

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 11, 2014  
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Susan Slayton	Administrative Services Director
	Anne Russell	Interim City Attorney
	Jamie Boucher	City Clerk
	Amy Christey	Police Chief
	Steve Knuckles	Fire Chief
	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 6:00 p.m.

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

CLOSED SESSION REPORT – Interim City Attorney Anne Russell reported that with regards to the Closed Session Item: Government Code Section, 54957(b)(1), Public Employment with regards to the Interim City Attorney; no reportable action under the Brown Act was taken.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

Jennifer Redman, President of the Morro Bay Chamber of Commerce presented the Chamber’s Annual Report. The Chamber promotes the community’s economic vitality, quality of life and provides a united base for the business community to advance and prosper. Their mission is creating a strong local economy while promoting the community and providing networking opportunities and being a liaison between business and government. Goals of the Chamber include: Plan to Increase Membership and Benefits to Members through increased face to face contact with the business community via forums, meeting with key organization partners, small focus groups and an Ambassador Program; Revamped Benefits of Membership, cross networking and marketing between members, mobile app to help locals and visitors find Chamber members, developing a new Chamber website; and, through Events and Promotion

with the Avocado and Margarita Festival, Film Commission and Saturday's Farmer's Market. The Chamber hopes to expand on the following: Communications with Members and Community via Weekly blasts to all Chamber members, City Council and other community leaders and organizations; Monthly Newsletter; Forums, Surveys; and, Collaboration with other organizations in the community like TBID, Merchant's Association, MB Beautiful, MB in Bloom, Harbor Festival, MB 4<sup>th</sup> and the MB Tourism Bureau. They provided their 2013 gross revenues as well as 2014 Projected Budget which shows projected increases in all phases – membership, Avocado Margarita Festival, Saturday's Farmers Markets and Incubators. Regarding their Economic Contract with the City, they stated that what the Visitor's Center does for tourists, the Chamber of Commerce does for the business community. They help retain, strengthen and expand existing businesses; recruit new businesses; as well as work jointly with the City Council and City Departments on issues affecting the businesses and community. They thank the Council and City for the rent assistance for their facility which they share with many businesses and community organizations.

### PUBLIC COMMENT

Trevor Green, General Manager of Fish Bonez Restaurant, located at 725 Embarcadero encouraged locals and tourists alike to stop in and see what they have to offer. They boast that they are Local, Fresh and Affordable with meals ranging from \$15-39; they are open Monday – Sunday from 4-close and offer a Happy Hour from 4-6pm featuring local beers and wines.

Garry Johnson spoke on his water collection barrels for his outdoor landscaping stating that he collected enough water with the last rain to almost last him for the year. He encouraged everybody to do the same as it would help tremendously with the City's conservation efforts.

Jeff Ekkles spoke on behalf of the Community Foundation advertising their fundraising event, "Love Letters" being held on February 15<sup>th</sup> at the Veteran's Hall beginning at 730pm. The Community Foundation exists to financially assist those children who aren't able to participate in Recreation & Parks Department youth activities. Every child deserves an opportunity to play.

Nancy Castle thanked everybody for the fee waiver approved at the last meeting. They have hosted 2 dinners since, and the attendance numbers continue to climb; attendees are not always the same people. Servers show up at 4:30pm and everybody is encouraged to come and help; or if you know someone in need, invite them for a meal. The next EBAC meeting is scheduled for February 20<sup>th</sup> at 3:45pm at St. Timothy's Church. She read the EBAC Mission Statement: The Estero Bay Alliance for Care is an all-volunteer network of organizations and individuals dedicated to enhancing the quality of life for local homeless and in-need citizens through outreach, education, and liaison with appropriate agencies and organizations. She also advertised an upcoming event being held at the Madonna Expo on March 22<sup>nd</sup> & 23<sup>rd</sup> – The Central Coast Health and Fitness Expo.

John Barta announced that the law suit he had brought up against the Attorney General and Secretary of State ended favorably. He spoke out against the article in the New Times written by Colin Rigley attacking Councilmembers Leage and our town. Mr. Leage always wants to do the right thing for our town and his donations and work on the Morro Bay 50<sup>th</sup> was no exception.

Mr. Rigley got things exactly backwards and he feels that whoever brought this forward to him should be ashamed. You don't save our town by destroying it, George is a builder, not a destroyer and he thanked George, Nancy and Carla for doing a good thing.

Barry Brannin stated that we pump 1 million gallons of water into the ocean every day. He spoke with a local avocado grower who is willing to pay for some of this water which could net the City \$1500/day/ 365 days/year. To throw the water away is wrong and the quicker we can get a water reclamation facility on-line, the quicker we can save ourselves from our water problem.

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 MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON JANUARY 28, 2014; (CITY ATTORNEY)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON JANUARY 28, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON JANUARY 29, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-4 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON JANUARY 29, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-5 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLAN; (PUBLIC SERVICES)

**RECOMMENDATION: Receive and file; informational only.**

A-6 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS AND DISCUSSION; (PUBLIC SERVICES)

**RECOMMENDATION: Review; informational item only.**

A-7 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AUTHORIZING AND DIRECTING THE INSTALLATION OF STOP SIGNS ON FRESNO AVENUE AND MARINA STREET; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 15-14.**

A-8 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, ESTABLISHING A POLICY TO GUIDE THE INSTALLATION OF STOP SIGNS; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution 16-14.**

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

Councilmember Nancy Johnson pulled Items A-7 and A-8.

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

A-7 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AUTHORIZING AND DIRECTING THE INSTALLATION OF STOP SIGNS ON FRESNO AVENUE AND MARINA STREET; (PUBLIC SERVICES)

A-8 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, ESTABLISHING A POLICY TO GUIDE THE INSTALLATION OF STOP SIGNS; (PUBLIC SERVICES)

Councilmember Nancy Johnson pulled both of these items as she doesn't see the solution being more stop signs, the problem is the vegetation in the right of way; stop sign or not. Rather than putting in more stop signs, we should instead move forward with enforcing the rules of right of ways.

MOTION: Councilmember Smukler moved approval of Item A-7 and Item A-8 of the Consent Calendar. The motion was seconded by Councilmember Christine Johnson and carried 4-1 with Councilmember Nancy Johnson voting no.

**B. PUBLIC HEARINGS**

B-1 REVIEW OF DRAFT ZONING TEXT AMENDMENT #A00-013 AMENDING SECTION 17.48.320 SECONDARY UNIT ORDINANCE; (PUBLIC SERVICES)

Associate Planner Cindy Jacinth presented the staff report.

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

John Barta stated that the purpose of secondary housing is to increase housing stock without expanding the borders of our town outward and without having to build infra-structure for all of that; it's also a State mandate. He supports the staff report. The reason we have a 20 foot setback is to allow people and their guests to park their cars in their driveway. This recognizes that people can use that 20 feet for parking.

Homer Alexander quoted Supervisor Gibson stating that the only thing California hates more than sprawl is density.

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

Councilmember Smukler thanked staff and the Planning Commission for their work on this, particularly with the outreach to Coastal Commission. He had strong concerns with the previous adjustment to expand up to 1200 square feet with no trigger for a conditional development permit. He thinks we are now on track with something that is going to work. We are also providing the neighborhoods protection and safeguards.

Councilmember Leage is disappointed that we moved from 1200 square feet but stated that this will work and appreciates the good work put into it.

Councilmember Christine Johnson complimented those involved on coming up with a good balanced policy and a good compromise policy as it seems to be something that will meet everybody's needs. Given the goal of this is to provide affordable low and moderate income housing, she is happy to see this come forward. In her research, the 300-900 square foot range is where most of this type of building has gone.

Mayor Irons echoes everybody's comments. He appreciated the way addressing the 900 vs 1200 square foot situation was dealt with. 900 square feet address compatibility in R1 zones and parking issues were well thought out and well discussed.

**MOTION:** Councilmember Smukler moved to accept the Planning Commission's recommendations to the Zoning Text Amendment and bring back the modified Zoning Text Amendment for Introduction and First Reading of the modified Ordinance 576. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

## **B-2 2013 ANNUAL WATER REPORT AND ALLOCATION OF 2014 WATER EQUIVALENCY UNITS; (PUBLIC SERVICES)**

Public Services Director Rob Livick presented the staff report.

Councilmember Smukler wanted to reaffirm that we are talking about new water units.

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

John Barta feels that this is outrageous. We have the water and we have it for the next year; we aren't going to run out of water in Morro Bay. He feels that this in fact a building moratorium.

He feels Council should approve the annual water report and revisit the WEU's; he also feels confident that we will get our desalination permit and that state water will deliver in the future.

Kurt Najarian, a local plumbing contractor, stated that there is no real way to sell these retrofits. Trying to get people to go to a 1.2 gallon toilet will be a tough sell. He is concerned that vacant lots already aren't selling, and there's very little building. He hoped that if you've walked in and paid a fee, you should be deemed "in process" and be exempt from these regulations.

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

Mr. Livick agreed that to do just toilet retrofits, probably isn't viable. He also stated that we know we have state water this year, we do have permits for 1100 acre feet from Chorro and 500 acre feet from Morro but if doesn't rain, these ground water basins won't being replenished and are at a finite supply. Regarding the desalination plant, we have kind of an unlimited supply there and he believes we will have a permit to operate the desalination plant this year albeit for very expensive water. Conservation is also working; the community has done a great job in these efforts. One thing, we don't have enough time in this water year to make up for the lack of rainfall.

Councilmember Noah Smukler added in the case of a commercial remodel, that the only additional WEU's that would be required only apply to any expanded square footage or use, not to the historic use. He feels certain that if we don't start taking action now, we asking the existing community to take the burden of paying the cost of the debt service of state water as well as the cost of operating the desal plant. He feels strongly that tonight we should be pursuing an update of our retrofit program. We have a lot of opportunities for new programs that haven't even been explored. If the retrofit program were expanded, it's aiding in the financial affordability for the rest of the community and water system into the future. This can act as a driver to greatly improve our conservation efforts. Let's move forward, update the guidelines tonight and keep this on our radar with continual updates so we can make adjustments as necessary.

Councilmember Nancy Johnson agrees we need to be prepared for water shortages. Our use of state water has already dropped and she thanked Mr. Livick for his suggestions for other possibilities. She feels that tonight, Council needs to pass the water report and before going any further, send the water allocation back to Public Services and PWAB to look at other water conservation and retrofit options.

Councilmember Leage doesn't want to see a moratorium; there are other things we can do that are better than retrofitting.

Councilmember Christine Johnson agrees and asked that if all but recommendation #5 in the Resolution were approved, would that get us to where we need to go; ie: would that be the same as last year? Mr. Livick responded that if you passed all the recommendations but #5, it would be business as usual with the assumption that we would bring this back for alternates. To move this item along, she suggested taking #5 off the table; doing a community-wide "water summit"

meeting – bringing the public into discussions and have more of a menu approach to any kind of retrofit program.

Mayor Irons stated that with a Special PWAB meeting, we could hopefully accomplish a similar type success with the implementation of a water summit. This is unfortunately poor timing, we would agree that building is picking up and we want to see that continue. As far as the 6 recommended items, if all were to be approved, we are locked into the 2 for 1 required calculation.

Mr. Livick stated he could schedule a Special PWAB meeting in the 2<sup>nd</sup> or 3<sup>rd</sup> week of March and could probably bring something back to Council in early April. He also feels that a definition of “in the pipeline” is submission of a complete application at the time of the imposition of the new regulations; you are vested in the old way of doing things.

MOTION: Councilmember Smukler moved to adopt the staff report as recommended with the necessary adjustments in #5 to read “two for one basis” as required and ask staff to return with a draft set of guidelines that includes a stakeholder input component; that we update the process with a code revision to reflect the February data availability and we receive monthly updates on the water supply scenario to keep us informed. The motion was seconded by Mayor Irons and failed by a vote of 1-4 with Mayor Irons and Councilmembers Christine Johnson, Nancy Johnson and Leage voting no.

Mayor Irons stated it was interesting to add the monthly update on that; this should come back to us, whether or not we make adjustments, we should probably have this come back to us in 60 days.

Councilmember Nancy Johnson stated she would be voting no because she feels it is too over-reactive; she thinks it needs to go back to PWAB and staff; she also feels that with our limited staff, it’s difficult to ask staff to come back each month with a report.

Councilmember Christine Johnson is on the fence as she doesn’t know how many technically completed applications have been submitted. If this goes to PWAB, will they be able to give direction on options for retrofitting. She is concerned with putting people under duress if we are going to let this slide for another month even though we are committed to creating a process that includes everyone. She is also struggling with recommendation #5; she sees the need to take time to come up with things that fit for Morro Bay.

Mayor Irons agrees that timing is a factor and as such would probably be voting no.

Councilmember Smukler will only vote for something that includes #5 because the writing is on the wall; we know the situation we are going to be in with the water supply. It’s much easier to withdraw this if we get the rain.

MOTION: Mayor Irons moved to adopt Resolution 14-14, approving staff recommendation with the elimination of item #5 and bring come back in 60 days following PWAB review of item #5 having to do with Municipal Code 13.20.080

retrofitting requirements. The motion was seconded by Councilmember Leage and carried 4-1 with Councilmember Smukler voting no.

C. UNFINISHED BUSINESS - NONE

D. NEW BUSINESS

D-1 DISCUSSION ON OPERATIONAL HOURS FOR THE RESTROOM AT 1196 FRONT STREET – (LIFT STATION 2 ON THE EMBARCADERO); (RECREATION & PARKS)

Recreation & Parks Director Joe Woods presented the staff report.

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

Rick Young is a member of a small group of classic car owners who meet at the parking lot by the submarine. Lots of times, they show up with families and having the restroom close by is really convenient, particularly over the weekends.

Larry and Les Deedan are also involved with car enthusiasts. Since the restroom has been open, it's really been a blessing. They encourage us to look into using internet surveillance help with our graffiti/vandalism problem.

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

Councilmember Christine Johnson felt that if Mr. Woods can find the funds to keep it open, she supports it remaining open.

Councilmember Nancy Johnson feels that there are many users – the car group, the Harborwalkers – people like the location, they like that it's clean and more modern. She supports keeping the restroom open.

Councilmember Smukler agrees, recognizing the maritime/kiosk/museum being there, the traffic has increased and having the restroom open is important.

Mayor Irons feels we are all in agreement in keeping this open and are ready to move on this.

MOTION: Mayor Irons motioned for approval of staff recommendation Alternative #3, allow the restroom at Lift Station 2 to be open to the public on the same schedule as all Embarcadero restrooms and provide City resources to support usage and open the restroom immediately. The motion was seconded by Councilmember Nancy Johnson and carried 4-0-1 with Councilmember Leage having recused himself.

D-2 APPROVAL OF CONSENT OF LANDOWNER AGREEMENT FOR LEASE SITE 87-88/87W-88W AT 833 EMBARCADERO (OFF THE HOOK, B&L FLASH INC. / V.

LEAGE) TO FILE AN APPLICATION FOR LEASE SITE IMPROVEMENTS AND ALLOW STAFF TO ENTER INTO LEASE NEGOTIATIONS; (HARBOR)

Councilmember George Leage recused himself from this item as he is the project applicant's brother. Mr. Leage requested to recuse himself from the last item, item D-1, as well.

Harbor Director Eric Endersby presented the staff report.

Cathy Novak, representing the applicant Vi Leage, gave a presentation. Ms. Leage was asked to submit a project that would retain the individual character and ownership for her lease site. She is proposing to reconfigure the lease site with the demolition of most of the first floor as well as completely removing the second floor. The new configuration will keep the footprint of the existing building on the southern and western sides with the northern side being reduced in width to allow for a 10 foot wide corridor and one new building located on the northern portion of the site. There will also be an 18 foot walkway between that building and the Boat Yard complex. This area will provide a children's area, an area for bike racks, trash/recycling and public seating. The Embarcadero side will open up the sidewalk to 8 feet and have an angled entryway to lead visitors into the retail shops, restaurant and public restrooms. The restaurant will be downsized to 1400 square feet and provide 2 ADA compliant restrooms and a small office. The proposed site will have 2 retail units which will bring the total to 3 retail units and 1 restaurant. On the western side, that area will be transformed into the Harborwalk with the existing outdoor dining being relocated to the northern courtyard. Regarding the existing side tie dock; the dock will be the same size but relocated north a couple of feet to have it within the lease site boundaries as well as to accommodate the relocated gangway. In summary, this proposal will open up the views, provide an 8 foot sidewalk, new Harborwalk, public restrooms and new retail units.

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

Councilmember Christine Johnson thinks it's exciting to take a second story off the building opening up the view corridor. She would love to see a focused children's area enhanced in the gathering spot/courtyard area.

Councilmember Smukler feels this is a really good start and agrees that opening up the view corridor is great. He agrees with enhancing the family area. The diversity on the Embarcadero is a good thing and appreciates the 3 retail storefronts.

Mayor Irons noticed that the restaurant is being downsized to 1400 square feet; he wouldn't be in favor of opening the Harborwalk/Boardwalk to eating/seating. He would like to see this project and Mr. Caldwell's project move together at the same time to ensure the Harborwalk is lined up properly.

Councilmember Nancy Johnson can understand both projects moving along together but would hate to see one being held up for the other. She doesn't see a problem with the retail space.

MOTION: Councilmember Christine Johnson moved approval of Alternate A, execute the Consent of Landowner Agreement with the leaseholder as well as authorize staff to begin lease negotiations with the leaseholder for their proposed development. The motion was seconded by Councilmember Smukler and carried 4-0-1 with Councilmember Leage having recused himself.

D-3 RESOLUTION NO. 13-14 AUTHORIZING THE 2013/14 MID-YEAR BUDGET AMENDMENTS, PLUS THE CITIZENS OVERSIGHT COMMITTEE REPORT, DECEMBER 31, 2013 PORTFOLIO PERFORMANCE, AND CONTRACT SERVICES PAYMENTS THROUGH DECEMBER 31, 2013; (ADMINISTRATIVE SERVICES)

Citizen's Oversight Committee (Measure Q) members Homer Alexander, Dan Glesmann and Barbara Spagnola presented the Citizen's Oversight Committee Overview. The Committee met in December 2013 to review all Measure Q transactions made during the 2012/13 fiscal year. The total revenues for the fiscal year were \$917,000; total expenditures were \$1,851,000 which left an ending fund balance of approximately \$746,000. Measure Q spending included the following: >Fire Dept – vacation relief person and overtime to maintain a 4<sup>th</sup> firefighter position for each shift; additional equipment for the new Fire Station; >Street Maintenance – progress on the Pavement Management Plan; routine street maintenance; >Storm Drains/Creek Maintenance – mutt mitts; \$70,000 budgeted for Storm Drain Master Plan (unspent); and \$70,000 budgeted for New Phase II MS4 Storm Water Permit requirements which the Measure Q Committee does not recommend funding with Measure Q funds; >Police Dept – communications tower and vehicle repeaters; SART exams; School Resource Officer at MBHS which the Measure Q Committee hopes can be renegotiated in future years so that the City and the School District share the expense more equitably. The Measure Q Committee recommends that in addition, we pay off and retire the second USDA loan; that we issue an RFP for a Storm Drain Master Plan this spring and we transfer \$70,000 budgeted for New Phase II MS4 Storm Water Permit requirements to the 2013/14 general fund budget; and, continue progress on the Pavement Management Plan. The Measure Q Committee made the following conclusions: Measure Q revenues should not be used to fund mandated government expenses; with the exception of the cost associated with the 4<sup>th</sup> firefighter position, limit the Measure Q carryover funds to multi-year projects; and continue progress on funding categories identified in the 2006 Measure Q ballot initiative.

Administrative Services Director Susan Slayton presented the staff report.

Councilmember Smukler questioned the concept of restricting the use of funds for mandates. Mr. Alexander responded that the basic premise told to the voters in 2006 was that the money would only be used for those projects above and beyond the budget's normal ability to pay for things. It would be their intent to revisit Resolution 46-12 and add a sentence that would address the mandate issue.

Councilmember Smukler felt that Council has seen mandated items funded before. Ms. Slayton reviewed prior FY Measure Q expenditures; she doesn't feel we are abusing the intent of Measure Q with the Storm Drain permit.

Mayor Irons stated that regardless of whether or not it is a state mandate, and as we go forward, if something we currently fund becomes a mandate that would pose a question as to how we would fund it moving forward. Per the Resolution, he feels we are meeting the intent. The public comment period for Item D-3 was opened; seeing none, the public comment period was closed.

Councilmember Nancy Johnson stated that the City has a responsibility through the general fund to provide for things we need, including state and federal mandates. The public was told the monies from the Measure Q funds would be used to enhance above and beyond what the City is already supposed to do. She has a tough time spending Measure Q money on mandated programs. She asked Mr. Livick where that \$70,000 cost could be found.

Mr. Livick stated that this project is for the expressed purpose of preventing toxic run-off into the bay which made the use of Measure Q funds the logical choice.

Councilmember Christine Johnson understands the mandated program situation and agrees that it is a frustration and a burden. For this particular recommendation, she feels that when she looks at the Measure, storm drains are mentioned and when you look at the Resolution, storm drains and toxic run-off is specifically mentioned. In her opinion, for this year, that information wasn't heard; as such, Council can take a harder look in the future at the mandates issue and likely meet that recommendation looking forward but would have a tough time doing that going backwards.

Councilmember Smukler feels there needs to be a deeper discussion about Measure Q funds and mandates. There could be serious consequences about adopting those restrictions. We should have the conversation moving forward. He is hesitant to reach into an approved budget and change this. He hopes Council can commit to these discussions on how to frame a mandate component moving forward but continue with the recommendations from staff.

Councilmember Nancy Johnson is looking at the expenditure amendments and notice. We are being asked to move \$416,000 from Risk Management to the General Fund for expenses that many of the public felt wasn't necessary. Regarding storm drains, there is a big difference between storm drain maintenance and a federally mandated storm drain permit; if Council chooses to take the \$70,000 out, she will be forced to vote against it.

Mayor Irons feels it still meets the intent of the Measure and the Resolution. Regardless of whether or not it is state mandate, it is going toward one of the 4 items listed on the Resolution which is more important. He questioned how far the mandate will take us - \$500 didn't raise the flag last year but \$70,000 did this year and maybe it would be \$200,000 next year. He is hesitant to apply the restriction of the mandate to this year's requests.

Councilmember Smukler feels that Resolution 46-12 is very clear about the intent of Measure Q, it lays out the 4 items: Fire Department, Public Safety, street maintenance, and storm drain maintenance and prevention of toxic run off into the bay. The Resolution needs to be addressed; in the future we need to have discussion about mandates with the Measure Q Committee and Finance moving forward. He went on to say that LTF Funds are earmarked for the Senior Limo Project and he is requesting to retain that \$24,500 in the Senior Limo/Shuttle Fund, don't spend

them on the Morro Creek Bridge and use the unallocated Measure Q funds instead. Councilmember Christine Johnson concurred with this request.

Councilmember Smukler also wanted to clarify that the Risk Management fund was also used to pay down employee vacation balances.

**MOTION:** Councilmember Smukler moved to adopt Resolution 13-14 authorizing the budget amendments as revised at this meeting, and accept all Citizen Oversight Committee's recommendations with the exception of the \$70,000 transfer of Storm Water Phase II MS4 Permit from Measure Q to the general fund and add the final payment of the Morro Creek Bridge of \$24,500 from the unallocated Measure Q funds. The motion was seconded by Councilmember Christine Johnson and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

#### E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Mayor Irons requested a report and recommendation for City Manager Recruitment; Councilmembers Christine Johnson, Nancy Johnson and Smukler concurred.

Mayor Irons requested a discussion of the Chamber of Commerce's Economic Development contract; Councilmembers Christine Johnson, Nancy Johnson and Smukler concurred.

Councilmember Nancy Johnson requested discussion on the development of a plan to save money due to the changes to the PERS structure; Mayor Irons and Councilmembers Christine Johnson, and Smukler concurred.

Councilmember Smukler requested a discussion on the Measure Q Resolution 46-12 regarding the intended use of Measure Q monies specific to unfunded mandates with input from the Measure Q Committee; Mayor Irons and Councilmember Christine Johnson concurred.

Councilmember Christine Johnson requested a presentation of the events and financials for the Morro Bay 50<sup>th</sup> Committee; Mayor Irons and Councilmembers Nancy Johnson and Smukler concurred.

#### ADJOURNMENT

The meeting adjourned at 10:32pm.

Recorded by:

Jamie Boucher  
City Clerk