION:  By Council Member Kelley and seconded by Council Member Clay to adopt the Draft Resolution of support, to be presented to the San Luis Obispo County Board of Supervisors, for the designation of the “Faces of Freedom” Veterans Memorial to be declared the official San Luis Obispo County Veterans Memorial.  
Motion passed 5:0 by a roll-call vote.  (Resolution No. 2010-010)

2. Sign Ordinance - Mural Policy Options

   Fiscal Impact: City payment of AUP fees for murals would likely result in a total cost of $1000 to $2000 annually.

   Recommendations: Council:
   1. Determine that murals are signs and are subject to the requirements of the sign ordinance. Murals exceeding the size limitations of the sign ordinance would be subject to an Administrative Use Permit (AUP); and,
   2. Establish a new stimulus program to cover $505 of the permit fee and the noticing costs for AUP’s for murals located outside of the RDA boundary. (The resulting cost for applicants will be $100)  
[Community Development]

Community Development Director Warren Frace gave the staff report and answered questions from the Council.

PUBLIC COMMENT:

Len Colamarino commended staff’s handling of this situation. He agrees that there needs to be some sort of regulation to protect the community.
David Broadwater stated that he supports the creation of a new process outside the sign ordinance for the review and approval of murals. He also urged the Council to send this issue to the Planning Commission to gain other options.

Robin Schmidt, owner of K-Man Cyclery, suggested the Council consider adapting the City’s Art in Public Places Policy for art on private property.

Kathleen King told the City Council she is the artist who painted the mural on the K-Man Cyclery building. She urged the Council to create a separate policy for the approval of murals.

Martha Vatenweigen shared her opinion of the difference between art and signs. She asked the Council to consider the mural on K-Man Cyclery as art.

Livia Kellerman encouraged the Council to have a process for murals.

Mike Jackson stated that the City claims to be business friendly, but has requirements that are not business friendly. He said that he did not any suggestions on how to solve this problem, and acknowledged that this is a difficult situation, but urged the Council to come up with a solution.

Mike Brennler said that over the years the City has been inconsistent in its enforcement. He stated that he can understand the requirement of an administrative review of murals, but he feels that $605 is overkill.

Karen Sturtevant stated that she felt that there were some misconceptions at the last Council meeting on this issue and she knows that everyone appreciates the mural. She felt confident that the City Council will reach a conclusion that will assist business owners and protect the community.

Tom Lewis said that he looks forward to the City Council coming up with a policy for art that is viewed by the public.

Al Fonzi reminded the Council about government in general; local government is the most oppressive level of government. They can tell you if you have to cut your grass, or what you can plant, or how high your fence can be. They can regulate most aspects of your life. He stated that this issue is a case of personal freedom and private property rights. Mr. Fonzi stated that a mural is art, not a sign.

Dan Chacon said that trying to define art is like herding cats. Our community must define what is the community standard, rather than individual opinions.

Robin Schmidt apologized for not going through the correct process in the beginning. They considered their mural art and not a sign.

Mike Lautner suggested enabling artists by having a strong public art program.
Mayor Fonzi closed the Public Comment period.

Mayor Fonzi recessed the meeting at 8:37 p.m.
Mayor Fonzi reconvened the meeting at 8:47 p.m.

MOTION: By Mayor Pro Tem O’Malley and seconded by Council Member Clay to:
1. Determine that murals are signs and are subject to the requirements of the sign ordinance; murals exceeding the size limitations of the sign ordinance will be subject to an Administrative Use Permit (AUP); and,
2. Direct staff to establish a new stimulus program to cover the cost of the permit fee and the noticing costs for AUP’s for murals located outside of the RDA boundary; and,
3. Direct staff to consider the K-Man Cyclery permit as retroactive to the new stimulus program; and,
4. Direct staff to bring any AUP permit applications, where they have questions of their appropriateness, to the City Council for consideration.

Motion passed 5:0 by a roll-call vote.

3. Historic City Hall Rehabilitation Project
   - Fiscal Impact: There is no fiscal impact to tonight’s action, however the current estimated City contribution to the City Hall Project now stands at $12.9 million.
   - Recommendation: Information only. [Administrative Services]

Administrative Services Director Rachelle Rickard gave the staff report and answered questions from the Council. Stephanie Kingsnorth from Pfeiffer Partners also answered questions from the Council.

PUBLIC COMMENT:

David Bentz cautioned the Council that the restoration of the City Hall is going to cost millions more than originally expected.

Len Colamarino commended staff for the excellent report. He asked when the Council would be asked to decide on the design of the interior of the building. He encouraged the Council to focus on having this restoration complete by the City’s centennial.

David Broadwater stated he is strongly in favor of the restoration of the City Hall. However, he is concerned about the City’s claim to FEMA that the 2003 earthquake
caused the building to sink seven inches when the building was not level before the earthquake. He referred to a Tribune article in June of 2003 that stated this fact.

Mike Jackson expressed his concerns with the ever increasing costs to restore this building.

Mike Brennler asked if the fact that the building’s settlement issues before the earthquake of 2003 were reported to Dr. Hanson of FEMA. He stated that the City should receive every legitimate penny due to the City. He reminded the Council that they are all aware of the status of the building’s settlement issues before the earthquake, and stated that they are putting themselves at great risk, and that it is just not right.

Chuck Ward stated that the City needs to have an assertive posture when dealing with FEMA.

Tom Lewis thanked Staff for the report. He stated that the building was approximately 90 years old before the earthquake and probably experienced some settling. He said that he trusts that staff and the City know what they are doing, and so far so good. He encouraged the Council to continue on.

Mayor Fonzi closed the Public Comment period.

Ms. Rickard stated that the City needs to be very cautious as this process continues, as the costs continue to rise. Staff is aware of the Tribune newspaper article that stated the City had a levelness survey conducted in early 2003, and that the article has been forwarded to FEMA. The contractor came out and looked at the building, but did not submit a report to the City, or charge the City for any services. Ms. Rickard stated that it would be a blessing if we had a levelness survey from before the earthquake to compare to now, but we do not have one. The City has never contended that the building was completely level before the earthquake. The City claims that the building shifted significantly as a result of the earthquake.

In reference to Mr. Brennler’s comments, Mr. Pierik stated that the City has provided all the information it has to FEMA so there is no risk for any Council Member.

The City Council received the report.

COUNCIL ANNOUNCEMENTS AND REPORTS:

1. **Council Member Ellen Béraud**
   Council Member Béraud would like to propose that the Council adopt a Resolution to encourage recycling and reduce waste in our community.
Council Member Béraud gave a report on this issue and answered questions from the rest of the Council. She also gave out handouts. (Exhibit A)

PUBLIC COMMENT:

Russ Hicks, representative of Waste Management, stated that they will co-sponsor and provide recycling containers for all City sponsored events.

Karyn Sturtevant expressed her concern with discouraging people to use plastic bottles for drinking water during the summer months.

Mike Lautner stated that people ought to be able to do almost anything that doesn’t affect others. When we pollute the environment, it does affect others. He said that he feels Styrofoam should be outlawed. He encouraged the Council to adopt the Resolution to empower citizens to educate each other to do what’s right.

Chuck Ward offered that a ceramic cup took more BTUs to make than Styrofoam cups. There has to be an element of common sense. He cautioned the Council that banning Styrofoam or plastic bottles is a slippery slope.

Mayor Fonzi closed the Public Comment period.

**MOTION:** By Mayor Pro Tem O’Malley and seconded by Council Member Kelley to adopt the Draft Resolution with the following amendments: Eliminate the second through sixth Whereas paragraphs, and eliminate the phrase “as to why Styrofoam containers are not acceptable products for use.”

*Motion passed 3:2 by a roll-call vote. (Clay and Fonzi opposed) (Resolution No. 2010-011)*

D. COMMITTEE REPORTS: None

E. INDIVIDUAL DETERMINATION AND / OR ACTION:

City Manager
Mr. McKinney asked the Council to schedule on their calendars Thursday, March 4th at 6:00 p.m. for the La Plaza Study Session, and Thursday, March 11th for the tour of the Galaxy Theater in Tulare.

F. ADJOURNMENT:

Mayor Fonzi adjourned the meeting at 10:55 p.m.
MINUTES PREPARED BY:

____________________________________
Marcia McClure Torgerson, C.M.C.
City Clerk / Assistant to the City Manager

The following exhibit is available for review in the City Clerk’s office:

Exhibit A – Council Member Béraud handout