

MORRO BAY CITY COUNCIL
SPECIAL MEETING – JUNE 29, 2009
VETERANS MEMORIAL HALL - 5:00 P.M.

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
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director

- I. ESTABLISH QUORUM AND CALL TO ORDER
- II. PLEDGE OF ALLEGIANCES
- III. PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on the City budget may do so at this time.

The following people spoke in support of the Teen Center remaining open: Karen Mackey, Shane Driscoll, Robert Freeman, Ryan Overbey, Jake Bonesteel, Seth Bean, Isaac Good, Biz Steinberg, Jacob Bates, Jose Toral, Kiera Andrews, Gena Bates, Tracy Hermann Stephanie DeRobbio, Karlina Plant, Rodger Anderson, Chris Dicus, Dorothy Cutter, Joan Solu, Julian Dixon, Connor Rogers-Lowrie, Janet Gould, Susy Corriea, Calvin Monteros and Nestor Castellanos.

The following people spoke in support of Police Department funding: Claire Grantham, Virginia Hiramatsu, Stephanie Finlay, Sandi Tannler, Richard Hannibal, Mike Tannler, Joe Yukich, Ed Krovitz, Chuck Rose, Officer Collins read a letter for Sgt. Bryan Millard, Gordon Willey, Bill Black, Chuck Clarke, John Weiss, Janet Gould, Ken Vesterfelt, Susy Corriea and Doug Riddell.

The following people spoke in support of funding for the Visitor Center: Ed Krovitz, Andrea Klipfel, John Weiss, Peter Candela and Joan Solu.

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Vicki Landis requested the City Council approve the budget as presented by staff.

Bill Martony suggested the City take over the State Park Marina; and, consider combining two departments, perhaps the Fire Department and Harbor Department, which would eliminate staff.

Michael Durick suggested: 1) the City's Executive employees' car allowances be eliminated (preserving the cars for the Police and Fire Chiefs), and perhaps reimburse them for mileage; 2) cancel the Chamber website and return that function to the City; and 3) match the funds provided by the members of the Chamber of Commerce to fund the Visitors Center.

Dan Glesmann stated funds should go towards something tangible such as the City's infrastructure. He requested the City not to use loans and reserves to achieve balance.

Jim Ross spoke against using the sewer funds to balance the budget.

Dorothy Cutter stated it is time that City staff positions and salaries should be cut.

Susan Heinemann stated the proposed budgets are left in deficit spending, and does not consider the state may be cutting the City's allocation of property tax to balance its own budget problems.

Wanda Durick addressed the proposed budget deficits, and expressed concern with the use of water and sewer funds for City Attorney expenses.

Peter Risley stated the proposed budget is a deficit-balanced budget, and if approved, Council will be approving a tax increase down the road. He said the City Council should demand a balanced budget with no deficit spending.

Mayor Peters closed the public comment hearing.

Mayor Peters called for a break at 6:42 p.m.; the meeting resumed at 6:57 p.m.

IV. APPROVAL OF THE MINUTES OF THE REGULAR CITY COUNCIL
MEETING OF JUNE 22, 2009

MOTION: Mayor Peters moved the City Council approve the minutes for the regular City Council meeting of June 22, 2009. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

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V. REVIEW OF THE 2009/10 FISCAL YEAR BUDGET

City Manager Andrea Lueker stated over the past several years, while costs have risen, the City of Morro Bay has continued to prepare and present budgets that are conservative. In preparing this report, staff predominantly concentrated on cuts that would not significantly affect the service level to the community, specifically cuts that would continue to allow adherence to the City's mission statement: "The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public." Ms. Lueker presented the City Council with a variety of options to consider for reducing the remaining \$230,000 budget deficit.

Councilmember Winholtz, Councilmember Smukler and Councilmember Borchard agreed the City should address the structural deficit and there is a need for revenue enhancements to approve the budget.

Mayor Peters shared revenue figures if parking was charged at \$1.00 per hour at the City parking lot on the Embarcadero; Council agreed to have future discussion on this item.

The City Council reviewed the following suggested funding cuts: \$60,000 - Teen Center and Skate Park; \$25,000 - Reduction of Broadcast of Brown Act Meetings; \$15,000-\$25,000 - Complete Cost Recovery for Special Events; \$30,000 – Professional Development; \$3,000 – Meetings; \$5,000 – Association Membership; \$2,000 – Meals and Lodging, Travel; \$100,000 – Reduction of Deposit to Risk Management Fund; \$37,000 – ADA Capital Project; \$43,000 – Deferment of Management and Executive Cost-of-Living Adjustments.

The City Council agreed with the following funding cuts: \$30,000 – Professional Development; \$3,000 – Meetings; \$5,000 – Association Membership; \$2,000 – Meals and Lodging, Travel; \$110,000 – Reduction of Deposit to Risk Management Fund; \$37,000 – ADA Capital Project; \$43,000 – Deferment of Management and Executive Cost-of-Living Adjustments.

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VI. DISCUSSION OF RESOLUTION NO. 78-08 WHICH AMENDED THE SALARIES AND BENEFITS OF THE MANAGEMENT EMPLOYEES; AND, POTENTIAL ADOPTION OF RESOLUTION NO. 38-09 TO WITHDRAW RESOLUTION NO. 78-08

Administrative Services Director Susan Slayton stated at the June 22nd City Council meeting, Council withdrew Resolution No. 78-08 that granted salary and benefit increases to the Management employees. Executive salaries increases are predicated on those granted to Management employees, and are presented here. Ms. Slayton stated she has prepared Resolution No. 38-09 should Council choose to withdraw Resolution No. 78-08.

Councilmember Smukler, Councilmember Borchard and Councilmember Winholtz agreed it would be nice to be more equitable across the board; however, increases should not be considered at this point, and the goal is to maintain the positions the City has at this time.

Mayor Peters and Councilmember Grantham agreed they would rather not be put in the position where lower employees are being paid as much as their supervisors. They would like to review all of the units at the same time and treat them all fairly and equitably.

MOTION: Councilmember Winholtz moved the City Council adopt Resolution No. 38-09 withdrawing Resolution No. 78-08 which amended the salaries and benefits of the Managements Employees. The motion was seconded by Councilmember Borchard and carried with Councilmember Grantham and Mayor Peters voting no. (3-2)

VII. ASSESSMENT OF CITY DEPARTMENT – POLICE DEPARTMENT

City Manager Andrea Lueker reviewed her assessment of the Police Department for Council information.

Councilmember Grantham reviewed recent incidents; he said he is not supportive of any cuts to the Police Department budget.

Mayor Peters stated she would like to pursue transporting prisoners to the County jail by a private security company.

Councilmember Smukler stated patrol levels are not adequate and he would like to review options that address patrol levels without pulling resources from other departments.

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Councilmember Winholtz stated a more in-depth definition of what a full-service police department is, and can the City afford to have a full-service police department. She also would like more in-depth information on the Commander position.

City Manager Andrea Lueker stated she would return to Council at the end of September with an updated assessment of the Police Department.

Councilmember Smukler stated he would prefer the City Manager not spend any further time assessing the Police Department and continue on with the other departments.

MOTION: Mayor Peters moved the City Council direct staff to no longer pursue any further review of the Police Department other than meet and confer discussions. The motion was seconded by Councilmember Grantham and carried with Councilmember Winholtz voting no. (4-1)

Mayor Peters called for a break at 9:21 p.m.; the meeting resumed at 9:27 p.m.

VIII. RESOLUTION NO. 37-09 TO ADOPT THE 2009/10 OPERATING BUDGETS

MOTION: Mayor Peters moved the City Council approve Resolution No. 37-09 adopting the 2009/10 Operating Budgets as amended. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

IX. PRESENTATION ON IMPLEMENTATION ON GOALS A & B FROM THE
MANAGEMENT PARTNERS GOAL SETTING WORKSHOP

Council referred to the staff report from the May 26, 2009 City Council meeting (Item D-1).

MOTION: Mayor Peters moved the City Council continue this item to the July 13, 2009 City Council meeting. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

X. ADJOURNMENT

The meeting adjourned at 9:43 p.m.

Recorded by:

Bridgett Bauer
City Clerk