

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JULY 12, 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:	Andrea Lueker	City Manager
	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
	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 - -- there was no Closed Session report.

PUBLIC COMMENT

Richard Sadowski announced the Rock to Pier Run would be held on Saturday, July 16<sup>th</sup> and noted the church he attends will be providing nourishment for the runners.

Garry Johnson shared pictures of the skateboard and 4<sup>th</sup> of July events and noted how much fun everyone had over this successful weekend.

Betty Winholtz reminded residents that the deadline for comments on the Wastewater Treatment Plant upgrade was Friday, July 15<sup>th</sup>. She also stated an error was made on the airing of the Wastewater Treatment Plant workshop on July 27<sup>th</sup> where a speaker was omitted and she would hope that does not happen again.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JULY 12, 2011

Richard Margesten asked why the June and July JPA meetings were canceled. He said he would think the City Council would want a discussion after the workshops were held and receive additional comments regarding the Wastewater Treatment Plant upgrade.

Joan Solu stated a California Welcome Center may be allowed in Morro Bay since there is not one within 50 miles along Highway 1; she said she will pursue this issue.

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 MEETINGS OF JUNE 14, 2011 AND JUNE 28, 2011; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 RESOLUTION NO. 47-11 ADOPTING MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY PEACE OFFICERS ASSOCIATION; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 47-11.**

A-3 RESOLUTION NO. 48-11 INTENTION TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY OF MORRO BAY (LOCAL POLICE SAFETY); (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 48-11.**

A-4 AUTHORIZATION FOR THE CITY OF MORRO BAY TO ENTER INTO GRANT AGREEMENT #10-101-101 WITH THE DEPARTMENT OF BOATING AND WATERWAYS FOR "MORRO BAY STATE PARK MARINA - NON-MOTORIZED KAYAK LAUNCH DREDGING"; (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 50-11.**

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JULY 12, 2011

A-5 AUTHORIZATION FOR THE CITY OF MORRO BAY TO ENTER INTO GRANT AGREEMENT #10-127-938 WITH THE DEPARTMENT OF BOATING AND WATERWAYS FOR "MORRO BAY STATE PARK MARINA - MARINA BASIN AND ENTRANCE CHANNEL DREDGING"; (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 51-11.**

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

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

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETINGS OF JUNE 14, 2011 AND JUNE 28, 2011; (ADMINISTRATION)

Councilmember Smukler referred to the minutes of June 28, 2011; Item B-3 (Adoption of the Urban Water Management Plan 2010 Update) page 6, and requested the following amendment to his statement:

“Councilmember Smukler requested the motion include recognition of the risk of unplanned ~~an~~ emergency interruptions to the State Water Project in the Plan.”

MOTION: Councilmember Smukler moved the City Council approve Item A-1 of the Consent Calendar with the amendment to the minutes of June 28, 2011. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

**B. PUBLIC HEARINGS, REPORTS & APPEARANCES**

B-1 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 569 AUTHORIZING THE 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 POLICE DEPARTMENT; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton stated per the contract amendment process, the City Council was presented with Resolution No. 48-11, which authorized the Resolution of Intention to approve an amendment to the contract between the Board of Administration California Public Employees' Retirement System (PERS) and the City of

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JULY 12, 2011

Morro Bay (Local Police Members). The process also requires the introduction and first reading of an Ordinance which is being presented to Council. This Ordinance is not to be adopted until 20 days have passed since the adoption of the Resolution of Intention. Ms. Slayton recommended the City Council approve Ordinance No. 569 for first reading and introduction by number and title only; she noted the adoption of Ordinance No. 569 will be scheduled for the August 9, 2011 meeting.

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

**MOTION:** Councilmember Borchard moved the City Council approve Ordinance No. 569 for first reading and introduction by number and title only. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

City Manager Andrea Lueker read Ordinance No. 569 by title and number only.

**B-2 RESOLUTION NO. 49-11 ADOPTING THE FISCAL YEAR 2011/12  
OPERATING BUDGETS; (ADMINISTRATIVE SERVICES)**

Administrative Services Director Susan Slayton stated the FY 2011/12 budget is balanced in all funds without the use of any General Fund Emergency Reserves. She said any amendments that the City Council makes to the budget will be included in the final document. Ms. Slayton recommended Council provide any further direction regarding the FY 2011/12 operating budgets, and adopt Resolution No. 49-11 accepting the budget as the spending plan for the upcoming year.

Mayor Yates opened the hearing for public comment.

Joan Solu stated with efforts being made in marketing, the hoteliers have hopes that percentages in Transient Occupancy Tax collections will go up as well as the Tourism Business Improvement District. She said the budget projects the Tourism Business Improvement District to be at \$360,000, which is at a 2% collection rate, and the hoteliers are actually collecting 3% which would be \$480,000. Ms. Solu asked Council to review the schedule for the Tourism Business Improvement District collections. She also requested Council review the motion approving \$50,000 for the Visitor Center funding, and when the funding was to begin.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JULY 12, 2011

Betty Winholtz referred to the following items in the budget and requested clarification: 1) \$560,000 coming out for Capital Projects from the Harbor fund – she finds only \$30,000 is needed for the Harbor Marina; what is the remaining funding going towards; 2) Streets – how much is going towards streets, how much is from Measure Q funds and where is the rest of the funding coming from; 3) Water – money coming out of Reserves and going towards Operations - what are these funds being used for; and, 4) Capital Projects – why have these projects not been completed. She said it appears \$94,000 of impact fees were collected in the last year, and due to Council's action at its previous meeting, it will be losing these fees for the next three years. Ms. Winholtz stated Dial-a-Ride could have been extended for another couple of years with a few minor adjustments from Reserves.

Mayor Yates closed the hearing for public comment.

The City Council reviewed the Fiscal Year 2011/12 preliminary annual budget, and the following changes/transfers/dedications were made:

1. Transfer \$170,551, which represents the unallocated, excess cash reserves, from the General Fund Emergency Reserve Fund to the Streets Division of the District Transaction Tax (DTT) (Measure Q) Fund; and
2. Remove the reservation of +/- \$110,000, which currently exists in the DTT Fund for the City Hall/Public Services/Transit Building Generator, and apply that money to the Streets Division in the DTT Fund; and
3. Change the revenue projection in the Morro Bay Tourism Business Improvement District (MBTBID) Fund from \$380,000 to \$460,000; the original estimate was calculated at 2%, when the actual assessment is 3%; and
4. Transfer the Mimosa Special Assessment District cash balance of \$12,607 from the Special Assessment District Fund to the Streets Division of the DTT Fund for Mimosa Street; and
5. Reduce the Fire Department's 2011/12 request for funding for a firefighter, which was made in the DTT Fund, from \$147,101 to \$143,864 to recognize the savings from the 2<sup>nd</sup> Tier retirement program, and dedicate that money (\$3,237) to the Fire Station #53 Reserve in the DTT Fund; and

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JULY 12, 2011

6. Remove the following requested items from the DTT Fund “A” list, as they will be paid for with the COPS grant or Vehicle License Fees, for a total of \$100,000:
  - a) Booking fees (VLF): \$40,000
  - b) Safety items (COPS): \$43,000
  - c) Salary for ½ time Property/Evidence Technician (COPS): \$17,000
7. Add the following Police request for DTT Fund money to the “A” list from the “A.1” list: \$16,000 for (3) ballistic entry vests and LASERFICH software upgrade; and
8. The balance of \$84,000, which is \$100,000 of removed items above less the \$16,000 item added from the “A.1” list, is to be dedicated in the DTT Fund to storm drains; and
9. Remove the 2008/09 through 2010/11 reservations in the DTT Fund Fire Division for Fire - firefighter, and apply that money to the Fire Station #53 reserve in the DTT Fund Fire Division.

MOTION: Mayor Yates moved the City Council adopt Resolution No. 49-11 with the following amendments: 1) \$170,000 from Unallocated Emergency Reserve Funds and place it in the Street Fund; 2) \$100,000 +/- allocated for the City Hall generator and place it in the Street Fund; 3) adjust the Tourism Business Improvement District income from \$380,000 to \$460,000; 4) Measure Q – List A: remove the Police Department booking fees (\$40,000), safety items (\$43,000), salary for the half-time Property/Evidence Technician (\$17,000) and add \$16,000 from the A-1 List (Police Department vests), and the remaining \$84,000 from the \$100,000 generator savings will be placed into the Street and Storm Drain Funds; 5) Mimosa Street Assessment District unallocated funds (\$12,000) shall be placed in the Street Fund and specifically earmarked for the Mimosa Street maintenance; and 6) \$131,983 savings dedicated for the Measure Q firefighter position (\$3,237) and two other reservations for Fire and place it towards the Fire Station #53 Project. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

C. UNFINISHED BUSINESS – None.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JULY 12, 2011

D. NEW BUSINESS

D-1 DESIGNATION OF VOTING DELEGATE AND ALTERNATE VOTING DELEGATE AT LEAGUE OF CALIFORNIA CITIES 2011 ANNUAL CONFERENCE BUSINESS MEETING; (ADMINISTRATION)

MOTION: Councilmember Smukler moved the City Council appoint City Attorney Robert Schultz as the City's voting delegate at the League of California Cities 2011 Annual Conference Business Meeting. The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested to agendize a discussion on options for a bike/pedestrian connector pathway through the power plant property and incorporates recommendations into the City Bike Plan; Council concurred.

Councilmember Smukler requested to agendize a discussion on the implementation of short and long-term actions to resolve trash situations at the Morro Rock parking lot.

Councilmember Smukler requested the Tourism Business Improvement District Advisory Board to review the California Welcome Center option.

Councilmember Smukler requested to agendize a discussion on a long-range planning priorities and goal setting workshop; Council concurred.

Councilmember Borchard requested to agendize a discussion on the Tourism Business Improvement District allocation of funds; Council concurred.

Councilmember Borchard requested to agendize a discussion on the review of Commission and Advisory Board by-laws; Council concurred.

ADJOURNMENT - The meeting adjourned at 8:47 p.m.

Recorded by:

Bridgett Kessling  
City Clerk