

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – NOVEMBER 12, 2013
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Anne Russell	Interim City Attorney
	Jamie Boucher	City Clerk
	Amy Christey	Police Chief
	Steve Knuckles	Fire Chief
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director
	Eric Endersby	Harbor Director
	Rob Livick	Public Services Director
	Cindy Jacinth	Associate Planner

Mayor Irons called the meeting to order at 6:30 p.m.

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – Interim City Attorney Anne Russell reported that Council had 2 reportable actions. The first was a vote to approve the separation agreement with Rob Schultz, 5-0. And the second was a decision on a 3-2 vote, to authorize Mr. Simas to negotiate a separation agreement with the City Manager. With regards to Government Code Section 54956.8, Property Transactions instructing the City’s real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to two parcels: Lease Site 53-56/53W-56W; Estero Landing, Inc. located at 501 Embarcadero; and, 307 Morro Bay Blvd., no reportable action under the Brown Act was taken.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

Morro Bay High School ASB Representative, Mona Panchal gave a presentation on the “goings-on” at MBHS. The Words Matter Anti-Bullying Campaign is ongoing reducing the use of profanity at the school and has a lot of students speaking out against bullying. Alanna Williams, was crowned Homecoming Queen. The Teens Club hosted a dance for Breast Cancer. Cross

Country League finals resulted in a first place for the Boys team, their 2nd win in a row. The Girls Volleyball team made CIF playoffs for the first time in 19 years. The Avid Program received a large donation from Wells Fargo Bank; Avid empowers students to go to college who may be less likely to attend. Allie Evans and Joy Franklin made the cover of New Times for the “Winning Images of 2013”.

PUBLIC COMMENT

Jan Lewis, owner of Sweet Offerings, located at 430 Morro Bay Blvd., with the help of her father Glenn Lewis and sales associate Bonnie Crawford, gave the Morro Bay Business Report. Located 3 doors down from the Bay Theater, they specialize in artisan fudge and chocolates; they make their own candies; and, they also serve Doc Burstein ice cream. The store is a tinsel town store, new into the community; they invited the community to come in and see them.

Monique Nelson, the President of the Coastal Alliance of Plant Expansion, received a copy of Dynegy’s letter announcing the shutdown and is thrilled for the victory for the Estuary. It’s been their job to scrutinize, analyze and critique plans for the power plant. CAPE’s primary focus is on the environment, to protect and improve the air quality and especially to safeguard the Morro Bay Estuary. CAPE feels that the once-thru cooling system causes devastating damage to the Estuary. She hopes the City seizes the opportunity to study the power plant sight to develop a plan to rezone it for new uses.

Barbara Doerr stated that based on the closure of Dynegy, the need to amend the LCP for this site has become a number one priority. Currently only a coastal dependent industrial use has priority at the power plant site. It has become critical to determine the appropriate land uses for the site and it would be prudent to begin with Area 5 – Morro Rock which includes the power plant, WRF, MBHS, recreation and wildlife preservation uses and 2 parks. The City has identified coastal needs that could be incorporated into a rezoned power plant site some of which include a commercial fishing boat yard, boat storage, and Coast Guard boat yard.

Joan Solu stated that the Morro Bay 50th Anniversary Celebration Committee has been meeting and brainstorming the last 6-8 months. Ideas are being brought forward to Council tonight. She hopes that Council will consider this and hope that we can move some positive effort forward.

Kathy Welles grew up in Morro Bay and loves our community. We have all been a cohesive community who got along. She thanked Andrea Lueker and Rob Schultz for all their fine service. The saddest and most wrong part of this deal is that we have 3 temporary employees, inexperienced, elected by the majority of those who voted, making decisions that will leave an everlasting black cloud on our fine City.

Jane Heath went to the Community Foundation’s Morro Bay Sings and it was wonderful event. She went on to say that what is happening here is that new energy is emerging. It’s fueled by folks that are the City’s past, present and future. She is looking forward to seeing what the next 50 years brings to Morro Bay.

Marlene Owens thanked Andrea Lueker for the Morro Bay Community Foundation as she was instrumental in its formation and its longevity.

Garry Johnson wants to know what the Morro Bay City Council's overall plan is for the citizens and their future. He stated that the citizens are paying for 3 lawyers at a cost of over \$30,000 and now the Mayor is requesting an additional \$5,000. He reiterated that if you disagree with the way the City Council is doing business, you can confidentially sign the recall petition.

David Nelson asked for clarification as to whether or not Mr. Schultz was full time as he understood he worked for other agencies as well. Regarding the development off of Highway 1, he asked how we could approve a road that big that serves 8 houses; he doesn't feel it is adequate. He is concerned about the Power Plant as currently, they are taking down faulty metal leaving gaping holes. He is fearful of the toxins that we are being exposed to. As long as the stacks stand, Council needs to be/remain on top of this issue.

Dan Costley is tired of the divisiveness. He announced the Rotary Club of Morro Bay's Lighted Boat Parade being put on in partnership with the Chamber of Commerce. It will be held on Saturday, December 7th. There will be strolling carolers, a photo opportunity for the children with Santa and Mrs. Claus, and goodies to purchase. He thanked all the local businesses for their financial support.

Christine Barrett has asked for help from everybody and has received help from everybody. She thanked Andrea Lueker and Joe Woods. She stated that this was the first governmental body that she's been comfortable with. She supports Mayor Irons and Andrea.

Gary Owens has 2 questions. Why are 3 lawyers cheaper than 1? And the #1 choice for the treatment plant is 500 yards closer to the ocean than the other one; how does that get it out of the flood plain?

The Public Comment period was closed.

A. CONSENT AGENDA

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 SPECIAL CLOSED SESSION MEETING HELD ON OCTOBER 21, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF CITY COUNCIL MINUTES FOR THE SPECIAL CLOSED CITY COUNCIL MEETING HELD ON OCTOBER 22, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF CITY COUNCIL MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON OCTOBER 22, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF CITY COUNCIL MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON OCTOBER 25, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 APPROVAL OF CITY COUNCIL MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON OCTOBER 29, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-6 APPROVAL OF CITY COUNCIL MINUTES FOR THE JOINT PLANNING COMMISSION / CITY COUNCIL MEETING HELD ON OCTOBER 29, 2013; (PUBLIC SERVICES)

RECOMMENDATION: Approve as submitted.

A-7 APPROVAL OF CITY COUNCIL MINUTES FOR THE SPECIAL CLOSED CITY COUNCIL MEETING HELD ON OCTOBER 31, 2013; (CITY ATTORNEY)

RECOMMENDATION: Approve as submitted.

A-8 ADOPTION OF RESOLUTION NO. 53-13, AMENDING SECTION 2.2 OF THE CITY COUNCIL POLICIES AND PROCEDURES REGARDING MEMBERS RECEIVING UNEXPENDED MONTHLY DOLLARS FROM THE COST OF THEIR MEDICAL PLANS; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 53-13 which strikes the existing language in the City Council Policies and Procedures Manual, Section 2.2, that currently allows Council members to receive any unexpended monthly dollars from the cost of their medical plan.

A-9 ADOPTION OF ORDINANCE NO. 583; REPEALING, AMENDING, AND REENACTING CHAPTERS 14.01-14.12 AND 14.52 OF THE CITY OF MORRO BAY MUNICIPAL CODE (BUILDINGS AND CONSTRUCTION); (PUBLIC SERVICES)

RECOMMENDATION: Adopt Ordinance No. 583; repealing, amending, and reenacting Chapters 14.01-14.12 and 14.52 of the City of Morro Bay Municipal Code (Buildings and Construction) to incorporate the 2013 California Building Standards Code, as adopted by the State of California, and the local modifications thereto..

A-10 AWARD OF CONTRACT FOR THE PROJECT NO. MB-2013-S4: 2013 STREET REHABILITATION PROGRAM: 3-LAYER CAPE AND MICROSURFACING PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: Award the project contract to the lowest responsible bidder, American Asphalt South, Inc. of Fontana, CA.

A-11 RESOLUTION NO. 55-13 ADOPTING THE MEMORANDUM OF UNDERSTANDING WITH MORRO BAY FIRE FIGHTERS ASSOCIATION AND RELATED COMPENSATION; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 55-13, approving the Memorandum of Understanding with the Morro Bay Fire Fighters Association.

A-12 RESOLUTION NO. 56-13 ADOPTING THE AGREEMENT WITH THE MORRO BAY CONFIDENTIAL EMPLOYEES AND RELATED COMPENSATION; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 56-13, approving the Agreement with the Morro Bay Confidential Employees.

A-13 QUARTERLY FINANCIAL STATUS REPORTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Accept the reports as presented.

A-14 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file the report.

A-15 REVIEW OF DRAFT REQUEST FOR PROPOSAL FOR INTERIM CITY ATTORNEY; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Review the draft Request for Proposal (RFP) for Interim City Attorney, suggest/recommend changes and direct staff accordingly.

A-16 A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY DECLARING NOVEMBER, 2013 AS "NATIONAL HOSPICE MONTH"; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

A-17 APPROVAL OF RESOLUTION NO. 57-13 CONFIRMING THE EXPIRATION DATE OF TENTATIVE TRACT MAP 2859 AND AVAILABILITY OF WATER AND

SEWER (RELATING TO 2783 CORAL AVENUE IN MORRO BAY, CALIFORNIA);
(CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution 57-13 confirming the expiration date of Tentative Tract Map 2859 and availability of water and sewer (relating to 2783 Coral Avenue in Morro Bay, California).

Mayor Irons opened up the public comment period for items on the Consent Calendar; seeing none, the public comment period was closed.

Mayor Irons pulled Items A-4 and A-15; and, Councilmember Christine Johnson pulled Item A-3 from the Consent Calendar.

MOTION: Councilmember Nancy Johnson moved the City Council approve Items A-1, A-2, A-5, A-6, A-7, A-8, A-9, A-10, A-11, A-12, A-13, A-14, A-16 and A-17 of the Consent Calendar as presented. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

A-3 APPROVAL OF CITY COUNCIL MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON OCTOBER 22, 2013; (ADMINISTRATION)

Councilmember Christine Johnson had submitted edits to these minutes to the City Clerk. The Clerk reviewed the tape and concurred with the revisions.

MOTION: Councilmember Christine Johnson moved for approval of the October 22, 2013 minutes as amended. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

A-4 APPROVAL OF CITY COUNCIL MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON OCTOBER 25, 2013; (ADMINISTRATION)

Mayor Irons had submitted edits of these minutes to the City Clerk. The Clerk reviewed the tape and revised the minutes to reflect what occurred.

MOTION: Mayor Irons moved the City Council approve Item A-4 as revised. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

A-15 REVIEW OF DRAFT REQUEST FOR PROPOSAL FOR INTERIM CITY ATTORNEY; (ADMINISTRATIVE SERVICES)

MOTION: Mayor Irons moved continuance of this item to come back for further discussion. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

B. PUBLIC HEARINGS

B-1 REVIEW OF THE DRAFT OPTIONS REPORT FOR THE NEW WATER RECLAMATION FACILITY (WRF); (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report.

John Rickenbach and Mike Nunley presented a power point presentation whereby they addressed the results of the public workshops. They addressed what the purpose is; what they've learned so far; what they've heard so far; and what we've learned in the past week. All of this will be folded into a revised version and presented in final format at the December 10th Council meeting. What is presented tonight is a draft report.

Mayor Irons opened up the public comment period for Item B-1.

Walter Heath hoped that Council would consider water reclamation facility sites that are of suitable size to permit the perspective use of constructive wetlands to treat our municipal wastewater partially or completely. He feels that constructed treated wetlands costs much less to build and odors are non-existent. He stated that it would take 4-25 acres of land per 1,000,000 gallons of wastewater flow/day. While land acquisition costs could be higher, the savings in construction and equipment could be cut by tens of millions.

Steve McElvaine spoke on and gave some history on the prime ag land of the Morro Valley/Righetti property. He is sorry that you took the original plant out of your consideration. He also feels that the CCC has no authority to kick you off of your current site. If you are going to get kicked off, Site B is 10 million dollars cheaper than the 2 on either side of it according to the report.

David Nelson has participated in the workshops. He disagrees and feels that doing it this way is going at it backwards. It seems like we should be starting with the idea of what we want to put some place. He questioned how we can go from 35 million to 90 million dollars just because we moved our site; the plumbing shouldn't cost that much more. He feels we need to reinvestigate prior proposing companies. He also feels we need to check what other people/cities are doing.

Bill Martoney asked whether the City has the right to eminent domain outside of the City limits. It's important to have a willing seller. Regarding sticker shock over the \$90-160 million for a new plant, he wanted to reiterate that the current location was going to be \$34 million to duplicate on-site. He thinks it will only be \$1-2 million more to change sites. He has always suggested the Tri-W site as a very feasible site. He stated that there is an existing plant being built in Oceanside, 4 times the size of Morro Bay's demand, whose current price is \$55 million; the \$90-160 million is way off.

Ahmed Kasam, is gratified that we are looking at the odor question. The odor and distance to residential areas wasn't considered high enough in the first draft and is glad to hear it will be considered in the 2nd draft.

Richard Sadowski stated that using forced main is relatively inexpensive. He doesn't agree with the philosophy of taking the design as a complete separate issue. We have a lot of unknowns,

Cayucos and capacity issues from dilapidated infrastructure, those issues are significant enough that they have to be incorporated into the decision. He feels PERC should be revisited; one benefit is that it is a module system. It is important to look at this holistically as we need to know the capacity and design parameters.

Barry Branin stated that one of the biggest factors in any project is the overall cost of the project during its life. He speaks to this because we have the opportunity to look at the CMC plant. There isn't analysis on how the existing CMC plant could be expanded. If you had a partnered plant, you would save on personnel costs over time. A regional facility makes sense 50 years from now.

Jim Pauley stated that it appears that the power plant is going away and we may end up with the power plant. We didn't have that in mind when this project started but since it's here, we should take a look at what the possibilities are for the property in back of the plant. It would be the most economic and least visible. He also says that the Tri-W land makes sense and we should take a look at it.

Carla Wixom stated that people seem to think it's going to be less expensive than the new consultants said it was going to cost. She went through the reasons that some of the sites wouldn't work: power plant – too visible to Scott Street residents and there is an archeological site in the back; Righetti property – too visible to the 50+ residents living over there plus it's a gateway to the town, floods, slides, is in an earthquake fault, etc.; CMC - \$160 million dollars and the existing plant is probably at capacity; Tri-W – Measure G governs that property. It's a lot to think about.

Barbara Doerr thinks an additional workshop is an outstanding idea. If the 23rd is selected, then we should mail out a postcard to every resident advertising it. She feels that odors are critical and the plant should be as odor free as possible. She thinks that the constructive wetlands is an outstanding idea. She suggests eliminating the power plant site immediately as it wouldn't be consistent with our General Plan and LCP.

John Diodati thanked the Council for asking for what everyone wants and what's it going to cost. Council has received the information and now can make the best decision possible. He went on to state that we now know that reclamation is very expensive and that its reclamation that is driving the plant costs significantly higher. We have always said we need a plant that is reclamation ready. Doing everything right now isn't advisable but instead phased in over time as appropriate. He thanked Council for funding this alternative study, for reaching out and working cooperatively with the permitting agencies. It's important to find out what the expectations are of the permitting agencies.

Brad Snook stated that to use water once and then flush it into the ocean doesn't make sense, especially since we have a water supply issue. We need to find a home for the water that has been treated. Once the water is reclaimed, whose water is it? You need a partner that will work with you that will help reduce costs of the plant going tertiary, reclaiming the water, cutting your outfall and doing the best to deal with the water supply issue.

The public comment period for Item B-1 was closed.

Councilmember Christine Johnson stated that now is the time to speak out/reach out to the consultant team with your suggestions and/or questions. It's important we consider water as a resource but we have to balance that with what the community can afford. Now that the report is out, she wants to know from Coastal – what will be the condition for approval that they would put on a new project in regards to reclaimed water. With regards to phasing in over time; she would also like to know what “reclamation ready” based on the sites we have means by the next report. She would also like to see a project component chart that reflected cost ranges for the previous unpermitted project. She also wanted to know the cost analysis and realistic risks if we lost ocean outfall. She also feels like the County is reaching out to us regarding the CMC site and hopes we will meet with them in the near future to discuss that option. The question of “whose water is it” needs to be dealt with. At what point will we be able to discuss plant technology?

Councilmember Nancy Johnson doesn't see a great value in a Saturday meeting as there hasn't been a huge request.

Councilmember Smukler thinks it's important to have initial conversations with as many of these property owners as possible; this could very easily take some of these properties off the table. He likes that we are reaching out to regulators. He thinks it's valuable to reach out to CMC for a “shared effort” possibility. He also thinks it's important to dialogue with some potential reclamation users to gauge their possible interest. Affordability is a key component which should be added to goals, both short and long term. It's really important to have some discussion about phasing in reclamation. He thinks neighborhood sensitivity and compatibility needs to be added; he is concerned about contingencies already stated to being built in; with regards to a public workshop, this is a really important project which won't be successful without public participation – as such, we should error on the side of more public participation. He likes the idea of sending out a postcard to residents announcing a workshop.

Mayor Irons spoke on the goals listed on the slide and ones which we have added to: cost/affordability being a key component; reclamation ready/phasing, the site should be expandable; energy recovery – is a phasing component as well; contingencies are too high – if we are set for 30%, do we set ourselves up for those expenditures – we need to be more cost conscience; maybe reserve a public workshop able to include Cayucos; and, odors.

Mr. Rickenbach hit on the key issues as he heard them: reach out to different property owners; look into what the LCP specifically requires; ask the CCC what their conditions of approval would be for reclaimed water; define what reclamation ready means; can you show the costs of existing plant as a comparison tool to the other sites; what is the realistic risk and cost if we lost the ocean outfall; County Public Works letter in the context of partnering; whose water is it if reclaimed; when is it appropriate to talk about technology; get comments from potential reclamation users; affordability as a key component; neighborhood compatibility; contingencies being thrown into the cost estimate already; the final report will be presented at the December 10th meeting; we may pursue an additional workshop in January.

B-2 AMENDMENT OF CONDITIONAL USE PERMIT #UP0-342 AND ADOPTION OF AMENDED MITIGATED NEGATIVE DECLARATION FOR 901-915 AND 945 (WATERSIDE) EMBARCADERO); (PUBLIC SERVICES)

Associate Planner Cindy Jacinth presented the staff report.

Councilmember Leage recused himself as he feels he has property within 500 feet of the proposed project.

Cathy Novak spoke representing Mr. Smith Held for the amendment to his project. The project was submitted to the CCC for a Coastal Development Permit. The CCC requested modifications and we have been working with them on making those modifications and to date have done the following: eliminated the view deck, reduced the floating dock finger slip lengths and pushed the floating docks westward, relocated the gangway to the west, reduced the size of the new retail unit and also reduced the size of the existing retail unit where Poppy is located in order to make the 2 retail shops of reasonable size, made the Harborwalk along the new retail unit 8 feet wide, and have increased the Harborwalk to 10 feet wide on the southern portion of the site. During these modifications, the neighboring lease site discussed with the City the idea of relinquishing a portion of his water lease as it wasn't financially feasible for him to build a dock project. This opportunity for Mr. Held to take over this portion of the water lease was then offered by the City. With this new direction, Mr. Held revised his project description to include the new dock area which then required either the Mitigated Neg. Dec. be amended or for a new Mitigated Neg. Dec. to be prepared for that portion of the project only. It was decided that an amendment would be the best direction to go. She requested the project be approved per staff's recommendation.

Mayor Irons opened up the public comment period for Item B-2.

Barbara Doerr hoped that in the future we follow the State standards for Council conflicts of interest being declared. As far as the project goes, she is not opposing the project as much as the design of the project. She doesn't find the design appealing at all; she finds it lacks character and hopes it is approved with the condition to come back to the City Council with an improved design.

The public comment period for Item B-2 was closed.

MOTION: Mayor Irons moved to approve staff's recommendation as stated. The motion was seconded by Councilmember Smukler and carried 4-0-1 with Councilmember Leage having recused himself due to a conflict of interest.

B-3 RESOLUTION APPROVING ADJUSTMENT TO LEASE SITE MAPS FOR LEASE SITES 93W-95W AND 96W; LOCATED ADJACENT TO 901-915 EMBARCADERO ROAD (HELD FAMILY; AND SMITH W. AND HANNAH W HELD FAMILY TRUSTS); (PUBLIC SERVICES)

Councilmember Leage continued to be recused as he owns property within 500 feet of the proposed project.

Public Services Director presented the staff report.

The public comment period was opened for Item B-3; seeing none, the public comment period was closed.

MOTION: Councilmember Christine Johnson moved approval of the adjustment to lease site maps for lease site 93W-95W and 96W by the adoption of Resolution 54-13. The motion was seconded by Councilmember Smukler and carried 4-0-1 with Councilmember Leage having recused himself due to a conflict of interest.

C. UNFINISHED BUSINESS

C-1 CONTINUED DISCUSSION, CONSIDERATION AND DIRECTION REGARDING THE EXPANSION OF THE UNITED STATES COAST GUARD (USCG) FACILITIES IN MORRO BAY; (ADMINISTRATION)

City Manager Andrea Lueker presented the staff report.

Bill Meyn, representing the USCG stated that both the City and USCG have common interests, that the USCG has a legitimate need to expand its facility; the USCG is/has a waterfront use; timing is critical as the money needs to be lined up for construction in 2015; and they can't do this without the City's support.

The public comment period for Item C-1 was opened.

Barbara Doerr is proud to have the USCG in Morro Bay and urges each of the Council to do everything they can to say yes to their needs.

The public comment period for Item C-1 was closed.

Councilmember Leage stated that we have been here before; we are dealing with a piece of property that the citizens of Morro Bay think is valuable and he wonders what the repercussions will be.

Councilmember Christine Johnson stated that based on her conversations with the public, the security fence can be a show stopper; if no fence, then it could possible work.

The Public Comment for Item C-1 was reopened.

Mr. Meyn stated that the fence issue can be modified. With regard to the power plant property, that probably won't fit the timeline for the 2015 funding. It is their intent to preserve public access to the beach and to preserve the bike path and pedestrian path.

Janice Peters stated that using the intake building for the power plant could be an option. Maybe they would be willing to discuss a rental agreement until a more permanent situation would be resolved. She also stated that the fencing provided isn't aesthetic.

The public comment period for Item C-1 was closed.

Councilmember Nancy Johnson wondered if the Harbor Department were moved, could the USCG utilize the Harbor Department space. Mr. Meyn stated they would be delighted to use the adjacent property.

Councilmember Smukler felt that USCG was moving in the right direction; however the requested location is still too much in the center of where beach activity originates. He hoped we could sit down with the USCG and work out a location that meets their needs and while it may be a temporary displacement of our Harbor office, work out a compromise. The area north of the intake structure could also be looked at.

Mayor Irons suggested a Council sub-committee that could be comprised of 2 Harbor Advisory Board and 2 Councilmembers on it. Mr. Meyn stated that they would need a firm response of a location by March at the latest in order to allow for enough time for permitting. Councilmember Smukler felt that if staff is given clear enough direction, then they can begin discussions.

There was Council consensus to have Councilmember Leage and Mayor Irons meet with the Harbor Director and USCG to begin working on the process.

Councilmember Smukler would still like to have some Harbor Advisory Board comment on this. It's important for the sub-committee and staff to ensure we have answer to the Harbor Office as part of this.

MOTION: Councilmember Smukler moved to appoint Councilmember Leage and Mayor Irons as an Ad-hoc Sub-committee to work with City staff and the USCG to evaluate options for expansion of Coast Guard facilities and harbor office needs. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

C-2 MULTI-HAZARD EMERGENCY RESPONSE PLAN AND EMERGENCY OPERATIONS CENTER REVIEW; (FIRE)

Fire Chief Steve Knuckles presented the staff report which contained information about the City's Multi-Hazard Emergency Response Plan (MERP). The MERP prescribes the City's policies and concepts for responding to emergencies, which could affect the health, safety, environment, and property of the public within the City limits. In addition, this plan intends to: provide a basis for City coordinated disaster response capability; establish a mutual understanding of the emergency responsibilities and functions of civil government during emergencies; identify those historical and major potential disasters that may affect the City; provide continuity of government; and, coordinate operations with the emergency service organizations of other jurisdictions. The MERP consists of 3 parts: the Basic Plan which is an overview for elements of response and which the Council reviewed and adopted; hazard specific

annexes which provide checklists for approach to various emergencies; and, support materials and references and are intended to provide emergency personnel with information and date to support the emergency response efforts.

MOTION: Mayor Irons moved to continue the meeting beyond 11:00pm. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

The public comment period for Item C-2 was opened; seeing none, the public comment period was closed.

This item was informational only; no action was taken.

D. NEW BUSINESS

D-1 APPROVAL OF SUBLEASE OF 307 MORRO BAY BLVD TO GRANDMA'S FROZEN YOGURT AND WAFFLE SHOP (LENNY DURRER AND BEVERLY FORD-DURRER); (CITY ATTORNEY)

Interim City Attorney Anne Russell presented the staff report.

Beverly Ford-Durrer, the applicant, stated that everyone has worked so well to try and move this forward and she very much appreciates everybody's efforts. She will be moving this forward to their attorney to ensure they are protected for a number of reasons. She posed some questions that staff will have to investigate/research before being able to address those issues: location of bike racks, ADA compliance, location of storage, who pays taxes based on improvements.

Interim City Attorney Anne Russell suggested continuing the item to a date uncertain until she could visit the site and research the issues.

MOTION: Mayor Irons moved to continue this item and bring it back to the next available meeting to discuss the sublease. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

D-2 REVIEW AND ADOPT DRAFT FUNDING RECOMMENDATIONS FOR THE 2014 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS; (PUBLIC SERVICES)

Associate Planner Cindy Jacinth presented the staff report.

The public comment period for Item D-2 was opened; seeing none, the public comment period was closed.

Councilmember Christine Johnson stated that a good City project was selected as it does relate to our City Goal 7(b) and 7(h), Improve City Infrastructure.

MOTION: Councilmember Christine Johnson moved to approve the funding recommendations for the 2014 CDBG funds and forward recommendations to the San Luis Obispo County Board of Supervisors for inclusion with the other draft funding requests for the Urban County Consortium. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

D-3 DISCUSSION OF THE CITY OF MORRO BAY'S COMMITMENT TO THE CITY'S 50TH ANNIVERSARY CELEBRATION; (ADMINISTRATION)

City Manager Andrea Lueker presented the staff report.

Councilmember Nancy Johnson presented the requests from the Morro Bay 50th Anniversary Celebration committee; they included appointing Recreation & Parks Director Joe Woods to serve on the committee to help plan and allocate the authorized funds for each event; regarding the 2014 items, the markers are just a guess at this time; the community legacy project – the Women's for Fisheries we hope will be finished; under promotion and promotional items, the hope is that City Council request the Tourism Bureau and the Economic Development Department of the Chamber use their funds to take care of this – banners, advertising and printing; regarding the State's 150th's Anniversary – First Day Hike – hoping there is money to buy t-shirts which will be for sale and the other State event we are already participating in is the Quilt project.

Mayor Irons opened up the public comment period for Item D-3; seeing none, the public comment period was closed.

Councilmember Smukler appreciates the amount of work that has gone into this planning. He is interested in keeping the focus on the citizens of Morro Bay as much as possible; he would like to also see the focus on ideas that won't cost a lot of money; he is interested in limiting the City's financial obligations; and he supports Joe Woods as the City liaison to the committee.

Councilmember Christine Johnson has been able to attend 2 meetings so far and is appreciative of the energy and great ideas. She has been asking people in the community and the feedback that she has received is: keep it simple and focused on the locals; and, don't overdo the events. We have 2 diverse celebration opportunities: the 1st Day Hike and the Quilt project, both in conjunction with the State Parks 150th Celebration. She liked being able to leverage Morro Bay where we can with the 150th Celebration of the State Parks. She loves the idea of a parade and a community picnic which would keep the focus local. She also likes the idea of partnering with other groups such as the Tree Committee, the Bike Committee, etc. She loves the Anniversary logo. And supports Mr. Wood's working with the committee.

Mayor Irons hopes that the Black Hill Gang will be asked to be involved in the First Hike. He is in favor of the logo banners but hopes that maybe we can combine in the investment of them – we wouldn't need a "50th" on each banner which would allow us to continue to use them. He agrees in keeping theme of keeping it local. He asked about the Street Tree project.

Councilmember Nancy Johnson stated that Tyler Newton is raising and giving 50 Cypress trees to local merchants who will be able to use them over the holidays that then will be donated back to the Tree Committee for planting; the events are all community related; most events are tied to already existing events; promotions would be within the City, Economic Development and Tourism Bureau; and the January 11th kickoff event, “This is Your Life Morro Bay”, is being co-sponsored by the Chamber of Commerce with ballots being placed in this week’s Bay News so that people can nominate “citizens of each decade”. If this is going to work, then the committee needs money to get it started; money not used would be reimbursed back to the City. She is asking to approve this as a concept plan and authorize funds to get it started. She is asking for \$50,000. The full request is based on getting the money from Dynegy.

Councilmember Leage was in full support of funding this as this is a once in a lifetime opportunity that will bring people to Morro Bay.

Councilmember Christine Johnson is leaning towards funding this at a level of \$5,000; this is based on previous allocations to other Morro Bay activities/events. She is also cautious of funding events that weren’t open to all the public and weren’t family friendly.

Councilmember Nancy Johnson responded that funding the full \$50,000 is important as this is not just a “one event” request; it’s a calendar of events and does include the entire community. This money will also go towards some advertising.

Councilmember Smukler stated that the City can offer the most support in permitting. He is uncomfortable with writing a check and working backwards, he’d like to see more information. He’d also like to see more in-kind support and not cash.

Mayor Irons stated that everybody can be in agreement that this will be a worthwhile celebration. He feels that some events will be sponsored like the trees but there are some hard cost items like the banners and website. He is leaning towards committing \$15,000 towards the event(s).

Councilmember Smukler continued to be in favor of starting with \$5,000 and then having the group come back with more information about what the event costs would be.

Councilmember Nancy Johnson said that the bare minimum that they would be able to work with is \$36,000 and then hopefully the Chamber and Tourism Bureau could come up with the remaining \$14,000 for promotional items. This is time sensitive as the January 1st and January 11th events are being held prior to the first January Council meeting.

Councilmember Christine Johnson agreed with Councilmember Smukler, it would be good to start with an amount and then get more detail coming back. She would like to see a list and funding needs for the entire years’ calendar worth of events.

Councilmember Smukler, after looking at the events calendar, feels that \$5,000 will work for now and should cover the January events and then revisit after more detailed information is brought forward.

MOTION: Mayor Irons moved to fund the Morro Bay 50th Committee \$15,000 to get started. The motion was seconded by Councilmember Christine Johnson and carried 4-1 with Councilmember Smukler voting no.

D-4 DISCUSS AMENDING THE CONTRACT WITH SIMAS & ASSOCIATES FOR THE PURPOSE OF TRANSFERRING SIGNATOR FROM MAYOR IRONS TO INTERIM CITY ATTORNEY, AND DISCUSS AUTHORIZING ADDITIONAL FUNDS FOR THE PURPOSE OF COMPLETING PERSONNEL MATTERS WITH OUR CITY ATTORNEY AND CITY MANAGER NOT TO EXCEED 20 HOURS OR \$5000.00 DOLLARS; (MAYOR)

Mayor Irons presented the staff report.

Mayor Irons opened the public comment period for Item D-4.

Kevin Rice stated that it has been exactly 2 months since we started the crusade against the City Attorney. It has been confusing and disappointing with up to \$17,500 in attorney's fees to do what you could have done in 5 minutes. This has been a lot of waste of public money and public frustration and has divided the City.

The public comment period for Item D-4 was closed.

Councilmember Christine Johnson wanted to ensure that this would be a "not to exceed an additional \$5,000".

Councilmember Smukler stated that we need to keep moving through this and find resolution so he is in favor.

MOTION: Mayor Irons moved approval of the recommendations as stated in the staff report. The motion was seconded by Councilmember Smukler and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Mayor Irons requested a discussion on Dynegy concerning direction to take regarding land and facilities; Councilmembers Smukler and Christine Johnson concurred.

ADJOURNMENT

The meeting adjourned at 12:30am.

Recorded by:

Jamie Boucher
City Clerk