

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 10, 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:	Edward Kreins	Interim City Manager
	Joe Pannone	City Attorney
	Jamie Boucher	City Clerk
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Services Director

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

CLOSED SESSION REPORT – Interim City Attorney Joe Pannone reported that with regards to the Closed Session Item: Government Code Section 54956.8, Conference with Real Property Negotiator regarding Lease Sites 138 and 139, 1253 and 1257 Embarcadero, the Council did not take any reportable action pursuant to the Brown Act.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

Mayor Irons requested and received consensus from Council to pull Item A-8 and present a Proclamation to Commander Bryan Millard declaring June 2nd and June 3rd as Special Olympics – Law Enforcement Torch Run Days.

PUBLIC PRESENTATIONS - None

PUBLIC COMMENT

Audrey Geesy presented the Morro Bay Business report. Audrey and her partners opened up Main Street Antiques located at 2200 Main Street on May 1st. Boasting over 25 years of combined experience, Main Street Antiques provides over 8700 square feet of no pressure shopping. They are owner staffed and vendor space is still available. They will be holding a ribbon cutting ceremony on Friday, June 27th at 5:15pm. They are open 7 days a week from 10am-5pm.

Gary Hixon thanked everybody for doing such a good job; it’s going to be a great 4th of July; he has his Gary Tyler Moore suit; and he encouraged the public to keep checking innerspace for his videos.

Garry Johnson announced the passing of longtime Morro Bay resident Dan Reddell. Dan contributed so much to our community; his services are being held on June 20th at the MB Community Center.

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 MAY 27, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON MAY 27, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file.

A-4 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS AND DISCUSSION; (PUBLIC SERVICES)

RECOMMENDATION: Review this informational item.

A-5 ADOPTION OF RESOLUTION NO. 36-14, VARIOUS SECTIONS OF THE CITY COUNCIL POLICIES AND PROCEDURES RELATING TO MAYOR PRO TEMPORE; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 36-14 amending the existing language in the City Council Policies and Procedures Manual (the “Manual”) changing the references to “Vice Mayor” to “Mayor Pro Tempore.”

A-6 RESOLUTION NO. 35-14 APPROVING A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE EMERGENCY SOLUTIONS GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM FOR FISCAL YEARS 2015-2017; (PUBLIC SERVICES)

RECOMMENDATION: Approve Resolution No. 35-14 including authorization for the City Manager to submit a letter of intent for participation in the Urban County for Fiscal Years 2015-2017.

A-7 REQUEST FOR ADDITIONAL FUNDING FOR MORRO BAY NORTH T-PIER REPAIR PROJECT # MB-2013-H1; (HARBOR)

RECOMMENDATION: Approve the request for additional funding of \$55,000 to be allocated to the North T-Pier Reconstruction Capital Account.

A-8 APPROVAL OF PROCLAMATION DECLARING JUNE 2ND AND 3RD, 2014 AS SPECIAL OLYMPICS – LAW ENFORCEMENT TORCH RUN DAYS; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

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

MOTION: Councilmember Nancy Johnson moved the City Council approve the Consent Calendar as presented. The motion was seconded by Councilmember Leage and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

B. PUBLIC HEARINGS - None

C. UNFINISHED BUSINESS

C-1 DISCUSSION AND CLARIFICATION OF COUNCIL POLICY REGARDING COUNCIL SUPPORT OF THE MORRO BAY 50TH CELEBRATION; (ADMINISTRATION)

Interim City Manager Ed Kreins presented the staff report.

Councilmember Nancy Johnson stated that 2 things have come up; there is a question on insurance payments, the committee was charged \$600 for the bike ride – Tours of City Park – is the City paying for insurance or are they not? She thinks we agreed to support a proposal for the Summit to the Sea drive with older cars; this event may need to go back to the MB 50th Committee to work out details and make a couple of recommendations.

Mr. Kreins stated that the insurance payment of \$600 covered 2 biking events and has already been paid; he isn't sure who made those payments. He spoke of a Yosemite to Morro Bay run because there was a deadline; to date, there has been no outlay of City funds.

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

Joan Solu is working with the MB 50th Committee on multiple events. There are 2 scheduled bike rides, one has already occurred and one is occurring in October touring historic locations in our community. The Yosemite to Morro Bay run is something completely separate. She thanked both Nancy Johnson and Christine Johnson for their commitment to the community and support and organization of events. She also thanked staff for working with the community group to celebrate Morro Bay's incorporation. She invited everybody to the Founders Day Picnic being held on July 17th at City Park. June 23rd is the next meeting of the MB 50th Committee.

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

Councilmember Smukler feels the City has been very generous with City funds for this event(s). We need to be careful we aren't expanding the realm of resources being put towards the 50th Celebration. He agrees with funding for the Founders Day Picnic, it is Morro Bay's birthday event. But he feels regarding the larger insurance items and staffing for other events, the committee needs to be self-sufficient.

Councilmember Christine Johnson said her question moving forward; if there is liability insurance that needs to be paid for an event; is it to come out of the \$15,000 or be waived by the City? She understands that for the Founders Day event, it will be waived.

Mr. Kreins said the Founders Day fee was waived but believes that the bike insurance should come out of the \$15,000 unless the Council authorizes differently.

Councilmember Christine Johnson reiterated that aside from the Founder's Day Picnic, whose fees will not be charged back to the 50th, are we comfortable with the liability insurance for some/all other events coming out of the \$15,000 or do we want to make a different decision tonight?

Ms. Solu stated that there is a financial review scheduled at the end of the week for their meeting on the 23rd. The Chamber is handling the finances as a neutral, 3rd party. They did pay \$600 in insurance fees for a co-sponsored bike ride. In terms of the Founders Day Picnic, they are getting to the point of having everything planned. If it is determined that they need to seek insurance, they need to know that now; if they aren't seeking the insurance, then that's fine – they just need clarity. When asked for a fund balance, she said that the balance is split, 50% to support the 50th and 50% to support the funding to complete the "For Those Who Wait" statue at Target Rock; the balance is roughly \$18,000-\$20,000 at this time.

Councilmember Smukler reiterated the City's generosity, it makes sense to waive the fees for the event on the City's birthday but doesn't feel it's prudent to outlay for any others going forward.

Mayor Irons feels the committee, with the exception of the Founders Day, can move forward absorbing any insurance fees and the City will continue to waive permit fees.

Mr. Kreins thinks we can handle most of the remaining decisions at the staff level and the Council shouldn't need to be involved.

C-2 ADDITIONAL DISCUSSIONS AND DIRECTION FOR PROPOSED FY 2014/15 BUDGET; (ADMINISTRATIVE SERVICES)

Mayor Irons revisited some of the comments from the Budget Workshop. He spoke on the General Fund Emergency Reserve which currently is set at 27.5%, we currently have 2.9 million. He thinks we should have \$30,000 in excess but it was felt we should leave that for now as budget numbers can fluctuate. He stated that if we went to \$2.75 million as a static number that would allow for an additional \$176,000 of general fund monies; he wants to look towards that as an option; perhaps when revisiting the Management Partners Report. A conversation was also had on the Risk Management Fund; currently we have \$691,000 and per our policy we are required to maintain \$500,000 for land use and/or employee litigation. The Risk Management Fund funds our payments to CJPIA. As a past practice, the Council has had the opportunity to allocate those excess funds as they see fit. Regarding the Capital part of the budget, looking at what we have available and what we have programmed. He would like to see the following as a part of the capital budget as he feels we have funds to address them: Del Mar parking lot and pathway; Tidelands Playground mat area and picnic tables; Unmet Bike Needs; Parking Management Plan to include a sidewalk assessment. Administrative Services Director Susan Slayton said that the Tidelands Playground area has already been taken care of.

Councilmember Christine Johnson is supportive if staff agrees it makes sense to shift them into the Capital Budget. It's her understanding then that with the 3 projects; the funds could come from Parking in lieu and government impact fees.

Councilmember Smukler stated that when the budget comes back on the 24th, he hopes to see the Recreation & Parks work program included.

Mayor Irons brought up the cost visitor accumulation fees; can they be used for the Coastal Trail / Bridge Project? Mr. Livick stated that it makes sense to use those restricted funds on projects they are available for so that it frees up unrestricted funds to perform maintenance type projects.

Councilmember Christine Johnson stated that on page 63, COPS Special Safety Grant, she would like to see the items that these monies are spent on; what needs are being met?

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

John Heading brought forward the concept of prioritization from a capital stand point. Going through a process of prioritizing the projects most important to the City, those that might bring the best return on investment. There is benchmark resource data to look at. Those important projects can be used as a guideline, with a point of no return; then reserving monies in the case of emergencies; it's important to know where you're starting from.

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

Councilmember Smukler stated that the City does have a prioritization effort with large areas, specifically the Pavement Management Plan.

Councilmember Christine Johnson clarified the Risk Management Fund; stating we are fully reserved as far as our Risk Management fund goes. Every year we tend to get an unappropriated amount of money; the \$135,000 coming from that fund going into operations is not coming from Risk Management Reserves but is coming from unappropriated funds.

Mayor Irons stated that water and sewer reserves really aren't reserves, they are capital water and sewer accumulation funds used to fund capital projects; that's what the money is there for. On the Summary of All Budgeted Funds page of the budget, he would like to see a bit more clarification – he'd like 2 columns added under Revenue Estimates: Operating and Capital.

Councilmember Smukler stated that the Economic Development Sub-committee is going to meet with the Chamber and Tourism Bureau. He hopes to be able to see an actual proposal in hand from the Tourism Bureau that outlines the different items they are proposing to receive funds for. Along those lines, if we are discussing at what level are we going to allocate funds; what kinds of reporting processes and expectations will we be requiring? We have discussed modest improvements to the Embarcadero, Downtown Streetscapes, specific plan efforts for Beach Streets - it would be interesting to see what funds could be utilized in a specific way to advance this need.

Mayor Irons and Councilmember Smukler hoped we are coming back with a General Plan Update Fund in the budget. He'd like to have discussions on how that fund would be seeded.

D. NEW BUSINESS

D-1 RESOLUTION 37-14 APPROVING SUBMITTAL OF A CALIFORNIA ENERGY COMMISSION 1% LOAN APPLICATION FOR UP TO \$562,000 TO COMPLETE ENERGY EFFICIENT HVAC UPGRADES AND ENERGY GENERATION PROJECTS; (RECREATION & PARKS)

Interim City Manager Ed Kreins presented the staff report.

Mayor Irons opened up the public comment period for Item D-1; seeing none, the public comment period was closed.

Councilmember Smukler is really enthusiastic about this project; self-funding through savings and likes the ability to use local contractors.

Councilmember Christine Johnson is also fully supportive and hopes we are able to receive the money.

MOTION: Councilmember Smukler moved to approve Resolution 37-14 authorizing staff to submit an application for a low interest loan from the California Energy Commission Program Opportunity Notice to further the City's advancements improved energy efficiency and carbon footprint reduction. The motion was seconded by Councilmember Christine Johnson and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

D-2 APPOINTMENT OF VOTING DELEGATE(S) TO THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY; (ADMINISTRATION)

Interim City Manager Ed Kreins presented the staff report.

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

Mayor Irons stated that this was just routine and something we do every year.

MOTION: Councilmember Christine Johnson moved to appoint Mayor Irons as the official representative on the CJPIA Board of Directors; appoint Interim City Manager Ed Kreins as the second alternate and Risk Manager, Dana Swanson as the third alternate. The motion was seconded by Councilmember Leage and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Mayor Irons requested an item directing staff to provide Council with the necessary steps to place the June election on the November ballot for the residents of Morro Bay to determine if they want to eliminate the two step election process by returning back to a single election in November; Councilmembers Christine Johnson and Smukler concurred with this request.

Councilmember Smukler requested an item directing staff and Planning Commission to review the history of neighborhood compatibility with the potential of returning with Ordinance language to address neighborhood compatibility; Mayor Irons and Councilmember Christine Johnson concurred with this request.

ADJOURNMENT

The meeting adjourned at 7:56pm.

Recorded by:

Jamie Boucher
City Clerk