

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – OCTOBER 25, 2016
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-2
MEETING DATE: November 15, 2016

PRESENT:	Jamie Irons	Mayor
	John Heading	Councilmember
	Christine Johnson	Councilmember
	Noah Smukler	Councilmember
ABSENT:	Matt Makowetski	Councilmember
STAFF:	Dave Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Ikani Taumoepeau	Deputy City Manager
	Craig Schmollinger	Finance Director
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Steve Knuckles	Fire Chief
	Larry Todd	Interim Police Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:04 p.m., with all but Councilmember Makowetski present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION - None

CLOSED SESSION REPORT – City Attorney Pannone reported that with regard to Closed Session Items, the Council discussed six items and took the following reportable action pursuant to the Brown Act:

Public Employee Performance Evaluation - The Council has the authorization to modify the City Manager's contract regarding Administrative Leave and has determined Administrative Leave will be limited to 112 hours per year, not to be carried over year to year.

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PRESENTATIONS

Chamber of Commerce Quarterly Presentation – Erica Crawford, President and CEO, provided the quarterly report for the Third Quarter of 2016.

<https://youtu.be/DmVisJi--oo?t=8m52s>

Morro Bay in Bloom Presentation – Walter Heath presented awards from the 2016 America in Bloom competition, including Champion Award for the 10,000 – 14,000 Population Category and Best Heritage Tree Program.

<https://youtu.be/DmVisJi--oo?t=21m41s>

PUBLIC COMMENT

<https://youtu.be/DmVisJi--oo?t=32m54s>

Nancy Castle, Morro Bay, announced the Thanksgiving Community Dinner to be held Thursday, November 24, 2016, from 1:00 – 3:00 p.m. at the Morro Bay Community Center. To volunteer, please call the Chamber of Commerce at 772-4467.

Robert Davis, Morro Bay, spoke as member and Past-President of the San Luis Obispo Bike Club regarding the annual Lighthouse Bike Ride held last month. Of the 1,400 participants, 41% stayed at least one night in Morro Bay resulting in 1,100 local motel room nights and many more meals in local restaurants. The Bike Club made donations to several local non-profit organizations, including \$10,000 to Morro Bay High School Boosters.

Sandi Tannler, Morro Bay, spoke representing the Central Coast Taxpayers Association (“CCTA”) expressing concern about public funds being used for the Yes on Measure J campaign. The Howard Jarvis Taxpayers Association has joined CCTA to file a complaint with FPPC reporting violations by San Luis Obispo County, SLOCOG, and the Yes on Measure J Committee.

Jon Elliott, Morro Bay, announced the 3rd Annual Morro Bay Trick-or-Treat event to be held Monday, October 31, from 3:30 – 5:30 p.m. Maps will be available at Grandma’s Frozen Yogurt at 307 Morro Bay Blvd. Please email info@morrobaychamber.org for more information.

David Nelson, Morro Bay, expressed concern about the level of clean up required for the PG&E power plant property.

Betty Winholtz, Morro Bay, spoke to Item C-1 urging the Council to use excess funds to increase compensable leave banks and clean restrooms, rather than recommendations proposed by staff regarding economic development on the Embarcadero.

The comment period was closed.

The Council responded to issues and questions raised during the public comment period.

A. CONSENT AGENDA

<https://youtu.be/DmVisJi--oo?t=51m5s>

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 OCTOBER 11, 2016 CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

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

MOTION: Councilmember Heading moved the Council approve all items on the Consent Agenda. The motion was seconded by Councilmember Johnson and carried 4-0-1 with Councilmember Makowetski absent.

B. PUBLIC HEARINGS – None

C. BUSINESS ITEMS

C-1 ADOPTION OF RESOLUTION NO. 72-16 APPROVING ADJUSTMENTS TO THE FISCAL YEAR (FY) 2016-17 ADOPTED BUDGET BASED ON AN ANALYSIS OF EXCESS AVAILABLE FUNDS FROM YEAR END FY 2015-16 AND SPENDING PRIORITIES; (FINANCE)

<https://youtu.be/DmVisJi--oo?t=51m46s>

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

City Attorney Pannone explained Mayor Irons and Councilmember Heading previously recused themselves from discussion related to the Downtown Waterfront Strategic Plan due to a perceived conflict of interest related to business ownership in the downtown area. Should they choose to recuse themselves from that portion of tonight's discussion, that would leave only two Councilmembers. Since three members are required to hear the item and Council action is needed, the Political Reform Act provides an impartial process to form a quorum and allow the item to be heard. Councilmember Smukler drew a name from a hat, selecting Mayor Irons to participate in discussion, thereby creating a quorum. Mayor Irons will participate in the discussion and Councilmember Heading will recuse himself from questions, public comment, and discussion related to the Downtown Waterfront Strategic Plan (DWSP).

Staff responded to Council questions, except for those related to the DWSP.

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

Homer Alexander, Morro Bay, recommended excess funds be transferred to the Emergency Reserve for future unfunded pension requirements or, as an alternative, continue the item until mid-year budget review.

Erica Crawford, Morro Bay Chamber of Commerce, spoke regarding trash pickup and restroom maintenance concerns and asked the issue be revisited at mid-year budget review.

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

There was Council concern regarding the proposed \$200,000 General Fund recommendations, primarily due to concern about the CalPERS discount rate adjustment, which could lead to a significant unfunded mandate. The Council supported recommendations related to the Risk Management and Compensable Leave Funds. There was support for allocating funds for Police Chief recruitment and budget transparency tool, leaving the remainder to General Fund Emergency Reserve Fund.

Councilmember Heading recused himself due to a conflict of interest related to business ownership in the downtown area.

The City Manager confirmed, based on previous discussion, the Council does not authorize staff to designate \$100,000 for the Downtown Waterfront Strategic Plan, \$50,000 for Economic Development Strategic Plan and \$55,000 for other uses to be determined. Instead those funds, totaling \$205,000, will be transferred to the General Fund Emergency Reserve.

MOTION: Mayor Irons moved the Council adopt Resolution No. 72-16 amended to accept staff recommendations, except \$100,000 for Downtown Waterfront Strategic Plan, \$50,000 to Economic Development Strategic Plan implementation, and \$55,000 to be determined, totaling \$205,000 which will be placed into the General Fund Emergency Reserve. The motion was seconded by Councilmember Smukler and carried 3-0-2 with Councilmember Makowetski absent and Councilmember Heading having recused himself due to a conflict of interest.

The Council took a short recess at 8:17 p.m. The meeting reconvened at 8:24 p.m. with Councilmember Heading having rejoined the meeting.

C-2 AWARD OF CONTRACT TO PAVEMENT COATINGS CO. OF WOODLAND, CA FOR PROJECT NO. MB2017-ST01: PAVEMENT MANAGEMENT PROJECT; (PUBLIC WORKS)

<https://youtu.be/DmVisJi--oo?t=2h13m6s>

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

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

David Nelson, Morro Bay, stated local companies should receive priority for these projects.

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

Staff clarified based on the small amount of grant funds used for this project, the City must select the low bidder and that no firms meeting the local vendor preference criteria (based within five miles of Morro Bay) submitted a bid for this project.

MOTION: Councilmember Smukler moved the Council award an Indefinite Delivery, Indefinite Quantity (IDIQ) contract with an initial two-year term and two additional option periods of up to two years each, to Pavement Coatings Co., in the amount of \$971,574.60, and authorize the Public Works Director to execute the final contract for the initial period. The motion was seconded by Councilmember Heading and carried 4-0-1 with Councilmember Makowetski absent.

C-3 WATER RECLAMATION FACILITY (WRF) PROGRAM UPDATE; (PUBLIC WORKS)

<https://youtu.be/DmVisJi--oo?t=2h50m46s>

John Rickenbach, WRF Deputy Program Manager, and Mike Nunley, WRF Program Manager, presented the staff report and responded to Council inquiries. (Click [here](#) for Presentation).

The Council took a brief recess at 9:41 p.m. The meeting reconvened at 9:45 p.m.

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

David Nelson, Morro Bay, expressed concern about the process and asked what type of technology will be used.

Bob Keller, Morro Bay, spoke in support of the current project and recommended the City Council move forward with the South Bay Blvd. site.

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

The Council shared their observations regarding progress made to date on this project and appreciated the opportunity to address resident questions and concerns.

No formal action was taken by the Council.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/DmVisJi--oo?t=4h32m51s>

None

E. ADJOURNMENT

The meeting adjourned at 10:47 p.m. The next Regular Meeting will be held on Tuesday, November 15, 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

