

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 26, 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 – There was no Closed Session meeting.

PUBLIC COMMENT

Rebecca Aroe invited the community to a Morro Bay Garden Club Meeting on January 28th with guest speaker Michael Robertson who will be discussing water conservation issues such as grey water.

Ani Lyne stated the Morro Bay High School has been the County's top scoring high school in the Academic Performance Index. She requested the community help donate towards trips as incentive for the students.

Joyce Lundy reviewed the statistics of the Chamber of Commerce/Visitors Center. She said there would be a mixer on February 19th at Edward Jones Investment Services. Ms. Lundy stated the Lady Washington and Hawaiian tall ships would be in Morro Bay on February 13, 14 and 15.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 26, 2009

Robert Davis representing the Citizens Bike Committee stated the San Luis Obispo Council of Governments is in the process of gathering unmet transit and bike needs throughout the County. He said two projects from last year's unmet bike needs have been completed in Morro Bay; one to repair a damaged area on the Class I bike lane near the high school, and a bike rack was placed on Coleman Drive near Morro Rock. Mr. Davis stated the unmet bike needs for this year have been submitted, which some are under other jurisdictions such as State Parks and Dynegy. He said one project that is ready to go this year and has good potential for funding is the Class II bike lanes near Main Street from Atascadero Road to Yerba Buena Street and has been unanimously endorsed by the Public Works Advisory Board. Mr. Davis requested Council's consideration of this project in the near future.

Joan Solu invited the community to Del Mar School's Third Annual Art Auction and Fundraiser on March 29th, and announced donations are being accepted for this benefit.

Janice Rowen reviewed information on the County and State Parks Operating Agreement and the implementation of a fee to enter Montano de Oro State Park. She stated AT&T funds should be considered as an additional fee to help with the mitigation to go toward the annual State Parks fee. Ms. Rowen requested the City send a letter in support of maintaining free entrance into Montana de Oro for day use.

Jane Heath addressed the importance of using local businesses for business and personal services to assist the local economy.

Carolyn Newman expressed concern with the number of homeless children who are attending school in Morro Bay, and the need to assist homelessness in our community.

Dan Glessman addressed the need for further expense reductions and restructuring in the City before considering tax increases.

Janet Gould, Principal of Del Mar School, addressed the difficulty of homeless children in Morro Bay and the need to look at services in Morro Bay to assist these homeless families.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 6:58 p.m.; the meeting resumed at 7:08 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 26, 2009

A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

- A-1 PROCLAMATION IN SUPPORT OF THE PEDAL TO PIER BICYCLE EVENT; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

- A-2 APPROVAL OF SIDE LETTER TO SEIU MEMORANDUM OF UNDERSTANDING REGARDING JOB TITLE CHANGES FOR CERTAIN POSITIONS; (ADMINISTRATIVE SERVICES DEPARTMENT)

RECOMMENDATION: Approve job title changes to certain positions in the Service Employees International Unit to more accurately reflect their duties.

- A-3 PROPOSED CALENDAR FOR THE 2009-2011 BIENNIAL BUDGET; (ADMINISTRATIVE SERVICES DEPARTMENT)

RECOMMENDATION: Approve the schedule of events leading to adoption of the biennial budget.

- A-4 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.

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

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

- B-1 PRESENTATION REGARDING THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT; (ADMINISTRATION)

The City Council received a presentation from Jonni Biaggini and Joan Solu regarding the proposed Morro Bay Tourism Business Improvement District.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 26, 2009

Mayor Peters opened the hearing for public comment.

The following people expressed support for a Morro Bay Tourism Business Improvement District: Pablo Romero, Zoey Andres, Mike Casola, Dan Reddell, Peter Candela, Jim Pauley, and John Barta.

Mayor Peters closed the public comment hearing.

Councilmember Winholtz stated she is not supportive of both the City and County Business Improvement District. She said the City is secluded on the coast with the other coastal areas and would benefit from 2% participation with the County Business Improvement District.

Councilmember Grantham stated it would not be realistic to participate in both the City and County Business Improvement District. He said a compromised solution would be to promote the City Business Improvement District at no more than 2% participation, and consider a 2% increase in transient occupancy tax. Councilmember Grantham stated voluntary participation in the Business Improvement District is not realistic, and vacation homes should be included.

Councilmember Smukler stated the Community Promotions Committee is an excellent use of the City's resources and should be included in this process. He said there is the potential of agreeing to 1/2% participation with the County Business Improvement District. He said participation with the City Business Improvement District at 3% deserves consideration with a one-two year review, including vacation rentals, and funding earmarked to the Community Promotions Committee. Councilmember Smukler stated he also supports the consideration of a 1-1/2% increase in transient occupancy tax.

Councilmember Borchard stated the County Business Improvement District is still an unknown and should not be considered at this time. She said the City continues to fund the Visitors and Conference Bureau who does a good job promoting the City at the County level. Councilmember Borchard stated she could support participating in the City Business Improvement District at 3%, including vacation rentals; and supports the consideration of a 1% transient occupancy increase.

Mayor Peters stated she is reluctant to participate in the County Business Improvement District because it is still not formed. She said she supports participation in the City Business Improvement District at 3%, including vacation rentals; continue funding the Visitors and Conference Bureau; and, the consideration of a 1% transient occupancy tax increase.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 26, 2009

MOTION: Councilmember Borchard moved the City Council direct staff to draft an Ordinance in support of a local Business Improvement District to include vacation rentals. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

B-2 RECONSIDERATION OF THE CITY'S INVOLVEMENT WITH THE
COUNTYWIDE BUSINESS IMPROVEMENT DISTRICT;
(ADMINISTRATION)

City Manager Andrea Lueker stated in July 2006, the County Board of Supervisors adopted a resolution taking the first step toward setting up a countywide Business Improvement District (BID) as a mechanism to raise money from the hospitality industry for promotion and marketing. The County Visitor and Conference Bureau (VCB) expended efforts contacting businesses in the County explaining and promoting this approach. After approval at the County level, the discussion shifted the local City Councils. The VCB requested the Morro Bay City Council adopt a resolution giving consent to include the City within the County BID. At the November 13, 2006 City Council meeting, the Council approved Resolution No. 58-06, which conditionally granted consent to the County to form the San Luis Obispo County Tourism Business Improvement District. Ms. Lueker recommended the City Council reconsider the consent given to the County of San Luis Obispo to form the San Luis Obispo County Tourism Business Improvement District.

Mayor Peters opened the hearing for public comment.

Joan Solu stated the County Board of Supervisors would be considering the County Business Improvement District at a 2% assessment for Atascadero, Arroyo Grande and unincorporated areas, and Morro Bay would be participating at 1%. She said the money would be used towards the film commission, travel industry, tour business industry, and international industry. Ms. Solu stated the stewardship would enhance the local visitor-serving areas.

Jonni Biaggini stated with 1% participation, funding would go towards the County promotion and Morro Bay would get the benefit of the 1.4 million dollar County marketing campaign. She said the member of the City Council who serves on the City BID advisory board would need to be appointed to serve on the County BID advisory board.

Mayor Peters closed the public comment hearing.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 26, 2009

MOTION: Councilmember Winholtz moved the City Council reaffirm continued support of the County Business Improvement District at 1%. The motion was seconded by Councilmember Smukler and failed with Councilmember Borchard, Councilmember Grantham and Mayor Peters voting no. (2-3)

MOTION: Councilmember Smukler moved the City Council approve ½% participation in the County Business Improvement District. The motion was seconded by Councilmember Winholtz and failed with Councilmember Borchard, Councilmember Grantham and Mayor Peters voting no. (2-3)

MOTION: Mayor Peters moved the City Council rescind Resolution No. 58-06 that conditionally granted consent to the County of San Luis Obispo to form the San Luis Obispo County Tourism Business Improvement District. The motion was seconded by Councilmember Borchard and carried with Councilmember Smukler and Councilmember Winholtz voting no. (3-2)

Mayor Peters called for a break at 8:38 p.m.; the meeting resumed at 8:48 p.m.

B-3 MID YEAR BUDGET REVIEW AND RECOMMENDED BUDGET AMENDMENTS; (ADMINISTRATIVE SERVICES DEPARTMENT)

Administrative Services Director Susan Slayton presented the 2008/09 budget adjustments. Included is a December 31, 2008 budget performance report for the General Fund, which has been economically adjusted to move certain applicable revenues, such as transient occupancy tax and sales tax, into the proper reporting period. Ms. Slayton recommended the City Council direct staff to return with a resolution authorizing these approved adjustments.

Mayor Peters opened the hearing for public comment.

Melody DeMeritt addressed how other entities are handling the present economic crisis. She said the City should not spend on unallocated projects. Ms. DeMeritt recommended the City not fund the Buxton study or hire any more consultants; continue the hiring freeze; consider department head salary freeze; and go to a tiered retirement system.

Barbara Jo Osbourne recommended the City Council consider the following: do not cut services; do not contract with Cal Fire; consider out-sourcing the City Attorney's office; consider memberships and associations; stop hiring consultants; stop prevailing wages; increase transient occupancy tax by 3%; and consolidate departments. She also noted the benefit package for employees are too high.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 26, 2009

Joan Solu stated the City's budget is a mess, and a profit improvement plan is needed in the City.

Mayor Peters closed the public comment hearing.

Councilmember Smukler stated internal expenses should be seriously considered, as well as furloughs; however, cutting services to the public should be avoided.

Councilmember Borchard stated a zero-based budget would justify departmental expenses. She said the City should consider furloughs, cutting costs and raising revenue.

Councilmember Winholtz stated Measure Q funds should not be used on the Buxton study, and studies should not come out of the Capital Improvement Fund. She said the City has spent \$1 million more than budgeted.

Mayor Peters shared information received from the City of Arroyo Grande and the City of Atascadero on their discussions with the Buxton Company, which were mixed reviews.

Councilmember Smukler stated the City should focus on utilizing local resources, and efforts should be made on funding an economic stimulus package locally.

Councilmember Borchard stated she does not support funding the Buxton study at this time, and Measure Q funds should not be used.

Councilmember Grantham stated he supports funding the Buxton study noting one referral would pay for the study.

Councilmember Winholtz stated she does not support funding the Buxton study at this time, and Measure Q funds should not be used.

Mayor Peters stated she has made efforts to bring business into the City with no avail, where a consultant may have a different approach with better results. She said she does agree that now is not the time to fund the Buxton study, however the City should reconsider it at another time.

MOTION: Councilmember Winholtz moved the City Council approve the revenue adjustments as stated in the staff report; approve the expenditure adjustments eliminating the General Government Capital Improvements; and, fund the Mandatory Housing Element Update, Neighborhood Compatibility Standards and Storm Water Management Plan from the appropriate fund. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 26, 2009

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 PRESENTATION ON THE 10-YEAR PLAN TO END HOMELESSNESS IN
SAN LUIS OBISPO COUNTY

The City Council received a presentation from Dana Lilley, representing the Transition Team on the 10-Year Plan to End Homelessness in San Luis Obispo County.

Paul Brown, Dee Torres, and Scott Smith of the Transition Team also made comments.

It was requested Council: 1) receive the plan; 2) endorse its guiding principles; 3) use the plan to guide future decisions; and 4) appoint a Council Member to the governing body.

MOTION: Councilmember Winholtz moved the City Council: 1) receive the 10-year plan to end homelessness in San Luis Obispo County; 2) endorse its guiding principles; 3) use the plan to guide future decisions; and 4) appoint Councilmember Grantham as the City's representative on the governing body. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

D-2 SELECTION OF TWO COUNCIL MEMBERS TO SERVE ON THE JPA AND
MOBILEHOME SUB-COMMITTEES; (CITY ATTORNEY)

City Attorney Robert Schultz stated at the December 8, 2008 Council meeting, the Mayor made annual appointments to County and Regional committees; however, appointments to the City's Mobile Home Rent Control and Morro Bay/Cayucos JPA Sub-Committees were not included. He recommended the City Council appoint or re-appoint two members to serve on these two Sub-Committees.

MOTION: Mayor Peters moved the City Council re-appoint herself to serve on the Morro Bay/Cayucos JPA Sub-Committee. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

MOTION: Mayor Peters moved the City Council appoint Councilmember Grantham to serve on the Morro Bay/Cayucos JPA Sub-Committee. The motion was seconded by Councilmember Borchard and carried with Councilmember Smukler and Councilmember Winholtz voting no. (3-2)

MOTION: Councilmember Smukler moved the City Council appoint Councilmember Borchard and Councilmember Winholtz to serve on the Mobile Home Rent Control Sub-Committee. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 26, 2009

D-3 LETTER TO THE BOARD OF SUPERVISORS REGARDING THE STATE
PARKS AND COUNTY CONTRACT; (CITY COUNCIL)

Councilmember Winholtz stated at the January 12th meeting, Council received a presentation from State Department of Parks and Recreation and County representatives regarding the Operating Agreement for use and operation of state parks including those in the City limits. Per the Agreement, the Department of Parks and Recreation has requested the County to allow it to put up an entrance kiosk on Pecho Road inside of Montana de Oro State Park. Councilmember Winholtz recommended the City Council send a letter to the County Board of Supervisors stating Council's preference for no kiosk at the entrance to Montana de Oro State Park and encourage the Board to pay the State Department of Parks and Recreation annual rent.

Councilmember Borchard stated her impression was to send a letter of support for AT&T to pay for the annual rent.

MOTION: Mayor Peters moved the City Council approve sending the proposed letter to the County Board of Supervisors stating Council's preference for no kiosk at the entrance to Montana de Oro State Park and encourage the Board to pay the State Department of Parks and Recreation annual rent. The motion was seconded by Councilmember Grantham and carried with Councilmember Borchard voting no. (4-1)

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Grantham requested staff prepare a memorandum on the review of policies regarding shutdown of State Water in the event of a major catastrophe; Councilmember Smukler concurred.

Councilmember Winholtz requested to agendize a discussion on unmet bike needs, including the North Main Street bike lane; Councilmember Smukler concurred.

Councilmember Smukler requested to agendize a discussion on more frequent budget reports; Councilmember Borchard and Mayor Peters concurred.

F. ADJOURNMENT

The meeting adjourned at 10:52 p.m.

Recorded by:

Bridgett Bauer
City Clerk