

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – MAY 22, 2012
CITY HALL CONFERENCE ROOM - 5:00 P.M.

AGENDA NO: A-1

MEETING DATE: 06/12/2012

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:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	City Clerk
	Eric Endersby	Harbor Director

CLOSED SESSION

Mayor Yates adjourned the meeting to Closed Session.

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 54957; PERSONNEL ISSUES
Discussions regarding Personnel Issues including two (2) public employees regarding evaluation, specifically the City Manager and the City Attorney.

CS-3 GOVERNMENT CODE SECTION 54956.8; 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 parcel.

- **Property: DeGarimore Central Coast Marine Fuel & Ice Lease Site 101.5W/105.2**
Negotiating Parties: DeGarimore and City of Morro Bay
Negotiations: Lease Terms and Conditions

The meeting adjourned at 5:55pm.

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VETERAN’S MEMORIAL HALL – 6:00P.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
	Jamie Boucher	City Clerk
	Rob Livick	Public Services Director
	Mike Pond	Fire Chief
	Mike Lewis	Interim Police Chief
	Eric Endersby	Harbor Operations 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 Shultz reported that City Council met in Closed Session and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Paul Gilliland owns Associated Pacific Contractors, a home grown business for the last 30+ years. Associated Pacific has a unique niche in the marketplace as they perform waterfront and marine construction activities between Santa Cruz and San Diego. Associated Pacific offers expertise in a broad range of technical areas. They are excited about the upcoming dredging contract they have with the City.

Joey Ricano, Director of the California Ocean Outfall Group, stated he had serious reservations about awarding a contract for the dredging project as dredging can be done on a maintenance basis only. Since the area hasn’t been dredged in over 63 years, he doesn’t feel this is a maintenance project. He also feels this will violate the Marine Protected Area.

Amit Patel, owner/operator of the Day’s Inn and former Community Promotions Member spoke in support of the Morro Bay TBID in their attempts to market Morro Bay. Since the inception of the TBID there have been positive changes. He hopes that Council will continue to support and fully fund the request of Morro Bay Tourism Bureau. Please don’t cut the efforts off just as business is starting to rebound.

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Susan Heinaman feels that it wouldn't be prudent for the City to "put all our eggs in one basket" by fully investing in the MBTBID program and instead feels it would be much smarter to fund the Economic Development Program managed by the Chamber as well as work on updating the General Plan. The current CEO of the Chamber has all the qualifications and education to undertake the Economic Development Program. Tourism, Economic Development and becoming competitive in the grant market will take Morro Bay beyond just being a "one trick pony".

Susan Macdonell, Manager at MV Transportation, advertised that the Trolley Season is here. They will operate Friday thru Monday during the summer months. Morro Bay Transit is also offering Free Bus Rider Training classes for seniors. The next one is being held on Wednesday, May 23rd at 1pm at the Senior Center. She also cautioned Morro Bay drivers to please be more careful when driving.

Keith Taylor continued his fundraising efforts on behalf of the Morro Bay Reserve Firefighter program. The Friends of the Firefighters are selling bricks and stones that will be placed in front of the new residential quarters of the Fire Department. All monies raised go to the Stuart Reed Foundation to help with Paramedic and State Firefighter training.

Michelle Arete spoke representing 200 residents and petition signers keeping an eye on 3390 Main Street, the Medina project. It seems that there are many discrepancies to include the issuance of a coastal development permit for a larger sized house than was authorized by the Planning Commission and the City Council. She requests staff closely monitor the project through the entire planning process.

Sharon Moore spoke on Item C-1, Discussion on Local Sportfishing Businesses, hoping Council would approve the concept of the advertising kiosks that she and the Harbor Department are working towards. She feels they would be beneficial for tourists looking for things to do and is looking forward to continuing to work on this concept with the Harbor Department.

Bob Swain read a letter from John Weiss who spoke on behalf of the Chamber taking control of the Economic Development Program as a strong economy is vital to our City's growth.

Jonathan Robbins spoke out against the article written by the New Times about the condemnation of an individual proprietorship as well as a condemnation of Morro Bay. He suggested that those that were as bothered by the article on the Morro Bay Aquarium to expect a written apology and if not, have the boxes of New Times removed from our streets.

Janice Peters spoke on item D-1, the Allocation of the Community Promotions Committee Monies. She stated that we are still in the midst of financial difficulties and we need to look at economic development as part of a solution. The current CEO of the Chamber of Commerce has expertise in economic development. She urged the Community Promotions Committee monies be used to organize an Economic Development Program as we can't depend solely on tourism.

David Nelson let Council know that based on a news report he heard that evening, Dynegy would be closing in 2013 and wondered what the Council was going to do. He supports cleaning

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the area up and tearing the plant down in short time in order to ensure a safer and healthier Estuary. Regarding redevelopment, he urged Council restart the New Futures Committee as that was a very cooperative group.

Susan Stewart stressed that the Economic Development Program concept isn't about saving the Chamber of Commerce; it's about enhancing Morro Bay and ramping up our business community for the benefit of locals and tourists. A strong community has many legs to stand on. We need a concurrent focus on the town and need the sanction and support of the City Council to bring this concept to fruition.

Christine Johnson provided an update on the Morro Bay 4th stating that there would be an Amp Surf Clinic, a Skateboard Race, a Bike Parade, Opening Ceremonies, and Live Music. There would also be a food court throughout the day. She thanked Stax for their fundraising raffle and thanked the Dutchman for sponsoring the bike parade. Regarding the Economic Development Plan, she stressed the word "and" – you can have both tourism and strong economic development.

Betty Winholtz spoke on Item A-4, Approval of Amendment to the Lease Agreement to the Harbor Hut Lease Site, stating she has fiscal concerns that the \$150,000 in improvements shouldn't equate to an extension of 10 years. She also has planning issue concerns as Municipal Code 17.36.020, doesn't address the PD overlay zone and doesn't justify an addition to a non-conforming business north of Beach Street. She also feels that Measure D doesn't allow this. Regarding Item B-2, the Introduction and First Reading of Ordinance 578, in the "Whereas's" it states that it's important to have "...clear, consistent and easy..." if these sentences are added and she suggests that it is not clear, and it is not consistent. She also objects to the Environmental and Negative Dec document as it relates to air quality and green-house gasses. And finally, regarding her post card mailing, it was personally mailed by her and personally paid for by her; she could not and did not talk to any candidate(s) about it.

Dan Reddell, for the last 11 years, has been trying to build his home on the back slope of Cerrito Peak in Morro Bay. He has been opposed by Betty Winholtz and feels she is also trying to steal his land by suing him for a "quiet title action" which asks the judge to give her non-profit organization their land without any compensation back. She is also asking the judge to stop the City from granting any more Coastal Development Permits which could have the effect of citizens no longer being able to add any square footage to their homes or businesses. He feels it could result in a virtual shutdown of the Planning Department. He also went on to say that he is asking to build "on" the slope of Cerrito Peak, not "atop" Cerrito Peak and that the Salinian Indian Tribe have publicly supported him building his home at this site. He is fearful that Betty Winholtz is determined to stop things from happening in Morro Bay. He went on to say he supported a balanced approach to City government and encouraged residents to elect either Bill Yates or Carla Borchard for Mayor and Joan Solu and Jim Hayes for Council.

Garry Johnson spoke on the mailer sent out by Betty Winholtz as well as what he feels is the one-sidedness of the local newspapers' coverage of Morro Bay's candidates. He wanted to clear up some misconceptions that has been seen in print. He spoke on The Tribune's candidate

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endorsements and the fallacies he feels were omitted. He also gave his endorsement for Ms. Borchard for Mayor and Ms. Solu for Council for the upcoming election.

John Barta spoke out against The Tribune as he feels they used to be part of our community and now he feels they have no connection to our community. He asked that people don't listen to their voting recommendations as they are not in tune with the needs of our City.

Mayor Yates closed the public comment period.

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 THE REGULAR MEETING OF MAY 8, 2012; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 AWARD OF CONTRACT TO ASSOCIATED PACIFIC CONSTRUCTORS OF MORRO BAY FOR THE PROJECT NO. MB-2012-H1: STATE PARK MARINA MAINTENANCE DREDGING PROJECT; (HARBOR)

RECOMMENDATION: Adopt Resolution.

A-3 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING CITY EMPLOYEE VACATION AND SICK LEAVE ACCUMULATION PAY; (ADMINISTRATION)

RECOMMENDATION: Approve and send attached response letter to the Presiding Judge of SLO County Superior Court and the Grand Jury.

A-4 REQUEST FOR APPROVAL OF AMENDMENT #2 TO THE LEASE AGREEMENT FOR LEASE SITE 122-123/122W-123W (HARBOR HUT, 1205 EMBARCADERO); (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution 21-12 for Lease Site 122-123/122W-123W approving Amendment # 2 to the lease to extend the term 10 years.

A-5 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING CITIZEN COMPLAINTS AND INTERNAL AFFAIRS INVESTIGATIONS; (CITY ATTORNEY)

RECOMMENDATION: Approve and send attached response letter to the Presiding Judge of SLO County Superior Court and the Grand Jury.

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Councilmember Smukler pulled Items A-2, A-3 and A-5 and Mayor Yates pulled Item A-4 from the Consent Calendar.

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

A-2 AWARD OF CONTRACT TO ASSOCIATED PACIFIC CONSTRUCTORS OF MORRO BAY FOR THE PROJECT NO. MB-2012-H1: STATE PARK MARINA MAINTENANCE DREDGING PROJECT; (HARBOR)

Councilmember Smukler pulled Item A-2 requesting the City Attorney respond to public comment. City Attorney Rob Schultz responded that the Coastal Commission has determined that it is in compliance and all agencies who have reviewed the project have also approved it.

MOTION: Councilmember Smukler moved the City Council approve Item A-2 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously 5-0.

A-3 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING CITY EMPLOYEE VACATION AND SICK LEAVE ACCUMULATION PAY; (ADMINISTRATION)

Councilmember Smukler pulled Item A-3 stating that he wished they had been provided a red-lined version of the letter. He also wanted staff to ensure Council that they would be provided an annual report on employee vacation and sick leave accruals.

MOTION: Councilmember Smukler moved the City Council approve Item A-3 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously 5-0.

A-5 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING CITIZEN COMPLAINTS AND INTERNAL AFFAIRS INVESTIGATIONS; (CITY ATTORNEY)

Councilmember Smukler pulled Item A-5 stating that he went on-line to try and find the form and couldn't find it. Interim Police Chief Mike Lewis stated that it is there. In addition, the department will also take complaints over the phone as well as in person. Councilmember Smukler hoped that the form be placed on the front page of the department's webpage.

MOTION: Councilmember Smukler moved the City Council approve Item A-5 of the Consent Calendar. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

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A-4 REQUEST FOR APPROVAL OF AMENDMENT #2 TO THE LEASE AGREEMENT FOR LEASE SITE 122-123/122W-123W (HARBOR HUT, 1205 EMBARCADERO); (CITY ATTORNEY)

Mayor Yates pulled Item A-4 so that Councilmember Leage can step down due to a conflict of interest.

MOTION: Councilmember Johnson moved the City Council approve Item A-4 of the Consent Calendar. The motion was seconded by Mayor Yates and carried 4-0-1 with Councilmember Leage abstaining.

Councilmember Smukler followed up with a discussion point regarding the fact that the Harbor Hut is located in the Measure D area and because he doesn't feel that this project is endangering fishing interests, he is willing to move forward with it. He also asked the City Attorney if the \$150,000 investment in exchange for a 10 year extension is consistent with our current practices to which the City Attorney replied that it was.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 25-12 DECLARING THE INTENTION TO CONTINUE THE PROGRAM AND ASSESSMENTS FOR THE 2012/13 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID); (ADMINISTRATIVE SERVICES)

City Manager, Andrea Lueker presented the staff report requesting Council hold a public hearing, record testimony for/against the continuation of the MBTBID and adopt/reject/amend Resolution 25-12 declaring the City's intention to continue the program and assessments for the 2012/13 fiscal year.

Mayor Yates opened the hearing for public comment.

Janice Peters applauded TBID's work but also stressed that there are still holes to be fixed/filled. She requested that TBID ask hoteliers not to increase rates on holiday and special event weekends; she requested that the quality and cleanliness of rooms be looked at (a self-review); and she requested that rooms with handicapped access be taken a look at to ensure that they were indeed accessible.

John Meyers, a MBTBID Board Member stated that they have been working on self-assessments based on trip advisor studies and are working towards the points that Ms. Peters brought up. He also asked Council to consider a TOT Re-Investment Program that would assist hoteliers in upgrading their hotels.

Susan Stewart urged the Council approve Resolution 25-12 declaring the intention to continue the program and assessments for the 2012/13 MBTBID as we are clearly seeing results. She also thinks it's important to get the 501(c)6 formed as well as hire a Tourism Director by the beginning of summer season. Is concerned that we have seen cost overruns and thinks that having a paid manager able to monitor expenses more closely should help.

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Mayor Yates closed the hearing for public comment.

Councilmember Smukler requested a timeline for getting the non-profit status. City Attorney Schultz stated that the Articles of Incorporation have been filed; the Bylaws are being worked on and will be given to the Council and the MBTBID in June for their review. The TBID will continue to function as an advisory board until then. Councilmember Smukler then spoke to the correspondence received from a hotelier in the north end which stated that some areas are not receiving the same benefits of the assessment as others in the City. City Attorney Schultz responded that those hoteliers need to become more a part of the process and felt it best to wait for the new Tourism Bureau to be put together before addressing the issue. It would take an amendment to the current Ordinance if a change were to be made.

Councilmember Johnson concurred with Councilmember Smukler's comments.

Councilmember Borchard spoke on the letter Council received from Mr. Gromley regarding the benefits he feels he isn't receiving. She would like to earmark the North end motels for conversation when we start adding vacation rentals into the MBTBID.

MOTION: Councilmember Borchard moved for adoption of Resolution 25-12 declaring the intention to continue the program and assessments for the 2012/13 fiscal year for the Morro Bay Tourism Business Improvement District. The motion was seconded by Councilmember Smukler and passed unanimously 5-0.

B-2 INTRODUCTION AND 1ST READING OF THE ORDINANCE 578 AMENDING MODIFYING SECTION 17.44.020.1 PROVIDING SPECIFIC REGULATIONS AS TO WHEN ADDITIONAL ONSITE PARKING WILL BE REQUIRED FOR EXISTING COMMERCIAL BUILDING(S) CONVERTING FROM ONE USE TO ANOTHER WITHOUT NEW CONSTRUCTION OR NEW ADDITIONS, FOR THE MAPPED SPECIFIC NORTH MAIN STREET COMMERCIAL AREA; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report. At the December 13, 2010 Council meeting, it was requested that 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. Based on the request, staff provided various options to Council for their consideration. The proposed amendment went to Planning Commission on April 18, 2012 who gave a favorable recommendation by Resolution 19-12. The change to the existing Ordinance would provide that "Except in the North Main Street Commercial parking Area (as defined) as codified at the end of this chapter where all changes in uses including more intense uses not including new construction or new additions will not be required to provide additional onsite parking." A Negative Declaration was prepared, it was properly noticed, and is now before Council for their consideration.

Mayor Yates opened the hearing for public comment; seeing none, the public hearing was closed.

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Councilmember Borchard thanked staff; it was her goal to offer relief to some of the North Main Street businesses with parking issues. This also works into the ongoing efforts to review the Zoning Ordinance and Local Coastal and General Plan update which takes a long time. She hopes this will help in the interim.

Councilmember Johnson is happy to see that we are making progress on this issue as it has been a very long and difficult process. She sees this as a help to those businesses in North Morro Bay.

Councilmember Smukler is in support of this as it encourages renovations of existing structures. He would still like to see stronger language. He would like to see the word “commercial” added as follows: “...chapter where all changes in **commercial** uses including...”

MOTION: Councilmember Borchard moved for approval of Ordinance No. 578 by number and title only with the inclusion of the word “**commercial**” in the last sentence. The motion was seconded by Councilmember Smukler and passed unanimously 5-0.

C. UNFINISHED BUSINESS

C-1 DISCUSSION ON LOCAL SPORTFISHING BUSINESSES; (HARBOR)

Harbor Director Eric Endersby presented the staff report stating that he was given direction to meet with the local sportfishing businesses to come to some general consensus regarding potential areas where a common “co-op” or other joint advertising and/or informational area could be established to promote the sportfishing industry. After discussions, the idea to install two kiosks, one near the South T-Pier and one near the giant chessboard were proposed. Staff is looking for Council support to carry this forward. Staff also requested that this concept be vetted through the Harbor Advisory Board before coming back to Council.

Councilmember Smukler wondered if the Harbor Department would be willing to include the Chamber in their further discussions to which Harbor Director Endersby said yes.

Councilmember Johnson felt it was important to send this to the Harbor Advisory Board in an effort to come up with a plan. Thinks it’s a good idea to include the Chamber in the discussions.

Councilmember Borchard also feels it’s appropriate to send this concept to the Harbor Advisory Board as well as work with the Chamber. It would also be good to include other coastal dependent businesses that might benefit from the kiosk concept

Mayor Yates stated that this is all great but feels there is some urgency and this all seems too slow of a process. He hopes it would be possible to do something temporarily that would help the sportfishing industry now, while other discussions are ongoing.

Councilmember Smukler questioned whether or not Sharon Moore (Virg’s) was comfortable with adding additional water dependent activities to this concept to which she said, yes – down the road. He then asked if Council attempted to encompass all of this now, would that take too much time to which she responded, yes.

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Councilmember Johnson requested a guesstimate as to the permit requirements for something like this. Public Services Director Livick said that we could possibly issue a temporary use permit with a defined timeline which could happen in less than a month.

There was no action taken as Harbor Director Endersby has clear direction to meet with the stakeholders, take this item to the Harbor Advisory Board and then, based on their direction, look to requesting a temporary use permit for the site(s).

D. NEW BUSINESS

D-1 PRESENTATIONS ON ALLOCATION OF 2012/13 AVAILABLE COMMUNITY PROMOTIONS COMMITTEE MONIES; (ADMINISTRATION)

City Manager Andrea Lueker presented her staff report, asking Council to listen to the presentations from John Meyers, Morro Bay TBID and Craig Schmidt, the Morro Bay Chamber of Commerce whose organizations are both looking to receive funding from the unallocated Community Promotions Committee monies. The MBTBID is requesting the funds for ongoing advertising and promotional efforts and the Chamber of Commerce is hoping to develop an Economic Development Program.

John Meyers presented a proposed budget and 5-year plan incorporating the available Community Promotions monies in an effort to show Council how they would be utilized. The Board feels that this funding will be critical to their ongoing advertising and promotional efforts into the future, and in fact is especially critical in starting the new Tourism Bureau. Any reduction in funding would reduce advertising, media and event support which would have a corresponding negative impact to business in Morro Bay.

Craig Schmidt, CEO of the Morro Bay Chamber of Commerce presented their proposal for a comprehensive Economic Development Program. The proposal focused on five key areas: Business Retention and Expansion, Business Recruitment, Entrepreneurial Development, Community Development, and Consensus Building. Establishing a healthy business climate not only assists businesses currently in the community but sets an appealing stage to recruit new businesses. This program is based on the utilization of the unallocated Community Promotions Committee monies.

Councilmember Smukler feels it's important to make the statement that we support the Economic Development Program with 100% of the available funds and is hopeful that other Councilmembers will do the same. He feels we need to diversify our support and is excited about this opportunity.

Councilmember Leage stated that both sides are looking for one thing – tourists; if we build up the economy, tourists will come and if we advertise, tourists will come. He believes the first thing we need to do is promote our town and is against weakening our promotion efforts at this time. While he wants to see the Chamber succeed, right now we need to make sure the promotion monies are used properly.

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Mayor Yates agrees with Councilmember Leage conceptually but agrees with Councilmember Smukler in practicality. It has to do with bringing in jobs. He is sorry that both groups haven't gotten together and/or can't get together to come to a mutual compromise.

Councilmember Johnson agrees with Councilmember Leage. She is also in full support of Economic Development. She doesn't feel Council can give away money until she sees the budget and we hold the budget hearings. She also wishes that the two groups could start talking more and begin working better together.

Councilmember Borchard has a problem with the inclusion of the Community Development request of \$36,000 found in the Economic Development Plan as she thinks those should be City functions. She is in support of financially supporting staffing efforts and the other requests but doesn't see justification for the Community Development monies. She did state that if the Community Development portion of the Economic Development Plan monies became available, that could be allocated to the MBTBID and there will also be additional monies that the TOT is bringing in that can be discussed at the upcoming Budget Hearing.

Councilmember Johnson agreed that the Community Development section monies should be removed and they should just concentrate on business development. She liked the 5-year plan that the TBID proposed showing that the amount of money requested from the City decreasing each year. She thinks the Chamber should go back and look for other ways to bring in money. She would like to see the \$36,000 in requested for Community Development monies allocated to the MBTBID. She would also like to see both groups look at their budgets and come back with trimmed down requests as well as generate ideas to bring in additional monies.

Councilmember Smukler submits that the Chamber is the right forum for the Community Development project funds as we currently have no one working towards these efforts and feels the Chamber would be the perfect vehicle for it. And as far as General Fund monies go, economic development is a much better use of those funds than promotions and marketing.

Councilmember Borchard stands by her statements and hopes that there will be an opportunity to be able to monitor the progress of the Economic Development Plan via goals and benchmarks.

There was no action taken on this item; a request was made to both groups to come back with revised and trimmed down proposals to the Budget Hearing at 4pm on June 12th.

D-2 UPDATE ON PAVING PROJECT NO. MB2012-S2, 2012 STREET REHABILITATION PROGRAM AND DISCUSSION OF PAVING SCHEDULE; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the status report on the street rehabilitation project that was to include work on Main Street from Highway 1 to Quintana Place and the Embarcadero; from Beach Street to Coleman Drive/Power Plant Driveway with all work to be completed by Memorial Day.

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Mayor Yates is dismayed with the project manager at the lack of communication. He doesn't understand how they aren't in breach of contract if it states all work on Main Street and Quintana will be done by May 25th.

Councilmember Johnson is frustrated as Council is being accused of not following through with promises and isn't sure how much faith she can place in this contractor. But also wants to see the streets paved and this is the City's only option. She would like to see us move ahead with Main Street and the residential areas so we can hopefully get this thing going.

Mayor Yates feels we should pull the contract and put it back out to bid, to begin after Labor Day. He feels that this company is totally untrustworthy as the contract specifically states that all work on Main Street and the Embarcadero must be completed by May 25th. He is also angry that any road construction might be done between Memorial Day and Labor Day which goes against the Resolution he had passed back in 2003.

Councilmember Borchard stated that while cancelling the contract would feel great, it wouldn't get us any closer to getting the streets paved. She would like to see Main Street section done by June 4th and then take the residential streets and the Embarcadero after summer.

Councilmember Leage is upset at himself for not keeping better track of what was going on. He also agrees with Mayor Yates that no road construction on Main Street should take place from Memorial Day to Labor Day. He feels that if they aren't able to begin construction by June 4th then we should pull the plug.

Councilmember Smukler wants Council to ensure that we cover ourselves as well as put ourselves in a place to receive the most in liquidated damages. Let's work on getting it done but make sure we aren't missing an opportunity to take advantage of this situation. Don't want to get caught having any of this work done during the highest tourist season time.

City Attorney Rob Schultz stated that it is his position that the contractor will be in default if the work on Main Street and the Embarcadero is not completed by May 25th and that the liquidated damages provision would begin to accrue from that point. Question is, do you want to complete the work now or do you want to wait until after Labor Day? And in what sequence would you like it to get done?

Councilmember Leage suggested that the City has a drop dead start date as well. For the purposes of discussion, Mayor Yates threw out June 20th as the last possible date for any commercial street work. Councilmember Smukler wants to strengthen that, based on upcoming special events. There is the Oyster Festival on June 16th which will bring in many tourists. June 13th sounds like a better date to stand by as June 14th is Morro Bay High School's Graduation.

MOTION: Mayor Yates moved to direct staff to give the contractor until June 13th to finish the work on Main Street and the Embarcadero and if not able to, then they will be told not to do work in those 2 commercial areas until given further direction by Council. The motion was seconded by Councilmember Johnson and passed unanimously 5-0.

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Staff will bring back a status report to the next City Council meeting.

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Johnson requested an agenda item requiring major projects presented to Council have a time-line for completion when they are first presented; all Councilmembers concurred.

Councilmember Johnson requested an agenda item to discuss the need for an official volunteer position as a Volunteer Community Services Coordinator; Mayor Yates and Councilmember Borchard concurred.

Councilmember Borchard requested an agenda item to look at consideration of forming a separate Cloister Advisory Board so they could manage their own maintenance work; Mayor Yates and Councilmember Johnson concurred.

Councilmember Smukler requested a discussion on the City taking the lead role in filing the Morro Bay Radio application to the FCC; Mayor Yates and Councilmember Borchard concurred.

Mayor Yates requested an item strengthening the City's current Resolution regarding roadwork maintenance between Memorial Day and Labor Day; Councilmember Johnson concurred and Mayor Yates stated he would bring the item forward.

ADJOURNMENT

The meeting adjourned at 10:42 p.m.

Recorded by:

Jamie Boucher
City Clerk