

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – FEBRUARY 8, 2011  
CITY HALL CONFERENCE ROOM - 5:00 P.M.

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

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Robert Schultz	City Attorney

CLOSED SESSION

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

Mayor Yates 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 one (1) parcel.

- Property Lease Site 75-77/75W-77W; 699 Embarcadero  
Negotiating Parties: Morro Bay Marina, Inc. and City of Morro Bay  
Negotiations: Lease Terms and Conditions

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:30 p.m.

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

The meeting adjourned at 5:30 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 8, 2011  
VETERANS MEMORIAL HALL - 6:00 P.M.

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:	Robert Schultz	City Attorney
	Bridgett Kessling	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
	Kathleen Wold	Planning Manager
	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 took action on Lease Site 75-77/75W-77W located at 699 Embarcadero. The City Council granted the written request from Morro Bay Marina, Inc. that the City receives monthly rental payments.

PUBLIC COMMENT

Anthony Hoffa and representatives of the Morro Bay Gorilla Gardening Club offered the City Council plants and thanked the City for supporting the City's urban forest and urban gardeners.

Rick and Claire Grantham stated for public information that a fire started in their clothes dryer which was caused by a dirty vent.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 8, 2011

D’Onna Kennedy stated the Central Coast Veterans Support Group will be meeting at the Eagles Lodge on February 22<sup>nd</sup> at 6:00 p.m. She also announced a variety of free services are available to lower-income households throughout San Luis Obispo County through the Energy Conservation Services.

Barbara Doerr referred to Closed Session Item CS-2 of the January 11<sup>th</sup> City Council meeting, and Item D-1 of the January 25<sup>th</sup> City Council meeting, both relating to lease negotiation discussions where a specific council member attended the January 11<sup>th</sup> Closed Session meeting and stepped down due to a conflict of interest at the January 25<sup>th</sup> meeting. Ms. Doerr asked if this council member had a conflict of interest when he participated in the Closed Session item at the January 11<sup>th</sup> meeting.

Betty Winholtz addressed Item D-4 (Discuss Options for Amending Parking Requirements for North Morro Bay) stating all streets perpendicular and intersecting North Main Street are residential streets. She said to reduce off-street parking requirements would push business parking onto these residential streets, which already have limited parking for its residents and visitors. Ms. Winholtz stated new development should be considered; however, due to the lack of statistical information regarding the current situation, this item should be continued and heard after more important planning issues such as the Sign Ordinance or General Plan update.

Janice Peters announced the 4<sup>th</sup> Annual Fundraiser Follies will be held on February 25<sup>th</sup> and 26<sup>th</sup> at 7:00 p.m. and will be held at the Morro Bay Community Center.

Andrea Klipfel announced the team fundraiser for Relay for Life will be a Bunco “Against Cancer” Party held on March 16<sup>th</sup> at 6:00 p.m. at St. Timothy’s Church; there will be a Community Kick-Off on March 24<sup>th</sup> at 6:00 p.m. at the Embarcadero Grill; and the Relay for Life event is the first weekend in August at Morro Bay High School.

Richard Margesten expressed concern regarding Brown Act violation due to the lack of public comment allowed on all agenda items at City Council and Morro Bay/Cayucos JPA meetings.

Mayor Yates closed the hearing for public comment.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 8, 2011

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 CITY COUNCIL MINUTES FOR REGULAR MEETINGS OF JANUARY 11, 2011 AND JANUARY 25, 2011; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPOINTMENT OF VOTING DELEGATES TO THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY; (ADMINISTRATION)

**RECOMMENDATION: Appoint Mayor Yates as the City's representative of the California Joint Powers Insurance Authority, and appoint the City Manager and City Attorney as alternates.**

A-3 ADOPTION OF ORDINANCE NO. 565 AMENDING SECTION 2.08.010 OF THE MORRO BAY MUNICIPAL CODE REGARDING COUNCIL MEETINGS TIME AND DATE; (CITY ATTORNEY)

**RECOMMENDATION: Adopt Ordinance No. 565.**

A-4 ADOPTION 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)

**RECOMMENDATION: Adopt Ordinance No. 566.**

A-5 2010 ANNUAL WATER REPORT; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 12-11.**

Councilmember Borchard pulled Item A-2 of the Consent Calendar.

**MOTION:** Councilmember Borchard moved the City Council approve the Consent Calendar with the exception of Item A-2. The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 8, 2011

A-2 APPOINTMENT OF VOTING DELEGATES TO THE CALIFORNIA JOINT  
POWERS INSURANCE AUTHORITY; (ADMINISTRATION)

Councilmember Borchard stated since the Mayor does not attend the CJPIA Risk Management meetings, she would prefer to keep it consistent and appoint the City Manager and/or the City Attorney as the designated representative of the City.

MOTION: Councilmember Borchard moved the City Council appoint the City Manager and/or the City Attorney as the official representative(s) of the City of Morro Bay on the California Joint Powers Insurance Authority. The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES – NONE.

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 PRESENTATION & FORMAL RECOGNITION OF THE “OFFICIAL CITY  
TREE OF MORRO BAY” VOTE; (COUNCIL)

Councilmember Smukler stated nearly 500 citizens voted for what tree they thought represented the City of Morro Bay. The Volunteer Tree Committee came up with five trees with strong historical significance in Morro Bay. The Cypress got more than double the votes of any other tree, 194 votes. Second place went to the tree we call the Red Flowering Eucalyptus, which is now called *Corymbia ficifolia* and was planted a few decades ago as the premier street tree in the Downtown Business District. Designation of an official city tree or city flower recognizes their special connection to the community and creates an opportunity to publicize and market these specimens with pride. Councilmember Smukler stated based on the final results of the public voting process, the Morro Bay Volunteer Tree Committee proposes the Council vote to formally recognize the Cypress *Cupressus macrocarpa* as the official City tree of Morro Bay.

Council received a presentation from the Morro Bay Volunteer Tree Committee.

MOTION: Councilmember Smukler moved the City Council accept the results as presented and identify the Monterey Cypress as the official City tree for Morro Bay; and, direct staff to return with a resolution adopting the Monterey Cypress as the official City tree and to include the vote tally in the resolution. The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 8, 2011

D-2 REPORT FROM THE CITIZENS OVERSIGHT COMMITTEE PURSUANT TO MORRO BAY MUNICIPAL CODE (MBMC) SECTION 3.22.120; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton stated pursuant to Morro Bay Municipal Code Section 3.22.120, the Citizens Oversight Committee met on December 8, 2010 to review the 2009/10 unaudited transactions and 2010/11 year-to-date transactions for the District Transaction Tax (Measure Q ½ cent sales tax) Fund. The Committee was very pleased with the 2009/10 uses of Measure Q funds, and had no issues/adjustments with any of the expenditures. The members did provide a letter with comments, and one, in particular, needs further explanation/background, the debt service for Fire Station #1 Administrative Building. Ms. Slayton recommended the City Council accept the report, and take action as necessary.

Barbara Spagnola, representing the Citizens Oversight Committee, reported on the Committee's findings and conclusions to the City Council for their review.

MOTION: Mayor Yates moved the City Council: 1) accept the recommendations of the Citizens Oversight Committee; 2) direct staff to implement the recommendations as stated in the Committee's report; and, 3) direct staff to develop an informational kiosk, and bring recommendations back to Council. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

Mayor Yates called for a break at 7:03 p.m.; the meeting resumed at 7:13 p.m.

D-3 RESOLUTION NO. 13-11 ADOPTING THE MID-YEAR BUDGET AMENDMENTS; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton presented the 2010/11 mid-year performance reports along with requested budget amendments, noting the economy is stabilizing, and Morro Bay is more fortunate than the other cities in the County, as we have not suffered similar sales and property tax losses due to our uniqueness (no "big box" stores, no auto dealers). The City has weathered this recession with very little financial loss, again compared to other areas in the County, State and nation. Ms. Slayton recommended the City Council adopt Resolution No. 13-11 authorizing the budget amendments as proposed in the staff report.

Council discussed the 2010/11 mid-year performance reports along with requested budget amendments, and made the following motions:

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 8, 2011

MOTION: Mayor Yates moved the City Council approve the Police Department funding of \$9,000 from Measure Q funds, and approve Fire Department funding of \$38,000 from Measure Q funds. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

MOTION: Councilmember Borchard moved the City Council defer discussion on the energy upgrades to buildings to the June 2011 budget meeting and look at alternative sources for funding. The motion was seconded by Councilmember Johnson and carried with Mayor Yates voting no. (4-1)

MOTION: Mayor Yates moved the City Council direct staff to identify funding from various travel account funds and the balance from General Fund Reserves in order to send the Planning Commission and two staff members to the League of California Cities Planners Institute Conference. The motion was seconded by Councilmember Borchard and carried with Mayor Yates voting no. (4-1)

MOTION: Mayor Yates moved the City Council deny funding the transit fund an additional \$21,500. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

MOTION: Mayor Yates moved the City Council authorize the Harbor Department to amend its budget for \$7,000 with the goal of folding that into their budget but if needed they can take it from unallocated funds. The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

MOTION: Councilmember Borchard moved the City Council adopt Resolution No. 13-11 approving all the additional changes to the mid-year budget as stated in the staff report. The motion was seconded by Councilmember Leage and carried unanimously. (5-0)

D-4 DISCUSS OPTIONS FOR AMENDING PARKING REQUIREMENTS FOR NORTH MORRO BAY; (PUBLIC SERVICES)

Planning Manager Kathleen Wold stated recently there have been a few instances where vacant buildings located in the North Main Street area have had difficulty establishing new business. One issue when establishing a new business has been the requirement to provide additional parking if the new use is more intense and therefore requires additional parking. At the December 13, 2010 City Council meeting, Councilmember Borchard requested staff provide a report on the status of parking in the North Main Street area to include options for modifications or amendments to City requirements which would

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 8, 2011

address buildings where the number of stalls is nonconforming to today standards. This report gives a broad overview of the situation occurring in the North Main Street area and a few of the possible solutions to the problem. Ms. Wold recommended the City Council consider the issue and direct staff accordingly.

**MOTION:** Councilmember Borchard moved the City Council direct staff to create a specific area map with boundaries in the North Morro Bay area for an exemption to Section 17.44.020 of the Morro Bay Municipal Code. The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

Mayor Yates called for a break at 8:34 p.m.; the meeting resumed at 8:44 p.m.

**D-5 DISCUSSION ON THE PREPARATION OF A BIG BOX ORDINANCE WHICH WOULD REGULATE THE SIZE AND APPEARANCE OF BIG BOX STORES; (PUBLIC SERVICES)**

City Attorney Robert Schultz stated the City Council directed staff to bring back a report on a “big-box ordinance.” A big-box ordinance basically regulates the size and appearance of big-box stores and the amount of nontaxable (grocery) items the store is permitted to sell. While the development of big-box businesses may provide an economical and timesaving convenience to shoppers and increased tax revenues to cities, if they are not regulated, big-box businesses may have potential negative community impacts such as: urban blight, lower employee wages, the reduction of smaller local businesses and changes to the aesthetics of neighborhoods. This issue was once reviewed by City Council in 1998; however, no further action was taken.

The City Council requested this item be placed on the City Council Agenda Tracking List as a “pending” item.

No further action was taken on this item.

**D-6 DISCUSSION OF TOPICS TO BE DISCUSSED AT THE JOINT CITY COUNCIL/PLANNING COMMISSION MEETING, FEBRUARY 22, 2011; (PUBLIC SERVICES)**

Public Services Director Rob Livick stated in anticipation of the joint City Council/ Planning Commission meeting on February 22, 2011, the Planning Commission discussed potential topics at their February 7, 2011 meeting, which he presented to the City Council. Mr. Livick recommended the City Council also consider and discuss potential topics for the joint meeting.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 8, 2011

Council agreed to the following topics for the joint meeting with the Planning Commission:

- Staff presentation regarding the status on the Local Coastal Plan/General Plan and Zoning Ordinance; and
- City Attorney Presentation of Informational Material Distributed to the Planning Commissioners
- Discussion of Planning Commission Role and Responsibilities.

No further action was taken on this item.

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested to agendize a budget workshop report focused on priorities to give staff direction; Council concurred.

Councilmember Smukler requested to agendize a quarterly budget report to be placed on the Consent Calendar; Council concurred.

Councilmember Smukler requested to agendize a discussion on the Call-a-Ride Expansion Concept; Council concurred.

Councilmember Johnson requested to agendize a discussion on granny units; Council concurred.

ADJOURNMENT

The meeting adjourned at 9:39 p.m.

Recorded by:

Bridgett Kessling  
City Clerk