

PRESENT:	Jamie Irons	Mayor
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Noah Smukler	Councilmember
ABSENT:	Matt Makowetski	Councilmember
STAFF:	Dave Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Susan Slayton	Administrative Services Director
	Craig Schmollinger	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Steve Knuckles	Fire Chief
	Larry Todd	Interim Police Chief
	Kirk Carmichael	Recreation Services Division Coordinator

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:02 p.m., with all but Councilmember Makowetski present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION

CLOSED SESSION REPORT – No closed session meeting was held.

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS – City Manager Buckingham introduced new City employees, Craig Schmollinger, Finance Director, and Kirk Carmichael, Recreation Services Division Coordinator.

PRESENTATIONS

- **Presentation of Proclamation of Appreciation to Assembly Member Katcho Achadjian**
<https://youtu.be/YCDilSoWLes?t=4m22s>
The City Council, Supervisor Bruce Gibson, and former Morro Bay elected officials presented the Proclamation of Appreciation.
- **CHC Health Care Update for North County**
<https://youtu.be/YCDilSoWLes?t=13m15s>
Denise Stewart and Steve Mahr of Community Health Centers (“CHC”) reported on the availability of medical care in the north San Luis Obispo County.

PUBLIC COMMENT

<https://youtu.be/YCDiISoWLes?t=31m24s>

Beth McGill, Regional Marketing Director of Capital Choice Financial Group, provided the business spot. Her purpose is to educate and empower her clients to find solutions to financial obstacles and challenges.

Sharon O'Leary, Director of Community Resource Connections, was pleased CHC will put forth an effort to come back to Morro Bay. Since 2013, Community Resource Connections has worked to identify resources and find transportation to medical care not available in Morro Bay.

Thomas Rex, Morro Bay, expressed appreciation for improved traffic control provided by the Morro Bay Police Department in recent months.

Val Seymour, Morro Bay representative to the Visit San Luis Obispo County Marketing Board, was pleased the TBID is supporting the Amgen event and encouraged the Council to reconsider its position and support the event.

Linda Stedjee, Morro Bay, expressed concern the proposed WRF design includes a lift station on the current wastewater treatment plant site and does not address Coastal Commission concerns regarding flooding and other natural hazards. She urged the public to review Mr. Sadowski's recommendations at www.sadowski4council.com.

Richard Sadowski, Morro Bay, suggested a televised roundtable discussion on the water reclamation facility project. He is concerned the proposed project will bankrupt the city and result in losing reclaimed water rights.

Judy Salamacha, Morro Bay, provided an overview of the 12-day visit of the San Salvador. Funds raised from a portion of the passages during the San Salvador visit will prepare the group to build a museum next year.

Robert Davis, Morro Bay, spoke as a private citizen in support of Measure J on the November ballot. Measure J will provide an additional \$600,000 funding for street rehabilitation and repair and provide a stable financing platform for long-term transportation improvements, including intersection improvements at Highway 41/Main and a walking/bike path from Morro Bay to Cayucos.

Jon Elliott, announced Morro Bay's 3rd annual Trick-or-Treat event on Monday, October 31st from 3:30 – 5:30 p.m.

Beverly Ford, Morro Bay, provided an update on various projects and events at Grandma's Frozen Yogurt.

Ken Vesterfelt, Morro Bay, announced the Central Coast and Los Osos Little League teams will hold a fundraising event on November 5th, beginning at 5:00 p.m. at the Morro Bay Community Center. As a naturalized citizen, Mr. Vesterfelt also encouraged everyone to exercise their right, privilege and duty to vote.

Betty Winholtz, Morro Bay, spoke to Items C-1 and C-4. Regarding Item C-4, she supported all four Planning Commission recommendations, including the 12-month time period. Regarding Item C-1, she expressed concern about expanding the sphere of influence and potentially opening the door for future development. She also asked for clarification on Item #10 of the MOU which references water meters on parcels 12 and 13.

The 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 FROM THE SEPTEMBER 27, 2016 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FROM THE SEPTEMBER 27, 2016 JOINT CITY COUNCIL, PLANNING COMMISSION AND HARBOR ADVISORY BOARD MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FROM THE OCTOBER 3, 2016 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 WATER RECLAMATION FACILITY (WRF) PROGRAM UPDATE; (PUBLIC WORKS)

RECOMMENDATION: Receive and file.

A-5 ADOPTION OF RESOLUTION NO. 71-16 APPROVING AMENDMENT #2 TO THE CURRENT LEASE AGREEMENT, APPROVING A NEW LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND BOATYARD LLC, AND APPROVING AN ASSIGNMENT AND ASSUMPTION OF THE LEASE OWNERSHIP FOR LEASE SITE 89/89W, LOCATED AT 845 EMBARCADERO, AND COMMONLY KNOWN AS THE BOATYARD; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 71-16.

A-6 APPROVAL OF PROCLAMATION IN RECOGNITION AND APPRECIATION OF THE SERVICE OF ASSEMBLY MEMBER KATCHO ACHADJIAN; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

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

Councilmember Smukler pulled Item A-4.

MOTION: Councilmember Heading moved the Council approve Items A-1 through A-3, A-5 and A-6 on the Consent Agenda. The motion was seconded by Councilmember Johnson and carried 4-0-1 with Councilmember Makowetski absent.

A-4 WATER RECLAMATION FACILITY (WRF) PROGRAM UPDATE; (PUBLIC WORKS)
<https://youtu.be/YCDiISoWLes?t=1h6m37s>

Councilmember Smukler pulled this item to discuss the timing of various decision points, particularly presentation of the draft facility master plan. Mr. Buckingham offered to provide a full report at the next Council meeting to discuss issues that have been raised. The Council concurred.

MOTION: Councilmember Smukler moved for approval of Item A-4. The motion was seconded by Councilmember Heading and carried 4-0-1 with Councilmember Makowetski absent.

The Council took a short recess at 7:21 p.m. The meeting reconvened at 7:30 p.m.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

C-1 APPROVAL OF THE MEMORANDUM OF UNDERSTANDING FOR FUTURE PURCHASE OF THE SOUTH BAY BOULEVARD WATER RECLAMATION FACILITY (WRF) SITE; (PUBLIC WORKS)
<https://youtu.be/YCDiISoWLes?t=1h20m58s>

Mr. Buckingham presented the staff report and responded to Council inquiries.

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

Tina Metzger, Morro Bay, wanted assurance Measure H is respected if the sphere of influence is increased to include the remainder of the property.

Bart Beckman, Morro Bay, was pleased the City had reached a Memorandum of Understanding for the property and felt the boundaries were reasonable. He asked what facilities would be included in the footprint.

Bob Keller, Morro Bay, urged the Council to authorize execution of the MOU.

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

The Council expressed support for the Memorandum of Understanding and noted expanding the sphere of influence provides stronger local control, including the opportunity to review proposals for future use of that property.

MOTION: Councilmember Johnson moved the Council approve the Memorandum of Understanding for the future purpose of the South Bay Blvd. water reclamation facility site. The motion was seconded by Councilmember Smukler and carried 4-0-1 with Councilmember Makowetski absent.

C-2 DISCUSSION AND DIRECTION REGARDING USE OF PROCEEDS FROM THE SALE OF REAL PROPERTY AT 2783 CORAL AVENUE; (FINANCE)
<https://youtu.be/YCDiISoWLes?t=2h1m23s>

Finance Director Schmollinger presented the staff report and responded to Council inquiries.

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

Bart Beckman, Morro Bay resident and member of the Citizens Finance Advisory Committee, shared that given the City had approved past budgets that clearly indicated the funds would be

used to pay down the fire station debt, the Committee did not consider allocating the funds for streets.

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

There was Council concurrence to accept the CFAC and staff recommendation to commit proceeds of the sale of 2783 Coral Avenue to pay down the USDA loan. Given the proceeds will be received over an extended period of time, a separate line item should be set up to safeguard those funds. The Council directed staff to bring back a resolution to memorialize the action so that reconsideration of the intent based on more pressing financial needs would require discussion in a public meeting.

MOTION: Councilmember Smukler moved the Council accept staff and CFAC recommendation and affirm the historic intent to pay down the USDA loan with proceeds from sale of 2783 Coral Avenue, and direct staff to return with resolution affirming Council's intent and specifies the alternative for the CFAC and community to review alternative uses if presented with overwhelming or special opportunities and risk that are deemed to be a higher priority. The motion was seconded by Councilmember Johnson.

Councilmember Heading requested the motion be amended to include Council review of those alternatives.

AMENDED MOTION: Councilmember Smukler amended the motion to include Council review any proposed alternative use of proceeds from the sale of Coral Avenue property. The amended motion was seconded by Councilmember Johnson and carried 4-0-1 with Councilmember Makowetski absent.

C-3 STREETS SUMMIT UPDATE; (PUBLIC WORKS)
<https://youtu.be/YCDiISoWLes?t=2h42m5s>

Public Works Director Livick presented the staff report and responded to Council inquiries.

The public comment period for Item C-3 was opened; seeing none, the public comment period was closed.

The Council concurred with PWAB and staff recommendations and directed staff to choose the approaches that get the City to the highest level of PSI. Council also recommended timing of the streets summit be aligned with the budget process. Staff will provide a link to the report on the City website for public review and provide a complete list of streets in a utility bill.

No formal action was taken by the Council.

C-4 ADOPTION OF RESOLUTION NO. 70-16 REAUTHORIZING THE USE OF INTERIM RESIDENTIAL DESIGN GUIDELINES; (COMMUNITY DEVELOPMENT)
<https://youtu.be/YCDiISoWLes?t=3h23m33s>

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

The public comment period for Item C-4 was opened

Tina Metzger, Morro Bay, asked whether various stakeholders had been surveyed for feedback on the interim design guidelines and suggested anonymous surveys following this type of project in the future would provide honest feedback.

The public comment period for Item C-4 was closed.

MOTION: Mayor Irons moved the Council approve Resolution No. 70-16, as presented by staff. The motion was seconded by Councilmember Johnson and carried 4-0-1 with Councilmember Makowetski absent.

C-5 APPROVAL OF PARTICIPATION IN 2017 AMGEN EVENT; (ADMINISTRATION)
<https://youtu.be/YCDiISoWLes?t=3h57m4s>

Mr. Buckingham presented the staff report and responded to Council inquiries.

The public comment period for Item C-5 was opened.

Bob Keller, Morro Bay, supported Morro Bay's participation in the 2017 Amgen Tour of California with a financial contribution of \$25,000 TBID funds as it provides great exposure for Morro Bay

The public comment period for Item C-5 was closed.

The Council supported the event and appreciated staff's continued work with Amgen.

MOTION: Councilmember Headding moved the Council approve Morro Bay's participation in the 2017 Amgen Tour of California event. The motion was seconded by Councilmember Smukler and carried 4-0-1 with Councilmember Makowetski absent.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/YCDiISoWLes?t=4h6m35s>

Mayor Irons requested staff bring back the historic parking credits staff report from June 28, 2016 (less the Parking in lieu discussion and recommendation) and Planning Commission and Council action with staff interpretation on parking credit use on current projects, proposed projects, and potential projects. Include current parking policies and how the Anderson Inn, Estero Inn, Harbor Front Suites, and Gray's Inn were approved with current policies. Also include staff's request for the Evaluation of the Commercial Parking Program as part of the GP/LCP update. The Council supported this request.

Councilmember Smukler asked how the City should best support the health services exploration committee. Mr. Buckingham responded the Deputy City Manager and Fire Chief will be the City representatives and the first meeting is planned for late November/early December.

E. ADJOURNMENT

The meeting adjourned at 10:21 p.m. The next Regular Meeting will be held on Tuesday, October 25, 2016 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:



Dana Swanson, City Clerk