

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 25, 2011
VETERANS MEMORIAL HALL - 6:00 P.M.

AGENDA NO: A-1
MEETING DATE: 02/22/11

Mayor Yates called the meeting to order at 6:00 p.m.

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Kessler	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
	Susan Slayton	Administrative Services Director
	Dylan Wade	Utilities/Capital Projects Manager

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &
PRESENTATIONS

CLOSED SESSION REPORT – there was no Closed Session report.

PUBLIC COMMENT

Dan Rivoire, Executive Director of the San Luis Obispo County Bicycle Coalition, expressed appreciation to the City for the road and bicycle lane improvements made in Morro Bay.

Dan Reddell read a statement from Chamber of Commerce President John Weiss providing the community with an update on the Chamber of Commerce.

Joan Solu, Chair of the Tourism Business Improvement District Advisory Board reviewed recommendations made by the Advisory Board relating to the Visitors Center.

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Betty Winholtz referred to Item A-2 (Approval Of Resolution 11-11 Amending the Council Policies & Procedures Manual Regarding Regular Meeting Times and Placing Items on the Agenda) – specifically Policy 1.2, stating to allow the Mayor unlimited access as to what can be placed on the agenda while other members of Council need consensus is unfair; she recommended removing this policy. She also referred to Item C-1 (Resolution on Creation and Details of a Facility Maintenance Account, to include a Prioritized List of Projects and Costs) and requested clarification on the priority ranking of the projects and costs of specific projects that were listed in the staff report. Ms. Winholtz also recommended the consideration of a public bathroom in the downtown area. Ms. Winholtz referred to Item C-2 (Continued Discussion on the Visitors Center) and requested clarification on why City funds are being used to pay wages, taxes and billboard items. She also referred to D-3 (Discussion of Change of Meeting Dates and Times, and Number of Board Members for Commissions and Advisory Boards) stating she is disappointed that Council would pigeon-hole the Recreation & Parks Commission and Public Works Advisory Board for reduction in membership and frequency in meeting times.

Melody DeMeritt, Chair of the Local Chapter of the Sierra Club, referred to a report received by City staff from the Coastal Commission regarding the upgrade to the Wastewater Treatment Plant. She said the Sierra Club has filed an appeal of the City Council's approval of the Environmental Impact Report for the upgrade to the Wastewater Treatment Plant to the Coastal Commission.

Barry Brannin announced for public information that he has forms in order to file any appeal to the Coastal Commission.

John Barta referred to Item C-2 stating this is not the time to continue as in times past; it is time to look at the big picture and move forward.

Bob Crizer addressed Items A-5 (Acceptance of the Community-Wide and Government Operations 2005 Baseline Greenhouse Gas Emissions Inventory Report) and noted this is a generational issue. He also addressed Item D-2 (Discussion of Instituting Urgency Interim Ordinance Prohibiting Wind Turbines for 45 Days) stating he is working towards providing renewable energy at a low cost to residents and businesses by attaching wind turbines to roof tops. Mr. Crizer stated there is not a height limit issue with the wind turbines, and requested Council's support in allowing renewable energy in the City.

Tom Gregory requested information on the City's plans for permitting medical marijuana dispensaries in the City.

Mayor Yates closed the hearing for public comment.

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A. CONSENT CALENDAR

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

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

A-1 APPROVAL OF CITY COUNCIL MINUTES FOR THE REGULAR MEETING OF JANUARY 11, 2011; (ADMINISTRATION)

RECOMMENDATION: This item was pulled from the agenda.

A-2 APPROVAL OF RESOLUTION 11-11 AMENDING THE COUNCIL POLICIES & PROCEDURES MANUAL REGARDING REGULAR MEETING TIMES AND PLACING ITEMS ON THE AGENDA; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 11-11.

A-3 AUTHORIZATION TO REPLACE THE ASSISTANT ENGINEER POSITION IN THE UTILITIES/CAPITAL PROJECTS DIVISION; (PUBLIC SERVICES)

RECOMMENDATION: Authorize the replacement of the Assistant Engineer position, revise the salary schedule, and authorize the backfilling of any successful internal candidate's position.

A-4 AWARD OF CONTRACT TO BROUGH CONSTRUCTION, INC. OF ARROYO GRANDE, CA FOR THE PROJECT NO. MB-2010-W1: DESAL PRODUCT WATER LINE REPLACEMENT; (PUBLIC SERVICES)

RECOMMENDATION: Waive a minor bid irregularity and award the project contract to Brough Construction, Inc., in the amount of \$149,181.00.

A-5 ACCEPTANCE OF THE COMMUNITY-WIDE AND GOVERNMENT OPERATIONS 2005 BASELINE GREENHOUSE GAS EMISSIONS INVENTORY REPORT; (PUBLIC SERVICES)

RECOMMENDATION: Receive report for information and file.

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Councilmember Smukler pulled Items A-2 and A-3 from the Consent Calendar.

MOTION: Councilmember Borchard moved the City Council approve Items A-4 and A-5 of the Consent Calendar. The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

A-2 APPROVAL OF RESOLUTION 11-11 AMENDING THE COUNCIL POLICIES & PROCEDURES MANUAL REGARDING REGULAR MEETING TIMES AND PLACING ITEMS ON THE AGENDA; (CITY ATTORNEY)

Councilmember Smukler stated he will not be voting in support of the proposed amendments because it does not give the City Council the leverage to manage or be a part of the agenda process.

MOTION: Councilmember Johnson moved the City Council approve Item A-2 of the Consent Calendar. The motion was seconded by Councilmember Leage and carried with Councilmember Borchard and Councilmember Smukler voting no. (3-2)

A-3 AUTHORIZATION TO REPLACE THE ASSISTANT ENGINEER POSITION IN THE UTILITIES/CAPITAL PROJECTS DIVISION; (PUBLIC SERVICES)

Councilmember Smukler expressed concern with the proposed increase in pay for this position; and, he would also like to discuss the two-tier structure before hiring a new position.

MOTION: Councilmember Smukler moved the City Council authorize staff to replace the Assistant Engineer position with a temporary hire until the benefits for that position have been negotiated. The motion was seconded by Councilmember Borchard and carried with Mayor Yates and Councilmember Leage voting no. (3-2)

Mayor Yates called for a break at 7:00 p.m.; the meeting resumed at 7:10 p.m.

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B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 566 AUTHORIZING AMENDMENT OF SECTION 20475 (DIFFERENT LEVEL OF BENEFITS; SECTION 21363.1 (3% @ 55 FULL FORMULA); AND SECTION 20037 (THREE-YEAR FINAL COMPENSATION) FOR NEW SWORN HIRES IN THE FIRE DEPARTMENT; (ADMINISTRATIVE SERVICES)

City Manager Andrea Lueker stated the City Council adopted the Resolution of Intention on January 11, 2011, and this Ordinance is required by the Public Employee Retirement System (PERS) in order to amend the PERS contract. Ms. Lueker recommended the City Council approve the introduction and first reading of Ordinance No. 566 authorizing the amendment of Different Level of Benefits, 3% @ 55 Full Formula and Three-Year Final Compensation for new sworn hires in the Fire Department.

Mayor Yates opened the hearing for public comment.

John Meyers stated the change made to the Fire Department labor agreement reduces the City's portion of pension costs for new hires by 56%. He said Council should consider additional opportunities by requiring current employees to increase their participation in paying 5% of their wages towards their pensions which would produce an instant savings of \$350,000 per year to the City.

Dan Glesmann stated last year, one in every six dollars spent in the General Fund went to cover cost of employee pensions. He said making significant changes to the pension plan is a very good start to achieving sustainability and reducing the future cost commitments while increasing City revenues. Mr. Glesmann stated achieving this will contribute to the City's long-term financial strength.

Tom Gregory stated businesses that would increase the City's tax base would also help the City's economy.

Mayor Yates closed the public comment hearing.

MOTION: Councilmember Johnson moved the City Council approve the introduction and first reading of Ordinance No. 566 authorizing the amendment of Different Level of Benefits, 3% @ 55 Full Formula and Three-Year Final Compensation for new sworn hires in the Fire Department. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

City Manager Andrea Lueker read Ordinance No. 566 by number and title only.

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C. UNFINISHED BUSINESS

C-1 RESOLUTION ON CREATION AND DETAILS OF A FACILITY
MAINTENANCE ACCOUNT, TO INCLUDE A PRIORITIZED LIST OF
PROJECTS AND COSTS; (RECREATION & PARKS)

City Manager Andrea Lueker stated the City's management of real property assets has lacked the resources to adequately support a deferred maintenance account for all scheduled property. The approval of Resolution No. 10-11, the establishment of a General Fund Deferred Maintenance, would give immediate relief to the General Fund and satisfy the required maintenance for the current City-owned real property. The initial start up General Fund Deferred Maintenance allocation would be approximately \$210,000 transferred from the proceeds of the sale of 781 Market Street. Priority maintenance will be given to building and mechanical systems including roofing, plumbing, electrical and air handling. Fund allocations would be realized by approved City Council directive and encumbered annually. Ms. Lueker recommended the City Council adopt Resolution 10-11 to establish a fund for General Fund Deferred Maintenance for the maintenance and management of City owned real property.

MOTION: Mayor Yates moved the City Council: 1) adopt Resolution No. 10-11 amending the transfer amount from \$210,000 to \$201,000 from the proceeds of the sale of the 781 Market Street property; 2) direct staff to be aggressive with the repairs in order of the A, B, C grouping priorities listed in Exhibit "A" of the staff report; and 3) direct staff to bring back an economic analysis on the Shasta Street properties regarding demolition vs. rehabilitation. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

C-2 CONTINUED DISCUSSION ON THE VISITORS CENTER;
(ADMINISTRATION)

City Manager Andrea Lueker stated on June 28, 2010 during the annual review of the Visitors Center Agreement, the City Council amended the Agreement to include language regarding a financial review of the Visitors Center operations at the end of the 2009/10 fiscal year. In September 2010, the Chamber provided this information to the City Administrative Services Director, and she performed a financial review. On November 8, 2010, staff brought forward a second staff report, which requested the City Council to provide further direction to staff on the following issues: 1) financial review of the 2009/2010 fiscal year; 2) funding of the Visitors Center from the Tourism Business Improvement District Assessment; and 3) representation on the Chamber Board for Visitors Center oversight. Staff has made progress with each directive, even with the

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significant changes in personnel with the Chamber and in particular the new Chamber Executive Director. During the November City Council meeting, areas of concern were accountability, transparency, City representation on the Chamber Executive Board and increased review of finances. Ms. Lueker recommended Council review the staff report, the progress that has been made on the direction provided to staff from the November 8, 2010 City Council meeting and provide further direction regarding the Visitors Center.

The City Council directed staff to: 1) reschedule this item as a public hearing within sixty (60) days to include an analysis and time study; 2) invite stakeholders; and, 3) explore the concept of a workshop.

No further action was taken on this item.

D. NEW BUSINESS

D-1 RESOLUTION AUTHORIZING THE HARBOR BUSINESS MANAGER TO EXECUTE LEASE RENTAL PAYMENT PLANS TO ASSIST EMBARCADERO TIDELANDS LEASEHOLDERS WITH CASH FLOW AND TO RETAIN EMBARCADERO BUSINESSES; (HARBOR)

Councilmember Leage stepped down due to a conflict of interest.

Harbor Business Manager Susan Lichtenbaum stated the Embarcadero Leaseholders have been struggling economically over the last two years as a result of the recession affecting the entire country. The City Council considered Embarcadero Tideland Leaseholder requests relating to lease site rent in Closed Session on January 11, 2011. Council directed staff to agendaize an item to consider setting up payment plans for Embarcadero Tideland Leaseholders. Ms. Lichtenbaum recommended the City Council adopt Resolution No. 09-11 authorizing the Harbor Business Manager to execute lease rental payment plans to assist Embarcadero Leaseholders with cash flow and to retain Embarcadero businesses.

Councilmember Borchard and Councilmember Smukler commented they would prefer quarterly payments rather than month-to-month payments.

MOTION: Mayor Yates moved the City Council extend the payment plan outlined in Resolution No. 21-10 through fiscal year 2011/2012. The motion was seconded by Councilmember Smukler.

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Mayor Yates stated he will vote in support of this motion only so there will not be a split vote, otherwise he would regularly vote in opposition.

VOTE: (4-0-1)

Councilmember Leage returned to his seat with the City Council.

D-2 DISCUSSION OF INSTITUTING URGENCY INTERIM ORDINANCE
PROHIBITING WIND TURBINES FOR 45 DAYS; (PUBLIC SERVICES)

Mayor Yates stated five wind turbines have been installed on the residential roof at 482 Estero Avenue, and has generated community comments both in favor and against this use. The concerns are quality of life and degradation of property values; arguments in favor are in support of alternative energy and property rights. Mayor Yates requested Council discuss allowing rooftop wind turbines in the City, and decide if a 45-day moratorium on installation is necessary. A 45-day moratorium would require a 4/5 majority vote.

Consensus of Council was in support of allowing wind turbines in the City due to property rights and noting they are a good source of sustainable energy.

No further action was taken on this item.

D-3 DISCUSSION OF CHANGE OF MEETING DATES AND TIMES, AND
NUMBER OF BOARD MEMBERS FOR COMMISSIONS AND ADVISORY
BOARDS; (CITY ATTORNEY)

City Manager Andrea Lueker stated the City Council has changed their meeting date from the 2nd and 4th Monday to the 2nd and 4th Tuesday each month, which now conflicts with the Recreation and Parks Commission meeting. With the change in the City Council meetings, staff is interested in also changing the Planning Commission meeting to the 1st and 3rd Wednesday each month. In a review of meeting agenda size and topics, staff believes that meeting six times each year for both the Public Works Advisory Board and the Recreation and Parks Commission will meet the needs of the City. Should there be a situation where a meeting is needed a special meeting can easily be called for either board. Ms. Lueker stated recruitment for both the Recreation and Parks Commission and the Public Works Advisory Board has traditionally been difficult, with very infrequent periods of a full seven member board. Staff is recommending the City Council consider reducing these two boards to five members. Ms. Lueker recommended the City Council consider the change in meeting times as proposed, and the reduction in the number of board members on the Recreation and Parks Commission and the Public Works Advisory Board, and advises staff accordingly.

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Councilmember Smukler stated he does not support reducing the Public Works Advisory Board to five members.

MOTION: Mayor Yates moved the City Council approve: 1) changing the Planning Commission meeting schedule to the 1st and 3rd Wednesday of the month; 2) reducing the Public Works Advisory Board to a five member board; and 3) amending the Recreation & Parks Commission and Public Works Advisory Board meeting schedule to alternate every 3rd Thursday of the month beginning with Recreation & Parks Commission in January. The motion was seconded by Councilmember Borchard and carried with Councilmember Smukler voting no. (4-1)

E. DECLARATION OF FUTURE AGENDA ITEMS – None.

ADJOURNMENT

The meeting adjourned at 8:55 p.m.

Recorded by:

Bridgett Kessler
City Clerk