

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION 6 MAY 11, 2009
CITY HALL CONFERENCE ROOM - 5:00 P.M.

AGENDA NO: A-1

MEETING DATE: 5/26/09

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

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

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

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

Mayor Peters read the Closed Session Statement.

CS-1 **GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS.** Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to three (3) parcels.

- Property: Embarcadero/Market Properties
Negotiating Parties: Potential Buyers and City of Morro Bay.
Negotiations: Voluntary Purchase and Sale.
- Property: Vacant Lot/Corner of Coral/San Jacinto.
Negotiating Parties: Potential Buyers and City of Morro Bay.
Negotiations: Voluntary Purchase and Sale.
- Property: City slip and/or the Tidelands Park Side Tie Dock
Negotiating Parties: Big Rock Charters d.b.a. The õChablisö and City of Morro Bay.
Negotiations: Berthing-License Terms and Conditions.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:45 p.m.

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

The meeting adjourned at 5:45 p.m.

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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
	Janeen Burlingame	Management Analyst
	Rob Livick	City Engineer
	Tim Olivas	Police Commander
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &
PRESENTATIONS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Keith Taylor referred to the boat that washed ashore on Azure Street, and noted Patriot Environmental was able to clear the debris in a professional manner within 1½ day.

Joyce Lundy reviewed the monthly statistics for the Visitors Center, and announced this month's Chamber of Commerce mixer would be held at Baron's Orchids.

Susan Heinemann stated the AAUW Garden Tour was a huge success. She introduced Lina Rigolhuth who received one of the scholarships from AAUW to attend the Tech Trek Science Fair.

Lina Rigolhuth shared her goals, interests and hobbies that include her interest in science. She expressed her appreciation to those who purchased tickets for the AAUW Garden Tour in order to support the scholarships for the Tech Trek Science Fair that she will be attending.

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Peter Candela stated the Visitors Center hands out approximately 3,000 brochures on the trolley per year. He also said the City Council discretionary funds have had an impact on special events in the City, and he hoped the City Council would reinstate those funds.

Susan Brown, General Manager for Dial-a-Ride and the trolley announced the trolley service would start running during the Memorial weekend, and reviewed the where the trolley stops are located.

Lynda Merrill thanked a man named Bob for his contributions to Morro Bay Beautiful. She also thanked staff and the City Council for their efforts on the pending budget. Ms. Merrill thanked past Council Members for their efforts on the City's bike paths and trolley service.

Melody DeMeritt suggested Council consider a 5% salary reduction for the upper level City staff; place the primary election back on the ballot; place a paramedic fee on the ballot; and increase revenues in emergency funds.

Ken Vesterfelt stated 531 registrants picked up packets for the car show. He said the Rotary Club, Chamber of Commerce and Police Explorers all did a fine job in making this a successful event. Mr. Vesterfelt also thanked our local firefighters who are fighting the Jesusita fire in Santa Barbara.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:03 p.m.; the meeting resumed at 7:10 p.m.

A. CONSENT CALENDAR

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

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING OF APRIL 27, 2009; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 PROCLAMATION DECLARING MAY 2009 AS "COMMUNITY ACTION MONTH"; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

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A-3 PROCLAMATION DECLARING MAY 17 TO MAY 23, 2009 AS ö2009 NATIONAL BEACH SAFETY WEEKö; (RECREATION & PARKS)

RECOMMENDATION: Adopt Proclamation.

MOTION: Councilmember Winholtz moved the City Council approve Items A-2 and A-3 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Mayor Peters presented the proclamations to members of the public.

Mayor Peters requested the City Council add the following emergency Item D-4 to the agenda, which requires 2/3 vote by Council:

D-4 RESOLUTION NO. 23-09 FINDING A SEVERE FISCAL HARDSHIP WILL EXIST IF ADDITIONAL CITY PROPERTY TAX FUNDS ARE SEIZED AND ADDITIONAL UNFUNDED MANDATES ARE ADOPTED BY THE STATE OF CALIFORNIA

MOTION: Mayor Peters moved the City Council add emergency Item D-4 to the agenda. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Mayor Peters called for a break at 7:03 p.m.; the meeting resumed at 7:10 p.m.

MOTION: Councilmember Winholtz moved the City Council approve Item A-1 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (4-0-1/Councilmemer Grantham was absent during the vote)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 CONSIDERATION OF MORRO BAY DIAL-A-RIDE FARE INCREASE; (PUBLIC SERVICES)

Management Analyst Janeen Burlingame stated approval and enactment of the fare increase would result in an increase to the Morro Bay Dial-a-Ride fare revenue by approximately \$12,000 and furthers the goal recommended in the Management Partners study towards eliminating the use of general funds for an enterprise fund. Not approving the fare increase would result in weekday service level cuts that would have to be made as the fiscal year 2009/10 budget developed only included the elimination of Saturday service. Ms. Burlingame recommended the City Council consider increasing the Morro Bay Dial-a-Ride Regular and Discount fares, and authorize staff to enact the new fare July 1, 2009.

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Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

Mayor Peters stated costs have gone up which mean rates must go up, and she supports increasing the Regular fare to \$2.50 and the Discount fare to \$2.00.

Councilmember Winholtz stated she would support increasing the Regular fare to \$1.75 and increase the Discount fare to \$1.25. She said she would prefer to increase the trolley fare rather than the Dial-a-Ride fare because that is more discretionary money.

Councilmember Grantham stated he would support increasing the Regular fare to \$2.50 and the Discount fare to \$1.50 with the consideration of increasing the trolley fare.

Councilmember Smukler stated consideration should be given to the Discount fare with the addition of low-income into the program, and reiterated this is an essential service for members of the community.

Councilmember Borchard stated she would support increasing the Regular fare to \$2.00 and the Discount fare to \$1.50 since the last fare increase occurred in 2005.

MOTION: Councilmember Grantham moved the City Council approve a fare increase to Morro Bay Dial-a-Ride effective July 1, 2009 as follows: \$2.00 Regular one-way fare, \$1.25 Discount one-way fare, \$20.00 Regular 11 ride punch pass, and \$12.50 Discount 11 ride punch pass. The motion was seconded by Councilmember Smukler.

Councilmember Borchard stated her impression was the one-way Discount fare was going to be set at \$1.50; Mayor Peters concurred.

Councilmember Grantham amended his motion to \$1.50 for Discount one-way fare, and \$15.00 Discount 11 ride punch pass. Councilmember Smukler withdrew his second to the motion. Councilmember Borchard seconded the motion.

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

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B-2 CONSIDERATION OF CONTRACT EXTENSION WITH MV
TRANSPORTATION; (PUBLIC SERVICES)

Management Analyst Janeen Burlingame stated at the San Luis Obispo Council of Governments Board meeting in December 2008, the Board requested its staff establish a Transit Efficiencies Sub-Committee comprised of Board Members and Transit Agency Staff to examine possible efficiencies to operating transit services within the County and develop efficiency improvement strategies for consideration. The current Operations and Management Agreement with MV Transportation expires on June 30, 2009. All terms and conditions are applicable during any extension period. MV Transportation began providing transit service for the City in July 2001. The existing agreement with MV Transportation began July 1, 2004 and a two-year contract extension was approved and became effective July 2007. The City has not had any issues with MV Transportation during the existing contract period and there are no major changes that need to be made to the Operations and Management Agreement at this time. As there is the potential for transit efficiency strategies that may impact the City's transit system and how it is operated that could differ from existing operations, staff feels that going through an Request for Proposals process for a one-year agreement while the SLOCOG Transit Efficiencies Sub-Committee study is completed is not warranted given the staff time and expense involved; particularly since there are no issues with MV Transportation that need to be corrected. Ms. Burlingame recommended the City Council approve a month-to-month extension of the current Morro Bay Dial-a-Ride and Trolley Operations and Management Agreement with MV Transportation.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

Dwight Broshear, MV Transportation, stated they would like to continue their partnership with the City. He said MV Transportation is amenable to a month-to-month as well as a long-term relationship with the City.

Councilmember Borchard, Councilmember Smukler, and Councilmember Grantham all agreed with the month-to-month contract.

Councilmember Winholtz expressed concern with a month-to-month contract; and said there would be more security with a one-year extension.

MOTION: Councilmember Winholtz moved the City Council approve a one-year extension to the MV Transportation contract. The motion was seconded by Mayor Peters and carried with Councilmember Borchard and Councilmember Grantham voting no. (3-2)

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B-3 PUBLIC HEARING TO RECEIVE PUBLIC TESTIMONY ON GRANT REQUEST TO STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5311 PROGRAM FUNDING TO PURCHASE REPLACEMENT DIAL-A-RIDE AND TROLLEY VEHICLES; (PUBLIC SERVICES)

Management Analyst Janeen Burlingame stated on February 16, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA), which includes funding for Transit Capital Assistance programmed through the existing Federal Transit Administration (FTA) Section 5311 program. Current programming of 5311 funding is through the San Luis Obispo Council of Governments (SLOCOG). Project requests were submitted to the SLOCOG on March 4, 2009 and the City submitted to SLOCOG requests for two projects: purchase one Dial-a-Ride vehicle (\$69,000) and one trolley vehicle (\$160,000) that would replace vehicles that are beyond the FTA's useful life criteria by the time funding and procurement are completed. On April 8, 2009 the SLOCOG Board approved a Program of Projects that included the City's two requested projects on the recommended list for funding. An application was made to CalTrans, and a public hearing to receive public testimony on the grant application was noticed on April 9, 2009. No further action is required by the City Council as a resolution authorizing the grant application and contract execution was adopted at the April 13, 2009 City Council meeting and submitted along with the public hearing notice affidavit in the grant application package.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

This item was for information only, and no action was taken.

B-4 RESOLUTION APPROVING THE ENGINEERS REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated on April 13, 2009 the City Council adopted Resolution No. 15-09, which initiated the proceedings to levy the annual assessment to fund the maintenance of the Cloisters Park and Open Space. Additionally, staff was directed to have an Engineer's Report prepared, detailing the estimated annual assessment for the parcel owners for fiscal year 2009/10. Based on the Engineers Report, which estimates the annual costs of maintaining the Cloisters Park and Open Space for the upcoming year, the fiscal impact is estimated at \$148,944. These costs will be offset by the collection of an assessment for the same amount from the parcel owners in the Cloisters Subdivision. Upon adoption of Resolution No. 21-09, the next and final step in the annual levy of assessment process is the protest hearing/public hearing after which the City Council actually orders the levy of assessment.

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Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 21-09 declaring the intent to levy the annual assessment for the Cloisters Landscaping and Lighting Maintenance, and approving the Engineers Report. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

B-5 RESOLUTION APPROVING THE ENGINEERS REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated on April 13, 2009 the City Council adopted Resolution No. 16-09, which initiated the proceedings to levy the annual assessment to fund the maintenance of the North Point Natural Area. Additionally, staff was directed to have an Engineer's Report prepared, detailing the estimated annual assessment for the parcel owners for fiscal year 2009/10. Based on the Engineers Report, which estimates the annual costs of maintaining the North Point Natural Area for the upcoming fiscal year, the fiscal impact is estimated at \$5,645. These costs will be offset by the collection of an assessment for the same amount from the parcel owners in the North Point Subdivision. Upon adoption of Resolution No. 22-09, the next and final step in the annual levy of assessment process is the protest hearing/public hearing after which the City Council actually orders the levy of assessment.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 22-09 declaring the intent to levy the annual assessment for the North Point Natural Area, and approving the Engineers Report. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

B-6 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 548 REPEALING, AMENDING, AND REENACTING TITLE 10 (VEHICLES AND TRAFFIC) OF THE MORRO BAY MUNICIPAL CODE; (POLICE)

City Attorney Robert Schultz stated Title 10 provides for regulations for the placement and enforcement of Traffic Control within the City of Morro Bay. Certain parts of the current Title 10 date back to 1964 and therefore are outdated, cumbersome, and unenforceable. Staff brought to City Council a draft rewrite of Title 10 at your Council meeting on January 12, 2009. City Council provided staff with direction and

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recommended changes to the draft ordinance. The City Council again reviewed the draft ordinance on April 27, 2009 and provided further direction to staff. Staff has since made these changes and presents the ordinance for introduction and first reading by number and title only.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

MOTION: Councilmember Borchard moved the City Council approve Ordinance No. 548 repealing, amending, and reenacting Title 10 (Vehicles and Traffic) of the Morro Bay Municipal Code for first reading and introduction by number and title only. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

City Manager Andrea Lueker read Ordinance No. 548 by number and title only.

Mayor Peters called for a break at 8:17 p.m.; the meeting resumed at 8:25 p.m.

C. UNFINISHED BUSINESS ó NONE.

D. NEW BUSINESS

D-1 REVIEW OF 2008 TROLLEY SEASON PERFORMANCE AND UPCOMING 2009 SEASON; (PUBLIC SERVICES)

Management Analyst Janeen Burlingame stated the City's trolley service is a seasonal fixed route transit system serving the general public by linking the Downtown Business District, Waterfront, State Parks in the north and south ends of the community, and the Museum of Natural History through the use of three trolley routes operating within the City limits. In addition, the service provides a connection to the regional transit system at City Park. The trolley service operates weekends only from Memorial Day weekend to the first weekend in October, and on Friday and Monday from Memorial Day through Labor Day. Ms. Burlingame recommended the City Council receive the report on the 2008 trolley season performance; authorize the continued use of in-lieu parking fee funds for the operating costs associated with the operation of the Waterfront trolley route for fiscal year 2009/10; and, authorize the use of in-lieu parking fee funds for the operating costs associated with the operation of the Downtown trolley route for fiscal year 2009/10.

MOTION: Councilmember Winholtz moved the City Council approve the following: 1) cut hours of service to 7:00 p.m. on days that do not currently end at 6:00 p.m.; 2) increase fares to \$1 one-way/\$3 all day for passengers 12 years and older; under 12 years will remain the same; and 3) a summer survey will be taken on where passengers are from. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

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D-2 CONSIDERATION OF CO-SPONSORSHIP OF THE 2009 DAHLIA DAZE
CELEBRATION; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated the Morro Bay Garden Club sponsors an annual event to celebrate the City of Morro Bay's official flower, the Dahlia. The Dahlia Daze event has increased in popularity over the two years since inception and the Club is seeking a larger venue for their third annual celebration on August 15, 2009. In co-sponsoring Dahlia Daze, the Club would realize an increased ability to reallocate resources to enhance Club operations and community involvement. The City will have shown action towards a stated goal as well as increase the opportunities for sales tax enhancement. Mr. Woods recommended the City Council review and discuss the possibility of co-sponsoring the Morro Bay Garden Club's annual Dahlia Daze event, and direct staff accordingly.

MOTION: Councilmember Grantham moved the City Council not support the co-sponsorship of the City of Morro Bay Garden Club with their annual Dahlia Daze event on August 15, 2009 at the Morro Bay Community Center. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

D-3 REPORT ON CITIZENS BIKE COMMITTEE'S LETTER OF
RECOMMENDATIONS ON THE CITY BIKEWAYS PLAN; (PUBLIC
SERVICES)

City Engineer Rob Livick stated on March 9, 2009 Public Services staff updated City Council and requested direction regarding the desired design of North Main Street bike lanes and whether to pursue the project should funding become available. At that same meeting, Council directed staff to return with a bike plan within three months with potential funding sources, and a survey of the businesses along North Main Street. On April 22, 2009 the Morro Bay Citizens Bike Committee met to review unmet bike needs and made recommendations that these unmet needs be included in the City's Bikeways Plan, which was included as Attachment 1 in the staff report. Mr. Livick recommended the City Council consider the letter from the Morro Bay Citizens Bike Committee (Attachment 1) and give direction to staff on these or any other potential projects or issues to be included in the City's Bicycle Transportation Plan.

Councilmember Winholtz stated any of the items on the Citizens Bike Committee's list referring to striping should be prioritized.

Councilmember Smukler requested staff review the City's previous support on the "Adopt-a-Bike Rack" policy.

No further action was taken on this item.

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D-4 RESOLUTION NO. 23-09 FINDING A SEVERE FISCAL HARDSHIP WILL EXIST IF ADDITIONAL CITY PROPERTY TAX FUNDS ARE SEIZED AND ADDITIONAL UNFUNDED MANDATES ARE ADOPTED BY THE STATE OF CALIFORNIA

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 23-09 finding a severe fiscal hardship will exist if additional City property tax funds are seized and additional unfunded mandates are adopted by the State of California. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Winholtz requested to agendize a discussion on San Luis Obispo County's Integrated Regional Water Management Plan Memorandum of Mutual Understandings; Council concurred.

Councilmember Winholtz requested the presentation of a proclamation thanking Principal Zotovich for his efforts as Principal at Morro Bay High School at the next City Council meeting; Council concurred.

Councilmember Winholtz requested a memorandum clarifying the North Point boundaries, and requested the status on Dial-a-Ride and trolley ridership.

ADJOURNMENT

The meeting adjourned at 9:28 p.m.

Recorded by:

Bridgett Bauer
City Clerk