

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – FEBRUARY 25, 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 two (2) parcels.

- Property: Navy Fuel Depot Property along Panorama Drive  
Negotiating Parties: US Government and City of Morro Bay.  
Negotiations: Voluntary Purchase and Sale.
- Property: Cloisters Subdivision.  
Negotiating Parties: General Public and City of Morro Bay.  
Negotiations: Voluntary Purchase and Sale.

**CS-2 GOVERNMENT CODE SECTION 54956.9(C); CONFERENCE WITH LEGAL COUNSEL DUE TO ANTICIPATED LITIGATION.** Initiation of litigation exists based upon existing facts and the advice of legal counsel as to one (1) matter.

- Parties: City of Morro Bay and Morro Valley Property Owners  
Issue: Determining whether to file legal action.

**CS-3 GOVERNMENT CODE SECTION 54956.9(A); CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION.**

- CITY OF MORRO BAY vs. SPRINT
- CITY OF MORRO BAY vs. MARTONY

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:59 p.m.

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

The meeting adjourned at 5:59 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008  
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:00 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
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	Bill Boucher	Capital Projects Manager
	Janeen Burlingame	Management Analyst
	John DeRohan	Police Chief
	Dan Doris	Building Official
	Mike Pond	Fire Chief
	Susan Slayton	Finance Director
	Dylan Wade	Senior Civil Engineer

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

Robert Davis addressed Item D-4 (Review Morro Bay Bike Committee's Letter and Review) and reviewed the Committee's unmet bike needs in Morro Bay.

Joan Carter addressed Item B-2 (Morro Bay Boulevard/Quintana Road Roundabout Project) and expressed concern with the proposed route during construction and suggested using Main Street instead of residential streets.

Hank Roth announced a Neighborhood Watch Informational Meeting would be held on February 27<sup>th</sup> with the topic being "Forming a Neighborhood Watch Program."

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008

Nick Alter, SLO Green Build, reviewed Item D-1 (Discussion of San Luis Obispo Green Build Contract and Potential Implications) for public information. He requested the City Council consider participation in the Memorandum of Understanding with San Luis Obispo Green Build.

Jim Pauley expressed concern with the consideration of placing a boat haul-out facility by Coleman Park, which should remain a public use area. He addressed the health hazards related to sandblasting boats in this area.

Joey Racano submitted a report received from the Regional Water Quality Control Board regarding the administrative civil liability that was issued to the California Men's Colony due to the recent sewage spill. He expressed the importance of the State Marine Reserve regulations in Morro Bay's east estuary.

John Barta stated nomination period is open for mayor and council seats. He also stated the parking in-lieu fee is a business-killing fee, and should not be used for the Harborwalk parking lot.

Noah Smukler addressed the economic hardship throughout the country, and the importance of providing essential services for the community. He expressed support for Item D-1 (SLO Green Build). Mr. Smukler addressed the importance of the Morro Bay Bike Committee goals in order to provide efficient transportation routes for the community.

Bill Yates referred to his articles in the Sun Bulletin and his hope that a new City Council is elected. He expressed support for providing a boatyard, which is in the Waterfront Master Plan.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:00 p.m.; the meeting resumed at 7:10 p.m.

DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Grantham requested to agendize a discussion on allowing cell towers on City property; Mayor Peters and Councilmember Winholtz concurred.

Councilmember Winholtz requested to agendize a discussion on the North Main Street bike lane; majority Council concurred.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008

A. CONSENT CALENDAR

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

A-1 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING OF JANUARY 28, 2008; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 PROPOSED BUDGET CALENDAR FOR FY 2008/09; (FINANCE)

**RECOMMENDATION: Approve the schedule of events leading to adoption of the bi-annual budget.**

A-3 RESOLUTION NO. 11-08 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO A DEPARTMENT OF BOATING AND WATERWAYS CONTRACT ACCEPTING A GRANT FOR VESSEL EQUIPMENT; (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 11-08.**

A-4 PROCLAMATION DECLARING SPAY DAY USA

**RECOMMENDATION: Adopt Proclamation.**

Mayor Peters pulled Item A-2 from the Consent Calendar.

MOTION: Councilmember Peirce moved the City Council approve Item A-1 and A-3 of the Consent Calendar. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

A-2 PROPOSED BUDGET CALENDAR FOR FY 2008/09; (FINANCE)

Mayor Peters referred to the budget calendar noting the first public budget workshop is scheduled on the same date as a JPA meeting. City Attorney Robert Schultz suggested rescheduling the JPA meeting; Council concurred.

MOTION: Mayor Peters moved the City Council approve Item A-2 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 MID-YEAR BUDGET REVIEW

Finance Director Susan Slayton reviewed the fiscal year 2007/08 mid-year budget adjustments noting the revenue adjustments in the General Fund amount to \$155,096 in additional revenue that will help offset the additional appropriation requests. The requested additions to appropriations are necessary to adjust budgets for salary increase granted, actual spending, and mandated costs. Ms. Slayton recommended the City Council review and approves the recommended adjustments, and direct staff to return with a resolution to authorize the approved budget adjustments.

Mayor Peters opened the hearing for public comment.

Bill Martony asked for clarification regarding City assets and what income is received from the City reserves.

Mayor Peters closed the public comment hearing.

MOTION: Councilmember Grantham moved the City Council approve the recommended adjustments, and direct staff to return with a resolution to authorize the approved budget adjustments. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

B-2 MORRO BAY BOULEVARD/QUINTANA ROAD ROUNDABOUT  
PROJECT: PRESENTATION ON DESIGN MODIFICATIONS AND  
DISCUSSION OF FINANCIAL ASPECTS, RIGHT-OF-WAY ACQUISITION,  
LANDSCAPE TREATMENT AND REQUESTED ADDITIONAL PROJECT  
TASKS

Capital Projects Manager Bill Boucher stated this project returns before Council to present design modifications that have been completed to improve the long-term performance of the project. The project is fully funded by grant funds and development impact fees designated exclusively for improvement of this intersection. Funding for additional City utility work is proposed to be derived from existing Water and Sewer Fund reserves with no impact upon their respective existing rate structures. The existing landscape plan was designed with a broad range of plant species native and indigenous to this area with drought resistance and aesthetic elements. Mr. Boucher recommended the City Council receive the presentation on design modifications and construction contract status; authorize the City Engineer to execute right-of-way documents for this project; and, direct staff as to scope of landscape treatment and utility replacements.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008

Mayor Peters opened the hearing for public comment.

Rick Gilligan expressed opposition to the proposed roundabout based on safety issues. He said one lane is too narrow for a roundabout. Mr. Gilligan stated if approved, signage and lighting is important so motorists know where they are going.

Judy Brown expressed concern with the proposed roundabout especially for pedestrians crossing at this location. She also expressed concern with heavy periods of traffic during events in the City, and said it would be difficult for tourists to maneuver. Ms. Brown requested the City hold training classes to educate the community on how to maneuver the proposed roundabout.

John Barta shared pictures of a roundabout off of a major highway in Colorado that works very well.

Tracy Herman expressed concern for pedestrian crossing at the proposed roundabout.

Noah Smukler stated generally roundabouts are valuable; however, this is a complex intersection. He expressed support for the maintenance of the utility lines in this area, and that drought-resistant landscaping is being proposed.

Bill Martony stated the larger the roundabout the more efficient they are, and suggested modifying the plans by making the circumference larger.

Mayor Peters closed the public comment hearing.

**MOTION:** Councilmember Grantham moved the City Council authorize the City Engineer to execute right-of-way documents for this project; and, direct staff to have the contractor's landscaping subcontractor prepare a plan for review and approval. The motion was seconded by Councilmember Peirce.

Mayor Peters stated she supports the idea of educating the public on how a roundabout works. She said much of the funding for this project is from the San Luis Obispo Council of Governments. If we don't use it, it is lost not just to us, but to the county, which would not reflect well on Morro Bay for future project funding consideration.

Councilmember DeMeritt stated she is in opposition to this roundabout because she does not like to use funds to fix problems that do not seem problematic to her. She said the problem is not the traffic, but that this intersection has been overbuilt and it should be repaved. Councilmember DeMeritt stated pedestrians frequently use this intersection, and a roundabout does not appear to be pedestrian-friendly.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008

Councilmember Peirce stated this intersection should have been rebuilt 20 years ago before Cypress Plaza was built.

Councilmember Winholtz stated the redesign of the roundabout is an improvement; however, she will vote in opposition for concern of the pedestrian traffic that occurs at this intersection. She said if approved, it should be landscaped with drought tolerant plants.

Councilmember Grantham stated there is no impact to the General Fund with this project and the intersection is going to be dug up to replace the sewer and water pipes. He said although it may be an inconvenience for a couple of months it will improve the traffic flow of this intersection.

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

Councilmember DeMeritt requested a roll call vote, and the City Clerk proceeded with the roll call vote.

Mayor Peters called for a break at 8:55 p.m.; the meeting resumed at 9:00 p.m.

C. UNFINISHED BUSINESS

C-1 REVIEW OF NEW TROLLEY ROUTES

Management Analyst Janeen Burlingame at the June 25, 2007 City Council meeting, the Council considered recommendations from the Parking Management and Implementation Plan which included recommending separating the Route 1 Downtown/Embarcadero route into two routes so the headway could be shortened on the Embarcadero, encouraging more people to ride the trolley from public parking areas near trolley stops. The Council expressed support for expanding service to add a third trolley route dedicated along the Embarcadero as described in the Parking Management Plan and reaffirmed this at a joint City Council/Planning Commission study session on September 27, 2007. On October 7, 2007, the Council authorized staff to use the 1985 trolley for expansion of a third route for the 2008 season until a new trolley is procured and ready to go into service. Ms. Burlingame recommended the City Council review and approves the three new trolley routes.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008

Councilmember Winholtz referred to the south trolley route and stated she would like to eliminate either the stop at Monterey Street or Napa Street on Morro Bay Boulevard; on the waterfront route, eliminate the stop at either Pacific Street or Marina Street; and, on the north route, eliminate a stop at either of the recreational vehicle parks.

Councilmember Peirce stated tourists ride the trolley for an adventure, and most people in Morro Bay will not mind the frequent stops.

Councilmember Grantham stated he supports the routes as proposed.

Councilmember DeMeritt stated as long as someone can flag the trolley to stop, perhaps some of the stops could be eliminated.

Mayor Peters stated she supports the stops as proposed by staff.

MOTION: Councilmember Peirce moved the City Council approve the three new trolley routes. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

D. NEW BUSINESS

D-1 DISCUSSION OF SAN LUIS OBISPO GREEN BUILD CONTRACT AND POTENTIAL IMPLICATIONS

Public Services Director Bruce Ambo presented a Memorandum of Understanding (MOU) between the City of Morro Bay and San Luis Obispo Green Build. He said this MOU implies the City will integrate all green build technologies into the General Plan/Local Coastal Program, establish green-building standards, consider measures toward the achievement of zero-energy, carbon-neutral new construction of public and private residences by 2030. The 2030 challenge calls for “an ordinance enacting building regulations that exceed current Title 24 Energy Regulations by 20% for low-rise residential buildings and 10% for non-residential buildings, a plan for the Municipality to finance the up front cost for solar panels for property owners who agree to pay it back with a 20-year assessment, an ordinance requiring time-of-sale energy audits, and participation in the CPUC-funded “Energy Watch” partnership with PG&E. Mr. Ambo recommended the City Council direct staff to modify the Memorandum of Understanding with San Luis Obispo Green Build, and return to Council to adopt a modified MOU.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008

**MOTION:** Councilmember DeMeritt moved the City Council direct staff to modify the Memorandum of Understanding with San Luis Obispo Green Build, and fund \$2,000 in participation funding from Council budget. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

**D-2 DISCUSSION AND ACTION REGARDING ACQUISITION OF SURPLUS  
NAVY FUEL DEPOT PROPERTY ALONG PANORAMA DRIVE**

Capital Projects Manager Bill Boucher stated on November 10, 2003, the City Council authorized staff to express interest to the General Services Administration (GSA) for the acquisition of the surplus 10-acre Navy Fuel Depot located along Panorama Drive. The City has received a notice from GSA that the property was available and the City was the only agency that expressed interest. The property was tied to a pipeline easement running from Morro Bay to Lemoore Naval Air Station. As one of the uses for the property considered at the time was for Water Fund functions, monies from the Water Fund were allocated to pursue the acquisition. The City received two formal notices from GSA dated January 18 and February 1, 2008 that the property was available for acquisition and that formal response to GSA is required within 30 days of the date of the notice. Mr. Boucher recommended the City Council direct staff as to whether the City should seek acquisition of this property.

**MOTION:** Councilmember DeMeritt moved the City Council direct staff to express interest in the acquisition of the surplus 10-acre Navy Fuel Depot located along Panorama Drive; and to also express interest in the split of the pipeline, and uses are for the purpose of low-income housing and wildlife conservation. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

**D-3 DISCUSSION ON EXISTING WATER CONSERVATION GUIDELINES**

This item was pulled from the agenda.

**D-4 REVIEW MORRO BAY BIKE COMMITTEE'S LETTER AND REVIEW  
PRIORITIES**

Councilmember Winholtz stated the Morro Bay Citizens Bike Committee has an informal relationship with the City through the City's Recreation & Parks Commission. Annually, the Committee submits recommendation to the County Council of Governments regarding unmet needs. Councilmember Winholtz recommended Council consider the

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008

list of recommendations and identify which projects to support; of those chosen, identify which projects can be accomplished as short-term goals and which as long-term goals.

Councilmember DeMeritt suggested sending a letter to the Department of State Parks regarding the degradation of lower State Park Road; placing the free bike rack out by Morro Rock; repairing the bike trail from Main and Quintana Road to Highway 41; and considers a bike lane through the power plant property. She noted a representative of the Citizens Bike Committee will be meeting with the power plant manager, and she would work with the Committee on this issue.

Councilmember Grantham stated he supports pursuing grants through San Luis Obispo Council of Governments. He said the priority should be based on safety, which would include repairing lower State Park Road and the bike trail to Morro Bay High School, and the Toro Creek Bike Bridge.

Councilmember Winholtz stated the Class II bike lanes on North Main Street should be considered. She said the Toro Creek Bike Bridge is presently underway and she does not see this as requiring emphasis.

Councilmember Peirce stated the bike rack should be placed on City property perhaps by the benches at Target Rock. He said lower State Park Road is in need of repair as well as the bike lane to Morro Bay High School, and he supports a bike lane through the power plant property.

Mayor Peters summarized Council's statements, and said the City should prepare a letter to the Department of State Parks regarding the bike rack by Morro Rock, paving of lower State Park Road and a bike trail along lower State Park Road. She said San Luis Obispo Council of Governments will be working on the Toro Creek Bike Bridge parallel to Highway 1 connecting Morro Bay and Cayucos; staff will review the repair of the bike trail along Morro Bay High School; and Councilmember DeMeritt will work with the Citizens Bike Committee regarding a bikeway through the power plant property.

Councilmember Winholtz stated she would prepare a letter to the Department of State Parks regarding the bike rack by Morro Rock, paving of lower State Park Road and a bike trail along lower State Park Road, and return it for Council approval.

No further action was taken on this item.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2008

D-5 DISCUSSION ON CAYUCOS CEMETERY/SKATEBOARD PARK

Councilmember Peirce stated the County Parks and Recreation Commission has been studying locations for a skateboard park in Cayucos for almost ten years. The Commission chose a ten-acre parcel located between the Cayucos Morro Bay Cemetery and Highway One. The cemetery is a district funded by property taxes in which the City of Morro Bay falls within the district's boundaries. Councilmember Peirce stated since Morro Bay residents have a financial interest in the cemetery, Council might want to discuss the project and send the Board of Supervisors its comments.

Councilmember Peirce stated he would draft a letter to the Board of Supervisors for Council review; Council concurred.

No further action was taken on this item.

D-6 SELECTION OF COUNCIL MEMBERS FOR THE LEADERSHIP COUNCIL  
TO END HOMELESSNESS IN SAN LUIS OBISPO COUNTY

Interim City Manager Andrea Lueker stated the Homeless Services Coordinating Council is requesting the City's participation in the preparation of a countywide plan for dealing with the growing problem of homelessness. The firm HomeBase under a contract with the County will facilitate this process. The proposed "10-Year Plan to End Chronic Homelessness" presents an opportunity to develop consensus among the service providers and jurisdictions regarding the most effective and cost-efficient approach to addressing the challenges posed by the growing homeless population. Ms. Lueker recommended the City Council appoint one or two members to sit on the Leadership Council.

MOTION: Councilmember Peirce moved the City Council appoint Councilmember Winholtz to represent the City on the Leadership Council, with Councilmember Grantham serving as alternate. The motion was seconded by Mayor Peters and carried unanimously. (5-0)

ADJOURNMENT - The meeting adjourned at 10:23 p.m.

Recorded by:

Bridgett Bauer  
City Clerk