

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – APRIL 14, 2008  
CITY HALL CONFERENCE ROOM - 5:00 P.M.

Mayor Peters called the meeting to order at 5:00 p.m.

|          |                 |                      |
|----------|-----------------|----------------------|
| PRESENT: | Janice Peters   | Mayor                |
|          | Melody DeMeritt | Councilmember        |
|          | Rick Grantham   | Councilmember        |
|          | William Peirce  | Councilmember        |
|          | Betty Winholtz  | Councilmember        |
| STAFF:   | Andrea Lueker   | Interim City Manager |
|          | Robert Schultz  | City Attorney        |

CLOSED SESSION

MOTION: Councilmember Peirce moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Winholtz and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

**CS-1 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS.** Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to 6 parcels.

- Property: Whale's Tail - Lease Site 96/96W  
Negotiating Parties: Mandella and City of Morro Bay.  
Negotiations: Lease Terms and Conditions.
- Property: Salt Building - Lease Site 65-66/65W-66W  
Negotiating Parties: Imani and City of Morro Bay.  
Negotiations: Lease Terms and Conditions.
- Property: Rose's Landing - Lease Site 82-85/82W-85W  
Negotiating Parties: Redican and City of Morro Bay.  
Negotiations: Lease Terms and Conditions.
- Property: The Galley - Lease Site 91-92/91W-92W  
Negotiating Parties: Anderson and City of Morro Bay.  
Negotiations: Lease Terms and Conditions.

- Property: Tognazzini Dock Side - Lease Site 134-136  
Negotiating Parties: Tognazzini and City of Morro Bay.  
Negotiations: Lease Terms and Conditions.
- Property: Crill's - Lease Site 137  
Negotiating Parties: Williams and City of Morro Bay.  
Negotiations: Lease Terms and Conditions.

**CS-2 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR.** Conference with City Attorney, the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to employees and giving instructions to the Designated Representative.

**CS-3 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES.** Discussions regarding Personnel Issues, including one (1) public employee, specifically the appointment of a City Manager.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:50 p.m.

**MOTION:** Councilmember Grantham moved the meeting be adjourned. The motion was seconded by Councilmember DeMeritt and unanimously carried. (5-0)

The meeting adjourned at 5:50 p.m.

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REGULAR MEETING – APRIL 14, 2008  
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:10 p.m.

|          |                 |                          |
|----------|-----------------|--------------------------|
| PRESENT: | Janice Peters   | Mayor                    |
|          | Melody DeMeritt | Councilmember            |
|          | Rick Grantham   | Councilmember            |
|          | William Peirce  | Councilmember            |
|          | Betty Winholtz  | Councilmember            |
| STAFF:   | Andrea Lueker   | Interim City Manager     |
|          | Robert Schultz  | City Attorney            |
|          | Jamie Boucher   | Deputy City Clerk        |
|          | Rick Algert     | Harbor Director          |
|          | Bruce Ambo      | Public Services Director |
|          | John DeRohan    | Police Chief             |
|          | Mike Pond       | Fire Chief               |
|          | Susan Slayton   | Finance Director         |

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR'S REPORTS & ANNOUNCEMENTS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Jim Bianchi reviewed the history of Council action on the amendment to Tract 41, and requested Council take action on the ordinance amending this subdivision.

Joe Antenello also reviewed the history of Council action on the amendment to Tract 41, and requested Council move forward with the subdivision amendment.

Hank Roth stated the Neighborhood Watch had a booth at the Cookie Crock Grand Opening that allowed citizens to view the benefits that the Neighborhood Watch Program provides; he announced winners for drawings held.

Ani Lyn, Membership Director for the Chamber of Commerce, reviewed the monthly statistics for the Visitor Center.

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Marla Jo Bruton addressed the study performed by Cleath & Associates on the Morro Basin Nitrate Study. She reviewed an analysis written by she and her colleagues that found serious concerns with this study.

Cathy Novak, Chair for the Central Coast Natural History Association, announced Mary Golden has been hired as the Executive Director for the Central Coast Natural History Association.

Mary Golden, Executive Director for the Central Coast Natural History Association, stated she is looking forward to working with the State Parks and the local community on issues such as the State of the State Parks Campaign.

Cathy Wells addressed her dissatisfaction with actions that have taken place in the City.

Susan Heineman announced the 22<sup>nd</sup> Annual AAWU Spring Garden Tour would be held on April 27<sup>th</sup>. She said a significant amount of profits from the Garden Tour go to finance scholarships to attend the Tech Trek Science Camp, and this year's scholarships were awarded to Ella Mohlberg and Jennifer Baltimore.

Ella Mohlberg and Jennifer Balatimore thanked the AAWU for allowing them the opportunity to win this year's scholarship to attend the Tech Trek Science Camp.

Kelly Ann Rowe, Body Shop consultant, stating Body Shop has a non-profit organization that sponsors Stop Violence in the Home, and this month they are selling soaps at a low price to benefit this cause.

Susan Mahary and Marlyse Babastella, Central Coast Women for Fisheries, addressed Item C-1 (Concept Approval of Central Coast Women for Fisheries Entrance Statue) stated this memorial statue proposed for the Target Rock area would be a comfort and support to those who have loved ones who are going out to sea or were lost at sea. They thanked the City Council for the consideration of this project.

Judy Brown addressed Item D-2 (Report on Noise Abatement Provisions of Municipal Code as they Pertain to Kennels and Garden Machinery Noise) and stated her neighborhood has experienced noise problems coming from the Paw Spa for the past several years. She said this issue was referred to County Animal Services who found the kennel was not a nuisance. Ms. Brown stated the County Animal Services is being investigated by the Grand Jury, County Board of Supervisors and the Humane Society of the United States for operating complaints consistent with the complaints her neighborhood has experienced.

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Keith Taylor addressed an educational program on emergency situations that is beneficial for all citizens. He said the Friends of the Police Department and Friends of the Fire Department participated in the Morro Bay Yard Sale, and he thanked those who donated to this worthy cause.

Emily Hanson, District Executive for the Boy Scouts, shared the 2007 report on the accomplishments of the Boy Scouts. She also introduced Joe Hurnie who is a Cal Poly student and an Eagle Scout.

Joe Hurnie shared his experience with the Boy Scouts and the opportunities provided to him including many leadership opportunities, which has influenced his life.

Joan Solu addressed Item D-1 (Status of the County Business Improvement District) and stated the Board of Supervisors because of a noticing error has continued this issue to September. She also thanked those candidates in the Primary Election who are supporting the tourist industry. Ms. Solu also addressed Council as the Chair of the Recreation & Parks Commission regarding Item C-1 (Concept Approval of Central Coast Women for Fisheries Entrance Statue) stating the Commission unanimously supported this concept. And as a private citizen, Ms. Solu thanked the Police and Fire Departments and Mayor Peters for supporting the Ride of a Lifetime at the Del Mar Art Auction.

John Barta addressed Item D-1 and expressed support for the implementation of a County Business Improvement District in order to support tourism. He also addressed Item D-4 (Discussion on the Removal of the San Jacinto Roundabout Project from the Work List) and stated Council should maintain this project on the work list until citizens have the opportunity to see how the Morro Bay Boulevard/Quintana Road roundabout works.

Roger Ewing addressed Item D-2 and requested Council consider banning leaf blowers because they are noisy and just blow leaves around. He also referred to Item D-3 (Report on Effect of Appeal Fee Refund Policy on Land Use Processes) stating appellants who win their appeal should have their fees refunded.

Bill Martony addressed Item C-2 (Review Letter to Board of Supervisors Regarding a Skate Park at the Cayucos Cemetery) and reviewed the history of this surplus property. He said Cayucos residents oppose the inappropriate location for this proposed skateboard park and said Hardy Park would be a more appropriate location.

Richard Dunn addressed Item C-2 expressing his opposition to locating a skateboard park next to the cemetery. He suggested working with local legislators to obtain funding to place a skateboard park near Hardy Park.

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Maridee Leage invited the public to a luau on April 18<sup>th</sup> at the Harbor Hut to meet George Leage who is a candidate running for mayor.

George Lewis addressed Item C-2 encouraging the City Council to send a letter to the Board of Supervisors opposing the placement of a skateboard park next to the Cayucos Cemetery.

Joey Racano expressed concern with the water and sewer treatment issues in the City and the postponement of JPA meetings between the City of Morro Bay and the Cayucos Sanitary District.

Mayor Peters closed the hearing for public comment.

MOTION: Councilmember Winholtz moved the City Council direct staff to present the documents presented by the neighbors of Tract 41 to the Planning Commission and return to Council with a recommendation by May 2008. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

Mayor Peters called for a break at 7:30 p.m.; the meeting resumed at 7:40 p.m.

DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Winholtz requested to agendize a status report on the AGP contract with the City.

Councilmember Winholtz requested to agendize amending the Subdivision Ordinance regarding Tract 41 for the May 12 City Council meeting.

Councilmember Peirce requested to agendize a discussion on funding in order to re-establish the “Adopt a Tree Program”.

Councilmember DeMeritt requested to agendize a discussion on establishing a Redevelopment Agency sometime in late summer.

Councilmember Peirce requested to agendize a discussion on the concept of creating an ad-hoc committee to determine what non-tourist industries is appropriate for the City.

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A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

- A-1 ORDINANCE NO. 537 FOR 4TH LEVEL SURVIVOR BENEFIT FOR PERS SAFETY EMPLOYEES; SECOND READING/ADOPTION; (ADMINISTRATION)

**RECOMMENDATION: Approve second reading and adoption of Ordinance No. 537.**

- A-2 PROCLAMATION OF THE CITY OF MORRO BAY DECLARING APRIL 2008 AS “MONTH OF THE CHILD” AND “CHILD ABUSE PREVENTION MONTH”; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

- A-3 PROCLAMATION OF THE CITY OF MORRO BAY DECLARING APRIL 18, 2008 AS “ARBOR DAY”; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

- A-4 ACCEPTANCE OF LETTER OF RESIGNATION FROM ONE HARBOR ADVISORY BOARD MEMBER; (ADMINISTRATION)

**RECOMMENDATION: Accept the letter of resignation.**

Councilmember DeMeritt pulled Item A-3 from the Consent Calendar; Mayor Peters pulled Item A-4.

**MOTION:** Councilmember Peirce moved the City Council approve Items A-1 and A-2 of the Consent Calendar. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

- A-3 PROCLAMATION OF THE CITY OF MORRO BAY DECLARING APRIL 18, 2008 AS “ARBOR DAY”; (ADMINISTRATION)

Councilmember DeMeritt stated she would like to remind people that the City is still in the “no trimming” period as required by ordinance, and announced there would be Arbor Day festivities at Del Mar Park on April 18<sup>th</sup>.

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MOTION: Councilmember DeMeritt moved the City Council approve Item A-3 of the Consent Calendar. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

A-4 ACCEPTANCE OF LETTER OF RESIGNATION FROM ONE HARBOR  
ADVISORY BOARD MEMBER; (ADMINISTRATION)

Mayor Peters thanked Trudi O'Brien for her service on the Harbor Advisory Board.

MOTION: Mayor Peters moved the City Council approve Item A-4 of the Consent Calendar. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 18-08 APPROVING HARBOR DEPARTMENT COST OF  
LIVING ADJUSTMENTS TO HARBOR FEES AND SERVICES CHARGES;  
(HARBOR)

Harbor Director Rick Algert stated the Harbor Department fees and service charges have not been adjusted since 2005-2006. He recommended the City Council adjust the Harbor Department Master Fee Schedule by adopting Resolution No. 18-08, which proposed increase is based on the change in Consumer Price Index (approximately 12 percent) to account for overall cost of living increases since the last adjustment.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

Councilmember Winholtz stated she supports staff's recommendation for the commercial fishing slip fees over what was recommended by the Harbor Advisory Board because it is only 53% of what City-owned slips are paying.

Councilmember Peirce stated because of the condition of the fishing fleet and the limit on fishing he could support the Harbor Advisory Board's recommendation to increase those fees by 6.25%.

Councilmember Grantham stated he would like to waive the increase of fees for the commercial fishing fleet.

Councilmember DeMeritt stated she supports the Harbor Advisory Board recommendation to increase the fees for commercial fishing fleet by 6.25%. She said she supports waiving the dockage fees for Tall Ships visiting Morro Bay Harbor.

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Mayor Peters stated she supports the Harbor Advisory Board recommendation.

MOTION: Councilmember Grantham moved the City Council approve the Harbor Department Cost of Living adjustments for harbor fees and service charges; waive the Consumer Price Index increase for the commercial fishing fleet; and, waive the dockage fees for Tall Ships visiting Morro Bay Harbor. The motion was seconded by Councilmember Peirce and failed with Councilmember DeMeritt, Councilmember Winholtz and Mayor Peters voting no. (2-3)

MOTION: Mayor Peters moved the City Council amend the Harbor Fee section of the City's Master Fee Schedule as recommended by staff with the exception that the commercial fishing fleet slip fees would be increased by 6.25% according to the Harbor Advisory Board recommendation; and, waive the dockage fees for Tall Ships visiting Morro Bay Harbor. The motion was seconded by Councilmember Peirce and carried with Councilmember Grantham and Councilmember Winholtz voting no. (3-2)

C. UNFINISHED BUSINESS

C-1 CONCEPT APPROVAL OF CENTRAL COAST WOMEN FOR FISHERIES ENTRANCE STATUE; (RECREATION & PARKS)

Acting Recreation & Parks Director Joe Woods stated the Central Coast Women for Fisheries, Inc. has submitted correspondence to the City regarding the concept of placing a memorial near the harbor entrance. The organization is a diverse group of women who are involved in the commercial fishing industry. They are committed to promoting a sense of the living culture of fishing communities. One of their goals is to erect a memorial near the harbor entrance dedicated to "those who wait". In order to move forward with the concept of a memorial in the location desired they need permission from the City. Councilmembers expressed concern about the location desired by the group and were assured by staff that precise location was not part of this approval and would be decided later in the process. Mr. Woods recommended the City Council approve the concept of a memorial in order for the Central Coast Women for Fisheries, Inc. to proceed with fundraising and design of the memorial.

MOTION: Councilmember Peirce moved the City Council approve the concept of a memorial near the Harbor entrance so the Central Coast Women for Fisheries, Inc. can proceed with fundraising and design. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

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C-2 REVIEW LETTER TO BOARD OF SUPERVISORS REGARDING A SKATE  
PARK AT THE CAYUCOS CEMETERY; (COUNCIL)

Councilmember Peirce presented a letter for Council's review addressed to the Board of Supervisors regarding concerns with the proposed skateboard park at the Cayucos Cemetery.

Councilmember Winholtz suggested reformatting the letter with questions that would require a response from the County.

MOTION: Mayor Peters moved the City Council approve the letter to the Board of Supervisors as written. The motion was seconded by Councilmember Peirce and carried with Councilmember Winholtz voting no. (4-1)

D. NEW BUSINESS

D-1 STATUS OF COUNTY BUSINESS IMPROVEMENT DISTRICT; (CITY  
ATTORNEY)

City Attorney Robert Schultz stated at the January 14, 2008 meeting, the City Council discussed a ballot measure to increase the Transient Occupancy Tax. After deliberation, Council directed staff to bring back information on the status of the County Business Improvement District (BID). A Business Improvement District would pool resources from a one percent tax on hoteliers to promote the area to potential tourists. If approved, it would bring in approximately \$1.4 million annually for tourism promotion. The San Luis Obispo County Board of Supervisors decided at its March 18, 2008 meeting to revisit the decision to form a BID in September due to the lack of cohesion within the area's tourism industry. Mr. Schultz recommended the City Council review the information provided by staff and direct staff accordingly.

Council accepted the report, and no action was taken on this item.

D-2 REPORT ON NOISE ABATEMENT PROVISIONS OF MUNICIPAL CODE  
AS THEY PERTAIN TO KENNELS AND GARDEN MACHINERY NOISE;  
(POLICE)

Police Commander Tim Olivas stated a report has been prepared for Council review outlining the noise abatement provisions of the Morro Bay Municipal Code as they pertain to kennels and garden machinery noise. Commander Olivas recommended the City Council review the information provided by staff and direct staff accordingly.

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MOTION: Councilmember Peirce moved the City Council investigate the City's noise abatement provisions of the Municipal Code as they pertain to kennels and garden machinery noise, and return to Council with an updated noise ordinance. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

D-3 REPORT ON EFFECT OF APPEAL FEE REFUND POLICY ON LAND USE PROCESSES; (PUBLIC SERVICES)

City Attorney Robert Schultz stated on October 8, 2007, the City Council lowered the appeal fees to a set amount of \$250. Prior to this action, Council established a policy on August 27, 2007 to return any appeal fees to an appellant that was successful in having the challenged decision reversed by upholding the appeal. At the same meeting, council directed staff to provide an update on the abuse or negative financial impact on refunding appeal fees. Since the lower set fees went in to effect on October 2007, staff estimates the fiscal impact to be approximately \$800. Staff time and the lost appeal fee revenue is subsidized by the General Fund. Mr. Schultz recommended the City Council receive this report for information, and direct staff to report to Council after the program has been in effect for one year.

MOTION: Councilmember Winholtz moved the City Council direct staff to refund the appellant's appeal fee for the cell phone apparatus appeal at St. Peters Episcopal Church at 545 Shasta Avenue, and return to Council in one year with an update on the fiscal impact on appeal reimbursement. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

D-4 DISCUSSION ON THE REMOVAL OF THE SAN JACINTO ROUNDABOUT PROJECT FROM THE WORK LIST; (COUNCIL)

Councilmember Winholtz stated in the 1990's, three roundabouts were proposed for the City of Morro Bay: San Jacinto and Main Streets; Highway 41 and Main Street; and Quintana Road and Morro Bay Boulevard. She said due to public outcry, the proposed roundabout at Highway 41 and Main Street was withdrawn. Those funds were transferred to the Quintana Road and Morro Bay Boulevard roundabout, which is currently under construction. Due to CalTrans' control of Highway 1, more pressing projects and fiscal constraints, and public response, it would be prudent and efficient to remove the proposed roundabout at San Jacinto and Main Streets from the City's tracking, planning and budget documents. Councilmember Winholtz recommended the City Council direct staff to draft a resolution for Council approval removing the proposed roundabout from City documents.

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MOTION: Councilmember Winholtz moved the City Council direct staff to return to Council with a resolution removing the proposed roundabout at San Jacinto and Main Streets as a planning project on City documents. The motion was seconded by Councilmember DeMeritt and carried with Councilmember Grantham and Councilmember Peirce voting no. (3-2)

ADJOURNMENT

The meeting adjourned at 9:02 p.m.

Recorded by:

Jamie Boucher  
Deputy City Clerk