

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – JUNE 14, 2010  
CITY HALL CONFERENCE ROOM - 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 |

CLOSED SESSION

MOTION: Mayor Peters 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 one (1) parcel:

- Property: 945 Embarcadero; Lease Site 96/96W  
Negotiating Parties: Stan Van Beurden and City of Morro Bay  
Negotiations: Lease Terms and Conditions

**CS-2 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES.** Discussions regarding Personnel Issues related to the reorganization of the City Harbor Department.

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

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 Borchard and unanimously carried. (5-0)

The meeting adjourned at 5:50 p.m.

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VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:15 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 Kessling | City Clerk                       |
|          | Rick Algert       | Harbor Director                  |
|          | Janeen Burlingame | Management Analyst               |
|          | Sierra Davis      | Planning Intern                  |
|          | Rob Livick        | Acting Public Services Director  |
|          | Tim Olivas        | Police Chief                     |
|          | Mike Pond         | Fire Chief                       |
|          | Susan Slayton     | Administrative Services Director |
|          | Kathleen Wold     | Senior Planner                   |
|          | Joe Woods         | Recreation & Parks Director      |

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &  
PRESENTATIONS

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

The following people expressed opposition to Item C-2 (Discussion and Direction an Placing a Measure on the November 2010 General Election Ballot Approving an Increase in the City's Transient Occupancy Tax), and requested the City Council give the Tourism Business Improvement District time to increase the City's transient occupancy tax: John Solu, Jayne Behman, Joan Solu, Priscilla Coe, David Nave and Bill Yates.

Barbara Doerr addressed Item A-2 (Resolution No. 29-10 Certifying the Petitions for the Citizen's Initiative and Submitting to the Voters a Ballot Measure at the General Municipal Election on Tuesday, November 2, 2010) stating the proposed ballot language does not address the specifics of the issue. She also addressed Item D-2 (Recommendation to Continue the Work of the Downtown Enhancement Subcommittee as a Priority Project and Accept the Proposed Timeline Provided by the Subcommittee) noting this project seems to be a big expense and a lot of responsibility for the Planning Commission and Planning staff.

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Ms. Doerr stated if Tourism Business Improvement District funds were increased, they should be used for greater enforcement of the City.

Ali Jordan-Brown addressed Item A-2 and referred to information in support of medicinal marijuana dispensaries.

Peter Candela, Executive Director of the Chamber of Commerce, stated the Chamber is experiencing the strongest marketing campaign with the largest fulfillment in May. He requested the City Council allow the Chamber to continue its marketing partnership with the Community Promotions Committee and Tourism Business Improvement District for at least one more year. Mr. Candela reviewed upcoming events.

John Barta stated he was pleased to announce that Morro Bay outvoted the County by 8% at the Primary Election. He addressed Item C-1 (Consideration of Offers to Purchase the 1985 Trolley) and requested the City Council consider the offer of the Point San Luis Lighthouse Keepers, Inc. when considering the sale of the trolley.

Stew Jenkins, Point San Luis Lighthouse Keepers, Inc. referred to Item C-1 and said he is available for questions.

Grant Crowl referred to the City's Wastewater Treatment Plant upgrade and noted PERC Water has presented a much larger option for the City's consideration. He referred to employment benefits of PERC employees.

Bill Yates thanked those who voted for him at the Primary Election. He expressed support for Item D-2 (Recommendation to Continue the Work of the Downtown Enhancement Subcommittee as a Priority Project and Accept the Proposed Timeline Provided by the Subcommittee); however, he has concerns with the financing of the project.

Kathleen Weaver stated the current location of the Chamber of Commerce office on the waterfront is a great location for tourists.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:07 p.m.; the meeting resumed at 7:20 p.m.

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 OF THE MAY 24, 2010 CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

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A-2 RESOLUTION NO. 29-10 CERTIFYING THE PETITIONS FOR THE CITIZEN'S INITIATIVE AND SUBMITTING TO THE VOTERS A BALLOT MEASURE AT THE GENERAL MUNICIPAL ELECTION ON TUESDAY, NOVEMBER 2, 2010; (ADMINISTRATION)

**RECOMMENDATION: Adopt Resolution No. 29-10.**

A-3 CONSIDERATION OF APPROVAL FOR A SUBLEASE ON A PORTION OF LEASE SITE 105.1W, LOCATED ADJACENT TO 1001 FRONT STREET, BETWEEN MICHAEL AND ORIETTA DEGARIMORE, AND ALAN AND WENDY RACKOV, DOING BUSINESS AS LOST ISLE ADVENTURES; (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 30-10.**

A-4 ADOPTION OF REVISED JOB DESCRIPTIONS AS THEY RELATE TO THE CONSOLIDATION OF THE MAINTENANCE DIVISIONS INTO THE RECREATION & PARKS DEPARTMENT; (ADMINISTRATION)

**RECOMMENDATION: Approve the amended job descriptions.**

A-5 ACCEPTANCE OF RESIGNATIONS FROM PUBLIC WORKS ADVISORY BOARD MEMBERS; (ADMINISTRATION)

**RECOMMENDATION: Accept resignations.**

Mayor Peters pulled Item A-1 from the Consent Calendar; Councilmember Smukler pulled Item A-2 and Councilmember Winholtz pulled Items A-3 and A-4.

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

A-1 APPROVAL OF MINUTES OF THE MAY 24, 2010 CITY COUNCIL MEETING; (ADMINISTRATION)

Mayor Peters referred to the minutes of May 24, 2010, and requested the following correction be made to page 7 (motion):

MOTION: Councilmember Winholtz moved the City Council approve sending a letter to Congresswoman Capps ~~in opposition of~~ **regarding** farm fish legislation as amended by Council. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

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MOTION: Mayor Peters moved the City Council approve Item A-1 of the Consent Calendar as amended. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

A-2 RESOLUTION NO. 29-10 CERTIFYING THE PETITIONS FOR THE CITIZEN'S INITIATIVE AND SUBMITTING TO THE VOTERS A BALLOT MEASURE AT THE GENERAL MUNICIPAL ELECTION ON TUESDAY, NOVEMBER 2, 2010; (ADMINISTRATION)

Councilmember Smukler requested clarification on the ballot language and timeline of the citizens' initiative.

City Attorney Robert Schultz responded with clarification on the ballot measure language and timeline for ballot arguments/rebuttals.

Council requested the ballot question be amended to say "Shall an ordinance be adopted to prohibit Medical Marijuana ~~Storefronts~~ Dispensaries in the City of Morro Bay?"

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

A-3 CONSIDERATION OF APPROVAL FOR A SUBLEASE ON A PORTION OF LEASE SITE 105.1W, LOCATED ADJACENT TO 1001 FRONT STREET, BETWEEN MICHAEL AND ORIETTA DEGARIMORE, AND ALAN AND WENDY RACKOV, DOING BUSINESS AS LOST ISLE ADVENTURES; (HARBOR)

Councilmember Winholtz requested to add language to the Consent to Sublease Agreement, page 2, #5. The proposed use by SUBTENANT is as follows: "Water taxi and tourist service."

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

A-4 ADOPTION OF REVISED JOB DESCRIPTIONS AS THEY RELATE TO THE CONSOLIDATION OF THE MAINTENANCE DIVISIONS INTO THE RECREATION & PARKS DEPARTMENT; (ADMINISTRATION)

Councilmember Winholtz stated she is opposed to the consolidation of this department as it would be too much responsibility for this department.

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

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 FISCAL YEAR 2010/2011 TROLLEY OPERATIONS; (PUBLIC SERVICES)

Management Analyst Janeen Burlingame stated the City received an American Reinvestment and Recovery Act (ARRA) grant to fund 100% of the purchase of a new trolley to replace the 1999 trolley that is currently in operation. The replacement trolley is scheduled to be delivered in June 2010 and the 1999 trolley would be taken out of service and sold. At the March 22, 2010 City Council meeting, the Council authorized using funds from the 1999 trolley sale to offset the \$24,000 funding loss to transit from a second cut to Local Transportation Funds that was to occur in the 2009/2010 fiscal year so that dial-a-ride service could continue through the end of the fiscal year without service interruption. Subsequent to this meeting, the Governor signed into law legislation referred to as the “gas-tax swap” that recovered State Transit Assistance (STA) funds that had been cut by 50% in fiscal year 2008/09 and eliminated in fiscal year 2009/10. The San Luis Obispo Council of Governments Board will approve at their June 9<sup>th</sup> meeting, the allocation of STA for the next fiscal year as well as an allocation of STA for fiscal year 2009/10 to back fill the March 2010 transit funding loss noted above. Since the 1999 trolley was purchased with State and Federal transit grant funds, revenue generated from the sale of the disposition of the vehicle is to be put back into the transit budget. As such, the revenue generated from the sale of the 1999 trolley can now be re-allocated to the fiscal year 2010/11 trolley budget. Ms. Burlingame recommended the City Council approve the allocation of revenue generated from the sale of the 1999 trolley to the fiscal year 2010/11 trolley budget.

Mayor Peters opened the hearing for public comment.

Camille Watkins, trolley driver, thanked Council for the continuing funding for the trolley service. She said the trolley service generates revenue throughout the City.

Barbara Doerr requested Council not take action and place the funding in the transit services. She said all transit services should be consolidated and considered during the mid-year budget review.

Susan Brown, General Manager for MV Transportation, stated the trolleys generate revenue for the City and suggested the hours remain the same. She said the trolley should continue running on Mondays and Fridays because the flex route will not go to the State Park.

David Nave, MV Transportation, stated it is not often when there is a transportation system such as the trolley that pays for itself. He said the fact that STA funds are coming back gives the City some hope that in the future we will have more funding and options than the present.

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Mr. Nave stated the trolley is a benefit to the City and to those who ride it and said its services should be maintained as is.

Peter Candela stated the trolley is a unique experience for those who ride it, and noted the trolley drivers are promoters of the City.

Joan Solu requested the City Council not cut the hours on key visitor-serving and resident-serving days.

Tom Laurie stated if parking in-lieu funds are being used to finance any segment of the trolleys, the City is probably legally obligated to run the trolleys all the time because parking in-lieu funds are to be used for parking lots which should be available 24 hours per day.

Mayor Peters closed the public comment hearing.

Councilmember Winholtz stated she supports placing the funds from the sale of the trolley into the parking in-lieu fund. She said the City has committed to the flex-fix route which is experimental at this time.

Councilmember Grantham stated he supports the revenue of the sale of the trolley going into the parking in-lieu fund. He said the trolley is an important service and should be maintained as is.

Councilmember Smukler stated he also supports placing the funds from the sale of the trolley into the parking in-lieu fund.

Councilmember Borchard she supports placing the funds from the sale of the trolley into the parking in-lieu fund. She also noted she would like to be more aggressive with the sales opportunities on the advertising of the trolley.

MOTION: Mayor Peters moved the City Council approve the allocation of revenue generated from the sale of the 1999 trolley to the fiscal year 2010/11 trolley budget. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Councilmember Winholtz stated she supports maintaining the current trolley program during the summer.

Councilmember Smukler stated he agrees to maintain the current routes during the summer.

Councilmember Borchard stated she has witnessed low ridership and some of the hours should be eliminated.

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Mayor Peters stated she does not support taking away the trolley hours from the visitors because it generates more money in revenues throughout the City than it does in fare box.

B-2 DISCUSSION AND ADOPTION OF THE 2010/11 FISCAL YEAR OPERATING BUDGETS; (ADMINISTRATIVE SERVICES)

City Manager Andrea Lueker stated staff prepared and presented a proposed fiscal year 2010/11 budget document to the City Council on Wednesday, May 12, 2010, in anticipation of an initial Budget Workshop held on May 19, 2010. The City Council went through the budget document thoroughly, and provided numerous comments, as well as asked a number of questions and requested further clarification on several items. Based on that initial Budget Workshop, staff has prepared this staff report with further clarification. Ms. Lueker recommended the City Council review the staff report regarding the fiscal year 2010/11 budget, provide any further direction and adopt Resolution No. 28-10, accepting the budget as the spending plan for the upcoming year.

Mayor Peters opened the hearing for public comment.

Barbara Doerr stated it is critical that all Brown Act meetings are televised for public awareness.

Jack McCurdy expressed concern with the proposed budget stating the budget calls for a significant reduction in Dial-a-Ride services whose patrons are 50% seniors who depend on this service in order to see their doctors. He said this service, which has been in service for 33 years, would be eliminated and replaced with a fixed route supplemented by some pickups at residences. Mr. McCurdy stated to continue Dial-a-Ride at its present level in fiscal year 2010/11 would cost about \$137,000 more than is budgeted without taking money from the general fund reserve. He addressed the budget cuts in employee layoffs and cutbacks, and noted the City giving employees a 4% pay increase in the coming fiscal year. Mr. McCurdy stated the budget proposes to deprive residents of the opportunity to be informed of important City matters by discontinuing the live broadcast of all meetings, except City Council and Planning Commission, but the taping of them for later viewing at convenient times.

Joan Solu, Chair of the Tourism Business Improvement District Advisory Board, requested the City Council not approve the budget for the Business Improvement District until their Budget Sub-Committee has met with its full Board and they are able to make a proposal to the City Council.

Tom Laurie stated the General Fund benefits most from the transient occupancy tax. He requested Council allow the Tourism Business Improvement District to work before implementing more taxes. Mr. Laurie stated the Visitors Center should remain on the waterfront.

Mayor Peters closed the public comment hearing.

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Councilmember Winholtz expressed the importance of continued funding of SLO Green Build and Housing Trust Fund; Councilmember Smukler agreed.

Mayor Peters expressed concern with funding SLO Green Build and Housing Trust Fund noting a lot of these services are available to the public already.

Councilmember Grantham stated there are many elements that other cities pay into that Morro Bay does not. He said he does support funding the Narcotics Task Force position, and he does not want to see any cuts in PEG access.

Councilmember Borchard stated the web site development maintenance for MorroBay.org should be paid by another entity. She said she would like an exclusionary note on Measure Q funds relating to the City Hall generator. Councilmember Borchard stated discussion on the pool car request for Public Services should be tabled until a vehicle inventory list has been reviewed.

Councilmember Smukler expressed the importance of quarterly updates to Council by the City advisory boards. He also mentioned the option of the use of a Fun Ride car to be designated for City use during business hours.

AGP Video offered to maintain its existing contract at \$60,000; Council agreed.

\$1,000 to SLO Green Build; Council agreed.

\$1,000 to Housing Trust Fund; Council agreed.

Councilmember Winholtz expressed the need to have front office personnel in each department, and would like to reinstate the positions in the Fire Department and Recreation & Parks Department; Council did not support this position.

**MOTION:** Councilmember Borchard moved the City Council adopt Resolution No. 28-10 accepting the fiscal year 2010/11 operating budget, with the following amendments: 1) removing the pool car request by Public Services; 2) funding AGP Video at \$60,000; 3) moving the website maintenance to the Community Promotions Committee; 4) tabling the City Hall generator until further information is available; 5) funding \$1,000 to SLO Green Build and \$1,000 to the Housing Trust Fund from the general fund reserve; and 6) no purchase of police vehicles at this time. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Mayor Peters called for a break at 9:03 p.m.; the meeting resumed at 9:15 p.m.

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B-3 APPEAL OF THE PLANNING COMMISSION'S APPROVAL OF A CONCEPT PLAN FOR THE PROJECT LOCATED AT 571 EMBARCADERO; (PUBLIC SERVICES)

Planning Intern Sierra Davis stated the applicant applied for a Conditional Use Permit purposing the renovations in spring of 2009. The project was presented to Planning Commission as a precise plan on May 17, 2010 before a publically noticed hearing. The staff report recommended that the Commission adopt the Mitigated Negative Declaration and approve the Conditional Use Permit #UP0-260, as a precise plan. The proposed project that staff reviewed and presented to the Planning Commission consisted of remodeling an existing commercial building to increase the footprint of the existing bayside patio by approximately 40 square feet. Expanding the deck will accommodate for the new 80 square feet of lateral access way required by the renewal process of the lease agreement and the Waterfront Master Plan. The existing patio will be reconstructed and will be used for the restaurant and general public use. The applicant also proposes widening the existing sidewalk adjacent to Embarcadero Road to eight feet in order to meet the standards for minimum sidewalk width as defined in the Waterfront Master Plan. At the May 17<sup>th</sup> meeting, the Planning Commission discussed the project and brought up some aspects of the project that they deemed incomplete due to lack of detailed information. The Morro Bay Municipal Code requires that all the general information required for the concept plan is submitted for a precise plan but the plans should be developed to a higher level of detail. The project was appealed by the project agent at the request of the applicant because the Planning Commission approved the project as a concept plan and requested the project be reviewed pursuant to Morro Bay Municipal Code Section 17.40.030, Planned Development, (PD) overlay zone. The project was proposed as a precise plan as the proposal is consistent with the original Conditional Use Permit and represents minor changes to bring the site into consistency with the Waterfront Master Plan. Ms. Davis recommended the City Council uphold the appeal and repeal the Planning Commission's favorable recommendation for approval of the Concept Plan pursuant to Morro Bay Municipal Code Section 17.40.030, Planned Development (PD) overlay zone, with modifications if so deemed by the City Council.

Cathy Novak, representing applicant/appellant, stated this project is relatively simple in that the proposed plans are to construct an eight foot wide sidewalk along the Embarcadero side, extend the existing patio deck in the rear approximately three to four feet to the west and approximately five to six feet to the south. She said this will create an eight foot lateral bayside walkway which will connect to another project to the north which has been recently approved by the City and set in place the future connection for the lease site to the southern side. The Commission's goal, in the opinion of the applicant, was to maintain the integrity of the existing building design in particular the brickwork, bench and sign support design. Ms. Novak stated setting aside the fact that the applicant agreed that he would keep the brickwork and the other items as close to existing as possible, the Commission, after a lengthy discussion, felt that the applicant had not provided sufficient details for them to make a final

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decision on a Precise Plan. The applicant offered the Commission solutions for the trash enclosure, such as changing from bins to wheelies to fit the smaller space, which would have remedied the Commission's issues as well. The applicant committed to the Planning Commission that the walkway would remain clear in this eight foot wide section and provide the elevation change details in the engineering plans. However, the Commission would not accept this without further follow up and required the applicant to provide the Commission with a pedestrian flow plan. Ms. Novak stated the applicant would like to go on record to say that it would be an extreme hardship and unfair request for him to spend several thousand dollars to modify the architectural drawings, provide engineering level construction drawings and photo simulations for this project. In conclusion, the applicant understands that the Commission must be given sufficient details in order to approve a project. However, there must be some consideration given that when a small scale project such as this is presented, the Commission should not require large expenditures of time and money for photo simulations, additional staff time, noticing and other plan modifications that are not necessary when a project can be adequately conditioned and approved. Ms. Novak requested the City Council support to uphold this appeal, approve the Precise Plan and refund the applicant the appeal fee.

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

Councilmember Grantham stated this is an extension of the harbor walk, and he likes the fact that the slips and pilings are going to be repaired. He said conceptually he approves of the project.

Councilmember Smukler stated he agreed with Councilmember Grantham, and he likes that this is a retrofit of a historically significant building.

Councilmember Borchard agreed with Councilmember Grantham and Councilmember Smukler's comments.

Councilmember Winholtz stated she disagrees with the previous comments. She said the building is in an overlay zone and highly visible to the community which should require a Precise Plan.

Mayor Peters agreed with the majority of the Council.

**MOTION:** Mayor Peters moved the City Council uphold the appeal and repeal the Planning Commission's favorable recommendation for approval of the Concept Plan pursuant to Morro Bay Municipal Code Section 17.40.030, Planned Development (PD) overlay zone, with conditions as amended by staff. The motion was seconded by Councilmember Borchard and carried with Councilmember Winholtz voting no. (4-1)

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C. UNFINISHED BUSINESS

C-1 CONSIDERATION OF OFFERS TO PURCHASE 1985 TROLLEY; (PUBLIC SERVICES)

Management Analyst Janeen Burlingame stated in January and February 2010, two separate “Invitation for Bid” processes were conducted seeking bids to purchase the 1985 trolley. Information regarding the bid was listed in the Tribune newspaper and also on the California Association of Coordinated Transportation list serve. Local individuals who had expressed interest in the trolley were also sent bid specifications and the appraisal for both bid processes. Neither bid process resulted in submission of a bid for the vehicle. Subsequent to the February bid process, the vehicle was placed on eBay Motors with no bids submitted. In addition, per the Council’s desire to try and keep the trolley locally, the vehicle was also listed on Craigslist. The appraisal of the vehicle listed a resale value of \$25,000 and a liquidation value of \$15,000. Three offers have been made to purchase the 1985 trolley: 1) Point San Luis Lighthouse Keepers, Inc. - \$15,000 plus additional offer for use for Caroling Cop Car and elementary school trip in June (see Exhibit A for full details of offer); 2) Dan Reddell - \$12,500 plus offer to “let the city use it whenever they want;” no other details listed; and 3) Reggie Drew, Santa Barbara Trolley Co. - \$12,000. Ms. Burlingame recommended the City Council review the offers made to purchase the 1985 trolley and select which offer to accept.

MOTION: Councilmember Borchard moved the City Council accept the offer to purchase the 1985 trolley from Point San Luis Lighthouse Keepers, Inc. at \$15,000 plus additional offer for use for Caroling Cop Car and elementary school trip in June. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

C-2 DISCUSSION AND DIRECTION ON PLACING A MEASURE ON THE NOVEMBER 2010 GENERAL ELECTION BALLOT APPROVING AN INCREASE IN THE CITY’S TRANSIENT OCCUPANCY TAX; (CITY ATTORNEY)

City Attorney Robert Schultz stated at the January 25, 2010 meeting, Mayor Peters made a motion to direct staff to return to Council for reconsideration of placing a measure on the November 2010 General Election Ballot approving a 1% increase of the City’s Transient Occupancy Tax (TOT). If the Council decides to move forward with a TOT ordinance and the voters pass the measure, the City could expect to receive an additional \$185,000 in TOT revenue per year. Mr. Schultz requested direction from the City regarding placing a measure on the November 2, 2010 ballot increasing the Transient Occupancy Tax (TOT) from 10% to 11%.

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MOTION: Mayor Peters moved the City Council oppose placing a measure approving an increase in the City's transient occupancy tax on the November 2, 2010 ballot. The motion died for lack of a second.

This item has been continued to the June 28, 2010 City Council meeting.

D. NEW BUSINESS

D-1 ANNUAL REVIEW OF THE VISITORS CENTER CONTRACT;  
(ADMINISTRATION)

This item has been continued to the June 28, 2010 City Council meeting.

D-2 RECOMMENDATION TO CONTINUE THE WORK OF THE DOWNTOWN  
ENHANCEMENT SUBCOMMITTEE AS A PRIORITY PROJECT AND ACCEPT  
THE PROPOSED TIMELINE PROVIDED BY THE SUBCOMMITTEE; (CITY  
COUNCIL)

Councilmember Smukler stated the goal of this project is to create a Downtown Specific Plan, through review of historical documents and present day community input, which will guide development and business enhancement programs within the downtown commercial district. He recommended the City Council continue the work of the Downtown Enhancement Subcommittee, acknowledgment that completion of this project is a priority project for the Planning Commission, direct staff to provide necessary support, and accept the proposed timeline provided by the Downtown Enhancement Subcommittee.

Council expressed support for this project, and directed staff to move as quickly as possible without expending funds.

D. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested to agendaize a discussion on a five year capital improvement plan with a one-year priority; Council concurred.

F. ADJOURNMENT

The meeting adjourned at 10:48 p.m.

Recorded by:

Bridgett Kessling  
City Clerk