

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – AUGUST 11, 2015  
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Noah Smukler	Councilmember
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Matt Makowetski	Councilmember
STAFF:	David Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Sam Taylor	Deputy City Manager
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Manager
	Cindy Jacinth	Associate Planner
	Eric Endersby	Harbor Director
	Steve Knuckles	Fire Chief

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:05pm

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT - City Attorney Pannone reported that with regards to the Closed Session Items, the Council did not take any reportable action pursuant to the Brown Act.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

LEAP Update Presentation

<https://youtu.be/4IoxzPOMdt8?t=5m58s>

Don Maruska provided an implementation update on ten LEAP initiatives. This presentation and additional information is available on the City website at [www.morro-bay.ca.us/LEAP](http://www.morro-bay.ca.us/LEAP).

Presentation of Xtreme Hero Awards Week Proclamation

<https://youtu.be/4IoxzPOMdt8?t=18m23s>

Mayor Irons asked to pull Item A-3 from the Consent Agenda.

MOTION: Councilmember Makowetski moved to approve Item A-3. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

The Mayor and City Council presented a Proclamation to Staff Sergeant John Detamore recognizing and honoring the Marine Xtreme heroes and their families from the Wounded Warrior Battalion West headquartered at Camp Pendleton, CA.

#### PUBLIC COMMENT

<https://youtu.be/4IoxzPOMdt8?t=25m48s>

Cruz Reyes, Morro Bay, submitted a petition to place a stop sign at Main and Pacific Streets in January and is waiting to hear the status of that request. He also asked about traffic control to improve safety for bicyclists.

Walter Heath, Morro Bay resident and President of Morro Bay in Bloom, thanked the City Council and staff for their support during the America in Bloom visit. The judges were very complimentary of what they saw, the heritage trees, in particular. Results are expected in early October.

Chris Christensen, who, along with Jeffrey Bacon, founded Xtreme Hero Awards, appreciates the Council recognizing the effort to honor our wounded warriors and their families.

Sandy Tannler, Morro Bay, presented a letter from the Central Coast Taxpayers Association and requested the City Council pass a Resolution opposing SCA-5, the “split roll” tax proposal.

Susan Stewart, Morro Bay resident and business owner, recommends the City begin planning and preparing creek beds for a potential El Nino this winter.

Bill Fritch, Morro Bay resident, asked the Council to increase the public comment period from 3 to 5 minutes to give people a chance to deliver their message, and further encourage public participation.

Bill Martony, Morro Bay, noticed there had been a closed door meeting regarding Cerrito Peak and asked the public be made aware of any agreement between the City and owners of that property. He also questioned the projected cost of the WWTP.

David Nelson, Morro Bay, shared concerns about the type of technology that will be used for the new WRF, as well as cleanup of the Dynegy power plant. He also asked the status of medical marijuana referendum.

Betty Winholtz, Morro Bay, is collecting forms on prescriptive rights on Toro Lane project coming before the Planning Commission on Tuesday. Many residents have used this trail since the 1960s. If you use this trail and are interested in signing a form that will be presented to the Planning Commission, please contact Betty at 772-5912. She also noted her comments at the July 14, 2015 City Council meeting were made on behalf of Morro Bay Beautiful.

The public comment period was closed.

The City Council and City Manager responded to comments and concerns raised during the Public Comment period.

- A. CONSENT AGENDA  
<https://youtu.be/4IoxzPOMdt8?t=1h4m58s>

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 JULY 14, 2015; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

- A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON JULY 14, 2015; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

- A-3 PROCLAMATION COMMENDING AND HONORING FIRE CAPTAIN PARAMEDIC JEFF OLSON ON HIS RETIREMENT; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

- A-4 PROCLAMATION DECLARING TUESDAY, AUGUST 11, 2015 THROUGH FRIDAY, AUGUST 14, 2015 AS “XTREME HERO AWARDS” WEEK; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

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

**RECOMMENDATION: Receive and file.**

- A-6 WATER RECLAMATION FACILITY (WRF) PROJECT UPDATE; (PUBLIC WORKS)

**RECOMMENDATION: Receive and file.**

The public comment period for the Consent Agenda was opened; seeing none the public comment period was closed.

Councilmember Makowetski pulled Items A-2, A-3 and A-5 for further discussion.

MOTION: Councilmember Johnson moved the Council approve A-1 and A-6 on the Consent Agenda. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON JULY 14, 2015; (ADMINISTRATION)

There were no comments related to Item A-2.

A-3 PROCLAMATION COMMENDING AND HONORING FIRE CAPTAIN PARAMEDIC JEFF OLSON ON HIS RETIREMENT; (ADMINISTRATION)

Councilmember Makowetski thanked Fire Captain Jeff Olson for his many years of service to the community of Morro Bay.

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

Councilmember Makowetski noted that \$465,000 is being spent to maintain the existing WWTP and keep that plant running while we're building the new plant. This is important for both Morro Bay and Cayucos residents.

MOTION: Councilmember Makowetski moved the Council approve Items A-2, A-3 and A-5 of the Consent Agenda. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

B. PUBLIC HEARINGS - NONE

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES - NONE

D. NEW BUSINESS

D-1 APPROVAL OF SETTLEMENT AGREEMENT - JOHNIE MEDINA V. CITY OF MORRO BAY, SAN LUIS OBISPO SUPERIOR COURT CASE NO. 14CV-0214; (CITY ATTORNEY)  
<https://youtu.be/4IoxzPOMdt8?t=1h8m31s>

City Attorney Pannone presented the staff report and responded to Council inquiries.

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

Michelle Arete, Morro Bay, spoke representing 350 previous petitioners, asked that previous conditions set by the Planning Commission and City Council from 2009 – 2012 be upheld. She

also asked if neighbors will be notified of plans before they are approved and who will monitor and enforce City requirements.

Betty Winholtz, Morro Bay, shared concerns about this area due to the ESHA, which is a public resource. One of the conditions states that Mr. Medina has reported he will stake out the ESHA; she went to observe and it has not been done. She shares Ms. Arete's concerns regarding the previous Planning Commission conditions and how they will be enforced, specifically size of the house and its location.

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

City Attorney Pannone responded to public comment noting one of the benefits of the settlement agreement is that Mr. Medina has signed a contractual document where he obligates himself to follow certain requirements. Also, there is nothing in this agreement that eliminates any of the previous Planning Commission's approvals for those for land use entitlements.

Community Development Manager Graham notes the applicant is in process of submitting final parcel map and building plans subject to the settlement agreement and all conditions of the map.

Councilmember Johnson confirmed the previous Planning Commission conditions will stay; there will be two driveways and one driveway apron. At her request, staff explained the public can track the project by checking the Planning Commission activity list. Mr. Pannone confirmed the building permit will not be issued unless all conditions have been met.

Councilmember Headding noted on page 2 of settlement agreement, Mr. Medina indicates the boundary of the ESH on the property has been surveyed and survey markers have been set. Mr. Graham noted staff has not yet confirmed this, but assures the Council the applicant will comply with every component of the conditions.

Councilmember Smukler noted there is strong language in the agreement about the restoration plan and the project cannot move forward without an approved restoration plan.

Mayor Irons asked for clarification on the alignment of the apron and driveway. Capital Projects Manager Sauerwein noted applicant will be required to resubmit their plans for final map approval to ensure the driveway alignment is compliant with ADA regulations. Mr. Pannone stated for the record this map is not an Exhibit to the agreement, but was submitted at Council's request. A final map still has to be prepared.

**MOTION:** Councilmember Headding moved the Council approve the settlement agreement as presented by staff. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

D-2 DISCUSSION OF VISITOR CENTER SERVICES CONTRACT & LEASE AGREEMENT FOR CITY-OWNED PROPERTY LOCATED AT 695 HARBOR STREET; (ADMINISTRATION)

<https://youtu.be/4IoxzPOMdt8?t=1h30m11s>

City Manager Buckingham presented the staff report and responded to Council inquiries.

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

Walter Heath, Morro Bay, noted the City paid for improvements at the current Visitor Center at 255 Morro Bay Blvd, including a fairly expensive patio, which may now go to the benefit of the private property owner,. And asked if those improvements could be moved to the Chamber.

Liz Gilson, Director of the Chamber of Commerce, thanked the City Council for the opportunity to provide a wonderful Visitor Center.

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

Councilmember Johnson noted that based on the Tourism Bureau quarterly reports, we've repeatedly been told 8-10% of those who come into Visitor Center have questions about lodging; the majority are looking for restaurants, retail, activities, etc. The Chamber represents all businesses, including Chamber members and non-members, so every business can benefit from the Visitor Center. They are able to provide this service at a rate the City can afford, in a building the City owns, with ample parking, a vehicle charging station, and public restroom. She is happy to hear the current Visitor Center folks will transition to the new location as they are our best ambassadors in Morro Bay, and hopes this move from one entity to another will not impact ability of Tourism Bureau and Chamber to work collaboratively toward economic development.

Councilmember Makowetski likes the idea of completing triangle—dining, recreational and lodging. The larger vision of tourism in town is not just bricks and mortar, but will include kiosks.

Councilmember Headding echoes Councilmember Johnson's comments, adding tourism is economic engine of this community. Based on his research, attributes of a successful Visitor Center include: friendly staff; close proximity to the freeway or major throughput; availability of social media computer/website/app type services; a bathroom; and, it was not just single visitor center, but a dissemination of information around the city (kiosks) within other businesses. He asks staff to develop key measurements for success and have that reported back to the Council quarterly, or more often as needed. He supports the staff recommendation and thanked the Tourism Bureau under Brent's leadership and the existing staff for the work they've done.

Councilmember Smukler agrees with the points that have been made. This decision gives us some flexibility to continue building those relationships and analyze what makes sense going forward. Staff at the current Visitor Center are excellent ambassadors; and the new location, while it's not a direct path of travel, it is a natural hub with nearby parking, library, transit center, Community Center, Fire Department, and public restrooms. The mobile app component is important. He looks forward to improved relations with all partners.

Mayor Irons noted when the Chamber/Visitor Center moved from the waterfront, the City entered into a partnership for economic development with the Tourism Bureau and Chamber of Commerce. The original Director of the Tourism Bureau, Karin Moss, did a great job, as has Brent Haugen. Along with attributes listed, it's the one-on-one people who guide you, and that's what we have.

**MOTION:** Councilmember Johnson moved the Council approve staff's recommendation to partner with the Chamber of Commerce to provide Visitor Center services, direct staff to finalize the contract with the Chamber, and negotiate a lease agreement for two offices and the lobby area of City-owned building at 695 Harbor Street, with final review of both agreements at a future meeting. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

A brief recess was called at 8:37pm and the meeting reconvened at 8:46pm.

**D-3 EVALUATION OF DEMONSTRATION PARKLET LOCATED ON MAIN STREET AND RECOMMENDED FUTURE ACTIONS; (COMMUNITY DEVELOPMENT)**  
[https://youtu.be/o\\_s3E7bMbRI?t=3s](https://youtu.be/o_s3E7bMbRI?t=3s)

Community Development Manager Graham presented the staff report and, along with Mr. Buckingham, responded to Council inquiries.

The public comment period for Item D-3 was opened.

Linna Thomas, business owner on Main Street, speaking on behalf of over 1800 petition signers and the majority of Main Street businesses, urged the Council to decide it is not in the best interest of Morro Bay to have parklets at this time.

David Nelson, Morro Bay, stated the idea of parklets has merit, but the one at this location is congested. He suggested shutting down the whole street to make it a mall.

Bill Martony, Morro Bay, thought the idea was excellent but when it ends up benefiting one business and affecting another, it speaks for itself. After a 6-month demonstration, the parklet should come down.

Walter Heath, Morro Bay, hopes a stigma is not associated with future parklets – that would be a shame. There is some value and there are some businesses on the Embarcadero that would really like a parklet. You can't have enough gathering places.

Betty Winholtz, Morro Bay, shared that as elected official, even if 80% of those who signed the petition are from out of town that still leaves 300 Morro Bay residents who oppose - you don't see people who support it here. It all came back to parking. Parking is important and we want to support our businesses.

Susan Stewart, Morro Bay business owner, asked the City to please put bike racks up on sidewalk not on the street. She also noted this was supposed to be part of an economic improvement and she doesn't feel it has helped business.

Melody Demeritt, Morro Bay resident and former Council Member, urged the Council to remove the parklet. She also asked there be no centerline parking, no metered parking, and no angled parking in Morro Bay.

Bernadette Pekarek, Morro Bay, urged the Council to remove the parklet as Main Street is not the street to have this parklet.

Craig Griswold, Morro Bay, thought idea was good but it interferes with walking traffic. There's just not enough space.

Jane Heath, Morro Bay resident and business owner on Main Street, spoke in support of the parklet, noting she had several visitors this summer from out of the area, and every one commented they thought our downtown was charming. Part of what attracted those visitors is the parklet - they thought it was a great idea to have additional space for congregating.

Richard Williams, Morro Bay, suggested a portable parklet that can be removed easily. If you want a permanent location you might as well have brick and mortar.

The public comment period for Item D-3 was closed.

Mayor Irons thanked Linna Thomas for her thoughtful and courteous input throughout the process.

Councilmember Smukler appreciated being able to experience an idea and ultimately make a decision. He will miss the parklet, but at this point he thinks the demonstration has served its purpose and we should focus on a program.

Councilmember Heading recommends removing the existing parklet. He supports the idea of parklets, in general, but would like staff to develop parklet compatibility guidelines before we move forward with any more parklets.

Councilmember Makowetski noted there's a lot of people who like a pedestrian friendly downtown, and once you move one or two streets above Main Street you lose seating to allow people to rest and enjoy coffee, a book or conversation. He suggests removing the demonstration parklet - it's opened the dialogue - but wants to continue to promote the feel of Morro Bay and enhance business.

Councilmember Johnson is pleased we're finally focusing on supporting downtown businesses and hopes once the parklet is removed people will feel more comfortable going downtown and visiting those businesses. She hopes we don't lose the idea that trying something new can be a good idea even if we don't like it at the end. She supports removing parklet and having a parking discussion before moving further on parklets.

Mayor Irons agrees this issue doesn't need to be referred to the Planning Commission and Recreation & Parks Commission at this time. He supports removing the project and suggests we pause the parklet program while we pursue parking and the downtown specific plan.

**MOTION:** Councilmember Smukler moved the Council direct staff to remove the demonstration parklet and have staff and the Planning Commission strategize and continue discussion on parklets in context with the parking management plan and downtown specific plan update. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

D-4 MORRO BAY STRATEGIC PLANNING AND BUDGETING FRAMEWORK;  
(ADMINISTRATION)  
[https://youtu.be/o\\_s3E7bMbRI?t=1h27m47s](https://youtu.be/o_s3E7bMbRI?t=1h27m47s)

City Manager Buckingham presented the staff report and responded to Council inquiries.

The public comment period for Item D-4 was opened; seeing none, the public comment period was closed.

Mayor Irons appreciates the way it's tied to the election cycle and provides a framework for staff and new Council Members. He supports a 2-year budget cycle but understands staff's recommendation. He sees an opportunity for the Citizens Finance Committee to analyze and make a recommendation on 1-year vs. 2-year budgeting, and to compile a budget policy handbook.

Councilmember Makowetski feels this is a good framework that can provide continuity to the Council, staff and residents who want to see the planning cycle.

Councilmember Johnson agrees that long term planning is important to Morro Bay and helps build commonality between Council Members, based on public input. It is essential for us to have strategic planning framework. She is still a proponent for a 2-year budget, and would like input from the Citizens Finance Committee.

Councilmember Smukler agrees this is good for long-term and to achieve goals, however he is concerned a 4-year goal cycle may not hold up. He would like to revisit goals annually to make sure they don't get thrown out the window.

**MOTION:** Mayor Irons moved the Council approve the Strategic Planning and Budgeting Framework concept as presented at this meeting, and direct staff to develop a Strategic Planning Framework policy to be adopted at a future meeting. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

**MOTION:** Mayor Irons moved to continue the meeting past 11:00. The motion was seconded by Councilmember Makowetski and carried unanimously, 5-0.

D-5 AWARD OF CONSULTANT CONTRACT FOR IMPLEMENTATION OF CITYWORKS PERMIT TRACKING AND ASSET MANAGEMENT SOFTWARE SOLUTION TO TIMMONS GROUP, INC.; (COMMUNITY DEVELOPMENT / PUBLIC WORKS)  
[https://youtu.be/o\\_s3E7bMbRI?t=2h7m39s](https://youtu.be/o_s3E7bMbRI?t=2h7m39s)

Community Development Manager Graham presented the staff report and responded to Council inquiries.

The public comment period for Item D-5 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Makowetski moved the Council award the consultant contract for implementation of Cityworks permit tracking and asset management software solution to Timmons Group, Inc., and authorized staff to execute an agreement in the amount of \$210,655. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

A brief recess was called at 11:22pm and the meeting reconvened at 11:27pm.

D-6 CONSIDERATION OF PROPOSAL AND CONTRACT AWARD TO MICHAEL K. NUNLEY & ASSOCIATES, INC. FOR PROGRAM MANAGEMENT SERVICES FOR DEVELOPMENT AND CONSTRUCTION MANAGEMENT OF A NEW WRF; (PUBLIC WORKS)  
<https://youtu.be/ULmpc9Cd0qI?t=8s>

Capital Projects Manager Sauerwein provided the staff report and responded to Council inquiries.

Mike Nunley introduced the project management team.

The public comment period for Item D-6 was opened; seeing none, the public comment period was closed.

Mayor Irons shared concern that only one proposal was received; on the other hand we've had great work from Mike and John, which brings comfort. He welcomes more conversation on the significant project we're undertaking.

Councilmember Heading stated that despite the fact there has been a good working relationship with these consultants in the past, he is uncomfortable with having to make this kind of financial decision without the ability to consider several options to be sure we're getting the greatest value.

City Attorney Pannone shared that based on his involvement in similar projects, there are times when a group may come into the interview process, find out the details, then go back and crunch numbers in order to make a business decision to submit your hat in the ring or not. Because you

know you're spending a lot of money up front, if someone else has a great relationship with who you want to have a contract with, you know it's not likely you're going to get that contract, and you make the business decision to not submit.

Councilmember Smukler notes the proposal was submitted without knowing there were no other proposals. Looking at the track record we have so far, the results we've received from the options analysis, and the fit they've demonstrated - style, accessibility – the WRFCAC was able to reevaluate their performance in context of this next stage. He doesn't see an alternative; we need to keep this thing moving.

Councilmember Makowetski appreciates the comments and concerns, but agrees that based on the track record of the past couple of years and WRFCAC review, he's comfortable moving ahead.

Councilmember Johnson noted we are in a rural area and perhaps a larger engineering firm based in a larger area would not consider a smaller project like ours. It's unfortunate we don't have another proposal to compare this to, however she supports moving forward. A proven team has brought us this far and she looks forward to next steps.

Mayor Irons closed by stating there's a lot of comfort in having great work from this firm. You have to trust the process so he supports moving forward.

**MOTION:** Councilmember Smukler moved the Council award the 8-year contract to Michael K. Nunley & Associates, Inc. for program management services for development and construction management of a new WRF, and authorized staff to execute an agreement not to exceed \$1,012,889, including a 10% contingency for this first task order, with contract review in 6-8 months, then annually thereafter to coincide with the budgeting process. The motion was seconded by Headding and carried unanimously, 5-0.

**D-7 ORDINANCE NO. 594 AMENDING VARIOUS SECTIONS OF CHAPTER 3.08 OF THE MORRO BAY MUNICIPAL CODE, RELATING TO CONTRACT AUTHORITY AND THE PURCHASING PROCESS; (ADMINISTRATIVE SERVICES)**  
<https://youtu.be/ULmpc9Cd0qI?t=1h24m28s>

Administrative Services Director Slayton provided the staff report and responded to Council inquiries.

The public comment period for Item D-7 was opened.

Betty Winholtz, Morro Bay, felt it was inappropriate to deal with this type of item at 1:10 in the morning and encouraged the Council to continue this item to a future meeting. She also stated the dollar limits are higher than she is comfortable with.

The public comment period for Item D-7 was closed.

MOTION: Mayor Irons moved for introduction and first reading of Ordinance No. 594, by number and title only. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS  
<https://youtu.be/ULmpc9Cd0qI?t=1h44m1s>

Mayor Irons requested a consultant presentation by Community Choice Aggregation. The Council supported this item.

Mayor Irons requested a joint meeting with the Public Works Advisory Board with scheduling to be determined. The Council supported this item.

ADJOURNMENT

The meeting adjourned at 1:13am to the next regular City Council meeting to be held on **Tuesday, August 25, 2015** at 6:00pm at the Veteran's Memorial Hall, 209 Surf Street, Morro Bay, California.

Recorded by:

Dana Swanson  
City Clerk