

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – JUNE 28, 2010
CITY HALL CONFERENCE ROOM - 5:00 P.M.

Mayor Peters called the meeting to order at 5:08 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

MOTION: Councilmember Borchard moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Grantham and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS.

Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to 2 parcels.

- Property: Library
Negotiating Parties: County and City of Morro Bay.
Negotiations: Terms and Conditions of Lease.
- Property: Surf Street Parking Lot.
Negotiating Parties: Maritime Museum and City of Morro Bay.
Negotiations: Terms and Conditions of Lease.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:50 p.m.

MOTION: Councilmember Grantham moved the meeting be adjourned. The motion was seconded by Councilmember Winholtz and unanimously carried. (5-0)

The meeting adjourned at 5:50 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2010
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:10 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	Deputy City Clerk
	Eric Endersby	Harbor Operations Manager
	Susan Lichtenbaum	Harbor Business Manager
	Rob Livick	Public Services Director
	Tim Olivas	Police Chief
	Mike Pond	Fire Chief
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &
PRESENTATIONS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Jeff Eckles announced the 4th of July will begin with a bike parade to kick off the festivities starting at Morro Rock at noon; there will be activities and bands throughout the day at Tidelands Park, and fireworks at 9:00 p.m. He noted promotions have been positive with radio spots running in Fresno and Bakersfield as well as locally.

John Barta referred to the Maritime Museum property and the City's proposal of a 40-year lease at \$1.00 per year. He said he this is a valuable piece of real property and there should be a minimum amount of standards applied to the lease, starting with an appraisal for what the property is worth, and a way to guarantee once the lease is granted, that if there isn't progress in reaching the stated goal, the City can reclaim the property.

Nancy Johnson announced this year's Dahlia Daze theme will be "Dancing Dahlias", and will have an expanded program with wine and cheese and a guest speaker on the Friday night session, and entertainment and guest speakers on Saturday.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2010

Dave Ackey stated he has had a boat in the bay for ten years and there has been an increasing amount of theft in the past few years. He said he and others would like to begin a Marine Watch Program and requested assistance of the City's Harbor Patrol.

Michael Rowland stated he is a liveaboard and would like to eliminate theft on the boats and docks in the bay. He said he has received support from the Liveaboard Association, Fishermen's Association and others who are involved who are interested in keeping the community safe.

Bill Yates referred to Item C-1 (Discussion and Direction on Placing a Measure on the November 2010 General Election Ballot Approving an Increase in the City's Transient Occupancy Tax) stating it would be counterproductive for the City to increase this tax at this time and urged the Council to not approve placing this measure on the ballot. He said he is supportive of the Maritime Museum, which received support in 1995 and 2007. Mr. Yates also referred to the closure of the skate park on Sundays and said Council should discuss this as soon as possible noting Morro Bay is a skateboard community and expressed the importance of maintaining weekend hours.

Garry Johnson thanked the Police Department in their efforts in solving the crime behind the graffiti incident at Morro Rock.

Tom Laurie stated he understands the City is negotiating with Dynegy to extend their lease from 2012 to 2015, and prior to the lease moving forward, he would like it to go for a vote of the citizens. He said the City has the power to rezone this property on the condition that Dynegy builds a new plant. Mr. Laurie urged the City Council to consider the consequences of keeping this industrial derelict on life support, and redevelop this property.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:05 p.m.; the meeting resumed at 7:15 p.m.

A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING
OF JUNE 14, 2010; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2010

A-2 RESOLUTION NO. 32-10 ESTABLISHING THE ANNUAL PROPOSITION 4 APPROPRIATIONS LIMIT FOR FISCAL YEAR 2010/11; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 32-10.

A-3 STATUS REPORT ON WATER USAGE FOR MAY 2010; (PUBLIC SERVICES)

RECOMMENDATION: Review and file status report.

A-4 APPROVAL OF PARCEL MAP (PM MB 07-0232) AND ACCEPTANCE OF OFFER OF DEDICATION; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 33-10 approving the Parcel Map.

A-5 APPROVAL OF PARCEL MAP (PM MB 09-0091) AND ACCEPTANCE OF OFFER OF DEDICATION; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 34-10 approving the Parcel Map.

A-6 ACCEPTANCE OF AN OFFER OF DEDICATION OF RIGHT-OF-WAY FOR SIDEWALK PURPOSES ALONG THE WEST AVENUE FRONTAGE OF 1155 WEST AVENUE; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 35-10 accepting the offer of dedication for right-of-way purposes.

A-7 ACCEPTANCE OF AN OFFER OF DEDICATION OF RIGHT-OF-WAY FOR SIDEWALK PURPOSES ALONG THE EMBARCADERO ROAD FRONTAGE OF 560 EMBARCADERO ROAD; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 36-10 accepting the offer of dedication for right-of-way purposes.

A-8 CONSIDERATION OF APPROVAL OF AMENDMENT #1 TO THE LEASE AGREEMENT FOR LEASE SITE 96/96W, LOCATED AT 945 EMBARCADERO, WITH FLYING DUTCHMAN ENTERPRISES; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 39-10 extending the term of the lease agreement.

Councilmember Borchard pulled Item A-1 from the Consent Calendar.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2010

MOTION: Mayor Peters moved the City Council approve the Consent Calendar with the exception of Item A-1. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING OF JUNE 14, 2010; (ADMINISTRATION)

Councilmember Borchard referred to page 9 of the June 14, 2010 minutes (Item B-2: Discussion and Adoption of the 2010/11 Fiscal Year Operating Budgets): and stated her comment of “no purchase of police vehicles at this time” needed to be added to the motion.

MOTION: Councilmember Borchard moved the City Council approve Item A-1 of the Consent Calendar as amended. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 37-10 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated at the May 10, 2010 City Council meeting, Council adopted Resolution No. 22-10 approving the Engineer’s Report describing the annual maintenance to be completed at the Cloisters Park and Open Space, and declaring the City’s intent to levy an annual assessment to finance this maintenance. The assessment projected at \$1,241.20 per assessable lot in the Cloisters subdivision, will be collected by the County Assessor. As part of the assessment process, the City ordered the preparation of an Engineer’s report, adopted a resolution of intention to levy an assessment, set June 28, 2010 as the hearing date on the proposed levy of assessment, noticed all property owners on record via first class mail of the hearing, and published the notice in the local newspaper. The City Council must hold a protest/public hearing before considering the levy of the annual assessment. Mr. Woods recommended the City Council hold a public hearing on the annual levy of assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District and then adopt Resolution No. 37-10 confirming the levy of assessment for Fiscal Year 2010-11.

Mayor Peters opened the hearing for public comment.

Robert Bacon stated he is not protesting the assessment; however, he believes the City has failed on the maintenance of the park and areas around the park as it was maintained previously.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2010

Mayor Peters closed the public comment hearing.

Councilmember Smukler expressed concern with the infrastructure of the pathways and thoroughfares and requested staff contact State Department of Recreation & Parks regarding the degradation of the asphalt.

Councilmember Borchard concurred with Councilmember Smukler's comments, and also noted some weed abatement would be in order in this area.

Mayor Peters suggested notifying Morro Bay Beautiful regarding assistance in some of the public areas.

MOTION: Mayor Peters moved the City Council then adopt Resolution No. 37-10 directing the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

B-2 RESOLUTION NO. 38-10 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated at the May 10, 2010 City Council meeting, Council adopted Resolution No. 23-10 approving the Engineer's Report describing the annual maintenance to be completed at the North Point Natural Area, and declaring the City's intent to levy an annual assessment to finance this maintenance. The assessment projected at \$564.50 per assessable lot in the North Point subdivision, will be collected by the County Assessor. As part of the assessment process, the City ordered the preparation of an Engineer's report, adopted a resolution of intention to levy an assessment, set June 28, 2010 as the hearing date on the proposed levy of assessment, and finally, noticed all property owners on record via first class mail of the hearing, as well as published the notice in the local newspaper. The City Council must hold a protest/public hearing before considering the levy of the annual assessment. Mr. Woods recommended the City Council hold a public hearing on the annual levy of assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District, and then adopt Resolution No. 38-10 confirming the levy of assessment for Fiscal Year 2010-11.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 38-10 directing the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2010

B-3 ANNUAL REVIEW OF THE VISITORS CENTER CONTRACT;
(ADMINISTRATION)

City Manager Andrea Lueker stated the Visitors Center contract has been renewed on an annual basis and the existing contract expires on June 30, 2010. Staff is seeking direction on the renewal of this contract. Ms. Lueker recommended the City Council review the annual contract for the Visitors Center and provides further direction on renewal of the contract.

Mayor Peters opened the hearing for public comment.

Peter Candela, Executive Director of the Morro Bay Chamber of Commerce, stated there has been a relationship between the Visitors Center and the Chamber of Commerce for approximately 20 years. He said due to the volume of visitors, the office hours have been extended Monday–Friday until 6:00 p.m., and they are open on Sundays and holidays. Mr. Candela requested the City Council consider approving a 12-month contract.

Joan Solu reported on a special meeting held by the Tourism Business Improvement District (TBID) Advisory Board in which the budget was discussed. She said the Board’s action included a recommendation that there be no increase in transient occupancy tax, increasing the TBID from 2% to 3%, funding the Visitors Center at 24% (as soon as the TBID was changed from 2-3% and proceeds were realized from that change); fund the Visitors and Conference Bureau at \$24,477 and AGP at \$6,000.

Mayor Peters closed the public comment hearing.

The City Council reviewed the contract and discussed amendments; specifically, change the amount to \$152,000; specifying office hours shall be 7 days per week with a minimum of four hours of coverage on Sundays and holidays at peak traffic times; add referral tracking language; request a monthly expenditure report; and enforce the requirement of an annual audit of funds.

The City Council agreed to extend the contract with the Visitors Center for one year.

The City Council requested staff bring back the amended contract to the next Council meeting for approval.

No further action was taken on this item.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2010

C. UNFINISHED BUSINESS

C-1 DISCUSSION AND DIRECTION ON PLACING A MEASURE ON THE NOVEMBER 2010 GENERAL ELECTION BALLOT APPROVING AN INCREASE IN THE CITY'S TRANSIENT OCCUPANCY TAX; (CITY ATTORNEY)

City Attorney Robert Schultz stated at the January 25, 2010 meeting, the City Council directed staff to return to Council for reconsideration of placing a measure on the November 2010 General Election Ballot approving a 1% increase of the City's Transient Occupancy Tax (TOT). TOT is at a rate of 10% per rental and is currently collected by all entities renting lodging for 30 days or less. Those taxes are remitted monthly to the City, and that revenue stream accounts for approximately 18% of the General Fund's revenues before transfers in. TOT is the City's second largest revenue source. (Property tax is the largest.) In order to increase TOT, the City must hold an election at the same time that an election is held where members of the City Council will be elected. In addition, pursuant to State law, any increase of the tax rate must first be approved by a 2/3 vote (4 members) of the City Council and then a majority vote of the City's voters who vote at a regular Municipal Election. Mr. Schultz requested direction from Council regarding placing a measure on the November 2, 2010 ballot increasing the TOT from 10% to 11%.

Mayor Peters expressed her opposition to placing this measure on the ballot noting the Tourism Business Improvement District has been doing a tremendous job and she would prefer to give them 3% rather than increase the transient occupancy tax.

Councilmember Borchard stated she is also opposed to increasing the transient occupancy tax. She said there is a need for an increase in revenue and the possibility of the Tourism Business Improvement District going up to 3% would allow for additional funding for the Visitor Center. Councilmember Borchard stated she would like to encourage the City to pursue vacation rentals at 1% in order to get them below the County's vacation rentals because there has been a huge increase in use of vacation rentals.

Councilmember Smukler stated the City should show its commitment to the Tourism Business Improvement District by not placing a measure on the ballot to increase the transient occupancy tax.

Councilmember Grantham stated he would like to give the citizens the opportunity to vote on the increase in this tax because this City needs the money.

Councilmember Winholtz stated she tends to agree with Councilmember Grantham that the first loyalty has to be toward the City budget. She said she could make an exception if the Tourism Business Improvement District would absorb some of the City costs, and the City would get some benefit normally obtained from the 1% increased tax.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2010

MOTION: Councilmember Grantham moved the City Council approve placing a Measure on the November 2010 General Election Ballot approving an increase in the City's Transient Occupancy Tax.

The motion died for lack of a second.

The City Council directed staff to return to Council with a resolution declaring the City's intention to increase the assessment from 2% to 3% within the Morro Bay Tourism Business Improvement District.

No further action was taken on this item.

D. NEW BUSINESS

D-1 RESOLUTION NO. 31-10 ADOPTING REVISIONS TO THE MASTER FEE SCHEDULE; (ADMINISTRATIVE SERVICES)

City Manager Andrea Lueker stated staff has prepared a resolution for the annual adoption of the Master Fee Schedule, as revised by Council; she also presented the City Council with a red-lined version of the 2009 Master Fee Schedule. Ms. Lueker recommended the City Council adopt Resolution No. 31-10, which accepts the revisions to the Master Fee Schedule, and any amendments made at this meeting.

The City Council discussed the Master Fee Schedule with various staff members.

Councilmember Winholtz stated she could not support increasing fees in one department and not the other departments.

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 31-10, which accepts the revisions to the Master Fee Schedule with the exception of appeals not being on the Consumer Price Index. The motion was seconded by Councilmember Borchard and carried with Councilmember Winholtz voting no. (4-1)

D-2 RECOMMENDATION OF ORGANIZATION OF THE HARBOR DEPARTMENT AND APPROVAL OF AMENDED JOB DESCRIPTIONS; (ADMINISTRATION)

City Manager Andrea Lueker stated City staff has been working on a consolidation of the maintenance efforts in the City. As the final part of the consolidation effort, staff met and conferred with the appropriate Employee Union Representatives and agreed upon the amended job descriptions. Ms. Lueker recommended the City Council approve the amended job descriptions.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2010

Councilmember Winholtz referred to qualifications and stated she would like the Harbor Operations Manager and Supervisor positions to require a college degree, or at least require a certain amount of experience. She said she is not in favor of the reorganization as proposed because of the multiple layers it creates.

MOTION: Mayor Peters moved the City Council approve the addition of an Office Assistant IV position to the Harbor Department and approve the Harbor Business Manager, Harbor Operations Manager and Harbor Patrol Supervisor job descriptions which will allow staff to proceed with the reorganization of the Harbor Department. The motion was seconded by Councilmember Grantham and carried with Councilmember Winholtz voting no. (4-1)

D-3 CONFIRMATION OF GOALS FROM THE 2010 GOAL-SETTING WORKSHOP; (ADMINISTRATION)

City Manager Andrea Lueker stated in November 2007, the City Council determined that conducting an annual Goal Setting Process was an important part of strategic planning for the City of Morro Bay. As a result, in June 2008, the City Council held their first such workshop, facilitated by Amy Paul of Management Partners. The second Goal Setting Workshop was held on February 17 & 18, 2009 with the 2010 Goal Setting Workshop held on March 16 & 17, 2010. Both the 2009 and 2010 sessions entailed reviewing the progress made on the goals established the prior year. Ms. Lueker presented the City Council with a draft document of the goals established during the March 2010 Goal Setting Workshop, and recommended the adoption of the three “Priority Goals” and five “Other Goals” as designated priorities by the City Council of the City of Morro Bay.

Mayor Peters stated there were recommended goals that were not carried out because with proper research and information it was found not to benefit the City.

MOTION: Councilmember Borchard moved the City Council adopt the three “Priority Goals” and five “Other Goals” as designated priorities by the City Council of the City of Morro Bay. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

E. DECLARATION OF FUTURE AGENDA ITEMS

Mayor Peters requested to agendize a discussion regarding making City advisory boards more involved and effective; Council concurred.

ADJOURNMENT

The meeting adjourned at 9:38 p.m.

Recorded by:

Jamie Boucher
Deputy City Clerk