

**MINUTES – CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE
SPECIAL MEETING – DECEMBER 14, 2016
VETERANS MEMORIAL HALL – 3:30 P.M.**

MEMBERS PRESENT: Barbara Spagnola Chairperson
 Bart Beckman Member
 David Betonte Member
 Betty Forsythe Member

ABSENT:

STAFF PRESENT: Susan Slayton Administrative Services Director
 Craig Schmollinger Finance Director
 Lori Kudzma Deputy City Clerk
 Monique Lomeli Account Clerk

ESTABLISH QUORUM AND CALL TO ORDER

A quorum was established with four members present and the meeting was called to order at 3:33 p.m.

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/F5G2mRVrrp0?t=2m9s>

Chairperson Spagnola announced former member Marlys McPherson's new role on the City Council and resignation from the Citizen's Finance Advisory Committee.

Chairperson Spagnola introduced new member John Erwin, to be sworn in at a later date.

PUBLIC COMMENT RE: ITEMS ON THE AGENDA

<https://youtu.be/F5G2mRVrrp0?t=3m15s>

Janice House commented on the sale of a property on the corner of Coral and San Jacinto, urging the committee to keep the intent of Resolution 75-16 in mind when handling the proceeds.

Robert Davis expressed appreciation for the committee.

Marlys McPherson expressed appreciation and gave an update on the benchmarking study project she had been working on as a CFAC member. Ms. McPherson will provide a report for Finance Director Craig Schmollinger to distribute. Ms. McPherson suggested the Committee consider placing the item on a future agenda. (Receive & File)

SPECIAL MEETING AGENDA ITEMS:

<https://youtu.be/F5G2mRVrrp0?t=15m8s>

- I. REVIEW OF F/Y 2015/16 UNAUDITED TRANSACTIONS FROM THE COLLECTION OF THE GENERAL PURPOSE LOCAL SALES TAX, COMMONLY KNOWN AS "MEASURE Q"

No Public Comment.

Finance Director Craig Schmollinger distributed handouts to committee members, containing responses to questions posed from committee members.

Chairperson Spagnola opened the forum for questions from the Board and commented on the confusing nature of the number figures on the last page of the handout.

Ms. Slayton responded to Chairperson Spagnola's comments, clarifying the crossed out numbers have offsetting numbers.

There was a discussion regarding the lease of equipment and whether the leased equipment is being used for enterprise related activity.

Mr. Schmollinger stated he is not aware of any such use and clarified the arrangement is a lease-to-purchase.

<https://youtu.be/F5G2mRVrrp0?t=29m41s>

MOTION: Chairperson Spagnola moved to accept the Accumulated Journal Transaction as submitted. The motion was seconded by Member Forsythe and carried 4-0.

<https://youtu.be/F5G2mRVrrp0?t=30m8s>

II. REVIEW OF F/Y 2015/16 CARRYOVER REPORT FROM THE COLLECTION OF THE GENERAL PURPOSE LOCAL SALES TAX, COMMONLY KNOWN AS "MEASURE Q"

No Public Comment.

In regards to the \$55,000 in unallocated cash, Ms. Slayton presented staff's recommendation to leave funds untouched.

Chairperson Spagnola stated the importance of allocating the funds to something specifically related to Measure Q.

MOTION: Member Forsythe moved that the remaining \$55,000 be allocated to street repair. The motion was seconded by Member Betonte and carried 4-0.

Ms. Slayton stated that this recommendation can be added to items to be presented to City Council.

<https://youtu.be/F5G2mRVrrp0?t=33m18s>

III. REVIEW OF F/Y-T-D 2016/17 UNAUDITED TRANSACTIONS FROM THE COLLECTION OF THE GENERAL PURPOSE LOCAL SALES TAX, COMMONLY KNOWN AS "MEASURE Q"

No Public Comment.

MOTION: Chairperson Spagnola moved to accept the Unaudited Transactions from F/Y-T-D 2016/17 Collection of the General Purpose Local Sales Tax as presented. The motion was seconded by Member Forsythe and carried 4-0.

<https://youtu.be/F5G2mRVrrp0?t=34m18s>

IV. DISCUSSION ON THE PRESENTATION OF THE COMMITTEE'S RECOMMENDATIONS TO THE CITY COUNCIL

There was no public comment on this item.

Chairperson Spagnola suggested a brief PowerPoint presentation to the City Council.

Mr. Schmollinger announced his intent to include the board's recommendations with the mid-year budget report in early-to-mid February.

ACTING IN ITS CAPACITY AS THE CITIZENS FINANCE ADVISORY COMMITTEE:

<https://youtu.be/F5G2mRVrrp0?t=37m16s>

V. APPROVAL OF MINUTES FROM THE AUGUST 30, 2016 SPECIAL MEETING

MOTION: Member Forsythe made a motion to accept the Special Meeting Minutes of August 30, 2016 as presented. The motion was seconded by Member Betonte and carried 4-0.

<https://youtu.be/F5G2mRVrrp0?t=37m48s>

VI. APPROVAL OF MINUTES FROM THE SEPTEMBER 20, 2016 REGULAR MEETING

MOTION: Member Beckman made a motion to accept the Meeting Minutes of September 20, 2016 as presented. The motion was seconded by Member Forsythe and carried 4-0.

<https://youtu.be/F5G2mRVrrp0?t=38m13s>

VII. APPROVAL OF MINUTES FROM THE OCTOBER 18, 2016 REGULAR MEETING

MOTION: Member Forsythe made a motion to accept the Meeting Minutes of October 18, 2016 as presented. The motion was seconded by Member Betonte and carried 4-0.

VIII. DISCUSSION REGARDING THE CENTENNIAL PARKWAY CONCEPT AND VOTES ON THE FOLLOWING:

<https://youtu.be/F5G2mRVrrp0?t=38m42s>

A. DOES CFAC RECOMMEND MOVING FORWARD ON THE CENTENNIAL PARKWAY CONCEPT (YES/NO... CONCEPT ATTACHED)?

At the request of Chairperson Spagnola, Mr. Schmollinger provided a brief summary of the item, stating it would be a developer funded project if the City allows it to move forward.

Member Forsythe commented, stating it is a nice concept; suggested developers focus the project on existing issues; stated concerns about present ideological issues.

Member Beckman concurred; stated he is not keen on weighing in without looking at the financial impact and therefore, cannot support it without additional information.

Member Betonte commented that as a citizen he is in favor of improvement in the Embarcadero area however, would not want to see funding of the project subtract from neighborhood needs; stated concerns with lack of guarantee and the need to see public and private partnership; stated it is not appropriate for the board to weigh in or move forward without financial specifics.

Chairperson Spagnola stated the conceptual plan is a good idea; voiced concerns with dedication of staff and supplier resources being spent on conceptual plans with street initiatives and structural infrastructure needs being an immediate priority.

Member Beckman inquired about how much staff funding has gone into the analysis up to this point.

Chairperson Spagnola opened Public Comment.

Council Member Headding clarified the intent of item, stating the previous direction by City Council was to present the item to all advisory bodies for feedback and opinions on the purpose of the concept to connect the Embarcadero and downtown area; stated this agenda item is not intended for financial analysis; proceeded to respond to Member Beckman's inquiry, stating the City has expended between \$30,000 and \$50,000 on the conceptual design.

Robert Davis spoke about City goals, stating RRM Design has completed their part of the project and now City Council is requesting feedback from advisory bodies.

Walter Heath, Morro Bay, stated he attended stakeholder workshops and interviews by RRM staff; stated the City's expended funds capped at \$50,000 and opined the City received excellent value.

Ms. Slayton commented on the initial idea of Embarcadero widening, using dedicated funds from 2014-15 fiscal year from surplus funds of the Risk Management Fund.

Chairperson Spagnola closed the Public Comment period and opened for Board discussion.

Member Forsythe suggested approving the concept without any additional funding.

Member Beckman maintained he cannot support the project until financial information is supplied.

Member Betonte stated he does not want to see the area remain as is, voicing support for the project moving forward with direction to provide financial information and provided that the proposed funding plan would not subtract from more immediate needs.

Regarding question #2, Member Betonte stated he cannot comment on the revised design; offered no preference between one-way or two-way traffic flow; opined the determination should consider needs of local business owners, traffic experts and the public; expressed a desire to see widened sidewalks and less parking on Embarcadero for pedestrian safety purposes; suggested a demonstration project.

Chairperson Spagnola agreed with the expressed difficulty of discussion without specific information; supported moving forward with minimal use of resources; voiced agreement with Member Betonte regarding traffic direction.

<https://youtu.be/F5G2mRVrrp0?t=1h5m3s>

MOTION: Motion by Chairperson Spagnola to recommend to City Council and staff that the Centennial Parkway Project as presented move forward, with a proviso that there is no financial information or justification associated with this recommendation. The motion was seconded by Member Betonte and carried 4-0.

B. DOES CFAC RECOMMEND THE EMBARCADERO BE OPEN TO EITHER ONE OR TWO WAY TRAFFIC?

<https://youtu.be/F5G2mRVrrp0?t=1h12m10s>

MOTION: Chairperson Spagnola made a motion that CFAC has no preference on traffic flow and defers to the business community, citizens and traffic safety experts for a recommendation and CFAC does support a traffic demonstration. The motion was seconded by Member Forsythe and carried 4-0.

IX. DISCUSSION AND POTENTIAL RECOMMENDATIONS FOR ITEMS FOR THE CITY FY 2017/18 GOALS

<https://youtu.be/F5G2mRVrrp0?t=1h12m50s>

Chairperson Spagnola opened Public Comment.

Walter Heath presented information on the Citizen's Beautification and Heritage Committee.

Mr. Schmollinger provided a brief summary of the scope of this item; stated information on City Council Goal 5B will be posted on the City's website.

In response to inquiry by Chairperson Spagnola, Mr. Schmollinger clarified staff is requesting conceptual feedback on future goals to aid in overall goal setting process.

Committee discussion of condensed goals continued, regarding budget priority, transparency, and the need for fewer, more specific goals.

<https://youtu.be/F5G2mRVrrp0?t=1h22m25s>

Chairperson Spagnola opened for public comment.

Marlys McPherson explained goals presented in the staff report are from last year and the City Council would be interested in feedback on goals for next year; stated the City Council will be seeking public input as well; suggested the Committee not focus on the specific goals in their agenda packet but rather conceptual ideas for future goals.

Member Betonte, stated reservation of input for a later time; stated a need to discuss additional funding in light of failed Measure J.

Chairperson Spagnola agreed with member Betonte's sentiments and offered to send comments to Mr. Schmollinger; requested notice of future goal setting meetings.

In response to Member Betonte's request for a report of the City's goal accomplishments to-date, Mr. Schmollinger stated he would provide an update at a later date.

Member Forsythe mentioned street and water projects will still be valid concern; expressed concerns regarding debt and capacity for more debt.

John Erwin stated the preliminary budget associated with goals can be found online.

Mr. Schmollinger will coordinate the distribution of information requested by Member Beckman.

<https://youtu.be/F5G2mRVrrp0?t=1h31m26s>

Future Agenda Items:

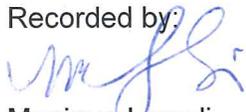
Ms. Slayton announced the beginning of mid-year reports and contracts will be on the January agenda.

Chairperson Spagnola stated she would like to provide comments to the City Council, regarding the compensation study.

ADJOURNMENT

The meeting adjourned at 5:10 p.m. The next regular meeting will be held on January 17, 2017, at 3:30 pm at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:



Monique Lomeli