

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – JANUARY 28, 2008  
CITY HALL CONFERENCE ROOM - 5:00 P.M.

**AGENDA NO.: A-1**  
**Meeting Date: 2/25/08**  
**Action: \_\_\_\_\_**

Mayor Peters called the meeting to order at 5:00 p.m.

PRESENT:	Janice Peters	Mayor
	Melody DeMeritt	Councilmember
	Rick Grantham	Councilmember
	William Peirce	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	Interim City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

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

Mayor Peters read the Closed Session Statement.

**CS-1 GOVERNMENT CODE SECTION 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 54956.8; REAL PROPERTY TRANSACTIONS:** Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to two (2) parcels.

- Property: Embarcadero/Market.  
Negotiating Parties: Market Pavilion and City of Morro Bay.  
Negotiations: Voluntary Purchase and Sale.

**CS-3 GOVERNMENT CODE SECTION 54956.9(C); CONFERENCE WITH LEGAL COUNSEL DUE TO ANTICIPATED LITIGATION:** Initiation of litigation exists based upon existing facts and the advice of legal counsel as to one matter.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:57 p.m.

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

The meeting adjourned at 5:57 p.m.

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VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:00 p.m.

PRESENT:	Janice Peters	Mayor
	Melody DeMeritt	Councilmember
	Rick Grantham	Councilmember
	William Peirce	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	Interim City Manager
	Robert Schultz	City Attorney
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	Bill Boucher	Capital Projects Manager
	Janeen Burlingame	Management Analyst
	John DeRohan	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Finance Director
	Dylan Wade	Senior Civil Engineer

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR'S REPORTS & ANNOUNCEMENTS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Jude Long reviewed the services and viability of the Morro Bay Library, and requested participation in upcoming events to benefit the library.

Betty Forsythe stated the Friends of the Library are conducting a survey to evaluate the community library service needs. She invited the public to attend the Library Community Input Meetings scheduled on February 13<sup>th</sup> and March 18<sup>th</sup>.

Joan Peterson announced there would be a book sale on February 9<sup>th</sup> to promote the Morro Bay Library.

John Barta expressed the importance of Item A-3 (Resolution No. 08-08 Calling For A Primary Election And Requesting Consolidation With The County's Primary Election) and encouraged public participation; he noted the nomination period is February 11<sup>th</sup> through March 7<sup>th</sup>. He also addressed Item D-3 (Discussion On Sending A Letter To

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Legislators On Governor’s Proposal Regarding Closure Of State Parks) stating the Governor and legislature is sending a message that there is a fiscal problem in California, and the importance for the public to speak up when there are fiscal impacts and the potential of losing something we care about such as our State Parks.

Steve Eckes addressed Item D-3 and submitted a petition against the closure of the State Parks in the City. He said Morro Strand State Beach should be saved and maintained for the pleasure of tourists and citizens.

Richard Sadowski addressed the sewage spill at the Men’s Colony over the weekend and requested the City test the water.

Marla Jo Briton asked about the trees removed at Del Mar Park. She also addressed damage to public trees during the recent storms, and stated the City should make it a priority to take care of these trees.

Noah Smukler addressed the City’s water supply and referred to an article on California’s water – “A Crisis We Can’t Ignore”. He said the City should increase its water buffer because the ground water is polluted and the desalination plant is expensive to operate.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:03 p.m.; the meeting resumed at 7:17 p.m.

DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Peirce requested to agendize a discussion on sending comments to the Board of Supervisors regarding the Skateboard Project at Cayucos Cemetery; Councilmember DeMeritt and Councilmember Winholtz concurred, and Councilmember Peirce will provide the report.

Councilmember Winholtz requested to agendize a discussion on existing water conservation guidelines; Councilmember DeMeritt and Mayor Peters concurred, and Councilmember Winholtz will provide the report.

Mayor Peters requested to agendize a discussion on the City’s existing Political Campaign Sign Ordinance.

A. CONSENT CALENDAR

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

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REGULAR MEETING – JANUARY 28, 2008

A-1 APPROVAL OF MINUTES FOR THE JANUARY 14, 2008 CITY COUNCIL MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 QUARTERLY FINANCIAL REPORT; (FINANCE)

**RECOMMENDATION: Receive report for information.**

A-3 RESOLUTION NO. 08-08 CALLING FOR A PRIMARY ELECTION AND REQUESTING CONSOLIDATION WITH THE COUNTY'S PRIMARY ELECTION; (ADMINISTRATION)

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

A-4 APPROVAL OF AMENDMENT TO EMPLOYEE CONFIDENTIAL UNIT MEMORANDUM OF UNDERSTANDING; (ADMINISTRATION)

**RECOMMENDATION: Approve the amendment to the Employee Confidential Unit Memorandum of Understanding.**

A-5 2007 ANNUAL WATER REPORT; (PUBLIC SERVICES)

**RECOMMENDATION: This item was pulled from the agenda.**

A-6 AUTHORIZATION TO AMEND GRANT AGREEMENT 03-184 WITH THE CALIFORNIA COASTAL CONSERVANCY FOR AN AUGMENTATION OF FUNDING TO EXTEND THE HARBORWALK PROJECT TO BEACH STREET, RESOLUTION NO. 07-08 DESIGNATING THE HARBORWALK PROJECT AS A PARKING-IN- LIEU PROJECT; (PUBLIC SERVICES)

**RECOMMENDATION: Authorize the Capital Projects Manager to enter into an amendment for the grant agreement with the California Coastal Conservancy to receive an augmentation of funding of \$250,000, and adopt Resolution No. 07-08 designating the Harborwalk project as a parking in-lieu project.**

A-7 RESOLUTION NO. 06-08 APPROVING AMENDMENT #1 TO THE LEASE AGREEMENT FOR LEASE SITE 78-81/78W-81W, LOCATED AT 701 EMBARCADERO, BETWEEN THE CITY OF MORRO BAY AND VAN BEURDEN INVESTMENTS; (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 06-08.**

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A-8 RESOLUTION NO. 05-08 ADOPTING THE REVISED CITY MULTI-HAZARD EMERGENCY RESPONSE PLAN; (FIRE)

**RECOMMENDATION: Adopt Resolution No. 05-08.**

A-9 RECOMMENDATION TO USE PARK-IN-LIEU FUNDS FOR PARK IMPROVEMENTS; (RECREATION & PARKS)

**RECOMMENDATION: Approve the use of up to \$25,000 of park in-lieu funds to repair/replace chips and playground surfacing at Monte Young, Keiser and City Park, and up to \$6,000 for dead tree removal, stump grinding and tree replacement at various parks.**

A-10 ACCEPTANCE OF LETTER OF RESIGNATION FROM RECREATION & PARKS COMMISSIONER; (ADMINISTRATION)

**RECOMMENDATION: Accept letter of resignation.**

A-11 PROCLAMATION DECLARING FEBRUARY 2008 AS “GRAND JURY AWARENESS MONTH”; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

Councilmember Winholtz pulled Items A-2, A-6, A-7, A-8 and A-9 from the Consent Calendar; Councilmember DeMeritt pulled Item A-3.

**MOTION:** Councilmember Winholtz moved the City Council approve Items A-1 and A-4 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

A-2 QUARTERLY FINANCIAL REPORT; (FINANCE)

Councilmember Winholtz stated she prefers the old format of this report because it offers more information; however, she would like a combination of both the old and new format.

Councilmember DeMeritt suggested reversing the 2006/07 figures so it reads from left to right.

**MOTION:** Councilmember Winholtz moved the City Council accept this report and direct staff to reformat the next report as discussed by Council. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

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A-3 RESOLUTION NO. 08-08 CALLING FOR A PRIMARY ELECTION AND REQUESTING CONSOLIDATION WITH THE COUNTY'S PRIMARY ELECTION; (ADMINISTRATION)

Councilmember DeMeritt addressed this item for public information noting the nomination period for Mayor and two Council seats is February 11<sup>th</sup> –March 7<sup>th</sup> for the primary election that will be held on June 3, 2008. She also stated Council should review the City's code on election signs.

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

A-6 AUTHORIZATION TO AMEND GRANT AGREEMENT 03-184 WITH THE CALIFORNIA COASTAL CONSERVANCY FOR AN AUGMENTATION OF FUNDING TO EXTEND THE HARBORWALK PROJECT TO BEACH STREET, RESOLUTION NO. 07-08 DESIGNATING THE HARBORWALK PROJECT AS A PARKING-IN- LIEU PROJECT; (PUBLIC SERVICES)

Councilmember Winholtz requested staff clarification on the plans and funding for this project.

Senior Civil Engineer Dylan Wade reviewed the phased plans and funding for this project.

Council discussed the project with some expressing concern with the funding factor and the City's responsibility of matching funds for this project.

MOTION: Councilmember Winholtz moved the City Council continue this item to the February 11, 2008 City Council meeting. The motion was seconded by Councilmember DeMeritt.

Councilmember Peirce stated this area of Beach Street to the Harbor Hut is in need of improvement, and should be approved since it is being funded with grant funds.

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

MOTION: Councilmember Grantham moved the City Council approve Item A-6 of the Consent Calendar. The motion was seconded by Councilmember Peirce and carried with Councilmember Winholtz voting no. (4-1)

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A-7 RESOLUTION NO. 06-08 APPROVING AMENDMENT #1 TO THE LEASE AGREEMENT FOR LEASE SITE 78-81/78W-81W, LOCATED AT 701 EMBARCADERO, BETWEEN THE CITY OF MORRO BAY AND VAN BEURDEN INVESTMENTS; (HARBOR)

Councilmember Winholtz requested staff clarification on this item, and why the amendment is to provide a \$600 per month rent credit as long as there is a commercial fish buying/processing facility.

Harbor Director Rick Algert stated there was a fish buying/processing operation on a small portion of this lease site from 1995-2004. The tenants of the lease site are requesting to convert this area to visitor serving/retail sales and realize more income from the site. He said marine-dependent uses are a high priority for the waterfront area under the City's Land Use Plan, and only a few remain in the area between Beach Street and Tidelands Park. This is a way to encourage the tenants to attempt to locate another small fish buyer/processor to sublease the site, rather than convert the space to visitor serving uses.

MOTION: Councilmember Grantham moved the City Council approve Item A-7 of the Consent Calendar. The motion was seconded by Councilmember Peirce and carried with Councilmember Winholtz voting no. (4-1)

A-8 RESOLUTION NO. 05-08 ADOPTING THE REVISED CITY MULTI-HAZARD EMERGENCY RESPONSE PLAN; (FIRE)

Councilmember Winholtz suggested the following amendments to the City Multi-Hazard Emergency Response Plan: page 3 – Part III, add “this does not require the approval of City Council” for consistency with Part I and II; and page 10, last line of paragraph 4 – delete the word “real”.

MOTION: Councilmember Winholtz moved the City Council approve Item A-8 of the Consent Calendar as amended. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

A-9 RECOMMENDATION TO USE PARK-IN-LIEU FUNDS FOR PARK IMPROVEMENTS; (RECREATION & PARKS)

Councilmember Winholtz asked if the Del Mar Park parking lot is included in these improvements. She also asked for clarification on the trees planned for removal at the City's parks, and the replacement of sand with wood chips in playgrounds.

Interim Recreation & Parks Director Joe Woods responded the parking lot repair at Del Mar Park is planned when the tennis court project is complete. He also responded on the trees planned for removal, and the placement of wood chips in the playgrounds.

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Councilmember DeMeritt expressed concern with the planned removal of trees in the various City parks, and requested staff review the City's tree list and replace the removed trees with sturdy trees.

MOTION: Councilmember Grantham moved the City Council approve Item A-9 of the Consent Calendar. The motion was seconded by Councilmember Peirce and carried with Councilmember DeMeritt and Councilmember Winholtz voting no. (3-2)

MOTION: Councilmember Winholtz moved the City Council approve Items A-10 and A-11 of the Consent Calendar. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 CONSIDERATION OF AMENDMENTS TO THE SUBDIVISION ORDINANCE RELATED TO CONDOMINIUM CONVERSIONS AND CABRILLO NEIGHBORHOOD LOT SIZE; (PUBLIC SERVICES)

This item was pulled from the agenda. Due to noticing requirements, Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

No further action was taken on this item.

B-2 APPROVAL TO ENTER INTO THE 2008 CENTRAL COAST WATER RELIABILITY AGREEMENT WITH THE COUNTY OF SAN LUIS OBISPO; (PUBLIC SERVICES)

Senior Civil Engineer Dylan Wade stated the historical practice by the County of San Luis Obispo has been to ensure requested deliveries to the State Water Subcontractors the largest of which is the City. They have accomplished this, by using the unallocated State water amount allotted to the County of San Luis Obispo as a form of informal drought buffer to benefit the reliability of water delivered to the subcontractors. For the calendar year 2008, the County is changing from the historical practice, and is now offering reliability agreements both with their current subcontractors and the Central Coast Water Authority. Mr. Wade recommended the City Council authorize the Capital Projects Manager to enter into the 2008 Central Coast Reliability Agreement with the County of San Luis Obispo.

Mayor Peters opened the hearing for public comment.

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Noah Smukler expressed the importance of maintaining an adequate water supply for the community. He stated the City continues to have lower consumption levels which shows the community cares about its water supply. Mr. Smukler said it is important to continue educating the community on future conservation goals.

Bill Martony stated the City should consider future water rights and having a back up desalination buffer.

John Barta expressed support for the proposed agreement with the County, and stated State Water is high quality clean water.

Mayor Peters closed the public comment hearing.

Councilmember DeMeritt stated she is supportive of this agreement, but it is also important to encourage conservation. She said she would like a rate schedule that would benefit those with lower water consumption.

Councilmember Grantham stated he supports this agreement because it is an insurance policy for the City.

Councilmember Peirce stated the City obtained State Water during dry years when the water table dropped, and the City was on water rationing. He said there is difficulty with State Water due to outside sources that have contaminated our wells.

Councilmember Winholtz stated she would like to put a ceiling of 200 acre-feet in this agreement. She said the City should implement a conservation program simultaneously with purchasing extra State Water. Councilmember Winholtz stated the City has the most expensive water in the County, and she would rather not pay the County more for extra water. She expressed the importance of water conservation, and said the City should review its water conservation guidelines.

Mayor Peters stated she supports this agreement, and also encourages conservation. She said she would prefer not raising water rates.

**MOTION:** Councilmember Winholtz moved the City Council authorize the Capital Projects Manager enter into the 2008 Central Coast Water Reliability Agreement with the County of San Luis Obispo with a maximum of 200-acre feet purchase, and direct staff to notify the City Council when it is approaching the 200 acre-feet limit. The motion was seconded by Councilmember DeMeritt.

Councilmember Peirce stated he would not support this motion because staff is conscientious about the purchase of State Water.

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Mayor Peters suggested placing a notice in the water bills regarding the importance of water conservation.

VOTE: The motion carried with Councilmember Peirce voting no. (4-1)

C. UNFINISHED BUSINESS

C-1 CONSIDERATION OF APPROVAL OF NEW COMPENSATION RATES FOR THE MORRO BAY DIAL-A-RIDE AND TROLLEY OPERATIONS AND MANAGEMENT AGREEMENT AND ADOPTION OF REVISED PERFORMANCE STANDARD; (ADMINISTRATION)

Management Analyst Janeen Burlingame stated at the August 13, 2007 City Council meeting, the Council extended the Morro Bay Dial-A-Ride and trolley operations and management agreement with MV Transportation through June 2009. The Council also directed the City Manager to open negotiations with MV Transportation, which would include discussion of the employee wage scale, and return to Council for final compensation approval. Ms. Burlingame recommended the City Council approve the monthly management and vehicle service hour fees for the first compensation option. In addition, it is recommended that the new fees be enacted retroactively to September 1, 2007 when the extension of the agreement took effect.

MOTION: Councilmember Winholtz moved the City Council approve: 1) the Morro Bay Dial-A-Ride monthly management and vehicle service hour fees to be paid to MV Transportation at \$9,929 per month and \$20.89 per vehicle service hour; 2) approve Morro Bay Trolley monthly management and vehicle service hour fees to be paid to MV Transportation at \$2,190 per month and \$20.89 per vehicle service hour; and 3) adopt revised performance standards as outlined in the staff report. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

Mayor Peters called for a break at 8:37 p.m.; the meeting resumed at 8:45 p.m.

D. NEW BUSINESS

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

This item was pulled from the agenda.

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D-2 CONSIDERATION OF POLICY ON PURCHASING PLASTIC BOTTLES;  
(CITY COUNCIL)

Councilmember DeMeritt stated as Morro Bay's representative to the Integrated Waste Management Authority, she has learned of the many negatives in handling plastic products, notably plastic bottles and styrofoam. Both are manufactured products that are either un-recyclable or infrequently recycled. Even when recycled, plastic materials are difficult to re-use because of the re-manufacturing they must undergo. Councilmember DeMeritt recommended the City Council direct staff to stop spending City funds for plastic water bottles and styrofoam containers; and, stop the selling of or distribution of plastic water bottles and styrofoam containers at events on public property.

MOTION: Councilmember DeMeritt moved the City Council: 1) direct staff to discontinue purchase of plastic bottles and styrofoam containers with the exception of safety and health; 2) discontinue the sale or distribution of plastic bottles and styrofoam containers at City-sponsored events or facilities with the exception of safety and health; 3) add language to the facility permit application discouraging the use of plastic bottles and styrofoam containers; and 4) direct the City Attorney to draft a resolution based on this information and return to Council for approval. The motion was seconded by Councilmember Winholtz and carried with Councilmember Grantham voting no. (4-1)

D-3 DISCUSSION ON SENDING A LETTER TO LEGISLATORS ON  
GOVERNOR'S PROPOSAL REGARDING CLOSURE OF STATE PARKS;  
(CITY COUNCIL)

Councilmember Winholtz stated two weeks ago the Governor proposed closing 48 units under the control of the State Department of Parks and Recreation. The proposed closures included 7 of the 11 units in San Luis Obispo County. Since City tourism would be impacted by such drastic cuts, Councilmember Winholtz proposed sending letters to the Governor and local legislators addressing alternatives and concerns with the closure of our local state parks.

MOTION: Councilmember Peirce moved the City Council send the proposed letters with amendments to the Governor and local legislators addressing alternatives and concerns with the closure of our local state parks. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

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ADJOURNMENT

The meeting adjourned at 10:32 p.m.

Recorded by:

Bridgett Bauer  
City Clerk