

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – APRIL 28, 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 Winholtz moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Peirce and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54956.9(A); CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION:

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

CS-2 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-3 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES: Discussions regarding Personnel Issues including one (1) public employee regarding appointment, specifically the City Manager.

CS-4 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES: Discussions regarding Personnel Issues including one (1) public employee regarding evaluation, specifically the Interim 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 Grantham moved the meeting be adjourned. The motion was seconded by Councilmember Peirce and unanimously carried. (5-0)

The meeting adjourned at 5:55 p.m.

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REGULAR MEETING – APRIL 28, 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
	John DeRohan	Police Chief
	Dan Doris	Building Official
	Rob Livick	City Engineer
	Mike Pond	Fire Chief
	Mike Prater	Planning Manager
	Susan Slayton	Finance Director
	Joe Woods	Acting Parks & Recreation 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

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

Robert Davis addressed Item D-4 (Discussion on the North Main Street Bike Lane) stating the Morro Bay Citizens Bike Committee supports striping Class II bike lanes on North Main Street from Atascadero Road to San Jacinto Street. He said there is a significant volume of bicycles and pedestrian traffic on North Main Street, and a bike lane that does not interfere with the businesses would create a great enhancement for safe cycling.

Colby Crotzer expressed support for bike lanes on North Main Street, and also a dog park at Del Mar Park. He noted a tennis court has also been planned for many years at Del Mar Park and should move forward.

Richard Sadowski reviewed a local newspaper article relating to damage of the Morro Bay Wastewater Collection System.

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Cathy Novak addressed Item C-1 (Reconsideration of Appeal of the Planning Commission Approval for a Caretakers Unit Located at 1140 Front Street) stating she represents the appellants. Ms. Novak stated at the previous Council meeting she asked for Council consideration of several City policies and answers to a number of questions. She noted there are times that differing land uses conflict with one another; however, in this case it is not about changing a commercial use that poses a problem with the neighboring residential use, it is a change from commercial to residential and using the commercial standards to justify the request. This project when originally designed did not contemplate using a portion of the building for a residential use; therefore, it is devoid of any routine and required residential conveniences such as a garage, parking, and more. The neighbors object once again to the approval of this project because there is insufficient information provided to make a proper assessment, inadequate protections in the way of project conditions, failure to adhere to prior project conditions and violations of parking requirements, safety, visual and other general City policies as stated before.

Garry Johnson announced a “Floral Road Trip” sponsored by the California Garden Clubs, Inc. would be held on May 3rd at the Morro Bay Library. He thanked the Fire Department and the Police Explorers for doing a fine job.

Marla Jo Bruton expressed concern that the City has not responded to the information provided by she and Mr. Sadowski. She also referred to a newspaper called “The Rock” noting it has information on the City’s wastewater collection lines and synopsis of what is happening in the community.

John Zweemer addressed the discussion on the City’s noise ordinance and said he is a gardener and uses a gas leaf blower daily. He noted electric blowers can be just as noisy and are not sufficient for commercial use due to a lack of power supply.

Jim Nance agreed leaf blowers should not be banned in the City. He said North Main Street is not wide enough for a bike lane, and suggested the City place a bike lane up by Del Mar Park. Mr. Nance stated the City’s impact fees are the lowest in the County. He referred to Item D-2 (Discussion on Low-Income Assistance on Water and Wastewater Treatment User Rates) and requested Council adopts a low-income assistance program on water and sewer rates.

Roger Ewing thanked Gary Ream for organizing a great parade prior to the Kite Festival. He stated he supports placing a bike lane on North Main Street and noted clear delineation needs to be made for the safety of those traveling along this busy street. Mr. Ewing expressed support for an off-leash dog park at Del Mar Park.

Jane von Kaye expressed support for a dog park but also would like a tennis court at Del Mar Park.

Shawn Bostrum announced an event would be held on May 1st at City Park on Morro Bay Boulevard that will address the future of America.

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Mayor Peters closed the hearing for public comment.

DECLARATION OF FUTURE AGENDA ITEMS

Mayor Peters requested to agendize a discussion on the removal of in-lieu parking fees in the downtown area for five years; Councilmember DeMeritt and Councilmember Peirce concurred.

Councilmember Winholtz requested to agendize a review of the movie on the Homeless Project; Councilmember Peirce and Mayor Peters concurred.

Councilmember DeMeritt requested to agendize a discussion on trade marking the slogan “Discover Your Better Nature”; Councilmember Peirce and Mayor Peters concurred

Councilmember DeMeritt requested to agendize a discussion on water and sewer rates and the calculations used for these fees; Councilmember Peirce, Councilmember Winholtz and Mayor Peters concurred.

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 MARCH 24, 2008 CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

Councilmember Winholtz pulled Item A-1 from the Consent Calendar.

The following amendment to the minutes of the March 24, 2008 City Council meeting was made by Councilmember Winholtz:

B-3 CONCEPT PLAN APPROVAL OF GREAT AMERICAN FISH COMPANY/VIRG'S FISHING PROJECT LOCATED AT 1185-1215 EMBARCADERO; (PUBLIC SERVICES)

Cathy Novak noted the Concept Plan is proposed in two phases. Phase I includes the additional square footage of the Great American Fish Company Fish Market, the floating docks and the Harborwalk; Phase II includes the new Virg's building and Thai Boat restaurant and the underground fuel tanks.

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

Mayor Peters called for a break at 6:56 p.m.; the meeting resumed at 7:10 p.m.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 19-08 INITIALIZING PROCEEDING TO LEVY THE ANNUAL ASSESSMENT FOR CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Interim City Manager Andrea Lueker stated Resolution No. 19-08 serves as the initiation of the annual assessment proceedings and orders an Engineer's Report detailing the proposed costs for the maintenance of the Cloisters Park and Open Space for the purpose of assessing private property owners of Tract Map No. 1996 (excluding City property). It also gives notice that a public hearing on the intent to levy the assessment, review and acceptance of the Engineer's Report will be held on May 27, 2008. Ms. Lueker recommended the City Council adopt Resolution No. 19-08 initializing proceeding to levy the annual assessment for Cloisters Landscaping and Lighting Maintenance Assessment District.

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

MOTION: Councilmember Winholtz moved the City Council adopt Resolution No. 19-08 initializing proceeding to levy the annual assessment for Cloisters Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

B-2 RESOLUTION NO. 20-08 INITIALIZING PROCEEDING TO LEVY THE ANNUAL ASSESSMENT FOR NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Interim City Manager Andrea Lueker stated Resolution No. 20-08 serves as the initiation of the annual assessment proceedings and orders an Engineer's Report detailing the proposed costs for the maintenance of the North Point Natural Area for the purpose of assessing private property owners of Tract Map No. 2110 (excluding City property). It also gives notice that a public hearing on the intent to levy the assessment, review and acceptance of the Engineer's Report will be held on May 27, 2008. Ms. Lueker recommended the City Council adopt Resolution No. 20-08 initializing proceeding to levy the annual assessment for North Point Natural Area Landscaping and Lighting Maintenance Assessment District.

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

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 20-08 initializing proceeding to levy the annual assessment for North Point Natural Area Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

B-3 MEMORANDUM OF UNDERSTANDING WITH MORRO BAY PUPS REGARDING THE DEL MAR PARK OFF-LEASH AREA; (CITY ATTORNEY)

City Attorney Robert Schultz stated an off-leash dog park located in Morro Bay has been a topic of discussion for several years. The last action taken by City Council was on February 26, 2007 when it established the Del Mar Dog Park as a City project and directed staff to negotiate a Memorandum of Understanding with Morro Bay Pups. The Memorandum of Understanding deals only with processing issues, not the ultimate construction, operation and maintenance issues. Upon approval of the master plan amendment and permits, a second Memorandum of Understanding will be prepared covering those issues. Mr. Schultz recommended the City Council approve the Memorandum of Understanding and direct staff to process the Del Mar Park Master Plan revision consistent with past practices and policies.

Mayor Peters opened the hearing for public comment.

Steve Eckis, representing Morro Bay Pups (MBP), stated MBP has associated itself with the San Luis Obispo Parks Open Space & Trails Foundation (SLOPOST) for the purpose of raising funds for the design, development, maintenance and operation of the dog park. SLOPOST has formal federal and state non-profit status, which will make the contributions of financial supporters tax deductible. SLOPOST will also hold the funds, provide regular accountings, and distribute the funds as directed by MBP. He said the dog park is designed around the proposed tennis courts. Mr. Eckis stated there are three issues to address: 1) request for consent to process the Del Mar Park Master Plan amendment; 2) request to provide direction on processing the amendment; and 3) request for approval of the Memorandum of Understanding. He stated MBP has agreed to prepare the plans and process and pay for the permits for the dog park. He said a second Memorandum of Understanding would be drafted for the construction and maintenance issues.

The following people expressed support for the proposed Memorandum of Understanding between the City of Morro Bay and Morro Bay Pups: Joe Hoefflich, Noah Smukler, and Yoko Okomoto.

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Mayor Peters closed the public comment hearing.

Councilmember Peirce expressed his support to approve the Memorandum of Understanding.

Councilmember Grantham stated he also supports approving the Memorandum of Understanding; however, the dog park should be placed as far from the Island Street residential area as possible so that it will be successful.

Councilmember DeMeritt stated the proposed dog park area is an underutilized portion of the park. She said the idea of a dog park was first proposed as a City goal in 2001, and Council should give direction to expedite this process and get it done.

Councilmember Winholtz expressed support for approving the Memorandum of Understanding.

Mayor Peters stated the process should be forwarded to the Recreation & Parks Commission.

MOTION: Councilmember Peirce moved the City Council approve the Memorandum of Understanding with Morro Bay Pups and direct staff to process the Del Mar Park Master Plan amendment consistent with City policies; and further direct staff to forward this project to the June 5, 2008 Recreation & Parks Commission meeting. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

B-4 ORDINANCE NO. 538 AMENDING SECTION 14.60.200 OF THE MORRO BAY MUNICIPAL CODE REGULATING AUTOMATIC FIRE SPRINKLER SYSTEMS – FIRST READING/INTRODUCTION; (FIRE DEPARTMENT)

Fire Chief Mike Pond stated the main feature of the proposed ordinance would require automatic sprinklers in all structures exceeding 1,000 square feet and also require sprinklers in existing structures that add 1,000 square feet or more, or increase size by 50%. Chief Pond recommended the City Council approve the first reading and introduction of Ordinance No. 538 amending Section 14.60.200 of the Morro Bay Municipal Code regulating automatic fire sprinkler systems.

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

Councilmember Winholtz suggested an amendment on Page 2, Item 10 as follows: ... “Chutes extending beyond two stories shall have additional sprinkler...”; Council concurred.

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MOTION: Councilmember Winholtz moved the City Council approve the first reading and introduction of Ordinance No. 538 revising Section 14.60.200 of the Morro Bay Municipal Code regulating automatic fire sprinkler as amended. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Interim City Manager Andrea Lueker read Ordinance No. 538 by number and title only.

Mayor Peters called for a break at 8:05 p.m.; the meeting resumed at 8:15 p.m.

C. UNFINISHED BUSINESS

C-1 RECONSIDERATION OF APPEAL OF THE PLANNING COMMISSION APPROVAL FOR A CARETAKERS UNIT LOCATED AT 1140 FRONT STREET; (PUBLIC SERVICES)

Planning Manager Mike Prater stated at the March 24, 2008 meeting, the City Council discussed this proposed project based on the appeal issues raised and approved the applicant's request to convert the interior space of the upper floor from two motel vacation rentals to a security unit and add a hot tub, storage shed, deck and fence behind the building without further grading of the hillside. At the same meeting, Council voted to reconsider their decision and directed staff to return with further analysis on caretaker units within the City with particular attention on those in the commercial visitor-serving district. Mr. Prater recommended the City Council uphold their previous decision and approve the project.

Councilmember Winholtz stated this is unique in that this is a mixed-use commercial property. She said she does not support the improvements in the rear of the property noting this should be maintained as a commercial use with a caretakers unit of no more than 1,000 square feet.

Councilmember Peirce stated the storage shed should be allowed to store supplies that would support the commercial use.

Councilmember Grantham stated he maintains his previous comments that conditions are in place.

Councilmember DeMeritt stated she would prefer this location be used as commercial use only. She said if the caretaker unit is approved, it should be a smaller unit; and, she does not support the improvements in the rear of the property.

Mayor Peters expressed support for the caretakers unit, and noted the storage shed would be necessary for the commercial use. She said anything that makes that hillside more attractive would benefit both the owners of this commercial building and the residents above.

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MOTION: Councilmember Grantham moved the City Council deny the appeal of the Planning Commission approval for a caretakers unit located at 1140 Front Street with conditions that the Fire Chief will review fire exits of said caretakers unit; that there will be no cutting into the bluff for the hot tub or tool shed; the hot tub is for private use only; and, there will be no directional lighting into the residences above. The motion was seconded by Councilmember Peirce and carried with Councilmember DeMeritt and Councilmember Winholtz voting no. (3-2)

C-2 REVIEW OF PHASE I OF THE CONCEPT PLAN APPROVAL OF GREAT AMERICAN FISH COMPANY/VIRG'S FISHING PROJECT LOCATED AT 1185-1215 EMBARCADERO; (PUBLIC SERVICES)

Planning Manager Mike Prater stated at the March 24, 2008 meeting, the City Council held a public hearing and received testimony on the proposed Concept Plan. Council continued the project and directed the applicant and staff to consider splitting the project into two phases; Phase I would consist of the restaurant/fish market expansion of the Great American Fish Company and all of the floating docks, and Phase II would consist of the Virg's Fishing new building. The proposed project can be found consistent with the General Plan and Local Coastal Program, Waterfront Design Guidelines and requirements for projects in the Planned Development district. Mr. Prater recommended the City Council approve the Concept Plan for this project.

Cathy Novak, representing the applicants, referred to concerns of the Council at its last meeting, and reviewed some of the project modifications and Planning Commission conditions. She noted there was considerable discussion about Measure D and reviewed Ordinance No. 207 noting it is clear by this Ordinance that Virg's, which has been there since the mid-1950's, was contemplated and allowed to remain. The second issue regarding Measure D was with the Thai Boat. The project proposed to take the first and second floor square footage from the existing site and relocate this use on the second floor of the new tackle shop building. Ms. Novak stated this project as a whole is about sustaining and promoting local businesses, one of which has been a fixture in Morro Bay for over 50 years. She noted the commercial fishing industry is not completely dead and it is not hopeless to maintain a working waterfront. The commercial fishing industry and one other marine dependant businesses need to re-evaluate, change with the times and diversify in order to stay alive and well. Ms. Novak requested the City Council support this entire project with modifications.

Councilmember Winholtz stated Council should discuss access to the Harborwalk and should the walk be maintained on the waterside. She said she has concern with the safety of pedestrians walking along the docks.

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MOTION: Councilmember Peirce moved the City Council approve Phase I of the Concept Plan for the Great American Fish Company/Virg's Fishing Project located at 1185-1215 Embarcadero, and direct staff to bring back Phase II of the Concept Plan to the May 12, 2008 City Council meeting. The motion was seconded by Councilmember Grantham and carried with Councilmember Winholtz voting no. (4-1)

D. NEW BUSINESS

D-1 RECOMMENDATION FROM WEBSITE REDESIGN PROPOSAL REVIEW COMMITTEE; (FINANCE)

Finance Director Susan Slayton stated at Council's request, a Request for Proposal for website redesign was issued. A Website Redesign Proposal Review Committee was formed to rate the proposals received and choose the best vendor. Ms. Slayton recommended the City Council approve the proposal received from CivicPlus as the vendor for this task, and direct the Committee to secure a contract and begin the project.

MOTION: Councilmember DeMeritt moved the City Council approve the proposal received from CivicPlus, and direct staff to work with CivicPlus to reduce costs and to consider PEG access funds as an alternative funding source. The motion was seconded by Councilmember Winholtz.

Councilmember Grantham stated he would like to wait until Council's budget meeting on May 8th, which will give staff time to investigate PEG access funds as a possible funding source.

VOTE: The motion failed with Councilmember Grantham, Councilmember Peirce and Mayor Peters voting no. (2-3)

MOTION: Councilmember Peirce moved the City Council direct staff to determine the feasibility of PEG access funding and return to Council on May 8, 2008. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

D-2 DISCUSSION ON LOW-INCOME ASSISTANCE ON WATER AND WASTEWATER TREATMENT USER RATES; (FINANCE)

Finance Director Susan Slayton stated Council requested a discussion of the feasibility of providing assistance to low-income ratepayers and the possibility of establishing a donation bank. If the subsidy is solely based on the donation bank, the Finance Department will collect funds in one month and apply to the bills due the next month. If the subsidy is a fixed percentage or dollar amount, it may exceed the amount in the donation bank, at which time the General Fund would be forced to pay the difference. The General Fund is currently unable to make any contributions. It is also not legal to

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take that subsidy from the Water or Sewer Revenue funds without the approval of the ratepayers. Ms. Slayton recommended the City Council receive this report and direct staff accordingly.

Council discussed the feasibility of providing assistance to low-income ratepayers and the possibility of establishing a donation bank.

Councilmember DeMeritt suggested placing on a future agenda a discussion on water and sewer rates and the calculations used for these fees.

No action was taken on this item.

D-3 DISCUSSION ON FACILITATOR FOR THE JUNE 30, 2008 GOAL SETTING AND STRATEGIC PLANNING WORKSHOP; (ADMINISTRATION)

Interim City Manager Andrea Lueker stated the City Council, Interim City Manager and City Attorney attended a leadership workshop in Santa Barbara last November with five other City Councils and various City staff members. One of the strongest recommendations from the workshop was the importance of goal and objective setting as well as strategic planning for Councils and city staff; those determined goals and objectives then serve as the parameters for the upcoming year. Ms. Lueker recommended the City Council review and decides on a facilitator for the Goal Setting and Strategic Planning workshop scheduled for June 30, 2008.

MOTION: Councilmember Winholtz moved the City Council hire a facilitator to facilitate the Council's Goal Setting and Strategic Planning workshop in order to develop five-year goals for the City, and direct the City Manager to interview other cities on the various facilitators. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

Councilmember Peirce suggested the City Manager contact Management Partners on their costs without providing further interviews; Council concurred.

D-4 DISCUSSION ON THE NORTH MAIN STREET BIKE LANE; (COUNCIL)

Councilmember Winholtz stated the North Main Street bike lane was brought to Council's attention at its February 25, 2008 meeting as one of several unmet needs. With the increase use of bikes as a mode of transportation and mode of recreation, it is time to reconsider this unmet need. Councilmember Winholtz recommended the City Council consider the feasibility of a previously designed bike lane on North Main Street.

Mayor Peters suggested obtaining cost estimates, contacting the businesses along North Main Street regarding a proposed bike lane, and return this item to Council as a public hearing.

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Councilmember Winholtz suggested pursuing San Luis Obispo Council of Governments funding for this project.

MOTION: Councilmember Winholtz moved the City Council direct staff to pursue the engineering and financing of a North Main Street bike lane, and return to Council no later than June 2008. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

ADJOURNMENT

The meeting adjourned at 10:28 p.m.

Recorded by:

Bridgett Bauer
City Clerk