

City of Morro Bay

City Council Agenda

Mission Statement

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

REGULAR MEETING – FEBRUARY 23, 2009

**CLOSED SESSION – FEBRUARY 23, 2009
CITY HALL CONFERENCE ROOM - 5:00 P.M.
595 HARBOR ST., MORRO BAY, CA**

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 150 Extension/180 Atascadero Road
Negotiating Parties: Hanson Aggregates and City of Morro Bay.
Negotiations: Lease Terms and Conditions.

**IT IS NOTED THAT THE CONTENTS OF CLOSED SESSION MEETINGS
ARE CONFIDENTIAL AND EXEMPT FROM DISCLOSURE.**

**PUBLIC SESSION – FEBRUARY 23, 2009
VETERANS MEMORIAL HALL - 6:00 P.M.
209 SURF ST., MORRO BAY, CA**

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
MAYOR AND COUNCILMEMBERS ANNOUNCEMENTS & PRESENTATIONS
CLOSED SESSION REPORT

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on City business matters (other than Public Hearing items under Section B) may do so at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

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 FEBRUARY 9, 2009; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR FIRE STATION 53 (HARBOR STREET) APPARATUS BAY REPLACEMENT PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: Accept the project as completed by Specialty Construction Incorporated and authorize the filing of a Notice of Completion.

A-3 AUTHORIZATION FOR THE ATTENDANCE AT THE C-MANC ANNUAL MEETING IN WASHINGTON D.C.; (HARBOR)

RECOMMENDATION: Authorize for a two-person delegation to attend C-MANC'S Washington Week meetings scheduled for March 23-25, 2009.

A-4 APPROVAL OF LETTER IN SUPPORT OF CAL-EMA ON PUBLIC SAFETY POLICY COMMITTEE;

RECOMMENDATION: Approve letter of support of CAL-EMA on Public Safety Policy Committee.

A-5 CONTINUATION OF EMERGENCY PER PUBLIC CONTRACT CODE SECTION 22050 FOR THE INSTALLATION OF ENERGY RECOVERY EQUIPMENT; (PUBLIC SERVICES)

RECOMMENDATION: Determine the necessity to continue the emergency per Public Contract Code 22050 for the installation of desalination plant energy recovery equipment.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 CONSIDERATION OF CONTRACTING WITH CAL FIRE FOR FIRE SERVICES IN MORRO BAY; (FIRE)

RECOMMENDATION: Receive the Cooperative Fire Protection Agreement Proposal for Morro Bay Fire Department and the presentation provided by Cal Fire Chief Matt Jenkins.

B-2 ADOPTION OF RESOLUTION NO. 08-09 DECLARING THE CITY'S INTENTION TO ESTABLISH THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID), DECLARING ITS INTENTION TO LEVY AN ASSESSMENT ON LODGING BUSINESSES WITHIN SUCH DISTRICT, AND FIXING THE TIME AND PLACE OF A PUBLIC MEETING AND A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 08-09.

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 SELECTION OF TWO COUNCIL MEMBERS TO SERVE ON THE BUSINESS DEVELOPMENT AD-HOC COMMITTEE; (CITY ATTORNEY)

RECOMMENDATION: Appoint and/or re-appoint two members to serve on the Business Development Ad-Hoc Committee.

D-2 SCHEDULE AND COMPOSITION OF ADDITIONAL BUDGET REPORT(S); (CITY COUNCIL)

RECOMMENDATION: Discuss concept and direct Administrative Services Director to adopt an additional budget performance update annually scheduled for April.

E. DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6200 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

AGENDA NO: A-1

MEETING DATE: 2/23/09

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION 6 FEBRUARY 9, 2009
CITY HALL CONFERENCE ROOM - 5:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

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

Mayor Peters read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR. Conference with the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to employees groups 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 2 parcels.

- Property: Whale's Tail - Lease Site 96/96W
Negotiating Parties: Mandella and City of Morro Bay.
Negotiations: Lease Terms and Conditions.
- Property: Salt Building - Lease Site 65-66/65W-66W
Negotiating Parties: Imani 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 5:50 p.m.

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

The meeting adjourned at 5:50 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 9, 2009
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:00 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	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, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Joyce Lundy, Member of the Measure Q Sub-Committee, reviewed the fiscal year 2007/08 expenditures, and the Committee's recommendations for Measure Q funding.

Joyce Lundy reviewed the statistics for the Visitor Center. She said the Hawaiian Chieftain and Lady Washington tall ships would be arriving in the harbor on Friday February 13th; there would be a Chamber mixer at Edward Jones on February 19th; the Small Business Networking Breakfast is scheduled on March 19th; and the Kite Festival and Parade is on April 25th.

Jude Long, Librarian, announced the library's hours have been expanded. She also reviewed upcoming book sales and fundraisers that will benefit the library.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 9, 2009

Jennifer and Sierra Redman discussed why they enjoy the library. Jennifer reviewed what donations and membership through Friends of the Library does to support the library. She stated there would be book sales throughout the year.

Bill Woodson referred to the importance of trees in Morro Bay and noted Morro Bay Beautiful is a part of the Adopt-a-Tree program and requested citizen participation in the Adopt-a-Tree program.

Pauline Stansbury, Morro Bay Seniors Inc., invited the City Council to attend the seniors potluck on February 20th, at which time they will also be presenting the City with a check.

Marsha Alter, Friends of Poems for Endangered Places, stated there is a poetry book written by seven local poets about local areas.

Rosemarie Wilbert read a poem written while on Bishop's Peak.

Joan Solu addressed Item D-4 (Consideration of Draft Ordinance for a Morro Bay Tourism Business Improvement District) and stated eliminating participation in the County Business Improvement District would dramatically reduce the marketing effort for the City's tourism industry. She suggested the advisory board consist of two members of the Community Promotions Committee, the Director of the Chamber of Commerce and four representatives from the lodging industry who are selected by vote of the stakeholders. Ms. Solu requested the City Council omit vacation homes and recreational vehicle parks from the ordinance.

Jonni Biaggini stated the City should approve the Business Improvement District with a 3% assessment, which would allow the hoteliers to promote their business, and it would also benefit the City.

John Sorgenfrei urged the City Council to approve the Business Improvement District with a 3% assessment. He said a healthy Business Improvement District would provide funds to assist marketing around the country; allow attendance at trade shows; and provide the opportunity to position Morro Bay where it should be.

David Nelson stated a shovel-ready approach is needed for projects in the City. He said wage increases should not be considered at this time for staff. Mr. Nelson stated the outfall lease calls for Dynegy to remove the tanks, which should be removed by the winter and not during tourist season.

MINUTES - MORRO BAY CITY COUNCIL
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Colby Crotzer stated the national financial crisis might offer opportunity for fundamental structural modification. He said there has been terrible waste in the City in the environmental regard. Mr. Crotzer expressed disappointment that the proposed tennis courts at Del Mar Park are not going forward.

John Barta stated the City needs to plant the seeds for business enhancement, and urged the City Council to approve a 3% Business Improvement District.

Joshua Carmichael invited the Council to an event of the SLO Chapter of the California Landscape Contractors Association on how to design and install legal grey water systems for residential properties at the SLO Botanical Garden on February 17th.

Harold Biaggini requested the City Council support the 3% Business Improvement District.

Cathy Welles stated the \$43,000 spent on a flatbed truck for the Harbor Department is ludicrous. She said instead of paying for a modular building for the Harbor Department, the City should pay a fraction of the money to repair the existing building.

Lynda Merrill thanked the City Council for their appointment of advisory board members. She suggested those not chosen could be appointed as alternates. Ms. Merrill also congratulated those who have been promoting the Business Improvement District.

Galen Ricard requested Council support of the business grassroots effort, the Business Improvement District that will build the sustainability effort in the City.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:40 p.m.; the meeting resumed at 7:50 p.m.

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 JANUARY 12, 2009 AND JANUARY 26, 2009; AND THE SPECIAL MEETING OF JANUARY 28, 2009; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 9, 2009

A-2 RESOLUTION NO. 04-09 ADOPTING THE MID-YEAR BUDGET AMENDMENTS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 04-09.

A-3 RESOLUTION NO. 05-09 TO REAFFIRM INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) AND DESIGNATE TRANSACTION OFFICERS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 05-09.

A-4 RESOLUTION NO. 06-09 ENDORSING THE GUIDING PRINCIPLES OF THE SAN LUIS OBISPO COUNTYWIDE 10-YEAR PLAN TO END HOMELESSNESS; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 06-09.

A-5 RESOLUTION NO. 07-09 ADOPTING THE MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY FIREFIGHTERS AND RELATED COMPENSATION; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 07-09.

A-6 CONTINUATION OF EMERGENCY PER PUBLIC CONTRACT CODE SECTION 22050 FOR THE INSTALLATION OF ENERGY RECOVERY EQUIPMENT; (PUBLIC SERVICES)

RECOMMENDATION: Determine the necessity to continue the emergency per Public Contract Code 22050 for the installation of desalination plant energy recovery equipment.

A-7 PROCLAMATION DECLARING FEBRUARY 2009 AS "GRAND JURY AWARENESS MONTH"; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

A-8 PROCLAMATION DESIGNATING FEBRUARY 24, 2009 AS "SPAY DAY USA"; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

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Mayor Peters pulled Items A-7 and A-8 of the Consent Calendar in order to make presentations.

MOTION: Councilmember Winholtz moved the City Council approve Items A-7 and A-8 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Councilmember Winholtz pulled Item A-2 from the Consent Calendar.

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

A-2 RESOLUTION NO. 04-09 ADOPTING THE MID-YEAR BUDGET AMENDMENTS; (ADMINISTRATIVE SERVICES)

Councilmember Winholtz stated she would like to remove the \$110,000 from the General Fund for the Neighborhood Compatibility Standards, Housing Element Update and Storm Water Management Plan. She suggested the Storm Water Management Plan be paid from the undesignated Measure Q funds, and the Housing Element and Neighborhood Compatibility Standards be revised in-house.

MOTION: Councilmember Winholtz moved the City Council adopt Resolution No. 04-09 adopting the mid-year budget amendments eliminating the \$110,000 for contracted services under Public Services. The motion was seconded by Councilmember Smukler.

Councilmember Smukler requested an amendment to the motion to not include the elimination of the Housing Element funding.

MOTION: Councilmember Winholtz moved the City Council adopt Resolution No. 04-09 adopting the mid-year budget amendments with the elimination of the Storm Water Management Plan and Neighborhood Compatibility Standards. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

MOTION: Councilmember Winholtz moved the City Council direct staff to fund the Storm Water Management Plan in the amount of \$25,000 from the Measure Q undesignated funds of \$49,000. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
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B. PUBLIC HEARINGS, REPORTS & APPEARANCES ó NONE.

C. UNFINISHED BUSINESS ó NONE.

D. NEW BUSINESS

D-1 AUTHORIZATION TO RECRUIT AND FILL HALF-TIME RECREATION AND PARKS MAINTENANCE II POSITION; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated the City Council instituted a hiring freeze when the fiscal year 2004/05 budget was adopted. This policy requires City Council approval for the filling of any new or vacant position while the freeze is in effect. During fiscal year 2004/05, staff reduced the two allocated positions for the Cloisters Assessment District to one and a half. Pursuant to Council's direction at the December 8, 2008 meeting, staff filled the Maintenance II vacancy left by the retirement of an employee. That vacancy was filled by an employee who held the half-time position allocated to the Cloisters Assessment District. As a result, staff is seeking to fill the half-time Maintenance II vacancy. Mr. Woods recommended the City Council authorize staff to recruit and fill half-time Recreation and Parks Department Maintenance II position vacancy.

MOTION: Councilmember Grantham moved the City Council authorize staff to recruit and fill the half-time Recreation and Parks Department Maintenance II position vacancy. The motion was seconded by Mayor Peters.

Councilmember Borchard expressed concern with the current budget and stated this is not the time to fill a part time position that may be cut in a couple of months.

Councilmember Smukler stated this position should be considered at the end of the fiscal year budget. He also said alternative work force options should be considered to maintain a high level of service for the community.

Councilmember Winholtz expressed frustration that although there is a hiring freeze, each time there has been a request to fill a vacancy, it has been approved. She said she would not support this request.

VOTE: The motion failed with Councilmember Borchard, Councilmember Smukler and Councilmember Winholtz voting no. (2-3)

MINUTES - MORRO BAY CITY COUNCIL
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D-2 CONSIDERATION OF RECOMMENDATIONS FROM THE CITIZEN'S
OVERSIGHT COMMITTEE; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton stated on December 3, 2007, the Citizens Oversight Committee reviewed the fiscal year 2007/08 transactions that occurred in the District Transaction Tax Fund (Measure Q). She reviewed the questioned expenditures and recommended actions made by the Committee. Ms. Slayton recommended the City Council discuss and provide direction regarding the Committee's recommendations.

MOTION: Councilmember Winholtz moved the City Council approve the payoff of the Public Safety (Police) vehicle loans and fund with a Risk Management Fund loan. The motion was seconded by Councilmember Borchard and carried with Councilmember Grantham and Mayor Peters voting no. (3-2)

MOTION: Councilmember Winholtz moved the City Council follow the Citizen's Oversight Committee's recommendations for Streets and fund the software license renewal (\$862), and ADA ramps downtown (\$2,396) as a General Fund expenditure; and, transfer \$2,828 of spent Measure Q funds for street maintenance to General Fund. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

MOTION: Councilmember Borchard moved the City Council leave the remaining \$25,000 in Measure Q funds to be allocated as needed. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

MOTION: Councilmember Grantham moved the City Council continue the current policy regarding depreciation for police cars. The motion was seconded by Mayor Peters and carried unanimously. (5-0)

D-3 CONSIDERATION OF THE FLEXIBLE SPENDING ACCOUNT BENEFIT FOR
HEALTH AND DEPENDENT CARE EXPENSES; (ADMINISTRATIVE
SERVICES)

Administrative Services Director Susan Slayton stated a Flexible Spending Account also called a cafeteria plan is a benefit designed to save both employees and employers money as it helps to fill coverage gaps between health plans and out-of-pocket expenses. This program is 100% voluntary and the City only pays the monthly fees for the enrolled employee. The program runs on an annual basis whereby interested employees enroll at the program's inception. Those enrolled employees are obligated to the program for the current calendar year and no new employees can enroll until the open enrollment period for the new calendar year. Those employees electing to participate would make a determination of dollars they

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 9, 2009

request deducted on a monthly basis; those monies go into their personal FSA account(s). As needed, they use their FSA debit card for eligible out-of-pocket health or dependent care related expenses. Advantages for the employer include Medicare tax savings of 1.45% on every dollar the employee puts in the plan; flexibility in budgeting for and controlling escalating benefit costs; employee morale; and, provides a competitive benefit plan that helps to attract and retain employees. Ms. Slayton recommended the City Council consider authorizing and funding City employees' participation in a Flexible Spending Account Program.

MOTION: Councilmember Grantham moved the City Council approve participation in the Flexible Spending Account Program with a \$2,500 employee medical care limit, and \$2,500 dependent medical care limit. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

D-4 CONSIDERATION OF DRAFT ORDINANCE FOR A MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT; (CITY ATTORNEY)

City Attorney Robert Schultz stated the discussion to form a Tourism Business Improvement District (TBID) in San Luis Obispo surfaced approximately three years ago, when the San Luis Obispo Visitors and Conference Bureau initiated efforts to establish a countywide district to generate much needed funding for tourism promotion and marketing efforts for the County. In November 2006, the City passed a resolution of consent to allow their lodging establishments to participate in the countywide TBID discussion, subject to limitations. In December 2007, the City Council reconsidered its involvement in the San Luis Obispo County TBID because the district was originally proposed for the County of San Luis Obispo's unincorporated areas and the cities of Atascadero, Arroyo Grande, Grover Beach, Morro Bay, San Luis Obispo, Paso Robles and Pismo Beach. At that time, the only other organizations that passed a resolution consenting to a countywide formation were the County of San Luis Obispo, the City of Arroyo Grande, the City of Atascadero and the City of Morro Bay. There was a concern by the City regarding the lack of cities participating. In January 2009, the City Council again reconsidered its involvement in the San Luis Obispo County TBID since the countywide BID had yet to be instituted and the original conditions adopted by the City Council were not met in the draft ordinance presented by the County. After reconsideration, the City Council approved a motion to discontinue with the countywide BID and directed staff to bring back a draft ordinance for a citywide TBID. Mr. Schultz recommended the City Council direct staff to return with a Resolution of Intention to form a citywide TBID for the purpose of increasing industry investment in tourism marketing in the City of Morro Bay.

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REGULAR MEETING ó FEBRUARY 9, 2009

The consensus of the City Council was to include vacation rentals in a Business Improvement District but not recreational vehicle parks.

The consensus of the City Council was on a 2% assessment.

The consensus of the City Council was to maintain the Community Promotions Committee and Business Improvement District Advisory Board as separate committees.

The Advisory Board would be comprised of two Community Promotions Committee members, one Chamber of Commerce member, and four hoteliers.

No further action was taken on this item.

E. DECLARATION OF FUTURE AGENDA ITEMS

Mayor Peters requested to agendize the review of the Business Development Ad-Hoc Committee; Council concurred.

Councilmember Smukler requested an update on the Wave Energy/Intervener Status; Mayor Peters and Councilmember Grantham concurred.

Councilmember Smukler requested to agendize a presentation from the Air Pollution Control District regarding developing laws (AB 32); Council concurred.

Councilmember Winholtz requested to agendize the approval of sending a letter in support of CAL-EMA on the Public Safety Policy Committee; Council concurred.

Councilmember Winholtz requested a memorandum on the overview on grant funding for capital improvement projects prior to the Goals Setting Workshop; Council concurred.

ADJOURNMENT

The meeting adjourned at 9:49 p.m.

Recorded by:

Bridgett Bauer
City Clerk



AGENDA NO: _____

Meeting Date: February 23, 2009

Staff Report

TO: Honorable Mayor and City Council **DATE:** February 19, 2009

FROM: Dylan Wade, Utilities/Capital Projects Manager

SUBJECT: Authorization to File Notice of Completion for Fire Station 53 (Harbor Street) Apparatus Bay Replacement Project

RECOMMENDATION: Staff recommends the City Council accept the Project as completed by Specialty Construction Incorporated and authorize the filing of a Notice of Completion

FISCAL IMPACT: Project funding was derived from the General Fund and from the State of California Office of Emergency Services (OES).

SUMMARY: Filing of a Notice of Completion is a routine task for public works projects.

BACKGROUND/ DISCUSSION: At the October 22, 2007 meeting, the City Council awarded the lump sum construction contract for this Project to Specialty Construction Incorporated in the total amount of \$1,685,000. The estimated final construction contract is approximately \$2,087,000. Construction work commenced in October 2008 and was substantially completed in time to occupy the Facility for its November 15th 2008 open house. There were a number of items that arose during the course of work, creating significant extra costs for the installation of, a drafting pit (training and storm water management), under grounding and other modifications to the off site utility package (utility relocations), and a permeable pavement wash area (storm water management). With the extra efforts due to these changes it became necessary to extend the contract duration as well. In conjunction with filing this Notice of Completion, final project Change Orders have been executed, all liens and retained funds will be released, and the 1 year warranty period will commence.

The Apparatus Bay Replacement Project has been effectively completed since November 2008 when the Building Permit was signed off and the Fire Department began occupying the

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

building. The estimated total project cost submitted to OES for the 75% cost participation was \$2,660,000. Final project costs are approximately \$2,670,000.

Staff will now be working with the OES staff to finalize reimbursements and complete the financial reconciliation. At that point, we will know the precise amount of available funds and can determine how much of the proceeds from the eventual sale of the Cloisters property will be available to roll over into Phase 2, involving the Administration and Living Quarters Project.

CONCLUSION: The Project has been completed by Specialty Construction Incorporated and staff recommends the City Council accept the Project and authorize the filing of a Notice of Completion.

Recording requested by: and
When recorded mail to:
City of Morro Bay
Capital Projects Manager
595 Harbor Street
Morro Bay, Ca. 93442-1957

**NOTICE OF COMPLETION
CITY OF MORRO BAY**

TO WHOM IT MAY CONCERN:

NOTICE IS HEREBY GIVEN by the undersigned City Clerk of the City of Morro Bay, 595 Harbor Street, Morro Bay, County of San Luis Obispo, California, 93442, having the sole interest in fee, that the construction of the

FIRE STATION 53 APPARATUS BAY REPLACEMENT PROJECT

in the City of Morro Bay, has been completed by

Specialty Construction Inc. 645 Clarion Court San Luis Obispo, CA 93401

and was accepted on February 23, 2009.

BRIDGETT BAUER, City Clerk
City of Morro Bay, California

The undersigned hereby deposes and says:

That she is the City Clerk of the City of Morro Bay, County of San Luis Obispo, California; that she has read the foregoing Notice and knows the contents thereof and that the same is true of her own knowledge.

I declare the foregoing to be true under penalty of perjury.

Executed at Morro Bay, California, this _____ day of February, 2009.

Bridgett Bauer, City Clerk
City of Morro Bay, California

CITY OF MORRO BAY

CERTIFICATE OF COMPLETION

The undersigned hereby certifies that the construction of

FIRE STATION 53 APPARATUS BAY REPLACEMENT PROJECT

by **SPECIALTY CONSTRUCTION INC.**
645 CLARION COURT SAN LUIS OBISPO, CA 93401

has been inspected and found to substantially comply with the approved plans and specifications and has been accepted as having been completed in accordance therewith.

It is, therefore, requested that the City Clerk file a Notice of Completion.

By: _____
Dylan Wade, Utilities/Capital Projects Manager

Date: _____



AGENDA NO: A-3

MEETING DATE: 2/23/09

Staff Report

TO: Honorable Mayor and City Council

DATE: 2/23/09

FROM: Rick Algert, Harbor Director

SUBJECT: AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL MEETING IN WASHINGTON DC

RECOMMENDATION: Staff recommends that the City Council approve authorization for a two-person delegation to attend C-MANC's Washington Week meetings. This year's meetings are scheduled for March 23 - March 25, 2009.

FISCAL IMPACT: Approval will incur expenses estimated at \$7000. A portion of the cost is a contribution to the Golden State Reception and shipping of local seafood. Funding will be through the Harbor Fund. Last year the City received a grant of approximately \$6,500 from the Central Coast Joint Cable Fisheries Liaison Committee reimbursing the City for the total cost of attendance at the 2008 C-MANC meetings and another grant is pending for this year.

BACKGROUND: Every year the California Marine Affairs and Navigation Conference (C-MANC) hosts Washington Week meetings where representatives of California Ports and Harbors have the opportunity to remind congress of the importance of dredging projects and other coastal related legislation in California. The events include office visits to federal agencies such as OMB, EPA, U.S. Fish and Wildlife, Army Corps of Engineers, U.S. Coast Guard and NOAA, testimony at the congressional subcommittee reviewing the proposed FY 09-10 budget and hosting for the Golden State Reception that is attended by over 500 elected and appointed Washington officials. Congresswoman Capps is one of the Congressional sponsors for the Golden State Luncheon.

DISCUSSION: The City of Morro Bay is a long-standing member of C-MANC and for the past 16 years has sent representatives to the Washington Week meetings. Total costs for airfare, hotel, and monetary contribution to the Golden State Luncheon, etc. for the Washington Week meeting is estimated at \$7,000. As the federal budget has become more constricted, the opportunity for face-to-face meetings with our representatives to stress the critical need to fund navigational and entrance dredging is a high priority.

Prepared By: _____ **Dept Review:** _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: A-4

MEETING DATE: 2/23/09

Approval of Letter in Support of CAL- EMA on Public Safety Policy Committee

**A COPY OF THIS LETTER MAY
BE FOUND IN THE PUBLIC
PACKETS LOCATED AT CITY
HALL, THE LIBRARY AND
MILLS COPY CENTER.**



AGENDA NO: A-5

MEETING DATE: 02/09/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** February 19, 2009
FROM: Dylan Wade Utilities/ Capital Projects Manager
SUBJECT: Continuation of Emergency per Public Contract Code Section 22050 for
the Installation of Desalination Plant Energy Recovery Equipment

RECOMMENDATION:

Staff recommends the City Council determine the necessity to continue the emergency per Public Contract Code Section 22050 for the installation of desalination plant energy recovery equipment.

BACKGROUND:

At your October 13, 2008 Council meeting, The City Council adopted resolution 64-08 declaring that an emergency condition exists regarding immediate improvements to its Desal plant.

With the equipment design of the brackish membrane trains now complete, and a shipping date set in early December, it would take a minimum of several months to get the bid specifications completed, advertise, accept bids and bring a contract award to the Council. The delivery projections for State Water during the next calendar year are currently at 15%. There is insufficient time to go through the normal bidding procedures and complete the upgrade in between the end of this year's State Water shutdown and the beginning of next year's reduced State Water deliveries. Given the reduction in State Water deliveries and the increasing nitrate pollution we are experiencing in both the Morro and Chorro groundwater basins it is critical that we get the brackish water system operational as quickly as possible, and as such we need to continue the emergency per Public Contract Code (PC) Section 22050 for the installation of energy recovery equipment.

Pursuant to PC 22050(c)(1) the City Council must review that action and reaffirm by 4/5th vote at every regularly scheduled meeting until that action is terminated. Accordingly staff will place this item on each subsequent agenda until the project is complete.

STATUS REPORT:

During the week of February 16th the contractor Specialty Construction anticipates completing the physical installation of the piping feeds and discharges to and from the brackish treatment trains. They will be testing the piping and making interconnections to the existing system in the next two weeks. Also during this week an order was placed for 4- 200 amp breakers to retrofit into our existing switchgear. Once these arrive and the necessary conduits and wiring installed we

Prepared By: _____	Dept Review: _____
City Manager Review: _____	
City Attorney Review: _____	

will be able to electrically power the equipment.

On January 29th representative from General Electric were onsite to investigate the existing desal plant control system and to work on a strategy for updating that system and integrating it into the 2 new brackish trains into it. The tentative schedule is to have the control modifications complete prior to this years State water shutdown.

On Monday December 15th, 2008 the City took delivery of two GE 450 gpm brackish water reverse osmosis membranes. The City contracted with Specialty Construction to assist in the installation of the membrane units and the associated piping. The units were placed into the building without incident. Specialty Construction has continued to work on the layout and installation of the system and the associated piping systems. By next the next council meeting many of the piping systems will be completed and connected.

During the week of December 9th an independent electrical engineer reviewed our electrical system and made recommendations on upgrading our electrical system on handling the new electrical loads. The City of Morro Bay staff will be coordinating this effort and the control system efforts, and will need additional assistance from consultants.

CONCLUSION:

Staff recommends the City Council determine the necessity to continue the emergency per Public Contract Code Section 22050 for the installation of desalination plant energy recovery equipment.



AGENDA NO: B-1

MEETING DATE: 2/23/09

Staff Report

TO: Honorable Mayor and City Council DATE: February 17, 2008
FROM: Michael Pond, Fire Chief
SUBJECT: Consideration of Contracting with Cal Fire for Fire Services in Morro Bay

RECOMMENDATION:

Staff recommends the City Council receive the Cooperative Fire Protection Agreement Proposal for Morro Bay Fire Department and the presentation provided by Cal Fire Chief Matt Jenkins. Staff recommends that Council take no action on the proposal at this meeting. Staff recommends the following:

- Receive the proposal and presentation by Cal Fire
- Ask questions
- Open the Public Hearing to receive comments
- Staff will provide a Staff Report with recommendations for the March 9th meeting.

FISCAL IMPACT:

Fiscal impacts will depend on the option considered. Staff will bring back a staff report to address these impacts.

CONCLUSION:

Staff requests that Council receive the report and listen to the presentation provided by Cal Fire. Council will then have time to consider the Cooperative Fire Protection Agreement Proposal, which will be brought back to the March 9th meeting for action.

Prepared By: _____	Dept Review: _____
City Manager Review: _____	
City Attorney Review: _____	

attached Resolution of Intention at this meeting, the process for establishing the District would proceed as follows:

- Resolution of Intention to form District: February 23, 2009
- Public Meeting of protests regarding forming District: March 23, 2009
- Public Hearing of protests regarding forming District: April 13, 2009
- First reading of Ordinance to form District: April 13, 2009
- Second reading of Ordinance to form District: April 27, 2009
- Effective date of District establishment: May 27, 2009

CONCLUSION:

Staff recommends that you adopt the attached Resolution Declaring the City's Intention to Establish the Morro Bay Tourism Business Improvement District (MBTBID), Declaring Its Intention to Levy an Assessment on Lodging Businesses Within Such District, and Fixing the Time and Place of a Public Meeting and a Public Hearing Thereon and Giving Notice Thereof.

RESOLUTION NO. 08-09

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY,
CALIFORNIA DECLARING ITS INTENTION TO ESTABLISH THE MORRO BAY
TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID), DECLARING ITS
INTENTION TO LEVY AN ASSESSMENT ON LODGING BUSINESSES WITHIN
SUCH DISTRICT, AND FIXING THE TIME AND PLACE OF A PUBLIC MEETING
AND A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the California Streets and Highways Code Section 36500 et seq. authorizes cities to establish parking and business improvement areas for the purpose of promoting tourism within business districts in order to create jobs, attract new business, and enhance the business district; and

WHEREAS, tourism is an important contributor to the economy of the City and the promotion of the City's tourist lodging establishments will serve an important public purpose; and

WHEREAS, the owners of the tourist lodging establishments have requested that the City Council consider establishing such an improvement area; and

WHEREAS, the California Streets and Highways Code Section 36530 requires the City Council to appoint an advisory board for such an improvement area which shall make a recommendation to the City Council on the expenditure of revenues derived from the levy of assessments and on the method and basis of levying the assessments.

NOW, THEREFORE, the City Council of the City of Morro Bay does hereby resolve, determine and find as follows:

Section 1. The recitals set forth herein are true and correct.

Section 2. The City Council declares its intention to establish the Morro Bay Tourism Business Improvement District (MBTBID) and to levy and collect annual assessments against lodging businesses within the MBTBID boundaries pursuant to the Parking and Business Improvement Area Law of 1989, Streets and Highways Code Section 36500 et seq. (the "Law"), commencing on June 1, 2009.

Section 3. The boundaries of the MBTBID shall be the boundaries of the City of Morro Bay.

Section 4. The name of the business improvement area shall be the "Morro Bay Tourism

Business Improvement District.ö

Section 5. The City Council hereby declares that the types of improvements and activities to be funded by the annual assessments on lodging businesses within the MBTBID are tourism promotions and marketing programs to promote Morro Bay as a tourism destination, and projects, programs, and activities that benefit lodging businesses located and operating within the boundaries of the district. The proposed improvements and activities shall be targeted at increasing transient stays.

Section 6. The City Council intends to levy an annual assessment on all lodging businesses to pay for the improvements and activities within the MBTBID commencing June 1, 2009. Assessments will be collected in monthly installments or such other installments as determined by the City Council. The proposed assessment is to be levied on all lodging businesses, which include hotels, motels, and bed and breakfasts, within the MBTBID boundaries based upon 2% of the rent charged by the operator per occupied room per night for all transient occupancies. Vacation rentals and RV Parks shall be exempt from the levy of assessment. Federal government employees on government business will be exempt from the levy of assessment. Extended stays, defined as more than 30 consecutive calendar days, shall be exempt from the levy of assessment. New lodging businesses within the boundaries of the MBTBID shall not be exempt from the levy of assessment. Assessments levied pursuant to the MBTBID shall not be included in gross room rental revenue for the purpose of determining the amount of the transient occupancy tax.

Section 7. The City Council hereby sets March 23, 2009 as the date for a public meeting to allow for public testimony on the establishment of the MBTBID and the levy of assessments and April 13, 2009 as the date for a public hearing on the establishment of the MBTBID and the levy of assessments pursuant to Government Code Section 54954.6. Both the public meeting and the public hearing will be held at 6:00 p.m., or as soon thereafter as practicable, in the City of Morro Bay City Council Chambers, 209 Surf Street, Morro Bay, California.

Section 8. At the public meeting and public hearing, the testimony of all interested persons for or against the establishment of the MBTBID, the extent of the MBTBID, or the furnishing of specified types of improvements or activities will be heard. A protest may be made orally or in writing by any interested person.

Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly state the irregularity or defect to which objection is made. To count in the determination of a majority protest against the MBTBID, a protest must be in writing.

Written protests must be received by the City Clerk, City of Morro Bay before the close of the public hearing scheduled herein and may be delivered or mailed to the City Clerk, City of Morro Bay, 595 Harbor Street, Morro Bay, California. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Each written protest shall contain a written description of the business in which the person signing the protest is interested sufficient to identify the business. If the person signing the protest is

not shown on the official records of the City of Morro Bay as the owner of the business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the business.

A written protest which does not comply with this section shall not be counted in determining a majority protest.

Section 9. If, at the conclusion of the public hearing, written protests are received from the owners of businesses in the proposed MBTBID which will pay fifty percent (50%) or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protest to less than that 50 percent (i.e., there is a majority protest), no further proceedings to create the MBTBID, as contained in this resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the City Council. If the majority protest is against only the furnishing of a specified type or types of improvement or activity within the MBTBID, those types of improvements or activities shall be eliminated.

Section 10. Further information regarding the proposed MBTBID may be obtained from the City Clerk, City of Morro Bay, 595 Harbor Street, Morro Bay, California.

Section 11. The City Clerk is instructed to provide notice to the public hearing as required by Government Code by publishing joint notice of both the public meeting and the public hearing, as set forth in Section 7, beginning at least 45 days prior to the public hearing, by placing a display advertisement of this Resolution of at least one-eighth page in a newspaper of general circulation for three weeks pursuant to Government Code section 6063 and by mailing of a complete copy of the Resolution of Intention by first-class mail to each business owner in the area within seven days after the City Council's adoption of the Resolution of Intention.

Section 12. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, State of California, held on this _____ day of _____, 2009 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Janice Peters, Mayor

ATTEST:

Bridgett Bauer, City Clerk



AGENDA NO: _____

MEETING DATE: 2/19/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** February 19, 2009
FROM: Rob Schultz, City Attorney
SUBJECT: Selection of Two Council Members to Serve on the Business Development Ad Hoc Committee

RECOMMENDATION:

Staff requests that Council decide whether to appoint and/or reappoint two members to the Business Development Ad Hoc Committee.

DISCUSSION:

At the May 12, 2008 City Council meeting, the City Council established an ad hoc Committee to determine which businesses would be viable for Morro Bay and to recruit them. The City Council unanimously appointed then Councilmember Peirce, Councilmember Grantham, the Executive Director of the Morro Bay Chamber of Commerce or his/her designee, one member who is a current retail business owner, one member of the Public Services Department; and others as deemed necessary. City Council also directed that this item return to the Council within six months with an update from the committee.

CONCLUSION:

The City Council needs to decide whether to continue with the Business Development Ad Hoc Committee. If the City Council decides to continue with the Business Development Ad Hoc Committee, then you should determine who should be on the committee.

Prepared By: _____ Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: D-2

MEETING DATE: 2/23/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** February 10, 2009

FROM: Noah Smukler, Councilmember

SUBJECT: Schedule and Composition of Additional Budget Report(s)

RECOMMENDATION:

Discuss concept and direct Administrative Services to adopt an additional budget performance update annually scheduled for April.

FISCAL IMPACT:

None.

SUMMARY:

Additional budget "Snap-shots," or updates, strategically included at consistent points within the budgetary year, would give the Council and Staff another benchmark to comparatively measure current performance to previous years. Finance Staff has recommended April as a relatively light workload period appropriately spaced between the Mid-Year Budget Review and the end of the fiscal year.

DISCUSSION:

Budget performance information is critical to the decision-making process for Council, as well as staff. It has come to my attention that financial reports are only consistently presented at the mid-year budget review. In talking to our Administrative Services Director, preparing quarterly financial reports creates time conflicts. The first fiscal quarter ends September 30, but that information could not be reported to Council until the first meeting in December. This is due to her and the City's Accountant's involvement with three State Controller's reports that are completed on September 30, October 10 and October 20. Journal entries are not posted on a timely manner during that process, due to limited staffing and the Accountant's involvement in the reporting process. This means that the first quarter would not be updated until sometime in November, and the report would come to Council until December. While the first quarter update would be helpful, the time conflict, and ensuing late preparation, makes it not recommended at this time.

However, the 3rd fiscal quarter could be presented in April, prior to budget adoption. Financial reporting is complete by then, and the normal accounting process is flowing smoothly. I would definitely recommend that staff provide this budget performance report, especially with the current state of the economy.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____