

AGENDA NO: A-1

MEETING DATE: 06/26/2012

MINUTES - MORRO BAY CITY COUNCIL
BUDGET HEARING – JUNE 12, 2012
VETERAN’S MEMORIAL HALL – 4:00P.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
	Jamie Boucher	City Clerk
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Services Director
	Mike Pond	Fire Chief
	Mike Lewis	Interim Police Chief
	Eric Endersby	Harbor Operations Manager
	Joe Woods	Recreation & Parks Director

Administrative Services Director Susan Slayton presented the FY 2012/13 Budget. She stipulated that the budget was balanced and published prior to the announcement from Dynegy and as such, realizes that there will be necessary changes to the document.

PUBLIC COMMENT

Michele Jacquez spoke on behalf of the MBTBID requesting that no monies be taken from their marketing and promotional efforts.

Susan Stewart spoke on behalf of the Morro Bay Chamber of Commerce and their Economic Development Proposal as she feels we must address the economic development of Morro Bay. She requested that the original request of \$116,500 be revised to \$80,000.

Christine Rogers also supports a diversified economy in Morro Bay and hoped that Council would fund the Economic Development Plan.

Israel Dominguez spoke on behalf of Economic Development and as the Director of Cuesta College’s Business and Entrepreneurship Center, hopes to partner with Morro Bay as he feels they can help.

Chris Christensen stated that business is important to a community and the Chamber has always been an advocate of business. He also supports the Economic Development Plan concept.

John Weiss stated that there are too many storefront vacancies in Morro Bay and that we all need to be part of the solution. The Chamber is guided by local business people and the CEO has economic development expertise; both of which should be a huge help if afforded the opportunity to implement the Economic Development Plan.

Joan Solu spoke on behalf of the Morro Bay TBID who met earlier that day. She and they hope that Council will continue their financial support of the MBTBID's proven product.

Bob Swain sees the need for a good Economic Development Plan as we need to make sure that new businesses have something good to come here for. He feels that funds should be allocated in a way that everybody can prosper from.

Mayor Yates closed the public comment period.

Councilmember Smukler continues in his support of Economic Development and is inclined to fund the Economic Development Plan at \$75,000 with the remainder of the monies to marketing and promotions.

Councilmember Leage disagreed as he feels that more tourists will create more business opportunities and is in support of a majority of the monies going to the MBTBID - \$80,000 to TBID and the remainder to Economic Development.

Councilmember Johnson doesn't believe that the Economic Development Plan as proposed presented a real business model to follow and feels we need to go out with an RFP for Economic Development.

Councilmember Borchard also feels that the Economic Development Plan is lacking concrete information on how they are going to carry out the program. She is inclined to give \$50,000 to each group and give the remainder back to the general fund.

Mayor Yates feels that the funds should be split down the middle, half to the advertising and promotions and half to economic development.

MOTION: Councilmember Borchard moved the City Council take \$100,000 of the CPC monies and divide them equally between the Chamber's Economic Development Plan and the MBTBID as presented. The motion was seconded by Councilmember Johnson and failed 2-3 with Mayor Yates and Councilmembers Leage and Smukler voting no.

MOTION: Councilmember Borchard moved the City Council divide the \$116,500 equally between the Chamber's Economic Development Plan and the MBTBID. The motion was seconded by Councilmember Johnson and carried 4-1 with Councilmember Leage voting no.

The Council then proceeded to review the budget document department by department. Councilmember Borchard requested to review the cost of outsourcing the City's IT Services. Councilmember Johnson requested a revenue stream projection of the Fire Department's current modular building. Councilmember Borchard suggested taking the \$22,000 and \$2,400 requests in the Harbor Equipment Replacement Fund in an initial effort to help find the \$250,000 that is

necessary to replace the Dynegy monies. In that same vein, Councilmember Borchard suggested not filling the Harbor Business Manager position which could save approximately \$100,000. It was also discussed that the revenues for the Harbor Lease Site seemed “light” whereby they determined that they could increase those revenue projections by \$40,000. It was decided that the remaining \$83,000 necessary to balance the Harbor Fund would be taken from reserves. In addition, the concept of possible cost recovery measures on water usage by installing coin operated devices on some parts of the waterfront would be looked into.

There was a recess called of 10 minutes which will be followed by the Regular City Council Meeting. The budget discussions will be continued at the conclusion of the regular meeting.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 12, 2012
VETERAN’S MEMORIAL HALL – 6:00P.M.

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 meeting.

PUBLIC COMMENT

Cynthia Hawley, Attorney for “Save the Park” spoke in rebuttal to the statements made at the previous meeting by Dan Reddell. She stated that Betty Winholtz is not a party in the lawsuit; and that if the lawsuit was won, the claims about building or adding square footage to citizen’s properties is inaccurate. She also requested that the minutes be amended from the last meeting to reflect that what is recorded are statements made by Dan Reddell and not recorded as actual circumstances and events.

Sharon Moore requested Council support the kiosk advertising concept on the Embarcadero.

Taylor Newton spoke advertising an upcoming event, the First Annual Oyster Festival being held at the Morro Bay Golf Course on Saturday, June 16th.

Susan Macdonell, Manager at MV Transportation stated that the Trolleys are running. She also has trolley tokens available for local businesses to purchase. Kids (thru 12th grade) ride free from June 1st thru September 3rd.

Hal Abrams stated that Estero Bay Community Radio is now streaming on-line. He is asking the City to file for the FCC License.

Betty Winholtz spoke on the lease site amendment to Rose’s Landing stating that she felt that it might make for hard feelings to the other lease site holders who had to pay the higher percentage. She also spoke on the Gas Company’s Advanced Meter Project which she stated was another way of saying Smart Meters. One of the stations is right next to the elementary school which is not good for young developing minds. Finally she spoke out against CalTrans and its cuttings on North Highway 1 which she felt was major vegetation work.

Keith Taylor continued his fundraising efforts on behalf of the Morro Bay Reserve Firefighter program. He also thanked those candidates who ran in the election.

Doug Hamp spoke out against the disastrous job done by CalTrans in their trimming of the vegetation on North Highway 1.

Lynda Merrill requested the City write a letter to CalTrans to ask they put up a temporary fence until the plants grow on North Highway 1.

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 22, 2012; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 AMENDMENT NO. 2 TO THE LEASE AGREEMENT FOR LEASE SITE 82-85/82W-85W, ROSE'S LANDING, LOCATED AT 725 EMBARCADERO, BETWEEN THE CITY OF MORRO BAY AND 725 EMBARCADERO LLC; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 28-12.

A-3 ZONING TEXT AMENDMENT #A00-014 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)

RECOMMENDATION: Adopt Ordinance No. 578.

A-4 UPDATE ON TRANSIT ISSUES REGARDING REGIONAL TRANSIT AUTHORITY NORTH COAST ROUTE CHANGES, ESTERO BAY TRANSIT PROPOSAL AND FY 2010/2011 TRANSPORTATION DEVELOPMENT ACT AUDIT; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file the update.

A-5 ADOPT RESOLUTION NO. 26-12 APPROVING SUBMISSION OF PROPOSITION 1B PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT GRANT APPLICATION; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution 26-12.

A-6 EXECUTION OF A GRANT AGREEMENT WITH THE NATIONAL FISH AND WILDLIFE FOUNDATION FOR FISHING COMMUNITY SUSTAINABILITY PLANNING AND DEVELOPMENT; (ADMINISTRATION/HARBOR)

RECOMMENDATION: Execute the attached grant agreement with the National Fish and Wildlife Foundation (NFWF).

A-7 SOUTHERN CALIFORNIA GAS COMPANY – ADVANCED METER PROJECT;
(PUBLIC SERVICES)

RECOMMENDATION: Receive and file this information.

A-8 RESOLUTION PROHIBITING STREET WORK BETWEEN MEMORIAL DAY AND
LABOR DAY; (CITY COUNCIL)

Councilmember Smukler pulled Items A-7 and A-8 from the Consent Calendar.

MOTION: Councilmember Borchard moved the City Council approve Items A-1, A-2, A-3, A-4, A-5 and A-6 of the Consent Calendar. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

A-7 SOUTHERN CALIFORNIA GAS COMPANY – ADVANCED METER PROJECT;
(PUBLIC SERVICES)

Councilmember Smukler pulled Item A-7 stating that he sees this as a presumptuous move on the part of the Gas Company. Public Services Director Rob Livick responded that the Gas Company does have to go through the Coastal Development Permit process which means it will go to the Planning Commission, then Council and ultimately the Coastal Commission.

MOTION: Councilmember Johnson moved the City Council approve Item A-7 of the Consent Calendar. The motion was seconded by Mayor Yates and carried 4-1 with Councilmember Smukler voting no.

A-8 RESOLUTION PROHIBITING STREET WORK BETWEEN MEMORIAL DAY AND
LABOR DAY; (CITY COUNCIL)

Councilmember Smukler pulled Item A-8 stating that he wished that “commercial” areas would be specified; he also wanted an emergency component looked at. There was no action taken as Mayor Yates will speak with Public Services Director Livick and bring it back to the next meeting.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES - NONE

C. UNFINISHED BUSINESS

C-1 STATUS OF PROJECT NO. MB-2012-S2: 2012, STREET REHABILITATION
PROGRAM; (PUBLIC SERVICES)

Public Services Director Rob Livick presented his staff report.

Councilmembers discussed the residential work that will be done, especially the potential of the pilot project that will be done on Tide Street (or best street to be determined by staff and the contractor).

MOTION: Mayor Yates moved that staff negotiate with the contractor for additional work to be done instead of charging out liquidated damages. The motion was seconded by Councilmember Smukler and passed unanimously 5-0.

C-2 CONTINUED DISCUSSION OF INFORMATIONAL SIGNS/KIOSKS TO ENHANCE VISABILITY OF SPORTFISHING OPERATIONS AND OTHER WATER-RELATED BUSINESSES ON THE MORRO BAY WATERFRONT; (HARBOR)

Harbor Director Eric Endersby presented his staff report. The Harbor Advisory Board, who met after the staff report was written, unanimously supported the kiosk concept and also recommended fees associated with the project be waived. They also felt that the concept should include other water related businesses.

Councilmembers all like the concept of additional advertising capabilities for sportfishing businesses as well as other water-related businesses. They discussed the various options available to them (Wheelhouse, Kiosk, State Park Sign) as well as preferable placement locations of each.

MOTION: Councilmember Borchard moved approval for a temporary advertising sign specific to sportfishing be placed on the power box on the South T-Pier. The motion was seconded by Councilmember Leage and passed unanimously 5-0.

D. NEW BUSINESS

D-1 AUTHORIZATION FOR THE CITY TO FILE AN APPLICATION WITH THE FEDERAL COMMUNICATIONS COMMISSION FOR A LOW POWER FM (LPFM) RADIO STATION LICENSE; (CITY ATTORNEY)

City Attorney Rob Schultz presented the staff report.

All Councilmembers were in support of the City making the application to the FCC on behalf of Estero Bay Community Radio as long as there is a clause in the agreement between the City and Estero Bay Community Radio that protects the City.

MOTION: Councilmember Johnson moved approval of the City filing an application with the Federal Communications Commission (FCC) for a local "Low Power FM" radio station. The motion was seconded by Councilmember Leage and passed unanimously 5-0.

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Borchard requested an agenda item about the Trolley hours of operation; Councilmembers Smukler and Johnson concurred.

Councilmember Smukler requested an agenda item to discuss a Pilot Neighborhood Traffic Management Plan on Island Streets addressing traffic calming; no other Councilmember concurred, Councilmember Smukler to write and present this report.

BUDGET HEARING DISCUSSIONS CONTINUED

It is Council's intention to look for the \$200,000 that Dynegy will no longer be paying.

MOTION: Councilmember Johnson moved that Council take \$100,000 from the Risk Management Fund and \$100,000 from the General Fund Emergency Reserve Fund to account for the \$200,000 Dynegy shortfall. The motion was seconded by Councilmember Leage and passed unanimously 5-0.

The statement was made by Councilmember Borchard that there are still excess reserves that can be allocated towards other places.

Public Services Director Rob Livick stated that there is a \$200,000 in carry over from Measure Q funds for street repairs plus the \$250,000 in this year's budget gives a total budget of \$450,000 for street repairs.

Administrative Services Director Slayton brought up the use of the COPS Grant for a 1 year Police Car leasing program as well as the need for \$15,000 for the Public Services scanning project. There was Council consensus, without motion, to fund the scanning project through PEG funds. As far as the cars went, the City needs a 3 year commitment from Council for the use of Measure Q monies at \$8,000/year for the leasing program or a \$70,000 commitment for the purchase of 2 marked cars out of the Vehicle Replacement Fund.

MOTION: Councilmember Johnson moved the purchase of 2 marked vehicles from the Vehicle Replacement Fund. The motion was seconded by Councilmember Borchard and passed unanimously 5-0. A point of clarification was made; no more than \$70,000 would be spent on this purchase.

The remaining question from Council was the utilization of the \$73,000 in excess reserves. The majority consensus, without motion, was to use a majority of those funds for street repair. Councilmember Smukler did urge caution and felt it best to leave the funds in the reserve.

ADJOURNMENT

The meeting adjourned at 8:36 p.m.

Recorded by:

Jamie Boucher
City Clerk