

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – FEBRUARY 11, 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 Grantham and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR. Conference with City Manager, the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to the City Employees and giving instructions to the Designated Representative.

CS-2 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES. Discussions regarding Personnel Issues including one (1) public employee regarding appointment, specifically the City Manager.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:55 p.m.

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

The meeting adjourned at 5:55 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 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
	John DeRohan	Police Chief
	Joan Drake	Housing Program Coordinator
	Rachel Grossman	Associate Planner
	Damaris Hanson	Engineer Tech III
	Rob Livick	City Engineer
	Mike Pond	Fire Chief
	Mike Prater	Planning Manager
	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

Keith Taylor requested Council focus on Phase II of the Fire Station 53 project.

Joyce Lundy referred to Item D-1 (Expenditure Recommendation From Citizens Oversight Committee Regarding Storm Drain Allocation) and stated the Measure Q Oversight Committee met and found the citizens prefer that Measure Q funds go towards special projects, and street sweeping services and related storm drain cleaning should be funded through the departmental operating budget.

Richard Sadowski reviewed the cycle of development in San Luis Obispo County where due process and environmental review are bypassed.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

Marla Jo Briton encouraged citizens to become engaged in the joint powers agreement between the Cayucos Sanitary District and Morro Bay. She announced the next Morro Bay/Cayucos Sanitary District Joint Powers Authority meeting is scheduled on February 13th.

John Barta remembered past Council Member Ahnawake Unger, and asked why flags are not flying at half-mast. He announced the nomination period for the primary election and encouraged citizens to participate in the election process.

David Nelson stated City streets are in need of repair. He also addressed the power plant's once through cooling and how it causes damage to the fishing industry.

Noah Smukler expressed the importance of water conservancy and the management of the City's water supply. He said there should be incentives to promote the vision and long-term process of the City's water supply.

Joey Racano announced his candidacy for City Council. He also addressed the State Marine Reserve and Marine Life Protection Act. Mr. Racano referred to the sewage spill from the California Men's Colony into Chorro Creek, which entered into the estuary. He said the Central Coast Regional Water Quality Board is looking into the violation of the State Marine Reserve.

Walter Heath addressed the importance of SB840 (Health Care for All).

Mayor Peters closed the hearing for public comment.

DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Winholtz requested to agendize a discussion on the letter received from the Morro Bay Bike Committee regarding priorities; Mayor Peters concurred (Councilmember Winholtz will prepare report).

Councilmember Winholtz requested to agendize an update on the Harborwalk extension project; Councilmember DeMeritt and Councilmember Grantham concurred.

A. CONSENT CALENDAR

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

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

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

RECOMMENDATION: This item was pulled from the agenda.

A-2 AUTHORIZATION TO FILL HOUSING PROGRAMS COORDINATOR POSITION; (ADMINISTRATION)

RECOMMENDATION: Authorize staff to fill the Housing Programs Coordinator vacancy.

A-3 AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL MEETING IN WASHINGTON DC; (HARBOR)

RECOMMENDATION: Approve authorization for a two-person delegation to attend C-MANC's Washington Week meetings.

A-4 APPROVAL OF LETTER IN SUPPORT OF SB840, STATEWIDE SINGLE PAYER HEALTH INSURANCE; (COUNCIL)

RECOMMENDATION: Approve sending letter of support for SB840 - Single Payer Health Insurance.

A-5 PROCLAMATION DECLARING FEBRUARY 2008 AS "AMERICAN HEART MONTH"; (FIRE)

RECOMMENDATION: Adopt Proclamation.

Councilmember Winholtz pulled Items A-2, A-3 and A-4 of the Consent Calendar.

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

A-2 AUTHORIZATION TO FILL HOUSING PROGRAMS COORDINATOR POSITION; (ADMINISTRATION)

Councilmember Winholtz asked if this position could become a full-time grant funded position that would write grants for other than the Community Development Block Grant program.

Public Services Director Bruce Ambo responded this position is also responsible for administrative duties for the department.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

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

A-3 AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL MEETING IN WASHINGTON DC; (HARBOR)

Councilmember Winholtz asked if it is necessary for the Mayor to attend this event.

Mayor Peters responded the City's lobbyist says it is important for her to attend.

MOTION: Councilmember Grantham 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 APPROVAL OF LETTER IN SUPPORT OF SB840, STATEWIDE SINGLE PAYER HEALTH INSURANCE; (COUNCIL)

Councilmember Winholtz addressed this item for public information.

Councilmember Grantham stated he does not support SB840 due to the funding for undocumented residents.

MOTION: Councilmember Winholtz moved the City Council approve Item A-4 of the Consent Calendar. The motion was seconded by Councilmember DeMeritt and carried with Councilmember Grantham voting no. (4-1)

Mayor Peters called for a break at 7:01 p.m.; the meeting resumed at 7:11 p.m.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 PUBLIC HEARING ON CLOSEOUT OF COMMUNITY DEVELOPMENT BLOCK GRANT 05-STBG-1410; (PUBLIC SERVICES)

Housing Program Coordinator Joan Drake stated at the February 14, 2005 City Council meeting, Council authorized the preparation of an application for a three-year \$1,500,000 grant to fund a Fire Station Rehabilitation Project. The City was awarded a one-year \$500,000 grant for the construction of a new apparatus bay at the City's Fire Station 54 in North Morro Bay. The Community Development Block Grant contract expired on December 31, 2007. Ms. Drake recommended the City Council hold the required public hearing, and authorize staff to submit the final closeout letter to the Department of

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

Housing and Community Development for Closeout Certification of 05-STBG-1410 for Closeout Certification of 05-STBG-1410.

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

MOTION: Councilmember Peirce moved the City Council authorize staff to submit the final closeout letter to the Department of Housing and Community Development for Closeout Certification of 05-STBG-1410. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

B-2 RESOLUTION NO. 09-08 ADOPTING THE CITY OF MORRO BAY HOUSING REHABILITATION PROGRAM GUIDELINES FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS; (PUBLIC SERVICES)

Housing Program Coordinator Joan Drake stated the City is applying to obtain funds from the Department of Housing and Community Development through the Community Development Block Grant Program. In accordance with the State requirements, the City is required to maintain and update the Housing Rehabilitation Program Guidelines. Ms. Drake recommended the City Council open a public hearing and adopt Resolution No. 09-08 approving the revised Community Development Block Grant Housing Rehabilitation Program Guidelines.

Mayor Peters opened the hearing for public comment.

Ray McKelligott referred to Page 5 of the Guidelines, where it states any mobile home manufactured prior to 1976 should be replaced. He said the language should state any mobile home manufactured prior to 1976 may be replaced.

Mayor Peters closed the public comment hearing.

Councilmember Winholtz requested corrections on Page 16 (change County to City); Page 16 #3 (change Administrator to Manager); Page 5 (change should to may); Page 6 – 8th item (construction for bedroom additions may be approved.)

Councilmember DeMeritt stated funds should apply to mobile home parks, and they should receive a flyer regarding this funding.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

MOTION: Councilmember Winholtz moved the City Council adopt Resolution No. 09-08 approving the revised Community Development Block Grant Housing Rehabilitation Program Guidelines as amended. Councilmember Peirce and carried unanimously. (5-0)

B-3 APPEAL OF THE PLANNING COMMISSION'S APPROVAL OF A PARKING EXCEPTION TO ALLOW A ONE-CAR GARAGE AT 206 MAIN STREET; (PUBLIC SERVICES)

Associate Planner Rachel Grossman stated on January 8, 2008, the Planning Commission approved a parking exception to legalize an illegally converted garage space into a den and laundry room, and permit a one-car garage in a zone district where a two-car garage is required; on January 16, 2008, Norman Arnold appealed this approval. The appellant is concerned that issuing a parking exception for the proposed project would be precedent setting. Ms. Grossman stated the parking exception is not recommended for approval because it is feasible to convert the den back into a garage, the project site is located with a parking impacted area, and granting a parking exception for the subject property could be precedent setting for future illegal conversions. She recommended the City Council uphold the appeal and deny the requested parking exception.

Mayor Peters opened the hearing for public comment.

Cathy Novak, representing the applicant, stated this project is a request for a parking exception for the converted garage space. The current owner purchased the home with the conversion in place as evidenced by the home inspection report done prior to the close of escrow. Staff is recommending the applicant convert back the living area to a garage making this a one-bedroom house with a two-car garage. This is extremely problematic, unreasonable and financially burdensome. Granting this exception will not place a new burden on the neighboring properties since this property has been this way in excess of 14 years. Ms. Novak requested the City Council see the logic and reason, and deny the appeal and grant this parking exception.

The following people expressed support for the requested parking exception at 206 Main Street: Bill Martony, Michael Durrick, Dorothy Cutter, Tom Wilzbach, Alex Beattie, Roger Ewing, and Cathy Botich.

Michael Lucas, Planning Commissioner, clarified his dissenting vote was to not put any restrictions on this request.

Mayor Peters closed the public comment hearing.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

Consensus of the City Council was in support of the requested parking exception at 206 Main Street, and denied the appeal.

MOTION: Councilmember Grantham moved the City Council approve the parking exception at 206 Main Street, and deny the appeal. The motion was seconded by Councilmember DeMeritt.

Councilmember Winholtz requested an amendment to the motion to add language to not require a second garage on this property in the future.

Councilmember Grantham accepted the amendment to the motion; Councilmember DeMeritt accepted the amendment to her second.

VOTE: The motion carried unanimously. (5-0)

B-4 CONTINUED PUBLIC HEARING ON A BED AND BREAKFAST/MIXED-
USE PROJECT LOCATED AT 214 BEACH STREET; (PUBLIC SERVICES)

Planning Manager Mike Prater stated the City Council has held previous meetings to discuss if renovating this older building in the downtown can be achieved. During these meetings various discussions related to parking, traffic, safety, commercial to residential ratio, and bed & breakfast operations. The applicant has attempted to address all of the concerns raised both at the Planning Commission and City Council meetings by either redesigning the project or having documents prepared to discuss the issues. The latest project description evolved to include two visitor guest suites and caretaker facilities on the upper floor, with no living quarters proposed. The applicant plans on managing the bed & breakfast off-site from her residence, which is 4-5 blocks away. The ground floor would be remodeled into two new commercial spaces as retail and café, and occupy an area less than 125 square feet for sidewalk café purposes and construct a new two-car garage structure at the rear. Parking and circulation issues were discussed at the last meeting where the majority consensus was reached that the traffic study recommendations would address the safety concerns. Mr. Prater recommended the City Council conditionally approve the project.

Mayor Peters opened the hearing for public comment.

Steve Semas expressed concern with pedestrian and traffic safety and parking issues on this portion of Beach Street.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

Roger Ewing expressed concern with parking and safety issues. He requested Council carefully consider this project because it is precedent setting by placing a mixed-use facility at this location.

Tom Laurie expressed support for this project; however, a caretaker unit could be problematic. He said the City should redefine the use of a caretaker unit.

Mayor Peters closed the public comment hearing.

Councilmember DeMeritt stated she would like the upstairs open space become a public use area. She said she would like to place a condition that a redesign includes a living space or public space upstairs.

Councilmember Winholtz stated her concerns are with traffic issues. She would like a pedestrian crossing at Beach and Morro with signs or a flashing light. Councilmember Winholtz also addressed parking and safety issues to the rear of the building.

Councilmember Peirce stated the traffic should be calmed with signs and a flashing light. He said he does not want to request another redesign of this project, and anything would be better than what is there now.

Mayor Peters stated the conditions presented address the parking concerns, and she agrees there should be a pedestrian crosswalk. She stated a bed and breakfast should include a caretaker unit so someone is on-site at all times for safety concerns.

MOTION: Councilmember DeMeritt moved the City Council approve the mixed-use project located at 214 Beach Street with added condition #36 that a redesign provides a legal bedroom space upstairs. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Mayor Peters called for a break at 8:36 p.m.; the meeting resumed at 8:46 p.m.

**B-5 CONSIDERATION OF AMENDMENTS TO THE SUBDIVISION
ORDINANCE RELATED TO CONDOMINIUM CONVERSIONS AND
CABRILLO NEIGHBORHOOD LOT SIZE; (PUBLIC SERVICES)**

Planning Manager Mike Prater stated this item is before Council to consider potential updates regarding the Subdivision Ordinance with particular interest in any State requirements related to conversions of condominiums and rental housing. At the August 27, 2007 City Council meeting, Council heard an appeal to subdivide an existing 13,159 square foot lot in the Cabrillo neighborhood into two lots that would be 6,002 square feet

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

and 7,157 square feet. The Council denied that application and raised concerns about changes to the neighborhood character. The City recently adopted the Subdivision Ordinances that updated the regulations to the 1988 set of rules governing subdivisions. The City and community went through an involved public review process that primarily adjusted the community housing provision and brought the ordinance up to date with the Map Act. It was noted that not every policy/governing document is written to address every special circumstance and that the totality of all the documents must be considered along with the discretionary powers to make decisions. Mr. Prater recommended the City Council consider the information provided and direct staff accordingly.

Mayor Peters opened the hearing for public comment.

The following people expressed support for amending the Subdivision Ordinance in order to maintain the character of Tract 41 (Cabrillo Place) neighborhood with lot sizes of 9,000 square feet or larger: Joseph Attinello, Skip Barnhardt, Bill Martony, Jim Bianchi, Dorothy Cutter, and Karen Coventini.

Mayor Peters closed the public comment hearing.

Council comments on the Cabrillo Neighborhood

The majority of the City Council was in support of amending the Subdivision Ordinance in order to maintain the character of this neighborhood with lot sizes of 9,000 square feet or larger.

Councilmember Grantham stated he trusts the process, and expressed concern that this will set precedent for other neighborhoods wanting to do the same.

MOTION: Councilmember Winholtz moved the City Council direct staff to present the document received from the Tract 41 (Cabrillo Place) neighborhood to the Planning Commission, and return the Planning Commission recommendation to the City Council within two months. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

Council comments on the Condominium Conversions

Consensus of the City Council was to direct staff to notify them when apartments are going to be finalized.

No further action was taken on this item.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

C. UNFINISHED BUSINESS

C-1 2007 ANNUAL WATER REPORT; (PUBLIC SERVICES)

Planning Manager Mike Prater stated the last annual water report was modified by Council to allocate 50 water equivalency units with 60 percent to be used for single family dwellings and 40 percent for multiple family dwellings with the potential to rollover the unused multi-family portion after the third quarter. He recommended the City Council: 1) allocate the mix of residential units to 60 percent single-family and 40 percent multi-family units; and authorize the corresponding water equivalency allocation for residential uses at 50 water equivalency units; 2) process residential allocation limits on a first-come first-serve basis, based on the priorities contained in the current General Plan and Local Coastal Plan policies; and 3) authorize allocation of 130% of the residential water equivalency units to commercial and industrial projects, within the priority categories consistent with the current Local Coastal Plan and General Plan policies.

MOTION: Councilmember Winholtz moved the City Council approve the following: 1) allocate the mix of residential units to 60 percent single-family and 40 percent multi-family units; and authorize the corresponding water equivalency allocation for residential uses at 50 water equivalency units with no rollovers; 2) process residential allocation limits on a first-come first-serve basis, based on the priorities contained in the current General Plan and Local Coastal Plan policies; and 3) authorize allocation of 130% of the residential water equivalency units to commercial and industrial projects, within the priority categories consistent with the current Local Coastal Plan and General Plan policies. The motion was seconded by Mayor Peters.

Councilmember DeMeritt stated she would not support this motion approving 50 water equivalency units for residential based on the water shortage in California.

Councilmember Peirce stated he would not support this motion with the added language to not allow rollovers because residents have proven in the past that they are capable of conserving water.

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

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

C-2 RESOLUTION NO. 10-08 REGARDING BOTTLED WATER; (CITY ATTORNEY)

Councilmember DeMeritt expressed her excitement of this resolution, which if passed will make Morro Bay the only City in the County that prohibits the use of bottled water and Styrofoam containers. She provided Council and staff an amended resolution by adding Styrofoam containers and other pertinent information.

Council discussed the resolution and made further amendments.

MOTION: Councilmember DeMeritt moved the City Council adopt Resolution No. 10-08 as amended. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

D. NEW BUSINESS

D-1 EXPENDITURE RECOMMENDATION FROM CITIZENS OVERSIGHT COMMITTEE REGARDING STORM DRAIN ALLOCATION; (FINANCE)

Finance Director Susan Slayton stated on January 28, 2008, the City Engineer made a presentation to the Citizens Oversight Committee on the importance of street sweeping to remove the trash and pollution that would run off into the ocean. Since there is no General Fund budget for storm drain maintenance, and staff has been forced to use street maintenance funds to perform those services. At the conclusion of the presentation, the Committee voted unanimously against the use of Measure Q funds for storm drain maintenance. Ms. Slayton recommended the City Council clarify the appropriate use of the allocated monies for storm drains.

City Engineer Rob Livick stated staff finds the storm drain allocation should be used to comply with National Pollution Discharge Elimination system requirements in accordance with the Clean Water Act. He also noted the street sweeping expenditures are appropriate as the street cleaning activities remove trash and pollution from the storm drains that would empty into the bay.

MOTION: Councilmember Grantham moved the City Council support the recommendation of the Citizens Oversight Committee to not approve the use of Measure Q funds for storm drain maintenance. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 11, 2008

- D-2 DISCUSSION ON SENDING COMMENTS TO BOARD OF SUPERVISORS REGARDING THE SKATEBOARD PROJECT AT CAYUCOS CEMETERY; (COUNCIL)

This item was pulled from the agenda.

- D-3 CONSIDERATION OF EXISTING POLITICAL CAMPAIGN SIGN ORDINANCE; (CITY ATTORNEY)

City Attorney Robert Schultz provided the City Council with information provided to the Council in August 2002 in regard to amendments to the City's Municipal Code related to political campaign signs.

Consensus of the City Council was to not pursue an amendment to the current Political Campaign Sign Ordinance.

No action was taken on this item.

- D-4 SET DATE TO FILL VACANCY ON THE PUBLIC WORKS ADVISORY BOARD; (ADMINISTRATION)

The City Council scheduled interviews for the one vacancy on the Public Works Advisory Board on March 17, 2008.

ADJOURNMENT

The meeting adjourned at 10:35 p.m.

Recorded by:

Bridgett Bauer
City Clerk