

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – MAY 24, 2011
CITY HALL CONFERENCE ROOM - 4:00 P.M.

Mayor Yates called the meeting to order at 4:00 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

CLOSED SESSION

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

Mayor Yates read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR. Conference with City Manager, the City’s Designated Representative, for the purpose of reviewing the City’s position regarding the terms and compensation paid to the City Employees and giving instructions to the Designated Representative.

CS-2 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 three (3) parcels:

- Property: Embarcadero Grill - Lease Site 86-86W
Negotiating Parties: Caldwell and City of Morro Bay.
Negotiations: Sub Lease Terms and Conditions.
- Property: Lease Site 65-66/65W-66W, 571 Embarcadero,
Negotiating Parties: Imani and City of Morro Bay.
Negotiations: Lease Terms and Conditions.
- Property: Sea One Solutions; Lease Site 124-128/124W-128W and 113W,
1215 Embarcadero.
Negotiating Parties: Sea One Solutions, LLC and City of Morro Bay.
Negotiations: Lease Terms and Conditions.

The meeting adjourned at 4:50 p.m.

The City Council adjourned to a Special Open Session meeting to hold interviews to fill vacancies on the City’s Planning Commission, Public Works Advisory Board and Community Promotions Committee. The interviews started at 5:00 p.m. and were located at the Veterans’ Memorial Building, 209 Surf Street, Morro Bay, CA

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VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Yates called the meeting to order at 6:20 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 Kessling	City Clerk
	Eric Endersby	Harbor Operations Manager
	Rob Livick	Public Services Director
	Tim Olivas	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	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; no reportable action under the Brown Act was taken on Item CS-1.

The following action was taken on Item CS-2:

- Property: Embarcadero Grill - Lease Site 86-86W
Negotiating Parties: Caldwell and City of Morro Bay.
Negotiations: Sub Lease Terms and Conditions.

Councilmember Leage was excused from this discussion due to a conflict of interest; and, no action under the Brown Act was taken on Lease Site 86-86W.

- Property: Lease Site 65-66/65W-66W, 571 Embarcadero,
Negotiating Parties: Imani and City of Morro Bay.
Negotiations: Lease Terms and Conditions.
- Property: Sea One Solutions; Lease Site 124-128/124W-128W and 113W, 1215
Embarcadero.
Negotiating Parties: Sea One Solutions, LLC and City of Morro Bay.
Negotiations: Lease Terms and Conditions.

Action was taken to correct the administrative error under Section 2.04 (Percentage Rent) to bring the lease agreements in conformance with the Master Lease format for Lease Sites 65-66/65W-66W, and Lease Site 124-128/124W-128W and 113W.

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PUBLIC COMMENT

Jeff Eckles, owner of Morro Bay House of Jerky, stated this is a new store on the Embarcadero which carries five different flavors of jerky, as well as a variety of other goods.

Gary Hixson promoted the Gary (Tyler Moore) Hixson Show, and he supports having a Film Commission in Morro Bay. Mr. Hixson spoke on various issues in the City.

Dan Glesmann addressed an article in the *Tribune* regarding the budget woes in San Luis Obispo. He addressed Morro Bay's upcoming budget and requested the City Council get control of personnel costs and preserve the City's infrastructure.

Stan Trapp thanked the City for its efforts in sprucing up the Embarcadero. He addressed Item A-5 (Resolution Authorizing Monthly Payment Option for Embarcadero Leaseholders) and expressed gratitude to staff for recommending monthly payments for leaseholders. Mr. Trapp also addressed Item B-1 (Consideration of Adoption of Interim Urgency Ordinance Establishing Rules Regulating the Approval Process and Construction of Projecting Signs Pending Completion of Studies and the Preparation of an Update to the City's Zoning Code) and supported the recommendation for approval of Ordinance No. 568 which will bring uniformity to the signs around the City.

Nancy Castle thanked the City for its support of the Central Coast Maritime Museum Association for the display across from the Great American Fish Company which is a part of the history of Morro Bay.

John Weiss discussed the Eco-Rotary Program where the goal is to recycle the food products and reduce the amount of water used at the three local golf courses in the county. He said there will be meetings every second and fourth Tuesdays at the Morro Bay Golf Course regarding this program.

Virginia Hiramatsu announced Relay for Life of Morro Bay will be held on August 6 and 7, 2011 at Morro Bay High School. She said the funds raised at this event will stay to assist victims of cancer in Morro Bay.

George Ross, CPA stated the pension liabilities in the City are the biggest concern and the two-tiered pension benefit is a good idea on reducing future pension liabilities. He said another hole in the City governance is the issuance of business licenses which needs to be enforced. Mr. Ross also stated another annoyance is the theft of recycling goods which could lead to identity theft. He also expressed the need to pursue compliance on the removal of A-frame signs.

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Betty Winholtz addressed Item A-4 (Adoption of Ordinance No. 567 Repealing, Amending and Reenacting Chapter 14.48 of the City of Morro Bay Municipal Code, Entitled Illicit Discharge and Stormwater Management Control) stating there is not an educational component to this Ordinance, and there needs to be some directive to educate the public. She also noted although the improvements to the Embarcadero are nice, North Main Street also deserves the same improvements to attract customers to the businesses in this part of the City.

Joan Solu addressed Council's future review on tourism and requested the City Council pay close attention to some of the suggestions, and noted there are several visitor-serving contracts. She said tourism brings in \$70-80 million in business revenue annually to the City, and the City does not have a leader or strategy and needs a Director of Tourism. Ms. Solu stated the Morro Bay Tourism Business Improvement District would be happy to discuss paying an administrative fee in place of the Visitor Center contract.

John Barta thanked the City for the removal of the news racks. He referred to Item A-4 and noted the City has no downstream communities that would be caused any harm from storm water pollution. Mr. Barta stated the City should be required to have small traps that will clean storm water discharge however anything larger than that is unnecessary.

Brian Stacy requested the City consider providing assistance to fishermen by giving them an extension on slip rent during salmon season.

Kim Vanerstrand, business owner on Main Street, expressed concern with the City's proposed signage regulations and how it may affect stores off the beaten path.

Mayor Yates closed the hearing for public comment.

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 MAY 10, 2011; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF CONTRACT WITH BARNETT COX & ASSOCIATES FOR ADVERTISING AND MARKETING SERVICES; (CITY ATTORNEY)

RECOMMENDATION: Approve and authorize the Mayor to execute the contract.

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A-3 RESOLUTION NO. 35-11 AUTHORIZING SAN LUIS OBISPO COUNTY ASSESSOR TO ASSESS AMOUNTS DUE ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AS TAX LIENS AGAINST THE PROPERTIES; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 35-11.

A-4 ADOPTION OF ORDINANCE NO. 567 REPEALING, AMENDING AND REENACTING CHAPTER 14.48 OF THE CITY OF MORRO BAY MUNICIPAL CODE, ENTITLED ILLICIT DISCHARGE AND STORMWATER MANAGEMENT CONTROL; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Ordinance No. 567.

A-5 RESOLUTION AUTHORIZING MONTHLY PAYMENT OPTION FOR EMBARCADERO LEASEHOLDERS; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 37-11.

A-6 RESOLUTION AUTHORIZING EXECUTION OF THE "DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES" FOR THE CITY'S APPLICATION FOR CALIFORNIA DISASTER ASSISTANCE ACT PROGRAM; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 38-11.

Councilmember Leage pulled Item A-3 from the Consent Calendar; Councilmember Borchard pulled Item A-4.

MOTION: Councilmember Borchard moved the City Council approve the Consent Calendar with the exception of Items A-3 and A-4. The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

A-3 RESOLUTION NO. 35-11 AUTHORIZING SAN LUIS OBISPO COUNTY ASSESSOR TO ASSESS AMOUNTS DUE ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AS TAX LIENS AGAINST THE PROPERTIES; (ADMINISTRATIVE SERVICES)

Councilmember Leage asked if there is any other way to collect on a delinquent bill other than placing a lien against property. He said he would prefer another way of collecting on a bill, such as a collection agency rather than attaching the property; Mayor Yates agreed.

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Administrative Services Director Susan Slayton responded garbage liens are placed only on homeowners based on the delinquency of the bill at the end of the year. She said the Garbage Company makes an effort to collect on the garbage bill and when the bill has been neglected for a long period of time, the Garbage Company has the ability to assess their collection through the property tax bill. Ms. Slayton stated the City receives a 2% administration fee for pursuing the assessment.

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

A-4 ADOPTION OF ORDINANCE NO. 567 REPEALING, AMENDING AND REENACTING CHAPTER 14.48 OF THE CITY OF MORRO BAY MUNICIPAL CODE, ENTITLED ILLICIT DISCHARGE AND STORMWATER MANAGEMENT CONTROL; (PUBLIC SERVICES)

Councilmember Borchard clarified from her statement at the last City Council meeting instead of “minimum rainfall requirements”, she meant “minimum required hydromodification and Low Impact Development Control measures allowed under the City’s storm water permit requirements.

MOTION: Councilmember Borchard moved the City Council approve Item A-3 of the Consent Calendar. The motion was seconded by Councilmember Smukler and carried with Mayor Yates voting no. (4-1)

Mayor Yates called for a break at 7:22 p.m.; the meeting resumed at 7:37 p.m.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 REVIEW OF DRAFT SIGN ORDINANCE AND CONSIDERATION OF ADOPTION OF INTERIM URGENCY ORDINANCE ESTABLISHING RULES REGULATING THE APPROVAL PROCESS AND CONSTRUCTION OF PROJECTING SIGNS PENDING COMPLETION OF STUDIES AND THE PREPARATION OF AN UPDATE TO THE CITY'S ZONING CODE; (CITY ATTORNEY/PUBLIC SERVICES DIRECTOR)

City Attorney Robert Schultz stated staff is beginning to enforce the A-Frame Sign regulations and there have been discussions regarding allowing “Projecting Signs” (commonly referred to as “Pub” signs) to replace A-frame signs. The purpose of this Ordinance is to allow for the issuance of sign permits for projecting signs. Mr. Schultz recommended the City Council adopt Interim Urgency Ordinance No. 568 which would establish interim rules regulating the approval process and construction of projecting signs pending completion of studies and the preparation of an update to the City's zoning code.

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Mayor Yates opened the hearing for public comment.

John Barta expressed support for the adoption of Interim Urgency Ordinance No. 568.

Mayor Yates closed the hearing for public comment.

MOTION: Mayor Yates moved the City Council adopt Interim Urgency Ordinance No. 568 which would establish interim rules regulating the approval process and construction of projecting signs pending completion of studies and the preparation of an update to the City's zoning code. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

City Manager Andrea Lueker read Interim Urgency Ordinance No. 568 by number and title only.

Public Services Director Rob Livick stated the Draft Sign Ordinance is fundamentally the same ordinance approved within the Comprehensive Zoning Ordinance Update 2004; changes have been made to the Sign Ordinance to allow it to be integrated into the existing Ordinance. He said the current and proposed ordinance limits the amount of signage each building and/or business can permanently affix to a building as such a determination should be made if further changes need to be addressed to achieve the Council's goal as they pertain to projecting signs. Mr. Livick recommended the City Council review the Draft Ordinance and changes proposed by the Planning Commission and provide direction to staff regarding the final revised Sign Ordinance.

Council agreed that more work is needed on this Draft Ordinance, and a workshop would be beneficial to receive input from the business community.

Mayor Yates opened the hearing for public comment.

John Barta stated years ago when he served on the Planning Commission, it took several years to develop the concept of the Sign Ordinance. He said he would be happy to share the PowerPoint presentation he has with the information from that time period.

John Weiss, President of Chamber of Commerce, stated it is agreed that the business community would like to reduce clutter; the need of communicating what and where businesses are; the adoption of modest fees; and, it meets the needs of the business as well as City standards. He said a workshop is a great idea.

Mayor Yates closed the hearing for public comment.

Councilmember Smukler stated he would like a better dialogue with the Chamber of Commerce and other interest groups, and that they have an opportunity for input.

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Councilmember Johnson made the following suggestions: 1) no A-frame signs anywhere in the City; 2) projecting public signs allowed in all parts of the City; 3) kiosks should be allowed at the corner of Beach and Front Street, along the waterfront and on the corners of Old Town; and 4) feather flags should be allowed in North Morro Bay and Quintana Road. She also noted signs on pick-up trucks should not be allowed and should be enforced.

Mayor Yates stated he agrees there should be no A-frame signs allowed anywhere in town noting there are alternative signs.

Councilmember Borchard stated she would like to exhaust the fact that there are areas that could have alternative signage before disallowing A-frame signs. She said she would like the Planning Commission PowerPoint presentation from 2004 be part of the workshop which could give Council alternative ideas. Councilmember Borchard requested Council consider the appointment of a Sign Review Board.

Council directed staff to schedule a public workshop on the Draft Sign Ordinance within six months, or by the first meeting in November.

No further action was taken on the Draft Sign Ordinance.

B-2 REVIEW AND ADOPTION OF A REVISED TEEN CENTER MASTER PLAN; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated the Teen Center Master Plan process started in 2004 with public workshops and concluded in 2006 with a City Council approved Concept Plan. Recent workshops have been held to not only update the Master Plan, but also to fulfill Proposition 84 requirements for public input. Staff held three workshops at the Teen Center in late February 2011. The Recreation & Parks Commission reviewed four resulting options and requested staff to develop additional options which combined two of the proposed. As a result, Options 5 and 6 are presented to City Council for consideration. At the conclusion of this process, staff will be submitting a grant application to the State Parks Department with the intent to obtain Proposition 84 funding. Mr. Woods recommended the City Council review and discuss the proposed options for the Teen Center Master Plan and adopt either Option 5 or 6 based on public input and consensus.

Mayor Yates opened the hearing for public comment.

Jake stated he has been going to the Teen Center for a few years and it has been a great experience, and he believes this upgrade will be beneficial for future teens. He said Option 6 would provide a lot of space for the community.

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John Gutierrez, Program Director for Teen Center, stated this is a home away from home for a lot of teens. He said as part of the Teen Advisory Committee, there are teens that put a lot of time into this Master Plan. Mr. Gutierrez stated he prefers Option 6 generally as the better plan.

Taylor Newton stated he mentors the Gorilla Gardening Club who is mostly teens who are excited about getting involved in the landscape portion of this plan as well as the skate park and fitness area. He stated he prefers Option 6 especially with the fitness center and internet access.

Karen Croley, Recreation & Parks Commissioner, stated she prefers Option 6 which is more family-oriented with something for different age groups to do in a confined space. She said crime studies show that between 3:00 pm - 5:00 pm is when crime rates are highest because teens are home unsupervised with nothing to do.

Mayor Yates closed the hearing for public comment.

Councilmember Borchard stated she is adamant that this is a Youth Center with multi-age access and recognizing an area for teens. She expressed concern with the maintenance of the skate park area under the trees. Councilmember Borchard also has concern with the unprojected cost of this plan.

Councilmember Johnson stated she prefers Option 6; however, she expressed concern with the placement of the modular skate park in the back and the concrete skate park in the front of the Center. She said she would like the climbing area to be opened to preteens. Councilmember Johnson stated she would like the Center to be renamed because it is intimidating to preteens. She also has concerns with the unprojected costs.

Mayor Yates stated he supports approval of the Master Teen Center Plan (Option 6) as proposed; Councilmember Leage agreed.

Councilmember Smukler stated he supports Option 6 because it gives a buffer from the neighboring property owner. He said he would like renewable energy and water recycling to be included in this plan.

MOTION: Councilmember Smukler moved the City Council adopt Option 6 of the Master Teen Center Plan. The motion was seconded by Councilmember Borchard and carried with Councilmember Johnson voting no. (4-1)

C. UNFINISHED BUSINESS – NONE.

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D. NEW BUSINESS

- D-1 RESOLUTION NO. 36-11 APPROVING A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE EMERGENCY SOLUTIONS GRANT PROGRAM AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM FOR FISCAL YEARS 2012-2014; (ADMINISTRATION)

City Manager Andrea Lueker stated the City of Morro Bay has the opportunity to participate with other cities and the County of San Luis Obispo in qualifying as an “Urban County” for fiscal years ending 2012-2014. An Urban County receives annual, formal-based grants from the federal Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG), Home Investment Partnership Act (HOME) and Emergency Solutions Grants (ESG) programs. For the next 3-year cycle, staff’s recommendation is that the City of Morro Bay joins the Urban County rather than apply for funds as an individual city. This recommendation is due to staff reallocations and budget reductions over the past few years. Staff believes this move will provide more funding overall to the City and its residents, than the City attempting to apply for funds as an individual City. If the City decides to become part of the Urban County, the City will receive its CDBG allocation through the county. The estimated amount of the CDGB funding is \$87,000 - 100,000. Ms. Lueker recommended the City Council adopt Resolution No. 36-11 approving a Cooperation Agreement between the County of San Luis Obispo and the City of Morro Bay for Joint Participation in the Community Development Block Grant Program, the Emergency Solutions Grant Program, and the Housing Opportunities for Persons with Aids Program for Fiscal Years 2012-2014.

MOTION: Councilmember Leage moved the City Council adopt Resolution No. 36-11 approving a Cooperation Agreement between the County of San Luis Obispo and the City of Morro Bay for Joint Participation in the Community Development Block Grant Program, the Emergency Solutions Grant Program, and the Housing Opportunities for Persons with Aids Program for Fiscal Years 2012-2014. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

E. DECLARATION OF FUTURE AGENDA ITEMS – NONE.

ADJOURNMENT - The meeting adjourned at 9:19 P.M.

Recorded by:

Bridgett Kessling
City Clerk