

MINUTES - MORRO BAY CITY COUNCIL
BUDGET MEETING – MAY 13, 2009
VETERANS MEMORIAL HALL - 6:00 P.M.

AGENDA NO: A-1

MEETING DATE: 6/8/09

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
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	Janeen Burlingame	Management Analyst
	John DeRohan	Police Chief
	Rob Livick	City Engineer
	Mike Pond	Fire Chief
	Christine Rogers	Housing Programs Coordinator
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on the City budget may do so at this time.

Keith Taylor requested Council support the original issues promoted by the Measure Q Committee, which are replace the earthquake-damaged fire station, provide equipment for the public safety employees, maintain the streets and repair the storm drains to prevent toxic runoff into the bay. He also expressed support for hiring an additional firefighter.

John Weiss reviewed statistics on tourists that interact and events that are sponsored by the Visitors Center, and requested the City's continued support by funding the Visitor Center.

John Sorgenfrei stated all of the events in the City take planning and preparation and the Visitor Center staff works above and beyond to make them successful. He requested the City Council continue its support by funding the local Visitors Center and Community Promotions Committee before it considers funding the County Visitors and Conference Bureau (VCB).

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Stuart McElhinney, Vice-President of the Morro Bay Chamber of Commerce read a statement from Chamber President Andrea Klipfel, which expressed support for the City's Visitors Center and encouraged continued funding. Ms. Klipfel also noted the County VCB uses a more generic marketing approach to bring tourists to the County.

Mary Sponhaltz, Police Department dispatcher, reviewed what happens when the battery backup fails in the Police Department Communication Center, which includes the 911 systems. She urged the City Council to fund the equipment upgrades for communications from Measure Q funds for the Police Department.

Virginia Hiramatsu expressed support for the Visitor Center, as well as expressed the importance for the Police computer systems.

Mary Hay, local business owner, stated it is important to maintain local input in the community and necessary to advertise locally. She requested the City's continued support by funding the Visitor Center.

Peter Candela reviewed annual statistics for the Visitor Center and encouraged the City Council's support on promoting tourism in Morro Bay. He said the 25% increase with the Tourism Business Improvement District could only improve the budget.

Peter Risley expressed concern with the destruction of the Sewer and Water Enterprise Funds by using them for General Fund purposes and taxing the citizens for non-mandated uses.

Kevin Winfield expressed support for the Visitor Center.

Dannie Tope expressed support for the Visitor Center. She also expressed the importance for funding of public safety equipment.

Mayor Peters closed the public comment hearing.

PRESENTATION BY THE CITIZENS OVERSIGHT COMMITTEE

The Citizens Oversight Committee submitted in writing appropriate and inappropriate uses of Measure Q funds in the 2009/10 budget. They are listed below:

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Appropriate Uses of Measure Q funds:

- Fire:
 - Debt service on new fire station
 - Ladder truck
- Police:
 - Vehicle Radar Replacement
 - Digital Camera Replacement
 - Taser Replacement
 - PAS Unit Replacement
 - Night Vision Replacement
 - Portable Radio Replacement
 - .223 Bushmaster Rifle
 - Replacement Portable Generator
- Streets and Storm Drains
 - Street Repairs
 - Storm Drain Repairs

Inappropriate Uses of Measure Q funds:

- Police:
 - Computer Replacement
 - Printer Replacement
 - UPS Backup for Workstations
- Communications:
 - CAD Computer Replacement
 - UPS Backup for Consoles
- Dial-a-Ride
 - Performance Audit
 - Payment to SLORTA
 - Saturday Service
- Recreation and Parks
 - Camp
- Streets and Storm
 - Storm Drain Management Plan

UNFINISHED BUSINESS

A-1 PRESENTATION: HOW TO PREPARE A ZERO-BASED BUDGET

Administrative Services Director Susan Slayton reviewed how a zero-based budget process works.

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A-2 CONTINUED DISCUSSION REGARDING SAN LUIS OBISPO COUNTY
VISITORS CONFERENCE BUREAU FUNDING

Administrative Services Director Susan Slayton stated at the May 6th budget workshop, Council requested staff obtain information regarding the San Luis Obispo County Visitors and Conference Bureau's funding request of \$32,000. Since the budget is balanced, Council will need to locate funding either from the General Accumulation Fund or from expenditure reductions.

Mayor Peters stated rather than get a substandard representation from the VCB for \$10,000, she would rather give that funding to the City's Community Promotions Committee who are doing a good job and needs the support.

Councilmember Borchard stated the Business Improvement District should be funding the Visitor Center. She said she is not ready to sever the City ties from the County VCB.

Councilmember Smukler stated he does not want to fund the VCB with full funding at this time but consider more options at mid-year budget review. He said he would like to maintain the \$10,000 funding with VCB at this time.

Councilmember Winholtz stated the City would not be on the VCB web page if it does not maintain its minimum membership at \$10,000, and tourists will not find Morro Bay if they go to the VCB website. She said it is important that the continuity with the VCB is maintained, and that it will be a benefit for the City.

Councilmember Grantham stated the City should keep the money local, and protection of our citizens is #1 priority.

MOTION: Councilmember Grantham moved the City Council suspend their pay for one year, and revisit it next year to consider reinstating Council pay; in the meantime, Council serves as an example to other cities and officials on what volunteerism truly is.

Motion fails for lack of a second.

MOTION: Mayor Peters moved the City Council allocate \$10,000 to the Community Promotions Committee who can fund to the San Luis Obispo County Visitors and Conference Bureau or however they find to best promote the City of Morro Bay. The motion was seconded by Councilmember Grantham.

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Councilmember Winholtz stated she did not want to give that responsibility to an advisory board.

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

The San Luis Obispo County Visitors and Conference Bureau budget remains at the \$10,000 funding level.

A-3 CONTINUED DISCUSSION ON PARKING IN-LIEU FUND

Administrative Services Director Susan Slayton stated in September 2007, Council expressed support for expanding trolley service in order to add a third trolley dedicated along the Embarcadero. On October 8, 2007, Council adopted Resolution No. 49-07 authorizing in-lieu parking fee funds be appropriated for the Parking Management Plan recommendation on trolley expansion. Beginning with the 2007/08 fiscal year, transfers to the Transit enterprise fund for trolley support occurred. Based on past Council decision, the transit budget was prepared with transfers from the Parking In-Lieu fund to support the operating costs of the third trolley route. At the May 6th budget workshop, concern was expressed about using the Parking In-Lieu funds, and reducing the cash balance in that fund.

Management Analyst Janeen Burlingame stated the requested amount for the trolley from the Parking In-Lieu fund has been revised to \$24,000 (\$20,000 for the Waterfront route and \$4,000 for the Downtown route).

MOTION: Councilmember Winholtz moved the City Council approve to take (\$24,000) from ADA and place into the Transit Fund. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

A-4 CONTINUED DISCUSSION ON MEASURE Q ALLOCATIONS

Administrative Services Director Susan Slayton stated at the May 6, 2009 budget workshop, Council reviewed and voted on the Measure Q requests. After the vote, Council decided to ask the Citizens Oversight Committee to review and provide an opinion on the requests and Council action as related to them. The Committee met on May 11th, and presented its opinion in writing (as presented above). Council is to consider the Committee's recommendations, then distribute the funds.

The City Council reviewed the Measure Q funding requests, and made the following determinations:

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MOTION: Mayor Peters moved the City Council allocate \$64,900 for Police expenditures approved by the Measure Q Sub-Committee, plus the items under Communications. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

City Council consensus was to allow the Police Chief to return to Council to request funds from the remaining \$7,000 from the Vehicle Accumulation Fund.

City Council consensus was to not fund Dial-a-Ride, Recreation & Parks or Storm Drain Management Plan fund requests.

The City Council considered the Fire Department funding requests as follows:

Mayor Peters stated it is important to consider an assessment district to open the North Morro Bay Fire Station.

MOTION: Councilmember Winholtz moved the City Council approve funding for one full-time paramedic/firefighter plus overtime, and one part-time reserve firefighter from Measure Q funds. The motion was seconded by Councilmember Borchard.

Councilmember Smukler stated he would prefer to wait and apply for the SAFER Grant.

Councilmember Winholtz called the question.

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

City Council consensus was to not fund the ladder truck.

Mayor Peters called for a break at 8:00 p.m.; the meeting resumed at 8:13 p.m.

A-5 CONTINUED DISCUSSION ON THE 2009/10 OPERATING BUDGET

MOTION: Mayor Peters moved the City Council have the option to take lower level health insurance or have the option to take cash and purchase personal health insurance beginning January 20, 2010. The motion was seconded by Councilmember Grantham and carried with Councilmember Winholtz voting no. (4-1)

MOTION: Councilmember Grantham moved the City Council approve the 2009/10 Operating Budget as amended and direct staff to present a resolution to adopt the budget at the May 26, 2009 regular City Council meeting. The motion was seconded by Councilmember Borchard.

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Councilmember Winholtz stated she would be voting in opposition because she does not want to adopt a budget based on borrowed money.

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

MOTION: Councilmember Winholtz moved the City Council direct staff to schedule a Closed Session meeting within the next ten days to discuss Personnel issues. The motion was seconded by Councilmember Borchard and carried with Mayor Peters voting no. (4-1)

NEW BUSINESS

B-1 DISCUSSION AND APPROVAL OF THE VISITOR CENTER CONTRACT

MOTION: Mayor Peters moved the City Council approve a one-year contract with the Morro Bay Visitors Center. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

ADJOURNMENT

The meeting adjourned at 9:00 p.m.

Recorded by:

Bridgett Bauer
City Clerk